



**ELEVATE
CAPITAL**

**ELEVATE CAPITAL
IMPACT REPORT
2023**



ABOUT ELEVATE CAPITAL

AN INCLUSIVE VENTURE CAPITAL FUND

For some populations, there is a noticeable gap in gaining access to investment capital. These underrepresented entrepreneurs are both underrated and overlooked. Yet they have everything it takes to start and scale a business.

At Elevate Capital, we believe there is a tremendous opportunity to invest early and offer mentorship to these entrepreneurs. We provide the venture capital and guidance they need to turn their startups into great companies.

WE FUND THE UNDERREPRESENTED ENTREPRENEUR

Elevate Capital is the nation's first institutional venture capital fund that specifically targets investments in underrepresented entrepreneurs, such as women and BIPOCs, or those with limited access regionally to capital and opportunities. This is an untapped pool of visionaries with disruptive ideas and products which we support through our investments. Whether we're raising venture capital or offering time and energy, the effort is worth it. The growth and success we've seen has already created substantial multigenerational wealth for these entrepreneurs and their communities, a goal at the heart of Elevate Capital. We are proud to make a difference in the lives of people both right now and for decades to come.



LETTER FROM NITIN

There's a pervasive belief in Silicon Valley that startups need to "fail fast" to succeed. We at Elevate Capital don't see it that way.

Over the last seven years we have invested in startups that mostly operate outside Silicon Valley and underrepresented voices who can't afford to see failure as an option. They understand that you must survive to thrive. And we continue to see that these are the founders to believe in.

Within our five funds, Elevate has so far deployed \$63M of capital in 88 startups that have gone on to raise \$245M in additional capital. These startups have achieved nearly \$100M in revenue over the last 12 months and created over 700 jobs, more than half of which are held by women and minorities. Compared to the \$245B in venture capital that was invested in 2022, this is an incredibly modest amount. Looking at our success percentages, it's significantly higher than what traditional VCs are accomplishing. We are not in the business of one company paying out and everything else dies, or making risky investments; our portfolio is full of promising companies that are alive and thriving.

Elevate has spoken with over 1,500 founders since our inception. While we can't invest in every promising startup, we have seen time and time again that underrepresented founders are highly committed, insightful and behind some of today's most exciting companies. Women founders comprise 69% of our

investments, and 93% are founders who identify as BIPOC, LGBTQ, or veterans. The stakeholders of Elevate Capital are all successful entrepreneurs, many of us from underrepresented backgrounds. We have a nose for this and invest in the hungriest, hardest working and most transparent. We've found that these founders – who have been ignored, underestimated and overlooked – are brave and resourceful. They do more with less. They share the characteristics that led to our own success.

We consider Elevate a distributor of compassionate capital: funds dispersed with the intention of empowering businesses, increasing economic mobility and creating generational wealth creation in these underrepresented communities.

What you'll see in this report – the data that we're presenting and the stories that we're telling – are proof points that show the genuine impact Elevate is making, leveling the playing field for founders while producing outsized returns for investors.



**NITIN RAI, FOUNDER & MANAGING PARTNER
ELEVATE CAPITAL**

A LOOK AT THE VC MARKET IN 2023

The venture capital landscape has changed significantly in the last two years. The 2021 gold rush that brought unprecedented capital inflows and record-breaking funding rounds is over. The post-pandemic fallout has deeply wounded the tech sector and rising interest rates have many investors turning their attention away from startups. After four consecutive down quarters in 2022, the market is stabilizing but has cooled significantly. While VC-backed US companies raised \$61.3 billion in Q2 of 2022, they only raised \$29.4 billion in this year's second quarter – a decline of 47%. In this new market environment, VC's have become more conservative in their valuations of the startups they invest in. High valuations of prior years have come under scrutiny, compelling companies to demonstrate substantial, quantifiable progress. This has put new deals in a favorable light as they don't carry the baggage of inflated valuations.

The sectors that received the most funding in Q2 didn't change significantly from past years. Technology and Financial Services came out on top along with Healthcare, which saw funding up 10% in Q2 despite the overall downturn among sectors. Startups utilizing artificial intelligence (AI) are still receiving the lion's share of funding and collected \$15.5 billion just in the second quarter of 2023. Although integrating AI is capital- and time-intensive, the potential returns and innovations in the sector are drawing significant investor attention across the board.

WHAT THIS MEANS FOR STARTUPS

Founders are fighting to secure the funding they need to fuel their growth from the limited pool of available venture capital. The current market climate also dictates how startups have to approach their day-to-day finances. Keeping the burn rate low and stretching the existing budget is key in this market. Companies need to be prudent with their cash reserves, ensuring they are not just cutting costs but investing wisely in essential initiatives that will secure future funding rounds. To close those rounds, startups are likely going to start building relationships with potential investors long before the need for capital arises. After all, raising capital is as much about persuasion and building trust as it is about numbers. Startups that are adaptable, forward-thinking, and frugal will still have a bright future.

FIGHTING A \$4 TRILLION OPPORTUNITY GAP

Overall available VC funding dropped by 36% in 2022 and the VC market is showing no signs of bouncing back to the funding boom of 2021. But founders are not affected equally. Founders from underrepresented communities are facing tougher odds than the rest, continuing to see significantly fewer funding opportunities.

In 2022, only 1% of VC funding went to Black founders and 1.5% to LatinX founders. And even though women make up 51% of the US population, startups founded by women received only 1.9% of funding. This lack of funding for minority founders has led to an estimated \$4 trillion opportunity gap. According to a report from Morgan Stanley, "The median investment by equity investors in business opportunities is nearly \$1 million. Yet, for women and minority-owned businesses (WMBEs), median investments are only \$213,000 and \$185,000, respectively."

**VC funding declined
47% in Q2 2023 (YoY)**

DIVERSITY FUNDING IN 2023

TRADITIONAL VCS AND MISSED OPPORTUNITIES

VCs have traditionally been led by the same kind of people that receive the lion's share of funding: straight, white, cis men. Access to VCs is a key challenge for underrepresented founders. This gatekeeping of traditional VC funding has led to the ascendancy of firms like Elevate Capital, which prioritize investments in innovative and underrepresented entrepreneurs.

And Elevate has shown over the course of seven years that funding underrepresented founders is not only a social good, but an incredibly shrewd financial decision.

DIVERSITY IS SIMPLY GOOD BUSINESS

Minority founders are not just underfunded but underestimated. Startups that grow out of these communities have incredible untapped potential, and the VCs that ignore this talent pool are surrendering massive investment opportunities. A 2020 study showed that diverse founding teams produce higher returns for investors, yet this kind of data has yet to counteract the entrenched biases of most VC firms.

Elevate Capital is countering this by intentionally opening their doors to women and minority entrepreneurs. This means not only funding them with early-stage capital but also providing

mentorship through Elevate's team and their group of entrepreneurs. Between the firm and these founders who have re-invested, Elevate is achieving one of their main goals: creating generational wealth for communities that have never received this kind of investment.

The performance speaks for itself. To date, Elevate's portfolio has seen a return to investors of 22% which is above the average 19% internal rate of return (IRR) for traditional VCs with the more homogenous companies they're investing in.

PAYING IT FORWARD

Elevate is a business, and its top priority will always be to invest in companies that will generate the greatest return on their investment. But by being smart about where their capital is invested, and understanding the originality, tenacity and instincts of the underrepresented founders, Elevate is using compassionate capital and mentorship to help these communities thrive.



ELEVATE'S IMPACT BY STATE

	DOLLARS INVESTED (M)	% OF DOLLARS INVESTED	NUMBER OF COMPANIES	NUMBER OF JOBS CREATED
OREGON	\$19.1	44.8%	55	350
NEW YORK	\$7.9	18.4%	6	55
WASHINGTON	\$5.1	11.9%	8	39
MASSACHUSETTS	\$2.6	6.1%	2	47
CALIFORNIA	\$2.3	5.3%	6	84
VIRGINIA	\$2.2	5.1%	4	36
FLORIDA	\$1.0	2.3%	1	6
GEORGIA	\$0.6	1.4%	1	8
PENNSYLVANIA	\$0.6	1.4%	1	10
UTAH	\$0.5	1.1%	1	50
LOUISIANA	\$0.5	1.1%	2	17
MICHIGAN	\$0.5	1.1%	1	8

INVESTING IN THE FUTURE: WHY VCS SHOULD FOCUS ON MULTI-GENERATIONAL WEALTH AND UNDERREPRESENTED COMMUNITIES TO LEVEL THE PLAYING FIELD AND REDUCE THE WEALTH GAP

One of Elevate's main goals, and one of its biggest successes so far, has been the creation of multi-generational wealth. In Elevate's two funds, we have already seen multiple exits with high returns, but most importantly these exits have delivered the founders a chance to build significant generational wealth.

Multi-generational wealth has the potential to change the trajectory of underrepresented founders, their families and their communities. Many of the founders in Elevate's portfolio who have successfully exited made the choice to reinvest into Elevate's funds, due to their faith in the team and the overall philosophy of creating a circle of investment that lifts everyone up.

ELEVATE'S GENERATIONAL WEALTH CREATION

\$60M in realized wealth

\$200M in as-yet unrealized wealth

Seven successful exits

ELEVATE CAPITAL'S FUND I

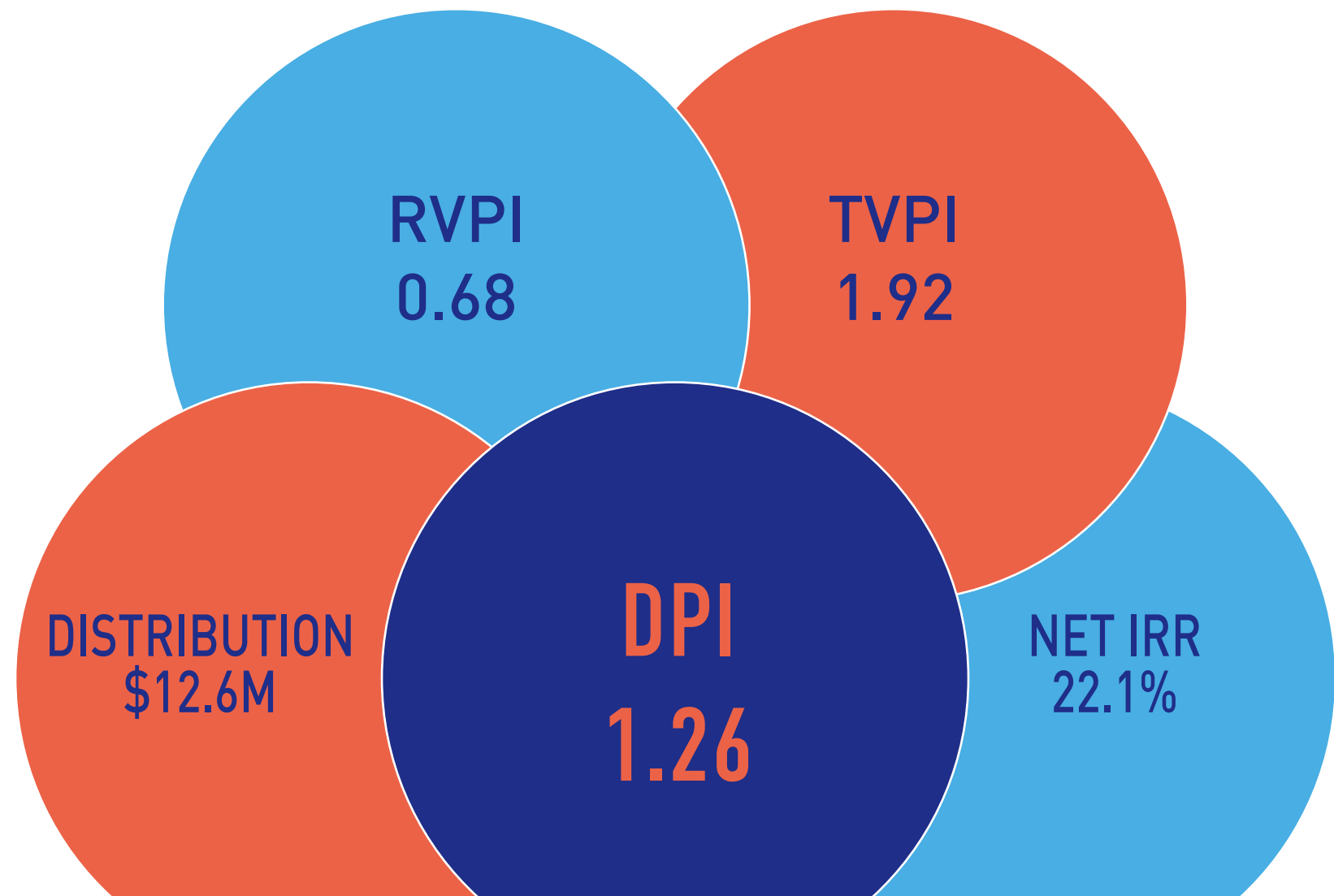
Elevate Capital Fund I was formed in 2016 and raised \$10 million making it one of the first funds in the nation to invest in underrepresented entrepreneurs. Fund I has realized seven exits and demonstrated strong overall fund performance. To date, Fund I returned 126% of invested capital to LPs, with distributions of \$12.6 million, ranking Elevate in the top decile of funds of a similar size and vintage. The Fund has produced \$60M in realized generational wealth for its founders with another \$200M still unrealized. In the next 4 years, we anticipate Fund I will produce north of \$500M in generational wealth for our founders.

DPI • DISTRIBUTIONS TO PAID IN CAPITAL MULTIPLE

TVPI • TOTAL VALUE TO PAID IN CAPITAL MULTIPLE

RVPI • RESIDUAL VALUE TO PAID IN CAPITAL MULTIPLE

IRR • INTERNAL RATE OF RETURN



ELEVATE CAPITAL FUND I

2022
REVENUE
\$33.7M

JOBS
CREATED
420

MARKET
CAPS
\$575M

only includes active companies

MINORITY
JOBS
217

FUNDS
RAISED
\$181M

only includes active companies

OREGON
JOBS
196

ELEVATE CAPITAL FUND II

2022
REVENUE
\$50M

JOBS
CREATED
686

MARKET
CAPS
\$805M

only includes active companies

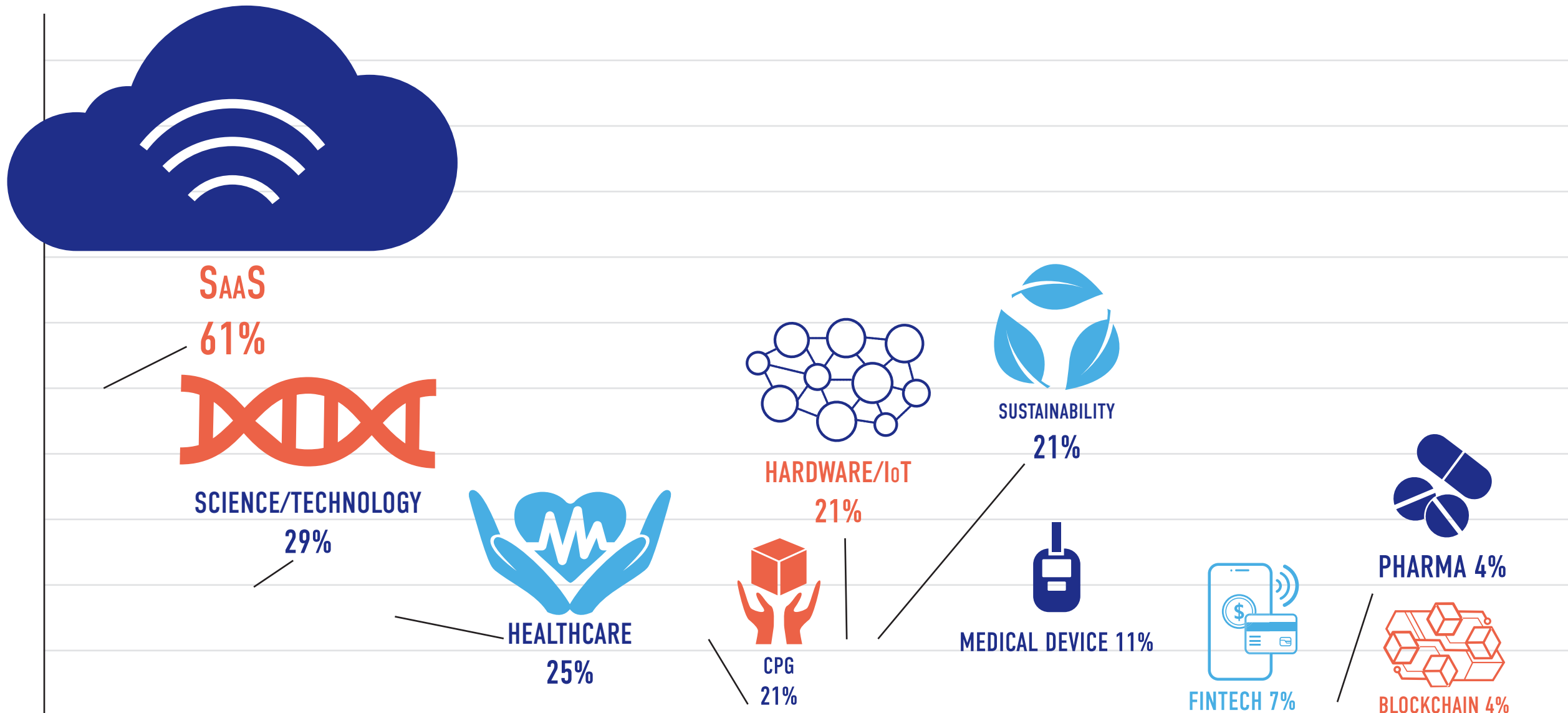
MINORITY
JOBS
373

FUNDS
RAISED
\$157M

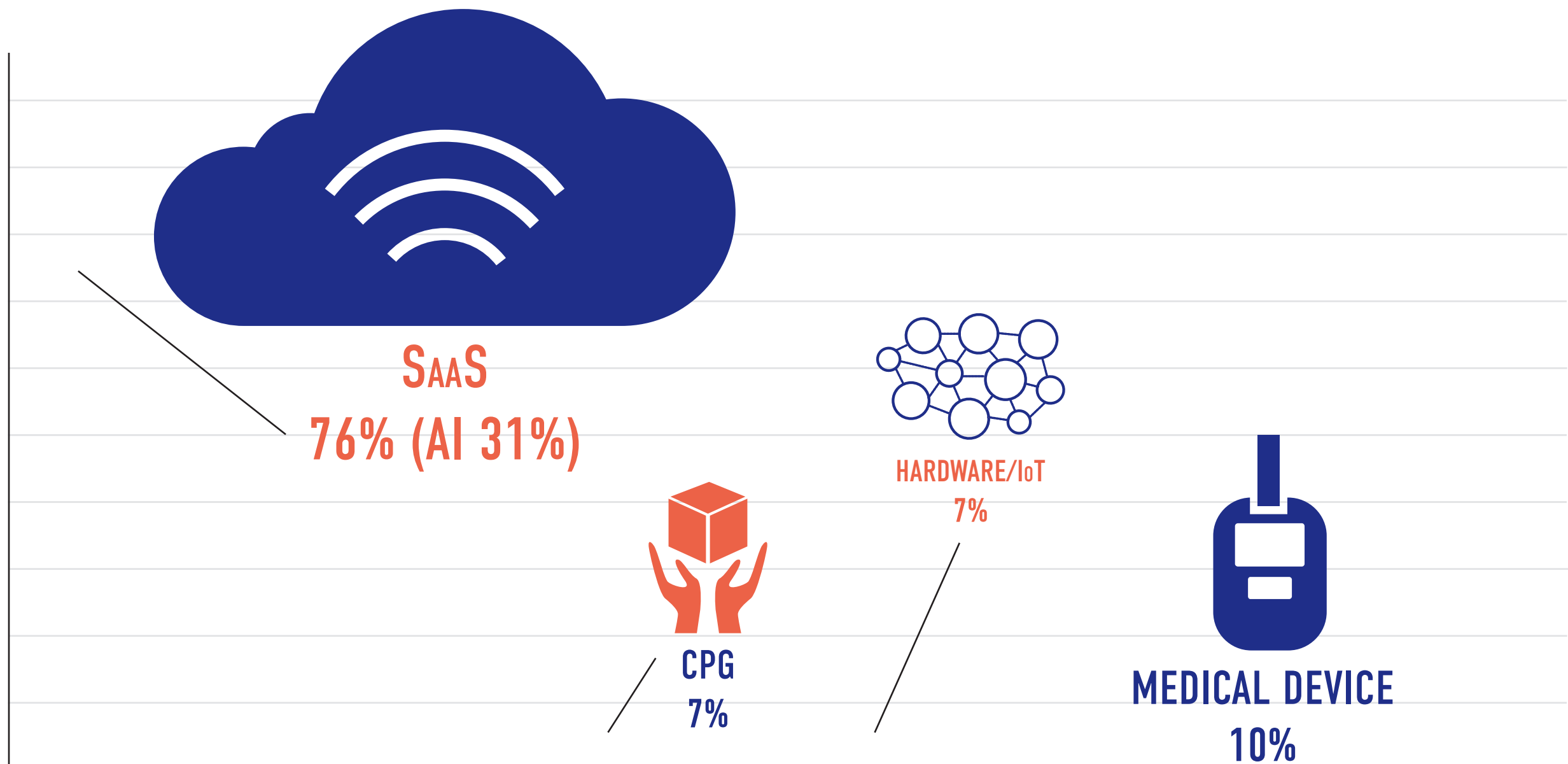
only includes active companies

OREGON
JOBS
190

INDUSTRY BREAKDOWN—FUND 1



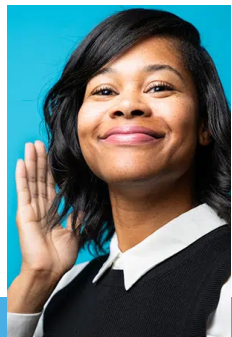
INDUSTRY BREAKDOWN—FUND 2



**ELEVATE
CAPITAL
FOUNDERS**



ANIA RODRIGUEZ, CEO
JOURNEYTRACK



TIFFANY RICKS, CEO
HACWARE



DEREK CANTON, CEO
PAERPAY



JULIE MELNICK, CEO
SKYSQUAD



OBI OMILE, CEO
THE CUT



KISHAU ROGERS, CEO
TIME STUDY



BONNY BLOCK, CGO
WRIPPLE



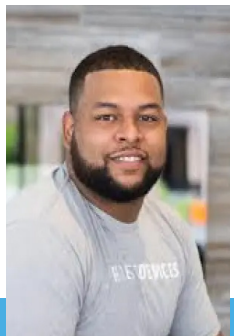
ROMMEL VEGA, CEO
HOLO



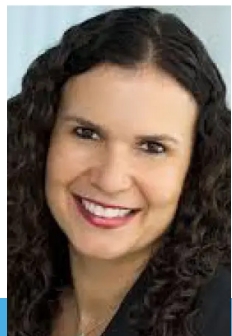
ELIZABETH SHELLS, CEO
ROCK PAPER COIN



ERIC JEN, CEO
REN



CARMELO MONTALVO, COO
FOREST DEVICES



TANYA VAN COURT, CEO
GOALSETTER



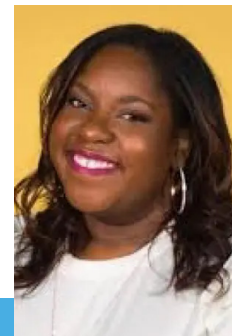
JESSICA EGGERT, CEO
LEG UP



STEPHANIE VANPUTTEN
(LAMPKIN), CEO BLENDOR



TRIVIA FRAZIER, PHD, CEO
OBATALA SCIENCES



ALIA J. DANIELS, COO
REVRY



UDAY CHAKA, CEO
SENTRY AI



UGWEM ENYO, CEO
SHYFT



NAZA SHELLEY, CEO
CARPE DM



SRIVATSAN LAXMAN, CEO
TRUELARK



HUNTER SEBRESOS, CEO
BACON



SAM KOLBERT-HYLE, CEO
BRANDLIVE



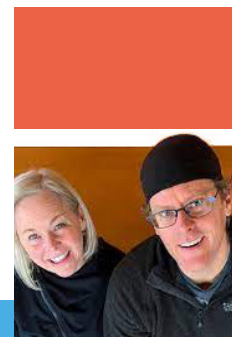
SEAN MITCHELL, CEO
REZI



PATTI WHITE, CEO
HEMEX HEALTH



STEVE SPERRY, CEO
MINNOW



SARAH SMITH & KEVIN LONG
THE DYRT



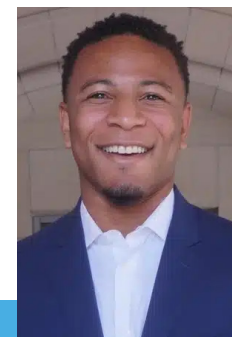
JOSH ENGLEBRECHT, CEO
TOOLBELT



LAUREN SCHNEIDER, CRO
TROVATRIP



JANET MUTO, PRES
WEVO



DEVEN HURT, CEO
PREDICTION STRIKE

An aerial photograph of a dense, lush green forest, likely a coniferous forest, viewed from a high angle. The trees are packed closely together, creating a textured, vibrant green canopy. The lighting is bright, highlighting the individual tree tops. In the center of the image, the text "CONVERSATIONS WITH ELEVATE ENTREPRENEURS" is written in a bold, white, sans-serif font. The text is arranged in two lines, with "CONVERSATIONS WITH" on the top line and "ELEVATE ENTREPRENEURS" on the bottom line. The overall composition is centered and balanced, with the text clearly standing out against the green background.

**CONVERSATIONS WITH
ELEVATE ENTREPRENEURS**



ALLIE MAGYAR, HUBB



Allie Magyar, founder and former CEO of Hubb

The HUBB Platform makes virtual, in-person and hybrid events with powerful attendee engagement tools that bring brands to life.

Allie Magyar's path to being an entrepreneur started with street racing. Her love of that world inspired a business she started at 18, helping promote 'The Fast and the Furious.' Through a bunch of wild turns and leaps of faith, she is now happily retired. Allie took a few moments away from her beautiful children (and racing her lavender Ferrari around the track) to discuss how Elevate was instrumental in her success.

How tough was it to get funding for Hubb?

It was really difficult. I met with over 60 venture capital and private equity firms across the country. And getting outside of the northwest was mind-blowing to be. I got called Honey so many times, and once was literally patted on the head. It was really frustrating. So for me, finding the right partners has been a blessing during my part of the journey.

What do you see as some of the biggest obstacles for women founders?

There's a lot that's just unconscious bias. There is limited capital when it comes to women so investors can make lower valuations for women-founded startups because they know no one else is going to offer more. It's not like they're intentionally trying to do this. They're just looking at the market and saying, this is what it's worth. Harvard did a study about how investors talk to men founders vs. women founders. With men they asked how are you going to win the world, basically. With women they want to know how are you not going to fail.

How did you get involved with Elevate?

I met Nitin at a pitch event and he seemed really interested. I was about to close a deal with a company in Atlanta that I wasn't thrilled about, but it was the best fit I could find. He called me and said, "Don't sign. We believe in what you're doing and we have the cultural alignment, give us a chance." And it was the best decision I made for Hubb.

Where do you see the importance of DEI in spaces like investment?

People tend to forget that first and foremost this is about business. I would get frustrated when people would ask me to give a speech because I'm a woman founder. And I'd say how about you ask me to speak because I'm a successful founder.

For us to ensure that there's equal accessibility, we have to ensure that these women or minority-founded companies are successful. If you don't understand your business you shouldn't get an investment just because you're a woman or part of a minority. But we need to be out there and make sure access to these underrepresented superstars is available because they can change the world.

What are some of Nitin and Elevate's values that you find important?

One of the reasons I decided to work with Nitin is because he's an entrepreneur himself. With Elevate, his story has always been based around being able to give back. However, he wants to give back to businesses that are able to be sustainable and grow.

I returned his investment in a very short amount of time, and immediately became an investor in Elevate. This is what Elevate is about: creating generational wealth and creating a circle of community that raises everyone up at the same time.

TANYA VAN COURT, GOALSETTER



Tanya Van Court, CEO and founder of Goalsetter

Goalsetter is a savings and financial literacy application that provides FDIC and Mastercard-backed debit cards for teens, savings accounts, and investments accounts for the whole family with a focus on improving financial literacy and savings outcomes for Black kids and families.

When the tech bubble burst in 2001, Tanya Van Court lost hundreds of thousands of dollars. She saw her lack of financial planning as the root cause of this loss, and wanted to prevent her own kids from falling into the same trap. She used her extensive experience working at places like Nickelodeon, Discovery, ESPN and HBO to make kids excited, engaged, entertained and educated about finances. Her startup Goalsetter has been a tremendous success, and Tanya discussed how Elevate was able to help make that happen.

How difficult was it to get funding for Goalsetter?

When we were first trying to raise capital with this idea, every woman who I talked to said, "Oh my gosh, I need what you're describing for my kids." And every person of color said the same. So all of the communities I was a part of said there would certainly be a product-market fit there. But all of the communities that I was pitching to, namely white male VC institutions, said it wasn't an important thing and there would be no money to back this. And so, after that you do one of two things: either you give up or you go fish where the fish are.

What do you see as some of the biggest obstacles for women and POC founders?

The bar is always higher. The rules are always different. Less than 1% of venture capital funding goes to black women in this country. I am competing every day against white men who have gotten hundreds of millions of dollars in VC funding, in spite of the fact that women who are coming along at the same time have a better product every step of the way. So that's who I'm competing with every day. And these investors make it obvious that they see I'm a woman, a person of color, and I'm solving a problem they can't relate to. They didn't see the point.

Without initial funding, how much more difficult does that make it?

If you can get off the ground initially then you can demonstrate traction, all of those things that later stage VCs want to see. You can demonstrate all of that. But if you don't even have enough money to come up with a minimally viable product or to market

the product then your idea is just an idea. So you really, really need that. The entire journey of being a founder is about making it to live another day or make it to another funding milestone. So if you can't get past that first funding milestone, you definitely can't get to your second, third and fourth one.

When did things change?

When we finally met with Elevate, a VC fund that believed in our solution and believed in me as a founder. When investors understand the dynamics of the current VC landscape then they can see that the problem is the ecosystem and not you. It takes people who believe in a different America and are willing to write checks to support different founders in order for the ecosystem to change. Elevate was an important part of this. They had people of color on their team who could relate to the problem we were highlighting and understand why the solution that we were creating was different from every other solution in the marketplace.

How important to the community at large is support from places like Elevate?

The fact that Elevate supports someone like me means that community-focused products actually get to see the light of day. And when those products get to see the light of day, we get to transform the kind of country we live in. This work is inspiring people more than they know; generations and generations and generations of people of color and female entrepreneurs who will come behind me.

GANESH SHANKAR, RESPONSIVE



Ganesh Shankar, CEO and Co-Founder of Responsive

Responsive is the leader in strategic response management software, empowering teams to manage RFPs, RFIs, VSQs and DDQs.

Ganesh Shankar says that before Elevate, his SaaS company, Responsive had only a handful of customers. Today that number is about 2,000, with 25 of them being part of the Fortune 100. They've also completed two acquisitions with little sign of stopping. Ganesh has learned a lot since he first started working with Elevate and explains some of his biggest lessons.

Explain a little bit about what Responsive does.

What we do is we help management professionals with RFPs (request for proposal), so we sell our product to mainly sales teams and marketing teams to propose their product resolutions to the outside world. When they're putting together this proposal document today to send it to the customer we help that process. We are a 100% software-as-a-service company, 100% cloud-based.

How was your fundraising?

This is not a company that started thanks to who I know. It wasn't investors chasing me down but me chasing down investors. I didn't have the opportunity to pick and choose which investors I wanted to work with, but we did have some term sheets from a couple other investors when we decided to work with Elevate. And one of the things that we really liked about Elevate was Nitin was also a founder and he was able to speak our language instead of just speaking from an investor perspective. The conversation with Nitin really resonated with us because he understood that it was less about the valuation at that point and more about building a sustainable business.

How were your early attempts at securing investment?

Knowing what I know now, I needed investors to be able to see this company as a quality business. These are not your uncles and aunts or your family and friends helping out. These are serious investors who are committed to their investments showing a return.

There is always a lot of noise around this or that company getting funded, some company getting millions of dollars, and you think how are these guys doing this? It can make you feel really guilty and rethink if you're doing the right thing or not spending enough time trying to raise more funds. There is a lot of noise and social pressure around it. But Elevate are in this to grow you and grow the business.

When did you first hear about Elevate?

Back in 2016, when we started off, I was able to present at a pitch competition and Nitin was one of the judges. And he immediately said he thought it was an interesting idea and it started from there.

What was especially helpful about Elevate?

They are in this to be a sounding board and see what is around the corner to help you as founders. I think Nitin is the one who gave this mantra that proper cash flow management is everything in your early days. And Nitin and Elevate gave us that clarity. What goes into your bank account, what goes out of your bank account. That discipline was one of the most helpful pieces because of how efficient we were with cash flow at the beginning.

How about their focus on underrepresented founders?

I myself am a person of color and a lot of times what happens is



GANESH SHANKAR, RESPONSIVE

there's a preconceived notion that since I am from the Indian sub-continent people think I'm a software engineer. They assume I'm a technical guy but I'm not, I have no software engineering background. I'm a sales guy. A lot of what people immediately thought was an engineer is pitching a technical idea. And they would think, you know, you're too technical, you can't tell a story. You're a geek, not a sales guy. There's a completely different perception, especially if you add color to it. But Elevate saw me for the talent I possess. And they recognized very early on that I am an above average seller who can sell in the North American market. I appreciate that they provide opportunities for underrepresented founders, but on top of that they recognize you as a human being and for the talents you possess.

How do you relate to the philosophy of Elevate?

I'm a really firm believer in paying it forward. We may have a great product but the people make the difference. In my almost eight years of this journey I think every stage of my career somebody helped. Your network is your net worth. I'm an investor in Elevate now. I believe in them and their concept. If they need any help or due diligence, I've been a resource for them. I've also advised some companies along their journey. I've made mistakes and someone helped me, so I want to help others avoid those same mistakes.



theCut

Obi Omile, Jr., theCut



Obi Omile, Jr., CEO and founder of theCut

TheCut is a mobile marketplace that connects barbers and their customers.

Obi Omile describes his business theCut – which is on its way to becoming the largest global barbershop app – as “humble and hungry.” It’s also how you could describe Obi, the kind of founder who knows what they want but never bites off more than they can chew. Obi discussed the challenges and achievements of being an entrepreneur and how Elevate Capital has helped theCut empower barbers and bring the experience and camaraderie of the barbershop into the 21st century.

You raised your seed round in 2021. As a barber appointment booking app, were the worst effects of the pandemic on your business already behind you at that point?

At the start of the pandemic, when everyone was sent home, we and many other startups saw an immediate hit on our business. In our case around 80 to 85%. But barber shops were one of the first types of establishments to start opening up across the industry. Cities and legislative bodies would require barbers and stylists to use a software just like ours for a couple of different reasons. First, by using our software, they were able to provide a form of contact tracing, because you now have a list of everyone who’s come to the shop. You also have more control over how many people are in a shop at one time, since you don’t have people waiting around through appointment scheduling. Lastly, you’re able to reduce cash and hand to hand payments through digital payments. So our solution actually was actually very well timed for COVID and the post-COVID world.

So the pandemic actually helped theCut grow?

I would say COVID was more of a tailwind and it kick started the adoption of our type of booking technology across the industry. Coming out of the pandemic, we saw a 100% increase in a lot of our numbers for the immediate month or two afterwards. Obviously, we have since come down from that hype. But adoption is still up compared to before the pandemic. The funding round helped us keep up the growth that we got from the COVID uptick.

How did you first get in contact with Elevate?

Cold outreach. I just sent an email to one of the partners when we were fundraising. I discovered their fund as I was looking for VCs that could help us with our seed round. Their emphasis on supporting underrepresented founders is the main reason I contacted Elevate. We exchanged maybe two or three emails and decided to have a call. Actually, Nitin was on vacation during that time, but he was willing to hop on a phone call with me regardless. Elevate made their decision to invest within a couple of weeks.

That’s quick...

Absolutely! That was something that was really meaningful to us, because it showed their commitment to supporting founders. But not just that, the quick decision also showed their decisiveness.

How long did it take you to raise money for theCut’s seed round?

Although it was my first company, I was fairly well versed in the dynamics of the startup world. We knew that the odds were against us and spoke to hundreds of investors before we were able to land our seed round. We had angel investors from our alma mater early on who were supportive. It was always more important to us to talk to the right investors than the biggest ones. We wanted investors who believe in us and in the vision, who were willing to support us and help us grow. Elevate was the right kind of investor.



theCut

OBI OMILE, JR., THECUT



What did your seed funding by Elevate allow you to do?

There is another side to this. In the end, the experience taught us that we actually didn't need the money that much. I think you know, so much of the narrative is around raising money and aggressive growth through investments. But with Elevate's help we learned that the most sustainable growth is organic growth. Together, we've been able to build a more resilient company, one that is able to grow like 90% organically month over month. Raising money is great, but you can be successful without raising a ton of money. Finding an investor that understood the value of that and helped us build a strong foundation made us more resilient and allowed us to rely more on how well we know our customer. And guided us in how we approach our product.

What other value is Elevate bringing to the table?

They helped us build a better company. We are sending Elevate monthly updates and they give us great feedback on what we were doing and how we can tweak our approach. They have the perspective of what they've seen with their other portfolio companies. It really just helped expedite some of our learning processes. They've also been able to make great introductions to other investors and partners who have helped us grow as well. Just the fact that they've invited us to a variety of events and helped get us into various rooms.

How has your collaboration with Nitin been?

Nitin hosts these dinners and would introduce us to other portfolio companies. He also has shared so much of his story as an entrepreneur and a lot of his experiences have helped shape the way we think about almost anything from strategy or growth to go to market. His background as an entrepreneur has shaped who he is today. And the way the fund operates is directly reflective of that.

Tell us more about how you work together with the Elevate team.

It's a great thing working with a VC that makes us feel like everyone

on the entire team has got your back. Every time I have a chance to meet with them, whether it's been about theCut or just a friendly conversation. Brandon on the team, for example, he's been able to connect us with some incredible people and opportunities around Portland and the Northwest. The entire team is great and we've continued to lean on them whenever we have questions and we look forward to continuing with them in the future.

How do you think Elevate is supporting founders from underserved communities?

People say your network is your net worth. There's a lot of truth to that. Maybe the biggest opportunity to help solve this problem in VC funding is to better leverage scouts or people who can find companies that are run by people they want to support. One of the things I do is whenever I know other founders of color like myself, I pass them along to Elevate. And on the flip side, if Elevate's looking for founders, they let me know and I also put it out to other founders. You're gonna know who you know. And if everyone has looked a certain way in the industry before and that's who they know.

How do you help Elevate's mission to overcome that?

As I continue to find more great entrepreneurs that I admire, I will pass them along to Elevate and then as they look for others, they will tell me and so on. It's a process. I think as the industry better utilizes people of from these communities and backgrounds as scouts to discover these talents very early. This is how you'll see the industry change. Finding people who look different and supporting their networks is probably the best way to help combat what historically has been a barrier.

THE WILD

GABE PAEZ, THE WILD



Gabe Paez, CEO and founder
of The Wild

The Wild is an extended reality platform that enables architecture, engineering, and construction professionals to present, collaborate and review projects together in immersive and interactive experiences.

Gabe Paez saw VR as the future of collaborative work. This inspired The Wild, a cutting-edge product for architects, designers and enterprise teams. The Wild was acquired in 2022, and Gabe credits Elevate for helping them get the product off the ground and finding those early customers that led to a smooth, profitable exit.

You met Elevate in 2018. How did they initially view The Wild?

I'm super grateful for the opportunity they gave us to build the company. Virtual reality is still new, but definitely back when they made the initial investment the hype cycle of VR had settled down. They saw that we were starting to build a product that could show some real value and traction in this space. Even in those early meetings they really understood the value proposition. They were able to look past the cool technology and see the usefulness of it. The whole idea of working in this new technology in this new paradigm is you're trying to introduce it to people, especially with professional use cases, you need something where the value of working in this way is 10 times what it would be without it. They understood the core idea, the problem, who I am, who our team was and that we were the right people to solve this problem at the right time.

You're saying that they believed in you.

Absolutely. Especially in those early days, Nitin stuck with us and he was on our board and provided a lot of value there as well, seeing us through those intermittent milestones and growing the company.

As a board member and investor, what did Nitin provide for you?

One thing I really appreciated was the efficient use of my time. Founders are so stretched with all of these obligations, both running the company, acquiring customers, etc. I was hugely grateful for any degree of focus. You can spend a lot of time on fundraising,

which is important, but doesn't feel like it creates a lot of value. So decisiveness was something I appreciated. I've heard from other founders as well that investors can go up and down with their decisions and draw it out but Nitin was extremely decisive. Of course Elevate did their due diligence, but once they had the information, they made a very quick decision and that really stood out.

Aside from investment, what else did Elevate provide?

Connections. Elevate will do these founder events with the companies they invest in and they'll offer some continuing education or support for them, and also connect companies with other people. He introduced me to someone who essentially became my executive coach, which was pivotal, and they stayed with us up to the acquisition. They really supported me in a fundamental way that I wouldn't have had otherwise. And there were other introductions as well, even on a small scale, like around my exit. They introduced me to a few other founders that had exited that I had conversations with that were really important conversations that helped me negotiate the deal and get through. It was huge. There was a lot of value there on many different levels.

How was Nitin as a board member?

He had a lot of empathy, especially when times were tough. When times are good it's really exciting for everyone. But when we would have a hard quarter where we weren't hitting projections or growing slower, there was a level of optimism and encouragement that



THE WILD

GABE PAEZ, THE WILD



I always could count on Nitin for in those meetings. And honestly that really helped me in those times. I needed it because I'm pretty tough on myself and I appreciated his enthusiasm, optimism, and him giving me the resilience that was required to succeed over time.. He doesn't get in the weeds. He can get into the nitty gritty, but he also understands everything at a high level and sees that things are still progressing. His optimism, I think, came from being able to rise above the fray and really look at it from a higher level. That was what we really needed in those board meetings.

How do you view the fund's focus on lifting up underrepresented founders?

Well, I think that's a huge part of what I love about Elevate. It's really a noble mission, in my opinion. It's important for the tech industry and for Portland and the whole state. I'm proud to be a part of it and am able to now reinvest my success back into the system and to be a part of it in a new way. Things like this get paid a lot of lip service in this industry, but not a lot of people actually act on it.



KISHAU ROGERS, TIME STUDY



**Kishau Rogers, CEO and founder
of Time Study**

Time Study is the leading platform for conducting time studies in healthcare settings. Our software collects time data in real-time for accurate and detailed reporting.

Kishau Rogers is a seasoned tech entrepreneur but Time Study is her first venture-backed company. She made that decision as it felt right for the market, their scale and how they wanted to grow. But that also meant headwinds when it came to securing funding, especially as a woman of color. Kishau discussed how important it is to work with a fund like Elevate that she describes as “down to earth and people that have your back.”

Tell us a little about Time Study.

I launched Time Study in 2018 with a mission to create one platform that could tell a story about how people spend their time in health care settings, and the impact of that on the financial workforce and operations. We’ve been in the market since day one and are currently used in about 80 hospitals and growing.

What were you looking for in an investor?

We wanted to have an investor that understood our business as much as they could. And so immediately what I saw in Elevate was an interest in our goals and how they can help. Sometimes people will listen but they’re not in a position to help at all, which was why we really wanted to connect with a VC firm that had some experience in the health care space. Different sectors behave differently, the sales timelines are different, and we needed them to understand that. Elevate doesn’t just listen for how they can help but they actually follow through.

How was the early vetting process?

I think the process that Elevate used to vet us as a company and to do diligence was pretty founder friendly. It wasn’t a painful process. They made a decision and were very clear on their decision to invest and the steps that we needed to take to execute the agreement. And in addition to the commitment to actually write checks, there is a commitment to support us and our growth and with that Nitin has been great.

Did you see the immediate value of how Elevate works with underrepresented founders?

I knew the statistic that people often quote about the percentage of funding that applies to women or black people, I think for black women it’s like a 0.3% or some, some crazy number like that. You have to really prove that there’s a lot of traction. There’s this aversion to risk that we don’t talk about a lot. When you’re looking for funding, the longer it takes you the riskier you seem to investors. It’s one of the unintended consequences of being an underrepresented founder. Elevate understands this issue, but has also done a really great job of seeing these underrepresented founders as business people. What I look for when I look at investors is a relationship where you treat me as a serious business person because I have a lot of experience. I was struck by how Elevate had an interest in the work that we’re doing and that’s really meaningful to founders like me, that people can actually see the work as well. Elevate is serious about supporting underrepresented founders that are growing really amazing companies and see the business aspect of what they’re doing beyond just the labels of who they are.

How is Elevate during the hard times?

Startups are hard and we don’t get demoralized as much as wonder if our plan is working and what are we gonna do about it? And I think Elevate has been really open to having those conversations and understanding that every startup is different. I appreciate their acknowledgment of the nuance in the sector, our customers, our space and being able to get advice that is incredibly relevant to our specific company.



KISHAU ROGERS, TIME STUDY



What are some key ways Elevate has helped Time Study?

One of the major areas was talent acquisition which helped us with hiring, and their willingness to think about future rounds, our fundraising strategy, and connecting us to potential investors who invested in later stage companies so that we could begin building those relationships. The ability to actually take action and connect us to people that can move us to the next step has been really, really important. They have been really helpful in helping us with the execution of our strategy or if they see blind spots they'll say hey, you may wanna try this or pay attention to that. But most importantly they are on board with the business. They are excited about the mission and the long-term vision and they trust us to deliver.

It sounds like trust is a major part of your relationship.

Yeah, sometimes I'll be introduced to a new portfolio company that is either in our same space or they have questions about the scaling of technology, which is one of my specialties. So Elevate will connect me to someone because of the work that they're doing; or occasionally if they're looking at a potential company I'll be asked to meet the founder that's being evaluated. And that is another benefit of working with Elevate, which is the desire to not just help you but to use your experience and expertise and their resources to build that next generation.

TOOLBELT

JOSHUA ENGELBRECHT, TOOLBELT



Joshua Englebrecht, CEO of ToolBelt

ToolBelt is a two-sided marketplace that connects contractors and builders in the residential construction industry with skilled workers.

Before entering the startup world, Josh Engelbrecht ran a successful business in the construction industry. When he couldn't find skilled labor, he created ToolBelt, the first platform that connects general contractors and builders to skilled labor. When looking for early investment, Josh found Elevate and they became crucial in helping Toolbelt get their bearings and find the right people to help them grow.

How were your initial steps in finding investment for ToolBelt?

I didn't know anything about raising venture capital. I wouldn't have been able to tell you the difference between a seed round and a B round. So I just looked up "small seed funds" on the internet.

And that's how you found Elevate?

I'd actually approached Ben Nahir (Venture Principal at Elevate) a while back, when ToolBelt was in the concept phase. Ben agreed to meet me for coffee and for two hours he gave me a really good coaching with straightforward feedback on how to restructure my pitch deck. He basically said, if you can show us how you want to achieve all of these different points, then Elevate will be interested. Ben helped me navigate the funding landscape. During the due diligence, Elevate actually connected me to my CTO and now co-founder Ross Barbieri. Ross was retired, he had sold three different software staffing companies, and he was an investor in Elevate Capitals Fund. Nitin knew I needed a tech partner, so he connected us. Ross and I really hit it off and he ended up joining the team and with his addition, combined with some of the refinement on the business plan, they ended up investing in our business at the seed stage.

How did that change things for you?

We've had a couple of angel investors before. But Elevate was our first institutional investor, which was a big validator in the market, both locally and then nationally. I know I wouldn't be where I'm at today if it wasn't for them taking that leap of faith early on. Elevate actually participated in every round except our most recent one – and that's just because the timing was off.

How was working with a VC for the first time?

I ran my own business before, so I was not a first-time entrepreneur. But I had never really anything to do with raising capital other than maybe watching Shark Tank. I think there's this illusion that you have an idea and people just write you a check. But that's not really what it's about at all. What Elevate did for me was talk to me about what problem I am solving and how I can create a business out of that. Nitin has arguably the best track record as an investor in Portland in the last decade. His funds outperformed everybody else's. So he really knows what he's talking about. Nitin's feedback was always very candid, which I appreciate. Sometimes VCs don't want to tell a founder that they are going in the wrong direction. Elevate invested in ToolBelt before we ever went live in the market. That's rare.

What kind of feedback did you receive from Elevate?

They helped me navigate every step of the way. Challenged me to prove that I could build a two sided marketplace. How do you get labor to connect? Let's focus on lowering your customer acquisition costs. And once we did that in Portland, part of their guidance was, OK, but can you do that in Seattle and make it just as successful? How do we monetize this? But it was not just about the business. Elevate also gave me a lot of insight on how VCs think and what metrics you need to show in order to get to the next round of funding. The feedback I got really changed depending on the stage ToolBelt was in. When you're just going to market as a company, you have to make sure that customers use your product. They are definitely not a passive investor.



TOOLBELT

JOSHUA ENGELBRECHT, TOOLBELT

Besides the feedback you mentioned, what other support did Elevate provide along the way?

Pretty early on they suggested that I talk with the founders of portfolio companies that have an approach similar to ToolBelt. Elevate connected me with Kevin Long from The Dyrft which is also a two-sided marketplace. Nitin and the team know their own limitations and are smart about it, basically saying, OK, we can't help you there but we know somebody who does. They're very resourceful in that way.

Sometimes it's who you know and who you can connect someone with...

Exactly! I attended a couple of great events like Elevate's shareholder update events. And I met a bunch of successful entrepreneurs and made valuable connections. They also connected me to different VCs. Again, Elevate is not a passive investor that just sits deadweight on the cap table. They've attended every board meeting that I've had and make great suggestions. I think being an active investor in their startups is one of the reasons Elevate's fund outperforms everyone else.

What do you think of Elevate's investment thesis?

It is important because, generally speaking, what do VCs look at? Where did you go to school? Where did you work? Who do you know? In my experience, if you went to an Ivy League school or you worked at Amazon, VCs are going to pay attention to you. But a lot of underrepresented founders don't have these credentials. I didn't go to Harvard. In the funding landscape, it can be very hard if you're not part of the good old boys club, which really means that you're not from San Francisco or New York City or one of these institutions. Elevate saw past that and they saw past color or anything else. They were just like, he has a lot of potential. My competitors raised five times the amount of capital that I did. And because they got to some of the key investors in my space early, those investors did not invest in ToolBelt. But Elevate trusted me and a lot of other portfolio companies early on when a lot of other

VCs did not. They have a track record of backing underrepresented founders, who just have a significantly harder time securing funding. I'm not gonna sit here and say it's not a real thing. I've been in VC meetings and I'd ask myself, would he pose that same question to somebody who went to Harvard? I think underrepresented founders are held to a little bit of a different standard. Elevate invests in quality founders that are solving real problems, that are building real businesses. I think it's unfortunate that they have to have that investment focus on minority founders. But their success speaks for themselves. Elevate is staying true to their vision and they found a lot of diamonds in the rough along the way. What they are doing is so important. I am very grateful to Ben and Nitin and the whole Elevate team for being the first institutional investor that believed in ToolBelt.



SUDHIR BHATTI, GROWTHPLUG



Sudhir and Shavita Bhatti,
CEOs of GrowthPlug

GrowthPlug enables healthcare practices to accelerate patient acquisition, manage online reputation, and automate front desk operations.

Sudhir and Shavita Bhatti saw a way to help healthcare providers improve their patient acquisition and solve a host of other issues. To make that a reality, though, the veteran technologists needed to secure funding. Sudhir sees Elevate as playing a key role in their expansion and successful acquisition in late 2022.

What were some of the initial steps Elevate made that made you feel confident this was going to work?

Elevate Capital played a key role in helping us set up our Beaverton office and introduced us to the Mayor of Beaverton. They also helped us in connecting with the local media and that was instrumental in attracting top talent in the Pacific NW.

How did Nitin and Elevate help Growthplug grow?

Elevate Capital was able to offer us the right guidance and make introductions to the local advisor/investor network.

How do you think Nitin's background as a founder helps with the way he talks about startups?

Nitin has first-hand experience being an entrepreneur with a track record. That enables him to be in a unique position to share his previous learnings and ensure that startups don't make the same mistakes.

What were some of the ways Nitin and Elevate dealt with Growthplug when it faced adversity or a downturn in growth?

Elevate Capital was able to share the best practices from other startups in the portfolio and this way we could take the right steps to cut down our costs and be a lot more efficient during the pandemic.

Has Elevate had an impact on how you have viewed the next generation of underrepresented founders?

Elevate definitely enabled GrowthPlug to move from Silicon Valley at a time when we needed them the most. After having been through a successful exit within 4 years of moving to Portland, we see it as a tremendously successful partnership and now want to give back to the community so that more and more startups can mushroom in the Pacific NW and beyond. Let's go team Elevate!

WE LOOK FORWARD TO HEARING FROM YOU

PROSPECTIVE INVESTORS: PROSPECTIVEINVESTOR@ELEVATE.VC
OTHER INQUIRIES: HELLO@ELEVATE.VC

ELEVATE CAPITAL
6723 NE BENNETT STREET, SUITE 200
HILLSBORO, OR 97124

