



TransCap Initiative
Systemic Investing for Sustainability

Builders Vision's Oceans Strategy

A Case Study of Systemic Investing

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Preface

About the TransCap Initiative

The TransCap Initiative (TCI) is a think-and-do-tank at the nexus of real-economy systems change, sustainability, and finance. Our mission is to build the field of systemic investing, a new investment logic for funding systems transformation. We do so by building a collaborative innovation space for developing, testing, and scaling systemic investing through research and prototyping and by nurturing a global community of practice. You can learn more about our work on our [website](#).

About Systemic Investing

Systemic investing is the next frontier in purpose-driven finance, answering an urgent call for a more strategic and integrated approach to funding systems transformation. It leverages the tools and methods of systems thinking and complex systems science to make sense of societal challenges as complex systemic issues. It advocates for the strategic orchestration of multiple forms of capital provided by multiple types of investors under a shared theory of transformation in pursuit of a holistic, systemic notion of impact.

For more information about what systemic investing is, read the publication [“Definition and Hallmarks of Systemic Investing”](#). To learn more about the relevance of systemic investing and the contexts in which it promises to be most useful, see the primer [“Systemic Investing for Social Change”](#) published in the *Stanford Social Innovation Review* as well as the more comprehensive white paper [“Transformation Capital – Systemic Investing for Sustainability”](#).

About TCI Case Studies

As part of the TCI's field-building effort, we are searching for examples of ongoing initiatives that illustrate core ideas of systemic investing. We are publishing a series of case studies that showcase the work of organizations we admire to demonstrate and explain what it means to do systemic investing “on the ground”. Throughout, we hope to illustrate what is distinctive about systemic investing and how it is different from other, more mainstream approaches to sustainable finance and impact investing.

In our work, we operate in the current reality (what is) while looking ahead to possible futures (what could be). Systemic investing in its “pure form” belongs in the future, with elements of the practice emerging as pioneers around the world explore how an understanding of systems can support different ways of investing. Each case study highlights where elements of this emerging financial practice are taking shape and might lead us to unearth novel ideas and approaches that strengthen the conceptual underpinnings and best practices of systemic investing.

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Introduction

We first heard about Builders Vision (“BV”) from several key stakeholders in our orbit, who all referred to it with a similar narrative: “Lukas Walton and his team at Builders Vision are doing for oceans what Jesse Fink and his team at ReFED are doing for food waste”.¹ What our stakeholders meant was that there is a group of visionaries pioneering a new logic for investing for transformative societal impact, deploying multiple kinds of financial capital in search of deep and structural change in a specific system critical to human prosperity. And as we started to take a closer look, it quickly became clear that BV’s oceans strategy (“BV Oceans”) would make for an insightful case study of systemic investing.²

This case study is an exploration of the points of connection between BV Oceans and TCI’s emerging work on systemic investing. BV does not necessarily describe its work in TCI’s terms or identify itself as a “systemic investor”. Nor do the systemic investing key concepts described herein represent definitive—let alone rigorously tested and independently validated—best practices of purpose-driven finance. What BV Oceans and TCI share is that both of our respective bodies of work are emergent and experimental in nature. We therefore encourage readers to consider the information presented herein as an exploratory account and be aware that we, the authors, have a necessarily incomplete view of what is actually happening inside BV Oceans and the system(s) in which BV Oceans does its impact work.

The **first chapter** (“Background”) of this case study introduces BV and BV Oceans. This chapter is about context and not systemic investing as such. It is descriptive and uses BV’s own language to describe their work. The **second chapter** (“BV Oceans and Systemic Investing”) highlights the ways in which the work of BV Oceans exemplifies aspects of systemic investing. While there are many core ideas of systemic investing in operation at BV Oceans, we are putting a spotlight on those we believe to be most salient in the organizational context of BV and most relevant for the specific system their activities seek to influence. The **third chapter** (“Five Lessons”) provides a sense of the

experience the BV Oceans team has had in trying to put these ideas into practice. In some ways, this chapter is the “making-of”, intended to reveal the frictions and messiness that inevitably comes with working in complexity. Finally, the **fourth chapter** (“Food for Thought”) suggests ways in which BV Oceans could potentially strengthen the implementation of the key ideas at the heart of systemic investing.

This case study of BV Oceans is based mainly on interviews with Peter Bryant, Oceans Program Director, and James Lindsay, Oceans and Energy Investment Director. Peter and James collaborate closely on developing and executing the strategy for BV Oceans and oversee a team of both grantmakers and investors who deploy capital to support and scale BV’s activity in this space. The case study authors also reviewed internal and external BV resources such as presentations, reports, and interviews. In addition, we conducted short interviews with three recipients of BV support (Katapult Ocean, Coral Vita, and Ocean Risk and Resilience Action Alliance ORRAA) for anecdotal “ground truthing”.

We, the authors, believe to have been free of conflicts of interest when writing this case study. BV has not financially sponsored this case study nor has there been a funding relationship between BV and the TCI at the time of publication.

¹ For an in-depth treatise of Jesse Fink and ReFED’s work addressing the food waste challenge in the United States, read the case study by Alban Yau and Jason Jay “Systemic Investing to Tackle the U.S. Food Waste Challenge - The Fink Family and ReFED” published in 2023.

² As per Builders Vision, BV Oceans refers to a platform-wide strategy that includes a cross-sectional team of program officers and investment professionals that deploy capital into the oceans sector.

1. Background

1.1 Builders Vision

Launched by Lukas Walton in 2021, BV is an impact platform and family office that aims to shift markets and minds for good in pursuit of its vision for a more humane and healthy planet. The organization works across investment, philanthropy, and advocacy to help address some of the most difficult environmental and sustainability challenges in three interconnected sectors: oceans, food and agriculture, and energy.

BV deploys capital across the capital spectrum toward sustainable solutions in each of these focus areas. While the risk, return, and impact expectations vary across BV's teams and capital tools, the organization has articulated a set of near-term and long-term system outcomes for these sectors that are shared by all the teams:

- **Builders Asset Management**

BV's asset management team invests a multi-billion-dollar portfolio globally and at scale across public and private markets—primarily with third-party fund managers and co-investments—with a dual aim of achieving superior returns and influencing systemic changes toward BV's shared outcomes in each focus area.

- **Builders Initiative**

Builders Initiative consists of two teams—a philanthropy team making grants and an investment team—who oversee several vehicles.

The philanthropy team partners with organizations to address societal and environmental issues across BV's focus areas. It deploys and recommends grants primarily through Builders Initiative Foundation (a 501(c)3 private foundation) and out of one donor-advised fund. A small amount of grants is also made through Builders Bridge, a limited liability company. According to BV's 2023 Impact Report, Builders Initiative's philanthropic efforts involve deploying over USD 150 million in grants each year. In 2024, the oceans-related philanthropic budget was roughly USD 47 million or 1/3 of the aforementioned total.

The investment team supports impact-driven entrepreneurs, companies, and fund managers. It is responsible for more than USD 2 billion in capital, ranging from patient, catalytic impact investments to market-rate, mission-driven investments. This team oversees the Builders Initiative Foundation's USD 1.7 billion endowment, which is more than 90% mission-aligned, and recommends impact investments to two donor-advised funds.

The vehicle out of which most catalytic investments are made is Builders Bridge, which fuels an investment portfolio within BV that aims to mobilize capital and scale market solutions into essential, underserved opportunities in oceans, energy, and food and agriculture. Builders Bridge has the flexibility to make both grants and impact investments (including pre-seed, seed, debt, and project finance) using non-tax-advantaged, patient, flexible, and risk-tolerant capital. This approach enables the seeding, supporting, and positioning of impact-driven funds and companies for potential follow-on investments from other BV capital pools as well as external sources.

Builders Bridge's direct investments tend to be in the range of USD 500,000 to USD 3 million, whereas fund investments are typically USD 2-5 million and are made early in a fund's lifecycle, often serving as the first large commitment (before the first closing) so that they can have a catalytic effect in crowding-in other investors.

BV previously included a venture capital team, S2G Ventures³ (S2G), which was founded by Lukas Walton in 2014. They specialize in making direct investments in

³ References to "S2G Ventures" (or "S2G") herein are intended to refer to a former division of Builders Vision, the personnel of which are no longer employed by Builders Vision and who have since formed and operate from S2G Investments, LLC, an independent entity that is not controlled by Builders Vision (or any affiliate thereof). Any information referencing "S2G" herein was produced while S2G was a division of Builders Vision and is not intended to serve as an indication of any affiliation with, or endorsement of, S2G Investments, LLC (or any affiliate thereof). The initial interviews with the BV team occurred before S2G launched as a separate company. As a result, this case study includes references to S2G, its portfolio companies, and some combined data figures that incorporate S2G. These references are highlighted throughout the document.

high-potential venture and growth-stage companies. In April 2024, S2G³ became a registered investment adviser (RIA) and launched as an independent company in order to catalyze further system-wide change in the oceans, food and agriculture, and energy sectors. BV and S2G³ remain focused on common outcomes across these key sectors, while fostering continued collaboration with partners in their ecosystem.

As of June 2023, BV and S2G³ had provided over USD 260 million in funding and investment to 158 fund managers, companies, and grantees working to make the oceans ecosystems more resilient and balanced.⁴ Of that, the Builders Bridge Oceans portfolio accounted for USD 70 million in investment capital allocated to 16 start-ups, 17 funds, and 11 accelerator programs, across 20 countries. BV estimates that its work has contributed to catalyzing over USD 2.2 billion of investment capital for the ocean sector between 2018 and 2023.⁵

1.2 Builders Vision's approach to impact

BV's overarching mission is to "shift markets and minds for good". This mission implies that market features (structures, designs, incentives, regulations) and human belief systems are key drivers of change. For each of its focus areas (oceans, food and agriculture, energy), BV adopts three primary approaches:

- **Deploying capital**

Across its different capital pools, BV uses a range of tools, including grants (both project-specific grants and general operating support), direct investments (venture and growth-stage capital as well as debt and infrastructure finance), and fund investments (into both first-time and established impact fund managers). Given BV's different capital pools and investment vehicles, the organization has the flexibility to operate across the capital spectrum.

- **Supporting partners "beyond the check"**

BV also supports its partners with critical non-financial resources, including technical assistance, relationship development, support with impact measurement and management, human capital development, and strategic advice, all aimed at enhancing its partners' success and outcomes.

- **Advocating for change**

BV also engages with critical investors, funders, policy makers, and other influential stakeholders to accelerate solutions. Tools the team uses include strategic communications, thought leadership, stakeholder convening, building industry-wide initiatives, and advocacy with policymakers.

BV has a dedicated impact measurement and management (IMM) team, which has co-developed with the investment and program teams an impact framework for each of the focus areas. These frameworks define a set of near- and long-term outcomes, aligned to industry-wide initiatives such as the UN Sustainable Development Goals. BV's IMM approach seeks to balance the need for standardization across the portfolio with allowing flexibility, so that partners can choose to report on those indicators that they find helpful.

1.3 BV Oceans

When Lukas Walton was 13 years old, he lived on a sail boat for a year with his parents traveling around the Gulf of California in Mexico. During that time, Lukas experienced life on the sea and the complexity of the ocean's relationship with people. He met fishermen working to earn a living and saw tourists boating around the region, and he witnessed the damage humankind can inflict on ocean ecosystems. One defining moment came when he and his family encountered a humpback whale entangled in fishing nets. They spent four hours working to cut the whale free, and the experience seeded his interest in ocean conservation and in developing long-term methods for people to manage their natural resources.

Later in life, Lukas travelled to Oregon and spent time with local fishermen. He was struck by how precariously they were living, going from paycheck to paycheck with no way of innovating their way to a more prosperous and resilient livelihood.

⁴ This data is from BV's 2023 Impact Report, which includes investment data from S2G.

⁵ This estimate is based on BV's internal analysis and judgment regarding the extent to which their investments have mobilized additional capital from other investors. They are continuously refining their methodology for these estimates and will update them as needed.

These experiences, among others, fueled his interest in leveraging market innovations to encourage greater stewardship and ecosystem conservation of ocean habitats while allowing people to continue to earn a living from the ocean. They also helped shape a broader understanding that both long-term investment and cultural shifts are essential for the health of our planet and the well-being of humanity. Lukas created Builders Vision to drive systems change, focusing on catalyzing capital but also on fostering collaboration and support among those working within these complex systems and striving to build a more sustainable future.

Today, BV's oceans strategy is framed by three fundamental concepts:

1. The firm-wide **mission** of “shifting markets and minds for good”.
2. An aspirational **vision** (“North Star”) to be achieved within the ocean system, defining the long-term ambition for the work.
3. The **key challenges** currently believed to be impeding progress toward this vision:
 - Insufficient availability of financial capital;

- A general lack of understanding of oceans amongst key economic stakeholders, including entrepreneurs, corporates, and policymakers; and
- Weak enabling conditions for fostering a blue economy⁶, such as inadequate policies and a shortage of skills in the labor market.

“Healthy ocean ecosystems are a pillar of global environmental recovery, climate security, and economic growth.”

– BV Oceans’ 2050 North Star Goal

These three elements (mission, vision, and key challenges) define the frame within which BV Oceans has developed a theory of change—including long-term and short-term outcomes that will act as stepping stones toward the North Star—which is shown in [Figure O1](#) (see next page).

⁶ Whilst there is no singular definition for the blue economy, as a concept and framework it has ‘become synonymous with the “greening” of the ocean economy or one that more broadly aligns economic growth and job creation with the health of the world’s oceans’ (Monnerneau & Failler, 2014, cited in Hussain, Failler & Sarker, 2019, p. 3).



Photo by Stefan Sebök on Unsplash

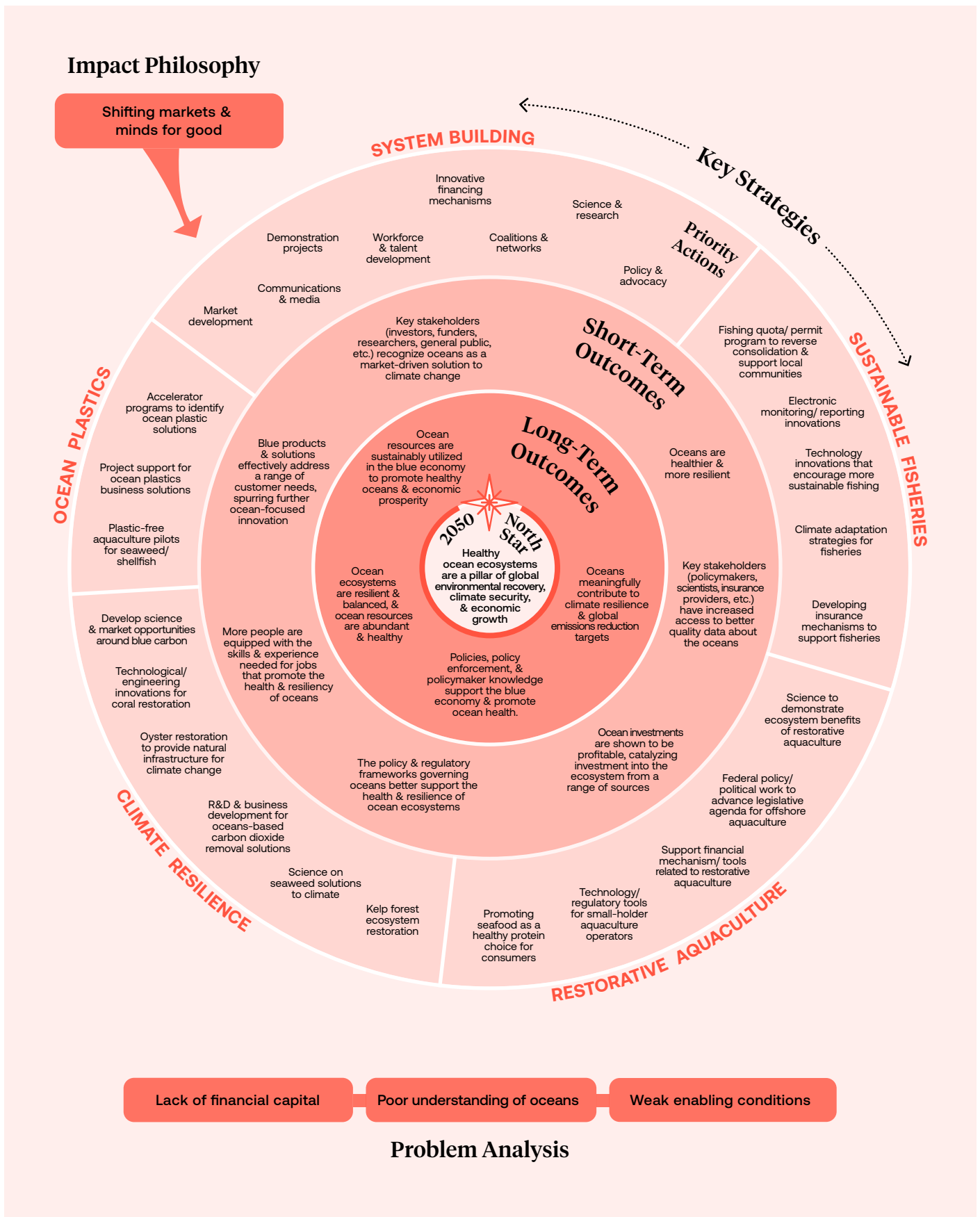


Figure 01 | BV Oceans' Theory of Change

On the basis of this theory of change, BV Oceans works with a particular framework for guiding the development of its **intervention strategy**. This framework can be thought of as a **three-dimensional matrix**, as illustrated in Figure 02 (see below).

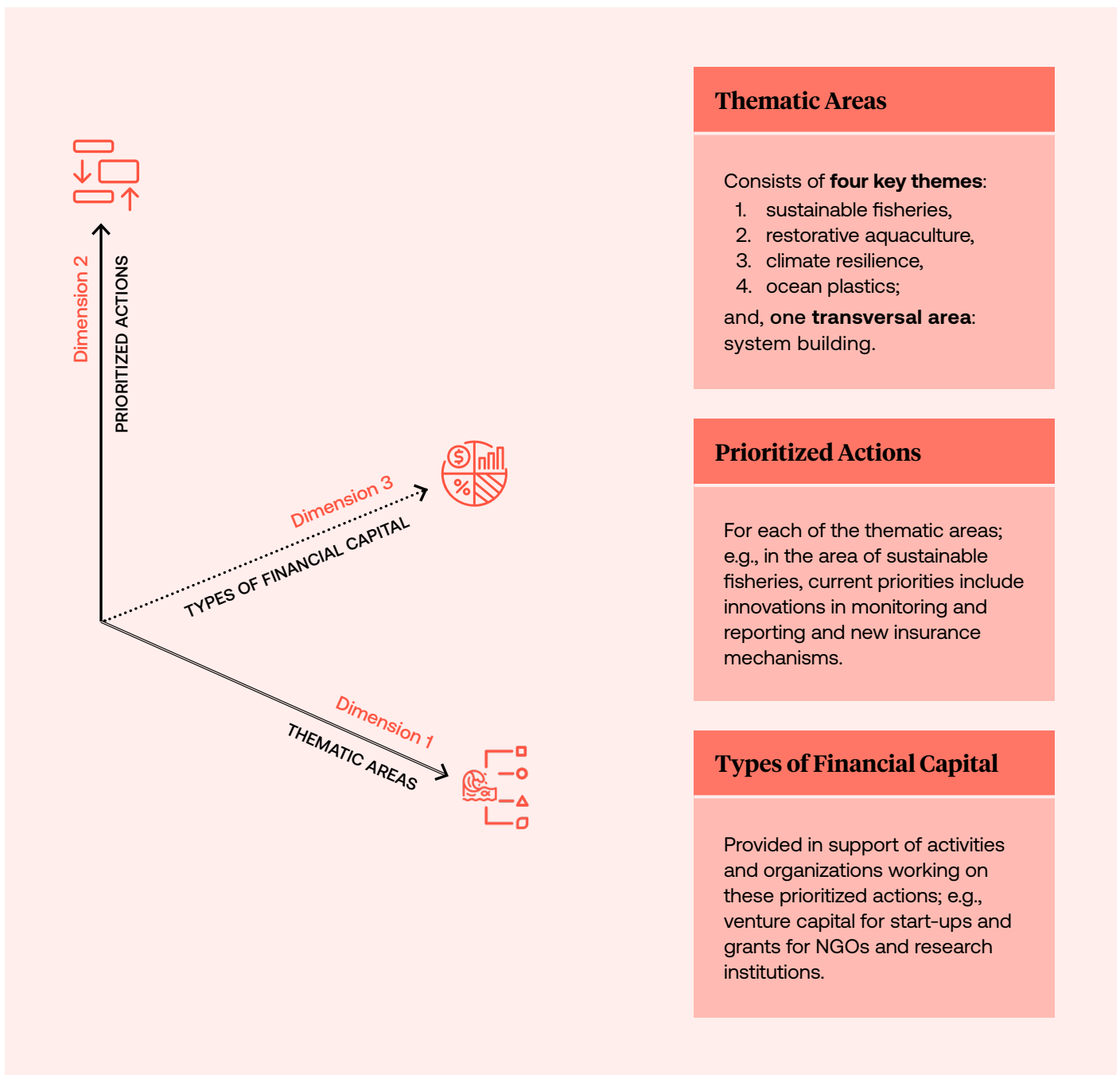


Figure 02 | BV Oceans intervention strategy

The IMM framework for BV Oceans identifies seven near-term outcomes, such as “more people are equipped with the skills and experience needed for jobs that promote the health and resiliency of oceans” and “blue products and solutions effectively address a range of customer needs, spurring further ocean-focused innovation”. BV tracks progress toward these outcomes through indicators. For the second of these outcomes,

for instance, BV reports progress against indicators such as “hectares of marine and coastal habitats protected, restored, or in the process of ecological restoration/ protection” and “metric tons of CO₂ emissions mitigated, avoided, or sequestered through ocean-based solutions”. Figure 03 (see below) shows how BV Oceans reports against some of the indicators it tracks.

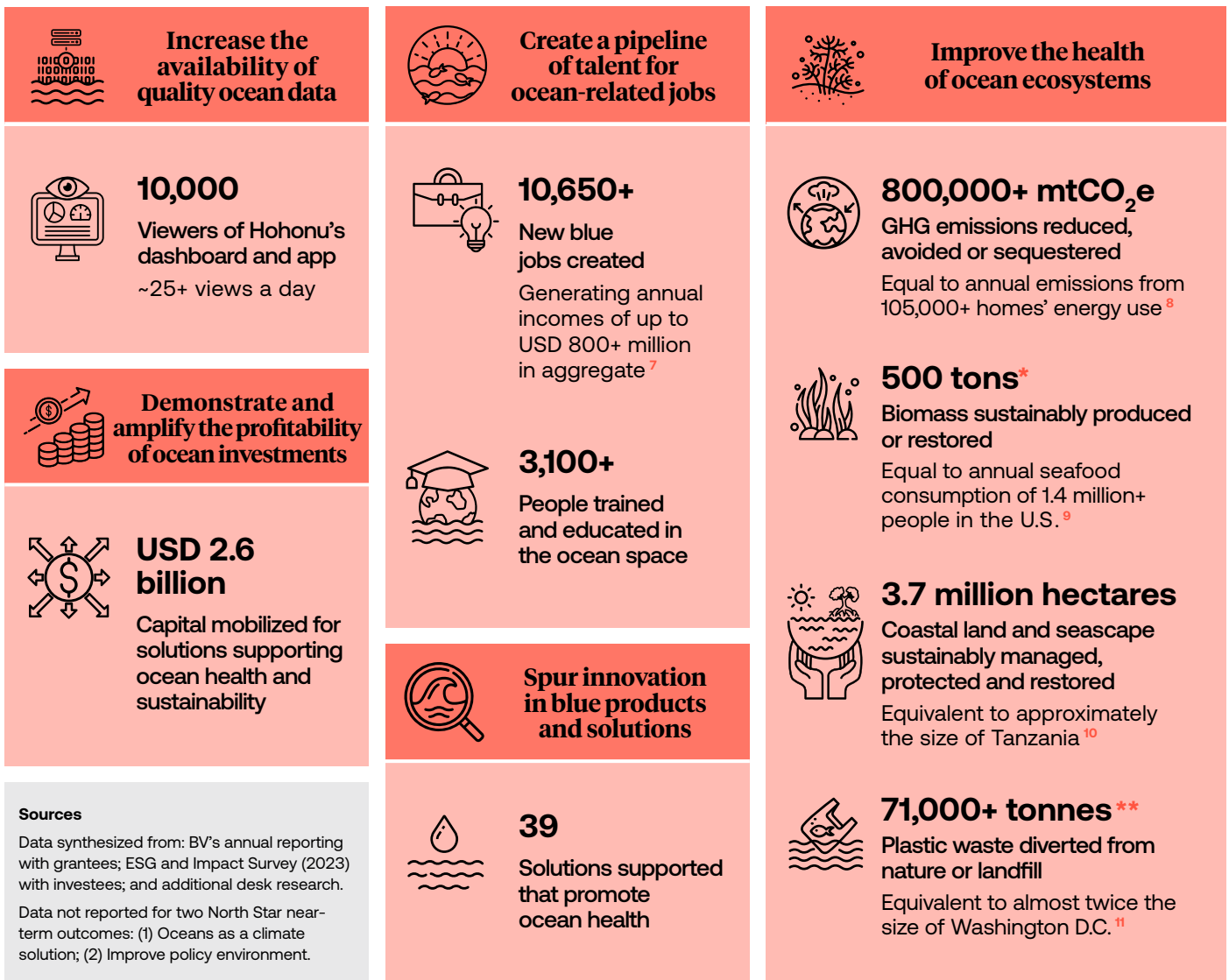


Figure 03 | Overview of BV Oceans’ North Star impacts

⁷ Average income of the marine economy is USD 81,000 (source: NOAA).

⁸ GHG emissions equivalents calculated using EPA’s GHG equivalencies calculator.

⁹ U.S. citizens consumed, on average, 9.3 kg/ 20.5 lbs of seafood per capita in 2021.

¹⁰ The size of Tanzania is 4 million hectares/ 9.88 million acres.

¹¹ 8-12 million tons of plastic flattened would cover 11,000 sq. km/ 4,247 sq. miles.

* Tons = imperial tons

**Tonnes = metric tonnes

Success Stories

Here are two examples of how BV Oceans leverages its platform to catalyze investment into the ocean economy:

Individual start-up investment

Matter, a start-up aiming to reduce the flow of microplastics from textiles into the ocean, was initially part of the Katapult Accelerator Fund, an investee in the Builders Bridge Oceans portfolio. Matter then went on to receive a pre-commercial direct investment out of the portfolio, and later it received capital from S2G³ in a round that was co-led with investment firm SOUNDWaves. This is an example of how BV—thanks to the multiple types of capital it deploys—can graduate an organization along the capital spectrum internally and can bring in external investors to complement its own capital.

Fund investments

BV made the first institutional commitment to SWEN Blue Oceans, a USD 200 million venture capital strategy focused on innovations that help regenerate ocean health. SWEN's investment managers have pointed out that this commitment was critical in building the momentum that ultimately allowed them to secure other investments. This is thus an example of how BV's risk-tolerant investment approach—exemplified here through an early investment in a first-time fund—can have catalytic effects and crowd-in third-party capital into the blue economy.



Photo by Naja Bertolt Jenson on Unsplash

2. BV Oceans and Systemic Investing

This chapter spotlights the three aspects of BV Oceans' work that have a particularly strong resonance with the emerging practice of systemic investing. First, we highlight how the BV Oceans team adopts a distinctive **orientation** to the work, adopting elements of a systems mindset, and working with defined transformational intent. Second, we describe how the various frameworks BV Oceans has created to provide **focus** for the work act as a theory of transformation, serving to bridge the gap between decisions being made today and the long-term objectives guiding the work. Third, we put a spotlight on the **investment architecture** BV Oceans works with to implement its strategy and highlight how BV's own work in the ocean system is **nested** within broader systems change efforts.

We encourage readers to keep in mind that what follows is not supposed to be the illustration of a full and flawless application of the high-level principles and hallmarks of systemic investing. Systemic investing is a nascent financial practice, and there are no definitive standards and best practices that act as benchmarks. Nor would it be very systemic to claim that there will ever be a definitive, one-size-fits-all approach to systemic investing. What we present hereafter therefore represents elements of the work of BV Oceans that exemplify a version of these principles and hallmarks as applied in practice, a version that we find commendable, irrespective of any room for improvement as discussed in [Chapter 4](#).

2.1 Orienting the work

The work of BV Oceans is anchored in a systemic understanding of both the challenges the world's oceans grapple with and how these challenges can be effectively addressed. The BV Oceans team brings substantial experience and expertise in ocean health and the blue economy, understanding which is critical for informing how capital is deployed. As the BV Oceans strategy was developed, the team bolstered its knowledge with an extensive process of problem mapping, taking time to understand the dynamics and issues at play in the blue economy before getting

into the detail of capital structures. So rather than starting with a particular asset class and looking for organizations with the right risk profile for that asset class—which is typically how investment funds get started—BV Oceans began with the needs of the system and then designed an approach to capital deployment that meets these needs.

Another notable example of how BV Oceans shows up differently to its work compared to mainstream investors is the attitude towards other actors and changemakers in the system. As the members of the BV Oceans team say themselves, “we always seek to grow the tent and build relationships with people and organizations that expose us to new and differing perspectives”. Their work is infused with an outward-looking perspective that is keen to learn from others and coordinate across organizational boundaries.

We consider this orientation to the work to be aspects of a **Systems Mindset (↗)**. Engaging in its investing and granting with a systems mindset from the beginning has enabled BV Oceans to bring a systemic perspective to the way it frames issues and thinks about addressing them. This becomes apparent in the way BV Oceans articulates its impact vision—the ambition implied in the North Star and the intermediate goals (see [Figure 01](#)) are of a transformational quality, and they are articulated as spacious intent statements that speak to the health and quality of a system rather than a narrow (and therefore constraining) set of static output objectives. This is in line with how we believe **Transformational Intent (↗)** is best set to create the enabling conditions for deep, structural, and irreversible change.

“Builders Vision sees the whole system. They understand that there are certain things that philanthropy needs to do and certain things that the private sector needs to do, and that these things are complementary.”

– Karen Sack, ORRAA

Another noteworthy aspect of BV Oceans' work is the way in which it engages with the need to draw **System Boundaries (↗)**. BV Oceans has used a multi-scale approach, addressing the ocean system at a global scale as well as specific geographies at both regional and local levels.¹² While it could be argued that there is no uniform "global ocean system" (at least not from a socio-natural point of view), it is also clear that certain aspects of the blue economy are global in nature, and that certain innovations currently lacking are of global relevance and applicability. So operating on multiple scales of the ocean system is sensible.

2.2 Sharpening the focus

Tackling such an ambitious and formidable challenge as articulated in the North Star creates a need to focus the effort. BV Oceans does that on multiple levels:

- At the level of its **sectoral Theory of Transformation (↗)**, BV Oceans articulates interim objectives, which clarify where to generate outcomes.¹³ Meanwhile, its overarching mission ("shift markets and minds for good") introduces a general orientation toward market-building activities, for instance for building markets for marine ecosystem services and ocean plastics.¹⁴
- At the level of **thematic areas**, BV Oceans works with a set of prioritized actions. These priorities represent a view of where progress is needed the most given the current state of the system represented by a given thematic area, and the team revises these priorities in a two-year interval to remain responsive to the system's state and needs. Implied in the concept of prioritized actions is the concept of **Transition Pathways (↗)**—the idea that systems change is an evolutionary process that goes through successive stages. By being clear about where action needs to happen next and updating that view regularly in a responsive manner, BV Oceans seeks to pave the way for a system to travel along a desirable transition pathway.
- At a **geographic** level, BV Oceans concentrates its grant portfolio in specific regions: Pacific Northwest, Southern California, and Maine (all U.S.), Baja California (Mexico), and Bahamas. These places are chosen because of favorable conditions for impact work, including the existence of critical ocean

habitats, political will and leadership to build a blue economy, and the potential for business innovation.¹²

In addition to being clear about what to focus on, BV Oceans is also clear about what *not* to focus on. For instance, BV Oceans does not generally support land-based fish farming, because they believe these industries do not contribute as directly to improvements in ocean health, which is a primary goal of BV's oceans strategy. Specifically, it is unclear whether aquaculture of fish actually reduces the pressure on overfished wild stocks. With salmon and shrimp farming in particular, the expansion of salmon and shrimp aquaculture over the past 30-40 years has primarily served to make these products cheaper in the marketplace and more accessible to consumers, and thus may be contributing to the overharvesting of wild stocks as a result of increased competition.

"We wouldn't be the world's most active early-stage ocean impact investors if it wasn't for Builders Vision. They are the epitome of a cornerstone investor."

– Sindre Østgård, Katapult Ocean

Finally, BV Oceans also acts as an incubator of innovations or organizations of strategic importance. Examples from the past include investment coalitions such as the USD 300 million Ocean Resilience and Climate Alliance (ORCA), new investment funds such as the Katapult Oceans Deep Blue Fund (which arose out of Katapult's successful ocean accelerator program), and new public-benefit projects such as some of The Nature Conservancy's early-stage scientific work on restorative aquaculture. BV Oceans also supports incubation programs, including start-up incubators

¹² Within the time window in which this case study has been written, BV Oceans has decided to re-orient its program away from a specific geographic orientation in order to "lean into the market development side of the mission and consider projects and initiatives to scale oceans solutions regardless of where they might be implemented".

¹³ Please see [Chapter 4](#) (particularly [Section 4.4](#)) for a discussion of the limitations of outcome-based change hypotheses in the context of complex systems work.

¹⁴ As we elaborate in [Section 4.2](#), while using market building as an overarching mission helps sharpen the focus, it is not free of structural limitations and risks of causing unintended consequences.

such as SeaAhead as well as a prize competition to find start-ups capable of leveraging the technology and data platform developed by [Sofar Ocean](#), an S2G³ investee. This incubation role stands in contrast to most impact investors and foundations, which tend to be reactive funders, supporting organizations and initiatives that already exist rather than starting new ones.

2.3 Operationalizing the strategy

How, then, does BV Oceans go about operationalizing its systemic investing strategy in the defined focus areas? How does the organization structure its investment activities? And how does it pull on levers of change that are not investable in the traditional sense? The answer lies in an unusual approach to portfolio construction and capital deployment, combined with activities that go beyond grantmaking and investing.

“Given Builders Vision’s different capital tools and investment vehicles, we have the flexibility to operate across the capital spectrum. This enables us to seed and grow markets without the same limitations that other philanthropists or investors may face.”

– Builders Vision Impact Report 2023, p.8

Strategic Investment Portfolios: Working across levers of change

The intervention strategy and theory of transformation that guide the work for BV Oceans result in a rich portfolio of different kinds of investment and grantmaking relationships, spanning a wide array of activities. Market-rate and catalytic investment capital are provided to organizations with a commercial strategy and a market-based route to scale, including those that:

- Develop new **technologies**, whether they address large market opportunities (e.g., kelp farming for CO₂ sequestration, ecosystem benefits, and ocean-based food products), like [Ocean Rainforest](#), or serve market niches (e.g., ropeless fishing gear) to meet future regulatory requirements, such as [Ashored](#) and [Blue Ocean Gear](#);

- Work on new **business products** like vegan leather and non-toxic seaweed-based inks, such as [Oceanium](#), and **business services**, such as [Coral Vita](#)’s reef-restoration-as-a-service offering.
- Build new and sustainable **physical infrastructure**, like [ECONcrete](#) and [Atlantic Sea Farms](#); and
- Develop critical **ecosystem components**, like data platforms and monitoring and reporting tools and protocols, such as [Hohonu](#).

“As we build our company, we also need to build a market. Builders Vision understands how much time it takes to do that and what kind of risk this entails. Having them as a lead investor sends a strong signal to the capital market and unlocks a lot of opportunities for us.”

– Sam Teicher, Coral Vita

Non-repayable grants are provided to initiatives and projects that:

- Shape the **policy and regulatory environment** through advocacy;
- Facilitate access to **other kinds of finance** (e.g., Coastal Enterprises Inc’s [Aquaculture Loan Program](#) and ORRAA’s [Sea Change Impact Financing Facility](#));
- Generate new scientific insights through **research**, e.g., to better understand the CO₂ sequestration potential of seaweed (a project led by [Bigelow Laboratory for Ocean Sciences](#)) and how to reduce the cost of seaweed sinking (University of Maine);
- Strengthen the **enabling conditions** for a blue economy through public foods such as standards, workforce and talent development, new risk transfer mechanisms (e.g., new insurance products), and deeper labor markets (e.g., [FocusMaine’s Aquaculture Pioneers Program](#));
- Shift **consumer awareness and behavior** as well as **societal norms** through art, film (such as “[Hope In The Water](#)”, a documentary about sustainable ocean-based food production), and value-shifting consumer engagement campaigns (e.g., [Food for Climate League](#)); and

- Promote the **adaptive capacity** of the blue economy, e.g., by strengthening its resilience in the face of climate change and biodiversity loss.

Deploying capital across a diverse set of levers of change is the core idea at the heart of **Strategic Investment Portfolios (⌘)**. In contrast to thematic portfolios, which usually focus on a narrow set of change levers (e.g., technology, business models) and in which assets tend not to stand in strategic relationships with one another, strategic investment portfolios are deliberately composed, multi-lever collections of investments, each with a clear strategic value-add related to the transformational intent pursued by the investor.

Multi-Capital Approach and Investment Architecture: Operationalizing strategic investment portfolios

Critical to building multi-lever portfolios is to take a multi-capital approach to investing. That's because each intervention that needs to happen within a system in order to create transformational effects tends to have its own funding requirement. So the essence of systemic investing can be distilled to one of matchmaking: deploying the right type of capital to the right kind of intervention at the right point in time.

BV Oceans does that by working across the capital spectrum, deploying market-rate investment capital (venture capital, private equity, infrastructure finance, etc.), concessionary capital, and philanthropic grants, depending on the specific needs of an organization or a project that needs funding. It does so across several different vehicles, each of which manages its own type of capital: Builders Asset Management and Builders Initiative with Builders Bridge, Builders Initiative Foundation (a 501(c)3 private foundation), and two donor-advised funds.

Each of these vehicles operates with a different mandate regarding risk, return, and impact profile, allowing BV to match the most appropriate type of capital for any given grant or investment opportunity. Builders Asset Management and the Builders Initiative Foundation endowment typically invest in assets and fund managers with the goal of influencing systemic change while achieving superior financial returns. Meanwhile, the team managing Builders Bridge provides patient, catalytic capital to purpose-driven startups, funds, and

accelerators, focusing on scaling innovative models and de-risking promising solutions in under-invested areas.

Crucially, rather than acting as their own self-contained entities, there is coordination across these investment vehicles. Team members talk regularly, sit on each other's investment committees, inform each other's decisionmaking, and are working toward shared North Stars. Whenever an investable opportunity comes along, the different BV teams look at the opportunity together and then decide for which vehicle it is the best match.

This structure—the multiple investment vehicles and the connective tissue that ensures coordinated action—is an example of **Investment Architecture (⌘)**.¹⁵ In systemic investing, investment architecture is the design of the overall capital structure of a systemic investment program. It entails defining the types of investment/funding vehicles needed, the legal forms best suited for these vehicles, and the size of each vehicle in terms of investment/funding volumes. It also entails designing how the different vehicles are strategically related to each other and how to decide which vehicle to tap for a specific transaction so that the right kind of capital can be allocated to the right type of intervention at the right moment in time.

So the goal is to create the conditions for systems-optimal capital allocation over time. The fact that there is a temporal dimension also means that investment architectures should evolve over time, as a system of interest matures and its financing needs change.¹⁶ This sits in contrast to traditional impact investing, where investors typically invest within a single asset class out of a single investment vehicle (or multiple successive versions thereof).

One benefit of thoughtful investment architecture is flexibility. By working across the capital spectrum, BV Oceans can be a long-term partner for its investees and grantees, supplying them with different kinds of capital from different vehicles as they evolve and mature. For example, Matter, a technology start-up tackling the

¹⁵ For practical reasons described in the document "[Definition and Hallmarks of Systemic Investing](#)", using the word "Investment" in the concept "Investment Architecture" creates a degree of incoherence between what the concept is called and how it is meant to be operationalized. The concept of Investment Architecture includes types of money typically considered investment capital (i.e., return-seeking capital) as well as other forms such as philanthropy and public finance.

¹⁶ For more on the topic of system financing needs, see [here](#).

microplastics challenge, started its BV partnership within Builders Initiative and later—after having matured as businesses—graduated to S2G³.

There are also more indirect benefits. For instance, given the diversity of organizations BV Oceans can fund, the team gains access to networks—and thus knowledge—that would be difficult for single-asset-class investors to replicate. One example where this has come to matter is in the space of conservation, where BV Oceans' deep knowledge and relationships with organizations like Rare and Conservation International has allowed it to build relationships between its investees (e.g., Meloy Fund and AquaRev) and local communities supported by these NGOs for sourcing mangrove-positive shrimp.

Getting the design of investment vehicles right is critical for successfully implementing an investment architecture. There are myriad design choices to be made for investment programs and the legal entities through which they are operationalized that affect the degree to which an investor's actions are coherent with a systemic way of operating. One such design choice is the risk appetite—often determined by the legal form, or foundational documents such as bylaws—of a vehicle, which greatly influences the range of initiatives and projects that can be funded. For instance, Builders Bridge is purposefully set up as a limited liability company (LLC) so that it has the operational flexibility to work with non-tax advantaged, risk-tolerant capital in a way that allows it to be a catalyst in enabling third-party investment that would otherwise not flow.

Nesting: Amplifying impact through strategic alignment with non-investable activities and third-party stakeholders

BV Oceans' strategic investment portfolio is embedded in a broader intervention approach, in a logic we call **Nesting** (↗). The key assumption at the heart of nesting is that systems change is most likely to occur as the result of the synergistic effects of a plethora of different interventions happening within a particular system, whereas these interventions occur concurrently and with a high degree of directional alignment. A strategic investment portfolio's impact potential thus increases as a function of the degree with which it is synergistically aligned with (or “nested within”) actions that sit outside the portfolio itself, particularly

with investment activities of other capital deployers and non-investable interventions of non-financial stakeholders such as NGOs and governments.

In practice, working to ensure investment activity is “nested” means being aware of others working in the same system and pro-actively engaging and coordinating with them, either directly or through an organization playing a facilitator role. This kind of coordination requires investors to adopt a collaborative attitude and make time for conversations with a wide range of stakeholders, including those with which investors typically do not collaborate.

The nestedness of BV Oceans' strategic investment portfolio stems from how BV Oceans uses its power and influence to shape industry development and advocate for regulatory change. Members of BV's senior leadership team and the BV Oceans team routinely engage with government agencies, third-party foundations, influencers, public figures, and large asset managers to do agenda setting, raise problem awareness, and crowd in new pools of capital.

For instance, in November 2022, BV Oceans organized the inaugural Ocean Summit, bringing together over 130 representatives from its portfolio companies, fund managers, grantees, and other key stakeholders for two days of programming, networking, and learning. The BV Oceans team also engages in thought leadership, having published a report titled “8 Trends Critical to a Vibrant Blue Economy”, and influencing networks by taking board or advisory positions such as with CREO's “Oceans, Seafood, and Aquaculture Investor Consortium”, 1000 Ocean Startups, Oceanovation, and the Economist World Ocean Summit.

Overall, one result of this way of working is an impressive breadth of relationships held by BV Oceans across the ocean sector. Through deploying so many types of capital and working with so many different types of organizations, the BV Oceans team is connected in a way that very few other organizations would be able to replicate. This brings a wealth of opportunities for brokering relationships and drawing on diverse forms of expertise, while likely giving BV Oceans an unparalleled deal pipeline.

Figure 04 (see next page) shows the extent of BV Oceans' activities.

Capital Deployment Emphasis

| BV Oceans North Star Interim Outcomes | Grants | Investments |
|---|----------|-------------|
| Reframe ocean as a market-driven solution to climate change | heavy | heavy |
| Improve policy environment | light | n/a |
| Increase availability of ocean data | light | light |
| Create a pipeline of talent for ocean-related jobs | moderate | moderate |
| Spur innovation in blue products and solutions | heavy | heavy |
| Demonstrate and amplify profitability of ocean investments | light | heavy |
| Improve the health of ocean ecosystems | moderate | light |

Partner Engagement Emphasis

| “Beyond-the-Check” Support to Partners | Grants | Investments |
|--|----------|-------------|
| Management and operations advising | n/a | moderate |
| Introductions and ecosystem connections | heavy | heavy |
| Talent development and recruitment | moderate | moderate |
| Marketing and communications | light | light |
| IMM support | light | moderate |
| Mobilizing financial support from other partners | moderate | heavy |
| Policy analysis | light | n/a |

Ecosystem Engagement Emphasis

| BV’s Sector-wide Influencing Tactics | Overall Program |
|--|-----------------|
| BV-led speaking engagements at high profile industry events | heavy |
| Other BV thought leadership | heavy |
| BV meetings/briefings with high-profile influencers or decision-makers | moderate |
| BV-led dissemination of research and analysis | light |
| BV-led advocacy activities with policymakers | light |
| BV-led media campaigns | moderate |
| Other BV-led strategic communications efforts | light |
| Mobilizing financial support from others for impact areas | heavy |

Figure 04 | Extent of BV Oceans’ 2023 North Star activities

3. Five Lessons

When BV started with its oceans strategy, its operating model rested on a number of key assumptions that were difficult to validate *ex ante*. Will the adoption of a systems lens help them identify key barriers and enablers of the blue economy? Will it be possible to graduate individual investees along the capital spectrum? Will their early commitments to investment funds be catalytic and thus succeed at crowding in capital? The answer to these questions—and others as outlined in the preceding section—has so far been a resounding “yes”, showing the potential of a strategic, systemic approach to funding systems change.

Yet BV—like other organizations featured in TCI’s case studies—is a pioneer, pushing the practical boundaries of systemic investing and blazing new trails for deploying financial capital in service of real-world impact. The work of pioneers is often messy, and their learning curve is typically steep. In this chapter, we are going to shed light on five lessons that the BV Oceans team has learned over time.

Lesson 1: Bridging high-level ambition with day-to-day decision-making is challenging

The work of BV Oceans is guided by a visionary North Star in service to all of humanity, with a time horizon going out to 2050; yet capital deployment takes place through individual transactions with specific legal entities, usually in the present. Furthermore, the North Star must guide the work of multiple teams across the BV ecosystem and thus be generic enough to be meaningful for different contexts, while individual investment teams make day-to-day decisions based on their unique strategies and constraints.

Both of these issues—the discrepancy between the level of abstraction of the North Star and the specificity of the work, and the need to cohere with multiple teams across the BV ecosystem—means that it can be challenging to make day-to-day decisions with clarity of how they support the North Star. While the

theory of transformation and intervention strategy for BV’s oceans strategy specify short-term and long-term interim goals (see Section 1.3), it still sometimes remains challenging to articulate for internal and external audiences how, exactly, specific projects and partners contribute to the high-level ambition in a way that informs everyday decision-making.

“The goals for our North Star are set for 2050, so they roll up at such an altitude that doesn’t always help you with the day-to-day. Also, the North Star must cohere with the rest of the office, and other departments inside Builders Vision have different strategies and incentive systems that don’t necessarily dovetail. Our office recognizes these challenges, and we are continuing to iterate our thinking in ways that will encourage greater alignment and shared programming.”

– Peter Bryant, Oceans Program Director, BV Oceans

Lesson 2: Working across the capital spectrum comes with unusual dynamics

Most investors work with a single class of capital, such as venture capital or infrastructure finance. Those investors can tailor their operating environment to that asset class: they can hire asset-class specific specialists, nurture an asset class-specific risk culture, and focus their pipeline-building activities on asset class-specific deals.

In contrast, BV Oceans works across several different asset classes. One challenge this creates emerges from the fact that there are two different teams managing market-rate investment capital on the one hand (Builders Asset Management and Builders Initiative Foundation endowment) and the catalytic and grant capital on the other (Builders Initiative’s program work and Builders Bridge). While all the teams are

working towards BV's mission, vision, and near-term and long-term system outcomes, each team has its own motivation, incentive structure, risk framework, and culture. This creates intra-organizational differences that must be navigated. Another challenge is that different forms of capital allow different levels of engagement with recipients. For instance, whereas BV Oceans can take board seats in investees (and thus affect the management of that company directly), it typically would not do that with grantees.

There are also complexities that arise from an ecosystem of tools that include charitable private foundations. Primarily, there are self-dealing rules that prohibit a U.S. private foundation from using its assets to benefit related parties, and there are excess business holding rules that prohibit a private foundation together with its related parties from owning more than 20% of a business enterprise. Both sets of rules require careful management and engagement with legal counsel to minimize risk to the private foundation. One mechanism BV Oceans uses to manage this risk and avoid running afoul of the private foundation rules is to shift the funding source for grants. Instead of using the private foundation, BV Oceans can make grants out of Builders Bridge (a non-tax advantaged LLC), even though this comes at the expense of foregoing some tax benefits. Given these complex legal considerations, BV's legal team hosts an annual convening called Advising for Change. This gathering brings together family office and private foundation attorneys from across the U.S. for a day of programming aimed at empowering legal teams to drive impact through investment, philanthropy, and advocacy.

Lesson 3: Nurturing internal conditions for success requires effort

Systemic investing is an all-of-the-firm activity, and one that requires a different way of working on all levels of the organization. BV Oceans is experiencing that it takes time to build effective internal governance structures and collaboration models. For instance, the BV Oceans team has found that the scope of its work requires parallel breadth of expertise among key internal decision-makers, along with a willingness to work with an unusual portfolio. There is also a need to align and coordinate across several different points of connection within the BV ecosystem, including with BV's capital allocation

committee, legal department, and IMM team. This takes time, effort, and a willingness to frequently tweak the design of the organization's set-up and processes.

One particular topic that deserves attention is the challenge of managing internal team dynamics, particularly when it comes to the allocation of capital. While this can sometimes present challenges, it also highlights the importance of communication and collaboration. Internal teams may experience varying levels of performance, whether due to design, luck, or expertise, but focusing on open dialogue and cooperative strategies can help align efforts and drive collective success. As [Chris Wu](#), a member of the BV Oceans team, said: "These internal dynamics don't necessarily have to be negative but can instead be healthy and constructive. In my experience, the way these dynamics unfold depends largely on the tone set by the leadership team." This reaffirms the role of culture as an enabling factor in systemic investing and the importance of sound leadership in organizations that aspire to be systemically effective.

Lesson 4: Influencing change is not equally easy across the board and not helped by a broad footprint

BV Oceans has realized that its ability to affect change varies considerably across the areas and regions in which it operates. For instance, in some cases—such as with the adoption of video-based catch monitoring systems or ropeless nets on fishing boats—the biggest inhibitor of the blue economy is policy and regulation, which are famously difficult to influence and frustratingly slow to change. In other areas, there is resistance to change from incumbents who benefit from the status quo, or a general lack of partners willing to engage in an ambitious change agenda.

Some of these challenges could possibly be addressed by focusing resources on specific levers of change. For instance, in places where environmental regulation is an inhibitor to economic activity, BV Oceans could support an advocacy effort aimed at improving the policy environment. However, this sort of concentrated intervention becomes more difficult to execute if an organization's footprint is global in nature. For instance, the fragmented legal landscape that drives ocean

outcomes on a global, regional, and local level means that doing effective advocacy would require BV Oceans to be active in an unmanageably large number of jurisdictions, working on a vast number of enormously complex issues. So there is a polarity between breadth and focus.

Polarities are also at work in other areas (e.g., in analytical work and stakeholder engagement). They are inherent in systems work and cannot easily be mitigated without losing sight of the full system and the ability to have systemic impact.

Lesson 5: As the system evolves, so must your strategy

Since Lukas Walton's first ocean investment in 2017, the cumulative amount of investment capital invested in the sustainable oceans space has grown five-fold to an estimated USD 2.6 billion. And as the sector has matured, so have its funding needs. It used to be the case that the most catalytic investment opportunities for BV Oceans were in Europe, in part because of the willingness of the [European Investment Fund](#) to support first-time fund managers and, more generally, a favorable policy

environment. As the European investment ecosystem for ocean-based innovation has strengthened, the potential for BV Oceans to be catalytic is shrinking, allowing it to increasingly focus on still underserved regions such as India, South-East Asia, and Africa.

Another area in which BV Oceans has started to adapt its strategy is in the kind of capital it intends to provide. Today, start-ups that have matured beyond the early investment stages find it difficult to raise follow-on capital because there are almost no growth-stage investment funds with an oceans focus yet. So BV Oceans will start providing such capital directly and support the launch of later-stage investment funds. There is also the issue that start-ups focused on ocean-based products require an increasing amount of funding to cover the CAPEX for processing facilities. Raising CAPEX as equity is expensive (i.e., heavily dilutive), so BV Oceans will start looking for pathways to offer less dilutive capital (e.g., debt instruments, revenue-based financing, etc.).

Both of these examples show that, in order to remain systemically impactful, investors must continuously monitor the development of the systems they seek to impact and adjust their investment strategies in response to evolving funding needs.



Photo by Yue Su on Unsplash

4. Food for Thought

In this section, we provide some thought-provoking reflections that emerged over the course of writing this case study. We share them in the spirit of exploring what it would mean to move further in the direction of systemic investing.

We frame these reflections in the form of questions rather than statements. That is because we recognize that case studies are simplifications of reality and usually based on incomplete information, and that the world is complex and there is often no single best approach to doing things.

4.1 What would be gained if BV Oceans took a more inclusive approach to involving external stakeholders in setting its strategies and North Star goals?

BV Oceans is working in a highly collaborative, systems-aware manner. The team supports a wide range of organizations, collaborates with dozens of external stakeholders, and even engages in participatory grantmaking for some capital allocation decisions. Yet its North Star and theory of transformation have been developed mostly by its internal experts in collaboration with BV's senior management team, and decision-making about what to fund is centralized under the BV umbrella.

Could involving a greater number of external stakeholders increase the diversity of perspectives to inform priority setting, thereby possibly improving the quality of decision-making? Could it encourage greater transparency and accountability which—while possibly an administrative burden in the short-term—could serve BV's impact effort well in the long-term? And could stronger involvement of local communities in capital allocation decisions increase local support for BV Oceans' work while counter-balancing the power asymmetry between wealth owners and beneficiaries inherent in impact investing and philanthropy?

4.2 How would BV's impact potential change if it de-emphasized the role of markets in achieving the North Star?

BV's overarching mission is anchored in a market-based logic. For oceans, this translates into the belief that the emergence of a (responsible) blue economy will be critical for achieving healthy and resilient oceans, and that increasing economic activity will be a boon for both marine ecosystems and the coastal communities depending on them. As a result, BV Oceans primarily focuses on catalyzing the emergence of such a blue economy, e.g., by increasing the amount of investment capital flowing into the sector and helping create jobs while crowding in both new and existing industry players to pursue sustainable ocean strategies.

In contrast, one hallmark of systemic investing is that it starts with the needs of the system, without the presumption of a particular impact pathway. Systemic investing draws on systems analysis techniques to ground an understanding of what is sustainable or unsustainable about the current system and what needs to change. Sometimes, the answer will be the development or redesign of markets, and sometimes it may mean reducing consumption or shutting down commercial activity entirely (akin to the phase-out of fossil fuel power plants). So in systemic investing, the decision over the direction in which to develop an economy should be the result of an analytical—and often political—process, not personal opinion or preference.

BV Oceans does use a problem statement lens (“key challenges”) to determine what “the system” needs in order to evolve toward BV's North Star, and the team reviews this problem statement and action plan every two years. And yet the overarching, market-based mission does seem to be a philosophical starting point, making us wonder to what extent BV Oceans' mission statement unduly narrows the aperture through which BV looks at the problem and its possible solutions. Could a lesser emphasis on the importance of market development lead to the support of organizations

and activities that have large impact potential but are currently not in scope? Could it reduce the risk of unintended consequences, such as the overexploitation of marine resources? What if the most sensible course of action in a particular place was to shut down fishing and create a marine sanctuary—what would that mean for BV Oceans' course of action? Or what if scientists debunk the idea of “green growth” as a myth—will that threaten BV's social license to operate? What would be gained by understanding economic activity not along traditional models of enterprise and entrepreneurship but through new economic lenses—which embody more holistic notions of economic success and imply different value paradigms—such as [Doughnut Economics](#)?

“A part of ORRAA's mission is to help build the regenerative and sustainable blue economy. But there are risks that come with that, for instance in expanding blue food production. Should we really be promoting the consumption of seafood when our oceans are significantly overfished? There are no easy answers, but in terms of working with a market orientation for building healthy and sustainable oceans, there is still work to be done. Food security for coastal communities is one thing, but increasing consumption across the board—including through export markets—is another.”

– Karen Sack, ORRAA

4.3 How could BV Oceans reduce the risk of unintended consequences by actively tracking and managing systemic risks?

The team at BV Oceans acknowledges that certain technologies and activities in its portfolio might evolve (in nature and scale) in a way that creates unintended consequences, and that its ability to control the behavior of the organizations it is supporting is limited (especially when the exposure is indirect through one of the funds BV Oceans is invested in).

For instance, BV Oceans is supporting Ocean Visions, an organization that seeks to tap into the potential of oceans to act as carbon sinks. However, ocean-based CO₂ sequestration (e.g. through [seaweed farming](#) or ocean alkalinity enhancement) comes with scientific uncertainty, and there is a tangible risk of doing long-term harm if developing and scaling these processes is not managed effectively—something that might be difficult to do.

“There are unknown scientific questions entailed with nearly all ocean-based carbon removal technologies. Using the oceans to remove CO₂ from the atmosphere could therefore unleash a beast if not well managed and regulated. Yet, it's a place where our work could be hugely catalytic, so we are deploying philanthropic capital to explore science and policy requirements and investment capital to help scale exciting solutions.”

– Peter Bryant, Oceans Program Director, BV Oceans

The risk of causing unintended consequences is, arguably, amplified by BV's overall market orientation. BV Oceans always strives to support activities for which the environmental benefits outweigh the environmental costs, so that sort of cost-benefit assessment factors into its decision-making. For instance, BV has chosen not to support finfish farming due, in part, to the risks associated with adding feed and fertilizer to marine ecosystems, the risk of fish escapes, and other environmental risks. However, cost-benefit assessments are notoriously fraught with issues, and in the absence of more definitive safeguards and standards (e.g., a do-no-harm doctrine), it remains unclear how BV Oceans would effectively anticipate and mitigate the risk of causing unintended consequences.

At the same time, it is precisely in areas of large uncertainty—whether those relate to issues of science, engineering, or commerce—where capital holders can have the greatest impact. This creates a polarity inherent in systemic investing. The answer is not to avoid systemic risks at all costs but to anticipate, mitigate, and manage them. This, then, raises a set of key questions. How could BV Oceans safeguard its positive impact by

managing systemic risk consciously and actively? What would a suitable systemic risk framework look like? What instruments and mechanisms exist for mitigating and managing risks, e.g., through the way BV Oceans plays its role on boards, structures its funding and investment contracts, brings diverse voices into its decision-making processes, or shapes the ecosystem building activities such as advocacy?¹⁷

4.4 What could BV Oceans learn if it evolved its IMM to adopt a complexity view of the world?

IMM common practice tends to be rooted in a linear cause-and-effect logic. It typically provides a set of standardized metrics to facilitate decision-making and track progress, while each metric tends to sit on its own and in isolation. This atomized view of the world makes it possible to quantify impact but does not necessarily help build an understanding of the messy, intertwined reality “on the ground”.

As we argue in the article “[Systemic Investing for Social Change](#)” published in the *Stanford Social Innovation Review*, societal issues tend to be complex systemic issues. This means that they cannot be fully understood or controlled because they are driven by a myriad of (known and unknown) forces that interact in an unpredictable manner. Recognizing the complex nature of systems means recognizing fundamental uncertainties inherent in systems and thus the basic impossibility of identifying meaningful outcome metrics. This recognition refocuses attention on other ways of thinking about progress and success—such as measures of system structures, dynamics, or overall system health—and stresses the importance of continuous learning and sensemaking. As a result, systems change practitioners have started to look into ways of adapting their tools and frameworks—including approaches to IMM—to better align with a complexity view of the world.

While BV Oceans is clearly taking a thoughtful approach to designing its impact framework, the use of defined outcomes and aggregable metrics is likely telling an incomplete story about the world’s ocean system and thus possibly curtail other avenues for impact. What might BV Oceans discover if it started to

embrace complexity and experiment with new ways of understanding transformative change in the systems it seeks to change? How might it redefine success in its IMM, and the possibilities for measuring and understanding progress towards a goal?

4.5 What opportunities are there to amplify BV Oceans’ impact by bringing individual investees and grantees into strategic relationships with each other?

[Oceanium](#), a BV Oceans investee, is purchasing seaweed from [Ocean Rainforest](#), another BV Oceans investee, to make seaweed-based ingredients for food and wellness products, while feeding information about the raw material back to Ocean Rainforest. Meanwhile, [AquaRev](#) and [Meloy Fund](#), BV Oceans investees, are providing sustainably-harvested shrimp from communities supported by Rare and Conservation International, with which BV Oceans has long-standing philanthropic relationships. Both are examples of strategic relationships that have the potential to amplify BV Oceans’ impact through **Combinatorial Effects** (↗).

BV Oceans has started to facilitate more such strategic linkages. For instance, in October 2023, it convened 25 grantees and 6 investees for a field trip and relationship building in Maine. The purpose was for their partners to get to know each other, learn from each other, and explore opportunities for collaboration. One tangible output from this convening is that two scientists have committed to co-leading the revision of the State of Maine’s climate action plan. This experience points to a general aspect of combinatorial effects: that their creation becomes more likely when investors work within relatively narrow system boundaries (e.g., specific regions).

¹⁷ It is not uncommon for impact investors to mitigate impact risk at the level of individual transactions. For instance, Katapult Ocean sometimes arranges for a “mission lock” in an investee’s governance document and bakes into investment agreements a certain flexibility to step away from an investment relationship should a company start using its innovation in controversial ways (e.g., for military or fossil fuel applications). However, managing risk at the level of specific assets is not the same as managing risks that stem from the portfolio as a whole and apply to the ocean system at large.

BV has direct and indirect relationships with more than 250 organizations working on sustainable oceans. What if there was a systematic process to identify and forge strategic collaborations across these organizations, especially the ones with which BV Oceans has a funding or investment relationship? How would BV Oceans' impact potential increase if it more systematically brought the innovations being developed by its investees to the specific regions in which it works?

“Builders Vision is uniquely positioned to play the role of ‘system change enabler’, as they can facilitate systemic alignment of individual investees and grantees and foster strategic relationships and knowledge exchange across partner organizations in their portfolio, thereby generating network effects.”

– Sindre Østgård, Katapult Ocean



Photo by Matheo JBT on Unsplash

5. Final Reflections

In many ways, BV Oceans embodies the essence of systemic investing: deploying multiple forms of capital into different kinds interventions under a refined theory of transformation, and doing so in a highly strategic, collaborative, and thoughtful way. Without a doubt, this is a groundbreaking effort that serves as a powerful example of how systemic investing could be operationalized in practice.

What this case study also shows is that this kind of investing is hard. Systemic investing places a high analytical and cognitive burden on its practitioners, forcing them to wrap their heads around multiple forms of capital, multiple types of interventions, multiple levers of change, and multiple system scales. It asks

them to navigate polarities, embrace complexity, and be comfortable with ambiguity. There is little infrastructure—methods, tools, frameworks—to lean on. And the lived experience can sometimes be dominated by feelings of inadequacy: Did we do enough analysis? Have we consulted enough scientists and community representatives? Is our theory of transformation strong enough? Will outside stakeholders see us as progressive or crazy? None of which is easy on the humans behind this work.

It is for these reasons that we commend and admire the people behind BV Oceans for their pioneering effort, for blazing the trail of systemic investing so that others can follow.



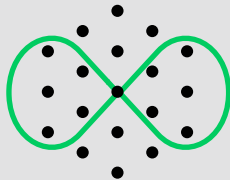
Photo by Sebastian Pera Lambini on Unsplash

Hallmarks of Systemic Investing

1 CONCEPT

Systems Mindset

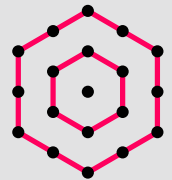
The fundamental attitudes, beliefs, and dispositions—anchored in systems thinking and complex systems science—directing the way systemic investors think about societal issues and how to address them



2 CONCEPT

Transformational Intent

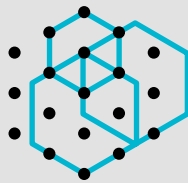
The high-level change vision for a particular system



3 PROCESS

Systems Analysis

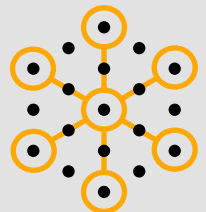
The generation of strategic intelligence informing capital deployment decisions in systemic investment programs



4 PROCESS

Systems Mapping

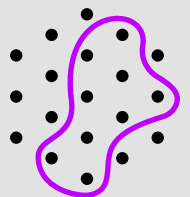
Identifying and visualizing nodes, relationships, and dynamics within a system



5 CONCEPT

System Boundary

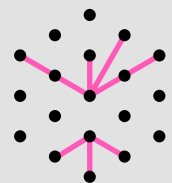
A conceptual demarcation that defines the scope and limits of a system



6 CONCEPT

Leverage Points

Places within a complex system where a (relatively) small shift can produce outsized effects in other places of the system



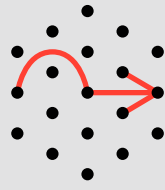
Discover more

For additional information about what systemic investing is, including more detail on each of the 16 hallmarks, read TCI's publication "[Definition and Hallmarks of Systemic Investing](#)".

7 CONCEPT

Theory of Transformation

The overarching hypothesis of how a transformational intent could be realized



8 CONCEPT

Transition Pathways

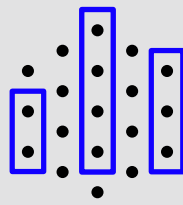
An evolutionary trajectory—understood as a series of stepping stones of “adjacent possibles”—that a system might follow given its path-dependency and current directionality



9 CONCEPT

System Financing Needs

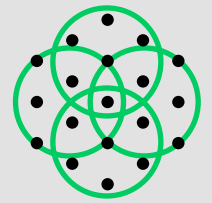
A hypothesis of the capital requirements for achieving a particular transformational intent



10 PROCESS

Coalition Building and Orchestration

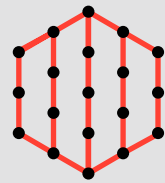
Developing and nurturing a group of investors and funders committed to a shared transformational intent and theory of transformation



11 CONCEPT

Investment Architecture

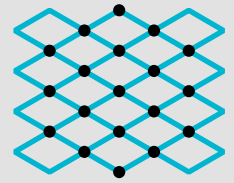
The design of the overall capital structure of a systemic investment program



12 CONCEPT

Strategic Investment Portfolio

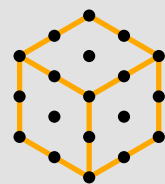
A collection of assets funded with return-seeking capital sitting within the overall investment architecture



13 CONCEPT

Investment Vehicle Design

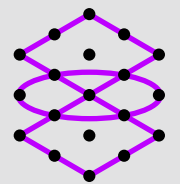
The form, configuration, and legal structure of the containers in which assets and unallocated capital sit



14 CONCEPT

Nesting

The deliberate synergistic alignment of an investment portfolio with a broader system intervention approach



15 CONCEPT

Combinatorial Effects

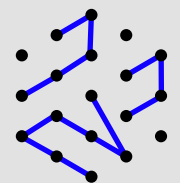
The synergies that arise when multiple interventions stand in a strategic relationship with one another



16 PROCESS

Measurement, Learning and Sensemaking

A systematic approach to generating insights and a basis for accountability in systemic investment programs



About the authors



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Dominic is the Executive Director of the TransCap Initiative. He initiated and incubated the TransCap Initiative when he was the Director of Capital and Investments at EIT Climate-KIC, Europe's largest climate innovation initiative, where he was responsible for building the organization's nascent investment function. Before joining EIT Climate-KIC in 2015, Dominic had worked as an entrepreneur at the renewable energy start-up Electrochaea, as a private equity investor at Hudson Clean Energy Partners, and as a finance professional in the institutional asset management division of Credit Suisse. He holds an MBA from the University of Chicago Booth School of Business and an MSc from the Environmental Change Institute at the University of Oxford.

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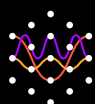
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