

Threading the needle: 5 questions with investor Lauren Maillian

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For the past five years, Lauren Maillian was tasked with asking hard questions. Questions like: How much venture funding goes to Black women and Latina founders?

She was first chair of the board and then later CEO of the nonprofit Digitalundivided, where she oversaw the organization's biennial reports known as ProjectDiane, which tracked the progress of underrepresented women founders in the startup ecosystem.

She led teams that examined biases in decision-making, studied economic inequality and the manifold ways in which sociology interacts with venture capital. Having such data has been monumental, as it provided hard facts to show the discrimination that such founders face.

In her role, she struck partnerships with JPMorgan, AMEX, AWS and the Nasdaq Foundation while quadrupling the nonprofit's revenue, finding ways to make more money to conduct more research.

"We were able to leverage the power of data and drive change and advocacy in a unique way," she told TechCrunch+, adding that she believes Black women and Latina founders are the future of innovation and technology.

"I've been the Black woman founder; I've been underestimated. I've been second-guessed. I've been to all those places. I know what it's like to be doubted, and I know what it's like to feel as though you really need a third-party data point to point to that's not just yourself."

Before Digitalundivided, Maillian was a founder and one of the first Black women to start an early-stage venture firm. As an angel investor today, she has backed Partake Foods, the online community Diem and the rug company Ruggable. For nearly two decades, her career has been intertwined with culture and innovation.

She says she was into investing before it was a “buzzword.”

“I’ve always loved to study and invest in brands,” she says. “I’ve looked up and amassed a \$5 billion market cap with my personal investment portfolio.”

This January, Maillian stepped down from her work at Digitalundivided and decided to invest in herself. She says she has never taken a break in her long career, not even as she dealt with being a single mother. But even in the midst of this breather, Maillian is mapping out what’s next.

I caught up with Maillian recently to talk about power in the industry, the changing landscape for Black women and Latinas, and what her next act will be.

(This interview has been edited lightly for length and clarity.)

TC: After five total years at Digitalundivided and 20 years in the industry, when did you know it was time to finally move on and start your own thing?

Lauren Maillian: I was working 70-plus hours a week and I knew that I needed to take a step back. I accomplished more than I ever thought I would in this role. I didn’t know exactly what I was coming into and I wanted to see if my approach to social impact, social change, investing, economic development and narrative change was possible.

Looking back, I think I exceeded my expectations and I’m proud of what I see in the ecosystem happening for all the founders I served while I was there. But I also know that there are so many other ways for me to continue serving and collaborating with the ecosystem.

I needed to take a step back to allow myself to build that next approach; to leverage the best parts of me. I’ve never taken time in my career, so this was a really critical time for me to take a step back to reimagine the future.

What did running a nonprofit focused on the inequitable venture landscape teach you about how money and power move both behind the scenes and in front of the world?

It taught me what I already knew but I hadn’t experienced in this way before. When you are trying to help the underrepresented or underdog and you are working with a big company or a conglomerate that has resources, it’s a matter of allocation. It’s a matter of: Where am I allocating the resources I have the power and control over to help create a solution to a problem?

Leading the organization — my first time as CEO in the social impact space — showed me that the transformation has to be multipronged. The transformation has to be in how you approach the work internally, how you speak about the work externally and also who you bring along to become stakeholders. I looked at the blueprints for disruptive change; I looked at what’s worked and why, and I took the best pieces of everything that’s worked across my 19-year career and put it into its own blueprint that anchored my commitment to diversity, innovation, equity and inclusion.

I had to move fast during the pandemic and racial reckoning. The economy was grinding to a halt and I raised millions; I substantially grew our revenue. I founded a partnership division. What it showed me is that to have that kind of deep transformation, you do have to move fast, because you don't know how long the window of opportunity will be open.

You also have to move strategically and in a way that allows you to tackle the problem from a variety of angles to have a transformation that can be sustained to create a blueprint that folks know how to follow in the future.

The last time we spoke, you mentioned that a lot of venture firms are starting as nonprofits now and implementing a venture model. Why is that? Is that better or worse for diverse founders?

I think it is good for founders. We have seen a lot of the same investing pool move some of their dollars into a nonprofit approach, especially when it comes to venture studios and early-stage businesses. [These are] businesses that are still trying to prove product-market fit; businesses that need really heavy platform services, mentorship and advisory services.

A lot of traditional limited partners in a fund really want to see dollars going directly to an investment. You're seeing more of these approaches to venture as a nonprofit because there is more appetite there to take risks, and the risk is already somewhat calculated when you're setting things up as a nonprofit. It also allows a lot of those same investors to test their own hypotheses and to test and stretch their appetite for making investments both at the early stage into new industries and into diverse founders that they might not have bet on previously.

For the founders, this presents a tremendous opportunity. If you're receiving the funding and getting grant funding, that's an equity-free investment into your business. No debt, no equity. Just runway. Venture philanthropy allows donors to make charitable investments into businesses and economic development opportunities. These investments are fully tax deductible as donations to qualified nonprofit organizations tackling social impact issues.

Do you see hope for Black women and Latina founders in the traditional venture landscape in terms of not just funding but in opportunities available to them?

The ecosystem has always emphasized how much you've raised and the brand name, venture shop or individual who gave it. I grew up in a different time of entrepreneurship, where it was all about sales revenue and not so much about how much equity you had given away or how much debt you had taken on to raise money for your business.

Data makes the difference. I was taking the data and tying it to what I knew people would understand, which were the macro events in the economy.

I'm seeing more opportunities for investment, but we're also seeing the amount of investment dollars go down. More folks are able to get their foot into the door with an initial investment, which means that we have seen more opportunities for startups founded by Black founders, Latinas, women and women of color, but our runway is still incredibly short.

We're also seeing data that says that women are actually reducing their cost, on average, by about 25% per month compared to startups run by men.

What does that mean for our fail rate? We know that our fail rate is lower, but we also know that our starting point is lower as well. Imagine if we had just a fraction more.

What's next for you?

Storytelling, investing and impact. I want to continue to push radical change wherever I can, closing complex and compounding system gaps that exist, whether we're looking at gender, race or identity and how it impacts outcomes.

Ultimately, I'm a builder. I'm going to take every moment that presents itself to me and seize the opportunities that feel right for me and that align with investing in the ongoing impact that I want to have in the world.

This piece was updated to clarify what roles Maillian had at Digitalundivided.