



DEI Playbook

for early-stage startups



in collaboration with **J.P.Morgan**

2023

Introduction

[Company Ventures](#) is an early stage venture capital firm in New York City. We invest across industries, but have a focus on digital health, fintech, and enterprise software. Through our various programs and investing activity, we have formed a community of exceptional founders building great companies, responsibly. We have placed an emphasis on helping our companies define their purpose, developing their company's vision, mission and values, including support for Diversity, Equity and Inclusion (DEI) outcomes.

Our team at Company Ventures is compelled to bring this work forward with founders in their earliest stages, both for the moral and business value of this positioning. The firm is on its own learning journey in this work, including some internal assessment and facilitated discourse with various advisors and practitioners as we learn alongside the founders in our community. This playbook is a reflection of both our internal and founder-focused work. We've collaborated with J.P. Morgan to develop this DEI Playbook for Early-Stage Startups. Through its work with accelerators, investors and the founder community, J.P. Morgan is committed to helping startups approach DEI as a priority.

The objective of this playbook is to not only demonstrate that founders at the earliest stages can and should invest in their commitment to DEI, but to offer a set of tools and resources for doing so. We recognize that a "playbook" can take many forms, but for us it means offering a startup founder high impact areas of focus for their DEI commitments, and then providing practical recommended actions, with companion links to delve into the work. The resources provided are largely external (with links to focus on their expertise), identified through research and recommended by our founders. Neither Company Ventures, nor J.P. Morgan, claims expertise in DEI strategies; rather, we aim to curate a set of tools and ideas specifically for founders from an array of publicly available resources on the topic.

This playbook offers a perspective on how to get started if you are in the early days of company development and seeking to build a set of inclusive and equitable cultural practices, an empowered diverse team, and products that are thoughtfully designed to work toward a more equitable future.

This playbook is NOT the answer to DEI, but rather just the beginning of your journey. The playbook is written for a founder who likely has a very full plate and is facing frequent, existential questions on how best to spend their time. Our vision is that the following resources and actions can facilitate deeper conversations and the development of DEI best practices within your company. At the end of Section 2: Building Culture, you will find a list of DEI experts, and we recommend finding partners to continue to develop, center, and amplify this work at your startup.

DEFINITION OF TERMS

Before we begin, we want to acknowledge that the phrase “Diversity, Equity and Inclusion” can be interpreted in different ways. For the purposes of this playbook, we offer the following baseline definitions. We encourage you to revisit these terms and ensure you set your own definitions for internal use that are informed by your organizational culture and defined to highlight what is most important to your company.

Defining Diversity

Diversity is defined as the presence of differences that may include race, gender, religion, sexual orientation, ethnicity, nationality, socioeconomic status, language (dis)ability, age, religious commitment, or political perspective.¹ These aspects of diversity, which reflect different lived experiences are what we ask you to keep in mind as you navigate through this resource.

Defining Equity

Equity is defined as promoting justice, impartiality and fairness within the procedures, processes, and distribution of resources by institutions or systems. Tackling equity issues requires an understanding of the root causes of outcome disparities within our society.²

Defining Inclusion

Inclusion is defined by the extent to which various team members, employees, and other people feel a sense of belonging and value within a given organizational setting.³

¹ <https://dei.extension.org/>

² <https://dei.extension.org/>

³ <https://ideal.com/diversity-equity-inclusion/>

HOW TO USE THIS PLAYBOOK

This playbook includes four key sections:

- 1 Why Now:**
Laying the groundwork for DEI at your organization
- 2 Inclusive Culture:**
Supporting a healthy organizational culture of belonging
- 3 Recruiting and Hiring:**
Building high performing, diverse teams
- 4 Product Design:**
Making products more accessible and ethical for your users

This resource is designed to support you in building your fluency around applying a DEI lens to core tenets of your business. By increasing founder and team capacity in DEI and integrating it across business verticals, it becomes a seamless part of the fabric of organizational strategy.

Each section contains tools – along with accompanying resources — that when incorporated into your business strategy can help achieve specific outcomes that strengthen your business. While the sections can build upon one another, as a founder you may be drawn to either start from the top at Section 1, or jump around to access the resources most pertinent to you at the time of reference. Your choice!

Let's get started.

1 Why Now?

Laying the groundwork for DEI at your organization



At Lantern, our commitment to inclusion across race, gender, age, religion, identity, and experience drives the teams that we build, the leaders we cultivate, and the users that we serve. To other founders, I would simply say that products are a reflection of the teams that build them. If your entire leadership suite has gone to college, is Catholic, is straight, is white, grew up in a rural area, comes from a two-parent household (you get my point)...you're missing out on an opportunity to represent and serve folks who have differing vantage points, and that's a real failure for both your internal culture and your users.

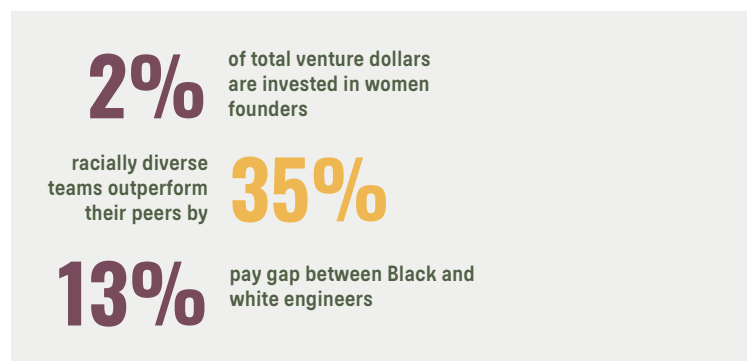


– Alyssa Ruderman, co-founder and COO, Lantern, a startup that supports end of life planning and helps all people grieve easier

The stereotypical startup may be working in the frame of “work fast and break things”. Founders are told to hire quickly, to grow at all costs, to think only about “winning” and the dream of unicorn status and the successful exit. So, you may be asking yourself, Why focus on diversity, equity and inclusion now?

In the face of [painful founder statistics](#) (2% of venture dollars are invested in women founders⁴) and reports that make clear our shortcomings in the tech sector (despite racially diverse teams outperforming their peers by 35%, diversity is undermined by diversity pay gaps like Black engineers earning 13% less than white engineers⁵), too often, DEI is treated as a second-tier priority.

Founders may consider DEI a “nice to have”, or as something to think about once they have a large enough team, a fully formed product, or an HR professional to lead the journey. But what we've learned at Company Ventures is that a generational business, the kind that will outperform competition for decades and ultimately create far greater returns, is one that is built with intention.



DEI is core to this process, aligned with the goals of hiring the right people who will be committed to the growth of your business, see around corners, and design for the widest audience. This is the essential, foundational work of founders.

⁴ <https://www.bloomberg.com/news/articles/2022-01-11/women-founders-raised-just-2-of-venture-capital-money-last-year>

⁵ <https://www.lever.co/blog/diversity-in-tech-closing-the-gap-with-culture-and-leadership-plus-new-data/>

In committing to this approach, as a founder and early team, it is helpful to start by determining your “why.” There are various answers to this question of why invest in DEI now.

We invite you to ask yourself:

- What is my North Star - my company’s vision, mission and values? What impact am I looking to make with this company? What is driving me and my team's success?
- What does a "good" work culture look and feel like for my employees?
- What is important to me as I build my team? Who will be making decisions core to our success?
- Who am I designing this product for (and in exchange, who am I intentionally not designing the product for)?
- What risks do I face if I don't do this right, or at all?

With this foundation, you can begin to ask yourself how you are thinking about your various stakeholders, whose voices are heard and represented, who is impacted by your decisions, and how you can naturally begin to build with a DEI lens. You can then work to ensure everyone, especially your highly influential early team, is as fully invested as you are in the importance of DEI priorities. In developing your "why" and putting the right structures in place to measure progress, you're working toward a sustainable commitment to this work.

Desired Outcome


Lay the groundwork for DEI, and identify outcomes to which you will hold yourself accountable.

Getting Started

Glossary

Ensure there is clarity around what DEI means at your organization by developing a glossary of definitions and shared inclusive language that capture the commitments you seek to build.

[Here](#) are our DEI definitions at Company Ventures.


 [5 Ways to Launch a Diversity and Inclusion Community Strategy \(Staffbase\)](#)

 [A Guide to DEI in Communications \(Forbes\)](#)

DEI Commitment


Write a DEI commitment that you feel comfortable sharing internally and publicly on your job descriptions, content pieces, and your company's website. By sharing your intention with your team and greater community, you have an active checkpoint and source of accountability in your DEI work. Your commitment should be thoughtful and truthful – which may mean it shares your aspirations and the areas of active work for learning and growth.

 [How to Write a Diversity, Equity, and Inclusion Statement \(Betterworks\)](#)

 [How to Write a Clear and Impactful Diversity Statement \(Mathison\)](#)

Track DEI

Begin the process of collecting data related to DEI to establish an accurate baseline for goals and progress tracking, including the individuals on your team, board, advisors, vendors, user profiles, etc. Also consider where diversity may be clustered in your organization (Are all the women on the marketing team? Are all people of color in junior positions?).

 [Diversity and Inclusion Metrics: What and How to Measure](#)

 [Inclusion and Demographic Survey Questions \(Awaken\)](#)

Level Up

Before advancing to culture design, create a clear Code of Conduct that is grounded in principles that uphold diversity, equity, and inclusion.

 [How to Write a Code of Conduct \(Indeed\)](#)

2 Inclusive Culture

Supporting a healthy organizational culture of belonging



The best companies are the ones that can align as many stakeholders as possible toward a common purpose with clarity. Increasingly, the workplace can become a lens into the kind of life we want to live. Balance, purpose, kindness, and excellence are some examples of the kinds of things we strive for. Inclusion is as important in work as it is in life, and has to be accomplished intentionally.

-Neal Desai, CEO, Kafene, a mission-driven fintech company empowering flexible ownership solutions via lease-to-own options for furniture, appliances, and more.



Applying a DEI lens to your work starts with intentional decisions for your culture. A company's culture is defined by the set of actions and behaviors supported and rewarded at that organization. The norms set either create an environment that can help all employees bring their best to work, or slowly shut down as seemingly small slights lead to distraction. Culture is established even before your first hire and reinitiated with each hire thereafter, so the goal of an inclusive organization is to establish a sense of belonging for those on the team, immediately and continuously. Recruiting and hiring will always reflect culture.



Desired Outcome

Design, build and maintain an organization with an inclusive culture where all team members feel like they belong, experience psychological safety and have equitable opportunities to grow professionally.

Tools for Building an Inclusive Culture

Inventory

Conduct an inventory of your website, job descriptions, and other materials to ensure you are consistently applying inclusive language, imagery and data on internal and external assets.





-  [How to Make Your Organization's Language More Inclusive \(Harvard Business Review\)](#)
-  [Inclusive Language in the Tech Sector: Why it Matters and How to Make it Happen \(The Diversity Movement\)](#)

What this looks like:

adding pronouns to email signatures and Zoom profiles; using “y’all” or “folks” when addressing a group; reconsidering language for terms like “whitelisted” and “blacklisted”; replacing “he or she” with “they” in product spec documents, etc.

Onboarding

Invest the time up front to develop employee onboarding documents and standard welcome processes for all managers, as well as feedback mechanisms to help establish psychological safety at work.

-  [Onboarding Checklist \(Charthop\)](#)
-  [How to Achieve Inclusive Hiring in a Virtual and Hybrid World \(Mathison\)](#)
-  [The Importance of Psychological Safety in the Workplace for Black, Racialized and Marginalized Employees \(Divonify\)](#)
-  [How To Make Your Benefits Package More Inclusive \(Jellyvision.com\)](#)

What this looks like:

calling a new hire before they start to make sure their questions are answered; asking about dietary restrictions upfront; assigning an “onboarding buddy” to answer organizational navigation questions; sharing the org chart and career pathways; offering inclusive benefits; building a transparent and consistent employee development plan

Meet & Communicate

Meet as a team with a regular cadence to not only build rapport, but to create transparency and access for all team members. Use this as an opportunity to celebrate values alignment and reinforce cultural norms. Consider collectively developing an organizational scorecard to support individual development and team performance metrics, with DEI goals embedded throughout business functions.

- [How to Fit OKRs Into Your Company Mission and Values \(15Five\)](#)
- [7 Tips to Codify Your Startup Culture \(FormatOne\)](#)
- [Balanced Scorecard: A Complete Overview for 2022 \(Spider Strategies\)](#)
- [Creating a Culture of Recognition \(Great Place to Work®\)](#)

What this looks like:

starting OKR strategy meetings with restating vision/mission to align team on “why” these priorities; including specific examples of values alignment in performance reviews; creating communication channels to celebrate values alignment and authentic cultural acknowledgement; considering norms for team outings that are considerate of individual abilities, dietary restrictions, and obligations outside of work

Task Assignments

Rotate shared tasks and team event planning to equalize power and engage everyone.


- [For Women and Minorities to Get Ahead Managers Must Assign Work Fairly \(Harvard Business Review\)](#)
- [Lets Talk Unequal Workload Discrimination \(LinkedIn\)](#)


What this looks like:

rotating unassigned office tasks — from notetaking to culture building activities — among all team members, not just junior colleagues and/or women; sharing spotlight opportunities like important presentations among team members to ensure all are given the chance to shine (and credit is shared, publicly, where credit is due)

Diverse Voices


Review data (from Section 1) and create priorities and an action plan to build a diverse team, advisory board and set of investors, as this type of leadership will help you to be accountable to and supportive of the culture you wish to create.


 [How to build a diverse board \(TechCrunch\)](#)

 [Gender Diversity in Startup Boardrooms \(J.P. Morgan\)](#)

Board diversity platforms:

 [theBoardlist](#)

 [Athena Alliance](#)

 [Corporate Board Initiative - The Executive Leadership Council \(ELC\)](#)

What this looks like:


go beyond the basic practice of one woman or person of color on your board and proactively recruit investors and advisors that represent the diversity of your stakeholders; ensure you save room on your cap table for GPs from historically marginalized communities

See Section 3 for resources on diversity in hiring

Level Up

Poll staff regarding their professional development interests, including DEI-related trainings. If possible, identify DEI topics that are organizational priorities and survey staff on their fluency to leverage that data to inform professional development planning. If you provide professional development funds, remind the team that these can be used towards DEI-related trainings and support, as well.

Find a DEI consultant with expertise in the content and your company type, specialty area or geographic region. [DEI Expert Hub](#) is a great resource, as well as the following (very incomplete) list of DEI consultants:

 [Bridge and Ladder](#)

 [Racial Equity Institute](#)

 [Becoming Better Together](#)

 [Hello Collective](#)

 [Celestial Consulting](#)

 [Paradigm IQ](#)

 [Great Place to Work](#)

3 Recruiting and Hiring

Building high performing, diverse teams



One of the most strategic moves a start-up team can make is to focus on advancing diversity, equity and inclusion early in its journey. Teams may think they are too early or should defer this work but DEI not only drastically accelerates business performance and culture -- it becomes increasingly harder for a startup to institute DEI as the organization scales.

-- Arthur Woods, author of [Hiring for Diversity](#), co-founder of Mathison and Out in Tech



Many experienced founders point to recruiting and hiring talent as THE most important step in building their business. Who is on your team defines how you build, how you grow, and how you succeed. In the past, the mantra was “hire fast, fire faster,” with an array of tools available to help founders build their teams quickly. But in recent years, the field has evolved to recognize [the dangers](#) of this approach — from the unnecessary costs to the startup to the blow to the culture. When a founder focuses on goals for building a thriving, high-performing and diverse team, “hire thoughtfully and retain your people” may be a more appropriate approach.

While many DEI guides will start with hiring, we have learned from our friends at [Mathison](#) (a Company Ventures portfolio company that focuses on diversity recruiting and analytics and authors of [Hiring for Diversity](#)) that a founder must focus on building an inclusive culture first, followed by a concerted effort to recruit with that inclusivity in mind. This promotes an environment that supports their new hires’ success.

Recruiting with a DEI lens is essential from a startup’s earliest days. For example, one startup from within our community had an early team of 10 engineers. Without a single woman or non-binary person on the team, they realized that they were struggling adding gender diversity to their engineering team. Had they built the initial team applying a DEI lens, the startup could have not only engaged more diverse perspectives in product development, but they would have avoided this challenge down the line.

According to Mathison, the keys to building a diverse team is to make it an urgent priority, to slow down hiring, to take the time and make the effort to thoughtfully craft inclusive roles, job descriptions, and hiring practices.

Desired Outcome

Establish an inclusive and equitable recruitment process that yields a diverse and high performing team.

Tools for Recruiting

Job Description

Build a great job description template — one that shows your company's personality, purpose and values, and that includes an explicit Diversity Commitment as noted in Section 1 (beyond the EEO legalese) that makes clear your inclusive culture.

- [Write an Inclusive Job Description \(Mathison\)](#)
- [Writing your equal opportunity employer statement? Here's some inspiration \(Greenhouse\)](#)
- [Tools: Gender Decoder & Textio](#)

Job Boards

Pay to post on job boards that support hiring from historically marginalized communities (Women, Black, Hispanic & Latine, LGBTQ+, Veterans, People with Disabilities, etc.)

- [Diversity Job Board & Portals \(Aleria\)](#)

Interviewing

Train your team in equitable and anti-bias interviewing and hiring practices that standardize questions and competency-based evaluations. Include specific questions to explore values alignment (rather than “culture fit”) and consider sharing your DEI commitment during the interview.

- [Lay the Groundwork for an Equitable Interview \(Mathison\)](#)
- [Bias-Free Hiring: Quick Reference Guide \(Turner Consulting Group\)](#)
- [What is a Competency Model? Its Examples and Benefits \(Valamis\)](#)



Pay Equity

Use a clear compensation calculation and offer processes to minimize pay inequity due to negotiation. Complete market research to work in service of paying a living wage — or above market rate — for the role. Consider using transparent practices when communicating salaries and comp packages. Note: per employment laws, interns should always be paid.

- [Opening Up About Comp Isn't Easy — Here's How to Get More Transparent \(First Round\)](#)
- [The Gap Table \(#Angels\)](#)
- [Tools: Payscale & OpenComp](#)






Feedback Loop

Create a process for candidates and new hires to provide feedback about their experience with your company during the hiring process. Leverage this data alongside candidate demographic data to identify where you may be losing candidates, and if there are discrepancies by identity markers, train or reevaluate your process for the next hires.

-  [How to reduce bias in interviews \(Qualtrics\)](#)
-  [Pinpoint where you're losing diverse candidates — and why \(Headstart\)](#)

Level Up

Hiring extends beyond your full-time team. You should also consider how you're championing diversity with your contractors, vendors and other service providers. Every one of these partners can help you build a [stronger company](#) through a wider lens of experience. By establishing [supplier diversity guidelines](#) and internal accountability metrics, and by leveraging certifying bodies, you can create a much wider impact with your business. Look to the following organizations for great vendors:

-  [Women's Business Enterprise National Council \(WBENC\)](#)
-  [National Minority Supplier Diversity Council \(NMSDC\)](#)
-  [National LGBT Chamber of Commerce \(NGLCC\)](#)
-  [Disability:IN](#)
-  [National Veteran Business Development Council \(NVBDC\)](#)

Read about JP Morgan's approach to [supplier diversity](#).

4

Product Design

Making products more accessible and ethical for your users

Noelle Acosta is the founder of Noula Health. She is building her company based on her personal experiences in health care as multiple doctors ignored her severe symptoms. From the inception of Noula Health, she has been striving to create a safe and culturally-relevant space for women of all backgrounds. Noula is serving the unmet needs of women of color, so Noelle carefully uses inclusive language to create stories and highlight personas from a diverse set of backgrounds. For her company, this has also meant offering in-app support in English and Spanish from day one.

Your products are a reflection of your company's culture and your team! It's as simple as that. The startup manuals will talk to the importance of customer research, personas, iterative design and user testing. And while customer research is essential to creating a great product that is more tapped in to the needs of your market, if you build a product team with lived experience of the issue itself, and approach the work through various lenses because of the diversity within your team, you will yield a product that is more attuned to the present and future of the market. This is an area for de-risking, differentiation and competitive advantage. Inclusive product design can also mean that, as a founder, you are considering new ethical risks and business opportunities.



Desired Outcome

Ensure your product is built in alignment with your organizational values, target outcomes, and ultimately causes no harm to your users, secondary audiences, or a broader set of stakeholders (such as the environment).

Tools for Inclusive Product Design

Targets

Start with a clear set of priorities, with a clear intended outcome and core target audience. Those most impacted by the problem are those to engage (and be paid) as co-designers with valued lived expertise.

-  [The Upfront Guide to Designing Inclusive Personas \(Usability Geek\)](#)
-  [Inclusive user archetypes \(UX Collective\)](#)



Team & Users

Ensure your team reflects the diversity of your user base. Engage regularly in user testing (with paid testers) to ensure you are designing for your customer.

-  [To Build More-Inclusive Technology, Change Your Design Process \(Harvard Business Review\)](#)
-  [Inclusive Design \(Nielsen Norman Group\)](#)

AI Bias

Actively counter algorithmic bias in artificial intelligence and monitor for undue benefits or unintended harm to individuals or communities.

-  [Tackling bias in artificial intelligence \(and in humans\) \(McKinsey\)](#)
-  [6 Ways to Reduce Different Types of Bias in Machine Learnings \(Tech Target\)](#)

Accessibility

Ensure that accessibility is included into design up front to, at minimum, comply with ADA requirements. Include opportunities for feedback or customization for accessibility needs for all users.

-  [How to Meet Web Content Accessibility Guidelines \(Web Accessibility Initiative\)](#)

Ethical Risks

Build cross-functional teams to pressure-test product design and potential ethical risk areas. Conduct external (paid) focus groups when possible.



[EthicalOS \(Omidyar Network\)](#)



[An Ethical Toolkit for Engineering/Design Practice \(Santa Clara University\)](#)

Level Up

Inclusive product design extends to Corporate Social Responsibility efforts, even for early stage startups. Consider opportunities in which your product might be leveraged for social good, like [Twilio's](#) impact fund example. Consider whether your company can build solutions to challenges that can [create greater equity and justice](#).

FINAL POINTS

If you glean one takeaway from this playbook, let it be this: bringing a diversity, equity and inclusion lens to building your startup fosters trust, authentically, and can create business value, but the work is active, ongoing and involves a deep leadership commitment. It is work that's never done, requires consistent reflection and improvement, and is best embedded in all levels of the organization.

This playbook offers an initial set of simple, immediate steps a founder can take to build a company that embraces this approach to DEI. We recognize that this is imperfect and just a step in our journey at Company Ventures to better develop a DEI lens to our own work. Over time, it is our intention to continue to build upon the resources in this playbook, ensuring that the expertise better reflects work from researchers from historically marginalized or otherwise underrepresented groups in the sector. We're grateful to our community at Company Ventures for helping us learn together and ultimately share these resources with you.

We invite you, reader, to share your experiences to help advance the effort in creating a new generation of startups that are diverse, inclusive, and operate more equitably. Email us at impact@companyventures.co to share your resources and offer your feedback.

Our Thanks

We are tremendously grateful to the partnership with the team at J.P. Morgan whose expertise was invaluable in this playbook. We are grateful to the team at Bridge and Ladder, LLC for their deep knowledge and contributions to this playbook. We are also appreciative of our community, specifically the folks at Mathison, Noula, Kafene and Lantern for their perspectives and honest experience with this work.