



Small Business

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Women pitch for cash



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Can traditional sexism play a role in the untraditional world of e-business?

By The Applegate Group

REDWOOD SHORES, Calif. (CNNfn) - Mona Lisa Wallace, CEO of shopeco.com, raised eyebrows when she pushed a shopping cart piled high with "green" products into the first venture forum designed exclusively for women. Her rowdy laugh also surprised investors, but her pitch about how Americans bought \$25 billion worth of "eco-friendly" products in 1998 -- but only 2 percent online -- caught their attention.

With a proprietary software program and 2,500 vendors in place, shopeco.com is poised for growth. Wallace, 34, an environmental attorney, has already raised close to \$1 million, and needs \$4 million more to fuel her San Francisco-based company's marketing campaign. Her pitch was humorous, but her intentions very serious.

"Forty-seven percent of Americans want to buy eco-products, but can't find them in local grocery stores," Wallace said. "With us, they can buy from big and small vendors online."

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A conference 'to make history'

Wallace competed with 350 female entrepreneurs to be one of 26 selected to present their businesses to about 150 venture capitalists and angel investors gathered for the first Springboard 2000 conference. Most presenters left the conference exhausted, but with a datebook or Palm Pilot full of appointments with potential investors.

"We are here to make history," said Kay Koplovitz, chair of the National Women's Business Council. "We want to make these deals happen."

Springboard 2000, the brainchild of Koplovitz and Denise Brousseau, president of the Forum for Women Entrepreneurs, kicked off in Silicon Valley at Oracle's conference center to a sold-out crowd. Other Springboard meetings are being scheduled in the fall for Washington, D.C., Boston and New York.

Although a record \$21 billion in venture financing was booked in the first nine months of 1999, only about 4 or 5 percent goes to women-owned firms, according to VentureOne, a San Francisco-based research firm.

Traditional lack of access

While many think sexism plays a role in the lack of funding, Koplovitz said the real reason is a woman's lack of access to the traditionally male world of high-stakes venture investing. And because businesswomen may lack polish when it comes to public speaking, Springboard provided coaching to the participants.

Karen Wilson, founder of LiveMind, said she rehearsed every day for weeks. Her confident presentation led to three appointments with potential investors. Wilson, who once worked at Virtual Vineyards, an Internet e-

commerce pioneer, is banking on the fact that "smart phones" will allow people to shop on the go.

"There will soon be 600 million 'smart phones,' and people will be able to buy plane tickets, theater tickets, books and anything else they need online, while they're on the run," said Wilson, who is seeking \$20 to \$30 million to grow her company. LiveMind's technology is "platform agnostic," which means it can operate on a wide variety of cellular phones.

The site is due to soft launch in April, with at least a half dozen e-merchants participating.

"Wireless is very hot right now," Wilson said. "We have a terrific advantage in that we were thinking about this five or six months ago when venture capitalists said it was too early."

Winning more commitments

Wilson said she's in the process of raising \$8 million, and hopes to have more commitments after Springboard. Wilson needs cash for a major marketing campaign as well as contacts in the telecommunications industry if LiveMind is to succeed.

"We are looking at venture capitalists who can bring us to Sprint, vs. just people with money to invest," said Wilson, 40, who is working with a major software developer to perfect her WishPad technology.

Her speaking coach, real estate agent and landlord are all taking stock in lieu of full cash payments because they believe in her company. A former model, Wilson has devoted her life to making the company a success. She's passionately devoted to her company, working seven days a week.

"I have five friends who still speak to me," she said. "I'm very single; I have a date every four months."

To keep overhead costs down, Wilson and her 10 employees work in an office on Folsom Street, above a discount furniture store.

Shopeco.com's Wallace has also been working day and night to raise more money for her business. Although she's getting married in Korea two weeks after Springboard, she's skipping her honeymoon.

"I'm having a Buddhist ceremony with my relatives, but I'm flying right back to work," said Wallace, whose company is based in a business incubator. She credits her success with having strong mentors, both male and female.

"There is no way I could get where I am today without their help," she said. "Many women have bent over backwards to reach down and help out the next generation of business people. I had several coaches going over my presentation."

Jim Robbins, executive director of the Software Business Cluster in San Jose, Calif., is one of Wallace's coaches and a mentor. He was beaming after her presentation.

Beating the 'old boys network'

Several venture capitalists interviewed at the meeting said that while they don't base their investment decisions on the gender of the founder or chief executive officer, they do believe that not being part of the "good old boys network" has blocked access to the world of high-stakes venture funding.

Many investors said they were very impressed with the quality of the presentations and the deals pitched.

Ira Ehrenpreis, a partner at Technology Partners in Menlo Park, Calif., was among the local VCs asked to screen applicants. Based on the quality of the deals he saw, he said he was confident most, if not all, of the presenters would obtain funding from people they met at Springboard.

One wealthy angel investor, who flew in from Ohio, said she was making angel investments in three companies she learned about that day.

"I'm doing some serious shopping and buying," she said with a smile as she sipped her champagne during the closing reception.

-- Reporting by Julie Neal

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