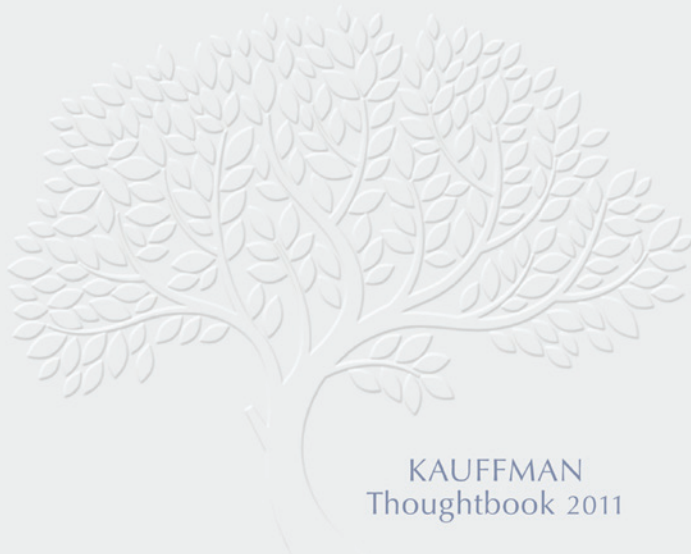


## EXCERPT FROM

“Every day you may make **progress** ... Yet there will stretch out before you an ever-lengthening, ever-ascending, **ever-improving** path. You know you will never get to the end of the journey. But this, so far from discouraging, only adds to the **joy and glory** of the climb.”



Fifth in an ongoing series, the **2011 Thoughtbook** captures what the Kauffman Foundation is thinking, learning, and discovering about how education, entrepreneurship, and innovation drive growth and progress in myriad ways. The essays are written by the talented Kauffman Foundation associates, partners, and experts who are pursuing the principles and vision set by our founder, Ewing Kauffman.

[www.kauffman.org/2011thoughtbook](http://www.kauffman.org/2011thoughtbook)

REQUEST YOUR COMPLIMENTARY COPY  
DOWNLOAD PDFs OF INDIVIDUAL CHAPTERS OR ENTIRE BOOK IN E-READER FORMAT

# Starting Up Growth





## Kauffman Labs

### Building the Next Generation of High-Growth Companies

BO FISHBACK

Vice President, Entrepreneurship, Ewing Marion Kauffman Foundation; President, Kauffman Labs for Enterprise Creation

This is the story of the making of a business startup engine unlike any other. Turbo-charged by the Kauffman Foundation, Kauffman Labs for Enterprise Creation is embarking on a new way to educate the most ambitious and innovative aspiring entrepreneurs to design, architect, and build the next great high-growth companies that will transform lives.

Why the focus on scale? One of the most compelling facts to emerge out of recent Kauffman-funded research is that a surprisingly small number of high-growth, young companies account for a large percentage of growth in our economy. Astonishingly, as important as these companies are to the economy, no one—not even the most-respected academics or well-heeled venture capitalists—knows what it takes to intentionally design and create high-growth, scalable success.

Like the promising startups it seeks to nurture, Kauffman Labs is the product of in-depth expertise and informed planning. But, although we are an outgrowth of many years of research and development at the Kauffman Foundation—which has invested close to a half-billion dollars in the development of classes and programs to directly and indirectly assist entrepreneurs—we do not have any magic answers for what it takes to build high-growth companies. Yet. That's why

we call this Kauffman *Labs*. In addition to helping founders learn how to start scale companies, we will be closely studying the process to advance our understanding of high-growth entrepreneurship over the long term. We will synthesize and apply that knowledge to make the creation of scalable companies far more deliberate.

### The Kauffman Labs Experience

Ambitious business founders think about—and plan—for scaled growth early on. They execute beautifully at the proof-of-concept or pilot phase. They show that their product works and is desired by the market, but they have little understanding of how to take it to the next steps to significantly grow the business.

... we will be closely studying the process to advance our understanding of high-growth entrepreneurship over the long term.

We hope to help founders prepare for this eventual and critical stage from the very beginning. We will help them understand the markets they are wading into, identify and attract the best talent in the world to help them put the right pieces in place, test the market, and iterate ideas, all while learning how to thoughtfully pivot into the next stage.

Kauffman Labs entrepreneurs will rarely spend time sitting in a classroom. When they do, they will immediately apply what they learn. We will provide tools, mentoring, networking, and in-the-field experiences that would be extremely difficult to obtain for even the most resourceful entrepreneurs. Giving entrepreneurs the ability to access the world's leading minds and market experts gives them the power to transform the direction and scale of new ventures—as long as they are capable of listening, synthesizing, and applying what each of those experts brings to the table.

We will be learning as we work with the founders who participate in Labs programs. We began this practice with a “pilot” program that was designed to work with postdoctoral researchers who were aspiring founders. The Kauffman Entrepreneur Postdoctoral Fellowship Program lasted one year and led to the next iteration of Kauffman Labs. (Read the sidebar on the next page from one of the postdoc fellows who describes what he learned from his Labs experience.) Our biggest lesson: Markets matter.

### Markets Matter

Our experience working with founders has made it starkly obvious that, to help companies start and grow fast, we needed to work with aspiring founders in similar markets. Different markets require radically different expertise, networks, bodies of knowledge, and strategies for success. The impact of markets on specific ventures is an ill-appreciated science that, if taken seriously, could lead to fundamental breakthroughs in terms of what is required to design a company for scale.

We're looking for founders who have unproven, but remarkable, potential.

Kauffman Labs will launch programs market sector by market sector. We will conduct in-depth research of sectors that are billion-dollar industries, face revolutionary changes, are uninhibited by regulatory hurdles, and attract the best and brightest minds. As we move forward, we'll bring together global experts in those industries to serve as advisors and mentors for each program. We'll tap into the experience, network, and knowledge of the Kauffman Foundation to give our founders unparalleled resources.

Our inaugural market sector is education—a booming \$1 trillion market in the midst of monumental changes and ripe for transformation. Given the Foundation's

## Insights from an Entrepreneur Postdoctoral Fellow

Kauffman Labs for Enterprise Creation piloted its first program for aspiring founders with its Entrepreneur Postdoctoral Fellowship Program, a one-year program designed to work with thirteen select postdocs ready to form or grow their startups. Lessons learned from this inaugural Labs program helped to shape subsequent iterations of Labs, such as the imperatives of one-on-one mentors and creating market-specific cohorts. Following are insights from one entrepreneur postdoc fellow.

There are nearly 50,000 postdoctoral researchers in the United States. Although these brilliant investigators are on the front lines of scientific innovation, few are connected to universities that provide guidance into entrepreneurship as a means for commercializing key discoveries.

### **Riccardo LoCascio, Ph.D.,**

associate director of new ventures at Foods for Health Institute at the University of California-Davis, was one such researcher. His general involvement in launching startups had piqued his interest in streamlining the inefficient process of creating enterprises from academic research. In 2009, he applied and was one of thirteen participants selected for the Kauffman Foundation's Entrepreneur Postdoctoral Fellowship Program.



During his fellowship, LoCascio focused on seeding startup companies based on academic research related to food and health. Through the program, he became an associate at PureTech Ventures, a Boston-based, early-stage enterprise creation group. LoCascio also participated in intensive entrepreneurship workshops at the Kauffman Foundation, interacting with other scientists and industry experts to discuss the challenges and approaches to commercializing research.

"Startup entrepreneurs often are alone in academic settings," LoCascio said. "Being in contact with other entrepreneurs through the Kauffman Labs workshops allowed me to participate in roundtable

discussions about the problems faced in enterprise creation, and to brainstorm solutions. Kauffman Labs provided the fertilizer needed to grow a healthy, rich community of aspiring entrepreneurs."

LoCascio's own research concentrates on dissecting human breast milk and understanding its function and benefits to infants. LoCascio now is developing technologies to obtain commercially viable sources of these beneficial compounds so they can be incorporated into foods that promote digestive health.

Kauffman Labs exposed LoCascio and his peers to world-class speakers who are biotech industry veterans, and gave him a unique opportunity to have one-on-one coaching and mentoring from these experts.

"Kauffman Labs brought in people at very high levels who were forthright about the expectations we should have if we are to create companies," LoCascio said. "It's difficult to achieve similar exposure when you're a lone entrepreneur at a university."

A key insight from his year at Kauffman Labs, LoCascio said, was that he can create good in the world by establishing a profitable company that generates jobs and spurs economic growth.

"Before participating in Kauffman Labs, I was searching for the right model of social entrepreneurship, one that would create social good while generating the capital needed for R&D and profits for investors," he said. "I now understand that a dollar invested in a company can create \$100 in new jobs and economic development. I can improve people's health and, at the same time, break the cycle of poverty and dependence on aid.

"Typical commercialization routes may create lags of five to fifteen years before technology is on the market. Kauffman Labs helped me understand the value and means of accelerating innovation, which helps to make sure that the science does good."

roots in education, launching the Kauffman Labs Education Ventures Program seemed a perfect place to start. (See photos from a weeklong boot camp for the finalists held in November 2010 on page 180.) Other sectors will be thoroughly vetted before becoming Labs programs, but in the next three to five years, we aim to catalyze the creation of fifty to one hundred scalable companies across five to ten vertical markets.

### Seeking Founders

While we hope to attract ambitious, intelligent, and teachable aspiring entrepreneurs to Labs programs, we are not in the business of picking

“winners”—innovators who are already on their way to success. We’re looking for founders who have unproven, but remarkable, potential. We then will foster their understanding of where they are headed to help them catalyze the creation of high-growth companies that may not have existed otherwise.

Labs applicants will go through a highly competitive selection process. For those selected for each program, whether they are sole candidates or members of teams, Kauffman Labs is the runway, the platform, for massive success.

There’s a parallel between the institutional approach of Kauffman Labs and the right founders. Success, for both, requires unbridled ambition grounded in experience, the ability to iterate, and the right networks. It calls for a rare blend of confidence and humility—everyone involved must be open to learning. Success at Kauffman Labs requires both optimism and a grasp on reality.

For those selected for each program, whether they are sole candidates or members of teams, Kauffman Labs is the runway, the platform, for massive success.

Kauffman Labs is just one “startup story” presented in this section. You also will read an essay by the founders of Startup Weekend, who tell us how they are stirring up the startup world with their popular weekend retreats for entrepreneurs. An essay from a serial entrepreneur outlines a clear definition of four entrepreneur “types,” which can help founders identify the tools they need, and help policymakers and entrepreneurial supporters understand what to expect from each. You’ll also find a piece that shares insights coming out of a nationwide “Startup Tour” that consisted of on-site visits to some of the most compelling technology startups in the country. Finally, we have a conversation about how more women can be encouraged and supported to start high-growth companies, and the obstacles they face.



## Stirring Up the Startup World

A Conversation with MARC NAGER

Director, Startup Weekend

*Startup Weekend is a nonprofit organization based out of Seattle, Washington, which hosts fifty-four-hour events that educate aspiring entrepreneurs by immersing them in the process of moving an idea to market. Startup Weekend has helped educate more than 21,000 entrepreneurs at more than 170 events worldwide, facilitating the launch of some 650 new startup ventures around the globe. With events in more than 124 cities and thirty-plus countries, Startup Weekend is a signature event during Global Entrepreneurship Week, a Kauffman Foundation initiative that annually introduces millions of young people around the world to entrepreneurship.*

*Marc Nager jumped full-time into Startup Weekend in 2009. He serves as director along with Clint Nelsen and Franck Nouyrigat. A bootstrapping startup itself, Startup Weekend operates with a small core team based in Seattle and key program facilitators in cities around the world. With a background in international business, technical services, and business processes, Nager travels the world building communities and advising startups. In the following interview, Nager describes what happens at these events that are inspiring startups worldwide and how the Startup Weekend phenomenon has struck a chord that resonates with entrepreneurs everywhere.*

## What is Startup Weekend?

Startup Weekend recruits a highly motivated group of developers, business managers, startup enthusiasts, marketing gurus, and graphic artists to come together in a meaningful way in order to transform ideas into reality. Startup Weekend doesn't teach entrepreneurship in a classroom setting. We follow a fun, interactive, and results-driven model. As a result, we have become one of the leading catalysts for startup creation, co-founder dating, and entrepreneurship education in startup ecosystems around the world.

## Can you describe what happens at an event?

The aspiring entrepreneurs have sixty to ninety seconds to present ideas for new startup ventures. Teams then form around the best ideas. These teams are composed of four to ten people, and usually are balanced in terms of technical and non-technical backgrounds and expertise. Entrepreneurs then spend the entire weekend getting advice from professional mentors and building a proof of concept, demo, or sometimes even a finished product.

## All that happens in just a few days?

We really want to stay focused on actually starting new businesses. Our motto is, "No talk. All action."

We have facilitators who are passionate about getting involved in startup communities around the

world. We put expectations in place at Startup Weekend, and we don't waste time. We bring everybody together and give them deadlines, but the key to

We're not just here to talk; we're here to empower people to start businesses.

our success is that we also provide tools to help them meet those deadlines. We're not just here to talk; we're here to empower people to start businesses. Because everybody in the room considers themselves to be entrepreneurs, they begin coming up with novel approaches to the problems they're facing. We encourage them to start tackling these problems right away.

Is there any apprehension about sharing ideas openly with the group?

Oftentimes the question is, well, I don't want to share my idea with the world. What happens if somebody takes it and runs with it? But what we find and what we are able to share with the rest of the world is that ideas need to be shared in order to be refined. Ideas are a dime a dozen. It's the execution that matters.

So the idea gains momentum and gains strength along the way.

Exactly. In many cases, your initial pitch looks nothing like your final product. As a team, you begin to reiterate, reform, and shape it into something better. You know Facebook or Google didn't begin looking anything like what they've become today.

How does Startup Weekend fit with the other resources communities are offering to help entrepreneurs?

The more aligned our visions and our efforts are, the more the communities win and the more value we can bring to entrepreneurs. Global Entrepreneurship Week, for instance, is a chance to realize that you're not alone in this movement, and it is an opportunity to actively take part in the experience. It is a great time to take what can be learned through more

traditional programs and other events during GEW and test them out using real-life scenarios and solving everyday problems. Together we create that culture, that ecosystem that supports startups and entrepreneurs.

### Can you feed off the energy in the room of a Startup Weekend?

We're lucky at Startup Weekend to get to work with passionate entrepreneurs around the world. We see that everybody has ideas and is very interested in solving problems. It's a theme that is common no matter where you are.

It may sound like a cliché, but sometimes it's a little bit scary trying to be an entrepreneur. We need to help people come together and move beyond that feeling. All you need are the right people and the right resources to begin creating solutions.

The philosophy of Startup Weekend is something that strikes a soft spot with every entrepreneur out there. It's all about working together to build the newest, greatest, and most innovative thing imaginable.



## News from the Road

### Cringely's "Not in Silicon Valley" Startup Tour

ROBERT X. CRINGELY

Author of the technology blog *I, Cringely*

*Bob Cringely is a technology journalist whose columns and TV specials reveal the inner workings of Silicon Valley. In the summer of 2010, with sponsorship from Kauffman, he set out on a 10,000-mile tour to visit unusual and little-known startups across the United States. You can find an account of the tour at [www.cringely.com](http://www.cringely.com), but here are some highlights, from his remarks when he stopped at the Foundation along the route.*

This bus is a 1996 Winnebago Adventurer. Last summer my family had a great time traveling around the country in it, and my brilliant wife, Mary Alyce, said, "Let's find a way to do this again." So we came up with the idea of a startup tour. I have 500,000 weekly readers of my blog. They nominated hundreds of innovative companies they thought the world should know about.



We selected about thirty-two, all over America, and the acceptance we got from the startup people was astounding. We went to people's houses, parked in their

driveways, heard about their dreams and how they're realizing them. And we discovered an amazing variety of companies, which are barely mentioned in the general media.

In Ann Arbor, Michigan, we met a twenty-two-year-old recent graduate from the University of Michigan who's invented paper sandals. His company is called Paper-Feet, and the sandals are actually made from recycled billboard vinyl. There's enough billboard vinyl made and used and thrown away in America every year to cover the state of Massachusetts. He's turning the stuff into sandals for the third world, for the first world, for the cool world, selling them at low prices on the web.

And we discovered an amazing variety of companies, which are barely mentioned in the general media.

Then in Brighton, Michigan, we have an entrepreneur who has found a way to fuel-inject \$600 motorcycles made in China. The countries that have the most motorcycles in the world are China and India. They're making over forty million new ones a year. If the manufacturers install this company's little fuel injection unit, instead of a carburetor, it raises the fuel economy 15 percent and cuts emissions by 95 percent! The company is ElectroJet. The founder and many on his team worked in the Detroit auto industry. So here's a Motor City spinout, marketing an American technology to India and China that's going to help clean up their air pollution, by making its engines run better. Now, isn't that the way it should be?

We also spent time with some folks in St. Louis who are part of a startup called Square. They have a little device—I think I have one in my pocket—that you plug into the top of your iPhone or your Android phone, which allows you to take

credit cards for whatever you're selling. This will revolutionize flea markets and tag sales and anything else where people want to take card payments. That's amazing.

And back to motorcycles, in Portland, Oregon, we saw a one-wheel motorcycle. It's kind of like a unicycle except it has gyroscopic balancing, it's electric, and it goes twenty-five miles an hour. The company is Ryno Motors, and they're selling this to police departments to use in place of Segways. Not only does it cost less, it has other advantages for police patrolling a beat. Cops don't like to stand all day, Segways aren't very maneuverable, and an electric motorcycle puts them eye to eye with citizens. It's a social leveling thing, which is very important in law enforcement.

These are just a few of the things we learned. Most of the companies we visited were very modestly financed, which proves that to change the world doesn't require raising a lot of money. The role of companies like these in our economy and culture has been way underestimated.

In fact, we've now had an inquiry from Chinese television about doing "Startup China." But I want to do more Startup Tours in this country, too, for many summers to come. Even the tech and business media, for the most part, don't understand the details of these startup companies. I'm hoping the project may help America rediscover one of its own greatest strengths.

Just don't ask me to drive all the way next time!



## Typecasting the Entrepreneur

STEVE BLANK

Serial Entrepreneur and Author; Entrepreneurship Lecturer at U.C. Berkeley, Stanford University, and the Columbia University/Berkeley Joint Executive MBA Program

“Entrepreneur” has become one of those buzzwords (like “globalization”) that often means different things to different people. This is understandable, given that there are four distinct organizational paths for entrepreneurs: *small businesses*, *scalable startups*, *large companies*, and *nonprofits*. All of the individuals who start these organizations are “entrepreneurs,” yet those in one category often think the others aren’t “real” or “genuine.” The confusion can be compounded by the teaching of entrepreneurship in colleges and universities, where little distinction is drawn between the four types of entrepreneurs.

For budding entrepreneurs, the first order of business is to methodically think through which one of the four categories they want to be in. Once that decision has been reached, the proper tools can be selected, and the process of entrepreneurship can move ahead.

### *Small Business* Entrepreneurs: Hard-Working and Adaptable

My parents came to the United States through Ellis Island in steerage, and their biggest dream was to open a small grocery store on the Lower East Side of New York City, which they did in 1939. They didn’t aspire to open a chain of grocery stores—they just wanted to feed their family. They went on an uncharted course, took entrepreneurial

risk, and only made money if the business succeeded. The only capital available to them was their own savings and what they could borrow from relatives. They worked as hard as any Silicon Valley entrepreneur, but they had a different definition of a successful business model. When business was bad, they figured out why, adapted, and worked harder still. They were only accountable to one another.

Small business entrepreneurship is not designed for scale—like my parents, the owners want to “feed the family.” Small business entrepreneurs don’t become billionaires and (not coincidentally) don’t make many appearances on magazine covers. But in sheer numbers, they are infinitely more representative of “entrepreneurship” than entrepreneurs in other categories.

### *Scalable Startup Entrepreneurs: Born to Grow*

What scalable startup entrepreneurship lacks in numbers, it makes up for in publicity. Google, eBay, Facebook, YouTube, Twitter, Hotmail, and the like embody the high-flying technology-oriented companies that have become household names. Entrepreneurs who lead these startups typically start out knowing they want to build large companies—their interest is not so much in a salary but, rather, in equity in a company that eventually will become publicly traded or acquired, generating a multi-million-dollar payoff.

Consider CafePress. Its founders, Fred Durham and Maheesh Jain, had a vision of providing a home for artists who make personalized products assembled in a just-in-time factory that could deliver customized gifts. Once they found a profitable business model, they realized that scale required external venture capital to fuel rapid expansion. With venture capital came accountability to board members, forecasts, and other people’s agendas. But today, CafePress is a \$100+ million company, and its website receives 11 million unique visits each month.

### *Large Company Entrepreneurs: Innovate or Evaporate*

A fundamental challenge for large companies is how to preserve a culture of innovation. Failure can be costly—“innovate or evaporate,” as the saying goes—yet countless large companies choke off the spirit of enterprise as they grow. Western Union famously rejected Alexander Graham Bell’s invention, the telephone. An internal memo explained why: “This ‘telephone’ has too many shortcomings to be seriously considered as a means of communication.”

A counter-example comes from IBM. In 1980, the company decided to compete in the rapidly growing personal computer market. It was smart enough to realize that its existing processes and procedures wouldn’t be agile enough to innovate in this new market. The company established its new PC division in Boca Raton, Florida—1,000 miles from IBM headquarters. This small group consisted of twelve engineers and designers, and embodied the “skunkworks” approach to innovation—emphasizing flexibility, autonomy, and creativity. The division developed the IBM PC and announced it in less than a year. Three years later, the division had sold one million PCs, employed 9,500 people, and generated \$1 billion in sales. The division’s funding came from IBM and its head reported up the organization, but he was no less entrepreneurial than those who lead scalable startups or small businesses.

It’s thought that large company entrepreneurs have an advantage over small business entrepreneurs in that they start with an established infrastructure, and they face reduced cost pressures. That’s true—sometimes. But large company entrepreneurs also can face disadvantages; they may not be given the freedom they need to really innovate and pursue ideas that seem outlandish, like open-source software. (“People thought that was the dumbest idea they had ever heard because no one had ever done it before,” says Red Hat CEO Matthew Szulik.) Large company entrepreneurs also may face intense cost pressures if the accountants are calling the shots.

### *Nonprofit Entrepreneurs: Driven to Make a Difference*

Nonprofit entrepreneurs are no less ambitious, passionate, or driven to make an impact than any other type of founder is. They simply measure their success in terms of social goals rather than profit.

Consider Irfan Alam, a twenty-seven-year-old from the Indian state of Bihar. He started the Sammaan Foundation to transform the lives of ten million rickshaw-pullers in India. Irfan got banks to finance rickshaw-pullers and designed rickshaws that can shelve newspapers, mineral water bottles, and other essentials for rickshaw passengers. These rickshaws carry ads, and the pullers get 50 percent of the ad revenue (the remainder goes to Sammaan). The pullers end up as owners after repaying the bank loan in installments. The effort started with one hundred rickshaws in 2007—today, more than 300,000 are involved.

Irfan doesn't take a salary, but he is as focused as any Silicon Valley entrepreneur is on scalability, asset leverage, return on investment, and growth metrics.

Regardless of the type of business, an entrepreneur is at the helm of each one. As a rule, all entrepreneurs demonstrate the same basic traits, often rooted in their DNA: risk tolerance; tenacity; a willingness to work extremely hard, and to do so while charting an uncertain, oft-unmapped path to the entrepreneurial success they seek. Entrepreneurs have courage in all types of startups, whether they're foregoing a paycheck to feed the family or borrowing from mom and dad to found the next Google. Understanding the different kinds of entrepreneurial businesses is critical for policymakers, educators, and—most of all—entrepreneurs. Knowing the differences at a startup's outset will strengthen the entrepreneur and help unleash the job creation, wealth creation, and social progress that entrepreneurship delivers.



## The Decade of the Woman Entrepreneur

LESA MITCHELL

Vice President, Advancing Innovation, Ewing Marion Kauffman Foundation

An Interview with:

SHAHEROSE CHARANIA

Chief Executive Officer, Women 2.0

SHARON VOSMEK

Chief Executive Officer, Astia

*Women are at the helm of increasing numbers of U.S. businesses. They already have held a nearly three-to-two majority in undergraduate and graduate education, and, in 2010, for the first time, more women than men in the United States received doctoral degrees.*

*While the numbers of highly educated women who have the potential to start scalable ventures have reached record levels, these women are not pursuing entrepreneurship or being exposed to entrepreneurial possibilities through networking. At a time when the world needs high-growth entrepreneurs more than ever, the Kauffman Foundation has declared this to be the Decade of the Woman Entrepreneur to pursue opportunities that will inspire women to seek advisors, training, and networks that will help them unleash their potential and fundamentally change lives.*

*To discuss the needs of women entrepreneurs in the decade ahead, Lesa Mitchell of the Kauffman Foundation talked with two women who lead organizations specifically focused on providing entrepreneurial education and support for other women who have the potential to become high-growth entrepreneurs.*

**Mitchell:** Why do you think now is the time to make this the “Decade of the Woman Entrepreneur?”

**Charania:** It’s a good time to start a business, regardless of gender, so it’s an opportune time to encourage women to take the leap. Startup costs have

come down, and open source approaches enable individuals who don’t necessarily have an extensive technical background to become part of the entrepreneurial ecosystem. Despite the recession, funding is available and accessible, and, overall, the barriers to entrepreneurship are relatively low.

**Vosmek:** Women represent 51 percent of the nation’s Ph.D.s, 51 percent of business school applicants, and more than 70 percent of last year’s valedictorians. Women are well equipped to become entrepreneurs, and are primed to look at different ways of approaching challenges

to find better solutions. As a nation, we must make sure we tap into this supply of able business leaders.

#### ABOUT SHAHEROSE CHARANIA

Shaherose Charania is perhaps best known as co-founder and CEO of Women 2.0, a network and incubator for women-led startups in Silicon Valley. She has seen more than 300 early-stage startups through Women 2.0, and has hosted monthly educational and networking seminars.

#### ABOUT SHARON VOSMEK

Sharon Vosmek leads Astia, which propels women as entrepreneurs in high-growth businesses, fueling innovation and driving economic growth. Founded in Silicon Valley in 1999, Astia helps female entrepreneurs access capital, grow their businesses, and hone leadership skills. Vosmek previously ran her own strategic consulting business, Vosmek & Associates, which focused on organizational change and growth of major corporations.

**Mitchell:** Leaders at MIT would tell you a key reason MIT graduates have such a high level of entrepreneurship is that they have had so many experiential opportunities. How do you think we can increase women's awareness, at any stage, that entrepreneurship is an option?

**Vosmek:** This is an important question, especially in light of the fact that women are extremely entrepreneurial. Women are particularly underrepresented in the high-growth space. Why are women not finding their way there? I believe there are two reasons, as shown by research.

Number one, data out of the University of Wisconsin show that women self-assess differently than men do. This fact matters, particularly in the high-growth space, because we see women with fifteen years of industry experience fearful they're not qualified to start a company. That phenomenon really becomes a pain point for high-growth entrepreneurship, where women would be stepping out onto a limb to launch companies.

Women, particularly those older than thirty, have a lack of cockiness, and I wish they had more of it.

Second, Kauffman Foundation research shows that women use their networks differently than men do. This is where Astia has invested the last ten years in building out a community that will validate not only a woman's business opportunity, but also her skill set as it's matched to that opportunity.

**Mitchell:** Of the two items you list, which is most important?

**Vosmek:** Our experience tells us both are very closely linked. However, validation that female entrepreneurs are headed in the right direction is critical. Women, particularly those older than thirty, have a lack of cockiness, and I wish they had more of it.

**Charania:** Women tend to undervalue themselves and what they've accomplished. Rather than underselling themselves, female entrepreneurs need to own what they've done and become confident in making the sales pitch that correctly positions their high-level performance.

**Mitchell:** Some women have shied away from women's entrepreneurship organizations because they believe they should network only with men's groups. How do you respond to that?

**Charania:** We are trying to bring a new generation of female entrepreneurs into the early stage funnel of startups. Those who hide their networks or remain in only their existing networks are stifling the innovation ecosystem. What we are building is an open network—future founders, men and women; investors, men and women; resources and tools for all.

To engage experienced women, we take baby steps by starting with a low commitment. We may ask them to make a presentation or to serve as a mentor—just a few hours of their time. Before you know it, the desire to support is infectious.

**Vosmek:** The key to attracting women to advisory networks is to be very targeted in what we ask them to do. We explain what the startup does, what we're asking the advisor to do, and when the commitment will end. We have devised an ask that shows women how they can give their time very efficiently—that makes our network attractive.

**Charania:** Another practical approach is to align the call to support Women 2.0 with business objectives. The Women 2.0 community of future founders is a lucrative market! We are potential customers, or, for female investors, our community is a unique set of deal flow. I try to learn what a woman's personal or business goals are, and then try to align her donated time with us accordingly.

**Mitchell:** Do men and women respond differently to serving on the board of a women's organization?

**Vosmek:** Men on our Astia board of directors get kudos for being on the board of a woman's organization, and the women get harassed. Herein lies the difference. The men talk about the bragging rights they get for being on the board. The women talk about defending their commitment to the board not only to their immediate world, but also to themselves.

**Charania:** The fact that Women 2.0 has been so gender-balanced in our programs may be a reason I've been able to pull more people, men and women, successful entrepreneurs, and investors into our community. None has ever said they felt that Women 2.0 is a women's organization. Rather, Women 2.0 is clearly understood as a pre-incubator, a place for the next generation of entrepreneurs, a community that leverages diversity to fuel startup innovation.

**Mitchell:** We spend a lot of time helping women understand the benefits of establishing for-profit companies. Now, changing directions a bit, what are the challenges in getting women to think big as entrepreneurs?

**Vosmek:** The first is inspirational. Women self-assess differently than men do and, according to the research, that pressure still proves to be a societal norm. Women are not going to aspire naturally to high-growth entrepreneurship. Organizations such as ours are going to have to inspire them.

The second is access to networks. Still today—in our society, and in Europe and India—men and women are in separate business networks, by and large. Because men still largely control capital, and women entrepreneurs need capital to succeed, they need men in their business networks. We have to break down network barriers and ensure men and women are working together.

I'm excited that all early research shows that women-led companies are out-performing their male counterparts for their investors. Innovation-related research shows that gender diversity is among the most important elements. We are finally at that tipping point, ready to say that men and women doing business together is the most effective means for creating jobs, growth, and wealth creation going forward.