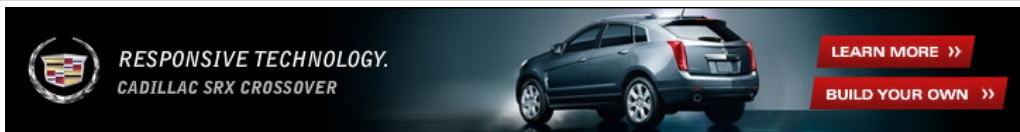




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# Inside the connected world of female web moguls

2 comments

June 16, 2011: 1:16 PM ET

**Female web entrepreneurs are increasingly turning to each other for funding tips and business advice, marking the beginnings of a new chapter for women in e-commerce.**

By Pamela Ryckman, contributor

FORTUNE -- Platform heels and designer dresses are not sartorial standards at most Internet Week events in New York, which wrapped up earlier this week. With their bursts of colorful high-fashion, the 50 women in technology who gathered in midtown last week for a Calliope Group networking breakfast could have easily come across as an affront to stereotypical techies.

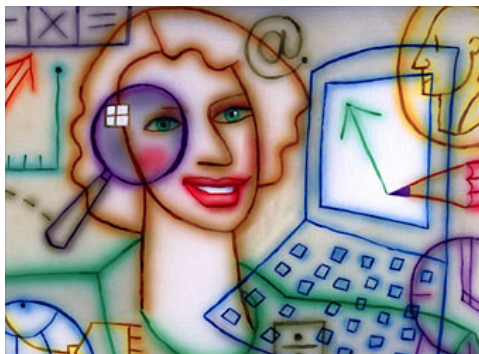


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But make no mistake: this was a room full of geeks. These women, who are mostly in their twenties and thirties, have launched what they hope will be high-growth online companies. And, more and more, they are turning to their peers to exchange funding tips, run their businesses, and ultimately, create wealth.

"These women are now friends. We all hang out and support each other and recommend each other for panels," says Dina Kaplan, co-founder of Blip.tv, a site that features original web video, and Calliope Group's organizer. "It's a very serious, solid base from which business deals are forming."

So Alexa Hirschfeld, co-founder of Paperless Post, a purveyor of online stationery, knows Laurel Touby, who sold her company, Mediabistro, for \$23 million in 2007; who knows Soraya Darabi, co-founder of Foodspotting, an Internet food guide; who knows Brooke Moreland, co-founder of Fashism, a fashion advice site.

### An informal female-owned business incubator

These young female CEOs have a shared set of common experiences, and they talk non-stop about work. While the companies that these women are developing (or have already launched) span the industries -- from finance to real estate to fashion to art -- they are almost all web-based. As a result, these women founders have become each other's strategic advisers. Their informal interactions function as de facto incubators and, increasingly, money is flowing their way.

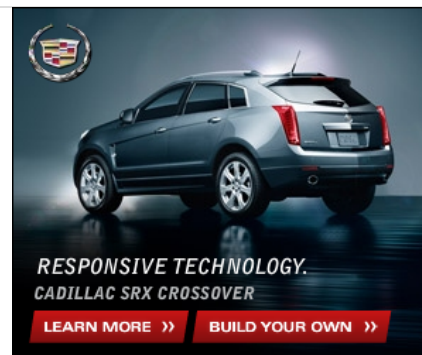
"Any time there's been the equivalent of an 'Arab spring' in some industry, it's because people are communicating and sharing," says Susan Lyne, the chairman of Gilt Groupe, who is among the experienced female executives who speak and circulate at Calliope Group events.

Other participants have included Esther Dyson, the Internet pioneer; Pat Mitchell, president and CEO at the Paley Center for Media; and Wenda Harris Millard, Yahoo (YHOO) veteran and

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president of MediaLink.

This networking trend, which extends far beyond New York, is a testament to what entrepreneur Sara Holoubek identifies as a series of coordinated efforts to raise the profile of competent, motivated female founders.

Last fall, partly in response to the persistent dearth of women on Silicon Alley Insider's list of New York's 100 "Coolest Tech People," Holoubek canvassed her colleagues and friends to list the smartest, most capable women they know. She then published [A Field Guide to the Female Founders, Influencers and Deal Makers of the New York Tech and Media Scene](#). And in November, she invited women on the list to her Tribeca apartment to share ideas. Though Holoubek's crowd skews older than Callopie Group's, its goals are the same: creating companies and making money.

"It's not agenda-based. It's someone saying 'you need to meet this person' and that person happens to be another talented woman. Then as people are looking for speakers, or to hire someone or do a deal, women come to mind because they're already in the network," Holoubek says.

### Venture capitalists take note

Venture capitalists are beginning to tap into these networks as they realize the entrepreneurs they work with can sniff out new talent and source their next big deal.

In one instance, Theresia Gouw Ranzetta, a partner at Silicon Valley-based venture capital firm Accel Partners, invested \$4.5 million in LearnVest, a personal finance website for women, founded by Alexa von Tobel. Von Tobel then introduced Ranzetta to two close girlfriends, the 20-something entrepreneurs behind Birchbox, a cosmetics enterprise, and BaubleBar, a jewelry company. Accel then invested smaller amounts in these firms.

Accel Partners recently opened a New York office to manage its investments there, about one quarter of which include a female founder on the team, says Ranzetta. This is high, given that only about 10% of venture-backed companies nationwide have women founders or chief executives.

"Last fall, I had a dinner in New York for all of my portfolio companies," Ranzetta says. "It happened to be 10 women and me."

### Evolution of the web entrepreneur

Venture capitalists say the pipeline for female entrepreneurs has been growing in part because technology has become cheaper and easier to replicate. Less capital is required to start a business, which lowers the bar for all entrepreneurs.

Today's technology companies are web-based but not necessarily rooted in proprietary tools, such as semiconductors. All sorts of businesses have migrated online, and entrepreneurs no longer need computer science degrees -- where women have historically lagged -- to launch viable companies.

"These women are serious, sharp business people, but most are not powerhouse developers or designers," says Hirschfeld, who also works as a user interface designer at Paperless Post. "But tech is now layered on top of all businesses. You need to learn the language enough to do your job, but not enough to do developers' jobs."

Because women spend 30% more time on social networking sites than men and, in a given month, made 61% of total U.S. online purchases, according to a 2010 study by comScore, female entrepreneurs are in an ideal position to recognize market opportunities and start businesses that meet their needs and the needs of their female friends.

Still, venture capitalists are quick to say their investments are merit-based and gender-blind. "My partners, co-investors and LPs are almost all men," says Amanda Reed, a partner at Palomar Ventures, a venture capital firm based in California. "My investments in women entrepreneurs are not done as favors. They're done with men's support and participation. I may be using my connections, but we all make money."

Both female entrepreneurs and venture capitalists are hoping to capitalize on what some have called "The Gilt Effect," referring to the success of female co-founded Gilt Groupe, an online

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luxury goods retailer recently valued at \$1 billion. Female founders believe that if they can replicate the triumphs of such firms, even to a smaller degree, then women will become a sought-after force in technology.

"People here are light years ahead of people I'd be socializing with otherwise," Hirschfeld says of the Calliope Group breakfasts. "I'm meeting the chairman of Gilt, the founder of One Kings Lane, people on the management team of AOL (AOL). I really like them, and it's opportunistic. It's all about access."

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msxng, 06/17/2011 12:09 PM

It's not as interesting when the women listed 'founded' companies with male co-founders. When they're doing it on their own, without men, then it becomes interesting. Far more women doing far larger things with more success than this.



paramendra, 06/16/2011 05:27 PM

This is an amazing trend, but it still needs to scale.

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