



July-August 2009

## IN THIS ISSUE

Thriving in Tumultuous Times: David Kirkpatrick (MBA Evening '91) is making being green profitable

Regulators may hurt investors by limiting short-selling, new research finds

Alumni Profile: Leslie Stracks-Mullem (MBA '08) leverages her "minor in barbecue"

### Alumni Notes

John Worth's Career Corner: I Always Get Nervous During Job Interviews. What Can I Do?

UNC Kenan-Flagler Dean James W. Dean Jr. featured in *Financial Times* story

Video: Using sustainable practices to improve business and community

UNC's Kenan-Flagler focuses on the safety of the world's food and drug supply

UNC Kenan-Flagler program exposes minority students to business careers

Alumni Q & A: Ply Gem's D. Keith Pigues

In the Media [↗](#)

Media Releases [↗](#)

Upcoming Events [↗](#)

Useful Links

## Thriving in Tumultuous Times: David Kirkpatrick (MBA Evening '91) is making being green profitable

For David Kirkpatrick (MBA Evening '91) and his clients, it's easy being green. Even in this tight economy, the positive impact investment fund he founded benefits society, the environment and its investors.

Ten years ago, when Kirkpatrick and Rick Defieux developed SJF Ventures, it was one of the first venture funds to invest solely in socially responsible companies. SJF invests in companies that focus on clean technology, energy efficiency, renewable energy or recycling. SJF also created SJF Advisory Services, a nonprofit ally to support and encourage social responsibility and green practices. The nonprofit also lobbies for policy changes that support a green economy and green jobs.

"Part of what we do at SJF is promote role-model ventures that can inspire other entrepreneurs," said Kirkpatrick, who is the managing director of SJF Ventures. "We may invest in only one company per quarter. But we interact with hundreds of companies every month. We host events and offer assistance that moves the whole field forward, not just the companies we invest in."



David Kirkpatrick

SJF Ventures has two funds. The first has \$17 million under management. The second actively invests \$28 million. Kirkpatrick expects to raise a third fund within the next two years. SJF invests in rapidly growing private companies that meet two criteria. They have a business model that has scaled and they deliver great value to customers, Kirkpatrick said.

"Typically integral to that value is cleantech and workforce innovation," he said. "And, of course, we hope they all deliver great investor returns." Some leading SJF portfolio companies include groSolar, CleanScapes, Salvage Direct, ServiceChannel, MedPage Today, Ryla and Ed Map.

Combined, the 30 companies SJF has invested in have annual revenue of \$500 million and employ more than 4,000 people.

While other venture funds have backed off from investing in the tight economy, SJF continues to invest actively. "Valuations and the attractiveness of the terms are definitely in our favor because capital is more scarce and we are liquid," Kirkpatrick said. "We invest in companies we believe can make money in a variety of economic cycles. They don't require an incredible IPO to generate good returns."

Kirkpatrick enrolled in UNC Kenan-Flagler while he was managing his first venture, SunShares, a recycling and energy company. He later started KirkWorks, an economic development firm. He chose UNC Kenan-Flagler because of its leadership in sustainability and social enterprise.

Along with the practical tools he acquired at UNC Kenan-Flagler, he emerged with "the confidence to become what is now called a serial entrepreneur," he said.

SJF Advisory Services launched in 2001 to provide workforce and entrepreneurial development services. The focus of all SJF's advisory services and investments is on high growth, high impact ventures, sometimes called "gazelles."

Gazelles deliver nearly all the job and revenue growth in the economy, according to a recent Small Business Administration study. SJF Advisory Services works to support the growth of hundreds of "green gazelles" to deliver green jobs and enterprise growth with research, publications, and events like cleantech CEO panels.

"We're all about supporting high-growth enterprises that have a positive impact," Kirkpatrick said. "We're unique in that we have a hybrid model."

SJF recently moved into a renovated, Leadership in Energy and Environmental Design (LEED)-certified historic office at Rogers Alley in downtown Durham. The office is suffused with natural daylight and remodeled with environmentally conscious materials.

"Now we're walking the talk a little more," he said.

Here are a few strategies that have worked for SJF:

- **Stay nimble with organizational structure.** SJF has one arm that manages the for-profit venture capital fund. Its other arm is a nonprofit corporation that receives foundation and governmental support for entrepreneurial work.
- **Be willing to experiment.** SJF maintains headquarters in Durham, but expanded to offices in New York and San Francisco to attract investors and take advantage of investment opportunities nationwide. The company maintains a flexible, flat organizational structure that attracts engaged, optimistic and talented team members.
- **Create a network and use it.** SJF has opened internship opportunities for a steady stream of MBA students from top business schools. The business has kept in touch with this network of former interns as they progress in their careers. As a result, SJF has a string of positive connections in social enterprises around the country.
- **Exercise flexibility.** Cleantech holds significant promise as a growth industry in a down economy. People with strong IT or biotech backgrounds can apply their expertise to the very resource-intensive sectors of energy, water, materials, buildings and transportation.
- **Share the wealth of knowledge and experience.** SJF gathers CEOs for summit meetings to talk about lessons learned and advancements in their fields. The company has created renewable energy business networks in RTP and New York City. These networks bring together entrepreneurs, investors and management folks to use one another as resources.

[View more stories](#)