

Statement for the Record
Before the Senate Committee
on Small Business and Entrepreneurship
Hearing Entitled: “Barriers to Entry in the
Tech Industry for Diverse Entrepreneurs”
October 3rd, 2019 Patrice Darby Founder
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Dear Senate Committee Members,

Thank you for allowing me to share my perspective regarding, “Barriers to Entry in the Tech Industry for Diverse Entrepreneurs.”

As a second generation childcare expert and entrepreneur, I was equipped early on with the capacity and willingness to develop, organize, and manage a business within the childcare industry. This grew into a lifestyle of solving massive problems and creating timeless impact. I remember studying the historical development of childcare and I was intrigued. However, I was also faced with the realization, in order for childcare businesses to be sustainable over the next two to three decades, these businesses must merge with technology. This led me to building a high-growth tech startup.

GoNanny is a childcare management and logistics platform providing childcare solutions for families, child-centered programs, and institutions. We’ve built a proprietary vetting system that has validated the dependability, safety, and trustworthiness of over 200 childcare professionals. We’ve utilized technology to develop a safe infrastructure with a proven and tested methodology for executing short incremental child care and safe pick ups and drop offs seamlessly. Now, we’re equipping childcare institutions with this technology infrastructure as a tool for creating sustainability and economic growth for all small businesses within this sector.

I share this background because there is no coincidence to the construct of our business model. When I started this journey in tech, I realized the largest barrier to my success was access to the capital necessary for a high-growth tech startup.

In 2016, I took my business plan to Chase Bank, The Small Business Administration, Accion Chicago, and The Women’s Business Development Center in search of getting capital to launch my business. I was turned down by all four; despite the fact that these institutions publicized funding for small businesses who couldn’t get approved by traditional lenders. I needed customers to validate my model. How do I get customers without the funding to build the platform? The only solution I had was selling everything I owned, moving out of my condo, and using those funds as startup capital.

Through humility, grit, and determination I eventually created a demo. I took my product to downtown Chicago and stood on the corner of Wells and North Ave. Parents who walked by tried my demo and some signed up for the service. I gained valuable customer discovery and validation. Quickly after, I had my first paying customers. GoNanny experienced year over year growth by 240% via word of mouth and the influx was greater than our infrastructure could support.

Once again, I found myself in need of capital in order to create the infrastructure necessary to scale my business. I reached out to various firms, funds, and institutions in order to nourish my robust growth. This time with renewed confidence as my business concept had been proven with significant revenue induction and returning customers. Unfortunately, despite all I had accomplished and regardless of projected growth; I still have yet to receive the necessary funding that a high growth tech start- up requires.

Funds like Accion Chicago and Entrepreneurs of Color Fund that are designed to create access to capital for minority companies still adhere to a traditional lending structure, or the process is arduous creating an additional barrier to entry. Thereby eliminating the majority they're designed to help.

Statistics show female-led companies that receive venture funding outperform their male peers by 63%, but only 0.2% of women of color entrepreneurs receive venture capital funding. These statistics show there is an untapped pool of potential created by unintentional oversight or presuppositions.

My hope is that the information gathered here today creates a system that removes these barriers to entry based upon feedback from entrepreneurs like myself and others represented here today.

Thank you,

Patrice Darby