Net Impact Case Competition 2015-2016: Initial Round
Impact Investing: Flat Irons Cattle Company

Claire Palmer, a recent MBA graduate, starts her two-year rotational leadership program at Flat Irons Cattle Company in five days. As she prepares for her first day on the strategic philanthropy team, she finds herself wondering how to incorporate her finance background into her day-to-day tasks of managing the private corporate foundation's portfolio. She has limited time to research new opportunities for the foundation and prepare a presentation for the company's vice presidents; her job prospects rely heavily on her performance during this first rotation and she wants to impress the company management. But will the company be ready for her innovative ideas?[1]

Introduction

As the world faces ever growing problems – climate change, water shortages, health epidemics – changemakers in all sectors of society are embracing the power of business as a tool for good. This is partly due to the private sector's awareness about opportunities to invest in socially responsible companies as well as a growing societal dissatisfaction with how the private sector is profiting, as some would argue, at the expense of society.[2] This has led to the emergence of social enterprise, B Corporations, impact investing, and other innovative applications of business and philanthropic principles and practices. This case focuses on impact investing, which is defined as "investment made into companies, organizations, and funds with the intention to generate measurable social and environmental impacts alongside financial return."[3] While impact investing is not a recent development, the field has grown dramatically in recent years in both the United States and Europe. Assets in socially screened portfolios climbed to $6.57 trillion in 2014 and have seen a 929 percent increase since measurement by US SIF began in 1995.[4] This growth is anticipated to continue as an increasing number of leaders see the power of selective, effective, and well-informed investments as an avenue to affect social change.

Redefining the Field

Impact investing provides a new framework for evaluating both philanthropy and investing. For example, corporations may provide philanthropic donations for a variety of reasons, which include a desire to improve the quality of life of communities in their geographic locations,[5] increase employee satisfaction, receive tax benefits, and boost firm reputation.[6] Corporations may provide pro bono services, matching gift programs, dollar-for-doer incentive programs, paid-release days, non-cash donations, company-wide

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[1] This case is designed for the purposes of the Net Impact Case Competition. Flat Irons Cattle Company is a fictitious company. It is not representative of any particular cattle company. The case was researched and co-written by Allie Ahearn and Amanda Leavitt, MBA Candidates at the University of Colorado's Leeds School of Business, in collaboration with Dr. Stephanie Gripne, Executive Director of the Impact Finance Center, and David Payne, faculty member at Leeds' Center for Education on Social Responsibility. Many thanks to Anna Hughes and Elise Ferguson for editing and helping to frame this case.

[2] Porter, M.E. and Kramer, M.R. (2011, January-February). The Big Idea: Creating Shared Value. *Harvard Business Review.* Retrieved from https://hbr.org/2011/01/the-big-idea-creating-shared-value

[3] What You Need to Know About Impact Investing. (n.d.). Retrieved from http://www.thegiin.org/impact-investing/need-to-know/#s1

[4] US SIF (Social Investment Forum) (2014). Report on Socially Responsible Investing Trends in the United States, SIF, Washington, DC. http://www.ussif.org/Files/Publications/SIF_Trends_14.F.ES.pdf

[5] What motivates companies to give through corporate giving programs? (n.d.). Retrieved from http://grantspace.org/tools/knowledge-base/Funding-Resources/Corporations/motives

[6] Khan, S., Haider, S., & Arif Shah, S. M. (2011). The Impact of Corporate Philanthropy on Firm Reputation A Comparative Study of GSK and Schazoo Zaka Pharmaceuticals, Peshawar. Journal Of Managerial Sciences, 5(2), 203-212. http://www.qurtuba.edu.pk/jms/default_files/JMS/5_2/JMS_July_December2011_203-212.pdf

day of service events, fundraisers, and even sizeable grants.[7] While such programs deliver substantial benefits to a range of stakeholders, ask any employee about the associated *financial* return to the company and they often respond zero percent, while technically speaking, the correct answer is negative one hundred percent.[8] Vice versa, if the innovation team of a company acquires a new technology that increases their margins while also providing social or environmental benefits, the public likely would only hear about the financial gains, while the social and environmental benefits would come to light only if the marketing or corporate social responsibility team publicizes the acquisition. We have artificially learned to bifurcate our money, under the terms investment or philanthropy, instead of holistically managing our money for return, risk, liquidity and impact. "We have forgotten that philanthropy is an investment with a fixed negative 100 percent financial return attempting high positive impact and all investments have impacts, positive and/or negative. Impact Investing is investing with the intent to produce measurable positive benefits."[8]

To this end, many corporations struggle to design a philanthropic program that effectively improves shareholders' and stakeholders' value, in part because impact is difficult to measure and often long term in nature, and also in part because most corporate giving programs are opportunistically created in response to serve local fundraising needs, and the design of such programs is often an afterthought. Historically, corporations have been willing to give only so much without seeing a financial return. From 2011 to 2012, only five to six percent of donations to charitable organizations was from corporations.[9,10] While this figure may initially seem small, it is not unreasonable from a larger business perspective; after all, economist Milton Friedman famously asserted that "the business of business is business."[11] At the same time as this belief may be lessening in popularity amongst the general public, the idea that charitable donations from corporations might be coming to an end is gaining steam.[12]

Ultimately, businesses are interested in deriving financial gain from their operating activities and their conventional investment strategies, such as making strategic acquisitions and trading marketable securities. Their output of capital is made with the expectation of receiving greater cash inflows in the future. By investing wisely in market-rate, risk-adjusted securities they have an opportunity to, among other things, offset the cost of their philanthropic giving programs. But increasingly, the goals of those philanthropic programs are taken into consideration when making investment decisions; and the concern that inclusion of social or environmental performance measures into investment decisions will lead to lower returns is now being overturned. In fact, a growing number of institutional investors closely track Environment, Social, and Governance (ESG) factors to help them make better investment decisions. For example, "Volkswagen's governance score in 2014 was in the 28th percentile, which means that it was lower than 72% of companies globally."[13] Had an investor been tracking ESG scores of Volkswagen, they might have had an indicator to "divest" out of Volkswagen.

[7] Weinger, Adam (n.d.). 7 Types of Corporate Giving Programs. Retrieved from http://nonprofit.about.com/od/fundraising/ss/7-Types-Of-Corporate-Giving-Programs.htm
[8] Gripne, S. (February 2014). Impact Investing and Corporate Innovation White Paper. http://www.gripne.com/blog/2015/2/14/all-investing-is-impact-investing
[9] UK Civil Society Almanac (2014). What are the sector's different sources and types of income? (n.d.). Retrieved from http://data.ncvo.org.uk/a/almanac14/what-are-the-sectors-different-sources-and-types-of-income-3/
[10] Charitable Giving Statistics. (n.d.). Retrieved from http://www.nptrust.org/philanthropic-resources/charitable-giving-statistics/
[11] Friedman, M. (September 1970). The Social Responsibility of Business is to Increase its Profits*. The New York Times Magazine.*
[12] Klein, P. (July 2014). The Coming End of Corporate Charity and How Companies Should Prepare. *Forbes.* Retrieved from http://www.forbes.com/sites/forbesleadershipforum/2014/07/09/the-coming-end-of-corporate-charity-and-how-companies-should-prepare/
[13] The Economist (2015). Retrieved from http://www.ft.com/intl/cms/s/0/6af071a8-6205-11e5-a28b-50226830d644.html

Impact Investing

Philanthropy, marketing, and corporate social responsibility are more challenging for adoption into corporate strategy because their benefits are largely intangible and more difficult to measure than, say, units of production. And yet, as the majority of companies' market valuation has shifted from hard assets to intangible assets over the past quarter century – from 83% in 1975 to less than 20% today[14] – the ability of a corporation to measure, make a case, and communicate their wide range of positive impacts is what will distinguish them in the market and drive their valuation.

One way to measure the social value of an investment is by dividing the value of the social benefit by the cost of producing it.[15] The same definition can be used for environmental impact, substituting environmental for social. For example, Operation Smile[16], an organization providing free cleft-palate surgeries to children in need, may define the cost of production as the cost per child whose cleft-palate is repaired. Measuring social benefit is a bit more complex, as the pure number of cleft-palates repaired does not adequately account for all social benefits. Operation Smile is dedicated to providing safe surgeries that minimize medical complications and post-surgery recovery time, both of which may be included in the value of the social benefit. They might also consider the lifelong financial value of living without a deformity. In short, the value of the social benefit is not only complex, but highly subjective. Fortunately, there are a few frameworks for assessing some commonly-measured criteria presented by the Impact Reporting and Investment Standards[17] (IRIS) and the Global Impact Investment Rating System[18] (GIIRS). The more recent creation of the non-profit Sustainability Accounting Standards Board (SASB) indicates the growing need for an accountability organization focused on corporate sustainability. SASB's mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors. That mission is accomplished through a rigorous process that includes evidence-based research and broad, balanced stakeholder participation.

Traditional Investing or Impact Investing? The Issue of Intentionality

If an investor makes an investment that produces positive social impact along with a financial return, but they do not measure the impact, should it be called an impact investment? This is the crux of a debate centered around the concept of intentionality.[19,20] With conventional investing, the social or environmental mission of the firm has not historically been a motivating factor for risking capital. Therefore, conventional investment made into a firm with a social or environmental mission may *not* be considered an impact investment by some because the *intentionality* to create social and/or environmental impact is missing. In turn, an investment made into a firm with the intention of producing social and/or environmental good might also not be considered by some to be an impact investment without the additional goal of measuring and reporting the financial, social, and environmental impacts. While this academic debate continues, it is the opinion of the authors that *all* investing has impact[21] regardless of intention or measurement.

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[14] Vidrascu, P. A. (2015). Intangible Assets - Sustainable Economic Factors and New Creators of Value. *Internal Auditing & Risk Management*, 10(1), 65-75.

[15] Born, K. & Brest, P (August 2013). Unpacking the Impact in Impact Investing. *Stanford Social Innovation Review.* Retrieved from http://ssir.org/articles/entry/unpacking_the_impact_in_impact_investing

[16] Operation Smile (2015). Retrieved from http://www.operationsmile.org

[17] Global Impact Investing Network (2015). IRIS Metrics. Retreived from https://iris.thegiin.org/metrics

[18] B Lab (2013). GIIRS Ratings | B Analytics. Retreived from http://b-analytics.net/giirs-ratings

[19] World Economic Forum (2013). "From the Margins to the Mainstream: Assessment of the Impact Investment Sector and Opportunities to Engage Mainstream Investors". *Industry Agenda,* 1-40.

[20] Impact Investing: A 21st Century Tool to Attract and Retain Donors. (Cover Story) *Foundation Review,* 4(4), 45-56. doi:10.4087/FOUNDATIONREVIEW-D-12-00009.1 https://johnsoncenterforphilanthropy.files.wordpress.com/2013/03/tfr_4-4_cheney.pdf

[21] DeBoskey, B. (2015, January 11). All Investing Is Impact Investing. *The Denver Post*. Retrieved from http://www.denverpost.com/onphilanthropy/ci_27292707/philanthropic-capital-all-investing-is-impact-investing

Innovation from Every Sector

Leaders across the board are engaging in innovative investment strategies and various sectors are rallying together to collaborate. The U.S. government realizes the importance of public sector support and has increased the reach of the Small Business Investment Company Impact Fund, which provides capital to private equity firms engaged in impact investing.[22] Additionally, the U.S. Department of Agriculture's Pay As You Save® (PAYS®) program provides up to $5 billion a year in treasury level debt to 500 plus utilities that serve 40 million rural Americans to purchase and install cost-effective energy efficiency upgrades or distributed renewable energy assets through a voluntary tariff that assures immediate net savings to customers.[23]

Non-profits may use impact investing to reduce their costs of operation, by refinancing a high-interest mortgage to a low-interest mortgage[24] or to fund innovation. There are examples of nonprofits providing farmers in sub-Saharan Africa access to capital,[25] connecting "money to mission effectively,"[26] while at the same time funding their own work through earned income. By melding traditional research and development budgets with a social or environmental mission, corporations are joining in as well. Impact Investing can be used by multiple functions within a corporation, including the innovation, marketing, corporate social responsibility, and/or philanthropic teams. Adidas' Hydra Ventures invests in innovative sportswear products while prioritizing environmentally sustainable companies.[27] Patagonia recently launched their "20 Million and Change" fund to invest in potential product suppliers who share their triple-bottom line company model, a model also being followed by Clif Bar and Tom's Shoes.[28] Larger companies strategically acquire and invest in socially responsible businesses, as was the case with Clorox's acquisition of Burt's Bees. Not to be left out, traditional finance is also contributing to the growth of this field; JPMorgan Chase established a Social Finance unit that has since invested in a Kenyan based smallholder-supplied flower company that supports 3,000 farmers.[29]

Foundations, the institutional base of traditional philanthropy, are a growing constituency in the impact investing movement as well. Shell Foundation transitioned from a "conventional approach" to an "enterprise-based" model in 2003 and has seen a drastic change in their success rate.[30] With $100 million of their endowment earmarked for impact investing, Kellogg Foundation is utilizing their funding to invest in children's health, early education, access to healthy foods, and more.[31] Perhaps the most innovative leader is the Rockefeller Foundation; with their Zero Gap Portfolio they support various investment strategies in collaboration with African Risk Capacity, Social Finance UK, the Nonprofit Finance Fund, Yunus Social Business, and more.[32,33] They are also credited with coining the term "impact investing" and

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[22] Background on the White House Roundtable on Impact Investing: Executive Actions to Accelerate Impact Investing to Tackle National and Global Challenges. (n.d.) Retrieved from https://www.whitehouse.gov/sites/default/files/microsites/ostp/background_on_wh_rountable_on_impact_investing.pdf
[23] Finance for Resilience. Pay as you Save financing. (n.d.) Retrieved from http://www.financeforresilience.com/priority/pay-save-financing-distributed-clean-energy-upgrades/
[24] International Finance Corporation (2015). The Private Sector Matters for Development. Retreived from http://www.ifc.org/wps/wcm/connect/CORP_EXT_Content/IFC_External_Corporate_Site/Annual+Report
[25] One Acre Fund (n.d.). Program Model. Retrieved from https://www.oneacrefund.org/our-approach/program-model
[26] Nonprofit Finance Fund (2015) What we Do. Retrieved from http://www.nonprofitfinancefund.org/about-nff/what-we-do
[27] Hydra Ventures (n.d.) About Us. Retrieved from http://www.hydra-ventures.com/about-us/our-investment-focus.html
[28] Patagonia Works (n.d.) Retrieved from http://www.patagoniaworks.com/#index
[29] Bell, A (July 2013). Why Impact Investing is an Emerging Paradigm Shift in Philanthropy. *Forbes.* Retrieved from http://www.forbes.com/sites/skollworldforum/2013/07/30/why-impact-investing-is-an-emerging-paradigm-shift-in-philanthropy/
[30] Shell Foundation (2014). Our Approach. Retrieved from http://www.shellfoundation.org/our-approach.aspx
[31] W.K. Kellogg Foundation (n.d.). Portfolio of Investments. Retrieved from https://www.wkkf.org/what-we-do/mission-driven-investments/investments
[32] The Rockefeller Foundation (2015). Innovative Finance & Impact Investing. Retrieved from https://www.rockefellerfoundation.org/our-work/initiatives/innovative-finance/
[33] Godeke, S. & Bauer, D. (2008). Philanthropy's New Passing Gear: Mission-Related Investing, a policy and implementation guide for foundation trustees. *Rockefeller Philanthropy Advisors.* Retrieved from http://rockpa.org/document.doc?id=16

have since played a crucial role in supporting the sector. While impact investing is still in its beginning stages, J.P. Morgan and the Rockefeller Foundation claim that we could see "new capital inflows ranging from $400 billion to nearly $1 trillion" by 2020.[34]

Claire is familiar with the field of impact investing. During her MBA internship with the Rockefeller Foundation she was able to meet with a host of other foundation impact investing leaders[35] who helped guide her as she measured the performance of The Rockefeller Foundation's Zero Gap Portfolio. She also spent a summer in college working with a microfinance organization in Bangladesh, which sparked her passion for social business. She hopes to bring this knowledge to her upcoming rotation at Flat Irons Cattle Company.

Untapped Potential

While the Rockefeller Foundation, Omydiar Network, Ford Foundation, Kresge Foundation and others are leading the effort to educate foundations; unfortunately, many business leaders are still unaware that corporations with private foundations can make investments using their philanthropic dollars into social ventures (e.g., projects, for-profit companies, nonprofit organizations, and funds) that meet their five percent charitable distribution requirement as established by the Internal Revenue Service (IRS).[36] Charitable impact investments in social ventures can have the secondary benefit of improving company reputation and brand. Relevant to our discussion of impact investing, this five percent payout rule is not limited to making grants;[23] impact investments clearly related to the purpose of the foundation are also acceptable.[37]

One of the specific areas of growth within impact investing is in the area of program related investments (PRIs) and mission related investments (MRIs). Program related investments are investments made by private foundations to support charitable activities that involve the potential return of capital within an established time frame (of note, the IRS has special reporting requirements for PRIs[38]). Program related investments can be used as loans, loan guarantees, linked deposits, and even equity investments in charitable organizations or in commercial ventures for charitable purposes.[39] For the recipient, the primary benefit of PRIs is access to capital not typically available to the organization, at lower rates, and potentially longer time frames than may otherwise be available. For the funder, the principal benefit is that the initial outlay of capital meets the charitable five percent distribution requirements and any repayment or return can be recycled for another charitable purpose. In the current market climate, PRIs offer advantages for funders seeking alternatives to preserve foundation assets, and to beneficiaries who may be unusually capital constrained.[36] While PRIs have been around since the late 1960s, the number of foundations that utilize this tool remains relatively low. For example, of the 76,000 foundations in the U.S., fewer than 500 foundations used PRIs for fewer than approximately 4,300 transactions from 2000-2010.[40]

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[34] Wheelan, H. (2010). Impact Investing Could Reach $1 Trillion in 10 years. Retrieved from http://www.thegiin.org/news/impact-investing-could-reach-1-trillion-in-10-years-jp-morgan-report

[35] List includes impact investors from: The Heron Foundation, The Annie E. Casey Foundation, The David and Lucile Packard Foundation, Ford Foundation, The Greater Cincinnati Foundation, The Denver Foundation, The John D. and Catherine T. MacArthur Foundation, The Kresge Foundation, Max M. & Marjorie Fisher Foundation, Meyer Memorial Trust, Michael & Susan Dell Foundation, Mission Throttle, Omydiar Network, Bill & Melinda Gates Foundation, Jesse and Betsy Fink Foundation

[36] The Association of Baltimore Area Grantmakers (n.d.) Retrieved from http://c.ymcdn.com/sites/www.abagrantmakers.org/resource/resmgr/abag_publications/the_five_percent_minimum_pay.pdf

[37] Law For Change (2015). How Are Program-Related Investments (PRIs) and Mission-Related Investments (MRIs) Different? Retrieved from http://www.lawforchange.org/lfc/Ask_LawForChange_2012-07-03.asp

[38] For a deeper understanding of the PRI legal definition, please refer to the Tax Reform Act of 1969, section 4944(c)

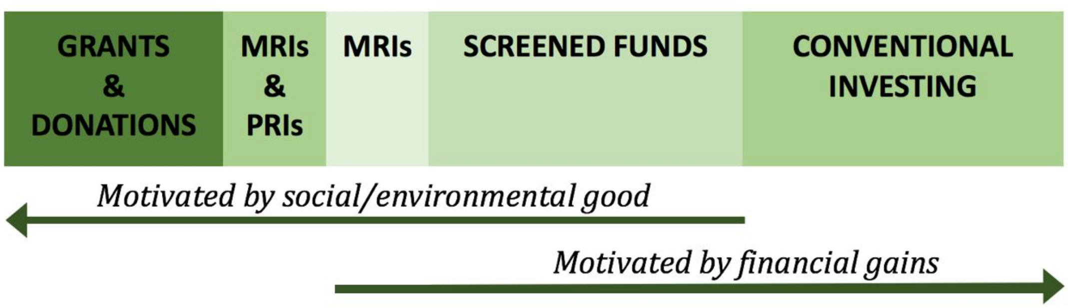
[39] Falkenstein, J.A. (2003). The PRI Directory: Charitable Loans and Other Program-Related Investing by Foundations. 2nd ed. New York: The Foundation Center.

[40] Gripne, S. (2015). Impact Investing and Investor Readiness Workshop Presentation, Invited Presentation. SOCAP, San Francisco, CA.

For those who are investing in PRIs, there are recent examples that provide a road map. Acelero, a for-profit company focused on early-childhood education, needed to restructure its debt and was able to secure a $4 million PRI from the David and Lucile Packard Foundation at a one percent interest rate.[41] This investment, in turn, attracted additional investments that allowed the company to continue to seek innovation in the educational field. In another example, the Rockefeller Foundation PRI portfolio contains an average investment of $1.33 million, which includes a $5 million loan guarantee to the New York Acquisition Fund, which provides flexible loans to developers focused on building or preserving affordable housing in New York City.[42]

Importantly, PRIs are are types of mission related investments (MRIs), but not all mission related investments are program related investments.[26] Mission related investing is more inclusive and refers to any investment activity that seeks to produce a positive social or environmental impact in addition to providing a financial return. There is no legal definition for an MRI and as such, they are *not* counted toward a foundation's five percent distribution requirement.[26] However, they hold incredible potential for alignment between a company's assets and their mission. The Calvert Giving Fund provides five MRI options at this time, including an Acumen Fund 10 year Senior Note with 3% interest, a Public Radio Fund promissory note, and a 7 year limited partnership with MicroVest.[43] In addition to speciality funds, MRIs are available through many major financial institutions, such as TIAA-CREF[44] and Vanguard[45]. *Claire personally banks with a major institution that offers a social impact bond, which she is proud to support.*

Figure 1: Impact Investment Continuum for Foundations[46]



Foundations have the opportunity to benefit greatly from incorporating PRIs and MRIs into their grantmaking and investment strategy mix. Whereas traditional payouts that contribute to the five percent distribution requirement, such as donations or grants, result in a "negative 100 percent financial return," impact investments can generate anywhere between a negative 100 percent return and a *positive* return. Would you prefer to take an 80 percent loss over a 100 percent loss? A relative 20 percent gain, e.g. going from a negative 100 percent return to negative 80 percent return, can be reinvested into the foundation. If the impact investment produces a financial return, the private foundation or donor advised fund grows the assets for additional grantmaking, program related investments, and mission related investments.

[41] Etzel, Michael (2015, November 9). Philanthropy's New Frontier - Impact Investing. *Stanford Social Innovation Review.* Retrieved from http://ssir.org/articles/entry/philanthropys_new_frontierimpact_investing
[42] The Rockefeller Foundation (2013). Program-Related Investments Portfolio. Retrieved from https://assets.rockefellerfoundation.org/app/uploads/20150530120956/Program-Related-Investments-Portfolio-Evaluation.pdf
[43] Stannard-Stockton, S. (January 2009). Mission-Related Investing for Individuals. *Stanford Social Innovation Review.* Retrieved from http://ssir.org/articles/entry/mission_related_investing_for_individuals
[44] Teachers Insurance and Annuity Association: College Retirement Equities Fund (2015). Socially Responsible Investing. Retrieved from https://www.tiaa-cref.org/public/about-us/investing/responsible-investing-ri
[45] The Vanguard Group (2015). Vanguard FTSE Social Index Fund Investor Shares. Retrieved from https://personal.vanguard.com/us/funds/snapshot?FundId=0213&FundIntExt=INT
[46] Adapted from the MacArthur Foundation and Heron Foundation

On the other hand, if the social venture fails, the foundation or donor advised fund records the investment as a grant. If foundations can mitigate some of that risk by investing wisely within the letter of the law, then what would prevent them from taking those actions?

Call to Action

Flat Irons Cattle Company has been a leader in the cattle industry since 1890. Based in Denver, Colorado, the company has built their brand around ethical and traditional cattle ranching. Their strong Western brand led to a natural extension into the buffalo industry, and since 2010, this brand extension has proved profitable. In 2015, the company's profits hit $220M annually, with $8M – and growing – from their new buffalo jerky product.

Claire's rotational leadership program divides her time into four six-month segments, spent with finance, strategic philanthropy, marketing, and business development. As a participant in this program, she is tasked with approaching each department as an outsider. Flat Irons Cattle Company is aware that some of their long-held beliefs about doing business and even their corporate culture might be preventing them from attracting top talent and achieving major success. Therefore, at the end of each rotation, Claire must propose changes and new ideas to a board of Vice Presidents, who will then present their favorite ideas to the Chief Executive Officer. Claire feels a bit trepidatious about her first assignment with the strategic philanthropy department. She wants to impress her managers but is also worried that her ideas may be too modern for the cowboy culture at Flat Irons. She wonders how she can combine her personal passion for environmental preservation with the hard numbers needed to convince management that change is warranted.

The company's structure includes a strategic philanthropy department that acts as a liaison between the corporation and their nonprofit foundation. The foundation's past donations focused on environmental and animal-rights issues (Exhibit 1). Grants are considered through an annual cycle and recipients are limited to a five-year time frame to avoid dependence. The foundation's twenty year vision includes expanding their efforts to address social issues that affect their employees, such as health and educational initiatives. With their $200M endowment – the bulk of which they gained from their wise investment in railroads and oil at the start of the company – the foundation is confident that they will be able to expand their efforts. However, they are aware of their need to think strategically about their assets to ensure financial sustainability over time.

Claire is particularly interested in the efficacy of the foundation's five percent distribution strategy. She is attuned to the pressing needs of Flat Irons' various stakeholders and has noted the lack of measurable impact the foundation's past donations appear to have made. Following her first week within the strategic philanthropy department, she set the following goals for herself:

1. Devise an investment strategy for the five percent distribution requirement that maximizes the social impact, environmental impact, and financial impact of Flat Irons' impact investment(s).
2. Convince the board of Vice Presidents to adopt the new portfolio strategy through a creative, concise, and clear ***eight-slide presentation accompanied by a ten minute or less narration*** that addresses the benefits of impact investing and provides specific ways to measure all three impacts.
3. Incorporate answers to questions the board of Vice Presidents will likely ask, such as:
    a. What are the expected returns of the proposed investment strategy?
    b. What are the possible challenges?
    c. How can the foundation mitigate any added risk?
    d. Why would the proposed strategy be better than what they were doing before? (Exhibit 1)
    e. How long will this strategy need to be implemented before seeing an upside?
    f. How can we reliably measure impact?

Appendix

Exhibit 1: Excerpt from Flat Iron Cattle Company Foundation 2014 Portfolio

Recipient: Preserve the Colorado River (PCR), registered 501c3
Focus area: Water conservation
Grant amount: $800,000
Grant focus: River and fish species restoration

Recipient: GO! (Go Outdoors), registered 501c3
Focus area: Education, nature, conservation
Grant amount: $500,000
Grant focus: Trail conservation and awareness campaign to motivate young people to enjoy the great outdoors

Recipient: Sustainability Partnerships for Undergraduate Research (SPUR), registered 501c3
Focus area: Education, sustainability, environment, research
Grant amount: $500,000
Grant focus: Scholarships to conduct sustainability research with primary suppliers to Flat Irons Cattle Company or the company itself in order to better use resources

Recipient: Colorado Prairie Restoration (CPR), registered 501c3
Focus area: Conservation, sustainability
Grant amount: $750,000
Grant focus: Pilot project in collaboration with Flat Irons Cattle Company to re-introduce the buffalo to CPR’s open prairielands