

Chapter 6.2

ICT as an Enabler for Small Firm Growth: The Case of the Mompreneur

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ABSTRACT

The advancing pace of women's entrepreneurial activity across the globe is a promising trend to fuel economic development and social progress (Fitzsimons & O'Gorman, 2005). Analysis of the reasons why women start a new business, the choice of product/service, and industry sector highlight the home-based female entrepreneur. These entrepreneurs constitutes a segment referred to as the mompreneurs—mothers who establish a business operated from home. Thus, although mompreneurs gain benefits of operating their business from home, they also experience additional challenges. One such issue is their dependence on ICT. To succeed and grow, mompreneurs' businesses must use ICT as a backbone for the business in an integrated manner. In this article, the author examines the adoption and application of ICT in the mompreneur business, as well as the challenges encountered in its effective use. A specific emphasis is placed on the issue of ICT and its use by the mompreneur in undertaking business transactions and as a means of facilitating small firm growth.

INTRODUCTION

In spite of growing numbers, women-owned businesses continue to lag behind male owned firms in Ireland both for recently started and established businesses (Forfas, 2007). In 2006 there were 60,000 male new firm entrepreneurs and 21,000

female new firm entrepreneurs in Ireland where men were 2.9 times more likely than women to be new firm entrepreneurs (4.3% of men compared to 1.5% of women). The imbalance in these trends unfortunately has not improved greatly over the last five years, where the average rate of early stage entrepreneurship for the period 2002 to 2007 was 12% for men and 4.8% for women.

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Moreover in Ireland women are less active as entrepreneurs across all age cohorts, among all income categories and across all educational levels bar one - women with post-graduate qualifications have the same rate of early stage entrepreneurial activity as men. Only one-quarter of the high-expectation and high-growth entrepreneurs are women (Fitzsimons & O' Gorman, 2008). The dearth of females starting high technology businesses was also highlighted by Richardson and Hynes (2007) where it was recommended that educational, social and professional barriers that militate against females participating in engineering and technology entrepreneurial activity could be reduced. Worryingly, these statistics exist in the backdrop where female education standards are higher than ever, where female participation rates in the labour market have risen significantly and a high proportion of the female population in the age cohort at which entrepreneurial activity is most likely to occur. Therefore, greater levels of female activity in starting and growing businesses must be encouraged and supported. This necessitates a more developed understanding of the profile of women who start a business, their aspiration for business growth and the underlying causes of the challenges encountered in achieving this growth. A particular focus is placed on the role of ICT as an enabler of business development for female entrepreneurs and more so the mompreneur.

Profiling Female Entrepreneurs

Female entrepreneurs are a heterogeneous group where their individual motivations for entering self-employment and for growing businesses differ. In addition, the type of business and industry sector they establish their business in tends to vary from male counterparts. In general, research suggests that motivations for starting a new business, the nature and type of business established by females reflect the wider positions (personally and professionally) they hold in the broader societal and business context (Carter & Shaw, 2006).

The heterogeneity of the female entrepreneur population is better understood when analysis is undertaken of factors such as why females start a business, types of business established and objectives they have for business growth.

Motivation to Start the Business

It is a widely held claim that women start a business to have more flexibility and freedom to juggle work, leisure and family commitments, thus business growth is not an explicit objective as it would conflict with their purpose of choosing self-employment (Arenius & Kovalainen, 2006; Brush, Carter, Gatewood, Greene, & Hart, 2004; Chell & Baines, 1998; De Martino & Barbato 2003; Kjeldsen & Nielsen, 2000; Orhan & Scott, 2001; Valiulis, Drew, Humbert, & Daverth, 2004). These family issues may be a source of conflict when deciding to grow the business (Babaeva & Chrikova, 1997; Fielden, Davidson, Dawe, & Makin, 2003) as these may serve to restrict time and resources available to the female entrepreneur to grow the business and explains why many female owner/managed firms remain lifestyle businesses. Villanueva and Pavone (2007) suggested that the lower than average rate of growth among women-owned ventures was often a conscious choice by a subset of women entrepreneurs and did not reflect the actual potential of the business itself. Therefore a challenge arises to ensure the reason for starting the business does emerge as a barrier to subsequent firm growth.

Type of Businesses Established

Female business activity is confined in the main to what are viewed as "feminised occupational industry sectors" (Carter & Bennett, 2006; Henry & Johnston 2003; Marlow, Carter, & Shaw, 2008; Small Business Service, 2003). These include businesses in the catering, personal and business services, and training and development. However, some newer evidence suggests that female entre-

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