

FEMALE AGRIFOOD TECH ENTREPRENEURS

Exploring barriers women face
as founders and CEOs, and EIT
Food's commitment to advance
gender equity



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Introduction

Despite efforts to reduce bias and promote equity, gender-based barriers persist and prevent women from realising their full potential. Over one billion people are employed in agriculture globally, 38% of whom are women.¹

As the primary purchasers of food worldwide, women control the majority of their family's food choices and choose how to spend as much as 80% of a family's "food dollar."²

These facts point out how women are far closer to the issues that agriculture and food enterprises are endeavoring to solve and have a unique perspective on the specific needs and challenges across the sector. In order for agrifood tech to fulfil its potential, gender equity must become a priority.

As we look to the future of the food system, the role of tech startups in solving complex food challenges is undeniable. Thanks to entrepreneurs' fresh perspective on agrifood tech innovation and technology, investment in tech startups is at tipping point, growing exponentially since 2012 to reach \$26 billion in 2020 – a 15.5% year-on-year increase.³

Yet female entrepreneurs only receive a fraction of venture capital (VC) funding across investment generally. In 2018, within the agrifood tech industry, female-only founded companies took just 7% of all deal activity and 3% of funding.⁴

And in 2020, across all sectors, companies founded solely by women garnered just 2.2% of the total capital invested in venture-backed startups in Europe (12.5% with at least one female founder).⁵ Male entrepreneurs are also significantly more likely to obtain VC funds than women, with research from the UK highlighting an 86% higher probability.⁶ This is all despite the fact that venture deal value in the EU climbed to €42.8 billion in 2020.⁷

The fundraising process for women also comes with extra judgement and pressure. In some cases, women are subject to extreme forms of negative gender bias and discrimination when fundraising – from proposal to pitch to closing the deal.

As a result of these experiences, for example, many women feel the need to adopt more cautious or conservative approaches when pitching, believing that they will have a higher likelihood of being awarded funding by asking for smaller sums. This feeds into a vicious cycle that begins and can end with assumptions investors have about women's vision for their enterprises or ability to take risks – two behaviours that are notably associated with men.

These experiences can and do contribute to women's ability to continue their pursuit of a career in agrifood tech. Failing to address negative gender bias will get in the way of financial progress

and innovation in the agrifood tech sector and delay achieving the goals set out in the European Commission's Farm to Fork Strategy and the United Nations Sustainable Development Goals (SDGs).

Research shows that female-owned digital startups are more likely to be successful than those of their male counterparts, and that investment in female-founded startups performs 63% better than male-founded startups.⁸ This is evidenced by the fact that for every \$1 raised, female-owned startups generate \$0.78 in revenue while male-owned companies generate just \$0.31.⁹ With this in mind, improving gender equity in entrepreneurship is crucial; it could create 10.5 million jobs by 2050 and boost the EU economy by €1.95 - €5.15 trillion.¹⁰ Investing in women is good for business.

1 FAO: <http://www.fao.org/docrep/015/i2490e/i2490e01b.pdf>

2 Food Tank: <https://foodtank.com>

3 AgFunder: <https://agfunder.com/research/2021-AgFunder-agrifoodtech-investment-report/>

4 AgFunder: <https://agfunder.com/research/money-where-our-mouths-are/>

5 PitchBook: <https://pitchbook.com/news/articles/the-european-vc-female-founders-dashboard>

6,8,10 Publications Office of the EU: <https://op.europa.eu/en/publication-detail/-/publication/84bd6dea-2351-11e8-ac73-01aa75ed71a1/language>

7 PitchBook: <https://pitchbook.com/news/reports/2020-annual-european-venture-report>

9 BCG: <https://www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet>

“Better decisions are made when women and men come together at the table – [it] brings a ‘larger horizon’”
Christine Lagarde, IMF MD

Acknowledgements

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United Nations' SDGs

Gender equity and women's empowerment comprise one of the United Nations' 17 SDGs. Food and agriculture, sectors where this goal has huge applicability, are also central to additional SDGs.

About the study

EIT Food aims to overcome the challenges posed by lack of diversity in the agrifood tech sector and entrepreneurship ecosystem. We believe inclusive innovation, which enables all people in all places to participate and benefit, is essential to a strong agrifood tech system which will benefit everyone.

The quantitative and qualitative review of the experience of women across EIT Food's programmes that support entrepreneurship was effective at understanding the experiences and needs of participants at different stages of business development. The experience of EIT Food's female participants advances what has been learned through the growing body of literature about female entrepreneurs, women in technology, and funding gaps for women in recent years, in the EU and elsewhere.

The investigation comprised three forms of primary research:

- The EIT Food Female Entrepreneurship survey: a 47-question online survey was developed and administered to current and past participants in EIT Food Entrepreneurship Education or Business Creation programmes and covers those women new to entrepreneurship all the way to those building and scaling their own companies. The majority of the 46 survey respondents were new to entrepreneurship or were just starting to launch their business (pre-investment stage). Questions asked participants to respond by saying "yes" or "no" or by ranking their response from "strongly disagree" to "disagree" to "agree" to "strongly agree". In addition, each section offered participants an opportunity for more detailed write-in responses.

- Three focus groups* across four EIT Food entrepreneurship programmes: following the survey, two focus groups with Global Food Ventures Programme (GFVP), Seedbed Incubator, and EIT Food Accelerator Network (EIT FAN) participants and one with RisingFoodStars (RFS) participants were designed and facilitated to further explore the topics and themes presented in the survey. 25 participants in total took part in the two-hour focus groups with one taking place in November 2020 and two in December 2020.
- Interviews with selected investor partners: following the survey and focus groups, two one-hour interviews with representatives from the investment sector took place to share some of the key findings and potential interventions EIT Food could take to improve gender equity.

This report is a summary of the larger report and full findings from the focus groups are included in the appendix.

*Please note that the focus groups only included participants from the below programmes and did not consider EIT Food's other entrepreneurship programmes

- As part of EIT Food's Education activities, the Global Food Ventures Programme (GFVP) provides entrepreneurship training to PhD students to foster their interest in commercialising their research.
- EIT Food's Business Creation activities support entrepreneurs to launch new companies (Seedbed Incubator), accelerate business growth (EIT Food Accelerator Network) and scale internationally (RFS).

The data shown on the right indicates participation rates per year of programme based on the gender of the participant (GFVP and Seedbed Incubator) or CEO/cofounder of the participating company (Seedbed Incubator, EIT Food Accelerator Network, RFS).

EIT Food Entrepreneurship and Business Creation Programmes

2019 female participation



2020 female participation



*Please note that EIT Food Accelerator Network data for 2019 and 2020 is a best estimate based on available data.



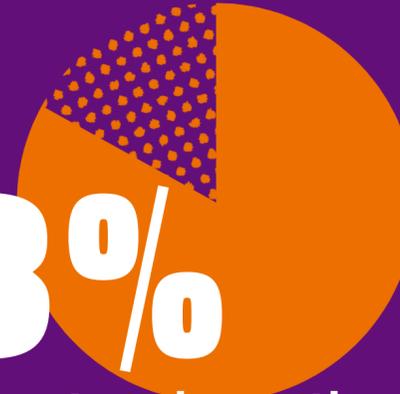
The EIT Food Female Entrepreneurship survey

Survey result reflect participant's life experiences, including as agrifood tech entrepreneurs in general



75%

have experienced negative gender bias



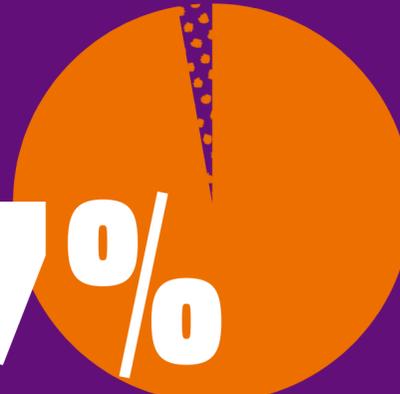
83%

have encountered negative gender bias when pitching



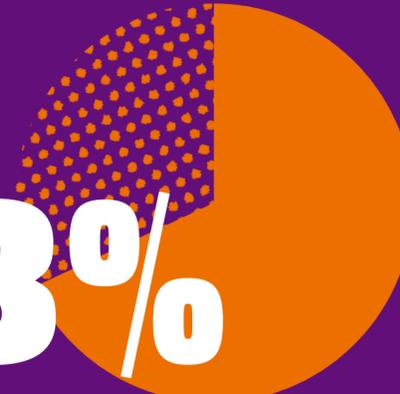
66%

believe men have "untapped power" to reduce negative gender bias



97%

suggest men need training on gender bias



68%

disagree or strongly disagree that it is necessary to be described by gender



Key survey findings

1: Negative gender bias exists and is halting progress for female entrepreneurs

Gender bias might be invisible, but it is widespread; 75% of survey respondents have experienced negative gender bias. 19% believe they are being held back because of negative gender bias they have experienced during their careers.

Although most women have personal experiences of negative gender bias, they have relatively few issues with their cofounders and/or staff. However, they still believe that negative gender bias is rampant across the entrepreneurial ecosystem.

"Bias is when I say something that is not believed [but] when my male cofounder says the same thing the investor believes it."

2: Negative gender bias is experienced when raising capital

While half of survey respondents state there is a level playing field for women raising capital, 83% stated that they have encountered negative gender bias when pitching and 45% feel they are not treated equally to their male peers.

"Funding opportunities across gender and race are not equal although everyone says yes. Investors tend to invest more in a default stereotype, [and] business opportunities tend to be easier for this default stereotype."

3: Men are instrumental in reducing negative gender bias

Engaging men is a critical part of the solution to reduce negative gender bias. 66% of survey respondents say that men have "untapped power" to reduce negative gender bias and 97% suggest that men need training on gender bias.

Across the broad entrepreneurship ecosystem, just 24% of respondents agree that men are making an effort to create gender parity, compared with 39% who believe no effort is being made.

"In my opinion, the secret is the man. We have to talk to them, educate them and point out their negative gender bias."

4. Women have mixed feelings about exclusive female-only programmes

Respondents were asked about what programmatic interventions would be most valuable to reduce negative gender bias. 56% of survey respondents agree that women may benefit from programmes just for them, but female CEOs, founders and cofounders participating in the focus groups strongly advised against creating female-only Business Creation programmes. Alternative suggestions included increasing the number of female instructors and mentors because “both men and women will realise how many women are in great positions and how possible it is to achieve.”

“Programmes work well when there is diversity, and no one stands out as a special group.”

Exploring experiences and needs of female participants across EIT Food Entrepreneurship programmes

- Only 1 in 25 say they have experienced negative gender bias on an EIT Food Entrepreneurship programme.
- 50% of respondents say that the EIT Food Entrepreneurship programmes have strengthened their confidence as female entrepreneurs.
- 75% say that EIT Food does not enable negative gender bias.
- 54% say EIT Food can do a better job at recruiting diverse ecosystem partners.

“I also think EIT Food has to have [as many] women as possible in their team - and instructors and mentors - because then in the programmes, both men and women will realise how many women are in great positions and how possible it is to achieve the level, giving hope for the women and helping the men to realise they are not the only important people in the world.”

What we're doing next

Recommendations for EIT Food Business Creation



	Communications	Programmes	Investors
Finding	EIT Food's Business Creation programmes do much to meet gender and diversity goals and can continue to do more.	Women benefit personally from female-only programmes and networks but do not want this to be an exclusive focus of Business Creation's efforts to improve gender equity. Rather, focus should be on strengthening gender equity of existing programmes.	Female EIT Food Business Creation participants have experienced negative gender bias when engaging with investors and raise less money than their male counterparts.
Recommendation	<p>Establish goals, collect and disseminate data, tell stories across all communications platforms: branding, website, outreach, intake, recruitment, and operational documents.</p> <p>Analyse marketing and promotion components that feature "female entrepreneurs" and set new tone and approach to these.</p> <p>Use the EIT Food platform to continue giving a voice and visibility to female founders/CEOs and share content highlighting the importance of supporting and funding women-led businesses.</p>	<p>Provide business best practices training and support to nurture a culture of diversity, equity and inclusion across all programmes.</p> <p>Look at how EIT Food Business Creation programmes can be reconfigured to 1. increase participation of female founders and CEOs; 2. improve access to supportive role models and relevant networks; 3. educate all participants on the benefits of taking a diverse and inclusive approach to building and scaling a business.</p> <p>Engage and include men, from trainers to mentors to participants across all EIT Food Business Creation programmes to achieve gender equity goals and encourage men to act as 'champions of change' and to achieve gender equity goals.</p> <p>Build more active support mechanisms between men and women within and across EIT Food Business Creation programmes and with the EIT Food network.</p>	<p>Commit to setting best practices as investors ourselves, for example participating in diversity initiatives such as Diversity VC Standard and others across Europe.</p> <p>Engage and educate the investor community on gender bias issues and prioritise investors who are already committed to funding more female-founded businesses.</p> <p>Engage the investor community to offer pitch training support and office hours for female EIT Food Business Creation programmes participants.</p>



Appendix: deep dive into the focus groups

As the survey respondents were predominately women in the early stages of business development, smaller focus groups with female entrepreneurs, CEOs and founders/cofounders were also held. One focus group focused specifically on women with fundraising experience who were scaling their businesses.

Being a woman and an entrepreneur

The first focus group prompt asked participants to share their perception of entrepreneurship, themselves as entrepreneurs, and any special or unique approaches or perspectives they believe they may have as women and entrepreneurs.

Some women in the focus group ardently disliked the framing of “female entrepreneur” or “female founder”, saying it “deepens the problem,” but they also acknowledged that differences in status between male and female founders are systemic

and structural. Women pointed out they have to “strategise” or “be like men” when trying to advance their businesses, especially when fundraising.

One woman said, “the whole question is about having a balance of people working on the issue... having a balanced view of the world. Over the last 60 years, solutions have been dominated by just 50% of people on the planet.”

Engaging men

The women in the focus groups agreed that it is important not to “reproach men because they need to be part of the solution.” One woman said that “men need to be mentors to women [so both can] learn how to build confidence among investors.”

Gender bias

The focus group prompts offered participants several ways to consider themselves as entrepreneurs and female entrepreneurs, to describe whether and how they have experienced gender bias. Topics such as the dynamics of motherhood, programmes being designed specifically for women, and being asked to attend events in order to have “more female representation” were all discussed.

One RFS participant, having more experience with fundraising, explored the notion of trust: “Investors trust my cofounder more. He’s strategy and I’m operational. Investors don’t look at me seriously when I present the numbers, as if this is a ‘male question’ – especially on revenue or return on investment projectors.”

The focus groups also discussed support systems, networks, and programmatic interventions that participants believe could help alleviate negative gender bias where it exists. One woman shared that she wants “to have the feeling that the company is the best, not based on the gender of our founder or staff.”

Pitching to investors

Based on prior knowledge of women’s challenges in raising money for agrifood tech enterprises, this aspect of the investigation was held as a central focus of the work and highly critical to understanding how potential interventions from EIT Food could meet gender and diversity goals.

During the focus groups, one woman said it is simply “intimidating to face a male investor.” Another added that “men have greater access to pre-seed and other early-stage funding.”

The women also shared they do not believe evaluation criteria is the same for them as it is for men. Referring to how they are often asked about their families or children or that comments are made on how they look or what they are wearing, one woman said, “we should be asked the same questions [as men], or perhaps they should be asked the same types of questions we are asked.”

Due to their experience, RFS participants had much to share about pitching to investors. One woman said that “investors can’t imagine that a woman can be the CTO, CEO or CFO and look for someone [male] to ask the questions to.”

One woman noted her experience about pitching while pregnant and shared that “we had to strategise how to NOT tell the investors that I was nine months pregnant and had to figure out ways so investors would not notice.”

Another added that, “investors like to say that they want to invest in women-owned companies, or teams with women” but in the majority of instances “they don’t come through.”

EIT Food Business Creation programmes and gender equity

The focus groups offered participants ways to share their experience and views about how EIT Food programmes are designed and function with regards to reducing negative gender bias.

One woman shared that she was “the only female” in her programme, but another said that “there was a balance of male and female participants but much less so among instructors, mentors and others.”

Although it was said that “EIT Food always finds ways to include a lot of voices,” the women in the focus group agreed that “training partners and investors have been all male or mostly male,” suggesting there is room to improve this because “female mentors understand us better.”

In terms of the suggestion of female only EIT Food programmes or prizes, one participant said, “If we focus just on women, we could end up with less diversity” and another agreed that “if we just network with each other, we won’t educate men.” This was reflected in discussions around prizes, with one woman stating that female-only prizes “exacerbates the problem of gender bias and [creates a] lack of recognition as women on [their] own as entrepreneurs and business owners.”



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