

THE COOL OF THE WILD
RIPPING ACROSS
AN ARCTIC ICESCAPE



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here must be many people in the cut-throat world of corporate finance who have vowed to abandon a life driven by money in order to do something to save the planet. But how many actually follow through?

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Swen Lorenz (pictured left)
did. And, while he may not be
saving the entire planet, he's
certainly doing more than his
fair share to save an important part of it – because
the former financier is now in no small measure
responsible for the future of one of the world's most
remote (yet best-known) archipelagos in his role as
executive director of the Charles Darwin Foundation,

## DARWIN-WIN SITUATION

When a City financier relocated to the Galápagos to head up the islands' conservation charity, it was almost \$2.5m in debt. Three years later, his shrewd management style has turned it around and attracted a new type of entrepreneurial philanthropist. Simon de Burton reports





new home in the Galápagos - where he discovered that the Foundation had not only run out of cash, but was almost \$2.5m in debt.

"Accepting the job was a serious gamble, because if I hadn't been able to turn things around I would have found myself at the centre of a high-profile failure," says Lorenz. "Friends in the finance world already thought I was mad to get involved in the charity sector, and I knew the trustees were counting on me. I had no idea, of course, about what I was really taking on: I later discovered long-term mismanagement on a grand scale, a fast-deteriorating relationship with the government and an organisation that didn't even know how many scientific projects it was supposed to be overseeing.

Such hurdles are unlikely to have fazed Lorenz, however. Having grown up in a small town south of Frankfurt in a middle-class family (his father is a biochemist and an expert on the development of hair dye), he went off to university to study economics - and dropped out within a year. At 19, informed by years of reading about stock markets, he set up a web portal providing financial information and his career took off from there.

Clockwise from left: the Charles Darwin Research

Station. A Charles Darwin Foundation scientist collecting data in the marine reserve. A whale shark

As Lorenz had always worked for himself or freelance, the first time he signed an employment contract was when he arrived on the Galápagos to take over control of the Charles Darwin Foundation - by which time he had created





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business brain also spotted the opportunity to help establish a catering school to train chefs for the region's burgeoning hospitality business. This venture came to the attention of the then-ailing Charles Darwin Foundation, whose executives were impressed by the way Lorenz had set up funding and provided a financial strategy for the scheme - and then came the inevitable question: "What can you do for us?

"The CDF became very interested in the project and saw it as a model that could provide it with a higher degree of financial independence, because at the time

it was really struggling to keep going," explains Lorenz. "I was asked to join the board in 2010 as a non-executive director, and quickly realised that the Foundation was going through the biggest financial crisis in its history so I organised a boardroom coup and ousted the president and CEO. I had no ambitions at the time to run the organisation, but I was taken on for the task with an initial three-year contract in 2011 and will certainly be around for the next few years.'

Lorenz abandoned his high-flying city life, gave up his comfortable London apartment and headed off to his

a string of financial companies and run a \$300m property fund listed on the London stock exchange.

'Because of my experience, I could see that the Charles Darwin Foundation could only work if it were run as a proper business, rather than an organisation that simply spends the money it receives through charitable donations," explains Lorenz. "But my main assurance came from two areas. Firstly, I had recently met the three major donors to the Foundation – Galápagos Conservancy, based in Fairfax, Virginia; The Leona M and Harry B Helmsley Charitable Trust in New York; and Lindblad Expeditions - and then, when I became executive director, the Swiss watch brand IWC, which has been a really important supporter of the Foundation since 2009 and donates a significant sum each year to help secure its future. The second thing that gave me confidence was simply the fact that everyone who has ever visited the Galápagos or studied it knows that the Foundation is absolutely vital to its survival - and that means one can really count on people helping, both financially and otherwise.

Indeed, Lorenz has discovered that the Foundation's dire financial situation could be improved through some relatively simple steps. "It transpired, for example, that visitors to the islands were being asked to fill in paper forms so that they could be contacted and kept up to date with what was going on. But, apart

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discover the many remarkable people who work in the non-profit world, people who really put their hearts into being able to support a charity like ours, despite the fact that they get absolutely no financial return from it whatsoever. But living here certainly does not mean I have had to abandon civilisation – I travel the world speaking about what we do and trying to encourage more people to get involved. I really believe that when it comes to trying to encourage people to support a charity, it is vital to tell them about the successes, not the failures – I just think the messages put out by a lot of charities are way too complex. It is all about being concise."

And his methods clearly work. He has cut debt by two-thirds and, shortly before we last spoke, a donation agreement for \$1.2m was signed by a new donor from the Netherlands who was moved to support the Foundation following a visit to the Galápagos. "I really get the feeling that we are seeing the rise of a completely

Clockwise from left: the black-lava shoreline at Puerto Egas. A giant tortoise at mud wallow on Isabela Island. Entomologist Henri Herrera collects invertebrates for his research new type of philanthropist right now," Lorenz says.
"These are people who make investments based on their gut feeling and on the track record of the organisation they are being asked to support.



from the fact that the names and addresses were often illegible, the forms were invariably filed away and never looked at – we plan to switch to a properly managed online database, in order to attract considerable sums in donations and maintain contact with people who really want to help us."

Lorenz realised, too, that because the Galápagos Islands are an expensive place to travel to, many visitors are wealthy, high-calibre individuals who are often influential – and, once they have seen the place in "real life", they are invariably willing to back the Charles Darwin Foundation in order to ensure its survival. Such people provide more than 60 per cent of the Foundation's funding, and donations from some of the 100,000 visitors per year who pass through the Charles Darwin Research Station (pictured on previous page) – and its lucrative gift shop – have funded a remarkable 1,300 scholarship students' placements on the islands since 1970.

The research station, which attracts thousands of visitors a year, was established in 1964. In its half century of operation, its scientists have helped to save iconic giant tortoises from extinction, been instrumental in the creation of the 133,000sq km Galápagos Marine Reserve and, perhaps most remarkably, ensured that not a single species endemic to the islands has been lost (though the only known giant tortoise of the Pinta Island subspecies died in 2012).

"The Galapagos Marine Reserve is among the last refuges for several species of sharks, which have become one of the world's most threatened vertebrates due to the finning industry," says Lorenz, who this summer set aside some of the Foundation's \$3.5m annual budget



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to fund a shark research and conservation project that will document, for the first time in the Galápagos, the movement, numbers and migration patterns of the tiger shark – an apex predator whose study will provide vital data about the health of the marine ecosystem.

But how has Lorenz adapted from the profit-orientated, city-based world of high finance to one where nature is still king and the personal monetary rewards are small? "There is no doubt that the income I receive for working for the Foundation is not high by the standards of anyone in the financial world, but I can say with absolute sincerity that living here has made me understand how much we have lost touch with nature in our everyday lives. On the Galápagos, one really does live among animals, and that gives a real joy. It has also been extremely rewarding to

They are entrepreneurial people who want to move fast and get things done – people who really achieve things."

What most excites Lorenz, however, is that his work on the Galápagos is already proving relevant to other parts of the world of similar importance currently facing similar difficulties. "There are tens and thousands of islands around the world, many of which could benefit greatly from what we have learnt because we have had to overcome exactly the sort of problems that they are encountering." Indeed, the Charles Darwin Research Station was recently visited by someone from a small research station on Socotra Island, Yemen, seeking advice. "What we are achieving on the Galápagos Islands is remarkable and very rewarding – but it is only a small part of a far bigger picture." \*

The Charles Darwin Foundation, www.darwinfoundation.org.