



NEW VOICES FUND: BUILDING AND SCALING ENTERPRISES FOUNDED BY PEOPLE OF COLOR

The Largest Network of Diverse- Owned
Alternative Investment Firms

It's no secret that entrepreneurs of color must contend with every business-related challenge their non-diverse competitors face, along with a host of other systemic obstacles. New Voices Fund, a venture capital firm focused on entrepreneurs of color, was founded to provide the smart capital to help scale these enterprises.

New Voices was co-founded in 2018 by Richelieu Dennis, a storied entrepreneur, investor and innovator who made a fortune when he sold Sundial Brands, the personal care company behind the Shea Moisture and Nubian Heritage brands, to Unilever. Dennis, who immigrated to the U.S. from Liberia and built the business from his dorm room at Babson College, wanted to give back to the Black community that had supported his personal care business for years. "The goal has always been that if he made a significant amount of wealth on the community, he wanted to be able to contribute back in a significant way," says Darryl Thompson, New Voices Fund's Chief Investment Officer.

Thompson, who has worked at New Voices since its inception, says New Voices was created to level the playing field for entrepreneurs of color by providing access to capital, expertise, and a platform to reach a critical mass of potential customers. With a background in private equity and specialization in the diverse marketplace, the former Morgan Stanley banker briefly worked as a special assistant for iconic entrepreneur Reginald F. Lewis and at a MESBIC (Minority Enterprise Small Business Investment Company). "Understanding what Rich had accomplished at Shea and what he envisioned with New Voices, I felt my experiences aligned well with New Voices' strategy," he recalls. "It was something that was very familiar to me because I had been in these waters for quite some time."

New Voices Fund focuses on early-stage and growth-stage companies founded by female entrepreneurs of color. Target companies primarily provide goods or services to individuals for personal use, such as consumer packaged goods, consumer-oriented technology, and other opportunistic services. While technically an impact fund, New Voices is first and foremost a venture capital firm whose goal is to generate alpha. "We know that to continue to have a meaningful impact, we have to create superior market returns," Thompson explains. "We know if we generate superior market returns, capital will flow in our direction. So, if we can stay focused on identifying strong founders, generating the returns, we will have impact."

In addition to generating outsized returns, the firm's other goal is to create more opportunities for diverse C-suiters - CTOs, CFOs, COOs. "We want to be able to influence outcomes so that there are opportunities made available for people of color who may not have had those opportunities," Thompson explains. "If we build successful enterprises, we create generational wealth for the founders and teams," Thompson explains. "We'll also deliver opportunities for C-suite executives and create lifestyle opportunities for employees where they can work, earn a strong wage, and take care of their families. That is our definition of success."

PUTTING BUSINESSES THROUGH THE PACES

The firm's investment strategy leverages what Thompson calls the P.A.C.E. (Purpose, Access, Capital and Expertise) model.

PURPOSE: The firm identifies founders who have a genuine purpose in what they're doing – essentially, those motivated by wanting to have an impact on their communities. The idea is that an emotional connection with an authentic founder and mission will resonate greatly with consumers and drive value.

ACCESS: The New Voices team bolsters a founder's network by bringing them into the firm's ecosystem to provide greater access to retailers, manufacturers, supply chain elements, and service providers that they may not have had previously. This level of access creates conditions in which the business can grow and scale

CAPITAL: New Voices not only provides capital but helps founders decide how best to leverage that capital efficiently and use it to grow their businesses.

EXPERTISE: The New Voices team has access to financial, marketing, retail and distribution expertise. Some members of the firm's team helped scale up the Shea Moisture business into a Fortune 500 acquisition target.

New Voices also adds value through its affiliation with Essence Communications, the parent company of Essence Magazine and the Essence Festival of Culture. New Voices founder Richelieu Dennis acquired the lifestyle media and events company from Time Inc. in 2018, providing the ventures backed by New Voices with a platform – the Essence Festival of Culture and its half-million attendees. "We now can provide our founders an opportunity to tell their stories and participate and activate their product offerings at the festival," says Thompson.

During that weekend, New Voices portfolio companies will have an opportunity to be introduced to festival participants, sell their goods and speak and engage through networking sessions or seminars. "The ability to amplify and create that audience for New Voices brands and founders provides a unique advantage. We don't pick winners. We build winners," says Thompson.

INVESTING WITH PURPOSE

Among the 19 businesses in the firm's investment portfolio is The Honey Pot Company, a producer of dermatologist-tested plant-based feminine hygiene products created to provide women with healthy alternatives to feminine care. Launched by Beatrice Dixon, who began creating products out of her kitchen some ten years ago, the company now has products in major retailers like Target, Walmart and CVS. "The company has done well, but she's also just an extraordinary founder who is really driven to have a meaningful impact on women's hygiene," says Thompson. "It's just a very, very strong business model that she's been able to create, and we're excited about her."

Another, Mielle Organics, is a Black-owned, woman-led producer of natural beauty products for all hair types. Mielle is sold nationally at Sally, Target, Kroger, CVS, Walgreens, Walmart, Rite Aid, and in Europe, Africa and online. "Both Honey Pot and Mielle have extraordinary founders who really represent the best of who we are because our success is driven by the founders that we work with," Thompson explains. "It's under their leadership and execution that these things happen."

Thompson believes New Voices is perfectly positioned to help scale enterprises of color – particularly with rising rates of entrepreneurship among members of diverse communities. "In the early days, when people of color graduated, they sought a corporate job. "Now that people of color have entrepreneurship in their DNA, I think you're just going to see a lot more talent that is no longer locked into those traditional paths and are now looking at entrepreneurship as a genuine path."

Just like the founders whose ventures in which the firm invests, having a strong sense of purpose is critical to New Voices' mission and long-term objectives. "Our goal is clearly to create generational wealth and provide economic inclusion," Thompson explains. "We want to create opportunities, not only for the founders but also for all the people that work within our portfolio companies."