

Systems Mapping for Impact Providers



**Transformative
Finance E-talk**

9 November 2022



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Robert Ricigliano

Dominic Hofstetter

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Louise Boehm

Manolo Vega/CO_Capital/Mexico

Matteo Barberi

Cheyenne Kooijman

Rafael Heim

Simon Rickard

Connecting to audio...

Julie Engelhorn

Anat Sery

Cornelia Nussing

Welcome & framing

Speakers

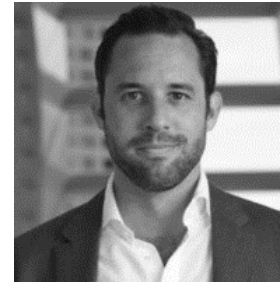


BMW Foundation
Herbert Quandt



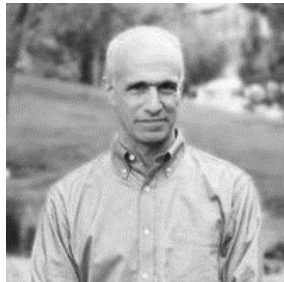
Anja König (Moderator)

Lead Transformative Finance at EVPA



Thomas Adank

Lead Net-Zero Mobility at TransCap Initiative



Robert Ricigliano

Systems and Complexity Coach, Omidyar Group and Lead Trainer, System Practice at Acumen+ Academy



Dominic Hofstetter

Space Building Lead at TransCap Initiative



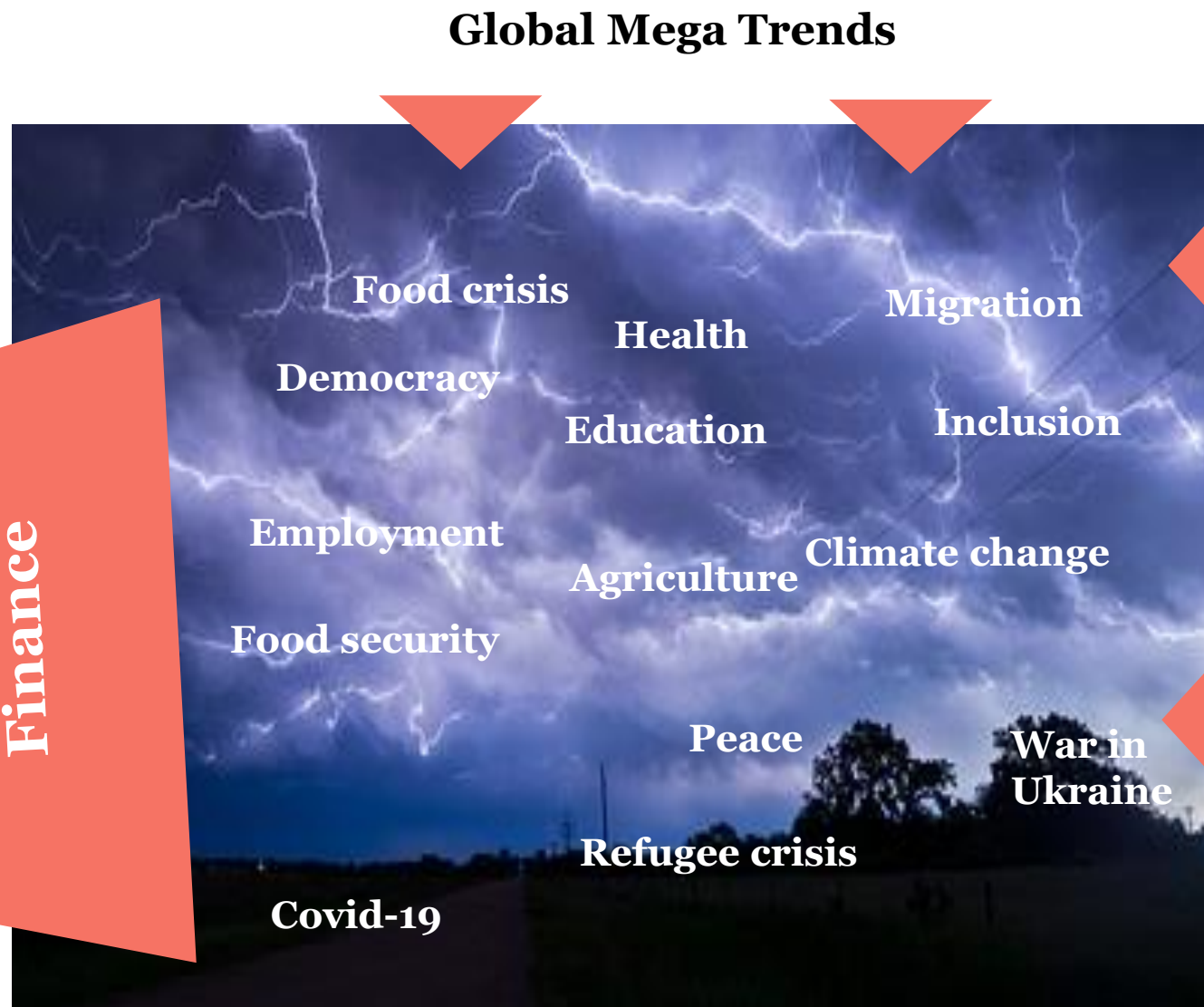
Katy Hartley

Director of Strategy at Laudes Foundation

**We need to
rethink (impact)
finance in view of
the complexity of
societal challenges
and future trends**

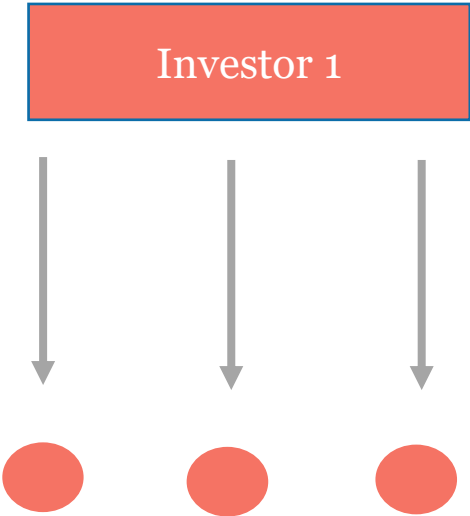
**Impact
Finance**

**Transformative
Finance**

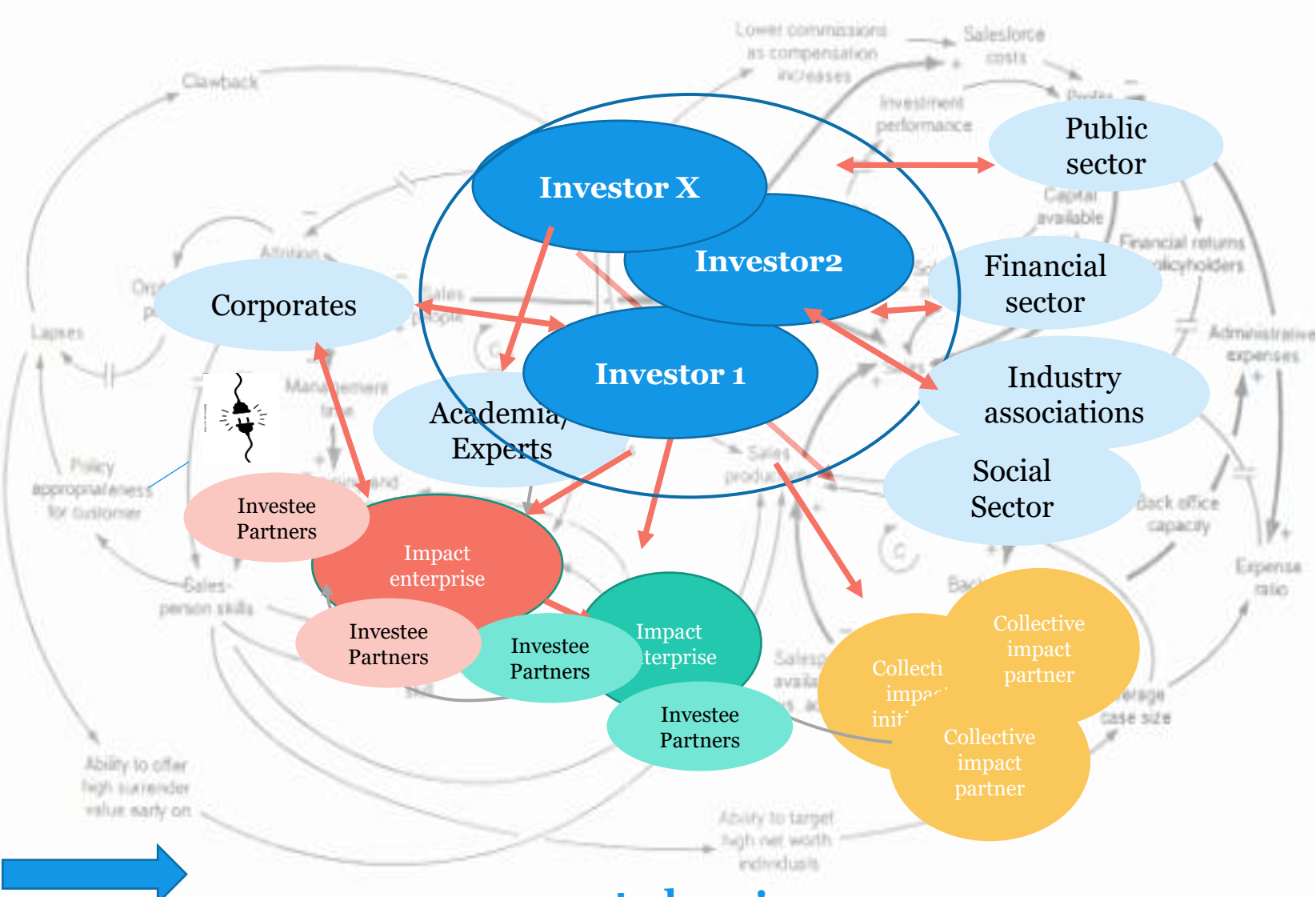


Global Mega Trends

Intervening in complexity, volatility and uncertainty...

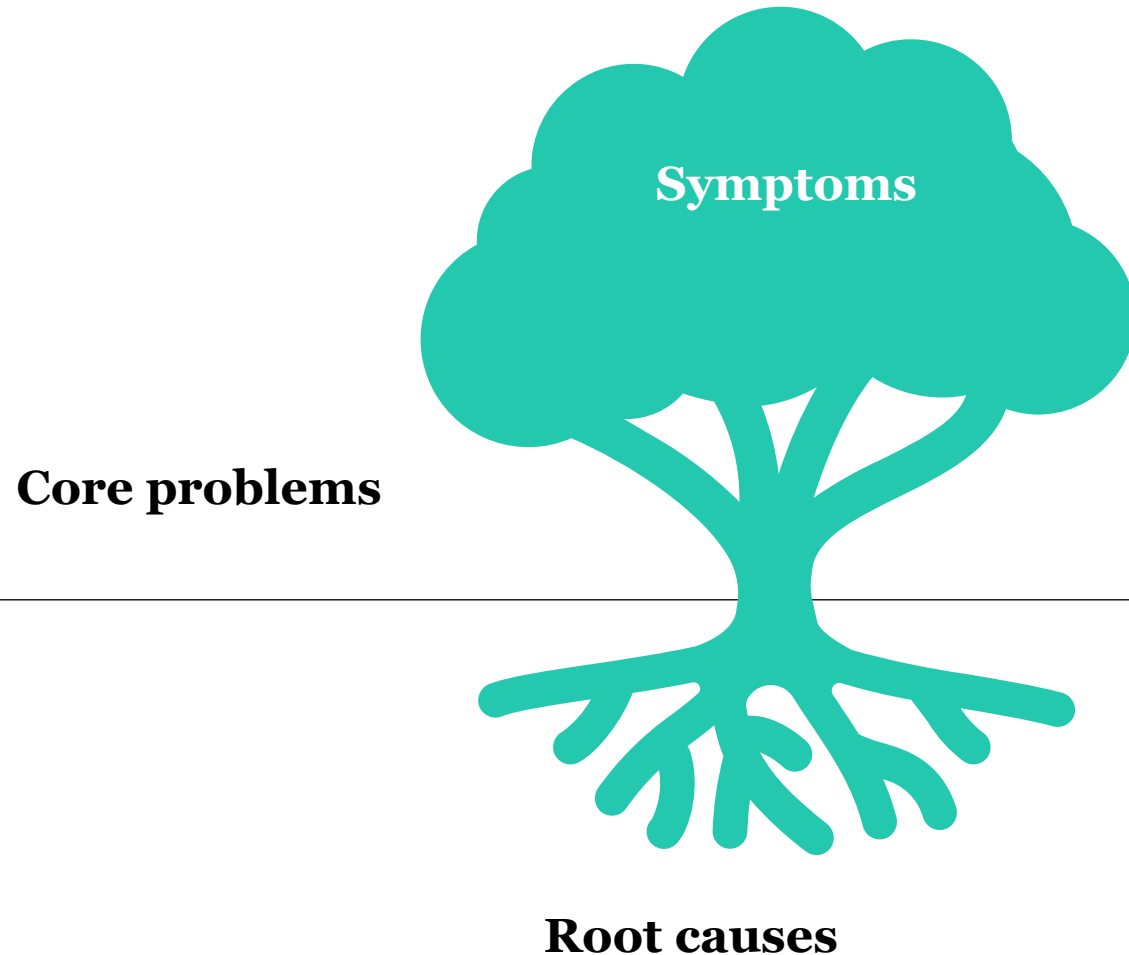


From here.....



.....to here!

...and addressing the root causes of social challenges, rather than the symptoms...

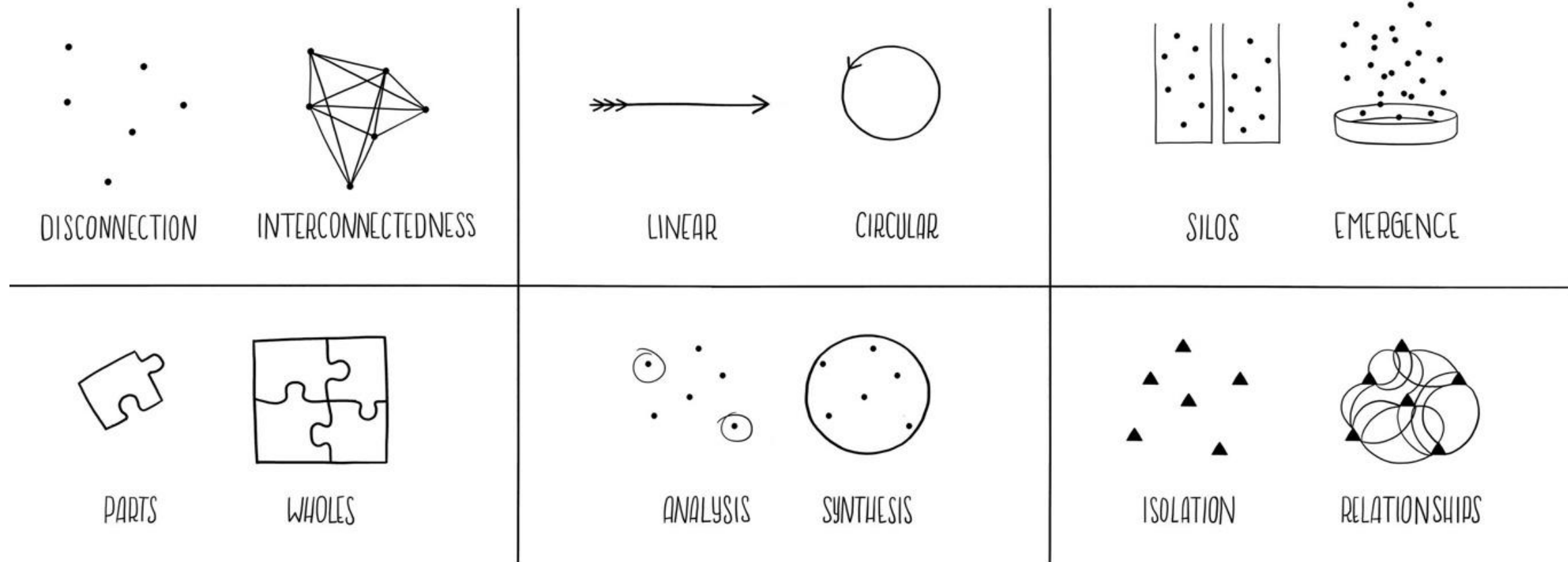


1. Direct service. Addressing immediate needs of target groups

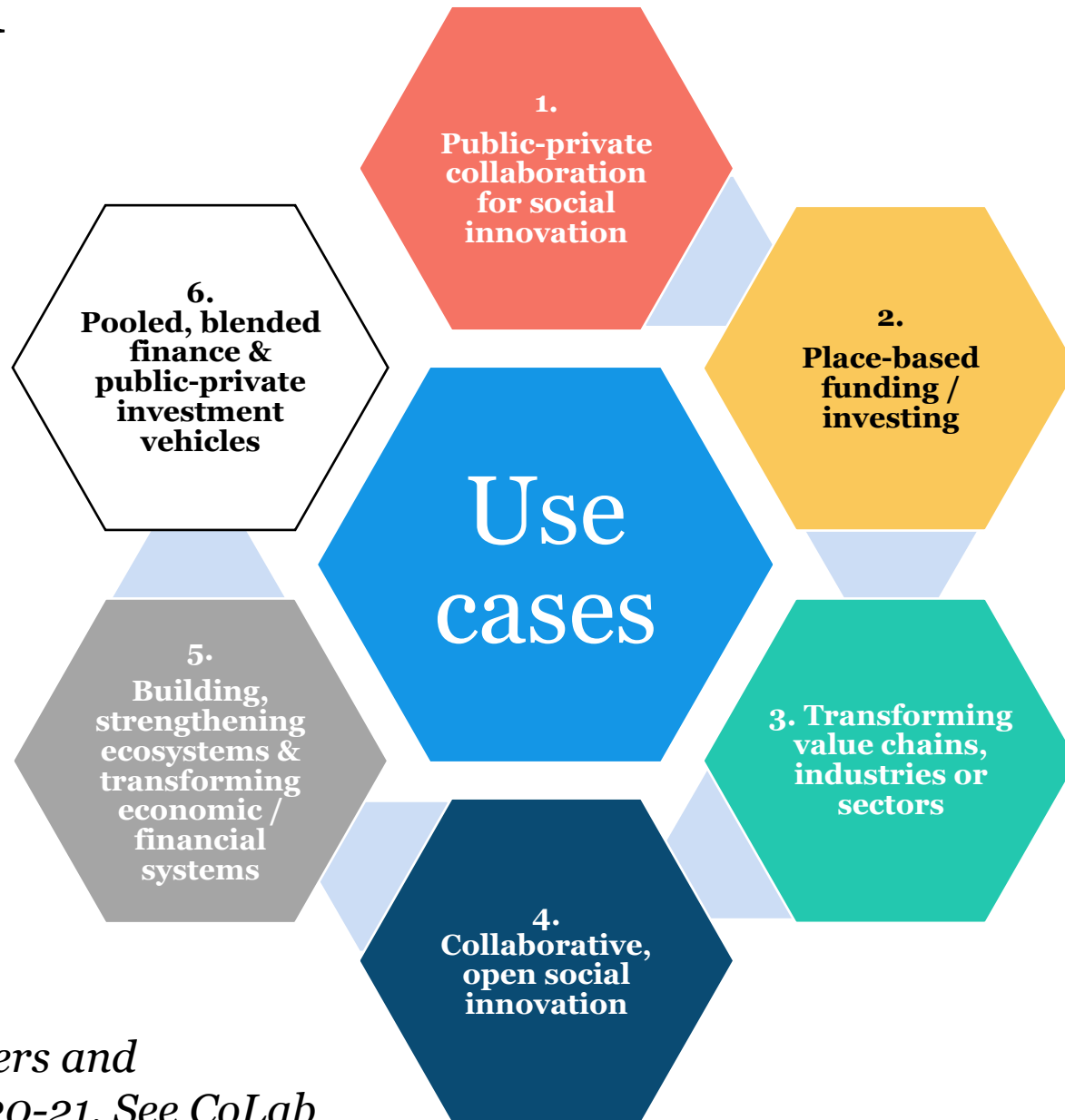
2. Scaled direct services. Reaching more or deepening impact with existing beneficiaries.

3. Systemic and transformative change. Tackling the root causes of a problem in a way that leads to a shift in structures, rules, power dynamics, mindsets and paradigms.

... requires different investing practices and (leadership) methods



EVPA Colab Award Framework I*: Common use cases in transformative finance



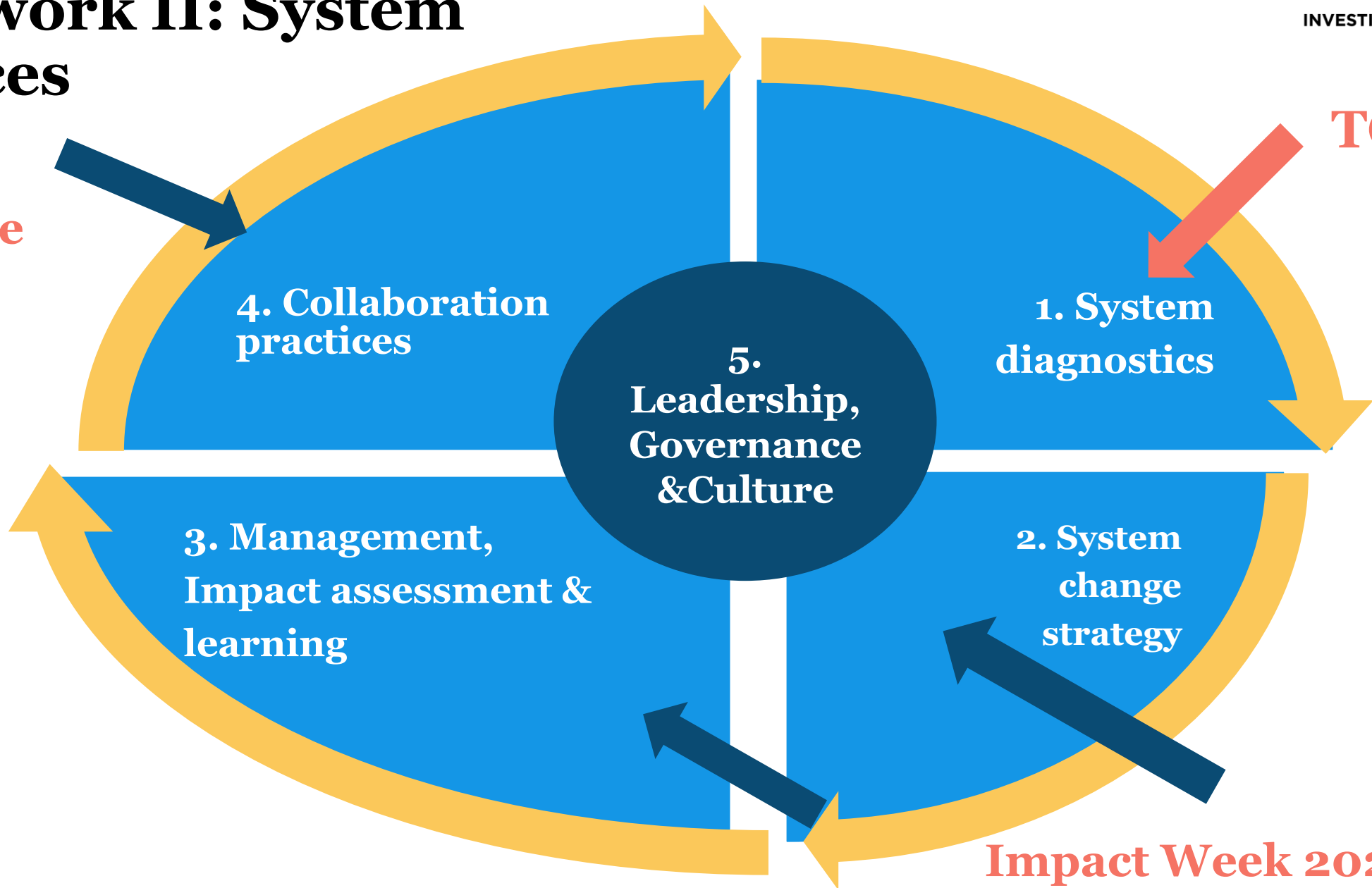
**Based on interviews with EVPA members and international practitioners between 2020-21. See CoLab Award application guidelines*

EVPA Colab Award framework II: System practices



Deep Dive
6/2022

TODAY



Impact Week 2022

The Transformative Finance Lab



WHY?

To overcome disconnects in the impact finance eco-system to effectively address wicked systemic challenges

WHAT?

A facilitated space, method and process supported by suitable technology.

WHO?

A diverse group of actors across the spectrum of capital and beyond.

HOW?

By co-sensing, learning, exploring, experimenting, co-creating and collaborating.

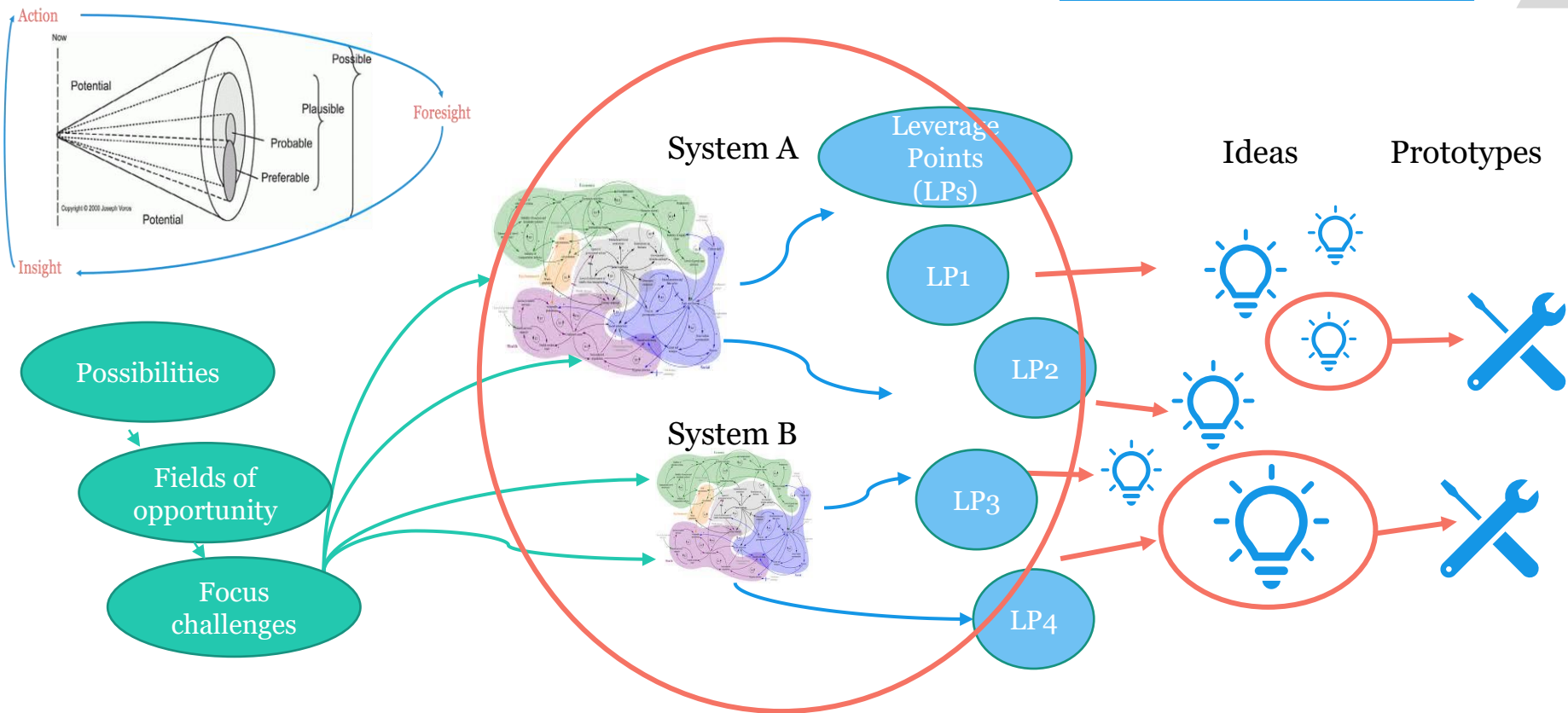
WHAT FOR?

To co-create collective impact solutions for transformative impact AND foster eco-system awareness, learning, connections and inspiration

Key steps / modules



Core TFL team
Joint intention
and focus

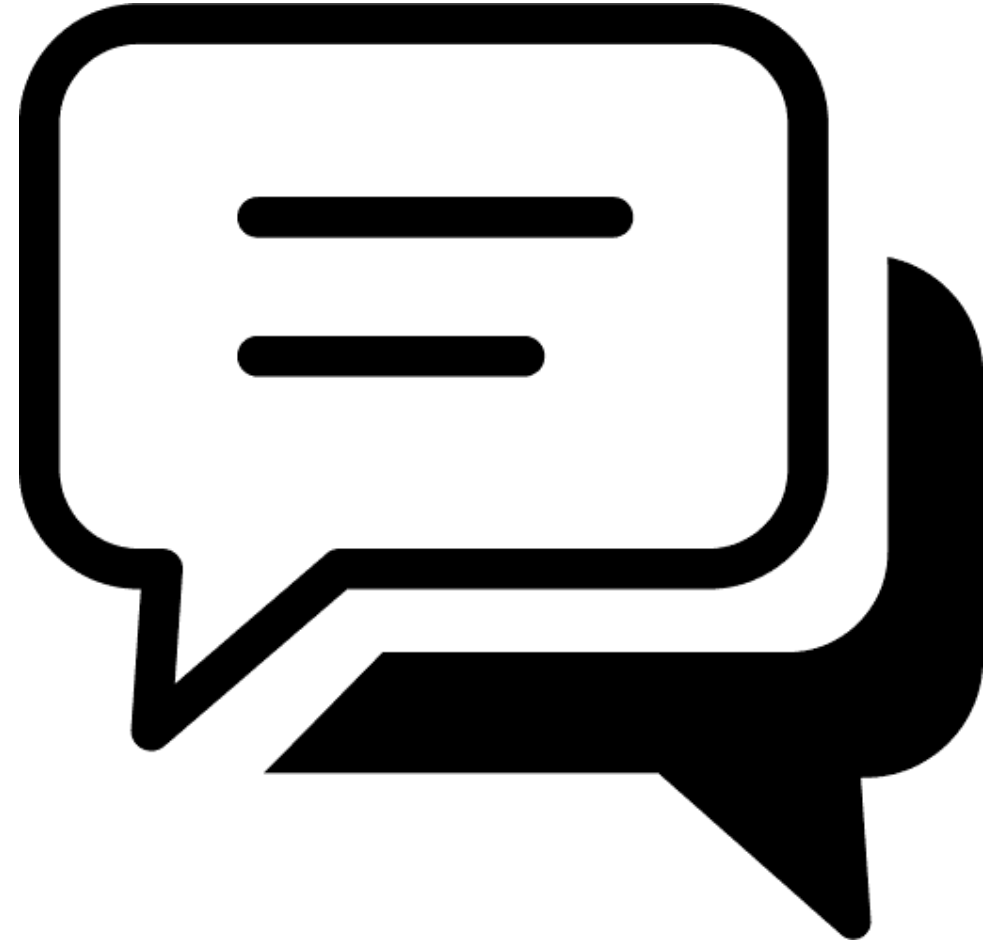


Proposed TFL duration: min. 6 weeks, max. 6 months

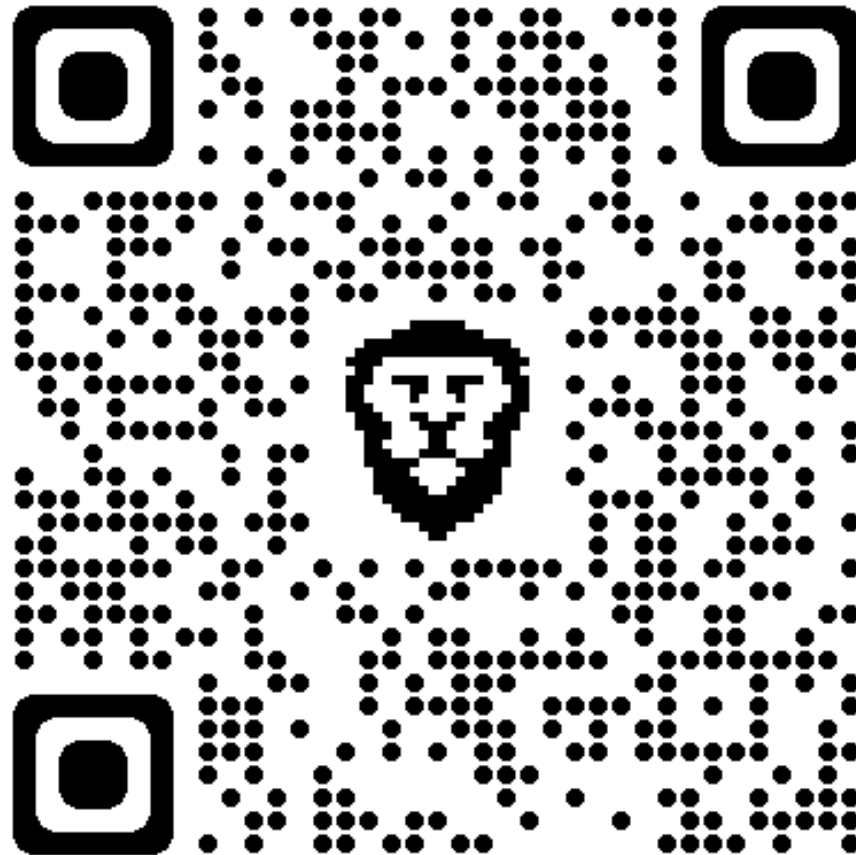


Your inputs

Add your favourite example on where you used systems mapping to the chat.



Your inputs

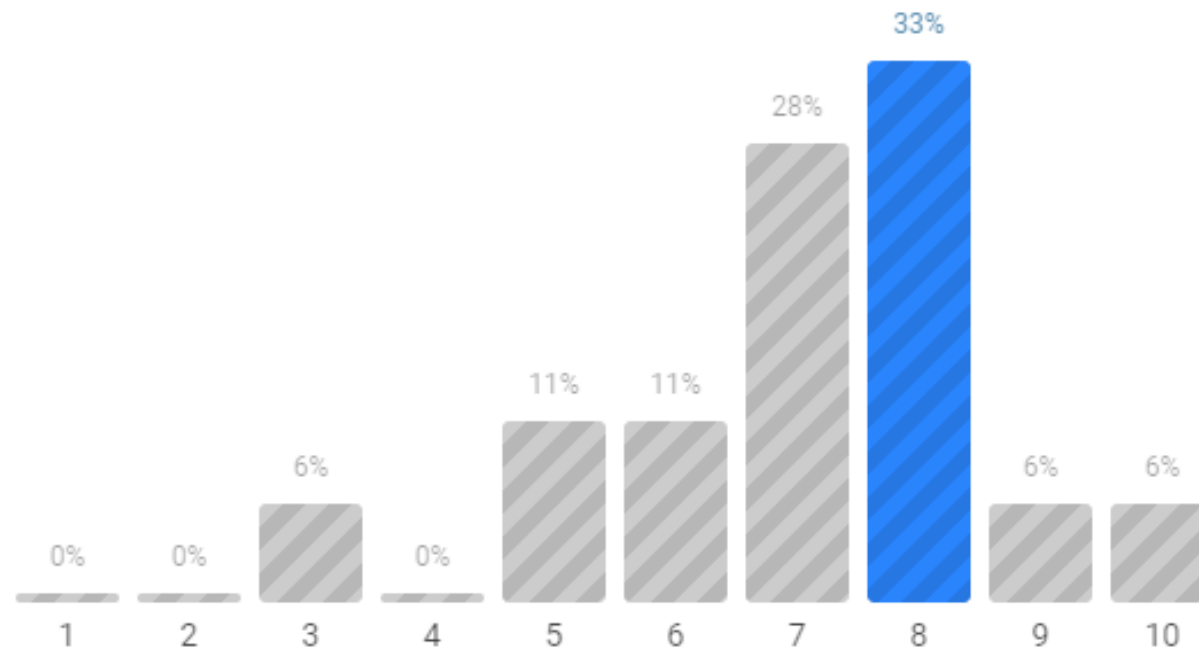


Join at slido.com
Password: #**2093158**

Your inputs

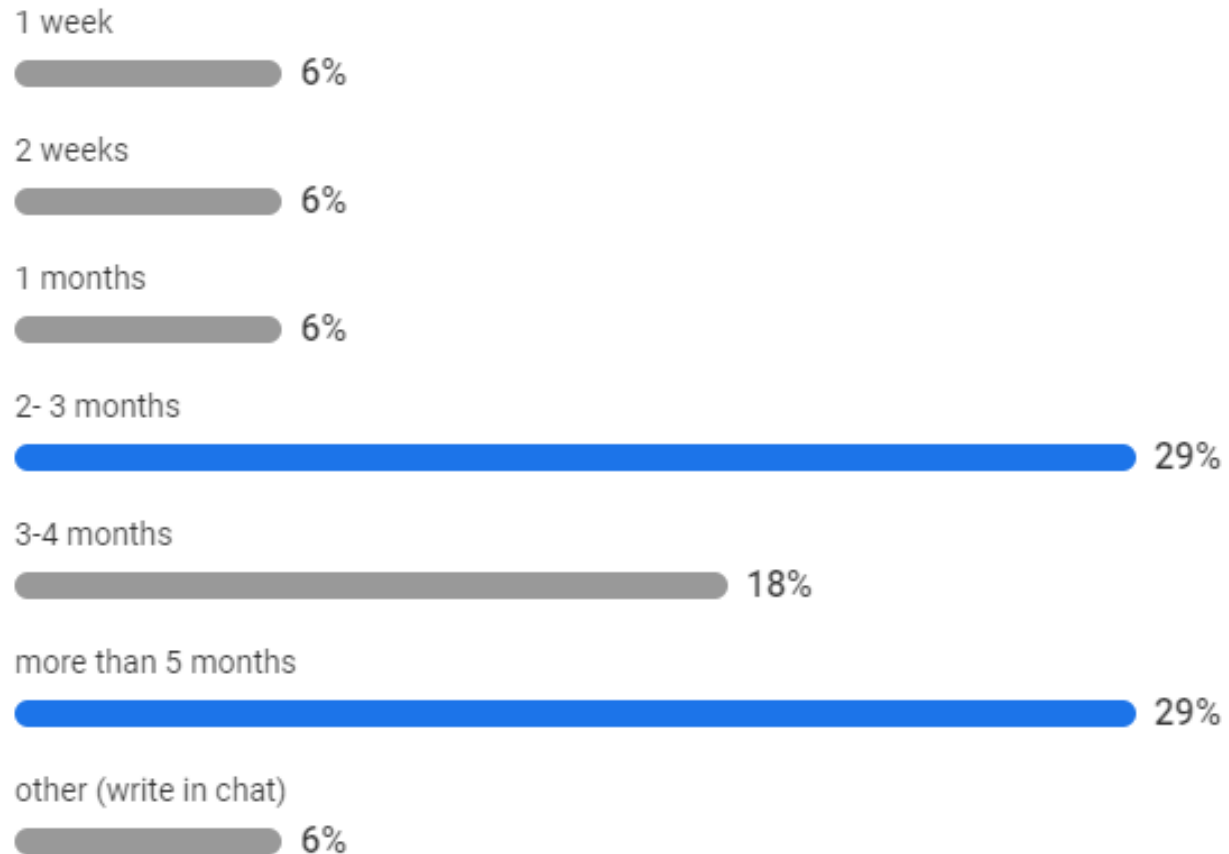
From 1- 10 – how difficult did you find the systems mapping you undertook
1 - Easy 10 - Difficult

Score: ★ 7.1



Your inputs

How long did it take you to produce a systems map?



Your inputs

Why did you undertake a systems mapping?

Gain clarity about systems dynamics



Find leverage for most suitable intervention



Act more strategically



Learning and adaptation



Other (write in chat)



**System mapping for
capital providers:
What?**



System Mapping: An overview

Rob Ricigliano | The Omidyar Group Systems & Complexity Team

11-09-2022

System Mapping: What?

System mapping is one of several ways to **understand a complex system well enough to support engaging that system**

A system map is NOT a map in the conventional sense

System Mapping: Why?

There are two fundamental types of challenges inherent in any situation:



Clock

(Complicated)

predictable
controllable
bounded

Cloud

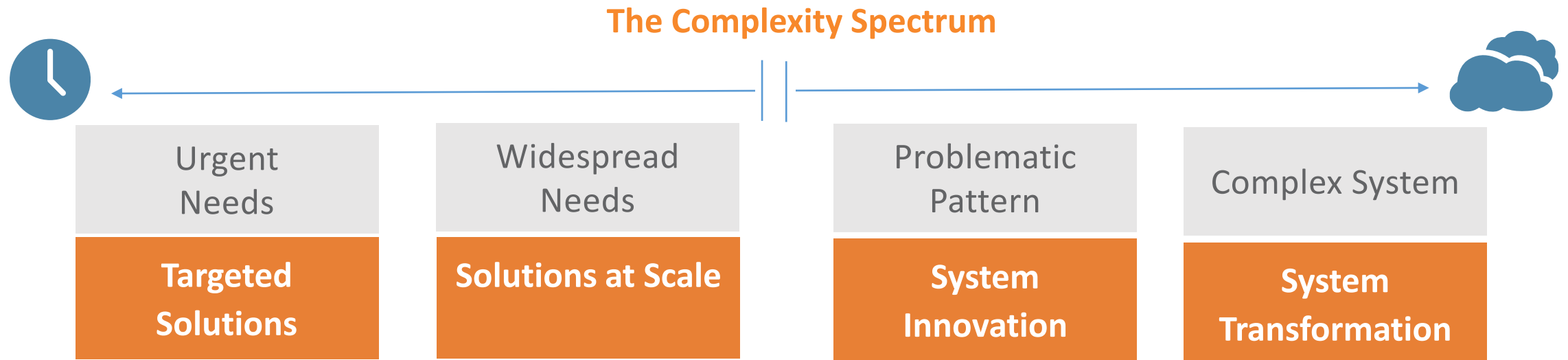
(Complex)

unpredictable
hard to control
endless and
evolving



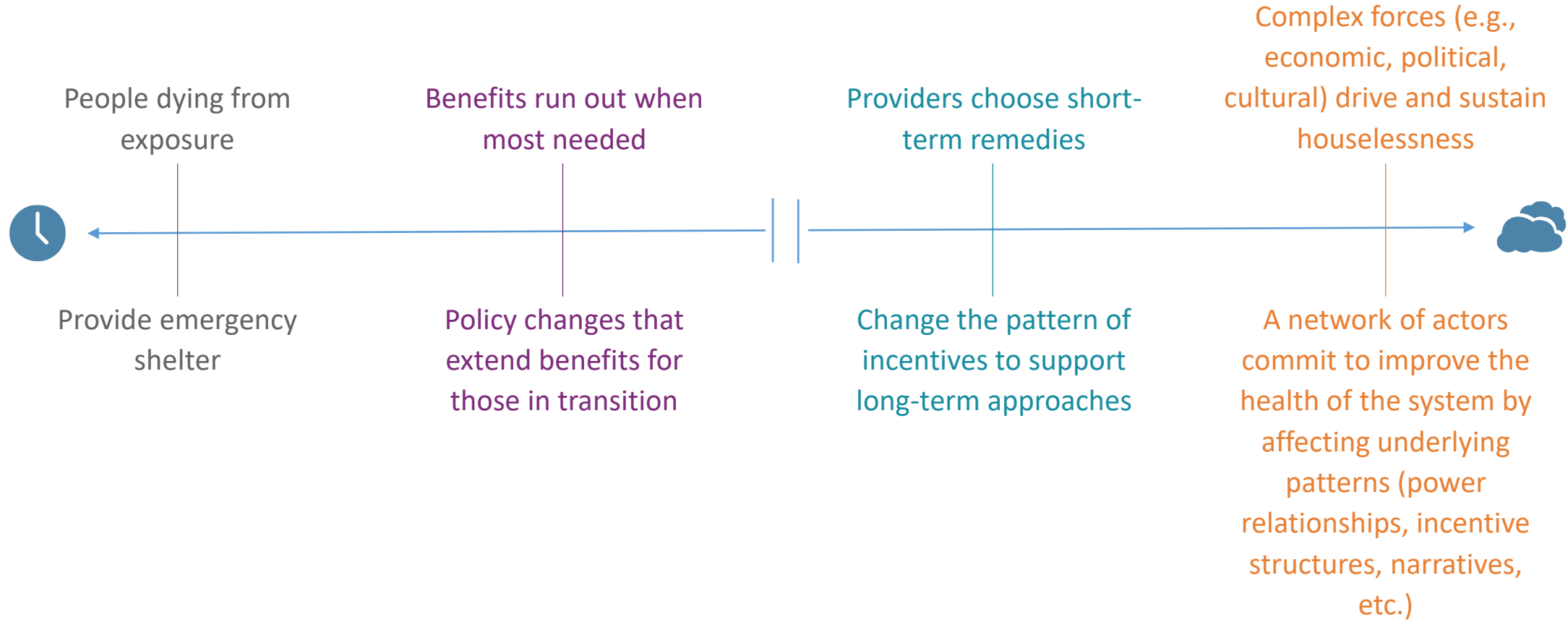
System Mapping: Why?

In any situation there are usually four distinct type of challenges from clock to cloud:

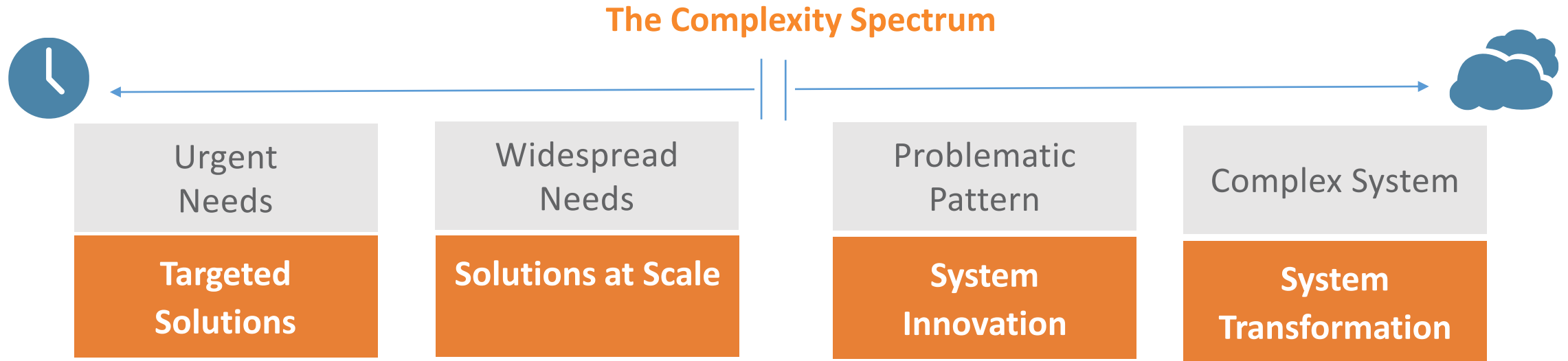


The Complexity Spectrum

HOUSELESSNESS



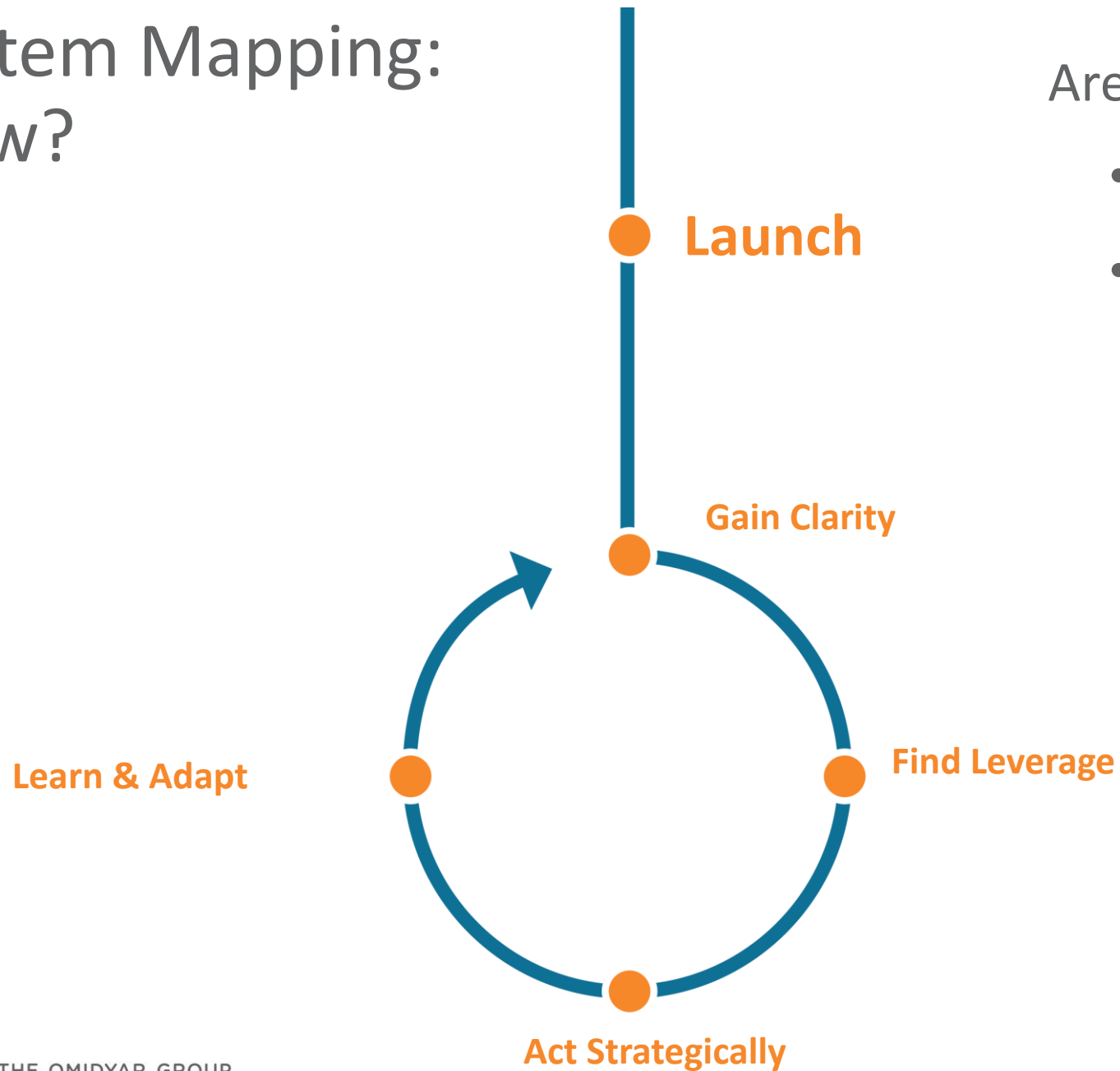
System Mapping: Why?



Without tools for understanding the "cloud," we are **flying blind**:

- We miss opportunities to engage the system
- We miss how our solutions might worsen the underlying system

System Mapping: How?



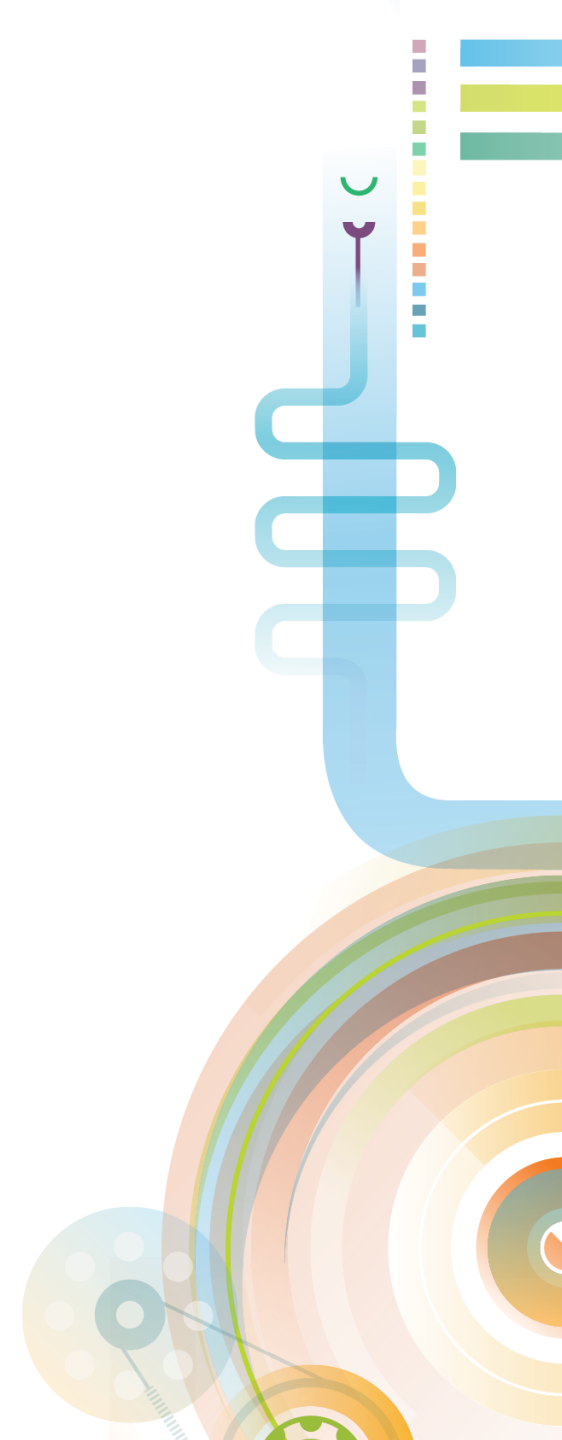
Are we ready?

- Capacity?
- Strategic fit, readiness?

Are We Ready?

You can't deal with the complexity **out there** without dealing with the complexity **in here**.

You can't implement an emergent, system change strategy (non-linear, decentralized) with an organization that is linear and top-down.



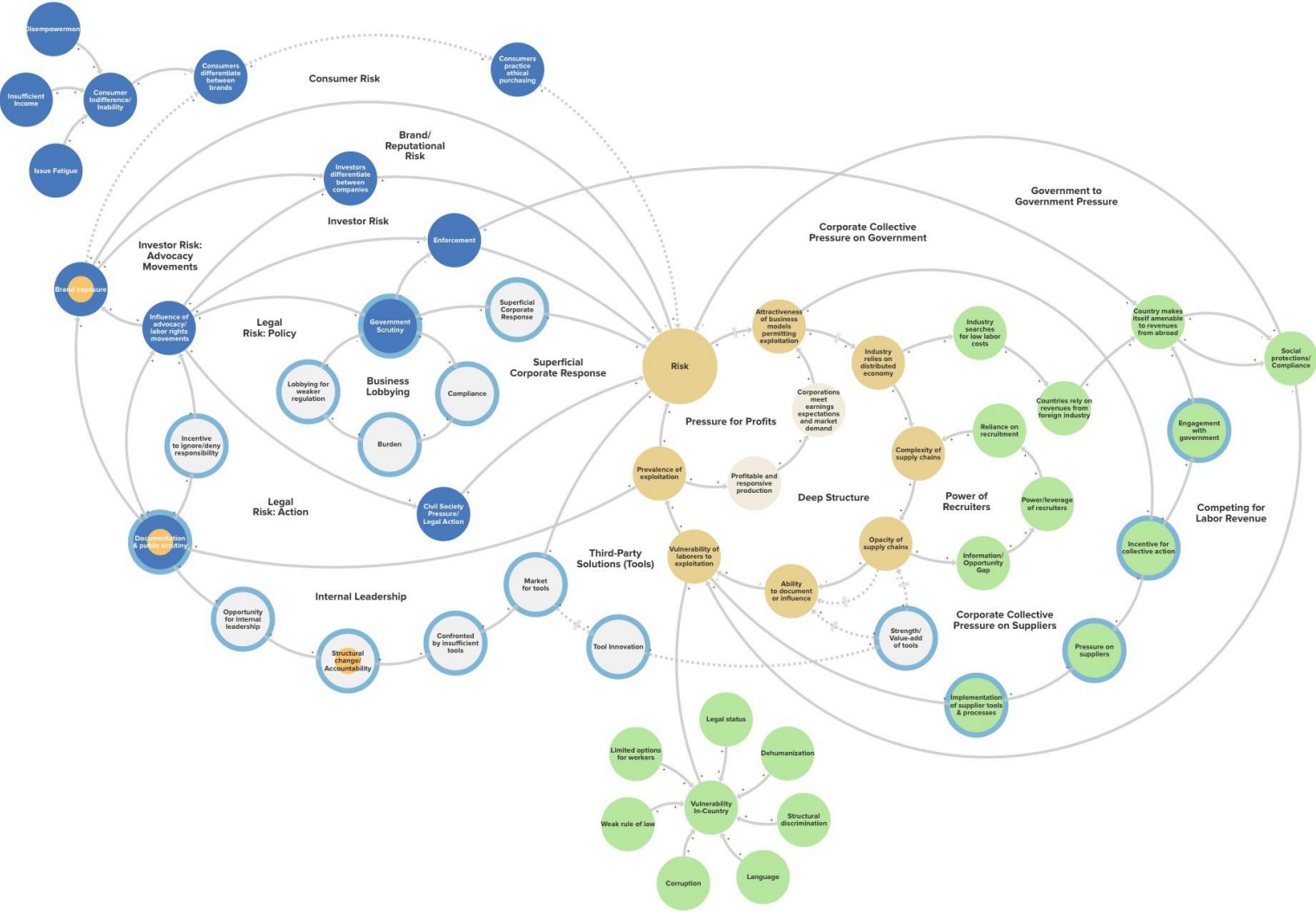
Gain clarity



SYSTEM
SENSING

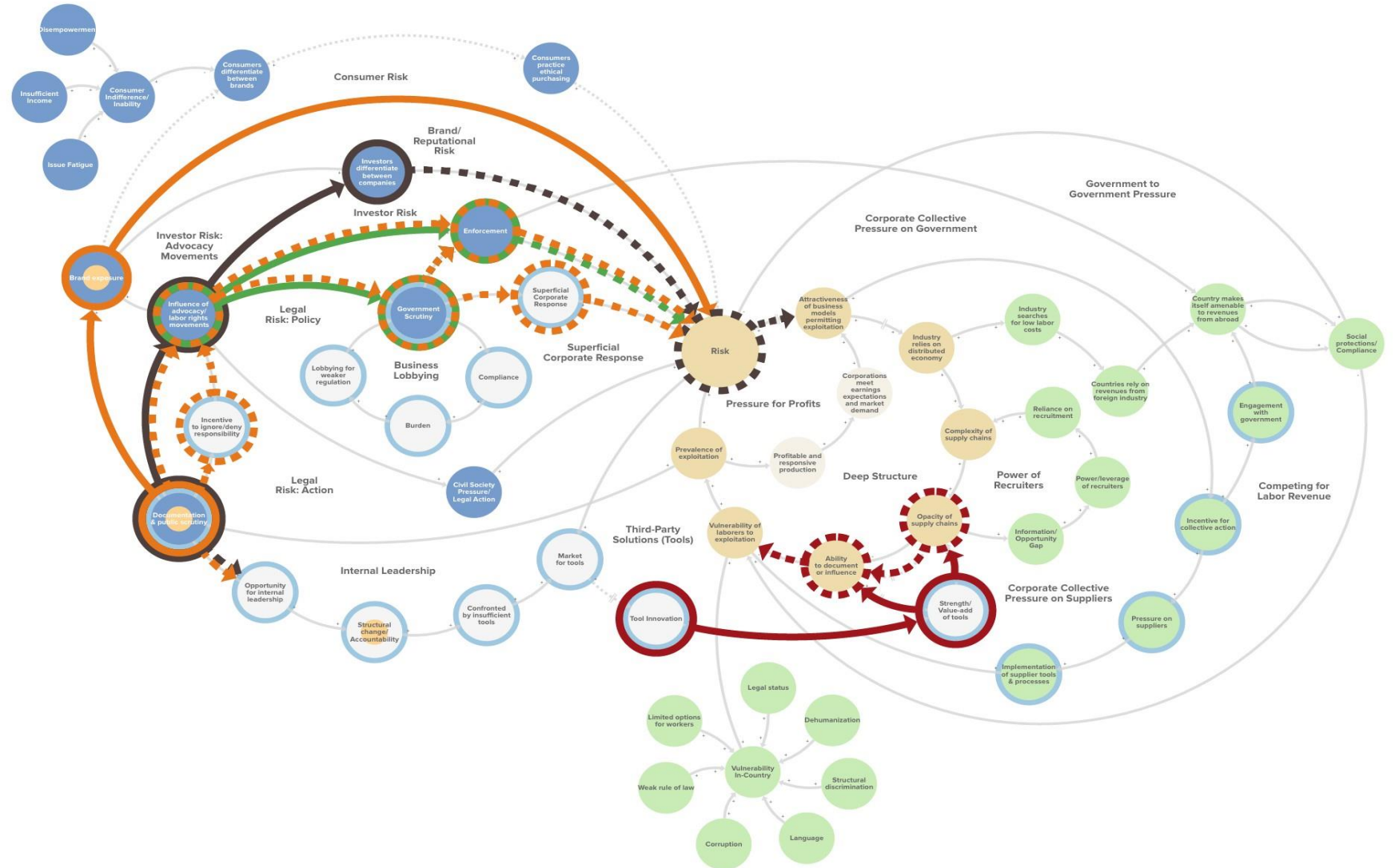
Gain clarity

BUILD A MAP

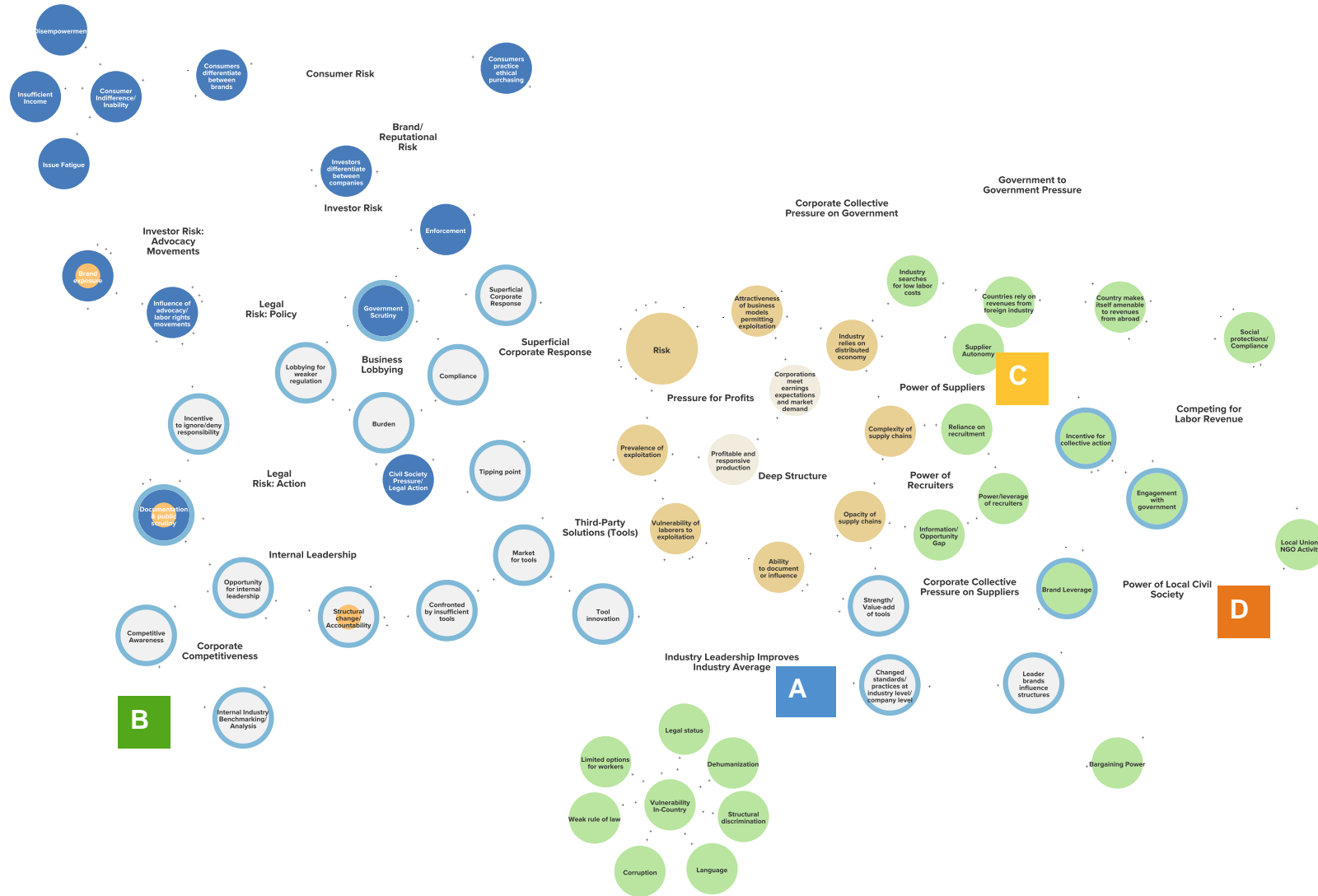


Act strategically

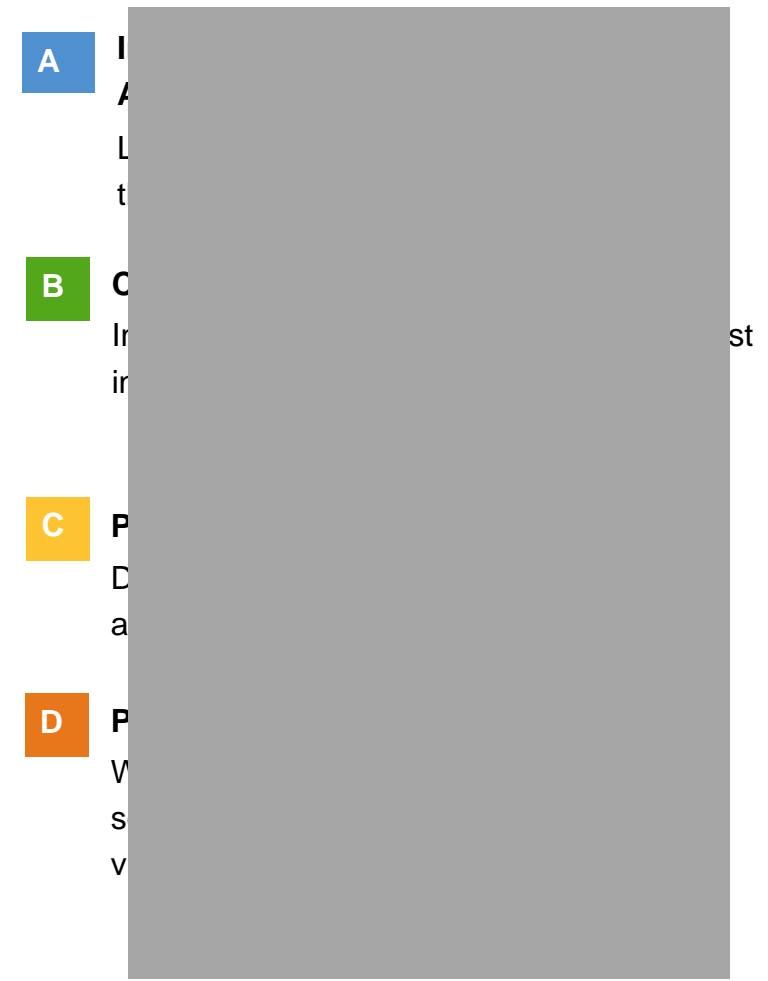
DEVELOP A
SYSTEMS CHANGE
STRATEGY



LEARN AND ADAPT – UPDATE YOUR MAP



SUMMARY OF CHANGES: NEW LOOPS



LEARN AND ADAPT

ORIGINAL ASSUMPTIONS

[Redacted content]

KEY LEARNINGS

[Redacted content]

STRATEGIC IMPLICATIONS

[Redacted content]

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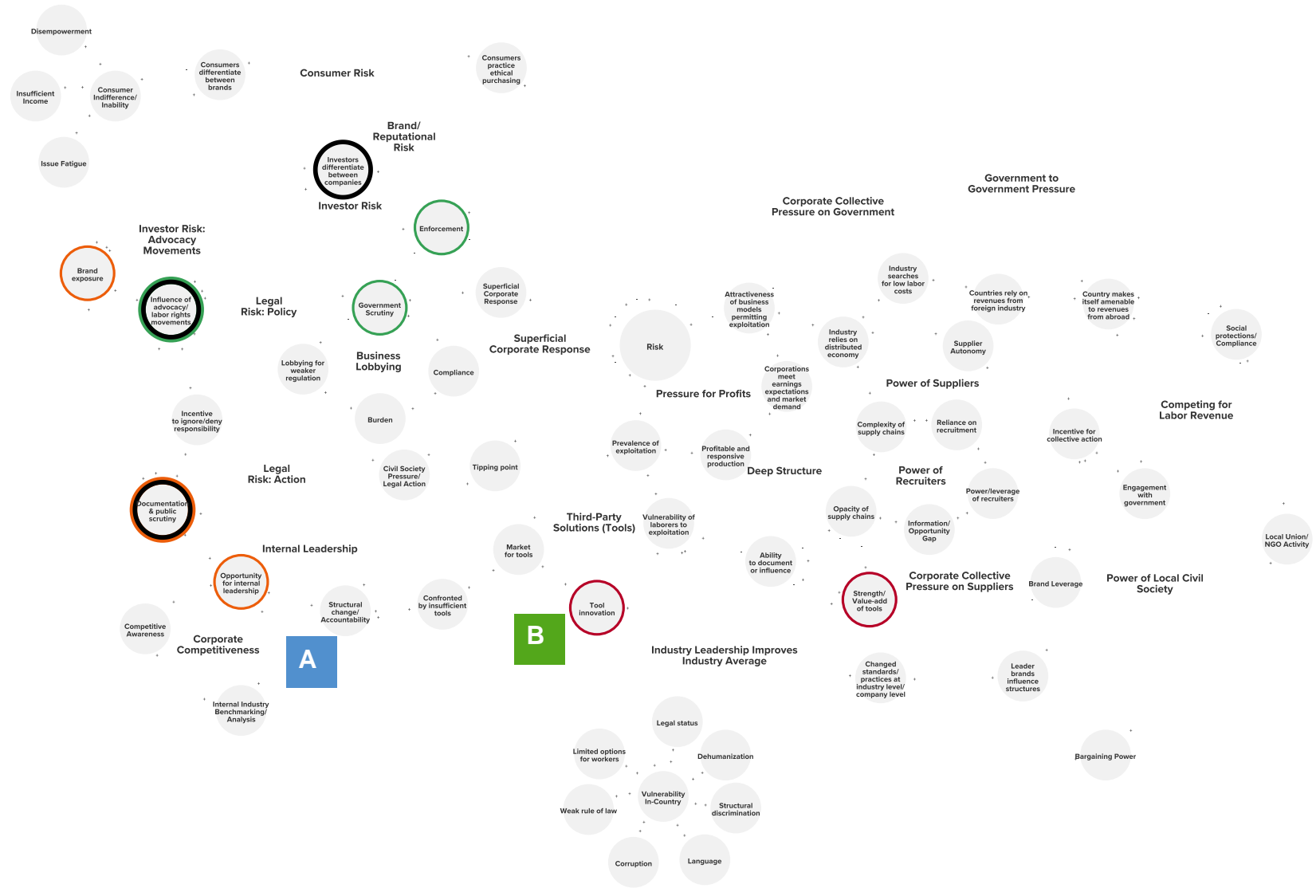
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LEARN AND ADAPT – UPDATE YOUR STRATEGY



SUMMARY OF CHANGES: EXTENDED IMPACT

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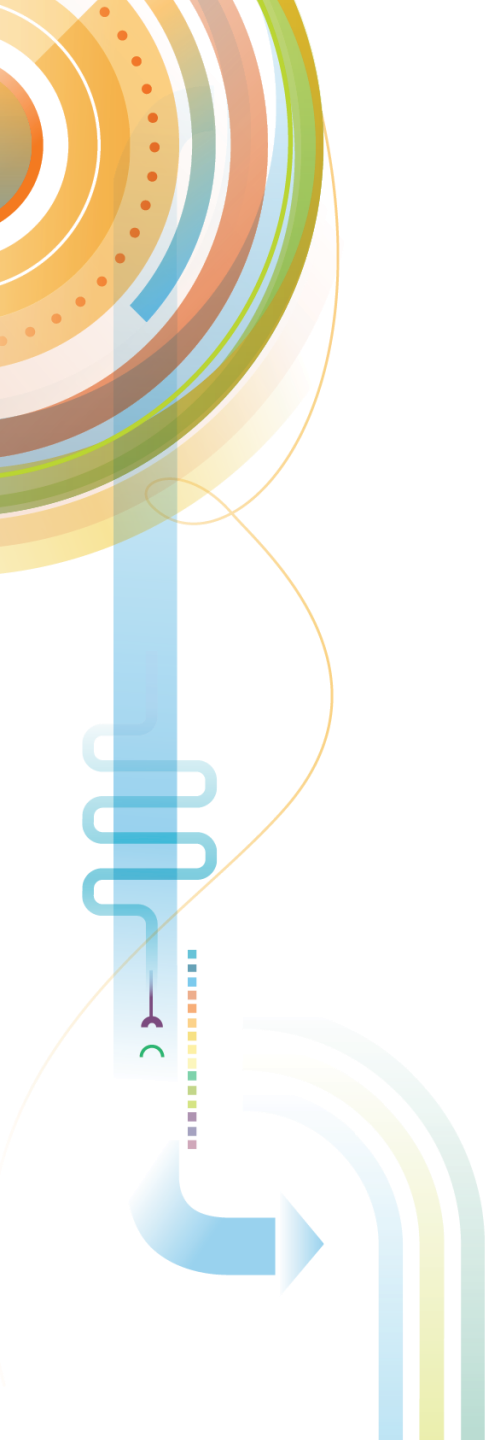
System Mapping: What?

System mapping is one of several ways to **understand a complex system well enough to support engaging that system**

A system map is NOT a map in the conventional sense

System mapping is:

- An on-going process of learning and adapting, not just an outcome
- A commitment to prioritizing the people and knowledge in the system
- An opportunity to convene key actors and help the “system see itself”
- Only as good as the people and process used to build the map



Thank you!

Introducing the Laudes economic systems map

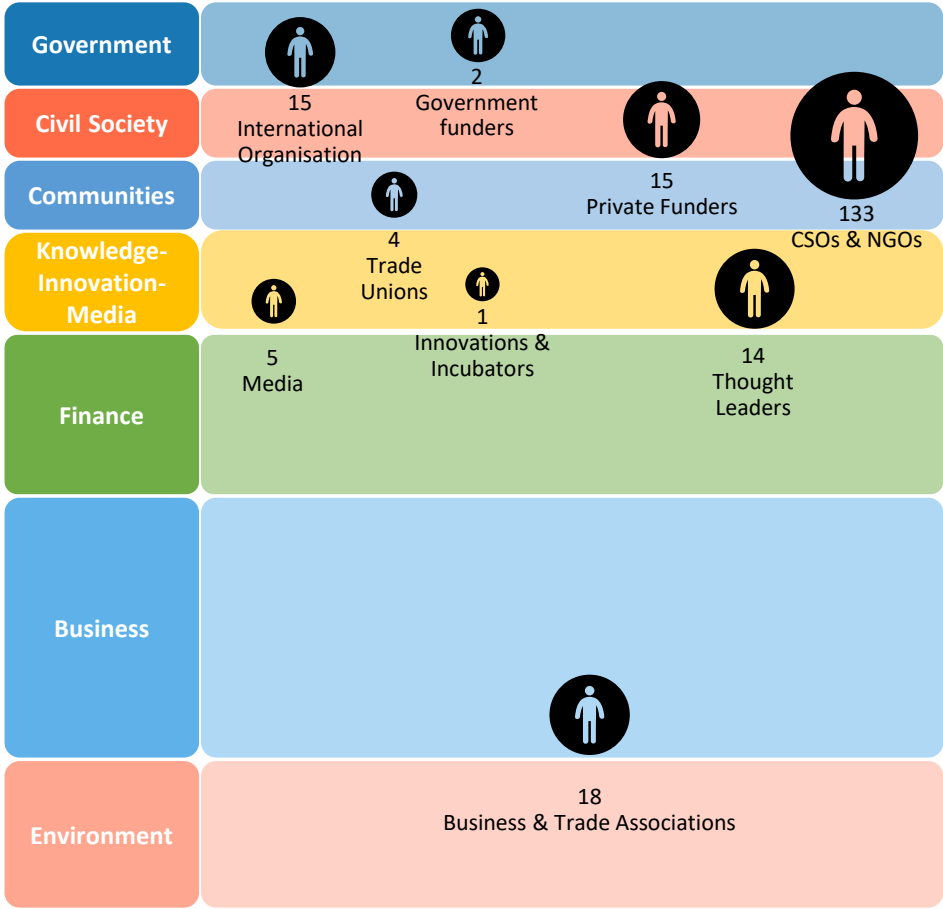
The 'why' and the 'what'

Why develop a map?

Maps are not just informative, they are empowering. They can help provide a new perspective to age-old problems. But maps are not necessarily fixed – they often need renewing. As Albert Einstein said, "You can't use old maps to explore a new world".



The Laudes Foundation Economic System Map was informed by the ~225 stakeholders consulted during our strategy development process



Europe

of Stakeholders

Total: 59
 New Economy: 23
 Labour Rights: 25
 Materials: 10
 CEO Interviews: 1



Asia

of Stakeholders

Total: 76
 Labour Rights: 62
 Materials: 14



South America

of Stakeholders

Total: 34
 New Economy: 2
 Labour Rights: 25
 Materials: 4
 ONE Brazil: 2
 GEI Brazil: 1



North America

of Stakeholders

Total: 36
 New Economy: 2
 Labour Rights: 23
 Materials: 3
 CEO Interviews: 1



Africa

of Stakeholders

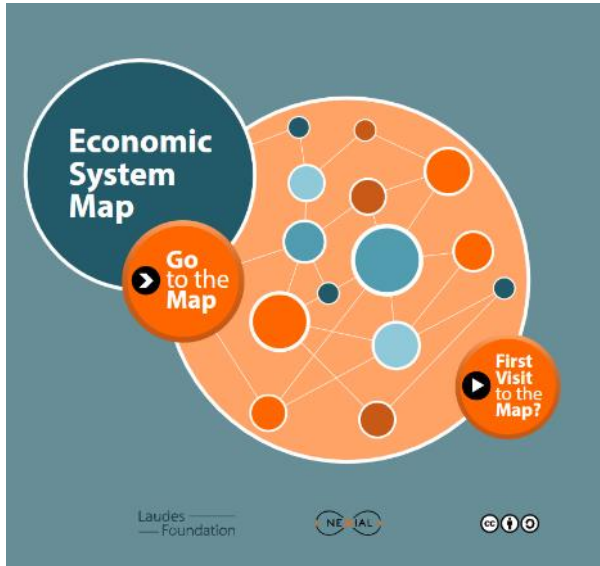
Total: 2
 Labour Rights: 1
 Materials: 1

	Total	New Economy	Labour Rights	Materials	CEO Interviews	ONE Brazil	GEI Brazil
# of Stakeholders (Worldwide)	207	34	13	32	2	2	1

The online map records a collective view of the economic system for both Laudes and the broader coalition for change

Laudes inception (2020)

1. **Exploration** for Laudes strategy development in 2020
2. Internal **communication**



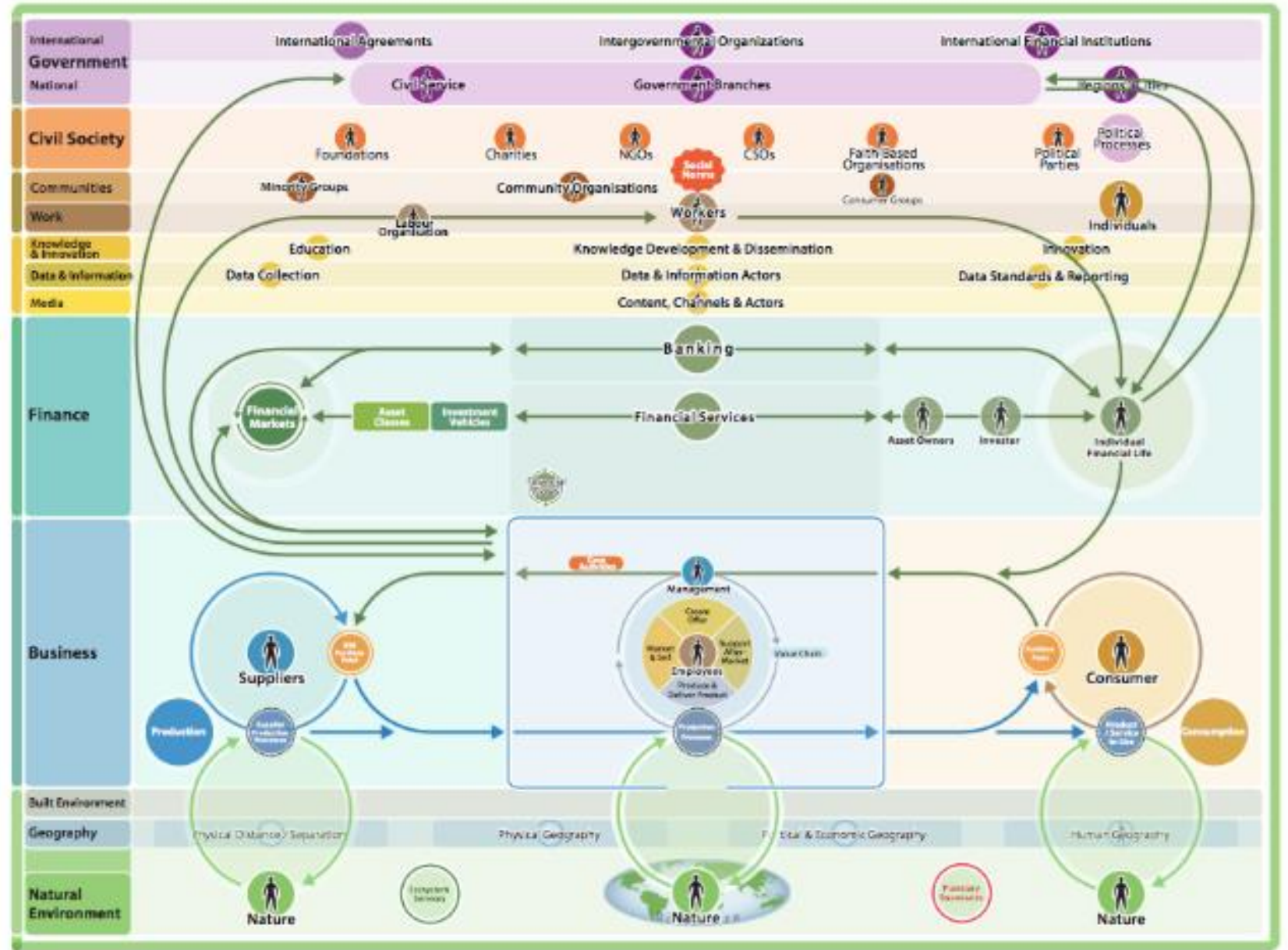
Public good (launch 2021)

1. **Exploration** with/of collation for change
2. **Communication** tool with creative commons license

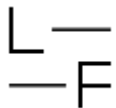
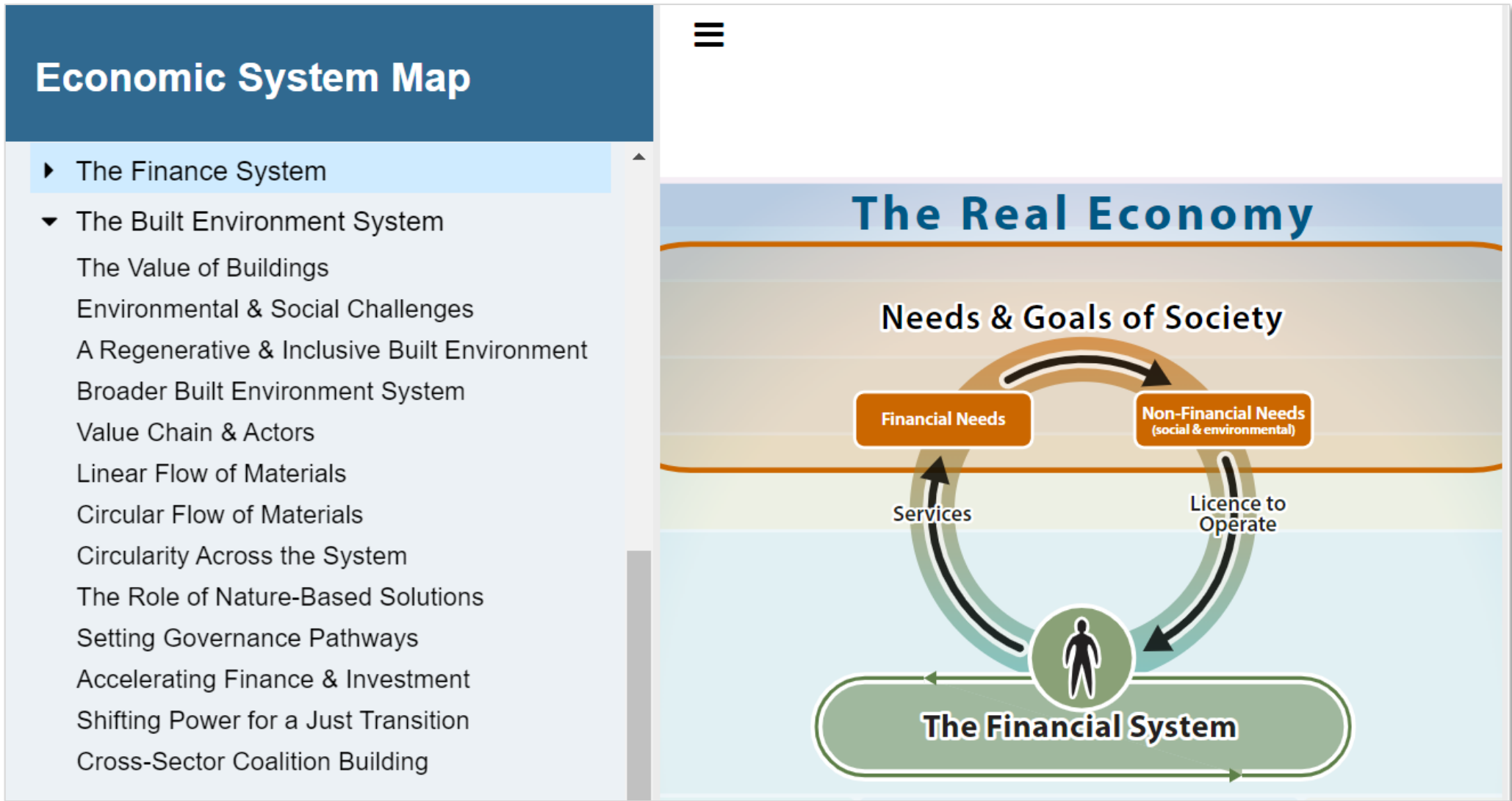
Mapping the economic system.

[Maps.LaudesFoundation.org](https://www.maps.laudesfoundation.org)

- Drill down sections:
- Fashion
 - Built environment
 - Finance



Different views to explore within the finance system



What can you do with this map?

1. Introduction Videos: Short perspectives on the economic system and how it's contributing to climate breakdown and inequality.

2. Coalition for Change: Overview of who is doing and funding what for like-minded organisations to identify collaborators, potential funders and to place Laudes in context.

3. Explore the Map: Detailed clickable views for those interested in specific parts of the system to explore more deeply and re-use for their own analysis and communication.

4. About this Map: Practical guidance for first-time users to learn how to use the Nexial platform.

Economic System Map

Introduction Videos

- Play: Economic System Introduction
- Play: Structural Issues Introduction

Coalition for Change

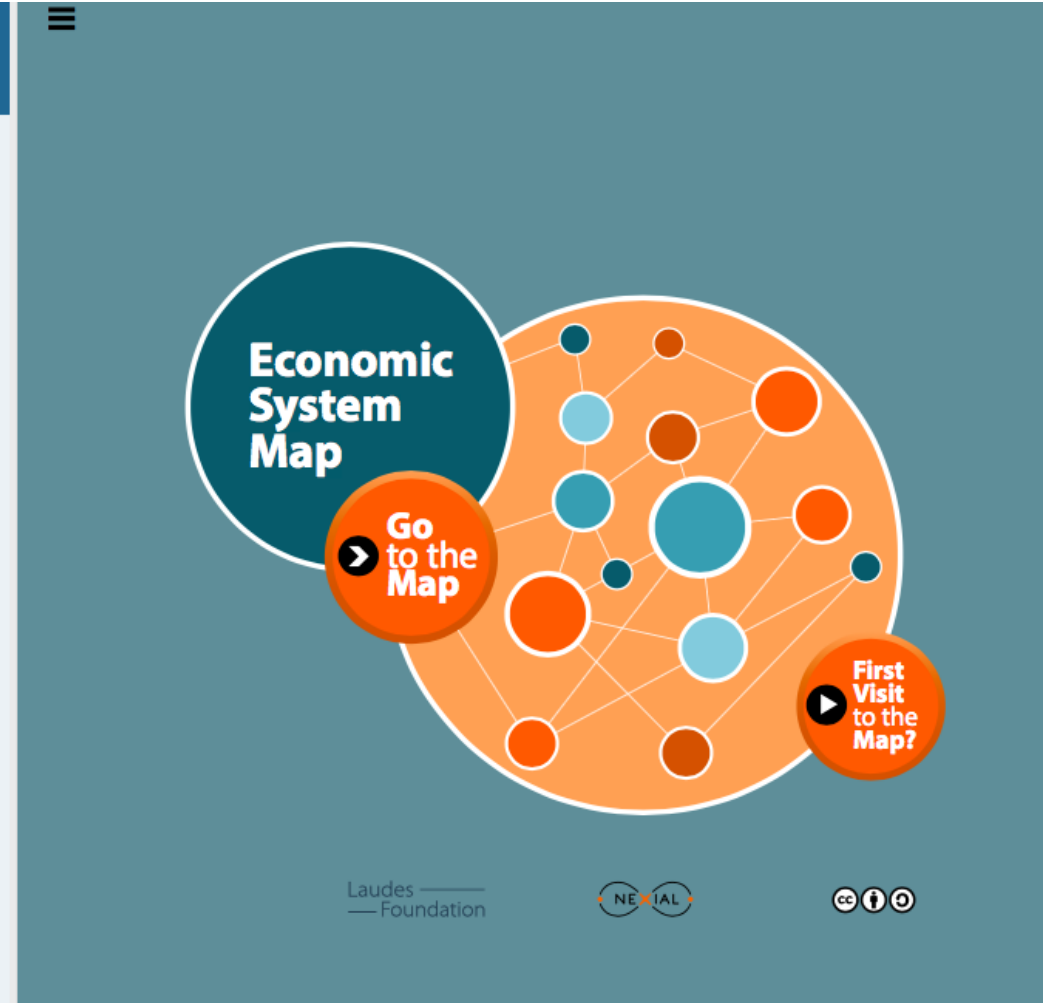
Who is Doing What?
How Organisations are Creating Change
Laudes in the System

Explore the Map

- The Base Map (Reset)
 - Economic System Introduction
 - Structural Issues Introduction
 - The Fashion System
 - The Finance System

About this Map

- Platform Quick Tour
- Glossary of Map Terms
- Help & Support



(1) Use the introduction videos: Quickly communicate/ learn about the complexity of the economic system as a shared starting point

Five-minute video introducing the economic system

Economic System Map

Introduction Videos

- ▶ Play: Economic System Introduction
- ▶ Play: Structural Issues Introduction

Coalition for Change

- Who is Doing What?
- How Organisations are Creating Change
- Laudes in the System

Explore the Map

- ▶ The Base Map (Reset)
- ▶ Economic System Introduction
- ▶ Structural Issues Introduction
- ▶ The Fashion System
- ▶ The Finance System

About this Map

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The Economic System Introduction

Seven-minute video introducing the structural issues

Economic System Map

Introduction Videos

- ▶ Play: Economic System Introduction
- ▶ Play: Structural Issues Introduction

Coalition for Change

- Who is Doing What?
- How Organisations are Creating Change
- Laudes in the System

Explore the Map

- ▶ The Base Map (Reset)
- ▶ Economic System Introduction
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- ▶ The Finance System

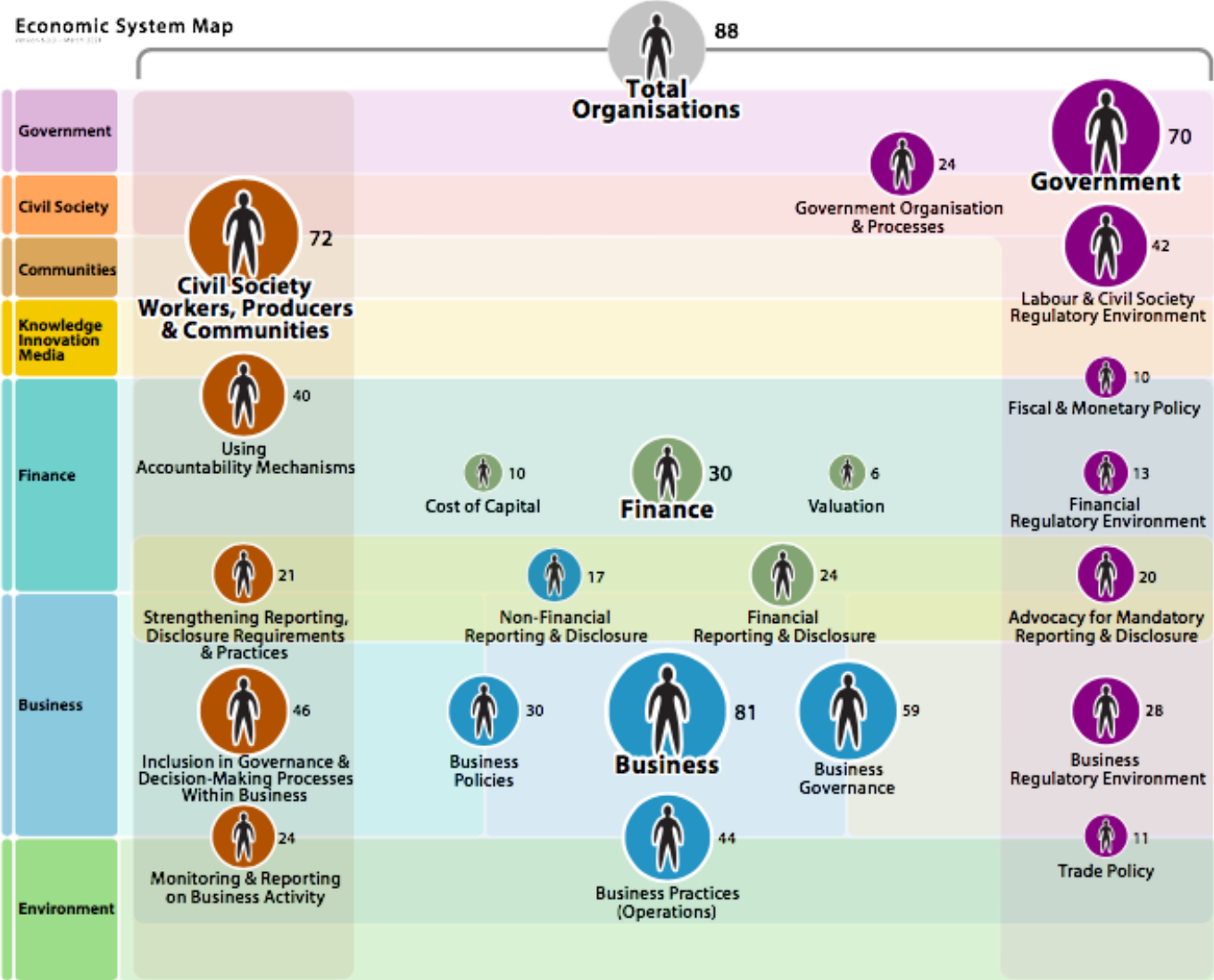
About this Map

- ▶ Platform Quick Tour
- ▶ Glossary of Map Terms

Structural Issues Introduction

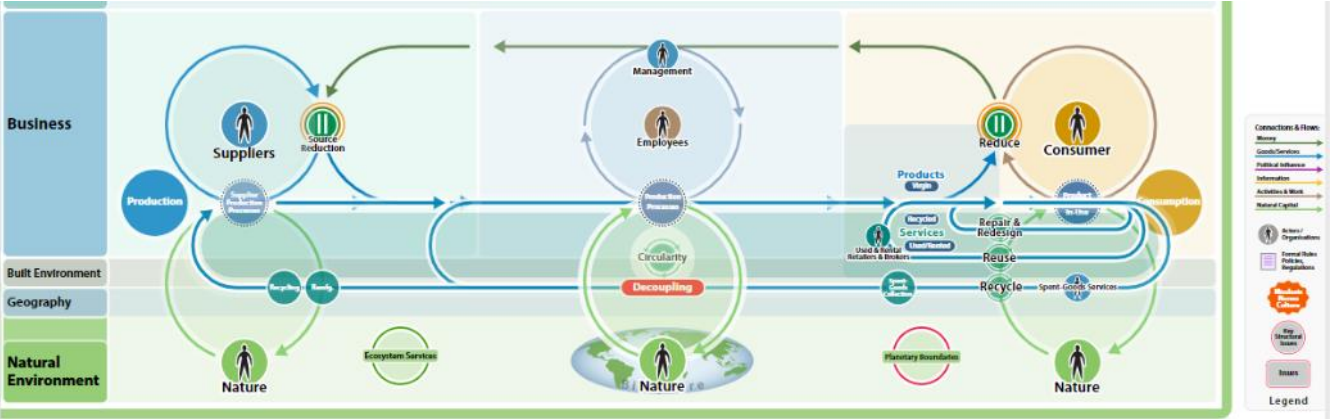
Understanding Insight

(2) Underpin a coalition for change: See who is doing and funding what across the system, find collaborators, and look for white space

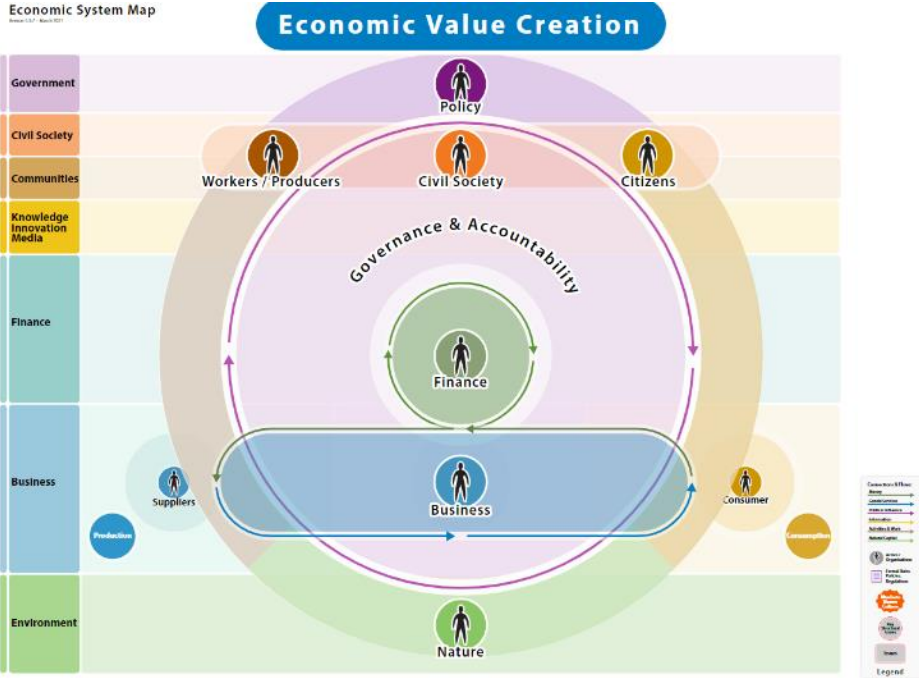


(3) Explore and discuss: Use a section of the map to discuss assumptions about the economic system and how it works

Example: The circular economy

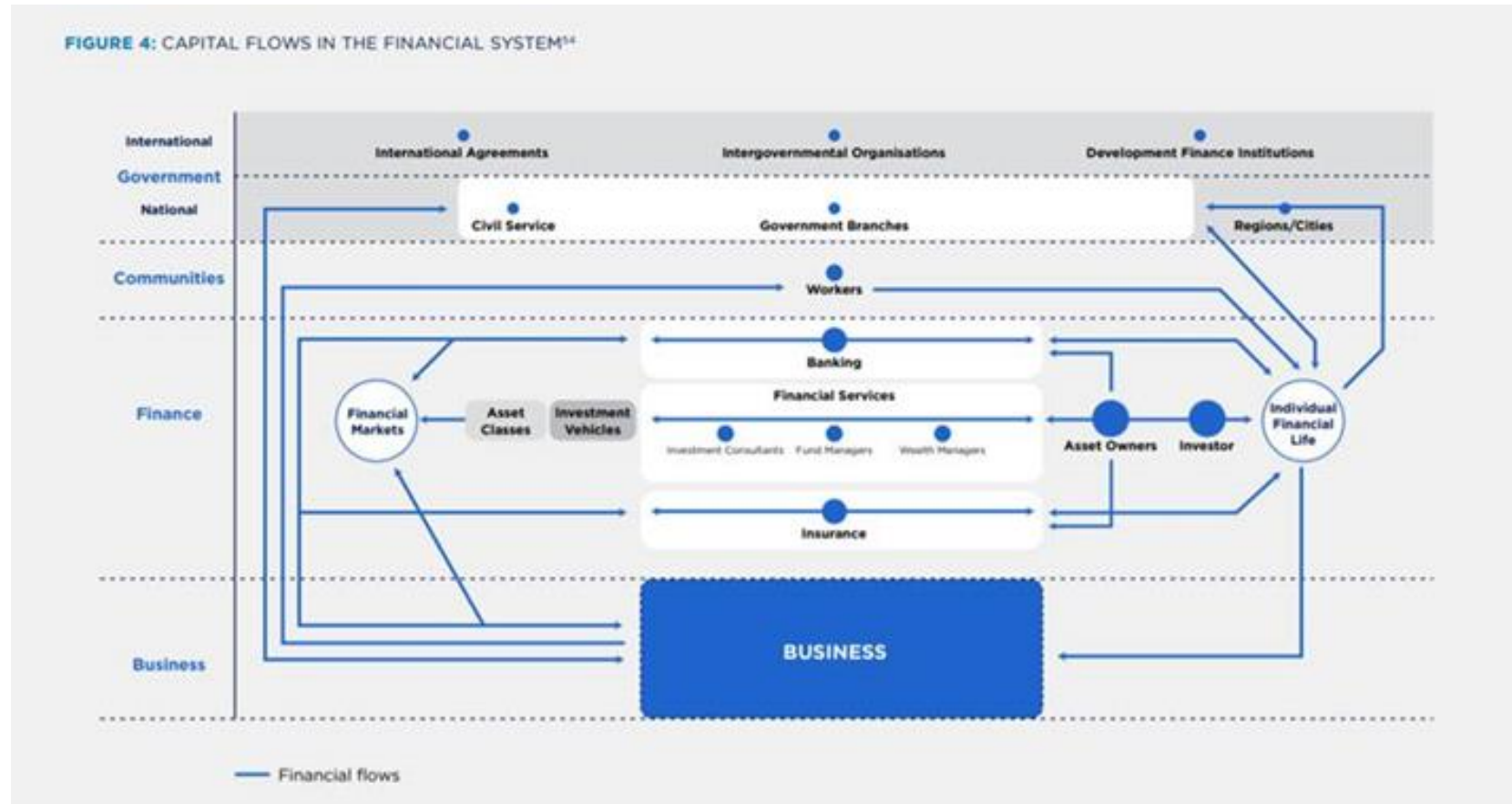


Example: Economic value creation



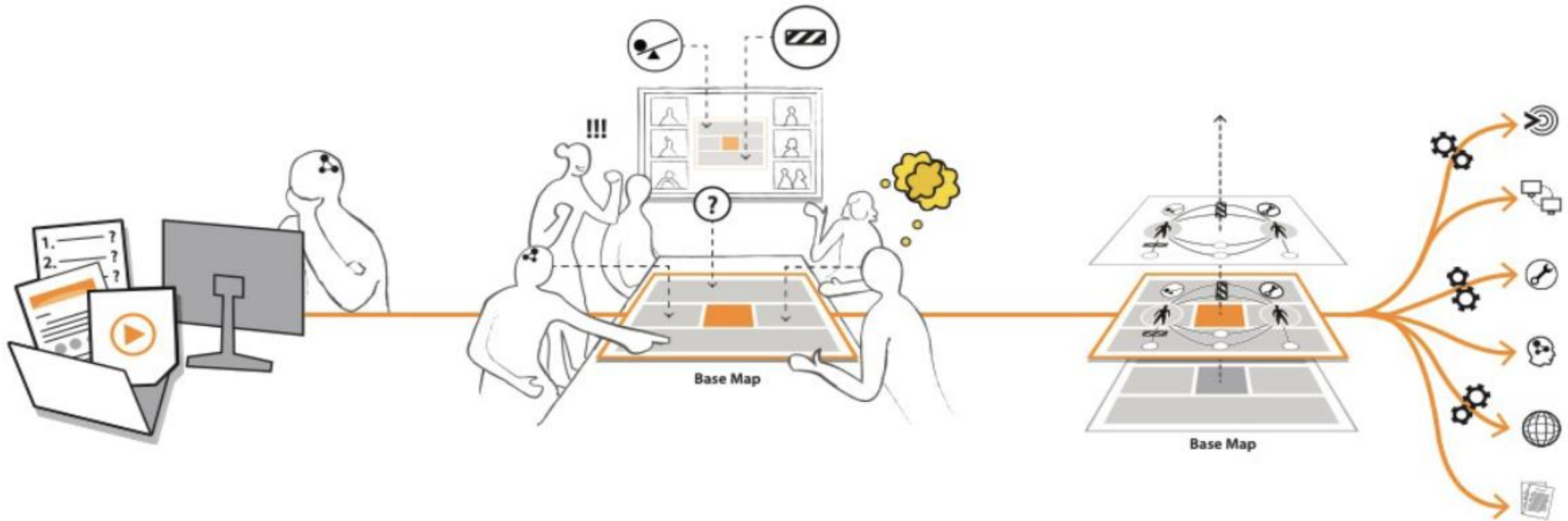
(4) Create your own version. The map is published under a Creative Commons license enabling anyone to use, adapt and republish the map

Example: World Benchmarking Alliance used the map to develop this diagram for their [Financial System Transformation Scoping Report](#)



54. Adapted from The Economic System Map by Laudes Foundation and Nexial, licensed under CC BY-SA 4.0.

What can you do with a system map (in general)?



- Start from your own knowledge
- Print a view or play on screen
- Find yourself in the system
- Find elements
- Make connections

└─ Ask questions
└─

- Share different perspectives
- Identify levers and barriers
- Explore cause and effect relationships
- Create shared vision

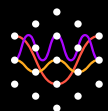
- Build your own views to capture discussions
- Use the map to tell your own stories
- Equip your coalitions for change

**Net Zero Mobility
Project of the
TransCap Initiative**

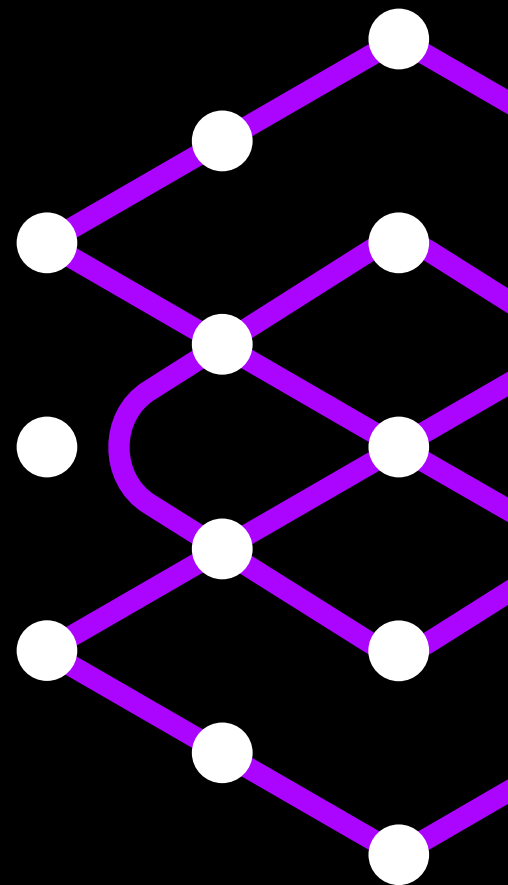
9 Nov 2022

Practical Challenges in Systems Mapping

EVPA Symposium: Systems Mapping for Impact Capital Providers
Dominic Hofstetter & Thomas Adank



TransCap Initiative
Systemic Investing for Sustainability





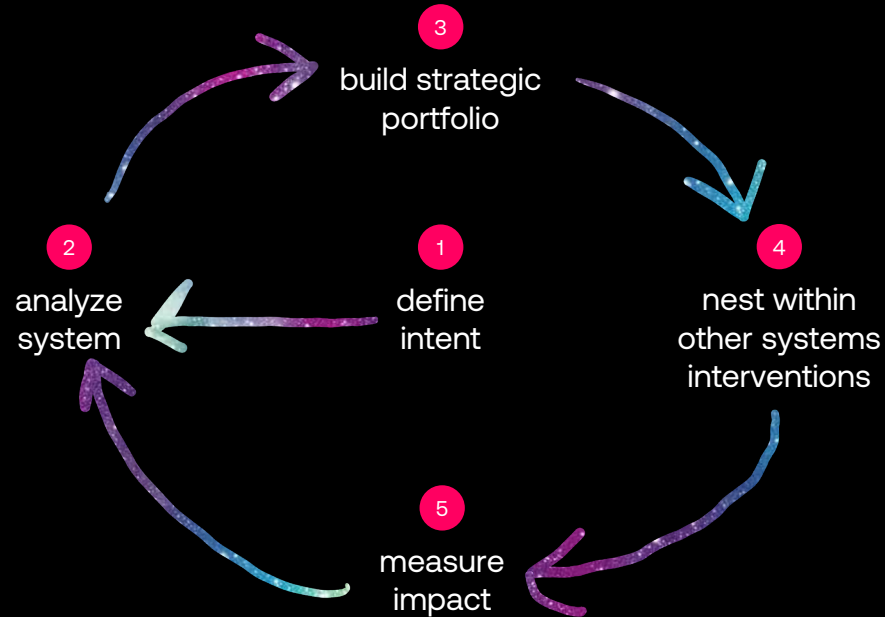
Example Electrification of Transport in Switzerland

Enabled by



MIGROS
Pioneer Fund

The Theory: Process Hypothesis



[White Paper](#)



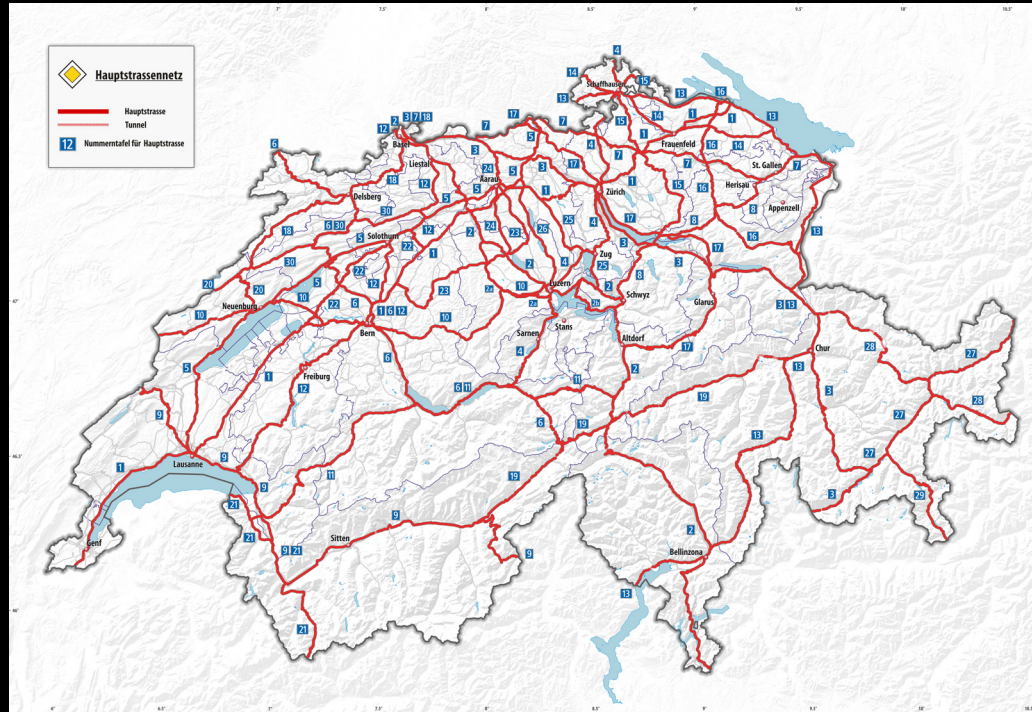
Three Challenges

1

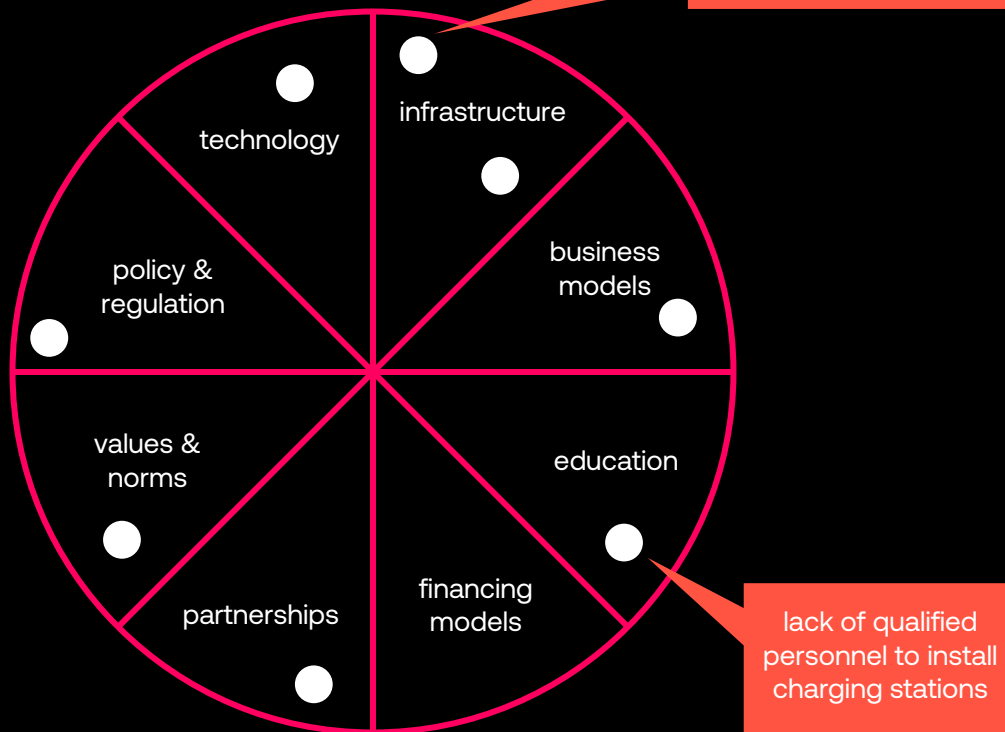
Information Aggregation

your systems map is
too high-level
to be actionable

System Boundary & Resolution



Selection of Key Insights



Three Challenges

1

Information Aggregation

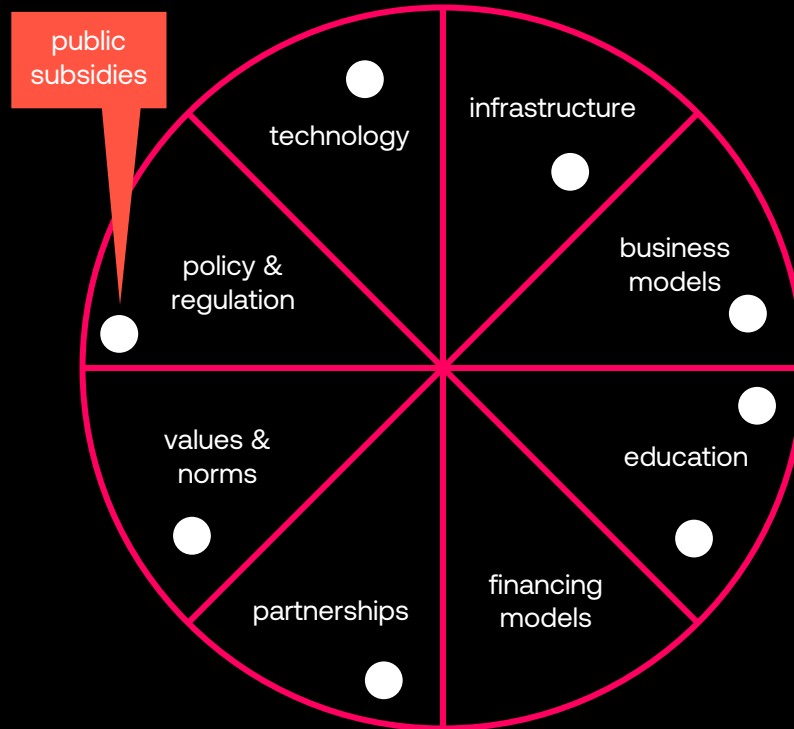
your systems map is
too high-level
to be actionable

2

Action Coordination

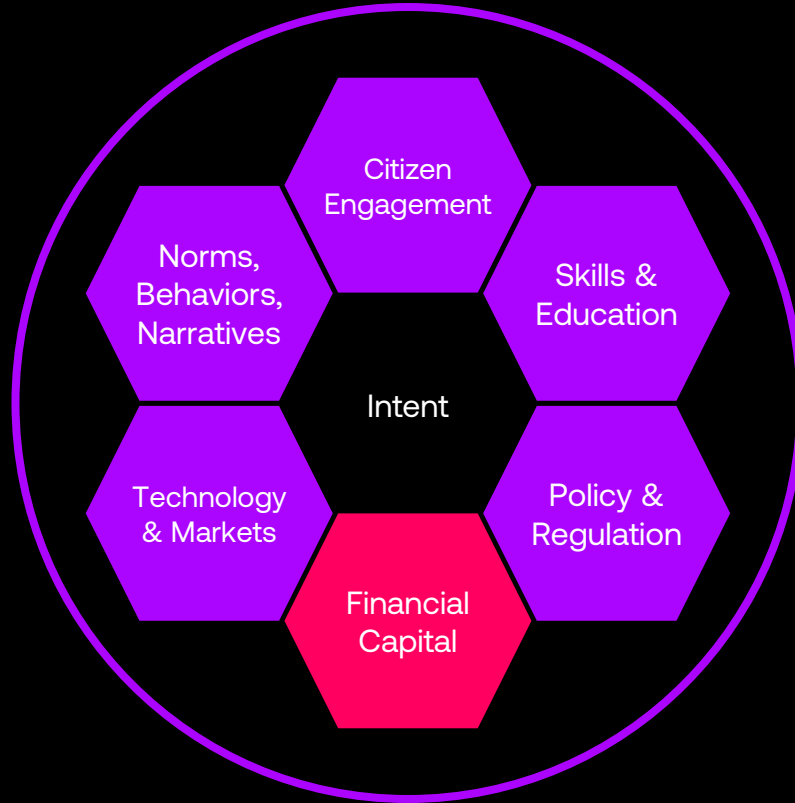
your systems map
tells you to do things
that investors
normally don't do

Example: Net-Zero Mobility in Switzerland



Nesting

strategically embedding
an investment portfolio
in a broader systems
change programme



Three Challenges

1

Information Aggregation

your systems map is
too high-level
to be actionable

2

Action Coordination

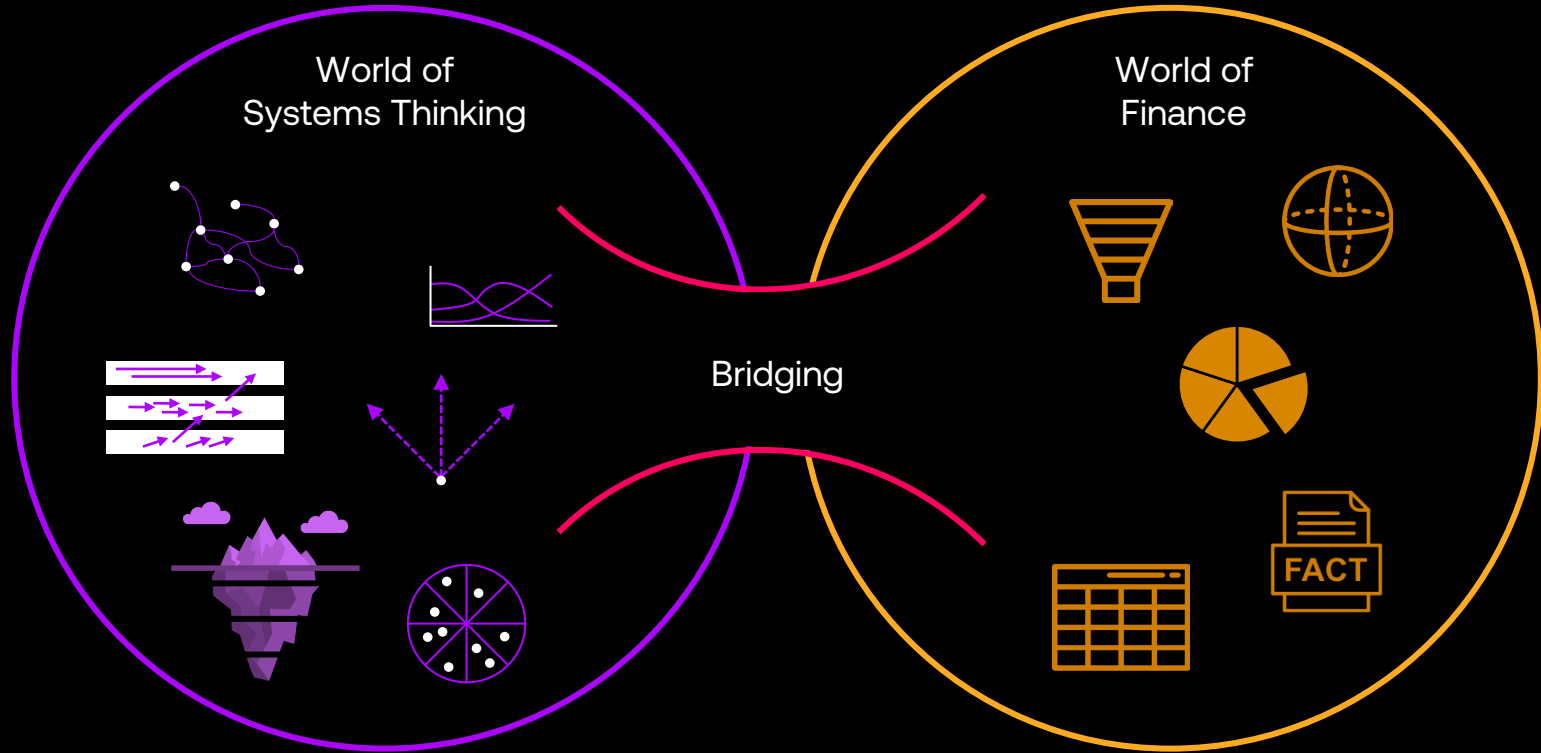
your systems map
tells you to do things
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normally don't do

3

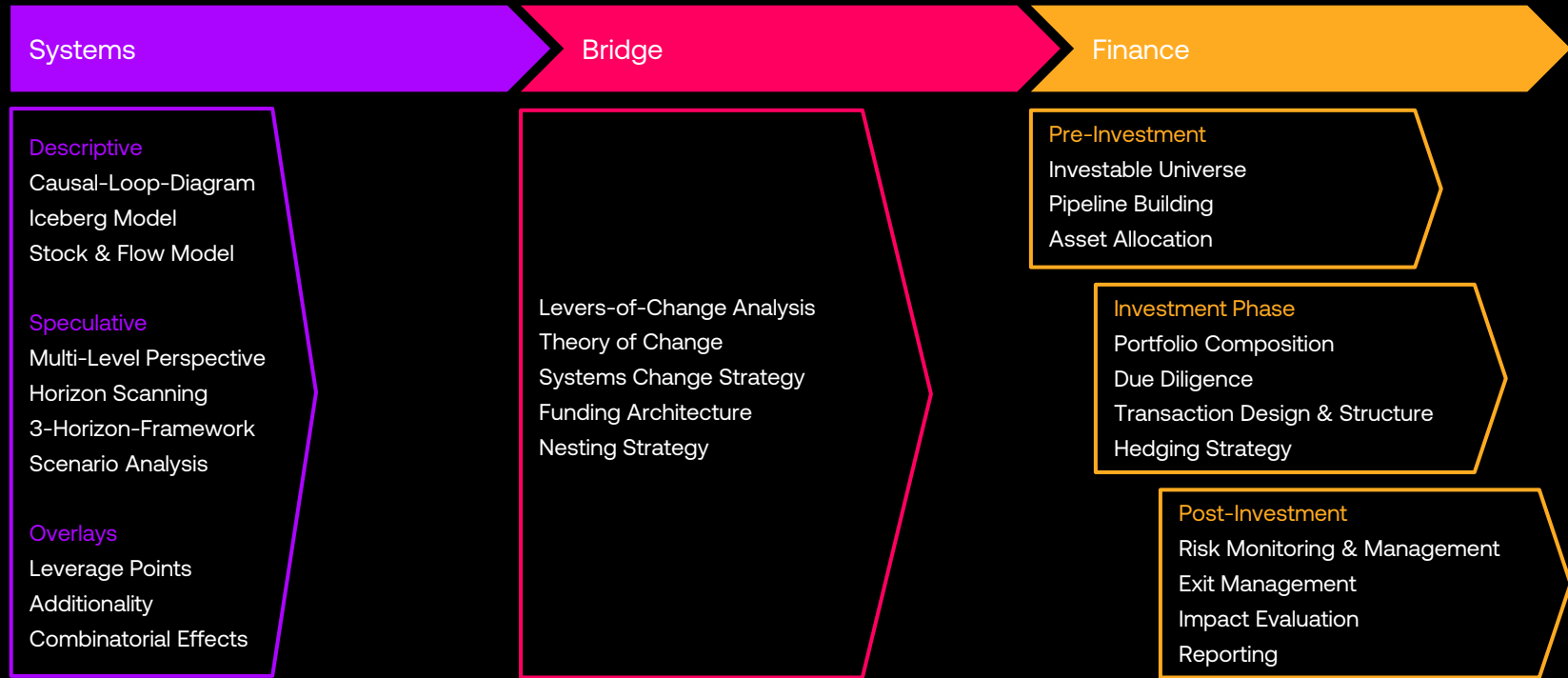
Knowledge System Integration

the outputs from your
systems map aren't
readily useable as
inputs in your
investment process

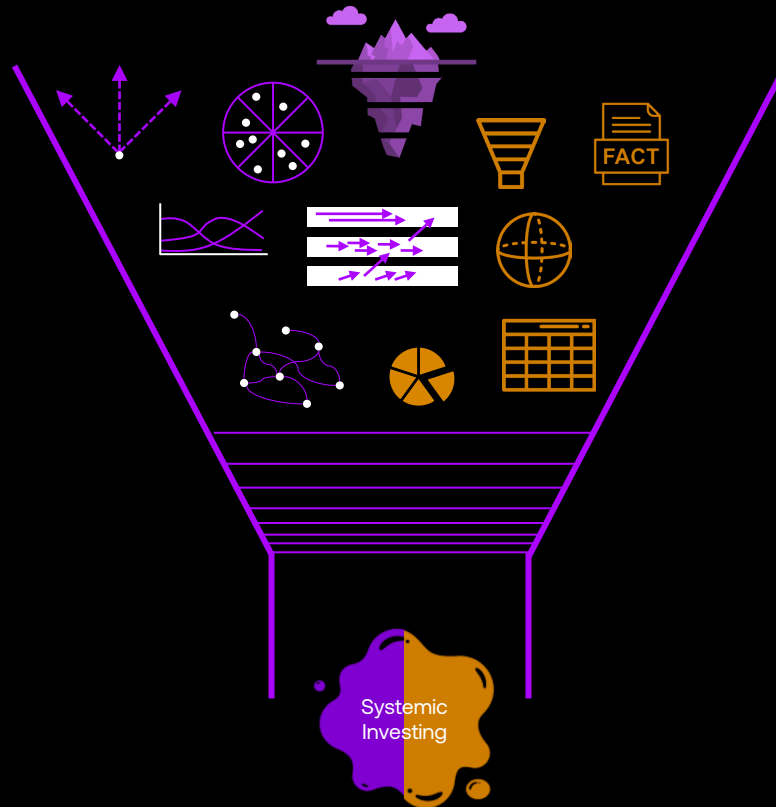
Knowledge System Incompatibility



Bridging

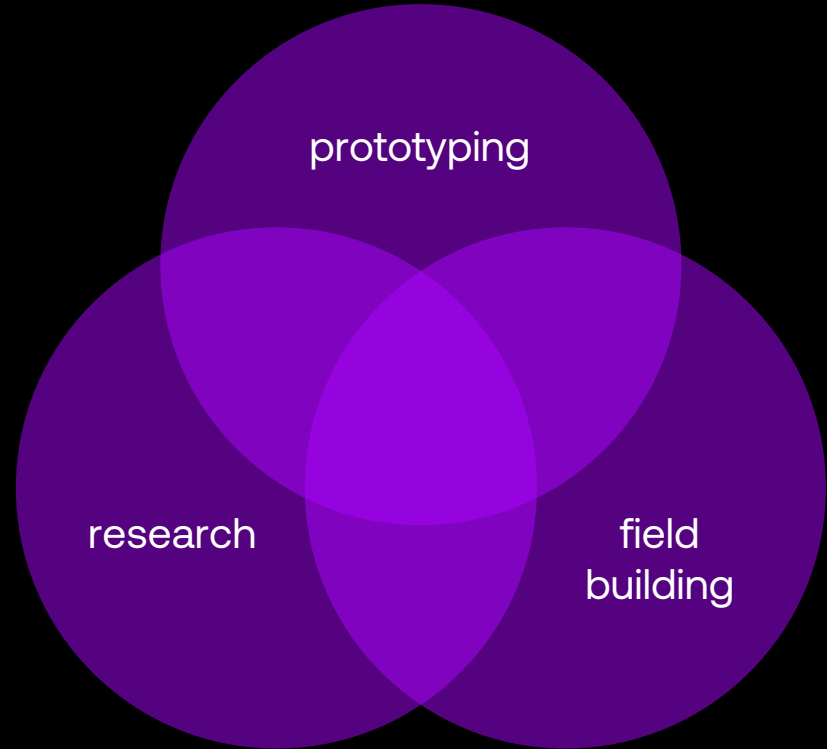


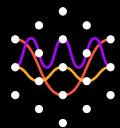
Fusion



The TransCap Initiative

Mission
building the field
of systemic
investing





TransCap Initiative

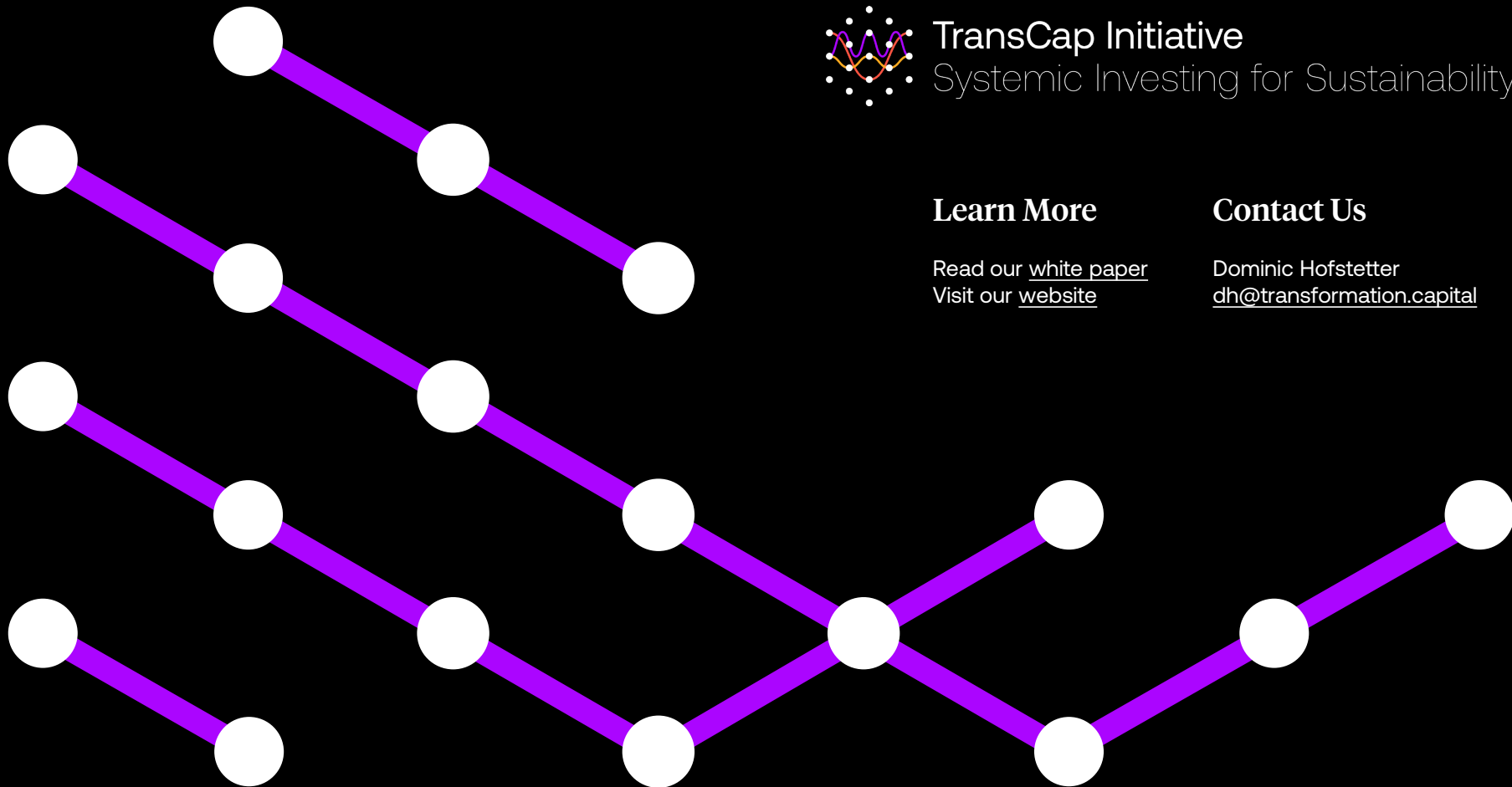
Systemic Investing for Sustainability

Learn More

Read our [white paper](#)
Visit our [website](#)

Contact Us

Dominic Hofstetter
dh@transformation.capital

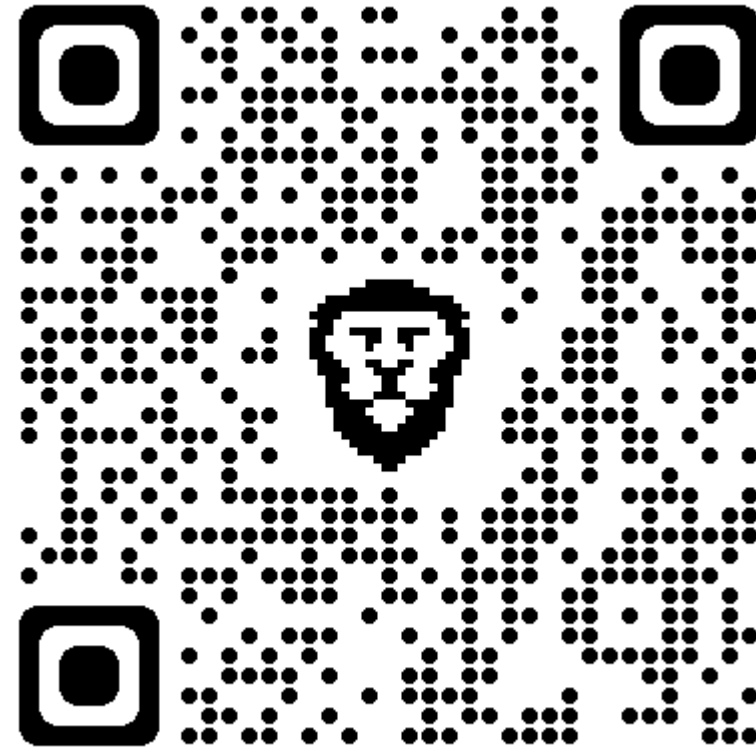


Wrap up

Opportunity to stay in touch & register your interest



BMW Foundation
Herbert Quandt



<https://form.jotform.com/223032600733341>

Get in touch with us!



BMW Foundation
Herbert Quandt



Anja König (Moderator)

Lead EVPA Investing4Development/
Transformative Finance/ DACH Region

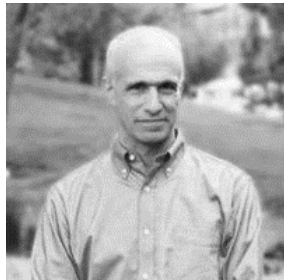
akoenig@evpa.ngo



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Robert Ricigliano

Systems and Complexity Coach, Omidyar
Group and Lead Trainer, System Practice at
Acumen+ Academy

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Dominic Hofstetter

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Initiative

dh@transformation.capital



Katy Hartley

Director of Strategy at Laudes Foundation

k.hartley@laudesfoundation.org

Thank you for your attention!

BMW Foundation

Herbert Quandt

With the financial support of



Co-funded by
the European Union

evpa

INVESTING FOR IMPACT