

CRAIN'S

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Starting up get easier for women entrepreneurs

Female business owners are finding that practical support is more abundant.

By Diane Hess
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Buck Ennis

TEREZA NEMESSANYI: of Honestly Now pushed for a startup accelerator for women.

When Tereza Nemessanyi, founder of online Q&A platform Honestly Now, argued about a year and a half ago on a venture capitalist's blog about the need for a "startup accelerator" focused on women in their 40s, her comments went viral.

The former Pricewaterhouse-Coopers consultant pointed out that it's not always viable for those with

children to relocate to Silicon Valley to participate in prestigious programs like Y Combinator.

Since then, Ms. Nemessanyi, 41, has been surprised by the increasing activity to support women entrepreneurs, especially locally. In August, she secured nearly \$1 million in a first-round investment led by Canrock Ventures and Golden Seeds, a local angel investor network for women business owners.

West Coast attention

Some of the support is coming as players in the West Coast entrepreneurial world pay more attention to New York's percolating digital startup scene. For instance, Women 2.0, a Silicon Valley-based nonprofit that promotes women technology entrepreneurs, helped call attention to Ms. Nemessanyi's startup through a profile of her on its site.

"There has never been a better time to be a woman entrepreneur in New York," said Ms. Nemessanyi.

The New York metropolitan area now has 670,100 woman-owned firms, the greatest number in the nation, according to new research commissioned by American Express Open, the company's small business arm. The state had the second-largest representation of woman-owned firms, up from third place last year, with most of them based in the New York metro area.

"We have seen incredible change in the past two years," said Amy Millman, president of Washington, D.C.-based Springboard Enterprises, a startup accelerator for women-owned businesses that has 10 New York-based businesses in its program. Ms. Millman credits the \$22 million New York City Entrepreneurial Fund, created by Mayor Michael Bloomberg in 2010, as a catalyst. "For

women, there is now infrastructure, support and even involvement at the university level,” she said.

The aid goes beyond funding. Mr. Bloomberg just announced an initiative called Compete to Win to help minority- and women-owned businesses win city contracts. Since 2005, the number of such businesses in the city has grown to more than 3,400 from 700, with those firms winning more than \$2.5 billion in city contracts. The city, working with American Express Open, hopes to teach clients to win bids.

Certainly, there's still progress to be made. American Express Open estimates that women own 8.3 million companies nationally and start new businesses at 1.5 times the national rate. However, only 1.8% of women business owners will have annual sales over \$1 million in 2012. And women-owned businesses represent just 12% of the firms presenting to angel investor networks, noted Jeffrey Sohl, director of the Center for Venture Research at the University of New Hampshire.

But many say the situation is changing rapidly. Shazi Visram, 35, the founder of organic baby-food maker HappyBaby, said that a series of high-profile awards for women entrepreneurs have helped her boost revenue to \$36 million in 2011, from \$115,000 in 2006.

In 2010, Ms. Visram won the International Women's Entrepreneurial Challenge, an initiative of the Manhattan Chamber of Commerce and overseas groups. “The IWEC made so many opportunities for me,” Ms. Visram said, noting that the award led to participation in World Trade Week and ultimately to finding an accounting firm. “There is a snowball effect, and HappyBaby has benefited from that trend.”