

Raleigh-Cary: Best Metro For Women Entrepreneurs?

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ABSTRACT

This paper is an account of an undergraduate student's research attempt to verify best place claims for women starting a business. It includes obstacles and challenges faced in developing a strategy for completing the research work. Willingness to change paths led to selecting and interviewing 22 women entrepreneurs and demonstrates how being flexible in decision-making can lead to successful outcomes. Findings show consistency with important location factors identified by other studies and also unidentified factors that were not found in supporting literature. Conclusions provide explanations for the top criteria identified by the interviewees.

Keywords: entrepreneurship women business owners women entrepreneurs business location factors

INTRODUCTION

Best cities for women entrepreneurs? Who says so and why? The rationale for this research focusing on women entrepreneurs in Raleigh-Cary, North Carolina was prompted by an accolade found in a Meredith College promotional brochure about these two cities. It read: "Raleigh-Cary: Best Metro for Women Entrepreneurs." The statement was produced by AllBusiness.com in 2006. The initial objective was to gather information from the AllBusiness study to determine reasons for this statement. The company's website listed six criteria that women indicated were most important to them when considering Raleigh-Cary as a place to start a business. The criteria included low crime rate, low property tax, high household income, modest real estate prices, rapid population growth, and pedestrian friendly [AllBusiness]. Also, the website indicated that these criteria were in contrast to the criteria men chose. This information prompted further exploration to locate other studies proclaiming Raleigh-Cary to "be the best place" for entrepreneurs and businesses. Three other studies were examined and some of the same geographic factors and trends about Raleigh-Cary were identified. Those were Forbes, CNNMoney, and Site Selection. After comparison, 11 factors appeared most consistent among the four studies.

Other gender-specific studies were identified in an effort to get information to help make comparisons with the AllBusiness study. From reviewing how Forbes, CNNMoney, and Site Selection gathered their data, it was learned that many studies use numerical analysis from large, general, databases as the core for their business location research. It is important to note that this study is based on primary data gathered from women entrepreneurs in the Raleigh-Cary area. This was done by corresponding directly with participants. One objective of the study was to first examine the AllBusiness claims of the most important business location factors to women and then to interview women business owners in the Raleigh-Cary area to see if their responses corresponded with the claims of AllBusiness.

METHODOLOGY

This preliminary research began with an attempt to obtain a copy of the AllBusiness survey. Having the survey instrument would help document why the criteria listed was important to women. Examining the survey and collecting information provided by Raleigh-Cary women business owners was crucial to how the study would be structured.

The only information listed on the AllBusiness website was the six criteria that women chose as most important to them when deciding how to select a business location. More concrete details and explanations of the criteria were needed to fully understand why women were influenced by certain factors for starting a business. However, a roadblock was encountered with AllBusiness. After corresponding with a contact person for the survey, little additional information was gained. The inquiries were made in hopes of gaining a better understanding of how to design the study and the data to be collected. Unfortunately, not many of the questions were answered, and a complete copy of the survey was never received. AllBusiness frequently surveys its audience by internet polls and uses the data for various studies. Although their surveys are national in scope, their contact person could not guarantee someone from Raleigh-Cary area was interviewed.

In addition to corresponding with AllBusiness, other organizations, such as the Raleigh Chamber of Commerce and Research Triangle Regional Partnership, were contacted to get business location data and information about the AllBusiness study. The Chamber had listed the accolade on their website but had never seen the survey. This led to a change in strategy that included identifying women entrepreneurs in the area to be interviewed. A first effort was to get a spreadsheet containing women business owner information from the director at the Research Triangle Regional Partnership. Unfortunately, the list was too lengthy, contained other business owners (not just women entrepreneurs), and it spanned the entire state of North Carolina.

In an attempt to find “best location” supporting documentation, other sources were identified. Among those were the ‘accolades’ section of the Wake County and the Raleigh Chamber websites that contained similar proclamations about the Raleigh-Cary area. These studies were not gender specific but did have information about the Raleigh-Cary area business environment. The surveys covered the period from 2006-2008 and declared the Raleigh-Cary area to be the best place for businesses and entrepreneurs. The accolades came from the following: *Best Places to Live*: CNNMoney.com, 2007; *Top State Business Climates*, Site Selection, 2006; *Best Places for Business and Careers*, and Forbes.com, 2008.

The next step was to compare and contrast the factors in those studies with the factors given by the AllBusiness study. The majority of factors in the AllBusiness study were not highlighted in the other three studies. The one AllBusiness factor that was consistent with the other studies was rapid population growth. Forbes’ survey listed solid job growth, an educated labor supply, and low business costs as Raleigh’s important strengths. None of those specific traits corresponded directly with AllBusiness. However, Forbes went on to specifically reference the population growth which does correspond to the AllBusiness survey. It may be possible to argue that population growth may correspond with solid job growth. Similar inferences may be made between other studies as well. For example CNNMoney listed an educated workforce as a factor affecting business location. They also noted a large public sector, job creations, and the tech industry as important factors to Raleigh’s success. CNNMoney included Raleigh’s central location to research, business centers, and entrepreneurial resources as something that sets it apart. It also stated that grants, incentives and income tax breaks for small businesses differentiated Raleigh from other cities of its size. The study conducted by *Site Selection* magazine compared the state of North Carolina with other states. The top factors it highlighted were the ability to find skilled workers, ease of regulatory policies, permitting procedures, and the state’s tax schema. Others mentioned in the top ten list were land and building prices, availability of incentives, transportation infrastructure, state and local economic development strategy, flexibility of incentives and programs, higher education resources, and union activity.

Of the studies, the most consistent criteria found were among CNNMoney, Forbes, and Site Selection. Their criteria seemed to deal with logical factors relating to business. Some of the AllBusiness criteria did not seem as specific to business and did not always use business language to discuss its factors. For example, crime rate and pedestrian friendly do not seem specific to business. The term ‘real-estate’ initially seems more related to home markets than business markets. The other studies used ‘building price’ or ‘land price’ when similarly talking about the price of a physical business location. The single most commonality between the AllBusiness study and the others was rapid population growth. Although the words “rapid population” were not used, “job creation” or “solid job growth” was used and may infer that one results from the other.

After gathering criteria information, the next priority was to identify women entrepreneurs to be interviewed. The search to find a complete list of women entrepreneurs in the area proved difficult. To begin this

process, initial connections were made with local entrepreneurs on a referral basis. After the first three interviews, a contact avenue leading to other entrepreneurs was established. This chain-reaction led to 22 interviews in three weeks. Since there was no original survey to follow, a survey was designed using the gathered supporting literature factors. It included a section where entrepreneurs were asked to rank business location factors that they considered most when considering where to open a business. Also it addressed the issue of deciding to move to Raleigh-Cary, if applicable. Criteria from each study of the supporting literature were included. In addition to the list, there were four main questions about the entrepreneur's decision to start a business in Raleigh and what factors were most important in making that decision. The final question asked if they felt that the Raleigh-Cary area was more conducive to establishing a business than other areas for conducting business. Some had no other place to compare, but were encouraged to think of reasons that could make Raleigh-Cary much better for women. (Attachment A).

FINDINGS

Findings showed that 13 business owners (59%) were native to the Raleigh-Cary area. Interviewees were counted as "native" to the area if they had lived here from childhood through high school. The remaining nine business owners (41%) interviewed moved to the area from various locations. Of those who relocated, four moved because their of husbands jobs. Interestingly, of the nine that moved, more than half said they had researched the area before relocating. Additionally, recent movers said that they were aware of the accolades the area received.

Six of the 22 business owners noted in the interview that they had previously worked in the corporate world before choosing an entrepreneurial endeavor. Some, but not all, continued working in the same field on their own and others decided corporate was not their true passion and began exploring other options. Those continuing in the same field thought they could do a better job on their own or felt they did not have a strong enough voice in a big company. Three women specifically said that they had always exhibited entrepreneurial characteristics and knew they wanted to be their own boss for the flexibility and work environment it would give them.

Over 70 % of the women interviewed (18 of 22) participate in networking groups, are members of women business organizations, or have memberships in the Raleigh or Cary Chamber of Commerce. Women had positive experiences to share about these organizations and many referrals they passed along were based from connections made within these organizations. Networking appeared to be a very vital factor in the business development of the women interviewed.

The interviewees were asked to rank and comment on the 11 business survey factors. Additional information through write-ins was encouraged. Reasons and explanations of their responses were recorded, including factors that they did not assign to their location decision-making process. Five factors received eight or more comments. The two top factors receiving 15 and 16 comments, respectively, were population growth (15 comments 71%) and area universities (16 comments 76%). They also noted that universities were an important factor to in their success, encouraging entrepreneurship and business skill, in general. The third top factor taken from the write-in section showed ten interviewees (48%) reported that accessibility to clients was a top priority. The remaining top factors were an educated workforce, which was part of the 11 factors given, and a short commute, which was a write-in. (Attachment B).

Taxes were the not mentioned by the interviewees as an important factor in the location decision. Site Selection and CNNMoney both discussed the local tax schema and income tax breaks as being a reason why the area was so conducive for business. Most commented that there were not any tax breaks or incentives and that it just wasn't a factor they considered. Forbes noted in their study that six out the ten top cities they highlighted were capital cities. Only four interviewees in this study attributed Raleigh as a strong setting for establishing a business because it was a capital city. This might have been that many of the interviewees had little connection to the government or public sector. Those who did comment said they wanted to be in a capital city because they thought it meant more economic security and had more activities/incentives to offer. CNNMoney also proclaimed the tech-boom in Research Triangle Park made this area one of the greatest places to find a job and to encourage entrepreneurial activity. While most of the women interviewed did not relocate here for a tech job or to start a tech job of their own, many moved because their husbands got tech jobs here.

Two other factors that scored low were crime rate and low business costs. Although many people did not comment on crime rate specifically, many business owners may not want to establish an enterprise in a dangerous or a rampant crime area. This factor may rank low since an area with crime would not be beneficial when considering a location. It seemed from the interviewees that one of the highest costs of business is the rent or cost of business space. Low business costs are probably better described as real estate factors, and some importance was placed on real estate prices. Comments about real estate prices often included renting versus buying, the cost of utilities and permits. Low ranking may be accepted as a given and represents “a cost of doing business”.

After analyzing the surveys and examining location factors, it appears that valuable criteria, written-in by the respondents, should be included in the business factor list. That criteria includes: short commute, accessibility to clients, good school system, centrally location, owning vs. renting, aesthetics and environment and located near other businesses. Refer to Attachment C for a breakdown of the write-in factor statistics. Two factors the majority of women highlighted on the survey as most important were population growth and the universities in the area. The write-in list cited accessibility to clients and a short commute to be most important. The findings show accessibility to clients ranked third highest and fourth was an educated work force. The top five decision making criteria were area universities, population growth, accessibility to clients, educated work force, and a short commute (Attachment D).

CONCLUSIONS

The consistency of the top two business factors, population growth and area universities, was found in non-gender specific studies, as well as in this gender-specific study. This trend shows that those two factors are non-gender specific when it comes to women in business. A growing population and a flourishing university system in the area are beneficial to all types of businesses, regardless of the business owner’s gender. However, there still may be some business factors that are gender specific. A difference may be in the way men and women conduct business. Most women acknowledged this during the survey. The question is where they differ and how significant it is to their respective businesses. Some women suggested they did not feel gender had much influence on their business. This sentiment could be attributed to the type of industry or type of entrepreneur. For example, some of the women interviewed owned retail stores and commented that they most consistently deal with other women. Women attributed the difference in the way men and women do business in relation to how each viewed the aesthetics of the building or workspace. Women usually thought aesthetically appealing places were more important to them. Another difference was revealed in how each viewed flexibility in the work environment, especially when considering family issues such as pregnancy and child care. Lastly, women thought the way a female boss and a male boss interacted with employees was different in that women are more emotional than men when communicating. Distinguishing these characteristics as gender specific or not is difficult because it is mostly opinion based.

The business factor that 76% of women noted as very important and beneficial to their business was the presence of universities in the area. This is a multi-faceted factor because it affects the business owner directly in the hiring process and less directly as it increases the open mindedness of the community. Universities also directly affect the second highest business factor cited: population growth. The Raleigh colleges and universities are North Carolina State University, Meredith College, Peace College, Shaw University and St. Augustine’s. Near by area schools include Duke University, University of North Carolina (Chapel Hill), North Carolina Central University, and member schools of the North Carolina Community College. Students attending these schools may stay in Raleigh or the greater Raleigh area after graduation. Another beneficial facet of area universities is that they supply an educated workforce. This factor ranked as the fourth highest factor in this survey and also corresponded with studies gathered in the supporting literature. It is imperative for an employer to find an abundance of skilled workers and the large universities help fill this need. Just as importantly, a university setting provides diversity and open-mindedness to the community. The abundance of different cultures allows for it to be more accepting in nature, plus it fosters change and growth within the community. These factors may help to provide a positive environment in which to establish a business.

Many respondents noted that since Raleigh-Cary was culturally rich and diverse, it positively influenced them to move and, live here and open a business. This opinion may be influenced by what is perceived as “open

minded” atmosphere in which entrepreneurship is valued, encouraged and nurtured. This perception of open-mindedness may prove to be beneficial to women when considering making the decision to start a business.

A factor unique to Raleigh-Cary that may facilitate this open-mindedness is the fact that there are two all-women colleges within a three-mile radius of each other, in addition to a girls’ boarding school. Today there are only 60 all-women’s institutions in the United States and Raleigh, North Carolina, is home of two. Meredith College is also the largest women’s college in the southeast, with two colleges in this area and having goals that create and foster an environment of independent and self-sufficient women may have an impact on entrepreneurship. Two of the women interviewed attended Meredith. When the interviewees were asked about this idea, most agreed that it helped and could be one of the reasons that make Raleigh-Cary different from other areas.

Finally, networking played a vital role in developing a strategy for this preliminary research effort. On the one hand, it served as a tool to initiate the selection and interview process. On the other, the women entrepreneurs interviewed were instrumental in using networking as an effective way to identify and supply names of fellow entrepreneurs that would be willing to participate in the study. Accordingly the survey indicates 81.8% of the women interviewed were members of women business organizations or networking groups. Many shared that it was a way for them to meet new clients, to gain support, and to develop professionally.

FUTURE RESEARCH

Further research of this kind may provide useful information to entrepreneurs when considering a business location. A comparison study using a different city of equivalent size and similar university structures may provide beneficial insights as to locations and conditions. Analyzing a city similar to the size of Raleigh that does not have the university structure might emphasize the influence that such a factor might have on the location decision. Perhaps a study examining one field of business, as opposed to another, might identify a different set of data. For example, this study shows that a technically skilled worker may not be a crucial factor to retail store owners. Therefore, the examination of a specific business field provides a factor list important to that particular field. While only 22 women entrepreneurs were interviewed for this study it should be noted that this marks a preliminary stage that can greatly be expanded. There are countless other women entrepreneurs who could have been contacted if time had allowed. Continuing this study might be beneficial by gathering and sharing more information about the women entrepreneurs in the Raleigh-Cary area.

AUTHOR INFORMATION

Dr. Tony Bledsoe has taught in the School of Business at Meredith College since 1981. He teaches management, entrepreneurship, human resource management and business polity to both undergraduates and MBA students. His research interests include women business owners, diversity management, fraud, entrepreneurship plus case studies for teaching and learning.

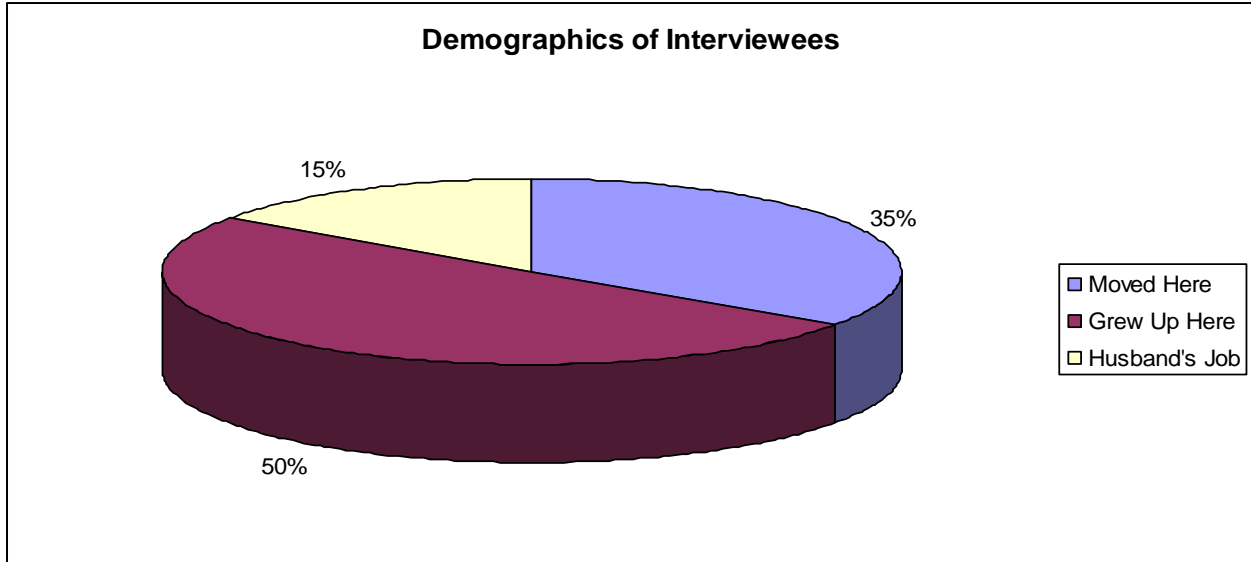
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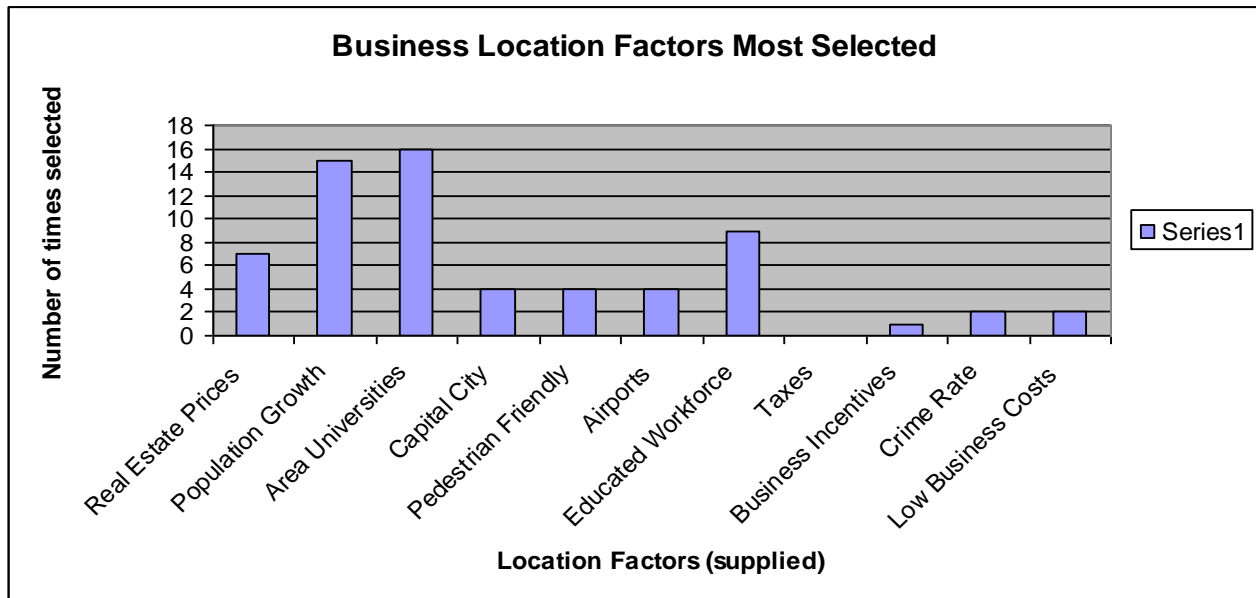
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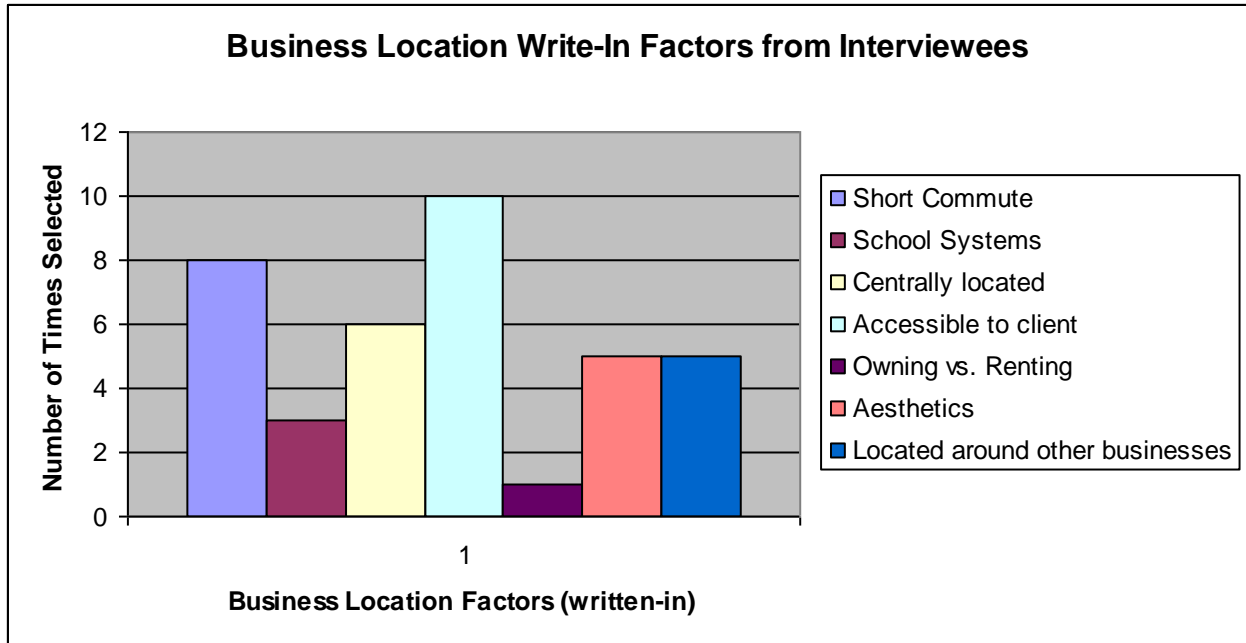
ATTACHMENT A



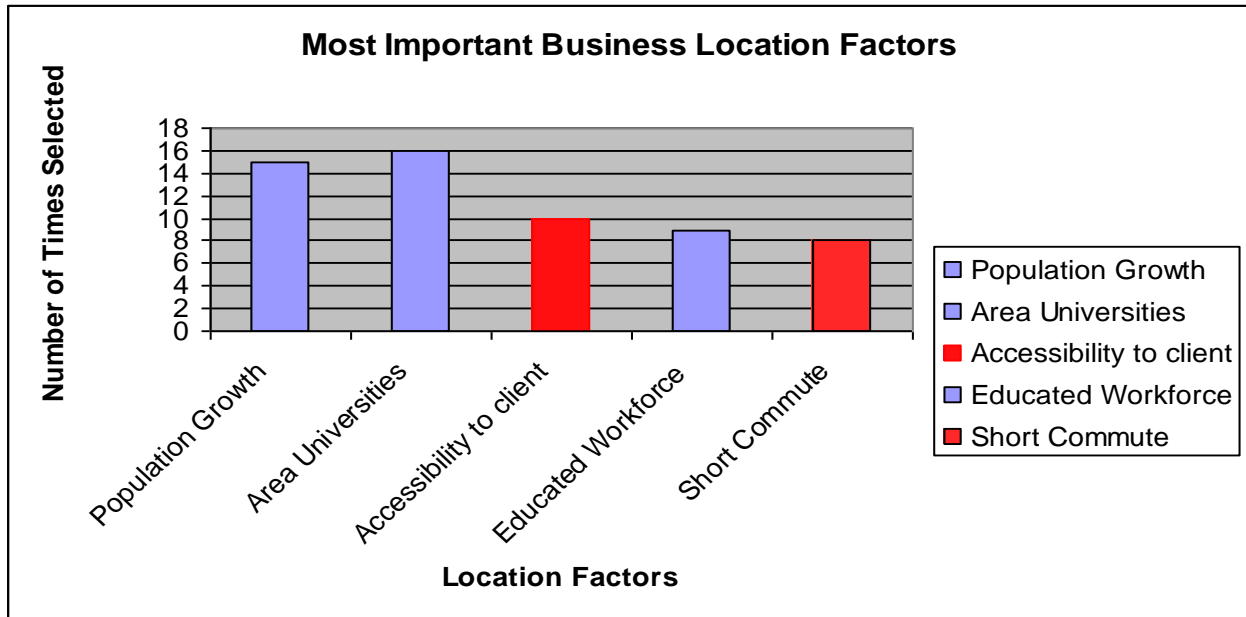
ATTACHMENT B



ATTACHMENT C



ATTACHMENT D



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