

# Are you a female founder struggling to receive funding? You're not alone.

This past summer, the Google Campus in Shoreditch has launched a long-overdue venture, a Female Founders programme. Over a period of five months (which was extended from the original six weeks), the diverse group of entrepreneurs - from different ethnicities, countries and backgrounds - will learn everything they need to know to launch a successful company.

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While these programmes are nothing new in the startup world, the fact that it's dedicated strictly to female founders is something that deserves to be celebrated, and indeed replicated. Analysis from the insurance company Digital Risks found that only 19.4% of the startups founded in the UK between 2000-2018 were led by women.

This statistic is not surprising when looking at one of the biggest hurdles startups need to face when racing towards the finishing line; procuring funding. According to The UK VC & Female Founders report "for every £1 of venture capital (VC) investment in the UK, all-female founder teams get less than 1p, all-male founder teams get 89p, and mixed-gender teams 10p."

## A grim picture for diversity inclusive of female founders

The State of European Tech report for 2018 supports this grim picture, reporting that 93% of VC funds raised that year went towards all-male teams, and a mere 1% went to companies consisting of women alone.

*“I’ve been told to bring my male CTO to meetings”*

When speaking to female founders, the VC picture is not as black and white as research portrays. In the post #metoo landscape, it’s safe to say that there’s no tolerance for anyone, men or women, to refuse to fund a startup based on the gender of its founder.

Vivi Friedgut, who founded Blackbullion in 2014 and earlier this year closed a £400k post-seed raise explains. “I think the people I’ve met are too smart to be overtly sexist”, Friedgut says, “but there’s definitely been an undercurrent of it throughout the journey. For instance, I’ve had feedback on how I speak and use my hands when I’m pitching. I’ve been told I’m too expressive and too passionate too, which for me, every founder needs to be to survive.” Other, more cheeky investors, have suggested Friedgut gets a male co-founder or brings her male CTO to the meetings.

Hannah Cox, the founder of Better Not Stop, which is currently searching seed funding SEIS, has also encountered some odd comments. “I’ve been told that I’m not a good investment opportunity as I’ll probably decide to have kids soon (I’m 35)”, Cox recalls. “When I said I never wanted kids, I was told that perhaps I should try and drop that into the conversation during my pitch. I’ve also been asked what my boyfriend thinks about this and if I’m married”.

## Setting female founders up for failure

More concerning than the sexist comments to female founders, Cox explains, are the questions that she was asked during pitches, which her male counterparts didn’t have to face. “In one pitch, after watching ten startups pitch (all men) I was asked if this is just an idea I had. No one else was asked that and the fact I answered ‘no – it is a business with a plan, website, team and model in place’ surprised the judges”.

A Harvard Business Review research confirms Cox's feelings as a common phenomenon. Analysing Q&A's at TechCrunch Disrupt New York, it found that both male and female VCs "tended to ask men questions about the potential for gains and women about the potential for losses". Moreover, "entrepreneurs who were asked promotion questions received twice as much funding as those who were asked prevention questions", which only serves to expand the gender gap in funding.

Another common obstacle that women face when trying to raise funds is fewer networking possibilities. Not many startups receive investments through cold pitches alone. It's all about getting noticed by the right people at the right time. A study performed at Harvard University revealed that the majority of networking events are geared towards male interests, making it easy for them to bond and create lasting business connections, while women are being left behind.

To top it off, there are also centuries of social conditioning to take into account, as the Technology Hub BrainBlender states: "Men will have 10% of a solution and hype it as the answer, while women will have 90% of the solution and say it's still in development".

*"Finding the right investor is a two-way street."*

## **New female-focused initiatives**

While the journey to raise capital may be longer for women founders, it is getting easier every day. First, the small number of female VCs out there will, more often than not, wish to support other women. Second, events such as European Women in Tech, and women-only members clubs like The Allbright and The Wing are creating a great new environment for women to network and reach out to potential investors.

There are also a number of female-focused competitions like The Women Startup Challenge and funding aimed specifically for women entrepreneurs, such as The Cartier Women's Initiative, The AllBright and Female Founders Fund.

Funnily enough, co-founders Vivi Cahyadi and Karolina Saviova tried to approach several female-focused funds for their venture Altovita and were

refused: “I was intrigued by the Serena Williams Fund because she only invests in female founders, who are also minorities”, says Cahyadi who is from a Chinese heritage. They finally secured £360K for their pre-seed through other means. “But it is a cold email, rather than being introduced,” Cahyadi explains, “which is what has been more successful for us”.

The co-founders give their best tip for finding the right investor, which could work regardless of gender. “Being very adaptable, willing to listen to constructive feedback and showing to potential investors how you can implement their feedback in a productive way is a great way to prove that you are not afraid of criticism”, Cahyadi says. “Be patient and give them however long they need to do their due diligence – it’s an ongoing dialogue”.

## **And the future of women entrepreneurs?**

“Metrics strip away the bullshit and are harder to argue”, Vivi Friedgut adds her own tip for pitching. “Any conversations you’re having become less subjective when you can show that you’ve achieved twice the revenue growth year on year. With hard numbers, personalities – and any gender-related challenges – play less of a factor”.

“Ultimately, if someone is sexist to me in a pitch situation I wouldn’t be interested in working with them”, Hannah Cox concludes. “You are both there to support each other in different ways, it’s a two-way street”.