



**Strachan Chair**  
for Philanthropy & Social Investment

# **STRACHAN CHAIR FOR PHILANTHROPY AND SOCIAL INVESTMENT**

*Five years of promoting social investment and philanthropy in Central America*

## **Report 2013-2017**

## CONTENTS

<b>INTRODUCTION .....</b>	<b>3</b>
<b>FOCUS AND ACCOMPLISHMENTS.....</b>	<b>6</b>
<b>STRACHAN CHAIR MANAGEMENT .....</b>	<b>17</b>
<b>STRACHAN CHAIR TEAM .....</b>	<b>18</b>
<b>CONTACT US.....</b>	<b>25</b>

## INTRODUCTION

From 2013 through 2017, the Chair of Philanthropy and Social Investment (also known as the Strachan Chair) has supported INCAE's focus on creating leaders who will be not only good business managers and entrepreneurs, but also active leaders in social responsibility and philanthropy. This report describes the legacy that prompted Harry W. Strachan to launch this initiative and the philosophy that guides our work. It provides an accounting of the accomplishments from 2013 through 2017, and of the resources received, generated, and utilized. The report also introduces the team responsible for carrying out the Chair's activities and explains how we are organized.

Two guiding questions motivate our activities:

- How can we assist leaders to be more effective in making social investments?
- How can we inspire them to start, early in their careers, to allocate purposefully a part of their time and resources to society?

## HISTORY AND LEGACY

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*“Social investment must come from a personal motivation. If you see someone who is doing it successfully, you will get inspired and it will give you an example of how to do it.”*  
Harry W. Strachan

As Harry Strachan reviewed his life while writing his memoirs, he became aware of how positively the habit he had acquired in childhood of “tithing” a part of his time and income for others had contributed to his professional success, personal growth and happiness.

His missionary ancestors, the Strachan-Roberts family, were admirable social entrepreneurs who dedicated their lives to service. As the founders and leaders of the *Latin America Mission*, they created hospitals, schools, daycare centers, radio stations, and churches that are still making social contributions in Central and South America.

In addition to their missionary work, Harry Strachan's parents led by example and encouraged their children to get personally involved in helping others, giving both their

time and part of any money they were given or that they earned. The Strachan children began that habit in grade school and continued it throughout their schooling. Harry Strachan maintained it even while fulfilling his demanding roles as a professor at INCAE and the Harvard Business School, as a consultant at Bain & Company, and as an investment banker with Mesoamerica. His activities with non-governmental organizations (NGOs), churches, and governments broadened his network, deepened his knowledge of the world, and added to his quiver of skills. The time and money that he spent on these activities did not detract from his professional success and, in fact, seemed to enhance it. As he acquired leadership positions in these organizations, Harry Strachan began to notice that the most successful leaders at Bain, INCAE, Mesoamerica, and other high performing organizations were those whose plans and commitments extended beyond their own families and companies. Instead, these leaders sought to have a significant impact on society—a mindset that led them to acquire different skills, the capacity to work with different people, and a wider network.

As part of his own giving back to society, Harry Strachan founded the Strachan Foundation in 1994. In line with his philosophy of social investment, in 2013 the Strachan Foundation made an endowment to establish the INCAE Chair for Philanthropy and Social Investment as part of INCAE's 50<sup>th</sup> anniversary endowment campaign. A group of donors joined his initiative.

INCAE's mission is to actively promote comprehensive development in Latin America, educating leaders in key sectors to improve their practices, attitudes, and values. In fulfilling this mission the school can point to graduates in leadership positions in private, public, a civic organizations. Many have made charitable donations, but without developing an individual social investment strategy. The Strachan Chair seeks to make a valuable contribution to the region by helping these leaders to develop such a strategy.

INCAE's teaching methodology, the case method, is ideal for developing critical thinking skills and generating creative social investment strategies. As a pedagogical tool, cases expose the challenges that real leaders face when they engage in social

investment. In his article, “Case Method Management,<sup>1</sup>” Harry Strachan advances the thesis that superior managers and leaders often use case method teaching techniques when faced with complex problems or opportunities. This is why students coming from a case method curriculum are likely to get superior training for real world leadership positions. In INCAE case discussions led by members of the Strachan Chair team, students discover the incentives of the case protagonists for making strategic social investments, as well as the personal benefits that they reap from such investments.

In this way, through research and case discussions on the opportunities for creating impact through philanthropy and social investment, the Chair is achieving Harry Strachan’s intention: for INCAE graduates not only to become responsible and successful business professionals, but also to engage in social, environmental, or political initiatives that extend their impact beyond the private sector.

**STRACHAN CHAIR DONORS:**

We are grateful to our donors for their support and for helping us promote social investment among Latin American business leaders and family groups.

***Strachan Chair Donors***

<b><i>Donor</i></b>	<b><i>Represented by</i></b>
<i>Strachan Foundation</i>	Harry Strachan
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<sup>1</sup> Strachan, H. W. 2013. Case Method Management. *Informing Science: the International Journal of an Emerging Transdiscipline*, 16: 197-201.

# FOCUS AND ACCOMPLISHMENTS

## PHILOSOPHY AND FOCUS

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The Chair sprang from the idea that effective philanthropy and social investment is a key component of any healthy society. The bedrock of both economic success and political stability is human capital, much of which we inherit from past generations and are obliged to repay to future generations. Social investments create the capacity for value creation and economic competitiveness, as well as the conviction that economic growth can create social cohesion.

We believe that leaders in the private sector and civil society must see social investment as a key responsibility and, as such, must learn how to do it well. Business leaders and wealthy families are among those best positioned to make such investments effectively, as they are the major custodians of financial, managerial, and networking resources. We also believe that direct involvement in social investment contributes to the personal growth and fulfillment of these leaders.

The Philanthropy and Social Investment Chair at INCAE was conceived as a program of at least ten years. With the guidance of an Advisory Committee to provide strategic direction and support, the program has an innovative endowment plan that ensures a steady annual cash flow and, hopefully, superior yields on the principal.

The two main objectives of the Chair are:

- I. To educate present and future leaders in strategic social investment and philanthropy through the research, development of cases and technical notes, design, and teaching of modules for the Full-Time MBA, Executive MBAs, and participants in the Advanced Management Program and Special Seminars.
- II. To inspire leaders and family groups to become protagonists in social investment and to create a culture that encourages philanthropy.

To achieve these objectives, the Chair has focused on organizing *live cases*, writing teaching cases, and generating knowledge through research projects on philanthropy and social investment. Live cases, an interactive teaching methodology pioneered and perfected by Harry Strachan, are used to inspire future leaders to shape their own individual strategy of social investment. We invite a successful leader to present the challenges of his or her organization, and, during the session, guide the students in a discussion of alternative solutions. By early 2018, the Chair had reached out to 950 participants from the MBA, EMBA, and Executive Education programs using this methodology.

In addition, we have recently created a line of work: the sponsorship of Management Consulting Projects (MCPs) in Central American civil society organizations (CSOs). The MCP is a core component and capstone experience of the MBA program, whereby students provide a management consultancy to organizations throughout Latin America, United States and Europe. By supporting MCPs, the Chair seeks to promote responsible leadership by giving MBA students the opportunity to contribute their managerial know-how to strengthening these organizations' operations while improving their social impact. Both the students and the organizations go through a competitive selection process, which takes into account, among other factors, the impact potential of the projects and the level of the consulting challenge for the students.

### **Accomplishments 2013-2014**

**Social Investment and Philanthropy Literature Review.** The Chair dedicated the first stage of the research to reviewing and understanding the existing literature on Philanthropy and Social Investment. We identified three waves: the first wave focused on describing who performed philanthropy and made social investment; the second wave focused on why people engage in social endeavors; and the third wave focused on how to carry out these activities effectively. For instance, one aspect that has become prominent in the new trends on how to do philanthropy effectively (e.g. strategic or venture philanthropy) is the emphasis on impact measurement.

**Central American Philanthropists' Interviews.** We conducted a set of 23 interviews with well-known philanthropists to determine why these successful businesspeople and entrepreneurs engaged in social activities and, if so, how they decided among alternatives. Various patterns emerged, including: the projects that addressed education were the most attractive; the social programs were performed in geographical contexts closer to the subject; the chosen channels to perform philanthropy were, in most cases, either through the company's Corporate Social Responsibility Programs or individually; and most of the subjects believed that being involved in social activities contributed to their leadership skills.

**INCAE's Alumni Philanthropy Survey.** In order to evaluate whether there is a positive "INCAE effect" among the Alumni, a benchmark was selected to test the target group. The Charities Aid Foundation, using data from CID Gallup, constructs the annual World Giving Index based on three key elements: money donation; time donation; and helping a stranger. The survey conducted with INCAE Alumni included those three components for a direct comparison. The preliminary results showed that, even though there are still socioeconomic variables to control for in the analysis, INCAE graduates outperformed the median Central and Latin American donor in money donation, volunteering and helping a stranger.

**Two Live Cases in the Advanced Management Programs (AMP).** In the first year, the program hosted two live cases in each of the AMPs held by INCAE. The first session, in July 2013, was with Arturo X. Sagrera, founder and director of **Proyecto País**, a community-based crime prevention and youth development program that seeks to promote values, leadership and peaceful co-existence through sports and education. The session was conducted by Harry W. Strachan and Professor Luis J. Sanz.

**Proyecto País** provides high-risk children and their communities with opportunities for self-improvement. Since the program began in 2009, it has helped more than 7,700 children and teenagers in 53 communities throughout El Salvador, indirectly impacting the lives of more than 15,000 people. During the case, the students discussed the



intervention model, the growth and sustainability of the program, and the required leadership of the initiative.

The second session took place in January 2014, with Dania Baltodano, CEO of CISA, a coffee export firm in Nicaragua. Over ten years ago, Ms. Baltodano's family company, in an alliance with some of its clients (e.g. Starbucks) and suppliers, initiated **Apadrinamiento de Escuelas**, a program that sponsors improvements in public elementary schools. The session was conducted by Prof. Luis J. Sanz and had, as a special guest, Wilmer Paz, a young Nicaraguan who attended one of the sponsored schools and continued on to high school, as part of another of the company's social projects. As a result of his education, Wilmer eventually won a full scholarship to study at the prestigious EARTH University in Costa Rica. The case focused on how to evaluate the impact of the program in order to decide whether or not to continue the initiative.

### **Accomplishments 2014-2015**

**One live case in the Advanced Management Program (AMP).** In July 2014, Harry W. Strachan and Professor Sanz conducted the live case **¡Supérate! 2011** with Ricardo and Arturo Sagrera. The program was created with the aim of providing high-quality training in English, computing and values to young people with limited resources and high academic performance. During the session, the participants discussed the changes in the intervention model, the expansion and structure of the centers, and the culture of the organization.



*Harry Strachan and his wife, Stanley Mota and his wife, the Sagrera Family, Sabrina Bacal, Dania Baltodano, Mayid Sauma, Prof. Andrea Prado, Prof. Luis J. Sanz and Prof. Esteban Brenes*

**Two teaching cases developed.** In addition to the presentation of live cases, the Chair also conducts research and develops written teaching cases on topics of philanthropy and social investment for wider distribution. The first case, **Proyecto país: mirando al futuro**, is based on the live case situation that was presented in 2013. **APROQUEN Nicaragua**, the second written case, focuses on a program that provides

free integrated, specialized medical care to needy children who have suffered acute burns. The case considers different alternatives for the sustainability of the program, from forging strategic alliances to creating an endowment.

### **Accomplishments 2015-2016**

**One teaching case developed.** In 2015, the *¡Supérate!* case was written, based on the live case carried out in 2014. Another advantage of the live case method is that it facilitates the creation of written material for distribution among wider audiences.

**One live case in the Advanced Management Program (AMP).** The program hosted the **Soy Cambio** live case, conducted by Professor Sanz in February 2015 with Alfredo Monge and Byron Salas of the Monge Foundation. *Soy Cambio* is a leadership and employability program for young Central Americans that enables them to complete high school, opt for a technical career, and enter the job market. The participants discussed whether to continue growing or to consolidate the program, how to measure its impact, and whether to engage in philanthropy or corporate social responsibility.

*In March 2015, Professor Luis J. Sanz, passed away. The program was put on hold, and it was not possible to conclude some of the research projects that had been started. In December 2015, Professor Andrea Prado assumed the Chair's direction, and in 2016 the Chair resumed its work.*

## Accomplishments 2016-2017

**Philanthropy and Social Investment Research.** The main objective of the research is to examine the business case for private sector leaders to become involved in social investment. This research looked at how the philanthropy field has evolved over the past decades; how to perform philanthropy and social investment effectively; and what the motivations and benefits are for individuals to develop their own social investment strategy.

**Three live cases at the MBA and EMBA.** The first live case, ***ECOM Sustainable***

***Coffee***, with the participation of Eric Ponçon, Director of the Coffee Division for Central America, took place in the Executive MBA Program in April 2016. The case was conducted by Harry W. Strachan. ECOM Agroindustrial Corporation is a global company dedicated to agricultural products such as coffee, cotton,



*Harry Strachan and Eric Ponçon during ECOM live case*

cocoa and sugar, from their production to their commercialization. The case focused on the sustainability strategy of the company, which supports producers in increasing productivity, improving product quality, and achieving more sustainable production.

The second case was ***Nutrivida: the first social business in Costa Rica***, with the participation of Gisela Sánchez, Director of Corporate Relationships at FIFCO, the Costa Rican beverage company that promoted this business. Professor Andrea Prado led the case as part of the Modular Advanced Management Program in July 2016. Nutrivida seeks to eradicate undernourishment in Costa Rica with a longer-term goal of reducing malnutrition in Central America and Haiti. Among the decisions discussed in the live case were whether to continue of the MANU network, a distribution channel made up of 520 socially vulnerable women; whether to launch a mass-marketing strategy to publicize the brand and whether to expand to other countries in Central America.

The third case, ***Apadrinamiento de Escuelas***, conducted in the MBA program in October 2016, was also led by Professor Prado, with the participation of Dania Baltodano. This time, the case focused on four challenges that the program faced in 2009: strategic alliances; the organizational structure for the initiative; the fundraising strategy; and the leadership and succession plan, given Ms. Baltodano's plan to retire.



*Prof. Andrea Prado, Dania Baltodano with her daughter and sons and INCAE researcher Martha Sifuentes during Apadrinamiento de Escuelas live case*

**Live case methodology brownbag.** In October 2016, Harry Strachan led a brownbag for INCAE professors interested in learning how to prepare a live case using the method that he had perfected. Eric Ponçon was invited to present the ECOM live case, as an example. This enabled faculty participants, together with the case protagonist, to simulate the data collection and preparation of the session in the classroom.

### **Accomplishments 2017-2018**

**Three MCPs in Civil Society Organizations sponsored by the Chair.** In 2017, for the first time, the Chair sponsored three MBA student groups to conduct their capstone consultancy projects (MCPs) in local Civil Society Organizations (CSOs). The organizations that benefited from these MCPs were: Asociación Salvadoreña de Extensionistas Empresariales del INCAE (El Salvador), Parque la Libertad (Costa Rica), and NicaFrance Foundation (Nicaragua). The consultancies included a Diagnosis and Marketing Strategy (ASEI); a Business Plan (NicaFrance); and a Financial Analysis and a new Organizational and Management Model (Parque la Libertad).

According to a survey conducted among students and the CSOs that benefited, the experience added value to both their personal and professional development.

## MCP Testimonies

*“We would like to thank you sincerely for the intelligence, dynamism and motivation that our five MBA students infused to our team. It was a great impact for the staff of the Foundation, the Company and the communities.”*

***Claire Ponçon, President of the Board of Directors, NicaFrance Foundation***

*“This experience allowed me to understand the potential impact that we can have in our communities . . . [and] also raised my awareness of my responsibility as a citizen.”*

***Néstor Solís, MBA 2017***

The INCAE MCP leadership team chose one of the sponsored student groups to be among the best MCPs of 2017 for the quality of their work. Harry Strachan also received recognition for his support for NGOs in the region at the closing ceremony of the MCP at INCAE.



*MBA students sponsored by the Chair in company of the Board of Directors and the Executive Director of Parque la Libertad*

**Three live cases in 2017.** The Chair organized live cases with three Masters’ Programs: the Executive MBA, the Global MBA and Specialized MBA. These “live cases” were led by Professor Prado. The first session took place in April 2017 with Alfredo Lacayo, CEO and founder of the Nicaraguan dairy company **Centrolac**. The case discussed Centrolac’s challenges, which included facing new, international competitors; adjusting its inclusive, small producer-base business model in the face of an oversupply; and determining how to best serve consumers at the base of the pyramid.

The second session took place in September 2017 with Manuel Zuñiga, CEO of **Cuestamoras**. This multibusiness group was redefining the company’s strategic focus on the real estate business and its role in the industry value chain. The company had to decide what to do with the traditional construction projects that it had begun, given the new role that it sought to play in the development of responsible urban developments.

The participants had to make recommendations bounded by the company's transcendent purpose: to innovate incessantly for the creation of opportunities for all. They also had to consider the context of Costa Rica's sprawling metropolitan area, to meet the profound need for urban planning projects.

The third session took place in January 2018 with Hildegard Vásquez, President of ***Hache Uve Architecture*** and the ***Calicanto Foundation***.

Calicanto is a non-governmental organization founded in 1994 by members of the Casco Antiguo community of Panama City, with the aim of protecting its historical and human heritage. During the live case presentation, students learned about the different programs that the Foundation



*Hildegard Vásquez and two MBA students sharing after the live case*

sponsored in 2014, including the CAPTA program, which focuses on the training and personal improvement of socially vulnerable women. The participants provided recommendations on how to ensure the sustainability and growth of the program, which had trained 800 women by 2014. Students also analyzed whether it was possible to develop social-interest housing projects in Casco Antiguo that could be profitable and at the same time address gentrification.

At these three events, the participants provided recommendations for integrating sustainability into the business strategies of different organizations, while also addressing the social and environmental challenges of the region. The Chair organized a social gathering after each of the live cases so that students were able to share their thoughts and ideas with the case protagonists in a more informal environment.

Particularly gratifying have been the participants' evaluations of the live cases, among the very highest of all those in INCAE's executive programs.

### Live cases testimonials

*“The activity was a simulation in real time, in which the students had to put ourselves in the place of the company and make recommendations on how to overcome the crisis without sacrificing the virtuous relationship with the suppliers of the company.”*

**EMBA, Centrolac live case**

*“It was very innovative, I learned that we have to make crucial decisions and that sustainability must be at the heart of our business model.”*

**EMBA, Cuestamoras live case**

*“I would love to have more of these live cases. It gives perspective on how, in real life, people do make sacrifices to have a sustainable company, but that it was worth it.”*

**Global MBA, Calicanto live case**

**Support for additional teaching cases.** In 2017, to encourage faculty from other areas to write and teach cases that incorporate sustainability and responsible leadership topics, the Chair began funding faculty to develop teaching cases in their areas of expertise and to ensure that the cases are used and made available to the larger academic community.

Among the teaching cases developed during this year are: The **Nutrivida** teaching case, based on the live case of 2016. As of March 2018, the case was under review at Harvard Business School Publishing. The **Tecnosol** teaching case addresses the Nicaraguan power company that aims to provide energy solutions to the rural population with limited or no access to electricity. As of March 2018, the case was under review at Harvard Business School Publishing. The **ECOM Sustainable Coffee** case study is a work in progress, based on the live case of 2016.

The Rene Morales Carazo Entrepreneurship research team wrote the **SIFAIS Foundation** case. SIFAIS promotes social and economic inclusion in multiple ways—through education, training and entrepreneurship in *La Carpio*, a socially vulnerable urban community. The Entrepreneurship professor will use the case in his class for the first time in 2018, taking the students directly to La Carpio.



Global MBA students with Prof. Ryan Schill during the Sifais case at La Carpio

**Strachan Chair Website 2.0.** In 2017, in an attempt to facilitate the outreach to alumni and the general public and, in particular, to communicate brief, inspiring stories, the Chair launched an improved, modern website. This platform is also intended to be a channel of communication between the Chair and members of the public interested in philanthropy and social investment. The website also provides the Strachan Chair team with useful information about the users' activity, helping us improve the site's content. The website includes videos of testimonials from students and from the business leaders who were protagonists in the live cases, sources of information about philanthropy and social investment, and a summary of our work.

**Events and Training.** With the aim of expanding our network and identifying opportunities for collaboration, we took part in various activities during 2017, such as the Central America Donors Forum in Panama, the Impact Investment Forum in Guatemala, and the annual meeting of the Social Enterprise Knowledge Network (SEKN). SEKN gathers several business schools from Iberoamerica that aim to generate and disseminate knowledge on sustainable and inclusive business, as well as on social initiatives.

Also in 2017, the Chair's Director, Professor Prado, attended the Participant Centered Learning Colloquium at the Harvard Business School, with the goal of



strengthening her own case method teaching techniques and sharing these techniques with other members of the team.

During these five years, we have become aware of just how important philanthropy and social investment is for our community. This insight was highlighted in 2015 when, replicating the CID Gallup Survey, INCAE conducted a poll among its alumni on their perceptions and attitudes towards philanthropy and social investment, with the following results: 50% of those surveyed reported that, in the past month, they had made monetary donations, and 35.5% had donated their time. During the period from 2015 to 2017, the number of alumni who donated to the institution increased dramatically, from 232 donors to 1,100. When asked about the main reason for their donations, 43% of the respondents said that their strongest motivation was *to give back to society*. It is our hope that in future years, even more business leaders will be inspired to help build a better future for the region.

## STRACHAN CHAIR MANAGEMENT

Within INCAE, the Chair is one of the centers of research and impact that make up CLACDS, the *Latin American Center for Competitiveness and Sustainable Development*), which provides administrative and financial services to the Chair.

Each year, the Chair's team prepares a work plan that includes the projects to be carried out, a budget and a financial report of the previous year. The work plan is discussed with the Advisory Committee for its approval, and the final document is presented to INCAE's authorities.

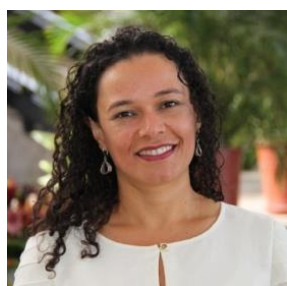
We work directly with INCAE faculty members for the production of teaching materials, and with the MCP leadership team for the selection and support of student teams to work on consulting projects.

The Chair is part of the Social Enterprise Network (SEKN), the purpose of which is to generate and disseminate knowledge about business and social initiatives,

inclusivity, and sustainability in Latin America. The network consists of representatives from top business schools in Latin America. We also are part of the Social Responsibility Advisory Council Universities Commission, a platform that seeks to promote the culture and effective practice of sustainability and social responsibility in Costa Rica. This platform is a project coordinated by the *Consejo Consultivo Nacional de Responsabilidad Social*, of which INCAE is a member.

#### FACULTY TEAM

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**PROF. ANDREA PRADO:** Holds a Ph.D. from Stern School of Business, New York University. Her areas of expertise include Organizational Change, Corporate Social Responsibility and Sustainable Development.



**BEATRIZ AVALOS:** Researcher and management assistant at the Strachan Chair for Philanthropy and Social Investment. Holds a degree in Political Science from the University of Costa Rica.

#### COLLABORATING FACULTY

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**PROF. JOHN J. ICKIS:** Holds a D.B.A. from Harvard University. His areas of expertise include Strategy and Organization.



**PROF. URS JAGER:** Holds a Ph.D. from St. Gallen University. His areas of expertise include Organizational Change and Development, Social Organizations Management and Corporate Social Responsibility.

### IN MEMORIAM



**PROF. LUIS J. SANZ :** Prof. Sanz held a Ph.D. in economics from the University of Pennsylvania. Prof. Sanz was an expert in financial problems of Latin American companies. As a Full Professor of Finance at INCAE Business School, Dr. Sanz combined his skills in research and teaching to inspire practitioners to create value. He was director of the Chair from 2013-2015.

### ADVISORY COMMITTEE

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**Harry Strachan (Estados Unidos & Costa Rica):** Holds a PhD. in International Finance and a J.D. in Corporate Law from Harvard Business School. Dr. Strachan has been Professor and Rector of INCAE. He is a Partner in Bain & Company in Boston and Founding Partner of Mesoamerica Investments, the leading regional mergers and acquisitions firm.



**DANIA BALTODANO (Nicaragua):** Former Executive Director of CISA Exportadora; founder of “Operación Sonrisa” and the program “Apadrinamiento de Escuelas.”



**ARTURO SAGRERA (El Salvador):** Vice President of Operations for the Hilasal Group, Chairman of the Board of Directors of ADOC, Director of FUNDEMAS, Director of “¡Supérate!” and founder of the “Proyecto País” program. He is a CALI Fellow, Class IV.



**SABRINA BACAL (Panamá):** Vice President of Information Affairs and Executive Advisor of RSE at TVN Media; directs the program Radar and produces “Heroes por Panamá”. She is a CALI Fellow, Class II.

## INVESTMENT PERFORMANCE

Funding for the Strachan Chair comes primarily from the Endowment created in 2013 and from Rio Fuerte, a family investment company that manages Harry Strachan's family's savings. In the following chart, we summarize the Chair's investment performance over the past five years.

### Donations and Gifts to INCAE's Social Investment and Philanthropy Chair 2012 - 2017

Donors	2012	2013	2014	2015	2016	2017	Total Gifts
Strachan Foundation <i>(Harry Strachan)</i>	1,000,000						1,000,000
JSJN Children's Charitable Trust <i>(Steve Pagliuca)</i>		25,000	25,000	25,000	25,000		100,000
Albright Family Charitable Gift Fund <i>(Bear and Pam Albright)</i>		5,000					5,000
Connaughton Charitable Gift Fund <i>(John and Stephanie Connaughton)</i>		50,000					50,000
Anne C. Kubik & Michael A. Krupka Charitable Gift Fund <i>(Anne C. Kubik and Michael A. Krupka)</i>		25,000					25,000
Arrocera Venllano S.A <i>(Christophe Venghiattis)</i>		5,000	5,000		5,000	5,000	20,000
Poler Family Charitable Gift Fund <i>(Dwight and Kirsten Poler)</i>			100,000				100,000
Joshua & Anita Bekenstein Charitable Fund <i>(Joshua and Anita Bekenstein)</i>			100,000				100,000
<b>Total Seed Fund</b>	<b>1,000,000</b>	<b>110,000</b>	<b>230,000</b>	<b>25,000</b>	<b>30,000</b>	<b>5,000</b>	<b>1,400,000</b>

### Endowment Performance

Year	Donations	Yield on Endowment	Distributed to Program (1)	Ending Endow. Balance
<b>Donation Invested for INCAE in Rio Fuerte</b>				
2012	1,000,000			1,000,000
2013		124,860	100,000	1,024,860
2014		82,826	100,000	1,007,686
2015		99,490	0	1,107,176
2016		121,318	100,000	1,128,494
2017		76,086	100,000	1,104,580
<b>SubTot</b>	<b>1,000,000</b>	<b>504,580</b>	<b>400,000</b>	<b>1,104,580</b>
<b>Donations Invested for INCAE in U.S. Foundation</b>				
2013	110,000	7,306	0	117,306
2014	230,000	936	0	348,242
2015	25,000	-9,044	0	364,198
2016	30,000	42,306	0	436,504
2017	5,000	79,049	79,737	440,816
SubTot	400,000	120,553	79,737	440,816
<b>Grand Total</b>	<b>1,400,000</b>	<b>625,133</b>	<b>479,737</b>	<b>1,545,396</b>

(1) From 2013 to 2016, INCAE did not cash in the yield on the endowment, but disbursed \$40,816 to the Chair through its cash flow.

### Program Income and Expenses 2013-2017 with Ending Balance

	2013	2014	2015	2016	2017	Cumulative
Program Receipts and Expenditures	107,306	141,801	16,302	141,592	271,340	520,553
Rio Fuerte Distributions to Program	100,000	100,000	-	100,000	100,000	400,000
Pass thru Income from INCAE Endowment (1)	7,306	936	-9,044	42,306	79,049	120,553
Total expenses	59,783	104,785	17,015	41,084	131,494	354,162
Teaching Programs	13,569	47,838	4,824	33,713	43,434	143,379
Research and Case Development (2)	44,331	55,497	11,755	4,739	26,292	142,614
Capacity Building	-	990	-	-	10,166	11,156
Community Events & Communications (3)	1,883	460	436	2,632	16,526	21,937
Student Management Consulting Projects					35,076	35,076
Overhead (4)	6,658	11,670	-	8,217	26,299	52,844
<b>Surplus carried forward</b>	<b>40,865</b>	<b>25,346</b>	<b>-714</b>	<b>92,291</b>	<b>113,547</b>	<b>113,547</b>

- (1) From 2013 to 2016, INCAE did not cash in the yield on the endowment, but disbursed \$40,816 to the Chair through its cash flow.
- (2) In 2017, a research assistant joined the Chair's team.
- (3) In 2017, the Chair invested in communicating its impact by producing videos of the live cases and student management consulting projects, as well as launching a new website, among other communication efforts.
- (4) The overhead in 2013 and 2014 was 11%. In 2015, INCAE charged no overhead, as it was a transition period for the Chair. Starting in 2016, INCAE negotiated an overhead of 20% over total expenses.

### Program Income and Expenses 2013-2017 with Ending Balance

	2013	2014	2015	2016	2017	Cumulative
Program Receipts and Expenditures	107,306	141,801	16,302	141,592	271,340	520,553
Rio Fuerte Distributions to Program	100,000	100,000	-	100,000	100,000	400,000
Pass thru Income from INCAE Endowment (1)	7,306	936	-9,044	42,306	79,049	120,553
Total expenses	59,783	104,785	17,015	41,084	131,494	354,162
Faculty Salaries (2)	13,569	47,838	4,824	33,713	50,850	150,794
Professional Services (3)	35,516	39,225	10,487	5,050	33,891	124,169
Travel, Meetings & Events (4)	7,744	8,652	1,226	1,939	45,269	64,831
Supplies (5)	2,953	9,070	478	382	1,484	14,368
Overhead (6)	6,658	11,670	-	8,217	26,299	52,844
<b>Surplus carried forward</b>	<b>40,865</b>	<b>25,346</b>	<b>-714</b>	<b>92,291</b>	<b>113,547</b>	<b>113,547</b>

- (1) From 2013 to 2016, INCAE did not cash in the yield on the endowment, but disbursed \$40,816 to the Chair through its cash flow.
- (2) Includes Chair Director and live cases
- (3) Includes the payments to researchers and communication services
- (4) Includes travel expenses for events, workshops (capacity building) and student management consulting practices
- (5) Includes office equipment and supplies, books and software, among other items
- (6) The overhead in 2013 and 2014 was 11%. In 2015, INCAE charged no overhead, as it was a transition period for the Chair. Starting in 2016, INCAE negotiated an overhead of 20% over total expenses.



## CONTACT US

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*“Philanthropy and Social Investment generate the tissue that binds us together”*

-Harry W. Strachan