

# Diversity creates value: this applies to the VC industry too, and we are on a mission to prove it

Diversity is finally at the forefront of corporate decision-making, with discussions spanning from genuine inspirations to create a more inclusive society, to politically correct opportunism. Diversity is a defining value of Elaia: we don't approach it as just a palette of skin colours or accents or religious beliefs, but first and foremost as a richness of opinions and thought processes necessary to challenge the status quo. As such, we try to build our team - within of course the respect of our mission and values -, with diversity as a core tenet.

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At Elaia, it doesn't matter where you come from, how you look, or how old you are, we only look to recruit brilliant minds that bring performance to our investors by making the best investments. We have team members from all over the world. Some team members are barely 20 while others are over 60; engineering, entrepreneurial and finance backgrounds are equally represented;

some will approach new problems with distinct accuracy and in-depth analysis while others will first rely on intuition and acute sensibility. We aspire to build a team that can truly represent the world we live in. That being said, we know that we have to make a strong effort to continue to diversify our team and ensure that it represents the world outside.

## Breaking the mould

Over the years, Elaia has grown larger, yet we've managed to maintain gender parity, open and inclusive communication and increase our overall diversity. So we sat down with our Managing Partner, Xavier Lazarus, and asked him how Elaia has managed to do this and how we can continue to do better.

*"First", said Xavier, "Diversity is necessary to succeed in venture capital, as our game is all about processing information from every possible angle. It's fundamental to have a diversified opinion in order to have the capacity to understand as many topics as possible and to ask all the necessary questions beforehand. Diversity of opinion strongly improves our analysis and decision processes.*

## Why does everyone look the same? It's time for change

The current European VC, PE, and startup landscapes do not resemble what the world looks like, and it's necessary to challenge and change this. There are obvious hurdles to attaining diversity. To start, in the startup world, most of the existing talent pool, statistically, is composed of white men from a privileged background in their 30's or early 40's. Second, as Elaia invests in tech-intensive and deep tech startups, we need to recruit experts in their technical fields, and they often come from specific educational institutions which are often even more unbalanced in gender and background. There are systemic problems in place and these societal norms must be challenged and changed for us to see more diversity in the talent pool. Despite this, Xavier acknowledges that Elaia needs to do more to attract diversity, and it might mean recruiting in unconventional places or looking at experts outside of Europe to bring more perspectives to the table.

*"We want the best team possible, and it doesn't matter how they look, where they're from, or how*

*they identify. Everyone has a right to speak and be heard, and we want their opinions and their talent at Elaia.” explains Xavier Lazarus.*

## Diversity needs to be integrated along the line, not just in the hiring process

From its inception, Elaia has always had gender parity at all levels of the company and everyone, regardless of age, experience or background, has a spot at the table (including at investment committees) to voice their opinions.

We feel that it's imperative to say that hiring should not be the beginning and the end of diversity. True inclusion should permeate all aspects of company culture and practices. This means reexamining hierarchy, promotion processes, even holidays and days off. As your team diversifies, the way you work must too. As CEOs, founders, executives and managers, there is a role to play when it comes to governing and cultivating diversity, and it goes so much further than manifestos, pledges and taskforces. It means instituting and supporting a cultural shift in the traditional ways of work.

We have tried hard to do this at Elaia, to grow with flexibility and to foster change so that we don't leave anyone behind and so that everyone feels heard. For us, there has never been the need for rules or quotas, it has always felt innate to evolve and change instead of strictly following a tired model. Sharing ideas and challenging each other is a part of daily life at Elaia. So there's no pressure to do things a specific way when it comes to how the team works, the work just needs to be done and there's always room for change.

## Internal culture is based on empowerment and trust

Making a diversified team work is all about empowerment and trust. If we pressure employees, then they're not comfortable, confident or happy, and they won't give their best and grow; eventually, the good ones will leave. It's necessary to empower all ages, all people, and all backgrounds, to be their best and to feel their best. We want to partner with our team members, to work alongside them, to help them rise to their full potential. This also means instituting the right resources to support your team.

*“In every department and for every role, we cultivate trust and promote flexibility.” says Xavier Lazarus. “We’ve noticed that when we offer this flexibility, transparency and space for expression to people, they are more productive, and this has created and instilled mutual respect across all departments. Employees will work extremely hard, be loyal to the firm and accountable on their delivery, if they know why and if they trust their team and the management to acknowledge their results.”*

Sharing information, company goals and experience is a permanent job for everyone in the team. For example, on a monthly basis, we have employees host Lunch & Learn sessions to educate any other interested team member on a specific subject that is important to them or to the industry. We also have senior members share the insights of a great past deal, in order for younger employees to learn quicker. Furthermore, we also have a monthly anonymous Q&A that lets anyone ask Xavier, Elaia’s Managing Partner, any question they want with full anonymity to promote transparency and communication. And, all employees are always encouraged to speak to other teams to share their insights and best practices. This requires a bit of time and effort from everyone but the outcome in productivity and quality is extremely high.

## Support employees through every stage of their life

Employee expectations are always evolving, and it’s important for companies to evolve with them. Especially in VC, where cycles are 10y+ long and people do change a lot over such a long period of time! So at Elaia, if we wanted to attract and retain people, we knew that we had to support them as they built their families or had their own personal projects. We know that childcare is crucial, it creates peace of mind for parents and so, we implemented a

childcare benefit program to support our employees who have families or plan to in the future. We want to offer a solution to create balance and peace of mind for women and men of all ages, because employees are more than just their jobs and our company culture must not only acknowledge that, but offer ways to support this. Did you know our CFO wrote a book? Personal growth supports professional growth, so it's a clear win-win to us.

## Pregnancy brings prosperity

Our history has shown that promotion and pregnancy go hand in hand at Elaia. Partners and team members have been regularly promoted during their pregnancy and one partner even closed a deal the day before she went into labour, giving us two reasons to celebrate. We know that these milestones and experiences add immense value to an employee's personal life, and they also bring new growth and perspective to the company too.

## The answer is never just no

Perhaps it's due to his background as a professor that Xavier strongly believes in never just saying no, and that it's always important to first listen and then to respond and explain. A rule of thumb is that if we have to say no, we always try to explain why. Mentorship and trust are important, and we want to see employees excel, we never want to shut them down, especially without understanding what led to a decision.

## There is still a lot to do

We have work to do and we know it. When it comes to tech and deep tech, most of the candidates come from elite scientific and business schools. But, we are open to anyone who proves their talent, and we want to explore different avenues to provide more opportunity to all people.

While we do have several nationalities and backgrounds, it's certainly not enough and our office does not yet represent the world outside. This is our challenge, and we accept this challenge to do better. The VC and tech industries need disruption in their recruitment and culture, and we want to do a better job because we believe diversity brings the best financial performance.

## Final thoughts

We believe in the three Ts: Transmission, Training and Transparency, and these

three create purpose and the capacity to be better. And finally, diversity attracts more diversity, great attracts greater, good energy perpetuates better energy and these are things we want at Elaia every day, and we're committed to it.

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