



FIGHTING INVESTMENT INJUSTICE WITH ERIKA BRODNOCK

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CLAIRE [00:00:00] Nothing in this podcast is financial advice, and when investing, your capital is at risk.

(Upbeat intro music begins)

SARAH [00:00:10] Welcome to the Obu podcast, a place for people who are changing what it means to be an angel investor. We'll be talking to business owners who have taken investment and angel investors who are putting in their capital, their wisdom and their networks to work to grow, diversify their businesses. The world of investment is changing and we're inviting you to learn how. Welcome to the Obu Podcast.

(Music builds then ends)

CLAIRE [00:00:42] On the Obu podcast today, we're delighted to talk to Erika Brodnock, co-founder of Extend Ventures and co-founder of Kin Hub. Extend Ventures is committed to reducing bias in early stage and venture capital investment markets. Erika is a serial entrepreneur and with her current business Kin Hub, she empowers families during pregnancy and through early childhood. The research Erika led at Extend Ventures helped to shape the Over being Underfunded campaign that highlighted just 0.02% of funding goes to black women founders. Erika, welcome to the podcast.

ERIKA [00:01:16] Thank you. Thanks so much for having me. Much appreciated.

SARAH [00:01:21] So Erika, we met a few weeks ago over dinner and kind of put the world to rights and that's really what we want to do in this conversation. Today we're going to talk about Extend Ventures. We're also going to talk about Kin Hub and your lessons from raising investment for your own business. But let's start by looking at Extend Ventures. So as Claire said, Extend exists to reduce bias in early stage and venture capital investment. Can you describe for us what the catalyst was for you co-founding that venture and what it is you set out to achieve?

ERIKA [00:01:56] Sure. So the catalyst for me and indeed for Tom Adeyoola, one of my co-founders at Extend Ventures was that we were invited to WPP Stream in October 2018. We went to WPP Stream the year before that I'd met a whole host of people, and WPP Streams is amazing if you ever get the opportunity to attend, do so. But I went to WPP Stream – Tom was there. I was there. Tom led a session on founder stories and I told my founder story on that day.



I explained that I built Charisma Kids. I started Charisma Kids in 2012. I built it up. I'd done everything that I was supposed to do. When I spoke to investors in the early stages, they said, oh come back when you have, you know, 100,000 users. I went back and I had 1.8 million users and they then told me to come back when – if you see where I'm coming from and that kept going. And so I told the rest of the story about the fact that, you know, I got so close to closing a funding round for that company. And at the very last minute, one of the investors said that they wanted to change the terms of that investment and that those terms would mean that the founders, i.e. me, would never vest 50% of my shares. To say that I was heartbroken was an understatement. We had a non-compete clause in terms at that time, so I hadn't been soliciting any other investors. I had that investor plus a couple of match funders, and she – it was a woman who did this on behalf of an institution she was investing. And she then phoned the other two angel investors that I brought to the table and said she thought that they should side with her on those terms because I could otherwise sell the company for a pound. So there was this whole thing, around, this inherent mistrust of me, and I'd done nothing to the kind of warrant that mistrust, if you see where I'm coming from. And I had to walk away from that investment. I needed to borrow money in order to pay my team. It was three days before Christmas. It was just the very worst of all circumstances that you could ever imagine. And that had happened to me in, I think, 2015, 2016. I've tried my best to block it out, if I'm honest.

SARAH [00:04:19] Yeah, I'm not surprised.

ERIKA [00:04:21] But I spoke to the circle and it was a really safe space – spoke to The Circle about this experience and just said, I don't think this is just me. I think this is because I'm a black female. I can't prove that. But at the end of the day, that fund had nine other investments that went through. They were all white women, and I can't see that any of them said that they were never going to invest 50% of the shares in a company. That would just be crazy. So I think it was a me thing. I kind of went on and over the course of the next couple of days, at the same conference, I met Claudine Adeyemi. She's the founder of Career, and Claudine was telling me that she's building this platform and she's, you know, it's going to be amazing and she's going to raise some money for it. And, you know, by this time next year, she should have done this and she'd done that. And I looked at her. I just thought to myself, because Claudine is probably 15, 20 years younger than I am. And I looked at her and I just thought, there's no way I'm going to allow what happened to me to happen to her. And I said to her, you know, it might be a bit tough raising money, but still keep going for it, etc.. You're going to have all of us have been here in the market behind you and supporting you and helping you through the process. You know, you will get there, just keep persevering, etc.. And she was looking at me like, why are you kind of giving me all these words of advice? I just knew what was ahead of her. If you see where I'm coming from. I went to Tom and I didn't cry when I was speaking to him prior to that in the circle. But I literally broke down and said to him, Tom, we can't allow this to keep going on. He hadn't raised VC either - he had raised around 25 million for his start up Metail. He'd done incredibly well with it, but just hadn't cracked VC either. And I said, look this just isn't right. I think there's something bigger going on here. And until we have the evidence to prove what's going on, people aren't even going to listen, let alone change. Because, you know, before that, I'd been at a round table and my version of Voldemort was at that round table. And he sort of said that all that entrepreneurs needed was £1,000 of stipends. This was in 2018. I mean, we've got a cost of living crisis going on at the moment, but it wasn't much worse, sorry it wasn't much better then.



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I don't think this is just me. I think this is because I'm a black female.

So £1,000 a month you cannot live on unless you have 50 grand of savings or the bank of mum and Dad to rely on, if you get what I mean, in London it's just not possible. So he was sort of saying that, you know, if new government schemes for incubators or whatever, we're going to be pulled together. All we needed was £1,000 a month for entrepreneurs and it would be fine. So I said, Well, I was at the round table. I put my hands up very politely and said, well, actually if you were to do that, it would exclude people like me because I can't afford to live on £1,000 a month. I have children. I have, you know, a family to support. There's no way. I mean, you know, it doesn't even cover the cost of rent. I don't have anyone that feeds me money every month where I would be able to do that. So actually it's elitist in and of itself to to set up that kind of incubator. And he shut me down and he said, Well, no, actually, this is absolutely fine. We've backed 48 entrepreneurs that are female and this and that blah, blah, blah, blah, blah, and it's all been fine for them. So I said, Oh, well, how many of those were black females, can I ask? And he hasn't answered that question till today. He went on to something else, but it was all very this is how it is and this is exactly what should be done. I sort of said, well, again, I respectfully beg to differ. And he said, Well, you've got no evidence for what you're saying. Everything that you're saying is anecdotal. And I said to Tom a few weeks later, extreme, we need to stop being so anecdotal about this. We need to stop just telling stories and start to get some hard data that is irrefutable that people cannot then hide behind. You know, I'm doing this for women, I'm doing this, I'm doing that for that, and then just sort of leave us out of the equation anymore. And that's exactly what we did. We came together, we formed Extend Ventures, we went around and we asked a multitude of people to kind of support us and back us with the research. You know, it was the little Red Hen story all over again "'Not I" said the cat' and we bootstrapped that first piece of research and diversity beyond gender has actually gone on to, you know, things like your initiative, Black Valley and Black Sea Capital and the Morgan Stanley M seal program coming over to the UK and Europe. It's been a catalyst for so much. So it's one of the my proudest achievements. And it also means that I was able to look Claudine in the eye last September at a meeting and tell her that she inspired me to take action because I don't want the same for her and I don't want the same for my daughters and I don't want the same for generations to come. And I do feel had we not kind of started to look at this data, we would be in exactly the same position. So to 4400 years from now, sort of still saying, actually things aren't fair without any evidence. Mm.

CLAIRE [00:09:53] You're absolutely right. It's disappointing that we have to then wrap the research around it and point to the stats and put numbers in front of people in that. Actually, the anecdotal stories don't hold as much weight. But your research and the paper that you created was so vital for us because when we were looking for that data to say, okay, we know how many women are getting access to funding, and that's pitiful. But actually when you start to look at the intersections, we know that data doesn't even exist when you're a founder with a disability or your neurodivergent. So your paper, your research was vital for us to understand actually the complexities of funding that are going into women and it not being just about a story of white women accessing funding, but actually there are so many other barriers that get in the way of capable, brilliant women building really important businesses that go on to have these ripple effects in their communities and society, economically. It's like we're missing out on opportunities by being so blindsided by the 'There's not a problem here because I've funded 48 women, so it's fine, right?'



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This just isn't right. I think there's something bigger going on here.

ERIKA [00:10:58] Absolutely. That's the exact words. Blindsided. We are blindsided by the fact that actually we think one and done is still ok in this day and age. And if there was anything that I would change, it would be the one and done mentality. Dr. Yohannes Leonhard and I recently published 'Better Venture' that looks at all strands of diversity as well, and really starts to kind of delve into the different types of diversity that we say, many of which you just mentioned there, the intersections of those types of diversity and the way that we start to do things a little bit differently in the venture capital industry, to start to take some of this into account and stop overlooking people.

SARAH [00:11:43] Yeah. Yeah. We will link to all of the reports that you've mentioned in our notes for this episode, because I know that people are going to want to dive into this in a bit more detail and Erika just really appreciate and value your honesty and sharing that story and how that experience of sharing your story. And then that conversation with Claudine just led you to go know like this isn't good enough and I can't allow this to happen for other people. At the start of the Diversity Beyond Gender report, you have a quote. So a quote from James Baldwin, and it says, "Not everything that is face can be changed, but nothing can be changed until it is faced when you set out with your own experience and those kind of stories from other women, did you realize how bad it was going to be?"

ERIKA [00:12:34] I had an inkling. By the time I was raising money for Charisma Kids, we were preloaded to about 15 million devices and we had like scores of parents, children, awards, etc. And I just could not raise money for that company.

SARAH [00:12:54] Just ridiculous.

CLAIRE [00:12:55] Insane, isn't it?

ERIKA [00:12:56] And I saw people that had business plans that were sort of almost scribbled on the back of a Fab packet, that we're raising 3, 4 million at the time and I was just a little bit like, this makes absolutely no sense. We're turning over money. We're turning over the money that they say should be the right amount for me to be able to raise a couple of million. I'm only trying to raise half a million pounds and I just could not do it. And so I knew there was a problem. Not even I knew quite how bad the problem was, if you see what I mean. So I saw that there were a few black entrepreneurs in the market. I'd assumed that at least someone had been able to raise some money, if you see what I mean. And in reality, in those days, no one had. There was one person of 194 women that had raised Series A, which is in and of itself pitiful. But there was only one black woman in in that study and that had raised series A and above the rest had all been kind of stuck at the seed level, and it was just one that had been able to kind of breach that million pound mark at that time as well. And again, I didn't expect it to be quite so bad. And I think that there's an element of me being a researcher and trying to stay impartial to the research and then this learning this and having to write a report about it and doing it through tears on a nightly basis because of the fact that I just you know, it's the injustice, the level of injustice is almost unfathomable because I stood more chance of getting skin cancer or anything really, than money from VCs. It was just crazy.

CLAIRE [00:14:40] Yeah, it's absolutely insane. And we know that nearly one of your recommendations in your report was that VCs make the data that they collect more transparent so that there is wider access to data. We ask the same through the Over being Underfunded campaign is that actually the government start to collect gender and race data so that we can track well who is accessing SEIS and EIS funding levels. For you, what's the power of the data as you've touched on already, that I love an anecdotal story because I think that's what brings it to life. So many people need the data that sits behind it to prove it's real. For you, where can we take it? If we can get legislation changes, if we can get VCs to share more data, where do we go with it?

ERIKA [00:15:24] Well, so I'm slightly torn with this because I've produced data now both here and in the States. The Extend Ventures team is incredible, we have a fantastic team of researchers and the volunteers that are on the side of that that kind of make the business work. And we've produced data for the U.S., Europe, we feed into Atomico states of European tech, we feed into the Nasdaq entrepreneurial centres research over in the US. We've fed into some research for Innovate UK over here. I'm kind of at the point now and we said this in the conclusion of the Better Venture book, where I'm a little bit exasperated because we're doing data for data sake at this point, there's no need to keep proving the problem. We know there is a problem. Now that we know there's a problem, let's fix it, because otherwise we're just going to be calling for more and more and more and more data to say the same thing over and over and over again. We can see that there are very few people with disabilities that are being funded. We know that, you know, very few people from the trans community are being funded. We know that very few black people are being funded even today. We know that money into females is going backwards rather than forwards. We know all of these things. Why do we need to know the next year in order to fix them? If you see where I'm coming from. How many more times do we need to know this before we actually start to take the remedial action that's required to ensure that funding is distributed more evenly? You know, how can we start to look at the fiduciary of all of the people that are concerned in the devolution of funding to ensure that funding distribution is fair and consistent? How many pension funds are endowments of funds? And, you know, we're all paying into our pensions. How can we start to use levers now as opposed to demanding more data?, would be my stance on this.

SARAH [00:17:31] Is I mean, Erica, just hearing you talk about it, hearing you talk about writing your report through tears. We just 100% stand with you. You know, we don't need another report. We don't need a large organisation to stand up again and give us another day to set. Every report around the world tells us the same thing. We now need to create action. And I think your point there around let's shift the spotlight like let's actually look at, so why is this not changing? What's going on within these organisations that mean that that change is now not happening? That's where we need to point the spotlight, because that's when we therefore create accountability rather than it continually being, you know, let's hide behind, 'we need more data' or let's hide behind 'black women aren't seeking investment'. Really? Yeah. We could point to lots of amazing females founders seeking investment.

ERIKA [00:18:29] Exactly and there's no pipeline problem.

CLAIRE [00:18:32] There really isn't. They also fall back so much on 'It's an education and a confidence piece right'. So let's educate, let's do more mentoring. Let's give them another program to go through.

And it's like, no, just move the money. Just put the money in a different place.

ERIKA [00:18:48] Exactly. And that's the you know, the ultimate thing here is that, you know, black women or any other women don't need fixing. We just need capital. We need capital, we need contracts and we need connections. Erm, and if we had those three Cs, we would build thriving businesses. And it really is as simple as that. I think that the sooner that we start to focus our attention on where attention needs to be focused rather than trying to fix the people that are being victimised by the problem is going to be the point at which we actually start to make some headway with this, because, you know, we don't need any more mentoring at all. What we need is sponsorship. Yes. So sponsor us. Open the doors that are currently closed to us. You know, I know that we're going to be speaking about SEIS, etc., but, you know, it takes females and people of colour much longer to build their businesses at the end of the day, because there are so many more barriers in our way and how can we make sure that we take account of that? And we're not asking for necessarily the hockey stick that we will see with people that have been elitely educated. And, you know, that's another intersection that is often overlooked. That kind of socio economic and class piece, which I think is hugely important because often entrepreneurs that are ethnically diverse are also a lower socioeconomic background and then would historically have been funded by VC as well. So you've got the not just the double whammy of being black and female, but if you're a black female like myself and working class, you can sometimes be seen as a triple threat in the wrong direction.

SARAH [00:20:34] I just find that incredible because when I think about what makes a great entrepreneur, there's a problem you really give a shit about solving and you are tenacious and you are resilient. And what do we know about people who have come up against inequality or who have had to live life right without it being served them on a spoon? We're gritty and we care. You know, again, that conversation you had with Claudine, it mattered to you in your soul that she didn't go through the experience that you had. Who makes a better entrepreneur other than someone who is like, there is this problem that either I have experienced or people that I care about have experienced and I'm gonna do something about it, I'm gonna solve it. And then what does that mean for our economy? It means new innovation that isn't in the current set of what's coming out of the traditional entrepreneurs who secure investment.

ERIKA [00:21:30] Absolutely. I mean, we've now started to shape algorithms that can recognize black faces in ways that technology hasn't been able to do up until this point in terms of accuracy. So and they told us that, you know, it wasn't going to be possible to do the Extend Ventures research, we did it anyway. The fact is, is that when you are passionate, you will find a way.

SARAH [00:21:52] You'll find a way. Yeah. So just before because we really, really want to talk about Kin Hub and your experiences there around investment and everything you're doing with that business. But you mentioned SEIS a moment ago, so let's just go there. So for context for our listeners, we launched the 'Over Being Underfunded' campaign 18 months ago. We had a number of asks within that campaign. The first was that the age limit for the Seed Enterprise Investment Scheme was extended from two years to three years. The second ask of that campaign was that gender, race and ethnicity reporting was introduced for entrepreneurs under angel investors accessing those schemes. The second one, we haven't got there yet, but that doesn't mean we're gonna ignore it, we're gonna crack on with having that conversation

with the government. But the first change was acknowledged and from April, the age limit for businesses applying for SEIS will extend from two years to three years. We obviously understand this, but I would love your perspective on why that change has the potential to positively impact some of the narrative that you have in your report. Kind of just bring to life for us. What's that connection? Why does that additional year make a difference for entrepreneurs who are currently underestimated within the system?

ERIKA [00:23:13] Yes. I mean, when entrepreneurs are underestimated in the system, they're underestimated across all segments of the system. So we specifically focused on funding but what we don't realise then is that actually if they're running a B2B company, for example, they need to go and get contracts from organisations and as a quote unquote, minority entrepreneur. And if there's anything else that you could put on your list, if we could start to change.

SARAH [00:23:40] Let's change that.

CLAIRE [00:23:41] Yes, noted.

ERIKA [00:23:44] If we can make list requests on this podcast then

SARAH [00:23:47] 100 percent

CLAIRE [00:23:48] We definitely can.

ERIKA [00:23:50] If we can change that language, because actually when we think about the word minority and sub and all of these other words that mean less than and under it all kind of alludes to something that's scary and risky. And so the more that we put that in the minds of the people that we're asking money for money, the less likely we are going to be to receive it. So I think that if we can start to think about how we're greater than rather than less, then that would be amazing. And so I tend to say overlooked entrepreneurs, because then it also fosters a sense of it's me that's overlooking you rather than you being underrepresented or under whatever else.

CLAIRE [00:24:35] Consider that taken, borrowed, copied and pasted.

ERIKA [00:24:39] Like take away, take away, take away, go, go spread those seeds. Erm so I think that that overlooking happens across the piece. And so it will take somebody slightly longer sometimes to get traction. It will take somebody slightly longer to raise investment. It will take somebody slightly longer, especially if they happen to be a parent or part of a family where they have caring responsibilities sometimes both up and down. You know, timing is a massive thing and it can take people a little bit longer to achieve the same milestones that you may get from somebody who has had lots of things handed to them or can possibly phone a buddy that they went to university with and say, "Actually, I need to get into this organisation, can you open a door for me?" Erm and so the extension of SEIS from 2 to 3 years just gives people the opportunity to actually get their foot on that first rung of the ladder a little bit more securely so that they're able to start to build that traction up and then gain that investment once they're able to do that with the investment money and with some proof points, the doors do automatically start to open.

But anything that we can do to, as I say, get the connections, the capital and the contracts into the hands of people in the early stages of their business when they are from overlooked indices, the more the better. I say, Hmm.

ERIKA [00:26:34] Well, absolutely not. And the thing with it is, is if we do move the needle on nice things, we will start to see the production of some unicorns. Once we see the production of some unicorns, we will then have new investors at the table, not because they've been employed to be at the table, but because they've exited their companies and they're in positions where their then able to give back and with the voices that they will then have at the table, that equity should start to come through because they will have been in the positions that they are now turning around and funding. If you see where I'm coming from.

CLAIRE [00:27:10] Yeah.

CLAIRE [00:27:10] We have a responsibility to stand alongside you now that you've done this legwork to say, okay, what do we do with this now? You know, one of the gifts that we have as entrepreneurs is that we can take this research, we can be nimble. We don't have to you know, we're not part of a large organisation where it takes forever and it's like a tanker and all of those other analogies that get used. We can actually take this and we can do something with it. And I think it's just really special for us to have this conversation with you, having cited your research so often as part of that over being under funded campaign with the Treasury, with HMRC, to now hear you talking so passionately about it. And, and it just really fuels the commitment that we have for this is about diversity, this is about inclusion, this is about fuel and innovation. It's about our economy. This isn't just because it's the right thing to do, it's because it so matters and everyone benefits from this.

CLAIRE [00:28:11] It's just exciting, Right?

SARAH [00:28:13] Right.

SARAH [00:28:13] It's exciting. The businesses and the women that we're connecting with are building brilliant businesses. And we need them to scale. We need them to grow, We need them to employ people. We need to see the impact of those businesses. And we don't do that by counting the numbers again, it is so infuriating.

SARAH [00:28:34] So let's kind of shift focus from Extend Ventures into the business entity that you're currently building. I mean, how you have the hours in the day? I do not know. But the first thing.

ERIKA [00:28:46] My blood pressure doesn't even.

SARAH [00:28:51] So can you tell us a bit more about Kin Hub? Why does it exist? What's the problem you're solving?

ERIKA [00:28:58] Kin Hub is a B2B platform that enables employers to take an active role in ensuring that they support their people, particularly those from diverse backgrounds.

We support families, parents, those that are looking at fertility, those that are going through the menopause, anyone that's really just balancing work and life and we enable people to be more present at the office and more productive at the office and still manage their personal lives at home. And the way that we do that is we've built an AI peer platform, enables people to have their questions answered instantly. So rather than needing to search for 4 hours on Google because they don't know why their child's teething at this point or what have you, we'll give them a quick and simple answer and then they can connect in with one of our consultants, speak to a consultant, have a session with them, or just peruse curated content that enables them to kind of get answers to practice yoga, to do Pilates, or to meditate, or to just navigate their way through stressful situations with as much ease and support as possible. And so I guess for me, everything that I do, I've started to realize, centres around problems that I've experienced myself. So I don't know if you actually know this, but I'm a mum of five.

SARAH [00:30:25] Yeah

CLAIRE [00:30:30] Kudos to you

ERIKA [00:30:31] So I have children that range in age from 25 to 15 now, but after the birth of my last child, my employer decided in their wisdom that I couldn't possibly come back to work after having a fifth child. So they decided to tell my maternity cover that she could probably have the job because I wasn't likely to come back. So when I did return to work to say that her nose was put out of joint with an understatement and she wasn't happy at all, she proceeded to sort of bully and ostracize me. In the end, I had to leave that role. And, you know, we went through the motions with tribunals and all of that kind of thing. But the upshot of it is, is that my mental health was impacted, the knock on effect on my children, etc. was just horrific. And I wanted to see whether there's a way that we could actually actively get employers to start to take responsibility for people and understand that their personal lives are going to impact their working lives. Yeah, if you put support in place for the personal lives, it means that you can minimize that impact. You can minimize the personal time of requests that people have, and you can just enable them to be better at their jobs, to be stronger at their jobs by accepting them as who they are, if that makes sense. And so that's the kind of rationale behind Kin Hub. We've built the platform. We've been able to onboard some amazing clients so far. We're working with those clients and we're in the process now of raising a seed round for that business.

SARAH [00:32:07] I just wish we were in the same room because I'd just jump up and high five you like. I think back to, you know, after I have my daughter and going back into the corporate world and this sense of when I walk through the doors into the building, I need to leave that stuff at home. I that needs to be left at home. And then I need to be this slightly different person here who can juggle this, who can do all of this, who can not only perform as I used to, but I can outperform.

CLAIRE [00:32:33] Yeah

SARAH [00:32:33] Because I know people will be looking at me thinking, Can she actually do this now?

CLAIRE [00:32:37] Yeah

ERIKA [00:32:38] And it's. Absolutely crazy, because what ends up happening is that people are consumed with guilt. They're guilty for being at home, they're guilty for being at work, and that makes them less productive than they ever were before. And it's not because they've had a baby, it's because of all the pressure that's being applied to be this superhuman that they never had to be previously. You see what I mean? So this is the whole point, is that actually if we put the support around people, they will be able to kind of navigate that a bit better. The thing that just popped into my head was the pay gaps, not just between men and women, but between women who do and don't have children. And most pronounced when children get to the age of six, five, six. And that's because often people then get to a place where they're like, well, I've got a nursery in place between the ages of nought and five when they go into primary school, and they've got to balance all of the school runs and all of that kind of thing, it then becomes completely overwhelming and they think, Jeez, I'm going to have to go part time again. There's so much that we can do to just make things work a little bit more flexibly that will enable us to keep people on our books or, you know, they either quietly quit, which means they sitting there doing very little, or they leave the organization or go part time. We're just losing good people, because we're not thinking about this from a proactive perspective and enabling people the support that they need to get through the situation. And the same happens with menopause and the same happens with manopause, to be honest, because men go through this, too. And actually more and more men now are wanting to kind of take paternity leave and be active in their children's lives. And that's being frowned upon even more so than it was for women. And so we just need to start thinking about this differently.

CLAIRE [00:34:37] Yeah, Sarah and I were talking last night over dinner about just how hard navigating parenthood is like full stop. It's hard. Like nobody rocks up with the manual, right? And says, Here's how you do it. Just follow these five steps and you'll be successful. And we were talking about it, and we each have our own trying to avoid that guilt. I personally did a nine day fortnight, so I was trying to squeeze in ten days of work into nine days so I could have a bit of extra time off with my family. But then being sat there at 10, 11 o'clock at night, still doing emails and working because the reality of trying to do your role is that there isn't a free pass and the expectations don't especially change and you don't want to have any feedback from anybody that you're not doing the job that you were doing before. So you overperform, you overcommit, you end up exhausted. And and both of us eventually stepped out of corporate life because actually we were entrepreneurial and wanted to do our own thing, but because actually it didn't work for us, there wasn't the balance there that we could we tried loads of different ways like, 'would it work like this, would it work with this'. It just didn't work. And so eventually you step out.

ERIKA [00:35:50] And that's the bottom line. And I think it's a case of we often say I was entrepreneurial, so I stepped out. And I think the situation always makes you entrepreneurial. Because you're a little bit like 'well, I can't do this anymore. So what am I going to do now?'

SARAH [00:36:06] Yeah.

CLAIRE [00:36:07] Yeah

ERIKA [00:36:07] Corporates are losing so many good people and the cost of recruiting them, etcetera is exuberant and and it just means another two great losses to corporate world because people haven't been able to grasp the concept of actually just supporting people

through these transitions. So I think that we're certainly in the right place at the right time and the market is now changing as well because there are supplier diversity initiatives that are springing up all over the place. We do still have a long way to go on the contract side of things. It is still very much a case of, you know, if you don't know somebody that's able to advocate for you on the inside of an organization, it's incredibly difficult, particularly those fast contracts off the ground. And then, you know, things are starting to change on the investment side. I still haven't been able to raise VC myself. I'm hoping to with this seed round, but we were able to raise more than £1,000,000 in our pre-seed rounds. So I do think that the world that I sought to change in 2018 is definitely moving along in the right direction. But there is still so, so much more to do in terms of making sure that actually the entrepreneurs we're fighting to create in women in, you know, other diverse communities, that we are then ensuring that there is actually a fertile ground for them to go out there in to and that they are going to be bought and procured by the organisations that are out there because otherwise you kind of almost set people up to fail to a certain extent.

SARAH [00:37:51] Yeah, I just really feel, Erica, we're going to need to invite you back to dive into that topic of kind of supply chain diversity and what large corporates can do, cause I think it's deserving of a conversation by itself and I think, you know, for anyone who's in a corporate listening to this, who has responsibility for supply chain diversity, like come and have the conversation, because I think one of the things that again, it's easy for people to hide behind and we've experienced this with everything we're doing at OBU people can kind of say, 'you're highlighting this inequality, and the finger pointing is you're just complaining about it', 'Oh, you're a feminist', 'Oh, your, you know, your lobby in the government'. That's and actually, it's kind of no, we've got the data because you asked us to get the data, we're now out here building solutions on the back of that data and like the door is open. So I just really encourage anyone who's listening from a corporate like come and have this conversation with us, because again, it means innovation, it means opportunity that's good for our economy. So we would love to have you back, Erica to kind of explore that piece in some more data.

ERIKA [00:39:04] I'd loved to come back because, I mean, you know, I've seen supplier diversity programs that sort of say things like 5% of our supply chain needs to be minorities, blanket, as in females, disabled people, entrepreneurs of colour, the whole shebang. I think we, I mean, we just need something that's a little bit more progressive with the population rates or something that feels like it could be fair. Yeah. So I would be delighted to come back and have the conversation and just sort of start to think about how we might be able to potentially invite some corporates along as well and just having us a little bit of a roundtable where we can brainstorm with people so that they can start to solve their problems as well, rather than it always being because we haven't created these problems. And so the onus being on us to fix them I think is also something that probably needs to shift a little bit because the onus is on the people with the problem to fix the problem. If they're not, you know, if their supply chains aren't diverse, that's on them and if they want to make them more diverse, it's really on them to kind of try and come in, have conversations, but then elicit information from people and work together to make the supply chains more diverse rather than it necessarily being us saying, please, could you make your supply chain more diverse? Because I don't know that that actually works anyway.

CLAIRE [00:40:37] Yeah.

SARAH [00:40:37] Let's make that an open invite to those corporates and let's remove the word minority. Let's focus on who they're overlooking at the moment.

ERIKA [00:40:46] And inclusive supply chains.

CLAIRE [00:40:51] Yeah, right.

CLAIRE [00:40:54] Right. I'm really looking forward to that. I'm really intrigued by who's going to come forward and kind of throw their name into the hat. So before we wrap up, we'd love to just get your thoughts on, you know, so your raising investment at the moment, our mission at OBU is to really diversify the number of angel investors in the UK, increase the number of investors who can invest in light in businesses like yours and and businesses like ours. Why, from your perspective, is that so important? Why do we need to remove some of the myths around angel investing that you can only invest if you look like this or you are educated there, or you've got hundreds of thousands of pounds stashed away. Why is it so important that we diversify that angel investor pool?

ERIKA [00:41:38] I think it's important that the investor goes diversified because people that are diverse bring different perspectives to the table. Erm if I'm part of that angel investor pool, I may turn around and say, actually, 'I'm going to invest in Career Ear' which is Claudine's business. And that may then turn around and inspire other people to say, 'actually, let's have a look at Career Ear' where they wouldn't have looked at it before because they didn't understand the founder and they didn't think that it was something that was going to be appropriate for their portfolio just because of the way that she looks or sounds or comes across and all of those things, she looks, sounds and comes across in a fantastic way, I might add. Erm the point is, is that actually there are opportunities that are being missed because actually they're not in our network, they're not in our spheres. So the more that we broaden and mix networks, the more that we're able to kind of start to diversify the opportunities that people get in front of them, which is super important. But I also. We think that there's an opportunity for wealth creation there. If a business does well and you're an angel investor in it, no matter how small your stake is, it will be higher than it was at the beginning, when you exit, if the business does well as I say. So I think that that then gives the opportunity to kind of create some wealth and hopefully some intergenerational wealth within communities that historically haven't been able to create that intergenerational wealth because of the legacies that have gone before. So I think there are massive opportunities for us to start to be more inclusive with angel investment networks. And there's also a massive opportunity for venture capital funds to broaden the number of people that are from diverse backgrounds with decision making power in their organisations so that they are able to start to make different investment decisions, too.

CLAIRE [00:43:34] Yeah.

CLAIRE [00:43:35] So important. So we've touched on it a couple of times. You're doing your investment raise at the moment and you've called out a few times the importance of capital contracts and connections. So you're seeking capital at the moment, but what else beyond that in the contracts and the connections are you looking for from investors who will come and invest in Kin Hub?

ERIKA [00:43:57] So we are currently raising 2 million at SEED and we are looking for institutional investors that are used to sort of building and scaling B2B SaaS businesses. We are looking to aggressively expand across the UK market and so investors with connections within corporate, with the ability to and kind of help us to refine both product and business model in terms of tweaking to make sure that we can achieve full product market fit within the next 12 months is what we're looking for at this point in time and post that we will then look to expand internationally.

SARAH [00:44:41] So Erika, how can people get in touch with you both about your investment round, but also to learn more about Kin Hub and Extend Ventures as well? Tell us all of the ways to where should we be looking?

ERIKA [00:44:52] I am @ErikaBrodnock on Twitter. I'm Erika Brodnock on LinkedIn and Brodnock is spelt B-R-O-D-N-O-C-K. And I should just say, actually, Erika is spelt E-R-I-K-A so don't go looking for Erica with a C. But Erika Brodnock on most of the social media channels and Erika@Kinhub.com, K-I-N-H-U-B .com is my email address if anyone wants to get in touch.

SARAH [00:45:21] So it's been just a total pleasure to spend some time with you today to have this conversation. I really hope it's the first of many, both personally, but also on the podcast. Absolutely. We're going to come back and talk about supply chain diversity, but just a huge thank you for that work that you led Extend Ventures. You are changing the world for a better as a result, and you're enabling entrepreneurs like us to use that data and that insight to do the same just so just want to leave with a massive thank you from Claire and I for that work that you created and that you led.

ERIKA [00:45:56] Well, thank you very much for having me and thank you for such kind words. What I will say, though, is that I have to in turn thank, Tom Adeyoola, Kekeli Anthony, Patricia Hamzahee, who are my co-founders at Extend Ventures, Tosin Sulaiman, Glen Learmons and Maatin Adewunmi, Ramon, Rafael and David and Peter, who are the amazing team of researchers, volunteers and just incredible lot that have enabled us to kind of get that research out the door. It wasn't just me, it was a collective effort and that collective effort is being felt around the UK. I'm delighted that that's the case.

SARAH [00:46:47] We said earlier that it, you know, the idea of it takes a village to raise a child and that actually to build a business, to have impact, to build profitable businesses that are purpose led. It takes community, it takes wisdom, it takes cheerleading, it takes that connection. And I think what you've just described there in terms of all of those other people who worked alongside you, that just says it all. We all need to stand up and create this change, and it's within our gift to do that. Like, we have the power to do that. So let's crack on.

ERIKA [00:47:20] Absolutely. Thank you. Thank you very much.

CLAIRE [00:47:23] Thank you, Erika. We knew this was going to be a good conversation and it hasn't disappointed at all. It was amazing.

ERIKA [00:47:29] Thank you. That's really kind.

(Upbeat music builds again)

SARAH [00:47:34] For more on how we're reimagining investment and entrepreneurship across the UK. Come on, follow us at the OBU podcast. More real conversations with entrepreneurs and angel investors who, with their capital and their businesses are changing the world for the better.

(Upbeat music gets louder then ends)