

# Ep.3.26 - Diana Callaghan

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## SUMMARY KEYWORDS

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## SPEAKERS

Diana Callaghan, Ed Clemente, Announcer

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### A Announcer 00:01

Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.

### E Ed Clemente 00:29

Hello, I'm Ed Clemente, host, and we're fortunate to have Diana Callaghan, Managing Director of Endeavor. And I never knew much about Endeavor until you guys kind of reached out to me a little bit, and I'm fascinated by the organization and what you do. Can you kind of tell us a little bit about that? What's your mission? And when you first meet people what you tell him?

### D Diana Callaghan 00:54

Yeah, absolutely. And thank you so much for having me. So great to meet you. And I loved our conversation previously, and have already learned a lot from you. So you're not the only one, Endeavor really has been flying under the radar. We are a very selective network of high-growth founders. We have over 500 staff members across the world that act as a concierge service to founders. And really help give them access to Silicon Valley tech resources. Oftentimes, resources that founders can't access here in Michigan. We like to say there's four main pillars of support. So one is access to mentorship. Two is access to national and global markets. Three is access to capital. And four is access to community events and leadership development support. One thing that makes us really interesting too, is that we really give entrepreneurs the opportunity to give back to their communities. So we're really built on founders supporting other founders. And it's been an incredible model. So even though we've been around since 2015, in the Detroit area, the organization started 26 years ago. At this point, we're in 43 markets around the world, we have over 2,500 founders. And here in the

Great Lakes, so many of the companies that you've heard of that have had really national and local recognition in the tech and innovation space are Endeavor entrepreneurs. So that's companies like Work@Health, Wisely, SkySpecs, The Lip Bar, Cameo, Tovala, and many more.

E

Ed Clemente 02:36

We talked in our prep call, but I think you're like in almost every continent, not just in other countries, but you really do have a huge footprint because the headquarters are out in New York, I think you told me originally, right?

D

Diana Callaghan 02:52

Yeah, so we have a headquarters in New York. Think about it more as a support center. And then we do have an access to capital team out of the Bay Area. But we started in Latin America, and it took off like wildfire. There were two American founders who were trying to create economic development in under-resourced areas around the world. And their theory was if we really placed a bet on the highest potential founders leading the highest potential companies, and we gave them access to great resources, and we helped them to help other emerging founders, that it would create what we call the multiplier effect. And it was transformational. So it actually spread across the globe in about 10 years. The two founders who are Americans were like we have places like Detroit and Buffalo and Atlanta and Miami that could really benefit from a model like this.

E

Ed Clemente 03:45

Yeah, why don't we just, not that want to dwell too much on the international part, but one of my favorite questions. But you went to school actually, or you have some education, was it in Chile? I can't remember where it was. Where were you? I was trying to remember. Yeah, go ahead.

D

Diana Callaghan 04:02

When I was at the University of Michigan for undergrad, I studied abroad in Chile. And then when I was in consulting in New York, I had the opportunity to work in Argentina. And in grad school, I did some work in Tanzania for a summer and in India. So I have always had a huge interest in supporting global impact. And also a huge interest in innovation. So when I heard about Endeavor, which like you I hadn't known much about the model when I heard about it in 2019. I was wildly impressed with the impact that the organization had had to date and how its transformed global economies. So quickly drink the Kool-Aid and joined in October 2019.

E

Ed Clemente 04:50

And you were at the Davidson at U of M, what's the program there called?

D

Diana Callaghan 04:57

Yeah, so the William Davidson Foundation and the William Davidson Institute has played a big role, I think in different chapters of my life. So I had mentioned that I had worked in Tanzania for a summer. And through the William Davidson Institute, it allowed me to work with over 20 social enterprises throughout Tanzania. And to help these social enterprises commercialize. And there's so many different benefits to it. But it really gave me that opportunity to think globally. And again, like when I saw Endeavor was this global mechanism for entrepreneurship. You know, my experiences in Tanzania and Chile and Argentina, and India, and even abroad, all came together. And I was like, this is really what helped me find my true calling.

E

Ed Clemente 05:52

Sometimes you don't see the map until you look backwards and you see it behind you, and you've been on a path you just didn't know it. [Yep.] So do you work, and you probably already touched on this, but do you have any other partners or stakeholders you work with, are there people in Michigan or globally that you guys kind of work with a lot?

D

Diana Callaghan 06:16

Yeah, so we have incredible partners globally, nationally, and locally. So going back to your previous question, we are really a decentralized model. So even though we have our support center in New York, and in the Bay Area, we have 43 affiliates now around the world, we're our own separate legal entities. So our partnerships at the local level are all a little bit different. We've been very lucky to have strong relationships with a lot of the funders here in Michigan that support high-growth entrepreneurship. So William Davidson Foundation from day one has been really transformational to our organization. We've had a strong relationship with NEI, we've had a strong relationship with Wilson Foundation. DTE had been a long-standing supporter of our work. So we have corporate partners, we have philanthropic partners, but also our board. So we have very strong entrepreneurs that have joined our local board, all of our affiliates have their own separate boards, and they're wildly successful entrepreneurs who want to give back to their communities. So it's everything from entrepreneurs that have been partners, to local funders, we also have corporates, we've got a great relationship with Goldman and Morgan Stanley, and JP Morgan Chase, Bank of America. People who are all committed to supporting economic development and supporting high-growth entrepreneurship as that mechanism for economic development.

E

Ed Clemente 07:50

I'm more surprised our paths haven't crossed previously. Of course, it's hard to tell, especially after COVID, like everybody was sort of like in a bubble for a while. But now everybody's coming out of the bubble. And you're hearing about a lot more things than you did just a year ago. [Yeah.] Yeah. So I'm going to ask you to put on your teaching hat for one second. [All right.] Now, I want you just to give sort of like a quick definition for what you're doing. So we talked about this a little bit. But what's the difference between a sort of like a venture capital unicorn and say, angel investors, just so the general folks kind of know what's going on?

D

Diana Callaghan 08:29

I would say Endeavor is a support organization. So we do have a fund that's associated with us. Not all of our entrepreneurs have it, we don't require equity from our companies. But if they want to access it, they can. So I would look at us is more of an entrepreneur support organization. To your question in terms of what a VC is. So think about a VC as funds that support early stage companies. They're usually laser-focused on the company. They're laser-focused on the growth and financial returns. Oftentimes, this capital comes from well-off investors or investment banks or other financial institutions. And they really look at early stage companies, small companies that really have the opportunity to grow exponentially, or ones that already started to but they're on a path to continue massive growth. Your other question was around a unicorn.

E

Ed Clemente 09:28

So yeah, that's what everybody likes, because it sounds like it's like a real unicorn.

D

Diana Callaghan 09:33

Yeah, everybody's talking unicorns these days. Unicorn is a privately held startup company with a valuation of over a billion dollars. It's a term that's typically used in the venture capital industry or the startup industry. I think globally, now there's 1,200, or over 1,200 unicorns. In Endeavor globally, we have over 60 and then here in Michigan, some of the ones that you've heard of are Duo Security, Llamasoft, OneStream, Rivian, Stock X, and, more recently, Our Next Energy. So these are the ones that are creating massive growth, massive job growth, revenue growth, investment into our regions. Ones that you know are going to have spin-offs. And they're going to have staff members that really want to start-up their own companies and grow and scale. So these are the ones that, you know, eventually, we want many of our local startups to grow and scale and become billion dollar-valued companies.

E

Ed Clemente 10:35

Yeah, and as I said, we've had Mujeeb Ijaz from Our Next Energy, and he was very good guest. And we were doing something in the future a little bit with Dug Song's group and Maurice Foundation. So we're aware of some of the folks you've been dealing with. And Rivian. We tried to get somebody on from Rivian before, but maybe you can help us with that eventually.

D

Diana Callaghan 11:01

Yeah. Yeah, I was just gonna add to that, two examples, like, what Mujeeb is doing with Our Next Energy is transformational to our economy. And not only is he building a massive company that's getting national and global attention. But he's already thinking about ways to give back to the local community, and putting time and energy, mentorship and capital into supporting clean tech and sustainable tech. And also kind of looking at our talent shortages here in Michigan, you know, he's already invested in supporting our local ecosystem. And Dug Song. I mean, what what he's built with the Song Foundation, Michigan Founders Fund, you

know, he's had so many companies that have come out of Duo Security, founders that are starting other cybersecurity or companies in different industries, that you see the impact that these companies and these founders can have in Michigan. I mean, look at Dan Gilbert, what he's done for Detroit, look at Dug Song when he's done in Ann Arbor. These are just two obvious examples. But if we could create five or 10 Dug Songs, and Dan Gilberts, you know, it could be truly transformational for our state.

E

Ed Clemente 12:15

Well, I mean, I love when the parts are altruistic, but it also helps their future in some ways, if they can have a strong ecosystem around them, of people that understand the logic and why it's important to develop that ecosystem of support.

D

Diana Callaghan 12:32

Absolutely, absolutely. I mean, there's many times it's people who are not even from Michigan, but they fall in love with the state and what we have here, and they want to give back and they want to grow the state that's helped nurture them through their growth and exit. So yeah, it's a beautiful time to be here in entrepreneurship in Michigan.

A

Announcer 12:52

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E

Ed Clemente 13:09

Also, I saw your background, too. So you worked at Ernst and Young? Yeah, or E and Y, I don't know what they were called then.

D

Diana Callaghan 13:17

EY, yes. They rebranded to EY.

E

Ed Clemente 13:20

EY, yeah. I remember when they went through their branding. My cousin used to work there.

D

Diana Callaghan 13:24

Yeah, yeah, I do, too.

E

Ed Clemente 13:26

So is that where you kind of landed right out of college? Or where did you go?

D

Diana Callaghan 13:31

Right, so I was at another consulting firm for about five years, and I worked always in financial advisory services, but a whole range of different types of consulting. So I did academic litigation support, I did corporate investigations, I did performance improvement, business, analytics, and visual analytics implementation for Fortune 500 companies. So a whole range of different types of consulting. I was at EY in New York City, it is the second consulting firm that I was at. And really, we also talk about global partners. EY was amazing. When I worked at EY in New York, the culture was beautiful for all different types of people, all different types of backgrounds. And many years later, they are now a global partner of ours at Endeavor. And one that I've been lucky to continue having a strong relationship and it's the same thing, great culture, what they're doing with EY Entrepreneur of the Year, and how they give back to their communities is something, I'm still proud to have been at EY and, and to be a partner of theirs.

E

Ed Clemente 14:41

Yeah, and you're on a couple other things too, I know you're in the Detroit Hispanic Development Corporation. [Yes.] Yeah, so obviously, you must speak Spanish, I think because of where you lived, I think in a couple of places, right? And I didn't know if you grew up with it. Did you grow up with Spanish or no?

D

Diana Callaghan 14:58

Yeah, so I came from a multicultural family, so my mom is from Cuba. She's Cuban Lebanese, and my father was 100% Irish. So Irish Catholic that he was one out of 18 kids.

E

Ed Clemente 15:11

Was he from the 1800s?

D

Diana Callaghan 15:17

There is actually a podcast about that. So there's so many stories that my family made a podcast.

E

Ed Clemente 15:23

So you have 100 cousins.

D

Diana Callaghan 15:25

I have about a billion cousins, many of them in Michigan. But yeah, so I grew up, with my name, people don't know what my background is. But you know, I grew up very tied to the Latino population here, my mother who had worked in southwest Detroit for many years. And at my last role, when I was working with different social enterprises, I met Angie Reyes, who's the executive director of Detroit Hispanic Development Corporation, and worked there for about a year as a consultant. And she had later asked me to join the board, which was a huge honor, of many of the nonprofits that I have worked with over the years, what they are doing at that organization is incredible. They have a top-tier robotics program. They help with different types of training and support for people who are trying to enter the workforce, people who are coming out of incarceration, they're trying to help with figuring out how do you place them in wonderful jobs to keep them from going back to a life that is not conducive to their world? So I'm, yeah, privileged, and really honored to be a board member of that organization.

E

Ed Clemente 16:44

Well, you've touched on this a little bit, but I think you've mentioned, is there any other sort of trend you're seeing? Because I know you've said you want to focus on Latin America, but what other trends do you see like beyond that, that you think, are going to be impactful for not just Michigan, but how Michigan integrates more with the global world somewhat, too?

D

Diana Callaghan 17:07

Yeah. Yeah. And I would say, so I focus on the Great Lakes. And, my target really is Michigan, first and foremost, the organization is global. And we have probably the strongest presence in Latin America. And we work very seamlessly across markets. So you know, I can get up, pick up the phone and talk to my colleague in Mexico, or in Brazil, or Argentina pretty easily. But each one of our offices really focuses on the region that we're in. So I've been eating, breathing and sleeping, what's happening in Michigan, in the Great Lakes since I started in October 2019. And it's been a huge shift. I mean, when I started, it was just months before the pandemic, and I got to meet a lot of brilliant people here in Michigan. But the energy really shifted to supporting companies during this challenging time. And so, you know, right now, we're positioned in a really interesting timeframe, where I'm starting to see a lot more activity and collaboration among organizations to really put high growth entrepreneurship on the map. There's been a lot of convening, there's been great research done by Startup Genome, who we partnered with last year for research on high-growth entrepreneurship, BCG that's doing a great research report, I think with MEDC and some other organizations here in Michigan. There's many different convenings that are happening simultaneously to figure out how do we, as a state, compete with what's happening in different markets. You know, we had a great trip this past fall with the William Davidson Foundation and Wilson Foundation, to see what's happening in Miami and what's happening in Chicago. We just got off the phone with some of the philanthropic partners in Tulsa to learn about what they're doing. So one of the big trends that I'm seeing is that we are putting time and energy into this space more than I've seen since I've been in this space. And I love it, there's great collaboration, we're breaking down walls of silos that I feel like had been down for a long period of time. I think we're, we're pushing ourselves to be more innovative. I think that's one area in terms of industry trends. I'm still seeing a lot of money

that's being put into mobility. So a lot of the federal funding that's coming through is being put into mobility, which makes sense in many ways. But what I'm really liking is that I'm seeing more of that money going into adjacent sectors as well. You know, IoT, Industry 4.0. There's a lot of energy coming in and around that space, but I'm also seeing incredible momentum in life sciences and clean tech and energy. And I really think Michigan needs to diversify, we need to continue to put time and energy and resources in the industries that are winning without a lot of funding coming in to support them. So my bet is life sciences, clean tech and energy are going to be a couple that are going to continue to emerge alongside efforts into mobility that we keep hearing about.

E

Ed Clemente 20:31

Do you work with, we've had guests before, Steve Rapundalo, with Michbio, I don't know if you've worked with them. [No I haven't.] You might want to connect with them and another guest, there's a national group too called Bio that does. So yeah, he was on the he was one of the guests I had on a previous show. But they're pretty interesting as to what they're doing everything from wearables to what's going to be virtual for doctors and all those kind of things. But anyway, so last couple of questions for you. So what would you, because you've had an unusual career? So what would you tell your 17-year-old self again, like, if you could talk to yourself?

D

Diana Callaghan 21:22

Well, I would have a long day with my 17-year-old self. But, you know, the first part would be to live a fulfilled life today. Earlier this week, I had a conversation with somebody who was kind of in this space of entrepreneurship, but helped build and grow and exit a pretty sizable company. And he was talking to me about his pretty new diagnosis with cancer, and how he's going through treatment right now. And that his priority was always work, and pushing himself to different extremes, but your life's priorities really can change and instant. And we've heard that time and time again, from our entrepreneurs that, you see many people who are struggling with alcohol addiction, with mental and behavioral health challenges, with depression and anxiety with so many health challenges, that if you can, from day one, prioritize what's really important to you and find a career path that supports you to live your best life. Whatever that means to you. Do it on day one, don't wait, 15 to 20 years and go the traditional route just to go the traditional route, but like, put your family and your health and your loved ones first, enjoy life as much as you can, and go directly to your dreams right off the bat right out the gate. You know, I don't I don't regret my path. I love my path. And I think each chapter of my background added up to where I am today. But there are times where I wish that I would have just started off in the innovation space and took some risks and really kind of dove in headfirst when I was young.

E

Ed Clemente 23:16

Oh yeah, yeah, I've been in that spot, I know exactly what you're talking about. So your last question is, what do you like best about, you might have already touched on this a few times, but what do you like best about living in Michigan?

D

Diana Callaghan 23:33

Oh, there's so much that I love about Michigan. I mean, the cliché obvious one is Michigan's natural beauty. My spring and summer and fall trips up north, even the local lakes going running or biking. I mean, nothing beats Michigan in our four seasons. I would say my non-cliché answer would be Coney Island Greek salads. And I'm saying that because when I was in New York, was the first time that I realized that Greek salads typically don't have beets. So one thing that when I came home it was the first thing that I needed was a Michigan Greek salad with beets on top.

E

Ed Clemente 24:15

And a Coney Island.

D

Diana Callaghan 24:17

Well, yeah, the Coney Island. I'm trying to try to say from a healthy standpoint. [It's okay once in a while.] The last piece I was just gonna say is our music. I mean, there's nothing better than Motown, than Detroit techno and Detroit Rock and Roll.

E

Ed Clemente 24:37

Yeah, we actually had the president of the Motown Museum as a guest before, because they're doing that huge expansion. And when that thing takes off, I'm gonna tell you, it's gonna really change because, like every international, I told you we're doing a lot with this group, Global Ties Detroit, again, but all of them want to go to Motown, usually. If they're coming from India or Malaysia, they still know about Motown, which seems weird so many years later, right? It's still very popular. But that expansion is going to be huge. I mean, I'm not gonna say maybe it's the biggest thing that's going to be Detroit, but it's really going to make more people want to come to this area. It'll be fun.

D

Diana Callaghan 25:20

I hope so. I hope so. Yeah. So I mean, there's a lot of lot of great things happening in and around Detroit. But yeah, when you think about Detroit, you think Motown. That's the heart of what we did was the music and it still lives on.

E

Ed Clemente 25:33

Yeah. Well, once again, our guest was Dianna Callaghan. I say, Callaghan and I'm trying to make it Spanish. Callaghan. [It's tricky, I know it's tricky.] Now I want to mix all my language bad skills together. She's the managing director for Endeavor. And thanks again, Dianna for being here today.

**D** Diana Callaghan 25:53

Thank you. Really, really grateful to have this conversation with you. And I'm excited to chat with you more offline.

**E** Ed Clemente 26:00

Yes, yes, we look forward to that. Thanks again. Join us next week, where our guest will be Trista Van Tine. She's the co-founder and executive director for Michigan Founders Fund and the director at the Ann Arbor Entrepreneurs Fund.

**A** Announcer 26:16

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