

[00:00:00.00] - OM

Welcome to Investment Committees of the Future in Conversation.

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In this series, we speak to leaders and change makers about their experience of Good Finance's Investment Committees of the Future programme. Investment Committees of the Future is a programme that seeks to lift the lid on investment committees and emphasise the value of lived experience in decision making positions. In this episode, I speak with Jacy Stewart. Jacy is a social impact and investment consultant and investor who is passionate and committed to creating a more inclusive and diverse social investment sector for black and racialized communities. Jacy completed Investment Committees of the Future some time ago and has since gone on to join an investment committee. So I'm really interested to speak with her today and learn more about her experience of both the programme and the investment committee. Hi, Jacy. Thank you so much for joining us. It's really great to have you here. Before we kick off, it would be great just to get you to introduce yourself and tell us a little bit more about the work that you do.

[00:01:04.06] - JS

Sure. I'm Jacy Stewart, and I'm the founder and CEO of For Business Sake. For Business Sake is a social economy consultancy, and what we do is we act as a bridge between social impact and the investor sector and the social enterprises. We understand the complexities of what it's about to to deliver social impact and investment programmes. But we also understand what the real issue, critical issues are on the ground with frontline organisations such as social enterprises and charities and the struggles it is that they face. Sometimes there's this language barrier between the two and a misunderstanding. We put processes, consultants, programmes, and implementations in place to help bridge to help make the social investment sector and the social impact sector be really what it is and have those great success stories and those great achievements and that great impact, which is what social impact and social investment is all about.

[00:02:17.12] - OM

What was it about the Investment Committees of the Future programme that interested you and why did you decide to sign up to do the learning?

[00:02:24.07] - JS

I was going through the process of social investment, my company in itself. I So you hear about it, you read a lot about it. I'm in the sector of it, but never actually been through the process. So while I was going through the process of it, I really could understand the different scenarios, what the investors were asking of me, what I needed to produce. But I was just so much surrounded in it. The other thing as well as I had an opportunity to be on an investment committee panel because of the work that it is that I've done. And it was just a great way of before jumping in straight away. It was timely, it was perfect. It was a way that I could understand what it meant and what my roles and responsibilities were being on that panel. The programme just seemed absolutely perfect. Like I said, it was just all beautifully timed.

[00:03:19.14] - OM

Going through the learning itself, was there anything in particular that surprised you?

[00:03:24.17] - JS

One of the things that I'm an advocate for is diversity, equality, and inclusion. From looking at blogs and reports and interviews and everything like that that is surrounding DNI is that the social investment sector does lack diversity, equality, and inclusion. I still see that, and I still know that that to be true. But one of the things that did surprise me was the amount of Black and globalised majority individuals that were actually on panels, because if you look at it from the outside, it just looks like we're not there representing. But from some of the features, it was shown that, no, there is representation there, as small as it may be, but it is there. And that was really beautiful to see.

[00:04:15.10] - OM

I think that's a really interesting observation you've made that while there is some representation of

Black and global majority voices on investment committees, it's not enough where we are at the moment. I'm just curious as to what you think maybe some of those barriers are to people actually being able to join and access investment committees.

[00:04:34.15] - JS

It's a good question. I think some of it goes towards the recruitment process, and not just the recruitment process, but what is required to be on a panel. Like a recruitment process, there are certain aspects that you may need to know about. But I think the other thing is, unless you're in the sector, and again, the sector isn't diverse, a lot of these roles, and this actually came out in one of the videos on the course, unless you're in the sector, you won't even know that these roles exist because it's a word of mouth thing or because somebody's known you from somewhere else thing. They're hardly ever advertised. I think that's probably one of the big barriers as to why. I also like addressing imbalance when people are not understanding the social investment sector in its entirety until we do these courses or these webinars and that thing. I don't think people even know what an IC committee is or what an IC is. It's not a common language. It's not a common If it's a grant panel, you get that. You understand that, Oh, my application has gone to grant panel. But unless you're in the sector, these languages and terminologies, you're just not going to know.

[00:05:58.05] - OM

I guess from what you've said, there There's two key areas. There's the recruitment process, the transparency of the process, and how positions are actually advertised. And the second piece is really about that knowledge gap of really understanding what investment committees are, how they work, and how they operate. And I guess with investment committees, a lot of that decision making happens behind closed doors. So there's not a lot of transparency around the type of decisions, the type of conversations that take place in investment committees, which makes it probably quite a difficult space to move into if it's not an area that you're directly working in. And that brings me on to the next question on what can investment committees themselves or the wider sector do to ensure that these routes to joining investment committees are much more accessible, particularly to people with lived experience.

[00:06:48.29] - JS

I'm smiling here because I'm going to plug an organisation such as the Diversity Forum. The Diversity Forum is that home for diversifying the social your investment sector. The Diversity Forum is that speaking voice that talks about diversity, equality. It talks about where some of the issues and some of the challenges, but it is about looking at diversifying the sector, and that's where the voices can be heard from that platform and from the platform that the diversity form goes on to speak about, not just some of the issues, but the success stories. I think anybody knows me. I'm not the gloom and gloom. I am really about, when I'm saying I'm that bridge, I am saying, Look, investors are doing this. Don't think that they're not. Social investors are looking into it in this way. Don't think that they're not. And so organisations such as those that are able to find the people and find the diversity, should I say, that investment committees are missing out on.

[00:07:57.01] - OM

When it comes to actually bringing greater diversity to investment committees, why is this so important?

[00:08:03.26] - JS

It's massively important. The reason being is because there's a cultural understanding. When I mean cultural, I mean cultural in a diverse way. As I sit on an investment committee and I see a paper coming, I'm looking at a paper. While a committee might look it and just write it off completely, they're missing a cultural element of why the organisation is the way it is. If it was able to come with conditions to be able to meet the standards that the IC would want, then it would go through. But it's only because I come from a diversity intersectional lens and viewpoint that I'm able to point this out. If I wasn't there, then that application, which is a good application, it just needs a little bit of whatever it might be and a little bit of conditions on it, it just gets thrown out completely because you're not understanding the culture of the organisation.

[00:09:00.03] - OM

Thanks, Jacy. I think that provides really good context as to why diversity of experience, skills, opinions are so critical in investment committees. You mentioned that yourself, you joined an investment committee around a similar time to starting the Investment Committees of the Future programme. I'm just curious as to whether any of the things that you learned in the eLearning programme were things that you could apply to your role in a real life setting.

[00:09:26.10] - JS

Immensely. Honestly, all of the courses, the videos, everything about it, because I've never been on a... I've set them up, but I've never actually been on one before. So to actually finish the course and then went on to sit on the committee as well. So it was this time period. But what it was able to do is set me up to not think that I'm going to say something silly, that my voice would be valid. And I know that these guys, they've been in finance for years and they can read these reports and whatever. But my perspective and where I was going to come from and what I was going to say would be actually a valid point and not to be quiet and to speak up. This is what the course does and says. It just reassures you. Now I can't wait to get into the room. I can't wait to also look at the reports. The applications are quite detailed, but they're great to see the impact what's happening, what's going on, what past investments have done, what they're planning to do, how it's going to change, how it's going to support, all of that.

[00:10:38.17] - JS

So it's not just all financial, it's really the impact that social investment makes, really. But it just... For me, the course allowed me to see the bigger picture of what sitting on the committee was not just looking through papers.

[00:10:58.05] - OM

Yeah, I can imagine it's more than just financial decision. It's seeing the real-life impact that that money is making to the people and communities.

[00:11:07.05] - JS

Yeah. Also, there was some thinking there about your peers, so the other people that sit around the table. You get to meet with the meet people from so many different perspectives and you hear different case studies. There's so much to it that the course actually helped to ease me into that process.

[00:11:26.24] - OM

What was the key learning that you took from the programme overall?

[00:11:30.00] - JS

I think one of the key takeaways for me would be the diversity. Again, like I said, I think I was looking at it thinking it was all... No diversity within it whatsoever, but actually seeing, no, there are, and also other appointments as well. So you're not just sitting on one committee, you might be sitting on two committees. But I really had this perception that it was all white men, for example, that sitting around, and that was so far from the truth.

[00:12:05.18] - OM

That's really interesting. You mentioned that investment committees really need a diverse range of perspectives, but often people have the perception that they need to have a really strong financial background or an excellent level of financial literacy to join a committee. I'm curious as to what your thoughts are on this.

[00:12:23.11] - JS

There is an importance of having some financial understanding, but it's not all of what a committee is looking for. A committee, and especially the one that I'm on with residents, is looking for a diverse thought across so that everybody can, and everybody has an understanding to be able to feed in to an application.

[00:12:46.23] - OM

What was it that really encouraged you to join an investment committee or seek an investment committee position?

[00:12:52.26] - JS

I have no interest in sitting on an investment committee at all. It just didn't cross my mind in the slightest until it was brought to me. I guess it's that approach. I don't know any other way of being... It wouldn't interest... It never interested me until it was explained to me and then until the programme and all that.

[00:13:16.23] - OM

That's really interesting. Actually, one of the things that really came out when we were doing the research for the Investment Committees of the Future programme was that a lot of positions on investment committees aren't widely advertised, and it tends to be within networks that opportunities are shared, which makes it quite a closed process in many instances. And I think if it is a case of the social investment space really wants to shift the dial, create much more diverse investment committees and more equitable investments, I guess, as a result of that, there needs to be a much more open process. And I'm curious as to what your thoughts are on how the social investment space can really shift to make the process much more accessible.

[00:13:59.29] - JS

I think it's just being more active within the sector and having more of those calls within the sector. So be it a slot at the next Addressing Imbalance conference or a partnership with a collection of wholesalers that come together that are really looking at diversifying their IC Committee Board. But I think it relies on the sector to be able to do that. And then it relies on those within the sector to, I guess, be looking out for it. But it's a sector thing. It's a language thing. It's not common. It really isn't common. The amount of conferences, even with my consultants, they still don't understand it and they still don't get it because they're off doing whatever it is, what they're doing. But when I give them a job, for example, I'm saying, Right, we got to get this application up to IC. They know what they've got to do, but they don't know how valuable it would be for them if they actually sat on the committee and were able to see these papers coming through and what the process was of how they get their investment.

[00:15:12.05] - OM

Yeah, and I think that really comes back to one of the things that of the core reasons that the Investment Committees of the Future programme was developed. And it was really reflecting back on what you said about your consultants who are really experienced in putting together applications, bringing forward proposals, and really have that understanding of the challenges and the social issues that organisations are tackling. But going back to the piece around transparency of investment committee positions, awareness of what investment committees actually do, and also then that confidence piece in understanding what value-lived experience really does bring to the table and the richness that it brings to the decision-making process. I think there's that disconnect there, and that's something I guess that's a gap we're really trying to fill with the investment committees of the future programme. And more widely at Good Financing, whereas our role is to support charities and social enterprises to navigate the social investment space. When it comes to that knowledge piece, what to you does Good look like?

[00:16:13.13] - JS

As much as it gets drilled in, I think there just needs to be more of these webinars, seminars, conferences, where social investment is being talked about as an option. It's not for everybody, and I think that needs to really come through, but it is an option to consider. And also, just as social enterprises, you can be a CIC, or you can be limited by shares, or limited by guarantee, or a cooperative way. It's an option to consider going into the social... Becoming a social enterprise. Social investment needs to be another option to be considered in the terms of contracts, grants, and social investment. I think it needs to sit on the table in the same space and have that weight and be talked about in the same manner in the same vein. I also think that more blended finance needs to be put and brought onto the table because it eases people into understanding a lot more about social

investment. But if it's just straight social investment without a grant element, it's a bit of a scary thought and process for an organisation to go down. So I just still think there's a lot of education that's still needed about it, around it, before we can see what good looks like.

[00:17:36.29] - OM

Absolutely. And thank you, Jacy, for joining us to talk all things investment committees today. As always, it has been an absolute pleasure, and it's been really great to speak with you.

[00:17:47.14] - JS

And to you, too. Thank you.

[00:17:53.02] - OM

Thank you for listening to Investment Committees of the Future in Conversations. If you'd like to find out more about Investment Committees of the Future or any of Good Finance's eLearning programmes, visit www.goodfinance.org.uk.