

Impetus and Leap Confronting Conflict: our work together

Executive summary

Leap Confronting Conflict helps young people to build skills in order to prevent violence and to better manage conflict in their lives, schools and communities. Recognising that conflict is an inevitable part of our society, *Leap* has a model of helping young people to resolve conflict in a non-violent way and to harness its inherent energy into good outcomes. *Leap's* programme includes work with gangs, peer mediation, work in schools and training for adults with "market leading" programmes such as Quarrel Shop and Peer Link. At its core is *Leap's* commitment to Research-Development-Dissemination, the continuous development of new approaches to understanding and dealing with violence and conflict. Through its research and leveraged with its services and educational products, *Leap* is recognised as the leader in this field, a position highlighted not only in winning a £3.2m contract from the Department for Children, Schools and Families (DCSF) to expand and apply its services more broadly, but by the breadth of its partnerships and growing presence across the UK.

Back in 2004, however, *Leap* was less confident. It had a long history since being founded in 1987 as a project within a Quaker Community Arts Charity and had been established as an independent charity in 1999 to respond to the demand for its pioneering work in conflict resolution. Yet it was finding it challenging to organise itself for growth and the maximum impact of its considerable expertise and educational material. In this context, Jenny Rogers, fresh from successfully growing another charity, was brought in as a new CEO early in 2004 on an "organise and grow" mandate.

Balancing the immediate need to respond to a daunting inspection by Ofsted, Jenny also began to consider options for expanding funding to support her growth plans. She met Impetus Trust, pioneers in Venture Philanthropy in the UK, and through free and open discussions identified strong mutual interests that resulted in an investment by Impetus in *Leap* between 2005 and 2009.

Over that period Impetus contributed to *Leap's* growth in several ways: first it supported *Leap* as it set out a clear product strategy and growth plan. Secondly, it leveraged its own £275k of funding with an additional £347k of pro-bono help on specific projects and attracted an additional £260k of co-investment by the Private Equity Foundation and a private individual investor. In addition, the involvement of Impetus also gave confidence to other funders such as the Big Lottery Fund in the early days of the relationship and the DCSF in 2008.

With this innovative venture philanthropy support from Impetus and its other funding successes, *Leap's* work has grown strongly, reaching a greater number of young people and tripling in size since the investment by Impetus Trust. *Leap* now has more sustainable funding and income and is continuing to expand its national reach to help thousands of young people build better lives through better management of conflict.

Finding the fit - starting the dialogue between Impetus and Leap

When Jenny Rogers arrived as the new CEO at *Leap* in March 2004 she was handed a folder outlining options for attracting much needed future funding for *Leap*. But her most pressing issue in Week 1 was an imminent and daunting Ofsted inspection of *Leap*. This was her first acid test. Three months later, the Ofsted investigation praised *Leap* for what it did but said it was imperative that it grow dramatically and strengthen the organisation. Jenny was excited and ready for the challenge. She had been chosen on a "grow, lead and manage" ticket, having achieved six-fold growth in her previous schools training charity, so

she was in the right frame of mind for growth. But growth demanded funding and change. Returning to the funding options folder late in 2004, Jenny followed up a suggestion from one of her trustees, Patrick Dunne, who now Chairs *Leap* and is a director of 3i, to contact Impetus Trust.

Impetus was founded in 2003 to provide funding and active support for charities with distinctive propositions that are tackling root causes of social problems, so the fit seemed good. An initial “One Pager” shared with Impetus generated an excitement and the meetings between *Leap* managers, and Judith Brodie, the then Impetus CEO, together with Stephen Dawson, Impetus co-founder and Chairman, let each organisation understand each other in more detail. The mutual interest and fit looked good.

Confirming the strategy and investment

“For *Leap*, due diligence was exhaustive and exhausting at times but in the end it was enormously catalytic in raising our ambitions” – *Patrick Dunne, Chairman, Leap Confronting Conflict*

Although Jenny was attracted by the prospect of significant funding and *Leap*’s fit with Impetus’ sector focus, the thoroughness of the due diligence represented a steep learning curve for her and her team. To be sure that investments succeed, Impetus challenges hard against its investment criteria – testing the viability of the proposition and the potential for significant change and, critically, leadership quality and appetite for working with Impetus. *Leap* had operating information but it was not ordered to support what could be called “a strategy”. And, as the due diligence process deepened, Jenny began to sense the size of the challenge – for *Leap* and her team – to take *Leap* to the next stage of growth. Fortunately, this was also clear to Impetus and OC&C Strategy Consultants, who were working on a pro-bono basis on the due diligence process. OC&C are consultants with very broad experience of due diligence and of working alongside companies as they develop their strategies. Having talked to people and organisations that *Leap* worked with, OC&C summed up the problem they saw: “*Leap* gets 100% positive feedback and everyone agrees about how wonderful *Leap* and its people are, but the offering is so complex that no-one can describe what *Leap* does in less than 45 minutes!”

In a thorough process, a small OC&C team led by Tom Gladstone, Luke Jensen and David Krucik teased a strategy and business plan out of *Leap*, building on their Research, Development and Dissemination formula. Looking at *Leap*’s myriad programmes that worked on conflict resolution in young people, OC&C challenged the differentiation, potential and social return of each, building a sense of where *Leap* could best “compete”. Jenny was struck by their rigour alongside their ability to use language everyone could understand. Through presentations, away days and drafting sessions, OC&C, Impetus and *Leap* worked to recast data and to critique strategic conclusions. But, critically, it was *Leap* themselves who owned the final product of a coherent, concise and compelling business plan, as programmes like Quarrel Shop and the Young Mediators Network and gangs work took focus as the pillars of *Leap*’s future strategy. And, as a final step, Jenny was invited to outline the key building blocks for taking *Leap* forward: it needed to restructure management, add a full time Finance Director and build a formal codification of the knowledge and curriculum that was “in people’s heads”. The approach was catalytic in raising *Leap*’s ambitions and, by leaving *Leap* to take the lead in proposing its own business plan and key needs and objectives, both Impetus and *Leap* themselves could be sure they had a viable plan and platform – and leadership – for taking *Leap* forward.

By early 2005, *Leap* had a clear strategy and plan in place and Impetus agreed its funding investment to support *Leap*’s growth. *Leap* set itself the challenge of being recognised as the UK leader in conflict resolution amongst young people by:

- Reaching significantly higher numbers of young people, up from 2000 to 5000 by 2008
- Disseminating learning across the UK and reaching more young people by “training the trainers”
- Decreasing dependency on trust funding and increasing earned income from 20% of total income to 32% by 2008

“During due diligence, OC&C were an utter joy. At our meetings with them I was grinning like a child at Christmas – they took our information and presented it back to us 100 times better, using language we could understand. Their business-like approach all made perfect sense” *Jenny Rogers – CEO, Leap Confronting Conflict*

The commitment by Impetus to invest £275k was further leveraged by co-investment totalling £260k by the Private Equity Foundation and an individual private investor. Soon after the relationship started, *Leap* won a £1.3m grant from the Big Lottery Fund, to develop the Young Mediator Network (now called the Peerlink network). The BLF was concerned about *Leap*'s ability to cope with the substantial contract, but were reassured by the Impetus capacity building partnership.

“As we'd already donated money to Impetus Trust and value their often unsung work, we were pleased to invest alongside them and shared their enthusiasm for *Leap*. Whilst we assured ourselves that our investment met our own, similar criteria, we were comforted by Impetus' due diligence and ongoing finger on the pulse of *Leap*.” *Jan Doole - Advisor to private individual investor*

Building the partnership through active strategic and board support

“The input of skills, money and expertise from Impetus has enabled us to take bold steps which otherwise we would never had the capacity or ability to do.” *Pete Lawson -Former chairman of Leap*

A pivotal and distinctive aspect of Impetus investment is to offer practical advice and pro-bono expertise to actively support portfolio organisations as they pursue their agreed objectives and make step changes in their strategy and organisation. Although never the majority funder, Impetus invests time and effort out of proportion with its funding. First, the relationship between the *Leap* CEO and the Investment Director was key and this role was met first by Judith Brodie, Impetus CEO at the time, and then by Stephen Dawson, Impetus's co-founder and Chairman. Over the years, *Leap* have been able to tap Stephen's views and expertise, drawn from 10 years leading venture capital firm ECI, with few constraints on how and when his support is called for. In the pivotal Investment Director role, Stephen was able to help Jenny and her team with advice on project progress and milestones and on issues as they arose. One example was in helping Jenny to plan how to react to a sudden need to consider *Leap*'s premises and move office. Another involved helping to make progress on growing the training and publications initiatives. This Investment Director support was often backed up with deeper pro-bono project support from Impetus, actively addressing specific issues through its network of associates. The ability to share challenges helped *Leap* to tackle specific operating issues successfully and to drive its growth forward. This has marked a valuable and exciting partnership that has continued to build over time.

“Stephen Dawson and I started off like two aliens looking through the wrong end of a telescope at each other - we had such different styles. Yet it just got better and better and he was a fantastic help.” *Jenny Rogers – Chief Executive, Leap Confronting Conflict*

Bringing pro-bono expertise to support Leap

Over 4 years, Impetus has supported *Leap* on 12 specific ad hoc projects, helping on the strategic, organisational and operational challenges *Leap* faces. Projects usually came from specific requests for help from *Leap*. In addition, Impetus at times made suggestions following informal conversations between the CEO or the Chair as part of the close partnership with Investment Director, Stephen Dawson. As always, *Leap* was in control of how or whether any project happened.

Impetus is able to support each of its portfolio companies through access to Impetus’ selected “associates” who offer valuable external expertise and skills on a pro-bono basis. Associates are typically leaders in a particular field, having built their careers and skills in top-tier consultancies such as McKinsey and OC&C or large organisations such as Rothschilds and Barclays Capital.

Like most charities in which Impetus invests, *Leap* was initially unsure how to use this distinctive feature of Impetus. However, having seen the benefit of OC&C’s input to the due diligence process though, Jenny and her team tested the Impetus invitation to bring any pressing issue and to benefit from otherwise unaffordable or inaccessible top-tier support. Impetus associates each waived their fees for projects and this has added £347k of in-kind value to the funding investment by Impetus.

Two features of this pro-bono work have underpinned its success. First, great attention was always paid to getting the right person and the right scope. Briefs for projects were developed together and potential Impetus associates were engaged as early as possible to add specific expertise in confirming the scope, plan and practical deliverables. This ensured maximum consensus “from the off”. Pro-bono work was also guided by the Impetus Investment Director to ensure continuity and timely and relevant advice.

Secondly, associates have a strong focus on being practical rather than theoretical. Impetus’s associate selection processes ensure that, although associates are often staff or alumni of large businesses or organisations, they are always grounded and able to tailor their contribution to *Leap*’s scale, resources and specific needs. Whether young analysts or mature specialists or a partner firm such as OC&C, this has been a hallmark of the Impetus associates on ad hoc projects and has been well accepted on both sides.

“It has been very energising to work with the CEO of an organisation and to be able to see my recommendations implemented right away. Jenny had high expectations of me and of herself and I have really enjoyed the challenge of working with her.” *Linda Rich – Impetus Trust Pro-bono expert*

- **Helping with business strategy projects**

Having helped with due diligence in 2004, OC&C were asked to support a review of *Leap* strategy in 2008, testing externally the same questions about quality that they tested as part of due diligence, this time supplementing this with a broader strategic insight. The answers came back stronger than ever – people still saw *Leap* as a quality player but that view had progressed further from seeing *Leap* as “best in sector” to considering *Leap* as “THE authority in the sector.

Impetus associates have also been asked to help with other strategic projects ranging from business planning to income generation options, teaming up *Leap* senior

executives with Impetus associates who can bring specific strategy skills from consulting and operational roles.

“One of the most encouraging things is to see how the advice we gave to *Leap* in 2004 has been followed through over these 3-4 years and has helped the organisation to develop.” *Tom Gladstone – OC&C*

- **Supporting organisational growth and change**

Understandably, many of the challenges *Leap* has faced in doubling in size and expanding its geographic reach have been organisational in nature. Of the 12 projects where Impetus helped *Leap* over 4 years, 5 of them have focussed on organisational issues, from assisting with trustee recruitment through to systematic management development programmes. With its openness and readiness to learn and grow, *Leap* has been able to benefit from access to specific associates with deep coaching and organisational experience.

For example, Linda Rich is an Impetus associate with 15 years’ experience and expertise in leadership and management development in banks and other financial services businesses. She had already helped the leaders of another Impetus charity when Jenny asked her to help with executive coaching. Linda’s support led to effective development plans for Jenny and her team, and Impetus also arranged for and paid for Jenny’s participation in a “mini-MBA” course at INSEAD. The phased intervention was extremely fruitful, harnessing the energy and excitement that already existed and helping to develop practical, day-to-day skills such as running effective meetings and delegation which has fed through to greater effectiveness across the whole management team.

“It was absolutely the right time for Jenny to have an executive coach: we had the perfect combination of a client who “gets it” and knows what she wants to do and so we were able to achieve all the right things at the right time” *Linda Rich – Impetus Trust Pro-bono expert*

- **Bringing expertise and resource to operational projects**

To support its growth and plan, much of *Leap*’s focus has been on injecting better practices and operational excellence to maximise the output of its small team. Drawing on practices and expertise from across the public and private sector has been a key element of this and, through its pro-bono associates, Impetus has helped on 5 highly practical and focussed operational projects, ranging from performance measurement and balanced scorecards to marketing.

Although seemingly mundane, perhaps the greatest operational impact by Impetus associates has been in helping with *Leap*’s move of premises. As a senior executive with Rothschilds, Paul Tuckwell used to run their corporate lending business, which also included some property activities. When *Leap* discussed with Impetus its growing issues with its current premises in 2007, Impetus suggested that Paul might be able to help. The need to move to larger premises to accommodate *Leap*’s growth was complicated by some lease issues. While the issues weren’t especially complicated, *Leap* were keen to draw on external expertise in order to minimise management distraction and disruption of core activities. Drawing on his experience, Paul Tuckwell brought a proven methodology to help *Leap* to understand its space, flexibility and location requirements so that it could better focus its property search. Furthermore, through his contacts, Paul was able to muster other pro-bono help from

key property firms, gaining otherwise inaccessible property knowledge and help with lease negotiations. Paul also used the project to build the organisation's capacity in areas such as complex project management and negotiation. As if to highlight the openness of the working relationship, the property that was eventually chosen was a site that *Leap* Finance Director, Chirag Patel, reflecting on the clearer property criteria they had developed together, found by chance on his way home! Working with an oversight committee of the Board, Paul helped *Leap*'s executive succeed with their planned move with maximum value and minimum disruption.

"I had a strong desire to help a worthwhile cause and enjoyed a productive, effective relationship - ensuring *Leap* retained ownership of the project throughout - leading to the best possible premises solution for *Leap*." *Paul Tuckwell – Impetus Trust Pro bono expert*

Focus of Impetus expertise support for Leap (2005-2009)

- Strategic planning and review; income generation strategy
- Premises; performance measurement; PR strategy and training
- Organisational development; executive coaching and mentoring; trustee recruitment

"Beyond giving money, Impetus Trust have supported us and given us excellent tools." *Jenny Rogers – Chief Executive, Leap Confronting Conflict*

Assessing the outcome

Since 2005, Impetus has invested £275k of funding in *Leap*, attracted £260k of co-investment and augmented that funding with £347k of pro-bono expertise project support from associates.

In this period, *Leap* has fully lived up to its promise – and its name – and surged forward on all fronts, tripling in size since the investment by Impetus. Revenue has grown to nearly £1.9m in 2008 from £551k in the year before Impetus' investment and is projected to reach nearly £2.4m in 2009. More meaningful is the impact it has been able to have on young people. In 2008 *Leap* reached 5600 young people directly, up from 2000 in 2004 and the number of adults trained has soared from 250 in 2004 to 1800 in 2008.

Geographically, *Leap* has developed its first regional base in Yorkshire and The Humber with strong local partnerships and a far stronger national profile, achieving its objective of expanding beyond its London focus to being the UK leader.

With a restructured and strengthened management team in place, Jenny has led her team's effort to define their "products and services" more crisply, codifying the depth of knowledge resident in *Leap*. They have developed the courses and qualifications within Leap Academy, *Leap*'s landmark initiative to create much needed formal Youth and Conflict Qualifications, seminars, publications and training courses for professionals. *Leap* has continued to focus on maintaining its research base and "intellectual property" in order to remain leaders in its field.

The growth both in confidence and scale also helped *Leap* to pursue and win substantial funding to continue its growth, including a landmark contract worth £3.2m

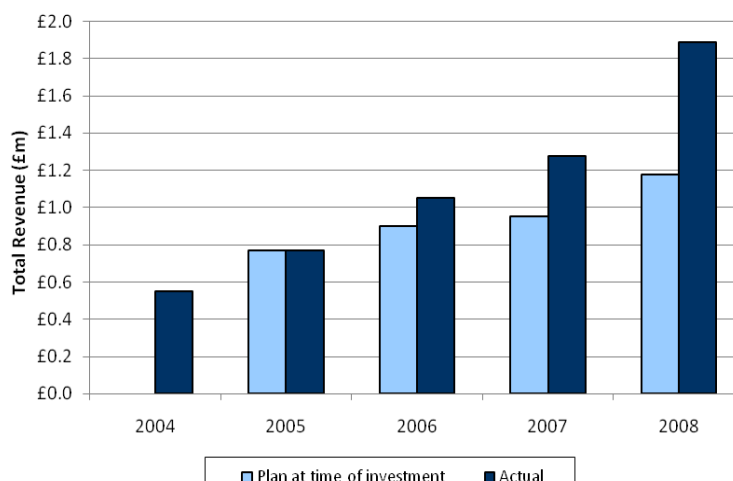
from the Department for Children, Schools and Family (DCSF). The opportunity was introduced to *Leap* by Impetus, who had helped the DCSF define the programme. Pursuing, or probably even aspiring to, the challenges of such a tender and project – growing from 23 to 35 staff in 6 months – would have been unthinkable four years ago. This is just one measure of how *Leap* has progressed in these four years and Impetus was pleased to have played its part in growing *Leap's* confidence and skills in fund raising over that period.

Leap is now entering the next phase of its growth with confidence. It has a strong, motivated management team, new premises and more assured funding and increased earned income from its education products. Its distinctive model of Research-Development-Dissemination continues to achieve strong growth across all its activities and products, from the Quarrel Shop and Peer Link, through to consultancy, adult training and the Leap Academy.

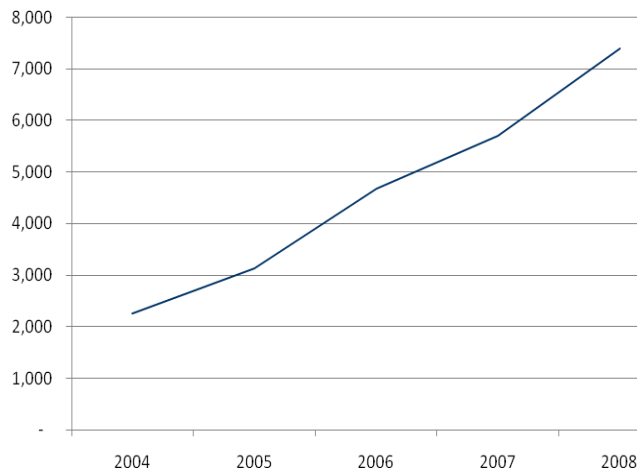
“With Impetus Trust’s help, we have been able to raise our game and become a much better charity for other people to invest their money in.” *Jenny Rogers – Chief Executive, Leap Confronting Conflict*

Performance	Year prior to investment 2004	Latest year end Actual 2008	Average annual growth
Revenue	£551k	£1888k	+36%
Young people reached directly	2000	5600	+35%
No. of adults trained	250	1800	+64%

Annual turnover— Average annual growth: 36%



People helped



Looking forward

Impetus invests actively in charities and social enterprises with a view to helping them achieve significant impact and growth so that, at the end of a 4-5 year period, they have sustainable business models and are well placed to continue to make a real difference to a substantial number of disadvantaged people. The investment in *Leap* and the partnership between *Leap* and Impetus, leveraged with valuable co-investment and the confidence generated with other funders, has achieved those objectives. With its stronger management, clear strategy, growth achievements and broader funding, *Leap* has now “graduated” from being a prime fit for the investment and active support that Impetus brings its portfolio charities.

Impetus’s model envisages continued support to *Leap* beyond its graduation, maintaining access to pro-bono resources wherever possible or relevant and continuing to be available to the CEO and board on an informal basis.

Conclusion

The story of the investment and relationship between *Leap* and Impetus provides another compelling, practical illustration of the successful application of venture philanthropy. *Leap* has changed dramatically in the four years of Impetus investment and their achievements are a credit to their leadership, passion for their cause and their ability to embrace and pursue ambitious change. Along the way, Impetus was proud to add – and attract - timely and significant additional funds and to augment funding through the “in-kind” investment of pro-bono support to senior management.

For its part, Impetus has achieved an attractive “return”, both in people helped and in growth and outlook for the charity. The working model of flexible and objective management support has demonstrated the value of open-minded partnership in supporting the progress of *Leap*, though considerable change. With a clear strategy, solid funding and compelling, distinctive programmes, *Leap* enters the next phase of its growth with confidence.