

IP Impact Investing Show 1

Growth in the Industry

This is Investor Perspectives. I'm the host of Investor Connect, Hall T Martin, where we connect startups and investors for funding.

In our new Investor Perspectives series entitled "Impact Investing in a post-COVID World", you'll hear about growth in the impact investing industry.

As the COVID pandemic passes, we emerge into a new era. The impact space is now undergoing tremendous change as we shift to a post-COVID world. Impact investing in the areas of sustainability and the environment takes precedence in the financial industry. We have investors and startup founders describe the changes coming up.

Our guests are:

1. [Brad Gurrie, CEO, Socialsuite \[01:12\]](#)
2. [Luni Libes, Founder and Managing Director, Fledge \[03:29\]](#)
3. [Vishal Arora, Managing Partner, VDOSH \[05:24\]](#)
4. [Chelsea Burns, Principal, Escaladora Ventures \[07:32\]](#)
5. [Richard Samuelson, Chief Investment Officer, SWAN Venture Group \[09:46\]](#)

We hope you enjoy the show.

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Music courtesy of [Bensound](#).

[01:12] Our first guest is Brad Gurrie, CEO of Socialsuite. Socialsuite is a SaaS platform that enables the collection, visualisation and communication of impact data. Their team is global and their customers span the globe and are leading impact-minded organisations. Brad, thank you for joining us.

Brad Gurrie: Thanks for having me on the show.

Hall Martin: Great. Well, tell us more about your work and what you do.

Brad Gurrie: Well, Hall, Socialsuite is a SaaS technology platform that helps organizations measure impact. And in terms of our work, what we're doing is really looking at the spectrum of organizations that need to measure impact. And historically, it's the nonprofits that have done a lot of work in terms of leading the charge around being able to measure their impact, because they've always put their profit – they always put their purpose over the profit. And so, as a result of that is that we've helped those organizations be able to demonstrate the impact on the longitudinal basis. And now increasingly, we're seeing that same discipline being applied to companies, and we're helping companies be able to measure their impact and report that to various stakeholders as a way of improving and delivering the services that they provide, and also being able to raise capital off the back of some of the data that they're able to collect.

Hall Martin: Great. Well, let's talk about the growth in the impact investing space – what are you seeing there today?

Brad Gurrie: Well, there's a really significant shift in capital. If we take the ESG space, for instance, there's \$36 trillion of capital under management at the moment, and that's going to shift to \$50 trillion over the next five years. So there's a massive influx of capital coming into this space, whether it's ESG, from an impact investing perspective. And off the back of that what's happening is there's a huge range of services that are now being deployed to help organizations make sense of all this data. So if you think back to the invention around financial systems of being able to report this information in a consistent, cohesive manner, this is exactly the same challenge that's now happening in the impact space is being able to collect this granular data, bringing it back to an organizational level, and then being able to roll that up to a fund level for organizations to be able to report and really be able to articulate their story around impact.

[03:29] Our next guest is Luni Libes, Founder and Managing Director at Fledge. Fledge is a global network of conscious company accelerators and seed funds that help entrepreneurs create impactful companies and co-ops at scale through short, intense programs filled with education, guidance, and a massive amount of mentorship. Luni, thank you for joining us.

Luni Libes: Thanks for having me.

Hall Martin: So tell us more about your work and what you do.

Luni Libes: I do a few different things – biggest effort, most global effort is called Fledge. It's a global network of business accelerators. Most people have heard of those before. Ours are a little different, ours aren't tech oriented, ours are focused on mission driven for profit companies. And we run programs on four continents. We've been doing this for almost 10 years. We've helped hundreds of companies around the world, all of which are trying to make the world a better place for real, all using for profit models.

Hall Martin: Great. Well, let's talk about the growth in the impact investing space, what do you see happening there?

Luni Libes: It's grown a lot in the – I started in this space in 2011. Back then, we didn't even have the word impact. Rockefeller might have been using that word, but the general industry was not, at least, not in terms of impact investing. We were still talking about social enterprises and still trying to figure out how to even talk about doing good while doing well or doing well and doing good. It's a lot bigger now.-A lot of my work these days is out in emerging markets. When I started working in, let's say, Africa, I knew of a handful of other investors, literally, like five or maybe six other investors that were out there doing similar work. Now, there's hundreds, there's still not enough, there's still – we still need a lot more, but there are a lot more funders; and every year, when I go to conferences and impact investing, I discover new organizations that are new, a year or two old, and out and eager to make their mark on impact.

[05:24] Our next guest is Vishal Arora, Managing Partner at VDOSH. VDOSH is a venture capital firm that closely works with a network of accredited investors and vetted entrepreneurs. VDOSH provides investors the opportunity to invest in promising new startup companies alongside major players in the industry. Vishal, thank you for joining us.

Vishal Arora: Happy to be here, Hall.

Hall Martin: So tell us more about your work and what you do.

Vishal Arora: So we are a Los Angeles based early stage investor. Our primary focus is to invest in early stage startup pre-seed, seed level startup that has created a minimum viable product, has gone through a product market fit journey, and also has achieved some level of traction either with the beta customer or some revenue. But that's what our focus is. So we invest in early stage startups.

Hall Martin: Great. Well, let's talk about the growth in the impact investing space, what do you see going on there today?

Vishal Arora: Yeah, so our philosophy is a little bit different, because when we look at the impact, we look at the impact from two different sides. Right? So impact on our investor, and what it means is that when we raise the money, we need to generate the positive return for them. So that's one aspect that we need to keep in mind. But on the other side, we are heavily

focused on technology startups, 60 to 70 percentage of our startups are leveraging the technology or leveraging the emerging technologies. And what we look for is the impact of those emerging technologies into applicable use cases for a user economy or experience economy – how this technology can be used in a different use cases to have a – to create a better experience for a user, whether it's in a professional world, whether it's in a personal world. So we look at those use cases of those emerging technologies into an experience economy impact.

[07:32] Our next guest is Chelsea Burns, Principal at Escaladora Ventures. Escaladora Ventures provides water and energy technology consultant services. Throughout Chelsea's career she has bounced back and forth between consulting and operating startups. She currently focuses her work as a climatetech angel investor and startup advisor. Chelsea, thank you for joining us again.

Chelsea Burns: Thanks so much for being here.

Hall Martin: Great. Well, tell us more about your work and what you do.

Chelsea Burns: Well, I do a few things. I've been working in the climate tech space for about 10 years now as a water and energy consultant, been working on primarily climate technologies that make either water or energy systems more efficient. This term climate tech is kind of a newer term, but I've been in the space for about a decade now. And besides that, I do some angel investing, primarily investing in the climate tech space, but also within the greater gender lens investing space as well.

Hall Martin: Great. Well, let's talk about the growth in the impact investing space, in general – how do you see it growing at this point?

Chelsea Burns: I think in terms of the impact investing space, in particular, which I kind of think of as both social and environmental, I see a huge amount of growth in this space. First, I would say there's a lot more institutional money going into this space, but I think what's actually really exciting is that it's not only institutional money that people can take advantage of in this space; it's retail investors are finding more and more options every day to participate in this part of the economy. I especially see this in the climate space where there's new kind of climate fintech products coming online, what seems almost every day in which investors can invest their money in projects such as energy efficiency or renewable energy, and get a pretty attractive return.

[09:46] Our final guest is Richard Samuelson, Chief Investment Officer at SWAN Venture Group. SWAN Venture Group is forming a family of funds for investing in early stage Seed and Series A rounds. They are a regional fund targeting their investments in the Pacific Northwest to include the US states of Washington, Idaho, Montana, Alaska, Utah, and the province of British Columbia, Canada. Richard, thank you for joining us.

Richard Samuelson: Thank you for having me.

Hall Martin: Great. So tell us more about your work and what you do.

Richard Samuelson: Well, as you mentioned, I'm a managing partner at SWAN Venture Capital. I also have a CFA designation. And among the things I do is I volunteer for the CFA Institute to review and provide feedback to certain draft standards, and these affect many areas of investment. They periodically published these standards, and one of them that came out earlier this year, was a CFA Institute ESG integration primer. So I provided my input into that – those standards will be released – in the process being released actually now. And I think it's going to be one of the leading documents that companies go to for at least disclosure standards for impact investing, and which is the same actually as ESG.

Hall Martin: Great. Well, let's talk about the growth in the impact investing space, what do you see happening there?

Richard Samuelson: Okay, well, at the risk of sounding a little bit _____ critical of ESG – and let me go in each of them in a little bit of detail. First, impact investing was rolled out backwards. In other words, the disclosure standards developed and are being developed later, after substantial investment was already made by the ESG investing community, and without disclosure or adequate disclosure, of course, you can easily run into problems of misrepresentation. The second problem with impact investing is there's a multiplicity of standards being promoted out there by both public and private organizations, Sanford Bernstein, BlackRock, and other private companies have promoted their own standards, which is fine. But without a consistent set of standards, again, there's a risk of misrepresentation. I think ultimately, the CFA Institute will be one of the dominant sets of standards, just because of the sheer size of that institute. In other words, the number of members, which is going 200,000 with CFA designations, and also they have a huge global reach. The third problem is the current impact standards are not sufficiently segmented to ensure that companies fulfill certain of the standards, but not all of them. So, this problem will actually grow over time as ESG or impact standards are rolled out globally. For example, should one avoid investing in a Japanese company that's developed a new carbon sequestration technology, just because the whole board and all the staff are ethnically Japanese? Is that reasonable? Well, no. Obviously not. So, there have to be, from a global perspective, carve-outs for specific countries. It's not a one size fits all that's going to work successfully. And the final problem is that the volume of funds going into this is absolutely gigantic. The common figure being thrown around the press is it's about a third of all investment funds or will be shortly. So this is an astonishing volume of capital already. And to my way of thinking, this provides ideal conditions for misrepresenting whether a particular investment actually conforms to impacts standards or doesn't.

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