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# Chicago Women Business Owners Aspire To Long-Term Growth, Forego Price Hikes and Apply New Ideas To Endure Sluggish Economy

A majority of Chicago women business owners are seeking growth in the next two years, but many are hesitant to increase their prices or take on risk in the face of rising costs and a stubborn U.S. economy.

These findings from the second phase of the PNC Women Business Owners Outlook also show that many women owners in Chicago rely on trying new ways of doing things to make business decisions as they endure the slow economic recovery. PNC has a longstanding tradition of offering financial advice and solutions to women-owned businesses, including hundreds of PNC-Certified Women's Business Advocates and \$6.8 billion in loans since 2005 to help them expand and achieve their financial goals.

### **Key Findings**

#### **Short-Term Strategies:**

- **Pricing pressures:** Two thirds (68%) of women owners in Chicago expect their suppliers to increase prices in the next six months, but only half of them (32%) plan to pass along these price hikes to customers. Nationwide, 70% expect supplier price increases but still only 34% will pass it along.
- Networking: Seven out of 10 (71%) are involved in at least one business organization. Associations of business owners (34%) are the most popular choice, with local networking groups, nationally-affiliated industry groups, and chambers of commerce close behind, each at 32%.

#### **Long-Term Growth:**

- Sky's the limit: Women owners in Chicago have high aspirations for growth despite the lagging economy. Eight out of 10 owners hope to grow their business at least a moderate amount. This compares to 14% who plan to reduce, sell or close. Only 5% plan to sell their business over the next two years, similar to expectations nationwide (7%).
- Who's online? Chicago's women owners are more likely to use social media for their businesses than women business owners nationwide (62% vs. 51%). Facebook leads the way, with four in 10 citing usage of this popular social networking tool. In contrast, only 12% report using Twitter for their business and 8% use online couponing services like Groupon and Living Social.

#### Mindset and Philosophy:

• Try this: More women owners in Chicago are open to trying new ways of doing things (61%) than women owners nationwide (56%). The other 39% prefer to stick with what has worked in the past. In addition, Chicago women owners are more likely to depend on their own ideas (63%) rather than advice from others (37%), which is similar to the national findings.

 Risky business? Women business owners in Chicago prefer a conservative or balanced approach to risk when making business decisions. More describe themselves as moderate risktakers compared to the U.S. findings.



 It's not about the money: For Chicago women business owners, a passion for their work, not financial success, is the key motivator for staying in business. This is consistent with women business owners nationwide.



## **Living The Small Business Life Cycle**

Every small business has a life cycle that's similar to a human life cycle. Each stage – Growing, Mature and Transition – has its own unique challenges. The owner's ability to identify and navigate around these challenges dictates the ultimate success of the business.

**Growing:** The business is established, now let's make it stick. A growing business is focused on hiring key employees, establishing policies and procedures, growing market share and fine-tuning products and service offerings. Challenges include escalating overhead and payroll costs. The growing business requires a healthy line of credit, strong working capital, employee benefits and customer loyalty programs.

**Mature:** The business is a success, now maintain the momentum. The focus has transitioned to protecting market position, adding new products and expanding into new markets. The big challenges are increased competition and changing customer tastes. The business owner should be seeking increased risk management, international financing opportunities and investment advice.

**Transition:** To sell or not to sell, that is the question. Owners at this stage have a number of options, including selling the business, taking it public or passing it on to a family member. The focus should be on capturing value, reducing risk and developing a transition or succession plan. Challenges include securing a realistic valuation for the company and dealing with emotional aspects of exiting a lifelong career. Specific needs include estate planning, family trusts and long-term care insurance.

The PNC Financial Services Group, Inc. (NYSE: PNC) is one of the nation's largest diversified financial services organizations providing retail and business banking; residential mortgage banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management. METHODOLOGY: Artemis Strategy Group conducted the telephone survey between March 30 to May 11, 2011, among women who are business owners and senior decision makers of small and mid-sized businesses. 151 interviews were conducted in Chicago. Sampling error for the regional results is +/- 8% at the 95% confidence level. DISCLAIMER: This report was prepared for general information purposes only and is not intended as specific advice or recommendations. Any reliance upon this information is solely and exclusively at your own risk.