



# Being a Certified Women-Owned Business Can Help Grow Your Company

According to a recent [business study](#), there are 11.6 million women-owned businesses (WOB) employing nearly 9 million people in the U.S. These businesses account for a third of all privately held firms and generate more than \$1.7 trillion in revenue annually. In fact, the number of women-owned firms and their revenues has more than doubled over the last 20 years.

## WOBs and Contracting: Disconnect and opportunity

Despite these successes, women-owned businesses are still lagging when it comes to accessing a proportional amount of the federal, state, local and corporate contracts that are set aside for small businesses.

On the federal front, the U.S. government spent \$508.4 billion on contracts for goods and services in 2017. However, only \$25.4 billion of those contracts (or 5%) were awarded to women-owned businesses, according to an analysis by the [Center for Responsive Politics](#).

WOBs that are looking to expand and grow their business should consider becoming certified as a Women-Owned Small Business (WOSB) or Women's Business Enterprise (WBE).

### Key takeaways



WOB Certification can open up opportunities available only to diverse suppliers.



Certification can move a business to the top of the list for contract consideration.



Several types of certification exist, each offering its own benefits and resources.

## Is WOB certification for you?

In an effort to create diversity in the marketplace, most public corporations and government organizations have “supplier diversity goals,” strategic purchasing programs where they seek to rely on a wide-ranging yet well-rounded inventory of companies they do business with. These goals ensure that a variety of businesses—including those owned by minorities, veterans and women—can also participate in and benefit from the contracting process.

KeyBank is also committed to developing relationships with diverse suppliers and strengthening the economic development within the communities they serve. In fact, through their [supplier diversity program](#), they’ve spent more than \$1 billion with diverse suppliers since 2001.

In the case of the federal government, the goal is to award 5% of the value of all of its contracts to WOBs. State and local governments, as well as many public corporations, have adopted a similar goal. To qualify for these set-asides, however, WOBs need to become certified.

## WOSB or WBE: Which one is right for me?

When it comes to contracting, particularly on the federal level, WOSB certification through the [Small Business Administration](#) is the gold standard. WOSB certification provides a business with access to the [Federal Business Opportunities \(FBO\)](#) website, which lists all open contracting opportunities over \$25,000 across multiple federal government agencies. WOSB-certified businesses also have direct access to federal contracts set aside and preferential consideration by federal agencies fulfilling those procurement needs.

WOBs who are more interested in contracts outside of the federal government such as those within the private-sector corporations (and even some municipalities) should consider WBE certification. WBE certification moves businesses owned by women to the top of the consideration pile and allows those companies the ability to work with diversity managers at large corporations. In addition, the [Women’s Business Enterprise National Council \(WBENC\)](#) provides WBE-certified businesses with a list of supplier diversity and procurement contacts at some of the nation’s top business organizations as well as federal, state and local governments.

Those seeking access to state, city and local contracting opportunities should also be aware that while some government agencies will accept WBE certification, you should check with them directly about what their requirements are.

## What do you need to do to become certified?

There are two ways to become certified as a WOSB for federal contracting purposes—self-certify or third-party certification.

In both cases, the small business seeking certification must be able to show that it is 51% owned by one or more women who are U.S. citizens. However, majority ownership is not the only requirement. The SBA also requires that WOSBs be managed day-to-day by women and that women at the company be in control of decision-making and long-term planning. It’s important to have documents such as incorporation papers, operating agreements and even birth certificates and naturalization papers that back up these requirements. See the complete checklist below.

WOSBs who meet these criteria can either self-certify or submit third-party certification through the SBA website. To self-certify, a business owner should fill out the SBA’s form to apply for [WOSB certification](#) and submit their supporting documents.

**There are four organizations approved by the SBA to provide third-party certification. Contact them to find out about their certification process:**

- [National Women Business Owners Corporation](#)
- [US Women’s Chamber of Commerce](#)
- [Women’s Business Enterprise National Council](#)
- [El Paso Hispanic Chamber of Commerce](#)

## Recertification and renewal

Keep in mind that certifications must be renewed each year in order to maintain your certification status. The renewal application process is streamlined with fewer requirements than the initial application process—your certification agency will have specific renewal procedures. However, unless the structure, ownership or name of your business has changed during that year, no additional information is required for re-certification. The application and affidavit should be filed with the most recent tax return for the business. It's important

that you allow ample time before your expiration date to send in the recertification materials.

When it comes down to it, being a certified women-owned business is advantageous for your company as a whole. While it isn't necessarily a requirement, the benefits to being certified such as receiving access to federal contracts make the certification process well worth the time. Before making any final decisions, be sure to speak with your financial advisor.



## The support you need

For more Key4Women® resources to help you reach your goals, visit [key.com/women](https://key.com/women), or [email us](#) to learn more.

Would you like to weigh in on future topics? Please take our [survey](#).

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