

FOR INVESTMENTS



SENSE OF PURPOSE: Inset left, Paula Groves, one of the founders of Impact X Capital, has made it her mission to uncover 'hidden gems' that are worth investing in; above, several studies have shown that innovative companies headed by women and minorities are often overlooked by venture capital investors

colour into Wall Street jobs," Groves says.

"I mention this because it's something I'm very passionate about. I was given this opportunity as a result of an organisation that was focused on this space so I want to continue creating opportunities for people of colour and women as well.

"I saw that I had the benefit of a fantastic education, an opportunity to go to Stanford and Harvard, to work on Wall Street and I felt an overwhelming obligation to share my knowledge with people from my community."

After her MBA at Harvard, a successful career in the world of finance followed, where she held a number of high-level roles, including partner at Triumph Capital.

But Groves has always had a passion for social impact investing, a passion that led to the creation of Axxon Capital.

"It is very important for people to be empowered to create their own economic opportuni-

ties and not be dependent upon handouts or welfare," she says. "This happens through a combination of education and opportunity.

"What I understood was that if you could provide economic opportunity as well as economic education we, as people of colour, could then be empow-

"It's unfair that all the funding should only go to white men"

ered to create our own financial success."

She continues: "The other reason I decided to start Axxon was that a lot of the money used by investors to finance businesses came from the pension funds of janitors, teachers, and public employees. And a

high percentage of people in these groups were black.

"The money that was being invested in venture capital was diverse money yet the people who were receiving this money to start businesses were not diverse.

"So I felt a calling, if you will. I thought that it was unfair that all of the funding from teachers, janitors and public employees should only be going to white men.

"Also when I decided to do research into other entrepreneurs that needed funding, I realised that they were creating fantastic businesses, they had fantastic ideas and these were the hidden gems in our society that were being overlooked."

Axxon went on to invest in 10 different businesses, three of which were sold to larger institutions. These included companies in the field of telecommunications and technology, while others were working with multinational companies such as American Express.

Now Impact X Capital has provided Groves with a new challenge.

The idea to create the fund came out of a meeting of high-profile entrepreneurs, investors and celebrities, including Sir Lenny Henry, that took place in May 2018.

CREATING

For those who attended the meeting, the challenge of how to support businesses that could contribute to the social and economic empowerment in the black community was as much on their minds as creating a new generation of globally successful entrepreneurs.

Impact X Capital's CEO, Eric Collins, an entrepreneur who has helped sell companies to the likes of Microsoft and Nuance, as well as running a number of successful venture capital companies across the world, had worked with Groves when she was running Axxon Capital.

"We had stayed in touch,"

she says. "Then about a year ago he called and started asking me really arcane questions about capital, how it worked and what were the quantitative analyses that one had to have in order to be successful.

"I thought to myself 'these are really weird questions that I'm probably one of only a few people that can answer them,'" she laughs.

"He'd send me these financial models and ask me to decipher them and I would and then finally, in November 2018, he did the big reveal and told me that he had been recruited to start a venture capital fund called Impact X Capital for black entrepreneurs, and would I be interested in partnering with him to launch that. And I said, 'absolutely'."

Among those who joined her are Ursula Burns, the first black woman CEO of a Fortune 500 company, Xerox, and named as one of the most powerful women in the world by Forbes; Ric Lewis, the founder, chair-

man and co-CEO of the largest black-owned business in the UK, Tristan Capital Partners, a real estate investment firm with £11bn under management; and Yvonne Bajela, a former senior investment manager at Mitsui & Co, where she led more than \$200 million in investments.

Does she feel that such an ambitious project like Impact X Capital heralds a change in the venture capital industry in terms of greater diversity?

"There's still a long way to go before we reach parity," she says.

"I consider parity to be if the number of black women, for example, at the decision-making levels within venture capital was the same as our percentage of population. So we are definitely not at parity.

"I believe that is why we also see have the same lack of access to capital for black entrepreneurs.

"But through Impact X Capital we are trying to bridge that gap."