INVESTING IN THE POWER OF WOMEN IN CHINA

Impact Report on Goldman Sachs 10,000 Women
Developed by Tsinghua University Entrepreneurship Research Center on G20 Economies
Goldman Sachs 10,000 Women is an ongoing initiative to foster economic growth by providing women entrepreneurs around the world with business and management education, and access to capital.

The initiative is founded on research conducted by Goldman Sachs, the World Bank and others, which contends that such an investment can have a significant impact on GDP growth.

Goldman Sachs 10,000 Women was launched globally in 2008 and has operated in China since 2009 graduating more than 1,940 women from the program in partnership with four universities: Tsinghua University, Southwestern University of Finance and Economics, Yunnan University and Zhejiang University.

Globally, Goldman Sachs 10,000 Women has supported more than 10,000 women from across 56 countries as diverse as Afghanistan, Brazil, China, Egypt, India and Rwanda through a network of 100 academic, nonprofit and bank partners.

This report is the research result of the Entrepreneurship Research Center on G20 Economies, Tsinghua University. Under the leadership of Professor Gao Jian, Director of the Entrepreneurship Research Center on G20 Economies, the team included Shao Hong, Liu Yang, Ma Hongbiao and Guan Jingyi, as well as Mu Rui and Zhao Qi. This research was funded by a grant made by Goldman Sachs Foundation for the use of Tsinghua University School of Economics and Management.
Women entrepreneurship has been globally recognized as an important way to eliminate family poverty, achieve gender equality, promote employment, and accelerate economic development and social progress. In recent years, China has shown strong and sustainable growth in women entrepreneurship, particularly in terms of growth in revenue, job creation and productivity. In the State Council document on “Promoting High-quality and Upgraded Mass Entrepreneurship and Innovation” released in 2018, the Chinese government encourages more women to participate in innovative and entrepreneurial practices.

Tsinghua University’s School of Economics and Management (SEM) has a mission to advance knowledge and cultivate leaders for China and the world. In China’s transformational period from high-speed growth to high-quality development, SEM is committed to cultivating high-quality innovative talents, allowing more entrepreneurs to make greater contributions to innovation and entrepreneurship, while at the same time accelerating economic development more broadly.

Tsinghua University’s Entrepreneurship Research Center on G20 Economies captures core factors that are facilitating the development of women entrepreneurship, empowering women entrepreneurs and enabling more confidence and success. We hope that this research promotes a joint effort by governments, society, academia and businesses to fully unlock the potential of women entrepreneurs, inject new vitality into the era of entrepreneurship, and contribute to the prosperity of the country.

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BAI CHONG-EN
Dean, School of Economics and Management, Tsinghua University, Mansfield Freeman Chair Professor
Entrepreneurship is critical to a healthy society. By creating new businesses and turning ideas into institutions, entrepreneurs create opportunity for their communities, jobs for their neighbors, and growth in the economy more broadly – which opens doors for the next generation.

The reverse is also true: when budding entrepreneurs are turned away from pursuing their dreams – when creative people cannot access capital to grow their businesses, or pursue an education to increase their skills – society as a whole suffers. And far too often, this is the status quo for women entrepreneurs all over the world.

That’s why Goldman Sachs launched 10,000 Women. We believed that by expanding access to business and management education, and increasing the pathways to capital, women entrepreneurs could grow their businesses at an out-sized rate and bring greater prosperity to their communities.

The results in this report – a comprehensive study undertaken by Tsinghua University into the impact of Goldman Sachs 10,000 Women over the course of a decade – demonstrates this. More than 1,940 women business owners from across China show increased confidence, innovation, market-making, digital adoption and social impact after having participated in Goldman Sachs 10,000 Women. And these changes have resulted in truly extraordinary growth: participants have created 26,000 new jobs and added $490 million in revenues since graduating from the program.

These results offer a roadmap, but clearly there is still far more to do to ensure a level playing field for women seeking to build businesses and to compete at the highest level in the global economy. I am full of admiration for the Goldman Sachs 10,000 Women graduates who through their determination, ambition, and ability have already achieved remarkable success, and I look forward to hearing more from them as they continue to grow and thrive for years to come.

I look forward to continuing Goldman Sachs’ efforts to support women entrepreneurs in China over the next few years as we plan the next phase of our efforts.
Executive summary: Strong, sustainable growth

Ten years since Goldman Sachs 10,000 Women launched in China, this report details the extraordinary changes experienced by the 1,940 graduates of Goldman Sachs 10,000 Women from all across the country. Working in partnership with four leading universities from 2009 to 2017, the business education and leadership program has reached women from 29 of China’s provinces, resulting in immediate and sustained growth for participants.

Goldman Sachs 10,000 Women graduates are seeing significant increases in revenue, job creation and productivity:

4x
On average, graduates **quadruple revenue** within 30 months of graduating at an average rate of **78% per year**

1.5x
On average, graduates **add 55% more staff** to their business within 30 months of graduating, at an average rate of **19% per year**

3x
On average, graduates **triple their productivity**1 within 30 months of graduating, at an average rate of **51% per year**

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1 Defined as revenues per employee
The impact of 10,000 Women graduates

30 months after graduating the program, the Goldman Sachs 10,000 Women community has collectively created an additional:

- 26,000 jobs
- $490m in revenue

Goldman Sachs 10,000 Women graduates on average create 13 new jobs within 30 months of graduating and add an average of $250,000 in revenue to their businesses within 30 months of graduating.

The overall Net Promoter Score (NPS) for Goldman Sachs 10,000 Women at 6 months is +89.

The Goldman Sachs 10,000 Women community in China plays a significant role in supporting local economies:

- Graduates generate an estimated $1.8bn annually
- Employ nearly 97,000 staff

\(^1\)An NPS of over 50 is considered “excellent”
The importance of SMEs in China

Small and medium sized enterprises are driving Chinese economic growth. In communities across the country, they play a remarkable role, not only providing jobs and livelihoods for local people, but also driving forward innovation, exporting to the world, and investing in the next generation of talent.

SMEs are an indispensable part of the Chinese economy, contributing 60% of GDP growth and 80% of urban employment. Now, the proportion of women entrepreneurs is increasing, reaching 31% in 2017, and women entrepreneurs are showing greater early stage entrepreneurial activity than men. Supporting these businesses to grow and develop further is critical to China’s economic success.

The story of
Goldman Sachs *10,000 Women* in China

**Finding women entrepreneurs**
Recruitment for Goldman Sachs *10,000 Women* focused on finding ambitious women entrepreneurs operating businesses with growth potential. The university partners screened interested candidates to ensure they met criteria, and if qualified, candidates completed a full application.

The university partners review applications and develop an initial shortlist of applicants. Shortlisted candidates are then invited to a face-to-face interview with a panel of program team, faculty, alumni and entrepreneurs. This allows the panel to ask questions about the business, but also gives the applicant the opportunity to discuss the program in more detail, and consider if this is the right intervention for them.

**Program requirements**
Goldman Sachs *10,000 Women* targets women who meet the following criteria:

- Key decision maker with senior leadership role
- Strong desire to grow business
- Existing business that employs at least 3 people
- Annual revenues between $100,000 – $5 million
- Business has operated for at least one year
- At least 20% of the business owned by a women

**Typical characteristics of participants on application**

- 90% have college education or above
- $519,000 the average annual income of each business
- 29 the average number of employees in each business

**Sectors represented by Goldman Sachs *10,000 Women* businesses**

- 24% Other services
- 21% Wholesale and retail services
- 10% Technology
- 5% Textiles & clothing
- 8% Agriculture
- 6% Food & beverage
- 4% Healthcare
- 10% Industrial/manufacturing
- 12% Leisure and media
Goldman Sachs 10,000 Women is a pioneering initiative in promoting women’s entrepreneurship. Through the support of the Goldman Sachs Foundation, women entrepreneurs from across China have gained the knowledge and skills to learn manage and grow their businesses, improve their thinking skills and forge a business vision. The combination of international experience and domestic practice has improved the quality of teaching, enriched the business understanding of students, and enhanced the confidence of female entrepreneur in China.

As the Academic Director of 10,000 Women at the Tsinghua School of Economics and Management in collaboration with HEC Paris, I have overseen the program since 2009. I worked together with global partners to develop the curriculum, participated in teaching, mentored participating entrepreneurs, and tracked the progress and needs of graduates over time. Through 10,000 Women, Chinese universities and their international partners have jointly trained more than 1,940 Chinese female entrepreneurs, including nearly 750 outstanding Chinese female entrepreneurs at Tsinghua SEM. By improving their own understanding and ability, these female entrepreneurs not only changed themselves, but also better influenced their families and communities, playing an active role in local economic and social progress, and becoming role models for women’s entrepreneurship.

The research in this report further shows that 10,000 Women is sustainable, a national imperative and productive. The teaching content and method pioneered through the program now inspire the development of new women’s entrepreneurship education, continuing to strengthen women's entrepreneurial education across China.
Course Structure

Participants benefit from a blend of world-class teaching, and practical hands-on examples taught by leading faculty in each partner school.

During the curriculum delivery, practitioner workshops with external experts were held, for example with local banks participating in external finance classes. This fosters a direct relationship between the learning and the outcomes for the business owners.

Faculty
For each subject area, experts deliver the theoretical and practical content. These are academics or experienced practitioners in their field, sourced specifically for the program.

Guest speakers
Guest lectures from Goldman Sachs, partner universities and local experienced entrepreneurs provide a breadth of additional experiences for the participants.

Program Mentors
Additionally, the program divides the scholars into groups of 9–10, each with their own program mentor. The program mentor:
• meets with their scholar group at the start and end of each module
• is available throughout the module to help any scholar who has not fully understood a session
• works with scholars individually between modules
• provides business mentoring to their scholars for preparing their growth and business plans throughout the program, and coaches them for the Business Growth Plan Competition
• continues to mentor their scholars after graduation as an essential part of the ongoing engagement with Goldman Sachs 10,000 Women

Course elements

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Business Growth Plan
Central to Goldman Sachs 10,000 Women is each participant’s Business Growth Plan (BGP). Each BGP is unique, tailored to the specific needs of both the entrepreneur and her business, and includes a dashboard of metrics as well as personal development objectives for each participant.

Creation of the BGP is supported by Business Advisors, who provide one-to-one support for participants as they develop the plans.

Business Growth Plan Competition
The final module culminates in a business plan competition. All scholars complete their business growth plans and have it reviewed by faculty. From these, a shortlist of 10–12 business plans are reviewed by senior faculty, and 5–6 finalists selected to present their business plans to the audience of scholars and a panel including university faculty, and local entrepreneurs or finance experts. This enables all scholars to see a business plan presentation, and how in real life they may be questioned about their business plans.

Following the program, participants are advised to use the plan regularly, keeping it updated with new objectives.

“Through Goldman Sachs 10,000 Women, I met hundreds of female entrepreneurs who shared similar aspirations and experiences as me. Over time we became allies, friends and family. In turn, I committed to leading a robust and sustainable alumni community, as that’s how we can grow better, together. This also demonstrates the power of investing in women: when we grow, we contribute back to our business, our family, and our society.”

Xiao Yue
2018 Chair of the Goldman Sachs 10,000 Women Tsinghua University alumni committee

Alumni Network

After graduating from Goldman Sachs 10,000 Women, alumni join a community of like-minded female entrepreneurs across China. Each university maintains an alumni network specific to graduates from their local area. These self-organized groups arrange networking, site visits and events with external speakers, to continue their ongoing learning and development. Representatives from across the community are selected to represent that alumni, and guide the groups’ activity.

The full community across China is connected through WeChat, where alumni are able to discuss pressing issues, share news, and seek advice from their peers.
The Goldman Sachs 10,000 Women curriculum was designed with the following core characteristics:

- Emphasis on practical knowledge and skill set development
- Designed with gendered lens
- Uses peer learning approach
- Specific points of integration with other course elements including business advising, networking and access to capital
- Modular, with each module representing a full day of instruction
- Flexible to allow for local adaptation
- Organized to include: classroom discussion, peer learning, skill building and experiential applications
- Continuity across all modules, with explicit links from each module to the Business Growth Plan
- Out-of-class commitment of approximately eight hours per week, with activities focusing on working on the business and completing the Business Growth Plan
modules to develop their business through effective communications, new market development as well as finance and intellectual property management. Throughout, the curriculum offers practical toolkits to effectively manage the daily operations of a startup, including leadership and building, innovation development and corporate responsibility.
Where are Goldman Sachs 10,000 Women participants based?

Goldman Sachs 10,000 Women graduates come from 29 of China’s provinces, representing the true diversity of the country’s businesses.

Goldman Sachs 10,000 Women is delivered by a broad team across China comprising:

**Beijing**
Tsinghua University, School of Economics and Management in partnership with HEC, Paris

**Kunming**
Yunnan University, School of Business and Tourism Management in partnership with MIT Sloan School of Management

**Chengdu**
Southwestern University of Finance and Economics (SWUFE), School of Business Administration in partnership with University of Oxford, Said Business School

**Hangzhou**
Zhejiang University, Global Entrepreneurship Research Centre in partnership with University of Oxford, Said Business School
Throughout the Goldman Sachs 10,000 Women course, participants are encouraged to work within their businesses and make practical changes to realize their growth ambitions. Whether through operations updates, new hiring practices, better use of the internet or implementing financial forecasting, alumni exhibit greater confidence and are more likely to be active across business areas we know contribute to greater growth.

These business areas include rates of innovation, likelihood to be working internationally, taking on external finance, actively using the latest technology, developing their peoples’ talent, and giving back to the community.

Graduates exhibit a number of personal changes following Goldman Sachs 10,000 Women:

- **80%** feel better able to create a business strategy
- **72%** feel more confident handling difficult business situations
- **71%** see themselves as a good or excellent communicator
- **91%** continue to work with other Goldman Sachs 10,000 Women alumni
Liang Haibing  
Pannex Limited

Going global through a renewed business model

Having worked in foreign trade for nearly a decade as a project manager, Haibing joined Goldman Sachs 10,000 Women China when she founded her own business manufacturing mobile phone accessories.

The skills Haibing learned through Goldman Sachs 10,000 Women China, including strategic planning, accounting, human resources and marketing, equipped her with the knowledge needed to streamline her business. As competition increased in Chinese manufacturing, Haibing realized she needed to “maximize strength in creative design and amplify comparative advantage to other competitors.” She therefore shifted the positioning of her company from a traditional OEM (Original Equipment Manufacture) factory for phone cables, to a bespoke mobile accessory design platform for high-end multi-national corporations.

Today, Haibing has successfully expanded her export market from the Middle East to include the United States, Europe and Australia, with clients including many high-profile multinational companies.

“What’s really unique about Goldman Sachs 10,000 Women China is the global mindset it offers to Chinese female entrepreneurs,” Haibing recalled, noting the comprehensive curriculum of in-depth global case studies, delivered by faculty from both Tsinghua University and HEC Paris.

Haibing developed distinctive business models for different markets, traveling abroad to meet with her clients in-person, leading to her doubling orders every year. Inspired by “how a global corporate culture can make a difference to clients and staff,” Haibing also completely renovated her office space and factory to a bright and modern style, providing a pleasant and flexible working environment for staff.

With global expansion in place, Haibing is now leveraging Internet-of-Things (IoT) technology to automate her supply chain, and offer greater value to her clients.
The global mindset I developed through Goldman Sachs 10,000 Women has inspired me to pursue overseas businesses in a more effective way. Having graduated from Goldman Sachs 10,000 Women, I was able to avoid major mistakes at different stages of development thanks to the skills I learned.

Liang Haibing
PANNEX LIMITED
Goldman Sachs 10,000 Women China
Driving innovation

Goldman Sachs 10,000 Women graduates exhibit a high degree of innovative behavior following the course. Over time, they are researching and launching new products, improving the quality of services, and expanding to new locations.

Within 6 months of graduating:

- 44% launched a new product or service
- 57% improved the quality of an existing product or service
- 40% developed a new product or service
- 21% opened a new location

Accessing new markets

Around one in five participants is actively involved in international markets, selling their goods and services abroad. Furthermore, a number of graduates identify international markets as their key opportunity, and expand abroad after graduating.

Within 6 months of graduating:

- 24% offer their products or services in a new area within their city or elsewhere in China

While the number of graduates moving into international markets is modest, this is in part because the domestic opportunity for small businesses in China is so robust, with many graduates seeing their greatest potential for growth at home.

Within 6 months of graduating:

- 10% began exporting their goods and services
Developing talent, skills and staff

Goldman Sachs 10,000 Women graduates make a number of changes to the way they recruit, train, and continue to develop their staff.

In recruitment, the proportion of graduates who use a formal checklist to evaluate candidates on core areas of competence consistently, increased by more than two-thirds. As with many small businesses, the Goldman Sachs 10,000 Women population relies on referrals and job websites, with the majority sourcing new talent through these two sources alone. This highlights the importance of networks like the Goldman Sachs 10,000 Women community, which provide crucial referrals to business owners.

Once they have hired new staff, Goldman Sachs 10,000 Women graduates invest more in training their staff than before the program.

96% of Goldman Sachs 10,000 Women graduates provide training for their staff, 30 months after graduating.

When developing staff, providing constructive feedback is an important part of their continuous improvement. While almost all participants provide their employees feedback informally before applying to the program, many do not have formal procedures in place to allow their people to track their progress against clearly defined goals. Within 30 months of graduating, however, 79% of graduates offered formal written feedback.

79% of graduates offer their staff formal written feedback.
Investing in people

Caiemei’s ethnic art crafts production business was one of the earliest in Yunnan to use Alibaba, but she was finding it hard to develop a new facility on a recently acquired piece of land. Having learned about Goldman Sachs 10,000 Women through Alibaba, she decided to join, hoping to learn how to further expand her business.

After learning and further understanding the value of her people through the course, Caiemei initiated company events to foster her organizational culture and better retain her staff, cultivating a company ethos that deeply values mutual respect and communications, as well as an international mindset. She also realized “the importance of drawing a blueprint for my business and my people”, and following Goldman Sachs 10,000 Women, started to develop a constructive career plan for her staff and a five-year plan for her company.

The module-by-module structure of Goldman Sachs 10,000 Women allowed Caiemei to apply every subject directly, before returning to the classroom for the next module. Caiemei was able to put into practice new knowledge on business management and financial analysis to streamline her factory’s management, enabling her company to increase productivity and the quality of her products. Today, her products are exported to more than ten countries including Japan, US and Spain.

Caiemei benefited from the Goldman Sachs 10,000 Women network, which has brought many new ideas and business orders, as well as close friendships. With public speaking training from the program, Caiemei has significantly increased her confidence when working with clients. She has since passed on her learning from Goldman Sachs 10,000 Women to over 1,000 students from local vocational schools and art craft workshops.
Investing in the Power of Women in China

Program impact:

Created 35 new jobs

and multiplied revenue six times

“"I wouldn’t have achieved what I have today without Goldman Sachs 10,000 Women. It is the starting point for my success and the program inspired me to never stop learning new things and keep giving back to my community.”

Cao Caimei
KUNMING NANKAN ART CRAFT COMPANY
Goldman Sachs 10,000 Women in China
Innovating through a new business model

Duofei joined Goldman Sachs 10,000 Women China at a stage where her e-commerce platform for high-end fashion goods, www.5lux.com was attracting a large group of rising middle class consumers in China. However, facing many similar competitors in the market, she was looking for ways to innovate within her business to grow to the next level.

Using the network of Goldman Sachs 10,000 Women China, Duofei captured a broad range of feedback from other female entrepreneurs regarding fashion goods purchasing preferences and on-line consumption behaviors. Based on the advice provided by her fellow graduates, she reshaped her marketing strategy for her female-dominant e-commerce platform.

In addition, having learned the “importance of diversifying my business portfolios” from the coursework, Duofei used the toolkits from the business strategy module to transform her business. Shortly after participating in Goldman Sachs 10,000 Women China, Duofei changed her business model from a traditional e-commerce platform to an online ecosystem for high-net-worth customers, providing comprehensive digital advice on overseas investments, asset management and advanced education program selection.

This transformation expanded Duofei’s network from dozens of loyal customers to more than 2,000 high-net-worth clients. She continues to introduce new features and services on her digital ecosystem to remain at the forefront of innovation in the fashion industry in China.

“10,000 Women and the alumni network across China have significantly broadened my horizons, allowing me to understand the market from a higher-level perspective, and encouraging me to take risks and fundamentally transform my business.”

Sun Duofei
WWW.5LUX.COM
Goldman Sachs 10,000 Women in China
Program impact:

More than tripled her productivity

$x^3$

and more than doubled her revenue

$\$x^2$

www.5Lux.com is one of the first e-commerce platforms in China for high-end fashion goods and a professional service provider for lifestyle enhancement.
Making use of the internet and technology

Embracing new technology helps businesses to grow faster, as they take advantage of efficiencies in their processes, and the access to markets that the internet can offer. Surveying the Goldman Sachs 10,000 Women China population in 2019 reveals that 51% of graduates are using e-commerce already, taking their businesses online in search of new opportunities.

68% of alumni feel more confident in applying new technology since graduating Goldman Sachs 10,000 Women

While around 12% of graduates have moved online in the last 12 months, more than half have been selling on the internet for more than three years.

52% have been selling online for 3+ years

Online sales provide a relatively large amount of revenue for those graduates with half those actively selling online generating over a quarter of their revenues through online sales alone.

56% of graduates are generating more than a quarter of their revenue online

As well as making use of traditional e-commerce to reach new customers, graduates are implementing the latest Internet+ technologies throughout their businesses to improve efficiency and amplify growth. Over 78% are using one or more service in their business, including:

- 59% Mobile internet
- 26% Big Data
- 12% Internet of things
- 11% Cloud computing
- 4% Blockchain
Giving back to the community

Goldman Sachs 10,000 Women stresses the importance of building connections with the local community, which supports and sustains the success of any business. Following the program, over three quarters of graduates feel better placed to have a social impact.

43% have started initiatives that aim to alleviate poverty in their region.

88% of participants participated more in local community groups and associations in the 6 months following the program.

90% mentored other women in the community. On average, they mentor more than 7 women.

Across the Goldman Sachs 10,000 Women China community, the estimated total number of mentored women each year is over 12,000.
Building a business online

Following her passion of creating paper-art pieces for festivals, Xiaoniao started her business in 2008, with no experience on how to start up or scale a business. Her company provides products to other distributors for sale to end customers. This low-margin business model was difficult to manage, and she joined Goldman Sachs 10,000 Women in 2011 to learn how to further scale her idea.

Following the program, Xiaoniao developed a new brand for external trading, Sunbeauty, and began listing her products on Ali Express and 1688 in China, as well as on Amazon internationally. By specializing on high-quality items and selling directly to consumers, she managed to boost revenues and her profit margins, increasing productivity and therefore increasing the salaries of her staff.

Throughout the program, Xiaoniao benefited from expert mentoring and advice from experienced business leaders, including from Alibaba. Through sharing the areas she needed help improving, she was able to integrate best practices from more established business owners, further accelerating her growth.

Over time, Xiaoniao has developed her own sales team, research and development process and further built her own independent brand, which now trades in China, Japan, US and the EU. While 40% of her revenues are still business-to-business, she has expanded her client base to 60% individual consumers by making use of online marketplaces.

Looking ahead, Xiaoniao is leveraging the knowledge from Goldman Sachs 10,000 Women to establish new subsidiaries that would ultimately build her business group.

Sunbeauty is an art craft trading company selling creative paper art pieces, most of which are sold as festive gifts and decorations during holidays.
Created 75 new jobs

and doubled her revenue

"As a creative person, I like to embrace new things. 10,000 Women taught me everything I needed to know as an entrepreneur, and inspired me to build my business online. I hope this course can benefit many more female entrepreneurs in the future."

Mei Xiaoniao
SUNBEAUTY
Goldman Sachs 10,000 Women in China
Growing a business and a local ecosystem

Founded in 2008, Wei’s company derived from Mountain Mengding, in Minshan County, Ya’an City, which is said to be one of the first sites of human-developed tea plants.

She sells tea-related products, and teaches individuals in the art of tea. When she founded the business, she worked with local farmers to grow and pick tea, while her company sold and traded the end product.

Through Goldman Sachs 10,000 Women, Wei realized that the success of her business relied on the ecosystem supporting it. She started to invest in local tea plants and worked with the farmers in her supply chain to provide technical advice and training, to support them in moving to organic farming methods, and produce a higher quality product that would increase their revenues and provide her company with a better product.

Today, Wei’s network extends to more than 1,000 farmer households across the local region, and her business has inspired a new trend for tea tourism, bringing in enhanced infrastructure, even greater revenue for farmers, and stronger awareness of tea culture to the region.

Wei’s business now has six stores and one tea house, and her vision is to expand this successful ecosystem model to new provinces.

“Goldman Sachs 10,000 Women gave us the platform to learn, broaden our horizons, structure our business model, and build local connections that will support and follow us while we continue to grow.”

Wu Wei
CHENGDU CAOMUJIAN TEA CULTURE
Goldman Sachs 10,000 Women in China
Program impact:

Created 25 new jobs

25

and increased revenues 20 times

$ x 20

Chengdu Caomujian Tea Culture is a tea retailing store group, specializing in researching and producing quality tea-related products, and training individuals in tea art.
Goldman Sachs 10,000 Women graduates are encouraged to seek external capital to support their growth ambitions. A third of graduates applied to receive external funding to support their growth, and 38% of participants said that Goldman Sachs 10,000 Women connected them to this opportunity.

Yet, almost two thirds of graduates still do not apply for external financing, which could be limiting their ability to grow their business even faster.

Despite a large percentage of those who apply for funding being accepted, many female entrepreneurs still do not apply, and this issue is not unique to China, and is an issue facing women in many other markets.

**A global fund expands credit access for women-owned businesses**

In 2014, recognizing that one of the most significant barriers for women entrepreneurs is access to finance, Goldman Sachs 10,000 Women and the International Finance Corporation’s (IFC) Banking on Women launched a first of its kind finance facility dedicated exclusively to financing women-owned small and medium businesses. The global credit gap for women, sized today at over $1.5 trillion, is especially crippling.

The **Women Entrepreneurs Opportunity Facility (WEOF)** is designed to enable 100,000 women entrepreneurs to access capital through local banks in emerging markets. This public-private sector partnership has now successfully catalyzed co-investments from the public and private sectors, of more than $1.45 billion, and has worked with financial institutions in more than 30 countries to deploy capital.

WEOF extends lines of credit to local banks so that these banks, who know their women clients and understand their local markets, can then use the funds to lend on to women entrepreneurs. Depending on the bank, the facility also often takes a share in the credit risk of the women entrepreneur borrowers, stimulating the bank to develop new products and to reach out to new women entrepreneurs, and provides advisory services to help the bank better understand and serve the women’s market.

**Ant Financial and WEOF**

In China, IFC’s Banking on Women supported by WEOF provided Ant Financial’s microcredit arm Ant Credit a senior loan of $80 million in 2014. The financing helped Ant Credit to expand its lending to women entrepreneurs who faced difficulties in obtaining loans in China. Many of Ant Credit’s clients run businesses on Alibaba Group’s online marketplaces such as Taobao.com and Tmall.com.

Ant Credit, evaluated potential borrowers’ creditworthiness based on their transactional and behavioral data from business done online. This technology allows Ant Financial to lend without taking securities and assets such as buildings or inventories as guarantees for loans, thereby lowering the threshold for loan disbursements and providing financing to clients who previously stood no chance of obtaining loans.

The support provided through WEOF allowed Ant Credit to lend to even more entrepreneurs, providing more than 30,000 **women business owners** across China with access to finance as a result.
Bank of Luoyang and WEOF

In 2016, Bank of Luoyang received a risk sharing facility and advisory services from IFC’s Banking on Women, with funding support from WEOF, to extend $140 million in loans to women-owned SMEs. Having access to this facility is enabling Bank of Luoyang to increase the amounts loaned to female entrepreneurs with established track records and clear investment needs for growth, but it also helps to widen the market by making funds available to attract new women business owners to Bank of Luoyang’s customer base.

Reviewing early results of the loans program, the Bank of Luoyang found that female customers were more cautious with regard to risk, and therefore were less likely to default on their loans. They also saw that women borrowers engaged in a broader range of bank offerings, and therefore were more loyal, attractive customers.

It is clear that the bank’s products were meeting a gap in the market, and the bank’s customers identified access to finance and access to markets as their two biggest challenges, similar to Goldman Sachs 10,000 Women graduates.

Women customers wanted a broad offering that included financial products and non-financial services, not just credit. Where loans were concerned, they emphasized simple procedures, quick responses, flexible credit terms, and competitive rates.

They wanted to be seen as a valued customer, not a one-off transaction and felt the bank should evaluate them on the basis of their growth and potential, not only on their ability to offer collateral and guarantees.

As a result, Bank of Luoyang created four new offerings:

- **Continuous loans**: For qualified customers, twelve-month loans would be allowed to roll over, rather than being fully repaid annually.
- **Maternity loans**: Special credit arrangements for women entrepreneurs would be available to help mothers-to-be reduce the repayment pressure on working capital loans during maternity leave.
- **Simultaneous personal and business loans**: Customers could apply for both personal and business loans through a single application and approval procedure.
- **Formation of a women’s entrepreneur club**: with special identity cards that would be the umbrella for the women to get to know each other and conduct business among themselves. This group would also act as the platform for training and expert sessions.

“The innovations we were able to provide, thanks to the risk sharing facility and advisory services from IFC, funded by WEOF, have greatly expanded our product offerings for women. These have encouraged more women to work with us to meet their capital needs, and grow their businesses.”

Ms. Yanping Fu,
VICE PRESIDENT, BANK OF LUOYANG
Financing further growth opportunities

Guolan runs a group of kindergartens for young children in and around Luoyang, Henan. Having received a loan from the Bank of Luoyang, catalyzed by the Women Entrepreneurs Opportunity Facility, she was referred to Goldman Sachs 10,000 Women to improve her business management skills.

Through the course modules on managing people and operations, Guolan learned how to step back from the day-to-day operations of the business, and empower her staff to take on additional responsibility. She implemented a training program for her staff to manage her kindergartens, and now she also trains other kindergartens on their management.

Guolan also began to more systematically approach her business. To promote efficiencies, she began to track the productivity of the business and she continues to update her business growth plan.

Having opened her second location, Guolan received two more loans from Bank of Luoyang, also catalyzed by the Women Entrepreneurs Opportunity Facility, in 2016 and 2017 to support further expansion. She opened two new locations in Luoyang, and set up an additional pair of franchises in neighboring counties.

Looking to the future, Guolan is considering further expansion throughout Henan.

“I am grateful for Goldman Sachs 10,000 Women equipping me to approach my business strategy rationally, and empowering me with the skillsets I needed to step away from the day-to-day and focus on expanding into new markets and exploring new opportunities.”

Liang Guolan
HENAN BEIBEI EDUCATION MANAGEMENT CONSULTING CO., LTD.
Goldman Sachs 10,000 Women in China
Program impact:

Created 80 new jobs

80

and nearly doubled revenues

$ \times 2$

Henan Beibei Education Management Consulting operates six kindergartens and provides early childhood education programs.
Methodology

Goldman Sachs 10,000 Women is built on a robust platform of monitoring and evaluation (M&E) to provide evidence of impact, and promote accountability and transparency. This report was authored and developed by the Entrepreneurship Research Center on G20 Economies, Tsinghua University, who worked to analyze M&E data collected in a series of surveys issued to Goldman Sachs 10,000 Women participants.

The surveys used in this project were developed with assistance from The Bridgespan Group in 2008–2010. Experts from Acumen, the Center for Global Development, Technoserve and the International Center for Research on Women (ICRW) also participated in the survey development process.

The program participants respond to standardized surveys when they enter the program (the “baseline” survey), and at approximately six, 18 and 30 months after their graduation. The surveys track a variety of metrics over time, including business performance, business practices, community engagement, decision making and access to resources such as mentoring and advising. This initial report features findings from the data gathered at baseline, six, 18 and 30 months.

To facilitate survey completion and promote data accuracy, Goldman Sachs 10,000 Women program partners hired and trained local personnel to manage the administration of participant surveys.

A senior faculty member at each partner, referred to as an Academic Director, had overall responsibility for implementation. Directors oversaw the M&E process, ensuring that the liaisons accurately collected and sufficiently validated the data.

To ensure the accuracy of key data points collected from participants, randomized data validation is performed by the liaison after each survey is administered. This also helped to make certain that the reported results reflect the true changes for participants and their businesses, and confirms participants’ understanding of their business performance. Validation is conducted on key data points such as revenues and number and type of employees. The validation process utilizes multiple sources of information available from participants including their applications to the program, their surveys and their financial documents. Thirty percent of the surveys are validated via a site visit to the participant’s business, with the remainder validated over the phone. While the validation process cannot ensure 100% accuracy of all program data, it does help to provide a higher level of data reliability.

This report includes the analysis of surveys of the 27 cohorts comprising the program in China, which represent more than 1,940 women entrepreneurs. The analysis focuses on survey questions related to the development of the entrepreneur, her business and her engagement in the community.

An exchange rate of 6.67 Chinese Yuan per United States Dollar has been used throughout (February 2019). The converted value is rounded down.

Graduates of Goldman Sachs 10,000 Women come from four universities across China:

- Tsinghua: 747
- SWUFE: 300
- Yunnan: 505
- Zhejiang: 391

Supplemental survey:

In February 2019, Tsinghua surveyed the Goldman Sachs 10,000 Women community in China to learn more about their progress, and see recent trends in their behavior and business practices.

The survey comprised 25 questions, and was completed by 529 graduates of Goldman Sachs 10,000 Women across all four sites.

Acknowledgements

This report is the research result of the Entrepreneurship Research Center on G20 Economies, Tsinghua University. Under the leadership of Professor Gao Jian, Director of the Entrepreneurship Research Center on G20 Economies, the team included Shao Hong, Liu Yang, Ma Hongbiao and Guan Jingyi, as well as Mu Rui and Zhao Qi.

This research was funded by a grant made by Goldman Sachs Foundation for the use of Tsinghua University School of Economics and Management.

Research on the impact of WEOF on Bank of Luoyang’s women finance initiatives was provided by Professor Linda Scott and Elizabeth Paris, Oxford University. Goldman Sachs 10,000 Women in China is possible with the support and dedication of the Goldman Sachs Foundation, and the following institutions:

- Ant Financial
- Babson College
- HEC Paris
- Massachusetts Institute of Technology
- Oxford University
- The Bank of Luoyang
- The International Finance Corporation
- Tsinghua University
- The Southwestern University of Finance and Economics
- Yunnan University
- Zhejiang University

8 Bridgespan is the non-profit consultancy company who worked on the establishment of 10,000 Women and its processes from 2008–2010