

8.1 Being a Leading Lender



4 MIN READ

Thanks to the strong ties lenders can develop with their clients, they can play a key role in the growth of women entrepreneurship from coast to coast. However, supporting women entrepreneurs as a lender is one thing; doing so as a leading lender is something else. So, what does it really mean to be a leading lender?

Some members from the Leading Lenders' National Advisory Committee (NAC) shared their thoughts about being a leading lender:

“A leading lender is someone who recognizes the unique challenges that women entrepreneurs face and makes a commitment to take steps to improve access to capital for women entrepreneurs.”

***- Laura Didyk, Vice President,
Client Diversity, BDC (Business Development Bank of Canada)***



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“A leading lender is a leader in the industry. Someone who wants to partner with entrepreneurs in achieving their goals.”

- Anne Guimond-Nadeau, Associate Vice President, Commercial Banking, National Bank of Canada

“ [A leading lender is] a lender who does more than loans, someone who offers support throughout the process, from the idea to the realisation.” (translated)

- Annie Nadeau, Regional Vice President, Commercial Banking, UNI Financial Cooperation



There is no doubt that many lenders already exceed expectations and make a real difference in women's entrepreneurial journeys. These lenders have certain qualities that allow them to stand out within the lending industry. Dedication, as Laura Didyk noted, is one of those attributes because “a dedicated professional can help women entrepreneurs thrive.” When asked to share one essential quality needed to be a leading lender, many of the NAC members said the same thing: It is important to be a good listener to understand women entrepreneurs' needs and motivations to better support them in their entrepreneurial journeys.

The importance of recognizing barriers to women entrepreneurship

Fewer than 16% of Canadian businesses are majority women-owned, as opposed to over 63% for men in the same category.¹ In other words, significant barriers still hinder the growth of women entrepreneurship in Canada.¹ Lenders can help to break down barriers for many women seeking business financing. The experts (NAC) we consulted mentioned a number of major obstacles for Canadian women entrepreneurs:

- Lack of access to financing tailored to women entrepreneurs' unique needs
- Lower level of financial literacy, including financial confidence
- Lack of access to an entrepreneurial network
- Lack of financial equity
- Work/life balance (managing a home and managing a business)
- Biases

How can a leading lender better support women entrepreneurs?

Looking for expert advice from both the lending and business industry? Here are some of their suggestions for lenders seeking to support women entrepreneurs more effectively:



Be aware of existing biases

Unfortunately, biases concerning women entrepreneurs are common. Therefore, it is critical for lenders to be able to recognize and address these biases to better support women entrepreneurs. Fortunately, many lending institutions offer their employees training in this regard—but there is still work to be done. For more on this topic, [see tool 2.3 How to Overcome Biases and Stereotypes](#) and our blog article [3 Steps to Recognizing Biases](#).



Emphasize the importance of networking

Having access to a well-rounded entrepreneurial network is an important component of business success. Lenders can encourage their clients to build a network specific to their business model. [Check out tool 7.4 for more on this topic.](#)



Key Ally

Lenders have a big influence on the women entrepreneurs they meet. By building a positive relationship with their clients and helping them throughout the process, lenders can become key allies in many women's entrepreneurial journeys. For more, [see tool 4.3 Entrepreneurial Relationships with Women.](#)

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Getting to know your clients

Through conversations that go beyond ratios and financial analysis, lenders can gain insight into women entrepreneurship. Discussions between lender and client can uncover women's entrepreneurial motivations, resilience and needs.



Recognize the specific characteristics of women entrepreneurship

Lenders should be aware that there are some general differences between women and men entrepreneurs. Therefore, they should be able to recognize the specific characteristics of women entrepreneurship. In that respect, it's not always the case that women entrepreneurs should be treated the same as men entrepreneurs. In fact, their realities are often quite different. **Check out tool # 5 to learn more about the distinct features of women entrepreneurship**

Sharing your stories

This tool includes comments by thought leaders from the lending industry and the entrepreneurial sector. Stay tuned for updates—we are constantly seeking new testimonials from leading lenders.

When visiting our blog, be sure to check out the “**Spotlight on Leading Lenders**” article and contribute to this collaborative effort to break down barriers for women entrepreneurs. The Canadian entrepreneurial ecosystem needs more leading lenders like you!

Our toolkit includes data taken from the 2017 Survey on financing and growth of small and medium enterprises. The 2022 Survey is available at the following link: <https://www150.statcan.gc.ca/n1/daily-quotidien/220302/dq220302b-cansim-eng.htm>

However, please note that the data included in this most recent survey is greatly influenced by the recent worldwide pandemic, making it difficult to compare it to the stats included in our toolkit which are based on a pre-pandemic period survey.

References

¹ ISED (2018). Survey on financing and growth of small and medium enterprises (SFGSME), Table 40, 2017, Innovation, Science, and Economic Development Canada, Government of Canada, [https://www.ic.gc.ca/eic/site/061.nsf/vwapj/SFGSME-EFCPME_2017_eng_public.pdf/\\$file/SFGSME-EFCPME_2017_eng_public.pdf](https://www.ic.gc.ca/eic/site/061.nsf/vwapj/SFGSME-EFCPME_2017_eng_public.pdf/$file/SFGSME-EFCPME_2017_eng_public.pdf) (page consulted October 23rd 2020).

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.

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