

WOMX

WOMAN IN BUSINESS

WHITEPAPER

BEYOND THE BUSINESS:

AN EVIDENCE BASED APPROACH TO THE PSYCHOLOGICAL AND STRUCTURAL BARRIERS TO SCALING WOMEN OWNED ENTERPRISES

2026

Executive Summary

Entrepreneurship is widely recognised as one of the most effective mechanisms for stimulating economic growth, innovation and employment creation. In many emerging economies small and medium enterprises represent the primary pathway through which individuals participate in the formal economy.

Women entrepreneurs are increasingly active participants in this landscape. Across South Africa women are establishing businesses that operate across multiple industries including construction, manufacturing, logistics, retail and professional services.

These enterprises contribute to local economic development by generating income, creating employment and providing essential services within communities. However women owned businesses remain under represented among firms that achieve significant scale. Many women successfully establish businesses but fewer transition into medium sized enterprises capable of generating sustained economic expansion.

This disparity reflects structural barriers embedded within the entrepreneurial ecosystem rather than differences in ambition or entrepreneurial ability. These barriers include unequal access to capital, limited financial management systems, restricted access to professional networks, regulatory complexity and the psychological pressures associated with building and leading a business.

This white paper explores the psychological and structural barriers and examines what they reveal about the broader entrepreneurship ecosystem.

Insights are drawn from enterprise diagnostics and programme experience from the WomX Woman in Business ecosystem, including the WomX Accelerator delivered for 50 women owned businesses. Evidence from this programme provides practical insight into how addressing systemic challenges related to leadership development, financial systems, compliance readiness and market access can significantly improve business growth outcomes.

Across participating businesses the programme recorded measurable economic impact including R17.8 million in aggregate turnover growth and the creation of 152 permanent jobs. These outcomes reinforce an important insight.

When women entrepreneurs are supported through integrated ecosystems that combine capability development, mentorship, leadership growth and collaborative learning, their businesses demonstrate strong capacity to scale.

Understanding these barriers beyond just development represents not only a matter of inclusion but also a strategic opportunity for economic growth and employment creation. Supporting women owned businesses to scale can contribute to building a more resilient and inclusive entrepreneurial economy in South Africa.

Key Insights at a Glance

This white paper explores the more than just the structural barriers influencing the growth trajectory of women owned businesses and examines the ecosystem conditions required to support scalable entrepreneurship. Insights drawn from enterprise diagnostics, programme experience and ecosystem observations reflects systemic barriers rather than a lack of entrepreneurial capability.

Women entrepreneurs across South Africa demonstrate strong technical expertise within their industries and are actively building viable businesses. However many operate without access to the financial systems, networks and structural support required to scale their enterprises.

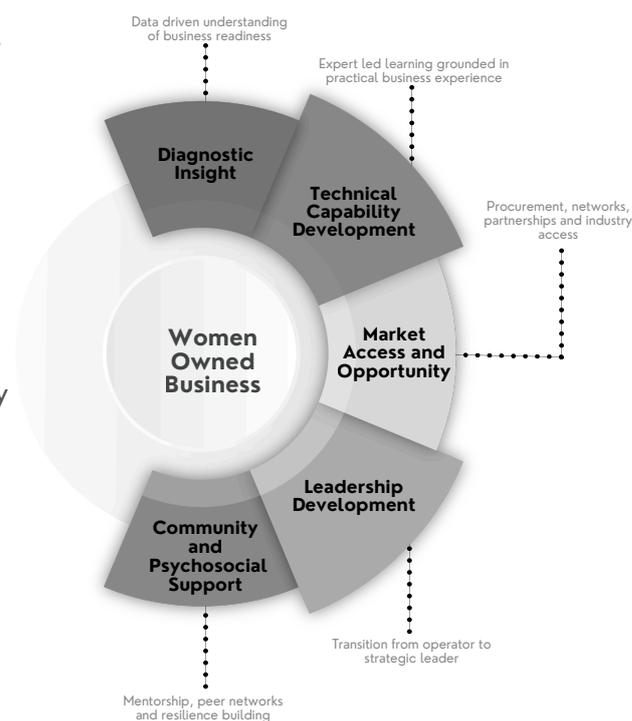
Financial discipline and compliance readiness represent critical foundations for growth. Businesses that develop structured financial management systems and regulatory compliance are better positioned to access capital and participate in corporate procurement opportunities.

Access to professional networks significantly influences access to opportunity. Procurement opportunities, partnerships and investment relationships often emerge through networks that are not equally accessible to all entrepreneurs.

Leadership development is a critical but often overlooked dimension of entrepreneurship. As businesses grow entrepreneurs must transition from operational management toward strategic leadership roles.

Entrepreneurship also has a psychological dimension. Entrepreneurs frequently operate in environments characterised by uncertainty, financial pressure and personal responsibility. Mentorship and peer learning environments can therefore play an important role in strengthening resilience.

Integrated ecosystems produce stronger outcomes than isolated interventions. Enterprise development initiatives that combine technical capability development, leadership growth, financial readiness and network access create stronger foundations for business expansion. Evidence from the WomX Accelerator delivered for 50 women owned businesses illustrates the economic value that can be generated when structural barriers are addressed and entrepreneurs are supported through coordinated ecosystem interventions.



A Focus on Scaling Beyond the Business

Entrepreneurship is widely recognised as one of the most effective mechanisms for stimulating economic growth, innovation and employment creation.

Across both developed and emerging economies small and medium enterprises serve as engines of economic activity, generating new jobs, introducing innovation and strengthening local markets.

In South Africa, entrepreneurship plays a particularly important role in expanding economic participation. Small businesses provide pathways into economic activity for individuals who may otherwise face barriers to formal employment. They also contribute to economic diversification by introducing new services, products and market opportunities.

Women entrepreneurs represent an important and growing part of this economic landscape. Across the country women are building businesses in sectors including professional services, construction, logistics, manufacturing, retail and agriculture. Many of these enterprises contribute to economic activity within their communities and create employment opportunities for others.

Despite this participation women owned businesses remain under represented among enterprises that achieve significant scale. While many women successfully establish businesses, fewer transition into medium sized companies capable of generating sustained growth and employment.

This disparity reflects structural barriers embedded within the entrepreneurial ecosystem rather than differences in entrepreneurial ambition or capability. When women entrepreneurs face structural barriers that limit their ability to scale businesses, the broader economy also loses potential sources of innovation, employment and productivity.

Understanding the nature of these structural barriers is essential for designing effective interventions that support women owned businesses.

From Business Creation to Business Growth

The process of starting a business and the process of scaling a business require different capabilities. Early stage entrepreneurship often begins with identifying a market opportunity, developing a product or service and establishing relationships with initial customers.

Many entrepreneurs rely on their technical expertise and industry experience to establish businesses that generate revenue. However the transition from a small operational business to a scalable enterprise requires the development of additional capabilities and systems.

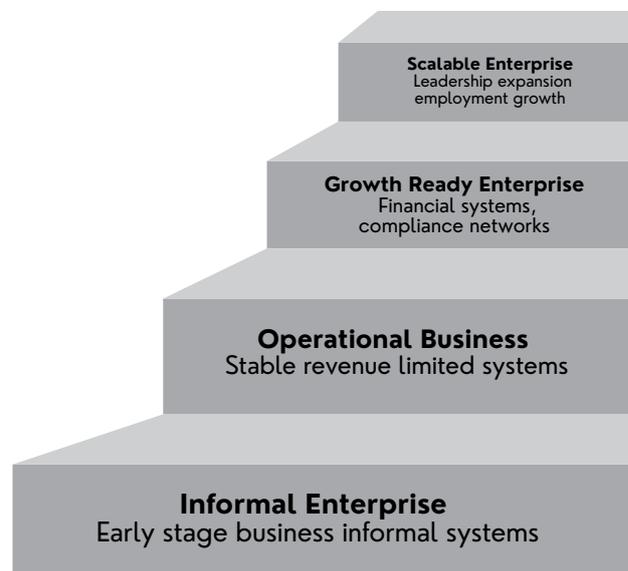
Businesses seeking to grow must develop structured financial management systems, comply with regulatory frameworks, establish operational processes and build leadership capacity capable of managing teams and operations.

Without these structural foundations businesses may remain operationally viable but struggle to expand beyond their initial customer base. Many entrepreneurs possess strong technical knowledge within their industries but lack access to the professional systems required to support business growth. For women entrepreneurs these challenges may be compounded by structural barriers related to access to capital, networks and professional support services.

The distinction between business creation and business growth is therefore an important consideration when designing entrepreneurship support initiatives.

Supporting entrepreneurs to start businesses requires different interventions from those required to support businesses in scaling operations. Recognising this distinction allows ecosystem stakeholders to design interventions that align with the evolving needs of entrepreneurs as their businesses develop.

Entrepreneurship Capability Maturity



Financial Systems and Bankability

Access to finance is frequently identified as one of the most significant barriers facing small businesses.

However the challenge is often more complex than the availability of capital alone.

Financial institutions typically evaluate lending decisions based on structured financial records that demonstrate revenue performance, cash flow stability and governance practices.

Businesses seeking access to financing must therefore demonstrate financial discipline and operational transparency.

Many early stage businesses operate successfully without formal financial management systems during their initial phases of development. Entrepreneurs may rely on manual record keeping, simplified accounting methods or personal bank accounts to manage financial transactions.

While these practices may support day to day operations they can limit the ability of businesses to demonstrate financial performance to potential lenders or investors. Insights from enterprise diagnostics conducted within the WomX Accelerator delivered for 50 women owned businesses illustrate this challenge.

Many entrepreneurs participating in the programme were operating viable businesses with consistent revenue streams, yet lacked structured financial management systems required to demonstrate bankability.

Without reliable financial statements, tax compliant reporting and cash flow forecasting, it becomes difficult for businesses to engage effectively with financial institutions. Strengthening financial systems therefore represents a critical step in improving access to capital.

Enterprise development initiatives that support entrepreneurs in implementing financial management systems can significantly improve their readiness to access financing.

This includes support with accounting systems, financial reporting, tax compliance and financial planning. By strengthening these systems entrepreneurs are better positioned to demonstrate financial performance and engage with lenders or investors.

Networks and Access to Opportunity

Entrepreneurship is influenced not only by operational capability but also by access to networks and information.

Professional networks provide entrepreneurs with access to information about procurement opportunities, industry trends and potential partnerships.

These networks also play an important role in facilitating introductions between entrepreneurs and decision makers within industries.

However access to these networks is not always evenly distributed. Women entrepreneurs frequently report limited access to professional networks where strategic business opportunities are shared. This limitation may arise from historical exclusion, limited access to industry forums or competing responsibilities outside the business.

Without access to these networks entrepreneurs may struggle to identify opportunities for growth or secure introductions to potential clients and partners. Building inclusive entrepreneurial communities plays an important role in closing the gender gap in entrepreneurship.

Peer networks, mentorship programmes and collaborative communities can create environments where entrepreneurs share knowledge, build relationships and access new opportunities.

Within the WomX ecosystem the development of a supportive community of women entrepreneurs has played an important role in facilitating collaboration, knowledge sharing and mutual support.

These networks not only provide access to information but also create opportunities for entrepreneurs to collaborate on projects and support one another through procurement relationships.

Leadership and the Psychological Dimension of Entrepreneurship

Entrepreneurship is often described in technical and financial terms.

However building and leading a business is also a deeply personal and psychological journey. Entrepreneurs operate in environments characterised by uncertainty, financial pressure and personal responsibility. As businesses grow entrepreneurs must transition from managing day to day operations themselves to leading teams and making strategic decisions about the future direction of the business. This transition requires the development of leadership capabilities that extend beyond technical expertise.

Entrepreneurs must learn to delegate responsibilities, manage teams, negotiate partnerships and make long term strategic decisions. For women entrepreneurs these pressures may be compounded by responsibilities outside the business including family and community commitments.

Recognising the psychological dimension of entrepreneurship is therefore essential when designing enterprise development programmes. Structured mentorship, peer learning environments and reflective leadership practices can support entrepreneurs in navigating the pressures associated with business leadership.

Within the WomX Accelerator mindful leadership practices and peer support were incorporated into the programme design. These practices recognised that sustainable business growth requires not only operational systems but also resilient leadership. By supporting entrepreneurs in developing confidence, resilience and strategic leadership capabilities enterprise development initiatives can strengthen long term business sustainability.

Barriers Facing Women Entrepreneurs

Analysis of diagnostic assessments and programme engagement obtained from participants of the WomX Accelerator identified recurring barriers that influence the growth trajectory of women owned businesses. While individual business contexts vary, several structural constraints consistently emerge across sectors and regions.

These barriers influence the ability of entrepreneurs to scale operations, access capital and participate in larger markets. The diagnostic insight model highlights ten recurring barriers that were frequently identified during programme engagement.

LIMITED FINANCIAL SYSTEMS

Many entrepreneurs operate revenue generating businesses but lack structured accounting systems, financial forecasting or tax compliant reporting. This limits the ability of businesses to demonstrate financial performance when seeking financing.

COMPLIANCE READINESS GAPS

Incomplete regulatory documentation, tax compliance issues or lack of financial reporting often prevent businesses from participating in procurement opportunities.

RESTRICTED ACCESS TO CAPITAL

Traditional lending models frequently rely on collateral and long credit histories. Entrepreneurs operating smaller businesses may not have access to these forms of security.

PROCUREMENT ACCESS BARRIERS

Corporate procurement systems often rely on existing supplier relationships and established networks, making it difficult for new entrants to access high value contracts.

NETWORK EXCLUSION

Strategic business opportunities often emerge through professional networks that are not equally accessible to all entrepreneurs.

OPERATIONAL CAPACITY CONSTRAINTS

Entrepreneurs frequently manage multiple operational functions within their businesses including sales, administration and service delivery. This limits the ability to focus on strategic growth.

LIMITED STRATEGIC PLANNING

Without structured strategic planning processes many businesses operate reactively rather than positioning themselves for long term expansion.

MARKET INTELLIGENCE GAPS

Entrepreneurs may lack access to timely information about procurement opportunities, industry developments and market trends.

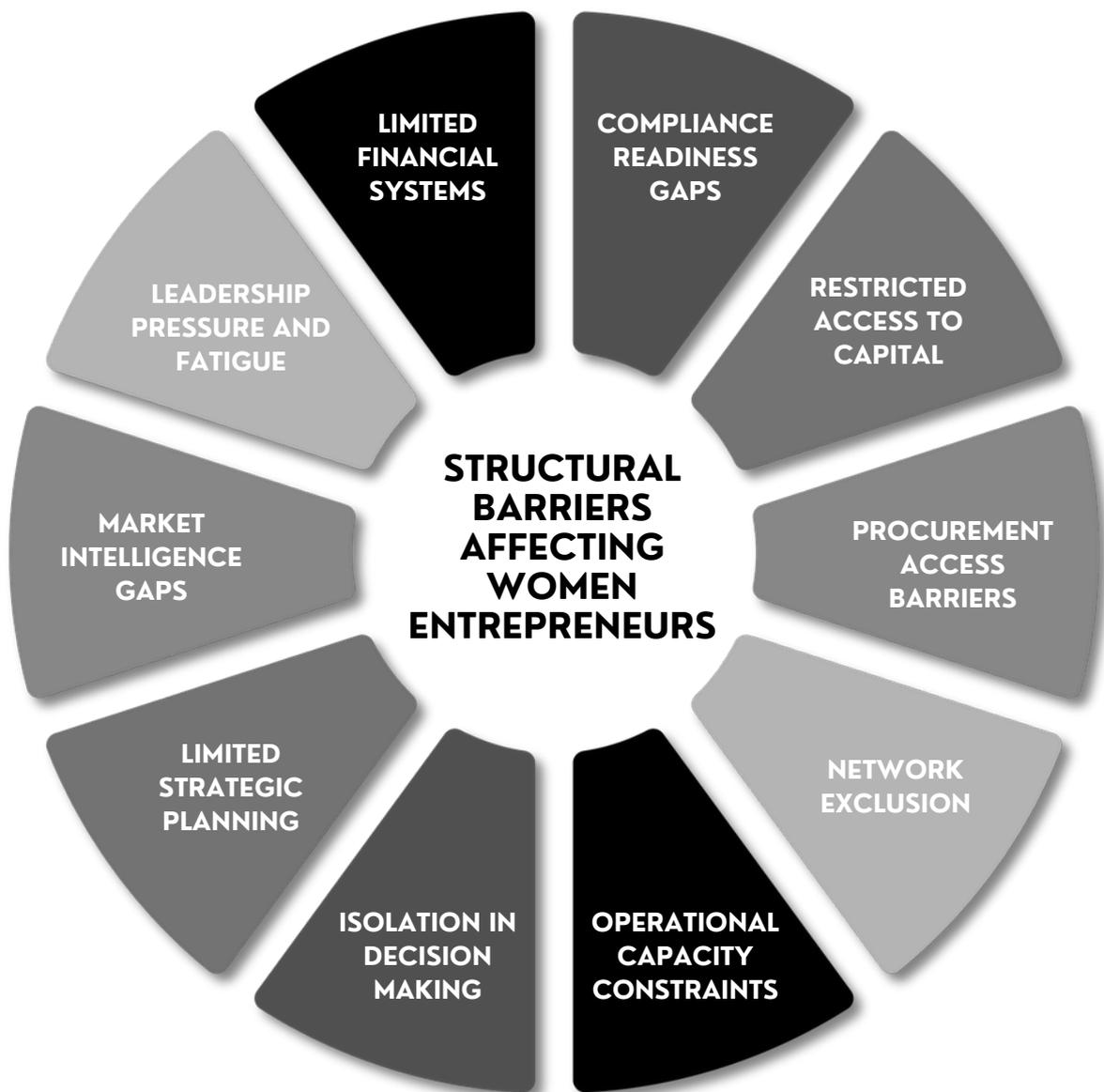
ISOLATION IN DECISION MAKING

Entrepreneurship can be an isolating experience. Limited access to mentors and peer entrepreneurs can reduce exposure to alternative perspectives and solutions.

PSYCHOLOGICAL PRESSURE AND LEADERSHIP FATIGUE

Entrepreneurs frequently navigate financial risk, operational responsibility and personal obligations simultaneously. Without support systems this pressure can influence decision making and long term sustainability.

These diagnostic insights reinforce the importance of designing enterprise development initiatives that address both technical and human dimensions of entrepreneurship.

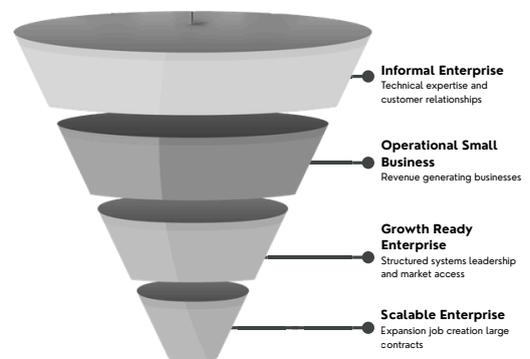


Capability Maturity Framework for Women Owned Businesses

Scaling a business requires the progressive development of capabilities across multiple dimensions. Based on diagnostic insights and programme experience, the development journey of many women owned businesses can be understood across four stages of capability maturity.

Stage 1: Informal Enterprise

At this stage entrepreneurs typically operate small businesses driven by technical expertise and customer relationships. Financial systems may be informal and compliance requirements may not yet be fully established. Businesses often rely on personal networks and small scale contracts to sustain operations. Support at this stage focuses on financial literacy, compliance support and the development of basic operational systems.



Stage 2: Operational Business

At the operational stage businesses generate consistent revenue and serve a defined customer base. Entrepreneurs frequently manage multiple operational functions within the business including sales, administration and service delivery. While the business may be stable, growth is often constrained by operational capacity and limited access to capital. Support at this stage focuses on strengthening financial systems, implementing operational processes and developing structured business planning.

Stage 3: Growth Ready Enterprise

Businesses at this stage have developed reliable operational systems and are positioned to pursue larger contracts or expand into new markets. Entrepreneurs begin transitioning from operational management toward strategic leadership. Access to procurement networks, mentorship and leadership development becomes particularly important at this stage.

Stage 4: Scalable Enterprise

At the final stage businesses demonstrate strong operational systems, financial discipline and leadership capability. These enterprises are capable of managing larger contracts, expanding into new markets and employing larger teams. Entrepreneurs at this stage focus on strategic growth, partnerships and long term business expansion. Understanding these stages enables ecosystem stakeholders to design support interventions that align with the evolving needs of entrepreneurs.

The Five Pillars for Scaling Woman Owned Businesses

Insights from diagnostics and programme experience suggest that scalable entrepreneurship requires support across five interconnected pillars.

Operational Capability

Entrepreneurs require the technical capability to operate their businesses effectively. This includes financial management, strategic planning, governance systems and operational processes. Without structured systems businesses may generate revenue but struggle to demonstrate bankability or manage growth.

Financial Systems and Capital Readiness

Reliable financial records, cash flow management and compliance documentation improve the ability of businesses to engage with financial institutions. Strengthening financial systems therefore plays a critical role in improving access to capital.

Market Access and Networks

Access to markets is influenced by networks and relationships. Professional networks provide entrepreneurs with insight into procurement opportunities, industry partnerships and new market opportunities.

Leadership and Strategic Growth

Scaling a business requires entrepreneurs to develop leadership capabilities beyond technical expertise. Entrepreneurs must transition from operational management to strategic decision making.

Psychological Resilience and Wellbeing

Entrepreneurship involves significant emotional and psychological pressures. Supporting entrepreneurs through reflective leadership practices, peer learning and mentorship can strengthen resilience and improve long term decision making.



Strategic Reflection

Women entrepreneurs represent one of the most powerful yet underutilised drivers of inclusive economic growth.

Across South Africa women are building businesses that contribute to employment creation, innovation and community development.

However structural barriers within the entrepreneurial ecosystem continue to limit the ability of these enterprises to reach their full potential.

Evidence from the WomX ecosystem demonstrates that when operational capability, financial readiness, leadership development and market access are aligned within an integrated support system as well as an anchored focus on psychological resilience and wellbeing, women owned businesses generate measurable economic value.

Strengthening ecosystems that support women entrepreneurs will play an essential role in building a more inclusive and sustainable entrepreneurial economy.



Evidence from the WomX Accelerator Programme - Using Frameworks Explored

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