FEATURED SOCIAL ENTERPRISES

	Operating Budget	Employees
Khan Academy	$25MM	180
Wikimedia Foundation	$80MM	300
Kiva – a	$18MM	110
BRAC	$554MM	120,000
Grameen	$176MM	20,000
Heifer	$100MM	600

SOCIAL ENTERPRISES, Part 2

21st Century Nonprofits Are Channeling Tech Startups

"I wasn't the first person to put math or science videos on YouTube, but since I was making them for my cousins, they felt intimate and very personal. People started to connect with them."

Sal Khan, founder, Khan Academy

"The fact that we are hitting a billion dollars (in loans) is mind blowing. But more than the billion number, I love that Kiva for many people is their first view of people in another country. Hopefully it creates admiration and respect versus pity and fear."

Premal Shah, founder, Kiva

"Wikipedia is an effort to create and distribute a free encyclopedia of the highest possible quality to every single person on the planet in their own language."

Jimmy Wales, co-founder, Wikipedia

- How many articles are posted on Wikipedia?

- In how many languages?
- How many registered subscribers does Khan Academy have?
  - US
  - Worldwide
- How much money has Kiva lent out?

In the previous chapter, we considered the idea of social enterprises as startups that operate in similar fashion to for-profit startups—applying digital leverage to blitzscale and achieve asymmetrical gains. Donors are looking for asymmetrical gains (10x or 20x) just as VCs do in for-profit businesses. No wonder that donors are using a VC mindset to assess grants ("investments") for social enterprises that can generate massive social impact with minimal resources.

As a San-Francisco-based technology platform, for example, Watsi founder Chase Adam says Watsi's setup is nearly identical to that of for-profit startups. "We are completely surrounded by for-profit tech companies," noted Adam, who was recently honored as a White House Champion of Change. "We are trying to hire the same talent, we want our website to be just as good as any for-profit site – everything is the same."

Tiny players … massive value

For-profit companies…

Date acquired	Acquirer	Target	Price	Employees at acquired company	Users today
2007	Google	YouTube	$1.65BB	65	1.5BB
2012	Facebook	Instagram	$1BB	13	0.7BB
2014	Facebook	What's App	$19BB	55	1.0BB

… and not-for- profit

Founded	Company	Content	Employees	Users
2001	Wikipedia	40 million articles/ 301 languages	290	500MM unique visitors/month
2007	Khan Academy	20,000 closed-caption videos ~30 languages	180	50MM subscribers worldwide

While there is nothing analogous in the social sphere to the Startup Planet ecosystems, it is notable that so many of today's social startups emanate from Silicon Valley and San Francisco, which, of course, is the #1 startup ecosystem in the world. Will that start a surge of similar

social startups in other parts of the world, just as startup ecosystems in China and elsewhere have adapted the Silicon Valley model?

The previous chapter examined three blockbuster, multinational social enterprises from the 20th century: Heifer International, BRAC, and Grameen Bank, which started in 1944, 1972, and 1983, respectively. But it took some time for them to stabilize and scale. In this chapter we examine three 21st century social startups: Kiva, Wikipedia, and Khan Academy. Because they started in the internet era, and have created magnetic demand for their offerings, they have scaled and gone global much faster than their 20th century counterparts.

KIVA: Microloans for the World

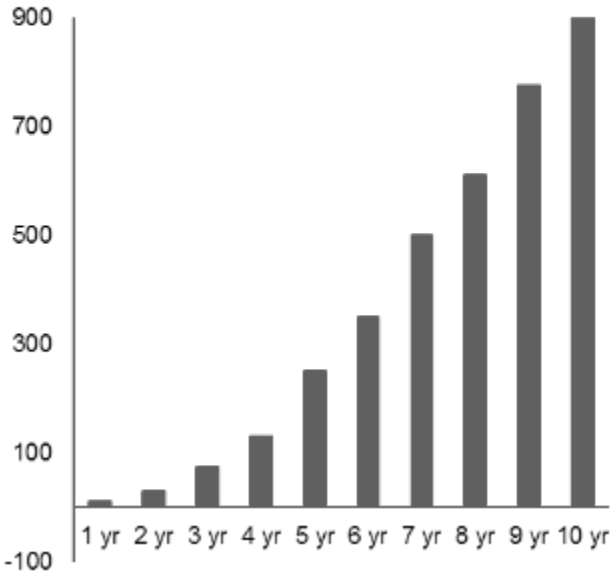
Kiva is a crowd-funded microlender founded in 2005 in San Francisco (with an office in Nairobi). Since inception, 1.7 million individuals have lent $1.13 billion to 2.8 million borrowers in 80 countries, with a repayment rate of 97 percent. Kiva has 110 employees, who connect to 7,000 international institutional partners, and a budget of $18 million (in 2016).

The average loan is about $400, roughly the size of Grameen Bank's micro-enterprise loans. As with BRAC and Grameen, Kiva borrowers are overwhelmingly female (81 percent) and provide no collateral; 220,000 live in conflict zones, 750,000 in "least developed countries," and 567,000 are farmers. Kiva is definitely reaching people in need and does so in a highly leveraged way that multiplies returns on the resources invested.

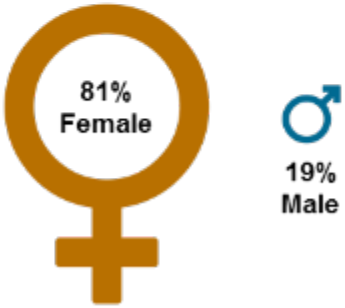
You read about the PayPal Mafia (in Chapter x), the diaspora of young Stanford techies (like Elon Musk, Reid Hoffman, Peter Thiel) that left PayPal after the eBay acquisition and went on to form high-flying businesses or investment firms. Another PayPal graduate is Premal Shah, who founded Kiva in 2005, after six years at PayPal.

Amount lent through Kiva	$1BB
Kiva lenders	1.6MM
Kiva borrowers	2.6MM

Loans funded through Kiva
Numbers in thousands



Borrowers supported

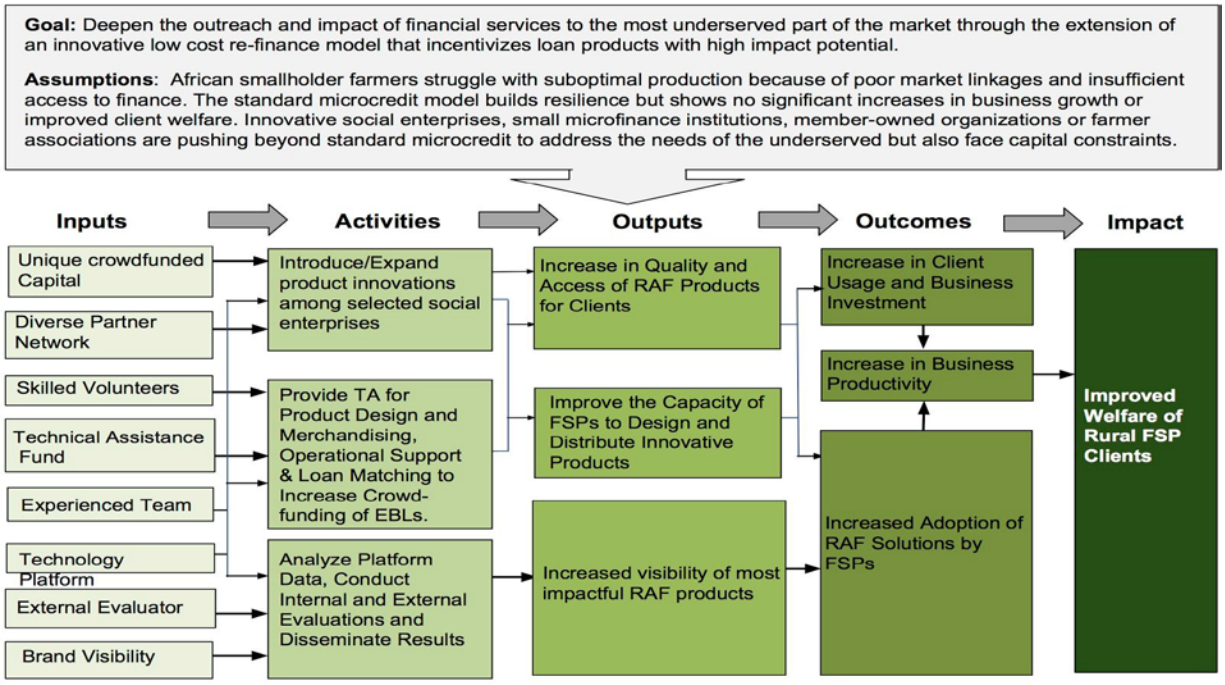


Shah's inspiration for Kiva came during a two-month volunteer trip he took in 2004 to India, where he worked with low-income women to help them sell handicrafts online. While the project had mixed results, it strengthened his belief that the right combination of technology, business design, and theory of change can create access to opportunity for those who need it most.

Kiva combines the money-transfer technology of PayPal, the matchmaking of Craig's List, and the Grameen-like community-vetting of potential borrowers. Individuals go on the Kiva website, pick a person or business that inspires them, and send money to Kiva, which in turn sends the money to one of its 7,000 Field Partners. Kiva's partners vouch for borrowers, and part of the loans are funded by patrons within the user's own community. This community-based form of due diligence is similar in style to Grameen's "group lending" method.

Kiva does not guarantee lenders their loans will be repaid. Kiva partners receive interest to cover their underwriting expenses; Kiva and its crowdfunders do not receive interest. Partners "pre-disburse," giving borrowers access to credit before the Kiva crowdfunding kicks in.

KIVA THEORY OF CHANGE



Source: World Bank

Kiva launched direct person-to-person loans (no Field Partners involved) in 2011, in the US only. This gives Kiva the ability to reach populations that many microlenders can't or don't serve, but it also means these loans often involve a higher level of risk or default. Direct loans are made through PayPal. Like traditional partner loans, direct-loan borrowers must recruit members of their own network to support the loan during a private fundraising period before Kiva will post the loan to its website.

KIVA SCORECARD

Countries where Kiva works	86
Education loans	28,234

Borrowers gained access to clean energy	65,000
Borrowers supported in conflict zones	219,435
Farmers supported	526,197
Borrowers supported in least-developed countries	749,149

While Kiva does apply many of the same lending principles as BRAC and Grameen, it has no profit centers and is dependent on external donors. Kiva covers operating costs primarily (two-thirds) through the generosity of its lenders, who can choose to make donations in addition to loans. The remainder of costs are covered through grants and donations from foundations and supporters. In 2016, Kiva had revenues of $19.1 million, and expenses of $18.8 million.

Since inception in 2005, 1.7 million individuals have lent $1.13 billion to 2.8 million borrowers in 80 countries, with a repayment rate of 97 percent!

WIKIPEDIA: Knowledge for the World

What if you were to take the venerable print version of the Encyclopedia Britannica and expand its content 600-fold, add 300 languages to complement English, reduce the price from $1,200 to $0, update it regularly rather every couple of decades, and make it available to anyone with an Internet connection? Why, you'd have Wikipedia, the largest and most popular general reference work on the Internet, and the 5th most popular website in the world!

Encyclopedia Britannica created hundreds of millions of dollars worth of value throughout its quarter millennium of publishing; today, Wikipedia, with an operating budget of $69 million, creates 100x more value per year. Wikipedia comprises more than 40 million articles in 301 different languages (there are more than 6,000 languages in the world). It had 18 billion

pageviews and nearly 500 million unique visitors each month. The English Wikipedia alone has more than 5 million articles.

The revered *Encyclopedia Britannica*, by contrast, at its peak in 1989 sold about 450,000 copies per year, through 2,000 salespeople, at $1,200 each, for sales of roughly $600 million. Its value at the time was approximately $1BB. In 2007, the *Encyclopedia Britannica* had 65,000 articles—all in English. By 1996, when print sales had dropped to $325 million, the *Encyclopedia Britannica* was sold for $135 million, well below book value. The print edition of the *Encyclopedia Britannica* ended in 2012, when was selling a mere 3,000 sets a year. The reaction to Encyclopedia Britannica's announcement ending the print edition in 2012 was interesting. One person wrote, "I'm sorry I was unfaithful to you, Encyclopedia Britannica, Wikipedia was just there, and convenient, it meant nothing. Please, come back!

A TALE OF TWO ENCYCLOPEDIAS

	Encyclopedia Britannica	**Wikipedia**
Languages	1	301
Articles	70,000	40 million
Reach	450,000 print copies at peak; 15 million online visits per month today	500 million visits/month
Revisions	Last major one in 1975	constant
Salespeople	2,000	0

Wikipedia was launched in 2001 by internet entrepreneur Jimmy Wales, who has described Wikipedia as "an effort to create and distribute a free encyclopedia of the highest possible quality to every single person on the planet in their own language." An early editor, Larry Sanger, coined its name, combining *wiki* and encyclo*pedia*. Initially, there was just an English-language version, but similar versions in other languages quickly developed. Owned and supported by the Wikimedia Foundation, Wikipedia is a nonprofit that raises roughly $80 million a year for operations.

Wales took a circuitous route to the world of encyclopedias. A PhD candidate (finance) who never completed the degree, Wales taught at the university level before taking a job with a Chicago options-trading firm. Wales was a self-proclaimed internet game and multiplayer addict, which exposed him to the potential of computer networks to foster large-scale collaborative projects. In 1996, inspired by the Netscape IPO and having accumulated enough savings by speculating on interest-rate and currency fluctuations, he co-founded Bomis, a “guy-oriented” internet search engine that made money on ads.

Wales had long thought about an encyclopedia powered by the internet and built by volunteers. In 2000, Bomis hired Larry Sanger, a longtime friend and philosophy grad student, to oversee the development of Nupedia. From its beginning, Nupedia was a free-content encyclopedia (with a slow and tedious peer-review methodology), with Bomis intending to generate revenue from ads. In 2001, Nupedia started Wikipedia as a side-project to speed collaboration on articles before they entered the peer-review process. As Wikipedia grew and attracted contributors, it quickly developed a life of its own and began to function largely independently of Nupedia. As the costs of operating Wikipedia rose with its popularity, Bomis' revenues declined as result of the dot-com crash. Sanger was laid off in 2002 and in 2003 Nupedia ceased operations.

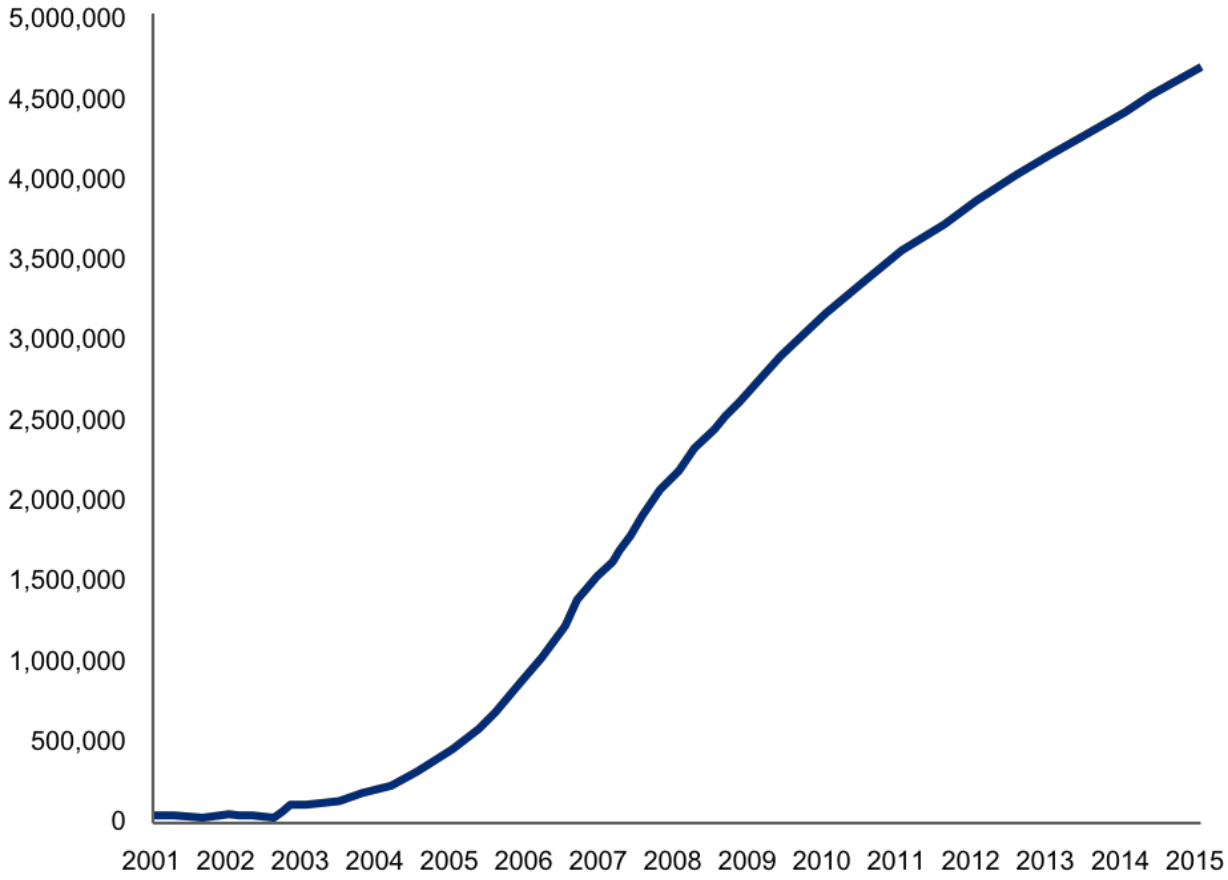
Originally, Bomis intended to make Wikipedia a for-profit business like Nupedia. But, when the Spanish Wikipedia, citing fears of advertising, forked from Wikipedia to create the *Enciclopedia*

Libre in 2002, Wales announced that Wikipedia would not display advertisements and changed Wikipedia's domain from *wikipedia.com* to *wikipedia.org*.

What might have happened to Wikipedia as a for-profit business? Would it have failed, as *Encarta* did in 2009, after 16 years in business? What were the odds that it would blossom into the world's biggest data business? If *you* had tried to build a for-profit business at the scale of Wikipedia, what business model would you have chosen?

While Wikipedia has been criticized for presenting a mixture of "truths, half-truths, and some falsehoods," in 2017 Facebook announced that it would help readers detect "fake news" by linking to Wikipedia articles. YouTube announced a similar plan in 2018. In response, the *Washington Post* headlined a story, "Wikipedia, the 'good cop' of the Internet."

GROWTH OF ENGLISH-LANGUAGE ARTICLES (2001-2015)



A nonprofit with a mission of open editing and free access, and no profit model beyond old-fashioned fund-raising appeals, Wikipedia has eclipsed its commercial competitors such as Encyclopedia Britannia, Colliers, and Encarta—in number of references, articles, and reach. The evolution of the business model for modern-day knowledge from the printed encyclopedia (Encyclopedia Britannica in 1768), to the multi-media encyclopedia (Encarta in 1993), to the internet-based Wikipedia (2001)— begs the question of what comes next and whether it will be delivered by Wikimedia Foundation or someone else.

WIKIPEDIA: Speaking in Tongues

(# of articles per language)

English	5,672,218	Waray	1,263,117
Cebuano	5,382,736	Vietnamese	1,177,327
Swedish	3,782,097	Japanese	1,111,004
German	2,193,921	Chinese	1,012,017
French	1,995,786	Portuguese	999,872
Dutch	1,934,734	Ukrainian	798,061
Russian	1,480,274	Persian	631,331
Italian	1,445,480	Serbian	608,045
Spanish	1,424,611	Catalan	583,625
Polish	1,286,881	Arabic	581,595

For the moment, imagine how far we've come in the last 25 years. To access "knowledge" pre-Internet, you needed to spend $1,200 on an encyclopedia, or trudge to a library. Then you might have bought a CD-ROM for $2,000. Then along came Google (et al) search, and you could pull up a variety of source material on a given topic. And then came Wikipedia, serving up knowledge on a plate on millions of topics, from AI to zoology, from multiple sources, in hundreds of languages. Wikipedia has vastly simplified the "hassle map" of obtaining knowledge and information. Name another organization that provides so much to so many for free. Who's #2 in this business? Anyone?

Wikipedia comprises more than 40 million articles in 301 different languages (there are more than 6,000 in the world). It had 18 billion pageviews and nearly 500 million unique visitors each month!

KHAN ACADEMY: Education for the World

By 2018, more than 150 million people worldwide had viewed the 6,500 instructional videos from Khan Academy, the prolific producer of educational YouTube videos, 1.5 billion times. Khan Academy now has 50 million registered users in 190 countries, and videos in 30 languages.

Much as Wikipedia democratizes knowledge, Khan Academy democratizes education, making it accessible to anyone with a computer and internet access—for free. With a budget of $25 million and 180 employees, Khan Academy is possibly the most asymmetrical organization in the world. By contrast, the public schools in Newton, Mass., a suburb of Boston, have a budget of $212 million to serve 12,600 students!

Khan Academy videos display drawings on an electronic blackboard, made to look like the chalk scribblings of a schoolteacher. The narrator—most often founder Sal Khan, who is not shown on screen, talking in a soft, baritone voice—describes each drawing and how it relates to the material being taught. Videos cover math, science, computer programming, history, art history, economics, engineering and more. Khan Academy also offers practice exercises and a personalized learning dashboard that empowers learners to study at their own pace in and outside of the classroom.

Khan started Khan Academy in 2008 in Mountain View, California, and a year later quit his job as a financial analyst at a hedge-fund (Connective Capital Management) to focus fulltime on the social startup. Khan, who holds three MIT degrees (computer science, engineering, and mathematics) and an MBA from Harvard, was known to his family as a math whiz. In 2003, Khan started remotely tutoring his cousin Nadia in Louisiana, who was struggling with math. (Khan, now in his mid 40's, and the son of Bangladeshi and Indian immigrants, grew up in Metairie, Louisiana, where he was valedictorian in high school. He would later serve as class president at MIT, and co-president at the Harvard Business School.)

"Then the rest of the family heard there was free tutoring," he says, and more relatives started asking for help. To match supply to demand, a friend suggested he film the tutorials, post them on YouTube, and let family members view them whenever they chose. "YouTube? YouTube was for cats playing the piano, not serious mathematics," Khan recalls thinking. "I got over the idea that it wasn't my idea and decided to give it a shot."

“I wasn’t the first person to put math or science videos on YouTube, but since I was making them for my cousins, they felt intimate and very personal. People started to connect with them. The viewership kept growing. People started saying, ‘I passed my class because of this,’ or ‘I want to become a physicist because of this.’ So I just kept going.”

The short YouTube videos in Khan’s inimitable and intimate style—certainly a contrast to heftier MOOC (Massive Open Online Courses) lectures from notable institutions like MIT—attracted a following well beyond what Khan ever imagined possible. Khan declared his mission to "accelerate learning for students of all ages. With this in mind, we want to share our content with whoever may find it useful."

While the website and videos are primarily in English, they have been translated into Turkish, Chinese, Russian, Spanish (thanks to a donation from Carlos Slim, the Mexican telecom billionaire), Portuguese, Hebrew, Italian, French, Bengali, Hindi, and German. Google donated $2 million in 2010 to develop new videos and translation into more languages.

Partners offering specialized content include NASA, The Museum of Modern Art, The California Academy of Sciences, and MIT. In 2015, Khan Academy partnered with Disney and Pixar Animation Studios to launch “Pixar in a Box.” Khan Academy also provides online courses to prepare for standardized tests, including the SAT and MCAT, and plans to release LSAT preparation in 2018. In 2017, Khan Academy became the official practice partner for the College Board's Advanced Placement.

And all this is free. To quote the *Guardian* newspaper: “Sal Khan has a simple mission: a free, world-class education for anyone, anywhere. Naturally, people think he's crazy. The craziest part is not the ‘world-class education’ part, because plenty of people want that. And it's not even the ‘for anyone, anywhere’ part. It's the ‘free’ part.”

"The numbers get really crazy when you look at the impact per dollar," Khan told *Forbes* in 2012. "We have a $7 million operating budget, and we are reaching, over the course of a year, about 10 million students in a meaningful way. If you put any reasonable value on it, say $10 a year—and keep in mind we serve most students better than tutoring—and you are looking at, what, a 1,000-percent return?"

Let’s update that. Today, the budget is roughly $25 million, and 100 million students use Khan videos in the course of a year. Using $10 as a value benchmark, that means $1 billion in value, or a 3,000-percent return. But $100 might be a better representation of value, which would push the value creation to $10 billion.

(B0X)

KHAN LANGUAGE VERSIONS

Khan Academy videos have been translated into several languages, with close to 20,000 subtitle translations available. The Khan Academy platform is fully available in English, Spanish, Portuguese, Turkish, French, and Bengali, and partially available in:

- Bahasa Indonesian (Indonesian)
- Bahasa Malaysian (Malay)
- čeština (Czech)
- dansk (Danish)
- Deutsch (German)
- italiano (Italian)
- Nederlands (Dutch)
- Norsk bokmål (Norwegian)
- polski (Polish)
- Ελληνικά (Greek)
- български (Bulgarian)
- монгол (Mongolian)
- русский (Russian)
- українська (Ukrainian)
- հայերեն (Armenian)
- (Hebrew) תירבע
- (Arabic) العربيّة
- (Persian) فارسی
- □□□□□ (Bengali)
- □□□□□ (Tamil)
- □□□□□□ (Telugu)
- ไทย (Thai)
- 中文 (简体中文, 中国) (Simplified Chinese)
- 日本語 (Japanese

After the Los Altos, California school district began a successful pilot program in 2013 using Khan Academy's tools, Khan Academy has been training teachers in places such as Idaho and Kansas. The videos are highly effective, given the personal, one-to-one connection of the videos. There's no accredited qualifications, but the self-paced courses are combined with sophisticated software that charts progress and highlights weaknesses, making it simple for a parent to help a child with homework without knowing the finer points of, say, algebra or physical science.

Breaking Away

When Khan was starting out in his Mountain View apartment, he caught the attention of philanthropist Ann Doerr, who donated $10,000 and later $100,000 to keep Kahn cranking on his videos. Doerr is now Chair of the Board, which includes some Silicon Valley heavyweights like Scott Cook, John Doerr, and Laurene Powell Jobs. Khan's other big break (or propellant) was Bill Gates telling an audience at the Aspen Ideas Festival in 2010 that he had been using Khan's videos to teach his own child. "It actually made me a little nervous," says Khan. "It was a video made for Nadia, not Bill Gates." That led to a meeting with Gates and support from the Gates Foundation. In 2012, when Khan was named one of the 100 most influential people of the year, Gates wrote: "I've used Khan Academy with my kids, and I'm amazed at the breadth of Sal's subject expertise and his ability to make complicated topics understandable. He started by posting a math lesson, but his impact on education might truly be incalculable."

Khan's theory of change is that creativity and human interactivity can improve the way children learn; that technology can make classrooms more human and teachers more important. Khan's core idea—liberating teachers from lecturing and state-mandated calendars and fostering truly human interaction in the digital age—has become his life's passion.

Imagine the additional impact if Kahn Academy were to merge or partner with Teach for America, whose CEO and co-founder is on Khan's board. Teach for America has roughly 10,000 teachers, who could evangelize the Khan method of self-paced teaching through videos. Cross-pollinating Teach for America with Khan might be a big deal, especially if it leads to reproducible methods made accessible to all. Teach for America could be a lab for advanced learning methods, sharing results with all teachers, a systemic approach to building social value.

If Khan is already delivering $1 billion ($10 billion) in value, imagine how much more growth opportunity lies ahead for self-paced learning through 5-minute videos. If you are a for-profit or nonprofit in another field, what can you learn from Khan and how can you apply it to your organization?

By 2018, more than 150 million people worldwide had viewed Khan Academy's 6,500 instructional videos 1.5 billion times. Khan Academy now has 50 million registered users in 190 countries.

Platform Power

Please notice what is happening here. Kiva built a platform. Wikipedia built a platform. Khan built a platform.

Kiva's platform enables hundreds of thousands of lenders to lend to hundreds of thousands of borrowers. At a tiny fraction of the cost of the paperwork blizzard that conventional processes require.

Wikipedia's platform enables tens of thousands of writers and editors to contribute, to revise, to update, to translate.

Khan Academy's platform enables tens of thousands of teachers, and millions of students to work together to create a better learning experience. It enables premier content providers (NASA, MOMA, Pixar, and a growing list of others) to contribute directly to the learning experience.

As you step back and consider these, think about the economics – how much cheaper things can be. Think about the quality of the interaction, the immediacy of the experience, the quality of the content. The positive impact on the customer.

Think about how many tens of billions of dollars would be needed to achieve these results through conventional means.

Now, please think about your own organization, or project, or enterprise. What are the clever things you and the team can do to:

- Drive costs down tenfold, or more?
- Drive up quality by a factor of 5 times to 10 times?
- Radically improve the experience of the recipient, customer, partner, and others?

That's the whole point, the whole payoff of studying these organizations. What can we do to multiply the impact of the resources we apply?

THE FUTURE OF BUSINESS

In the tech world, companies aspire to join the ranks of FANG – Facebook, Amazon, Apple, Netflix, Google. That select group has expanded to include Alibaba, Uber, Airbnb, Didi Chuxing and others. In the social enterprise world, organizations aspire to join the ranks of BRAC, Grameen, Khan, Wikipedia, and Kiva. They all represent big ideas with global resonance. They all have created stable organizations with a clear funding path that allows them to experiment with new products and services. They also have a proven theory of change that is empirically tested.

While some major social enterprises are still totally dependent on donors, such as Heifer International, Wikipedia, and Kiva, many are increasingly organized much like for-profit businesses that fund the majority of their operations by generating internal revenues. Those that rely on donors "earn" that funding by making substantive impact on millions of people—and creating demand for their services or products. In that, they are no different than for-profit companies that need to create demand for products with a magnetic proposition. And, to achieve scale, social enterprises are increasingly organizing like tech startups, using the power of the internet to "blitzscale."

Clearly, the nonprofit and for-profit worlds are converging in many ways. They are both businesses that need to attract customers, and satisfy investors and donors. The connection between the once diametrically opposed organizational forms is so strong there is even a new hybrid model called B Corps—for-profit businesses that aim to deliver social benefits (which are

audited by B Corps) while making a profit. Patagonia, Eileen Fisher, and Warby Parker, for example, are certified B Corps. There are now more than 1,500 B Corps in 50 countries.

Despite the similarities, one thing that truly does distinguish the two enterprise models is that social enterprises are driven by a theory of change. This theory doesn't say why or whether a customer will want their product. Grameen Danone, for example, a combination of Grameen Bank and Danone Foods, started a social enterprise in Bangladesh in 2014 to teach dairy farmers how to make yogurt and create markets for it. The project has not lived up to expectations, failing to drive demand amongst farmers, let alone consumers. But a theory of change *does* say that *if* a product or service can drive demand and is adopted—call that "x"—it will lead to "y" social impact. *Most* profit-maximizing companies don't think about social impact.

What are the takeaways?

- Non-profit and for-profit business designs are converging.
- To generate significant impact, a social enterprise needs to have a good business design and execute it hyper-efficiently.
- Both for-profit and nonprofit businesses need to create demand with magnetic products and services that consumers intuitively understand.
- Social startups are following in the footsteps of tech startups—"blitzscaling" globally, driven by data analytics, with attention to metrics and feedback, and competing for the same talent.
- Social enterprises don't have to be nonprofits—they can generate profits and use them to subsidize nonprofitable outreach (such as lending to beggars or the ultra-poor in remote, rural villages).

This new business landscape raises a few questions about how you might structure a business to achieve social impact:

- If you set out to achieve social impact, in whatever field or form, would you create a for-profit or nonprofit business?
- Does it matter, and why? Would one require more internal resources? Which would be more efficient—more asymmetrical?
- Whichever form you choose, what can you learn from the other that will drive better results and returns?

And, once you decide on a business structure, the success of certain social enterprises suggests a certain thought process that will increase the odds of success:

- **What's our Theory of Change?**

For Heifer: "The poor need a cow, not a cup."

For Grameen: "Do the opposite of what banks do."

For Khan: "Personalized, self-paced learning can be a powerful complement to classroom learning."

These are shorthand for more complex theories of cause and effect, but represent a clear perspective that drives strategy. What is your ToC? Be explicit. Write it down. Articulate it to others. Articulate it to yourself.

Test it. Refine.

Test it. Refine.

Test …

- **What customer hassles are we solving?**

Nonprofits have customers, just as for-profits do. The best organizations know the hassle map of their customer—perfectly. They pick the most important hassles and focus on them. This is true for nonprofits, just as it is for commercial organizations.

- **Can we make a personal connection?**

Kiva connects individual donors to individual borrowers.

Khan's videos are made as if talking to a student sitting across the table.

Wikipedia provides you knowledge in your language about issues of cultural interest to you.

- **Can we create disproportionate returns?**

Khan's budget is $25MM. In the US, that's the cost of educating 2,500 pupils – per year.

Wikipedia achieves 50 times more than Britannica did, at a tiny fraction of the cost.

Not bad models to emulate.

What can you do to get 50x returns?

More importantly, how can you use a different way of thinking to drive measurable social change that is multiplicative over time?