When Dreamers become Leaders

Understanding a spectrum of needs among women entrepreneurs in Guatemala

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Freedom from Hunger and Friendship Bridge have worked together since 2005 due to their shared vision of serving women living in poverty with integrated financial and nonfinancial services. This research brief summarizes key findings from a recent qualitative study that was designed by both organizations to understand the client and her business challenges and opportunities, using a methodology originally conceived by Freedom from Hunger in 2008 known as "impact stories."

The data collected from the impact stories were meant to support the client segmentation process that is currently underway in Friendship Bridge. The goal of the segmentation study and process is to facilitate Friendship Bridge's ability to identify common client needs and to design products and services that meet those needs as they occur on a spectrum—from a "Dreamer" client with a new business and a few goals, to an "Entrepreneur" who has maturing business needs and a sharper vision, to a "Leader" who is in a position to transform her micro-business to a small or medium sized enterprise.

Friendship Bridge staff members were asked to identify 30 women entrepreneurs across five of their six branches and initially classify them as a Dreamer, Entrepreneur, or Leader. Staff members used basic client data and their perception of the entrepreneurs' success to establish the classification of each client into one of the three categories. These 30 women were then interviewed with the impact story. The qualitative interview data were used to classify clients as either low-, medium-, or high-investment ready, which parallel the Dreamer, Entrepreneur, and Leader categories. Key barriers and opportunities were identified that helped describe why clients fell into one of the three "investment-ready" categories.

What this research process unveiled is that **a woman's context seems to stand-out as a very important factor—not to be overlooked—that will determine the opportunity she has to grow her business: either from choice or lack of choice**. It is not uncommon for women from both low- and high-income countries to choose to forgo professional or personal aspirations while their children are young. While one might assume a woman living in poverty would have different aspirations due to her income level, it appears to be as important a tradeoff consideration for her as a woman living in a high-income country.

Context also seems to be influencing the second important finding from this study, which is about motivation and overall vision for the future. A client's motivation and vision for the future of her business appears to be what really drives her potential for growth. When she has a supporting context, her vision seems to sharpen. With her sharper vision, she starts to identify her needs as well as opportunities to grow her business.

In conclusion, this study has the opportunity to help Friendship Bridget further fine-tune a client segmentation process. Four indicators appear to emerge as the most cost-effective indicators for identifying where women entrepreneurs might fall on a spectrum: a) the age of the client, b) age and number of young children, c) how she balances work and family responsibilities, and d) her vision for the next five years. These indicators appear to offer the most clarity in categorizing and serving clients along an "investment-ready" spectrum.

BACKGROUND

Freedom from Hunger and Friendship Bridge have worked in partnership since 2005 due to their shared vision of serving women living in poverty with integrated financial and non-financial services. This research brief summarizes key findings from a qualitative study that was designed by both organizations to understand the client and her business challenges and opportunities using a methodology originally conceived by Freedom from Hunger in 2008 known as "impact stories." Impact stories are in-depth qualitative interviews, which have a primary purpose to track a small set of clients over time to understand how clients' lives change over time. Freedom from Hunger and Friendship Bridge decided to adapt this methodology to coincide with a quantitative client "segmentation" study already underway at Friendship Bridge. The goal of the segmentation study and process is to facilitate Friendship Bridge's ability to identify common client needs and to design products and services that meet those needs as they occur on a spectrum—from a "Dreamer" client with a new business and a few goals, to an "Entrepreneur" who has maturing business needs and a sharper vision, to a "Leader" who is in a position to transform her micro-business to a small or medium sized enterprise.

The impact stories were meant to complement this segmentation study in a way to either help confirm the metrics already being used to help place clients along the spectrum or to reveal any important indicators that would be necessary for strategic placement of clients. This report provides results and focuses on the areas of most interest to Friendship Bridge to assist in fine-tuning the client segmentation process.

METHODS

Questionnaire Development

Freedom from Hunger theorizes that integrated financial and nonfinancial services provided to poor and very poor microfinance members can improve household food insecurity.[1] Other research also suggests that there are important links between microfinance participation and improved food security and nutritional outcomes.[2] In 2008, Freedom from Hunger instituted an impact-monitoring system to help it and its partners assess progress toward achieving household food security. There are five primary tools in this system: a food-security survey, a poverty-index survey, a qualitative in-depth interview called an "impact story," and two focus-group discussions using seasonality calendars and wealth-ranking methodologies. This report will only focus on the impact stories as Friendship Bridge already collects poverty data using the Grameen Foundation's Progress Out of Poverty Index ® (PPI®).

An "impact story" is a qualitative interview approach generally consisting of six domains of questions: clients' descriptions of "the good life" or well-being; health and food security; differences in opportunities between the client's generation and her or his mother's generation; food and nutrition; social capital; the client's business, and experiences with integrated services with a particular focus on credit, savings and non-formal education. The goal of the impact stories is to interview people who have just recently joined a microfinance program (or in some cases, a cross-section of clients are chosen based on a specific research or evaluation agenda) and then find these same people about three years later (whether or not they are still participating in the program) to learn about their lives in the intervening period. This method provides a "longitudinal" (before and after) story of impact.

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[1] Dunford C. (2001). "Building better lives: Sustainable integration of microfinance with education in child survival, reproductive health, and HIV/AIDS prevention for the poorest entrepreneurs." *Journal of Microfinance*. Vol. 3 (2): 1–25. <https://ojs.lib.byu.edu/spc/index.php/E_x_S_y_R/article/view/1356> (July 11, 2016).
[2] Hamad R and Fernald L. (2010). "Microcredit participation and nutrition outcomes among women in Peru." *Journal of Epidemial Community Health*. <http://www.ncbi.nlm.nih.gov/pubmed/21051776> (July 11, 2016).

In 2013, Freedom from Hunger made a significant adaptation to this methodology for a study in Mexico which had a primary focus on entrepreneurship.[3] More specifically, Freedom from Hunger wanted to understand how to help microentrepreneurs be investment-ready for growth—to go from being a micro-business owner to a small-business owner.

A literature review was first conducted to identify characteristics of successful microentrepreneurs as well as barriers and facilitators for women entrepreneurs. The most-mentioned characteristics across the resources suggested the following "business" attributes were the most influential in whether a woman was successful at being an entrepreneur:

- Access to business training
- Positive attitude toward risk/willingness to fail
- Strong understanding of their business/understood the trade prior to starting their business
- Strong management skills (such as keeping business and personal records separate)
- Capacity to acquire new skills and apply them
- Access to credit/financial services/financing

In addition, some personal traits or characteristics were also common across the literature:

- Age
- Gender
- Education level
- Ability to balance family and work
- Passion and vision
- Property ownership rights/access to infrastructure

Using this list of attributes, the impact story for Friendship Bridge was adapted to include questions incorporating these business characteristics. Friendship Bridge staff participated in final revisions of the interview guide to ensure it captured questions of interest to the staff as well as questions related to the client segmentation study already underway. The interview was designed to take no more than 1.5 hours, but they often took up to 2.5 hours to complete due to active client participation.

Sampling

Normally, Freedom from Hunger would recommend that clients be randomly selected to participate in an impact story to ensure clients from all experiences were included in the study and to be more representative of real experiences. The primary goal is to avoid picking the "cream of the crop," which is a method often criticized for over-promoting client impact within the microfinance industry and is often fraught with bias. The sampling frame at Friendship Bridge, however, consisted of purposeful sampling so as to coincide and test their segmentation process, which is also designed to choose among the experiences of all clients.

Friendship Bridge Facilitators[4] (one from each branch) were asked to identify six women entrepreneurs (30 total) in their portfolios in their respective five branches. This meant six women would be selected from each branch to participate. Among these six women for each branch, field staff would identify women to fall into three categories already in use by Friendship Bridge to segment their clients: Dreamers, Entrepreneurs, and Leaders.[5] Therefore, the six interviews would be conducted among two identified Dreamers, two identified,

[3] Gray B, Sainio M, Olazabal M. (2014). What drives performance of successful women microentrepreneurs in Mexico? A qualitative portrait of positive deviants and typical microentrepreneurs. https://www.freedomfromhunger.org/what-drives-performance-successful-women-microentrepreneurs-mexico-qualitative-portrait-positive (July 11, 2016).
[4] Facilitators are what Friendship Bridge calls its loan officers, because they also facilitate non-formal education sessions with clients.
[5] Dreamers are those defined as women who have businesses out of financial necessity, they may be new to their business or to Friendship Bridge. Entrepreneurs are women who have the ability to employ other women, their businesses are a bit more mature and they have a vision for growing their business. Leaders are women who have the ability to innovate and employ others, but are also noted for their leadership qualities.

Entrepreneurs and two Leaders at each branch. Table 1 outlines the original request for the distribution of the interviews:

Table 1: Sampling Request for Interviews

	Dreamers	Entrepreneurs	Leaders	Total
Branch 1	2	2	2	6
Branch 2	2	2	2	6
Branch 3	2	2	2	6
Branch 4	2	2	2	6
Branch 5	2	2	2	6
Total	**10**	**10**	**10**	**30**

Data Management

A Freedom from Hunger technical advisor spent one week with the Friendship Bridge Client Advocates[6] to help train them on the impact stories interview guide as well as the data analysis data entry file. During this week's time, the Client Advocates all pilot-tested the instrument and received coaching from the Freedom from Hunger advisor. The Client Advocates then completed the remaining interviews and transcribed their notes into an MSExcel database with the answers to each specific question. Freedom from Hunger staff, with help in interpretation from Friendship Bridge, have worked to both transcribe the notes into client stories and to analyze the data.

Analysis

Inductive analysis[7] was used to summarize the finding from the 30 stories. Out of the 69 questions posed in the survey, thirteen questions, when combined for each client, seemed to provide a picture that could allow Friendship Bridge to classify their clients into three segments. For the purpose of this report, they will be categorized as low investment-ready, medium investment-ready, and high investment-ready, which also seem to fit with the existing categories of Dreamers, Entrepreneurs, and Leaders.

These thirteen questions fall into four key areas: knowledge, motivation, context, and performance. The idea of using these four areas is to help an organization identify which of the areas deserves the most focus and also helps identify areas that can provide early or easy wins to energize longer-term change. For example, a client whose context is supportive of her business but who lacks knowledge to grow her business is an easier "case" than a client who has high knowledge, but has a personal context that prevents her from acting on her knowledge. The client with the supportive context and lack of knowledge could receive an easy intervention of training or mentoring, whereas the client with high knowledge but a challenging context may require a longer-term intervention that focuses on child-care and/or household gender dynamics.

The results will be summarized using the following framework:

Table 2: Analysis Framework

Area	Indicator	Question
Knowledge	Mentorship Needs	1. If you had access to a mentor – someone who could help you identify ways to improve your business – how do you believe this person could help you become a successful entrepreneur?
	Technology/ Resource Needs	2. If you had access to any type of technology or resource/tool that could help you improve your

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[6] Client Advocates are in-house enumerators and Social Performance Management promoters in Friendship Bridge.
[7] Thomas D. *A General Inductive Approach for Qualitative Data Analysis*. 2003. School of Population and Health. University of Auckland, New Zealand. Available at: http://www.frankumstein.com/PDF/Psychology/Inductive%20Content%20Analysis.pdf

		business, what would it be?
	Skills Needs	3. What are the characteristics/skills that you believe you need in order to become a more successful entrepreneur?
Motivation	Initial expectations for starting a business	4. When you became a business woman, what were your original expectations? Have you met those expectations? Why or why not?
	5-year plan	5. How do you imagine your business in five years?
	The woman she wants to become	6. How would you describe the woman you want to be?
Context	Ages of children	7. How many children do you have and what are their ages?
	Work-life balance	8. How do you manage your work life and family life? Do you feel you are able to manage both and how do you do it?
	Age of client	9. How old are you?
Performance	Current businesses	10. How many businesses do you have and what are they?
	Confidence for success	11. How confident do you feel that you will be successful at your business(es)?
	Reasons for current success	12. Why do you believe that your business has been a success? What are the factors that have led to this success?
	Amount of time she's had the business	13. How long have you had your business?

RESULTS

The results section will be structured by highlighting the answers to the questions articulated above using the following three categories: low investment-ready, medium investment-ready, and high investment-ready.

Low Investment-Ready Clients

The clients in this group were marked either as low or low-to-medium investment-ready. In some cases, it was not entirely clear how to categorize them as either only low or only medium; therefore, both categories are covered in the low investment-ready client category. There were 11 clients who fell into this category.

<u>Knowledge</u>
Clients categorized as low investment ready have a range of "knowledge." Some clients saw no need for a mentor either because they felt they were an expert, or they simply could not imagine who could help them and with what. For those that had an idea for a mentor, they wanted to know how to retain clients, how to be a better salesperson, and some desired specific training on how to improve their trade, such as a help on coming up with new designs for their clothing. When asked about technology or resource needs, a few women indicated they needed nothing, and others had needs such as a photocopier, a gas grill for their tortillas, a computer, a washing machine, or a new sewing machine to facilitate making new designs. When asked about what skills they lack, several felt they had the necessary characteristics to be successful: they have good character and they treat people well. For those that mentioned areas of improvement, some seem to need more confidence to take risks or they need better business administration skills, such as recordkeeping.

<u>Motivation</u>
Only one client said she always wanted to have employees. Most others saw starting a business as a means to several different ends: some wanted to gain some independence financially, to move forward, to have more income and to meet new people. A few had specific needs such as wanting to have their own house or to purchase a motorcycle. In five years, most simply want to grow their business, some have specific hopes of having their own locations, which would facilitate their children coming to work with them. To be the women they most want to become, several said they wanted to grow, be seen as an entrepreneur with a bigger business, be better, and be seen as a fighter.

<u>Context</u>
Clients in the low investment-ready group tend to have younger children compared to the total sample of women interviewed. There are some clients in this category who have older children as well. The average client age is 37, but the range is from 24 to 43. Clients mentioned that they found a work-life balance by either conducting their business from their home so that it facilitates their ability to care for their children at the same time, or they recognize that when their children start school or get older, they will have more time to put toward growing their business. One client shared that she almost lost her marriage to trying to be successful at both her business and at home and has found that she has to set her work hours to those of her husband's work hours as a compromise.

<u>Performance</u>
Clients in this category have been owners of their own business for a minimum of three years, an average of six, and one client has been in business for 20 years. They have anywhere between 2-5 different income generating activities. They may have a main business activity, but they supplement this income with catalogue product sales or through raising livestock or doing laundry. Many remark that their success until now can be attributed to their personality. They see themselves as well-known, friendly, patient, and moral. Some also attribute their success to getting up early in the morning, managing their money well, and due to the gifts that God has bestowed on them. Most feel somewhat to very confident that they will be successful at their businesses.

Box 1: Low Investment-Ready Client Case Studies

> Floridalma is 53 and has five older children, most in their thirties. When her children were young, she had to leave the youngest children at home with the older children. She shares, *"my husband drank a lot. Until my children started school, I had little work. Little by little my business grew. I'd worked more in the afternoons when my older children could watch the younger ones after school. I could leave more without difficulty. We suffered a lot during this time."* She has been in business for 20 years, selling catalogue products and traditional clothing. She doesn't seem to want a mentor as she thinks she's an expert and sees no new business needs. She's proud of what she's accomplished. While not desiring to grow her business any more, she could serve as a great mentor for others.
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> Maria is 24 and has two young sons (ages three and five) and has another child on the way. She has big dreams (she'd like to see herself with eight employees and growing her business), but not sure of her capacity to build a business with her three young children. She's had her business for about three years; she makes clothing, but also raises animals. When asked about a tool or use of technology that could help her grow her business, she mentions she'd like a washing machine to help her save time and be more productive in other areas of her life.

In summary, eleven clients were classified as low or low-to-medium investment ready. The Facilitators' initial classifications for this group, prior to this qualitative assessment, included one Leader, six Entrepreneurs, and four Dreamers. Floridalma, whose story is highlighted above, is the one Leader who was classified as low investment-ready due to her lack of interest in wanting to grow her business any further.

Medium Investment-Ready Clients
The clients in this group were marked either as medium or medium-to-high investment-ready. In some cases, it was not entirely clear how to categorize them as either medium or high; therefore, both are covered in the medium category. There were eleven clients who fell into this category.

Knowledge
When asked about what skills they lack, several felt they had the necessary characteristics to be successful. For those that mentioned areas of improvement, one client wanted lessons in Spanish in order to facilitate her communication with others, one wanted more academic studies, and several seemed to want and need more support at home (such as someone to simply clean their house). One felt she needed more capital in order to hire more employees and grow her business. There were some specific needs identified in terms of a mentor. A few mentioned needing a refrigerator to facilitate their ability to store additional food items, needing additional training in cooking techniques to help them offer more items to their clients, two identified additional credit for investment as a need. The clients in this category were slightly more likely to know what they needed to grow their business. While the answers to the mentor question are very similar to the question about technology, when asked about technology, more tools were identified. More clients in this category identified either a refrigerator, gas grill or sewing/embroidery machine as a needed investment, and one client needed a calculator. Several clients who have been sewing for years are looking for technology to lighten their load.

Motivation
Many in this category also saw becoming an entrepreneur as a means to an end: most simply wanted to feed their children, own a home, and see their children become successful. Their plans for the next five years, however, are much clearer compared to the low investment-ready group. They see themselves establishing a permanent location and several mentioned expanding their business into a few more workshops or locations. Several see themselves expanding their current product line, from wanting to offer men's clothing in addition to women's, to improving the quality of their embroidery. A few mentioned either involving their children more in the business or preparing for them to take over at some point in the future. For the women they want to become, a few want to be seen as leaders and supporting other women in their communities; they want to be seen as successful as well as having more time to spend with their family and enjoy their time with them.

Context
The average age of clients in the medium investment-ready category is 41 years of age, with a range of 30 to 54 years of age. There is only one woman with very young children and the rest either have teenagers or grown adult children. When there are younger children, there seems to be an additional person in the house to assist with caregiving (a niece, a sister, etc.); however, context remains challenging when it comes to work-life balance with one's husband. As Lucrecia shared, *"I wash my laundry late at night to avoid wasting time during the day. My day starts at 6 and ends sometimes in the early morning. I had problems in my marriage and even thought about leaving my husband. On one occasion, my brother commented that maybe the problems had to do with the fact that a woman (me) is running the business and this needed to be in the hands of a man (my husband)."* Lucrecia shared that it was to her husband's surprise that *"the store emptied,"* meaning she was selling her goods and being successful. However, it is also the husband's participation that is making it more feasible for some of the clients to be more active in their businesses. Francisca shared that she and her husband take turns taking the children to school, preparing breakfast, and caring for them during the day.

Performance
In the medium investment-ready category, the average time with their business is seventeen years, with a range between five to 36 years in business. Like the low investment-ready group, clients have a range of businesses; however, there are several in this category that only have one business, and fewer seem to rely on raising livestock as one of their income generating activities. There seems to be a primary income generating activity with some additional sources of income. They've been successful because of their character (friendly

and constant). They feel they know their market, they know their prices, and they provide products that are demanded. Many feel very confident they'll be successful, particularly with the help of their children, and because they rely on their faith.

Box 2: Medium Investment-Ready Client Case Studies

Marta is 32 years old. She has six children, all of which are under the age of ten. While her context is somewhat limiting, she's been an entrepreneur for fifteen years, selling traditional clothing. Her sister helps her in her home to help take care of her children while she travels around selling her clothing. Her main obstacle to growth is lacking a fixed location to sell her clothing.

Ana is 33, has one young son, and has had her business for about ten years. She was in the US working for part of these ten years, so there was a break in between when she started her business and now. At one point, she thought about purchasing a machine that could help with the embroidery, but she's discovered that there is more demand for hand-made embroidery. So she has decided to stay with her handmade clothing. She seems to have overcome her main need of ensuring there was enough food on the table. She wants to be a community leader. She has difficulty in identifying a mentor or technology, because she acknowledges that what is demanded in the market is quality and she may be better served maintain this with her own skills.

In summary, eleven clients were classified as medium or medium-to-high investment ready. The Facilitators' initial classifications for this group, prior to this qualitative assessment, included three Leaders, two Entrepreneurs, and six Dreamers.

High Investment-Ready Clients
The clients in this group were marked as high investment-ready. There were eight clients who fell into this category.

<u>Knowledge</u>
High investment-ready clients, when asked about skills they lacked to grow their business, two of the eight indicated they lacked capital for their business; two others indicated they are not lacking in any particular personality characteristics, but perhaps they would like to receive training in cooking so that they can expand what they are selling in their food businesses. A few also indicated they lacked nothing in terms of skills, and simply thanked God for the success they have had thus far. In terms of a mentor, one client would like access to an export association that could facilitate her selling her goods abroad, two want to learn new styles for their clothing, a few would appreciate business administration assistance as well as marketing, such as how to best place or present their products in the market. All had an idea for a technology investment. One needed electricity to light up her store at night since she is currently using lanterns when it starts to get dark in the evening. One client mentions needing a motorized machine to help her make sweaters. She currently employs 30 different people and this would help her cut her production costs down. Others had simple requests: two blenders to help in preparing food in the restaurant, a photocopier, a computer, and/or a new machine.

<u>Motivation</u>
Three of the eight clients mentioned always wanting to have a business, such as owning a factory or always wanting to grow their own business. Others mentioned that their business was a means to many ends: taking care of their children, helping their husband out by earning income for the family, and simply wanting to make sure they could feed their children and give them a good life. These women have big plans for the next five years. One wants to be exporting her products and one wants to be putting more women to work. They want to diversify what they are doing in their business, hire more people, earn more income, and improve their home or the business location. Who is the woman she wants to become? Two women represent the best of the answers. Clara shared, I want to be *"important,* [and have people] *amazed to see that I started from the bottom and have become a mirror for others."* Tomasa shared, "*My goal is to be where I am or better, not to go backwards. I never*

want us to go hungry." I want to be *"a pretty woman, in good spirits,* [with] *a good future; to keep working, for God to keep working, to be the same, to keep running my business, maybe have grandchildren while young."*

Context
Average age of clients in the high investment category is 41 years of age, with a minimum age of 30 and maximum of 54. There is not much different from the medium investment-ready group. There are equally as many clients with young children as the low investment-ready group; however, several of them also have much older children as well, in the age ranges of twelve years old and up. When asked about work-life balance, if the clients have young children, they very likely have a family member that stays with the children and helps out while the client is working in her business. One client has no children, so she admits she has more time to commit to her business than other women her age. Another client shares that her mother-in-law watches her children over the weekend while she makes the majority of her rounds selling her traditional clothing. Most of the clients speak of long days of getting up early and going to bed late in order to balance their responsibilities at home and at work.

Performance
For women in the high investment-ready group, the average time spent as an entrepreneur is eleven years, with a range of four to 25 years. This average age is actually lower than women who fell into the medium investment-ready category. When asked about why they have been successful, they shared that they are good to their employees and their clients. They are friendly and sociable. They have fair prices and they have the support of their families. They attribute their success to God's blessings. They save their money and re-invest it in the business. All are very confident they will be successful and attribute their level of confidence to having family support, a fighting spirit, and God's blessing for their success.

Box 3: High Investment-Ready Client Case Studies

Victoria is 54 and has been an artisan for 20 years. She has nine children, a few of them young. She has grown her artisan work into a family business where she employs her children and other workers. She'd like to have a photocopier as well as someone to help her find a way to export her goods. Victoria's daughter, Olga, works with her. She shares that having the photocopier would make their life more productive, since they manage working with 30 different people to support the business and need to make copies of invoices and payments to people.

Tomasa is 32, has four children, some of them young. She's had her business for twelve years, where she's been making clothing. It seems that she likely relies on her older children to watch the younger…her work-life balance appears to be more frustration that they are not helping around the house. She's tired often and would like a new sewing machine so that her husband can help her and that creates less wear on her body since the one she has she's had a for a long time and she aches by day's end. She admits she is always busy: "*Like I tell my kids, if I had ten or fifteen hands, I'd do thousands of things. I tell them it's a shame I only have two."*

In summary, eight clients were classified as high investment ready. The Facilitators' initial classifications for this group, prior to this qualitative assessment, included six Leaders, two Entrepreneurs, and zero Dreamers.

In conclusion, eleven clients were classified as low or low-to-medium investment ready. The Facilitators' initial classifications for this group, prior to this qualitative assessment, included one Leader, six Entrepreneurs, and four Dreamers, or 36 percent in agreement. Eleven clients were classified as medium or medium-to-high investment-ready. The Facilitators' initial classifications for this group, prior to this qualitative assessment, included three Leaders, two Entrepreneurs, and six Dreamers, or 18 percent agreement. Eight clients were classified as high investment-ready. The Facilitators' initial classifications for this group, prior to this qualitative assessment, included six Leaders, two Entrepreneurs, and zero Dreamers, or 75 percent agreement. In total, twelve of the 30 clients (40 percent) remained in the same classification.

When considering a comparison of the original classification by the Facilitators to the classification provided in this assessment, the main factor that seems to have influenced why Dreamers and Entrepreneurs were classified interchangeably is the length of time a woman has had her business. Several Dreamers were classified as Entrepreneurs because while they may be relatively new to Friendship Bridge, they have been in business for several years. When a woman who was originally classified as a Leader was classified as low-investment ready in this study, it acknowledged that she herself saw her age and her desire to retire as factors that keep her from wanting to grow her business.

DISCUSSION

While it is easier to distinguish between a low investment-ready client and a high investment-ready client, the middle category is somewhat more challenging, which is why some were classified as low to medium investment-ready and others were classified as medium-to-high investment-ready. **Clients in the low investment category tend to have more challenges with context and motivation.** Contextual factors tend to be related to the age of their children. These are often younger mothers who have chosen businesses that allow them to work and care for their children at the same time, or they can only work effectively during hours of the day when their children are at school or being cared for by someone else. The motivation factors can influence women at all ages. The client's context may be the cause of lower motivation, such that clients are choosing in the short-term to accept less success in order to care for their children while they are young. Other motivational factors have to do with the clients' age. The older they are and the longer they have had their business, they seem less interested in investing any more time into their business, and some women speak of being tired and hopeful that their children may be in a position to take over the business. Clients in this category are likely best positioned to participate in group education, group loans, and learning opportunities that help them slowly grow and/or maintain income generating activities until they are in a better position to grow.

Clients in the high investment ready category tend to have fewer contextual constraints and often attribute their success to having help from their family as well as other employees. **Clients in the high investment-ready category seem to be highly motivated and have a clear vision and plan for what they want to be achieving within the next five years; they are most challenged with putting this vision into action.** They mention lack of capital or investments in assets that could help take them to the next level, such as machines to replace the manual labor they or others they have hired do. While they admit they do not really lack in most skills, they acknowledge need for mentorships to help them achieve an aspect of their business they do not understand, such as exporting their goods and learning new skills so that they can diversify what they are currently doing.

The one item that distinguishes **the medium investment-ready group** from the low investment-ready group is that they seem to rely on fewer types of income generating activities, such that they **appear to be specializing more**. It is not clear whether this suggests women who have more time to focus on "work" are able to begin to concentrate on making one of the income generating activities more successful or whether it should be interpreted with more caution. A client's context in the medium group starts to become more supportive and it is apparent that the client is spending more time in the business. So it could be very likely that as a client has more time, she starts to invest more time in income generating activities that appear to be more lucrative. **The one item that seems to distinguish the medium group from the high group is the motivation—or the clearer vision they have for what they want to be achieve in the next 5 years.**

What seems to be most useful about this exercise is that the combination of a client's context and her motivation are the two most important factors that determine whether she desires or is in a position to actually grow a business. The knowledge factor often reflects what she sees as her gaps or weaknesses for growing her business.

While effort was made to initially narrow down a survey of 69 questions to a mini-survey with no more than ten to fifteen questions, this analysis suggests that the questions could be further filtered to reduce the data collection burden for the segmentation process. Currently, Friendship Bridge is collecting institutional-level data such as length of membership with Friendship Bridge, number of successful repayments of loans, and participation in education sessions as a first step for filtering clients into any of the three segments. It seems that by adding the quantitative indicators of a) age of client, b) number of children and their ages would be an additional, low-cost filter that could be collected from data provided in a loan application. Any remaining qualitative tools to assist in the filtering might simply ask the client two questions: 1.) How do you imagine your business in five years? and 2.) How do you manage your work life and family life? Do you feel you are able to manage both and how do you do it?

It would then become useful to ask clients the knowledge questions: what skills are they lacking, what mentors could help take them to a new level, and what technology or resources constraints could be addressed to help grow their business.
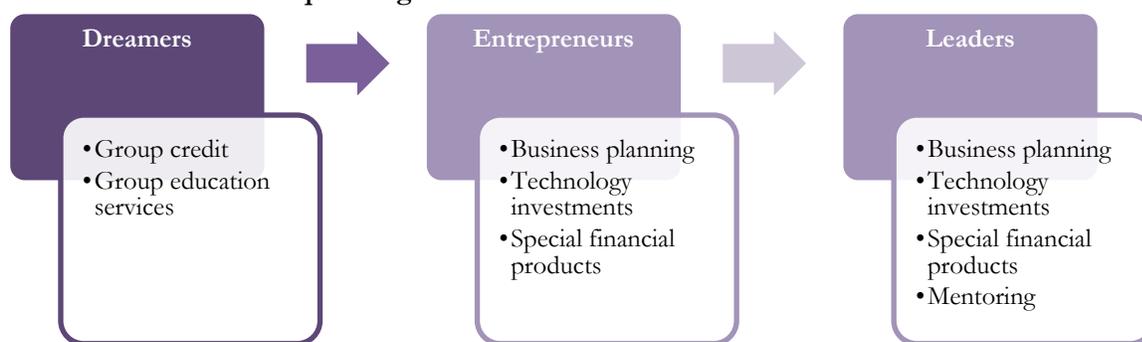
As such, the "filtration" process might look like the following:

Chart 1: Segmentation Filtration Process
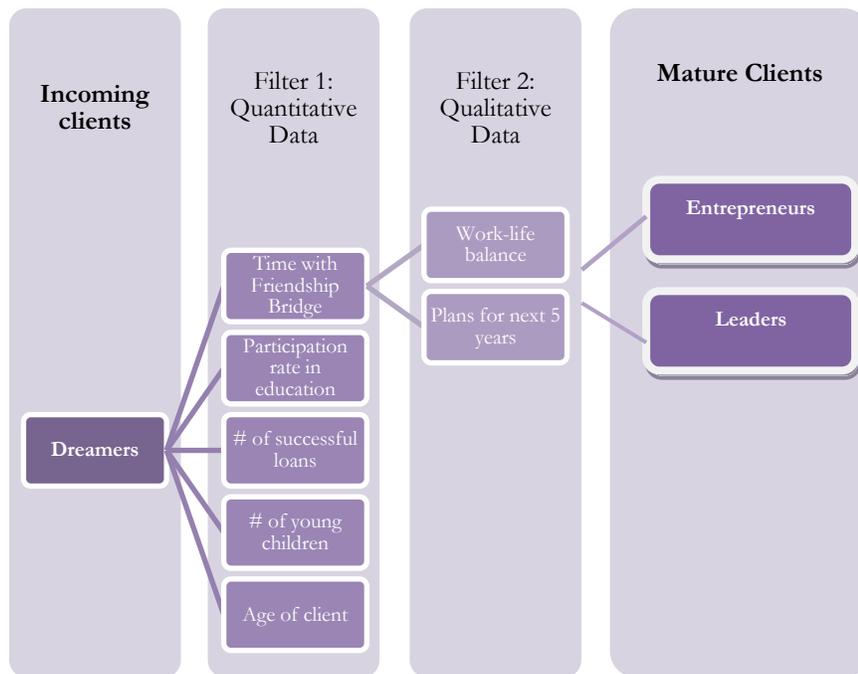
One could then imagine, that based on this analysis, interventions could be sequenced in a manner as articulated below, to "meet" the women where they are in terms of their ability to grow their business.

Chart 2: Intervention Sequencing

Dreamers		Entrepreneurs		Leaders
• Group credit • Group education services	→	• Business planning • Technology investments • Special financial products	→	• Business planning • Technology investments • Special financial products • Mentoring

CONCLUSION

The existing literature[8] on women and entrepreneurship suggests that women own more than one-half of the world's microenterprises, yet these microenterprises are often growth-limited because of certain personal characteristics, such as lacking self-confidence and being risk-averse; societal limitations, such as the challenge of balancing the multiple roles women play; less overall educational attainment and less access to generalist and specific knowledge and skill-building opportunities for their businesses; and less access to financial resources needed to invest and grow a business.

What this research process unveils further is that **a woman's context seems to stand-out as a very important factor—not to be overlooked—that will determine the opportunity she has to grow her business: either from choice or lack of choice**. It is not uncommon for women from developed countries to choose to forgo professional or personal aspirations while their children are young. While one might assume a woman living in poverty would have different aspirations due to income level, it appears to be as important a tradeoff consideration for her as a woman living in a developed country. For microfinance organizations or other development organizations serving women of child-bearing age and who are in charge of caring for their children, it is important to acknowledge that this can be seen as an opportunity, and not just a barrier. It can either help sequence interventions that help maintain progress for the woman, regardless of what category she falls into, or acknowledge the limitation until she is in the position to benefit from more aggressive business growth interventions. In the book, *Scarcity[9]*, Mullainathan and Shafir posit that the poor often stay poor due to scarcity, or lack of bandwidth. One can see more clearly from this research that women with young children often lack the bandwidth to grow a business, and this is a tradeoff that occurs until her children are older and more self-sufficient. Until this time, she is simply incapable or disinterested in developing a business strategy that does not support both her ability to care for her children and a business. This does not mean that women with young children should not be supported with services to grow a business and that there are not women who do not fit this mold, but it simply highlights a factor that cannot be ignored when setting expectations for how women should grow a business during this time of their life.

Context also seems to be influencing the second important finding from this study, which is about motivation and overall vision for the future. Her motivation and vision for the future of her business appears to be what really drives her growth. When she has a supporting context, her vision seems to sharpen. With her sharper vision, she starts to identify her needs as well as opportunities to grow her business. What

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[8] *WEGrow: Unlocking the Growth Potential of Women Entrepreneurs in Latin America and the Caribbean*. 2014. Inter-American Development Bank. Available at: http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=38671934 | Gray B, M Sainio, M Olazabal. (2014). *What drives performance of successful women microentrepreneurs in Mexico? A qualitative portrait of positive deviants and typical microentrepreneurs?* Freedom from Hunger: Davis, CA. https://www.freedomfromhunger.org/what-drives-performance-successful-women-microentrepreneurs-mexico-qualitative-portrait-positive

[9] Mullainathan S and E Shafir. (2013). Scarcity: Why having too little means so much." Times Books: New York, NY.

also appears to be an opportunity is seeing a business as an entity that can cross generations. Several of the clients shared their hope and desire to see their children take over their business. In some cases, their children are already actively involved and seeing opportunities for growing what their mothers have started.

In conclusion, this study has the opportunity to help Friendship Bridget further fine-tune a client segmentation process. Four indicators appear to emerge as the most cost-effective indicators for further supporting the quantitative data indicators already in use: a) the age of the client, b) age and number of young children, c) how she balances work and family responsibilities, and d) her vision for the next five years. These indicators appear to offer the most clarity in categorizing and serving clients along an "investment-ready" spectrum.