

Supercharge your ideas: turning dreams into business

Carly Doshi:

Hello, and welcome to season two of Women and Wealth, Doing It All. An HSBC Private Banking series by women for women. I'm Carly Doshi and I'm the US Head of Wealth Planning and Advisory.

As we know, women on average have a longer life expectancy than men, and yet we continue to earn less. This means we have to be even more mindful of our wealth and managing it over our lifetimes.

And that's why we have created this program, to inspire and empower you to take charge of your wealth and your future. This season we're diving in deeper by engaging directly with women who have started successful businesses, broken glass ceilings, are balancing motherhood and professional life, and still stay on top of it all. Through hearing their stories of overcoming barriers and seizing opportunities, I'm confident that, like me, you'll feel inspired and encouraged to take charge of your own financial future.

Now in this new world, we're recording this program remotely, so please accept our apologies in advance for any glitches in sound or background noise.

Today I am joined by Debbie Woskowiak, founder of AllBright, a global members club that celebrates and connects women entrepreneurs and investors through co-working, programming for founders including pitch days and resources for growth in scale, and community building via club locations in both the US and UK. Prior to founding AllBright, Debbie founded and ran Love Home Swap, a subscription-based home exchange business, which she sold successfully for USD 53 million in 2017. Debbie is here with us today to discuss entrepreneurship and turning your dreams into a reality. Clearly an appropriate topic given Debbie's own background as both an experienced entrepreneur herself and today as an advocate of and investor in entrepreneurs. Debbie is here to inspire and encourage us all, whether we are budding entrepreneurs ourselves, we're interested in investing in high potential companies, or we just have the next big idea. Hi Debbie, thank you for joining us.

Debbie Woskowiak:

Thank you so much for having me.

Carly:

Debbie, you have an incredible resumé, both as an entrepreneur and as a coach and mentor to other entrepreneurs. Let me start by asking you how you started off as a female founder? What inspired you to make the leap and launch first Love Home Swap and now AllBright?

Debbie:

Well, it's interesting that question and I think the related question is often 'are entrepreneurs born or made?'. And when I try to look back over the sweep of history and also, last year I wrote a book with my co-founder Anna Jones called 'Believe. Build. Become.: How to Supercharge your Career'. And when you write a book, that's a moment to reflect. And the role models in my life, in particular the women in my life, have had a huge influence on my entrepreneurial journey. I grew up in a family of entrepreneurs, they wouldn't have classed themselves as that, they would have classed themselves as business owners or business starters in a very humble way. It was a Jewish immigrant family where everybody worked for themselves. And so, I didn't really have any context of people going to work to do a job for someone else. And in particular the women in my life, my mother and my grandmother who died a couple of years ago aged 97, were strong women, who ran their own businesses. My grandmother had a chain of sweet shops and off-licenses across the north of England. My formative years were spent sitting with her in her armored vehicle (that she never learnt how to reverse!) delivering money to the bank. And as I've reflected on that, which was sort of reasonably unusual upbringing, in those immigrant communities, two things mattered. Academic excellence - that was sort of non-negotiable in my family - but also the ability to self-determine and have control over your life. And growing up around women who were doing it normalizes it, it de-risks it. A big part of what I reflect on now as a female leader, as an investor, as a coach and mentor to other women, is that you have to see it to be it. And in my life that was writ large. So, it felt inevitable that I would start, found and run my own business, and it also felt comfortable to the extent that I had seen the highs and lows, and there are a lot of highs and lows, firsthand in my family life.

Carly:

I love that, I think the strong women do seem to have the heritage of strong women role models, so thank you for sharing that. Now I want to hear a little bit more about AllBright specifically. Tell us more about this incredible network that you've created and how you support women, really at all stages, from founders of start-ups to venture capitalists and other investors.

Debbie:

Well AllBright is my fourth business, I actually set up my first business when I was 25 and I've built and exited three businesses over the last 20 years. And I'm a great believer in serendipity, that changes our lives and another thing that my grandmother always used to say to me about meeting men, was that you were never going to meet them in your kitchen. And I think that's a real sort of mantra for life actually, that you have to get out there and experience things that will change your world view and your purpose. And as a female founder who started off very young, I was so used to being the only woman in the boardroom that I'd stopped noticing. In my world as a female founder who raised capital, let's remind ourselves of the stats. So only 2% of capital goes to back a female CEO, only 7% of investors are female, 2% at partner level, one in six in leadership positions, in corporate, so across the piece we're just still not at the table. And an important part of my career journey, growing up in this

environment of strong women was recognizing that as my career, my entrepreneurial journey, my pitching for capital in boardrooms around the world increased, so did my question around ‘where are all the women?’ And then what happened just over four years ago, I was introduced at a party by a mutual friend to a woman called Anna Jones, who was the CEO of Hearst, again showing that my grandmother’s advice – that you were never going to meet the man of your dreams, or indeed anybody in your dreams in your kitchen – was very relevant. So I was introduced to Anna and, as a female leader as she was, but who had taken a very different path, a corporate path, a much more sort of elegant rise to the top than my scrappy entrepreneurial career, we bonded over life, the universe and everything, but primarily – ‘where are all the women?’ And as we sat down to muse on, what would be the business that would change the conversation for women at work, in all of its diversity, by which I mean not just diversity of ethnicity, but age, stage, industry, entrepreneurs alongside executives alongside freelancers alongside consultants, alongside women pivoting in their careers, returning to work after having kids and all the rest. And ‘Project AllBright’ as it was called, named after the famous Madeleine quote that there’s a special place in hell for women who don’t help other women, was born. And at the heart of the business proposition for us is that women need to form a monster global sisterhood of smart-minded, ambitious women to change their careers together. Women need to upskill, they need to connect, they need access to capital, they need to tackle that thorny issue of confidence and resilience, so there is no magic bullet. But the AllBright business seeks to address that in two different ways. So, the first is that we believe physical space has convening power, it stands for something above and beyond just bricks and mortar. Even at the moment where I’m speaking to you today from my home, as so many of us have done and had to learn how to do over the course of 2020. But we still think physical space has a power. But alongside that, if we can encourage women to connect digitally through our AllBright digital membership, connect digitally and engage and network, and upskill through all of the different online learning that we have within the AllBright community, and to do that on a global basis, we think that we’ll start to change some of those statistics that have dominated my career.

Carly:

Wow Debbie that is incredible. And obviously supporting women is a core component of AllBright’s mission. Can you tell us a bit about what the funding landscape looks like today? I mean, are female founders still at a disadvantage compared to their male counterparts? Do women and men really have an equal shot in this?

Debbie:

You know Carly I think that it’s one of the things that has been front and center for us at AllBright, to try and redress the funding gap that women have struggled with for so long. And one of the ways that we have done that in partnership with HSBC is to set up our female founder Pitch Day initiative. And the context of that is that when Anna and I were first pitching for capital for AllBright and we were talking to male investors, many of whom had backed me before in previous businesses, about why they weren’t investing in women, the key piece of feedback was that they

just didn't see women. That they didn't get women coming in with ideas that were capital-ready, or worthy. And so, a big driver for us was to show that we did see that and that wasn't a good enough excuse, and that we could use our buildings, our platform, our brand, our reach in partnership with HSBC to say, 'Do you know what? Here they are. Month in, month out, here are pre-vetted, kick-ass, awesome female founders that are investment-ready. And one of the key pieces of data in all of this that I think is reason for optimism for female entrepreneurs looking to scale their businesses is that women-led businesses deliver better returns than male-led businesses - on average, 35% better. And so, I think now, to some extent, we've found with AllBright that the ongoing conversation around diversity, the themes of Me Too if you like, have been the wind beneath our wings, because what they've highlighted is that diversity matters, they've highlighted that backing women makes great economic sense, and they've taken these issues around gender parity to the boardroom and left them there. So, what we would say at AllBright and through our partnership with HSBC is that there are some incredible women out there and it's very, very important that they are backed by other women but also by enlightened men. And I think that has always been a very important part of our mission that we think it's entirely consistent to be celebratory of women without being anti-men, and indeed, as a female founder looking to raise capital, you need male champions on your side because the part of the data, the side of the table that says that only 2% of venture capital investors at partner level are women shows that we need to get really good at making the financial investment case to men.

Carly:

Absolutely and I completely agree with you that male allies are absolutely necessary, and I do know that within HSBC we have some incredible male colleagues who are champions of both women as investors and of course women as employees. Now I know that you work with a number of women investors, not just entrepreneurs. And by that I'm including angel, venture, private equity. Now a number of our listeners are also investors, but they might not be as active outside of the public markets. Can you tell us a little bit more about those earlier stage investment opportunities? I mean what's the difference between angel, venture, private equity for example?

Debbie:

You know I think that it's a great question and it's a very valid question because my observation would be that often smart-minded, financially savvy women are not as aware of private investing as they are public market-based investing, as opposed to their male counterparts. So again, to look at something like the AllBright journey at the very beginning of setting the business up, we raised some capital from a syndicate of investment bankers who consistently backed scale-up private businesses together. There just isn't really a female equivalent of that, you know women don't tend to angel invest and angel investors are generally the first and earliest investors into a business. What generally tends to happen for a business that's scaling up is that they will go through the journey from angel investors perhaps to a more formalized venture capital fund which is institutionally managed money, through to private equity which tends to write bigger check sizes. And I think for female founders, learning

the language of investment, learning the different conversations that are possible but also as with all of our messages around AllBright, investing in your network of potential investors is a really important part of growing your business.

Carly:

That is an excellent point Debbie and I want to explore that a bit further when you mentioned investing in your network. And maybe this is the elephant in the room for some listening today. I mean what are your thoughts on making investment in companies that are started by friends and family? What about in a child or grandchild start-up idea? How do you recommend that someone vet an idea but also adequately protect themselves whilst supporting the creative spirit of those who are close to them?

Debbie:

Honestly, I would say be prepared to lose the money. You know like ensure that the company that you're investing into, if it is friends and family, literally family, close family, is structured in the correct fashion. So de-risk it. On the other hand, the majority of businesses that begin a fundraising journey have got to start somewhere, right? And particularly for businesses being founded by younger entrepreneurs, that is where they tend to look. If I look at something like AllBright, that was slightly different because Anna and I were older, we had had successful careers, we were able to invest ourselves, there were a bank of investors who had backed me before in two or three previous businesses and made returns. But when you're starting out, you're starting out and you need support.

Carly:

That's great, thanks Debbie. Now we've talked a bit about investing but I want to spend a moment focused on the entrepreneurs among us. What advice would you give to women listening today who have an idea but haven't ever started a company before? How do they get started turning their dream into a viable, profitable company?

Debbie:

You know there are two parts to that. I think as an entrepreneur whose businesses have always been B2C businesses, you really have to feel passionate about your idea in my world. Because you're going to have to live with it for a very long time. And you will have to be the biggest champion for your idea and believe in it even when others don't. So, because I have been a serial entrepreneur - which is not everybody's journey, but that means that I've built a business, sold it, moved onto the next one - it's partly because with a B2C business, you can sort of end up feeling like a stand-up comedian in need of some new material. Because to take the example of Love Home Swap, I told the story of watching the movie *The Holiday* on a plane and being inspired to start my business about 10,000 times if not more. So, you know you have to feel excited about that. And it's got to give you goosebumps. You've got to apply data to your idea, so does it work, is there a product-market fit? Can you build something that can be tested? But the third thing that I am often think isn't talked about enough, is you've got to be financially ready. When you start a business, you don't make any money for quite a long time. Indeed often, as we've discussed, you're required to invest your own money. So, if

you feel like the entrepreneurial mindset is your mindset, the entrepreneurial journey is your journey then be ready. Prepare. Prepare, prepare, prepare financially so that you are ready. The mean age to start a business is 33 and that is often when women are having their children, and there's a complexity attached to that, a financial complexity that I don't think is discussed enough. So, make sure that you have saved in advance of getting going.

Carly: That's great advice Debbie, and I'm sure that our HSBC colleagues would agree with you. Last question. What is your greatest wish or hope for the next generation of female founders? Any inspirational words of wisdom that you can offer to young women who might be listening today?

Debbie: You know I think that women need to make money, talk about money, and deploy their capital in backing other women so that we have an ecosystem of a sisterhood. Of awesome women paying it forward to the next generation, not as charity but as investment because they know that they can help those women to deliver great returns. And that's what men do. So, it feels to me that for women at every stage of the journey - and this is what AllBright is about and our digital membership is about - invest in your network, in the diversity of your network. In women who don't do what you do, who are of a different age, background, ethnic origin, they live in a different place to you. Because if we can go broad and we can support one another for group financial gain, then I think we can change the world.

Carly: Thank you Debbie for being here today. You are truly an inspiration and your advice is both practical and also achievable. To those listening today, we certainly have a lot to learn from Debbie. Whether we have our own idea for a company or if we're thinking about investing in start-ups or other private companies. As always, if you have questions about managing competing priorities while pursuing your own entrepreneurial endeavor or you just want help balancing your personal finances with the many other pulls on your time, the HSBC Private Banking team can help. Be in touch.

Carly: To our listeners, thank you for joining us. Today's program was part of a series on Women and Wealth, Doing It All by HSBC Private Banking. We sincerely hope you enjoyed our discussion today and found it inspiring, informative, and also empowering. Let's keep the conversation going. To explore how to make the most of your financial future, take action by visiting us at hsbcprivatebank.com, or if you have a Relationship Manager reach out directly to them. Thank you for your time today.