
2018-2019

Impact Report

The background of the page features a series of concentric circles in a light gray color, centered around the text. The circles vary in size, creating a ripple effect that frames the central text.

Techstars

Impact

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Introduction

In 2006, Techstars launched with a simple belief: that entrepreneurs build a better future. Twelve years and over 1700 portfolio companies later, we've watched this belief be confirmed year after year in all corners of the world. Still, 2018 represented a notable milestone for Techstars, the worldwide network that helps entrepreneurs succeed: we launched Techstars Impact, our first impact fund, exclusively dedicated to backing the entrepreneurs who are tackling our most pressing global challenges.

In 2018 we ran our first two impact-focused accelerators: the Techstars Impact Accelerator based out of Austin, TX, backed by LPs including Impact America Fund and Techstars Ventures, and the Techstars Sustainability Accelerator in partnership with The Nature Conservancy, based out of Denver, CO. In that same year, we also expanded the Techstars platform to include our Techstars Impact Fund, backed by Morgan Stanley Alternative Investment Partners, to invest in the Seed and Series A rounds of impact companies in our global portfolio.

While 2018 marks our first targeted activity in the impact space, investing in scalable, mission-driven technology companies has long been a part of our core DNA. Over the years we've watched the success of Techstars portfolio companies such as Zipline, which builds drones to deliver life-saving medical supplies in rural Africa, or Wunder Capital, the largest crowdfinance platform in U.S. history for solar, renewables, and cleantech, as they have grown their companies while bridging the worlds of entrepreneurship, technology, and impact. We watched as the number of impact companies participating in our accelerator programs grew by over 50% year over year between 2013–2016, and later learned that the cohort of companies in our portfolio that match our impact criteria outperformed our general portfolio. As a result, the launch of our first impact funds in 2018 has been a natural evolution of our work as the worldwide network that helps entrepreneurs succeed, as we have doubled down on our efforts to support entrepreneurs building a better future.

This report highlights some of the direct and systemic impact delivered by Techstars portfolio companies receiving investment from our Techstars Impact 2018 SPV and Techstars Impact 2018 Accelerator funds. We detail our process of evaluating what constitutes an impact investment and explain how we view opportunities that sit at the nexus of financial and impact returns. Lastly, we highlight the impact created by our portfolio companies as well as our emerging efforts to join the global community in supporting the U.N. Sustainable Development Goals (SDGs).

Zoe Schlag

Managing Director // Techstars impact

Highlights



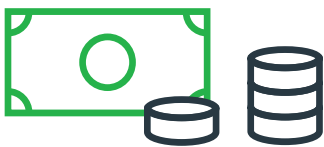
3.7M
people impacted



768,000 lbs
of food diverted



14,221 tons
of CO₂ emissions
avoided



\$6.2B
in second tier
diversity spend
enabled



500+
jobs supported
directly by our
portfolio companies

01

Techstars

About Techstars



Founded in 2006 to help entrepreneurs succeed, the Techstars Network connects founders with entrepreneurs, experts, mentors, alumni, investors, community leaders, and corporate partners to grow their companies.

44	65	178	\$19B	1700+
Accelerator Programs	Corporate Partners	Techstars Portfolio Exits	Techstars Portfolio Market Cap	Techstars Alumni Companies

What is the Techstars mentorship-driven accelerator?

Techstars mentorship-driven accelerator programs invest in the most promising entrepreneurs. They provide founders with personalized hands-on mentorship and access to proven resources to accelerate growth and facilitate high-impact relationships with corporate partners and mentors in more than 40 programs around the world.

Give First

#GiveFirst is one of the core principles that guides Techstars. Giving First means helping others—especially entrepreneurs—with no specific expectation of return. Members of the Techstars Network act in a Give First way, and the result is a powerful network that creates more successful businesses, more jobs, and more wealth in communities around the globe.

Techstars for Life

When founders join a Techstars mentorship-driven accelerator, they become part of the Techstars Network for life—not just for the duration of the program. They Give First to the network, and receive help in the form of advice, connections, mentorship, and more for the rest of their lives.

The Techstars Model

Each year, we spend months sourcing and evaluating the top early-stage entrepreneurs from all over the world. We then select 10 companies per accelerator program to join our intensive, three month mentorship-driven accelerator, investing \$120K and providing hands-on mentorship and access to the Techstars network for life.

13 Week Program

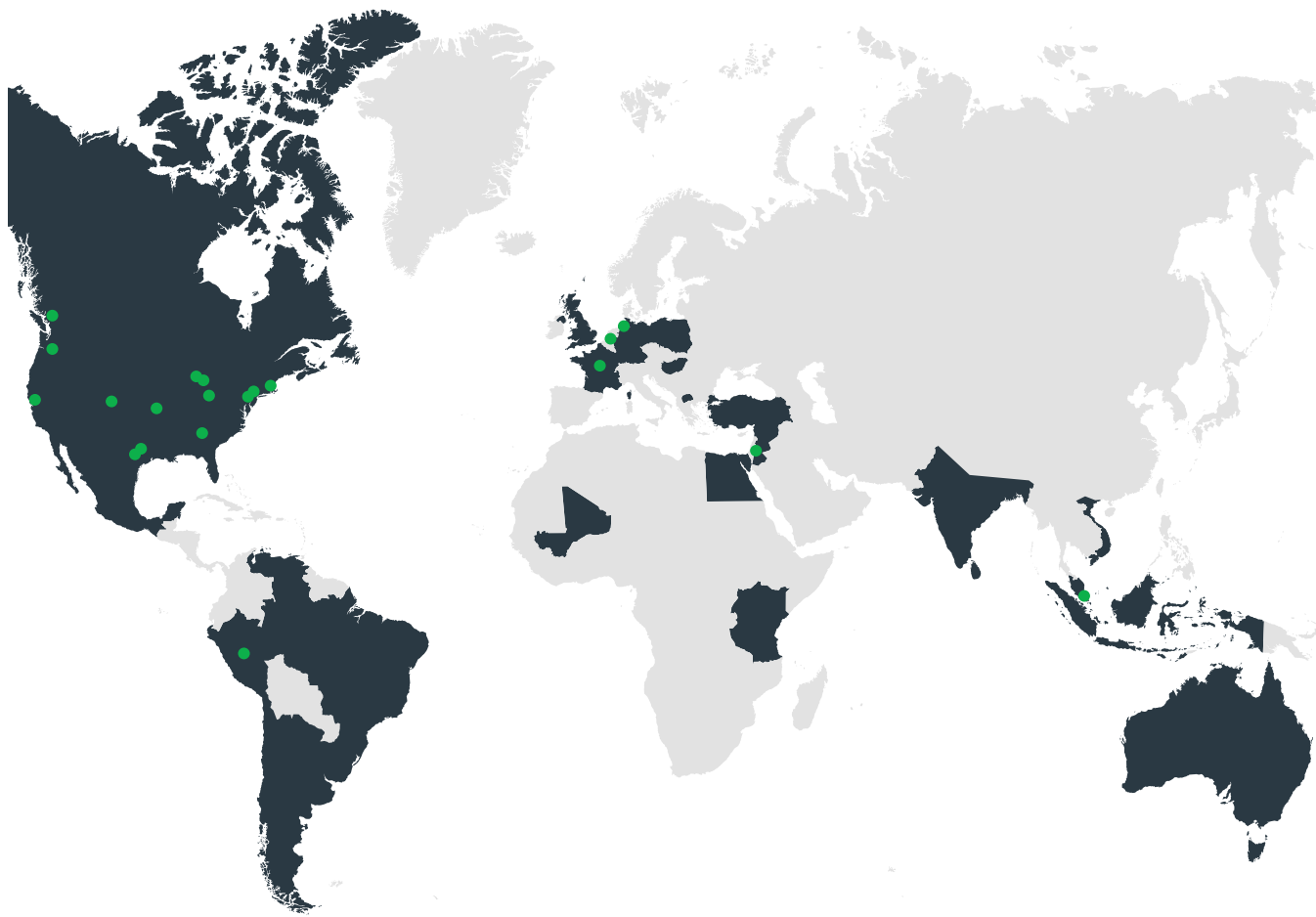


02

Impact Investing at Techstars

Geographic Coverage

At Techstars we know that great entrepreneurs are everywhere. With 44 companies in our impact portfolio, Techstars Impact companies are building their businesses all around the world, and their companies are creating direct social and environmental impact on the ground across six continents.



6

Continents

44

Companies

563

Jobs

3.7M

Lives impacted

Investing for Returns with Impact: Our Approach



At Techstars, we believe that our deepest problem sets represent our greatest opportunities. We put founders at the center of our strategy to build a better future, and believe that entrepreneurs have the potential to deliver scalable solutions to some of our generation's most pressing challenges.

As a venture investor in impact, the core of our approach to aligning financial returns with impact outcomes is to focus on areas where an impact opportunity directly aligns with a large market opportunity.

Over the last decade, we've watched four key trends that have enabled this:

1

Technology creating first-time access to previously inaccessible markets.

2

A fall in the cost of technology enabling the delivery of impact products down-market.

3

A rise in consumer demand for ethical, sustainable products and business practices.

4

The rise of global impact threats that, if uncorrected, represent existential business risks to top global corporations.

Investing for Returns with Impact: Our Approach



Leveraging our insights from over a decade investing in seed stage companies around the world, we launched our first Impact Fund using the following criteria for a company to qualify as eligible for investment from our Impact Fund:

Companies must be using technology to solve a social or environmental challenge.

Solutions to social problems must:

- Increase access or affordability for basic services or needs;
- Decrease poverty and inequality; or
- Increase diversity and inclusion.

Solutions to environmental problems must:

- Improve food supply and security;
- Increase access or affordability of clean energy or enable climate change solutions; or
- Improve water or sanitation solutions.

The company's impact model must be intrinsically tied to the core business model so that scaling the business has the inherent effect of scaling impact.

Impact must be a part of the initial go to market strategy.

In addition to this criteria, all companies receiving investment from our Impact Funds went through an ESG screening process compliant with IFC guidelines. Additionally, as Techstars is a B Corp Certified company, all companies completed the B Impact Assessment, aligning our process to support our portfolio companies in becoming B Corp Certified if they so choose.

Impact Investment Activity Across Our Worldwide Network



Since January 2018, Techstars made a total of 44 investments out of our Impact Funds. These include 34 investments through our Accelerator programs, six Seed investments and four Series A investments.

	Total Investments - Impact Fund	Total Investments - Techstars*	% of Total Investments Made
Accelerator Companies	34	426	8%
Seed Deals	6	49	12%
Series A Deals	4	15	27%

*Over the same time period across each category

Alignment to the Sustainable Development Goals

Our impact investment approach naturally aligns with the U.N. Sustainable Development Goals and the impact delivered by our portfolio is making direct progress against these global challenges. Viewing our impact portfolio through an SDG lens, we have been able to better understand which SDGs have the potential to be addressed through market opportunities with venture-scalable, impactful business models. Below are a few headline numbers of the progress made by our portfolio companies toward addressing the SDGs.

SDG Themes at Techstars



1 NO POVERTY



5,331

Americans able to access affordable housing.

2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



5,637

low- and middle-income patients served.

4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



11,000

smallhold farmers with increased income.

15,000

factory workers able to access valuable workplace information and log grievances to ensure human rights compliance in supply chains.

25,000

unbanked people accessing affordable and secure financial services.

1 Million

people able to find and access the social services they are eligible for.

Alignment to the Sustainable Development Goals

Planet

7 AFFORDABLE AND
CLEAN ENERGY



11 SUSTAINABLE CITIES
AND COMMUNITIES



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



14 LIFE
BELOW WATER



15 LIFE
ON LAND



14,221

tons of CO₂ emissions avoided.

768,000

pounds of food diverted from landfills.

Society

5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



10 REDUCED
INEQUALITIES



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



188

refugees earning income.

1,000

employees ensured transparency of
opportunity including pay.

2,000

drivers receiving life-saving alerts to
prevent them from hitting vehicles,
pedestrians and cyclists with their cars.

100 Million

gallons of sewage monitored to prevent
stormwater pollution and flooding.

03

Portfolio Companies



An affordable housing platform that enables property managers to house low-income tenants faster while staying compliant.

Theme	Sector	Headquarters	Impact Footprint	SDG Alignment
Increasing access to basic services and needs	Affordable Housing	Austin, TX	United States	1

Strategy

Today over one in four Americans struggle to find housing they can afford, with applicants for affordable housing units spending anywhere between two and ten years on the waitlist. Meanwhile, despite high demand, affordable housing property managers still struggle to fill vacant units for two to six weeks due to extensive regulatory requirements that prevent them from finding and contacting qualified applicants. Haven Connect streamlines the affordable housing process, providing affordable housing property managers with tools for waitlist management and compliance, while enabling applicants to apply and update their applications online for the first time.

Impact



5,250

low-income
Americans accessing
affordable units

Voice of the Founder

“ We launched Haven Connect so every American could rent a home they could afford. I spent years as a social worker helping people apply to affordable housing. It was a broken process that was ripe for technological innovation, and we’re excited to automate housing access nationally. ”



Caroline Caselli
CEO and Founder, Haven Connect



A sustainable food surplus management company to track, account for, and manage surplus food and organic waste and claim tax savings.

Theme	Sector	Headquarters	Impact Footprint	SDG Alignment
Improving food supply and security	Food distribution and management	Atlanta, GA	United States	2, 12

Strategy

According to the Environmental Protection Agency, 27% of landfill waste is food, which has increased by 50% since 1970. Today, landfills account for 34% of all methane emissions in the U.S. each year, heavily contributing to America's carbon footprint. Meanwhile, 42M Americans are food insecure in the United States. Goodr is a sustainable food surplus management company to track, account for, and manage surplus food and organic waste, while enabling customers to claim tax savings. Goodr's technology coordinates the collection and distribution of food donations, providing an end-to-end solution for businesses seeking to earn money from their edible food surplus by donating it to local nonprofit organizations.

Impact



653,000

pounds of surplus food diverted from landfills



27%

CO₂ emissions of clients reduced

Voice of the Founder

“ When I learned that we waste 72B pounds of perfectly good food a year in the U.S. I was blown away, because we produce more than enough food in this country to make sure that no one goes hungry. Our number one focus at Goodr is to end hunger by making sure that no food goes to waste, while improving the carbon footprint for our customers. ”



Jasmine Crowe
CEO and Founder, Goodr



A network of tech-enabled diagnostic and primary care facilities to provide convenient, high-quality, and affordable healthcare.

Theme	Sector	Headquarters	Impact Footprint	SDG Alignment
Increasing access to basic services and needs	Healthcare	Ibadan, Nigeria	Nigeria	3

Strategy

More than half of the global population growth between now and 2050 is expected to occur in Africa, and by 2030, deaths in Africa due to lifestyle diseases will outnumber deaths from communicable, maternal, perinatal, and nutritional diseases combined. However, many health facilities in sub-Saharan Africa lack basic diagnostic capabilities to meet this emerging need. MDaaS Global operates a network of tech-enabled diagnostic centers in clinically-underserved communities in Nigeria, enabling low- and middle-income patients to access affordable diagnostic services, identify health issues earlier, and gain access to medical specialists and treatment options. In addition to serving out-of-pocket patients, MDaaS Global partners with corporations, HMOs, and development organizations seeking to provide top tier diagnostic services to their employees and beneficiaries.

Impact



5,637

low- and middle-income patients served.

Voice of the Founder

“ At MDaaS Global, we’re committed to providing modern, connected healthcare for Africa’s next billion. We provide affordable diagnostic services for any patient in need of care, particularly in those places with no good options. ”



Soga Oni
CEO and Co-founder, MDaaS Global



Supplier management software solutions enable procurement professionals to manage supplier risk, supplier diversity, sustainable sourcing.

Theme	Sector	Headquarters	Impact Footprint	SDG Alignment
Increasing diversity and inclusion	Supplier and procurement management	Mason, OH	United States, Canada, Europe, Latin America, Africa and Asia	8

Strategy

ConnXus powers sustainable global supply chains through a suite of software solutions designed to give procurement professionals, diverse suppliers, and small businesses the tools they need to innovate, source, track, and connect. Giving procurement professionals everything they need in one place, ConnXus unifies all procurement functions of supplier risk, sustainable sourcing, supplier diversity, and supplier development, while enabling small women- and minority-owned businesses to connect with corporate buyers.

Impact



\$6.2B

in second tier diversity spend enabled

Voice of the Founder

“ I take pride in the fact that the ConnXus platform not only enables small companies to connect with corporate buyers, but also helps large companies tell their story about how their procurement dollars impact the communities where they do business. With our data, we can actually show how women- and minority-owned businesses perform at high levels and bring higher levels of service to the table. ”



Rod Robinson
CEO and Founder, ConnXus



Powering community shared solar for the 80% of American households who can't access rooftop solar.

Theme	Sector	Headquarters	Impact Footprint	SDG Alignment
Increasing access to clean energy	Energy	Boston, MA	United States	7

Strategy

While solar is now as cheap as fossil fuels in over 30 countries, nearly 80% of Americans still remain locked out of rooftop solar. This is due to the fact that they rent, have no rooftop, or have shading and structural issues. Solstice's online marketplace enables any segment of the market to access renewable energy by enrolling them in community shared solar projects, removing the burden of installations and upfront costs, providing savings for these customers on their electric bills, and ultimately reducing CO₂ emissions.

Impact



3,301
tons of CO₂ emissions
avoided

Voice of the Founder

“ I was raised in America by a single immigrant mother bringing up three kids on a salary below the poverty line, and I watched her struggle to pay the bills her whole life. For the first time, solar is cheap enough that it can help people like my mother. Today, those who need solar savings the most are currently the least likely to get it, and will also suffer most from the effects of climate change and pollution. We founded Solstice because we believe clean energy is both an environmental issue and a human right, and feel privileged every day to be working towards an equitable energy future. ”



Steph Speirs
Founder and CEO, Solstice

04

Looking
Ahead

Concluding Thoughts



Techstars is the global ecosystem built for entrepreneurs, and includes founders, mentors, venture capitalists, corporate partners, nonprofit partners, impact investors, community programs, and a global network.

Over the last several years, we've watched as our founders, mentors, and partners have come together to go beyond building great businesses to develop and scale innovative solutions to some of our most pressing global challenges. And alongside that, we've watched the power of a global network to take impact to scale.

We know that great entrepreneurs are everywhere.

As Techstars continues to grow our global network to empower more entrepreneurs to build their businesses wherever they choose to live, we are eager to expand our work with founders, investors, and partners to develop innovative technologies and solutions to tackle our generation's most pressing social and environmental challenges.

Acknowledgment

We are grateful for the supporters of our impact funds, without whom this would not be possible, including:

Morgan Stanley Alternative Investment Partners

Impact America Fund

Tingari-Silverton Foundation

Austin Impact Capital

Impact Assets

RetailMeNot, Inc

and several private family offices.

Notes: Companies included in this report received investment from the Techstars Impact 2018 SPV and Techstars Impact Accelerator Funds between 1/1/2018–3/31/2019. Impact metrics in this report were reported by portfolio companies for the 2018 period and have been aggregated across the portfolio where possible.