Jeanne M. Voigt Foundation
PRI Case Study

Jeanne Voigt is a successful entrepreneur and active impact angel investor. Four years ago she joined a local investing network in the hopes of finding opportunities to invest some of her personal assets in early-stage companies that were as intentional about making and measuring impact as they were about making money.

However, after two years in the network, she and a small group of like-minded peers were dissatisfied with the deal flow. While entrepreneurs often recognized that their businesses could be inherently impactful, most had no intention of building strategy around that impact or defining corporate success in an impact dimension. And companies that had potential were often too early in their development to justify a market-rate impact investment.

Looking for ways to spark the impact investing and social business ecosystem, Jeanne partnered with Jeff Ochs to explore the idea that foundations could use their *charitable* capital to invest in impactful, early-stage companies to help them achieve the milestones necessary to attract follow-on impact and for-profit investment. In this way, a company's long-term "double-bottom-line" commitments could theoretically increase its capitalization options and make it *more* investible.

To test this hypothesis, Jeanne and Jeff designed the Venn Initiative. The Jeanne M. Voigt Foundation (JMVF), a family foundation that Jeanne had endowed after she exited her own business in 2003, agreed to host the initiative and to make one or two pilot Program-Related Investment (PRI) transactions. Another seven individuals and two foundations, including Bush Foundation, agreed to partner and offered their financial support and expertise. Matt Norris was an especially important contributor throughout the process.

The group worked together to establish the parameters for the PRI program, including the requirement that any investee needed to adopt the Minnesota Public Benefit Corporation form to solidify its commitment to pursue and report against a "double-bottom line." The initiative would remain open to supporting any charitable impact that fit within the foundation's broad charitable mission but decided early on that the financial structure of the pilot investments should be low-interest, unsecured debt with a small warrant.

Once the program was defined, the group surveyed the Twin Cities entrepreneurial ecosystem and invited six companies to apply. Four companies made a formal presentation to and had a deep discussion with a group of local foundations, investors, and industry leaders with experience in its issue area. After these meetings, a small group of volunteers spent additional time conducting due diligence on each company, its potential charitable impact, and its business opportunity. The group began term sheet negotiations with three companies, and ultimately made two $60,000 PRIs in the fall of 2016. The entire pilot process took about a year.

The two companies that received PRIs from JMVF through the Venn Initiative are Minnepura Technologies and UR TURN, both now Minnesota specific benefit corporations. Minnepura is using the proceeds to develop and commercialize its bioremediation technology to remove toxins from water and waste streams, thereby protecting the natural environment for the benefit of the public and preserving natural resources for future generations. UR TURN is using its capital to further develop and test its smart-advising system with school districts to help all students, especially those from under-represented backgrounds, move along the pathway to higher education.

Jeanne, Jeff, and their partners emerged from the pilot convinced that PRIs are a powerful tool that foundations can and should be using regularly and creatively in many different issue areas. Yet they also knew from first-hand experience that the obstacles to making PRIs are many and real. In response, they formed Venn Foundation to help foundations overcome these obstacles and unleash the full power of PRIs to advance their missions.