

Enhancing Sustainable Development through Gender Equality: The Role of Mentorship in Empowering Women-Led SMEs in Georgia's Economy

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Abstract: This study investigates the impact of mentorship on the growth of women-led Small and Medium Enterprises (SMEs) in Georgia within the framework of sustainable development in Georgia's evolving economy. Focused on addressing challenges like limited resource access and gender biases, the research employs a randomized control trial method on a sample of 202 businesses. The method allows for a comparative analysis between mentored and non-mentored enterprises, evaluating effects on organizational dynamics, societal impact, strategic development, and entrepreneurial progress. Key findings demonstrate that mentorship significantly enhances business performance, decision-making capabilities, and innovation, underscoring its role in both the psychological and societal empowerment of women entrepreneurs. These results provide valuable insights into the multifaceted role of mentorship in economic empowerment, offering essential implications for policy development and future academic research in this area.

Keywords: *Business mentorship; Business training and bundled services; Women's economic empowerment; Women's led SMEs*

Introduction

In the lens of sustainable development, empowering women-led Small and Medium Enterprises (SMEs) through mentorship emerges as a pivotal avenue for fostering equitable economic growth and resilience. This exploration is critically positioned at the intersection of gender equity, sustainable economic practices, and the dismantling of entrenched socioeconomic barriers. Recognizing the distinct hurdles women entrepreneurs face, such as constrained resource access, systemic gender biases, and the scarcity of empowering networks, this discourse advocates for a paradigm shift towards inclusivity and sustainability in business practices.

The global narrative of women-led SMEs unravels a compelling dialogue between traditional gendered paradigms, socio-economic structures, and evolving organizational models, all framed within the imperative of transcending colonial legacies in knowledge and entrepreneurship. The critique of Eurocentric, patriarchal business ideologies by scholars like Ahl and Jamali spotlights the marginalization of alternative entrepreneurial models. Simultaneously, research by Marlow & McAdam, and Acs, Szerb, and Terjesen accentuates the transformative role of women-led SMEs, especially in developing economies, as a counter-narrative to dominant business orthodoxies, advocating for a pluralistic and inclusive approach to economic development.

The journey of female entrepreneurs, particularly those from historically marginalized backgrounds, is fraught with challenges that are deeply rooted in colonial and patriarchal legacies, as detailed by scholars such as Balachandra et al. These challenges underscore the critical need for mentorship programs designed to bridge these gaps by offering targeted guidance, expertise, and networking opportunities.

Mentorship serves as a multifaceted catalyst for sustainable development by imparting essential business acumen and fostering innovation within SMEs, thereby enabling women entrepreneurs to navigate and thrive in the competitive business landscape. It plays a crucial role in psychological empowerment, enhancing self-confidence, leadership skills, and breaking the isolation often experienced by women in business.

Beyond individual growth, the societal benefits of mentorship in empowering women-led SMEs are profound. It advances gender equality within the business sector, contributes to broader economic development, and inspires future generations of female entrepreneurs. However, the effective implementation of mentorship programs requires careful consideration of their quality, relevance, and alignment with the unique needs of women-led SMEs to ensure their long-term impact.

This discourse underscores mentorship as an indispensable tool for sustainable development, emphasizing its potential to address immediate challenges and contribute to the holistic empowerment of women entrepreneurs, thus fostering a more inclusive, resilient, and sustainable economic landscape. The ongoing exploration and application of mentorship programs in the context of developing economies highlight its transformative capacity in redefining the ecosystem of women-led SMEs.

Literature Review

The burgeoning field of research on mentorship in women entrepreneurship, organizational growth, societal impact, and the challenges and opportunities it presents forms the cornerstone of this literature review. Each of these areas offers a distinct yet interconnected perspective on the transformative potential of mentorship in the business sphere, particularly concerning women-led Small and Medium Enterprises (SMEs).

Women's economic empowerment has gained significant attention in academic literature as a crucial aspect of sustainable development. Scholars highlight the multifaceted nature of WEE, encompassing various dimensions such as access to resources, education, employment, and financial inclusion.

Economic Theories and Women's Empowerment. Economic theories such as human capital theory and the capability approach are often employed to analyze women's economic empowerment (Sen, 1999; Becker, 1964). The human capital theory underscores the importance of education and skills training for women, while the capability approach focuses on expanding women's choices and opportunities (Nussbaum, 2000; Kabeer, 2005).

Numerous studies identify barriers to women's economic empowerment, including discriminatory social norms, unequal access to education and healthcare, limited access to credit, and gender-based violence (Duflo, 2012; Kabeer, 2005; World Bank, 2019). Understanding and addressing these barriers are crucial for effective policy interventions (Moser, 1993; Malhotra et al., 2002).

The role of microfinance in promoting women's entrepreneurship has been a significant focus (Duflo, 2012; Kabeer, 2005; Hashemi et al., 1996). Scholars explore the impact of microcredit programs on women's economic activities, financial independence, and overall well-being. While some studies report positive outcomes, others highlight challenges and the need for nuanced approaches (Pitt et al., 2003; Tarozzi, 2011).

Education is often regarded as a key driver of women's economic empowerment (Duflo, 2012; Kabeer, 2005). Research emphasizes the positive correlation between women's education levels and their economic participation. However, challenges persist, including gender-based gaps in educational access and attainment (Kingdon & Knight, 2007; Psacharopoulos & Patrinos, 2018).

Scholars analyze various policy interventions and best practices aimed at promoting women's economic empowerment (Kabeer, 2005; Duflo, 2012). This includes affirmative action policies, gender-responsive budgeting, and targeted programs to address specific challenges faced by women in the workforce (World Bank, 2019; Malhotra et al., 2002).

The role of mentorship in fostering business growth and enhancing decision-making processes for women-led Small and Medium Enterprises (SMEs) has garnered increasing attention within academic literature. Scholars recognize the potential of mentorship to provide critical support, guidance, and networks for women entrepreneurs, influencing both the performance of their businesses and their strategic decision-making (Brush et al., 2018; Duflo & Kremer, 2005).

In the realm of Mentorship and Women Entrepreneurship, studies have increasingly focused on how mentorship enhances the capabilities, confidence, and strategic acumen of women entrepreneurs. This body of literature not only explores the empowerment aspect of mentorship but also delves into the unique challenges faced by women in the business world, offering insights into how mentorship can be tailored to address these specific obstacles.

The section on Organizational Growth and Mentorship examines the role of mentorship in facilitating the growth of SMEs. This includes an exploration of how mentorship influences business performance, shapes decision-making processes, and fosters innovation. The literature in this area provides valuable understanding of how mentorship can be a critical driver for business success and expansion.

In considering Mentorship and Societal Impact, the review covers research that looks at the wider implications of empowering women-led SMEs through mentorship. This includes the promotion of gender equality, contributions to economic development, and the uplifting of communities. These studies underscore the broader benefits that transcend beyond individual business gains.

Finally, the review addresses the Challenges and Opportunities associated with implementing effective mentorship programs. This section highlights the hurdles that need to be overcome to maximize the impact of mentorship, as well as the opportunities that effective mentorship programs present for sustainable growth and innovation in the world of SMEs.

Together, these areas form a comprehensive overview of the current state of research on mentorship in the context of women-led SMEs, providing a multifaceted understanding of its impacts and implications.

Mentorship and Women Entrepreneurship

Research underscores the positive correlation between mentorship and the performance of women-led SMEs. Brush et al. (2018) emphasize the role of mentorship in providing women entrepreneurs with access to valuable resources, industry knowledge, and networks, ultimately contributing to improved business performance. Studies by Allen et al. (2008) further highlight how mentorship can enhance key business indicators such as revenue growth, profitability, and market share.

During last two decades there appeared amounts of literature about the substantial interest in mentorship of women entrepreneurs and increasing relevance of the issue. Authors such as Krotz (2011), Laukhuf & Malone (2015), Cochran (2019), and Ncube & Washburn (2010) offer noteworthy positions and perspectives.

Kyrgidou & Petridou (2010) and Kickul et al. (2010) provide a brief overview regarding the beneficial impact and effectiveness of Women Entrepreneur's Mentoring Programs. The latest researchers, Whitlock, Hampton & Campbell (2023), prove that “an ongoing mentoring program is perceived by women business owners as beneficial” and “experienced business professionals invest their time and knowledge with women business owners should assist women in long-term success and viability of their business concerns.”

Female entrepreneur mentorship has a key role in enhancing capabilities and confidence (Eagly, A. H., & Carli, L. L., 2007; Ragins, B. R., & Cotton, J. L. 1999) as well as overall well-being, motivation, enhancement in the satisfaction of job, abilities of leadership and decision making skills (Askari et al., 2015), but when it comes to strategic business development visions and relevant skills, sharing the experiences of similar business models and specifically peer mentoring was revealed as significant. Theaker (2023) explores an important component of mentorship – peer mentoring and provides UK-based research insights, mentions that “the identification of peer mentoring as a vital part of business support to encourage women to engage in entrepreneurship is an important development”.

Abdulla & Albattat (2023) provide brief overview of challenges women entrepreneurs of 21st century faced. The article explores challenges faced by female entrepreneurs and forms them into main directions. Among identified challenges together with Abdulla & Albattat (2023) there are noteworthy authors:

- Financial challenges (Chinomona & Maziriri, 2015)
- Gender discrimination in financing process and procedures (Vita et al., 2023)
- Lack of knowledge and experience (Roomi & Parrot, 2008; Agarwal & Brem, 2020; Gadzali et al., 2023)
- Work-life balance that still remains one of actual challenges for women entrepreneurs (Breiger, 2021; Yadav et al., 2023)
- Sociocultural factors such as no role models, lack of access to markets, patriarchal ideology, lack of access on property rights (Kumar, 2014; Khan et al., 2021; Gadri & Yan, 2023)
- Lack of governmental support, high tax rates, no skills enhancement and lack awareness of relevant information (Roomi & Perrot, 2008; Wlsh et al., 2014; Gadzali et al., 2023)

Organizational Growth and Mentorship

Multiple studies are examining the impact of mentorship. Advantages of mentorship programs and their contribution areas are explored in many dimensions of the growth of SMEs. Based on the study of Northern Ireland’s Bridge mentoring program LEED Unit (2006) various economic advantages were investigated for SMEs on the scheme

comprising: increased sales turnover, increased after-tax profits and increased employment. Increasing productivity and improving innovation-related skills, enhancement of performance, and encouraging taking positive risks were represented in the paper by Askari et al. (2015). The mentoring process reduced labor and training costs (Emelo, 2015; Marc, 2015), reduced staff turnover, and increased retention rates (Rockoff, 2008).

Mentorship and Societal Impact

The impact of mentorship on decision-making processes within women-led SMEs is a critical area of investigation. Ebben and Johnson (2006) suggest that mentorship can positively influence the strategic decision-making of women entrepreneurs by providing them with diverse perspectives, skills, and confidence. This aligns with findings by DeTienne et al. (2015), who argue that mentorship contributes to enhanced decision-making efficacy, risk management, and adaptability.

Addressing potential challenges, scholars like Ragins et al. (2000) and Noe (1988) explore the intricacies of mentorship programs, acknowledging the need for structured, tailored approaches that consider the diversity of women-led SMEs. Identifying and mitigating challenges such as mentor-mentee compatibility, power dynamics, and time constraints are essential for optimizing the impact of mentorship on business outcomes.

Nevertheless the United Nation, including its related systems - the IMF and the World Bank, have committed to gender equality and The UN applied agencies such as UNDP, FAO and WHO have invested tremendous financial, human, research and programmatic resources for gender equality and the empowerment of women in developing countries, there are still numerous of cross-cutting gender-related barriers that are briefly described in UN Women Report (2023). Lower access to resources, Higher risk awareness, Gender Based Violence, Unequal allocation of household resources, Mobility challenges, Disproportionate care responsibility and Lack of engender trade agreements and policies needs to be overcome in order to positively contribute to the women's economic and social empowerment and gender equality.

In conclusion, the literature underscores the transformative potential of mentorship on business performance and decision-making for women-led SMEs. Insights from Brush et al. (2018), Ebben and Johnson (2006), Carter et al. (2017), and others collectively contribute to a growing understanding of how mentorship can empower women entrepreneurs, foster sustainable business growth, and positively shape decision-making processes within the dynamic landscape of small and medium enterprises. Moreover, the literature on women's economic empowerment is expansive and evolving, encompassing a range of disciplines and perspectives. It reflects a growing recognition of the importance of gender equality in achieving sustainable development goals. Researchers continue to explore innovative strategies and policies to enhance women's economic opportunities and address persistent challenges.

Methodology

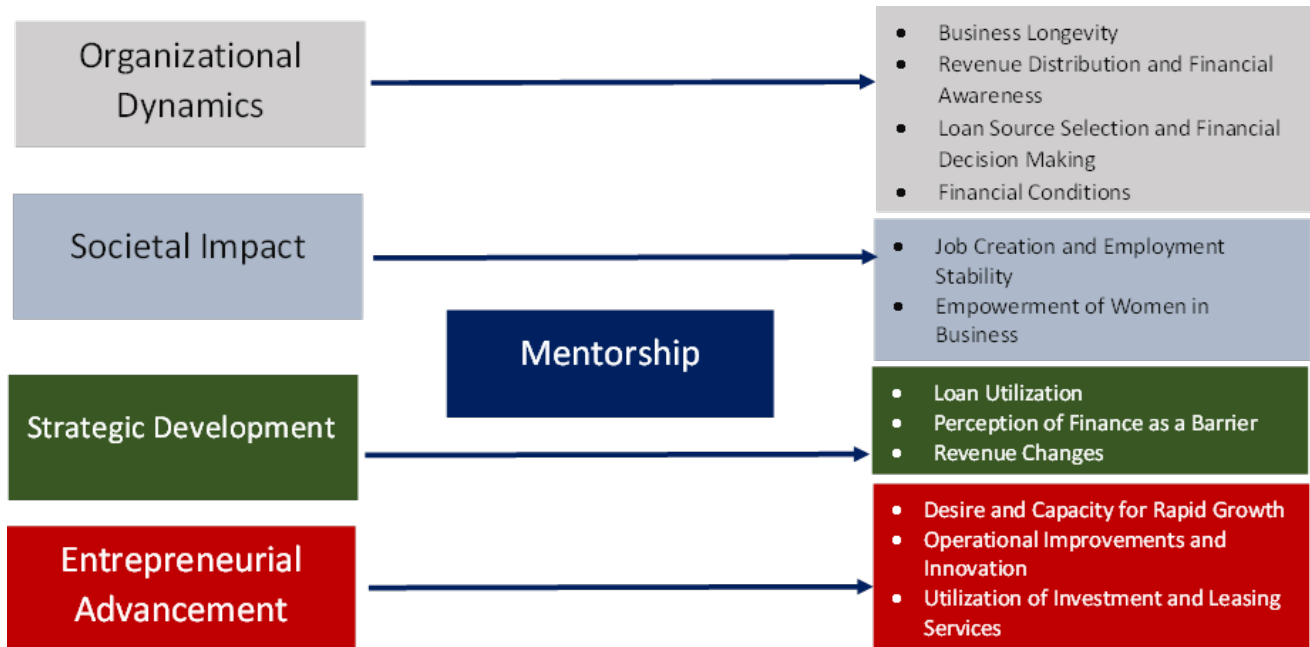
Based on the comprehensive methodology employed in our research, we have developed a theoretical model that serves as the foundation for understanding the multifaceted impact of mentorship on women-led Small and Medium Enterprises (SMEs). This model was constructed by systematically analyzing data and insights gathered from various sources, including surveys, interviews, and existing literature.

The model is structured into four distinct clusters that represent key areas of impact: Organizational Dynamics, Societal Impact, Strategic Development, and Entrepreneurial Advancement. Each cluster encapsulates specific elements that are crucial in understanding how mentorship influences and transforms women-led SMEs.

- **Organizational Dynamics:** This cluster focuses on internal business aspects like the duration of company operation, revenue distribution, loan source selection, and financial conditions like interest rates and collateral requirements. It reflects how mentorship contributes to the longevity and financial stability of women-led SMEs.
- **Societal Impact:** Here, the emphasis is on the broader societal implications, particularly in terms of employment trends. This cluster addresses how mentorship in women-led SMEs contributes to job creation and employment stability, highlighting the role of these enterprises in the larger economic context.
- **Strategic Development:** This cluster delves into the strategic aspects of business management under the influence of mentorship. It includes loan utilization patterns, the perception of finance as an obstacle, and changes in annual revenue, showcasing how mentorship guides strategic financial decisions and growth trajectories.

- Entrepreneurial Advancement: Focusing on the growth and operational aspects of SMEs, this cluster covers the entrepreneurs' desires and abilities for rapid growth, signs of operational improvements, and the utilization of investment and leasing services. It illustrates how mentorship catalyzes entrepreneurial spirit and operational advancement.

Figure 1: Theoretical Model



By anchoring our research around this theoretical model, we aim to provide a nuanced understanding of the dynamic role of mentorship in empowering women entrepreneurs and fostering sustainable growth in their businesses. This model not only helps in interpreting our findings but also offers a comprehensive framework for future research and policymaking in the realm of women-led SMEs and mentorship programs.

Joint Stock Company (JSC) Microfinance Organization (MFO) Crystal is the leading financial inclusion organization and the largest non-banking financial institution in Georgia (country). Crystal acts as a platform for economic development for micro and small entrepreneurs as well as farmers providing them with innovative financial products and value-added services.

Limited Liability Company (LLC) Crystal Consulting, as a daughter company of JSC MFO Crystal, is in charge of delivering business training (marketing, financial management, basic accounting, sales), mentoring services and digital applications to high-growth MSMEs.

The primary objective of this study is to investigate and compare the operational patterns, strategies, and challenges faced by mentored and non-mentored businesses. The study aims to understand how mentorship impacts the revenue generation, employment trends, financing and loan habits, access to funding, utilization of leasing and investment services, and their perceived obstacles to business development.

Additionally, the study seeks to explore how mentorship influences businesses' perception and handling of problems, revenue change over the past two years, and their readiness and ambitions for expansion. Furthermore, the research aims to gauge the impact of mentorship on businesses' ability to access and cooperate with consulting services.

This study employed a randomized controlled trial (RCT) as its research methodology. The RCT design allows for rigorous impact assessment by randomly assigning participants to different treatment groups. In this case, the study focused on assessing the impact of consulting and mentorship on businesses.

To ensure the representative nature of the results, careful consideration was given to the sample selection process. The study selected businesses that have not been mentored from the loan recipients of MFO Crystal in Georgia, matching

them with the same characteristics as the mentored group. These characteristics included factors such as female ownership, geographic area, and industry.

By employing quantitative research methods, the study investigated two main streams: businesses mentored by Crystal Consulting and businesses that have not received any mentorship. This approach enabled a comparative analysis of the impact and value of consulting and mentorship for businesses with similar characteristics.

The utilization of a randomized controlled trial methodology, combined with careful sample matching, helps to establish causal relationships between the treatment (consulting and mentorship) and the outcomes observed. By randomly assigning businesses to either the mentored or unmentored group, the study aims to provide valuable insights into the specific effects of consulting and mentorship on business performance and outcomes.

The telephone survey was conducted in the period of April-May 2023 and 202 responses have been generated as per following: Mentored Respondents: 100 females; non-mentored Respondents: 102 females. The distribution of actual beneficiaries and the surveyed strata is outlined below:

Table 1: Distribution of Actual Beneficiaries and the Surveyed Strata

Region	NonMentored Respondents			Surveyed strata		
	Trading	Entrepreneurship	Service	Trading	Entrepreneurship	Service
Adjara	2	1	2	2	1	2
Guria	2	2	2	2	2	2
Upper Svaneti			1	2	30	14
Tbilisi	2	30	14	2	5	4
Imereti	2	5	4	0	3	3
Kakheti		3	3	0	1	0
Mtskheta-Mtianeti		1		0	2	0
Racha-Lechkhumi and Kvemo Sv	1	1		1	4	4
Samegrelo	1	4	4	0	1	1
Samtskhe-Javakheti		1	1	0	0	1
Kvemo Kartli		5		0	5	0
Shida Kartli	1	4	3	1	4	3
Grand Total	11	57	34	10	58	32

Table 2: Distribution of Actual Beneficiaries and the Surveyed Strata

Region	Mentored Respondents			Surveyed strata		
	Trading	Production	Service	Trading	Production	Service
Adjara	-	1	1	2	1	2
Guria	1		2	2	2	2
Tbilisi	1	39	9	2	30	14
Imereti	3	5	4	2	5	4
Kakheti	1	4	1	0	3	3
Mtskheta-Mtianeti	-	2	-	0	1	0
Racha-Lechkhumi and Kvemo Svan	-	1	-	0	2	0
Samegrelo	1	5	2	1	4	4
Samtskhe-Javakheti	1	1	-	0	1	1
Kvemo Kartli	-	4	-	0	0	1
Shida Kartli	1	5	2	0	5	0
Svaneti	-	1	-	1	4	3

Limitations

- **Sample Size and Representativeness:** The study interviewed a total of 202 respondents, with 100 belonging to the mentored businesses group and the remaining respondents representing companies without Crystal consulting services and mentorship. While efforts were made to match the sample characteristics between the two groups, the overall sample size may be limited in capturing the full diversity of businesses in the target population. This could affect the generalizability of the findings to the wider population of businesses.
- **Difficulty in Surveying Mentored Customers:** Surveying the mentored customers presented challenges as some of them did not have an active business, refused to participate in the survey, or were difficult to contact. This could introduce selection bias, potentially impacting the representativeness of the mentored group and affecting the validity of the findings.
- **Influence of Other Factors:** While efforts were made to match respondents based on certain parameters such as industry and region of residence, there are various other factors that can influence business outcomes. These factors, which were not controlled in the study, may confound the observed effects of consulting and mentorship. As a result, the findings should be interpreted with caution, acknowledging the potential influence of uncontrolled variables.
- **Limited Generalizability:** Due to the specific sample selection process and the aforementioned limitations, the findings of this study may not be fully generalizable to the broader population of businesses in similar contexts. The observed trends and outcomes should be interpreted within the context of the study's sample and may not necessarily apply universally.

It is important to consider these limitations when interpreting the results and drawing conclusions from the study. Further research with larger and more diverse samples would be beneficial to validate and expand upon the findings.

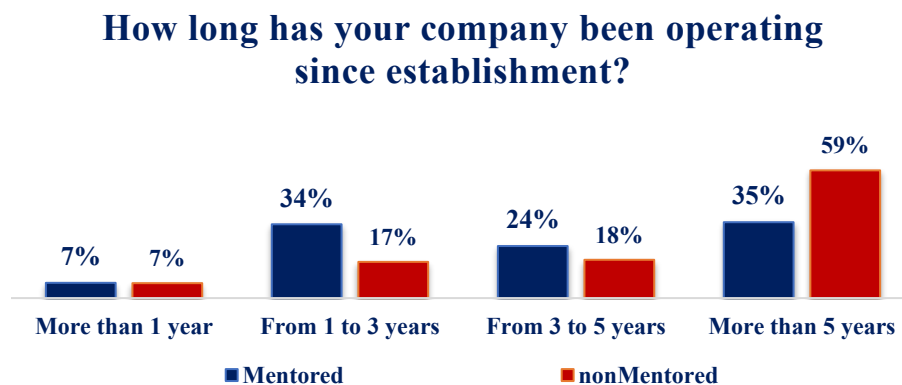
Findings

The analyzed data highlights the potential impact of mentorship on company operations, annual revenue distribution, employment trends, and loan utilization patterns, giving us valuable insights into the influence of mentorship on business performance and decision-making processes.

Organizational Dynamics:

Mentored companies demonstrate a high degree of longevity, with (35%) has been operating for more than 5 years. However, 59% of the non-mentored companies have reached this milestone as well. In the mid-term range (3-5 years), 34% of mentored companies operate within this timeframe, while only 17% of non-mentored companies do so. This highlights the role of mentorship in sustained business operations. A significantly higher percentage of non-mentored businesses are unregistered physical entities (56% vs 18% mentored). Sole proprietorship is more common among mentored businesses (41% vs 26% non-mentored).

Figure 2: How long has your company been operating since establishment?



In 2021, roughly 43% of mentored and 45% of non-mentored companies were unaware of their annual revenue, reflecting a potential gap in financial management and evaluation. The majority of companies in both groups operate within a lower revenue range. By 2022, financial awareness improved with fewer businesses unsure of their revenues.

Notably, mentored companies showed increased higher-revenue businesses, suggesting a positive correlation between mentorship and financial growth.

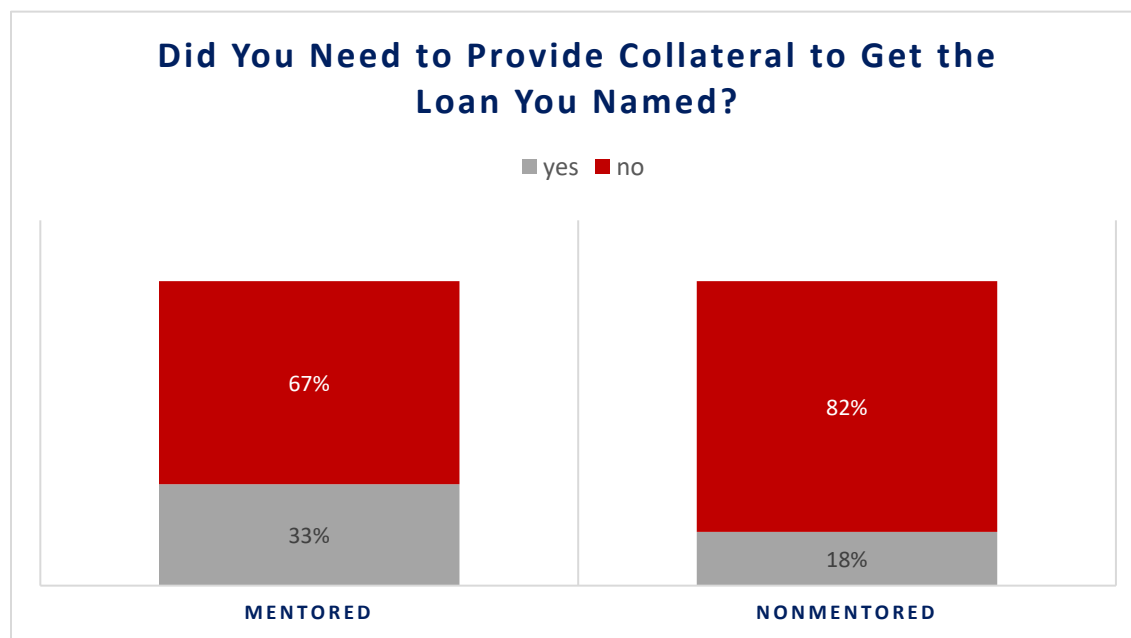
Mentored establishments primarily borrowed from commercial banks (45%) and microfinance organizations (52%), while non-mentored establishments relied less on commercial banks (37%) and more on microfinance organizations (63%). No non-mentored businesses borrowed from private individuals or specific institutions, suggesting mentorship might influence borrowing decisions. Both groups showed a preference for smaller loans, with the majority borrowing up to 5,000 GEL.

Among mentored establishments, the majority (67%) reported that collateral was not required to secure the loans they named. This suggests that a significant proportion of mentored businesses were able to obtain loans without the need for collateral. On the other hand, 33% of mentored establishments reported that collateral was required.

Similarly, among non-mentored establishments, a higher percentage (82%) reported that collateral was not required to obtain the loans they named. This indicates that a majority of non-mentored businesses were able to secure loans without the need for collateral. Conversely, 18% of non-mentored establishments reported that collateral was required.

The data suggests that both mentored and non-mentored establishments were able to access loans without providing collateral in a significant number of cases. However, it is worth noting that a higher percentage of mentored businesses reported the need for collateral compared to non-mentored businesses.

Figure 3: Did You Need to Provide Collateral to Get the Loan You Named?

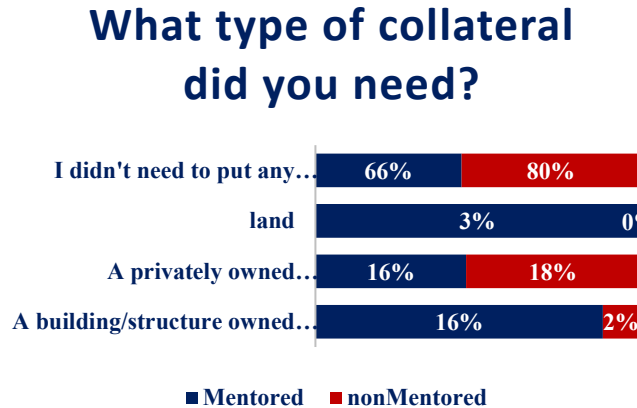


Among mentored establishments, the most commonly reported type of collateral was a privately owned building or structure, with 16% of respondents indicating this requirement. Similarly, 16% of mentored establishments reported needing a building or structure owned by their business as collateral. Additionally, 3% of mentored establishments reported using land as collateral.

On the other hand, among non-mentored establishments, 18% reported needing a privately owned building or structure as collateral. Only 2% of non-mentored establishments reported the requirement of a building or structure owned by their business. It is worth noting that none of the non-mentored establishments mentioned the need for land or gold as collateral.

The majority of respondents, both mentored (66%) and non-mentored (80%), stated that they did not need to provide any collateral to obtain the loans they named. This indicates that a significant proportion of businesses were able to access loans without the need for specific collateral.

Figure 1: What type of collateral did you need?



Societal Impact:

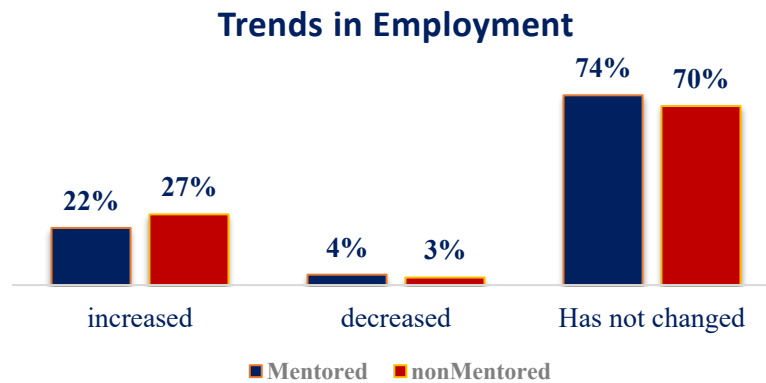
Mentored establishments reported a 22% increase in employment, indicating potential job creation associated with mentorship. However, non-mentored establishments also reported a 27% increase, suggesting job growth is not exclusive to mentored companies. The majority of both mentored (74%) and non-mentored establishments (70%) maintained stable employment levels.

Among mentored establishments, 22% reported an increase in employment. This indicates that mentorship may have had a positive influence on job creation and expansion within these businesses. On the other hand, only a small percentage (4%) reported a decrease in employment, suggesting that the majority of mentored establishments were able to either maintain or expand their workforce.

For non-mentored establishments, a similar pattern emerges. Around 27% reported an increase in employment, indicating that job growth was not exclusive to mentored establishments. Additionally, a small percentage (3%) reported a decrease in employment, suggesting that some non-mentored establishments experienced a decline in their workforce.

The majority of both mentored and non-mentored establishments reported that their employment levels remained unchanged. Among mentored establishments, 74% stated that there was no change in employment, while for non-mentored establishments, this figure was slightly lower at 70%. This suggests that a significant portion of businesses, regardless of mentorship, maintained a stable level of employment during the specified period.

Figure 2: Trends in Employment



Strategic Development:

Mentored and non-mentored establishments exhibited differing loan utilization patterns. One-third (33%) of mentored establishments took a loan, while two-thirds (67%) did not. In contrast, non-mentored establishments demonstrated an even distribution, with 50% taking a loan and 50% not taking a loan. This disparity suggests mentorship may facilitate access to financial resources, possibly through guidance and support provided to mentored businesses.

A significant number of respondents from both groups perceive access to finance as a resistance to their business development, with a larger proportion of mentored respondents considering it a significant obstacle.

A larger proportion of mentored businesses (19%) reported significant increases in their annual revenue compared to non-mentored businesses (11%), suggesting a positive correlation between mentorship and revenue growth.

The provided data offers a comparative analysis of the annual revenue distribution for mentored and non-mentored companies in both 2021 and 2022. By examining the percentages across different revenue ranges, we can gain valuable insights into the financial performance and potential impact of mentorship on these businesses.

In 2021, a substantial proportion of both mentored and non-mentored companies reported not knowing their annual revenue. For mentored companies, 43% fell into this category, while among non-mentored companies, it was even higher at 45%. This lack of financial awareness highlights a potential challenge for these businesses in effectively managing and evaluating their financial performance.

Among the companies that did report their revenue, we observe some interesting patterns. In 2021, among the mentored companies, the largest percentage (12%) earned up to 5,000 GEL, followed by another 12% earning between 5,000 and 10,000 GEL. This suggests a significant presence of small-scale businesses within the mentored group. On the other hand, only a negligible percentage (1%) of mentored companies reported earning more than 70,000 GEL, indicating a limited representation of high-revenue businesses.

For non-mentored companies in 2021, we see a similar trend, with the majority (45%) reporting not knowing their revenue. Among those who did report, 15% earned up to 5,000 GEL, and 10% fell into the 10,000-20,000 GEL range. Notably, none of the non-mentored companies reported earning more than 50,000 GEL, suggesting a predominantly lower revenue range within this group.

Moving to 2022, there are some noteworthy changes in the revenue distribution. Both mentored and non-mentored companies experienced a decrease in the percentage of respondents who did not know their revenue. For mentored companies, this decreased from 43% to 32%, while for non-mentored companies, it decreased from 45% to 26%. This suggests a potential improvement in financial awareness among the surveyed businesses.

Furthermore, there were some shifts in the revenue ranges. Among mentored companies in 2022, there was a slight increase in the percentage earning between 5,000 and 10,000 GEL (13%) and between 10,000 and 20,000 GEL (14%). Interestingly, 7% of mentored companies reported earning more than 70,000 GEL in 2022, indicating a greater representation of higher-revenue businesses within the mentored group compared to the previous year.

For non-mentored companies in 2022, we observe an increase in the percentage earning between 10,000 and 20,000 GEL (18%) and between 20,000 and 30,000 GEL (14%). Additionally, a small percentage (3%) reported earning more than 70,000 GEL, indicating the presence of some higher-revenue businesses within the non-mentored group, although still relatively low compared to the mentored group.

Figure 6: Annual revenue of mentored companies

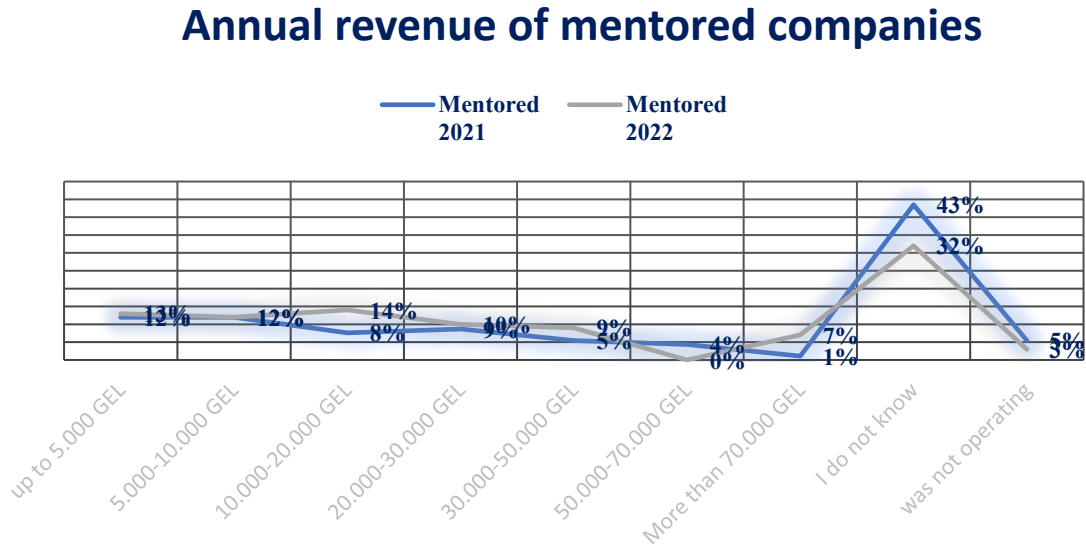


Figure 7: Annual revenue of Non-Mentored companies

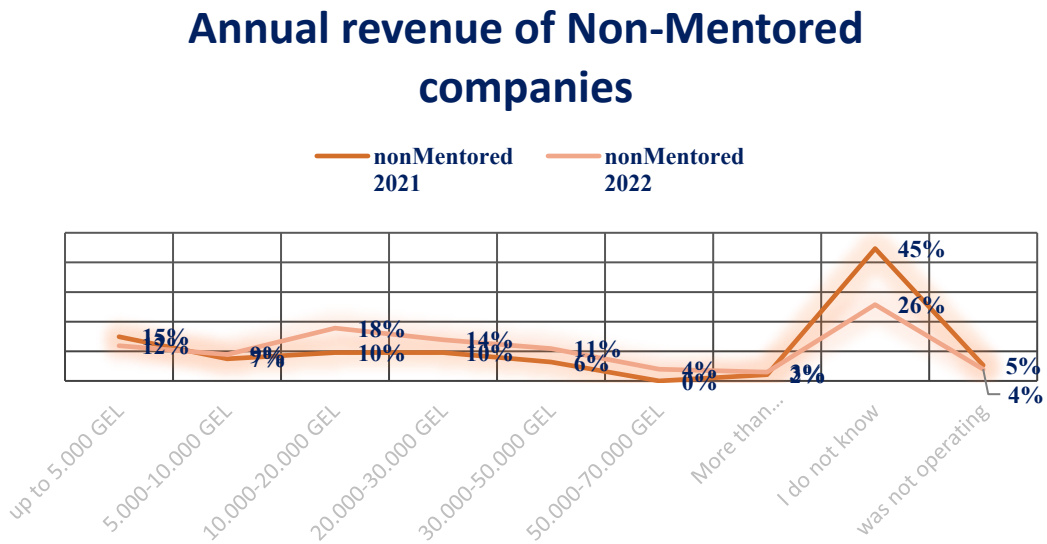
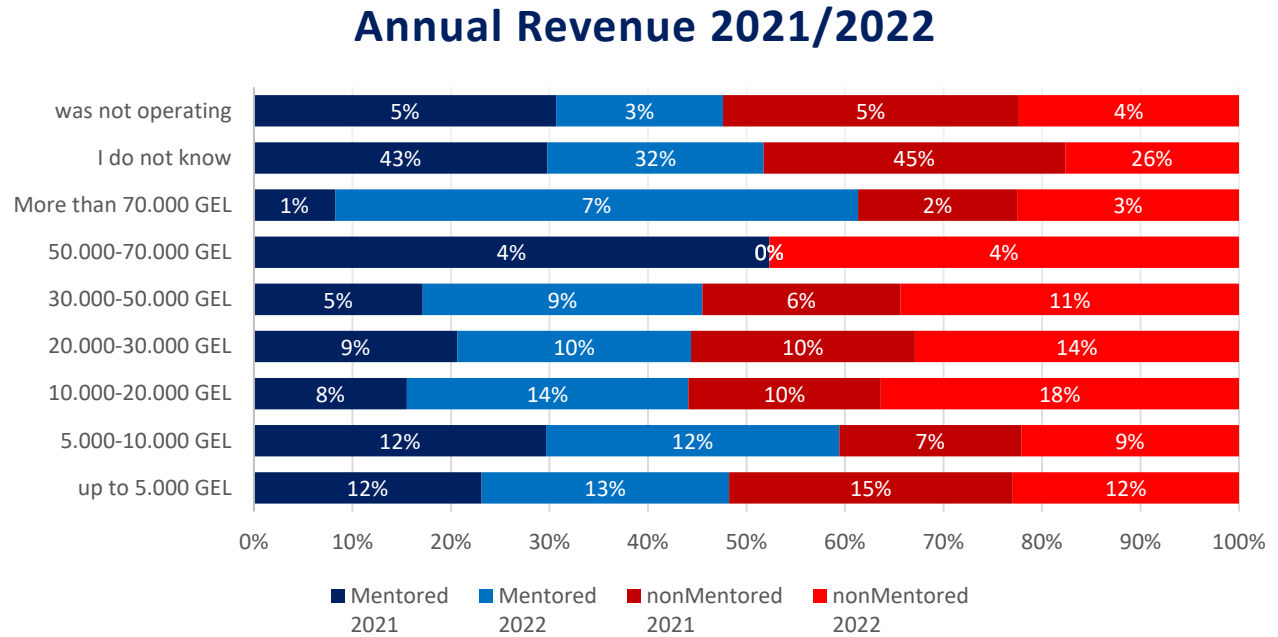


Figure 8: Annual Revenue 2021/2022



The analysis of survey data reveals the overarching influence of mentorship in the growth and development of businesses, but it also underscores the multifaceted nature of business success.

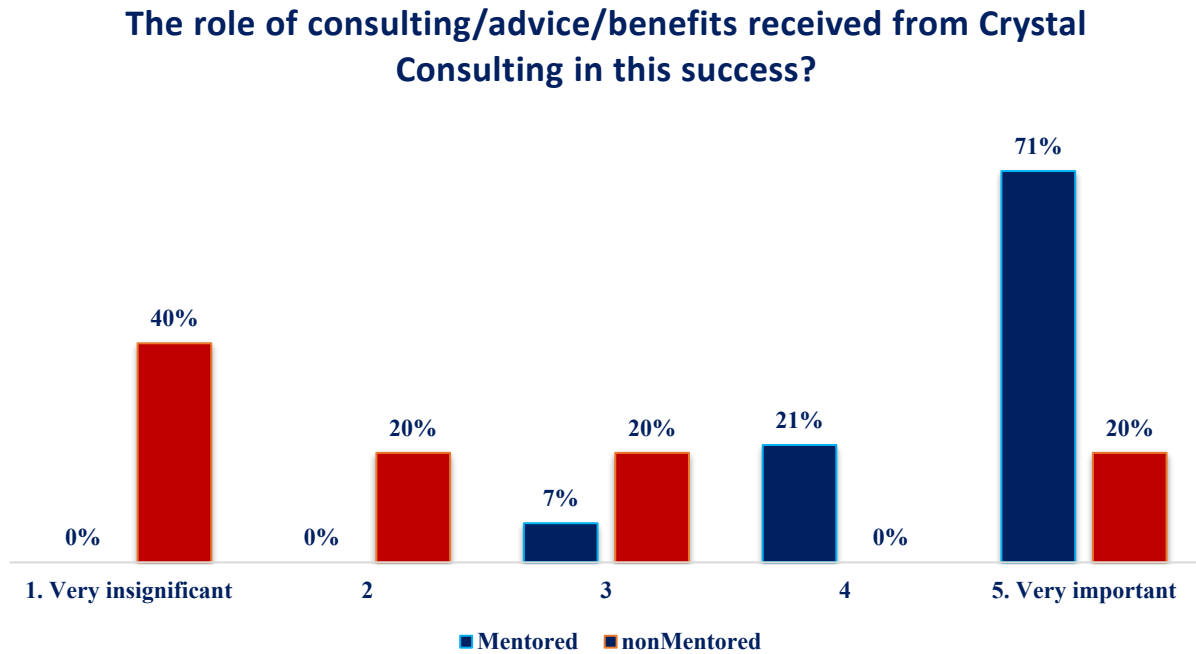
Entrepreneurial Advancement:

One of the key findings pertains to the desire for rapid growth. Nearly all respondents, whether mentored or not, articulated their aspiration for quick expansion in the next three years. This uniform desire across all businesses underscores a pervasive sense of ambition and aspiration, demonstrating that the impetus for growth is intrinsic to business owners irrespective of their mentoring experiences.

Among the mentored businesses, 71% rated the role of consulting/advice/benefits as "very important," indicating a significant impact on their success in raising financial funds. Additionally, 21% rated it as "important," further emphasizing the positive influence of Crystal Consulting. In the non-mentored group, 20% rated it as "very important," while 40% rated it as "very insignificant" or "less important."

These findings suggest that businesses that received mentoring and support from Crystal Consulting attributed a higher importance to the role of consulting/advice/benefits in their success in raising financial funds compared to businesses without such support.

Figure 9: The role of consulting/advice/benefits received from Crystal Consulting in this success?

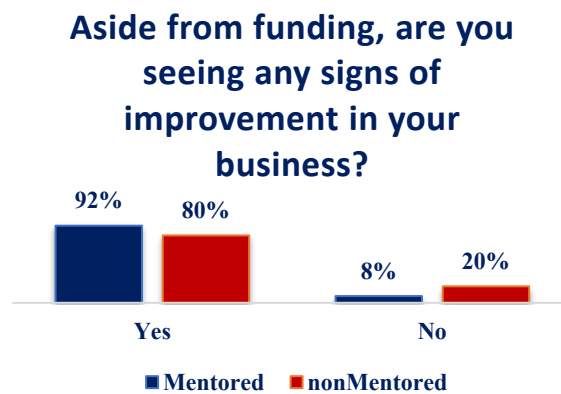


The majority of respondents, both in the mentored group (92%) and the non-mentored group (80%), reported signs of improvement in their business aside from funding. This indicates that a significant proportion of businesses, regardless of whether they received mentoring or not, are experiencing positive changes and progress in various aspects of their operations.

It is worth noting that a small percentage of respondents in both groups (8% in the mentored group and 20% in the non-mentored group) reported not seeing any signs of improvement in their business. This may be attributed to various factors such as market conditions, industry challenges, or individual circumstances.

Overall, the findings suggest that the majority of businesses, including those that received mentoring, are witnessing positive developments and indications of improvement in their business beyond the financial aspect.

Figure 10: Aside from funding, are you seeing any signs of improvement in your business?



The ratings provided by the respondents indicate that the role of consulting/advice/benefits received from Crystal Consulting is generally perceived as important in their business success, excluding the aspect of raising financial funds.

In the mentored group, all respondents (100%) acknowledged the role of consulting/advice/benefits from Crystal Consulting in their success. The majority of respondents (62%) rated it as very important, highlighting the significant impact of the consulting services on their business outcomes. Additionally, 17% of respondents rated it as important (4 on the scale), further emphasizing the value they attributed to the support received.

Similarly, in the non-mentored group, all respondents (100%) recognized the role of consulting/advice/benefits from Crystal Consulting in their success. While the majority of respondents (58%) rated it as somewhat significant (1 or 2 on the scale), a notable portion (17%) rated it as important (3 on the scale), indicating the positive influence of the consulting services on their business achievements.

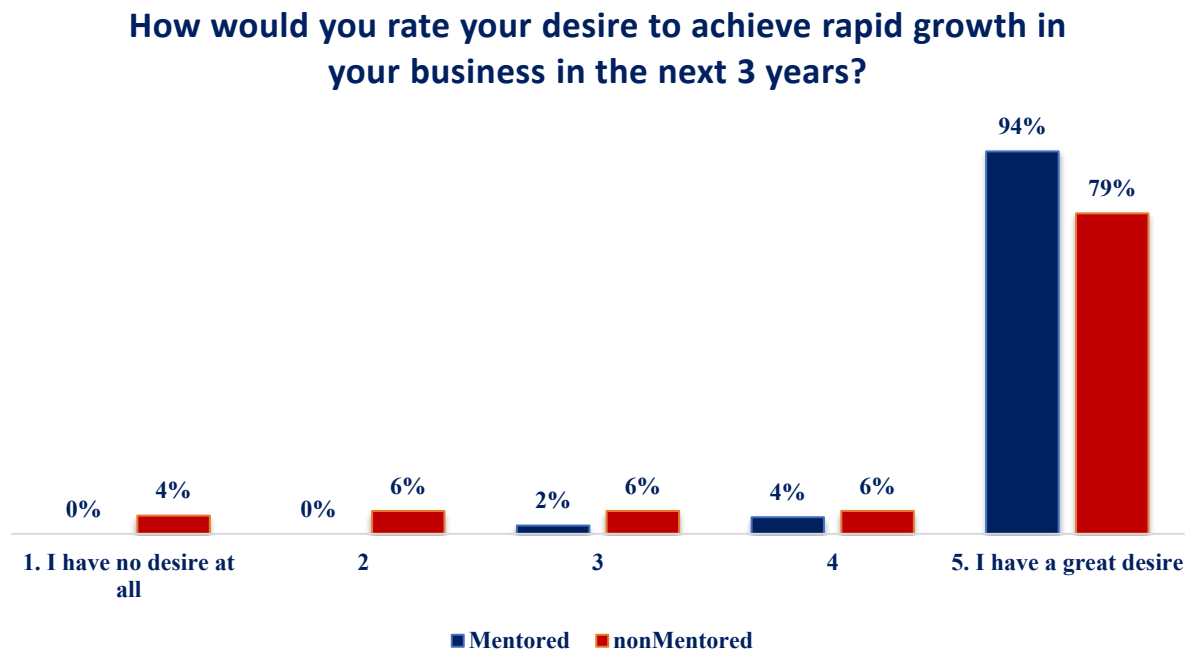
The ratings provided by the respondents indicate a strong desire for rapid growth in their businesses in the next 3 years, as measured on a 5-point scale.

In the mentored group, all respondents (100%) expressed a desire for rapid growth, with the majority (94%) indicating a strong desire (5 on the scale). A small percentage of respondents (2%) rated their desire as moderate (3 on the scale), while a few others (4%) indicated a slightly lower level of desire (4 on the scale). None of the respondents in the mentored group expressed no desire for growth (1 on the scale).

Similarly, in the non-mentored group, all respondents (100%) expressed a desire for rapid growth in their businesses. The majority (79%) indicated a strong desire (5 on the scale), while a smaller percentage rated their desire as moderate (6% with a rating of 3) or slightly lower (6% with a rating of 4). A small portion of respondents (4%) expressed no desire for growth (1 on the scale).

These findings highlight the overall ambition and aspiration among both mentored and non-mentored businesses to achieve rapid growth in the next 3 years. The majority of respondents in both groups demonstrated a strong desire for substantial increases in their annual income, indicating their motivation to drive significant progress and success in their businesses.

Figure 11: How would you rate your desire to achieve rapid growth in your business in the next 3 years?



The ratings provided by the respondents indicate their perceived ability to achieve rapid growth in their businesses in the next 3 years, as measured on a 5-point scale.

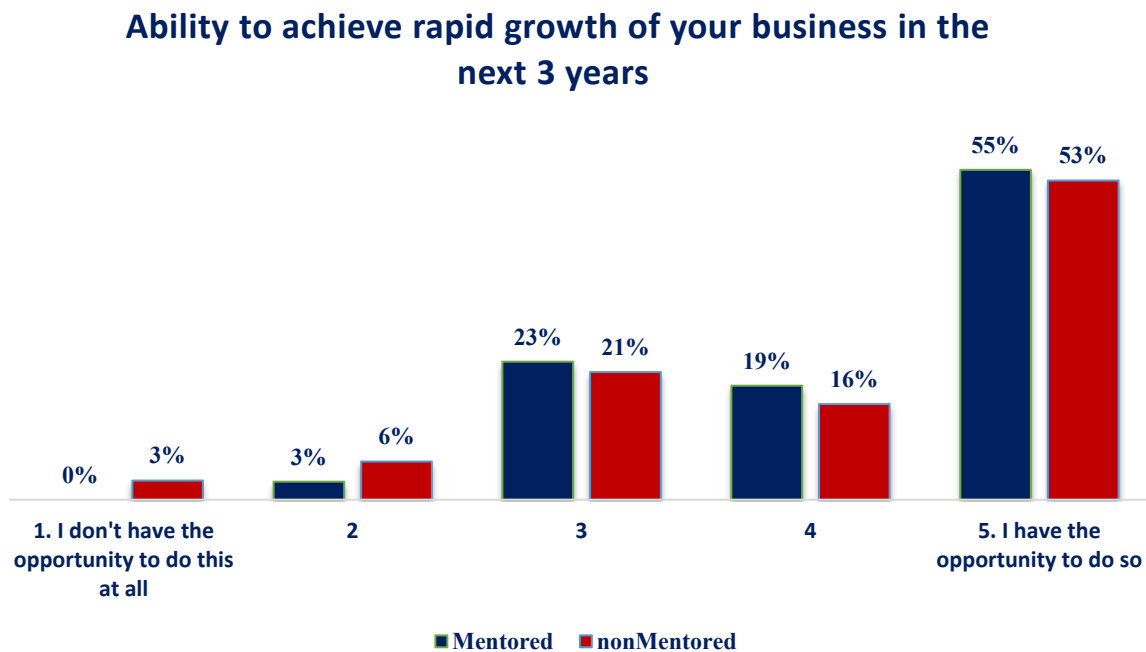
In the mentored group, all respondents (100%) believed they had the opportunity to achieve rapid growth. The majority (55%) rated their ability as high (5 on the scale), indicating that they felt they had a complete opportunity to achieve

significant growth in their annual income. A substantial portion of respondents (23%) rated their ability as moderate (3 on the scale), while a slightly smaller percentage (19%) rated their ability as slightly lower (4 on the scale). A small number of respondents (3%) expressed limited opportunity (2 on the scale), and none of the respondents believed they had no opportunity for growth (1 on the scale).

Similarly, in the non-mentored group, all respondents (100%) believed they had the opportunity to achieve rapid growth in their businesses. The majority (53%) rated their ability as high (5 on the scale), indicating a complete opportunity for significant income growth. A significant portion of respondents (21%) rated their ability as moderate (3 on the scale), while a slightly smaller percentage (16%) rated their ability as slightly lower (4 on the scale). A small number of respondents (6%) expressed limited opportunity (2 on the scale), and a few respondents (3%) believed they had no opportunity for growth (1 on the scale).

These findings suggest that both mentored and non-mentored businesses perceive they have the opportunity to achieve rapid growth in their businesses over the next 3 years. The majority of respondents in both groups expressed confidence in their ability to pursue and accomplish significant income growth, while a smaller percentage indicated varying levels of perceived opportunity. Overall, the results reflect a positive outlook on the potential for business expansion and success in the near future.

Figure12: Ability to achieve rapid growth of your business in the next 3 years.



In terms of their perceived ability to attain this rapid growth, the majority of respondents from both groups - those who received mentoring and those who did not - expressed confidence in their potential for quick expansion. However, it is noteworthy that a slightly larger percentage of the mentored group rated their ability as high, suggesting that mentoring may imbue businesses with an added degree of self-assurance.

When it comes to business performance, it is apparent that its enhancement is not solely dependent on mentorship. A significant number of businesses, regardless of whether they received mentoring, reported experiencing positive changes and progress in various aspects of their operations. This underscores that while mentorship can be beneficial, it is only one among a multitude of factors that contribute to business success.

However, the role of mentorship becomes significantly highlighted when looking at specific business practices. Businesses that received mentoring from Crystal Consulting placed a higher importance on consulting services in their success in raising financial funds. This clearly indicates that mentorship can enhance the perceived value of consulting services within a business context, especially regarding financial matters.

Finally, it is critical to consider that the influence of mentorship is evident in specific business practices. Mentorship is positively correlated with the adoption of more formal business and financial planning, and encourages innovation, such as introducing new products or services, or improving existing ones.

In conclusion, this analysis underscores the multifaceted nature of business growth and success. The desire and confidence to grow are inherent to businesses, regardless of whether they have received mentorship. However, mentorship does play a substantial role in fostering better business practices and an enhanced perception of consulting services, which are key components in the path to success.

Discussion

The findings from this comparative analysis of mentored and non-mentored businesses, viewed through the lens of our theoretical clusters, stimulate a thought-provoking discussion on the nuanced roles mentorship plays in business development.

Organizational Dynamics: The propensity of mentored businesses towards higher registration levels and a sole proprietorship structure opens a dialogue on the influence of mentorship in promoting legal compliance and formalization. This trend may reflect mentorship's role in instilling a sense of legal and procedural awareness, crucial for business longevity and legitimacy. On the other hand, the observation that non-mentored businesses, often older, tend to borrow more frequently, particularly from microfinance organizations, raises questions about traditional financing routes and the possible gaps mentorship could fill in financial strategy development.

Societal Impact: The similar employment trends in both mentored and non-mentored businesses suggest that mentorship's impact on job creation and employment stability might be more nuanced than initially presumed. This similarity challenges the assumption that mentorship directly translates into higher employment rates, suggesting that other factors also play significant roles.

Strategic Development: The more pronounced challenge of accessing finance among mentored businesses could be interpreted as a reflection of their higher growth targets, likely encouraged by mentorship. This aspect of the discussion highlights mentorship's potential to raise business aspirations, albeit with the accompanying challenge of securing necessary funding. Furthermore, the observed uncertainty in annual revenue among mentored businesses prompts a discussion on the balance between mentorship's role in fostering ambitious business growth and the need for robust financial planning and monitoring.

Entrepreneurial Advancement: The report on higher revenue growth in mentored businesses over the past two years is an optimistic sign of mentorship's potential benefits. It opens a discourse on how mentorship can be a catalyst for tangible financial growth, despite the challenges. The increased confidence in loan application skills and the stronger desire for business expansion among mentored entrepreneurs also suggest that mentorship effectively equips women entrepreneurs with the skills and ambition necessary for business scale-up.

In summary, this discussion underscores that mentorship's role in business strategy and operations is multifaceted. While it evidently leads to more ambitious growth aspirations and potentially improved revenues, it simultaneously brings to light areas where mentorship programs could be enhanced, such as finance access and marketing. The results of this study not only affirm the positive aspects of mentorship but also call for a more tailored approach in mentorship programs to address specific challenges. Future research directions might include longitudinal studies to further explore how these relationships and trends evolve over time and in different business environments.

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