



Sustainable Venture Capital

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Research Objectives

Definition

Determine what is understood by the term “sustainability”, both in an ecological and financial sense, and what is expected by investors in same.

Taxonomy

Identify any existing taxonomies used for sustainable startups, as well as any trends relating to interest in or success of various categories.

Representatives

Identify and analyse examples of startups & funds that have had success in the space, as evidenced by results, funding, exits, and other relevant events.

Investors

Understand the drivers that cause investors to opt for sustainable investments, and what they expect in return, in terms of financial and other outcomes.

Models

Discuss models for sustainable startup investing and funds, not limited to default approaches to VC, rather novel strategies like venture studios.

Opportunities

Seek opportunities to differentiate in the space, primarily in terms of categories to target and strategies to execute, ideally justified by examples.



Literature Review

Sustainability startups and where to find them

Crunchbase database extract used to identify web sites to analyse to find causal drivers of ecosystem differences.

Corporate Venture Capital Investment

Examines the diverse motivations of corporate venture capital to invest in cleantech via dozens of companies over several years.

Sustainability Organisation Design

Empirical study into organisational design expertise necessary to succeed in sustainability which differs depending on values and motives.

Sustainable Venture Capital Investments

Examines the history of sustainable venture capital (SVC) investment as well as enablers for same, and causal factors using grey-DEMATEL.

Super Founders

A data-driven view on what differentiates billion-dollar startups from the rest; no industry experience, solo/non-tech OK, few accelerators, no first-mover advantage.

Open Business Models

Addresses history of corporate innovation with an "inside-out" mindset, proposing an "outside-in" process based on licensing of intellectual property.



Data Analysis

Qualitative Research

Detailed review of data provided by individuals and/or groups to learn how & why they invest in sustainability, as well as their expectations on returns, reporting, etc. Actionable insights can be obtained this way.

Quantitative Research

Summary analysis of data obtained from a sample of the population to generalise across that population of potential investors. Targeting investors representative of LPs, as they are in short supply.



Sampling

Convenience Sampling

Inviting ~35,000 individuals who are directly connected to the researcher on several social networks, including LinkedIn, Twitter, and Facebook. Further filtered via screening questions.

Purposive Sampling

Selection of hand-picked individuals from a professional network of over 10,000 contacts (LinkedIn) built over a quarter century. Offered interviews and results access for more details.

Snowball Sampling

Participants are asked to extend the invitation to any of their own contacts they feel may be interested in participating. Proximity in the social network ensures quality.

Online Survey (Typeform Plus)

<https://sam-johnston.typeform.com/sustainability>

1→ What type of investor are you?

This allows classification of investors by sophistication.

☐ A I don't invest

☐ B Inactive (e.g., pension)

☐ C Retail (e.g., shares)

☒ Key D Accredited (e.g., \$1m assets/\$200k income) ✓

☐ E Qualified (e.g., \$5m investments)

☐ F Institutional (e.g., corporate, pension)

OK ✓

3→ What returns do you expect compared to market?

Determines whether investors expect greater or lesser returns.

Much Lower Somewhat Lower Equal Somewhat Higher Much Higher



OK ✓

Sustainable Investing Survey

Research into the future of sustainable investment and venture capital.

Sam Johnston (eju20onl23)
Masters Thesis Candidate
Global Executive MBA
S P Jain School of Global Mgmt
Sydney/Singapore/Mumbai/Dubai

Start

press Enter ↵

● Takes 2 min

6→ Please select your preferred UN Sustainable Development Goals (SDGs) for investment (top 3) *
Identifies priorities for investors in terms of sustainability.

Choose 3



A SDG1: No Poverty



B SDG2: Zero Hunger



C SDG3: Good Health and Well-being



D SDG4: Quality Education



E SDG5: Gender Equality



F SDG6: Clean Water and Sanitation



G SDG7: Affordable and Clean Energy



H SDG8: Decent Work and Economic Growth

8c→ Would you be willing to have a short interview (10 minutes)?

Qualitative data will help explain the quantitative data from this survey.

☒ Y Yes

☐ N No

5→ How likely are you to recommend sustainable investments?

The ultimate question is used to calculate Net Promoter Score (NPS)

0

1

2

3

4

5

6

7

8

9

10

OK ✓



Key Milestones & Timeline

Orientation by Dean and Academic Mentors (12th)

Workshop in-person with industry mentor in Zürich

Final Presentation [~21st] & ABR Final Hard Copy [~31st]

SEP

OCT

NOV

DEC

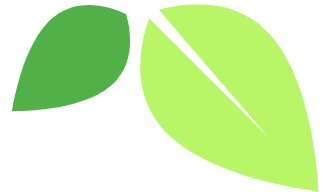
JAN

Submission of Statement of Purpose (SOP) [4th] & Draft ABR Proposal [25th]

Proposal Presentation [16th]
30 minutes:
- 20 minutes presentation
- 10 minutes Q&A
Recorded for review

Research project delivery timed with completion of course in December 2020 to build on subjects taken.

Presentations aligned with travel and allowing for in-person workshop with industry mentor in Switzerland.





VC Lab (Cohort 5) – 19 November 2021 to 1 April 2022



Expected Findings & Managerial Implications

Justification of formation of sustainability fund by confirming demand for same, supported by historical outcomes of similar startups & funds as well as sampling of investor intentions.

- January: Final presentation & submission
- March: Sustainable VC 2022 fund close
- April: VC Lab graduation
- 2022: External portfolio company funding
- 2023: Start planning for next fund



Researcher & Mentors



Sam Johnston

RESEARCHER

GEMBA Student at SP Jain
School of Global Management



SPR Vittal

ACADEMIC MENTOR

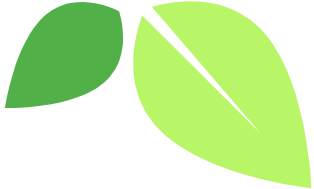
Finance professor at S P Jain
School of Global Management



Stephan Seyboth

INDUSTRY MENTOR

Venture capitalist and
computer scientist



Appendix: Literature Review References

- Tiba, S., van Rijnsoever, F. J., & Hekkert, M. P. (2021). Sustainability startups and where to find them: Investigating the share of sustainability startups across entrepreneurial ecosystems and the causal drivers of differences. *Journal of Cleaner Production*, 306, 127054. <https://doi.org/10.1016/j.jclepro.2021.127054>
- Hegeman, P. D., & Sørheim, R. (2021). Why do they do it? Corporate venture capital investments in cleantech startups. *Journal of Cleaner Production*, 294, 126315. <https://doi.org/10.1016/j.jclepro.2021.126315>
- Parrish, B. D. (2010). Sustainability-driven entrepreneurship: Principles of organization design. *Journal of Business Venturing*, 25(5), 510–523. <https://doi.org/10.1016/j.jbusvent.2009.05.005>
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- Chesbrough, H. (2006). *Open Business Models: How to Thrive in the New Innovation Landscape* (1st ed.). Harvard Business Review Press.