



**ZEBRAS UNITE**

# 2019 Community Survey: Final Report

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# Timeline and Context

Zebras Unite (ZU) is a “founder-created and founder-led movement calling for a more ethical and inclusive movement to counter existing startup and venture capital culture.”

ZU’s co-founders authored the blog article “[Sex & Start-ups](#)” (Zebras Unite, 2016) to call attention to inequity in traditional funding practices and advocated for inclusive alternatives. This was followed by the article “[Zebras Fix What Unicorns Break](#)” (Zebras Unite, 2017) which further laid out the values, principles, and conduct which Zebra companies aim for and how they differ from “unicorn” companies which prioritize rapid growth and adopt a “move fast and break things” mentality. This “Zebra manifesto” allowed for further articulation of the movement and potential guideposts in an otherwise uncharted territory for those companies that resonated with ZU’s values of:

Equity, Transparency, Collaboration and Sustainable Growth.

In 2017 ZU held DazzleCon (a group of zebras is called a dazzle) in Portland, Oregon to connect like-minded community members.

In 2019 ZU received funding from the Omidyar Network to research the ZU community to understand this emerging type of company for investment purposes.

During the data collection phase (Nov 6, 2019 - Dec 6, 2019) of this project large-scale world events occurred that may provide a historical backdrop for responses. Impeachment hearings for the President of the United States, Donald Trump, were ongoing. There is no mention of these in respondents’ answers. Additionally, it is worth noting these responses were gathered before the COVID-19 outbreak.

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# Executive Summary

Includes three 1-page summaries, covering the guiding questions:

1) Identity 2) Needs & Assets 3) Success.

## Guiding Question 1: Identity

What is the definition of a Zebra Company and what are the demographics of organizations and people within the ZU community?

***“Zebra companies are values-driven organizations that strive to create long-term, financially- and socially- sustainable solutions to wicked problems facing a community or ecosystem by navigating local and distal stakeholder groups with integrity to achieve an optimal scale.”***

***“Zebra founders see their organization as both a means to provide value to a stakeholder group as well as a systems-level intervention to center human well-being within their target ecosystem.”***

- ZU community is primarily founders and co-founders ([Q3](#)), near-equal parts masculine / feminine with 4% non-conforming ([Q26](#)), 60% White ([Q29](#)), median age is 40 ([Q25](#)), top HQs in USA (60%), UK (9.5%), CAN (4.9%), with 40+ countries represented ([Q8](#)).
- Commonly life experiences: first-gen entrepreneur, woman, no access to friends & family funding, raised in a single parent household, first-gen student ([Q30](#)).
- They draw support (beyond \$) from experienced peers, friends & family, team and clients/community ([Q11](#), [Q21](#), [Q34](#)).
- The ZU community is guided by integrity and authenticity in how they conduct themselves and business, believing change *is* possible and urgently needed ([Q4](#), [Q33](#), [Q34](#)).
- They resonate with and are inspired by ZU’s values of: collaboration, equity, sustainability and transparency ([Q24](#)). They desire more community and networking amongst themselves and with values-aligned investors ([Q22](#), [Q23](#), [Q24](#), [Q37](#)).
- Venture capital or outside funding was avoided if believed to possibly interfere with company values or their product/service ([Q11](#), [Q12](#), [Q17](#), [Q18](#), [Q22](#)).
- ZU founders are: tenacious, prosocial, empathetic, persistent workers ([Q4](#), [Q30](#), [Q34](#)).
- B2B, Economics systems change, Healthcare, Education, and Agriculture were the most mentioned industries in mission statements. Requires follow up study to verify. ([Q4](#))

## Guiding Question 2: Needs & Assets

What are the Needs & Assets of Zebra Companies? Financial and structural needs?

- The most common legal structures were those that allowed **flexibility** (Q5).
  - (LLC, C Corp, and Limited company)
- Total revenue from customers ranged from **\$0 - \$500M** (Q17).
- Majority reported **less than \$100,000 from any single source** of capital (Q17).
- Customers, Savings, and Friends & Family were most common capital sources (Q17).
  - Reported customer revenue ranged from **\$0 - \$500M, median \$40,000** (Q17).
- **75% responded with a financial ask under \$1M** (Q19).
  - Median financial ask was **\$250,000**, and max was **\$55M**.
  - Capital is needed for: hiring and paying staff appropriately, business operations, marketing and sales (Q9, Q10, Q12, Q20).
- Specific talent needed: developers, converting sales, marketing purposes (Q12, Q20).
- Going well: product/service development, strong story & mission, values (Q11).
- Struggles: finding and converting leads to sales, educating stakeholders & investors, spending time and resources on fundraising rather than on product/service (Q12).
- Respondents spent the most time on: product/service development, sales, and business operations with the least time spent on distribution or supply chain (Q9).
- **They want to spend less time on business operations** and more on marketing and sales while keeping most of their energy focused on the product/service (Q10).
- Zebras may risk trauma from *compassion fatigue* (helplessness or burnout in face of systems challenges), and experience additional stressors navigating changing contexts, lack of community, educating misaligned investors (Q12, Q24, Q34).
- Members request ZU to prioritize **(1) Help founders find aligned investors, peers, mentors and service providers. (2) Create ZU aligned investment fund. (3) Create educational resources** (Q24).
- ZU could **cultivate the community's prosocial desire to collaborate in order to allow experienced peers to mentor, support, and share lessons-learned with one another** (Q21, Q22, Q23, Q24).

## Guiding Question 3: Zebra Success and Measurement

Which companies are most likely to be successful? How should Zebra companies be measured? What outcomes are related to Zebra company success?

Answering these final questions adequately is beyond the scope of this study. The community survey successfully provides a baseline and suggests possible directions for next steps.

- Considering open-ended questions, **2 main categories of Zebra responses emerge:**
  - (1) A vague “help everyone” category where the respondent expressed excitement in being able to help others with a strong belief in their product, service, or solution.
  - (2) Specific mission statements that articulated a process or strategy aimed to change the status-quo, either to avoid disaster or to empower a specific community, often with a sense of urgency.
- The Positive Psychology concepts of **"Pathways to Purpose" and "Mission in Life" map well onto founder mission statements.** Further research may refine categories of Zebras.
- Most companies were in prototyping or growth stages ([Q2](#), [Q7](#)), attempting to solve “*wicked problems*” (ones with little technical or social agreement on how to proceed).
- Differing goals, combined with not planning to exit (unless to a values-aligned stakeholder), means that traditional company metrics are likely not adequate for measuring Zebra value and progress towards complex, systems-level solutions.
- Zebra companies should focus on mixed methods approaches to report their impact to their stakeholders & tell their story at these early stages in their company.

## Conclusions:

1. Zebra companies are shaped by and in service of their values.
2. Typically 40's, heteronormative, white (60%), but respondents were global & diverse.
3. Assets: story, product/service development, community connection, perseverance, values.
4. Needs: \$250K~\$1M for the next 6-18 months, labor & specific talent, connection to a supportive community.
5. **Next Steps:** 1) Empower ZU community to find and support each other. 2) Involve ZU founders in exploring ways to increase their autonomy. Capital investment is one method. 3) Research Zebra companies to determine common benchmarks in their progress.

# Guiding Questions

The Zebra Manifesto calls for businesses to adopt different ways of operating than traditional socially- or financially-focused organizations. In addition, ZU hopes to offer appropriate services to its membership given where they are at in their journey. For these reasons, the evaluator selected to conduct a Needs & Assets Assessment (Altschuld, 2014) to capture emergent themes within this developing community (Patton, 2010). The following are the guiding evaluative questions that this report attempts to address:

1. What is the definition of a Zebra Company?
  - a. What are the demographics of organizations within the ZU community?
2. What are the Needs & Assets of Zebra Companies?
  - a. What are the financial & structural needs of Zebra Companies?
3. Which Zebra Companies are most likely to be successful?
  - a. How should Zebra Companies be measured?
  - b. What outcomes are related to Zebra Company success?