

Internet Appendix A107: Impact Investing

A107.1 Illustrative Reverse Engineered Pitch Template Example

| Pitcher's Name | Tim Pullen | FoR category | Impact Investing | Date Completed | 8 April 2016 |
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| (A) Working Title | Höchstädter, A. K & Scheck, B 2015, 'What's in a Name: An Analysis of Impact Investing Understandings by Academics and Practitioners', Journal of Business Ethics, vol. 132, iss. 2, pp. 449 - 475. [Reverse Engineered Paper] | | | | |
| (B) Basic Research Question | How is impact investing understood at the definitional, terminological and strategic level? | | | | |
| (C) Key paper(s) | Mair, J, Battilana, J & Cardenas, J 2012, 'Organizing for society: A typology of social entrepreneurship models', Journal of Business Ethics, vol. 111, iss. 3, pp. 353 - 373. Sandberg, J, Juravle, C, Hedesström, T. M & Hamilton, I 2009, 'The heterogeneity of socially responsible investment, Journal of Business Ethics, vol. 87, iss. 4, pp. 519 - 533. Harji, K & Jackson, E 2012. Accelerating impact: Achievements, challenges and what's next in building the impact investing industry. The Rockefeller Foundation, New York. | | | | |
| (D) Motivation/Puzzle | Impact Investing is still relatively new, having been first coined in 2007 at a Rockefeller Foundation convening. Since then, it has attracted much interest and activity from around the globe. This is evidenced by the rapid emergence of specialized intermediaries, the involvement of mainstream financial players and governments, the inclusion of related subjects at renowned universities and the myriad of practitioner contributions. Despite all this, there has been a paucity of academic contributions. Together with this, there has been repeated criticism that a uniform definition is absent, alternative terms are being used interchangeably and boundaries to related concepts are unclear. | | | | |
| THREE | Three core aspects of any empirical research project i.e. the " IDioTs " guide | | | | |
| (E) Idea? | This research represents a crucial first step in examining how impact investing is understood by key academics and practitioners at the definitional, terminological and strategic levels. Specifically, it seeks to identify the core elements around which impact investing is commonly defined. It also seeks to analyse how impact investing overlaps with and is delineated from closely related terms such as social investment and socially responsible investment (SRI). It also seeks to investigate the full scope of strategic options that are typically available to impact investors across different geographic locations, sectors and asset classes, amongst many others. Ultimately, this research seeks to help foster this specific investment approach and guide future academic research. | | | | |
| (F) Data? | Given the dynamics of the motivation/puzzle, the data is comprised of both academic and practitioner contributions. The academic contributions were sourced on 1 June 2013 through a systematic search of the term "impact invest*" in the title, topic/subject, headings/subject terms and abstract of ABI/INFORM Complete (ProQuest 2014), EBSCO Business Source Complete (EBSCO 2013), JSTOR (JSTOR 2014), and Web of knowledge (Thomson Reuters 2013). For quality reasons, the search only included peer-reviewed contributions. Similarly, to ensure comprehensive coverage, the reference list of all identified contributions was also screened for the term "impact invest*". The final sample included 16 academic contributions. The 140 practitioner contributions were sourced on 1 June 2013 from the research section of the Global Impact Investing Network's (GIIN) website. This source was chosen as GIIN is widely recognised as the "de facto impact investment industry body" (Arosio, 2001, pp. 36). The contributions from this website are regularly updated and are authored by both third parties as well as representatives from the GIIN. | | | | |

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| (G) Tools? | <p>Using content analysis, the sample of contributions were analysed in terms of how they used the term impact investing. In line with the framework developed by Sandberg et al. (2009), this analysis focused on the similarities and differences in the usage of the term at a definitional, terminological and strategic level.</p> <p>The analysis at the definitional level consisted of an inductive coding procedure similar to that utilised by Mair et al. (2012). This procedure was comprised of 3 distinct coding phases that included the use of in vivo codes. A key feature of this particular procedure is that it allowed categories to emerge during the content analysis rather than drawing upon pre-defined categories.</p> <p>The analysis at the terminological level focused on whether the terms social investment and SRI have been used as synonyms, superordinate concepts, subordinate concepts or related but distinct concepts relative to the term impact investing. The terms social investment and SRI were chosen via a preliminary analysis of the impact investing descriptions previously identified.</p> <p>The analysis at the strategic level consisted of both a closed and open coding scheme. The categories for the closed coding were based on an adapted version of the framework used by Schwartz (cited in Nicholls & Schwartz, forthcoming). This particular approach was used as it specifically addressed different dimensions of social value creation. Coupled with this, the open coding allowed sub-categories to emerge based on the in vivo codes.</p> |
| TWO | Two key questions |
| (H) What's New? | <p>There is considerable scope for novelty simply due to impact investing being relatively new and the paucity of the relevant academic contributions. Against this background, the primary source of novelty is the idea to provide a timely first examination of the extant contributions given the recent, repeated criticisms regarding the conceptual clarity of impact investing. Coupled with this, the coverage of the data is also novel as it includes contributions of both academics and practitioners that were sourced from a relatively new global network (GIIN).</p> |
| (I) So What? | <p>There are 4 primary reasons why a lack of definitional, terminological and strategic clarity regarding impact investing is problematic and thus should be examined. Firstly, it could put at risk the credibility of the entire idea, including associated organisations, due to resultant issues such as "impact washing". Secondly, it could inhibit market growth and broad adoption as mainstream investors would find it difficult to readily understand what it is and thus form an opinion about it to invest. Thirdly, it could hinder key government actors in their pivotal role to establish the relevant infrastructure and a supportive market ecosystem. Fourthly, it could make it difficult for impact investing to gain legitimacy and for respective theories to develop within the academic field.</p> |
| ONE | One bottom line |
| (J) Contribution? | <p>This research represents a crucial first step to examine how impact investing is understood at the definitional, terminological and strategic levels in order to help foster this specific investment approach and guide future academic research.</p> |
| (K) 3 Key Findings | <p>The 3 key findings of this research are: "(1) It highlights the agreement on the fundamentals of impact investing... (2) it clarifies terminological aspects with regard to synonymous terms... and (3) it illustrates the various strategic options for impact investing..." (Höchstädter & Scheck, 2015, pp. 460)</p> |