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Sisters doing it for themselves

Four Victorian women have banded together to attract a group of female angel investors to support fledgling female-led businesses.

Female entrepreneurs find it far more difficult to get capital, market entry and access to networks than their male counterparts and Scale thinks it can help by increasing the pool of female investors.

Hence it's recruiting high net worth females to invest at least \$25,000 each year for the first three years.

They're expected to be good networkers and to actively support the businesses they invest in, for example by joining the board.

Investors are required to pay a \$2,000 annual membership fee for which they'll receive regular education about investing in start-ups and a flow of investment opportunities.

Women tend to build up their businesses around the kitchen table and to be very conservative.

Most start-up businesses rely on family and friends of the family for that vital first piece of funding. As such it is ad hoc, unprofessional and without any guidance or structure.

Founding chairman Susan Oliver, said Scale is "heightening the professionalism and addressing the bias against women which has been a problem in the market."

Oliver said early interest was coming from female entrepreneurs "who have done it and know the grief because they've taken that lonely journey."

Scale's first paid up member is Diana Williams, founder of Fernwood, the female-only gym. The 20 attendees at the launch in Melbourne on Wednesday also included former Qantas chair Margaret Jackson and Jo Fisher, who founded executive search firm JFE. Scale hopes to enlist 15 to 20 investors in its first year.

The board comprises Susan Oliver, Carol Schwartz, Annette Kimmitt and Laura McKenzie, the chief executive officer.

Scale will make investments of between \$100,000 and \$500,000 to female-owned or run businesses with two paying clients, an addressable market of \$500 million with scalable product and business model.

Products are to be in the beta stage of development, namely have been demonstrated to work, rather than alpha stage, on a laptop.

"As long as we get it fully funded, we'll be the lead investor so we'll have a place on the board," said

Oliver. If not, Scale will look to the Sydney Angels or Melbourne Angels to fill the funding gap.

It is also in touch with incubators and accelerators. "We are ensuring we are very well networked into the scene."

Oliver has already come across a woman doing "amazing things" with robotics and another couple involved in online applications for retailing.

Another source of investment opportunities will be Gust, a global platform that links high-growth start-ups with early stage investors.

The Victorian state government's department of state development, business and innovation has granted \$600,000 and the founding board members, with their networks, have contributed in-kind more than \$100,000 towards Scale's administration and operating costs in the first three years.

After two to three years, Oliver expects Scale to have the momentum and credibility to establish its first commercial venture capital fund, following the model of Golden Seeds which was founded in the US in 2004 by Australian Stephanie Newby and now has two funds with \$30 million under management.

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