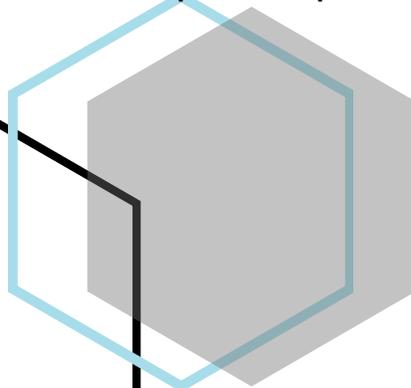


# FEMALE ENTREPRENEURSHIP

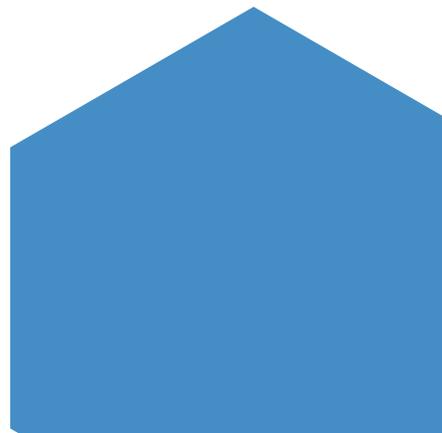


**A Strategy White Paper for the Development of a  
Better Startup Ecosystem  
– DEEP ECOSYSTEM LEADERSHIP COMMUNITY**

In partnership with



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# Contributors



vienna  
business  
agency

**Gabriele Tatzberger**  
Director Startup Services /  
Vienna Business Agency



DEEP  
Ecosystems

**Dr. Erica Santini**  
Co-Founder DEEP,  
President European  
Startup Initiative, Professor  
University of Trento, Italy



DEEP  
Ecosystems

**Valentina Forrer**  
Research Fellow DEEP  
Ecosystems, PhD  
Candidate University of  
Bozen, Italy



EVEN  
NESS

**Eve Logunova**  
Founder of Evenness and  
Ambassador Women in AI  
Netherlands



FEMALE →  
FOUNDERS

**Nina Woess**  
Co-Founder & COO Female  
Founders



#Believe  
InSmall

**Silvia Manca**  
Head of Social Impact  
Programmes, European  
Investment Fund



Naturally IQ

**Paul Ginsberg**  
Enabler & Facilitator, The  
Together Plan



wiyo

**Olga Pantchenko**  
Founder WIYO and DEEP  
Ecosystems Community



DEEP  
Ecosystems

**Thomas Kösters**  
Co-Founder & Managing  
Director DEEP Ecosystems



# FEMALE ENTREPRENEURSHIP

## A Strategy White Paper for the Development of a Better Startup Ecosystem

### On the Authors

DEEP Ecosystems is a world-wide community of tech ecosystem builders who collaborate to build more transnational, inclusive, entrepreneur-driven and impactful innovation systems.

The main activities of DEEP are the [Startup Heatmap Europe](#), an unparalleled database on ecosystem development metrics, the [DEEP Ecosystem Conference](#), which brings together a community of more than 400 professional ecosystem leaders twice a year. Finally, DEEP organizes the [DEEP Startup Ecosystem Accelerator](#) which directly supports the growth of local ecosystems. DEEP regularly organizes peer-knowledge exchanges and educational formats for ecosystem builders ranging from Ecosystem Hacks, Data Trainings and Full-Scale Educational Programs.

### On this Publication

The [DEEP Ecosystems Conference](#) on 15<sup>th</sup> April 2021 brought together 175 practitioners and experts from the startup scenes of more than 45 countries to have data-driven discussions on the most pressing challenges their ecosystems face.

The event evolved around 5 deep dive topics ranging from AgriTech and sustainable food production to diversity and female entrepreneurship. Each of the topics was prepared in-depth by a research team and the findings shared with all participants before the debate. Combining the knowledge and insights of the whole DEEP Ecosystem Leader community Strategic White Papers are formulated that aim to inspire everyone in the startup scene and open up a perspective of how we can build a more transnational, inclusive, entrepreneur-driven and impactful ecosystem.

The DEEP Dive on female entrepreneurship was co-hosted by the Vienna Business Agency and the non-profit organization "Female Founders". Further expert contributions came from the European Investment Fund and the NGO "Evenness Rocks" as well as Naturally IQ.

A big thank you to the individuals who contributed greatly to this publication:

Valentina Forrer  
Dr. Erica Santini  
Takhmina Lolakova  
Gabriele Tatzberger  
Dudu Yüncel  
Olga Panchenko  
Nina Wöss  
Lisa-Marie Fassl  
Paul Ginsberg  
Eve Logunova  
Vijith Quadros



**Dr. Erica Santini,**  
**President European Startup Initiative**

## IT'S UPHILL ALL THE WAY FOR WOMEN ENTREPRENEURS IN EUROPE

When The Honest Company, co-founded by Jessica Alba, went public in May 2021 we tracked merely one mention of this landmark event in the leading European startup media. In the same period we saw 188 news articles mentioning Elon Musk.

*“Women Entrepreneurs suffered from discrimination causing a damage of 3bn € in 2020 alone”*

Maybe the comparison is unfair, but it also illustrates a societal bias towards entrepreneurs who focus on space travel, brain implants, electric cars (and dodgecoin), while a woman who manages to build a unicorn on the idea of non-toxic baby products and take it public virtually does not exist.

The relevancy of gender equality in the startup scene is dramatic. Only 15.5% of all founders in Europe are female and their chances to get funding are significantly lower (Startup Heatmap 2020). From the fact that only 7% of all funding goes to startups with at least one female founder (Atomico 2018) we must conclude

that women entrepreneurs were deprived of 3bn € in 2020 alone, as this would have been the 15.5% of all funding that would be proportional to the number of women entrepreneurs.

### What are the challenges female entrepreneurs face today?

Debating top-down investment numbers one might lose focus of the individual entrepreneur and fall for a trap to over-generalize or miss important developments that will only take effect in the long-term. Therefore, it was important to the DEEP community to look beyond the surface.

### Top 5 Facts on Gender Equality in Europe's Startup Scene

- Only 7% of VC funding in Europe goes to startups with a female founding team-member (Atomico 2018).
- The share of women working in the ICT sector in Europe is 17% (WID 2019).
- 15.5% of entrepreneurs in Europe are female (Startup Heatmap 2020).
- Only 554 out of 4,976 total VC rounds in Europe went to a team with a female co-founder.
- The discrimination of female founders amounted to 3bn € in 2020 based on the percentage of female founders and their actual funding received.

## FEMALE ENTREPRENEURSHIP



**Eve Logunova,**  
**Founder of Evenness and Ambassador**  
**Women in AI Netherlands**

*"It is not just a women issue but the point is to create an inclusive society. It's not a battle."*

### How bad is discrimination really?

We studied the performance of female CEOs vs. male counterparts in accelerators in Europe to understand how their entrepreneurial journeys differ when they start from the same conditions and develop in a quasi-controlled environment. For

this we created a sample of >5,400 founders participating in 129 European accelerators since 2015. The rate of participation of female-led startups was 15%. While this number is low, it compares roughly to the number of female entrepreneurs in the startup scene overall and we cannot constitute a discrimination in the acceptance of female founders in accelerators.

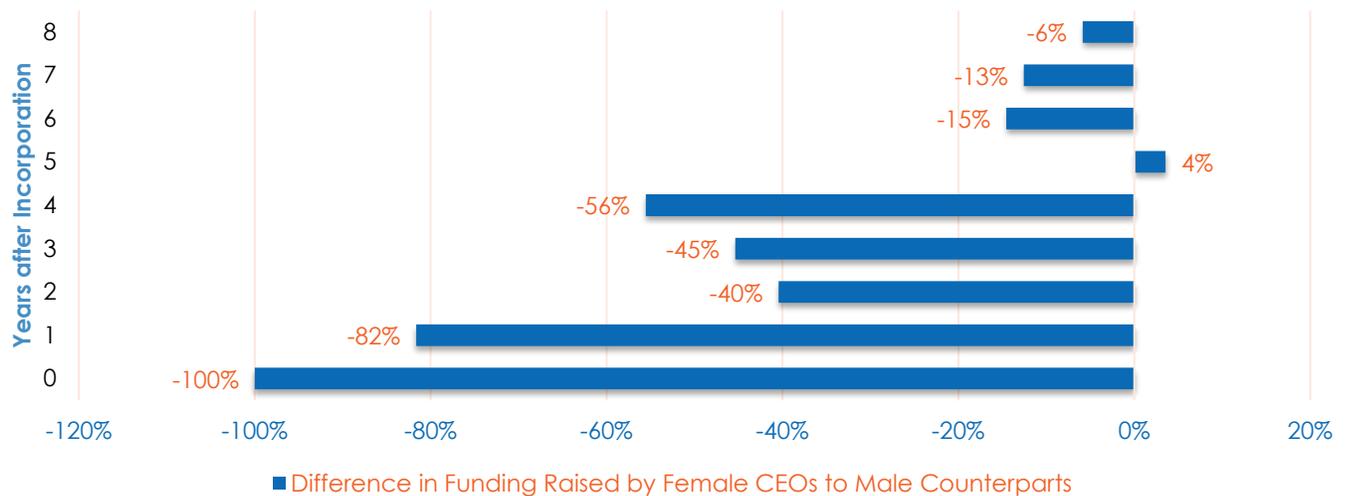
More interesting is the path they take during and after the programs.

Here, we compare founders who have been going through the same selection procedures, have convinced the same jury members, receive the same starting capital for the same equity, have access to the same mentors and networks and benefit from the same brand and visibility of the same accelerator programs.

The results show that a high number of female CEOs continue to raise VC funding after the programs (75%) and that this number is equal to their male counterparts. However, the median amount raised by female CEOs is 38% lower.

Female led startups also grow

### Difference in Funding Raised by Female CEOs to Male Counterparts by Year after Incorporation



Source: [Women Entrepreneurs \(Startup Heatmap Europe 2020\)](#)

## FEMALE ENTREPRENEURSHIP



### But there is so much support already!

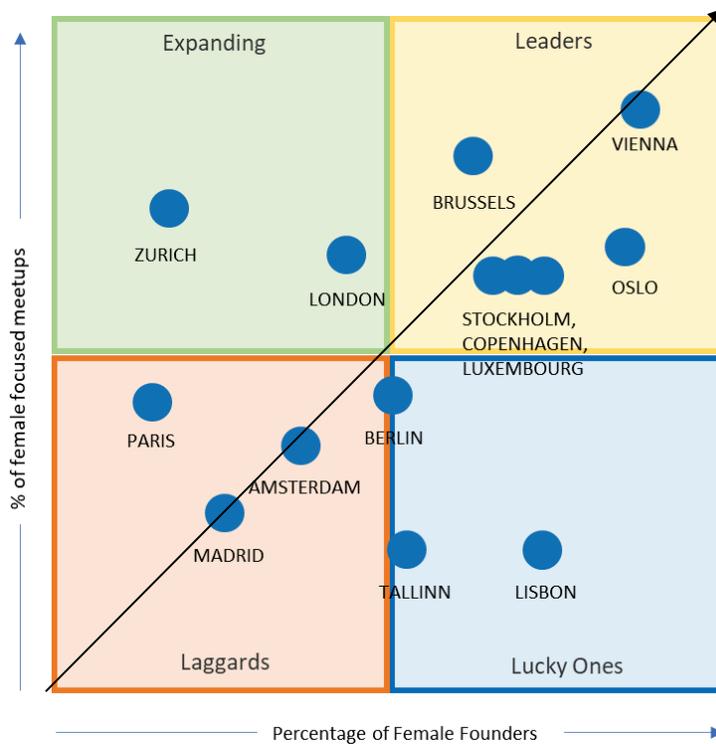
Often, we hear that there is so much support of female entrepreneurs and no further action is required. There seems to be a perception bias though. Taking for example the number of meetups on female entrepreneurship as a low-barrier support form for women founders, we see only roughly 7% of all meetup groups in Europe focus on female entrepreneurship topics. This does not really speak to the idea of an over-

emphasis on female founders.

Yet, a supportive environment for founders makes all the difference. We see clear indicators that in regions with a more inclusive and welcoming environment for women, the percentage of women entrepreneurs increases as well. The percentage of female founders varies significantly between cities in Europe, roughly between 5 to 35%. Cities in Central Eastern Europe and the Nordics are in the lead. Most remarkably cities like Vienna and

Budapest show female founder participation higher than 30%.

By looking at female focused meetups in the different European ecosystems and comparing the results with data related to female representation, it seems that there is a positive correlation between female focused meetups and the percentage of female founders in a startup hub. Vienna is leading in both categories with the highest percentage of female focused events (15%) as well as the percentage of female founders in the city (34%).



**There is a correlation between the % of female focused meetups and percentage of female founders at a city level**

Source: [Women Entrepreneurs \(Startup Heatmap Europe 2020\)](#)



**Paul Ginsberg**  
*Enabler & Facilitator, The Together Plan*

*“Demanding female representation on panels and leadership teams; mentoring; inviting women to participate in otherwise male-dominated meetings - there's something we can do.”*

**Silvia Manca**  
*Head of Social Impact Programmes,  
European Investment Fund*

*“I personally think that a lot has changed over the past decades. We now have more awareness, more ambition, more trust in our capabilities. Women are on a positive journey.”*



### **Collective actions are not focused on female support**

Despite the evidence for the positive correlation between institutional support and the increase of participation of women entrepreneurs in the ecosystem, there is still a lack of funding directed to the improvement of systemic factors. Bold examples like the female bonus in the grants of the Vienna Business Agency are based on local strategies and are not replicated systematically around Europe. This is both due to lack of institutional knowledge but also a lack of financial resources. A main source of financing for the development of

institutional settings are the EU's funding calls, including the Horizon Framework Programme for Research and Innovation. However, these calls do not yet encourage on a large scale the promotion of female innovators. Among 70 call texts that we analyzed for this purpose only 3 refer explicitly to female entrepreneurship support.

### **COVID-19 has worsened the picture**

The Covid-Crisis did affect entrepreneurs differently. For some sectors the health implications and lockdown measures even had an extreme positive effect as for example the last mile delivery service startups as

well as biotech firms in the drug development sector. Other sectors like tourism and retail suffered severely. For women entrepreneurs there were also a range of negative effects to be observed. Firstly, a large number of female entrepreneurs is active in the hard-hit wholesale and retail sectors (EU Business School, 2021), secondly women entrepreneurs often begin businesses with less capital (OECD, 2019) and therefore are more vulnerable to external shocks. And thirdly, many women were forced to 'put careers on hold' for example to home school their children during the lockdown (The Guardian, 2020).

## VIENNA'S WAY

### How Vienna is Actively Supporting Female Entrepreneurs

In the last two decades, a significant shift in the field of startups and entrepreneurship was visible. In 2021, there is probably not a single city in the world which does not run an initiative to support startup-related activities. Luckily, all this hype turned also into a constructive conversation about which impact startups have on economic growth, job creation and societal challenges. Here, Vienna was always on the forefront on recognizing the importance of a representative business environment.

Being ranked the most livable city for the 10th time in a row is not a coincidence, it's Vienna's clear commitment to an inclusive city planning

and for a human-centered innovation approach.

Obviously starting a company can be challenging no matter what gender you have. Yet, female founders still face different challenges along their entrepreneurial journey, the existing gender gap in received venture capital being just one of the result of those. So, the only logical thing to do for everyone involved seems to change the rules of the game by

- a) creating a nurturing bed for individuals of all genders so that they can pursue their professional and private ambitions;
- b) building infrastructure and platforms where women feel welcomed and safe;
- c) creating more diverse stages and networking opportunities.



Gabriele Tatzberger is Director Start-up Services at the Vienna Business Agency, Managing Director of Vienna Region and member of the Supervisory Board of INITS and since years passionate to support startups, female entrepreneurship and the Vienna startup scene. The Vienna Business Agency offers funding, infrastructure and "360° service with networks, workshops and coaching for Viennese and international founders, companies, and start-ups.

## FEMALE ENTREPRENEURSHIP



By acknowledging that diversity is a matter of fact, we also commit to working on an inclusive business environment. This requires not only the women to lean in, but the whole startup scene to lean out of the existing system and create ways to reach out those who don't feel addressed. In Vienna, we believe we have some of the ingredients which contribute to that:

- The Vienna Business Agency provides easy access to public funding for early stage startups. Which makes startups independent from external capital in the very beginning.
- The Vienna Business Agency gives extra

money for projects led by women. Which favors the career path of women in existing companies or encourages more female founders to apply for funding programs.

- The Vienna Business Agency has a variety of entrepreneurship promotion programs which tackle the needs and challenges faced by female entrepreneurs. With the growing number of initiatives, women can get support from different angles on a variety of topics like: funding, business model, business know-how, networking, ...!
- The city of Vienna provides great pre-conditions like free kinder

garden and all-day-schools, financial support for private day care for smaller kids

It's time to walk the talk and lift all underrepresented groups in your startup scene up. Only this way we'll be able to rise together.



**Nina Woess, Co-Founder & COO  
Female Founders**

*"All of us can make the difference, on a daily basis regardless of our agenda or resources. All can make a difference by supporting diversity, supporting female founders, supporting our community"*

## OUR RECOMMENDATIONS

Based on the data collected and the exchange of experts during the DEEP Ecosystem Conference in April 2021 the DEEP Ecosystem Leaders formulate the following recommendations for a strategy towards more gender parity in the European tech scene:

### 1) European Dialogue

A broad dialogue on the European level is needed to turn increased awareness into strategic action. There is a need for a European platform to support the many existing grassroots initiatives, formulate clear policy asks, give legitimacy to the cause and also make available funding for local female entrepreneurship support.

### 2) Real Role Models

Everyone knows Hyperloop, but do you know Anousheh Ansari, the Iranian-American ex-astronaut, who launched a \$100mn competition called XPrize that incentivizes radical technological breakthroughs for the benefit of humanity? We observe a tendency towards a romanticization of the lone-wolf entrepreneur, who fight against the odds to conquer space or win a technological race to be the fastest, richest or smartest. This is a misconception. Real entrepreneurs care about real world problems and are team players who find help where they fail themselves. A more realistic image of entrepreneurs would also allow to shed light on the stories of incredible women entrepreneurs, who often dedicate their energy to less televised challenges.

### 3) The Right Signaling

It is not about giving women entrepreneurs an extra, but it is about sending signals, that their competencies and ideas are welcome. Too often women don't apply to a grant or a funding opportunity due to discouragement based on a feeling that they don't belong or could not convince their judges. It is important to accept such structural imbalances and send clear signals that diversity in teams is beneficial and that competencies often embodied by women entrepreneurs are seen as key success factors for a startup. This can be done by adding a sentence in the call text, by giving a small financial bonus for women applicants or by running dedicated programs for female led startups.



## 4) Speak Easy Networking

Environments that allow men to open up and build strong personal connections might not necessarily offer the same opportunities for female entrepreneurs. It is however crucially important for founders to be part of circles where they can meet peers, build trust and openly share their excitement and also their fears. Therefore, ecosystems need a variety of networking spaces to allow for the creation of circles of trust of women or mixed groups, where relations can grow, ideas and help be exchanged. To support a diverse set of networking possibilities especially local sponsors should be careful to not focus all support on one meetup space, network or event, but allow for diversification of the scene by spreading infrastructure and small-scale financial support to many initiatives.

## 5) Being considerate

Sometimes it is the small things that make a difference: For example, evening events might be particularly hard to attend for parents, while breakfast networking events can be an ideal fit. There seems to be a path dependency on formats and expectations towards entrepreneurs that is not grounded in facts, but some sort of tradition. Often it does not mean a large change, but more to be considerate of factors that might have not been taken into account before.

## 6) Culture of Inclusion

Female entrepreneurship is part of a larger challenge, which is around diversity and inclusion. While women are the largest underrepresented group by number, strategies to increase gender parity are in principle also geared towards increasing diversity and inclusion in general. Ultimately, entrepreneurial communities strive on individualism and "making the weird the norm". It is important to reinforce this narrative of welcoming individualism and to accommodate diversity as a basis for entrepreneurial success. It is the daily task of ecosystem builders to repeat this argument.

## 7) Fight Unconscious Bias

Finally, decision makers for example in government agencies or at venture capital firms need to understand that they are gate keepers to resources that decide about the success of diversity strategies and that unintended or unconscious actions might have a huge effect if accumulated. It is therefore important to educate decision makers on possible unconscious biases or even better increase diversity in decision making bodies themselves.