

# Coming out as a woman in venture capital: opinion

Magdalena Yesil, Special for USA TODAY 2:19 p.m. EDT July 22, 2016

It was standing room only at the NASDAQ Entrepreneurial Center in San Francisco one evening in April.

Kate Mitchell, partner and co-founder of Scale Ventures and co-chair of the National Venture Capital Association's Diversity Task Force, jumpstarted the conversation about why she has taken a leadership role aimed at reducing the gender gap in the technology world. "I decided it was time for me to come out as a woman," she says. The men roared with laughter, the women nodded in agreement.

Like Kate, I've been the only woman in the room in venture capital for over a decade. And I'm done blending in.

I was the first investor and the first board member of Salesforce.com in 1999. I committed to supporting founder Marc Benioff because I believed that cloud computing would be the way of the future. He wanted to work with me because of my twenty-year track record in technology.

For me and other VC women, there's no longer a reason to neutralize our gender, or keep it under wraps. We are few in numbers – just 6% of VCs according to [data compiled by Fortune Magazine](#) – but we make impeccable decisions. We've been some of the first behind Tesla Motors, NetZero, F5, DNA Direct, One Kings Lane and Acme Packet, among so many others.

Salesforce came in a chapter in my career when I didn't need to share credit with a co-leader to gain traction or legitimacy. I had already been a serial entrepreneur with two IPOs and an acquisition, and an investment partner at a major venture capital firm. I had a family of young children at home and believed that it was not an oxymoron to be a great mother, a savvy software engineer, a dynamic CEO and a shrewd investor.

But I still downplayed my gender. The people in the room were almost always only men.

I'm coming out now because we need to change the landscape of startup entrepreneurs that get funded, and it's urgent. According to [Babson College](#), only 15% of new ventures in the U.S. have a woman on the executive team, and only 3% of total venture dollars go to start-ups led by female CEOs.

A report from the [Female Founders Fund](#) shows that early stage funding in 2015 for San Francisco Bay Area start-ups led by women was a mere 8%, a 30% decline from the year before. In the New York area, it stayed steady at just 13%. All of this against a backdrop of industry consolidation in the hands of a few firms, many that continue to have all male partnerships. If we are trying to diversify employment in the tech sector, we have to start with who makes investment decisions.

### **'Rewarded by fitting in with the guys'**

Venture capital is a team sport. Investing decisions are made as a team. When the few of us women started in venture capital, we only had one goal – to be allowed to play in what was clearly a men's game.

"When I joined what I knew to be a male-dominated field, all I focused on was being in the game and having the guys pass me the ball," Mitchell, an industry leader and former Chairman of the NVCA, told me. "I wasn't trying to prove anything about my gender. If they don't pass you the ball, you can't play." Today 79% of venture firms have never had a female investor, according [to the Harvard Business School and NBER](#).

"When you are a woman in an all-male industry, you are rewarded by fitting in with the guys," added Sonja Perkins, a 27-year venture capital veteran and named among the Top 100 Most Powerful People in Finance by *Worth Magazine*. Her three decades in venture included readying herself for Monday morning sports talk before the partners meeting, and trying – unsuccessfully – to develop a taste for Scotch for Friday evenings after work. "Choosing and investing in new technologies and new markets was an amazing opportunity. I wanted to make big plays, and fitting in was the best way to make that happen."

To play in the men's sport, I downplayed my red hair, and wore the team's uniform: dark wool pants and blue button-down shirts. But with success and perspective, I no longer feel under pressure to operate like anyone but myself.

Together with Perkins and Jennifer Fonstad, an investor who spent over a decade at Draper Fisher Jurvetson and is now a founder of Aspect Ventures, we co-founded Broadway Angels, a group of world-class investors and business executives who all happen to be women. In this room, gender is not the story. Brains are. Many of us are partners in other venture funds. As investors in early stage companies, we collectively conduct due diligence on new ideas and new markets and make investments in entrepreneurial leadership teams comprised of women and men. Like any other investors, we are simply looking for the best returns.

“My coming out party was founding Broadway Angels,” says Perkins. “Broadway Angels is showing the world that there are amazing women investors – all with stellar careers and track records. We have access to capital and work well together. Broadway Angels hopes to inspire women to become venture capitalists and male venture capitalists to hire them.”

Now women VCs can stand out – as visible, positive models for the venture industry and the business world as a whole. The evidence is with us. The Peterson Institute for International Economics and audit firm EY [reported](#) that women in leadership positions is associated with a 15% increase in profitability worldwide.

But it’s going to take time. Another highly respected Broadway Angel says she’s still working on coming out. She shies away from making her contributions known. She redirects interviews to the CEOs she invests in, and resists putting herself in the limelight. “Early on, it was very clear to me that if I got more attention than my colleagues, the disparity would make people uncomfortable, and there would be a backlash.”

Thirty years ago the whole concept was sameness. Today I believe common consciousness has shifted and I need to be out front as part of it. Women are 51% of the population. They account for 60% of all undergraduate and graduate degrees. We have to get rid of hidden bias if we are going use the talent of more than half our population.

There is an important message that sometimes gets lost in the conversation about diversity in venture capital, in Silicon Valley and beyond: Gender matters— but women shouldn’t be self-conscious or overcompensate. Jump in the game now, particularly since more of us are openly there beside you.

If by coming out, I help other women look beyond the VC statistics and feel confident entering the room, I also hope they find support among their male colleagues, because I believe the next big push forward cannot be a women’s movement alone. It will take all of us.

*USA TODAY sometimes publishes columns from guest contributors. Magdalena Yesil is a founder of Broadway Angels . She spent eight years as a general partner at the venture capital firm US Venture Partners. She has been an early investor in over 30 companies. Prior to her investing career, Yesil was a serial entrepreneur founding three startups with successful exits, resulting in her becoming Entrepreneur of the Year for the Red Herring Magazine. She started her career as a semiconductor design engineer.*