

# breakthrough labs

powered by women

Female entrepreneurs aren't being funded at anywhere near the same level as their male counterparts. This occurs across industries and countries and hasn't improved as more women have become investors. Why does this matter? There's the obvious issue of equity, making sure products and services aimed at women make it to market and that product testing is conducted on women or using women's data. Perhaps most important for investors, however, is the large body of research saying that female-founded businesses perform better than those founded by men, delivering both higher revenue and profit.<sup>i</sup>

So why aren't women getting funded? According to the research, there is an inherent bias against female entrepreneurs.<sup>ii</sup> They are most likely pitching to men who might not be familiar with products that female-founded businesses market to other women.<sup>iii</sup> Women are often more conservative in their pitches, while men are apt to overpitch and oversell.<sup>iv</sup> Women are asked more negative questions than men during their pitches<sup>v</sup>, and their businesses are valued lower if they are trying to work in industries that are seen as stereotypically male.<sup>vi</sup>

## What we offer

To support women with these challenges and ensure that more female-founded start-ups thrive, we are launching **Breakthrough Labs**. The only long-term support community for female-founded tech start-ups in England, **Breakthrough Labs** offers research-backed<sup>vii</sup> support to help female-founded businesses succeed.

Female founders accepted into a **Breakthrough Labs** cohort get access to a range of offerings that address the issues shown to impact whether or not their businesses will succeed. For example:

- Workshops follow the start-ups' journey and are given by both subject-matter experts and seasoned entrepreneurs in the areas relevant to start-ups' needs.
- Start-ups often pitch for funding at the wrong level and waste time reaching out to investors who might not be interested in their offering. **Breakthrough Labs** provides access to syndicates of angel investors and individual angels committed to investing in women.
- Research shows that fewer female founders have access to a professional network than men.<sup>viii</sup> **Breakthrough Labs** is a community of other female founders, successful entrepreneurs, and subject-matter experts who can provide expertise and guidance.
- Female founders often have to worry about childcare while trying to start their venture.<sup>ix</sup> Our programmes offer a mix of online and in-person events to better fit their schedules.
- New businesses have a lot of needs, and small teams can't do it all. We provide introductions to potential partner or service organisations that start-ups can trust.

## Who we work with

Applications for our first cohort are open throughout January 2023 for start-ups preparing to pitch for investment at the seed level. The cohort culminates with a pitch event to local angel syndicates.

To be eligible for the programme, start-ups must:

- Be founded or co-founded by women
- Have a viable technology product or service in any sector
- Have fewer than 40 employees
- Be preparing to pitch for funding at seed level
- Have a product prototype or MVP, at a minimum
- Be EIS/SEIS eligible

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Start-ups who participate in any of the **Breakthrough Labs** programmes become part of our alumni network, allowing our partners access to an ever-growing community of women as their businesses develop.

## The future of Breakthrough Labs

The inaugural incubator cohort is just the beginning. Our plans for future offerings for female founders fall under three pillars designed to address the issues around funding women from multiple angles.

Programmes	Community	Angel network
<ul style="list-style-type: none"><li>- Multiple incubator cohorts per year.</li><li>- Accelerators to help women get their product to market.</li><li>- Workshops for women with early-stage ideas.</li></ul>	<ul style="list-style-type: none"><li>- An online community will provide founders access to a network and expertise from beyond the UK.</li><li>- Community members will get access to training and talks given by partners and entrepreneurs, as well as other opportunities.</li></ul>	A Breakthrough Labs female investment collective will educate women to start investing smaller amounts as a collective and provide another avenue for our founders to pitch for investment.

## Get involved

We want as many female founders as possible to be able to access the benefits that Breakthrough Labs provides. **We ask our partners to help us achieve this objective by sponsoring one or more women's journeys through the Breakthrough Labs incubator.** Partner opportunities and benefits for our inaugural year (calendar year 2023) are listed below.

Cost per female founder sponsored	1 cohort	1 year (2 cohorts in 2023)
	£2000	£4000
Duration of sponsorship	4 months	1 year
Benefits		
Branding on website and monthly newsletter for duration of sponsorship	✓	✓
Two updates per sponsored cohort to see the value your contribution is bringing to female founders	✓	✓
Opportunity to offer one live workshop or training on your product/service on the Breakthrough Labs online community		✓

If you're interested in supporting our work helping female-founders succeed, contact our founder Dr Kristen Weatherby at [info@breakthroughlabs.net](mailto:info@breakthroughlabs.net) or visit our website at <https://www.breakthroughlabs.net>.

<sup>i</sup> Abouzahr, K., Krentz, M., Harthorne, J. & Brooks Taplett, F. (2018). *Why women-owned startups are a better bet*. Boston: Boston Consulting Group.; Brahma, S., Nwafor, C., & Boateng, A. (2021). Board gender diversity and firm performance: The UK evidence. *International Journal of Finance & Economics*, 26(4), 5704-5719.; Dixon-Fyle, S., Hunt, V., Dolan, K., & Prince, S. (2020). *Diversity wins: How inclusion matters*. New York: McKinsey & Company.

<sup>ii</sup> Rose, A. (2019). *The Alison Rose review of female entrepreneurship*. London: HM Treasury.

<sup>iii</sup> Abouzahr et al, 2018.

<sup>iv</sup> *ibid*

<sup>v</sup> Kanze, D., Huang, L., Conley, M. A., & Higgins, E. T. (2018). We ask men to win and women not to lose: Closing the gender gap in startup funding. *Academy of Management Journal*, 61(2), 586-614.

<sup>vi</sup> Kanze, D., Conley, M.A., Okimoto, T.G., Phillips, D.J., & Merluzzi, J. (2020). Evidence that investors penalize female founders for lack of industry fit. *Sciences Advances*. 6(48), eabd7664.

<sup>vii</sup> Rose, 2019.

<sup>viii</sup> *ibid*

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ix Rose, 2019.