

URL: <https://ecorner.stanford.edu/clips/scaling-without-vcs/>

Blendoor founder and CEO Stephanie Lampkin reflects on why her company has raised only a limited amount of VC funding. She explores how bias impacted her trajectory as a Black female founder, and describes how she pursued other sources of funding, such as foundation PRIs (program related investments), pitch competitions, and angel investors who are passionate about her mission.



Transcript

- The fact that we've only raised \$1.5 million, 00:00:06,760 I would say half of it is by circumstance and half is by choice.. Within the first couple years of running the company and trying to raise capital, I realized that, okay trying to do this as a black woman is gonna be really challenging and I'm not up against a meritocracy.. So similar to my experience when I was interviewing for a job and got rejected, I'm very astute to realizing when I'm operating in a space that's not a meritocracy, and I immediately exit because it's not a good use of my time.. So I have totally exited, I won't even take a meeting with most VCs, I'm just over it.. Altogether it's a horrible, horrible use of my time.. And so now I would say over the past few years, it's been by choice.. But what I have been successful at doing is finding foundations that do PRIs.. So PRIs are called program related investments and it's basically a financial vehicle where foundations who typically only do grants to nonprofits can invest in social impact ventures.. So that's proven to be really successful for us.. We got a PRI from ECMC and we're pursuing a few other foundations..

And then I've just been really successful with angel investors.. So high net worth individuals who are just really passionate about this, and they're not all women, actually some of our biggest angel investors are white, cisgender straight men who just realize that there's an inefficiency in the marketplace.. So that's proven to be far more successful.. Moving forward I will probably not actively pursue traditional institutional capital because I honestly feel like there needs to be a signal to the market that they're missing out on something.. For any of you who are unfamiliar with the VC industry, the first thing that they'll tell you it's a very fear driven industry.. People like latch on to deals primarily for the fear of missing out then really understanding the workings of the business.. I think, that's why Theranos actually became really successful raising capital 'cause it's emotional driven.. And so I think in order for people like me to succeed and have it easier, when I'm long gone and dead is if I'm able to get to a successful exit IPO acquisition and yield 10 X returns to our investors and showing that I was able to do it without traditional VC...