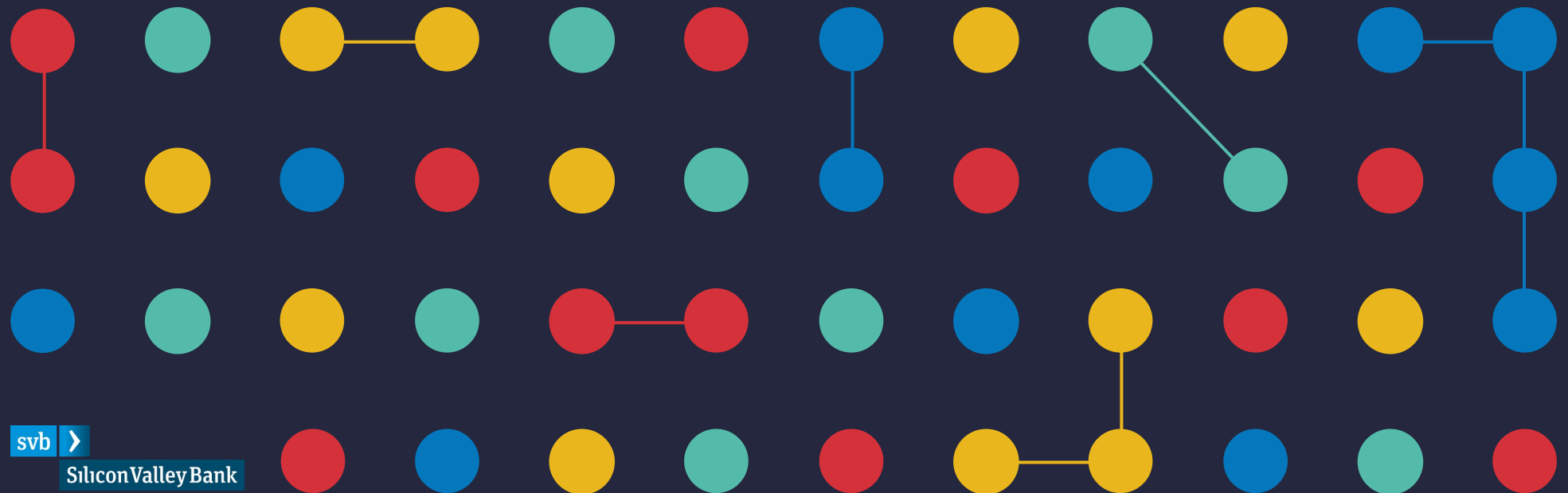


# Diversity in UK Venture Capital 2019



# With thanks to our Research Team

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Launch of Women in UK Venture Capital (2017)  
Source: Diversity VC

# A warm welcome to 'Diversity in UK Venture Capital 2019'.

**It has never been more important to assess and improve diversity in venture capital.** The benefits of diversity & inclusion (D&I) are 'well documented and increasingly widely accepted' (Bain, 2019). An inclusive and diverse workforce creates an environment that enables better decision-making and improved results.

**As investors, our activities have an impact beyond our industry.** The UK technology sector is growing more than twice as fast as the overall economy (TechNation, 2019), our culture influences the flow of capital, the lives of employees, the nature of emerging products and services, and society at large.

**'Diversity in UK Venture 2019' is the most extensive study of the industry to date.** With support from Silicon Valley Bank, we received data from 171 UK venture capital firms employing 2,114 people.

**Building on our previous research (2017), this study reveals that the percentage of women in venture capital has increased.** The improvement is particularly noted at junior and mid-level positions, which suggests that targeted initiatives are proving effective. However, our new benchmarks (for ethnicity, education and career history) show that venture capital lags behind the UK average.

**At Diversity VC we look to identify these areas of potential improvement, and we provide solutions to help firms and policymakers achieve positive change.** Our original research provides benchmarks for further research and informs our practical guides. Additionally, we hope that venture capital firms, policymakers and global markets find value in this body of work. Our mission is to help.

**I would like to take the opportunity to thank the entire team at Diversity VC, the contributors to this study, and to Silicon Valley Bank** for their commitment, diligence and continued support throughout this project.



**Travis Winstanley**

Co-Founder & Research Lead, Diversity VC  
Games Investment Director, Catalis Group

# Introduction

## A brief overview of the venture capital industry

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Venture capital (VC) is a form of financing in which firms provide capital to high-risk, early-stage companies that have significant potential for growth. In return for injecting capital, venture capital firms receive an ownership stake (equity) in the companies in which they invest.

Venture capital has an outsized influence on the economy and society. A relatively small venture investment early in a company's life can help to create a transformational, global company. Six of the ten most valuable companies in the world, and household names from JustEat to Zoopla, were enabled in part by venture investment.

The UK is the largest venture market in Europe, and the fourth largest in the world. In 2018, venture investors in the UK committed £6.3bn to early-stage companies (Technation, 2019). The UK has been the birthplace for more than a third of Europe's 'unicorns' (companies valued at over \$1B) and is at the forefront of investment themes including artificial intelligence and financial services technology (GP Bullhound, 2018).



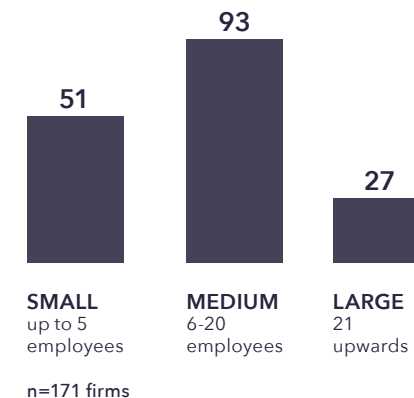
# Context of this study

Venture capital firms in the UK typically employ a small number of people (an average of nine per firm) with firms ranging in size from one individual to 69. Investment roles usually comprise two-thirds of personnel.

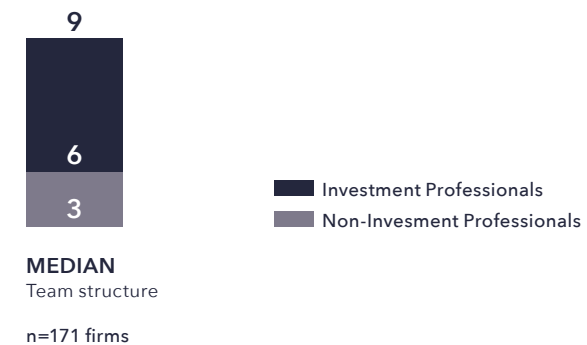
Like any business, the culture and performance of a venture capital firm is defined by its workforce. Numerous studies show that diversity, experience, and the networks of venture capital professionals each have significant influence on the success of a firm (Gompers & Wang, 2017; Zarutskie, 2008; Hochberg, Ljungqvist & Lu, 2007).

Most significantly, the more diverse an investment firm, the higher its performance. The success rate of acquisitions and IPOs was 11.5% higher on investments by partners with diverse school backgrounds, and 22.0% higher for those from ethnically diverse backgrounds (Gompers & Kovvali, 2018).

Number of venture capital firms, by size



Median team size and structure

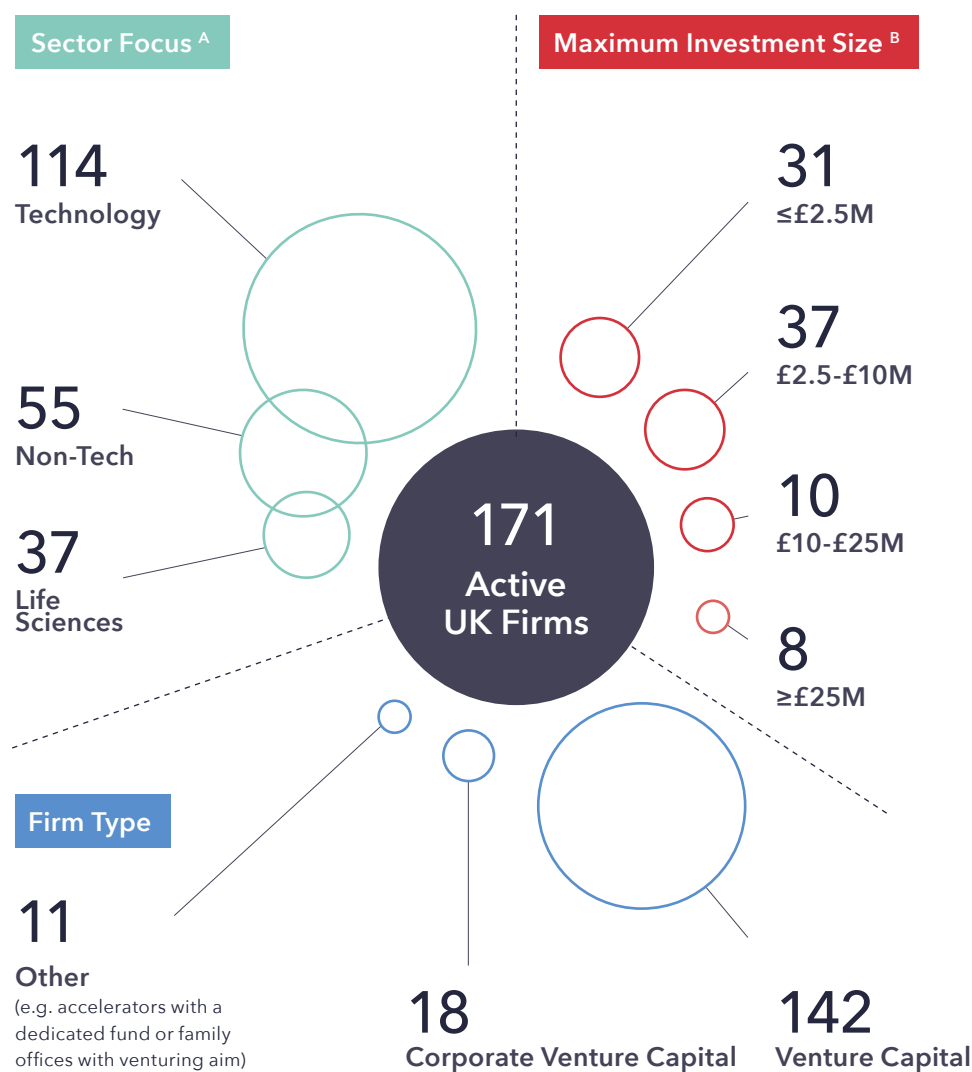


Source: Diversity VC analysis (2019)

# We seek greater insight into diversity in UK venture capital

We surveyed 171 active venture capital firms in the UK. Over 80% are independent venture capital firms. Nearly 20% are corporate venture vehicles, accelerators with a dedicated fund or family offices (the majority of accelerators and incubators were excluded from our analysis). Based on a sample of firms surveyed, 80% typically write cheques of £10m or less. The majority of firms make investments in the technology sector.

In our previous survey (Diversity VC, 2017), we collected data regarding gender diversity in the venture capital community. In our latest analysis, we surveyed a broader set of metrics – relating to ethnicity, education and career history – to provide greater insight into the UK's venture capital workforce.



Note A: Some firms invest across two or more sectors. It was not possible to determine the sector focus of 61 firms.

Note B: It was only possible to determine the maximum investment for 86 firms.

Source: Diversity VC analysis (2019)



# Scope of our study

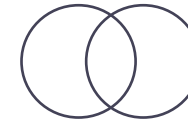
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Using publicly available data we prepared a list of employees, and associated data, for each firm. In total we reviewed: 2,114 employees; 2,920 education records; 12,153 previous employment roles; and 307 responses to a survey regarding ethnicity.

108 of the firms previously provided data for our 2017 study and form the basis of our comparative analysis.

We are excited to share the key findings from our original research.

## Scope of the report



**171**  
Active Venture  
Capital Firms



**2,114**  
Employees



**12,153**  
Employment  
Records



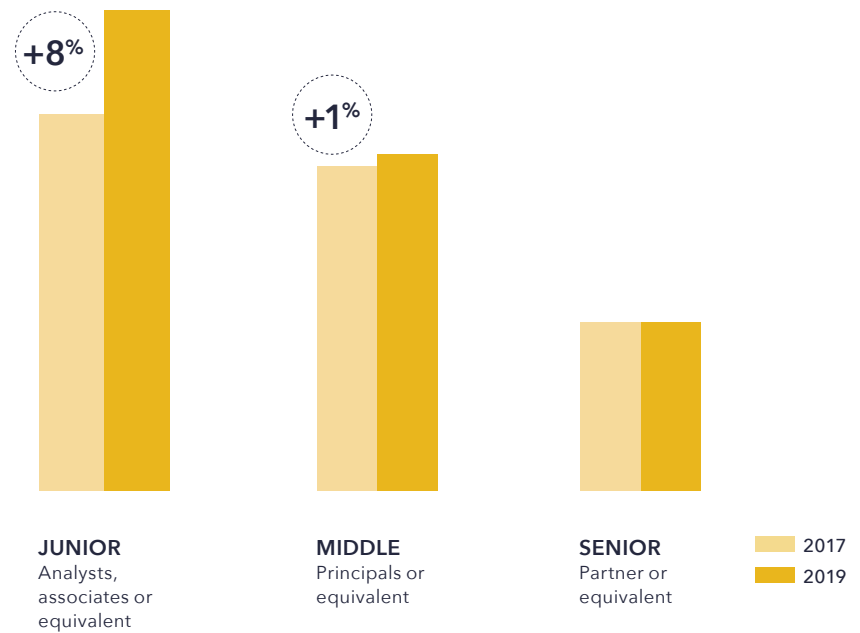
**2,920**  
Education  
Records



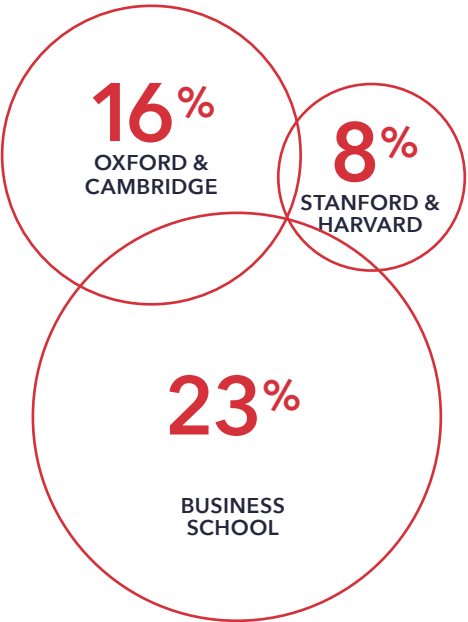
**307**  
Responses to an  
ethnicity survey

# Key Findings

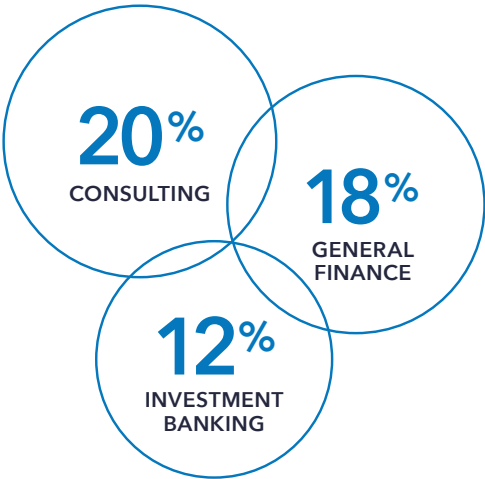
Since 2017, the number of female investors in the UK venture capital community has increased, although not at senior levels.



One in five venture capital professionals attended either Oxford, Cambridge, Stanford or Harvard.



Venture professionals typically have prior experience in consulting, general finance or investment banking.



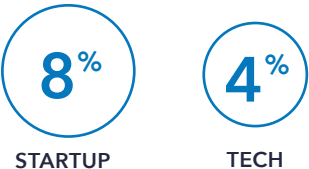
76% of surveyed venture capital professionals (the majority of whom work in London) are white...



...compared with 59% of the London population.



Just 8% of UK venture investors have prior experience at a start-up. Only 4% had a prior role at a technology company.

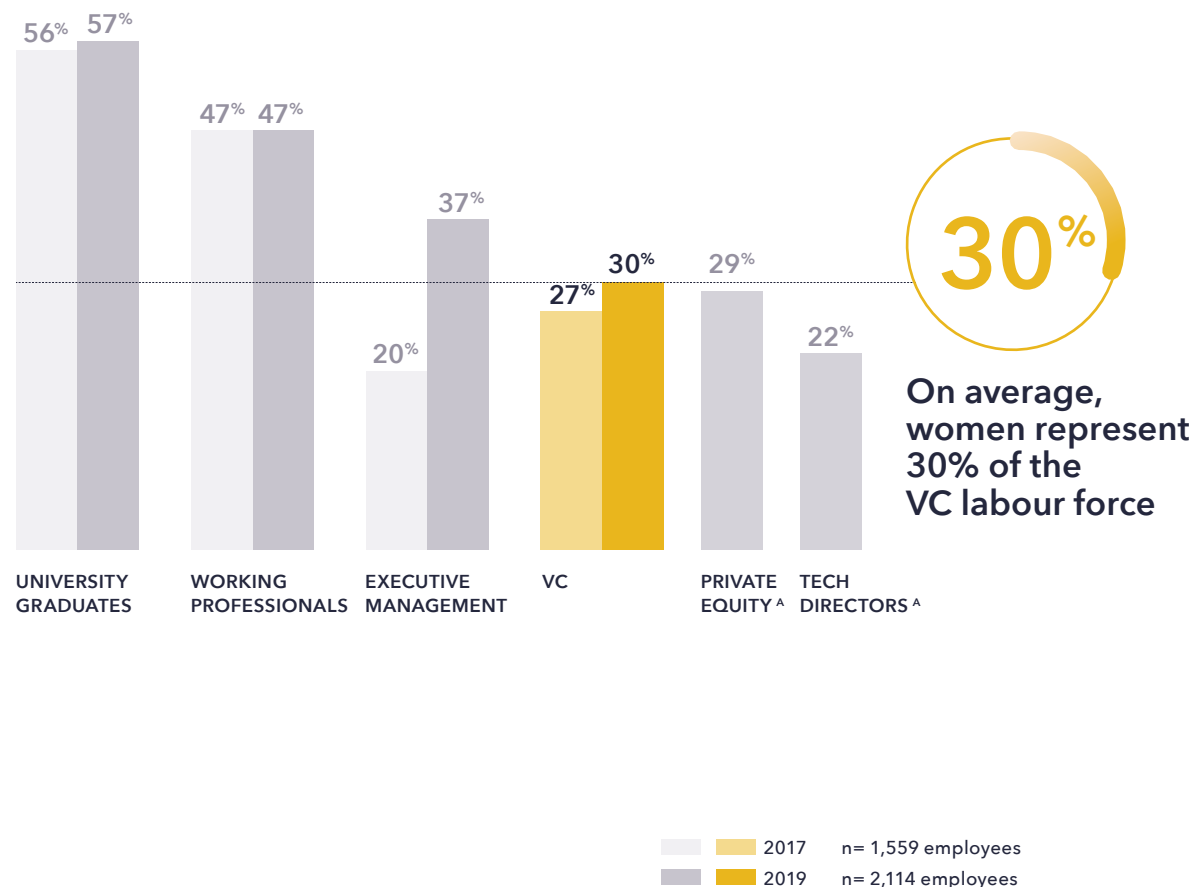




# The representation of women in venture is increasing

In 2019 women comprise 30% of venture capital personnel – a small increase from 27% in 2017.

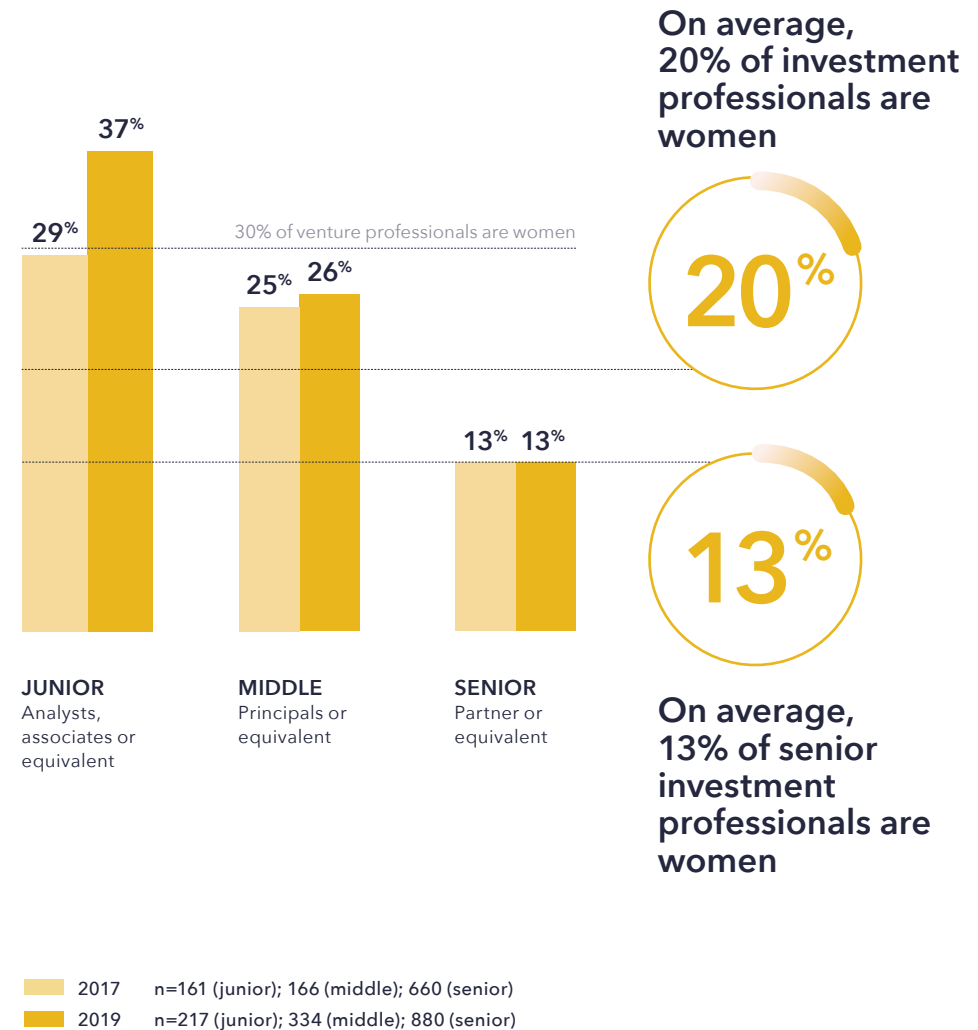
While the trajectory is positive and implies better representation than in the Private Equity industry and among Technology Directors, female representation in venture capital still lags behind the average of UK working professionals.



Note A: Data for Private Equity and Tech Directors relate to reports published in 2018.  
Sources: Higher Education Student Statistics (2016 / 17), Office for National Statistics (2018), Hampton-Alexander Review 2018, Diversity VC analysis (2019), Level 20 (2018), TechNation (2018)

# Female representation on investment teams is improving

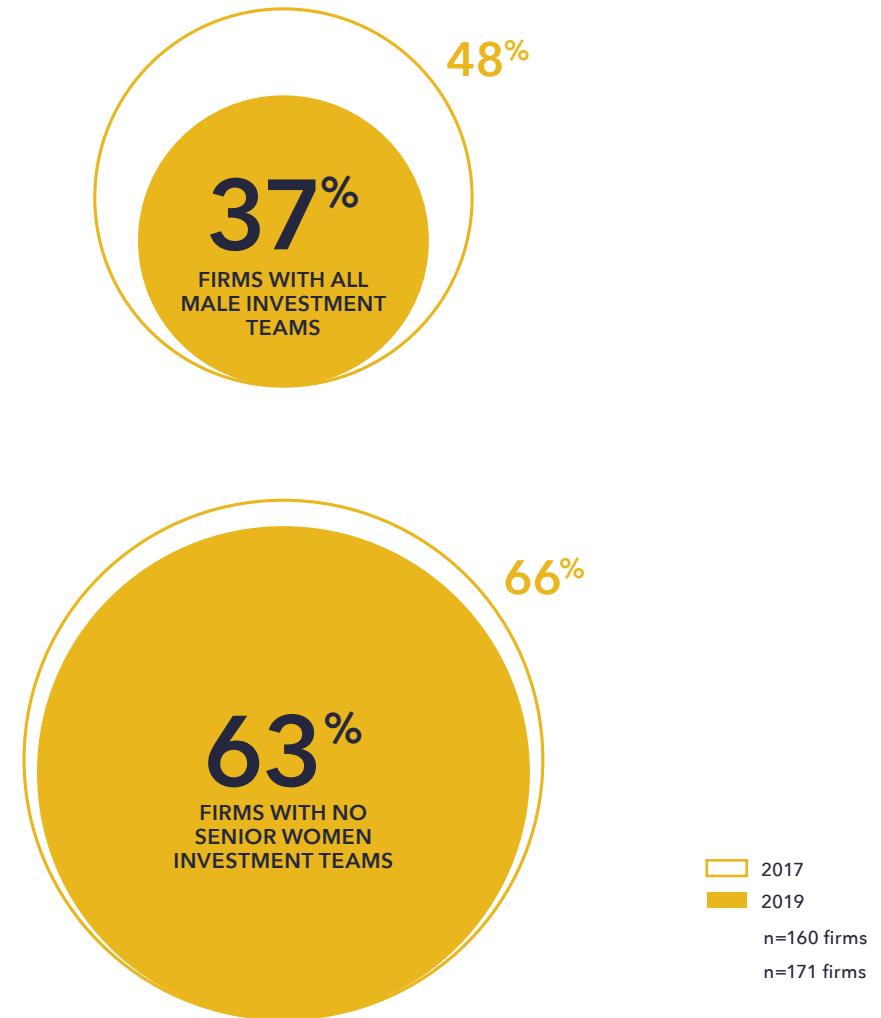
Women comprise 20% of investment roles – a modest (2%) improvement since 2017. While representation in senior positions is broadly unchanged, representation of women in junior investment roles has increased significantly. Today, 37% of junior investment professionals are women, compared with 26% two years ago.



Source: Diversity VC analysis (2019)

# Many firms still lack senior female investors

The number of firms with all-male investment teams have fallen from 48% to 37% in two years. However, nearly two-thirds of firms – 63% – have no senior women in their investment teams.



Source: Diversity VC analysis (2019)

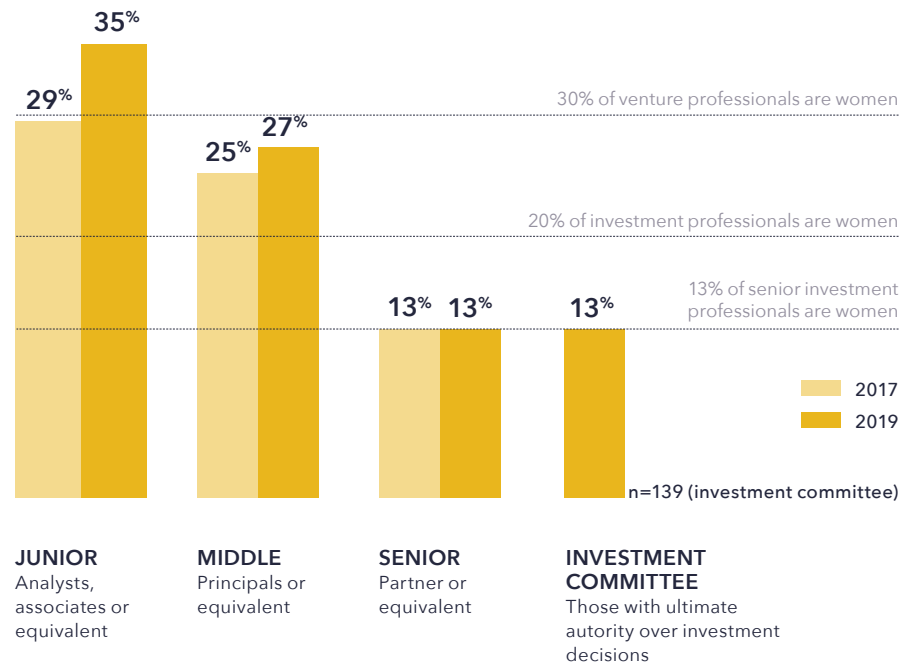


# Women are under-represented on investment committees

Only 13% of venture firms' investment committee members are female, based on a sample of 146 investment committee members from 58 firms.

Further, female investment committee members are concentrated in a small number of VC firms. More than 80% of firms surveyed report that they have no women on their investment committees.

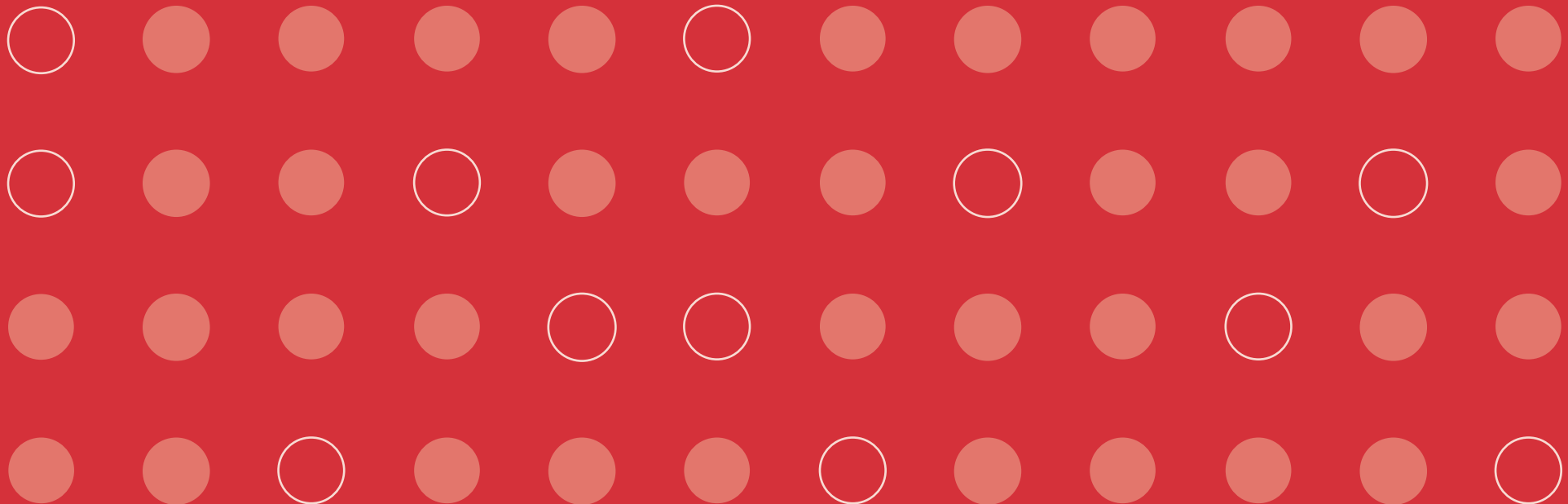
Note: It should be noted that data have not been adjusted to account for any self-selection bias.



83% of firms report no women in their investment committees

Source: Diversity VC analysis (2019)

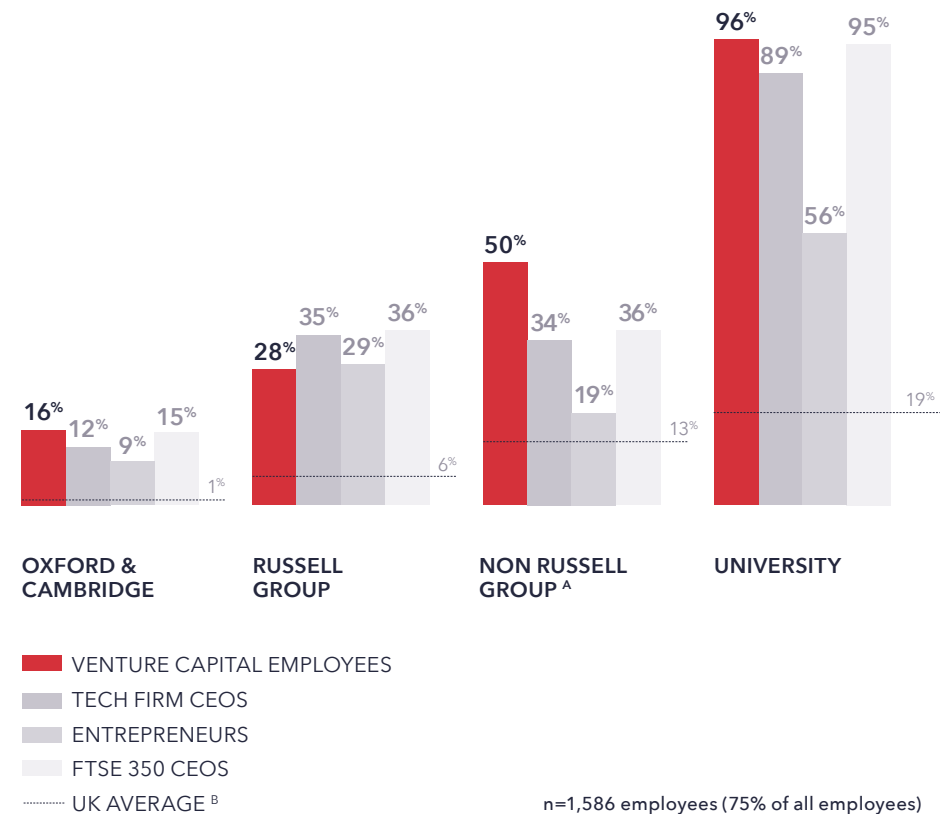
# Education



# Venture capitalists typically have extensive education

Personnel in the venture capital industry exceed national averages for education across all metrics. 96% of venture capital professionals have a university education. 28% attended a Russell Group university. 13% studied at Oxford or Cambridge.

Against comparable industries, venture capital professionals have a broadly similar educational profile, with little difference in educational attainment among venture capitalists, technology CEOs and FTSE 350 CEOs.



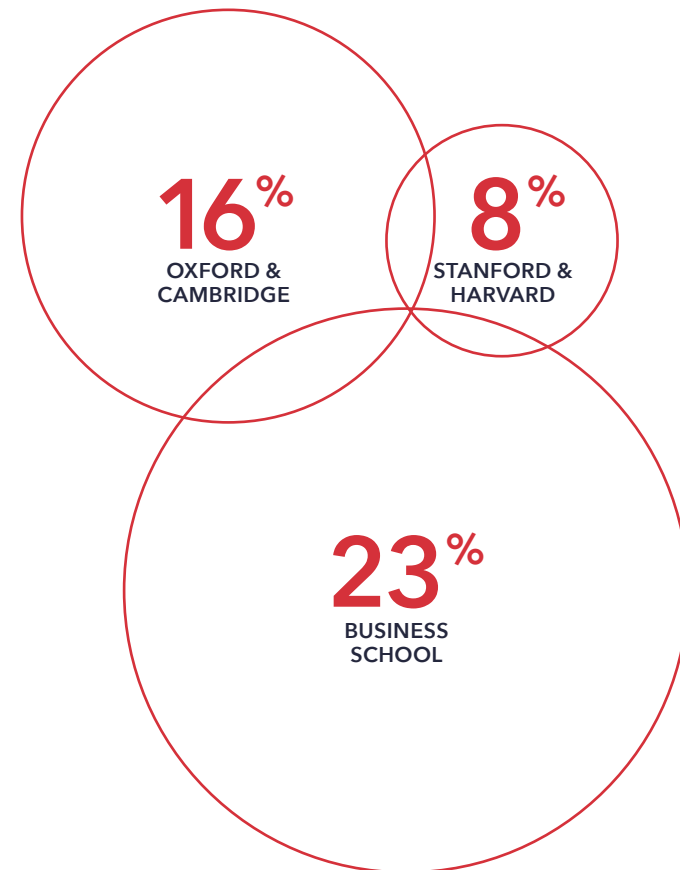
Note A: It was not possible to align those that were schooled in overseas institutions with the ranking of British institutions  
 Note B: All figures for the UK average are based upon the UK's working age population, apart from the figures for Oxbridge which are calculated for current 18 year olds.  
 General Note: Percentages are not additive, as individuals may hold more than one degree, and would be double counted.  
 Sources: Sutton Trust, Elitist Britain (2019); Diversity VC analysis (2019)

# One in five venture capitalists studied at Oxford, Cambridge, Harvard or Stanford

Many in the venture capital industry have a similar educational background. One in five UK venture capital employees attended the universities of Oxford, Cambridge, Harvard or Stanford.

Separately, 21% of venture employees hold a degree from a business school.

When all education data is combined, 33% of personnel in the venture capital industry have graduated from Oxford, Cambridge, Harvard, Stanford or a business school.



n=1,586 (75% of all employees)

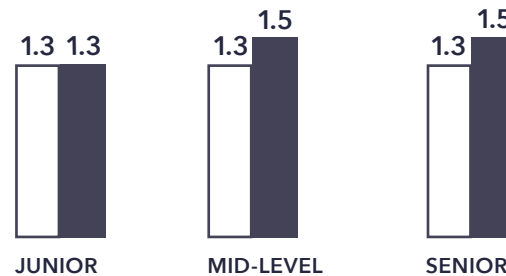
General Note: Percentages are not additive, as individuals may hold a degree from more than one institution, and would be double counted.  
Source: Diversity VC analysis (2019)

# Female venture capitalists have a higher level of education than men

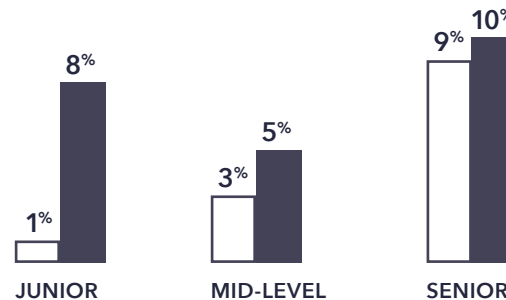
As measured by the number of degrees held, or the percentage of employees with a postgraduate research degree (such as a PhD), female venture capitalists typically have a greater level of education than men.

In senior investment positions, women hold an average of 1.5 degrees – compared with 1.3 for men. One in ten senior-level women has a postgraduate research degree (including PhDs).

Average number of degrees



% of employees with a postgraduate research degree



Investment professionals that are **MEN**  
Investment professionals that are **WOMEN**

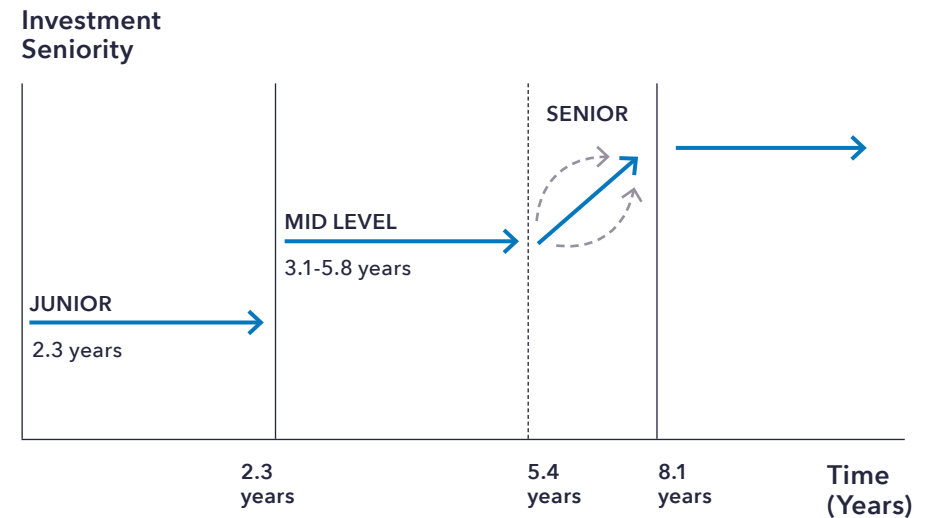
n=156 (junior);  
230 (mid-level); 593  
(senior) (65% of all  
investment professionals)

Source: Diversity VC analysis (2019)

# Career

# It takes five to eight years to reach a senior role in venture capital

We analysed a sample of data regarding the career progression of venture capital professionals. On average an investor spends 2.3 years in a junior role, such as associate, before progressing to a mid-level role such as a principal. Typically, investors then progress to a senior role after a further 3.1 to 5.8 years.



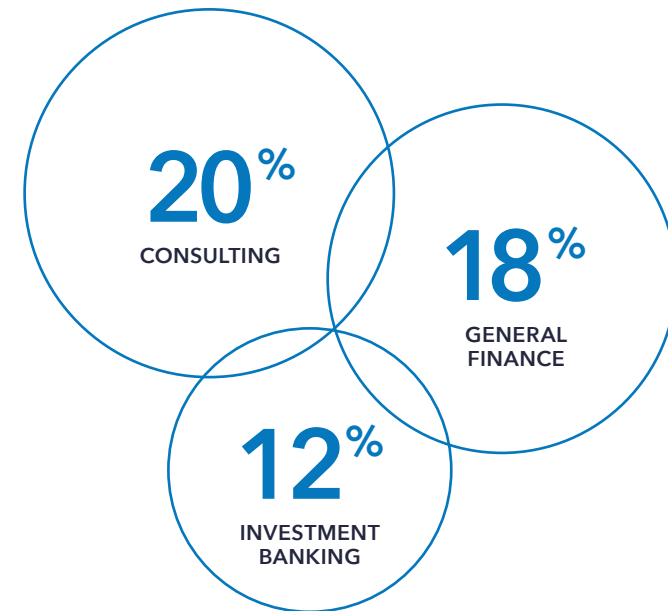
n=230 careers moves



## Four in ten venture capitalists come from General Finance, Investment Banking or Consultancy

We reviewed the career histories of 1,932 venture capital employees and 12,000 job records.

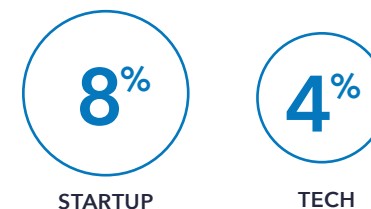
Venture capitalists most commonly have prior experience in Consulting (20%), General Finance (18%) or Investment Banking (12%). Overall, 41% of those working in venture have experience in one, or a combination, of the above professions.



## Few venture capitalists have entrepreneurial or technology experience

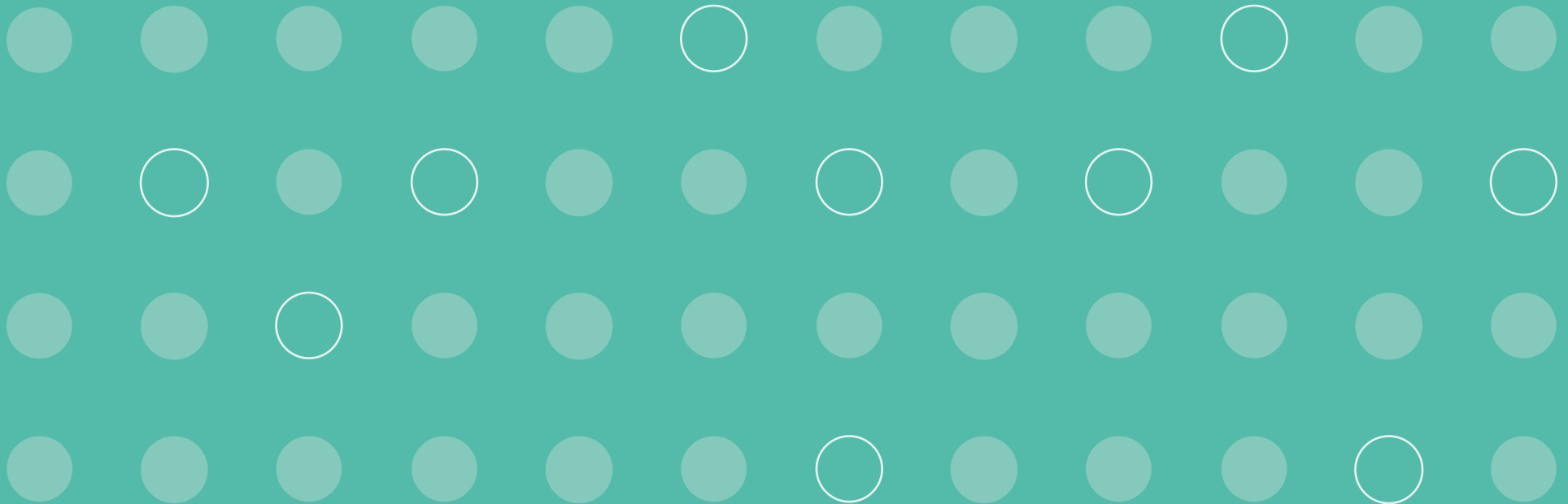
Just 8% of venture capitalists have prior experience in a start-up or scale-up business.

Only 4% have prior experience in a technology company such as Apple, Facebook or Google.



n=1,932 employees  
(91% of all employees)

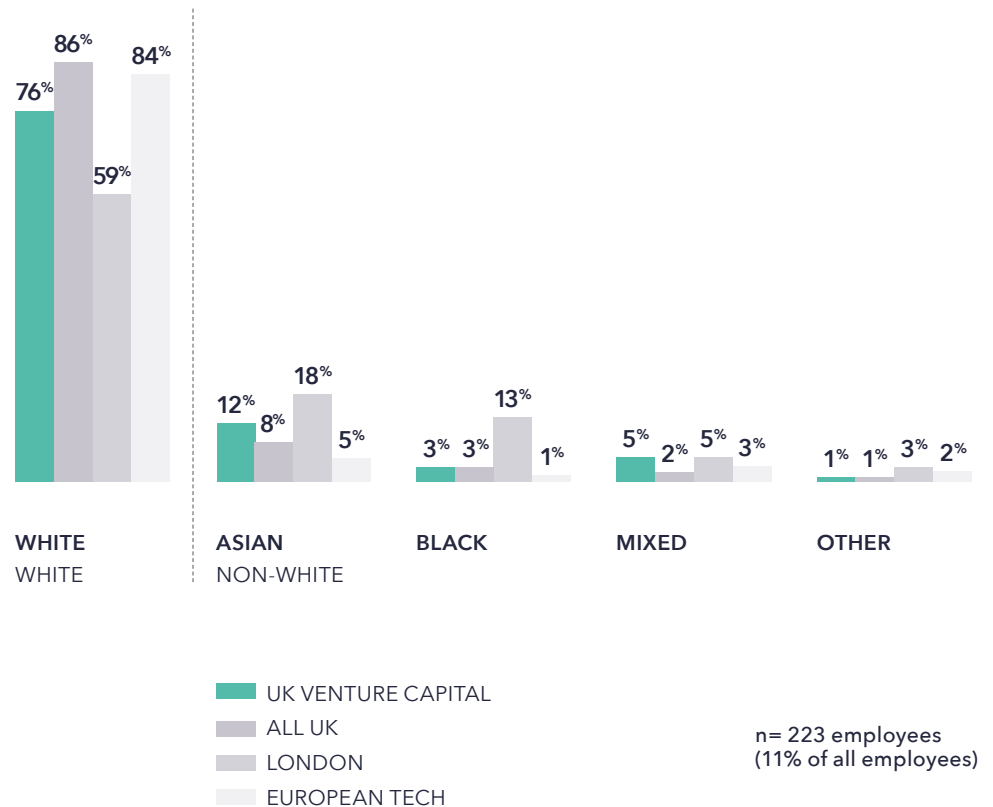
# Ethnicity



# Ethnic minorities are likely under-represented in venture capital

An ethnicity survey of 223 UK venture capitalists suggests that 24% of the venture workforce is non-white. This sample has not been adjusted for selection bias. Many of the firms surveyed are located in London, one of the most ethnically diverse regions in England and Wales where over 40% of residents identify as Asian, Black, Mixed race or Other ethnic group.

When compared with the London average, ethnic minorities are under-represented in venture capital.



General note: In this research, participants were given the option to participate, and their decision to respond (or not) may be correlated with traits that affect the results. It was not possible to adjust our findings to account for 'self-selection bias' and the results may not be wholly representative of general industry trends.

General Notes: Percentages are subject to rounding. Data are collected and classified using a standard set of UK ethnic groups, following the methodology set-out by the UK Census (2011). A full methodology can be found in the appendix.

Sources: UK Census (2011); Diversity VC analysis (2019); Atomico, State of European Tech (2018)

# Discussion

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## Representation of women in venture capital is improving...

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**Over the last two years, the percentage of women venture capitalists has increased. There has been significant improvement regarding representation in junior-level roles.**

In society at large, there is growing awareness for gender equality. In UK venture capital there are a number of targeted initiatives to promote gender balance including:

- The British Venture Capital Association's (BVCA) 'Women in Private Equity & Venture Capital' breakfasts;
- HM Treasury's 'Women in Finance Charter', to which many venture capital firms have committed; and
- 'Women in VC' dinners and the 'Future VC' programme coordinated by Diversity VC.

Improving representation of women in the venture capital industry suggests these initiatives are effective and suggests a positive change in the culture of firms.

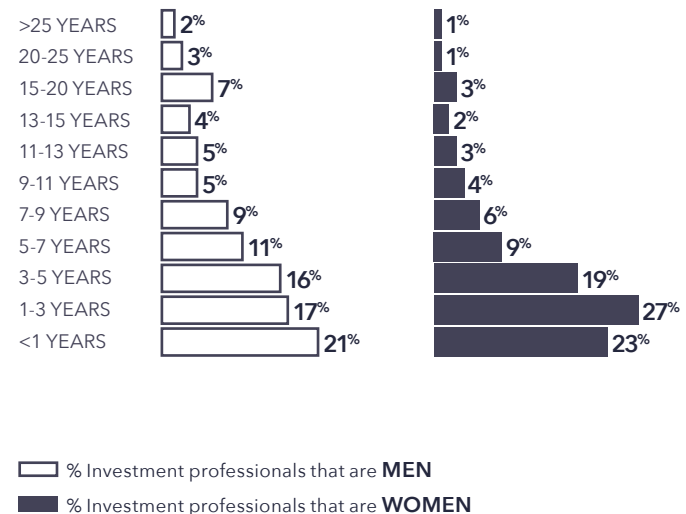
# ...but women remain under-represented at senior levels.

**The percentage of women in senior investment roles has not changed. 83% of firms have no women on their investment committees.**

There is a significant drop in the percentage of women working in venture capital that have five or more years of experience. Further work is needed to understand the causes behind this trend, and to prepare positive solutions to increasing representation the highest levels of the industry. Future studies also need to consider expanded definitions of gender.

As previously noted, there has been a recent increase in the number of women hired at junior- and mid-levels of seniority, suggesting that the representation of women at a senior level may improve in future.

% distribution of investment professionals, according to years of experience in venture



n=1,280 (89% of all investment professionals)

# Greater educational diversity could improve performance

**A third of UK venture capital firm employees graduated from a business school, or one of Oxford, Cambridge, Harvard and Stanford. The proportion is similar to venture investors in the US.**

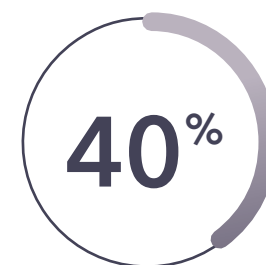
In an industry that requires knowledge of commercial, financial and legal skills to deliver economic growth, it is typical for personnel to have a university-level qualification. However, a lack of educational diversity within firms may be inhibiting performance.

Research conducted by Gompers & Kovvali (2018) shows that investment teams with diverse educational backgrounds are 11.5% more likely to realise an exit on their investment portfolio than peers with homogeneous teams.

It is notable that the women who are in senior positions appear to have a higher-level of educational attainment than their male counterparts. The same is true at mid-levels and when looking at the number of women who have done post-graduate research. This may suggest that women have more to prove before they are given an opportunity to start in the industry, or that the bar is higher for women to be promoted to senior levels.



**33% of personnel in UK venture capital has graduated from a business school, or from one of Oxford, Cambridge, Harvard and Stanford**



**40% of personnel in US venture capital has graduated from Harvard or Stanford**

Source: Kerby (2018)

## Diversity of experience could offer competitive advantage

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**More than 40% of UK investors have a consultancy, general finance or investment banking background. Just 12% have experience working in a start-up, scale-up or technology company.**

Among select, leading VCs globally, first-hand entrepreneurial experience is considered an advantage. At top-tier US venture capital firms, 40% of investors have entrepreneurial experience and a further 20% have been senior executives at start-ups (TechCrunch, 2015). Entrepreneurial experience has been identified as a predictor of success for first-time venture capital fund managers in some academic studies (Zarutskie, 2008).

Our data suggest that greater diversity of experience could be a source of improved returns and competitive advantage for UK venture capital firms.

## An initial benchmark shows ethnicity lags London average

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**Our ethnicity survey shows that 24% of the venture capital industry is non-white. In London – which accounts for 72% of all venture capital deals in the UK – the local population is 41% non-white.**

Whilst limited in scope, the initial benchmark for ethnicity in UK venture capital provides a valuable insight in the ethnic composition of the industry. It confirms the expectation that ethnic minorities are under-represented in venture.

However, it is believed that the data over-estimates the number of non-white professionals in the industry. In this study, participants were given the option to participate in an ethnicity survey. Their decision to respond (or not) may be correlated with traits that affect the results. It was not possible to adjust our findings to account for 'self-selection bias' and the results may not be wholly representative of general industry trends. Further work is required and recommended.



“The visibility of diversity as a topic has changed substantially, but we’re still in the early innings of it. Actions are changing from asking the headhunter to produce a list of female candidates, to more proactive measures like interviewing an equal number of male and female candidates or recruiting female hires first. Some firms are now going beyond established practices”



**Kathryn Mayne**  
Managing Director  
Horsley Bridge International

## We seek to accelerate progress

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**Whilst it is positive to see progress in some areas, it’s a fact that UK Venture lags national averages on almost every diversity metric.**

The commercial benefits of diversity and inclusion are widely documented (McKinsey, 2018; Bain, 2019; Gompers & Kovvali, 2018). However, despite commercial, political and societal attention on the issues, diversity and inclusion remains elusive for many firms.

As an industry it seems that we need a more compelling reason to change.

“The incoming generation of venture capital professionals are beginning to get closer to parity from a gender perspective. However educational background remains stubbornly biased in favour of those from privileged backgrounds.”



**Suranga Chandratillake**  
General Partner  
Balderton Capital

“For a number of reasons there is a large inequality of opportunity in venture capital currently. It is mainly to do with inherent unconscious bias among decision makers, but inequality of opportunity is also related to socio-economic advantages such as networks, access and safety nets.”



**Niklas Zennström**  
Partner & CEO  
Atomico

"For a long time founding a company has been a pursuit of the privileged who can self fund until seed. When we first started EF we introduced a stipend for pre-founders so that we could widen that career path to a more diverse group of people."



**Alice Bentinck**

Co-founder, Entrepreneur First  
Co-founder Code First: Girls

## Beyond diversity, inclusion matters

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**While our analysis focused on diversity, diversity without inclusion is ineffective (Hewlett et al., 2013).**

An inclusive environment is one in which: there is fairness and respect; individuals feel valued and there is a sense of belonging; employees feel safe and can be open; and people feel empowered and can grow (Deloitte, 2018). At its highest point, inclusion is expressed as feeling 'confident and inspired'.

An increase in individuals' feelings of inclusion translates into an increase in perceived team performance (+17%), decision-making quality (+20%), and collaboration (+29%) (Deloitte, 2018).

"Inclusive workplaces are proven to attract and retain the brightest talent, demonstrate improved channels of communication and improved social capital" (Diversity VC & Atomico, 2018).

There is burgeoning interest within wider society regarding the benefits of inclusive cultures. While research is nascent, there are opportunities for firms exhibiting leadership in this topic to capture competitive advantage.

# A case for responsible investing

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**The diversity of investment teams affects the companies that can secure funding. Venture capital firms with female investment partners are four times more likely to invest in female CEOs (Dubow & Pruitt, 2017).**

Venture capital investors also have a disproportionate impact on the culture and behaviours of the companies in which they invest. Investors sit on company boards, influence key decisions and management teams, and shape hiring policies and the products and services that companies build.

At Diversity VC, we believe it is our collective responsibility to build a venture capital industry that reflects and positively impacts the companies in which we invest and the societies these companies impact.

As well as offering competitive advantage, we believe that responsible investing - investing while preventing significant negative outcomes for people and the planet - will exert a valuable and positive force on society at large.

**"A diverse tech ecosystem is a strong and resilient ecosystem. With that in mind, we want as many diverse components in the ecosystem as possible."**



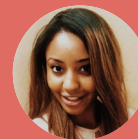
**Alice Hu Wagner**  
Managing Director  
British Business Bank

"There's been a significant change over the last few years. Diversity is much more frequently discussed in the venture capital ecosystem, and the awareness of the issue has increased. That's positive."



**Beezer Clarkson**  
Managing Director  
Sapphire Ventures

"Employment history and education background are apt indicators for how people view the world. We've been very intentional about building experiential diversity into the team from day one, so we are able to identify new deal opportunities, and cover potential blind spots."



**Brittany Davis**  
Director  
Backstage capital

"As a woman of colour, as an immigrant who came to the UK speaking no English, as a person who attended state schools throughout their life, I currently stand as an anomaly in venture capital. It is my hope that my profile will no longer be an example of what could be in venture, but rather another mundane story of what is."



**Lillian Li**  
Eight Roads  
Ventures

"We need to change how firms work internally and focus on inclusion. Inclusion is about setting people (and their firms) up for success. Step one is hiring someone who is different, step two is setting them up for success, step three is standing back to let them show you how they see the world."



**Suranga Chandratillake**  
General Partner  
Balderton Capital

# Conclusion

## Diversity in UK Venture: a mixed picture

---

**At the outset of our research, we sought greater insight into the diversity of UK venture capital.**

**Our research has highlighted that representation of women is improving, particularly at junior and mid-levels.** This suggests initiatives such as the British Venture Capital Association's (BVCA) 'Women in Private Equity & Venture Capital' breakfasts, and HM Treasury's 'Women in Finance Charter' are proving effective. However, there remains few women in senior roles and on investment committees. This may change over time, as the increasing proportion of junior women progress through the industry. It is imperative, however, to catalyse female representation in the highest levels of the industry. Further work is needed to understand the causes behind this trend, and to prepare solutions to increasing representation the highest levels of the industry.

# There is scope for further research

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**Our research has also shown that venture capital (as a whole) has a high level of educational attainment** which is consistent with an industry that requires professionals to develop knowledge of business, finance and law. However, the fact that one-third have studied at either Oxford, Cambridge, Harvard or Stanford, shows there is opportunity to improve diversity of educational background, which is shown to improve team performance (Gompers & Kovvali, 2018).

**Analysis of investors' career, similarly, has highlighted the surprising homogeneity of backgrounds**, with consulting and finance far more prevalent than entrepreneurship and technology.

**The ethnic diversity of the industry is requires further analysis.**

The venture capital industry in the UK is significantly less ethnically diverse than the population of London, where 80% of venture capital is deployed and the majority of funds are located. – this should be 'where 72% of venture capital is deployed and the majority of funds are located (London & Partners and Pitchbook, 2018). Having established the UK's first benchmark for ethnicity within the venture capital industry, we anticipate undertaking further research in this important area.

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**The benchmarks and trends revealed in this report, spanning investors' careers, education, ethnicity and gender, provide a valuable snapshot of the UK venture capital industry.**

However, we are mindful of its limitations. Further work is required to highlight progress and identify challenges within the industry. We look to:

- Refresh our benchmarks, to keep them current and to better understand the trends in venture capital;
- Extend our analysis to discuss broader themes of under-representation, and to focus on inclusion - a key indicator of whether diversity is working; and
- Collaborate with other research organisations. Email us at [research@diversity.vc](mailto:research@diversity.vc) to discuss potential collaborations, or with suggestions or comments.



# The time to act is now

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**Diversity has measurable benefits. In addition to better performance, diverse venture capital firms can positively impact the companies in which they invest and society at large.**

Yet across all diversity metrics (gender, education, career and ethnicity), the UK venture capital industry has room to improve.

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**Venture capital firms can take advantage of the practical initiatives we offer, which are designed to improve diversity, inclusion and sustainability within our industry.**

These include:

- **Our 'VC Toolkit' and our Diversity VC and Atomico 'Practical Guidebook for Entrepreneurs'**, which offer tools and resources that enable venture firms and entrepreneurs to foster a more inclusive culture.
- **Future VC** – an internship and education program, which provides an opportunity for under-represented groups to start their career in venture capital.
- **One Tech**, which aims to increase the number of female-led and Black, Asian & Minority Ethnic (BAME) founders who raise capital for their businesses.

A summary of Diversity VC and our mission are overleaf.

Explore [www.diversity.vc](http://www.diversity.vc) to see how we can help you.



Launch of Women in UK Venture Capital (2017)  
Source: Diversity VC

# About Diversity VC

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**Formed in 2016, we are a group of venture capitalists that seeks to promote diversity of thought, representation and inclusion within the venture capital industry. We believe diversity offers competitive advantage, enabling those who embrace it to attract more investment prospects and make better investment decisions.**

A non-profit partnership, we aim to highlight the importance of diversity within the industry and to drive change. Our goal is an industry that better represents the society in which it invests.

If you are working to improve diversity, representation or inclusion in the workplace, we'd like to collaborate. Visit [www.diversity.vc](http://www.diversity.vc) to sign up to our mailing list and explore our research, events and initiatives.





Diversity VC Fireside Chat with Arlan Hamilton, founder of Backstage Capital and Andy Ayim at Balderton Capital (2018)  
Source: Diversity VC



# Appendix

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# Our Sponsor

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## Silicon Valley Bank

For more than 35 years, Silicon Valley Bank (SVB) has helped innovative businesses and their investors move bold ideas forward, fast. SVB provides a range of financial services and targeted expertise to companies of all sizes in innovation centres around the world, including the UK. With commercial and international banking services, SVB helps address the unique needs of innovators.

Learn more at [svb.com/uk](https://svb.com/uk).

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# Our Partners and Collaborators

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## Craft.co

Craft is building the 'Source of Truth' on companies, mapping the global economy, and delivering unique intelligence on companies to corporate decision-makers globally.

Craft collects, aggregates and curates financial, operating and human capital data to provide the deepest picture of private and public companies to assist decision-makers to manage their supply chain, maximize their investments, mitigate risks, grow sales, leverage their talent and enhance their competitive position. Current clients include Fortune 100 companies, SMEs, asset managers, and others.



## One Tech

Diversity VC is a delivery partner in OneTech, which is a collaboration of partners which aims to connect under estimated communities to opportunities within the London tech scene through action and thought leadership.

The programme offers underrepresented and underestimated founders access to pre-acceleration, investment readiness, workspace, mentoring, mastermind groups and more.

The initial programme kicked off in October 2018 and the consortium aims to develop it into a sustainable movement of change.

If you are interested in hearing more please contact [onetech@capitalenterprise.org](mailto:onetech@capitalenterprise.org)



## Cooley

**British  
Business Bank**

**Airtable**

**BVCA**

## Cooley



# Our Methodology

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## The VC firms included in the analysis

The full list of 171 VC firms included in this analysis is included in this Appendix. The list was compiled from public and privately available databases, and includes funds which invest risk capital, primarily in equity investments across technology, non-technology or life science investment sectors.

To be included in the list, each firm required an office, an investment team and a recent investment in the UK

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## Treatment of 'large' firms

In the instance of large firms (such as Downing, Octopus) data and surveys were only collected from those working in the UK-resident ventures team (e.g. Downing Ventures, Octopus Ventures).

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## Treatment of 'international' firms

In the instance of international firms (such as Index, Accel) data and surveys were only collected from those working in the UK office ventures team.

## Manual 'coding' of firms characteristics

The data team manually coded each firm with a number of different characteristics, namely:

- **The investment sector:**

There were three possible codes: life sciences, technology or non-tech. Funds which invest across two or more sectors would be coded with both pieces of information, and counted twice in the analysis.

- **Maximum cheque size:**

Based on the maximum funding that could potentially be provided by the venture capital fund, to one single investee company (potentially split over two or more rounds).

- **Firm type**

There were three possible firm types: Venture Capital firms (VCs), Corporate Venture Capital firms (CVCs) and 'Other' firms (such as accelerators with a dedicated venture fund or Private Equity firms with a risk-capital function).

Firms were typically coded using data found on the website of each firm. Where possible, data was verified directly by the firms themselves.

## The venture capital employees in the analysis

A total of 2,114 unique employees were reviewed in this study. In collecting all employee data the following three-stage process was used (with the exception of ethnicity data, whose methodology is explained overleaf).

- **Using automated processes to collect a raw dataset**

The raw dataset was provided by Craft.co, who used an automated process to crawl the websites and social media pages of each firm. The process provided an initial list of information about each employee, including their name, their gender, their job title, their public social media profile, their career history and education.

- **Manual filtering, and assigning job titles and seniority**

In the second stage of the process, the data was 'sense-checked' by the research team.

An analysis of job titles (explained overleaf, see > Coding employee roles and seniority using job titles) was used to identify whether an employee was in an investment or non-investment role, and their seniority in the firm.

- **Verified by each venture firm**

As far as was possible, the automated and 'sense-checked' data was then sent by email to a contact person at each venture firm for review. The dataset was updated accordingly, upon receiving corrections from the firm. It was only possible to contact 138 (81%) firms.

Of the 171 firms in this analysis, 45 firms responded to confirm their data, 93 firms were manually verified by the data team (through a second tranche of manual searches on websites and social media pages). It was not possible to verify data on 33 firms.

## Collecting ethnicity data

Ethnicity data was collected by means of the following survey question, that was sent to UK Venture employees:

**Would you let us know your ethnic background?**

[A] White

[B] Mixed

[C] Asian

[D] Black / African / Caribbean

[E] Prefer not to say

[F] Other

The survey generated 307 responses. 84 responses came from respondents whose profile fell outside the definition of a 'venture capital employee' and were disregarded in the analysis.

## Compliance with GDPR

Diversity VC is a designated a 'data processor' under GDPR. All personal data - including ethnicity data, which is considered 'special category under GDPR' - has been processed to comply with GDPR.

Any VC whose data is held in our dataset can review, amend, correct and delete their information at any time, by contacting [research@diversity.vc](mailto:research@diversity.vc).

All members of the audit team signed data processing contracts with Diversity VC in order to handle sensitive and confidential data.

Further information about the data held and processed by Diversity VC can be found in our Privacy Policy ([www.diversity.vc/privacy-policy](http://www.diversity.vc/privacy-policy)).

## 'Coding' employee roles and seniority using job titles

A total of 12,153 employment records were reviewed in this study - relating to each employee's current and prior professional experience, as far as was possible. For each employment record, the data team attributed the following three codes:

- **Employment type**

Employees were categorised roles include the following titles:

- **Employee role (either investment or non-investment)**

The investment and non-investment code attributions were only applied to venture roles. Investment roles include the following titles: Analyst, Associate, Principal and Partner, and other equivalent titles. Non-investment roles include individuals holding job titles such as Investor Relations, Marketing, Accounting, Legal amongst others.

- **Seniority (either junior, mid-level or senior)**

The junior, mid-level and senior code attributions were only applied to investment roles. For the purpose of this report Analysts and Associates were considered 'Junior'; Principals were considered 'Mid-level' and Partner was considered 'Senior'. It was not as easy to infer the seniority of non-investment employees, and fell outside the scope of this report.

Coding was largely a subjective exercise, but made possible from the combined understanding of the data team (who largely comprise venture capitalists) and from network connections to many of the firms within the dataset. The employee roles and seniority codes were verified by firms, as far as was possible, as explained on the previous page (see > Verified by each venture firm).

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## Dates of the research

The research was conducted over a 14-month period, between February 2018 and June 2019, with the list of active venture capital firms and corresponding list of employees believed to represent the state of the industry in June 2019.

Comparisons to the Women in UK Venture Capital 2017 dataset relate to research conducted by Diversity VC over a six month period, between November 2016 and May 2017.

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## Duplicate employees

There were a few instances where there were duplicate employees (for example, where an individual is a part-time advisor to two different funds). Care was taken in making sure these individuals were not double-counted in our analysis.

# Firms in our analysis

01 Ventures	Burda Principal Investments *
83North *	C4 Ventures
Abingworth Management *	C5 Capital *
Accel Partners *	Calculus Capital *
Accelerated Digital Ventures *	Cambridge Enterprise
Advent Life Sciences *	Cambridge Innovation Capital *
Ai Seed	Catapult Ventures
Albion Capital *	Charlotte Street Capital *
Amadeus Capital Partners *	Columbia Lake Partners
Anthemis Group	Concentric Partners *
Arts Alliance *	Connect Ventures *
Ascension Ventures *	Crane Ventures Partners
Aston Ventures	Dawn Capital *
Athene Capital	DC Thomson Ventures *
Atomico *	Deepbridge Capital *
Augmentum Capital *	Disruptive Capital Finance *
Aviva Ventures *	DN Capital *
AXA Venture Partners *	Downing Ventures *
Backed VC *	Draper Esprit *
Balderton Capital *	DST
Beacon Capital *	Edenred Capital Partners *
Beast Ventures	Edge Investments
Beringea *	Eight Great Technologies
Bethnal Green Ventures	Eight Roads Ventures *
BGF Ventures *	Entrepreneur First *
Black Swan Venture Capital	EOS Technology Investment Syndicate *
Blenheim Chalcot	Eos Venture Partners
Blossom Capital	Epidarex Capital *
Blue Wire Capital *	Episode 1 Ventures *
BP Ventures *	EQT Ventures
Bridges Ventures *	ETF Partners *
Britbots	European Equity Partners

The 108 firms marked with an asterisk also featured in our previous report, Women in UK Venture Capital, and form the basis of the comparative analyses presented in this report.

F-Prime Capital Partners *	IQ Capital Partners *	Par Equity	Technology Crossover Ventures *
Fabric	Iratel Ventures	Passion Capital *	The Stephenson Fund *
FastForward Innovations	JamJar Investments *	Pembroke Venture Capital Trust	Tiny VC
Felix Capital *	Jane VC	Pentech Ventures *	UCL Technology Fund
Firstminute Capital	Keen Venture Partners	Pi Labs	Unilever Ventures *
Force Over Mass Capital *	Kelvin Capital *	Piton Capital *	Venrex Investment Management
Foresight Group *	Kennet Partners *	Playfair Capital *	Voulez Capital
Forward Partners *	Kindred Capital *	Prime Ventures *	Walking Ventures
Founders Factory	LocalGlobe *	PROfounders Capital *	Wellington Partners *
FPE Capital *	London Venture Partners *	Qualcomm Ventures *	White Star Capital *
Frog Capital *	Longwall Venture Partners *	Redline Capital Management	Yorkshire Fund Managers *
Frontline Ventures *	Manta Ray	REV Venture Partners *	
Fuel Ventures *	Medicxi Ventures *	RLC Ventures	
Global Founders Capital *	Mercia Technologies *	Rooks Nest Ventures	
GV *	Mid_ven	Rosetta Capital	
Hambro Perks	MMC Ventures *	SAATCHIiNVEST *	
Hearst Ventures	Mobeus Equity Partners	Salesforce Ventures *	
Highland Capital Partners Europe *	Mosaic Ventures *	Samaipata	
Howzat Partners *	Mustard Seed Impact *	Samos Investments	
Hoxton Ventures *	Nauta Capital *	Scottish Equity Partners *	
HSBC Innovation Investments	NJF Capital	Seedcamp *	
Hummingbird Ventures	Northern & Shell Ventures	Seneca Partners	
Illuminate Financial Management	Northstar Ventures *	Seraphim Capital *	
Impact Ventures UK *	Northzone Ventures *	Silvergate	
Index Ventures *	Notion *	Sky Ventures *	
Initial Capital *	Octopus Ventures *	Smedvig Capital *	
InMotion Ventures	Old College Capital *	Stride	
InReach Ventures *	OMERS Ventures	Summit Partners *	
Intel Capital *	Outlier Ventures	Sussex Place Ventures *	
INVC Fund	Oxford Capital Partners *	Symvan Capital	
Invoke Capital *	Oxford Sciences Innovation *	Talis Capital *	
IP Group United Kingdom *	Oxx (London)	Tate & Lyle Ventures	



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**It has never been more important to assess and improve diversity in venture capital. The benefits of diversity & inclusion (D&I) are 'well documented and increasingly widely accepted' (Bain, 2019). An inclusive and diverse workforce creates an environment that enables better decision-making and improved results.**

'Diversity in UK Venture 2019' is the most extensive study of the industry to date. With support from Silicon Valley Bank, we received data from 171 UK venture capital firms employing 2,114 people. The benchmarks and trends revealed in this report, spanning investors' careers, education, ethnicity and gender, provide a valuable snapshot of the UK venture capital industry.

If you are working to improve diversity, representation or inclusion in the workplace, we'd like to collaborate. Visit [www.diversity.vc](http://www.diversity.vc) to sign up to our mailing list and explore our research, events and initiatives.