

COVID-19 IMPACT REPORT

2021 Edition

Measuring the impact of the
COVID-19 pandemic on women
technology entrepreneurs globally



Thank you!

Thank you to our partners on this initiative, M12, Arielle for Africa, Black Channel Partner Alliance, Hello Alice, Founders Live, The WIT Network, IAMCP, UN EQUALS, and Microsoft Alumni Network.



Foreword

The ongoing turmoil of COVID-19 has been a mainstay in news headlines, but the major implications of the pandemic on female founders has largely been a footnote. Unfortunately, the current situation facing women-led technology businesses is urgent and dire.

Many women technology entrepreneurs—building solutions across industries—have faced financial loss, operational disruptions, and emotional impacts as a result of pandemic-related restrictions and shutdowns. Frozen investments and cancelled projects have characterized the business reality for many female founders over the past 18 months. What's more, many women have managed the expanding responsibility of dependent care, and report heightened stress and anxiety levels.

We must find innovative and inclusive solutions to support women entrepreneurs. There is an incredible opportunity to improve their access to funding and business decision makers. While we work to fix the systems that have largely failed female founders, it's critical for individuals to examine how they can personally lift up this population.

I encourage you to consider your own sphere of influence—how might you better support women entrepreneurs? Whether you're dispensing guidance as an advisor, creating a procurement opportunity, buying a product or service, writing a check, or making a network connection, your ability to support can fundamentally change the business trajectory of a female-founded company.

Studies show that support for women entrepreneurs delivers a higher return on investment, and will ultimately boost the global economy. Let's all do well by doing good.



Tamara Steffens

Managing Director, M12

Foreword

While there's no debate that the COVID-19 pandemic is a global crisis, the disproportionately devastating effects on women entrepreneurs isn't frequently discussed. The financial, operational and emotional impacts faced by women-led technology businesses over the last year of pandemic-related lockdowns and restrictions will have lasting effects on the global economy for years to come.

Since the onset of the pandemic in March 2020, Women in Cloud has taken an active role to identify policies and solutions to prevent greater loss for women technology entrepreneurs, and support their economic and emotional recovery.

The outcomes of the 2021 edition of the COVID-19 Impact Survey, and challenges women entrepreneurs are facing as a result of the pandemic, increase the need and importance of Women in Cloud's mission and the collective action we are taking with other individuals, organizations and governments.

At Women in Cloud, we are progressively taking action for women-led technology companies through our innovative programs, community engagement initiatives, and accelerators. Beyond programming, we are also working with Fortune brands to diversify their procurement and supplier vehicles to include more opportunities for women, and support us in globally advocating for better economic access for women entrepreneurs through Women in Cloud's collective action pledge.

I hope that you will join us on this incredibly important mission to support the women-led technology businesses and entrepreneurs that were heavily impacted by the COVID-19 outbreak in their economic, operational and emotional recovery efforts, and provide female founders with a platform for growth and success.



Chaitra Vedullapalli

Co-Founder & President, Women in Cloud



Introduction

In the early Spring of 2020, shortly after the onset of the pandemic, Women in Cloud issued a COVID-19 Impact Survey to determine the current and projected effects of the outbreak on women-led technology businesses in the United States and beyond.

This year, Women in Cloud, in partnership with M12, are proud to present the latest research on the impact of the pandemic on women-led technology companies to date, and the predictions of business leaders moving forward - the results of the 2021 COVID-19 Impact Survey.

Sponsored by Microsoft, the 2020 edition of the COVID-19 Impact Survey asked respondents questions relating to the financial, operational and emotional impacts of the pandemic, at the time of the survey and projected during the next 24 months. The 2021 edition of the survey asked the same questions to provide a year over year comparison, while also surveying respondents on the financial assistance they received, and the initiatives and opportunities they would value to combat the devastating effects of the COVID-19 pandemic on women-led technology businesses.

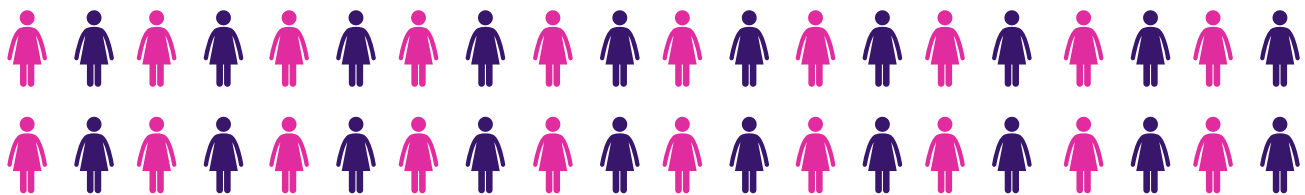
Respondents of the survey in 2021 reflected those who responded in 2020, companies serving small-to-medium sized and enterprise level businesses, as well as nonprofit and public sector organizations, serving a wide breadth of more than 15 industries.

The following report will provide a general overview of survey responses, an analysis of each of the impact areas noted above, and a comparison to the 2020 responses and projections. The report will also provide turn-key solutions that women entrepreneurs, Fortune 100 companies and public policy makers can implement to begin restoring the detrimental effects of COVID-19 on women-led technology companies.



Participant Overview

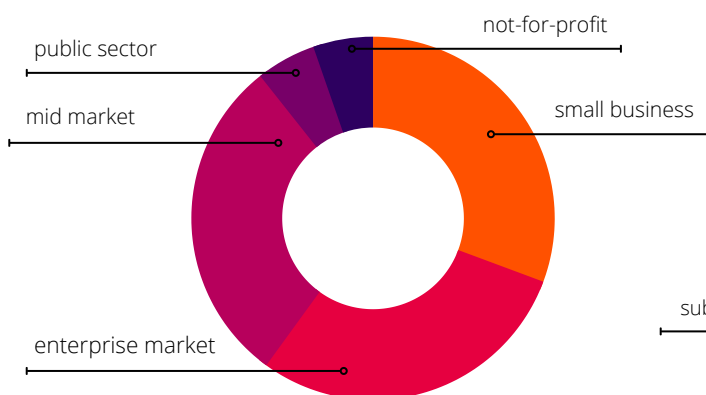
Forty women technology entrepreneurs responded to the 2021 survey, representing solutions or services spanning 16 industries.



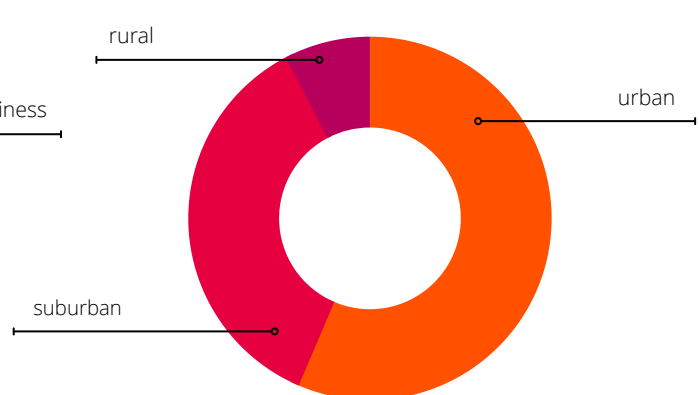
The majority of responses, 57.5 per cent, came from businesses serving mid-market companies with 50-1000 employees. Fifty-five per cent of respondents indicated they serve or also serve small-businesses with 50 employees or less, while an additional 55 per cent of respondents serve or also serve the enterprise market of companies with 1000+ employees. Additionally, 22.5 per cent noted they serve public sector institutions and 10 per cent serve non-profit organizations.

Fifty-five per cent of 2021 survey respondents indicated their businesses are in an urban location. Another 35 per cent are in suburban locations while only 7.5 per cent are rural.

Business Service Breakdown



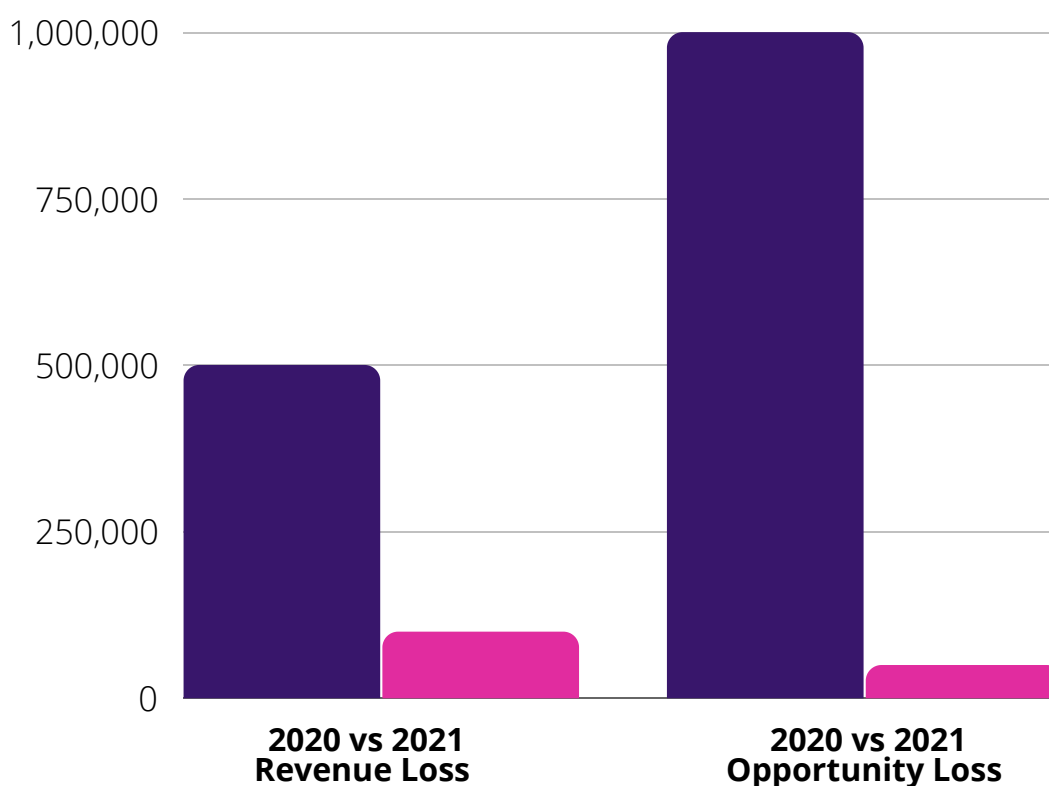
Business Location Breakdown



Approximately 57.5 per cent of respondents are located in the United States while 32 per cent are located in Canada. An additional 10 per cent of respondents are located in the UK, Germany and India.

Financial Impact

All business leaders surveyed, representing all industries noted, have been affected financially by the COVID-19 outbreak thus far, and predict continued loss over the coming year. This crisis will result in years of recovery and work to recuperate lost revenue for women-led technology companies.

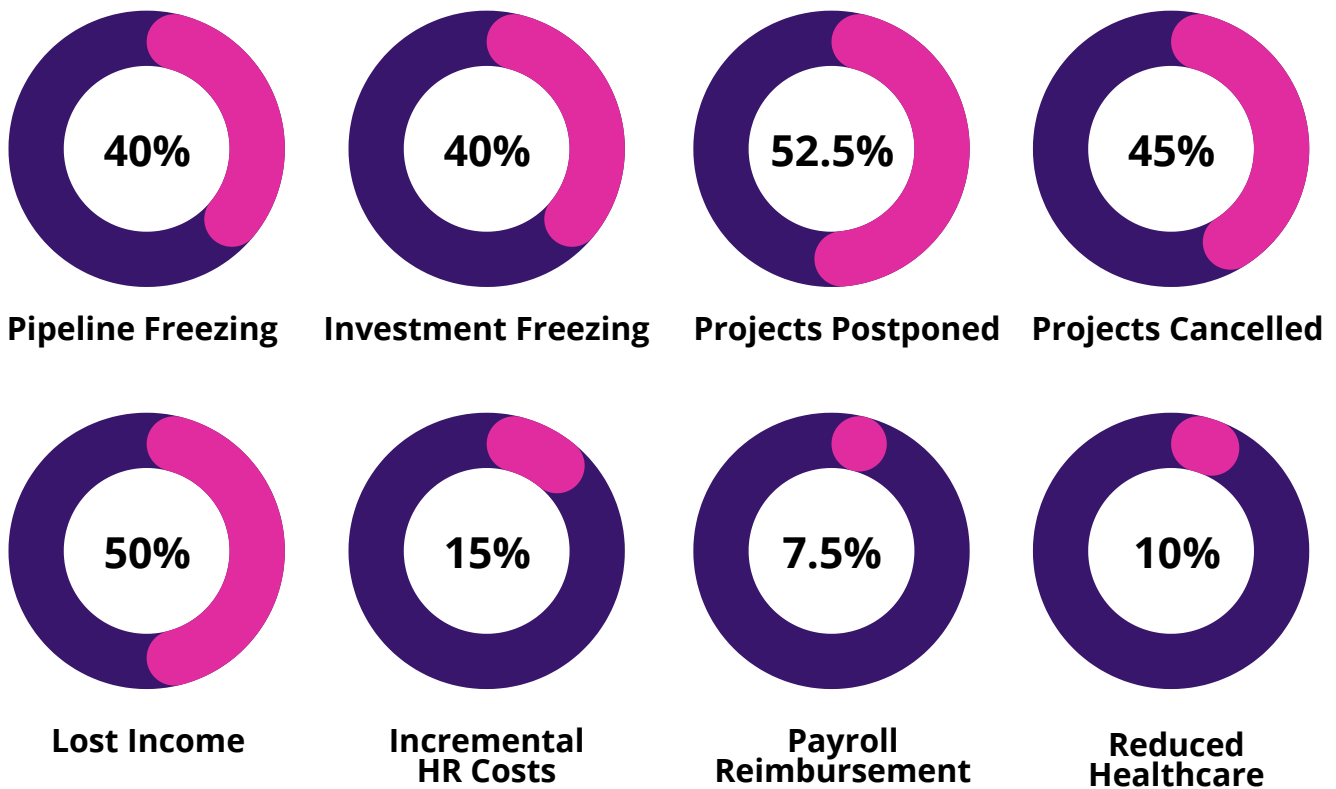


The majority of 2021 survey respondents indicated revenue loss to date as a result of the pandemic of between \$50 thousand and \$100 thousand, with nearly half of respondents reporting opportunity loss of \$50 thousand or more, and some indicating losses in the millions.

These reports tend to be almost on par with the 2020 responses, which projected \$500 thousand to \$1 million in revenue loss in 24 months, and an additional \$1 million to \$5 million expected in opportunity loss over the next three years.

Overall, 75 per cent of 2021 respondents noted revenue and opportunity loss to date of more than \$10 thousand, which is reflective of the 2020 survey projections.

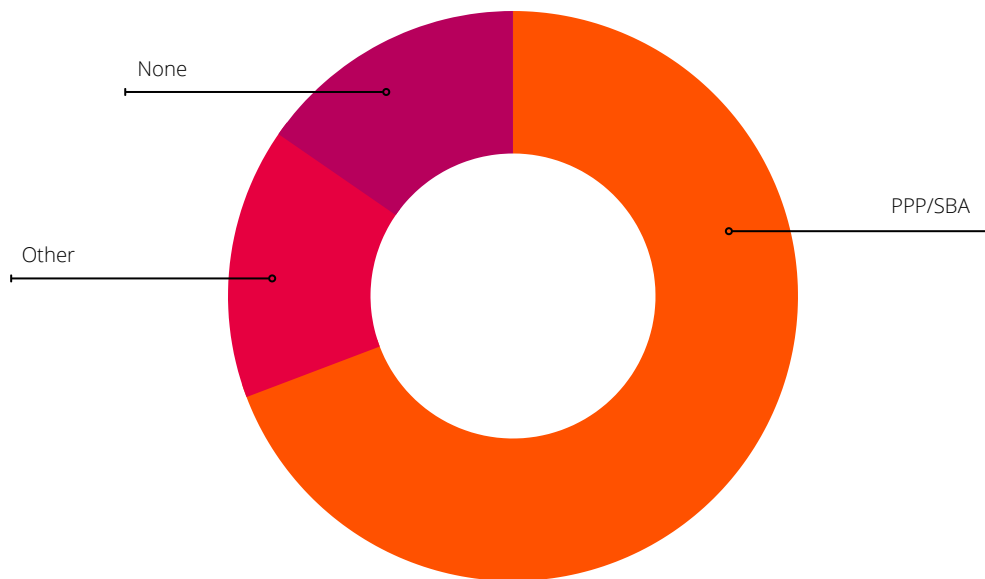
All 2021 survey respondents indicated that the business areas that represented the greatest financial impact included frozen pipelines and investments, postponed or cancelled projects, and lost income. Many companies were also affected by payroll reimbursement, incremental HR costs, and reduced healthcare. The impacted areas represent the same business disruptions anticipated in the 2020 survey.



Across all verticals, the majority of 2021 respondents have lost an average of \$5 thousand in additional costs incurred during the ongoing COVID-19 lockdowns and restrictions, while 45 per cent noted losing \$10 thousand or more to date. Primarily, respondents associated these costs with utility and tax payments, the implementation of work-from-home procedures, technology services and additional paid sick leave to support their employees throughout the pandemic. Last year's survey respondents indicated an anticipated loss of \$25 thousand or more to cover the additional costs of the items listed above.

Of those surveyed in 2021, 45 per cent of respondents have received financial relief or assistance in the form of loans, grants or bursaries in the last 12 months. The most common financial relief implemented was Paycheck Protection Program (PPP) and Small Business Administration (SBA) loans, as well as other loans and grants from government agencies. This leaves 55 per cent of respondents without access to financial relief or assistance to date.

Financial Assistance Breakdown





Operational Impact

For almost all companies surveyed for the 2021 research, things have not been “business as usual” during the COVID-19 outbreak, with many anticipating disruptions to their operations for years to come as we adjust to a post-pandemic economy. The financial loss and operating restrictions faced by businesses during the outbreak has caused many operational challenges, impacting business development, travel, and event attendance and participation.

When surveyed about their event attendance or participation plans, almost 22.5 per cent of 2021 respondents indicated they won't be attending any events in the next three months, while 30 per cent indicated that they would only attend digital events for the foreseeable future. An additional 27.5 per cent were still unsure about their event attendance plans.

Similarly, among all survey respondents, 50 per cent indicated that they will not be conducting any business-related travel in the next three months, while only 22 per cent of survey respondents reported that they do intend to travel, or have employees travelling, in the coming months. The remaining respondents are unsure what their travel plans would be as they continue to navigate these uncertain times.

30% 
will only attend events digitally
over the next three months

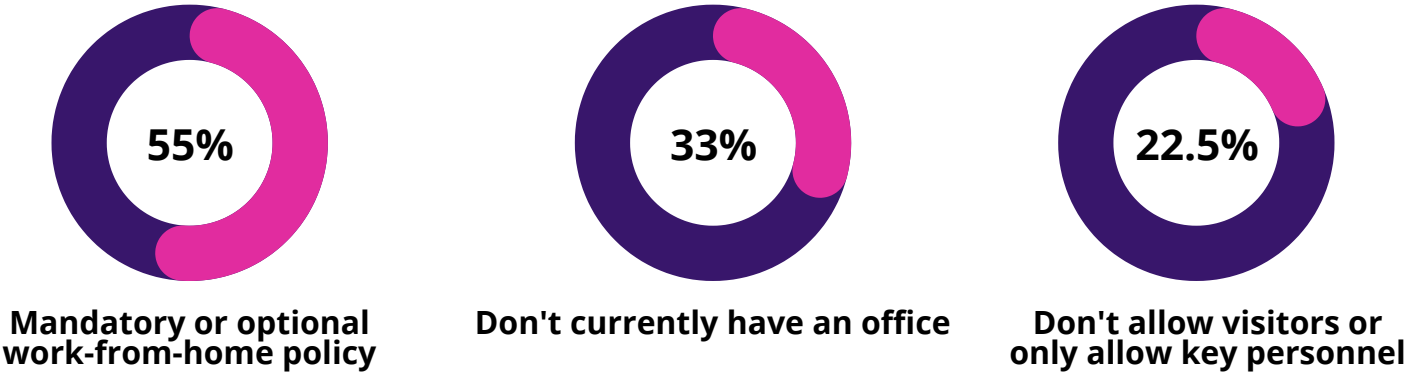
50% 
indicated they don't plan to travel
in the next three months

Of 2020 respondents, 31 per cent indicated virtual only events while 63 per cent indicated they wouldn't conduct any business related travel.

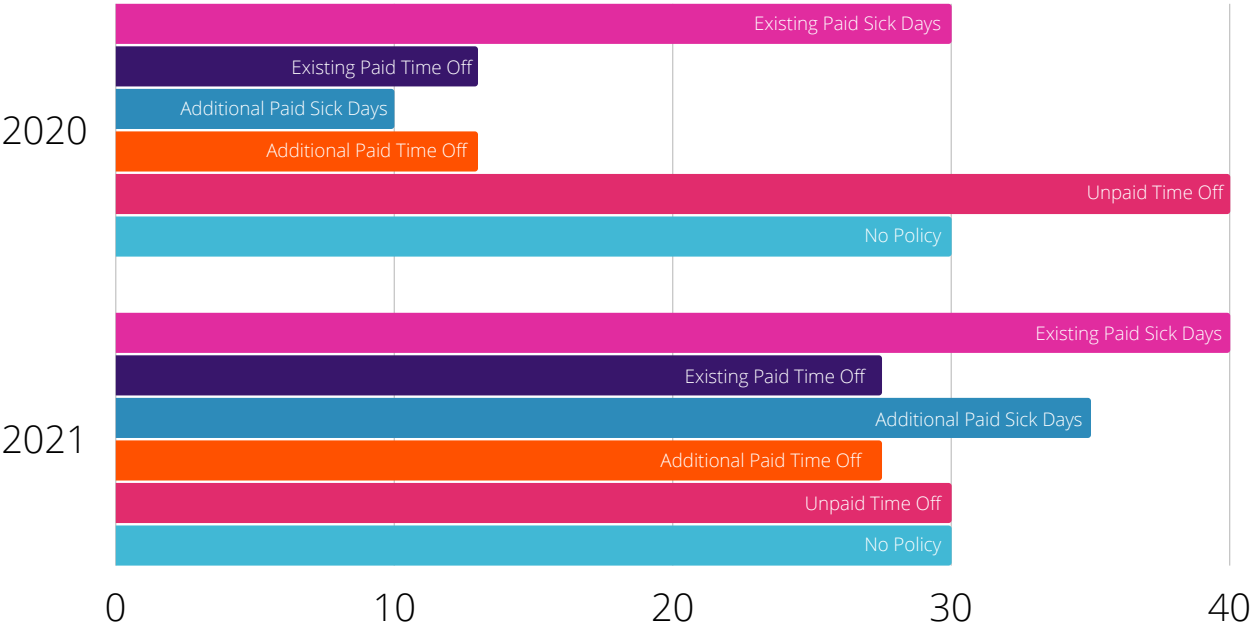
When asked about business development activities, most survey respondents indicated that the areas most severely impacted by the lockdowns are event attendance, networking, meetings, and company-wide social gatherings. Every survey respondent in 2020 and 2021 indicated some area of their business development strategy was challenged by the limitations and restrictions imposed as a result of COVID-19.

More than half of the 2021 survey respondents had optional or mandatory work-from-home procedures in place for their organization and employees, compared to 60 per cent of 2020 respondents. An additional 22.5 per cent of respondents reported that they aren't accepting office visitors or are accepting only key personnel, dropping from 27 per cent in 2020. Just over 7 per cent of those surveyed have updated their hygiene protocols as a result of the pandemic restrictions and guidelines, which mirror the 2020 responses. An additional 42.5 per cent of 2021 respondents indicated that they didn't have an office, representing 30 per cent of responses, or haven't seen a change in their office's operating procedures, accounting for 12.5 per cent.

This is much higher than the 30 per cent who gave these responses in 2020, demonstrating the number of women technology entrepreneurs foregoing physical business space and moving to completely virtual and remote operations due to the ongoing pandemic-related restrictions.



For employees who became ill or had to care for dependents, the majority of respondents indicated their company provided access to existing paid sick days (40 per cent) or paid time off (27.5 per cent), while 35 per cent of respondents indicated they had implemented additional paid sick leave and 27.5 per cent had implemented additional paid time off. Thirty per cent of respondents indicated that employees would need to use unpaid time off or other measures should themselves or their dependents fall ill, while less than 30 per cent indicated that they had no policy in place at all.



.....

This shows a significant change from 2020 survey responses where more than 30 per cent of respondents indicated their business didn't have a set policy in place regarding time away from work. Another 30 per cent indicated employees had access to existing paid sick days, while just over ten per cent said their company is offering employees additional paid sick days as a result of COVID-19. Thirteen per cent indicated that employees at their companies had access to existing paid time off, while an almost equal number responded that their organization offered additional paid time off in 2020.

Due to the financial and opportunity loss caused by COVID-19 to date, 25 per cent of 2021 survey respondents reported that they were required to downsize their businesses in 2020, this is slightly higher than the 19 per cent of 2020 respondents who anticipated downsizes. Twenty-two per cent of 2021 respondents indicated they are still unsure if they will be required to downsize, or make additional cuts, in the next two years in order to combat the ongoing effects of the pandemic on women-led technology businesses.



were required to downsize in 2020



are unsure if they will be required to downsize, or further downsize

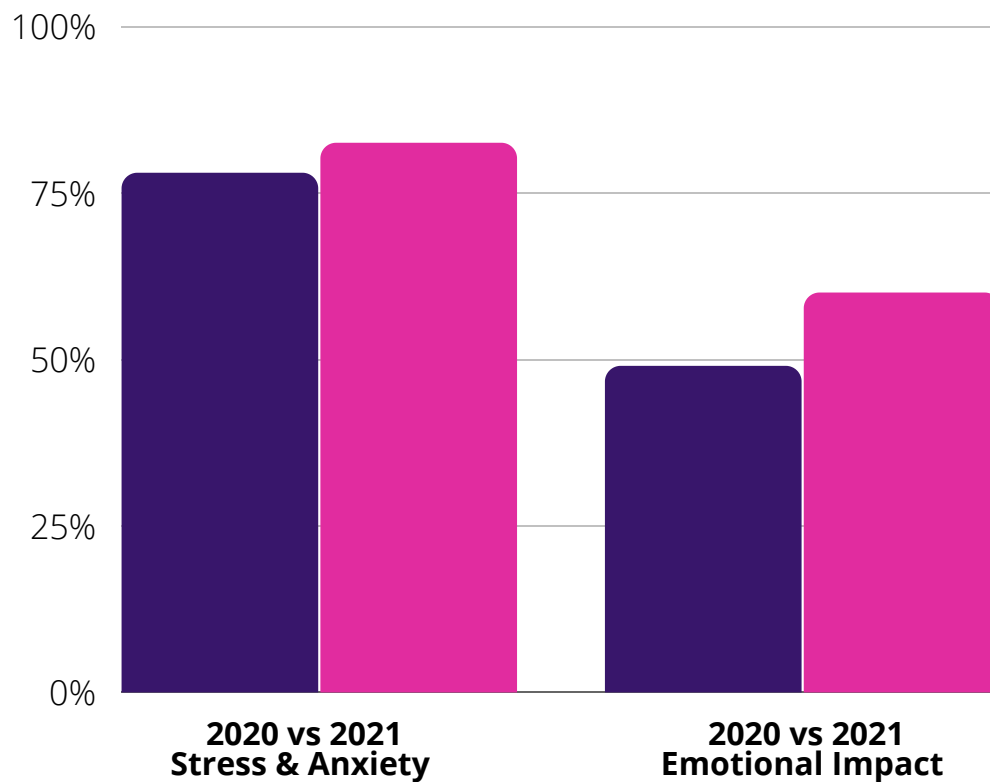
Emotional Impact

Almost all companies surveyed in 2020 and 2021 saw increased anxiety levels and negative emotional impact as a result of COVID-19.

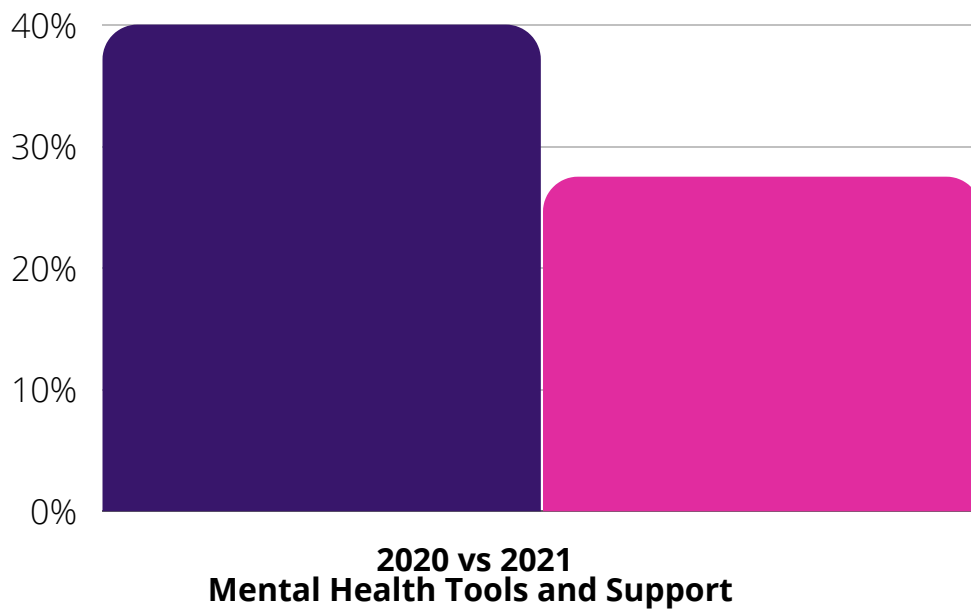
Of the 2021 respondents, more than half indicated the stress and anxiety level of their organization has been somewhat higher throughout the pandemic, with an additional 30 per cent indicating the stress and anxiety has been much higher for themselves and their employees. Very few respondents indicated no change in stress levels within their organization, while an even smaller percentage responded experiencing somewhat or much lower levels of stress.

More than 60 per cent of all 2021 respondents noted the pandemic has had a negative or somewhat negative emotional impact on themselves and their staff.

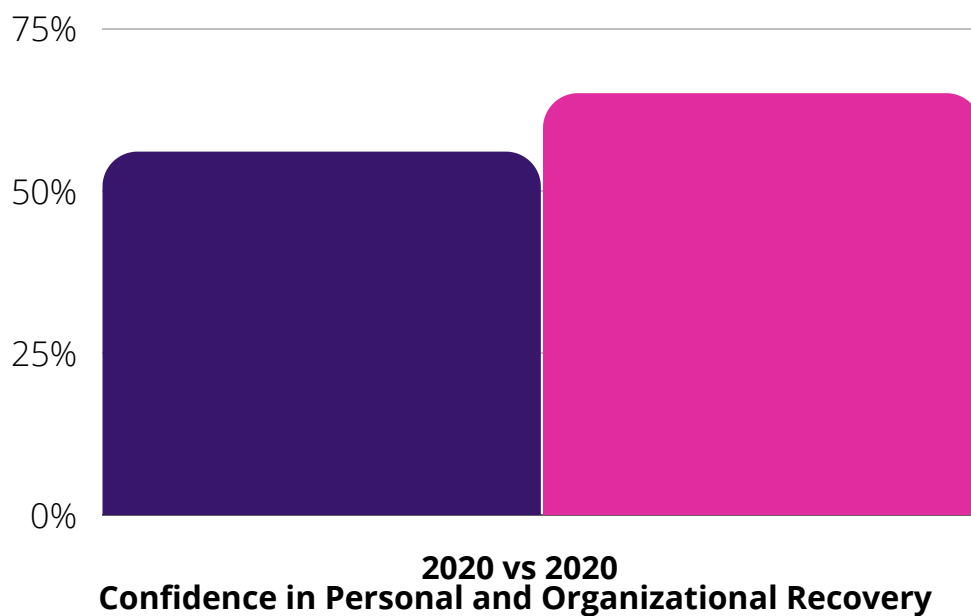
When it comes to the emotional toll of the COVID-19, the data after a year of the pandemic shows things are getting worse for women-led technology companies and their employees. Seventy-eight per cent of 2020 respondents indicated somewhat or much higher stress and anxiety levels, increasing to 82.5 per cent who gave this response in 2021. Similarly, 60 per cent of 2020 respondents noted a negative or somewhat negative emotional impact on themselves and their team, compared to 49 per cent of 2021 responses.



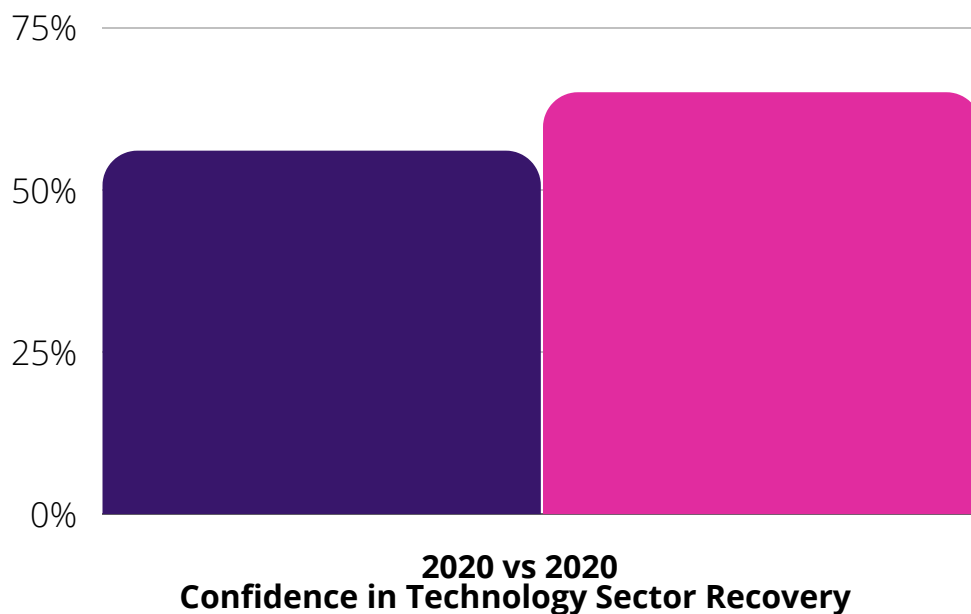
More than half of all 2021 respondents feel their organization is somewhat prepared with the tools to support the mental wellbeing of their team in their COVID-19 recovery, whereas 27.5 per cent feel they're absolutely prepared to support their employees' mental well being. This is slightly less positive than the 2020 survey responses where 40 per cent of respondents indicated they absolutely believed their organization had the tools necessary to support their teams' mental wellbeing.



On a more positive note, 65 per cent of all 2021 respondents reported they are absolutely optimistic in their individual and organizational abilities to recover financially and operationally from the COVID-19 pandemic. This is similar to the 2020 responses where 56 per cent of submissions indicated absolute confidence in themselves and their organizations to recover.



Continuing in a more positive vein, more than 62 per cent of 2021 respondents are confident in their country's technology sector's ability to recover from the impacts of COVID-19; an additional 22.5 per cent indicated they remain somewhat positive in a full recovery for the tech industry. This data represents a decrease from the 80 per cent of 2020 respondents that had full confidence in their country's recovery, demonstrating a diminishing faith in government for most women technology entrepreneurs in the US, Canada, and beyond.

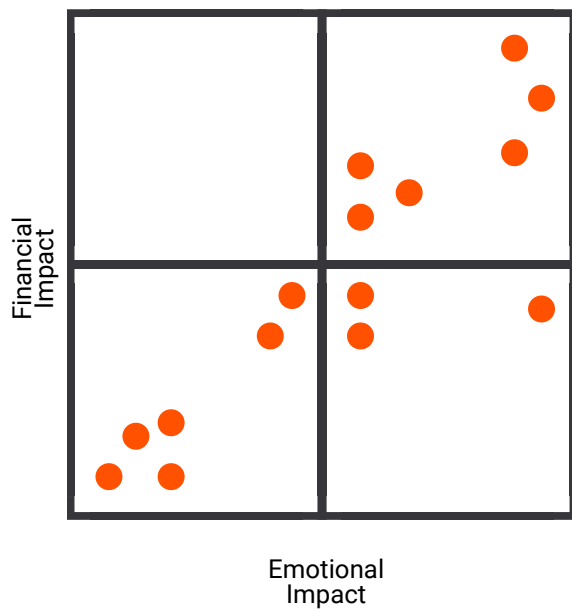
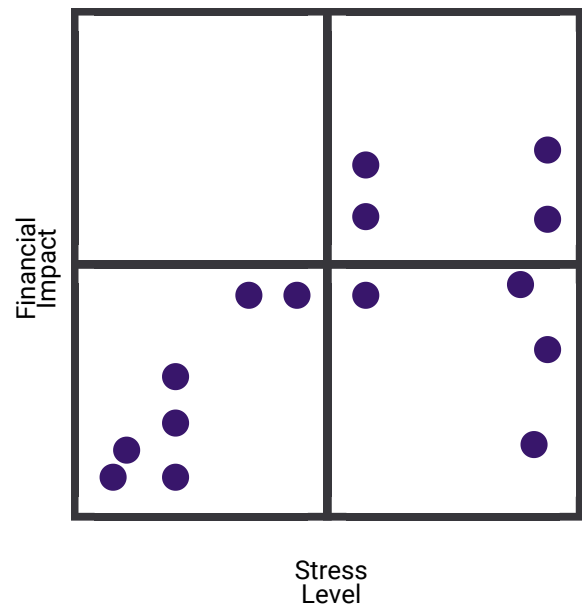


Impact Intersections

As with last year's responses, as the 2021 survey data was analyzed, it became easy to see relationships between impact areas and responses. While it's clear that financial impacts directly disrupt operations, there were clear parallels between responses on financial and emotional impact, and operational and emotional impact, as outlined next.

Emotional vs. Financial Impact

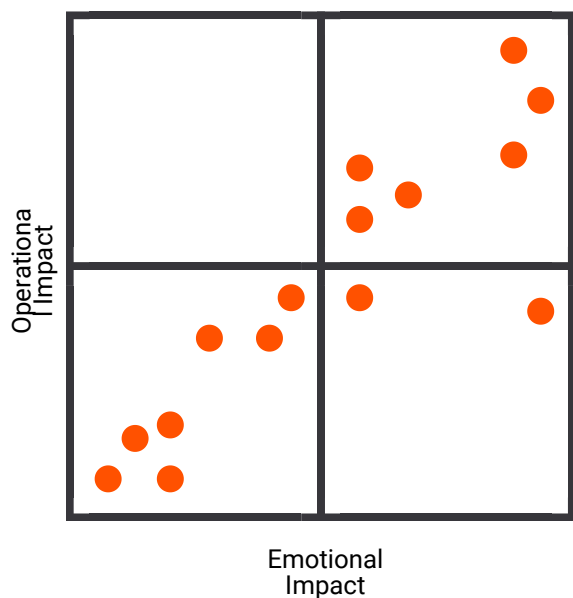
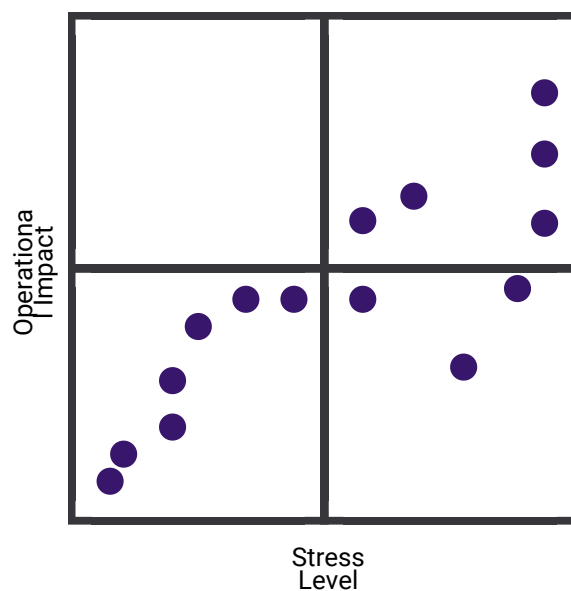
Correlating with the 2020 response patterns, all of those who reported low stress levels also offered some of the lowest instances of financial or opportunity loss. Alternatively, those who suffered greater financial impact tended to report higher stress levels, generally increasing in correspondence with the amount lost.



Similarly, those who reported negative or somewhat negative emotional responses to the pandemic also indicated higher financial impact, and vice versa with those who saw a positive or neutral emotional impact and experienced lower economic loss. This pattern was also seen within the 2020 responses

Emotional vs. Operational Impact

Similar to the effects of financial loss on emotional impact, those who experienced fewer operational disruptions to date also reported lower stress and anxiety levels among themselves and their employees. Whereas those who reported an increase in pandemic-related disruptions also reported higher or somewhat higher stress and anxiety in themselves and their team members, a trend that was also reflected in the 2020 survey responses.



Lastly, those who reported a high number of operational disruptions thus far also indicated negative or somewhat negative emotional responses to the pandemic, while those who saw fewer operational disturbances tended to report a positive or neutral emotional impact, aligning with the 2020 reports.

Year over Year Comparison

Overall, the 2021 pandemic-related impacts so far are fairly consistent with the projections in the 2020 survey responses. While we continue to navigate the pandemic the 2021 numbers may increase significantly.

Financial Impact

- Financial impact to date is slightly lower than expected based on the two-year predictions of 2020 respondents.
- Seventy-five per cent of 2021 survey respondents have lost \$10 thousand or more in revenue and opportunities, compared to the previous year when 100 per cent of respondents predicted to lose a minimum of \$10 thousand as a result of the pandemic-related restrictions and shutdowns.
- The majority of 2021 respondents have lost \$50 thousand to \$100 thousand to date, whereas the projection in 2020 was revenue loss of \$500 thousand to \$1 million over 24 months.
- Fifty per cent of 2021 respondents indicated opportunity losses of \$50 thousand or more to date, compared to the expected loss of between \$1 million and \$5 million from 2020 to 2022.
- The business areas impacted resulting in revenue loss to date, remain the same from 2020 to 2021, with the most significant disruptions around projects cancelled or postponed, lost income, and pipeline and investment freezing.
- Respondents from both 2020 and 2021 associated additional costs surrounding utility and tax payments, the implementation of work-from-home procedures, technology services and additional paid sick leave to support their employees throughout the pandemic.



2020 RESPONDENTS
PROJECTED

\$1M

IN REVENUE LOSS OVER
24 MONTHS



REVENUE LOSS TO DATE
\$50K - \$100K



2020 RESPONDENTS
PROJECTED

\$5M

IN LOST OPPORTUNITIES
OVER 24 MONTHS



OPPORTUNITY LOSS TO DATE
\$50K +

Operational Impact

- Thirty per cent of 2021 respondents indicated they will only attend events digitally over the next three months, compared to 31 per cent of 2020 participants who gave the same response.
- Fifty per cent of 2021 respondents reported they don't plan to travel in the next three months compared to the 63 per cent who gave this response in 2020.
- More than 62 per cent of 2021 respondents indicated the addition of paid sick days or time off for their employees, whereas less than 25 per cent of those surveyed in 2020 had offered additional paid leave for employees.
- Twenty-five per cent of 2021 respondents have been forced to downsize their businesses, while only 19 per cent of 2020 survey respondents had anticipated the need to downsize.

Emotional Impact

- Seventy-eight per cent of 2020 respondents indicated somewhat or much higher stress and anxiety levels, increasing to 82.5 per cent who gave this response in 2021.
- Sixty per cent of 2021 respondents noted a negative or somewhat negative emotional impact on themselves and their team, compared to 49 per cent of 2020 responses.
- Across both the 2020 and 2021 surveys, respondents who experienced higher levels of stress and anxiety and/or negative or somewhat negative emotional impacts most commonly correlated to greater financial loss and/or operational disruptions.

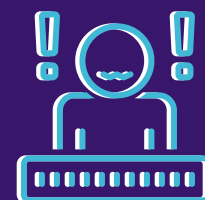


49%

OF 2020 RESPONDENTS
REPORTED A NEGATIVE OR
SOMEWHAT NEGATIVE
EMOTIONAL IMPACT

NEGATIVE OR SOMEWHAT
NEGATIVE REPORTED IN 2021 BY

60%



78%

OF 2020 RESPONDENTS
REPORTED HIGHER
STRESS AND ANXIETY
LEVELS

HIGHER STRESS AND ANXIETY
REPORTED IN 2021 BY

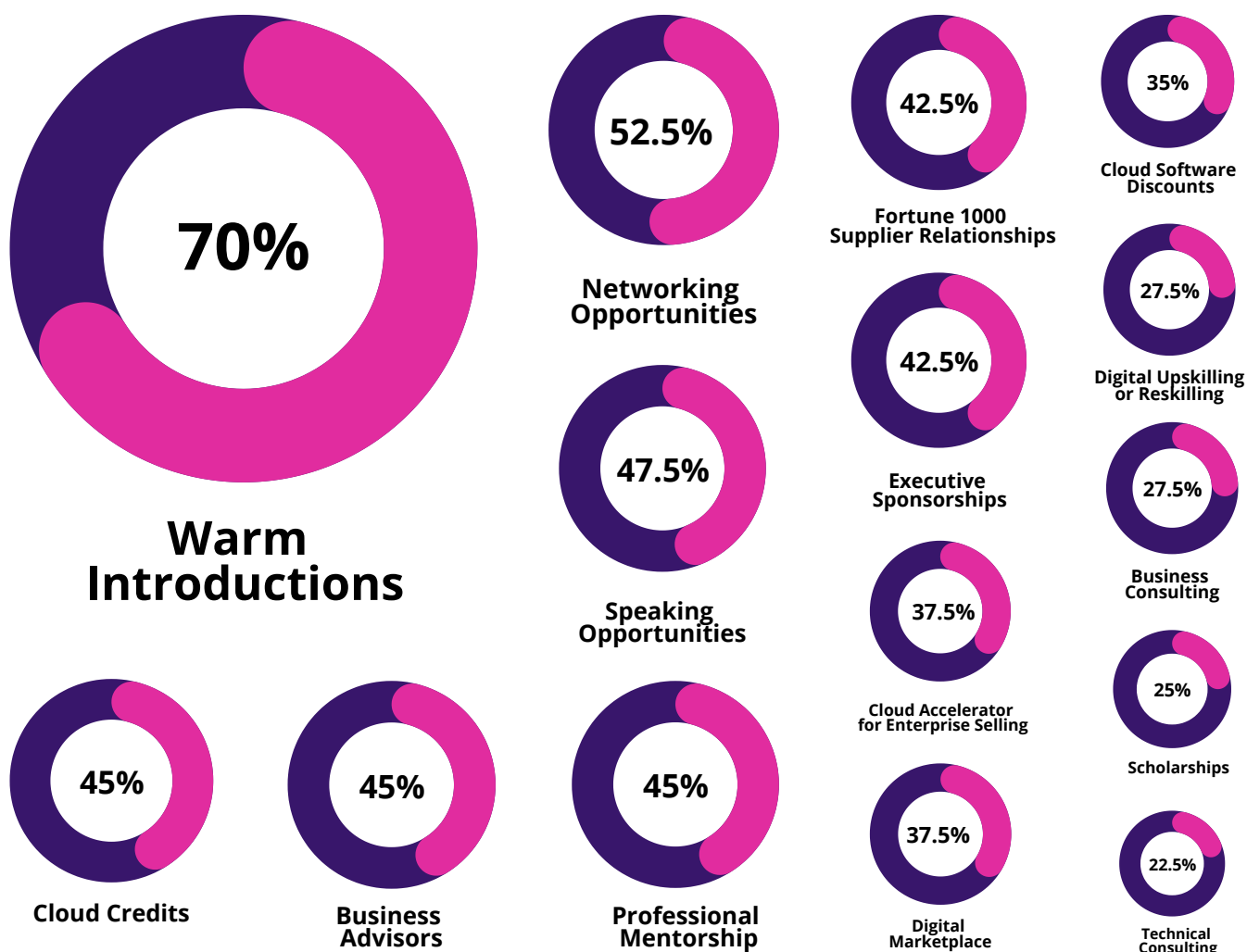
82.5%


Recovery Resources & Recommendations

In order to overcome the impact of the pandemic, women technology entrepreneurs and their businesses need support from larger companies and government organizations.

When asked which solutions they would benefit from accessing at this time, 70 per cent of 2021 survey respondents indicated they would appreciate warm introductions. The next most frequent responses were requests for networking (52.5 per cent) and speaking (47.5 per cent) opportunities, followed by 45 per cent, respectively, who would like to receive support in the form of cloud credits, professional mentorship and business advisement.

All areas of support and requested access or opportunities are noted below:





While the outlook moving forward in a post pandemic world isn't completely grim for women technology entrepreneurs and their businesses, many organizations and individuals will not be able to recover from the severe impacts alone.

In order to support the recovery needs for women technology entrepreneurs and their businesses, Women in Cloud has created a number of turn-key events and initiatives.

Fortune100 Initiatives:

Women in Cloud intends to double down on Fortune brand representation and engagement through a number of initiatives to facilitate relationships between women technology professionals and Fortune100 companies.

- **#WICxFortune Lunch & Learn Series** - Women in Cloud's Fortune100 Lunch & Learn series is a networking experience designed to open the doors for leading fortune companies and brands to connect with technology business builders. This intimate learning series offers a space to learn about how to do business with them, understand their company culture, and get access to decision makers & procurement officers. Some of these Fortune brands include: Accenture, Boeing, Hitachi Solutions, IBM, Google, and JP Morgan Chase, to name a few.
- **Corporate Pledge** - An opportunity for Fortune100 companies to commit to doubling their company's supplier access and economic opportunities for women, while strategically positioning their brand to help avert an ongoing global crisis and advance inclusive economic growth.
- **Cloud Recruitment Initiatives** - Opportunities for Fortune100 companies to access diverse talent and advance recruitment of women in the cloud ecosystem via the WIC online job board and virtual recruiting sessions at Women In Cloud signature events.
- **Digital Supplier Engagement** - Leverage cloud vendor marketplaces to showcase solutions to enhance the relationships between women-led technology businesses and fortune brands working closely with cloud vendors.



Female Technology Entrepreneur Acceleration:

Women in Cloud also intends to support women technology entrepreneurs' investment in digital customer acquisition through initiatives that facilitate opportunities for warm introductions, co-building and co-selling, collaboration and acceleration to increase representation and visibility of women-owned solutions. These turn-key solutions are designed to provide access to women technology entrepreneurs to connect with buyers, procurement officers and investors to drive action towards enhancing their cloud solution growth.

- **WIC Microsoft Cloud Accelerator** - An immersive 6 month program to assist women-led tech companies to co-build, co-market and co-sell with Microsoft and their distribution channels to help women in tech win enterprise opportunities, get access to Azure credits, an advisor community and a global stage to showcase their solutions.
- **Solution Marketplace** - A one-stop shop for technology solutions and services for the mid-to-enterprise market, created, owned and operated by women entrepreneurs, creating an easy way for businesses to find and source women-led technology solutions. Here, buyers can easily find a variety of enterprise-ready solutions, special offers, and ability to schedule demos.
- **#CloudInnovateHER Pitch Challenges** - In partnership with Fortune Venture organizations, host pitch challenges for women-owned tech businesses to find commercial success by showcasing their enterprise-ready B2B cloud solutions and compete on a global scale.
- **Get Introduced** - A streamlined platform to facilitate warm introductions between women in tech and potential clients, sponsors, mentors and advisors that allows women technologists easy access to WIC's large and growing network of industry leaders, driving connection and collaboration.
- **Digital Academy** - A digital learning initiative offering courses designed for anyone who wants to break into the world of enterprise sales to support women entrepreneurs in the development of skills for marketing and selling of cloud solutions in an enterprise environment.
- **Innovation Grants** - Formulating opportunities and policies with public and private partners to build a cloud innovation pipeline through the distribution of Innovation Grants.



Advancing Cloud Employability for Women:

Women in Cloud is committed to continuing to facilitate access to women talent into the cloud industry through certifications, scholarships, digital skilling and other professional development opportunities.

- **Cloud Scholarships** - An opportunity for women to apply the Microsoft Azure Training and Certification Scholarships, where students will complete digital skilling courses via the Coursera platform to access specializations in Azure Fundamentals, Azure AI Fundamentals and Azure Data Fundamentals with certification vouchers delivered upon completion.
- **#CloudJobs Diverse Recruiting** - A digital job fair offering a meet and greet experience, where women in technology can meet with companies actively seeking and recruiting talent, benefitting both the company and the job seeker by aligning talent with opportunities to put more women into tech leadership roles at WIC Signature Events.
- **Hands On Cloud Lab** - A free Hands-On Lab experience allowing women technology entrepreneurs an opportunity to get their hands “Cloudy” and deepen their Azure foundational knowledge.

Addressing Policies:

Women in Cloud encourages Fortune brands and government organizations to provide access to policy adjustments and financial assistance for women-led technology companies to offset the financial and opportunity disruptions created by the pandemic and displacement of women-held jobs as AI drives automation.

- **51 per cent Rule** - Eliminating the 51 percent rule which requires technology companies to have 51 percent female ownership in order to qualify as a women-led technology business and access opportunities designated for companies with women ownership.
- **AI Ethics** - Supporting the ethical development and adoption of AI solutions through the establishment of proper regulations and self-imposed limitations that protect women’s participation in the economy and promoting women’s economic empowerment, employment and acceleration.
- **Financial Assistance** - Formulating opportunities and policies with public and private partners identify financial assistance models to assist with cash flow challenges accelerated by pandemic.

Work with us!

We are looking for like-minded partners to support programs that directly impact women technology entrepreneurs and their companies. If you or your organization is seeking an opportunity to give back we would love to talk to you about this report, and how we could work together to support women-led technology companies in their financial, operational and emotional recovery from the impacts of the COVID-19 pandemic.

Chaitra Vedullapalli
President, Women in Cloud
cvedulla@womenincloud.com



www.womenincloud.com