

CROSS

CULTURE VC

**The State of Technology and Culture,
CULTURE AS CURRENCY**

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Introduction

Cross Culture Ventures (CCV) is an early stage venture capital fund that invests in technology companies positioned to benefit from emergent cultural trends. Global popular culture is becoming an efficient market aided by the convergence of distinct cultures and technology companies playing an increasing role in this evolution. CCV invests in companies with teams and products that capture the value created by this evolution.

Periodically, we compile a list of cultural trends that we believe are influencing global popular culture, termed “*Culture Shift: The State of Technology and Culture*”. These shifts represent areas that we believe hold great opportunities for growth, innovation, and of course, investments in the coming year.



Figure 1 – Jay-Z in concert

Jay-z, the iconic rapper recently made this bold proclamation in the graphic above during a podcast interview in which he discussed his recent album 4:44. He also alluded to that the influence that the hip-hop community, has on popular culture. The statement aptly summarizes what we have been witnessing for decades and what drives us at CCV. As America hurdles toward a majority-

minority population, it is difficult to deny who sets trends that inform American and ultimately, global culture.

In this, the second installment of our State of Culture series, we dig deeper to further understand how a new generation is changing not only what America looks like, but also how it does business. Here at CCV, we believe that founders with a deep understanding of how the country is changing and who create solutions that solve the unique problems caused by these changes are startups that are worthy of investment.

Culture As Currency

Our country is changing before our very eyes. The ‘browning’ of America; a term that refers in part, to the growing numbers of Black, Hispanic, Asian and multiracial Americans now living in the US, has created ripples across multiple industries. As the population of the US shifts to become a more multicultural one, the effect of this new empowered



Figure 2 – Millennial students on social media

group is being felt far and wide. Buoyed by both immigration and birth rates, this ‘super consumer’ is young, connected, culturally aware and socially active. This multicultural millennial consumer is one of the fastest growing segments of the US population and they are engaged with technology like never before.

A 2013 Pew Research Center study discovered that Blacks and Latinos in the US not only own cellphones in higher numbers than Whites, but also use the Internet and social media channels more than their white counterparts. Additional research found that millennials of color primarily use the most popular social media sites

(Twitter & Facebook) as their main sources of information for news and current events. This is evident in the way that they drive trending topics that then bubble up into the public consciousness -- often becoming newsworthy. Topics that begin as conversations or discussions among those within communities of color, often affect larger conversations.

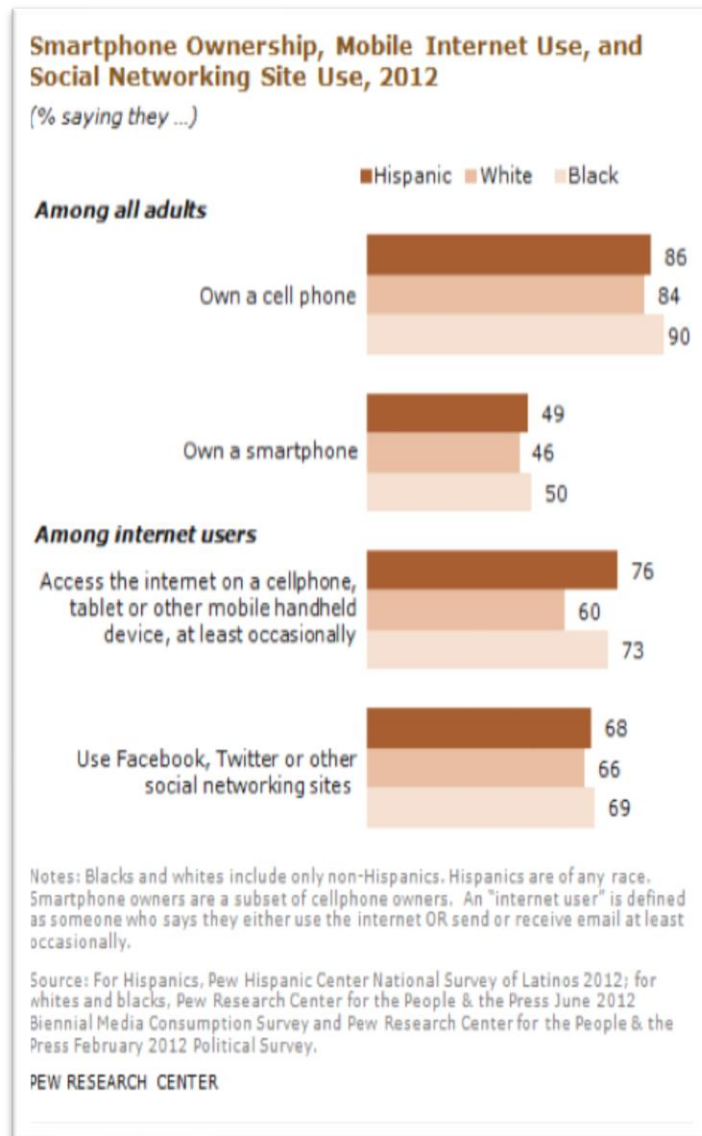


Figure 3 – Pew Research Center

If the recent Academy Awards are any indication, the hash tag [#OscarsSoWhite](#) can be credited with influencing the discourse around the need for a more

diverse pool of eligible voters, nominees, and ultimately, winners this past year. The conversation, though initially started on Twitter where users, most of whom were black and brown, openly questioned the 2015 Academy Award nominations, which were noticeably devoid of black and brown nominees. A Twitter user, [@ReignOfApril](#), created the hash tag. From there, the conversation grew in popularity and was covered in trade publications like Variety and in general news publications like The New York Times. #OscarsSoWhite became a call to action forcing conversations where the issue of diversity in Hollywood was widely discussed.



Figure 4 - Various #OscarsSoWhite tweets

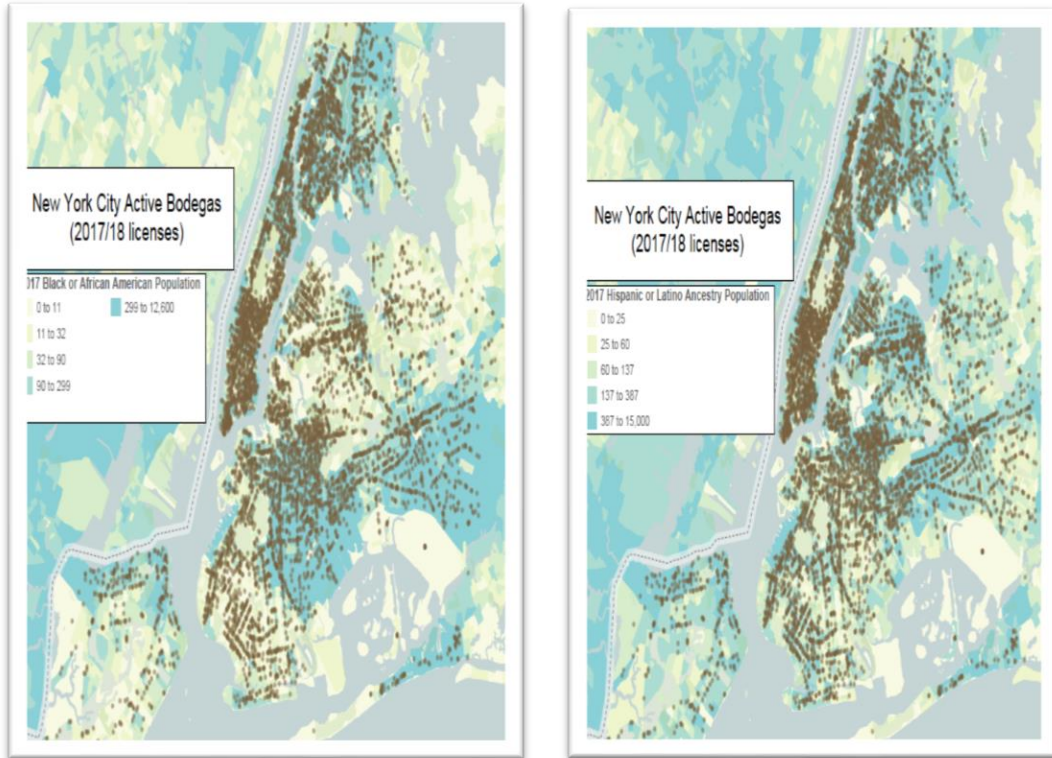
Some mainstream institutions have not adapted to this new cultural shift. But they are not alone. Tech startups and even established brands with names like Dove¹ and Nivea² are struggling to create and build products that speak to the unique cultural use cases of a more multicultural demographic. When they do, they sometimes display how out of touch they are with this valuable segment of the market. Thus, putting shareholder and investors at risk.



Figure 5 - A\$AP Rocky opens up an inspired Harlem Bodega in London

Recently, founders of the startup Bodega, came under fire for their culturally insensitive interview with Fast Company³ in which they intimated that the ultimate goal of the startup was to render the small businesses that many urban dwellers have come to depend on, obsolete. Once live, the story picked up speed on Twitter, where the founders and their product were widely lambasted. Eventually, the team released a statement suggesting an alternative take on the matter and implied that their comments may have been taken out of context.

This issue, however, is larger than an inappropriately named product or an out-of-context comment. Bodegas are a staple of urban communities. In 2015 in New York City, there were only around 12,000 bodegas⁴. Less today and they are in danger of being displaced by gentrification -- much like the residents of the communities they serve. With rents increasing, smaller retailers are being pushed out of neighborhoods where they were once a staple, often being replaced by big name chain stores. As stated, it is no secret that bodegas are typically located in urban neighborhoods where they service a mostly African American and Hispanic clientele.



Figures 6 & 7 – Map of active bodegas in NYC in Hispanic and African American communities

In retrospect, it is easy to see why the Bodega issue became a divisive one and a public relations fiasco for the startup. When founders fail to consider how their products and business models could potentially impact a larger and more diverse audience, it leaves a noticeable void. Much has been made of the way that startups conduct their market research and user testing; validating their ideas and prototypes solely with early adopters in Silicon Valley while neglecting those outside of this privileged demographic.

Arguably, they are not only missing the opportunity to make real, substantive change but also, to include an often-overlooked larger population.

Multicultural communities represent a growing segment of the American population, and the Hispanic community is leading this charge. The population is growing with millennials of young professionals making up a large part of these numbers.

“Hispanics will experience the most growth among multicultural consumers, growing from 17% of the total population in 2013 to 29% by 2060. According to the Census projections, by 2020, Hispanics will account for over half of all US population growth and nearly 85% by 2050. African-American growth will accelerate to 18% of the total population growth by 2020 and increase to 21% by 2060, while Asian Americans will be responsible for 15% of total growth by 2020 and increase to 19%. As the White population ages, their share of growth will begin to decline”⁵

The multicultural consumer is situated mostly in metropolitan areas of the country. To that end, cities like Atlanta, Chicago, Detroit, Los Angeles, Miami, New York and Washington DC have become not only hotbeds of diversity, but of culture. These cities represent great opportunities for brands and businesses that take the time to truly understand the specific needs of this consumer. They also represent new technological ecosystems that are popping up all across the US. The fact that the multicultural consumer heavily influences other Non-Hispanic White consumers in these metropolitan areas is significant. Why? Because when they do, it ultimately informs not only the cultural shift in rest of the country, but the world as well. The multicultural millennial consumer, then, is driving global shifts in culture. ⁶

Though the market size is known and numbers are indisputable, the question of how to access these demographics is still largely unanswered--The *need* doesn't have to be identified so much as the *how*. Most marginalized markets understand their own needs and desires, but what they lack is access to the proper resources and networks that are necessary to build scalable and enduring products.

We believe that it takes founders who are intimately familiar with the culture and armed with the appropriate support to bring about the change necessary to truly harness the growing financial potential within underserved communities.

Beauty is one such industry. A myriad of efforts have been made by some of the largest beauty brands to address the needs of multicultural women. These efforts largely consist of signing a major star such as Lupita Nyong'o, Queen Latifah, Eva Longoria, and most recently, Issa Rae as a spokesperson and face of the brand. Another tactic has been to purchase an already popular but smaller product line with a loyal customer base, with the goal of increasing the parent company's multicultural offering; think L'Oreal's purchase of Carol's Daughter and SoftSheen and Sundial's (maker of Shea Moisture) recent acquisition by Unilever. When these

unions take place, they are often met with skepticism within communities of color. The overwhelming belief is that as company goals shift to a more profit-centric focus, the quality of the product suffers and the



Figure 8 – Lupita Nyong'o is a spokes model for Lancome cosmetics

multi-cultural consumer is left behind as the company returns to what it deems as the more valuable mainstream (read: white) consumer.

But, that was all before Fenty Beauty. In September of this year, pop star Rihanna released her much anticipated beauty line, which boasted the tagline "Beauty for all". It did not disappoint. The line features 40 different shades of foundation in hues ranging from light to deep tones to cover as many variations of skin tone as possible. While other brands offer large selections and shades for foundation and makeup, the demand for darker shades seemed to take the industry by surprise. Shortly after the launch, it was widely reported that entire lines of the darker tones of the foundation had sold out.⁷⁸

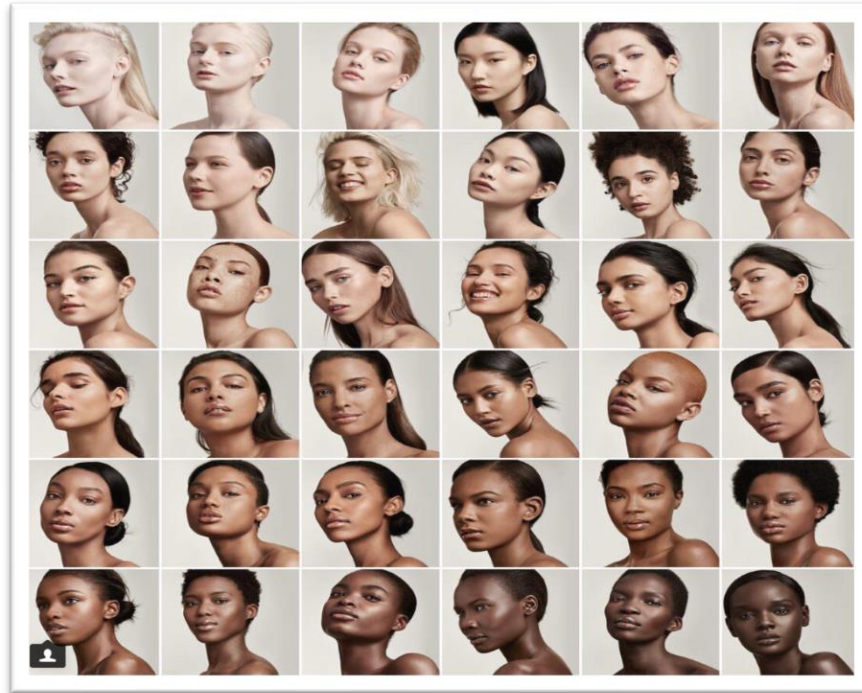


Figure 9 – Fenty Beauty shade chart

The fact that the darker skin tones appeared to be the most popular ones in the line may have been a shock for mainstream beauty enthusiasts, but it wasn't for multicultural women. Finding the right shade of makeup is a notoriously difficult task. It is also known that women of color spend more when it comes to their beauty needs. On average, Black women spend 80% more on skin products alone⁹ and often must mix and match combinations to achieve the right shade for their skin tones.

Rihanna and her team saw a void and dutifully filled it by creating a more inclusive beauty line that appealed to a wider market. When asked about the many variations included in Fenty Beauty's collection, she said, "All women should be able to have their own shade of foundation. It's that simple."¹⁰ Rihanna, as a crossover musical star with international appeal, clearly understands the new multicultural consumer. The result of this understanding yielded sold out foundation shades, long lines and of course profits; with estimates of the singer's net worth skyrocketing after the launch.¹¹

It is CCV's position that this inclusive approach will propel the next billion-dollar company and unlock new markets and opportunities that we believe will influence global culture and trends. We believe that founders with this mindset can realize revenue but also affect change. These are founders who understand that 86% of Latinos, 76% of Blacks, and 88% of Asians, are early adopters and heavy consumers, so they are beginning to create products with specific use cases in these markets¹².

These founders are creating startups that are stepping in to take the place of traditional brands; and even though advertising spend has increased across Black media in areas like hair care, loan products and insurance*, there is still plenty of room for an upstart to shake things up.

Beauty, however, does not represent the only opportunity. There are other areas we feel are ripe for disruption. Banking and financial services is one such area. Payday loans and other predatory financial services are rampant in multicultural communities. Wells Fargo recently came under fire for their discriminatory loan practices that mirrored the Jim Crow tactics described in prominent intellectual Ta-nehisi Coates' 2014 essay "The Case for Reparations"¹³. The city of Philadelphia is currently suing the bank for steering African American and Latino borrowers into risky mortgages.¹⁴ Old models need new thinking and old structures need dismantling. With original ideas and technology at the fore, founders can find great success by creating inclusive products that consider how the needs of multicultural communities can drive growth and affect positive change.

FINANCIAL PRODUCTS OWNED	GENERAL POPULATION	HISPANIC	HISPANIC \$75k+ INCOME	GENERAL POPULATION \$75k+ INCOME
RETIREMENT				
Workplace-based retirement plan (e.g., 401(k), 403(b), 457)	51%	38%	50%	60%
Workplace-based pension plan	23%	16%	27%	30%
Individual retirement account (IRA)	39%	19%	34%	52%
SAVINGS				
Savings accounts	81%	62%	66%	87%
Education savings accounts	6%	4%	6%	11%
INVESTMENTS				
Individual stocks	23%	8%	15%	33%
Individual bonds	11%	3%	5%	17%
Mutual funds	20%	7%	12%	27%
INSURANCE				
Workplace-based life insurance	47%	28%	37%	51%
Individual life insurance	37%	25%	33%	42%
Annuity	13%	5%	7%	17%
Long-term care insurance	13%	4%	7%	16%
Disability insurance	16%	11%	15%	19%

Figure 10 - Prudential Hispanic American Financial Experience 2014

Tech Intervention

Each of the companies listed below has identified a previously untapped billion-dollar market by applying technology to opportunities previously considered to be niche. It is true that some companies, to a degree, already cater to segments of these surging demographics. However, more direct cultural appeals are needed to accommodate the various needs of these groups on a larger scale.

By using technology to create new and innovative products, these startups are addressing the needs of millions of people who have otherwise been left underserved. By shifting from the status quo and focusing on these unmet needs, these companies are poised to reap the benefits of a deeper focus.

Catalyte, Hingeto, Mayvonn and Ready Responders, are working to address the needs of the underserved in new and innovative ways.

Catalyte

Michael Rosenbaum believed that the hiring process was deeply flawed and fraught with selection bias, so he set out to try to fix it by using data and technology. Starting from the basis that hiring was subjective and implicit biases would almost always intervene in the process, Michael decided to use data science in an effort to reduce human subjectivity. And so, the seeds that would eventually become Catalyte were sown.

Catalyte discovers amazing people from all walks of life and trains them to become full stack software engineers. Catalyte is less like the traditional offshoring company and more like many of the development boot camps and schools that have sprung up providing training for those seeking new opportunities in the new economy. The company is using its proprietary technology to provide real opportunities to people who have talent but lack the access to the resources needed to develop their skills and find gainful employment. It is helping to include those that have been excluded from the technology renaissance currently driving new product development, employment and wealth across the US.

Applicants are recruited online via sites like Craigslist where they may typically be looking for lower level jobs. They then take a unique algorithm-driven coding aptitude exam. From this exam, Catalyte is able to identify individuals who, “regardless of their background and education level possess the cognitive abilities to be great software developers.”¹⁵



Figure 11 - Computer Skills Training

Those who are accepted are then invited to train at one of Catalyte’s training centers, where they are on-boarded, supported and educated toward qualifying as full stack engineers

working with such clients as Nike, Under Armour and other Fortune 500 companies. Some of these individuals are changing careers or are new to technology. No matter, Catalyte finds the ‘diamonds in the rough’ and offers them a second chance; at not just employment but sometimes, a new lease on life. Catalyte’s unique position -- between the \$565 billion offshoring industry¹⁶ and the \$260 million¹⁷ dev boot camp industry has it well poised for success. But it is also helping to diversify an industry plagued by low diversity numbers and embarrassing scandals.

Catalyte’s training centers are conveniently located in urban areas where they can be easily accessed and can have direct impact on the communities around them. The classes are diverse in all aspects including gender, age and race. With diversity and inclusion being a hot-button issue in Silicon Valley and top tier technology companies struggling to hire enough Black, Hispanic and women employees, Catalyte provides a real solution for companies and workers alike.

One of the success stories, Carolina Kanis, was a classically trained flutist who drove from NYC to Baltimore for her initial interview. Today, Carolina is a software developer with Catalyte and picks up new technologies and languages in a matter of weeks. She equates software development with her knowledge of music. “It’s kind of like a superpower that I didn’t know that I had,” she said. Catalyte’s belief that diverse teams make for better business is supported by data, too. A 2015 McKinsey report on public companies found that companies with ethnic and racial diversity in management were 35% more likely to have financial returns above industry averages. ¹⁸

Why We Invested

Cross Culture Ventures invested in Catalyte’s first equity financing in July 2017 to back the Founder Michael Rosenbaum and CEO Jacob Hsu’s audacious vision, bold execution and long term commitment to becoming the largest software development company in America; building talent pools directly from underrepresented communities. Our team visited Catalyte’s HQ in Baltimore, Maryland and met the executive team as well as Catalytes such as Carolina. Their firsthand stories of the life changing mutual commitment, the culture of continual learning, mentorship and inclusivity as well as the opportunity to change America from within compelled our team to welcome Catalyte into the Cross Culture Ventures family.

Hingeto

After running his own successful t-shirt line for a few years, Leandrew Robinson took a job at [KarmaLoop](#), the online clothing retailer. While there, he kept his eyes open for opportunities; and he found one. KarmaLoop bills itself as one of the largest street and urban clothing retailers. During his tenure, Robinson noticed that some stock had been sitting around and not moving as fast or as well as others. Understanding the unit economics of the business and leveraging his relationships with reps,

Robinson was able to mark down clothing, create demand and increase stagnant sales on a small offshoot site that came to be known as PLNDR. Under the guidance of Robinson, PLNDR sales reached \$38million in 2013 alone and helped over 500 brands move product -- quickly.



Figure 12 - Street and Urban wear are driving fashion sales

While at PLNDR and Karmaloop, Leandrew also noticed that urban brands were leading in sales across the fashion industry. The sector was being driven by the popularity of rappers and sports figures who were starting their own lines. Sales were increasing but the cost of establishing the business and carrying significant inventory was stifling some of the smaller brands. However, there was still no shortage of new brands on the scene. For those who aren't aware, the apparel market is worth \$230 billion domestically and \$1.1 trillion globally. Risk aside, it behooves companies to get into the fray, the upside is too great to ignore.

The idea for Hingeto -- a technology company that provides solutions for retailers and brands to sell more product with reduced inventory risks -- was borne from this insight. The company creates a suite of products that empowers clothing retailers by reducing the risks associated with creating a fashion brand and selling clothing online. "Retailers can leverage virtual warehousing with our technology and access millions of dollars worth of inventory with just a click. We push over images and a real-time inventory feed to customers' websites" said Robinson. This drop shipment app is just one of the many services that Hingeto offers.

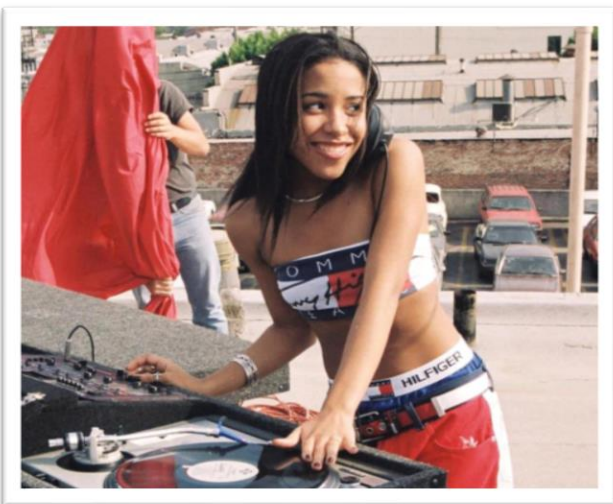


Figure 13 – Aaliyah in a Tommy Jeans campaign circa 1996

Hingeto has recently launched a new product that integrates with Shopify, allowing anyone with a Shopify account to leverage their powerful technology for their site as well. Shopify is known as a top ecommerce platform for vendors and is widely used to power the e commerce section of websites -- especially ones where clothing is

being sold. On the strength of his relationships and deep knowledge of retail and ecommerce, Robinson was able to sign his biggest client to date, in Marshawn Lynch's Beast Mode brand.

Leandrew believes that the company’s evolution from a crowd funding clothing site to a retail logistics company is a step in the right direction and points to larger changes in the industry. He has seen that the barriers to entry for retail companies have been significantly reduced -- and Hingeto is helping to lead the way. Now, any individual with a significant following can easily launch a retail presence in what has become kind of a democratization of ecommerce. Given that many of these influencers are sports figures and have large followings, they often skew younger, have social media followings and are multicultural. “If you have an audience you can now have a store. Before it required a location, a lease, product purchasing and a dream” Robinson mentioned.

There’s also a larger trend occurring in retail and ecommerce. High fashion and even couture is increasingly taking trends from urban and street wear. This phenomenon, of course, is not new. Brands like Tommy Hilfiger, Timberland and Marithe Francois Girbaud were staples of hip hop in the early 90’s; often being touted in songs and worn in music videos. Arguably, these brands have built their names, popularity and profits on the backs of the young rappers who weaved these brands names into their rhymes, thus encouraging their fans who aspired to rap like them to also want to dress like them.



Figure 14 – Instagram post comparing Gucci 2017 runway look to original 1989 Dapper Dan design

“What used to be on the fringes can now be available to the masses. We in the inner city have always been on the cutting edge of culture. And what was niche is now mainstream” said Robinson. He’s not wrong, either. Recently, famed fashion house Gucci announced a partnership with Harlem’s own Dapper Dan who created unique bomber jackets and suits for rappers from Eric B and Rakim to Big Daddy Kane in rap’s hey day. After an Instagram post comparing an original piece by Dan from 1989 with a recently released piece from the brand’s most recent NYFW show went viral, Gucci acknowledged the homage, which many called right out appropriation. However, the two are now collaborating on new work¹⁹.

Why We Invested

Cross Culture Ventures led Hingeto’s Series Seed investment round in June of 2016. The aforementioned cultural trends, market opportunity, and the dramatic decline of brick and mortar retail made it clear that ecommerce and particularly urban and street wear sales via mobile/ web is the future of fashion sales. Leandrew’s in depth understanding of ecommerce and street wear, his stellar sales track record at PLNDR, and Hingeto’s unique approach to the market made Lenadrew the ideal entrepreneur to back in this space.

Lendstreet

When Jerry Nemorin, a Haitian immigrant was growing up, he saw members of his family struggling under the weight of debt but rarely finding a way out. Later, when he worked on Wall Street, he saw that businesses with significant debt were often given a financial reprieve via restructuring of said debt or other economic mechanisms. However, such economic reprieves were not afforded to consumers who were also struggling with personal debt. “I watched as my family played wack-a-mole with



Figure 15 –Internet Meme

payments and debtors and wondered why they couldn't get the same opportunities." Nemorin said.

This core observation was the key to founding Lendstreet. Debt restructuring for consumers isn't a new concept. But what makes the startup unique and sets it apart from others in the space are the people that it helps. Lendstreet's typical customer is the consumer with significant credit card debt (around \$50K), an average credit score of 550 and who spends 65 to 70% of their income to pay down her outstanding debts. While the company doesn't track race per se, most of Lendstreet's customers are African American or Latinx. This demographic, which historically have been the victims of redlining in real estate, bad actors in banking (see the aforementioned Wells Fargo suit) and predatory loans during the recent financial crisis, is particularly vulnerable to dubious financial products.

A 2008 Debt.org study revealed that, compared to their white counterparts, "African-Americans needed to use 53 percent of their incomes for debt payments. Hispanics were the worst off in this category and spent 56 percent of their incomes on debt payments."²⁰

Lendstreet's main differentiator is the ability to see beyond the typical means of classifying debtors; i.e. the credit score. "We look at the customer as a real person and try to think about what that person is worth in the market," Nemorin said recently. Other companies simply create a savings account that customers contribute to, to pay their debts. Lendstreet offers customers the capital needed to pay off all outstanding debt at a discounted rate, thus immediately improving their cash flow. This helps to remove delinquencies from their credit report and begins the repair process immediately.

The team at Lendstreet has created a robust, data-driven company that utilizes algorithms to assess the viability of each customer and risks associated with each loan. With \$400 billion in distressed debt in the US alone, they are also

actively serving a woefully underserved demographic with spending power that numbers in the trillions.

Why We Invested

Cross Culture Ventures led Lendstreet's Series Seed and participated in its Series A rounds of financing in May 2015 and August 2017 respectively. Jerry's demonstrated passion for building Lendstreet is rooted in a personal experience. His unwavering motivation to solve this very real and unfair issue for the poor is not only important and commendable, but also represents a lucrative opportunity. Additionally, Jerry has proven himself to be a master of finance and a thoughtful leader. We are proud to work with Jerry and the Lendstreet team.

Mayvenn

Diishan Imira founded Mayvenn, a mobile and logistics company that reduces the friction of purchasing hair products in inner cities, in 2012. Imira, a founder with a virtually encyclopedic knowledge of the booming hair weave industry, was aware of the shift by African American women away from relaxed styles to natural hair and protective styles. He was also acutely aware of the fact that, most black hair salons are breakeven to barely profitable businesses, which meant that they are not positioned to take on product inventory risk. Armed with this knowledge, he devised a way to remove the middleman and provide stylists with direct access to just in time inventory.

Imira's knowledge is the driving force behind Mayvenn. Mayvenn empowers stylists by putting money back into their pockets and thus the community.

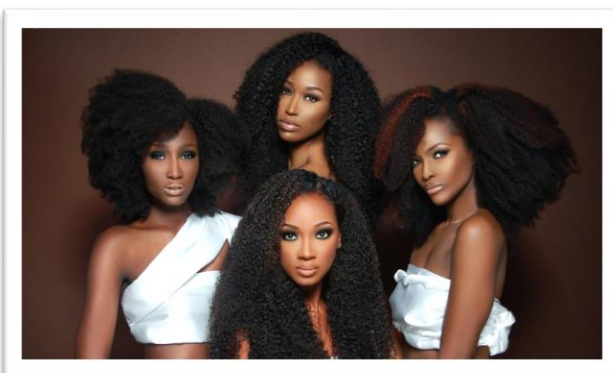


Figure 16 – Black women wearing natural and protective hairstyles

Consider the fact that African American women are the fastest-growing segment of entrepreneurs in the country, starting mostly personal service-based businesses like salons at six times the national

average and the ripple effect of this is undeniable.²¹ “Despite these salons having the amount of traffic they had, the expertise of the stylists and the referral power they had in terms of purchasing decisions, they were missing out on a significant opportunity to capture revenue from product sales. And I thought that was an interesting arbitrage opportunity to cut out a middleman and shift back to a more direct to consumer model” he said.

A 2014 Mintel research study found that 44% of Black women reported having a weave, wig or extensions in the previous year with 38% saying they planned to have them in the coming year.²² This shift allowed Mayvenn to tap into the specific niche of the multi-billion dollar black hair industry that has been virtually



Figure 17 – A still from the film “Barbershop: The next Cut” starring Nicki Minaj

ignored by traditional companies.

Mayvenn entered a friction filled market and gave tens of thousands of stylists access to larger markets by making hair extensions and other hair

products more readily available. The company holds the inventory and

handles all shipping and fulfillment, thereby removing a large barrier for stylists. Traditionally, these stylists and salons could not afford to carry inventory.

However, by introducing a streamlined ordering process, Mayvenn has given its community the ability to expand their product offering and increase the income of these small business owners.

Another unique way that Mayvenn empowers the stylists that they work with is by meeting them where they are and tailoring services to meet them. Understanding that these communities over index in mobile use, Mayvenn devised a unique text-based communication strategy that allows them to interact directly with their customers. “We’ve managed to build an entire customer service operation

around SMS. Our marketing and communications are all based on SMS and has been quite successful.” Imira said recently.

Mayvenn is also innovating by migrating a previously cash-based community into the larger financial system and Imira says that Mayvenn has seen online payments increase significantly. This migrates offline, cash customers to online customers. “We recognize that and are putting marketing dollars into customers that other companies have previously overlooked or even ignored.” Diishan told us.

Why We Invested

Cross Culture Ventures participated in Mayvenn’s Series A and led its Series A extension investment rounds in May of 2015 and March of 2017 respectively. While Mayvenn was a little later in stage than our typical investments, this was an opportunity that we could not pass up. The multi-billion dollar hair extension market is undeniable. Mayvenn’s unique access to a demographic (black hair stylists and their customers) that beauty brands have unsuccessfully sought to capture for years is nothing short of remarkable. Additionally, Diishan, who grew up surrounded by black beauticians, is fluent in Mandarin, developed supplier relationships while living in Asia, and has a sound grasp of the logistics associated with import/ export, is uniquely qualified to lead this business.

Ready Responders

While police presence is often higher in urban communities via hotly debated practices such as Stop & Frisk, sadly emergency response services are not as available. Legendary hip-hop group Public Enemy bemoaned the issue in their hit song “911’s a Joke” back in 1990. The song’s video hilariously stars the group’s showman Flava-Flav highlighting just how long emergency response services take to make it to poor urban communities. The lyrics leave few questions on the matter:

Now I dialed 911 a long time ago
 Don't you see how late they reacting
 They only come and they come when they wanna
 So get the morgue and embalm the goner
 They don't care 'cause they stay paid anyway
 They treat you like an ace that can't beat a Trey
 A no-use number with no-use people
 If your life is on the line then you're dead today²³



Figure 18 – A still from the “911 is a Joke” video.

Sadly, the perception is that not much has changed since then. Emergency response services have been woefully lacking in urban neighborhoods for years and recent high profile police brutality incidents haven't helped the already tenuous relationship between communities of color and police. Many of us have been conditioned to dial 911 in emergencies, but lack of trust creates a larger issue.

When someone in a community of color dials 911, with many, often chaotic events coalescing at once, the situation is fraught with tension. As city populations get older and sometimes, sicker, urban areas have been struggling under the weight of providing emergency services to all communities in a way that will ease some of the burdens on city-run services like municipal fire and ambulances.

Ready Responders takes a gig-economy approach to emergency response by employing health care providers and EMT trained individuals to respond to and care for members of their communities. Because these members of the communities are sometimes closer than ambulances and fire resources, a Ready Responder can be on the scene providing much-needed and often life-saving care well before traditional emergency response service providers.

Ready Responders aims to get critical medical response to the scene of a medical emergency in less than 5 minutes. Sometimes, this could mean the difference between life and death. But, it also provides a relief to already burdened civic and municipal services who must respond to what are sometimes non-emergency calls or minor illness and injury complaints. In already-congested urban areas, they must contend with not only the high demand but traffic congestion. Because Ready Responders offers a unique distribution and staffing model, they “arrive on scene by foot, bicycle or vehicle while obeying all traffic laws. They provide highly competent and rapid response, which increases the available medical resources to large-scale events for the existing Fire/EMS services.”²⁴



Figure 19 - Ambulance heading to an emergency

Justin Dangel and Benjamin Swig got the idea for Ready Responders from a program already in place in Israel. They saw a great opportunity to not only improve civic services but to save lives as well. They understood that fundamentally, when cities approach a problem, it typically involves hiring more people. The concept of other city dwellers helping each other is critical to the Ready Responders model. “It turns out that there are a lot of people who have medical emergency training; they’re just looking for a way to get involved.” said Ben recently. The founders understand that sometimes, ordinary citizens can make a huge difference where cities and governments can’t fill the void. After launching in New Orleans, the startup plans to roll out the service to other densely populated urban areas including Los Angeles.

Why We Invested

CCV invested in Ready Responders’ Series Seed investment round in August of 2017. Having grown up within inner cities of New York, NY and Philadelphia, PA respectively, the co-founders at Cross Culture Ventures have witnessed and experienced the very issue that Ready Responders seeks to remedy. Ready Responders has a distinct opportunity to save lives, improve local government to citizen relationship, reduce health care spend, and make emergency rooms more efficient while creating significant value for its investors. This investment simply made great social and economic sense, it was also quite personal.

Conclusion

In this report, we've attempted to highlight some of our portfolio companies who, we feel, are making great progress in bridging what we view as the cultural divide. Much has been made of the digital divide, but we feel that culture holds real opportunities for disruption and innovation. Often, underserved communities are bastions of need waiting to be addressed by technology. We have attempted, in our portfolio, to create a healthy mix of companies and diverse founders who share a unique view into their respective fields and are trying to impact the world using technology as a catalyst for change.

The sectors we have highlighted are not the only ones ripe for disruption. AI and big data are being used widely across multiple sectors but have fallen short when used in [law enforcement](#) and even in [search](#). These tools often begin with defective and biased data sets and result in equally defective conclusions that have real life consequences -- often for black and brown people. We think this is worth looking at. Payday loans, that make money preying on low income people, is another area of keen interest. As the industry takes a [hit](#) overall, the time is right to make significant changes that could reap rewards for those who do it right.

At CCV, we believe that culture is the currency of the new tech-enabled economy and will ultimately be the bridge that connects us all, regardless of our disparate backgrounds and history. The right startup can reap benefits by solving for x where x is the unique blend of culture, unmet need and technology.

If you are a founder working on solutions in these sectors, we encourage you to reach out to us. We'd love to hear from you.

Footnotes

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Images

Cover: Ryan Miller via 500px <https://500px.com/photo/121657373/los-angeles-by-ryan-millier>
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Figure 1: “Jay-z in concert”

Figure 2:” Millennial students on social media” via The Financial Times <https://www.ft.com/content/7c972e2e-a88f-11e7-ab55-27219df83c97>

Figure 3:”Smartphone Ownership, Mobile Internet Use, and Social Networking Site Use 2012” via Pew Research Center <http://www.journalism.org/2012/10/01/social-networking-and-mobile-devices/>

Figure 4:”Various #OscarSoWhite tweets De’Havia Stewart for CCV

Figure 5: “A\$AP Rocky opens up an inspired Harlem Bodega in London” via https://i-d.vice.com/en_au/article/ne7kez/adollarap-rocky-fashion-kill-a-turned-fashion-shopkeeper

Credit: Selfridges

Figure 6: Map of active bodegas in NYC in majority African American communities.
 Omar Vargas fro CCV

Figure 7: Map of active bodegas in NYC in majority Hispanic or Latino communities.
 Omar Vargas for CCV

Figure 8: “Lupita Nyong’o is a spokes model for Lancome cosmetics” via Huffington Post https://www.huffingtonpost.com/entry/5-things-you-didnt-know-about-lupita-nyongo_us_57f6b7f8e4b00885f2c6b4f8

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Figure 9: "Fenty Beauty shade chart via Fenty Beauty Instagram page

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Figure 11: "Computer skills training" via <http://www.nvcc.edu/stutechnology/computer-labs.html>

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Figure 13: Aaliyah in a Tommy Jeans campaign circa 1996 <http://www.complex.com/style/2016/08/tommy-hilfiger-hiphop-oral-history> (Wiki Commons)

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