RESEARCH REPORT

Profits and Culture in Women-Led Business

What shapes culture and profitability in women-led firms a data-driven approach

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Executive summary

Drawing on 131 targeted surveys from 17 women owned, operated, established or majority share ownership at the growth-stage who are all members of a highly selective, global women-only business network, this report finds that women-led businesses are not measurably more or less profitable than the wider database (mix of both but unidentified genders), and report stronger cultures; yet both their culture and their profit are associated with the same, distinctly internal set of capabilities. Universally, culture is a broadly multi-determined internal state built from execution, mindset and people/resource capabilities, and only weakly related to profit. Profitability, meanwhile, is most strongly associated — for women-led firms — with *how well resources are deployed* and the *strength of the team*, rather than with the *structural and market-positioning factors* (governance, ecosystem fit) that distinguish the wider database. One theme recurs throughout: unglamorous fundamentals account for the most variance, while the factors that dominate strategy conversations: technology/AI, bold vision, risk-taking; are barely associated with either outcome.

- **Comparable profit, higher self-assessment.** Women-led firms rate current (7.0 vs 6.9) and future (8.5 vs 8.3) profit no differently, but score significantly higher on Future Fitness (a singular metric based on likely future success), Leadership, team, culture and business-model relevance.
- **Stronger, more concentrated cultures.** Women rate culture significantly higher (7.2 vs 6.8, p=0.03), and for them culture is *based on both* strategic execution (β=0.31, triple the full-sample effect) and growth mindset (β=0.22) are the strongest unique correlates.
- **Team and resource-deployment are most associated with their profit.** In a 10-factor model, resource deployment (β=+0.28) and a *right/excited team* (β=+0.25) are the attributes most strongly associated with women's current profit, but are weak or absent for the wider database.
- **Leadership is driven exclusively with team.** Of five leadership attributes, only *right/excited team* is significantly associated with women's profit (β=+0.54); vision, alignment, self-rated leadership and growth-mindset are null contributors in a multi variance analysis.
- **Hype does not pay.** Technology/AI ranks 25th of 28 factors for profit and never survives a regression, despite being the single biggest planned bet (self-rating leaps from 5.4 to 7.8); vision, risk-taking and experimentation are similarly weak.
- **One capability bottleneck.** *Resource-deployment* is women-led firms' weakest-rated area yet their single biggest profit differentiator: a factor both scarce and decisive, and therefore the highest-leverage place to intervene to increase better women business.

Data and method

The women-led cohort consists 15 companies drawn from a global, women-only network of highly successful business leaders. Membership is highly selective: each company must generate at least US$2 million in gross annual sales (product-based) or US$1 million (service-based) to qualify, so by construction these are established, growth-stage firms rather than early-stage or micro-businesses. The WhatTheForesight (WTF) (www.whattheforesight.com) survey was administered to employees and executives of these companies (n = 131; ~109–110 with complete data on any given item), and their responses are compared against the full database (n = 759; ~596 complete for culture, ~606–608 for profit).

Responders are asked to rate 25 factors on a 1-10 scale–10 (more information on the survey in Appendix B) using perceptual measures for current (today) and the future (5 years from now): the profitability item captures subjective financial sentiment and perceived value creation relative to the founder's own strategic goals, rather than an absolute, audited margin and/or associated financial metrics (e.g. EBITDA, revenue, etc). Culture is ascertained by answering: "Do you have the right culture (people, behaviour, mindsets) that aligns with your strategy?", and profitability is "Are you profitable and create financial value for shareholders?"

The WTF diagnostic measures the perception of the various 25 attributes versus the absolute or verifiable measure, as such is a subjective measure. A standard critique of cultural and strategic diagnostics is their reliance on self-reported perception (a 0–10 scale) rather than "hard" values, e.g. lagging financial metrics like audited EBITDA, net margin or top-line revenue. WTF is explicitly designed on a behavioural causal chain: *perception drives behaviour; behaviour drives strategy; strategy drives action; action drives outcomes*. In this framework, measured metrics (e.g. EBITDA) are not the engine of the business; they are the exhaust, they are the outcome of decisions as a downstream eventuality stemming from perception: what WTF measures.

Measuring perception is therefore not a compromise of rigour but deliberate shift from retrospective "hard" measures to predictive behavioural economics, supported by foundational pillars of management science:

1. **Strategy is driven by sensemaking, not just objective reality.** Hambrick and Mason's (1984) Upper Echelons Theory, alongside Weick's (1995) sensemaking framework, establishes that a firm's strategic choices are driven not by objective market realities but by the leadership team's perception and cognitive framing of those realities. If a founder perceives a resource constraint, they will execute a conservative strategy regardless of objective cash reserves directly shaping downstream EBITDA (a hard measure). Capturing perception is the foundational underpin as the exact psychological substrate that generates the firm's next strategic move.
2. **Financials are lagging autopsies; culture is the leading engine.** As per Kaplan and Norton's (1992) Balanced Scorecard, which explicitly categorises financial metrics as "lagging indicators" - an autopsy of past decisions and positions "learning and growth" (culture, mindset, team alignment) as the leading indicators that dictate future financial health. By the time a shortfall appears in EBITDA, the upstream strategic and cultural failures have already occurred. Heskett et al.'s (1994) Service-Profit Chain similarly demonstrated that internal operational perceptions drive employee behaviour, which in turn, drives external value and ultimate profitability.
3. **Perception provides an intervention map; most "hard metrics" only provide a scoreboard.** For example, if an investor or policymaker sees only that EBITDA is down, that data point is useless for fixing the problem: it shows a firm is underperforming, but not why. However if an underlying a diagnostic shows that "resource deployment" perception is critically low while "strategic execution" is high, the investor has an actionable map for intervention. WTF, and in turn, this report measures this mechanism where perception is the driver of outcome.

Within the underlying survey, there are however three recognised caveats and considerations.

1. Individual bias and common-method variance; it is not a substitute for forensic accounting or audited financials, but rather a leading behavioural layer that precedes and, in this framework, shapes them. In fact, WTF is created to surface perception; not hide it as its perception which (as per above) is the upstream variable for outcomes.
2. Halo effect where a respondent's general optimism artificially inflates correlations across all variables. The data strongly suggests respondents are discriminating between constructs rather than applying a uniform bias. This is most evident in the women-led cohort, who report high profitability and strong cultures yet rate their resource-deployment significantly lower than the database average. Furthermore, when the drivers are entered together (Figure 2), several individually strong correlations collapse to non-significance demonstrating that the model isolates unique variance rather than a single underlying optimism factor. However, all data is evaluated to ensure acceptable p values and where data is not statistically significant it is flagged, however, directionally (versus absolute) provides exceptionally relevant insights irrespective.
3. Allocation efficacy: perceived quality of a firm's investment and budgeting decisions — not the absolute size of its balance sheet or the capital it has raised. The underlying question being "Is your company making the right investment and allocated a sufficient budget to meet acceptable ROI and profitability?", complemented by a related driver asking whether the firm "understands your current resources (people, talent, technology, IP, processes) and whether they are being adequately utilised/deployed." Together these capture how well leadership maps strategic priorities to budget, people and assets hence so a low self-rating signals a perceived allocation and utilisation gap, not merely a shortage of funds.

For the above concerns though. every scored item was correlated with the outcome using Pearson r; the ten items most strongly correlated were then entered together in a multiple regression, with standardized beta (β) reported so that unique contributions can be compared once shared variance is removed. For profitability, the three pillars (Leadership, Organisation, Landscape) upon which the base 25 atributes are clustered were also examined, and the Landscape composite was recomputed excluding the profit item to remove circularity. Statistical significance of group differences was tested against the non-overlapping remainder of the database (Fisher r-to-z for correlations; Welch t-tests for means).

Control variables, demographics and sample composition

The regressions compare women-led firms against the rest of the database without statistically controlling for firm characteristics. A full breakdown is show in Appendix A so a sceptical reader can judge composition effects directly. As noted, the women-led cohort is not a generic sample of female-owned businesses — it is drawn from a selective network of established, growth-stage firms. Three composition facts follow, and matter for interpretation:

Size (well-captured). Women-led firms are overwhelmingly small-to-medium enterprises — 24% micro (0–9 staff), 27% small, 33% medium, 16% large — whereas the rest of the database is 43% large corporates (multinationals and listed enterprises). A raw women-vs-rest comparison therefore partly contrasts SMEs with much larger organisations. Crucially, the report's central result is robust to this: when large corporates (250+) are removed so both groups are SME-weighted, the profit gap narrows rather than widens and stays non-significant (current 7.0 vs 7.0, p=0.88; future 8.5 vs 8.4, p=0.50; Appendix Figure A2).

Industry (moderately captured). From membership records (82% coverage), the women-led sample is services- and consulting-led (Services 34%, Consulting 18%, Financial Services 14%) but not confined to "soft"

sectors — Technology (10%), Manufacturing (9%), Tourism (9%) and Education (7%) together make up roughly a third.

Geography (inferred). Email domains indicate the women-led cohort is predominantly Southern African — about half explicitly South African (.za), a Botswana minority (.bw), and the remainder unresolved (.com/.org). Region-specific realities (Southern Africa's particular capital-access, childcare and infrastructure context) therefore shape the "resource-deployment" findings and should not be read as universal.

One field could not be characterised at all: Age of Business was populated for only ~2% of the cohort, so company maturity is unknown and uncontrolled. Two definitional points bear repeating: "women-led" is a firm-level classification (network membership within the survey-administration window), not the gender of whoever completed the diagnostic — a separate, person-level field that is not used to define the group; and because participation was voluntary and the cohort self-selected into a foresight diagnostic, these findings describe growth-oriented, diagnostically-engaged women-led firms, not the broader universe of all women-owned micro-businesses (see Limitations).

Part I — Culture in women-led businesses

Finding 1: Culture as the highest rated attribute

In women-led firms, organisational culture is a broadly multi-determined, internal phenomenon: no single factor stands out, rather it is built from a cluster of execution, mindset and people/resource capabilities and only weakly related to profit. Compared with the wider database it is more sharply concentrated on execution and growth mindset, and women rate their own culture *significantly higher (Figure 1)* than the rest of the database (7.2 vs 6.8, p=0.03), along with growth mindset and team. The exception is resource deployment, where they rate themselves lower, a pattern that recurs in the profitability analysis.



Figure 1. Culture and its main drivers — self-ratings, women-led vs all businesses (significant vs rest, p<0.05).*

Finding 2: Women's culture concentrates on execution and mindset

No single factor stands out for women's culture; individually, roughly ten factors correlate with it at r ≈ 0.5–0.7 and appear to be strong drivers, but entered together using multiple regression, they reduce sharply as they share the same underlying variance and only a few retain an independent association. Running the model for the women-led cohort shows which of the 25 underlying attributes carry real weight for culture. Strategic execution (β=0.31) and growth mindset (β=0.22) are the strongest unique correlates whilst

execution's unique contribution is triple that in the wider database. For future culture the strongest unique correlates are understanding resources (0.28), resource deployment (0.19), execution (0.19) and growth mindset (0.17), and the ten factors together account for a remarkable 73% of the variance in women's future culture (versus 65% for the wider database). Figure 2 compares women (solid) with the wider database (hatched); faded bars are factors whose apparent association collapses once the others are accounted for.

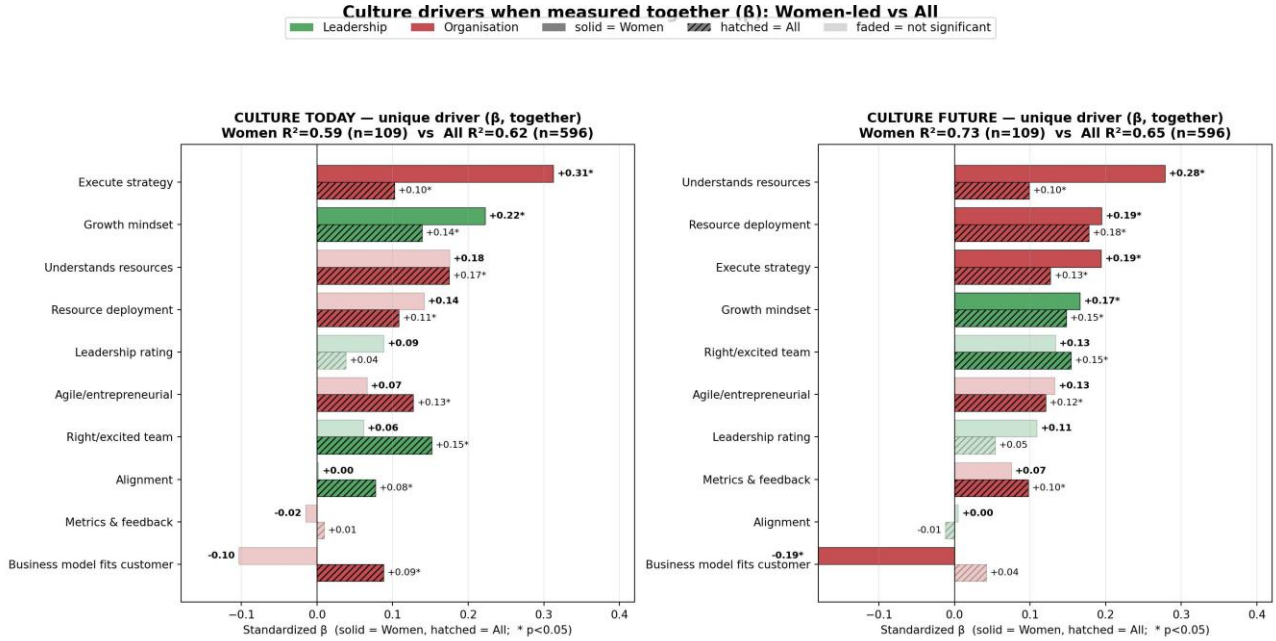


Figure 2. Unique culture drivers for women-led firms (solid) vs the wider database (hatched); faded bars are not statistically significant.

Interpretation

Culture appears to be a fundamental pillar a company builds rather than declares, it is an afterthought and may not be deliberate. Rather it is associated with a broad base of execution discipline, growth mindset and well-managed people and resources, not with leadership reputation or alignment statements (which look important alone but add nothing unique). For women-led firms the same pattern holds, but execution and mindset account for the most variance, culture is most tightly bound to *getting things done* and *a learning orientation*. **Since culture is only weakly tied to profit, it is best read as an enabling internal state rather than a direct financial lever.**

Part II — Profitability in women-led businesses

Women-led businesses in this sample are not measurably more or less profitable than the wider database, but the factors that distinguish profitability are markedly different. Profitability is most strongly associated with two largely internal levers

- How well resources are deployed
- Strength of the team/leadership

Whereas the broader database leans more on structural and market-positioning factors (business-model relevance, governance, ecosystem fit). One lever is universal though: keeping the business model relevant to the market.

Finding 1: Comparable profitability, higher self-assessed fitness

Women-led firms report essentially the same profitability as the wider database — current 7.0 vs 6.9 (p=0.38) and future 8.5 vs 8.3 (p=0.14). However, they rate themselves significantly higher on Future Fitness (5.4 vs 5.0, p<0.001), Leadership (7.2 vs 6.8, p=0.004), team (7.0 vs 6.7, p=0.04), culture (7.2 vs 6.8, p=0.03) and business-model relevance (7.9 vs 7.5, p=0.002).

Notably, they rate themselves significantly lower on resource deployment (6.1 vs 6.5, p=0.02): the one area where they trail the field.

Figure 1. Self-rated scores: Women-led vs All businesses (* = significant difference, p<0.05)

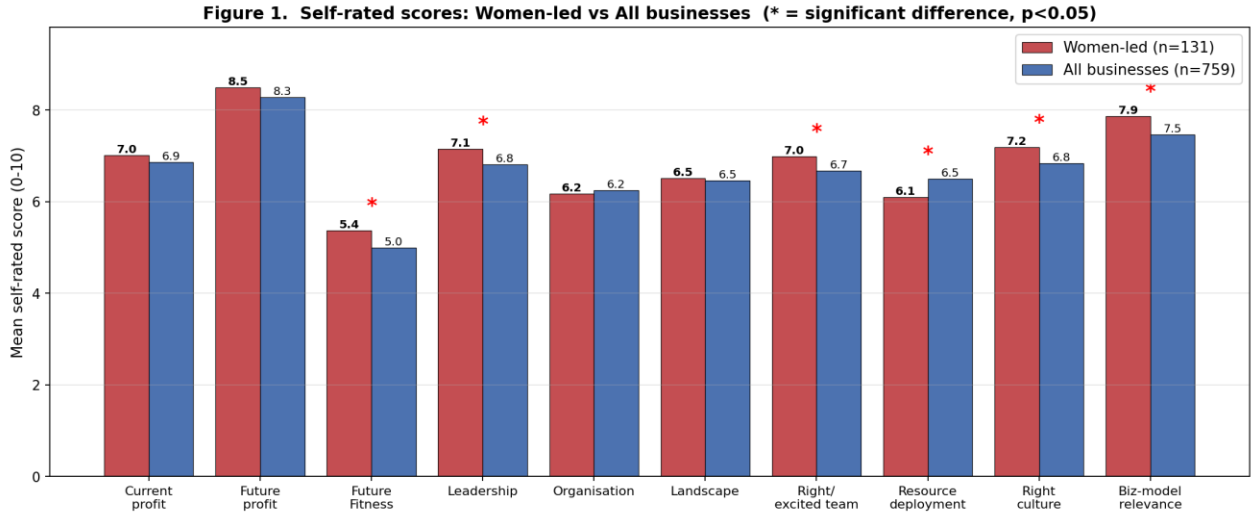


Figure 3. Profitability and fitness self-ratings — women-led vs all businesses (significant vs rest, p<0.05).*

Finding 2: Future Fitness correlates more strongly with women's current profit

At the pillar level, overall Future Fitness correlates far more strongly with current profit for women than for the database (r=0.61 vs 0.43, difference p=0.011). Conversely, Landscape's strong link to future profit seen across the database (r=0.56) is significantly weaker for women (r=0.39, p=0.014), and the women's forward-looking model is generally flatter. In short: the framework explains women's profit-today exceptionally well, but their profit-tomorrow less rigorously.

Figure 2. Correlation of fitness pillars with profit: Women-led vs All

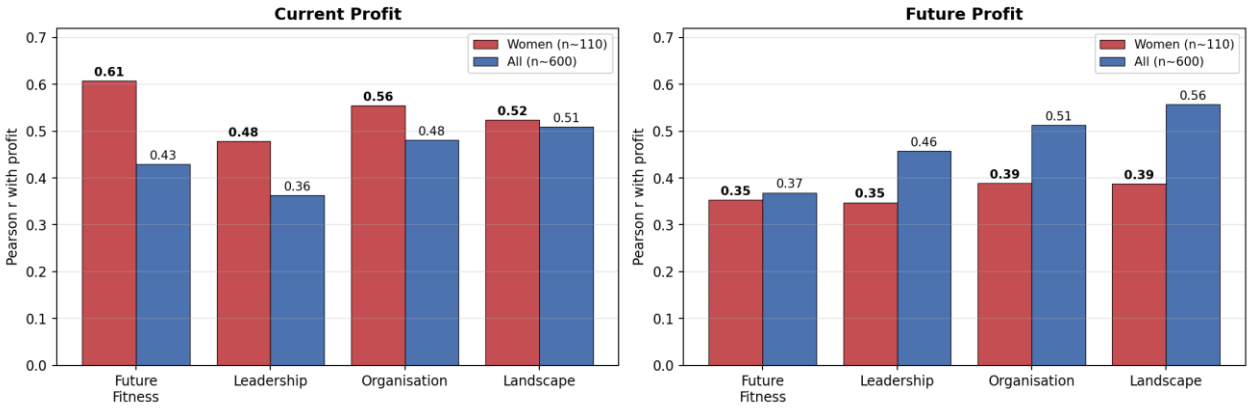


Figure 4. Pillar correlations with profit — women-led vs all businesses.

Finding 3: Women's profit is most associated with team and resource-deployment

When the ten strongest items compete in a single regression for current profit, the picture diverges sharply. For women-led firms the model explains over half the variance (R^2=0.52, n=107) versus a third for the database (R^2=0.35, n=593). Three factors carry women's profit:

1. Resource deployment (β=+0.28)
2. Strong/excited team (β=+0.25)
3. Business-model relevance (β=+0.18)

The team effect (b) is the standout, significant for women but essentially zero for the database (β=+0.04, n.s.). By contrast, the structural levers that matter for the database: governance (β=+0.15) and ecosystem embeddedness (β=+0.09) do not register for women.

A finer decomposition confirms that the leadership effect is specifically a team effect. Regressing women's current profit across five Leadership attributes (n=109), only "right/excited team" is significant (β=+0.54, $p<0.001$); vision, alignment, leadership-rating and growth-mindset all collapse to near zero. The Leadership block also explains far more of women's profit than others' (R^2=0.33 vs 0.17, n=487). It can hence be inferred that women's "leadership advantage" on profit is predicated on team-building, not vision, charisma or self-rated leadership quality.

Figure 5 compares where women and the rest are equally profitable (top), but within each pillar different attributes are associated with that profit (bottom). Attributes shown are those significant for either group, so both profiles are fully represented. The same pattern holds for future profit: women's projected profitability is associated almost entirely with resource deployment (β=+0.30) and business-model relevance (β=+0.24).



Figure 5. Same profit, different profile — the attributes associated with profit within each pillar, women-led vs all businesses.

Finding 4: What is NOT associated with profit: technology, vision and risk

For women-led firms, the factors that attract the most strategic attention and are most news worthy are among the weakest correlations to profit. Reliance on 4IR/AI technology ranks 23rd of 28 factors for women's current profit (r=0.27, n=108) and 25th for their future profit (r=0.17, n=109), and it is eliminated after any multiple regression. Yet technology is the factor these firms most expect to lean on (i.e. demonstrate the largest delta in perception between today and the future) their self-rating moves from 5.4 today to 7.8 projected, the largest aspiration gap of any factor. Inspiring vision, risk-taking and experimentation show the same movement: high narrative appeal, low measured association with women's profit. For women-led firms, profit is built on *team and resource-deployment*, not on technology adoption. Figure 6 plots all 28 factors for the women-led cohort: technology sits alone in the high-bet, low-payoff quadrant (bottom right).

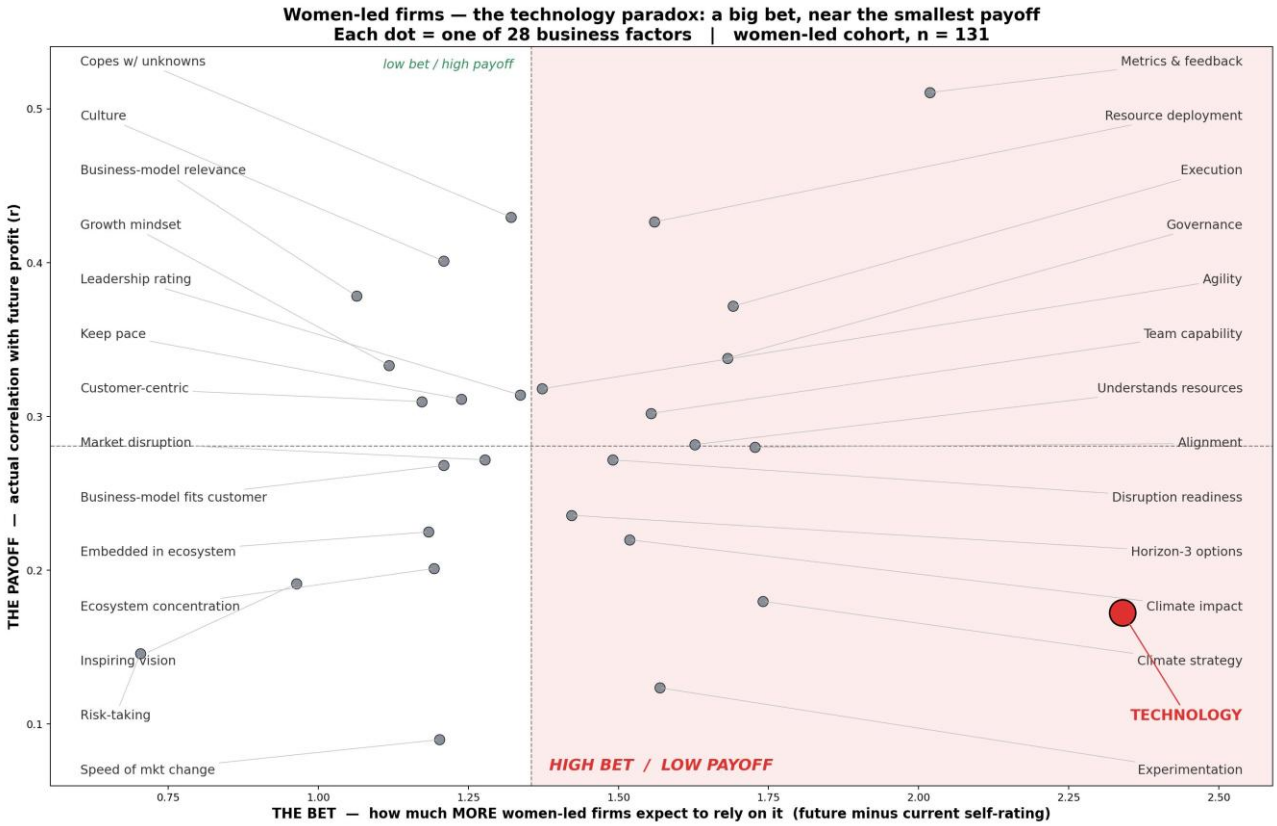


Figure 6. Women-led firms — the technology paradox. Each dot is one of 28 factors for the 131 women-led firms: technology draws the largest aspiration gap of any factor (self-rating 5.4 → 7.8) yet sits near the smallest payoff in women's profit (ranked 25th of 28).

Interpretation

Two themes distinguish profitable women-led businesses. First, an internal, people-centred orientation: team (specifically) and resource-deployment are directly associated with profit, rather than only indirectly versus the wider database. Second, resource-deployment, namely allocating budget and resources to the right things are paradoxically simultaneously their single biggest profit differentiator and the area they rate themselves weakest in. A factor that is both scarce and decisive is the classic signature of a capability bottleneck: among women-led firms, prioritising allocation separates the profitable from the rest. The wider database, by contrast, is differentiated more by structural "mechanics" (governance, ecosystem position, pace). Business-model relevance is the one lever common to every group and horizon.

A consistent counter-point runs through the data: factors that dominate strategy conversations — technology/AI, bold vision, risk-taking and experimentation are the weakest correlates of profit, while unglamorous fundamentals (the right team, disciplined resource-deployment, a relevant business model) account for the most variance. For women-led firms this is especially pronounced: profit is most strongly associated with people and execution, not technology or charisma.

Synthesis: one engine behind both culture and profit

Read together, the culture and profitability analyses tell a single, coherent story about women-led businesses.

The same internal capabilities run through both culture and profit

Across both analyses, the factors most strongly associated with outcomes for women-led firms are execution, growth mindset, team and resource-deployment. Culture is most associated with execution and growth mindset; profit is most associated with team and resource-deployment. These are not two different stories but two faces of the same internal, people-and-execution orientation. Resource-deployment and execution capability sit at the centre of both which makes them the highest-leverage areas for anyone seeking to support women-led firms.

Resource-deployment is the recurring bottleneck

The most actionable signal in the entire report is a paradox that appears twice : resource-deployment is the one capability women-led firms rate themselves weakest on (6.1 vs 6.5), yet it is their single biggest differentiator of profit and strongly associated with future culture. A capability simultaneously scarce and decisive is the textbook signature of a bottleneck. Support targeted at allocation and investment decision-making: deciding where budget, people and attention go will likely to yield disproportionate returns.

Fundamentals beat hype — consistently

The same counter-narrative surfaces in both outcomes: the levers that dominate strategy conversations (technology/AI, inspiring vision, risk-taking and experimentation) are consistently among the weakest correlates of both profit and culture, and never survive a regression. Meanwhile the unglamorous fundamentals show the highest correlations. Technology is the clearest example: for women-led firms it draws the largest aspiration gap of any factor (their self-rating leaping from 5.4 to 7.8) while ranking 25th of 28 on measured association with their profit. Their profit tracks people and execution, not technology or charisma.

Confidence is high; one capability lags

Finally, women-led firms rate themselves significantly higher than the wider database on almost everything that signals future readiness — Future Fitness, Leadership, team, culture and business-model relevance — with a single, telling exception: resource-deployment. That combination of broad self-assurance and one specific, decisive gap is precisely where targeted support should be aimed.

Discussion

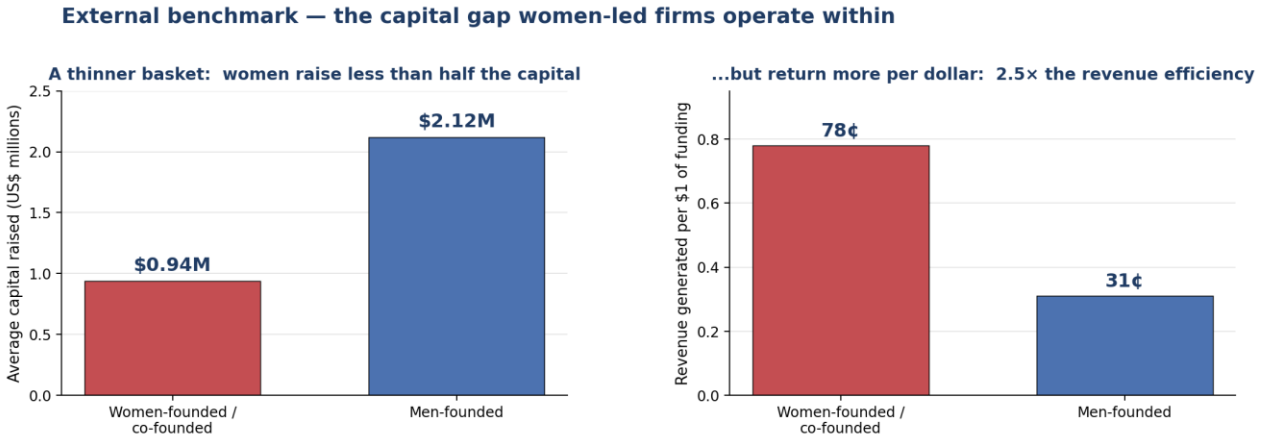
The findings outlined above are what the data show in the absence of potential rationale. This section is a start of a discussion on plausible explanations against external, peer-reviewed and industry research, and flagging where an intuitive story is supported, qualified, or contradicted by the evidence.. Throughout, note that these are group-average tendencies drawn from a self-report survey; they describe patterns across firms, not any individual founder nor company

1. Why women rate resource-deployment lowest: a thinner basket, not weaker judgement

Both halves of this report (profit and culture) converge on a paradox: resource-deployment is the single capability women-led firms rate themselves lowest on (6.1 vs 6.5), yet it is their biggest differentiator of profit. Two explanations compete where either women command a smaller pool of resources to deploy, or they are less able to prioritise the resources they have. The external evidence points firmly to the former.

- **Capital available to deploy is structurally constrained.** Across the US venture market, all-women founding teams received roughly 1% of VC dollars in 2024, down from 2% the prior year, while companies with at least one female founder took about 20% of deal value (PitchBook, 2024). Historically only ~2% of US venture capital has gone to female-founded firms (Kanze et al., 2018). Globally, women-owned SMEs face an estimated US$1.4–1.7 trillion credit gap (IFC / World Economic Forum, 2023).
- **Bias is partly in how capital is allocated, not only how much.** In a field study of pitch competitions, investors systematically asked male founders promotion-focused questions ("how will you win?") and female founders prevention-focused questions ("how will you avoid losing?"), and that asymmetry predicted how much each went on to raise (Kanze et al., 2018).
- **Yet women deploy scarce capital more efficiently, not less.** BCG and MassChallenge found women-founded startups raised less than half the capital of men's ($0.94M vs $2.12M) but generated more than twice the revenue per dollar invested — 78¢ versus 31¢ (BCG, 2018; Figure 7).

Taken together, this argues against the "inability to prioritise" hypothesis: firms that return roughly 2.5× the revenue per dollar are, if anything, allocating efficiently. The low self-rating is far more consistent with operating from a thinner basket where respondees may feel the constraint of the resources you do not have. That reframes resource-deployment from a competence and skill deficit into a structural bottleneck, and a fundable one: the lever is access to a larger pool of capital and the room to deploy it, not remedial training in prioritisation.



Source: Boston Consulting Group & MassChallenge, "Why Women-Owned Startups Are a Better Bet" (2018), 5-year data on 350 startups. Context: all-women founding teams received ~1% of US VC funding in 2024 (2% in 2023) — PitchBook "All In: Female Founders in the VC Ecosystem," 2024.

Figure 7. External benchmark — women-led firms raise less capital but return more per dollar. Source: BCG & MassChallenge (2018); PitchBook (2024).

2. Why "team" is the attribute most associated with women's profit

The profitability analysis found that women's "leadership advantage" is almost exclusively based only a "right/excited team" that correlates with women's profit (β=+0.54), while vision, charisma and self-rated leadership added nothing. Why would team-building specifically carry women-led firms? Three strands of research offer converging — though not deterministic — explanations, including the "more nurturing, tribe-before-self" intuition.

- **A biobehavioral tilt toward affiliation.** Taylor and colleagues' influential "tend-and-befriend" model proposes that females' characteristic response to stress is marked less by fight-or-flight than by nurturing and the building of protective social network. This is linked to oxytocin and the attachment-caregiving system (Taylor et al., 2000) and offers a plausible biological substrate for a relationship-first orientation.
- **Women-heavy teams are measurably smarter together.** In a landmark study, a group's "collective intelligence" was predicted by members' social sensitivity, equal conversational turn-taking, and the proportion of women in the group with the gender effect largely operating through social sensitivity (Woolley et al., 2010). A leader better at reading and including people builds higher-performing teams.
- **Women lead in a more team-activating style.** A meta-analysis of 45 studies found women adopt transformational leadership and contingent-reward behaviours both tied to motivating and developing teams — somewhat more than men, who lean more on passive and laissez-faire styles (Eagly, Johannesen-Schmidt & van Engen, 2003).

An important nuance: these are group-average tendencies with modest effect sizes (Eagly et al. report d ≈ 0.10), not laws that hold for any individual and the same authors stress that communal behaviour is shaped by social-role expectations and socialization as much as by biology. The honest reading is therefore not "women are biologically better team-builders," but that a well-documented, if modest, female tilt toward relational, communal leadership rooted in both biobehavioral and social factors aligns closely with what is most strongly associated with profit in these firms. It is a genuine strength to investigate and could form a genuine competitive edge in business today.

3. Why fundamentals beat hype: risk orientation and the technology mirage

Both culture and profit analyses reach the same counter-intuitive verdict: technology/AI, bold vision, risk-taking, experimentation are among the weakest correlates of profit and culture, and never survive a regression, while unglamorous fundamentals do the work. Technology shows the widest gap between narrative and reality. For women-led firms, the aspiration gap is actually slightly wider than the broader database: their self-rating for tech leaps from a lower baseline of 5.4 today to 7.8 projected (a +2.4 delta, compared to +2.1 for the wider database).

This larger delta is likely not a sign of greater susceptibility to hype, but a reflection of their structural reality where because women-led firms are currently capital-constrained (the resource-deployment bottleneck), their current tech adoption is lower. The massive projected leap to 7.8 represents the "catch-up" expectation: the belief that future capital will be deployed toward fashionable, high-cost digital transformation even though the aggregate data shows it will not. Furthermore, because institutional investors heavily favour tech-forward, promotion-framed narratives (Kanze et al., 2018), projecting a highly digital future may be a necessary "strategy theatre" to secure funding.

A third reading reinforces both: women and the wider database converge on essentially the same projected ceiling (≈7.8–7.9), suggesting a universal boardroom aspiration for technology rather than a women-specific one and the only difference is that better-funded firms are already closer to it today. Figure 8 lays this out and pairs it: for both groups, technology sits well below the median factor on correlation with profit.

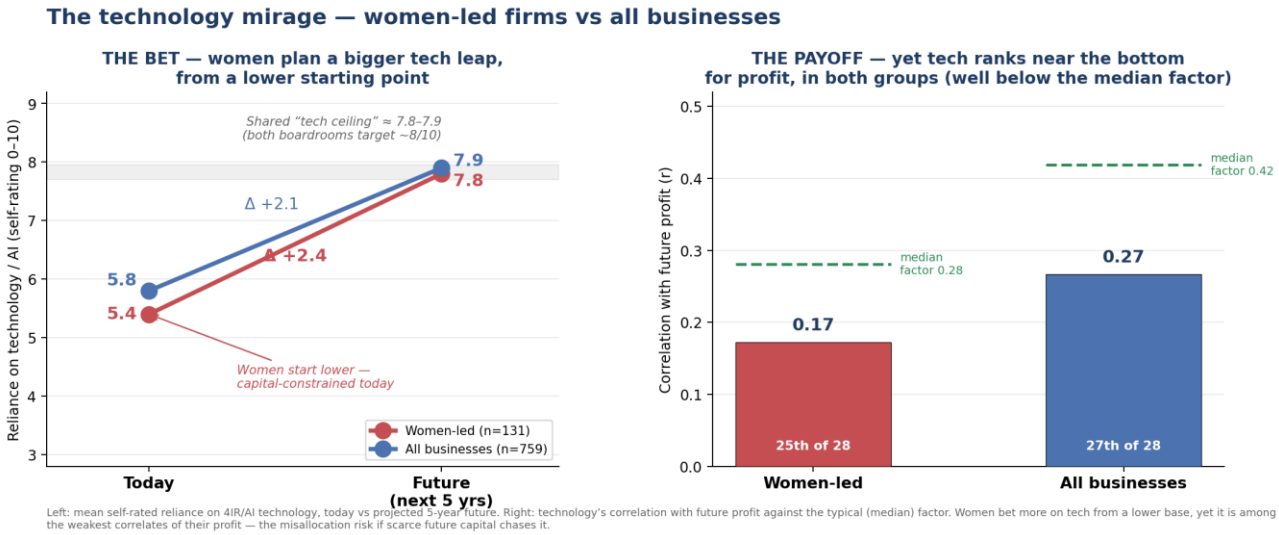


Figure 8. The technology mirage — women-led firms vs all businesses. Left: reliance on technology today vs projected (5-year) future — both target the same ~7.9 ceiling, but women start lower and plan the larger leap (Δ+2.4 vs +2.1). Right: technology's correlation with future profit sits well below the median factor for both groups (25th of 28 for women, 27th for all).

A large review of economic experiments concluded that women are, on average, more risk-averse than men (Croson & Gneezy, 2009). A lower appetite for speculative, hype-driven bets is consistent with women-led firms' actual profit tracking execution and resources rather than technology adoption — even as their projected ambitions run tech-forward.

A second, complementary explanation is that the planned tech surge is competitive and institutional rather than opportunistic whereby the pursuit of operational parity, not out-performance. Under uncertainty, organisations tend to imitate the visible practices of peers and industry leaders to secure legitimacy (mimetic isomorphism; DiMaggio & Powell, 1983); once "digital transformation" becomes the default boardroom expectation, adopting it is less a bet on advantage than a defensive move to avoid falling behind.

This fits a long-standing thesis in the technology literature: as core IT becomes ubiquitous infrastructure, it turns into a cost of doing business that confers parity, not differentiation (Carr, 2003), precisely why it correlates weakly with profit (the "productivity paradox"; Brynjolfsson, 1993). Some of the projected tech investment is rational baseline spending to keep pace, not misallocation. The danger the report flags is treating necessary parity-spend as if it were a growth lever.

Caveat: risk-aversion is double-edged — it may also cap the upside of firms that could scale faster with more aggressive bets. The deeper strategic danger revealed by this data is misallocation: if women-led firms finally secure the capital they lack, they appear primed to invest it in the exact lever (technology) that their own data shows is not associated with their profit, potentially starving the capabilities (team and execution) most associated with it.

4. Confidence with one honest exception: a discerning self-assessment

A striking feature of the data is that women-led firms rate themselves significantly higher than the wider database on almost everything that signals future readiness: Future Fitness, leadership, team, culture and business-model relevance with a single exception: resource-deployment, where they rate themselves lower. This is notable because it runs against much of the entrepreneurship literature, which more often finds women reporting lower entrepreneurial self-efficacy and higher fear of failure than men (though the evidence is genuinely mixed), and finds women shying away from competitive settings more than men (Croson & Gneezy, 2009).

Two readings are possible. One is a selection effect: these are established, operating founders rather than nascent aspirants, a group in which the usual confidence gap may be absent or reversed. The other, more interesting reading is that the self-assessment is discerning rather than globally inflated. Women-led firms rate themselves high exactly where they have agency in team, culture, execution, business-model fit and modest in the one domain where the external system most constrains them: access to and deployment of resources (see point 1). A self-report that is confident about controllables and candid about the one structural headwind is not over-confidence; it is accurate situational awareness.

The practical value is that this single low rating becomes a highly reliable signal. When a group that rates itself strongly across the board flags one specific weakness and that same factor independently emerges as its biggest profit differentiator the convergence of self-report and hard analysis is about as clear a "direct support here" indicator as this kind of data produces.

Implications for stakeholders

The convergence of these findings demands a shift in how the ecosystem supports, funds and advises women-led businesses.

- **For investors and VCs (capital):** The data refutes the need for "remedial" training in how women prioritise. The bottleneck is the size of the basket, not the judgement of the allocator. Investors should shift from prevention-focused due diligence to providing larger, more flexible capital tranches, trusting superior revenue-per-dollar efficiency these founders already demonstrate.
- **For founders and boards (strategy):** Boards must actively resist the "technology mirage" and strategic-planning sessions should deliberately deprioritise hype-driven AI and digital-transformation narratives, and instead ruthlessly audit the unglamorous fundamentals: team composition, execution discipline and capital allocation.
- **For ecosystems and accelerators (support):** Much of the "women's empowerment" and "confidence-coaching" industry is addressing a problem this data does not find in the growth-stage cohort. Support organisations should pivot their curricula away from soft-skills and visionary-leadership content, toward hard, CFO-level capabilities: financial modelling, resource-allocation frameworks and operational execution.

Conclusion

Women-led firms in this sample are equally profitable to the wider database and report stronger cultures — but their approach is fundamentally differently: through strong teams, capable leadership, disciplined execution and well-deployed resources rather than structural mechanics, technology or charisma. Culture and profit are associated with the same internal capabilities, and resource-deployment and execution sit at

their centre. That convergence points to a clear, practical implication: resource-deployment where the capability women-led firms rate themselves weakest on yet which most separates the profitable and the future-ready from the rest. This is the highest-leverage area for support, and investment in allocation and decision-making capability could yield disproportionate returns for women-led businesses. As the discussion argues, the external evidence suggests this is a bottleneck of access, not of judgement: women-led firms already return more per dollar than their better-funded peers.

Limitations

- **Selection and generalisability.** The women-led cohort is drawn from a selective, high-revenue-threshold business network and self-selected into a voluntary foresight diagnostic. It therefore over-represents established, growth-oriented, culturally self-aware founders — plausibly the upper tier of women-led firms — and under-represents early-stage and micro-businesses. These findings should be generalised only to comparable growth-stage, diagnostically-engaged firms, not to all women-owned businesses.
- **Uncontrolled confounds (size, industry, geography).** The regressions do not control for firm characteristics. The women-led group skews SME and Southern African, while the comparison group is heavier in large multinationals; some observed driver differences may partly reflect size, sector or regional context rather than the gender of leadership. The size-matched robustness check (Appendix Figure A2) addresses this for the headline profit result, but not for every individual coefficient.
- Group definition is inferred from the registration window; any mis-classification dilutes the contrast. About 6% of the window rows are non-member corporates captured by the date range rather than by the network's membership.
- Sample size (n≈110 women) with ten predictors means wide confidence intervals; the women's R^2 values (0.52 for profit, 0.73 for future culture) are somewhat optimistic (over-fit), so individual coefficients should be read as indicative. The single negative culture coefficient (business-model-fit) is likely a suppression artifact.
- All data are cross-sectional self-reports; results indicate association, not causation, and "future" ratings reflect expectation rather than realised outcome.
- Within-pillar models for women (e.g. the leadership decomposition, n=109) carry several predictors on a small sample, so their coefficients are indicative; the all-others estimates (n≈487–628) are more robust.
- With many comparisons, individual p-values near 0.05 warrant caution; the consistent patterns — execution/mindset for culture, team/resource-deployment for profit — are more reliable than any single coefficient.

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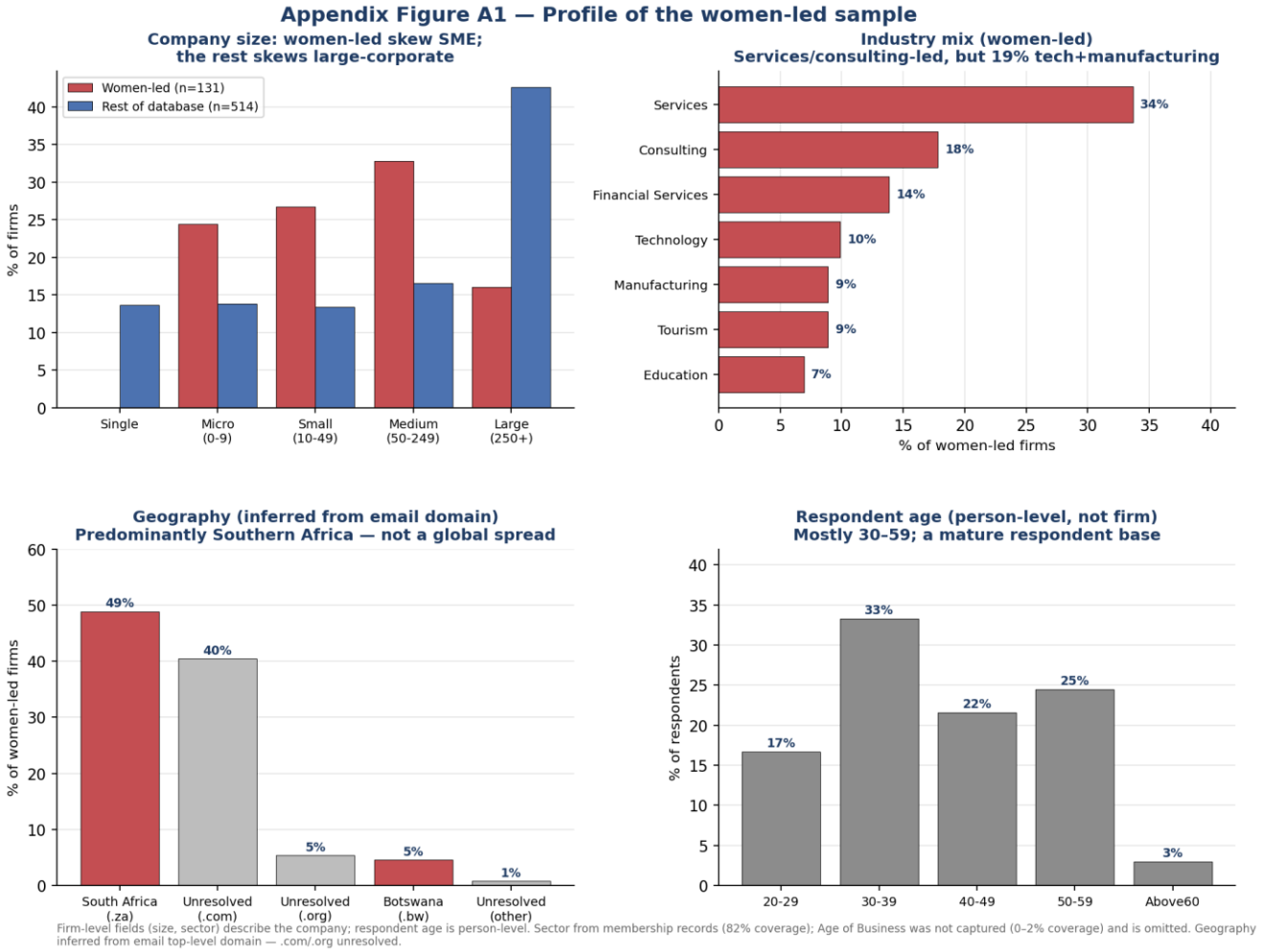
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Appendix A — Profile of the women-led sample

The 131 respondeees come from 17 women-led businesses analysed in this report are a specific, identifiable population rather than a generic cross-section of female-owned firms. They are drawn from a highly selective, global women-only network whose members each run a company generating at least US$1–2 million in annual sales that guarantees these are established, revenue-generating businesses, not early-stage ventures. The sample concentrates in small-to-medium enterprises and in Southern Africa; it is services- and consulting-led but with meaningful technology and manufacturing representation; and it was completed by a mature respondent base (four in five aged 30–59). This profile is the correct frame for every finding in the report: these are the cultural and profit dynamics of growth-oriented, professionally-networked women-led firms, the segment most relevant to accelerators, corporates and policymakers designing high-leverage support. Hence should not be a statement about all women-owned businesses.

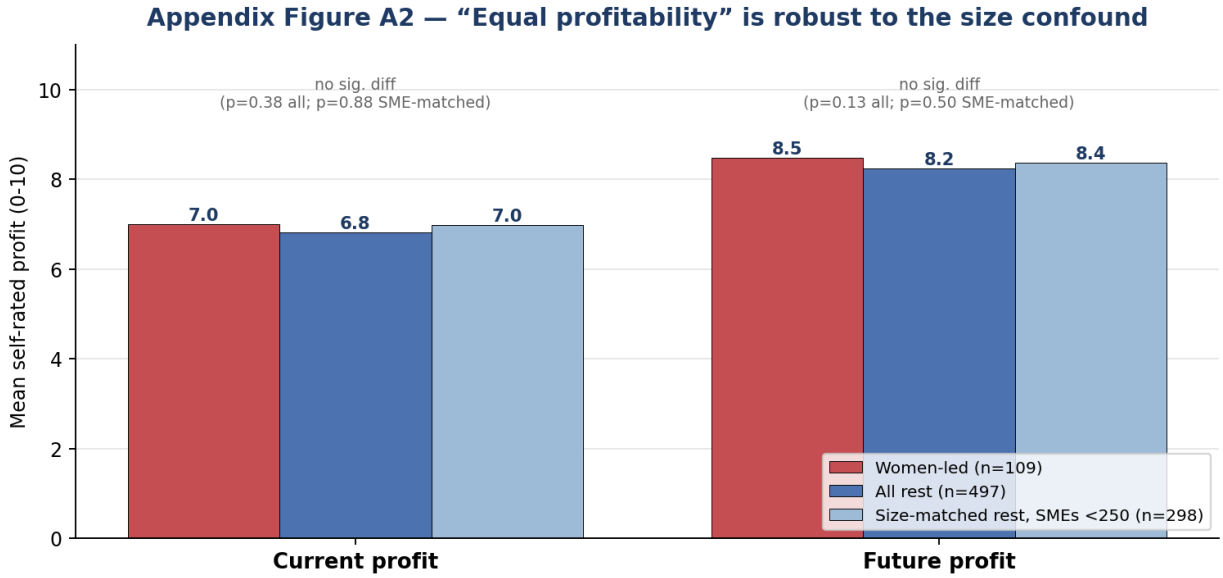
An objective anchor for the perceptual data. Because the survey measures perception, it is worth grounding it in hard economics: the network's membership threshold (≥US$2 million product / ≥US$1 million service in annual sales) places the 131-firm cohort at a minimum of roughly US$130–260 million in aggregate annual revenue at the qualifying floor alone and materially higher in practice, since those are the thresholds to enter, not the averages. The perceptions analysed here therefore belong to a substantial, revenue-generating segment of the real economy, not to aspirational or pre-revenue ventures.

A note on what is not captured: company age and primary market were captured too sparsely (0–2% of the cohort) to report, and industry/geography for the comparison group are similarly incomplete; these gaps are themselves a recommendation for future data collection. Firm-level fields (size, sector) describe the company, while respondent age and gender describe the individual who completed the diagnostic: the two should not be conflated.



Appendix Figure A1. Profile of the 131 women-led firms — company size (vs the rest of the database), industry mix, geography and respondent age.

The report's central claim is that women-led firms are as profitable as the wider database could reflect the fact that the comparison group contains many large corporates. Figure A2 tests this directly by re-running the comparison against only the similarly-sized (SME, <250-employee) firms in the rest of the database. The women-led vs rest profit gap narrows rather than widens and remains statistically non-significant, so the equal-profitability result is not an artefact of the size difference between the groups.



When large corporates (250+ employees) are removed so both groups are SME-weighted, the women-led vs rest profit gap narrows further and remains non-significant.

Appendix Figure A2. The “equal profitability” finding is robust to size — women-led firms vs the full database and vs a size-matched (SME-only) comparison group.

Appendix B: What The Foresight: a primer

This report is built on data from a SaaS tool called Whattheforesight (WTF) (www.whattheforesight.com) based on the author's PhD.

The Myers-Briggs for organisations

WTF is a sentiment-analysis and AI-powered diagnostic platform that makes organisational culture measurable. Its premise is that by 2030 measuring culture will be as routine and essential as measuring financial performance: just as accounting standards made financial health visible in the 1930s, WTF is building the infrastructure that makes cultural health visible, measurable and optimisable. It addresses a well-documented problem: organisations have sound strategies and capable people, yet roughly 70% fail at transformation because culture stays invisible, destroying an estimated $438 billion in economic value each year.

WTF aims to be, in effect, the Bloomberg Terminal of organisational culture: a validated measurement system organisations adopt because competitive necessity and, from 2027, ESG cultural-reporting regulation demands it. The methodology rests on PhD-validated frameworks analysing 56,000+ cultural data points across 25 attributes, drawing on more than 250 years of cumulative executive experience.

The Future Fit Diagnostic: LOL and the Future Fitness Score

At the core is the Future Fit Diagnostic, which identifies the 25 critical success factors for an organisation and scores each on a 0–10 self-rated scale. These attributes roll up into three pillars — Leadership, Organisation and Landscape (LOL) which in turn combine into a single Future Fitness Score (FFS): a headline measure of how likely an organisation is to succeed in the future. AI-powered analysis, combining swarm intelligence and sentiment analysis, turns these attributes into a customised SWOT and targeted recommendations, identifying precisely where culture enables transformation and where it creates resistance.

Why this lens fits women-led businesses

WTF's methodology extends beyond large enterprises to entrepreneurial ecosystems capturing founder mindsets, team dynamics, risk tolerance, resource deployment and market alignment directly from operational contexts. That is exactly the dataset behind this report: 759 firms, of which 131 are women-led. Because every respondent answers the same validated instrument on the same 0–10 scale, women-led firms can be compared like-for-like against the full database, attribute by attribute — which is what the following analysis does across two outcomes leaders care about most: culture and profitability.

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