

Standing out from the crowd: Here's how founders can benefit from their underdog status

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Things aren't easy when you're not a privileged white male founder in the start-up sector. "Underdogs" – or underrepresented founders in terms of gender, ethnicity, or socio-economic background – face many challenges in their start-up journeys. In general, they have less access to financial, social, and material entrepreneurial resources such as funding, social networks, and knowledge.

We spoke to 10 founders from underrepresented ethnic groups in the Dutch tech sector to learn more about their experiences. And yes – they faced many challenges that their white counterparts might not, ranging from investors not taking them seriously to experiencing distrust from their customers. But they were also able to take advantage of their underdog status, and we have translated those stories into three best practices for underrepresented founders:

1. Use your identity strategically.

"Being 'one of the few' has provided me access to mentorship and speaking engagements."

Horatio M. Morgan states in his book on underdog entrepreneurs that "how entrepreneurs from marginalized and minority groups view themselves in various situations can considerably influence how well they develop and grow their ventures" (p. 123). Our respondent Vanessa¹ – a successful technology entrepreneur – is a case in point. She explains how profiling herself specifically as a Black female entrepreneur gave her access to mentorship and speaking engagements. Contrastingly, Taylor – founder of a machine learning company – chose to emphasize the effectiveness of his business model rather than profiling himself as a Black entrepreneur in his pitch to potential customers: "I don't want to come off as a social justice warrior. (...) I always want them leaving thinking about the benefits that my company can have for their business, not that they spoke to a Black CEO."

Their stories show us that in certain situations, it benefits you as an entrepreneur to draw on your distinctive experience as a minority founder, whilst in other situations amplifying other identity dimensions - such as the fact that you are a brilliant

¹ To ensure anonymity, all names are fictitious.

software developer – is more useful. In any case, underrepresented entrepreneurs need to balance between fitting in (finding similarities between you and the dominant group) and standing out (emphasizing your uniqueness).

2. Employ your underdog-specific entrepreneurial skills.

“I think that, unconsciously, I have become really good in assimilating and adapting to different environments, which is super useful whilst being a freelancer.”

Why are some people better at being entrepreneurs than others? It is generally believed that people are drawn to entrepreneurship due to personal characteristics – being a risk-taker, innovator, or daredevil - but recent research shows that shared negative experiences of underrepresented groups can also provide people with skills and qualities that are useful in entrepreneurship, such as work discipline, persistence, tolerance for risk, social skills, and ingenuity.

For example, Joanna explains that when she came to the Netherlands as a 4-year old Black girl, she unconsciously noticed that something was different and she needed to fit in with the dominantly white community she inhabited. These processes of assimilation enabled her to easily connect with different stakeholders later on in her career. Similarly, Manisha – a bicultural founder of a software company focused on wellbeing – says: “We learn to speak at different speeds. At school, we speak English really fast to speak to our peers. When we go home, we slow it down so our parents can understand. We do this naturally. When we are in the workforce, we are very quick in evaluating who we’re speaking to and adapt the way we talk – that aids me a lot.”

3. Show people the benefits of a fresh perspective.

“Imagine you are driving in a self-driving car and it doesn’t see a Black person. The problem in AI is data. And I am aware of this.”

Our current technology is largely designed by and for white men. Underdog founders are aware of the challenges and needs of underrepresented groups, and they can leverage this knowledge to create products and services to cater for untapped markets. For example, Taylor is working hard with his AI company to generate representative data and negate the exclusionary elements of current technology. As a Black CEO, he is, after all, painfully aware of instances where AI-run products are racially profiling, such as soap dispensers that recognise only white hands, and self-driving cars unable to see dark-skinned pedestrians.

Similarly, Tess started a platform that enables people to anonymously apply to jobs, partly due to her own experiences in the job market.

We still have a long way to go in creating a level playing field and equal access to resources. There is a need for systemic change to make tech ecosystems around the world more inclusive and accessible. In the meantime, however, we can amplify the voices of those entrepreneurs that have been able to defy the stereotypes and flourish. After all, having more representation of underdogs helps youngsters in underrepresented groups better understand their own potential as entrepreneurs.

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