

CORONAVIRUS

Live updates >

▼ DOW +1.6%

▼ S&P 500 +1.2%

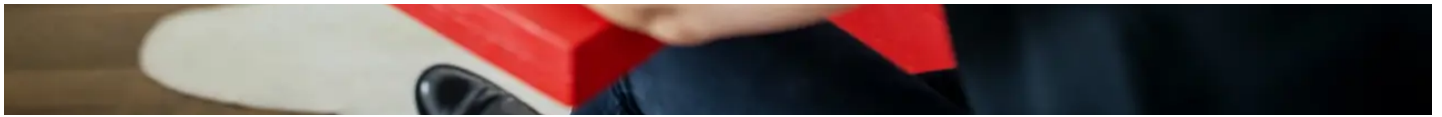
▼ NASDAQ 100 +0.9%

BI PRIME

A new video-pitching platform aims to help women and people of color entrepreneurs shrink the funding gap and reach eager investors. Its cofounders explain how they're rolling it out.

Mary Kearl 6 hours ago





Female-founded Scroobious aims to close the gender and race gap in venture capital funding. Luis Alvarez/Getty Images

- **Female founders only receive 3% of all venture capital funding, even though teams led by at least one female founder perform 63% better than companies with all-male leaders.**

- **To bolster female founders and entrepreneurs of color, Allison Byers and Ann Sublett developed Scroobious: a video-pitch platform that connects startup founders to interested investors.**

- **Byers and Sublett are bootstrapping their business and working on a prototype which they hope to complete in May.**

- **They said others hoping to kickstart a business during the pandemic should hold off on raising funds and instead focus on building relationships with investors.**

- **[Click here for more BI Prime stories.](#)**

3% — that's the share of venture capital startups led by all female founders receive, according to a 2019 report by [Pitchbook and the National Venture Capital Association](#). Meanwhile, black female entrepreneurs have received just .0006% of VC funds since 2009.

When investors fail to place their money in diverse companies, not only do these founders end up at a disadvantage, but investors themselves lose out, too. Consider that teams led by [at least one female founder perform 63% better than companies](#) with all-male leaders. That's according to research highlighted in the 2019 "Beyond the VC Funding Gap" report from Morgan Stanley, which refers to the gender gap in funding as the "[trillion-dollar opportunity](#)" investors are missing out on.

A new startup from two female co-CEOs aims to shrink this funding gap.

When Allison Byers advanced from first founding employee to co-president and director at [Digital Cognition Technologies \(DCT\)](#), a digital health company spinoff from MIT that's developed a test of cognitive function by applying artificial intelligence to



Allison Byers. Allison Byers

neuropsychological testing, she spent four years fundraising, successfully bringing in \$9.6 million for the company — all while witnessing first hand "the extra challenges faced by women and minorities" when trying to seek outside investment, she told Business Insider.

Byers, based in Boston, started to develop a theory: Just as singles benefit from expanding their pool of potential matches by tapping into online dating, both founders and funders could benefit greatly from expanding their pool of contacts through an online platform.

"I envisioned a platform solution for the investing industry itself that utilizes video and data science to create a humanized and efficient way to connect underrepresented founders and the investors looking to reach them," she shared.

Meanwhile, in New York City, Ann Sublett, after gaining 20 years of management experience at companies like Forbes, Central Park Conservancy, the New York Botanical Garden, and [Sandow](#) and founding the [Pallas](#)



Ann Sublett. Ann Sublett

[Network](#), a networking group with more than 700 female members around the world, decided to turn to [angel investing](#). Her priority was to put her money behind companies created by women, people of color, LGBTQ+ individuals, and those from geographically diverse backgrounds, but she quickly discovered that tools to find these kinds of founders were "extremely lacking," something she heard repeated among other angel investors as well, she shared with Business Insider.

"That got me thinking: How could I use my experiences — and frustrations — to create a tool to broaden the pool of potential investments not just for me, but for any investor with a strong investment thesis and a commitment to diversity?" she said.

It's only fitting that an online platform for women in tech, [Elpha](#), brought these two (and their ideas) together. Teaming up as cofounders and co-CEOs, Byers and Sublett are launching a lightweight version of the platform that combines their shared vision this summer.

Dubbed [Scroobious](#) — in a nod to a poem by [Edward Lear](#), "[The Scroobious Pip](#)," that celebrates being unique — the technology will enable founders to showcase their startups through four-minute video pitches. By leveraging [predictive algorithms](#), similar to technology used by companies like Netflix and YouTube, the idea is that investors will be shown video pitches that are a best match for their interests.

"Scroobious' mission is to shrink the funding gap for female and diverse founders by creating an efficient way for investors to source outside their own networks and for underrepresented founders to connect with funders they otherwise couldn't access," explained Byers.

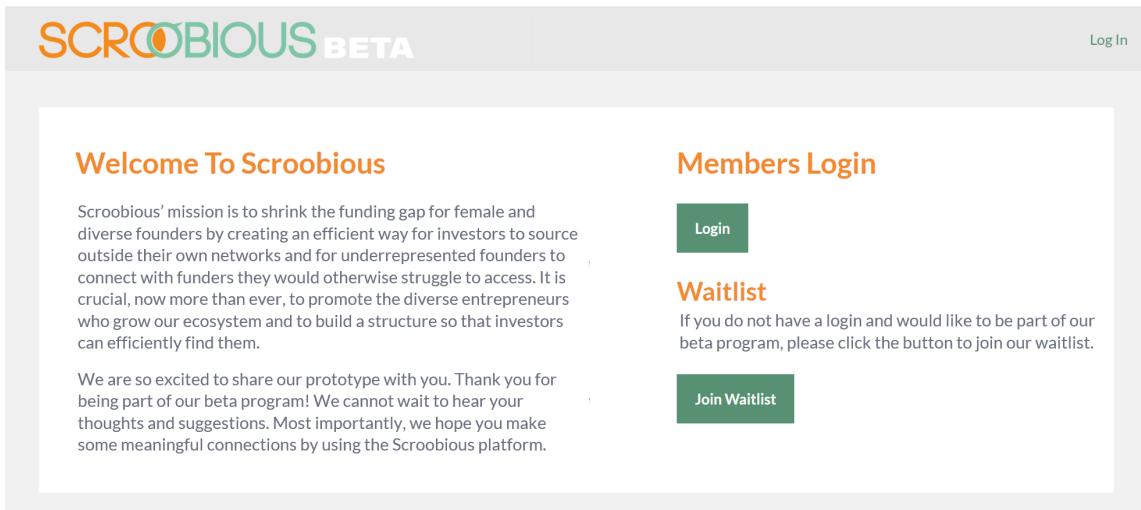
Byers and Sublett, who are currently bootstrapping Scroobious and working with an outside tech team to build the initial prototype, which they hope will be complete in May, shared with Business Insider how the platform works, what the company's launch strategy looks like amid the coronavirus pandemic, and their advice for female founders and founders of color trying to navigate securing funding at this time.

Launching a startup in a pandemic

The cofounders hope to onboard their first cohort of founder and investor beta testers over the summer to gather feedback on the platform, with about 40 to 50 of each group to start — something they're well on their way to reaching, Byers shared.

They're building a list of beta testers through their network (anyone who is interested can [sign up for a spot](#) on their website), and plan to

grow their audience through relationships with university entrepreneurship programs, accelerators, incubators, angel investing groups, and networking groups and organizations like [the Capital Network](#), [Springboard Enterprises](#), [HeyMama](#), [The Wing](#), [Elpha](#), [The Riveter](#), and [Founder Institute Female Founders](#).



Scroobious' beta site. Mary Kearn

The need for the platform feels more urgent than ever to the co-CEOs, both for founders and investors they hope to attract, because limited movement resulting from sheltering in place is restricting networking.

"We have been talking to a lot of [angel investors], and ... many of them would like to keep investing, despite the pandemic," said Sublett. "How do you network when all the events are cancelled? We feel strongly that Scroobious can help fill that need."

Building relationships with investors when you can't meet in person

Byers and Sublett plan to self-fund Scroobious through the beta-test time period and leverage usage data and feedback from this initial

cohort to then expand upon the platform offerings and raise funds.

"That way we will be informed and have a wealth of knowledge to draw on when talking about product strategy and use of funds," shared Byers.

With the pandemic, Byers has seen founders who were planning to raise funds pause their efforts and investors slowing their pace. Her advice to entrepreneurs navigating the pandemic: Hold off on raising funds if at all possible and instead focus on cultivating relationships with investors. That way, when investors "are more freely deploying capital, the rapport and comfort levels will have been built and you will already be in the pipeline," she explained.

Sublett said that one ineffective strategy that she's heard is on the rise is a "spray and pray" approach. That is, investors in her network are receiving spam messages on channels like LinkedIn from entrepreneurs who haven't done their homework first.

"There's real frustration there on the part of the investors because they're receiving requests for Zoom meetings and phone calls with founders that aren't even in their area of investment focus," said Sublett.

"A well-crafted cold email," on the other hand, can lead to a first connection, said Sublett.

Her advice: Learn about the investor's portfolio. Find out the answers to questions like:

- What types of companies do they invest in? At what stage?

- Has the investor invested in a business like yours before? Is your company relevant to their portfolio?
 - If so, why should they invest a second time in a direct competitor?
 - If they haven't invested in companies like yours, why would they now be interested?
 - Do they know someone you would like an introduction to?
-
-

There are two key components to a solid cold email, according to Sublett.

For your warm intro, build on the research you've done and explain how you found the investor and why you're interested in connecting.

Then, for the heart of the pitch, be clear and specific about what you're asking, but also have something to offer. For instance, you can say something like: "I would like to speak with you for 15 minutes to ask you about X, Y, and Z." And then include an offer like, "I am an alumni of/used to work at/have connections through X and would be happy to connect you if a need ever arises."

Including an offer shows you're willing to reciprocate and give back your own "social and emotional capital," and it lets the person know you have the savvy to make connections, a critical part of successful fundraising and business development, explained Sublett.

It's more important now than ever for startups to recognize the value of investors' time, "especially now that people are working from home, sometimes with extended families around," Sublett noted. "It can be incredibly exhausting just to get through a day let alone pick up the phone or hop on a Zoom call to ask a friend or colleague to speak with someone they just met."

And developing relationships and securing meetings will take longer than they did before the start of the coronavirus outbreak, she added.

"Be patient ... Do everything you can to [preserve cash](#). This is an ultramarathon, not a sprint. Pace yourself," she said.

Leveraging video and predictive analytics to eliminate barriers to funding

Driven by data, Byers and Sublett both conducted market research, informational interviews, and online surveys to inform their strategy and product design.

"We have a huge shared file where we store cited statistics and quotes about the investing landscape as it pertains to women and minorities and the opportunity diverse founders present to smart investors," shared Byers, which includes the Morgan Stanley report.

Byers and Sublett turned to video for the power of visual content, again sharing [data](#) they found that indicates visuals are processed 60,000 faster than the written word, and because it offers entrepreneurs a platform for demonstrating traits like passion, something that's harder to convey over a traditional pitch deck. They

landed on a four-minute pitch based on [findings](#) that investors look at pitch decks for an average of three minutes and 44 seconds.

"Our original plan was to film founder pitches in person to standardize the process and provide in-the-moment coaching and encouragement," said Byers, noting that due to the pandemic, their strategy had to be adapted. "We have changed our process so that founders can film at home." The founders will still offer remote pitch development guidance and support, based on Byers' 20 years of pitching experience.

In addition, entrepreneurs who participate will receive "aggregate data about how investors are interacting with their video" and messages from interested investors, explained Byers.

Scroobious will also offer community forums for both founders and angel investors, and a vendor marketplace for companies that offer services for early-stage companies — think payroll, bookkeeping, legal services. Members will be able to rate vendors, just like people can rate businesses on Yelp or hosts on Airbnb.

The long-term plan is to monetize the platform through a basic SaaS subscription with tiered monthly fees — with the specific pricing to be determined for both founders and funders, explained Byers. "A percentage of referred revenue from vendors on the marketplace will be a secondary stream," she added.

"I have thought a lot about what success for Scroobious looks like, and in the end that success will be defined by how far we can help move the needle on increasing the amount of private market money that goes to founders outside of the 'norm,'" said Sublett. "I hope that Scroobious makes it easier for investors to invest in their beliefs,

whether that's to support founders like them — for instance, a founder from a rural state or a disadvantaged socioeconomic background, or an LGBTQ+ founder, or founders of color — or founders who are very different from them."



Do you have a personal experience with the coronavirus you'd like to share? Or a tip on how your town or community is handling the pandemic? Please email covidthips@businessinsider.com and tell us your story.

Get the latest [coronavirus business & economic impact analysis](#) from Business Insider Intelligence on how COVID-19 is affecting industries.

How valuable was this story for you?



Don't miss industry news. Get our daily newsletter today.

Email

SIGN UP

By clicking "Sign Up", you agree to receive marketing emails from Business Insider as well as other partner offers and accept our [Terms of Service](#) and [Privacy Policy](#). You can opt-out at any time.
