



Building a More Inclusive Entrepreneurial Ecosystem

An overview of the organizations
that have made great strides
in advancing inclusion



Building a More Inclusive Entrepreneurial Ecosystem

A review of the organizations and individuals
leading the way with action

FROM THE NATIONAL VENTURE CAPITAL ASSOCIATION

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Building A More Inclusive Entrepreneurial Ecosystem

By **Bobby Franklin**, President & CEO of the National Venture Capital Association



The U.S. is home to a dynamic and powerful entrepreneurial ecosystem. Entrepreneurs and the venture capital industry create and grow ideas that transform the lives of people across the globe. Since joining the National Venture Capital Association (NVCA) in 2013, I have been squarely focused on our mission to foster the growth of the U.S. entrepreneurial ecosystem. Our team at NVCA works to achieve our mission by promoting public policies that spur innovation, developing new research on the ecosystem and leading initiatives that benefit entrepreneurs and investors that support new ideas.

Core to the growth of the entrepreneurial ecosystem is tackling the lack of women and underrepresented minorities in the innovation ecosystem. A diversity of backgrounds, experiences and perspectives fosters the advancement of groundbreaking ideas. The lack of diversity across the innovation ecosystem is an enormous challenge for the competitiveness of the entrepreneurial ecosystem and the U.S. economy.

In 2014, our Board of Directors and team launched the NVCA Diversity Task Force to help build a more inclusive innovation ecosystem. We are focused on contributing to a shift that we hope will yield results over the long term. As numerous studies over the past several years have shown, the number of women and underrepresented minorities in leadership roles in venture capital firms and raising venture capital as entrepreneurs is far too low. Studies from Babson College,

CrunchBase, Page Mill Publishing, Dow Jones VentureSource, and many others have prompted a new level of transparency around the lack of diversity in innovation and contributed to a greater focus on improving opportunities for women and underrepresented minorities.

When we started the Diversity Task Force, we focused on two key goals: understanding the challenges facing women and underrepresented minorities, and developing resources to foster a more inclusive venture capital industry. We prioritized outreach to diverse groups of entrepreneurs, investors, academics, nonprofit leaders and policymakers to hear their unique points of view on the obstacles hindering diversity in the entrepreneurial ecosystem. We heard from every constituency that the lack of opportunity stems from an absence of connections among groups, which contributes to a lack of access to networks and capital. NVCA is committed to building new connections among investors, entrepreneurs and others participating in the entrepreneurial ecosystem.

We are publishing **Building A More Inclusive Entrepreneurial Ecosystem**, an overview of NVCA's diversity work and the organizations that have made great strides in advancing inclusion over the past year. We are focused on building resources, programs and practices that will support greater diversity within the venture capital industry. Every venture capital firm, no matter its size, can make a difference and take action.

Letter from NVCA Diversity Task Force Co-Chairs

by **Kate Mitchell** and **Ashton Newhall**

Diversity is core to competitiveness

Diversity is core to the competitiveness of the U.S. venture capital industry. The mission of venture capital investors is to partner with the most promising entrepreneurs to turn innovative ideas into successful companies. The innovation ecosystem cannot perform at its best if it does not include all promising talent, regardless of their background. While entrepreneurs continue to prove Moore's law of exponential improvement, the venture capital industry has not kept pace in investing in people of diverse backgrounds. For example, the Babson College 2014 Diana Project study found that only 2.7 percent of venture-backed companies have a woman CEO. The same report noted that only 6 percent of the partners of venture capital firms were women. The importance of diversity extends well beyond race and gender to include veterans, members of the LGBTQ community, persons with disabilities, immigrants and others who have been underrepresented as entrepreneurs and investors.

We must act with intention

Building a more diverse startup ecosystem is not an issue that will solve itself. If the venture capital industry is committed to supporting diverse talent, we must act with intention in order to expand our networks, to engage with a new population of entrepreneurs, to market our firms in new ways in order to welcome women and underrepresented minorities into our firms and portfolios.

At NVCA, we believe in leading the way with action. In December of 2014, the NVCA Board of Directors officially launched the Diversity Task Force to empower venture capital firms and entrepreneurs to build cultures of inclusion

and to increase diversity in the innovation ecosystem. One of the first actions we took after the formation of the Task Force was to further diversify the makeup of the NVCA Board itself by increasing the number of women and minority board members.

In 2015, 45 NVCA members announced a pledge to take concrete measures to bring greater diversity to the industry. These 45 firms have over \$112 billion collectively in assets under management and nearly 7,000 portfolio companies, demonstrating the significant resources and broad network by which our efforts are supported. At Greenspring Associates, we have adopted our own version of the National Football League's Rooney Rule. At Scale Venture Partners, we contribute a minimum of 20 hours a month as faculty for educational programs targeted at women.

Investors that value inclusiveness will lead the way

We believe that the venture capital firms that recognize the competitive value of investing in women and minority founders and bringing diverse talent into their investment teams will lead the way. Expanding their reach for the most qualified talent across diverse communities will only increase their likelihood of success. Last year, venture capital investors invested almost \$60 billion in more than 4,400 startups. Even in this active investing climate, there remains an enormous, untapped opportunity to support and invest in diverse entrepreneurial talent. This opportunity belongs to the firms that aggressively pursue and foster the best, brightest young talent in their teams and in their portfolios.



Letter from NVCA Diversity Task Force Co-Chairs

Kate Mitchell, Scale Venture Partners · Amy Millman, Springboard · Alejandro Guerrero, Corporate Development Executive · Jason Howard, GCM Grosvenor · Sue Siegel, GE Ventures · Jon Callaghan, True Ventures

Impact begins with firm leadership

We are committed to establishing leadership within the venture community to pursue our core mission of advancing people of different genders, races, orientations, socioeconomic groups, geographies and talents who desire to build and invest in high-growth companies. We began the Diversity Task Force together with the NVCA Board of Directors to provide a platform for the venture capital community to engage, learn from and collaborate with the multitude of stakeholders who are paving the way for a transformation in the way the innovation ecosystem works.

Over the past several years, venture capital firms have had to answer important questions about the lack of women and minorities on their teams and in their portfolio companies. New pioneers have come to the fore; raising funds and building organizations dedicated to fostering underrepresented minorities. Tech companies of all sizes have disclosed their internal diversity numbers and spearheaded new initiatives to improve the diversity of their teams. Policymakers and federal agencies in Washington have taken action to support diverse entrepreneurs.

Taking our inspiration from entrepreneurs, we believe in open sourcing what we are learning and iterating to success. We have been privileged to work with leaders in the inclusion and diversity community who have taught us and welcomed us into the conversation.

We are now collaborating with them on how we can best serve the diverse talent that will contribute to our industry's success in the future. We are eager to continue working with all of you in the coming years to drive greater impact and bring greater benefit to the innovation ecosystem.

Kate Mitchell
Co-founder and Partner,
Scale Venture Partners
Foster City, California

Ashton Newhall
Managing General Partner,
Greenspring Associates
Owings Mills, Maryland

Highlights from 2015



NVCA Board and Members at White House Demo Day

“We’ve got more than 40 leading venture capital firms who are pledging to do more.”

—President Obama

45 VENTURE CAPITAL FIRMS COMMITTED TO INCLUSION AT WHITE HOUSE DEMO DAY IN A LETTER TO PRESIDENT OBAMA

The leaders of the venture capital industry and the NVCA Diversity Task Force, wrote a letter to President Obama declaring our joint commitment to stand together to advance opportunity for women and underrepresented minorities in the entrepreneurial ecosystem.

Recognizing that visible leadership is a critical step toward this goal, over 40 venture capital firms with more than \$100 billion under management invested in nearly 7,000 startups joined NVCA Diversity Task Force members in making a commitment at the first-ever White House Demo Day to initiatives that encourage an inclusive innovation ecosystem in the United States.

These commitments represent the first step in the journey toward building a foundation for a more diverse innovation ecosystem. We were honored to participate in White House Demo Day and to stand alongside entrepreneurs from across the U.S. who are innovating and building ideas that have the capacity to transform our world. We are committed to supporting the aspirations of everyone who desires to build, innovate and create.

Scale Venture Partners
JumpStart, Inc.
Greenspring Associates
True Ventures
New Enterprise Associates
GE Ventures
Andreessen Horowitz
Pappas Ventures
.406 Ventures

Polaris Partners
North Bridge Venture Partners
SoftTechVC
Kleiner Perkins Caufield Byers
Intel Capital
IBM Venture Capital Group
Flybridge Capital Partners
Canaan Partners
500 Startups
Bessemer Venture Partners
Battery Ventures
Norwest Venture Partners
Catalyst Investors
New Atlantic Ventures
Johnson & Johnson Innovation – JJDC
Lowercase Capital
Greycroft Partners
Accomplice
CommonAngels Ventures
Springboard Enterprises
Springboard Fund
PTV Healthcare Capital
Arboretum Ventures
Maven Ventures
Canvas Ventures
Emergence Capital Partners
U.S. Venture Partners
Draper Richards Kaplan Foundation
Zetta Venture Partners
Lightstone Venture Capital
Mercury Fund
Insight Venture Partners
Third Rock Ventures
NCT Ventures
Founder Collective
Adams Street Partners
SherpaCapital
Silicon Valley Bank
Benchmark Capital

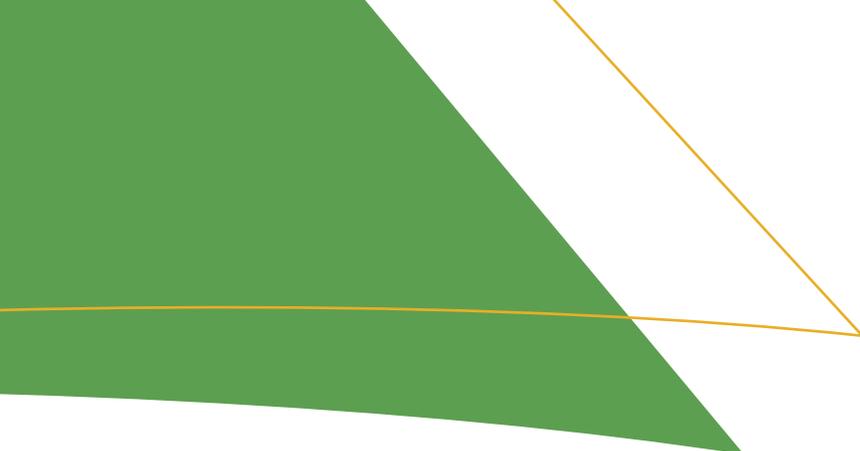
COMMITMENTS TO ADVANCING INCLUSION

Greenspring Associates is committed to actively contributing to programs and initiatives that encourage women and minorities to consider, pursue and thrive in venture capital and entrepreneurial careers.

- Participate in and co-chair the NVCA's Inclusion and Diversity Task Force.
- Adoption of the Rooney/Murray Rule for the interview processes for senior and intern level positions.
- Incorporate inclusion and diversity into the new Greenspring Community platform, an initiative started in 2015 that focuses on a one-to-many networking effect thereby promoting dialog among Greenspring backed entrepreneurs and venture manager relationships.
- Reserve one investment team internship position for a candidate that meets the inclusion and diversity definition as described by the NVCA Inclusion and Diversity Task Force with the understanding that the internship program is the primary feeder for our full time analyst program.
- Offer one hour of an investment team member's time to be utilized in a mentorship capacity to any NVCA registered venture manager currently seeking mentorship and who meet the inclusion and diversity definition as described by the NVCA Inclusion and Diversity Task Force. Examples of mentorship discussion topics include but are not limited to: perfecting the pitch, structuring a back office, organizing an annual meeting and interacting with investors.

Scale Venture Partners is committed to promoting inclusion & diversity in our firm, our portfolio companies and our community by participating and co-chairing the NVCA's Inclusion and Diversity Task Force and to do the following:

- Adoption of the Rooney/Murray Rule for the interview processes for senior and intern level positions.
- Maintain diversity of the ScaleVP team (currently 50% of investing professionals are female)
- Contribute a minimum of 20 hours a month as faculty for educational programs targeted at women & minorities including Hackbright, WIN (co-founded by SVP team member), PE WIN, Manos Accelerator, Kauffman Fellows, Kauffman Foundation, Toigo Foundation, BuildUp and Columbia University among others.
- Contribute to the educational fund to distribute the documentary film CODE: Debugging the Gender Gap into schools.



.406 Ventures is committed to building an inclusive innovation ecosystem by doing the following:

- Maintaining diversity of the .406 Ventures investment team. 40% of our investing professionals are female, and we are committed to maintaining 40%+ as we hire and grow. We will also promote diversity within our portfolio company hiring practices.
- Promoting and dedicating extensive time to our Student Fellows program in order to impart business skills that can help students to get a head start in their entrepreneurial careers. .406 Venture's last class of Student Fellows was composed of 1/3 women and minorities, and the program is overall 20% women and minorities.
- Committing 20+ hours per month on mentoring, presenting, and participating in events designed to help foster diversity within the entrepreneurial ecosystem as well as actively mentor women within and outside of our portfolio.

Battery Ventures is committed to promoting diversity inside its firm, at its portfolio companies and in the wider high-tech ecosystem by doing the following:

- Serving as a founding member of, and active participant in, BoardList, a new initiative from Silicon Valley executive Sukhinder Singh Cassidy to promote more women on private, tech-company boards of directors;
- Continuing to host—often with other venture-capital firms—dedicated women's networking events designed to foster relationships between female CEOs, founders and VCs, and enable the participants to share insights;
- Continuing to seek diversity in our general-partnership and broader professional ranks, as well as in our portfolio-company founders and CEOs. Last year, Battery promoted Chelsea Stoner as the firm's first-ever female GP;
- Supporting organizations promoting diversity, such as Girls in Tech;
- Demonstrating leadership around diversity issues on social media, including in blog posts and on Twitter. Recently, we analyzed our most re-tweeted Tweets from 2015 and found that two related to gender diversity—one following the Super Bowl "#LikeAGirl" ad campaign, and one related to Midas List research we conducted--were particularly popular.

“As company builders, we are keenly aware of the critical role that a healthy and productive culture plays in the success of a start-up. Key to building a healthy culture is mutual respect and an environment that rewards innovative thinking and outstanding performance. Companies that focus on diversity and intentionally field a diverse team benefit from the different and valuable perspectives that derive from cultural, social and gender differences. It's those differences which inform our experience, the way we see the world, our approach to solving problems and create a multiplier effect within a diverse culture.”

—Maria Cirino,
Managing Director
.406 Ventures, Boston, MA



Ray Leach, JumpStart Inc. · The Reverend Jesse Jackson

Highlights from 2015

JumpStart, Inc. is committed to building an inclusive innovation ecosystem by doing the following:

“The only way the U.S. will lead the 21st century global economy in growth and innovation is to use all of our available assets. Any industry—including venture capital—dominated by one race or one gender leaves way too many people out of the work and fails to maximize its economic outcomes. If this remains the case in the venture capital industry, it will never be as strong or innovative as it should be.”

—Ray Leach,
CEO of JumpStart

OUR INVESTMENTS

- Since 2004, JumpStart has invested 23.8% of all investment dollars (or the equivalent of \$7,288,000) in female and/or minority owned, led or controlled companies.
- Of JumpStart’s 80 Portfolio companies, 30% (24 companies) are women and/or minority owned, led or controlled.
- Of JumpStart’s 471 client companies, 34% (159 companies) are women and/or minority owned, led or controlled.
- In 2013, JumpStart invested \$1.2 million into the **Emerging Growth Fund** – which was specifically designed to support female or minority-owned startup companies. Those dollars are fully vested to date.

OUR PARTNERSHIPS

- JumpStart has had active partnerships with the Association of Public Land Grant Universities (APLGU), the United Negro College Fund (UNCF), and Historic Black Colleges and Universities (HBCUs).

- JumpStart partners with 10 local and national diverse professional associations and in 2014, was recognized as Corporate Partner of the Year by the Cleveland Chapter of the National Black MBA Association.

OUR VALUES

One of JumpStart’s company values is to be **actively inclusive** which is reflected in our recruiting and hiring practices.

- Our staff composition is 59% female and 22% minority.
- We seek to interview diverse candidates for every job opening at JumpStart. We embed diversity and inclusion into our interview, onboarding and performance management practices.
- We share internal job postings and those of our client companies with our diverse professional association partners.
- We provide educational and networking opportunities for diverse talent candidates.

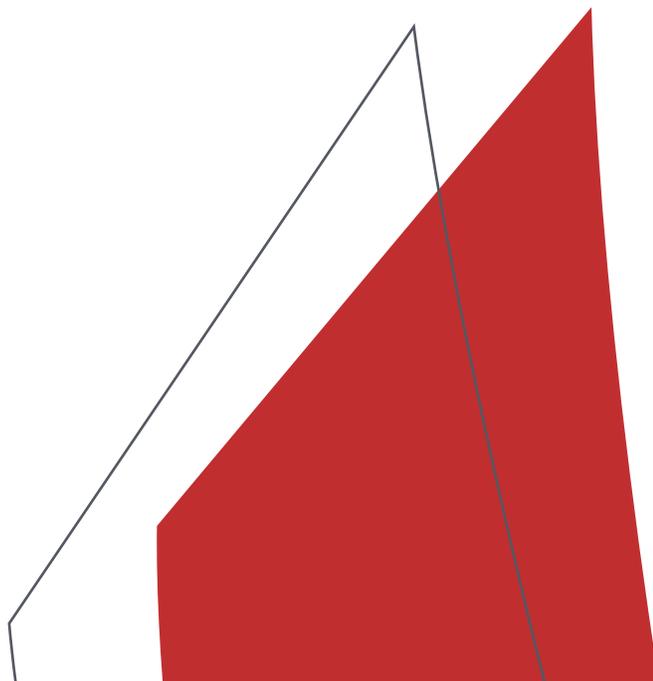
True Ventures is committed to empowering and funding the world's best entrepreneurs, no matter their gender, age, or ethnic background. Our specific actions to promote diversity and social responsibility in our portfolio of 120 companies and 4500+ employees worldwide include the following:

- **Priya Haji Fellowship:** Created in 2015 to honor Priya Haji, the Founder of True portfolio company SaveUp, the Priya Haji Fellowship is a nine month program for new college graduates—and particularly women—seeking their first full-time startup jobs. Fellows are paired with companies in the True portfolio in the San Francisco Bay Area. During their fellowships, program participants develop foundational skills to help them build a career in a high growth technology startup.
- **True Impact initiative and The True Impact Prize:** In 2014, we recognized our opportunity for collective impact by partnering with nonprofit organizations dedicated to serving and improving neighborhoods in which our startups do business. The 2014 True Impact Prize winner was GLIDE, led since 1963 by The Rev. Cecil Williams and Janice Mirikitani. GLIDE seeks to create a radically inclusive, just and loving community mobilized to alleviate suffering and break the cycles of poverty and marginalization in San Francisco. The True Ventures team and many True companies visited GLIDE during the year to contribute time and expertise to projects directed by the GLIDE team. This past June, we awarded the 2015 True Impact Prize to Portland, OR-based ChickTech. ChickTech's mission is to retain women in the technology workforce and increase the number of women and girls pursuing technology-based careers.

- **True University:** Since 2011, we have held True University every summer to provide opportunities for education and professional development to employees of our portfolio companies. In 2015, we welcomed more than 300 “students” to campus, where they attended two keynotes and 32 classes led by a group of visiting professors that included 16 women.
- **True Entrepreneur Corps (TEC) Summer Fellowship:** Since 2009, True has run TEC, which brings a dozen college students from across the country to the Bay area to work for companies in the True portfolio. We have been moving steadily closer to gender parity every year and our 2015 class has six women, our most ever.
- **Boardlist:** True Ventures is a founding member of Boardlist, a curated resource to help companies and investors discover and place women on the boards of technology startups.
- Partner Jon Callaghan is NVCA Chairman and on the NVCA Diversity Task Force.

“It’s important to recognize that in order to be truly innovative, we must embrace the creative process and be open to ideas from people from diverse backgrounds, cultures and academic experiences. Having been raised by an entrepreneur who was a single mother and having helped raise three exceptional daughters, I believe in the enormous benefits of an inclusive workforce and bringing in diverse perspectives. The venture capital community is uniquely positioned to provide the leadership role that it has played in so many other areas to innovate our own workplaces to drive positive change.”

—Tim Curt,
Managing Director
Warburg Pincus,
New York, NY



Highlights from 2015

“Competitive advantage for a fund or its portfolio companies begins with talent and diverse abilities. Workplace diversity is a business necessity that must go beyond words and rhetoric about the beneficial differences that diversity provides an organization. In addition, team diversity nurtures a strong and respectful attitude among teammates and other investors providing for varied views and approaches in building great companies and funds.”

—Art Pappas,
Managing Partner
Pappas Ventures,
Raleigh-Durham, NC

Pappas Ventures is committed to promoting inclusion and diversity through regional activities in North Carolina by doing the following:

- Working with Council for Entrepreneurial Development (CED) with a renewed focus on diversity and inclusion. Collaborative initiatives will start at the grass roots level and will benefit from steady community engagement with groups like CED. In addition, including sessions on diversity/inclusion at the CED conferences, which have a regional and national reach and attendance, to build involvement and commitment.

CED is the network that helps Triangle entrepreneurs build successful companies by connecting them to the network, knowledge and capital they need. CED boasts more than 700 member companies and more than 4,000 actively involved individuals. CED membership allows companies to build business relationships and connections with a vibrant community of entrepreneurs, investors, corporate partners, professional service providers, universities and others. CED connects people and resources most relevant to a business, whether a-time entrepreneur, a growing company scaling its business, an investor looking for the next great opportunity or a professional firm providing entrepreneurs with resources and support.

- Working with Made in Durham to mentor youths in Durham, NC to achieve the goal of ‘living wage work by the age of 25.’ This work will include a mentoring and internship approach to provide guidance to Durham youth in a practical understanding of business and to build experiential career pathways and provide work based learning experiences. This will include sponsoring a female or underrepresented minority intern and assisting with workshops and training programs.

Made in Durham is a public-private partnership committed to ensuring all Durham youth and young adults complete a postsecondary credential and begin a rewarding career by the age of 25. Partners are committed to helping youth and young adults, ages 14-24 navigate through education and into work – an education-to-career system.

Polaris Partners is committed to promoting inclusion and diversity in our firm, our portfolio, and our community by engaging in the following:

- Support, sponsor and host conferences, symposiums and discussions that are designed and developed exclusively for women and minorities. Example: Support of Women in Private Equity Conference
- Partner with universities in the New England region in mentoring and educational programming to encourage women and minority students to pursue careers in entrepreneurship and innovation. Example: Host symposiums at MIT and Harvard to encourage a diverse cadre of post-doctorate students—of which at least half are women and minorities—to consider careers in emerging startup companies
- Proactively sponsor and recruit diverse candidates for executive positions at our portfolio companies, Board seats at our companies and organizations, and at our own firm. Example: Now more than 10% of our portfolio has a woman or minority in leadership position. We will seek to increase that percentage each year, until such time as we have achieved 50% diversification within our firm ecosystem.

“From a venture capital industry perspective, fostering inclusion and advancing diversity is paramount to our individual successes as company builders and to our collective efforts to drive global innovation. The best opportunities are derived from embracing our differences and sharing with one another our unique backgrounds, perspectives and ideas to make the world a better place. We all must take responsibility and view ourselves as part of the solution, otherwise we are part of the problem.”

—Terry McGuire, Founding Partner and
NVCA Chairman Emeritus Polaris Partners,
Boston, MA

Highlights from 2015

“Simply put, white straight men do not have a monopoly on innovation, thought leadership, intellectual curiosity and hard work – the pillars of success within the innovation ecosystem. Embracing diversity is not only the right thing to do, but also a critical factor for success within the VC community.”

—Brian Rich,
Managing Director
and Co-Founder
Catalyst Investors,
New York, NY

NCT Ventures is committed to helping entrepreneurs build great companies, regardless of founder demographic. We value diversity and conscious capitalism and commit to building an inclusive innovation ecosystem by doing the following:

- **Our Investment Team:** Maintaining diversity of the NCT Ventures investment team. There is no trade off between talent and diversity and we seek to build the most qualified team through all of our hiring practices. Nearly half of our investment professionals are female or ethnic minorities.
- **Our Investments:** Throughout our investment history, NCT has made significant investments in women and minority owned companies. Diversity is not just intrinsically valuable, we've found that these investments also often generate market beating returns alongside our general portfolio of companies.
- **Our Pipeline:** We regularly engage networks of diverse entrepreneurs to build our pipeline of viable minority and women owned companies for deal flow. We have participated as panelists in conferences including the Black Enterprise Entrepreneurship Conference, as well as the regional Ohio Minority Supplier Development Council Business Opportunity Trade Fair. Our partners also continually engage with women leadership and business networks, including X Squared Angels, a group that provides angel investment opportunities for women-led startups.
- **Our Portfolio:** We promote social responsibility and inclusion in our portfolio. We have made impact investments through Impact Economics that benefit disenfranchised people across the globe. Additionally, one of our portfolio companies, QStart Labs is a web development firm that helps startup entrepreneurs build their technology infrastructure from concept and early stage through growth. QStart also provides strategic mentorship and support so startups throughout the region. Nearly half of the companies that they engage are founded by women or minorities.
- **Thought Leadership:** In the summer of 2015, we will announce the results of our research on minority entrepreneurs to give measurable quantitative and qualitative insight and provide recommendations that help investors and entrepreneurs better understand the barriers to accessing capital among minority business enterprises. The research was conducted with the Rochester Institute of Technology Saunders College of Business, Center for Urban Entrepreneurship, and the survey was distributed by the National Minority Supplier Development Council.

Johnson & Johnson Innovation –

JJDC is committed to diversity and inclusion to drive superior business results and sustainable competitive advantage through growing diverse talent internally and externally and being a role model in the industry by our:

- Commitment to inclusion and diversity for the JJDC team (currently >30% of investors are female and >30% of investors are ethnically diverse)
- Driving awareness of diversity as a competitive advantage for businesses
- Participation in mentoring programs that target or are inclusive of diverse talent
- Encouragement of portfolio companies to consider diverse slates and hires for company roles including external Board seats
- Ensuring diversity on panels and events that we host or moderate
- Participation in the recent NCVA Inclusion & Diversity Task Force Deep Dive

The Springboard Fund will invest exclusively in women-led companies, defined as those having a woman in a key management position and with a commensurate equity stake.

- We will leverage and expand the eco-system created to support women entrepreneurs by the non-profit accelerator Springboard Enterprises, founded in 2000 to help women-led companies access institutional capital.
- The fund is managed by a team of all women. We commit to maintain a majority of women on the investment team.
- The Fund will partner with other venture capital and corporate funds to increase the amount of capital deployed in women-led companies.
- We will continue to develop partnerships with venture capital, private equity and corporations to increase the visibility of women-led companies, to accelerate funding, their access to distribution channels, business connections and potential acquisitions.
- We will allocate a percentage of all fees and carried interest to Springboard Enterprises, which will provide the non-profit with a recurring revenue stream to support its programs for women entrepreneurs.
- We commit to supporting Springboard Enterprises with our participation on a volunteer basis in the recruitment and selection of companies, as well as in mentoring women entrepreneurs.

“Our firm has made inclusion central to our investing and team building philosophy. When we launched SoftTechVC in 2004 to pioneer a new investing model, we knew we would need the best and most diverse set of minds to drive forward. Even with a small team, we are proud to have one of the most diverse partnerships, from a gender, culture and ethnic backgrounds perspective. We hope the legacy of our impact on innovation is not only the great companies we are humble to support, but proves to the entire ecosystem that inclusion engenders success.”

—Jeff Clavier,
Founder and
Managing Partner
SoftTechVC,
Palo Alto, CA



GE Sue Siegel

“At GE Ventures, we see diversity and inclusiveness as an essential part of our innovation, creativity, productivity and competitive advantage. We take pride in being one of the most diverse corporate venture capital teams in the country. Our mission is to partner with startups to accelerate growth and commercialize innovative ideas in software & analytics, healthcare, energy and advanced manufacturing. But we are more than just a capital partner – we scale great ideas, connecting companies with the resources that allow them to reach new customers and expand in new markets. By partnering with VCs and entrepreneurs, we can integrate their unique perspectives to help drive better outcomes for our customers, shareholders, and society.”

—Sue Siegel, CEO
GE Ventures,
Menlo Park, CA

GE VENTURES



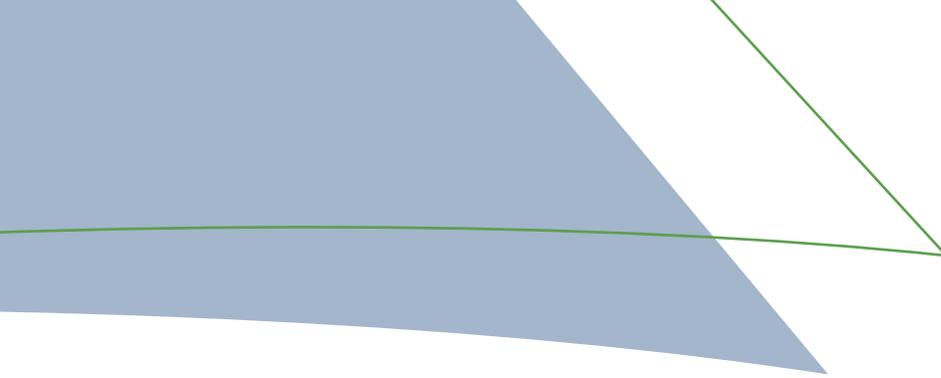
GE / GE Ventures Commitments in the US

With more than 300,000 employees and operations in over 140 countries, GE employees reflect both the local communities we serve and the people with whom we do business. We see diversity and inclusiveness as an essential part of our productivity, creativity, innovation and competitive advantage.

GE is committed to promoting inclusion and diversity in the entrepreneurial ecosystem via programs and partnerships that emphasize opening doors today and building the pipeline for tomorrow. Highlights from our efforts include:

GE Girls

GE Girls is an educational outreach initiative in partnership with universities across the U.S. designed to influence girls at a critical age and interest them in math/science and science-based careers. GE Girls began in 2011 with one program: GE Girls at MIT and it has grown over time. In 2015, we are pleased to offer nine GE Girls programs in cities across the United States. Since its inception, GE Girls has reached 450 girls who will continue to engage with the program throughout their high school years.



Girls Who Code

Girls Who Code programs work to inspire, educate, and equip girls with the computing skills to pursue 21st century opportunities. GE Software is collaborating with this organization to host 20 hand-selected sophomores and juniors from Bay Area high schools to participate in a science and technology immersion program.

GE Futures

The Developing Futures™ in Education Program supports high-impact initiatives that improve the equity and quality of K–12 public education in the U.S. Together with our partners; we work to give more students a solid educational foundation and the requisite skills to compete successfully in the global economy. GE employees play a critical role helping educators to accelerate change and foster a culture of collaboration, innovation and accountability to improve student achievement. The Developing Futures Program has invested more than \$225 million and thousands of hours to support student achievement and professional development for teachers in K–12 public schools across the U.S. In addition, the GE Foundation regularly convenes business leaders and educators to share best practices and drive impactful partnerships in education across 32 states.

GE Volunteers & GE Foundation - Civic Acceleration Program

The Points of Light Civic Accelerator is the first national accelerator program and investment fund in the country focused on “civic ventures” -- for-profit and non-profit startups that include people as part of the solution to critical social problems. The Civic Accelerator Spring 2015 program includes 14 ventures creat-

ing greater opportunities for women and girls to succeed. GE leaders and staff will volunteer to be coaches for the ventures participating in the spring 2015 Civic Accelerator. Coaches will join the Civic Accelerator Resource Network, a national community of subject matter experts and skill-based volunteers committed to the success of Civic Accelerator ventures including our alumni. Resource network members provide virtual and in-person coaching to entrepreneurs in the Civic Accelerator in the team’s home markets or during Civic Accelerator boot camps. The Civic Accelerator team will provide a coach orientation session and monitor engagement and impact during the partnership.

Additional US Commitments

Senior leaders of GE and our Affinity Networks are also proud to support (as mentors, board members, advisors and/or financial sponsors) the following organizations whose efforts support increased participation of women and underrepresented minorities in the innovation economy: National Science Foundation Small Business Innovation Research / Small Business Technology Transfer Advisory Committee, Springboard Enterprises, Society of Women Engineers, Palo Alto Girls Middle School Entrepreneurial Program and the National Institute of Health’s Women in Biomedical Careers.

“At NAV.VC, we aim to back the best and the brightest entrepreneurs period. Diversity is a given for us because the best ideas are race, age and gender agnostic. Our numbers back up our beliefs. 50 percent of the founders and CEOs of companies we have invested in are led by women, African American, Hispanic or first generation immigrants and they’re leading many of our best performing portfolio companies. Diverse entrepreneurs inspire change across a number of industries and it’s why we put these role models on center stage.”

—John Backus, Founder and Managing Partner
New Atlantic Ventures,
Reston, VA

Highlights from 2015

ADDITIONAL COMMITMENTS (OUTSIDE THE US)

Asian Pacific Forum - GE SEED Program

GE SEED volunteers share their professional expertise with young college entrepreneurs identified by The Resolution Project, a U.S. 501(c)3 non-profit dedicated to fostering youth leadership development around the world through collaborative social entrepreneurship. The Resolution Project supports young leaders at the earliest possible stage, serving as an “angel investor” catalyst and providing a holistic ecosystem of support for burgeoning social entrepreneurs. GE SEED currently has volunteers supporting more than a dozen Resolution Fellow teams in 5 countries across Asia. These Fellows are implementing creative solutions to pressing social problems in such diverse areas as agriculture, health-care, technology, education, and energy, among others.

GE Garages—Nigeria

GE is supporting economic growth in Nigeria by building a skilled workforce and driving entrepreneurial development in the region. GE announced the launch of a Manufacturing Garages program in partnership with the Dangote Foundation, among other core partners. The program debuted in Lagos in June 2014. With the help of GE Foundation’s partner,

Points of Light, GE plans to activate its 400+ employees in Nigeria, as well as the global African American Forum. Together, we’ll create a network of mentors, coaches and teachers, helping each other grow the future of power generation and healthcare in Africa. These programs complement the breadth of skill-building underway through Developing Health Globally™, including nurse anesthetist training, biomedical engineering training and other advanced employable-skills training programs.

Partnership with Junior Achievement

GE Foundation is partnered with Junior Achievement to provide thousands of disadvantage students in more than 25 countries access to free enterprise education that address areas such as business, economics, character and ethics, citizenship, entrepreneurship, financial literacy and work-related life skills. In addition to funding, GE employees volunteer as mentors throughout the world. Together GE and Junior Achievement are tackling the persistent global youth unemployment problem and helping to empower young people to own their economic success and make a difference in their communities and society.

“Great ideas can come from anybody, anywhere. The best way to build a world-class entrepreneurial economy in Ohio is to make it easier for diverse ideas to thrive. That is why diversity and inclusion are central to the larger mission of the Ohio Third Frontier. It is a core building block on Ohio’s path to leading the nation in economic growth and innovation.”

—David Goodman,
Director, Ohio Development
Services Agency

“The essence of entrepreneurship is about attracting the best and the brightest from around the world. As a venture industry we want to attract the best and the brightest regardless of their background. I am proud as an industry we are focused on making sure we are aware and trying to address any unconscious biases we have that aren’t in service to the mission we have as an industry.”

—Jason Green, General Partner
Emergence Capital, San Mateo, CA



Highlights from 2015

CONVENING DIVERSE ENTREPRENEURS, INVESTORS AND PARTNERS FOR OFFICE HOURS AT NVCA ANNUAL MEETING

At NVCA's Annual Meeting in 2015, we gathered an impressive cohort of diverse entrepreneurs from 15 states across 10 industries to participate in the Office Hours program to meet with venture capital investors. John Backus of New Atlantic Ventures, Jeff Clavier of SoftTech VC, Nina Kjellson of Canaan Partners, Jim Scheinman of Maven Ventures, Wendy Lung of IBM Venture Capital Group, and Hamet Watt of Upfront Ventures led a series of interactive workshops and networking focused on raising capital. NVCA partnered with organizations who shared a commitment to inclusive entrepreneurship including IBM, Springboard Enterprises, LaunchTennessee, Manos Accelerator, Ann Arbor SPARK, Business France, American Airlines and the Nasdaq Entrepreneurial Center.

Entrepreneurs Marcela Sapone of Alfred Club, Nick Weaver of Eero and Michelle Zatlyn of CloudFlare, the founders of three successful venture-backed companies, led a workshop focused on making critical business decisions.

Nicola Corzine, Executive Director of the Nasdaq Entrepreneurial Center, Jeff Thomas, President of Liquidity Solutions NASDAQ Private Market, Ty Walrod, CEO of Bright Funds and OutServe, a national organization supporting LGBT equality, and Ian Charles, CFO of Host Analytics led a panel on navigating fundamental challenges at every stage of company growth.

“We are proud to be part of the Michigan entrepreneurial ecosystem where there are many great examples of inclusive innovation. As the founder of Arboretum Ventures, I built a firm focused on advancing healthcare innovation and we are guided by our inclusive approach to investing. Impacting positive outcomes for patients depends on supporting the dynamic and diverse entrepreneurs who are building the next diagnostic, the next device, the next healthcare platform that can help save lives and lower costs.”

—Jan Garfinkle, Founder and Managing Director
Arboretum Ventures, Ann Arbor, MI



Jessica Beck, Hello Alfred · Michelle Zatlyn, CloudFlare

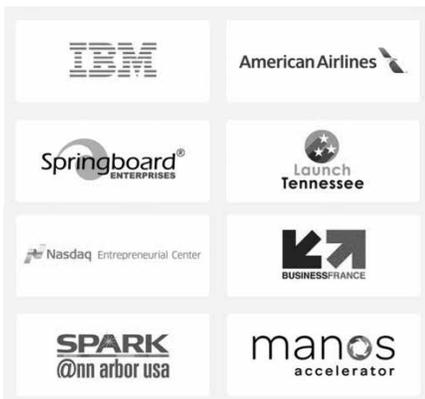


Entrepreneurs at NVCA's Office Hours Event

18th Annual Rainbow PUSH Wall Street Project Economic Summit

NVCA Alumni Council Chair and Diversity Task Force Member, Ray Leach, CEO of JumpStart Inc., participated in a panel discussion about diversity and access to venture capital alongside Peggy Wallace, Managing Partner of Golden Seeds, Jeanne Sullivan, Co-Founder of StarVest Partners and David Teten, Partner with ff Venture Capital.

Leach was elected to the NVCA Board of Directors in 2011 and leads JumpStart Inc., a nationally recognized nonprofit focused on accelerating the successes of diverse entrepreneurs, their high growth companies and the ecosystems that support them since 2004. Leach also served as a founding member of the National Advisory Council on Innovation and Entrepreneurship convened by the U.S. Commerce Department in 2010.





Highlights from 2015

Entrepreneurs with David Lopez, Co-Founder
Manos Accelerator

“As venture capitalists, our job is to constantly innovate and to seek out the latest cutting edge technologies and trends. Diversity—of ideas, voices and backgrounds—is an essential ingredient to our economic growth, competitiveness and creativity.”

—Dr. Beth Seidenberg
Kleiner Perkins Caufield &
Byers, Menlo Park, CA

NVCA Diversity Task Force Workshop on Crowdsourcing Solutions to Increase Inclusion in the Ecosystem

Over 100 venture capital investors joined a panel discussion and workshop to identify the biggest challenges to greater diversity within their firms and to develop solutions. A panel discussion led by Kate Mitchell, Managing Director of Scale Venture Partners, Jon Callaghan, former NVCA Board Chair and founder of True Ventures, Sue Siegel, CEO of GE Ventures, Amy Millman, President of Springboard Enterprises, Jason Howard, Director, GCM Grosvenor and Alejandro Guerrero, an experienced corporate venture investor.

Jon Callaghan, former NVCA Board Chair and founder of True Ventures, said at the event, “The brains and creativity in all our communities can do more not just in building great products but in making communities better. There can be tremendous change, and it’s great for business.”

Participants were prompted to design a solution for inclusive recruiting, retention and networking strategies for women and under-represented minorities in venture capital.



Entrepreneurs and investors at PUSH Tech 2020

PUSH TECH 2020 SUMMIT
 DIVERSITY + INCLUSION INNOVATION
 LUNCHEON KEYNOTE:
 INTEL CEO BRIAN KRZANICH
 WEDNESDAY MAY 6, 2015
 HYATT REGENCY SAN FRANCISCO
 5 EMBARCADERO CENTER
 SAN FRANCISCO, CA 94111
 7:30AM- REGISTRATION
 9:00AM- 5:00PM- PUSHTECH2020 SUMMIT
 REGISTER TODAY!
 www.pushtech2020.eventbrite.com
 HOSTED BY: @pushtech2020
 THE REVEREND JESSE L. JACKSON, SR.
 AND THE RAINBOWPUSH SILICON VALLEY PROJECT
 WWW.RAINBOWPUSHSV.ORG
 For more information contact D. R. Roberts Event Mgmt. 510-654-5335

NVCA partnered with PUSH Tech 2020 Summit to connect diverse founders and investors

PUSH Tech 2020, created by the Rainbow PUSH Coalition, brought together venture capital investors, entrepreneurs, corporate venture capital investors, and creatives for a conference in San Francisco. NVCA's Diversity Task Force members Ray Leach of Jumpstart and Kate Mitchell of Scale Venture Partners participated as judges in the pitch competitions, connecting with a diverse group of next-generation innovators.

Insights

Transparency drives change. Tech companies, individual venture capital firms, engineers, academics, institutions, media companies are now sharing internal diversity data and study new dimensions of diversity. Here, we highlight the research that has made an impact on the ecosystem, deepened understanding about the challenges to diversity and made clear where more work needs to be done.



CRUNCHBASE CrunchBase

CrunchBase began a comprehensive study of female founders by expanding its dataset to include gender in May 2014.

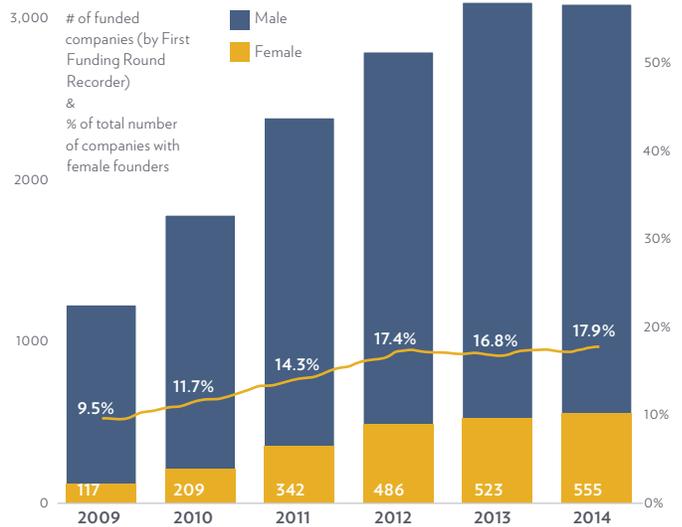
To date, two reports have been published – the first found that the percentage of female founders among funded startups nearly doubled in 2014, while the second feature focused on educational back-grounds.

The first study looked at the percentage of 14,341 U.S. based startups, with at least one female founder that received an initial funding in 2009-2014. Overall, 15.5%, or 2,226 of the startups have at least one female founder. The data also showed that in 2009, 9.5% of the startups had at least one female founder, but by 2014 that rate had almost doubled to 18%.

The second study focused on top schools and educational background for female founders. The data showed 63% of male founders have an undergraduate STEM degree, more than twice the percentage for women at 31%. On the other hand, female founders are four times more likely than male founders to have an arts and humanities degree (17% vs. 4%) and more than twice as likely to have a social science degree (30% vs. 13%). It's clear that technology startups require technologists, but they also require highly creative, persistent and insightful leadership. As the number of female founders increases over time, it will be interesting to see how the comparative educational backgrounds of male and female founders evolve.

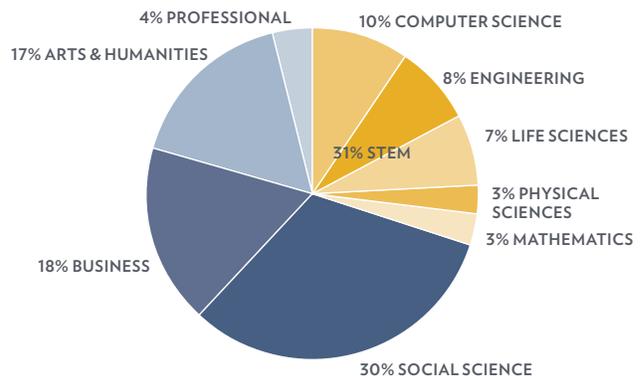
U.S. Venture-Funded Companies by Founded Gender

First Funding Round for U.S.-Based Companies with Founder in CrunchBase



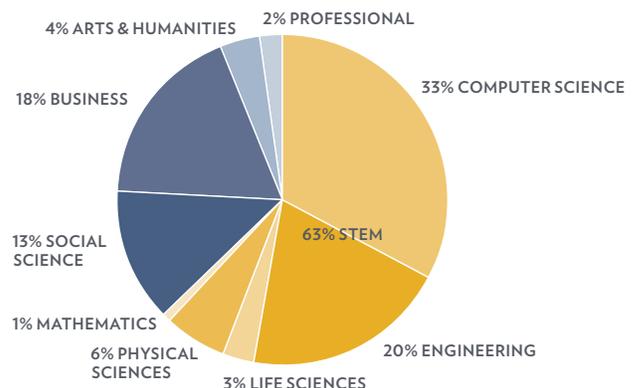
Female Founder Undergraduate Degrees by Subject

source: CrunchBase



Male Founder Undergraduate Degrees by Subject

source: CrunchBase

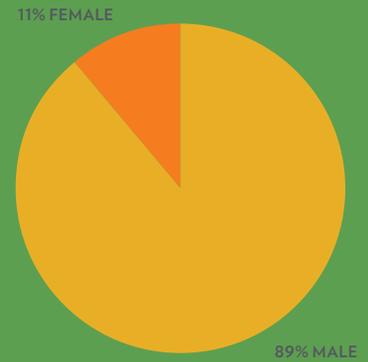
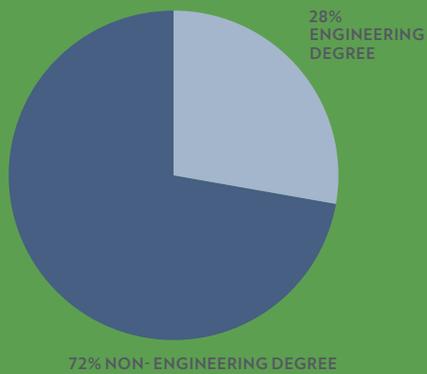
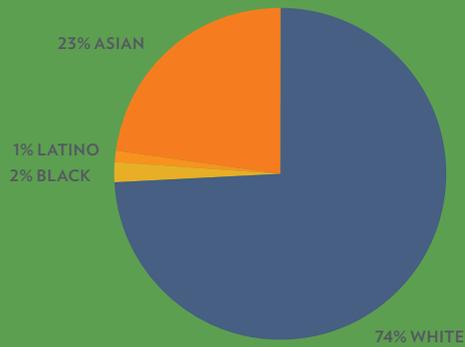


WHO IS A VC?

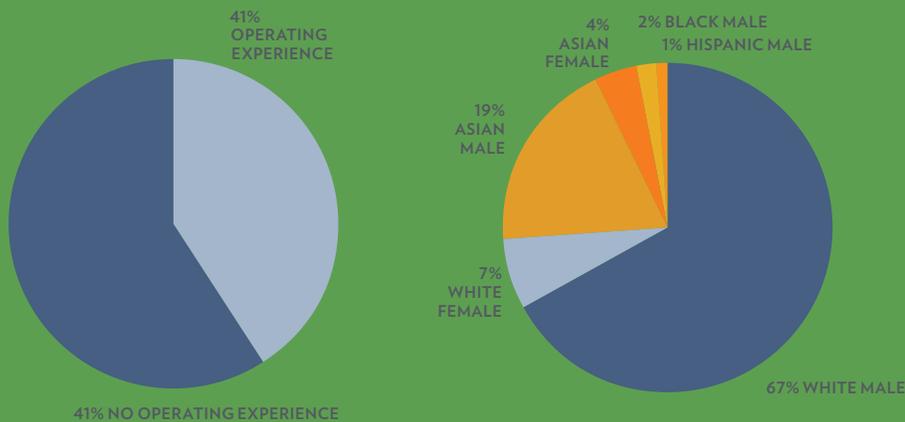
By **Richard Kerby**, Venrock

Insights

The data shows it's not who you think. Nearly three-quarters of investors today don't have an engineering degree or operating experience, yet building diverse teams still remains a challenge.



RICHARD KERBY, VENROCK



Richard Kerby, a vice president at Venrock, has taken a leading role in exploring diversity data within the U.S. venture capital industry. In 2015, Kerby looked at the number of African-Americans in venture and published the results in, *Why Are There So Few Black Investors?* His study looked at over 200 firms composed of roughly 2,000 investors, investigating the current number of black investors working in venture capital in the United States which found black investors comprised 1.7% of those firms.

In 2016, Kerby conducted a second study on venture capital.

Kerby writes, "I've now decided to take a more comprehensive look at diversity within venture capital across all levels. In total, I looked at more than 1,500 investment professionals across more than 200 venture firms and divided everyone into three tiers: partner, principal and associate. Similar to my previous analysis, I did not include EIRs, venture partners, accelerators or incubators. I also tried my best to determine who are the actual investing partners at funds that give everyone the "partner" title."

"The data show that the majority of venture capitalists don't have operational experience or an engineering background. Therefore, it is important to focus on what all of the successful people listed above have in common. They are all intelligent, curious, driven, hardworking and a slew of other positive superlatives. But most importantly, they were given an opportunity to become an investor and access to capital to make investments."

"We should all care deeply about building a more diverse industry, because it will lead to improved performance, accomplishments and financial rewards for everyone involved. Study after study has demonstrated that teams that are more diverse lead to greater performance."

"It is time for venture capital professionals across the country to take action: to initiate difficult conversations with colleagues, to brainstorm ideas and to keep demanding and working toward a more diverse ecosystem." – Richard Kerby



CALVIN COOPER, NCT VENTURES: NATIONAL SURVEY ON ACCESS TO CAPITAL AMONG CERTIFIED MINORITY BUSINESSES



NCT Ventures is a Columbus-based venture capital firm dedicated to providing a platform for entrepreneurs to succeed in turning their ideas into profitable business models through hands-on operational support. Over the last 20 years, NCT has helped build many successful companies across a variety of industries. With a focus on the Midwest, NCT empowers entrepreneurs to develop disruptive technologies that improve market efficiencies.

NCT Ventures conducted a national survey in collaboration with Rochester Institute of Technology that illuminates issues of access to capital among Minority Business Enterprises (MBEs) that was released by the National Minority Supplier Diversity Council (NMSDC) in 2015. The National Survey examines MBEs and focuses on the internal factors, those within a minority firm's control, which

may hamper their ability to obtain critical growth or acquisition capital. Education is key, the survey found, to improving access to capital, along with more opportunities for networking between capital providers and minority entrepreneurs.

The survey was conducted in early 2015, using a representative sample of the population of interest, in this case, MBEs certified by the National Minority Supplier Development Council (NMSDC). There were 456 respondents that participated using an online questionnaire distributed by the NMSDC.

The survey findings indicate that improving access to capital begins with education. Several key internal factors were identified, including lack of a growth oriented exit strategy, lack of knowledge, lack of engagement, MBE certification

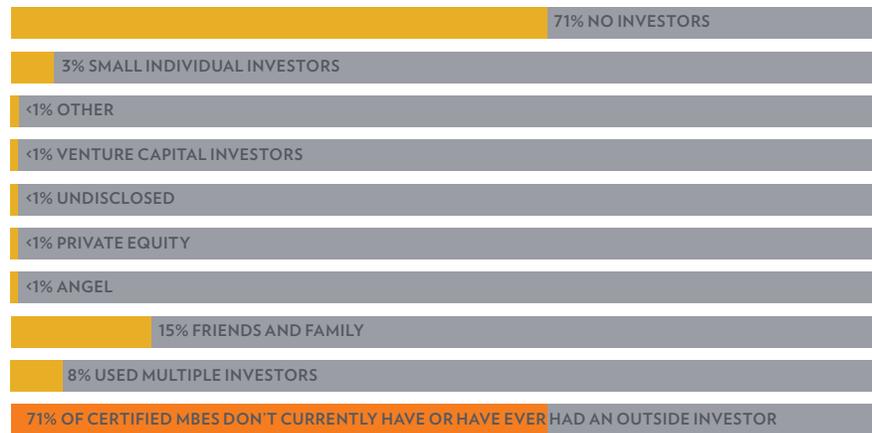
NCT Ventures Calvin Cooper

requirements and negative perceptions about institutional funding sources. The study highlights these key findings and provides recommendations to assist policy makers and business member organizations seeking to increase access to capital for minority entrepreneurs.

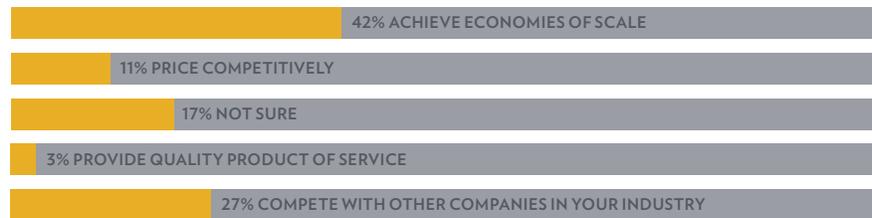
"Study after study shows that embracing diversity is a competitive advantage in business that leads to better performance. Thus, inclusive innovation is more than a social concern, it's also about achieving better results," said Calvin Cooper, NCT Ventures, who developed and co-authored the report. "Moreover, securing a strong and vibrant economy requires that people of all backgrounds, from every walk of life and from every region in America are included in the industries of tomorrow."

Key Findings of the National Survey on Access to Capital Among Certified Minority Business Enterprises

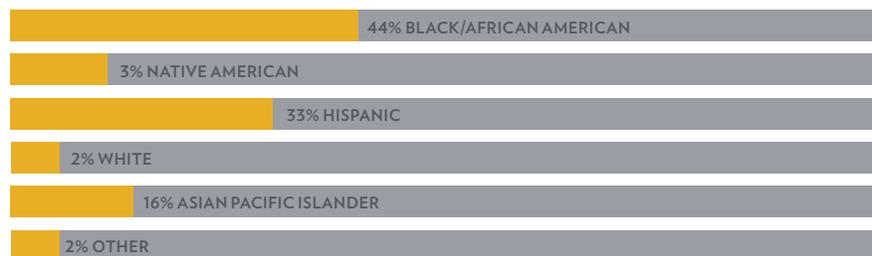
Do you currently have, or have you ever had, any of the following investors in your company?



Does your company's size inhibit your business' ability to achieve any of the following?



456 Responses



Changemakers and Pioneers

THE TOIGO FOUNDATION **TOIGO.**

ROBERT TOIGO FOUNDATION

Venture capital has long been the finance sector of possibilities—a community fueled by innovation and optimism. It's fitting that the industry is taking a critical look at how today's (and tomorrow's) demographics and markets are impacting employment and investments, and responding to the lack of sufficient representation within its ranks.

The Toigo Foundation is pleased to be among those organizations that NVCA has sought out for advice and counsel. Our mission for 25+ years has been to foster diversity and inclusion within finance, encompassing all sectors including venture. We've made tremendous inroads in sectors once considered "out of reach" for ethnic minorities. We've seen the impact of our work with the placement and advancement of new generation leaders with direct influence over the placement and management of capital both nationally and globally.

Toigo and NVCA have made purposeful strides together this past year including participation on an initial diversity task force call and exploring models and markers of success. We led a focused conversation at NEA's offices in May with members of the Diversity Committee drawing professional insights from senior Toigo leaders. The conversation was candid and helpful in illuminating key issues—and provided a strong platform to begin setting strategies. As a follow-up, Toigo

presented possible program constructs, including opportunities and events for engagement by NVCA members. Toigo Fellows—120 current minority MBA candidates—also heard directly from Ashton Newhall, Co-Founder and Managing General Partner at Greenspring Associates and an NVCA Diversity Task Force member during a recent Toigo MBA leadership training weekend in Washington DC.

The Toigo network of 1,200+ MBA graduates represents a real and formidable resource of proven finance talent. Interest in venture among diverse MBAs is strong and continues to grow. Several Toigo Alumni - including Charles Hudson, Alejandro Guerrero, Garth Timoll, Tyson Clark and James Gutierrez - are highly regarded professionals in venture. Finding ways to increase that number is core to the Toigo Foundation's mission.

Toigo knows momentum both within and outside of the VC community is needed to drive change. Today's new hires—millennials and more—are drawn to employers that reflect their own personal values and desires to innovate. They seek equality, participation and a voice. Institutional investors - including the nation's largest pension funds, foundations and endowments that have supported Toigo and its mission from the start - factor in as well.

Toigo is honored to work with individuals and organizations with the courage and conviction to expand beyond what is familiar to what is possible. We believe NVCA is one such organization and we are ready to help the industry in fulfilling its strategy for change.

Nancy A. Sims, President and CEO



TOIGO.

ROBERT TOIGO FOUNDATION





SBA Administrator Maria Contreras-Sweet, Gené Teare, Head of Research for CrunchBase, Kate Mitchell of Scale Venture Partners, and Laurie Lument Garty of Square 1 Bank

NVCA, CRUNCHBASE, SBA, AND SQUARE 1 BANK HOST BRIDGING THE GENDER GAP: ENTREPRENEURSHIP, WOMEN, AND INVESTING

NVCA, CrunchBase, the U.S. Small Business Administration and Square 1 Bank hosted *Bridging the Gender Gap: Entrepreneurship, Women, and Investing* in partnership with the Nasdaq Entrepreneurial Center in San Francisco in April 2016. This data-driven discussion focused on addressing the underrepresentation of women in innovation, as well as solutions to increase diversity in venture capital and entrepreneurship.

Convening leaders in government, venture capital, and entrepreneurship, the event shined a light on pathways to expand diversity in the innovation ecosystem,

inclusive approaches to investing and raising capital. U.S. Small Business Administrator Contreras-Sweet, Gené Teare, Head of Research for CrunchBase, NVCA Diversity Task Force Co-Chair Kate Mitchell of Scale Venture Partners, and Laurie Lument Garty of Square 1 Bank kicked off the event with the release of the CrunchBase Women in Venture Report and a discussion about the competitive risks firms face if the gender gap persists.

Gené Teare presented the findings CrunchBase Women in Venture Report, where she and her team focused on understanding how many women are true

investing partners at the leading venture and micro-venture firms and which venture firms have the strongest track record of supporting startups with at least one female co-founder. The report looked at the top 100 venture firms globally based on longevity, recent activity, rounds led and fund size.



Changemakers and Pioneers

Connie Loizos, Janey Hoe, Monique Woodard, Jon Callaghan and Lada Rasochova

The CrunchBase data showed 7 percent of investing partners are women at the top 100 most active firms and 38 percent of the top firms have at least one female partner. While there is still a long road toward gender parity, Teare pointed out that a potentially more rapid path for women to become partners is the growth of female-founded venture firms. Over the last three years, CrunchBase data show that 16 percent of new firms started in the last three years had a least one woman founder.

Kate Mitchell, co-founder of Scale Venture Partners, one of two firms with the highest percentage of female partners, 33 percent, told the audience that early in her career she “really tried not to stand out as a woman. That really was not an asset.” But Mitchell decided it was time “to come out as a woman,” and to make clear that gender diversity is a critical component of

success. Scale Venture Partners, Greycroft Partners, and Floodgate are the only female co-founded venture firms in CrunchBase’s top 100.

As SBA Administrator Contreras-Sweet said, “Empowering women investors isn’t some act of charity, it’s good business.” There are many pathways to closing the gap. The second discussion moderated by Connie Loizos of TechCrunch, Monique Woodard of 500 Startups, former NVCA Board Chair Jon Callaghan of True Ventures, Janey Hoe of Cisco Investments and Lada Rasochova, Executive Director of the California Institute for Innovation and Development focused on solutions firms can implement to advance inclusion on their teams and portfolio companies.

Woodard, the newest partner at 500 Startups with wide-ranging background

in tech and government, highlighted the democratization of information through social media as a game-changer for diverse entrepreneurs and VCs. “You suddenly have this library around venture capital and thought leadership that didn’t exist before,” she said.

Jon Callaghan had a direct message to the venture capital industry about the urgency of building an inclusive innovation ecosystem. “The leaders in our industry see inclusion as a huge opportunity.” The most competitive firms will move quickly to recruit women and underrepresented minorities to their teams and portfolio. Callaghan urged his peers, “Don’t wait. Do it now. Move fast.”

BRIDGING THE VENTURE CAPITAL GENDER GAP

By Erin Andrew, SBA Official
Published: May 13, 2016

Reducing the gap between female and male labor force participation translates to **faster economic growth**. The McKinsey Global Institute reports that **\$12 trillion could be added to global GDP** by 2025 simply by advancing women's equality.

Recently, the Small Business Administration's Office of Women's Business Ownership partnered with the National Venture Capital Association (NVCA), CrunchBase, and Square One Bank on *Bridging the Gender Gap*, an event at the Nasdaq Entrepreneurial Center in San Francisco. The conversation focused on a recent report that Gene Teare from CrunchBase released on women in the venture space. According to the new report, seven percent of partners (53 of 764) at the top 100 venture firms are women.

Research shows that companies with more diverse leadership and stronger gender diversity are more successful. We need to start paying attention to women and the emerging opportunity they represent.

Consider the data. There is a massive untapped venture opportunity for investors smart enough to take note of the numbers and fund women entrepreneurs. **Less than one percent** of small businesses use venture capital for startup or growth. **Although venture capital investment topped \$48 billion in 2014**, less than seven percent of venture capital in the United States is invested in women founders. Even worse, less than one percent is invested African-American women founders.

Warren Buffet said it best: "for most of our history, women – whatever their abilities – have been relegated to the sidelines. Only in recent years have we begun to correct that problem." Leaving 50 percent of the population on the sidelines has led to a lack of diversity in the investment space and missed opportunities for our economy.

Venture Partners from some firms are starting to pay attention and putting words into action.

Jon Callaghan, former Chair of the NVCA Board and Founder of True Ventures, along with Kate Mitchell, Co-Chair of NVCA's Diversity Task Force, Co-Founder and Partner at Scale Ventures, emphasize widening their deal flow funnels by reaching out to women and communities of color, and identifying the importance of diversity for startups on their term sheets.

There is increased pressure for more transparency among state pension funds and other limited partners.

Some states have enacted legislation mandating a minimum percentage of public pension assets be allocated to diverse minority and women funds. **Illinois** mandated a minimum percentage of its pension investments be made through emerging managers. California, Maryland, New York, and Texas are encouraging the use of emerging managers as well. Institutional investors look for diversity among the leadership of the funds and their portfolios in which they invest. Even if not required by local governments, minority and Women's Business Enterprise (MWBE) programs are increasingly being considered for investment.

"Venture capital flows to entrepreneurs who see opportunities when others see issues and problems. Each entrepreneur brings his or her own life experiences, knowledge, and culture competency. Investors who are inclusive and listen to all voices will identify and support the most creative solutions to our most complex problems. At DRK, we believe that our portfolio will deliver the best results — financial and social impact — when we actively build staffs, entrepreneurs, and boards which reflect a wide range of leaders and backgrounds. It is this diversity of thought that delivers the most innovative solutions. Thus, diversity is a prerequisite for our success."

—Christy Remey Chin, Partner
Draper Richards Kaplan
Foundation, Menlo Park, CA

Bridging the Gender Gap: Entrepreneurship, Women, and Investing



Changemakers and Pioneers

The federal government through the Small Business Investment Company (SBIC) Program is tracking inclusion.

The SBA's Office of Investment and Innovation administers the **SBIC Program**, a multi-billion dollar, zero-subsidy government-sponsored investment fund created to bridge the gap between an entrepreneurs need for capital and traditional sources of financing.

Under current SBA Administrator Maria Contreras-Sweet's leadership, the SBA commissioned a report on women's performance in the SBIC program. According to preliminary data, when compared to the private sector, SBIC funds are two-to-three times more likely to have women in leadership positions. The report also found that when women are fund leaders, they are seven times more likely to invest in women entrepreneurs than

funds led by men. Bottom line: in terms of performance, SBA found SBIC funds led by women performed just as well as funds led by men.

The rise of micro VCs provide an opportunity for more diverse fund managers to come to the table and more diverse entrepreneurs to access funding.

From 2014 to 2015 there was a **36 percent growth of micro VCs**. At the end of 2015 there were close to 240 such funds. These funds offer more women an introduction to venture financing. They are also increasingly diverse. Many micro VCs are being started by women and minorities. As these successful micro VCs mature, the face of venture capital will increasingly look more like the rest of America.

Entrepreneurs have the decision on who to take money from and who not to take money from when accessing financing.

If diversity is important to an entrepreneur, they'll seek out investors who share their values. We can always do more to level the playing field and close the gender gap. Billions of untapped dollars are sitting on the sidelines and are not being invested in women. Expanding the pipeline for women entrepreneurs will lead to gender diverse teams, greater capital efficiency, higher growth, more jobs, and a stronger economy.

The numbers are still dismal and the full opportunity untapped. Whether it is government, general partners, limited partners, or other actors in the ecosystem, we need to ask ourselves this question: "What are we doing to harness the other fifty percent?"

JUMPSTART INC. AND THE FOCUS FUND



Cleveland-based Venture Development Organization, JumpStart Inc., has always taken diversity and inclusion very seriously. In fact, more than a quarter of the firms existing portfolio companies are led by female or minority entrepreneurs, a percentage more than three times higher than the industry average.

Now JumpStart is doubling-down on their commitment to inclusion with their recently announced Focus Fund, a \$10M fund designed to invest exclusively in tech-based companies led by minority or female entrepreneurs throughout Ohio – as well as those planning to move to the state.

The fund invests between \$250-600k into early stage companies who can leverage capital and IP/technology to achieve transformational growth in one of the following select sectors:

- Software
- Medical Technology
- Advanced Materials
- Power Management
- Energy Applications
- Consumer/Business Products

To qualify for an investment from the Focus Fund, companies must be minority and/or female owned/led and either located in Ohio, or planning to relocate to Ohio.

THE OHIO THIRD FRONTIER



The Ohio Development Services Agency (ODSA) embraces the notion that Ohio is strongest when as many people as possible have the opportunity to participate in its economic success. Ohio Third Frontier, a part of ODSA, is truly unique in both its private-public structure and early grasp that the future success of Ohio's innovation economy depends largely on harnessing the power of diversity.

The Ohio Third Frontier is a technology-based economic development initiative designed to accelerate the creation and growth of investable and scalable ventures throughout Ohio. Just for those companies raising more than \$100K, the Ohio Third Frontier has matched \$77 million in state dollars with another \$77 million in private money to invest in more than 300 high-tech high-growth startups all across Ohio. Support from the organization has helped Ohio-based venture development organizations like JumpStart launch each of their venture capital funds, including the \$10 million Focus Fund, which is dedicated solely to supporting female and minority entrepreneurs.

Foundational to its policies, Ohio Third Frontier has increasingly emphasized the importance of diversity through specific programming, promotional efforts, and criteria upon which it awards funds to network partners and tracks their performance. At present, more than 25% of the network's portfolio companies are minority or woman controlled, or located in rural communities.

Most recently, the Ohio Third Frontier has also launched an internship program aimed at helping minority and rural students connect with early-stage ventures.

“I believe diversity and inclusion are true competitive advantages. That's why JumpStart has committed itself to investing heavily in underrepresented female and minority entrepreneurs. Industries dominated by one race or one gender—including venture capital—will never be as strong or innovative as they should be. The only way the U.S. will lead the 21st century global economy in growth is to start thinking more inclusively.”

—Ray Leach, CEO,
JumpStart Inc.

Changemakers and Pioneers

“The best ideas can come from the most unusual sources. The translation of these ideas into products and businesses requires a wide a variety of talents, backgrounds and approaches. People with varied genders, races, cultures, and beliefs make for a better outcome by ensuring a broader base of experience from which to build. Yet, venture capital remains a small cottage industry that is homogenous—not diverse—and unfamiliar to most. Our industry should proactively reach out to those talented people who are grossly underrepresented in our business and invite them to participate, so we as VCs can provide a better product and outcome through broader experience.”

—Carmichael Roberts,
General Partner
North Bridge Venture
Partners and Growth Equity,
Waltham, MA



Lisa Lambert

In 2015, new pioneers started initiatives, organizations, funds, social media campaigns, research and programs that have paved the way for an innovation ecosystem that reflects the diversity of our nation.

INTEL CAPITAL DIVERSITY FUND

The Intel Capital Diversity Fund, announced on June 9, 2015, identifies and invests in women and minority-led technology companies. As part of Intel Capital, the Diversity Fund is focusing \$125 million over five years on a broad spectrum of innovative companies with a founder/CEO, or at least three members of the senior management team, who are women and/or underrepresented minorities. This fund is the largest of its kind by

a significant margin, further underscoring Intel’s broad leadership commitment to diversity and inclusion in all aspects of its business.

To date, nearly \$19 million has been invested in five firms: Brit + Co., Care-Cloud, Mark One, Venafi and, most recently, LISNR, which was announced at the Intel Capital Global Summit in November. Lisnr, co-founded and led by an African American CEO, has created and is commercializing a new communication protocol called Smart Tones, which sends



Rodney Williams, CEO of LISNR

data over high-frequency, inaudible audio waves. The technology turns any speaker into a beacon, letting content creators and brands distribute proximity based information via mobile.

Response to the fund throughout the entrepreneurial community has been enormous. Our team of investors has met with more than 200 promising startups (culled from nearly 600 that have approached us since June), and we expect to announce as many as half a dozen new investments in 2016.

“The perception among many in venture capital is that there aren’t enough good ideas coming from the female and

minority communities, or enough people in those communities who want to be entrepreneurs. But the problem’s really one of pattern recognition; we tend to recruit and invest out of our own networks, and our networks tend to look a lot like we do. So the lack of diversity at venture capital firms produces a lack of diversity in our portfolios. And if you diversify the investment teams, you will diversify the portfolios. When my team and I started to seek out entrepreneurs in nontraditional networks, we literally found hundreds worth exploring.

“Women make up half the world’s population. African Americans, Hispanics and Native Americans represent more than 30 percent of the U.S. population, according to the Census Bureau, which projects the number of Hispanic Americans to double by 2050. The technology industry ignores those communities at its own peril.”

—Lisa Lambert, former Vice President, Managing Director, Diversity Equity Fund at Intel Capital

“Corporations have a long history of embracing diversity in their workforce and leadership in order to achieve better business performance, as is clearly reflected in the leadership composition of over a thousand corporate venture groups operating today. As one of those leaders for the past 15 years, I am a big champion of diversity because I believe driving a higher level of performance in the innovation ecosystem can yield even greater impact on people lives.”

—Claudia Fan Munce,
Managing Director Emeritus,
IBM Venture Capital
Group and Venture Advisor
New Enterprise Associates,
Menlo Park, CA

GLASSBREAKERS



Glassbreakers launched as a free consumer-facing peer mentoring site for women in January 2015. Within a year, Glassbreakers has grown into so much more. Now, in addition to the free peer mentorship platform for women, Glassbreakers has accelerated forward by creating an enterprise solution software to help attract and empower a diverse workforce. This applies to all affinity groups and Glassbreakers hopes to foster real change to build a hyper connected, supportive workforce.

“Diversity and inclusion, as a core business function, needs a digital transformation. Our technology provides enterprise level security, reliability and scalability to best support diversity as a competitive advantage,” says CEO and Co-Founder Eileen Carey.

The new diversity and inclusion software enables employees within large companies to network within their peer groups — for example women, people of color, people with disabilities, LGBTQ, Veterans, etc. This offers employees benefits such as on-and-offline mentorship and networking opportunities across organizational departments and fostering inclusive environments critical to diversity efforts. Ultimately, the software is about retention of diverse talent through inclusion, leading to greater innovation and increased revenue.

There are studies after studies proving that diversity benefits the workplace, the bottom line and society. Diversity makes us smarter. Companies in the top quartile for gender and ethnic diversity are 35% more likely to have financial returns above their industry median. Glassbreakers is the first to market a platform that helps enterprises manage, track, and ultimately improve inclusion in their workplaces.

The Glassbreakers team is excited to be an integral part of the inevitable progress in innovative inclusion efforts at all levels, through both their consumer and enterprise products.

CTO and Head of Product Lauren Mosenthal knows just how important community feedback is for a product to grow, change and succeed. “It’s been so rewarding to have people reach out to us because they want to make their companies more diverse. They know that incorporating our software can only lead to positive change. It’s amazing to be a part of that and witness the demand we’ve seen for Glassbreakers software as indicative of necessary innovation for inclusion.”

Eileen Carey and Lauren Mosenthal,
founders of Glassbreakers



Changemakers and Pioneers

“We have seen first-hand, both within our firm and across our portfolio companies, the overwhelming financial benefit of investing in highly inclusive teams. Leaders with diverse backgrounds epitomize the hallmark of entrepreneurship and have the ability to create successful opportunities for investors. These agents of change represent a sense of what is possible bringing new thinking and perspectives to an industry which is built upon disruption.”

—Mike Carusi, General Partner
Lightstone Ventures, Menlo Park, CA

In year 1...



\$500,000
in funding



16,000
students
impacted

3

Forbes
30 Under 30

Camelbackventures

CAMELBACK VENTURES

Camelback Ventures (CBV) aims to diversify social innovation, by giving underrepresented early-stage entrepreneurs access to the tools they need to be successful. Over the past year, CBV has awarded nearly half a million dollars to its first cohort of fellows to fund education startups. In addition to providing up to \$40,000 in funding to each fellow, CBV provides one-on-one weekly coaching sessions and access to investors and networks. CBV fellows (91% identify as people of color; 73% as women) come out of Camelback's five priority regions: Chicago, New Orleans, New York, Oakland, and Washington, D.C. The organization estimates this year's cohort will impact over 16,000 students across the country. 10% of the Forbes 30 under 30 were Camelback Fellows.

Camelback was started with the notion that innovation requires diverse thinking and that all communities can and should partake in innovation. "Camelback is akin to the 'friends and family' funding round that every startup needs to get off the ground," remarks venture capitalist and supporter Brian Dixon, partner at Kapor Capital. "The benchmark is more difficult to reach for people with less access to social and financial capital, particularly women and people of color. Camelback is closing that gap in access and developing the next generation of leaders."

The New Orleans based nonprofit impact investor celebrated the culmination of its inaugural 2015 fellowship class in San Francisco at #CBV2015 Demo Day. At the event, Fellows pitched their ventures to more than 60 education influencers, potential investors and industry peers.

In only one year since inception of the fellowship program, the organization saw an increase of 120% in applications for the 2016 cohort. The investment committee will announce the 2016 Camelback Fellowship cohort in February 2016.



"Genius is equally distributed across communities. Access is not. Our job at Camelback is to give our fellows access to the three things we believe all entrepreneurs need to be successful—coaching, capital and connections. We have seen that when we do good things happen. At the end of our first class our fellows have raised more than \$2MM collectively in less than nine months. That means for every \$1 we invest, they were able to raise another \$4."

—Aaron Walker,
Founder & CEO



Changemakers and Pioneers

Founders of Buildup Kristina Omari, Wayne Sutton and Christian Anderson



Buildup Fellows

BUILDUP

BUILDUP is a nonprofit organization focused on inclusion in the tech ecosystem by mentoring, educating and connecting underrepresented founders.

Founded by Christian Anderson, Kristina Omari and Wayne Sutton, the organization promotes innovation and inclusion from its headquarters in downtown San Francisco. Incorporated in January 2015, we laid the groundwork for BUILDUP to communicate to the tech ecosystem the value and importance of inclusive workforces and capital support for the “non-traditional” founders in Silicon Valley.

Each of our core programs will give you a glimpse into our inaugural steps and accomplishments in 2015:

Fellows Program is a two week, immersive, mentor-driven pre-accelerator for underrepresented, early stage (pre-seed) startups. Sector agnostic, our program included six startups that concentrated in areas of data science, hardware, mobile, enterprise and healthcare. Our cohort was ethnically diverse, with 50% female



Buildup Workshop

CEOs. All 2015 Fellows met our success metrics. Fellows were accepted to top tier accelerator programs, such as Acceler-prise, Highway1, Y-Combinator, acquired as talent and raised additional capital after program completion.

Technical Workshop Series is a five week, six series program geared towards junior engineers, developers and designers, college students, and entrepreneurs looking to sharpen their tech skills. Classes were taught by lead engineers at companies such as Google, Twitter, Uber and TechCrunch. Course topics included: building minimum viable product, design thinking, cyber security, pitching, and product launching. With a capacity of 30 seats per class, we had a fulfillment rate of 90% for the entire workshop series.

Influencer Speaker Series is a forum of fire-side talks with active audience participation to learn and discuss challenges of entrepreneurship and navigating Silicon Valley. In the nine events held during the year, we interviewed entrepreneurs and venture capitalists such as Heidi Roizen, Chinedu Echeruo and Tony Conrad, with over 1200 entrepreneurs/founders in attendance.

Beyond BUILDUP's core programing, the organization was a partner for the PushTech2020 Conference, led by the Rev. Jesse Jackson, Intel and the Rainbow Push Coalition. For the conference, BUILDUP created the Startup Pitch2020 Competition, in which 10 startups presented to Silicon Valley's top early-stage investors, showcasing diverse talent and innovation does exist in technology. In addition, BUILDUP was selected as a casting partner for ABC Network television show Shark Tank, to help source diverse technology startups for Season 7.

The year of 2015 had many firsts and significant accomplishments for BUILDUP. With the support of our sponsors, such as the NVCA, our organization looks forward to expanding our reach and programing in 2016. Let's BUILDUP!

"Our mission is to educate and mentor underrepresented founders that already exist in the tech ecosystem. Regardless of their background, whether they are an engineer, designer, thinker or dreamer, we believe inclusion of diverse entrepreneurs inspires the best innovations in today's globally connected society."

"We want the stakeholders in the tech community to see our BUILDUP Fellows as diverse talent qualified to lead successful startups or have a meaningful impact at a tech company."

"Coming from an investment banking background, I have seen biases at work in regards to founders and funding. I want to bring to light investment opportunities of game changing, innovative products and experiences, which are created by a "nontraditional" founder."

"The BUILDUP Fellows program will create a unique opportunity for underrepresented founders - such as women, veterans, and minorities - to receive coaching to scale from their MVP, to gain customer traction, advance the technical back-end development of their product, and create comprehensive business models to gain more financial capital at the pre-seed funding stage."

*-Christian Anderson,
Co-Founder of BUILDUP*

Changemakers and Pioneers



HACKBRIGHT ACADEMY



Hackbright Academy is the leading engineering school for women, with a mission to increase female representation in tech through education, mentorship and community. Its flagship Fellowship is a 12-week intensive software development program where women with little coding experience learn the skills to become full-time software engineers. Hackbright grads go on to work as software engineers in tech companies such as Uber, Slack, SurveryMonkey and New Relic. Hackbright has graduated over 300 students, and every year graduates more women software engineers than Stanford and UC Berkeley combined. The typical first job is “software engineer” and the average starting salary is \$90K.

“Hackbright Academy graduates are leading the charge to #changetheratio in tech. Our students’ technical excellence and leadership skills makes them sought-after members of engineering teams in the Bay Area and beyond.”

—Sharon Wienbar, CEO of
Hackbright Academy



STUDENTDREAM



Student Dream believes in the socio-economic power of innovation. The accelerator trains collegiate students of color to launch startups through innovation training, mentorship and access to key networks. In 2015 they substantially accelerate the knowledge and success of companies founded by collegiate students of color. Their programs have empowered 400+ students across NYC, DC, ATL to transform close to 10 ideas into companies, raise \$100,000+ in funding and envision entrepreneurship as a viable career path for their lives. In 2015 Student Dream activity included:

- I Have a Dream Innovation Summit at Google NYC
- BIIHackathon (Black History Month Hackathon building solutions to community challenges)
- Innovation Training for the DOE Lab To Market Initiative
- Howard University's FIRST Homecoming Pitch Competition

“Social impact takes place when people, communities and institutions flourish as a result of ones work. Communities of color worldwide have not been operating at the level of entrepreneurial excellence that they’re capable of and it’s the responsibility of everyone to fix it so that everyone flourishes. As our programs continue to run, impact for Student Dream takes shape as we empower a diverse generation of leaders to solve problems, reach their creative potential and contribute to the vibrancy of global communities through innovation.”

—Nena Ugwuomo,
Founder & CEO
Student Dream

Changemakers and Pioneers



UNCF

UNCF is the nation's largest and most effective minority education organization. Since its founding in 1944, UNCF has raised more than \$4.5 billion to help more than 400,000 students receive college degrees at UNCF-member institutions and with UNCF scholarships.

Over the next 50 years, the innovation and tech-economy is projected to produce more jobs and economic growth in the U.S. and globally than any other industry sector. Unfortunately, not all communities are participating in the innovation economy due to real barriers preventing their inclusion. In Silicon Valley, for instance, African-Americans make up less than 2% of the tech-workforce in leading companies like Google, Face-

book, Yahoo and Twitter and less than 1% of VC invested startup companies – an observation that is consistent with low participation in the venture capital industry.

To address these challenges, the UNCF established the HBCU STEM Innovation, Commercialization and Entrepreneurship (or ICE) initiative in early 2013 as a collaborative, open source and social enterprise platform that connects HBCU students, faculty and institutions to the innovation and tech-economy. The vision of the ICE platform is to transform our campuses into high-performance STEM hubs and nodes of innovation and entrepreneurship that will have increased economic impact for the African-American community. The HBCU I.C.E. platform

“Over the next 50 years, two things will be happening simultaneously: the innovation and tech-economy is projected to produce more jobs and economic growth in the U.S. and globally than any other industry sector; and U.S. demographics will dramatically shift towards a minority-majority population – where African- and Latino Americans make up the majority. American economic prosperity will be at risk if current underrepresented minority populations are not fully participating in the innovation and tech-economy.”

—Chad Womack, PhD,
Director, STEM Initiatives
and the HBCU Innovation,
Commercialization and
Entrepreneurship (I.C.E.)
Initiative UNCF

implements its strategy by convening and connecting HBCU students, faculty and administrators to key innovation ecosystem stakeholders in Silicon Valley and other innovation/tech-ecosystems.

In 2015, the HBCU I.C.E. platform activities included:

- 3rd Annual Silicon Valley HBCU Innovation Summit
- Collaborated with the White House Office of Science and Technology Policy (OSTP) on Making for Change – HBCU participation in the National Maker Faire
- Co-produced the STEM and Innovation Tracks of the White House Initiative on Historically Black Colleges and Universities



Changemakers and Pioneers



Mergelane Team Hannah Davis, Elizabeth Kraus, Sue Heilbronner

MERGELANE

MergeLane is an investment accelerator and fund focused on companies with at least one female in leadership. MergeLane is proving that investing in women isn't just the right thing to do, but the smart thing to do.

MergeLane's 12-week accelerator program pairs a select group of high-growth companies with industry-leading mentors and CEO coaches with the goal of dramatically increasing their growth trajectory. Eight women-led companies were selected to participate in MergeLane's inaugural 2015 program. These companies collectively raised over \$11 million in funding and created more than 100 jobs. MergeLane has chosen 10 companies for its 2016 cohort scheduled to run from February – April of 2016.

Each of the companies accepted into the MergeLane accelerator receives \$20,000 in funding as well as the opportunity to garner an additional investment of up to \$100,000. MergeLane also recently expanded its fund to make select investments in women-led companies outside its accelerator.

MergeLane is the proud recipient of the U.S. Small Business Association's 2015 Growth Accelerator Fund competition. For more information, visit www.mergelane.com.

OUR INCLUSION APPROACH:

"We bring together extraordinary companies led by hyper-talented founding teams that contain at least one stellar female leader.

"As supported by numerous studies, we believe diverse companies are stronger and investing in women delivers returns. We



Announcing the class of 2016



@MergeLane

#OnRamp

have seen this through our own experience and through the lens of the thousands of investors in our MergeLane network.

"Yet, there are far fewer women in startups than should be expected.

"MergeLane blends our investment thesis, our talent and motivation to accelerate startup leaders, and our passion for changing the ratio.

"We deploy inclusion tactics such as a reduced residency requirement for our accelerator (nine of 12 weeks are virtual) and an industry-agnostic investment focus. We proactively identify and recruit companies with female leaders. We have a gender-diverse group of extraordinary mentors and investors.

"MergeLane-supported founders achieve a greater willingness to reach their potential

and inclination to aggressively pursue opportunities. They advocate for themselves and their business, think as "big" as possible and ask for strategic support.

"We discover, accelerate and invest in exceptional women and the companies they run."

—Elizabeth Kraus, CIO & Co-Founder, MergeLane

Changemakers and Pioneers

OFFICE OF INNOVATION AND ENTREPRENEURSHIP AT THE U.S. DEPARTMENT OF COMMERCE

The Office of Innovation and Entrepreneurship (OIE) at the Economic Development Administration (EDA), U.S. Department of Commerce, is dedicated to helping communities create the building blocks that foster new technology, business, and jobs as a means for economic development.

In 2015, OIE made \$20 million in grants through the Regional Innovation Strategies program, which included \$16 million to support commercialization and acceleration programs for entrepreneurs, and \$4 million to support the launch and growth of early stage seed funds. Grantees included universities, economic development organizations, and accelerators in places like North Dakota, Florida, upstate New York, Tennessee, Alaska, Arizona, and many other emerging innovation regions across the U.S.

The office's 2015 funding opportunity worked to expand opportunities for women and underrepresented minorities in the innovation and entrepreneurship

ecosystem – further emphasizing the administration's efforts to increase diversity in entrepreneurship.

OIE also manages the National Advisory Council on Innovation & Entrepreneurship (NACIE), which is collaborating with early-stage venture capital and public sector investors to identify new ways for public and private sector actors to work together to improve access to capital for early-stage startups.

Julie Lenzer, Director of the Office of Innovation and Entrepreneurship remarked that, "We truly believe innovation can happen anywhere, and to keep America competitive, we need all hands on deck. That's why the federal government, and OIE in particular, have been working tirelessly to democratize entrepreneurship by supporting the conditions to give all entrepreneurs an opportunity to succeed."

The background features abstract geometric shapes. A large green shape is on the left, and a blue shape is on the right. Both are outlined in orange. The shapes are irregular and layered, creating a sense of depth and movement.

“Diverse views and perspectives have been a part of Menlo Ventures right from the beginning. Our founder, Dubose Montgomery, grew up in a small town in rural South Carolina before starting Menlo. Many of our partners were the first one in their family to go to college. We were one of the first firms on Sand Hill Road to have female general partners and benefited tremendously from the perspectives it brought us. Building a diverse partnership is not just the right thing to do but its the smart way to guarantee success. As evolution shows, success and survival is driven by genetic diversity. At Menlo, our motto is to “Venture Right” and you cannot venture right without having a wide variety of views and perspectives around the table.”

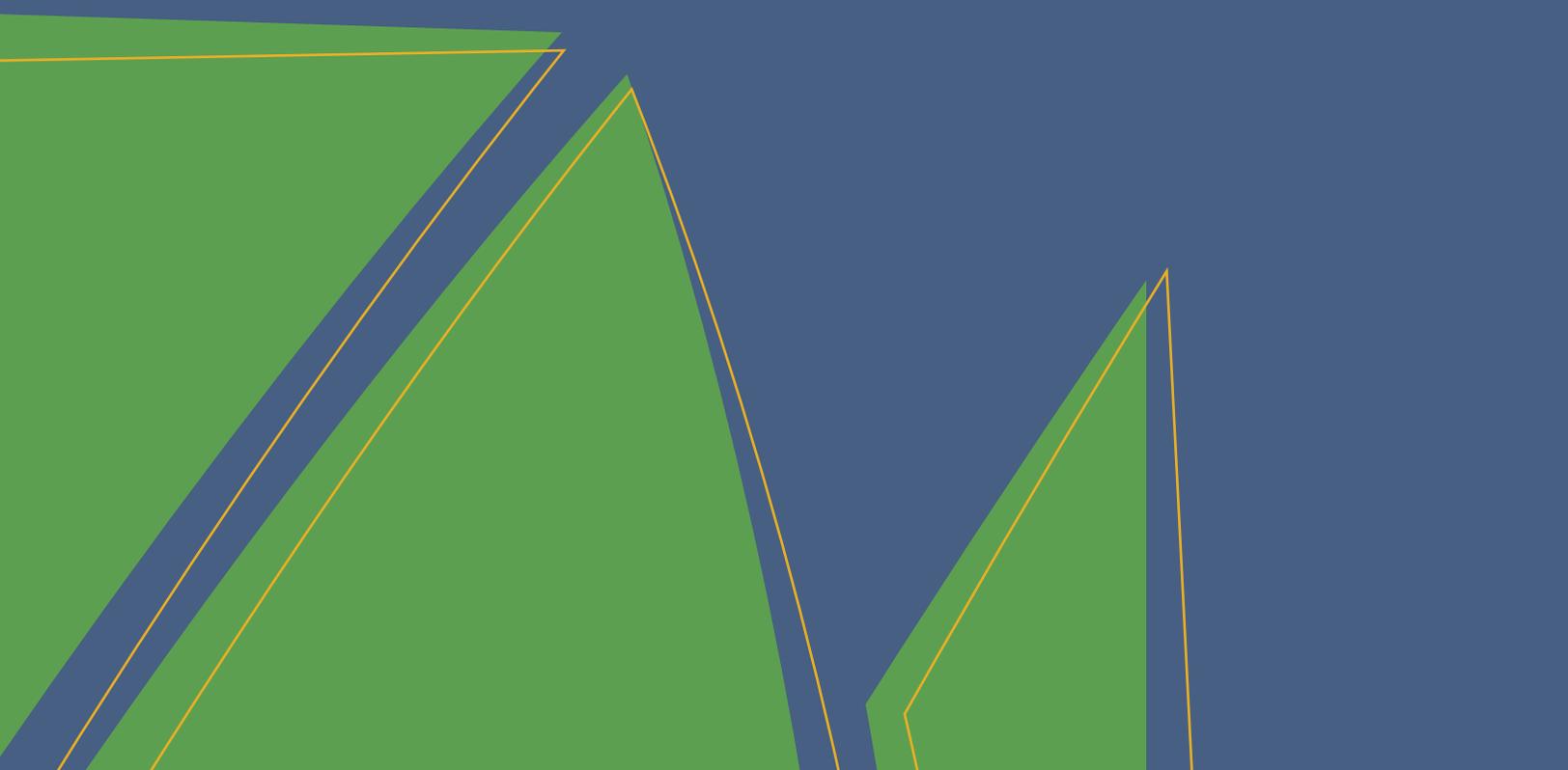
—Venky Ganesan, Managing Director
Menlo Ventures, Menlo Park, CA

Changemakers and Pioneers

IF WE CAN MAKE A DIFFERENCE HERE, WE CAN MAKE IT ANYWHERE

By Kate Mitchell, Scale Venture Partners

One of my early takeaways from working on Inclusion & Diversity this past year is that I had no idea how easy I have it as a woman. Of course, that doesn't mean we are anywhere close to where we want to be in terms of representation of women in the industry, but that we are even further away from our goals when we focus on minorities. The data from Richard Kirby at Venrock and from JoAnn Price of Fairview Capital suggest that minority representation is a fraction of the already low estimate that less than 5 percent of women are at the investing partner level. This same phenomenon is also seen at tech companies from Intel to Google to Facebook. It has led me to spend more of my time learning from teams that have successfully focused on this population like the Toigo Foundation and the Kapor Center.





The interest in learning more about those whose paths to success are long led me to an unlikely place.... San Quentin State Prison. While I want to learn how we can be more inclusive of all races and genders in the tech industry, this is certainly not a place I would have expected to find inspiration...yet, incredibly, I found it in The Last Mile's (TLM) coding program inside San Quentin. The Last Mile is a non-profit founded by venture capitalist, Chris Redlitz and his wife, Beverly Parenti. I was impressed with the inmates' knowledge, not just about coding, but about business. They know their lives will be radically different when they are released with a marketable skill. They have HOPE for the future.

The statistics on the need for programs like this are clear. The recidivism rate in

California prisons is an average of 64 percent, but the rate is **zero percent** to date for graduates of The Last Mile. I was happy to hear that TLM has 75 programmers who volunteer to teach, during two monthly training sessions inside the classroom at San Quentin. These mentors represent many Silicon Valley companies including Google, Salesforce, General Assembly, Slack, LinkedIn, Airbnb, and Twitter, to name a few. Even Mark Zuckerberg took time to visit The Last Mile's coding class, a great example of a successful public-private partnership.

Going back to the office from San Quentin felt jarring. I couldn't wait to talk to our head of IT at Scale Venture Partners, Zach Boewer, who was equally moved by their stories. It amazed him how much the people who are inmates at San Quentin could

Changemakers and Pioneers

accomplish using older equipment. Even more incredible was their technical proficiency, despite their lack of experience with the Internet and mobile applications given their long stays in prison and the handicap of learning to code without Internet access.

Zach immediately thought about all of the expertise among his venture IT peers and the equipment that we and our venture peers replace every year. Over the last two months, Zach has mobilized his network into action. The key contributors were Reduxio, who contributed the critical enterprise flash storage equipment, and Echo Consulting, who contributed their time and expertise. Hewlett Packard and Aruba Networks also contributed valuable equipment.

Together, they are setting up a brand new development environment behind the walls of San Quentin that is state of the

art. We built the server racks in our offices that will soon be moved behind bars to simulate a live coding environment in which the inmates can further their learning and ultimately work in a Dev Shop for private companies to outsource to the prison. The new development environment will allow the inmates to take their programming to the next level. It is an inspiration that once we look for the opportunity, we can make a big difference in others' lives. We already have the know-how and resources to make it happen. I encourage readers to volunteer at your local public school, teach a class at your alma mater, hire a minority summer intern, support minority entrepreneurs, get involved at a coding academy, use your imagination...you will be richer for the experience and will leave a lasting impact.





**NATIONAL
VENTURE CAPITAL
ASSOCIATION**

Funding innovation. Empowering entrepreneurs.