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Reversing the Decline in Women Entrepreneurship: Opportunities for Rebuilding the Economy

Natalie Buford-Young, CEO of Springboard Enterprises

natalie@springboardenterprises.org

Springboardenterprises.org

Springboard Enterprises is a 21-year-old not-for-profit committed to propelling women entrepreneurs forward. We serve as a growth accelerator for women entrepreneurs who are building innovative companies at scale. The value that Springboard Enterprises brings to the market has been validated by our strong 21-year track record of success with more than 835 companies coming through our program resulting in more than \$27B of value created, 89% of our portfolio companies receiving funding, more than 200 exits or M&A events and 22 IPOs.

Despite all of Springboard's success in supporting women entrepreneurs, there is still tremendous a gap in the amount of funding flowing through to women founded companies. Women founders are still only receiving a small fraction of overall venture capital funding. In 2019, women founders received a paltry 2.8% of venture capital funding. In 2020, it dipped even lower to 2.3% of venture capital funding going to women founders¹. Studies are pointing to two contributing factors for the decline.

1. Women were disproportionately impacted by Covid, as they often serve as the primary caregivers for their families and found themselves faced with the choice of focusing on the care of their families or building their companies. Some opted to put their company growth on hold or postpone their capital raise.
2. Investors, faced with market uncertainty, reverted back to their more "comfortable" networks and were less willing to take a "risk" on unknown entities including women founders.

Ironically, studies show that companies with a woman founder performed 63% better than investments in all-male founding teams, and businesses founded by women deliver twice as much per dollar invested than those founded by men.² In contrary to the overall market, in the time that most women-founded companies were taking a hit from 2019 to 2020, Springboard was doubling down and our Springboard companies saw an increase. In 2019 Springboard companies raised \$1.06B in funding. In 2020, despite the pandemic, our Springboard companies raised \$1.31B in funding.

Founded by Kay Koplovitz in 2000, Springboard was the first organization of its type focused on women entrepreneurs and has continued to be instrumental in the success of our entrepreneurs including those who built top companies such as Zipcar, iRobot, Minute Clinic, Constant Contact, Everlywell and many others. While there are many accelerators, incubators, and start-up organizations that focus on

¹ March 2021 Crunchbase- Female Investors Aim To Reverse Alarming Decline In Women's Economic Participation

² Forbes 3/29/2019 "The value of investing in female founders."



companies at the ideation stage, Springboard programs serve women entrepreneurs that are at the critical stage of scaling their companies. Our companies have typically raised their seed or angel funding and are approaching series A or have raised their series A.

I'd like to give you a glimpse inside Springboard and how we impact the success of our women entrepreneurs through our expert network and our signature programs. Unlike most accelerators, we are focused on assessing the stage and skill sets of our entrepreneurs and then helping to fill those gaps utilizing our network of 5,000 advisors.

Women entrepreneurs apply, are evaluated, and then selected to join our various cohorts. Once a woman is selected to be a part of one of Springboard cohorts, we listen to their personal bio pitch and their company pitch and spend time getting to understand what they need. Then, based on what they believe their gaps are and what we see as their gaps, we match them with a custom set of advisors from our network of 5,000 subject matter experts. The gaps can vary greatly from founder to founder but here are a few examples of what we have experienced: financials are not in order, lack of understanding of how to protect intellectual property, misalignment in product-market fit, or lack of experience navigating the FDA approval process. Whatever her gaps may be, we have subject matter experts in our Springboard network who provide their time and talent to help our entrepreneurs build their companies. Many of these connections have spanned for more than 20 years, with advisors joining the company they have advised, or joining the board, or investing in the company or serving them as a service provider. Once a woman entrepreneur is an alumna of Springboard, they are part of our network for life. We like to borrow a lyric from Hotel California by the Eagles ..."you can check out any time you like but you can never leave."

Another one of our signature programs is Dolphin Tank. Similar to the television show Shark Tank, companies provide their quick pitch to a live audience. In the case of Dolphin Tank, our live audience is comprised of advisors and investors who offer their feedback and connections to the presenting companies. In one of our recent dolphin tanks featuring diversity founders, one of our presenting companies that provides a transportation and logistics solution for school systems, ended her presentation with a request for access to a specific decision maker in a particularly large school system. One of our audience members who is closely connected to the superintendent, offered the introduction on the spot.

Our collective community, which includes all of you, needs to continue to ban together to support the next generation of women entrepreneurs building their companies at scale. Here are a few of the ways that you can support the women entrepreneurs:

1. provide incentives for all types of investors to be motivated to invest in women founded companies
2. create direct grant programs support for mid to later stage women-led start-ups where there is a large funding gap



Springboard and other similar not-for-profits and accelerators have accomplished so much with the support of the private sector primarily through corporate sponsorships, corporate philanthropic donations, as well as individual donor contributions. Springboard's key corporate contributors include Accenture, Eli Lilly, Aetna (now CVS), Dell Technology, CA Technology (now Broadcom) Proctor & Gamble, Microsoft, as well as many top law firms, commercial banks and other top industry service providers. Despite their contributions, we still need additional support to allow us serve more women entrepreneurs who come to us for help. As corporations have cut back on sponsorship and philanthropic budgets during the pandemic, it has impacted our fundraising efforts to support our mission of advancing women entrepreneurs.

While direct support of women entrepreneurs is key, support of organizations like Springboard is crucial to provide women entrepreneurs with the educational and other support they need to build their companies to scale. Here is how you can support Springboard and our mission:

1. provide meaningful governmental incentives for corporations and other donors to give to non-profits that support women entrepreneurs
2. establish governmental grant programs that directly support women entrepreneurs while establishing key metrics on their outcomes

The perfect way for you to see us in action is to join, as our guest, for one of our Dolphin Tanks, which you can attend virtually. <https://sb.co/dolphin-tank>.

Thank you for this opportunity to present to the Committee.