



**Men Investors Working With
Women Social Entrepreneurs**
Transforming Gender Dynamics

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ABSTRACT

The strength of a relationship between an investor and investee is paramount, yet interactions between men investors and women entrepreneurs are often marked by bias, micro-aggressions, and inequities. ADAP undertook an assessment of its own practices and suggests 3 C's (Culture, Communication, and Confirmation) as areas to proactively examine and transform these gender dynamics. This paper shares the interview results from women early-stage entrepreneurs in the ADAP portfolio and suggests actions and questions that can guide men investors/advisors in taking a proactive approach to challenging inequities and maximizing impacts for all.

INTRODUCTION

There is always a power differential between investors and investees. It is even more pronounced between men investors and women entrepreneurs. Unconscious bias, exclusion, and sexist treatment are persistent experiences for women working with male investors. Gender lens investing proposes ways to create equitable outcomes in domains such as access to capital, products/services, and workplace equity.¹ An active proponent, ADAP successfully attracted a portfolio of over 50% women-led businesses. It aims to be part of what Suzanne Beigel describes as “normalizing the notion that investing in women is smart.”² After the investment, however, cross gender advising requires closer examination and proactive attention. ADAP initiated a self-assessment to examine the gendered dynamics in its relationships post-investment.

Four of the women from the ADAP Capital Seed Fund I portfolio were interviewed to assess their experiences of working with ADAP Advisory Services, and in particular, its founder, Andy Lower. The women were asked to give feedback on three areas: Culture, Communication, and Confirmation (“The Three C’s”). Their testimonies, quoted directly, provide frank, personal impressions and stories of their experiences with Andy and the sector in general. The conversations led ADAP to make specific adaptations to its practices and policies which are outlined in this paper. ADAP’s journey is a unique one but the testimonies of these entrepreneurs and the self-reflection questions they inspired are instructive to all men investors.

THE THREE “C’s”

Culture: This broad term generally refers to a climate of comfort, trust, and inclusion which are critically important for ADAP’s advisory services to flourish. Toxic culture and unfairness are primary reasons for women leaving the sector in general.⁴ The entrepreneurs were asked if they felt respected, treated as equal, and comfortable in their interactions.

The goal was to seek to find out where the blind spots were and if the efforts to build an inclusive culture at ADAP were felt by everyone.

Communication: The majority of investors in the impact investing space are male and communicate with female entrepreneurs following rules of engagement, both expressed and implied, that are created and designed by men. The entrepreneurs were asked if they felt their voice and perspectives were heard and included at ADAP and if equitable communications including equal talk time, invitations to participate, and making space for all viewpoints occurred.

Confirmation: It is widely understood that women entrepreneurs’ confidence levels are generally lower than men⁵. They consistently undersell themselves as opposed to men who are more likely to oversell themselves. ADAP endeavors to encourage women to be bolder through knowledge and skills building. The entrepreneurs were asked if they felt supported, validated, and affirmed by ADAP. The women entrepreneurs were also asked if they felt more confident about their abilities and vision than when they first started working with ADAP.

Note on Methodology: After reviewing research together on broad and specific issues in gender lens investing, Andy asked Linda to conduct an internal assessment re. his role as a male advisor to women social entrepreneurs. Acknowledging prevalent issues raised by women in the sector⁵ and major themes in gender studies, the 3 C’s framework was devised. Although not comprehensive, it provided a heuristic framework to capture concrete feedback for actionable improvement. Linda created the interview protocol and interviewed the women. They are all U.S. based, cisgender, predominantly white, founders and leaders of companies that had met ADAP’s investment criteria of having an impact on extreme poverty.

TESTIMONIALS

Here is what the entrepreneurs said:

CULTURE

Andy invites all investees to El Paso, Texas, to stay with his family to build a relationship of mutual trust and respect. One of the main activities is crossing the border into Juarez, Mexico, for lunch and to explore the local market and community together. One entrepreneur said this about the experience:

... He planned a couple of days in El Paso, we spent time with his family. Andy is very open as a person. He made himself open and vulnerable and that makes it okay for you too. It was an invitation to do the same. I can open up to this person too. Openness as an asset. I never would have done that if I didn't receive that. I learned a lot from his example.

Andy taking the lead in being vulnerable and open was cited by all entrepreneurs as key to their own comfort level.

He did a really good job of creating it by talking often as a team and we'd work directly. He always made himself available. We had constant contact, and an open Skype policy. We spoke once per week... that did a lot to create comfort for me.

When we took the Gender Lens investing tour in California, the fact that he came on the tour with us, he felt like a team-mate.

The entrepreneurs also appreciated meeting the other women entrepreneurs:

Also, I've met some other great women entrepreneurs. He connected us to each other... it fortified the comfort of the situation. There's a lot of like-minded people in ADAP and you felt good.

An example that spoke strongly of building a culture of openness and respect was shared by one entrepreneur who was initially “nervous to tell Andy” about what she perceived as a failure on her part. She expressed a situation in which she was given a lesser deal at the last second, and it was she who felt she did something wrong:

Last year, while working with another investor group, he and I and this other group put in tons of time, it felt good, he kept the due diligence going...

we had gone through the hard part, sent the papers to be signed, and all of a sudden they changed the terms of the deal. I felt like I was crazy, or too emotional or didn't understand and I did something wrong. I was so nervous to tell him. But he didn't hesitate a single second. He listened to me, he helped me and helped me execute the walking away from it. After that, I knew I could trust him and his intentions. They tried to explain it away or throw it on me 'are you accusing me of something?'... I felt much more confident as a result. I have support and can make the decision when it is hard and I can leave something when I don't feel right about it...

Andy's direct role in helping her to walk away from the deal was of tremendous value. The process reinforced for her that she can speak up more and trust her own gut.

“There are a lot of instances that I feel I can handle on my own but there are times when I think it will be better for business to have a man there. I can't change institutional sexism overnight.”

One thing that came up for all the women but much more strongly for the two women who were not married and working with a male partner was the appreciation of a male presence and role in meetings and negotiations with other male investors. Rightly or wrongly it was a necessary support for a situation they feared could become uncomfortable and expected to be unfair:

With every pitch I would do, he would be there to help me be better received by a male audience. When we've gone to investment conferences and had interactions with male investors, he helped me not waste my time on men who were more interested in me (not my business). It is intimidating to pitch to an all-male audience all the time. He helps me not take it too seriously and say things more concise and powerful, feel less nervous about pitching. Also, about protecting my time and energy.

A lot of men will try to take advantage of women—they will try to override her in negotiations—they don't get as good a deal or lower valuation because men are used to it being that way... One investor

said to me: 'If I risk my money on you, how can I believe that you're not going to leave the whole business to have a baby in a couple of years?'

By going with me to pitches that I know will be difficult he'll stand up for me in really important ways. He'll come as a team member in order to deflect machismo.

One woman stated, "the real problem is power dynamics." There are power dynamics in the room with investors and other male partners that cannot be changed through a woman's efforts to 'lean in.' They are bigger than her.

There are a lot of instances that I feel I can handle on my own but there are times when I think it will be better for business to have a man there. I can't change institutional sexism overnight.

COMMUNICATION

All four women were clearly conscious of the differences between men and women's communication styles. They all felt that they needed to adapt to a more 'male way' of talking in a business context in order to make a better pitch to male audiences. ADAP's advisory service devoted much attention to helping the women lay the foundations so that they could craft their pitches and practice presenting them. Two of the

"We have to find our own power in order to communicate with authenticity."

four participated in a road trip with Andy where they could spend time together discussing their company's strengths and how to get them across. Some said they wanted to stretch themselves to speak in more "assertive" tones about their business points.

We are so acculturated [as women] from a young age to be team players, diplomatic, not bragging-those are the strengths of women but in the pitching space, they are a huge disadvantage. With men, it comes off as 'We're the only ones to do that' and the first to...' You roll your eyes because it's not necessarily true. It comes across as grandiose but there's a place for celebrating and having permission to share those which is a great thing.

One entrepreneur expressed wanting to learn "masculine speech patterns":

... mirror masculine speech patterns in order to be heard and respected by men in power... Things I like, that I aspire to also- clear, assertive, direct, self-centered, more cut to the chase, less subtlety, more black and white.

"As a woman – clearly with other women – what I'm used to is that you understate to leave enough space for other people to be involved and collaborate, and also in order to manage expectations."

The entrepreneurs appreciated hearing a male perspective and making adjustments. They wanted to be able to talk more effectively to male investors. But they also noted that they wished men could also do some adapting:

I look at all the women I've met, friends, strong, tough, confident, who don't let being a woman stop them. Feels like we can bring a smile to the conversation and get further with someone rather than be tough.

As a woman – clearly with other women – what I'm used to is that you understate it to leave enough space around for other people to be involved and collaborate, and also in order to manage expectations... Men in financial power don't leave space for women as women do. For men, it's much more about seizing the power for yourself and being more assertive, selling yourself and stating why you're better than others.

The women interviewed are highly successful, accomplished public speakers yet in this context they expressed a lack of confidence that was related to gender power dynamics.

I always felt confident as a public speaker and a lawyer but I was never an entrepreneur before... I'm building from scratch and don't know how everything works, definitely a confidence gap in this new endeavor... He [Andy] did it by challenging us a lot saying "what do you mean by that?" He was always very supportive of what we were doing. I respond to positive reinforcement.

I think I was not very confident in how to manage the investor relationship. In the 1st round, it was all guys. As a young woman with older guys... wanting to put yourself out there... There is a kind of 'negotiation' of certain boundaries... I don't want them to pay attention to 'non-professional' aspects. I don't want them to be charming or flirty [laughing]... In all seriousness, there's more to navigate there... different than guy to guy.

In general, women appreciated Andy's efforts to coach them in being more direct and in what a few called "bragging". They realized that while it sounded boastful to them, it was necessary to garner attention and often it really was about stating no more than the truth.

We have elevated women in our program from the lowest possible place you can be in society (forced prostitution) to a solid middle-class lifestyle with savings, kids in private school, huge opportunities. That's different from what others are doing. I may have been hesitant to say that but it's true! I'm not afraid to say that anymore... It's a celebration of myself and all the women who are employed in this and I can really honestly say that I feel comfortable now bragging and highlighting our strengths.

All four women also noted that the communication skills they sought and appreciated learning were intrinsically tied to the topic of confidence.

You have to unlearn everything that pop culture has ever shown us as women.... It's reinforced even more in the entrepreneurial sector. It's hard to go up against this and still believe in your heart of hearts that you are equal and deserving...

It does all stem from communication because before we learn how to mirror the clear, assertive, commanding, masculine tones... we have to find our deep-rooted confidence on our own. We have to find our own power in order to communicate with authenticity.

CONFIRMATION

A goal of ADAP has always been to help entrepreneurs identify their personal strengths and express them as authentically as possible. Although women were coached on gender communication styles, Andy reinforced the need for everyone to assert their own voice and contributions.

Andy was interested in us being as authentic as possible. I never felt like I had to put on a different

persona... I didn't feel like there was something I needed to hide about myself. He was always pushing us to be real with him...

When he would introduce us – our company- the way he'd introduce us to people was really affirming. We were important and always introduced us to new people and opportunities, affirming us and our work... If I hadn't brought something up about me or us, he'd find a way to bring it up. He'd call me the company's secret weapon or say, "she's being modest, but she didn't mention..." It came off as professional and not trite. It was important in terms of making connections with the company and with me as a person.

"In other situations, I felt the need to de-emphasize the piece about compassion and love (which we often associate with women) and just talk about the numbers. I have found a balance. We are both of these things. I don't have to pretend to not be this. If you don't like it, then don't invest in our company!"

It's tremendously encouraging to be affirmed in the professional space (Usually you get that from a girlfriend). It's very unique.

What I bring to the company is a merge of the social cause, counseling, my compassion, and relationships with the women combined with product, design, and sales and all those things. In other situations, I felt the need to de-emphasize the piece about compassion and love (which we often associate with women) and just talk about numbers. I have found a balance. We are both of these things. I don't have to pretend to not be this. If you don't like it, then don't invest in our company!

These entrepreneurs, who all have strong personalities by any measure, were not looking for personal validation. They did expect visibility, recognition, and fairness.

One thing I don't really like is how it's a delicate balance. I want to be celebrated as a female entrepreneur AND I want to be respected for my

work regardless of my gender. There's a point where people can tokenize me as a woman entrepreneur.

*Andy has been there for me by believing in my power. He believes in me, that I'm smart and what I do is valuable. And he invested in me! **It's not so useful to believe in women if they don't actually take a risk and invest in you.***

The women also brought up that the challenge of gaining confidence, or 'stepping into one's own power' is more than a training course or coaching session:

Older men with billions of dollars, they find women who are young and seeking money to be inferior, like a commodity to be purchased. The real problem is power dynamics. For women to get the money they deserve, they don't necessarily have the confidence to stand up to them or see them as equal. Confidence and assertiveness in your voice, being unshakeable and well researched in your practice is the key to getting funded. You can't hesitate at all or get emotional.

“It's not so useful to believe in women if they [men] don't actually take a risk and invest in you.”

ANDY'S REFLECTIONS

The interviews brought up perspectives that had never occurred to me. I was both surprised by how well I addressed some of their needs, and also at how I missed many obvious opportunities to support their growth. More genuine micro-affirmations are critical. If high-risk money is being invested in these entrepreneurs, then it makes sense to invest the time to proactively confirm the entrepreneurs and try to mitigate that risk. Whether we care or not about gender-lens investing we need to be smart in how we can maximize social impact and financial impact. If I can adjust the way that I use my privilege to be more impactful, why would I not do that?

CULTURE

- It is often the more subtle areas of creating a culture of trust that are hardest to navigate. Establishing a culture of trust is hard, perhaps impossible, to do if the reality of power and gender dynamics are not addressed and confronted directly. Having honest and open conversations is critical and foundational to growing a strong partnership.
- The interviews make apparent that sharing power and, ultimately, intervening to 'balance' and thereby transform gender power dynamics throughout the investor and advisory relationship is essential. I'm more than an advisor simply pontificating on how to grow a business. As a man supporting women entrepreneurs, I need to serve as an advocate and ally using my position smartly, wisely and proactively.

COMMUNICATION

- I'm aware that I have the potential weakness of mansplaining, so I have had to constantly remind myself of the difference in communication styles across genders. I have to be open to new ideas to ensure that there are ways for women's voices to be heard in the internal discussion as well as ensure that conversations are structured in such a way that women have the chance to openly and confidently share in larger meetings. Often it can be as simple as proactively not dominating the conversation when having dialogue with female entrepreneurs.
- Code-switching goes both ways and it is not effective or fair to expect a woman entrepreneur to change their communication to make my

life easier. Working in collaboration, aware of different communication styles, creates opportunities for both investor and entrepreneur to be more effective in their communication with each other and with others.

CONFIRMATION

- Affirming is more appropriate than complimenting, especially when trying to help entrepreneurs to feel more empowered and using their power in the most productive way. Acknowledging and expressing gratitude for what a person has achieved or accomplished is different than simply just providing a compliment.
- We are all on the same team, investors & entrepreneurs, or at least should be if we truly care about impact. Confidence is critical for early-stage entrepreneurs especially in the most unproven stage of business growth. Finding ways to proactively build the often shaky confidence of an early-stage entrepreneur is paramount. All the women entrepreneurs that I have worked with have a strong conviction as to why they are doing what they are doing, they just need confirmation and appropriate validation that they can trust their own abilities.

PROACTIVE QUESTIONS

Since ADAP started this inquiry process it has evolved its approach to working with women entrepreneurs. Each of the three C's is an area in which investors can undertake conscious and proactive steps to mitigate against unfairness and promote gender equity. In the spirit of cultivating a "questioning culture" at ADAP, Andy now asks the following 3 key questions of himself:

- **Culture:** What actions am I taking to overcome inherent power imbalances and ensure the work culture is comfortable and supportive for all entrepreneurs?
- **Communication:** Am I consciously establishing and adapting to gender communication patterns that are empowering to both women and men?
- **Confirmation:** How much of my interaction time is spent confirming entrepreneurs' purpose, beliefs, and decisions in ways that are meaningful to each of them?

ADAP'S NEXT STEPS

As a result of this research a number of specific policies and approaches are being implemented:

1. Guidance Council — ADAP has created a council of trusted professionals who are specifically tasked with helping hold ADAP accountable to its values and goals.
2. Anti-Harassment Policy — ADAP is making its stance on sexual harassment transparent by putting its anti-harassment policy on the web site.
3. Code of Conduct — ADAP is developing a “code of conduct” document to discuss and establish standards with each entrepreneur before agreeing to make an investment.
4. Inclusive HR policies — ADAP works with each company, regardless of the gender of the leadership team, to share HR templates (which early stage businesses usually do not have).
5. Open ally — ADAP proactively uses social media platforms to build a diverse network, amplify women-led businesses, and promote inclusive views and opinions in the sector.

CONCLUSION

The investor/advisor relationship with investees is subject to profound gender dynamics that can make or break a relationship and an investment. After the investment has been made, men investors need to undertake the hard work of managing gender differences and experiences that will ultimately maximize impacts for all stakeholders. Investors can build their “gender intelligence” in ‘understanding and appreciating characteristics that distinguish men and women including attitudinal and behavioral differences’.⁶ Each woman interviewed expressed their hope that more investors will ask these same questions and be open to the answers. Not every woman entrepreneur thinks the exact same way and their experiences differ vastly based on the intersectionality of social identities. That is the point of good gender lens analysis: not to assign characteristics to all genders, and all people, but to understand the diversity of perspectives that exist and make room for all.

Despite women’s best efforts, men and women need to work together to make the fundamental changes and corrections. Helping to level the playing field and tackling barriers to advancement can only be done by embedding practices that consistently challenge assumptions, invite perspective-taking, and promote accountability, which ADAP calls its ‘questioning culture’. Asking for feedback from others and doing self-reflection are routes to mitigating against the unconscious traps of bias. It is a male investor’s responsibility as an ally to go beyond active support to proactive engagement and it begins – and continues – with asking profound questions of oneself and the women with whom they work to maximize all business and social impacts.



Dr. Linda S. Blanshay brings research-based rigor and community insights to projects advancing social good. Starting in university at the School of Community and Public Affairs in Montreal, Qc, she gained extensive experience over the years committed to issues of diversity, equity, and human rights which informs her work advancing equitable outcomes for all. She has been Director, Program Development at the Museum of Tolerance, Los Angeles, for over a decade where she is a program designer, grant writer, evaluator, and professional development workshop facilitator. Prior to that, she taught university courses in the U.K. in sociology of inequality, social movements, and intersectionality. Linda completed her graduate work at the University of Toronto and University of Glasgow and holds a Ph.D in Sociology. She was the recipient of a Rotary International Ambassadorial Scholarship. She is an advisor to several social start-ups and investors, brokering partnerships and recommending strategies. She is a member of ADAP's Guidance Council and the US chapter of Social Value International.



Andy Lower is an entrepreneur, advisor and investor, catalyzing social enterprises in the fight to eradicate extreme poverty. As Founder of ADAP, Andy supports early-stage social entrepreneurs and believes it is critical to keep the impact in impact investing by focusing on the needs of entrepreneurs and their businesses. Andy likes rolling up his sleeves to get things done and enjoys hosting entrepreneurs as part of ADAP's #tacoTuesday program. Previously Andy worked as Executive Director of The Eleos Foundation and CEO of Eleos Investment Management LLC, leading its transformation from a traditional grant-making foundation to pioneers in the impact investing sector. He developed a community of co-investors to channel millions of dollars through Eleos' special-purpose vehicles. He is a British national, a qualified Barrister with a BVC from BPP, Holburn, UK, a Masters Degree in International Development from London-based Middlesex University, and an Undergraduate Degree in Law from University of Southampton. He has traveled extensively, working with national partners in a variety of sectors throughout Africa, Asia, and Latin America.



ADAP (A Different Approach to Poverty) invests in innovative early-stage entrepreneurs who are working to eradicate extreme poverty. ADAP seeks to address the “pioneer gap” by supporting entrepreneurs with both monetary and intellectual capital, investing across sectors throughout the developing world. ADAP’s approach to poverty is different in two ways: 1) ADAP believes that market-based social enterprises have a critical role to play in eradicating extreme poverty; 2) ADAP is reimagining how early-stage entrepreneurs and social investors interact and work with each other. ADAP wants to challenge the investment industry status quo and focus on the needs of entrepreneurs and their businesses, while being aware and respectful of the importance of investors and investor relations. ADAP partners with entrepreneurs to get things done and believes that the early-stage impact investing ecosystem is still in a nascent stage. ADAP wants to be leaders in helping to establish cultural expectations and norms that provide a voice for all stakeholders.

ENDNOTES

1. Joy Anderson and Katherine Miles, “The State of the Field of Gender Lens Investing: A Review and Roadmap” (2015), prepared by Criterion Institute with support from Wallace Global Fund.
2. Suzanne Biegel, “Why Some Venture Capitalists Talk About Gender (and others don’t)” (Dec. 2017) in ImpactAlpha.
3. Important studies include: Sandrine Devillard et al. “Women Matter 2013: Gender Diversity in Top Management: Moving Corporate Culture, Moving Boundaries” (2013) McKinsey&Company; A recent study relevant to the start-up world was produced by Allison Scott et al. “Tech Leavers Study: A first-of-its-kind Analysis of Why People Voluntarily Left Jobs in Tech” (2017), the Kapor Center for Social Impact and the Ford Foundation.
4. See: Katty Kay and Claire Shipman “The Confidence Code” (2014), Harper Business.
5. Among many notable sources are: Luisamaria Ruiz Carlile, et al. “Women, Wealth and Impact: Investing with a Gender Lens 2.0”, (2015) Veris Wealth Partners; Trae Vassallo, et al. (2016) Stanford University, ElephantintheValley.com; Candida Brush et al. “The Diana Project: Women Entrepreneurs” (2104) Bridging the Gender Gap in Venture Capital” Arthur M. Blank Center for Entrepreneurship, Babson College; Jackie Zehner “Top Reports on Women and Girls Supporting Gender Lens Giving and Investing” (2015) Jacquelyn and Gregory Zehner Foundation and Women Moving Millions.
6. See the work of Barbara Annis and the Gender Intelligence Group (www.genderintelligence.com) and the GGIA (Global Gender Intelligence Assessment) developed by Barbara Annis and Alan Richter.

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DISCLOSURES

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