

Five Keys to Advising Female Entrepreneurs

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by Kimberly Foss

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My practice gives me the amazing opportunity to work closely with successful female investors. I get paid to absorb business and financial wisdom from some of the savviest and most inspiring leaders: women who know what it means to swim against the currents of the marketplace. Take a close look at your client list and you'll find many of these same remarkable women, who have stared down continuing inequities in pay, leadership opportunities and access to capital – and overcome the challenges to emerge stronger, smarter and more focused.



But even with all the advances in recent years, both legislatively and socially, competing on the business playing field is still statistically harder for women. The most recent survey by consulting firm Korn Ferry indicates that while there have been small gains in the number of women occupying the corporate C-suite, only 25% of those positions are held by women. Men still dominate the ranks of CEOs. The skewed numbers start early, too, since women are 18% less likely than men to receive that first promotion to management.

Maybe this is why more women are turning away from the corporate world and starting their own businesses. Running their own enterprises allows them to make the decisions they're capable of and qualified to make, with no limits placed on them by stereotyped role expectations or constraints on upward mobility.

As their financial advisor, you have a responsibility to these pioneering women. Your planning and advising needs to encompass not only fiduciary care for their portfolios, but an understanding of the unique challenges they face as they forge their own careers.

Here are five financial and business realities that have figured in a majority of the counsel I've offered my female entrepreneur clients as they launch and refine their businesses.

1. They are in business to make money

Women are often socialized to prioritize passion over pay. But your entrepreneur clients must understand that getting paid well is what empowers them to enact their passion. Don't let them fall for the implicit social message that an ambition to earn a lot of money makes them "less than." Never let them forget that they started their business with the intention of being successful; they shouldn't settle for less.

2. They need allies

Almost half of women entrepreneurs (48%) report a lack of female mentors or other advisors. Also, a 2015 Babson College survey reported that fewer than 3% of venture capital-funded businesses had female CEOs. But groups like Austin Women in VC, Hera Hub, and Stella Labs are getting into the act, helping women band together to fund female-led startups and other opportunities. As an advisor to female entrepreneurs, you need to know about these groups and direct your clients to them as needed.

3. They shouldn't discount what they're worth

Your clients started their businesses to meet a unique marketplace need or to solve a problem in a novel way. That's worth something, and you shouldn't allow anyone or any set of circumstances to persuade them otherwise. No one knows their financial strengths and weaknesses, their capabilities and goals better than you. Help them know their value in the marketplace and insist that others recognize it, too.

4. They don't need permission to speak to the people at the top

By launching her own business, your client is just as much a CEO as the person at the top of a Fortune 500 company. Just as they shouldn't allow anyone or anything to devalue the worth of their enterprise, they shouldn't flinch from their right to speak to the decision-maker who needs to buy what they're offering. As their financial advisor, be their business coach, urging them to live into the potential that you know is within

them.

5. They decide who gets to do business with them

As an advisor, you already know that some accounts are just not worth the emotional wear and tear; some trading partners are more trouble than they're worth. Your female entrepreneur clients get to choose who is worth their time and effort and who is not; that's why they're the boss. Help them remember the old business maxim: Most companies derive 80% of their profits from 20% of their customers. Teach them to find that 20% and spend most of their time on them.

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Finally, in the pandemic environment, your advice and your assessment of the economic and business environment is more important than ever to your female entrepreneur clients. Can you help them navigate the application process for special federally-funded loan programs? Is their asset allocation right for the current environment, in consideration of potential cashflow needs? Are they making the right decisions to permit them to survive and thrive when the shelter-in-place orders are lifted? On the other hand, does the current crisis present unique opportunities for their particular enterprise? You're more than their portfolio manager; you're their financial sounding board, research consultant, coach, counselor, and advocate. Make yourself indispensable to them and you'll have their loyalty forever.

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