

Impact Ventures: Case Study

Developing Impact Frameworks for Foundations in Emerging Markets

Launched in 2019, Impact Ventures by J&J Foundation is an impact investment fund within the Johnson & Johnson Foundation. It invests in companies and entrepreneurs innovating to improve health equity for underserved patients around the world.



\$50 million
commitment



3.4 million
Patients reached



90,000
Healthcare Professionals
supported



86%
Investment in LMICs

The Need

The Good Economy (TGE) was engaged in 2021 to set up an Impact Framework for Impact Ventures by J&J Foundation who wanted to formalise its processes and tools for measuring, managing and communicating impact in order to:

- Consistently assess the impact potential of new investment opportunities
- Rigorously collect and analyse impact data for programme development
- Coherently convey its impact story to internal and external stakeholders

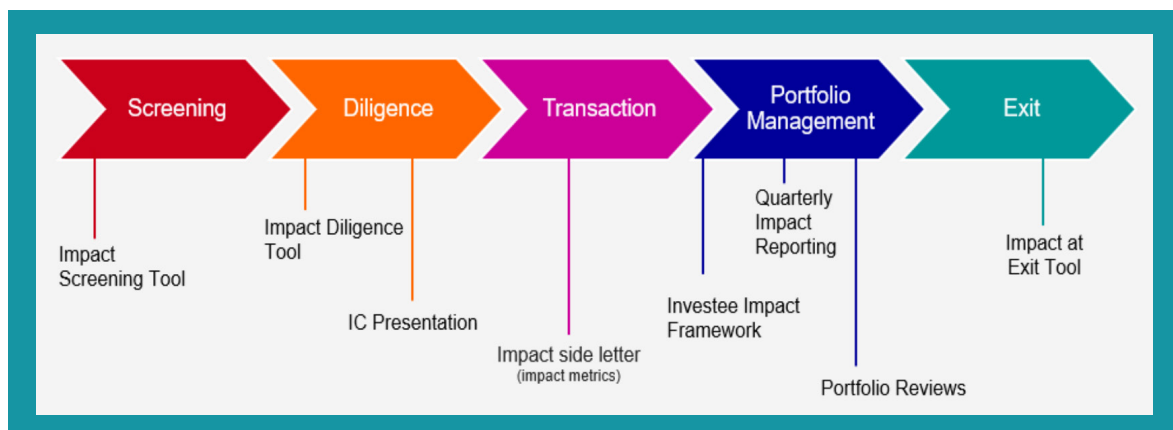


Our Approach

TGE worked with Impact Ventures by J&J Foundation to develop a robust impact framework and methodology and has over time continued to revise and refine the original framework. In addition, new tools have been developed and adapted to enable the framework, portfolio companies have been engaged and supported, and impact diligences and screenings have been conducted for new investments.

Impact Framework

TGE developed an impact framework which encompassed tools to integrate impact into all stages of the investment lifecycle and decision-making process including screening, diligence, transaction, portfolio management and exit. The framework was developed and revised collaboratively with the Impact Ventures team and shared with their Investment Committee. Impact Ventures by J&J Foundation has now taken ownership to operationalise the framework, and TGE continues to provide insights and learnings to further refine it.



Screening and Diligence

From 2021 - 2022, TGE conducted impact screenings and diligence for Impact Ventures by J&J Foundation on new investment opportunities. TGE continues to support the investment team with new companies in the investment pipeline, by providing an external perspective and breadth of expertise in the impact space. In addition, using the impact screening tool developed, TGE worked with one of their partners, Village Capital, to provide impact assessments for their US Health Equity Alumni programme participants.

"The Good Economy has been a valuable partner for us, helping to shape and strengthen our impact strategy and methodology to focus on achieving our overall mission as an impact investment fund."

Dana Deardorff, Global Director at Impact Ventures by J&J Foundation

Portfolio Monitoring

Impact Ventures by J&J Foundation wanted a solution to increase the efficiency for both internal portfolio monitoring and external reporting. TGE conducted a landscape review of platforms that met their needs and developed a sample dashboard to ensure that the dashboard enabled the required impact reporting. On a quarterly basis, TGE reviews portfolio reporting and ensures that methodologies, assumptions and proxies are used appropriately and consistently.

Impact Targets

TGE and Impact Ventures by J&J Foundation worked closely to develop an approach to setting an impact target for the number of patients reached by 2030 within their \$50 million fund. The methodology has been published on Impact Alpha - 'How to set social impact targets in an uncertain world'.

Portfolio Support

TGE developed impact frameworks for Impact Ventures by J&J Foundation's portfolio companies. This involved working with each company to define and refine their impact metrics, and document the calculation methodologies, assumptions and limitations.

TGE continues to work with the portfolio companies to further support their longer-term impact goals and reporting.

Global Investment Portfolio



Outcome

As a result of TGE's services and support, Impact Ventures by J&J Foundation has a robust impact framework in place. TGE continues to be engaged, providing on-going support, consulting and accountability for its impact investment work. Impact Ventures by J&J Foundation is now able to better articulate its impact story, demonstrating its potential for both impact and financial returns. This in turn will contribute to achieving its longer-term aspiration of inspiring more entrepreneurs and impact investment in the healthcare space.

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