

Want To Tackle Global Challenges? Think -- And Invest -- Differently



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Food & Drink

Impact investing is reshaping financial markets. [Hundreds of billions of investment dollars](#) now focus on social and environment challenges. Philanthropies have [increased impact investing](#) to address issues like climate change, and private equity firms like [TPG](#), [Bain](#) and [KKR](#) have created impact funds. While there is a long way still to close the [estimated \\$2.4 trillion annual funding gap](#) to achieve the Sustainable Development Goals, [the tide is turning](#).



The Agua Azul cascades, State of Chiapas, Mexico. Courtesy of Getty Royalty Free

Among the thoughtful leaders shaping this movement is Laura Ortiz Montemayor, the vibrant founder and CEO of SVX, an impact investment consulting firm in Mexico. In the interview below she offers her vision for our financial system, provides examples of innovation for shared prosperity, and challenges us to think differently to address global challenges.

Lorin Fries: Could you describe your work as Founder and CEO of SVX?

Laura Ortiz Montemayor: SVX is committed to strengthening impact investment in Mexico. We build transformative capacity for impact, using education to enable paradigm shifts among investors and entrepreneurs and working to translate impact intelligence into implementation. SVX has consulted on two funds -- [Grupo Paisano](#) and [Emprenta](#) -- and helped catalyze the new [fund of funds stemming from Grupo Bimbo](#) through a training with Sonen Capital in

2017. We also undertake our own projects, including advising the United Nations Development Programme's [Biodiversity Finance Initiative](#).

Fries: You mentioned that you don't fully agree with the Sustainable Development Goal on Decent Work and Economic Growth. Could you explain?

Ortiz Montemayor: The biggest challenge to achieving the Goals is to change mentalities. One dangerous paradigm is the desire for exponential growth. This idea is included in [Sustainable Development Goal #8](#), which uses job creation as an excuse for doing harm to natural and social capital. Kate Raworth's work on [Donut Economics](#) provides a different vision. She says that our economic paradigm needs to change from a line into a circle – that, rather than economic *growth* as a goal, we should pursue *balance*. In her latest [TED talk](#) she referenced a child: expecting growth is healthy, but people have a natural limit. In fact, the only exponential growth that happens in nature is cancer. I think that's instructive.

Fries: What role does technology play in our pursuit of the Sustainable Development Goals?

Ortiz Montemayor: I see a lot of excitement about gadgets and not much attention to the core structural changes that need to be addressed. Finance is predicated on accumulative structures. This needs to change. We need to innovate to create new structures, including decentralized and distributive solutions. People are focused on technologies like artificial intelligence and the blockchain. They obsess about the means; I want to obsess about the ends.

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Fries: What examples of innovation put focus on the “ends” you seek?

Ortiz Montemayor: Self-liquidating equity is an excellent example. It's a mechanism of building a cooperative structure over time. Instead of an Initial Public Offering, the exit strategy is to sell shares back to the farmers or workers, who eventually buy the whole company back and become its owners. Through this model, workers gain exposure to collective governance and business

management, and they are empowered: it's not just about an increase in income; they've moved from being a laborer to an owner. Six companies in Mexico have used this approach, one of which generated a double-digit return over the last three years. Those types of innovations are at the core of the transformation we need.

A second example I like is [Sardex](#), a solution used in Sardinia in the midst of its recent financial crisis. The island had 30% unemployment and relied mostly on tourism and olive oil. There was terrible economic stagnation and out-migration, especially among youth, and citizens couldn't buy much of what they needed. The developers of Sardex created a currency that allowed the community to trade with itself without Euros. Credit didn't accumulate, and, because it was a local currency, there was no outflow. Sardex is amazing because it uses technology, but in a contrarian way. The way fintech is designed, it often puts more people in debt. Debt is like poison; Sardex turned that poison into an antidote.

Fries: What philosophies underlie your approach?

Ortiz Montemayor: I believe that the most advanced technology is already out there, in nature. Our understanding of it is inadequate, which is why we focus on creating our own technologies. I love the quote from Gil Friend, "Nature's ecosystems have 3.85 billion years' experience creating efficient, adaptive, resilient, sustainable systems. Why reinvent the wheel, when the R&D has already been done?" I'm also guided by Buckminster Fuller's reflection, "Man does not spontaneously recognize technology other than his own, so he speaks of the rest as something he ignorantly calls nature."



Laura Ortiz Montemayor COURTESY OF LAURA ORTIZ MONTEMAYOR

There is a lot of ego and ambition behind the human desire to innovate. We think our way will be better than nature's way, but I see us falling short every time. One scary example is [Walmart's plan to develop robotic bees](#). There is a lack of pollinators, which is a big problem, but I'd like to focus on bringing back the bees themselves, and all the other services they represent. Or consider [Los Angeles painting its streets white](#) with chemical paint to reflect the sunlight in response to

global warming. Why not just regreen the streets? The best technology that exists is photosynthesis.

Fries: Do we need to think differently to solve our global challenges?

Ortiz Montemayor: I encourage everyone – especially those working in technology – to study systems thinking. Exponential growth is the objective right now for the tech sector. Too many in impact investing and social enterprise talk about scale before we know we’re creating the outcomes we need. Let’s take some time for analysis of the complexities. Let’s discuss the goals of our technological development, and whether there’s a nature-based solution that can work infinitely better. Let’s embrace that we are part of nature, and that it can be our mentor, rather than our inventory of resources. Let’s start with a vision of shared prosperity, and work toward achieving it for all.

This interview is part of a series on how technology and innovation are transforming food and ecological systems – and how to get it right for people and planet. The conversation has been edited for clarity and length.

I am an expert on global food systems and environmental sustainability, recently serving as Head of Food Systems Collaboration with the World Economic Forum, and previously with Harvard University’s Corporate Social Responsibility Initiative, the U.S. Agency for Internationa... MORE