

# Invest in the human factor

When you're not nurturing capital, you're wasting capital.

**Masawa** is the mental wellness impact platform. We're on a mission to bring mental wellness to all through impact investing and Nurture Capital advisory services.

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Without creating and supporting **a culture of inner wellbeing**, organizations compromise people, profits, and their ability to create and scale social impact. Investors miss out on financial return and the potential to catalyze a larger and more systemic impact.

Masawa is pioneering a new investment paradigm – **Nurture Capital** – that rethinks how startups and organizations value, prioritize, and support employee health. Nurture Capital expands on traditional investment approaches by optimizing two complementary but often overlooked dimensions of impact: organizational health and social impact.

Continue reading to find out why investors and change leaders need a Nurture Capital Approach now.



# Why now

“Organizational health is the single greatest competitive advantage in any business.”

— Patrick Lencioni, Author *The Five Dysfunctions of a Team*

For decades, investors and entrepreneurs alike have viewed a healthy organization as one that sees rapid revenue growth and international expansion, is financially stable, and returns a significant multiple to shareholders. While these things matter, only pursuing growth can blind change leaders to the human capital factors that are critical to long-term sustainable and impactful success. It also has significant adverse effects on the founders, teams, and ultimately the mission they serve.

**Investors, funders, and organizations that ignore the human factor, not nurturing capital, are wasting capital.**

Poor Organizational Health.

- **2/3 startup failures** are attributable to people problems like co-founder conflict.
- **Burnout is becoming more prevalent**, fueled by the startup hustle culture that leads to increased turnover, medical costs, and failed organizations.
- **Secondhand smoke is less harmful than workplace stressors**: long hours, economic insecurity, work-family conflict, high job demands + low job control.

Startup founders are struggling.

- 3x likely to have **substance abuse issues**.
- **50%** experience mental health issues.
- **94% report symptoms** of burnout, anxiety, and panic attacks.

Purpose-driven employees are most affected.

- They are more likely to be **stressed and score lower for wellbeing, resilience, and self-efficacy**.
- Among charity workers, **80% experience heightened workplace stress; 42% believe job is not good for mental health**.

**Investors, funders, and organizations that embrace the human factor, nurture their capital.**

Healthy organizations perform better.

- More engaged workforces realize **higher profits, sales and productivity, and lower turnover**.
- **Performance-enhancing cultures and better organizational health** have **higher growth in terms of revenue, jobs, and net income**.
- There is a **5x return** on investments in employee mental health.
- Research also indicates that companies with higher employee satisfaction see **greater customer satisfaction**.

Impact-driven organizations will continue to win, more.

- Stakeholder-focused companies have **higher financial returns** compared to standard ethical companies and the S&P 500.
- Social impact-focused companies see **40% higher retention**.
- Gen Z, which will make up 30% of the workforce by 2024, is the first generation to **value purpose over salary** — top talent will go to organizations with top impact.

# Nurture Capital

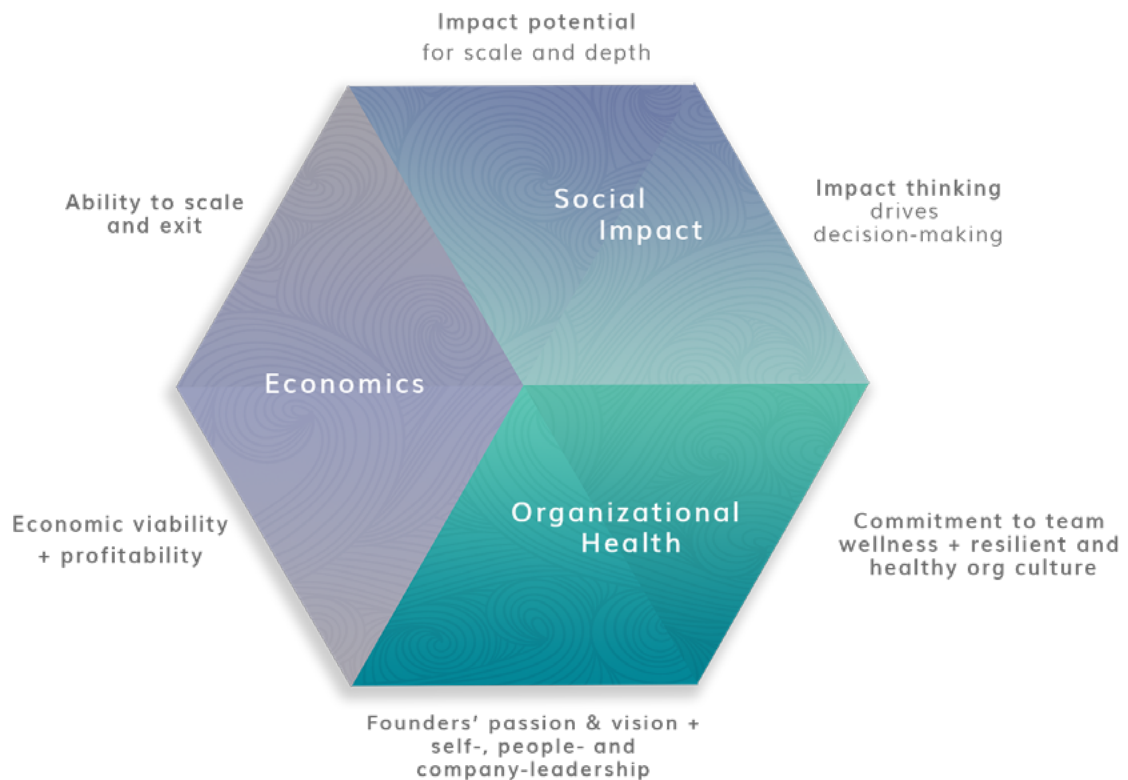
Masawa's approach to healthier organizations and a thriving world.

Masawa is piloting a new investment paradigm - Nurture Capital - that supports organizations to **maximize their human factor**, which means developing and augmenting their own ability, and that of the people they serve, to thrive as whole human beings. A human factor focus refers to both the internal impact — the organizational health, which includes founder and team wellbeing, and external impact — the increased wellbeing and life satisfaction of the organization's stakeholders.



# Masawa Hexframe

Masawa's Nurture Capital approach is guided by our proprietary Hexframe which informs our journey with change leaders. The assistance we provide focuses on developing the key dimensions of founder health and resilience, team health and culture, impact thinking and potential — the core enablers of durable economic success.



## Founder Health



**Organizational health** seeks to support and strengthen founder and team health.

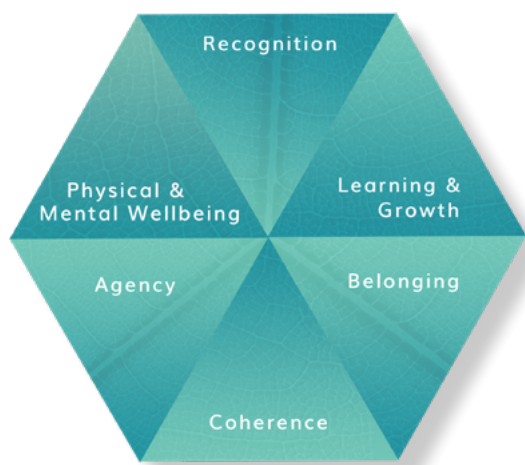
*Self-leadership:* Founder's ability for self-awareness, adaptability, and resilience.

*People leadership:* Founder's ability to develop, attract, and retain the right people and create a culture of high value creation and collaboration.

*Company leadership:* Founder's ability to align the company and partners behind a clear vision and map out a clear path forward.



## Team Health



*Recognition:* Celebrate success and recognize those who contribute to it.

*Learning and Growth:* Valuing and acting on honest and constructive feedback; provide employees opportunities to grow and learn.

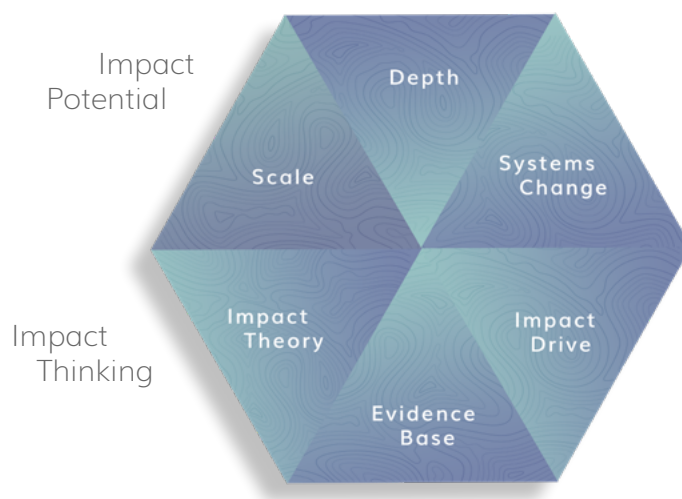
*Belonging:* Strong sense of belonging within the company across all levels of the organization.

*Coherence:* Everyone is clear of their roles and responsibilities and the contribution they make towards our larger vision.

*Agency:* Everyone has the freedom and flexibility to organize their work in a way that works best for them.

*Physical and Mental wellbeing:* People have the space to attend to their wellbeing. The mental and physical health of employees is addressed proactively.

## Social Impact



**Social impact** comprises six sub areas that are assessed and optimized prior, throughout, and post the Nurture Capital Journey.

### Impact potential

*Scale:* Number of people positively affected directly by the business' product, services and approaches.

*Depth:* Extent to which product or service achieves desired change.

*Systems change:* The ability to recognize and influence the systems and structures in which the organization is embedded.

### Impact thinking

*Impact theory:* Soundness of the Theory of Change, especially the articulation of the output-outcome level links. Importance placed on ability to verify assumptions.

*Impact drive:* Commitment to social impact, and how closely it is tied to the success of the business model.

*Evidence base:* Strength of existing evidence (generated by the business and/or relevant peer-reviewed literature) that supports Theory of Change.

# Nurture Capital Plan

From deep diagnosis to holistic transformation.

Nurture Capital is tailored to each organization since challenges take a different shape according to the size, context, and maturity level of each team. We work with founders and their teams to design a **Nurture Capital Plan that is in line with their needs and wishes**. Organizations craft an approach that is appropriate to their particular environment and find ways to balance immediate priorities with longer-run organizational health considerations. The plan serves as a tool for both parties to align expectations and provides a roadmap for Masawa and the Nurture Capital partner to work together towards meaningful change.

The first step in Masawa's Nurture Capital approach is to **diagnose the organizational culture** and **unearth leadership's thinking regarding their own health and the health of the organization**. Leaders' mindsets determine what is considered important or valuable and worth pursuing. Culture, on the other hand, emerges from the interplay between the values, beliefs, policies, and rituals of the organization and of the people within it, and external factors such as industry demands.

The next step is to co-develop a Nurture Capital Plan that includes concrete actions and activities for addressing issues in and enhancing organizational health. This can include personal or team development offerings, coaching, topic-specific deep-dive, and/or access to the Masawa Founder's Circle of purpose-driven change leaders. The Nurture Capital Plan also includes activities to minimize structures that don't promote positive organizational health. This step is critical because, for example, employee assistance programs (EAPs) or resilience training without critical thinking and attention to underlying structures (e.g. how work is designed) will not bring about the desired transformative change.

In parallel to the organizational health work, Masawa co-develops a social impact theory of change and identifies key activities, social impact targets, metrics, and risks that are measured and monitored throughout the journey. Monitoring progress enables us to continually improve and adjust our Nurture Capital support to best meet the organization's changing needs and work towards the greatest impact possible.



# This is just the beginning.

We don't have all the answers, yet.

The current times have challenged us all to aim higher and dig deeper. The Nurture Capital approach Masawa originally developed for assessing and nurturing investment opportunities for the Masawa Impact Fund has gained much praise and attention. Sure, we think it makes sense, but it is not yet perfect; many gaps remain.

Current data on the human factor remains scarce and focuses mainly on the US. More and diverse data sets are needed to provide a holistic picture of the current state of wellbeing in the entrepreneurial ecosystem, move to more human-focused investing, and provide actionable direction for high-level policy decisions. Also, there is a whole set of entrepreneurial, including technological, innovations emerging that helps individuals and organisations address these exact issues. How do we better understand and leverage their potential? We hope to gain data and insights by testing the approach on a growing number of organizations to better inform our work and that of the ecosystem in order to drive systemic impact. But that's not enough. We call for research institutions, foundations, investors and organizations to help fill the gap.

How do you think the organization of the future will look? In what other ways must our investment paradigm change to promote the health and wellbeing of all? These are but a few of the questions we continue to explore, and we invite you to explore them with us.



For questions and Nurture Capital inquiries, do not hesitate to contact [hello@masawa.fund](mailto:hello@masawa.fund).