

# DIVERSITY REPORT





PREPARED BY:

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TALENT PARTNER

DRIVE CAPITAL



# ABOUT THE DATA COLLECTED

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## Disclaimer

We recognize that diversity has many layers and definitions beyond the data we collected. This includes, but isn't limited to, socioeconomic standing, age, sexual identity, gender identity, underrepresented racial subgroups, and others. We also understand that relying on the perceptions of individual representatives from each company is an imperfect approach to collecting this data. All this notwithstanding, it simply isn't reasonable to expect our many companies to define and track this data consistently and with high levels of resolution— but consistently collecting lower resolution data, we decided, is better than no data at all.

# OUR MOST VALUABLE COMPANIES ARE OUR MOST DIVERSE COMPANIES

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## Diversity

Why does diversity matter to Drive Capital? It's simple: diverse companies perform better. This is evident by the fact that our most diverse companies are among those in our portfolio with the highest enterprise value.

COMPANY:

# ROOT INC.

MOST RECENT VALUATION:

\$6.0 B

TOTAL HEADCOUNT:

27%  
NON-WHITE  
MINORITIES

19% PORTFOLIO MEDIAN

EXECUTIVE LEADERSHIP:

42%  
WOMEN

22% PORTFOLIO MEDIAN

COMPANY:

# DUOLINGO

MOST RECENT VALUATION:

\$2.4 B

BOARD SEATS:

50%  
WOMEN

0% PORTFOLIO MEDIAN

EXECUTIVE LEADERSHIP:

33%  
NON-WHITE  
MINORITIES

14% PORTFOLIO MEDIAN

COMPANY:

# APPLYBOARD

MOST RECENT VALUATION:

\$1.5 B

TECHNICAL STAFF:

35%  
WOMEN

41%  
NON-WHITE  
MINORITIES

16% & 21% PORTFOLIO MEDIAN, RESPECTIVELY

EXECUTIVE LEADERSHIP:

56%  
NON-WHITE  
MINORITIES

14% PORTFOLIO MEDIAN

COMPANY:

# UDACITY

MOST RECENT VALUATION:

\$1.0 B

TOTAL HEADCOUNT:

41%  
WOMEN

40%  
NON-WHITE  
MINORITIES

25% & 19% PORTFOLIO MEDIAN, RESPECTIVELY

EXECUTIVE LEADERSHIP:

43%  
NON-WHITE  
MINORITIES

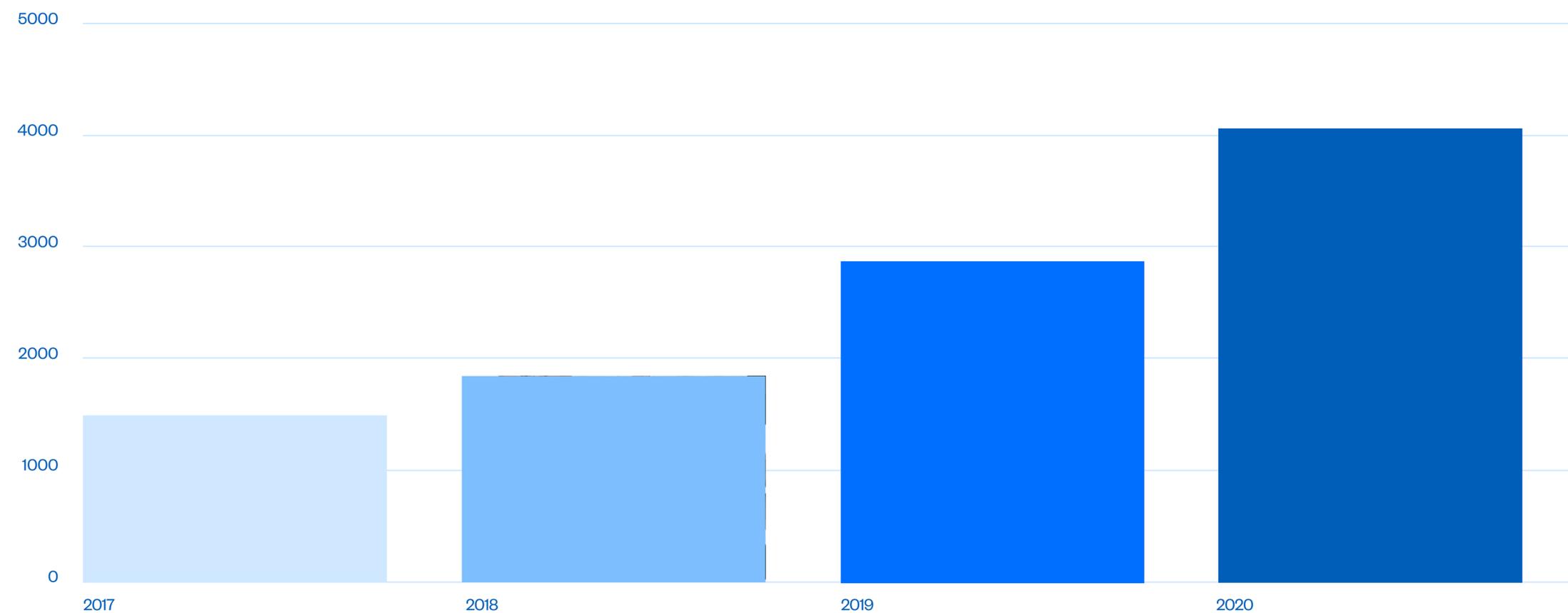
14% PORTFOLIO MEDIAN



SECTION 01 —

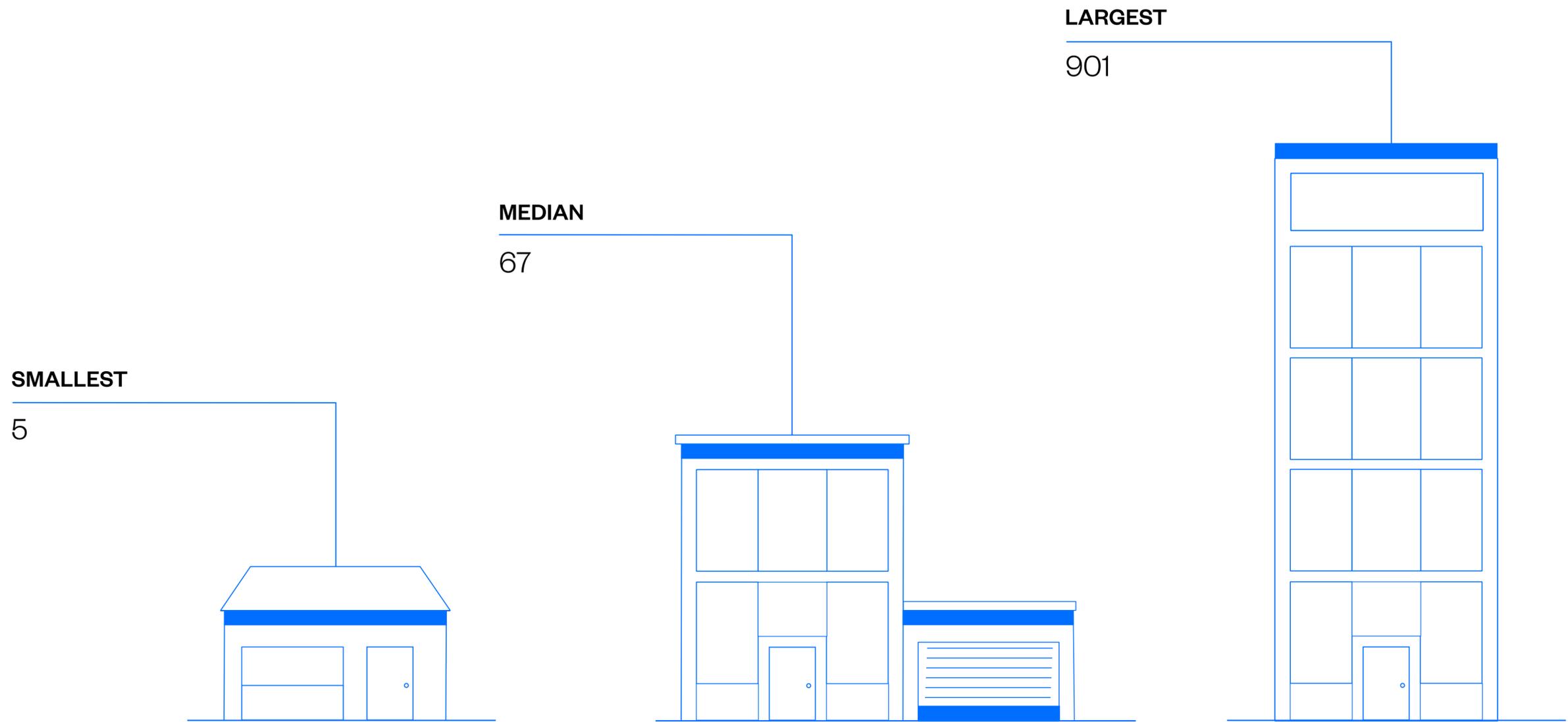
# PORTFOLIO PROGRESS





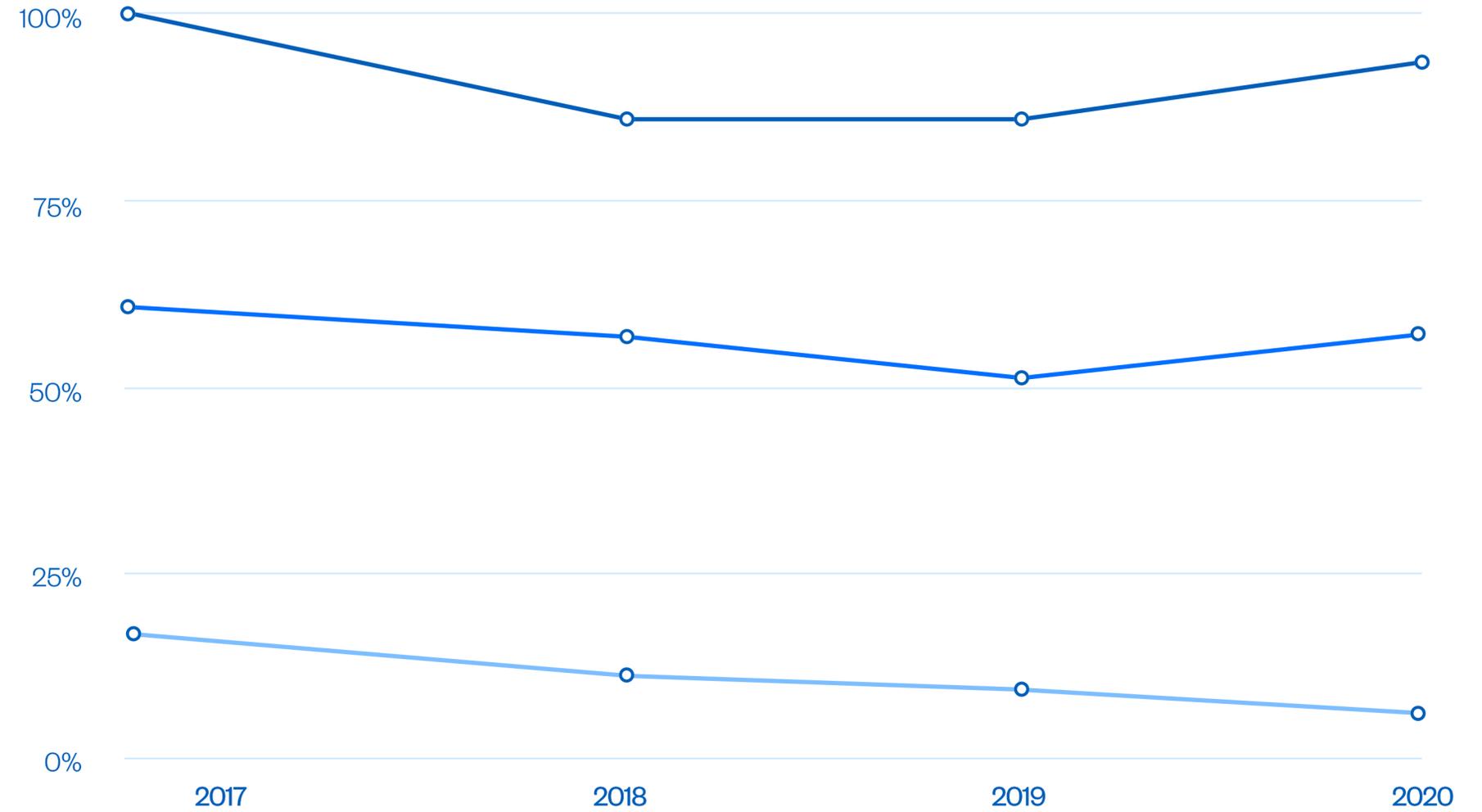
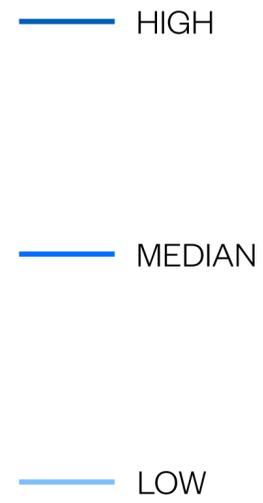
In aggregate, our portfolio added 1,100 new people last year.

# TOTAL PORTFOLIO HEADCOUNT



Median headcount in the portfolio grew by 50% (up from 45 in 2019). Our largest company, Root, grew by 32.6% (up from 679 in 2019).

# MEDIAN PORTFOLIO HEADCOUNT



Technical roles (engineering, product, design) continue to dominate the overall headcount at our companies. However, as our portfolio grows and our companies mature, the percentage of technical roles has declined somewhat to a median of 54%.

# STAFF IN TECHNICAL ROLES



SECTION 02 —

# WOMEN



[Link to source](#)

# VC DEAL COUNT IN 2020

Men & Women

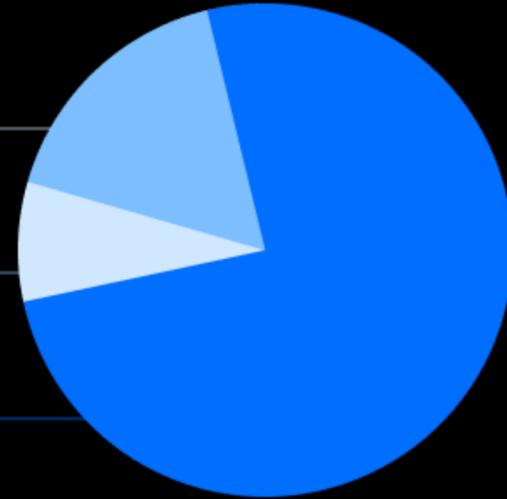
16.7%

All Women

6.7%

All Men

76.6%



# PORTFOLIO FOUNDING TEAMS

Men & Women

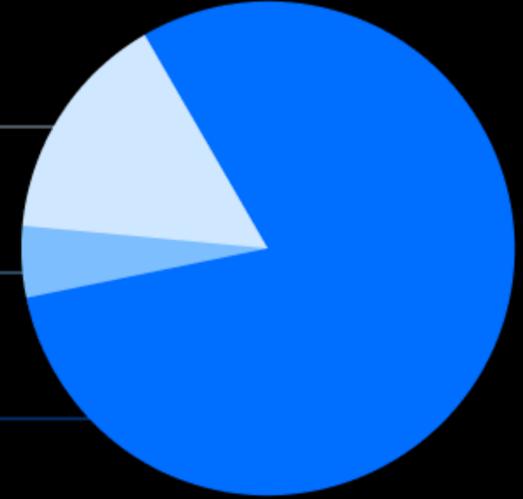
7.9%

All Women

2.6%

All Men

89.5%

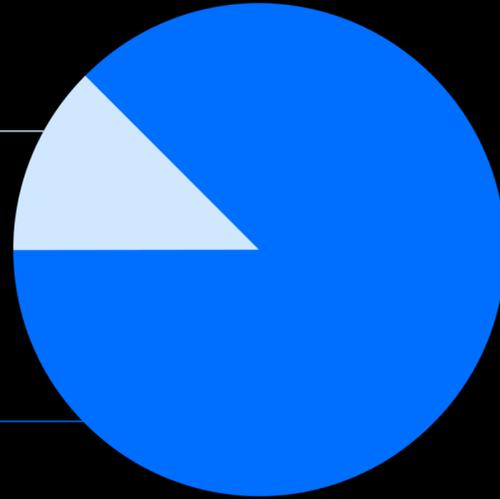


Female representation among startup founders in our portfolio is behind the rest of the industry, an industry which is itself well below representative levels.

# PORTFOLIO BOARD SEATS

Women

9.9%



Men

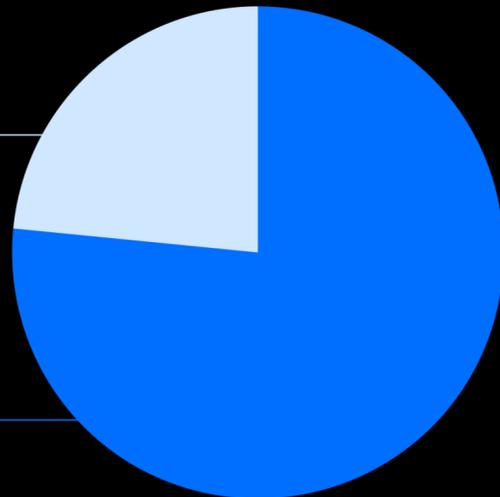
90.1%

[Link to source](#)

# FORTUNE 500 BOARD SEATS

Women

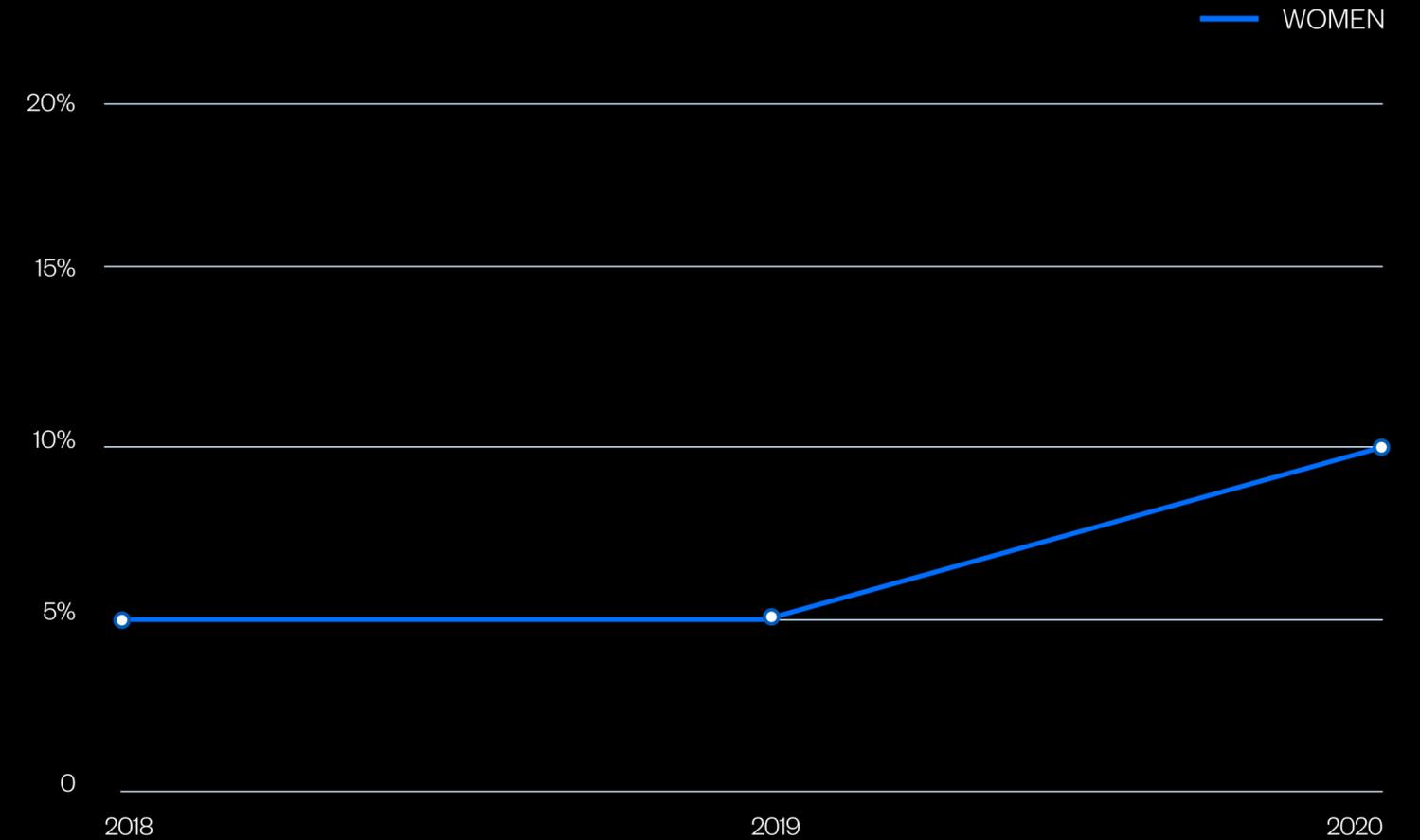
22.5%



Men

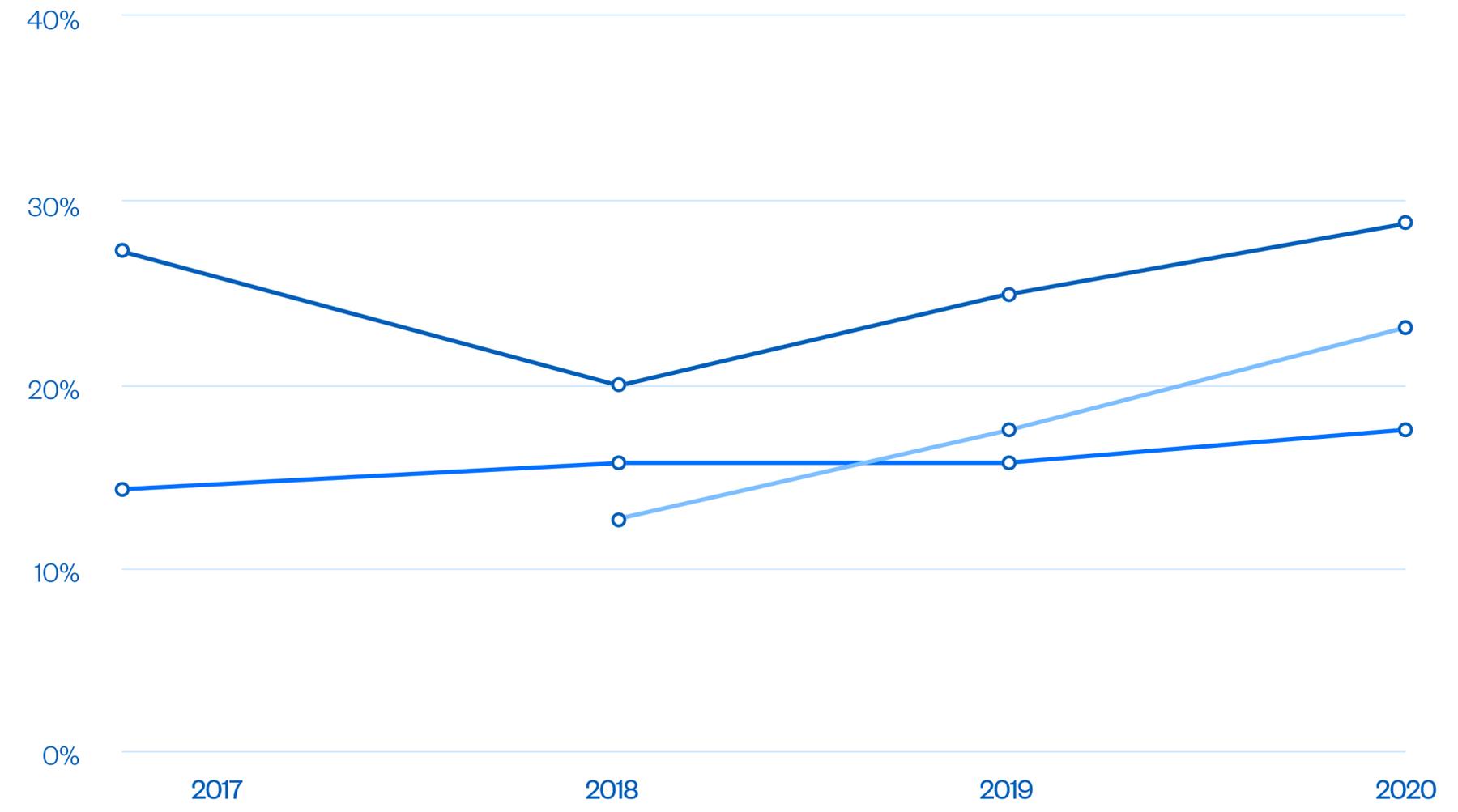
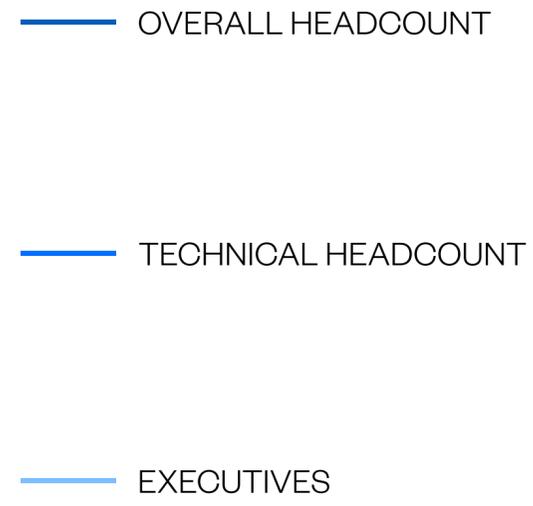
77.5%

# BOARD SEATS: WOMEN



While the share of board seats occupied by women doubled from 4.6% in 2019 to 9.9% in 2020, diversity levels of portfolio company boards remain substantially below the levels of the Fortune 500.

Women



The story on women's share of roles inside our portfolio companies is one of modest gains, with the exception being at the executive level. Across the whole portfolio, women's share of executive roles has grown from 13% to 24% in the last two years.

# WOMEN IN THE PORTFOLIO



SECTION 03 —

# NON-WHITE MINORITIES



# PORTFOLIO COMPANY FOUNDERS

Include Black & Latinx

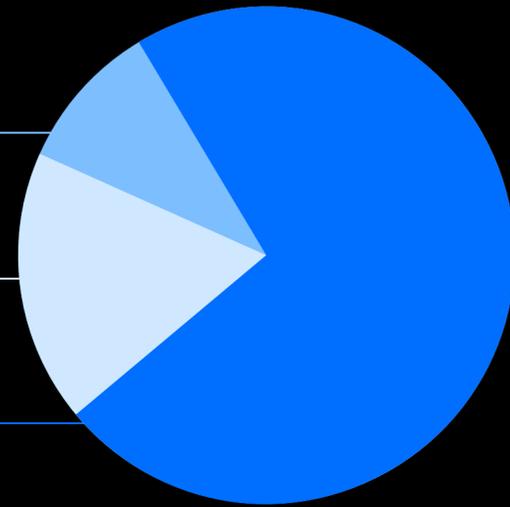
7.9%

Include Non-White

13.2%

All White

78.9%



Around 21% of our companies are founded by teams that include at least one non-white minority founder and 7.9% include a Black or Latinx founder.

Definitions vary around which races and ethnicities constitute underrepresented minorities among founders. Again, our survey chose not to draw too fine a line around these distinctions, instead we opted to ask companies for those who identify as “non-white minorities.” However, when reviewing the founding teams as well as boards, we further included the Black and Latinx distinctions.

# PORTFOLIO BOARD SEATS

Black & Latinx

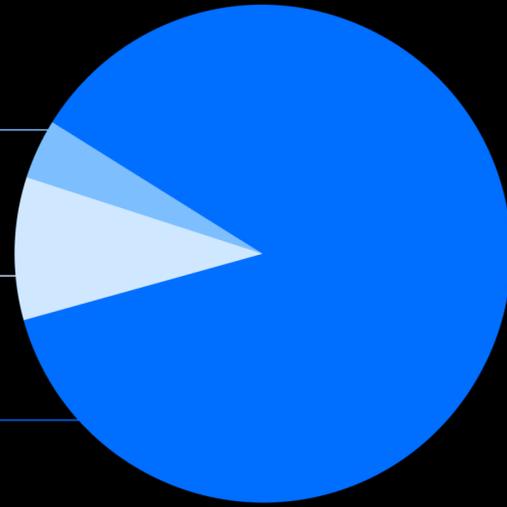
2.6%

Non-White Minority

8.3%

All White

89.1%



[Link to source](#)

# FORTUNE 500 BOARD SEATS

Black & Latinx

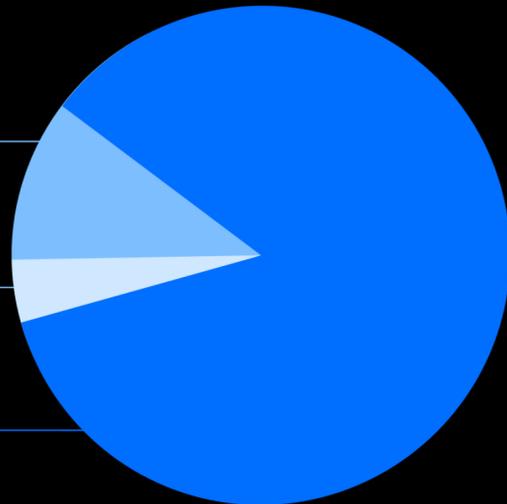
8.3%

Non-White Minority

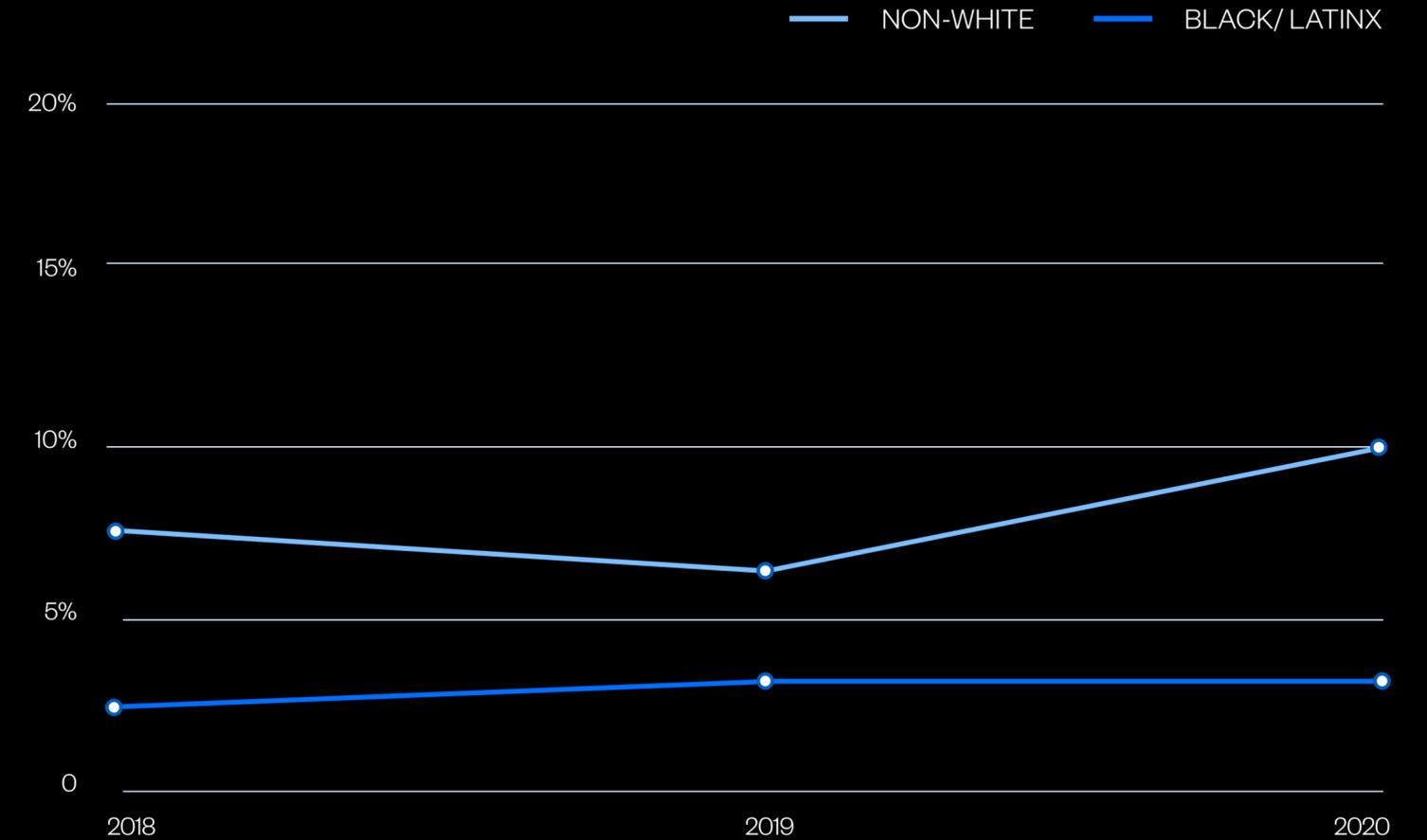
3.8%

All White

83.9%

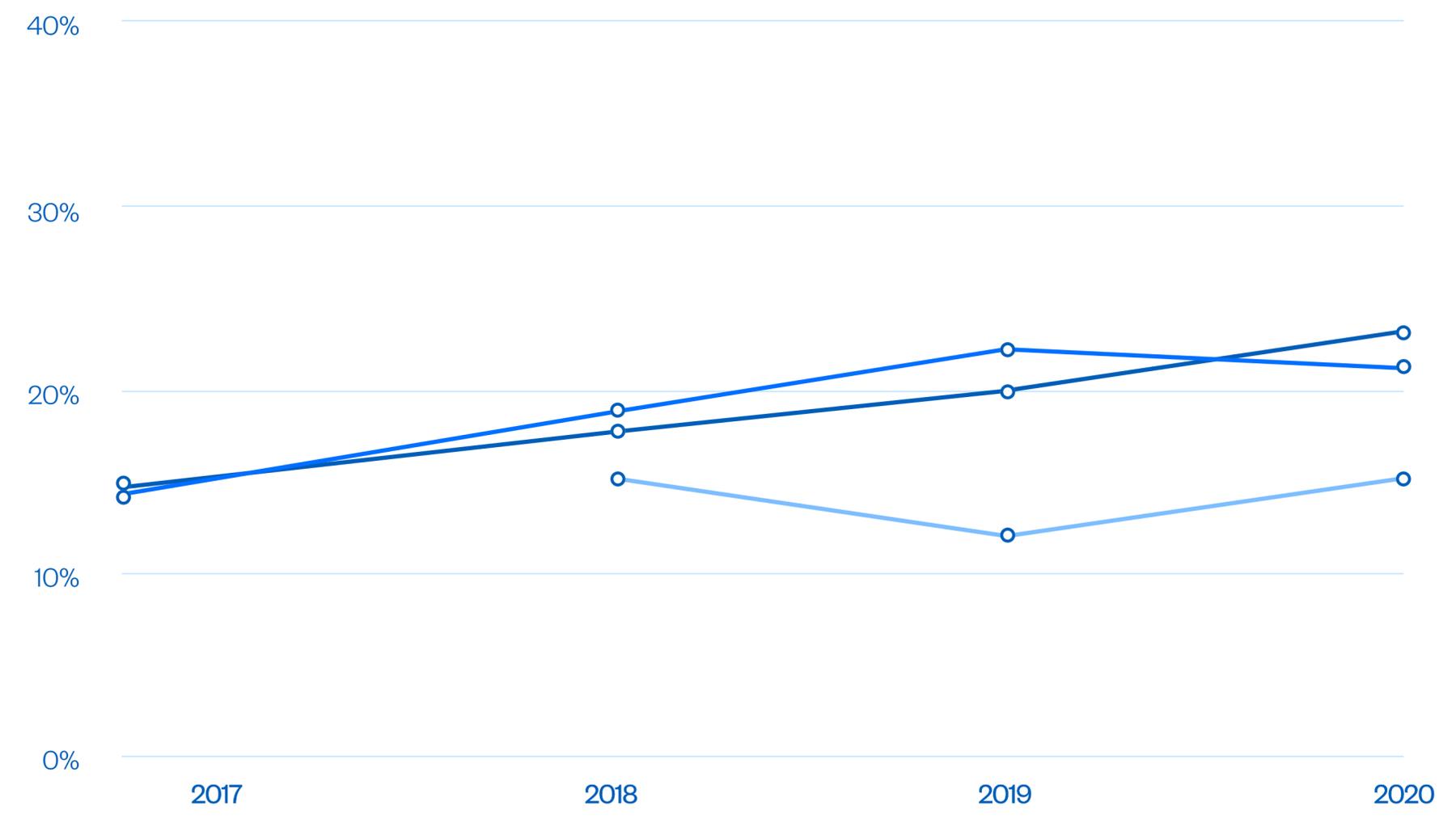
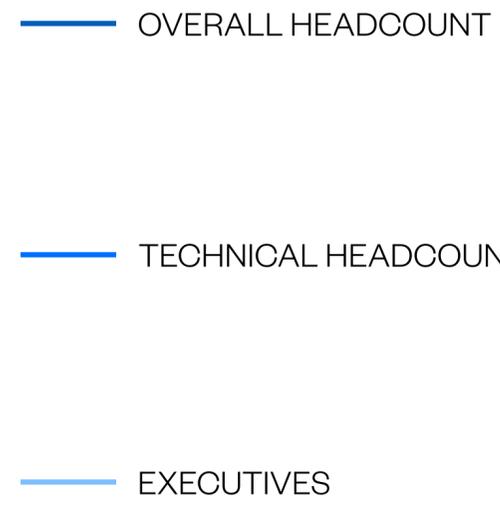


# BOARD SEATS: RACE



Board seats held by people of color grew by 50% between 2019 and 2020 but are below representative levels and boards at Fortune 500 companies.

Minorities



Minority representation in portfolio companies shows steady, modest gains over the last four years in overall headcount and technical headcount. However, representation at the executive level remains flat.

# MINORITIES IN THE PORTFOLIO



SECTION 04 —

# PORTFOLIO SUCCESS STORIES





SUCCESS STORY 01 —

# DUOLINGO





# DUOLINGO'S BOARD

Duolingo

The Duolingo board consisted of six members, but only one of whom was a woman. We spoke with Christine Raetsch, Duolingo's VP of People, to learn how the company worked to bring different people to the table to help shape the new EdTech startup's trajectory.

CHRISTINE RAETSCH

DUOLINGO'S VP OF PEOPLE

# IN CHRISTINE'S WORDS

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Duolingo

**CHRISTINE RAETSCH**  
**DUOLINGO'S VP OF PEOPLE**

Additionally, we asked Christine Raetsch for the advice she would offer other companies who are looking to increase diversity at the board level.

“We started our search and received some great referrals. However, we found that our own sourcing efforts yielded people that other board members knew and who tended to look like them. So we partnered with a search firm who specializes in board diversity, TrewStar. Without a great partner in this search, I don't think we would have been able to do it on our own, primarily because they have the right networks to source awesome talent. Initially we went after filling just one seat, and we were overwhelmed with outstanding talent so decided to open two seats instead. Today, the board consists of nine members— four of whom are women, one Latinx, one Black / African American, one who identifies as LGBTQIA+.”

- Be intentional from the beginning about what kind of board you want to create.
- Start early and don't create an issue you have to "fix" later.
- Find the right partner.
- Be flexible— if you find someone amazing, open another seat.



SUCCESS STORY 02 —

# BEAM





# BEAM'S ENGINEERING TEAM SHIFT

Beam

Back in 2017, Beam's engineering team did not include a single woman. This was obviously an unacceptable reality for the company. Fast forward three years and, today, [24% of the team are women](#). We talked with Alex Frommeyer, Beam's Co-Founder and CEO, to learn more about this transformation.

ALEX FROMMEYER

BEAM'S CO-FOUNDER & CEO

# IN ALEX'S WORDS

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Beam

**ALEX FROMMEYER**  
**BEAM'S CO-FOUNDER & CEO**

“As a result of our focus on fostering a more diverse team, Beam saw more attention to topics like accessibility in product design, voice of customer, and a more cohesive and inclusive brand promise. This business performance did not come intentionally in and of itself. It has come as a result of having a team with a wider variance of personal and professional experience that naturally raises new topics and areas of investment. In a word, diversity has made Beam a more thoughtful company.”

Additionally, Alex elaborated on the changes that were made to change the profile of who Beam was hiring to build its product.

- We built a compensation committee in the technology organization to review titles, promotions, and raises with a specific lens on bias.
- We began to anonymize all code exercises before review to avoid unconscious bias.
- We hold our recruiters to diversity metrics in our pipeline.
- Culturally, we run mini-pulse surveys every other week, specifically to source feedback around inclusion topics to make sure the company doesn't drift from our commitments.
- We partnered with several diversity-based organizations (e.g., Women in Tech) offering our mentorship, speaking, and sponsorship.



SUCCESS STORY 03 —

# KOHO





# KOHO'S CULTURE FOCUS

KOHO

Since day one of the company's founding, KOHO has worked diligently to create an inclusive environment and recruit a diverse team. Today, the Canadian FinTech startup has more than 100 employees, [52% of whom are POC and 42% female](#). We spoke with KOHO's People and Culture Lead, to learn how the entire KOHO team puts ongoing effort into fostering an inclusive culture.

[KAYLA VAN SCHYNDEL](#)

KOHO'S PEOPLE & CULTURE LEAD

# IN KAYLA'S WORDS

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KOHO

KAYLA VAN SCHYNDEL  
KOHO'S PEOPLE & CULTURE LEAD

“One of KOHO’s values is Foster Community, meaning we aim to create an inclusive environment that fosters authenticity and diversity, and makes a positive impact in the communities we touch. This value, in particular, remains a constant touchstone as we work to build a more inclusive hiring process and employee experience.”

According to Kayla, the importance of diversity of experience and perspective is vital to their culture and the work that they do. Together the KOHO team works to champion this principle from the KOHO code of conduct.

- Provide equality of opportunity and proactively create a space where everyone can thrive. We're all entitled to the same opportunity to prove our merit. We will proactively create a space that fosters open dialogue, welcomes diversity of thought and opposes groundless bias.
- From a practical standpoint, we collect and review internal diversity metrics and assess feelings of inclusivity through company surveys to track our progress on this important initiative.
- Finally, it's important to maintain a culture of transparency and candor that encourages our team to participate in conversations, address diversity gaps, suggest solutions, and generally holds the company accountable to achieving our diversity and inclusivity goals.



SECTION 05 —

# THIS GOES FOR US TOO



# WE CONTINUE TO MAKE STRIDES

Drive Capital

We put this report together to help our companies improve, but the sentiment applies to us as well. We believe a more diverse investment team will improve our performance. While we're above the abysmal standards set by an industry that's notoriously not diverse, we, too, still have work to do.

	TOTAL HEADCOUNT	FEMALE	PPL OF COLOR
<b>DRIVE CAPITAL</b>	<b>22</b>	<b>10</b>	<b>3</b>
<b>SENIOR PARTNERS</b>	<b>9</b>	<b>3</b>	<b>2</b>
<b>INVESTORS</b>	<b>9</b>	<b>3</b>	<b>1</b>
PERCENTAGE		33%	11%
VC INDUSTRY AVG*		14%	3%

\*2019 NATIONAL VENTURE CAPITAL ASSOCIATION (NVCA)-DELOITTE HUMAN CAPITAL SURVEY

# DRIVING FORWARD

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We firmly believe that the best performance comes from teams full of diverse mindsets, backgrounds, talents and perspectives. As a result, we will continue to collect this data and publish this report to hold a mirror up to ourselves and our portfolio companies. Improving the diversity of our teams is a challenge to be managed and, as the adage goes, you cannot manage what you do not measure.

We are here to support you in this work. We invite you to call on us for help, best practices, or resources in our network. Please continue sharing the efforts that are delivering results for you and your teams. We can pass along these best practices to other companies with similar challenges.

Finally, thank you for the work you have already done to improve the diversity on your teams. Creating an inclusive, diverse, and high performing team is hard work, but it's important work.

**Let's keep moving forward.**

THANK  
YOU

