

## OPPONENT’S STATEMENT ON THE MONOGRAPH

**Title:** **Innovative Finance and Impact Investing – current status and future trends**  
written by PhDr. Daniela Majercakova, PhD.

**Opponent:** **Prof. Dr. Othmar M Lehner**, Professor of Finance and Risk, Vice Dean for Research, Faculty of Management, University of A.S. Upper Austria and Professorial Fellow, Smith School of Enterprise, University of Oxford and Academic Visitor, Said Business School, University of Oxford.

### **Abstract:**

*The monograph “Innovative Finance and Impact Investing” sets out to explore the dimensions of alternative perspectives on financing and investment activities. As major investment companies around the globe are more and more inclined to include Environmental, Social and Governance (ESG) factors in their investment decision making, and stakeholder engagement exerts pressure on managers to comply to higher ethical standards, this monograph is both, timely and apt in addressing important issues around this sphere and in providing a country specific intake on Slovakia.*

*It provides value to academics and managers in the field alike, as the monograph supplies the field with ample insights, presented on 107 pages with 8 tables, 16 figures and 81 high quality references.*

### **Granular evaluation of the monograph:**

#### **a) Topicality of the publication**

The publication deals with three interlinked current issues – the instruments of innovative finance, the related metrics and measurements and the connected business models in form of social enterprises.

It does so with great respect to the body of current literature and includes well-crafted contextualized insights into Slovakia. It provides latest figures on market data and current case examples.

The research work itself builds upon most current literature and draws up conclusions that are highly relevant for practitioners and academics alike. Therefore, this monograph’s topicality is both, timely and apt.

## **b) Meeting the intended goals of the publication**

This monograph sets out to explore the “nature of innovative impact investments, to highlight both, what they are and why they may be attractive” (p. 4) and further to identify some of the central challenges that need to be considered in the selection of these assets.

The research throughout the publication follows this line of inquiry and provides an excellent overview of the nature of impact investment, from its definitions in literature (see table 1), to market features (see table 3), and an extensive summary on products for impact investors (see chapter 4).

In the subsequent chapters it identifies major challenges in impact investing measurement, stemming from the neglectful application of macro thinking to micro processes and rightly concludes that the investors “should take a more opportunistic, bottom-up approach to impact investment”

It can thus be stated that the intended goals of the publication have been fully met.

## **c) Methodological Fit and robustness of methods**

The nascent status of this field demands the application of qualitative, exploratory methods to learn about the phenomenon (Edmondson and McManus, 2007).

The mixture of qualitative analysis of reports and presentation of case-studies applied in this study is therefore a methodological fit to the status of literature, and well suited to provide the answers to the research goals.

Finally, the triangulation of the findings with insights from other sources increases the robustness of these.

## **d) Contributions to the field**

This publication contributes to the field scientifically by

- 1) Summarizing top current literature and compiling differences and similarities in the ongoing research streams.
- 2) Suggesting a bottom-up approach in the measurement of success in impact investing based on the findings, to overcome the identified specific challenges.
- 3) Providing a country specific intake on the phenomenon at hand by examining the interplay of business models, instruments and players in the field in Slovakia.

Overall, the contributions of this monograph will further the field by challenging current assumptions on impact measurement and by providing the necessary contextuality in the case of Slovakia. It can provide a good basis for further research because of the synergistic findings from literature and cases.

#### **e) Contributions to practice**

Besides the scientific merits, the monograph also contributes to managerial practice by

- 1) providing well explained case-studies of innovative financing.
- 2) supplying highly relevant checklists and criteria lists.

In addition, a dedicated chapter on the future outlook and trends may provide a competitive advantage to the reader as it enables practitioners to anticipate future developments early on and react accordingly.

#### **Questions that need to be answered in the discussion:**

Based on the findings in your research, -

- a) Impact Investors Supply and Demand: In what way does the logic of impact investors differ to those of more traditional investors? Did/Do you see a slow convergence in this? If yes, why do you think more and more traditional investment companies are reconsidering their approaches?
- b) Impact Measurement: You demand a greater contextuality by looking at impact measurement from a bottom-up perspective. Please elaborate and explain this more, and please give examples for this.
- c) Innovative Finance Instruments: You mention Social Impact Bonds as an innovative finance instrument for social change. Why do you think based on your findings that the contained public-private partnerships in most SIBs are beneficial to the provision of the intended social service? Would the public or private sector alone be a better or worse performer without this combination?
- d) Country Specifics in Slovakia: On page 94ff. you carve out a set of recommendations for the social impact ecosystem in Slovakia. In this you suggest in 5), “setting up an impact investment wholesaler, funded with unclaimed assets”. Can you please explain more and perhaps bring examples from other countries where this has been done already?

**Summarizing:**

**The monograph “Innovative Finance and Impact Investing – current status and future trends” is well structured and well written and delivers the promised value concerning its contents. After the successful defense of this research work, I fully recommend granting PhDr. Daniela Majercakova, PhD**

**the scientific – pedagogical title of**

**Docent (Assoc. Prof.)**

Upper Austria, June 1<sup>st</sup>, 2016

Prof. Dr. Othmar M Lehner, Vice Dean