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Client Stories

THE BARRA FOUNDATION





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CLIENT: The Barra Foundation

DETAILS: Medium-sized private foundation

SERVICES: Education, Strategic Portfolio, Development of an Investment Policy Statement, Source and Selection of Investments, and Due Diligence on Investments.

DURATION: 32 months, ongoing work

THE SUMMARY

In 2017 The Barra Foundation determined they could do more to embrace their mission: *to invest in “innovation to inspire change that strengthens communities in the Greater Philadelphia region”*. They had begun to explore impact investing and realized they needed outside expertise to provide staff and board education. Together with Cogent Consulting PBC, they found a path forward. With training and consulting services from Cogent the Foundation held a half-day education retreat for their Investment Committee members and staff. When they wanted more, Cogent delivered a 2-day in-depth educational session 7 months later. This process resulted in a commitment to impact investing codified in a new Investment Policy Statement and redefined roles and responsibilities for staff, Investment Committee members, and their long-time investment consultant, Colonial Consulting LLC. The Foundation began to implement that policy by reviewing individual deals but quickly realized that they wanted a more strategic approach to chart a course forward for more investments that fit their mission and met financial return expectations. Cogent led their program staff, investment committee, and investment consultant through a Strategic Portfolio Design process resulting in clear priorities. Today The Barra Foundation has successfully:

- Clarified their impact investing priorities
- Set a budget for mission-aligned investment
- Defined risk and return parameters for their aligned investments
- Developed a detailed Market Scan of deal possibilities
- Entered into Due Diligence on several promising investments

The Situation

The Barra Foundation wanted to do more than grantmaking to address its mission. They had heard about Impact Investing and attended a few sessions at conferences for foundations. They were intrigued. Staff looked for a consultant who could speak to both the programmatic and impact work, and who has had the skills to communicate with seasoned investment professionals on the Investment Committee.

The Solution

BUILD IN-HOUSE KNOWLEDGE ABOUT IMPACT INVESTING

The Barra Foundation began with a Cogent led half-day “Investing for Impact” Retreat for the Investment Committee, staff and Investment Consultant. The session introduced Impact Investing to the trusted professionals and volunteers responsible for managing the investments. Going more in-depth, 7 months later, Cogent delivered a customized 2-day training session to build increased understanding by leadership and internal capacity among staff to engage in impact investing with confidence.

CREATE INVESTMENT POLICY STATEMENT (“IPS”) & PRACTICES TO IMPLEMENT IT

Over the next 6 months, Cogent led the Foundation through a series of planning sessions resulting in developing The Barra Foundation’s own policy guidance for impact investing including priority focus of investments and level of risk and return expected. The answers formed their first change to their Investment Policy statement reflecting their impact priorities and budget.

IMPLEMENTATION OF THE PLAN

With Cogent advising, The Barra Foundation completed an initial look at several deals, conducted a deep dive into “Venture Philanthropy” and began work to integrate mission and values across asset classes. In 2019 Barra began implementing its action plan. They are continuing on this path with Cogent Consulting providing advice and Due Diligence along the way.

Outcomes

- Barra staff and Investment Committee members have embraced impact Investing and developed a strategy they can all support.
- Roles and responsibilities of staff, investment committee, and investment consultant are redefined to include impact investing processes.
- Investment opportunities pipeline is in place with the foundation poised to quickly decide yes or no on exploring investment opportunities as they arise.
- The Barra Foundation embraces Venture Philanthropy as a distinct practice, using below-market-rate instruments such as Program Related Investments (PRIs).



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