Accelerating Women in Tech

Will COVID-19 put gender diversity in the tech world on the back burner—or provide a crucial jolt to eradicate dated policies and thinking? **LAURA STEBBING,** Co-CEO of accelerateHER, talks to Brunswick's **MEAGHAN RAMSEY** and **INEZ BARTRAM VILAR.**

Attendees of accelerateHER's 2019 Forum in London. The event was designed to "bring together female leaders, senior investors and select rising stars to drive meaningful conversations about the state of technology."

PHOTOGRAPH: COURTESY OF ACCELERATEHER

Between 2009 and 2017, more than $424 billion in total tech venture capital was raised—and 0.0006 percent of it went to startups led by Black women, according to research by Project Diane. In a separate study, analysts at Morgan Stanley dubbed the ingrained, systemic bias by investors toward multicultural and women-owned businesses "a trillion-dollar blind spot." Gender inequality in the tech world—most forcefully directed toward women of color—is one of the many inequalities COVID-19 threatens to not only exacerbate, but also to potentially relegate in importance as companies narrow their focus to survival.

In a report released prior to the outbreak, PwC described gender diversity in tech as being "a crisis." Gendered recruitment practices, toxic "bro culture" and a persistent pay-gap had led women to comprise less than one-third of the workforce at leading tech firms and only 12 percent of the industry's leaders.

The fallout from that inequality could be seen in everything from new product development—like the "holistic" health app that made no mention of menstruation—to inherently biased algorithms, like an infamous AI recruitment tool which prioritized male applicants. Tech investors and tech-focused venture capitalists are similarly lopsided. In Europe last year, all-male-founded tech startups received 92 percent of investments across the continent, according to a report by Atomico.

Also driving this disparity is the representation of women in the venture capital workforce—twice as many men work in VC as women, according to research by Diversity VC. Another is the limited opportunity to invest in women-led teams. In the UK, only 5 percent of pitch decks that venture capital firms consider come from all-female-founded teams (and only 20 percent come from mixed gender teams).

"If you didn't have any access to funding or networks before, how can you get access now?" says Laura Stebbing, co-CEO of accelerateHER. "How can you make yourself heard? A big part of what we can do is create those connections."

Launched in 2016 by the team behind the Founders Forum, accelerateHER brings tech leaders, entrepreneurs, companies and investors together to address the under-representation of women in technology. The organization, which counts Google, Microsoft, Henkel X Ventures and Intel Capital among its partners, is focused on driving systemic change across the industry, from educating leaders on the barriers women face to redistributing more capital to women. Its different approaches and tactics are unified in their desire to create space for women-led innovation, to give life to ideas that may otherwise struggle to survive, and to connect women entrepreneurs to platforms that help them scale their businesses.

Progress in gender diversity in tech has been agonizingly slow, yet prior to the pandemic there was encouraging momentum. The industry had seen a rise of specialist backers as well as a growth in women-founded businesses valued at $1 billion or greater. At the 2020 World Economic Forum, Goldman Sachs, the US's largest deal underwriter, announced a new diversity requirement for the IPOs it would work on. "We're not going to take a company public unless there's at least one diverse board candidate, with a focus on women," Goldman Sachs CEO David Solomon told CNBC.

COVID-19 risks halting that momentum—or perhaps breathing new life into it. The pandemic has seen flexible work arrangements, so crucial for working mothers, become more widespread and hinted at how our working lives can be reimagined. Meanwhile the global protests against police brutality and racial inequality have sparked an intense focus on corporate actions on diversity and inclusion, particularly the gap between business's rhetoric and reality.

In a recent conversation with Brunswick's Meaghan Ramsey and Inez Bartram Vilar, Ms. Stebbing shared the structural shifts the industry needs for meaningful change, and explained how her organization continues to connect people and ideas in a time of quarantine.

Part of your work was bringing people together, creating new connections—is that still possible with COVID-19?
We've spent a lot of time thinking about how we can make sure people who wouldn't usually be "in the room" get in the room. And we can still do that—we can help bring world-leading founders and CEOs straight into people's homes virtually. We've done a session on innovating in crisis with the former CMO of GE; we've held sessions on fundraising with Dame Natalie Massenet DBE of Imaginary Ventures, Sonali De Rycker of Accel and Danny Rimer OBE of Index Ventures. What's great is that we've been able to hold all these sessions as open meetings

on Zoom, so it really does feel like a community coming together. On June 12, accelerateHER LIVE will feature talks from Hillary Rodham Clinton and Cherie Blair CBE QC, who are being interviewed by Dame Vivian Hunt DBE as part of London Tech Week. We'll also have sessions on Black Lives Matter—leading with action in tech, mental health, cyber security, pivoting and leading with a gender lens in crisis. We're still very much sharing ideas and bringing people together.

Has COVID-19 disproportionately affected women in tech?

As it's doing in public health and economic opportunity, COVID-19 is exacerbating all the inequalities that already existed in tech. The number one issue women face is access to capital. They often lack the network that opens the door to investment in the first place. They then have to navigate the multitude of layered biases that affect investment decision-making: from affinity bias (sharpened by the small number of women VCs), to the different questions that are asked of women (VCs tend to ask men questions about the potential for gains and women about the potential for losses), to male investors being uncomfortable funding things they don't use, understand or personally value.

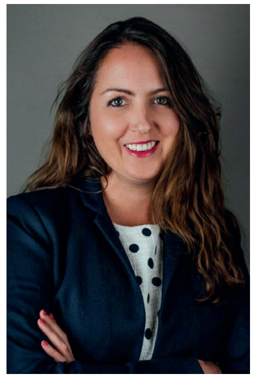
ThirdLove Founder Heidi Zak has said of pitching to male investors: "They invest in incredibly complex and intricate technology, but I lose them when I say bra."

Those challenges still very much exist—and then you add new ones on top of those. Helen Lewis wrote a terrific piece for The Atlantic called "The Coronavirus Is a Disaster for Feminism." It came out in mid-March, when a lot people were recycling those anecdotes about Shakespeare and Newton getting some of their best work done in isolation. And Helen Lewis' point was: Those men didn't have childcare responsibilities and housework. And we've since seen the many studies highlighting how women—in all industries—have disproportionately taken on home schooling, childcare and cooking. These shifts in daily life are compounding the existing issues of fundraising and access to networks.

How hard is it to get the mostly-male industry to pay attention to a problem that isn't "new"?

We have found that most leaders, male or otherwise, are motivated by one of two arguments, and often both.

First, gender equality is a social and moral imperative—essentially, the desire to be on the right side of history. The leaders that are motivated by the moral imperative of equality are typically searching for avenues to give teeth to their values. We have yet to come across a leader in the industry who denies that equality is a moral imperative; however, there are plenty of leaders who acknowledge the problem yet fail to appreciate its impact, or the role they could play.



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Second, the financial value of gender parity. Startups founded and co-founded by women are significantly better financial investments, according to research by Boston Consulting Group and MassChallenge. They found that "for every dollar of funding, these [women-led] startups generated 78 cents, while male-founded startups generated less than half that—just 31 cents."

Women-led companies also tend to be more capital efficient and achieve a lot more with much leaner resources—bringing in 20 percent more revenue with 50 percent less money invested, according to research from the Kauffman Foundation.

Is it even possible to overcome biases so ingrained that we're seldom aware of them?

It's hard to change people, but we can change processes and systems. And the tech industry needs wholesale structural change, from hiring and board representation to capital flows.

But we should be hopeful. There are many impressive behavioral design tools popping up to help curb biased decision-making and behaviors. Awareness of your unconscious biases is an important first step. But as anyone who's made a New Years' resolution knows, there's an intention-action gap. We need to make it easier for people—and businesses—to live up to their virtuous intentions. Whether that's using tools to remove gendered language in job descriptions, implementing hiring tools like Applied, or completely changing the way we do performance reviews.

Setting targets for diversity and inclusion, and measuring against them just as you would with any other business-success metric, is critical. Establish data baselines, as well as regular intervals for collecting and reviewing data, then use these figures to drive smarter business decision making. Investing in tools and resources to extend the employee tenure of women in your business—prevent them dropping off after periods of absence and encourage them to return to work—will reduce the resources required for searching, hiring, training and replacing staff that leave due to inadequate support.

In VC and investment decisions, it's about intentionally widening your network to diversify your deal flow, making sure your LPs and your team look like the people you want to attract and fund, setting targets and, most importantly, focusing on data. Too many investment decisions are based on a gut feel, which, at the end of the day, is biased decision-making.

What's one concrete action leaders in business could take right now?

I'll give you two.

First, put your money where your mouth is and invest in women. Evaluate your procurement processes to establish a baseline dataset on how your company brings in suppliers. Stipulating that even 10 percent of your company's suppliers must be women-founded businesses or adhere to diversity practices your company values (a gender-equal board, for example) could have an immense impact. A number of leading companies have stepped up, making financial commitments to support women entrepreneurs along these lines, including Walmart and Microsoft.

Secondly, work from the inside out to equalize parental leave in your organization. Normalize men taking just as much time off as women, and stop calling it maternity leave. A 2018 Harvard Business Review article cites the sliding scale of issues new mothers in high-income countries encounter the longer they are away from paid work: Their probability of promotion decreases; they are less likely to move into management or receive a pay raise once their leave is over. New mothers are also at greater risk of being fired or demoted.

Women who take longer leave are often unfairly judged to be less committed to their jobs than those that choose not to have children or take less time away from the workplace when they do. This is at odds with a key motivation for parental leave legislation: enabling women to pursue motherhood without sacrifice to their career success.

The Institute of Fiscal Studies estimates that by the time a woman's first child is 12 years old, her hourly pay rate is 33 percent less than that of a man with the same experience. Extrapolate that impact for additional children and consider that setback in the context of a childcare system that is prohibitively expensive for many families and a job market where part-time work is hard to come by or undervalued. The combined lack of incentive to return to the workforce after leave means employers are missing out on a wealth of talent.

WOMEN-LED COMPANIES BRING IN **20** PERCENT MORE REVENUE WITH 50 PERCENT LESS INVESTMENT, ACCORDING TO THE KAUFFMAN FOUNDATION.

MEAGHAN RAMSEY is a Partner in Brunswick's Business & Society practice. She previously led the global social impact work of the Dove brand. **INEZ BARTRAM VILAR** is an Account Director. Both are based in London.

Are you optimistic that the COVID-19 pandemic will inspire that sort of re-thinking—that it will be a "great leveler"?

We know that one of the single biggest things we can do for women in the workplace is normalizing flexible working, and of course that's now happened for a lot of women in office roles. We have lots of CEOs telling us they never thought this kind of flexibility was possible before, and now they're realizing it is. That's promising.

But we need to make sure that we fundamentally change the rules of work to make them work for women. It's great that women can work from home, but it's not necessarily a solution if they still aren't in the key meetings, if they're burdened with caring responsibilities, if they're being left behind.

For leaders, it's about looking at the future of work, not focusing on simple technological quick-fixes. And, crucially, as leaders look at the future, that they do so through a gender lens. How will these decisions affect women? Are women being included in this conversation?

What about investors—what's one thing they can do immediately?

Revise your portfolio targets. Make the bold commitment that 50 percent of your firm's venture capital investments must be made in women founders, or founding teams that include women. Set targets for one, three, five and 10 years to create structure and reinforce accountability for delivering them.

Also, look at cap tables. Research conducted by #Angels, an investment collective of early Twitter employees, found that of the 6,000 companies they analyzed (with a combined total of nearly $45 billion in equity value), women made up 33 percent of the combined founder and employee workforce but held just 9 percent of the equity value. Women are largely removed from the wealth creation the industry boasts. This has a profound impact on the amount of capital a woman walks away with at exit, limiting her ability to fund the next generation of innovative new ideas, or indeed start a new company. Not only do diverse founding teams matter, but so does the composition of their share of the business. This single action could be transformational.

And be honest when you fail, ask why an initiative hasn't worked and consult the data. Look beyond your own footprint. Finding ways to influence your broader ecosystem could help accelerate the delivery of your own gender diversity goals. ◆