In the village of Dattopara, north of Dhaka, a businesswoman named Jharna Islam stands in her workshop before racks of clothing—deep red saris threaded in gold, pink and blue shalwar kameez, vivid green choli.

Surrounded by her eight employees, she describes the path of her success and lays out her plans for the future of Jharna Fabrics—a story that speaks tellingly of the power of financial tools and the potential of women-owned enterprise in Bangladesh.

Garment exports are the backbone of the country's industrial sector, accounting for more than 80 percent of all exports and employing some 8 million workers, most women. Ms. Islam's operation is not aimed at export but she is very much a part of this world.

After training in fashion design, she began creating clothing out of her home. In 1998 she set up a tailoring business with a small microfinance loan from BRAC. Successfully repaying it, she then took out two bigger loans with which she bought more equipment and hired more staff. Jharna Fabrics now takes orders for women's and children's clothing, produces clothes for retail chains, and generates sheets and pillows.

Steadily building a strong credit record and plowing her profits back into her growing enterprise over almost 20 years, Jharna Islam has become a true small businesswoman. Her company remains a simple operation—employees work on battered foot-powered sewing machines—but she has no intention of stopping here.

Pushed by her ambition and skill, and with the ability to access the business credit she needs, she is now planning to launch her own fashion house. Into the complex fabric of the Bangladesh economy, Jharna Islam is stitching a bright thread of her very own.