

Intel launches investment fund for minority, women-led firms

June 9 2015, by Brandon Bailey

Intel is launching a \$125 million investment fund for technology startups led by women and minorities, a move the chipmaker says is aimed at changing the face of Silicon Valley.

The new fund, which is unusual for its focus on minority-led companies, is part of a broader effort that Intel CEO Brian Krzanich has launched amid widespread criticism of a U.S. tech industry dominated by white male executives and investors.

Krzanich announced plans earlier this year to spend \$300 million on diversity efforts and pledged to make Intel's workforce and executive ranks more closely resemble the U.S. workforce by 2020. Intel has previously said its workforce is about 24 percent female and 12 percent black and Hispanic. The U.S. workforce is about 47 percent women and 26 percent black and Hispanic.

The new [investment fund](#) will raise Intel's commitment to more than \$300 million, Intel officials said, although they said there is some overlap and they did not provide financial details. It's intended to help build a more diverse "ecosystem" of smaller companies and entrepreneurs that plays an important role in the tech industry, Krzanich said Tuesday.

Despite statistics that show few women and minority-led startups receive venture funding, he said Intel wants to show "there are plenty of women- and minority-led startup companies, and we want to work with them."

The first companies to receive backing from the new program include Venafi, a cybersecurity firm; CareCloud, which makes Internet-based software for the health industry; Brit + Co., which provides classes and an online market for selling do-it-yourself products; and Mark One, which makes a "smart" cup that analyzes the nutritional content of beverages.

To qualify for funding, firms must have a woman or minority founder or CEO, or at least three top executives who are women and minorities, said Lisa Lambert, who is overseeing the fund.

"They will go through the same scrutiny as any Intel Capital deal. This isn't a social program" added Lambert, who is a vice president with Intel Capital, the giant chip-maker's investment arm.

While there are nonprofit organizations that support minority-led startups, dedicated investment funds are rare. AOL has a \$10 million fund focused on [women](#)-led startups. Comcast has a \$20 million fund that provides early-stage or "seed" funding to minority startups. Lambert said Intel's fund will look at startups that are further along in their growth.

"I think we need to see more programs like what Intel is doing, that look at the business opportunities and solutions" offered by minority-led companies, said Edward Avila of Manos Accelerator, a San Jose, California, group that provides mentorship for Hispanic entrepreneurs.

"The challenge for minority startups is not their ability or capacity, it's their access to capital," said Butch Wing, a spokesman for the Rev. Jesse Jackson's Rainbow PUSH organization, which has pressured Silicon Valley companies to improve diversity.

© 2015 The Associated Press. All rights reserved.

Citation: Intel launches investment fund for minority, women-led firms (2015, June 9) retrieved 26 April 2024 from

<https://phys.org/news/2015-06-intel-investment-fund-minority-women-led.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.