

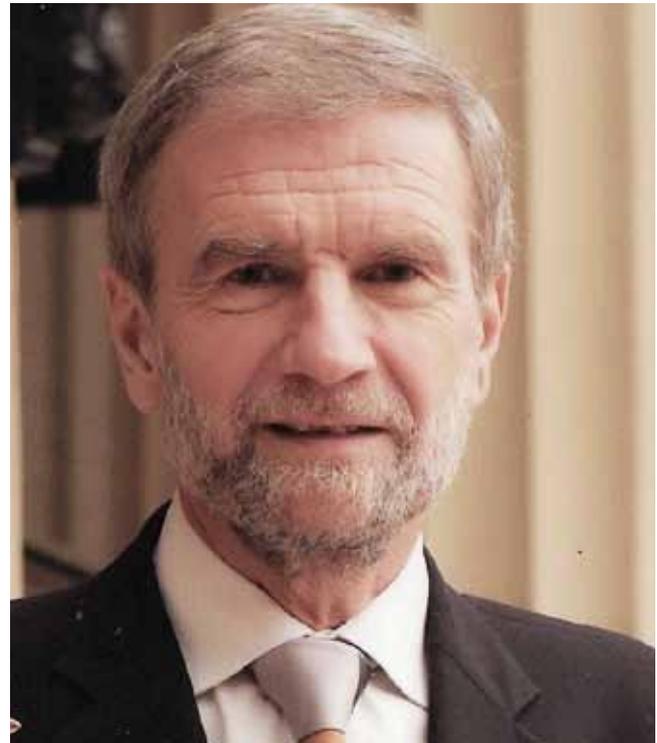


## Donor's stories

### STEPHEN DAWSON

*Stephen Dawson is one of the UK's longest-active venture capitalists. Find out about why he co-founded the Impetus Trust, the pioneer of venture philanthropy in the UK.*

*Stephen Dawson was one of the UK's first venture capitalists. Over the past 25 years, he has worked for private equity firm ECI Partners as partner, chief executive and, currently, non-executive chairman. In 2002, he co-founded and was the first chairman of Impetus Trust, the pioneer of venture philanthropy in the UK. Earlier this year, Impetus merged with the Private Equity Foundation to form Impetus-PEF which focuses on scaling up charities which improve educational attainment and work readiness for young people.*



Stephen is also co-founder and chairman of Jacana Partners, which invests in small businesses in Africa for financial and social returns. Here, he explains how his enduring affinity to Africa began, and what it was like to be at the forefront of venture philanthropy.

"My first exposure to Africa was around 40 years ago. I'd just completed my Economics degree at Exeter University and applied to teach English abroad. I ended up in Madagascar and that's when Africa got into my blood. I stayed for two years and my time there helped me understand the poverty, and how education can make a difference. It was a fantastic experience which has stayed with me, and it also sparked my interest in philanthropy and international development which continues to this day.



*"I always knew that when I retired I wanted to give something back."*

What followed was a 25-year career in private equity and venture capital but I always knew that when I retired I wanted to

give something back. In 2002, I co-founded Impetus Trust, the pioneer of venture philanthropy in the UK. I was at a point where I was ready to move on from my executive role and wanted to do something within the charity world that would make an impact. I also wanted to do something where my experience, skills and network could be used to create something which would really add value.



*"... medium-sized charities seemed to be a natural fit. They are innovative, entrepreneurial and dynamic."*

At the time, venture philanthropy was still in its infancy in the States. Venture philanthropy provides charities and social enterprises with a combination of long-term funding and expertise. There were mixed reviews about its success and they were mostly associated with the dotcom millionaires who had made money fast and claimed to transform businesses, when actually a lot of them fell apart as soon as the crash came.

Also, there was a backlash from traditional philanthropists who thought venture capitalists were coming in and telling them what to do on the basis of very little knowledge. So when we set up Impetus, we were conscious of the mistakes to avoid, including hype, not involving people from the charity world, and thinking that business always knew better than charity people.



*“We try to be strategic with our giving, and research where our money is going.”*

I spent most of my career working with mid-market companies, so this is where I wanted Impetus to focus on. Very small charities are hard work, while big charities tend to be slow moving, not particularly innovative and don't need a lot of help. The medium-sized charities seemed to be a natural fit. They are innovative, entrepreneurial and dynamic. The biggest motivation for me was to maximise impact because I was giving up my time as well as my money.

Around 15 years ago, with the help of an independent financial adviser (IFA), I went through a 'bottom up' exercise. I felt I had accumulated a reasonable amount of wealth and recognised that I probably had more than I needed to live on. I was also in the planning stages of my retirement from my executive role. My wife Gitte and I were also thinking about our legacy and what we wanted to leave to our son and our three grandchildren.

With my IFA's help, we drew up a profit and loss account and a balance sheet, before we looked into inheritance. I would advise others to go through a similar exercise. If you realise you have more wealth than you need, then giving it away is the obvious answer.

Our lifestyle is fairly modest – fast cars and yachts aren't particularly interesting for us – so the amount we had to play with was a significant proportion of our wealth. We decided that we wanted to give away as much as possible during our lives so that we could be involved.

That's why Gitte and I decided to set up a charitable trust. We try to be strategic with our giving, and we research where our money is going. Generally, we support medium-sized organisations over a three- to five-year period. We choose causes

that we are involved with in some way and that are focused around three themes – local to Bath (where we live), international development, and the environment.

Gitte is a social entrepreneur and we have supported a couple of her projects which include a community shop and a project near Bath to open up two disused railway tunnels for cyclists and walkers. Giving, prior to our foundation and Impetus, was opportunistic and unstrategic. Sponsoring someone doing a marathon or giving to a disaster relief campaign was more about writing cheques than anything else.

My advice to others thinking about philanthropy is: try to avoid reinventing the wheel; do your research and talk to people already in the social sector - take advantage of their experience; and think about maximising the impact of your time and giving as well.

In the last couple of years, I have been involved in tackling poverty in Africa through Jacana Partners which I helped to set up. I have learned a huge amount about Africa already and am still learning.

Earlier this year, I was involved in the merger of Impetus with The Private Equity Foundation, which I see as a merger of strengths. Both organisations were going well and had achieved a lot individually. The issues around the lack of social mobility that we are tackling are massive and deeply entrenched. We need to take a long-term view and, with this new coalition, we can ensure we tackle bigger issues in a more sustained and meaningful way.'



[ *“We decided that we wanted to give away as much as possible during our lives so that we can be involved.”*