



Leading Women podcast

CommBank Women in Focus

Episode 9: Sarah Nolet, Co-Founder and Managing Partner, Tenacious Ventures

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Interviewee: Sarah Nolet, Co-Founder and Managing Partner, Tenacious Ventures

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Sarah Nolet, Co-Founder and Managing Partner, Tenacious Ventures on leading through influence rather than authority and hierarchical structures. Sarah is a change maker, backing women founders who are creating more environmentally and ecologically sustainable ways of producing food and what we eat.

Fiona [00:00:06] Welcome to Leading Women, your go-to podcast for stories, tools and resources to shape your leadership journey now and into the future. Hi, I'm Fiona McAuley, Head of Women in Focus at CommBank, joining you from Gadigal Country. We acknowledge the traditional owners and recognise their continuing connection to country. We pay our respects to elders, past and present, and extend that respect to all First Nations people. Leading Women is just one way CommBank Women in Focus supports the growth of women in business and community. So, no matter where you are on your journey, we're here. Enjoy this episode as we hear from dynamic, inspiring, and resilient women together.

Shivani [00:00:55] Welcome to Leading Women, I'm your host, Shivani Gopal, and today's episode is with a visionary leader hailing from Silicon Valley, who is cultivating the agri-tech landscape in Australia. Sarah Nolet is Co-Founder and Managing Partner of Tenacious Ventures and the host of the podcast AgTech So What? Drawing from her kaleidoscope of high performance leadership roles, including elite athlete, founder, board member, mentor and philanthropist, Sarah shares the impact of leading from influence and inclusion rather than authority and aerial hierarchy. You'll be inspired by Sarah's experience of how she dials up access to funding for women founders, and the value of having a bias for impact. Sarah, welcome to Leading Women. It's so wonderful to have you.

Sarah [00:01:52] Thanks so much for having me, Shivani. It's really great to be here. I'm looking forward to our conversation.

Shivani [00:01:56] I'm joining you today from our studios on beautiful Gadigal Country. Sarah, where are you joining us from today?

Sarah [00:02:02] I am on Gayemagal Country, which is beautiful, Manly.

Shivani [00:02:05] Now you've had the most diverse and impact-driven leadership journey, how were the many seeds of leadership sown?

Sarah [00:02:12] Yes, my leadership journey really started out in sports. I was an athlete for most of my adolescence, was an All-American soccer player, played three varsity sports at university. And in sports, often the best player is made captain. And so I found myself in the position of having that authority to lead, but not really feeling like I had earned it from a leadership perspective, which got me reflecting on what does it mean to be a leader? How do I avoid the mistakes of the bad coaches I had, or the other people that were the best player, but not actually the best leader that I was surrounded by in sports? So when I moved into business, as many people do when they first start their careers, I wasn't in a leadership position necessarily from authority. I didn't manage people off the bat, but I did work with a team of engineers. I was a product manager with a background in computer science and systems engineering, and I found myself with a team of ten engineers that we were building a product.

Now they all had more years of experience than I did, some of them 10 or 20 years, some of them older than me. And yet I was the one calling the shots on what features we were going to build and how to really make the best product for the users. And so that part of my leadership journey was about leading with influence, not with authority. Now fast forward to where I am now, after running my own advisory business, after building and selling a business, and now being on venture capital where we make investment decisions and often sit on boards for other companies, I am often in a position, you know, where I'm leading with authority as well as leading with influence, and that's such a privileged position but with great power comes great responsibility. And so that's the part of my career I'm in now is thinking about, you know, when to wield that authority, when to wield influence, and how to really maintain authenticity to myself despite being in those positions of authority.

Shivani [00:03:55] You've had such a unique vantage point to leadership so early on in life within an elite sport, from player to team captain. How did that shape your experiences of leadership when it comes to wielding influence, staying true to your purpose and making a difference?

Sarah [00:04:11] Yes, I mean, as an athlete, you have coaches and you have other captains. And then I was fortunate enough again to be the captain in many situations. And so, you know, even as a 22-year-old, I had seen good leaders and bad leaders in probably more volume than you might have the chance to see, you know, before you entered the business world. And so I did have some good insights about what I didn't want to do as much as what I did want to do, whether that's providing criticism publicly or tearing people down, or thinking more about yourself than what's best for the team, you know, lots of early lessons that very much apply to business that I got through sports.

Shivani [00:04:43] Sarah, we talk so much about everyday leadership and one of these concepts around everyday leadership is ESG. We hear this concept a lot, and I want to talk about how you actually bring that to the forefront. We hear a lot around bias for action. You've taken that one step further and gone straight to bias for impact in the world of ESG. What does that mean for you?

Sarah [00:05:03] I wasn't always biased to impact as a young adult in starting my career in technology. I probably followed my parents advice, which was go make money and then do something good for the world. And I really thought of them as separate. It wasn't until in my mid-twenties when I found myself on an accidental gap year living on farms in South America, which is a story maybe we save for another day. But it really connected the dots for me that agriculture and our food system was an area where the private sector and impact opportunities were intimately tied together, and that's for me when I shifted everything I do in my career to be about food system innovation and solving for climate change in the food system, and for me, there's really no compromise then between commercial opportunities and the private sector and climate impact. And so for me, that bias to action and bias to impact is really united in everything that I and we do.

Shivani [00:05:58] I think so many of us are actually brought up in this way, Sarah, that you talked about, which is the trade and transfer model, right. We will earn some money and with that money we will go off and do good. Or if we're building a business, we will earn money by selling our product and then we'll give 10% to charity or something. What I find so unique about you is the fact that you talked about that, you have a non-negotiable around impact, as you call it. You are impact native. How do you move more into that space and be so uncompromising and yet still successful?

Sarah [00:06:31] Yes, for us at Tenacious Ventures, where we are impact investors, we really see that climate lens as an unfair advantage because we believe we'll get the best people solving the biggest problems that will matter the most to society by thinking about climate change. How we farm, where we farm, what we eat, when we're able to eat it is going to be massively impacted by a more volatile, warmer world and so investing through that lens, we believe, is actually a competitive advantage.

Shivani [00:06:59] It absolutely is but we also live in a world where sometimes you may have naysayers around you, or you may have opportunities around you that may start to flex your core. And it sounds like being impact-driven is an intrinsic core value. How do you stay true to that when you may have people say, oh, but you might make a little bit more money if you invested in this business or that business. How do you stay true to who it is that you are so that you can achieve your envisioned future?

Sarah [00:07:31] I would say especially in food and agriculture, it's really both. So we wouldn't want to invest in something that's just pure impact but doesn't have a commercial outcome. So consumers, for example, it's rare that you'll actually pay more for a more sustainable product. People say they will, but we really care about affordability. We're busy. We want things to taste good. Yet products that are more affordable, more tasty and more sustainable, now that's a win-win. And so that's actually what we look for, is where the impact and the productivity or commercial outcomes truly align. And that means we can harness people's sort of selfish instincts and their altruistic instincts together to hopefully have more returns or more commercial success and more climate impact at the same time.

Shivani [00:08:13] Sarah, what is your vision for the future when it comes to action for impact, ESG and everything that you do?

Sarah [00:08:20] Yes, really, my mission is around bringing solutions driven by the private sector, driven by those commercial incentives to the entire food and ag value chain, so that our food system is resilient to climate change. Right now, the food system contributes somewhere between 25% and 35% to global emissions so it is a contributor to warming and the food system, our production again, what we eat, when we can eat it, is really impacted by climate change. So as the world gets warmer and the climate gets more volatile, it will be trickier to produce food. And so really my vision is that we are more resilient and more environmentally, ecologically sustainable in how we produce food and what we eat.

Shivani [00:09:03] When we talk about agriculture, we can start to think about it as a complex commodity. Whereas, in fact, when we simplify it down, the heart of agriculture is farming. And at the heart of farming is food, such a fundamental need. So getting to the heart of the matter, this is something that we all know and love. How can we combine something as critical as food with technology to futureproof our world?

Sarah [00:09:28] Just on your first point there, Shivani, I remember when I was in grad school, I had to give a presentation about agriculture to a more general audience, and I was really nervous about how to kind of connect the dots. And I started out by saying, how many of you work in agriculture? And like, no one raised their hand. And then I had a quote about how, you know, eating is an agricultural act. And I said, well, how many of you eat? And then everyone's hand went up and the room visibly changed so that everyone sort of connected with, okay, I get this. And I think that's really true. You know, we all do eat and food is so important and we think less about where it comes from but that doesn't mean that agriculture isn't important. And increasingly technology is important to how we produce what we end up eating, whether that's the equipment that we use to harvest or the weather stations that we use to monitor the weather, to know when to plant or the equipment we use to wash or dry or package or transport. Our food system is full of technology. In an Australian supermarket, you might see apples from the US because we have to harvest them over there, transport them, preserve the shelf life, wash them, and all of that takes technology. So it's kind of embedded in everything that we already eat today, from when it's harvested to how it's packaged, to how it gets to us.

Shivani [00:10:39] I think we have interactions with food all the time. And whether or not, as you've said, we actually work in agriculture from a commercial perspective, we all have an impact, don't we? From a climate change perspective and I'm sitting with you here drinking coffee at the same time with my KeepCup. I think we all have a small impact that we can make when it comes to our climate footprint and our carbon footprint in how we engage with food. Sarah, speaking of engaging with food and technology, you've got some hilarious stories around how AI is so different when it comes to farming.

Sarah [00:11:13] Yes, when I moved to Australia, you know, relatively young American female, and I would find myself in regional towns getting asked to speak about technology and how technology's impacting the food system. And I really stepped in it in a room when I was talking about AI, and I meant artificial intelligence and was talking about different autonomy and robots in the future, and the kind of blank stares I was getting. And I realised that when you say AI in a room of farmers, they're probably thinking artificial insemination and that's just one of the many examples of where there is a kind of urban rural divide. And we are speaking different languages that doesn't mean there isn't a lot of common ground or goodwill to be found. But you do have a bit of an uphill battle just even in the words that you use.

Shivani [00:11:52] I spat out my coffee, laughing, Sarah when we had this conversation earlier, realising, of course, AI would originally mean artificial insemination and it would have been a term way before AI, as we now know it, existed today. In fact, farmers probably think of AI as we know it today as maybe AI 2.0. Sarah, in staying with AI, where does AI as we know it today have a relationship with agriculture?

Sarah [00:12:17] I asked our portfolio company so we've invested in 14 businesses solving billion dollar climate problems along the food and ag value chain, in all different areas. And I asked them the other day; we have a peer-to-peer learning group. You know, how many of you guys are using AI? Some, of course, are building, you know, robotics or things like that, where it's core to their technology. But others, I wasn't sure there may be a materials company or in packaging and all of them were using AI, whether that's ChatGPT to help them with grant applications or different AI applications to make them more productive, or thinking about procurement or embedding it in their products so it is absolutely ubiquitous. One of them even said, you know, today we take for granted that there's energy running in our homes or the Internet powering our computers, and AI will be the same thing. It will absolutely just be everywhere, ubiquitous. We don't even think about it. So we're not there yet but, you know, that is where I expect to be.

Shivani [00:13:07] What are some of the most exciting technology that you are seeing come through in agri-businesses today?

Sarah [00:13:15] Yes, one of our companies is called Swarm Farm Robotics. They were founded by a farming couple in regional Queensland, and they build robots that help farmers do jobs not only with fewer people or without people, but also things like saving up to 98% on chemicals so more environmentally friendly, more economic, and solving a big problem, which is access to labour. And so going back to our point about ESG and impact, it's really both. It has a commercial value proposition and an environmental value proposition and that's absolutely what we look for in Swarm Farms, you know, a great example of that.

Shivani [00:13:48] We've talked about access to labour. I want to talk about access to food and we're thinking about food and technology. And I can't help but think about, some of these, you know, GMO foods, for example, or foods that actually are created incredibly from scratch. What are your thoughts around the viability of foods like this and the place that it might have in our world?

Sarah [00:14:10] Yes, I think there's a real intuitive answer that people have where they want food to be natural. And we have this image of, you know, animals out on a beautiful green paddock or, you know, fruit being grown in the warm sunshine and yet that's not really the reality, right? We're equally happy if our veggies and fruit are pre-sliced and come in a package and we can pick them up off the shelf and eat them on the go. And so I do think we're starting to challenge what it means in many ways to serve a consumer and what modern consumers truly want. We're also challenging things on the production side, as it gets hotter and there's hail and flooding, rains and drought, it's trickier to produce things. And so kind of on both sides of the equation, we're really needing more technology to be able to just meet food security goals, to be able to feed a growing population, to be able to get that on time to cities, especially, you know, to our export trade partners around the world, not so much in Australia, but that food security angle is really key. So yes, while we have images of what food production used to be, frankly, there's too many people on the planet for us to fully produce, like that and, it just doesn't make sense. We do need technologies. They need to be sustainable. We need to think about the environmental impacts and the nutritional impacts, and the access and affordability and technology can actually help with those things and the challenges that we're facing moving into a more, climate changing world.

Shivani [00:15:28] And how can we, as leaders, start to change the culture and change the dial when it comes to thinking about food modified by technology, or perhaps created from scratch by technology when it comes to solving not just issues around climate change, but also poverty and hunger?

Sarah [00:15:45] Yes, food is such a personal decision as well. I've been asked on a number of podcasts or speaking, you know, are you a vegan or do you recommend this or that kind? And really, I think food choices are incredibly individual. They're cultural. They have different contexts for people and so what we think about it at Tenacious Ventures is the big systemic pathways to move the needle on the whole production system, you know, how do we reduce that 25% to 35% emissions at a macro

scale? So every individual person can do their part, but they also need to adhere to their, you know, cultural and individual values and lifestyle. So, you know, our big intervention is really on, you know, how do we help every farmer in the world reduce chemical use by 98%? How do we divert all of our organic waste from landfills by managing it with a biological process? How do we remove synthetic chemistry from insecticides and give farmers new tools? So it's really that system level that we're working to impact.

Shivani [00:16:38] It's incredibly inspiring, Sarah, because as I hear you talk about that, I was also doing a mental stocktake of how I'm starting to reduce my impact and one of the new things that we've done in our family for the new year is to try to reduce all plastic use that we have in our household and can we, you know, continually, you know, bring water from home, for example, and take coffee from our household. I think it all adds up on a one-to-one scale, as well as in one-to-many scale through the work that you're doing with food and technology. Sarah, when it comes to funding, you're a change maker in many ways. You are in the driver's seat when it comes to getting female founders access to capital. We already know that women only get access to around 3% of the world's venture capital. Running a fund yourself, what did the founders you back look like?

Sarah [00:17:24] Yes, so we're really proud that 50% of our portfolio companies have a female founder or co-founder, and that's well above the industry average. The data just came out actually in Australia, and it's around 20%, I think it's 18% of capital and 26% of deals that have a female founder, co-founder and again, for us, that's, sitting at 50%. So we don't have a quota around that but we're really proud that by backing the best founders that we believe will have the most impact, 50% of them are female.

Shivani [00:17:55] How much of that do you think has to do with the fact that there's actually a woman at the decision-making table?

Sarah [00:18:01] Yes, at Tenacious Ventures, my business partner is male. I identify as female. Our COO identifies as female. We're sort of unique in the senior decision making on our team. And it's, I think, probably part of what makes us, a great investor is challenging each other's perspectives and bringing really different context. We're all from three different countries, each of us are ten years apart on the senior team. So there is quite a lot of diversity and that difference of experience, different contexts, I think makes us better decision-makers, which means we're more likely to remove bias and think from first principles and hopefully make a lot better investments.

Shivani [00:18:37] Yet another example of how you are biased for impact, not just biased for action because you do get it done and you do get the results, 50% female founders in your portfolio, I wish would be the norm, but unfortunately isn't. And it's very powerful that you do have that there. Sarah, for our listeners out there, there may be some women who are thinking, you know, I want to start up a company of my own, but I don't know, one, how I'd actually get started, and two, how I might go about getting funding. What advice do you have for our listeners?

Sarah [00:19:09] My first advice would be to absolutely do it. What we see in our portfolio at Tenacious Ventures is there's no one common background of where a founder needs to come from. They say, you know, it's investment banking or it's consulting, but our founders are entomologists, they're chefs, they're wool classers, they're farmers. And so we think that you can be an impactful founder, solving billion dollar problems and changing the world no matter what your background is. So my first advice would be get started and don't let whatever averages you read in venture capital be a turn off. The second one would be there are so many resources out there about the kind of basics of how to build a pitch deck, how to avoid common pitfalls of entrepreneurship, and a lot of that you don't need to go do necessarily an MBA program or anything like that so much of it is in the public domain. And so a kind of self-directed, you know, learning course to just get up to speed on the common pitfalls and tips. And then we're fortunate enough here in Australia to have a really growing and vibrant ecosystem of incubator programs, accelerators, mentors, pitch nights. We, for example, run an ag-tech meetup. Where we bring together, you know, 50 or 60 aspiring founders, funders, investors to talk about challenges and opportunities in the space to have a guest speaker. And so there are so many opportunities at the community and ecosystem level to get involved. And again, anyone, whatever age or background, urban or rural, you've been on a farm, you haven't are absolutely welcome to come to those and get more exposure to the ecosystem. And my final piece of advice would be, there's no silly questions. I've been in plenty of rooms, you know, getting into the venture capital side where I didn't speak all of the finance jargon and didn't know, you know, how to sound like everyone else in the room

and just having that confidence to say, look, can you define this term for me before I answer that question because I actually don't know what you mean, but I backed myself to know the answer once I do. And so there's just really no silly question as you're getting up on what can be quite a steep learning curve.

Shivani [00:21:11] I think one of my early leadership lessons was, in fact, the only way that I get to smart is by asking the silly question.

Sarah [00:21:17] Absolutely and it really shifted for me when I thought of asking questions as, not a sign of experience or lack of experience, but actually brave that probably everyone else has a similar question, but they're too scared to ask it. And so when you flip it and think of it as being brave to ask, then it's quite empowering.

Shivani [00:21:34] It is and when you just talked about being brave, it made me think again about your career. Where have been some moments where you think you had to be brave in order to move forward?

Sarah [00:21:43] When we launched our first fund at Tenacious Ventures, we hadn't been on the investment side. Before Matthew and I had been working with founders, I had run my own advisory business. I had previously sold a program business, but we hadn't been investors, and so there was a lot of doubt around, you know, what is this journey going to be like? We had to be brave and say, we really believe that access to capital is a gap in this space and that a sector specific model, you know, focusing only on ag and food, was what was needed to really unlock Australia's unfair advantage in this space. And so we had to launch Tenacious Ventures, not knowing if we'd be successful and not knowing if people would back our vision. But that's the same thing that our founders have to do. They have to go out and raise money, not knowing if they'll be successful and so, you know, that was real, be bold, be brave moment for us in launching the fund. And fortunately we were successful. We were oversubscribed. You know, we had fantastic support from our incredible investors that have made Tenacious a reality. But in the beginning, you know, we really didn't know how that was going to go and had to be brave to take that leap.

Shivani [00:22:43] And I'm so glad you did, Sarah, at Leading Women, we are committed to activating women's leadership. What sage advice can you leave for us in the Toolkit?

Sarah [00:22:52] Yes, well, coming back maybe to my upbringing as an athlete, it's so obvious as an athlete that you need a coach even Olympians have coaches at the highest levels. Yet, it's not always obvious in business or if you're running a farm business or running a start-up, you know, maybe you're supposed to have all the answers as a CEO or founder and are resistant to getting a coach and my advice would be that's absolutely silly. Get a coach. They're different to advisors and they're absolutely critical to have that, you know, coach, as a powerful supporter in your leadership toolkit and in your corner.

Shivani [00:23:23] You make an interesting point there. What is the difference between a coach and an advisor?

Sarah [00:23:28] Yes, an advisor, often it has more of that domain context so they might be making introductions into your industry. They might have a certain kind of technical expertise, whether it's sales or biotechnology that they're bringing. Whereas a coach is really working to unlock your unique strengths and help you be a better leader, a better teammate, and more effective at realising your vision.

Shivani [00:23:51] Sarah, thank you for sharing your incredible advice. I had the opportunity to listen to you and in doing so, think about what advice I might take away as my leadership lessons from our time together. And I couldn't help but think about the importance of being bold, being brave and believing because when you do, you're able to create an impactful future, one in which meant that you didn't have to do that thing before. You don't have to be a tech founder. You can be the founder that you want to be. And in doing so, you must have a network. You must have non-negotiable core value because those non-negotiable core values give you a vision for your future, one in which you can actually go off and change the world not just in how we move through technology, but how we eat as well. Sarah Nolet, thank you so much for joining us today at Leading Women.

Sarah [00:24:41] Shivani, thank you so much for having me. I really enjoyed the chat.

Fiona [00:24:45] Thanks for listening to Leading Women, where we shape what's next in female leadership together. So now, it's over to you. Follow Leading Women on your favourite podcast platform so you don't miss an episode, and find all the links, tips and tools discussed in our show notes.

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