

NatWest:

Leveraging the Ecosystem to Educate, Inspire and Connect Women in Business



NatWest

NatWest at a Glance

- A member of the Royal Bank of Scotland Group (RBS), which was founded in 1727 and is one of the largest financial services groups in the world, NatWest is the organization's flagship brand in England and Wales.
- RBS has 19 million customers, predominantly based within the UK and the Republic of Ireland. NatWest serves over 8 million of these clients in the UK. In 2016 RBS held nearly 800 billion GBP (over US\$1.05 trillion) in total assets, and NatWest had 316.5 million GBP (almost US\$420 million).
- RBS launched the Women in Business program in 2003 to support women business owners. Now led by NatWest, the program is expanding beyond business banking to reach commercial, private and corporate banking clients.
- NatWest has accredited more than 600 Women in Business Specialists, who are trained to provide clients with business expertise and support, and connect them through networking and learning events.
- Today women-owned SMEs represent 17% of the Business Banking portfolio, with enterprises owned jointly by men and women comprising an additional 34%.
- In 2014 RBS's CEO and Executive Committee set a formal target to reach at least 30% women in the top three leadership layers by 2020. The bank's longer-term aim is to have a fully gender balanced workforce by 2030.
- The RBS Group is recognized as a "Times Top 50" employer for women, has a Platinum rating with Opportunity Now, has been placed in the top five in the global Bloomberg Gender Equality Index and was an early adopter of the UK government's "Women in Finance Charter."

NatWest's Women's Market program dates back to 2003, when parent company RBS – already a leader in SME banking in the UK – saw an opportunity to increase representation among female business owners in the economy. Focusing on building internal capabilities first, RBS launched its Women in Business (WiB) program with the goal of becoming the bank of choice for women-owned and -led businesses in the UK. Working with a broad ecosystem of partners allowed the bank to expand the initiative into the only holistic banking program in the UK specifically designed to meet the needs of women's businesses, empowering clients to succeed by educating, connecting and inspiring them. Today the NatWest WiB program serves more than 100,000 customers across the UK.

Ramping up Women in Business

During its long history, RBS has been at the forefront of SME banking in the UK, serving almost a quarter of all businesses in the country. Recognizing that men were twice as likely to start businesses in the UK as women, the bank began exploring the main barriers hampering the start-up and growth of women's SMEs, and how it could best meet their needs.

With support across senior management, the bank developed the first dedicated Women's Market program for SMEs in the UK in 2003. Following the global financial crisis of 2007-2008, the WiB program's uniqueness in the market served as a competitive differentiator for RBS, strengthening its position as a champion of women's SMEs in the UK. In 2012 the WiB proposition picked up further momentum when RBS leveraged Women's Market know-how from an expanded ecosystem of partners – including the Global Banking Alliance for Women. Now led by NatWest, the initiative has been embedded across multiple parts of the bank and has been recognized as a key component of NatWest's goal of getting closer to its customers. NatWest's WiB program is now seen as a critical part of the UK business and entrepreneurial community and is considered an example of Women's Market best practice globally.

"From introductions to relevant organizations to tangible day-to-day support, at NatWest we want to go beyond providing financial services and help female entrepreneurs achieve their ambitions for their businesses."

- **Marcelino Castrillo**, Managing Director of Business Banking



“The Women in Business Specialists program was a natural response when leading frontline business bankers realized they didn’t have equal representation of males and females in their portfolios. Since we developed the program, we have been able to offer women the support they need to start and grow their businesses, and accounts for women business owners have increased dramatically.”

- Yvonne Greeves
 Head of Women in Business for NatWest,
 Royal Bank of Scotland & Ulster Bank

Harnessing Women’s Potential: Building Internal Capabilities

RBS first focused its WiB efforts internally, developing a Women in Business Specialist program to help employees better understand the needs and challenges of women business owners while promoting the Women’s Market as a market with upside potential. Launched in 2007 and completed on a voluntary basis by employees across the RBS Group, the initiative has graduated more than 600 Specialists to date.

The program is intended to help bank staff provide women with tailored support and advice for their businesses, boost women’s confidence in their skills and business knowledge, and build their trust with the bank. This course was developed in partnership with *everywoman* – a global expert in the advancement of women business owners – and comprises a one-day workshop covering topics such as: The Global Landscape for Women in Business, Harnessing Gender Intelligence, Navigating International Growth and Networking.

In 2012, the bank formalized the program and partnered with Chartered Banker, a highly regarded financial services institute in the UK, to accredit all graduates of the WiB

Specialists program. To maintain their accreditation, Specialists must participate in annual follow-up webinars with updated information on the landscape for women in business and the progress of the program at the bank.

Following accreditation, WiB Specialists are able to provide not only specialized business expertise, but support clients and connect them to relevant local organizations, professionals and strategic partners that can help them start and grow their businesses. Specialists organize and publicize educational and networking events targeting both existing and potential customers, building relationships and expanding the reach of WiB. Events are often coordinated around local and international initiatives like Global Entrepreneurship Week, International Women’s Day and Small Business Advice Week. In 2017 Women in Business Specialists will host more than 300 events across the UK, reaching more than 20,000 people. Specialists are also expected to be WiB program ambassadors, highlighting their work among NatWest staff on a dedicated intranet site and creating and disseminating WiB customer success stories and case studies both internally and externally.

WiB efforts are centralized in the Business Banking unit under a small Women’s Market team. The Head of WiB coordinates efforts across Business, Retail and Corporate Banking, ensuring the program is embedded throughout the bank and helping to reach the widest possible audience of women clients. The Head of WiB is also responsible for training and accreditation of WiB Specialists and setting targets for the program. The WiB leader also coordinates efforts with Business Growth Enablers – Business Banking employees solely responsible for helping both male and female business clients grow their enterprises – to provide content and resources to organize women-focused events. An External WiB Advisory Board comprised of business owners helps guide the direction of the program.



Fostering an Inclusive Environment for Better Business Outcomes

The bank recognized that changing its culture to create a more diverse and inclusive workforce would not only help support the WiB program, but would provide all its customers with better service. RBS developed a compound approach to achieve this ambition: implementing targets for women's representation at the most senior levels of management, and developing processes, tools and practices that support gender diversity in the workplace and encourage female leadership.

At the end of 2014, the CEO and Executive Committee of RBS committed to having at least 30 percent women in the bank's top three leadership layers across all business lines – comprising about 800 roles – by 2020 and a gender equal workforce at every level by 2030. Realizing that every part of the organization needed to change and the adjustment would be more difficult across some business areas than others, the bank set individual targets for each area, with some aiming for well in excess of the minimum 30 percent. The targets are included as KPIs for the Executive Committee, formally linking gender balance in the workforce to the pay of senior leaders.

To achieve these goals, RBS has implemented a "positive action" approach for each business area that is tailored to its specific business challenges. A key component of this approach is providing development, networking and performance support for talented women at all levels of the organization, including:

- Sponsorship and mentoring,
- Targeted leadership development programs,
- Online training tools/frameworks,
- Access to external professional organizations through individual memberships,
- Development opportunities offered through Employee Networks.

Although the primary focus of these offerings is facilitating the development of female talent, a number of components – like the online learning portal – are available to the broader female population, as well. This proposition has enabled RBS to provide support, development and networking opportunities to 4x more women annually than they had ever before reached. Across the bank, 18 percent of women who have been offered support have been promoted, with a further 26 percent moving into different roles after gaining new skills and/or the confidence to do so.

With the understanding that, to create real change, effort must be applied at all stages of the employee lifecycle, RBS is also reviewing the structure of roles predominately held by men, helping to increase both flexibility and female attraction; proactively identifying talent mobility scenarios and moving women around the organization; proactively addressing any gender pay gap; and participating in research to explore the "Lean out" phenomenon and clearing bottlenecks to create space for new talent.

These efforts are having a strong impact. Women in the top three layers of RBS leadership have increased by 6 percent since 2014 and now stand at 35 percent in aggregate, and RBS is on track to have 50 percent women throughout each level of the company before 2030. In addition:

- With 27 percent women on its boards, RBS has already exceeded the UK's Lord Davies requirements and is on track to meet the Hampton-Alexander 2020 requirements of 33 percent;
- The number of women in the bank's top 5,000 roles has improved from 32 percent to 44 percent since 2014;
- The Inclusion category in its Employee Opinion Survey has improved, and affirmative answers to the indicator "We support D&I in the workplace" are 10 points above the Global Financial Services Norm;
- The company's employee-led women's network has grown to more than 10,000 members;
- RBS is frequently recognized as a gender diverse employer, as demonstrated through recent awards and benchmark placings;
- Pax Ellevest, a mutual fund that supports companies advancing women's leadership, has invested in the bank on the basis of its gender performance.

"Much as the Women in Business program supports women's SMEs at every stage of development, NatWest's D&I initiatives are intended to support female staff throughout every stage of their careers."

- Julie Baker

Head of Enterprise, Business Banking, NatWest

Leveraging Research to Increase Opportunities



NatWest regularly commissions research from reputable partner organizations to understand the entrepreneurial landscape in the UK and pinpoint specific interventions that can increase opportunities for women in business. A 2013 collaboration with Aston University produced "Women in Enterprise: A Different Perspective," which explored the under-representation of women in the UK business sphere, determining that men were twice as likely as women to start a business. The report provided a number of recommendations that could be undertaken both within and beyond the bank to address the gender gap, including fostering an entrepreneurial mindset among women, increasing access to finance, creating role models and supporting mentoring programs.

In 2017 the bank produced "The Female Entrepreneur Economy" with research firm Development Economics, which quantified the economic contribution of women to business formation and economic growth in the UK. The study found that women-owned businesses contributed over 3.5 billion GBP (more than US\$4.6 billion) to the UK economy in 2015, but the percent of the female working population starting up businesses, at 4.7 percent, was half that of the United States and less than half that of Canada. The research shined a light on the need to further support the UK's women entrepreneurs and positioned NatWest as an expert in the field with a strategy to help address this gap.

In addition, the bank's quarterly "Entrepreneurship Monitor" tracks the business environment in the UK, surveying 3,000 female and 3,000 male SME owners on their business realities and outlooks. In 2017, the "Entrepreneurship Monitor" still shows that women lack confidence in their business abilities and knowledge of where to turn for advice, demonstrating a strong need for programming that educates, inspires and connects women in business. In addition to providing market intelligence, the research results lead to positive press for the bank and opportunities to widely share the WiB offering.

Marketing Women in Business

Although NatWest's WiB efforts had been significant over the years, they had not been translated into a comprehensive marketing plan that communicated the program's goals and vision until 2017. Drawing inspiration from fellow GBA members, NatWest developed and launched a marketing campaign in 2017 that highlighted the barriers women face as they juggle competing priorities when setting up a business. The campaign also promoted WiB Specialists who could help clients overcome any challenges they faced. Advertisements were placed in national press and select women's magazines like Harper's Bazaar. The NatWest team has seen a 38 percent increase in number of new SME accounts that are opened by women who own or lead a business since the launch of the campaign.



NatWest's digital presence was also significantly expanded in 2016 with the re-launch of its dedicated WiB website. The site provides relevant content such as links to NatWest's own research, external resources and knowledge products, video case studies of successful business role models, information on how the bank can help women entrepreneurs, and details of local WiB events. Since the site's improvements, the bank has seen an increase in visitors of more than 2,000 percent. NatWest also promotes WiB through its various social media channels and in a monthly WiB e-newsletter that features insights specifically for female entrepreneurs and business owners, which has a circulation of 67,000.

Women-owned businesses contributed **£3.51 billion**

to the UK economy in 2015

That's **7.3%** of the UK economy's growth in 2015

And **126,000** new businesses across the UK



Source: NatWest, The Female Entrepreneur Economy, 2017

NatWest's Latest Women's Market Findings include:

- 798,000 jobs in the UK have been generated by businesses started by women, including 77,000 in 2015 alone.¹
- 4.7 percent of the UK's female working population set up their own businesses in 2015, compared to 9.2 percent in the US and 13.5 percent in Canada.¹
- If the UK had supported the same female entrepreneurship rate as Canada, its economy could have had a boost of an additional 1.35 billion GBP in 2015.¹
- On average, women are 50 percent less likely than men to start a business.²
- Women in business are significantly less likely to use external financing as a source of funding.²
- Women continue to have less confidence and see more barriers to starting a business, with 58% citing fear of failure and nearly two-thirds saying they did not know where to go to get the right business information and advice.³
- More than two-thirds of women would be encouraged to take the first step into entrepreneurship if they had inspiring female role models, access to a network of local female entrepreneurs, and information targeted at women's specific circumstances.³
- Even when controlling for external factors, women-owned businesses' financial results outperform those of their male counterparts.²

Sources:

1. NatWest, The Female Entrepreneur Economy, 2017
2. RBS Group, Women in Enterprise: A Different Perspective, 2013
3. NatWest, NatWest Entrepreneurship Monitor, 2017

Tapping Into the Ecosystem

NatWest leverages the expertise of reputable partners wherever it will build women entrepreneurs' knowledge base and promote their visibility. These collaborations provide reputational benefits and an increased network of potential clients for both the bank and the partner, minimize costs, and enable women in business to tap into a broader set of capabilities.

Educating Women to Fulfil Their Potential

NatWest's partnership with *everywoman* plays a critical role in the bank's educational programming. WiB clients are invited to join the *everywomanNetwork*, which features an e-learning platform with self-development tools and learning resources, as well as opportunities for business advice through peer networking. NatWest's e-newsletter is also co-produced with *everywoman*, as are many of the bank's educational WiB events.

Looking to expand its outreach to untapped audiences, the bank recently launched a podcast series that profiled the experiences of local women entrepreneurs just getting started with their businesses – most of whom were also NatWest clients. The podcast featured advice from WiB Specialists and other experts on topics like launching a brand, running a social enterprise, women in technology, collaboration and networks, and accessing finance. Hosted by well-known British media personality June Sarpong, the series reached more than 22,000 listeners over the four months that it was released.



Women in Business

Podcast series presented by June Sarpong



Inspiring Women to Start Businesses

Addressing barriers like lack of self-confidence and absence of role models, the bank has been a pioneer in showcasing successful women leaders across the UK. The NatWest *everywoman* Awards are currently in their 15th year, highlighting women running businesses from start-ups to established companies. The bank also sponsors the Asian Women of Achievement Awards, celebrating Britain's remarkable Asian businesswomen, entrepreneurs and humanitarians. The awards celebrate women's business successes and achievements, and allow the opportunity for them to publicly inspire others.

Connecting Women to Networks and Markets

Leveraging existing community networks for women, including the *everywomanNetwork*, National Black Women's Network and the Polish Women's Network, the bank is able to connect its WiB customers with peers who can help them access new markets and grow their businesses. The bank also partnered with WeConnect International to connect women's enterprises with market opportunities. RBS developed a Supplier Diversity and Inclusion Code of Conduct to foster SME business sustainability in the communities the bank serves. NatWest organizes four events per year to connect under-represented suppliers with market opportunities and link small businesses that may have challenges with procurement processes with Tier 2 buyers.

Enabling Women's Entrepreneurship

NatWest partnered with Entrepreneurial Spark in 2012 to address the gender gap in business ownership, fully subsidizing the organization to offer business support, advice and capacity building activities in 13 regions across the UK.

Through a series of accelerator hubs offering physical workspaces, an Entrepreneurial Development Academy, a "boot camp" for start-ups, mentoring and business advice, educational seminars, funding clinics, and networking opportunities, Entrepreneurial Spark helps business owners develop an entrepreneurial mindset and execute on their business plans. Though less than 20 percent of businesses across the UK are led by women, half of the Entrepreneurial Spark entrepreneurs are women, providing a meaningful gender balance for peer support and learning. The programs offered are tailored to the life-cycle stage of each business, and all services are free of charge, with no obligation to bank with NatWest.

In total in 2016, the partnership supported more than 1,700 businesses, creating 3,152 jobs and resulting in over 176 million GBP (about US\$233 million) of revenue. In an effort to increase outreach to more entrepreneurs, Entrepreneurial Spark has also launched virtual accelerators, with an even higher intake of female participants observed.

Additionally, more than 3,300 bank employees have opted to learn together with the Entrepreneurial Spark participants in the Development Academy, helping to bring an entrepreneurial ethos into the bank, allowing for better understanding of its customers and increasing its positioning as accessible to them.



Advocating for Women

Having established themselves as experts in the field, select leaders at NatWest have been invited to take part in the Women in Enterprise All-Party Parliamentary Group, where representatives from all major political parties in the UK meet together with private sector experts to learn about the landscape for women in business, challenges and opportunities. NatWest provides key insights and learnings through its quarterly "Entrepreneurship Monitor," offers up customer experiences that can help educate policymakers, and helps brainstorm creative ways of leveraging support for women in business. Its research on the value of female entrepreneurship in the UK has also helped prioritize women in business as a key topic for government support.

What Banks Can Learn from NatWest's Journey

1. Leverage the bank's ecosystem to partner with Women's Market experts:

To maximize impact on both customers and staff, share the responsibility of delivery, and benefit from the reputational boost and increased outreach to potential new clients.

2. Prioritize marketing and other external communications as a key pillar:

Effective marketing of Women's Market efforts can boost growth, positioning the bank as an entrepreneurship expert and trusted partner for women.

3. It's never too late to start collecting meaningful metrics on the program:

Sex-disaggregated data can help banks see opportunities at any stage of the program's life.

Measuring success

While the WiB program has been in place since 2003, the bank had not disaggregated its data by sex until 2016. Analysis of the data revealed that fully women-owned businesses represent 17 percent of its clients, with jointly male/female-owned businesses representing 34 percent of the customer base. Any woman who either fully or partially owns a business or has a senior decision-making role is counted as part of the WiB program, which today serves more than 100,000 clients.

The WiB team reports performance on a quarterly basis to NatWest's Board of Business Banking, with Women's Market KPIs in place for senior leaders. Targets include number of WiB accounts, women in leadership at the bank and number of WiB Specialists trained. As a bank, NatWest is monitoring and tracking growth across multiple KPIs, including the number of accounts owned by women, women customers acquired, lending to women customers and net promoter score (NPS) for women. As of June 2017, the program achieved a 36 percent increase in women-owned business accounts and an increase in lending to women in business of 26 percent year-on-year. NPS for women-owned businesses is now significantly higher than for their male counterparts. For businesses the bank serves through its call centers, NPS for women is seven points higher than it is for men, and for businesses that have assigned relationship managers it is three points higher. NatWest also tracks the number of WiB events held, people reached through those events, and social media and media value.

Connect with a Women in Business specialist today



NatWest has Women in Business Specialists throughout the UK. Whether you already run a business or are planning one, NatWest helps with women's everyday business needs.

What's Next for Women in Business

Through a combination of strong partnerships and robust internal capabilities, the WiB program has grown well in the past couple of years. The bank's recent ability to track account data by sex has enabled other business lines at NatWest to understand the value it brings to their customers, and they now recognize that the challenges faced by women entrepreneurs are the same or similar to those faced by women in the corporate world and their female private banking clients. The program is currently expanding its platform to include Private Banking as well as Corporate and Retail Banking to better reach women across the segments. NatWest has thus broadened their aim from being the bank of choice for women in business to being the bank of choice for all women in the UK.



The **Global Banking Alliance for Women** is a consortium of financial institutions driving women's wealth creation. Our member institutions work in more than 135 countries to build innovative, comprehensive programs that deliver women entrepreneurs the tools – access to capital, information, education, networking and recognition – they need to succeed. Membership in the Alliance provides our member institutions with a global clearinghouse for best practices and a unique platform for peer learning, giving them the resources they in turn need to serve their women customers well.

For information on the Global Banking Alliance for Women, please visit gbaforwomen.org

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