

## 3.1 Information Barriers



### 2 MIN READ

Limited access to information is a major barrier for all entrepreneurs, which may discourage many of them from applying for business financing.

#### What are information barriers?

- Difficulty identifying programs or finding financing.
- Complex or burdensome financing applications and procedures.
- Lack of familiarity with available services, programs and financing sources.
- Uncertainty about eligibility requirements and financing criteria.
- Scattered information.



***For some groups, particularly entrepreneurs in rural and remote areas or Indigenous entrepreneurs, access-to-information challenges may be even greater, often because they have limited access to support services, organizations, lending institutions and a reliable Internet connection.***

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### Potential impact(s) of information barriers

- Frustration
- General lack of knowledge
- Discouragement

If the time, effort and cost required to obtain information on financing and available services is not worth it, aspiring entrepreneurs will be reluctant to apply for financing or even consider starting a business.

### Things to consider

- If entrepreneurs can't easily access information and the financing process is too complicated or restrictive, they will quickly seek out and find financing from other lending institutions or sources.
- Lending institutions primarily assist businesses and provide financing. Lenders are not responsible for informing clients about all available resources — entrepreneurs should stay informed and be well prepared when applying for financing. However, the little extras that lenders may decide to do for a client may give the lender an edge over the competition.
- Research shows that women entrepreneurs tend to adopt a more holistic and longer-term business approach. In other words, they prefer to make informed and calculated decisions.<sup>1</sup> Having better access to information is, consequently, a key factor for women.
- Women entrepreneurs also believe that the comfort level of the business interactions they have with the lending institutions is very important. If they feel there are too many barriers, either because the information is unattainable or difficult to understand, there is a risk that they will see their relationships with lenders/lending institutions in a less positive light.



### Key resources for women entrepreneurs

In recent years, a number of initiatives were launched in Canada to improve women entrepreneurs' access to information. To better support clients, check out these useful resources:

#### Women Entrepreneurship Knowledge Hub (WEKH)

Leading Lenders is in partnership with the **Women Entrepreneurship Knowledge Hub (WEKH)**, a network of 10 regional hubs and over 250 organizations established as part of the Government of Canada's **Women Entrepreneurship Strategy**.

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The **WEKH** is a digital hub designed to facilitate access to information for Canada's women entrepreneurs. It includes:

- Recent and innovative research on Canadian women entrepreneurship
- Links to **resources to help women entrepreneurs across Canada**
- News on the country's women entrepreneur's journeys
- A sharing platform for women entrepreneurs
- Numerous events designed to guide and assist women entrepreneurs
- And much more!



Women  
Entrepreneurship  
Knowledge Hub

Funded by the  
Government  
of Canada

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### Women Entrepreneurship Strategy (WES)

Launched in 2018, the **Women Entrepreneurship Strategy (WES)** aims to double the number of women-owned businesses by 2025. Women can visit the **WES** website for more information on:

- Available funding for women-owned businesses
- Links to alternative support programs for women entrepreneurs
- Links to useful external resources for women entrepreneurs
- Latest news on Canada's women entrepreneurs

### References

- 1 BMO for Women (February 2020). How to Overcome Gender Stereotypes about Women Business Owners, <https://bmoforwomen.com/business-ownership/managing/how-to-overcome-gender-stereotypes-about-women-business-owners/> (page consulted October 5th 2020); BMO Wealth Management Report (September 2016). Are there gender differences among entrepreneurs, p. 8.

### Disclaimer

All documents prepared for the LEADING LENDERS project were developed in line with the most appropriate and recent terminology. However, we recognize that terminology is subject to change over time. To the best of our ability, we have attempted to use terminology that respects the dignity and rights of all individuals.