



Audette Exel brings together the corporate world and social justice. **Photo: Luis Ascui**

Take the money and fund a good cause

PUBLISHED: 12 Jan 2013 00:34:29 | UPDATED: 12 Jan 2013 08:37:59 PUBLISHED: 12 Jan 2013
PRINT EDITION: 12 Jan 2013

MATTHEW DRUMMOND

It takes only a glance at the countries listed at the bottom of Isis Group's business cards to see it is an unusual multinational.

What can a company be doing in Australia, Britain, the United States, Bermuda, Uganda and Nepal? The answer lies in the life story and vision of joint founder and former student radical Audette Exel, who set out to change the world and is making a pretty good fist of it.

Exel joined general insurance giant Suncorp last year as a non-executive director. To the role she brings knowledge of the reinsurance market: Isis Group advises banks, reinsurers, private equity firms and hedge funds on large transactions such as capital raisings and mergers and acquisitions. It is niche, technical work built on Exel's experience as a lawyer and then a banker in Bermuda, the world's biggest reinsurance market – hence the reference to Bermuda in the list of places where Isis operates.

It's what happens to the fees earned from this work that brings the company to Uganda and Nepal. All the profits are sunk into development projects operated by Isis Group's charity arm. Stitch together a boutique investment bank with a World Vision-style approach and you'll get the picture.

"I come from a background in social justice and then had a career through the halls of power as a banker and lawyer," Exel tells the *Weekend Financial Review* at a social enterprise conference at RMIT University in Melbourne.

“Through that process, I began to look at the development sector and to realise how incredibly driven it is by donor needs”, she says.

“So the idea was to see if you could use business skills to create a different funding model to allow a development organisation to focus on evidence-based service delivery, and not spend their lives worrying about what their donors needed or wanted. You can run a great business and effect social change, that’s what we’ve wanted to prove.”

Aid projects suffer from a “liability mismatch” says Exel, borrowing a term from finance. The problem is that money for many aid organisations comes in the door in dribs and drabs, but the most needed projects are long-term.

Among the Isis aid programs are a maternity ward and intensive care unit for premature babies in Uganda and providing pit latrines and access to clean drinking water to remote communities in Nepal.

The corporate advisory business delivers a constant stream of funds, guaranteeing the charity has what it needs to keep running its projects.

In 15 years, Exel says Isis has saved about 100,000 lives, from pregnant woman in Uganda to trafficked children in Nepal. About \$4 million improves the lives of about 20,000 people each year and it is all funded from fees gathered from a world that could not be more different from development. Among Exel’s recent clients was a German bank seeking advice on reinsurance entities used for creating an investment product known as principal return wraps.

Suncorp chairman Ziggy Switkowski calls her work inspiring. “She has extensive finance and investment experience coupled with a wonderful track record for getting involved in community activity and causes which make a difference, and that’s something that’s also part of the fabric of Suncorp,” he says.

Exel’s quest to bridge the gap between business and development began as her days as a student radical in her native New Zealand came to an end when she took a graduate lawyer position at what became Allens Arthur Robinson.

“I was coming from the humanities and I came to the sudden realisation that I knew nothing about business and power, and I thought, ‘I am never going to effect change in the world unless I learn about this stuff’,” she says.

Exel then worked for Linklaters in Hong Kong before switching to banking law in Bermuda. She went on to run a small Bermudan bank and joined the board of the Bermuda Monetary Authority. In 1997, at age 35, she took her leap into the unknown and together with a group of friends set up Isis.

Now, with more than a decade of experience, Isis has moved in from the perimeter and begun partnering with other for-profit firms to help fund its development projects. More partners are wanted.

“We’re looking for a handful of other businesses that might be willing to partner with us and take some of that key business risk off Isis,” she says.

She laughs off the question of whether Suncorp might sign up. Headhunters approached her last year about joining the board of the financial conglomerate, her first directorship of a public company. She says she is a strong believer in the value proposition of mid-tier banks, which often know their customers better than global giants, and points to the benefits of diversified revenue streams that come from combining banking with insurance. It is her strong belief that both banking and insurance are important community services.

“As a newbie director I have been enormously impressed by the culture inside the organisation and pride,” she says. “There’s a deep pride among employees.”

Some may consider Isis Group to be a product of Exel’s own set of interests and skills, rather than a model for rethinking corporate social responsibility. Do the two arms of Isis really belong together? Exel says if people want to improve the world, they have to reach across the divide that separates business from development organisations.

All businesses benefit from thinking of stakeholders beyond shareholders and employees, she says, especially when the power of internet means other stakeholders can increasingly have their say.

“I have come to believe, having spent years in the business sector, that it’s full of people who would love to find ways where their lives have meaning and effect change and have a positive impact on the planet,” Exel says.

“Often they just don’t know how.”