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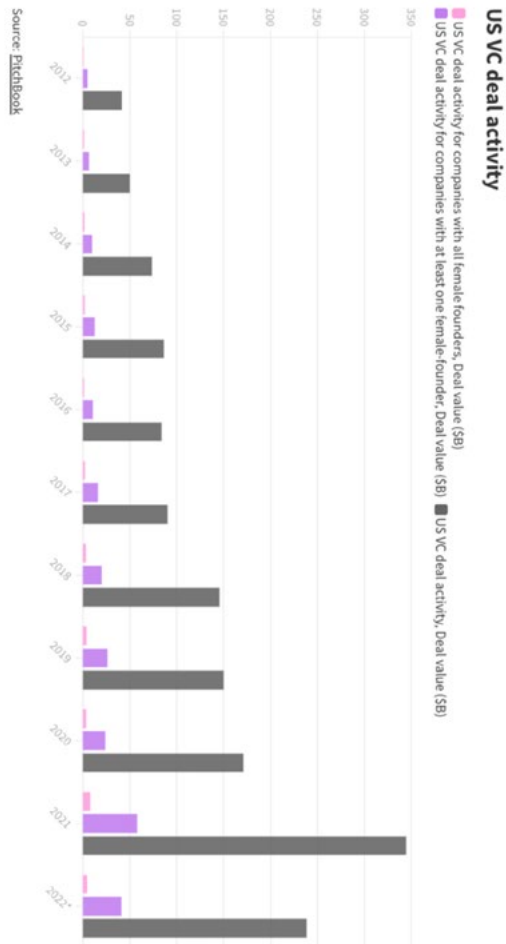


By Fernanda Carapinha

Revolutionizing Emerging Business Growth

Today's start-up ecosystem abounds with resources specifically tailored for women: women-led VCs, women-focused Angel Networks, professional women's entrepreneurial organizations, incubators, accelerators, coaches, and a variety of government and private grants for women-led businesses. Despite this comprehensive range of support, which has been growing for years, a pivotal question arises: what has been the impact?

Exhibit 1'



Funding for female-led start-ups has not increased; in fact, it has decreased from 2021 to 2022.

An analysis of US-based venture capital investment activity shows that despite increased attention, funding for female-led startups has not just stagnated, it has actually decreased from 2021 to 2022 (see the pink bar in Exhibit 1). There is some growth with mixed male and female teams (purple) but there is little transparency on what that really means from an equity parity perspective. Despite a growing number of female-led teams, a disproportionate 98% of funding still flows to male-led startups.

Why, despite all the efforts to increase funding to women, is the needle not moving? What is the root cause that lies behind the lack of opportunity for female founders to get a bite at the success apple? To answer this question, let's first take a closer look at the current paradigm of the entrepreneurial support system.

A Broken Paradigm

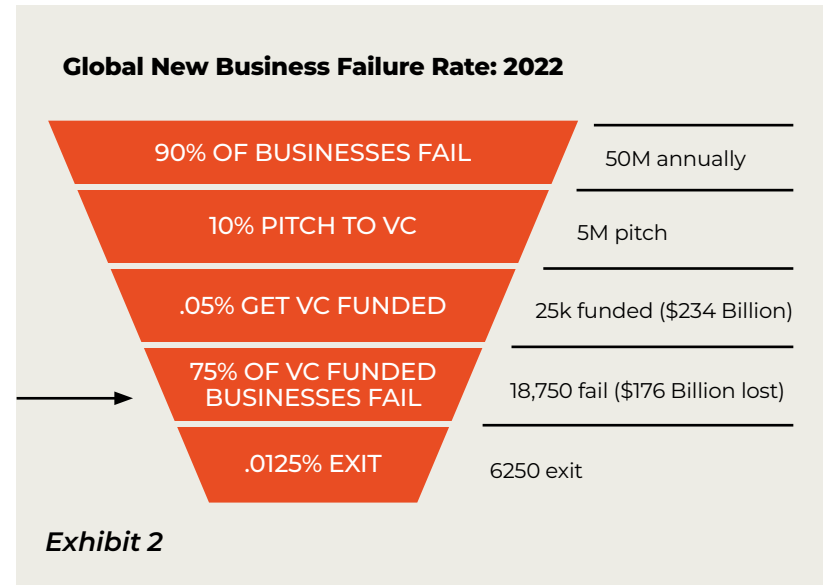
Funding for women and underrepresented founders is undoubtedly crucial. However, our intense focus on this issue makes us blind to the bigger systemic factors driving disparities. In 2022, approximately six thousand

1 Source: Pitchbook, quoted in www.linkedin.com/pulse/bridging-vc-funding-gap-supporting-women-people-color-entrepreneurs/

Imagine if these were the statistics for higher education, where 99.9% of all degree-holders were unemployed. We would be scrutinizing the system failures, not the individuals.

companies exited globally; if half were led by women, it would be a significant achievement. Yet, it would merely be a drop in the massive ocean of failure that engulfs the universe of founders, and that goes largely unnoticed.

Consider the numbers: in 2022, 50 million businesses were founded globally. An astonishing 90% of these emerging businesses fail. Of the millions of startups founded, only 10% ever make it to a VC's consideration, and a mere fraction of that—less than 1%—actually secures funding, with the overwhelming majority (98%) going to male-led teams. Of those funded, 75% eventually fail. In the end, only 25% of these companies experience an exit via IPO or acquisition (exhibit 2). Less than a tenth of a single percent of entrepreneurs ever witness their companies exit, from the top to the bottom of the funnel, making the industry's focus on this tiny sliver of success both myopic and misguided.



Imagine if these were the statistics for higher education, where 99.9% of all degree-holders were unemployed. We would be scrutinizing the system failures, not the individuals. The solution would not involve aiding the 1% in finding jobs – yet that is analogous to what we do in the entrepreneurial ecosystem. We focus on fixing problems at the bottom of the funnel, while neglecting the massive collateral damage that precedes it. No number of “Find Your Bliss” workshops can plug this hole.

We are sacrificing millions of entrepreneurs to find the few because no one has committed to fixing the real pipeline problem. There is no ground zero talent development mechanism, no life-cycle business development infrastructure, and an over reliance on a single business model (equity financing) to drive an entire industry. The realm of innovation is ironically shaped not by the innovators themselves but by financiers and bankers, whose expertise often lies outside of operational realities.

How did it come to this?

The Misguided Focus on Funding

In the past, entrepreneurs primarily bootstrapped their ventures, building them from scratch with minimal external capital. This was often not a choice but the only viable option. Success took decades, not just five years.

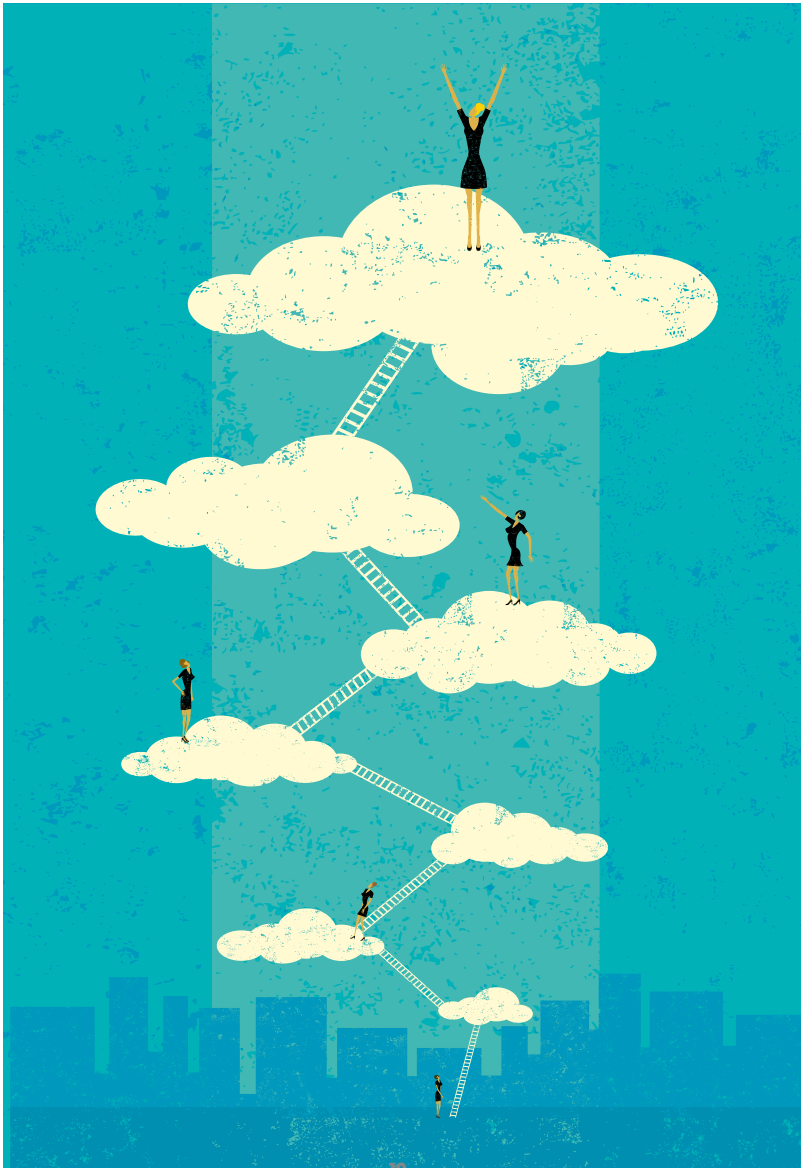
The emergence of venture capital transformed this landscape, allowing entrepreneurs to secure funding much earlier in their journey, often with little revenue. This shift gave rise to an industry centered around the pursuit of capital. “Getting funded” became synonymous with entrepreneurship, altering the way businesses were conceived, developed, and scaled. The amount of funding raised became a badge of honor, validating a venture’s value proposition, strategy, financials, and team.

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However, the equity-business model that dominates today’s discourse has steered everyone towards the metaphorical “Cinderella funding ball,” an exclusive event led by venture capitalists in search of the elusive unicorn. VCs may invest in 100 companies, hoping for around 10 profitable exits. If just one becomes a unicorn, their financial goals are met.

Investors in VC funds expect substantial returns, usually within five years. In this equation, the nature of your product or service takes a back seat. Your venture becomes primarily an investment vehicle, where world-changing impact is welcome but not essential. This reality often escapes us as creators and visionaries. Investors, even those aligned with our mission, want to know how we will make them money first. They anticipate significant returns, typically 3-5x in the early stages and up to 8-10x by the fifth year.

In this “survival of the fittest” game, failure is not an anomaly; it’s a part of the process. It is even desired because the natural elimination of weaker companies



saves time and resources. The system does not prioritize building an entrepreneurial talent pipeline; it aims to find natural-born unicorns amidst the chaos.

The problem is not Venture Capitalists nor their business model, it is that everyone else in the ecosystem who wants to transform the system has blindly adopted this bottom of the funnel infrastructure upon which to build a better tomorrow.

The failure principle may work well for Limited Partners and institutional investors, whose funds are aggregated into one large VC fund. Here, a portfolio strategy mitigates risk and allows the sharing of upside among investors. However, for founders who have staked their homes, left their jobs, and risked financial security to chase their dreams, there are no such risk management tools. This is why we created the WEScore – the first early-stage emerging business holistic risk assessment tool that benefits both founders and investors, because who wouldn't want more exits and unicorns in their portfolio?

The Under-appreciation of Revenue

While founders diligently engage in training sessions, courses, coaching programs, incubators, and accelerators – all meticulously designed to help them perfect their investor pitches and secure funding or become

An estimated 80% of business success is driven by psychology – the inner work – while only 20% depends on operational expertise and knowledge – the outer work.

‘investor-ready’, the vital necessity of becoming ‘*revenue ready*’ – the critical piece of any business – often remains overlooked. Their intense quest for investment can veil the fundamental task of building a robust, scalable, revenue-generating foundation for their businesses—full stop.

This funding-centric, Darwinian approach leaves a gaping hole in the system. Where can novice entrepreneurs, lacking initial resources or connections, find long-term development support? Unfortunately, the answer is often nowhere. The world of founders desperately needs a development-focused infrastructure guiding talent from ideation to achieving \$2 million in revenue. This milestone signifies successful navigation through the ‘valley of death’ and unlocks new opportunities.

Adding complexity to the journey towards sustainable revenue is that raising capital involves enduring a barrage of ‘no’s’ before finally receiving a ‘yes’. Most rejections leave entrepreneurs without valuable feedback,

compelling them to grope in the dark for improvement strategies. Without the benefits of connections, experience, and a solid track record, failure is an all-too-frequent outcome.

If we aspire to increase the number of successful ventures significantly, we must radically rethink our approach. Instead of congregating at the (funding) water booth at mile 25 of the marathon, where everyone currently focuses, we need to move to the start of the race to drive real systemic change so that hundreds of thousands of global companies exit at the bottom of the funnel not just a few.

We must design various business models aligned with the long-term progression of entrepreneurial talent. We must build a new solid development pipeline for millions of founders, guiding them through the valley of death. In other words, we must create an infrastructure equipping entrepreneurs with tools and guidance from the very beginning of their journey, even if it takes years.

Bottomline: we need a sophisticated ground-up architecture to craft a new innovation ecosystem that produces high quality talent and startups that puts revenue generation not equity at its center. Investor interest is a natural byproduct of building a successful business. This is what we are building at WE Global and what we are committed to achieving.



Building A Woman's Founder DNA™

This brings us back to the unique entrepreneurial challenges that women face. While there are many, I'll highlight five key points.

The Psychology of Success

Lack of confidence, fear of failure, and ingrained negative beliefs often hinder a founder's success. Overcoming these internal barriers is vital. Women are often raised in the *Risk Petri Dish* of life while men in the *Opportunity and Abundance Petri Dish* (there are historic reasons for that – a topic for another time). We still carry all that legacy computer programming in our subconscious, which we are often oblivious to, and we do not recognize how it cripples our success. This is what I call mastering the Radical Center™, where psychology, the psyche, and business intersect. An estimated 80% of business success is driven by psychology – the inner work – while only 20% depends on operational expertise and knowledge – the outer work. This is why *Building Founder DNA* is our first and most crucial pillar of excellence at WE Global.

Network and Social Capital

Many women lack access to valuable networks and do not have experience leveraging social capital that can fuel business growth. Some women's organizations even discourage their members from leveraging connections for business purposes. We have dedicated an entire hub at WE Global to facilitate connections of all types.

Business has its own language – and it is called finance. Whether it is understanding the cost of capital, knowing how to build a financial model and leverage it, managing your P&L, and negotiating deals – founders need to become financially savvy.

Blind Navigation

Like entering a dense jungle with a meagre backpack, no compass, and a relentless timer, navigating the entrepreneurial journey for women and under-served founders feels magnified by the pressure of limited friends and family funding, a shorter runway, and mounting familial obligations.

The treacherous terrain is riddled with pitfalls—bad advice, untrustworthy partners, and nonexistent business roadmaps—yet, despite all this, the relentless pursuit of milestones becomes the only way to prove your worth.

This journey underscores the need for operational and systematic tools, resources, and strategic step-by-step guidance. This is why we created WE Copilot, the first AI business partner, that helps emerging businesses assess and bridge business gaps, drive top line growth and thrive from the start. This ungated end-to-end plat-

form provides all the tools and resources, equipping you to navigate the entrepreneurial journey with confidence and success.

Exclusive Gated Outposts

While some resources exist within exclusive gated communities (incubators, accelerators and VCs), access can be challenging and temporary, and diversity is often lacking as we have stated above. We have taken an inclusive approach at WE Global, offering a SaaS model and a non-profit arm to ensure access for all interested founders.

Not Speaking the Language

Just like anything else, business has its own language – and it is called finance. Whether it is understanding the cost of capital, knowing how to build a financial model and leverage it, managing your P&L, and negotiating deals – founders need to become financially savvy. This is an area many women do not have experience in. This blind spot has deep roots that start back in school with girls and math. This lack of expertise is compounded when stepping into the bootstrap world. Here you find the best kind of capital, your revenue, but you must master the language of finance. Learning to master this game, despite its high risks, can be fueled by entities that understand the process. That is why we created the

WEscore, the first AI-driven risk assessment platform. It examines the six progressive tracks that take you from ideation to scaling, assessing and minimizing risk for founders while building and scaling their businesses. It benefits founders, investors, and all stakeholders.

WE Global Studios: Innovating the Innovation System

Recognizing the systemic challenges faced by global entrepreneurs and the opportunities provided by the evolving landscape fueled by AI, Web3, the changing nature of work, as well as the exploding wave of entrepreneurship, make the innovation industry and emerging business growth sector ripe for massive disruption. WE Global Studios was created to transform the status quo in emerging business growth. Our mission is to support and equip founders by dismantling traditional barriers and providing them with a comprehensive, business life-cycle support infrastructure through an AI Copilot and intelligent ecosystem.

At its core, WE Global is powered by an AI-data analytics platform, designed to assess and enhance the growth potential of emerging businesses worldwide. Its WE Copilot offers amongst other features, its *WEscore* solution and *Founderverse* ecosystem.

At its core WE Global is an AI-data analytics platform, focused on assessing and mitigating the growth of businesses globally. It offers, among other features, two key solutions that are designed to strengthen Founder DNA and enable sustainable emerging business success: The *WEscore* and the *Founderverse*.

The *WEscore*

The *WEscore* is a risk assessment solution that provides objective and unbiased holistic feedback to founders about their current capability gaps and recommends a focus on specific problem areas before these gaps become a liability. This is critical, because founders rarely get meaningful operational and business development feedback at the early stages before they have millions in revenue, because of their limited networks. If they pitch VCs and are passed on, they do not receive any substantive guidance beyond the cursory; you are too early, not a thesis fit; don't see how this scales. Hence, how do founders get better? They often do not and the numbers reflect that.

The *WEscore* assesses six major tracks, 36 sub-tracks, 60 micro-tracks and examines hundreds of data points. The six tracks include:

- **Building Founder DNA** – assessment of founders and their team

- **Business Strategy** – review of the strategic, foundational work (Customer Research, PMF, GTM, Legal, Finance, Investor Materials, Competition) that is imperative before investing in product development
- **Product Development** – best practices
- **Marketing & Sales plan** – strategies and progress
- **Operations** – infrastructure and execution
- **Scaling viability and strategy**

The WEScore takes a holistic approach, providing a non-judgmental assessment of your strengths and areas for development. This personalized roadmap and mitigation strategy helps you to refine your approach and connects you seamlessly to the Founderverse for specific support. The scores are dynamic and meant to coach and guide. High scores will unlock privileges and access to non-dilutive sources of funding in the future.

The Founderverse

The Founderverse is designed as a comprehensive ecosystem populated by centralized and connected resource hubs that guide founders to the appropriate mitigation solutions. A comprehensive recommender engine will connect founders with the multi-sided ecosystem.

The architecture of the *Founderverse* is dedicated to driving traction, emphasizing the growth of revenue, user engagement, and the cultivation of partnerships and customer relationships. A major cornerstone is a focus on developing leadership talent – both for founders and their extended teams. In essence, founders can leverage a one-stop support infrastructure that helps them construct their companies meticulously, with the resilience and preparation needed to thrive under the pressures of scaling.

More than 250 founders are already part of WE Global Studios, and growing. By using the WE Copilot and its suite of solutions a founder can assess, mitigate and grow their business on an ungated SaaS platform that is agnostic to stage, industry, and geography. Our intention is to truly democratize entrepreneurship at the very top of the funnel and drive economic development opportunities to cities all over the world with millions of previously under-served founders at the helm. In aggregate, we are pioneering an answer to the shortcomings of an innovation industry that we believe should and can do better.

Fernanda Carapinha is a serial tech entrepreneur and the Founder and CEO of WE Global Studios.

www.weglobalstudios.com

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