

BUSINESS *with*

THE WALL STREET JOURNAL SUNDAY.



Joan Killian Gallagher, President,
Warden-Brooks, Ltd., New Canaan, CT

When Joan Killian Gallagher founded Warden-Brook Ltd. 25 years ago, she instinctively knew that in order to grow she needed clients who could grow with her.

So the New Canaan-based entrepreneur immediately went after the big guns. She marketed her idea for designing and manufacturing customized corporate gifts to large Fortune 500 firms.

"I always figured I wanted to aim for the top," she said.

Her strategy worked. It was a time when corporate identity merchandise was a new phenomenon, and Gallagher quickly secured E.F. Hutton as her first client. With one big customer, word of Warden-Brooks spread. Soon, she was working with financial institutions such as PaineWebber, J.P. Morgan and Merrill Lynch.

"Over the first seven or eight years, our sales doubled every year," she said.

Today, about 80 percent of Warden-Brooks' business is with Fortune 1000 companies, she said. "Once you can break into that market, that's where the opportunity is."

But breaking into the Fortune 1000 marketplace is a problem for women-owned businesses. Access to that market is not only one of the top challenges facing women business owners, it is one of the top barriers to their growth.

A recent study conducted by the Washington, D.C.-based Center for Women's Business Research showed a disparity between the number of women-owned businesses and their presence in the Fortune 1000 marketplace.

The study found that women-owned firms comprise nearly one-third of all U.S. businesses, yet they capture only an average 4 percent of goods and service contracts awarded by the country's Fortune 1000 corporations.

That poses a problem for women-owned firms in the growth-stage. Unless they can secure large corporate clients it's unlikely they can expand, said Teri Cavanagh, senior vice president and director of the Women Entrepreneurs' Connection at FleetBoston Financial, one of the organizations that commissioned the study.

In 2000, the unit of FleetBoston began a \$2 billion initiative to provide equity, debt and advocacy support to women business owners.

According to the study, 56 percent of the revenues of women-owned companies with sales of \$1 million or more came from large corporations, illustrating that an entrepreneur's ability to win corporate contracts is key to her growth.

"Accessing the corporate marketplace is the single greatest factor in creating exponential growth for women-owned businesses, even more important than accessing capital. We have seen women's business enterprises literally double once they secure large corporate contracts," Cavanagh said.

For the women-owned businesses that do work with Fortune 1000 companies, the access "has not just helped them a little bit, it has helped them exponentially," she said.

"Going after the big financial services firms definitely spurred our growth," said Gallagher, who is a member of the Women's President Organization, a select group of female business owners who have guided their companies to at least \$2 million in annual sales.

Women business advocates have worked hard to raise awareness and help female business owners get better access to money, Cavanagh said. "The money gap is closing and the market gap is just beginning to be addressed."

"Access to capital has been an issue for women business owners for over a dozen years. But access to market is as equally important. For lenders to lend, they need to know there is an opportunity for growth," said Bari, whose Washington, D.C.-based organization was created in 1997 as a third-party certifier of businesses owned and operated by women. It is now the country's largest such third-party certifier.

Gallagher said she is exploring forming alliances as she looks to expand her business into the food services and pharmaceutical industries. While she had no problem entering into the financial services industry, breaking into new sectors has been more challenging.

But women-owned businesses are growing so fast and becoming so influential that corporations must realize if they want to be players over the next decade, hiring women-owned vendors is an important part of their own strategic planning, she said.

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WARDEN-BROOKS, LTD
216 MAIN STREET • NEW CANAAN • CT 06840
TEL 203.972.1111

E Mail: Joan Killian Gallagher
jkg@wardenbrooks.com