

GLOBAL PHILANTHROPY LEADERSHIP INITIATIVE

Council on Foundations – European Foundation Centre - WINGS



BUILDING AN ONLINE PLATFORM FOR PRACTITIONERS IN INTERNATIONAL PHILANTHROPY

A BUSINESS STUDY PRODUCED BY THE CHARITIES AID FOUNDATION

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ABOUT THE GLOBAL PHILANTHROPY LEADERSHIP INITIATIVE

Launched in 2010, the Global Philanthropy Leadership Initiative (GPLI) is a two-year experiment in international collaboration aimed at advancing the role and effectiveness of philanthropy in a global context by developing actions and recommendations in three priority areas:

- Promoting an enabling environment for cross-border philanthropy.
- Catalysing new forms of philanthropic collaboration.
- Strengthening cooperation between foundations and multilateral organisations.

In 2012, GPLI started a transition from an ideas and incubation process among a small group of foundation leaders to a set of open collaborative ventures that invite the participation of foundations and other relevant stakeholders from all parts of the world.

GPLI is a joint initiative of the Council on Foundations, the European Foundation Centre, and the Worldwide Initiatives for Grantmaker Support (WINGS). It is co-chaired by Fundação Calouste Gulbenkian and Charles Stewart Mott Foundation, with a Task Force comprised of some 30 philanthropic leaders from different world regions.

BUSINESS STUDY FOR AN ONLINE PLATFORM FOR PRACTITIONERS IN INTERNATIONAL PHILANTHROPY CHARITIES AID FOUNDATION FOR GPLI

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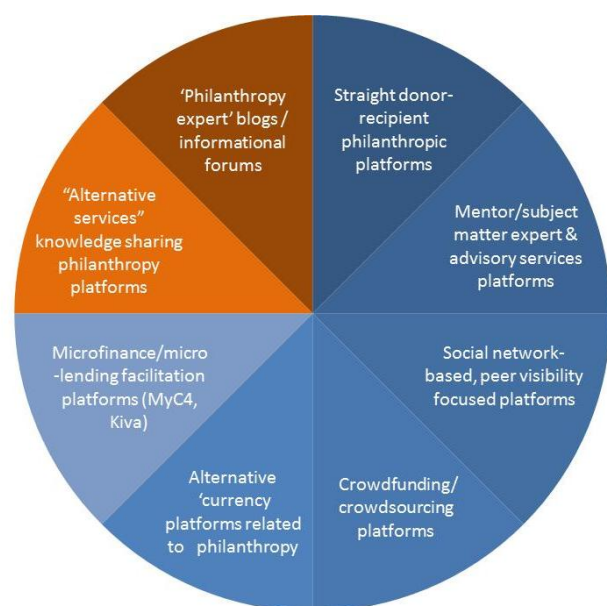
I. Introduction

The marketplace for online platforms dedicated to charity and philanthropy has expanded in innumerable ways, supported by the emergence of new technologies and a new realm of functionality that has unlocked the power of social networks at the fingertips of users of all kinds. Whether it is for the internal use of an organization, externally-oriented public relations, or for operations within an industry and between a niche cluster of players seeking access to information (and to one another), the importance of positioning a technological solution appropriately is paramount. Many of these solutions appear to be adopted by non-profits themselves. It is equally vital that technology not be positioned as a solution 'looking for a problem', which means basically that the parameters of any online network service must be user-defined and demand-driven. In any case, as a point of departure, it is worthwhile noting that the foundation sector is known as being among the most conservative in terms of adoption of technology and new forms of innovative interaction.

The broad array of online platforms and networks in general ways are used as intermediation mechanisms to enable the flow of philanthropic funding, and to support the relationships that support those flows. It is worth glancing at these various solutions with an explicit eye on the areas differentiated in the pie chart below that directly pertain to the goals of this study.

It is interesting that amongst the most advanced of the platforms deployed in this arena, the majority are targeted toward the achievement of a services ranging from listings, to buy-sell side matching, to trading, to simple information exchange. Many of these are unproven (both in terms of their traction) and are either in the process of being deployed or have just been recently deployed. In order for any single online network or platform to become an industry standard, several of the following key success factors need to be considered:

1. **Fulfilment of Information gaps vs. 'information overload'** - Donors and philanthropists face informational gaps both in terms of finding one another, and in locating trustworthy information on suitable entities to work with or fund. Ideally, donors should be able to



search for their targets based on criteria that are important to them, and locate relevant information in the shape of operating plans and reports on the social/environmental impact of those who seek funding. At the same time, it is something of a truism that for those who work in the field of grantmaking, information overload is an occupational hazard; managing and digesting the sheer volume of information that flows from various sources is a major working challenge, and current 'culture' in most organizations is for people to rely strongly on existing personal (offline) networks. To be sure, many donors and foundations concentrated in the western world are working (depending on their scope and mandate) to identify non-profit organizations and civil society entities as they continue to spring up and gain traction in Asia, Africa and South America. This underlies the importance of intermediary information sources between these effective "buy" and "sell" sides. None of these points are new; all of them are simply *de facto* standing challenges to the philanthropic marketplace.

2. **Enhancement of grantee capabilities:** While most existing networks facilitate some level of information exchange that may lead to matching, actual implementation is can be hampered by the capacity levels of grantees in identifying appropriate potential funder targets, and drafting realistic proposals and plans (especially when it comes to multi-year revenue/cost projections). Not least of this capacity element is the ability to generate and sustain the measurement of social/environmental impact in forms that are acceptable to international donors of a high standard. A subset of the networks surveyed as part of this research do offer some level of advisory support services to bolster the work of grantees in what is an increasingly fluid and virtualized environment. As the dynamics of an effective 'electronic-trading' environment for grant recipients expand and mature, and as metrics/listing requirements continue to become further standardized (particularly for those donors acting as 'impact investors', or who are broaching this area of activity as one of interest for some portion of their endowments), these types of service offerings (supporting compliance with ratings systems and basic 'readiness' around presentation of viable operational and implementation plans) may carry potentially high demand.
3. **Trust development:** A key driver of adoption for any network that connects major funders/donors is trust – a commodity which is elusive given the dynamics of geographically disparate stakeholders, and a lack of clear accountability and verifiability in virtual space. For most grantee organizations, maintaining control over their social mission while seeking the right kind of donor who is willing to support and invest is important. For

donors themselves, the primary goal is to find viable grantee organizations that fit their stated value and mission objectives, and that will stay true to their stated social and environmental impact goals, while consistently completing satisfactory performance reports, and being open to regular 3rd party screenings/audits. Even if a system does not cater to building the bridge *between* these disparate stakeholders, issues of verifiability and integrity of information on both ends of this spectrum are important. The key factor to be considered here is the amalgamation of trust *between* donors, and in the fabric of a community that shares a value system characterized by discretion, cooperation and respect. Federated online networks may help in to satisfy these types of needs described above, thereby enabling the flow of more capital in intelligent and tactical ways. Yet, effectiveness and success are highly correlated to knowing who is ‘in the conversation’ and the clear ground rules for the conversation. Clarity is further required, of course, regarding the ‘rules of the game’; privacy, understanding the nature of the discussion and who can participate.

As part of this ‘trust’ element, it is critical to highlight that it is the *nature of the convener or curator* of a network that is as important as the act of convening itself; the perceived neutrality or reputational strength of an online network can make or break its ability to function as an impartial moderator, monitor, and facilitator. This will be revisited in later sections. Needless to say, the extent to which a convener may be able to drive forth acceptance of a particular reporting standard or metric is directly linked to the emergence of these trust levels within its given network. Moreover, the ability of a convener to be able to demonstrate the consequences of delinquency, non-compliance, or confidentiality breach is also tied to an overall perception of success – insofar, of course, as increased efficiency and transparency in action are championed by the collective.

4. **Providing ‘glue’ for the ecosystem:** To draw a relevant parallel, a recent study (Monitor, January 2009) characterized developments in the impact investment ecosystem as “disparate and uncoordinated innovation in a range of sectors and regions converging to create a new global industry, driven by similar forces and with common challenges”. The current online network infrastructure in the impact investment space is comprised of a set of discrete, niche systems that offer a variety of services – across which there is very little standardization even in terms of definitions. The echo of this in the grant-making arena should not be overlooked, although arguably it is precisely this state of affairs that is mostly likely to drive innovation and discovery.

Given the potential for a more federated approach to serving international donors and funders of high calibre, it is possible that an opportunity *does indeed* exist for the online 'platform' that successfully bridges the gap between what we see today (dozens of fragmented, 'specialist' initiatives), and what we may hope to see in a true, comprehensive online 'marketplace' for *a majority of the most active donor foundations*.

II. Scope of this Study

With the continued emergence of global philanthropy practitioners around the world, there is a clear and growing need to improve the channels of communication and information flow between them on an international scale. Foundation professionals require access to trustworthy sources and networks to operate efficiently cross border and for identifying and assessing the right local knowledge and philanthropy expertise. Electronic platforms in the philanthropy and social investment space are indeed numerous in today's internet climate, and the sources from which key philanthropic organizations learn and generate their 'pipelines' of opportunity and connections have grown equally diverse. The level of intermediation in these processes is arguably higher today than before, and this paper reflects the outcomes of an assessment of this 'marketplace' that supports these information systems. **This research has been conducted under the auspices of the GPLI and on behalf of the Charities Aid Foundation (CAF).**

While the general idea of launching a platform to serve the information needs of the philanthropic community is appealing, it immediately raises a number of questions which are difficult to assess until a deployment is on hand and is actively led by an entrepreneurial team: How can such a model work and is sustainability achievable? Can a market case for this be proven? If indeed an organization such as WINGS may be willing to host such a platform, is it possible to derive streams of revenue to support it that do not cannibalize existing fee structures and service offerings?

These are the broader questions that must be contended with, as those tasked with decision-making will also face the challenge of coming up with creative 'out of the box' solutions (such as shared ownership models, service offerings catering to willing-to-pay third parties) that remain loyal to WINGS' mission to "strengthen philanthropy and a culture of giving through mutual learning and support, knowledge sharing and professional development among its members".

In some ways, the theoretical and even strategic foundations for establishing a proper federated information portal already exist. Based on a November 2010 report of WINGS, *Global Institutional Philanthropy: A Preliminary Status Report Advisory Group* by Paul D. Johnson, "... There is no reliable philanthropic data in many countries: where data does exist it often relies on a small sample size or response rate and may not be representative; existing data derives from various projects using different definitions and approaches; there are no standards or norms for institutional definitions, asset valuation, or expenditure accounting; there are few baseline studies that allow analysis of increases or decreases over time." The same report confirms the point that, "... better data and analysis has the potential to lead to increased philanthropic capital, more effective giving practices,

a more favourable policy environment, and a stronger civil society. The Global Philanthropic Capital Project (GPCP) consortium has articulated the potential outcomes of reliable, comparable philanthropic data.” [1] These include the following elements which could logically be extremely well served by a GPLI platform:

- Better knowledge is critical to identifying effective strategies and solutions, including opportunities for collaboration.
- Comparative benchmarking allows individuals, institutions, and countries to understand their own philanthropic giving as it relates to others, potentially leading to actions to adjust levels of investment.
- More comprehensive and readily available information on philanthropic institutions will help civil society organizations more easily identify potential partners and resources.

The above may be achieved through even a baseline deployment of such a system without tremendously sophisticated functionality, provided that a federated positioning may be achievable and successful. The flow of revenues to sustain such a system is, indeed, another matter to be addressed later in this paper.

a. Framing the study

User needs appear to vary across the key **informational, reference, networking, and communication** requirements of those who are most active in this vibrant sector, and this study will attempt to highlight the critical questions to be asked in the process of formulating a business case, and synthesize core needs in the form of a functionality ‘wish list’, provided the viability of a platform is established within reasonable measure. Technology and networks as general enablers to better and more efficient grant-making are largely taken as a given in this study; the most prevailing issue emerging from this research remains however that major donors need to know each other *and* their grantees first-hand, and face-to-face. No level of virtual functionality can ever successfully ‘design out’ or supersede this point.

Results stem from a combination of primary and secondary research, including a very small mix of respondents (n=8) to an online survey tool , as well as a series of more targeted conference call conversations and interviews with approximately 40+ individuals in a combination of small groups and one-to-one discussions [2]. The organizations who contributed to the research can be found in Annex A.

A review of 24 existing online websites and networks has also been included as part of this research, in the form of a template scorecard analysis (see Table 1). The existing array of online platforms currently addresses interactions at times bilateral, and at times multilateral.

For the purposes of this study, the above mentioned factors in Section I have been considered as ‘framing elements’ to the feasibility assessment for the launch of a potential GPLI-hosted online platform, with information gathering completed through multiple channels including telephone interviews, (group) conference calls, the survey instrument, and various pieces of secondary research.

b. Preliminary Findings and Priority Issues

1. The role of Convener/Curator , and of an ‘Anchor’

One of the most prominent outcomes of this research is that the **identity and reputation of a curator or convener is a major determinant of the success of any network**, particularly in the philanthropic arena. It appears that there is something unique about the dynamic in which a peer funder convenes funders, rather than when an intermediary (presumably seeking to capitalize upon association with wealthy institutions) tries to serve as a convener. The power of a curator lies both in neutrality and depth of substance, while language as well plays an important role – validating the importance of an excellent and impartial ‘animator’ capable of addressing the challenges of both local and cross-border giving. From this perspective, the GPLI is ideally positioned to convene, provided that the incentives of memberships are well supported through the business model adopted.

A number of questions surface around what kinds of function may be appropriate around the support of a strong convener led system:

- **Should such a system exist?**
- Is a **social network** appropriate in this context?
- Could a social network that enables **the aggregation of reputational “kudos”** be a way of helping a donor who does not yet know which organization they want to engage with, but who is looking for an advisory resource ‘... in x country working in y sector’?

As one of the key outputs of this research, it is clear that people are already connected to one another somehow; there is always a direct or an indirect route, especially if one believes the Facebook re-casting of the traditional notion of ‘6 degrees of separation’ between one person and everybody else in the world; apparently that number today is closer to 3.74 [3]. The reality is that these connections are actually quite fragmented, and few are able to consolidate these links in meaningful ways on a user-friendly and consistent basis. Where it all seems to converge is around a point upon which social network architectures simply excel: value lies in the ability to connect individuals through the casting frame of the institutions that dominate the discourse, many of which will only be attracted by the right convener. Inherent to this review is the notion that some kind of macro-convener should be at work, allowing for better cross-platform visibility across a plethora of special interest silos.

The matter of **reputation** (both personal as well as organizational) as well as the dynamic of competition both often have great bearing on the willingness of entities to engage fully and with freedom, particularly in virtual settings. It is for instance unlikely that a user from a reputable foundation would allow for vulnerability of any sort to be reflected in a question asked on a public forum. Thus, the simple matter of clear knowledge of ‘who sees what’ is a vital component to be considered. This drives the idea that by-invite only systems may be preferable, by definition. Moreover, it may even be a matter related to business strategy that determines the extent to which a specific entity will be a good candidate for using a given network or portal.

Beyond addressing the nature of the convener, it is also worth pointing out the feedback indicating that equally important for the success of a newly launched system is the role of an ‘**Anchor**’; in other words, a very substantial foundation player in the space who adopts and sanctions the use of such a system as part of its every interaction and transaction. This kind of tacit adoption and endorsement by a major (preferably billion pound/dollar) institution would be a clear major element in the success of a new federated tool.

“Work-in-Progress” Findings: There is no doubt that there is interest in having a system that supports more effective information management and retrieval. While it is not obvious from our survey or interview work that a ‘full’ social network is the answer for a GPLI platform in terms of current demonstrable user preferences, it appears quite clear that if such a system is going to deliver the ‘low-hanging fruit’ of a more personalized contacts directory – it would be better executed in a setting that would allow **users to be connected on a peer-to-peer basis, rather than through a simple or anonymous search function.** The identification of contacts (whether of peer funders, advisors, or of grantees) is really only likely to be on the basis of determining who is already within

two degrees of our personal networks, and thus catering to this dynamic may be useful. Such directories could allow for a 'drilling down' at the program officer and city/town level within institutions or could simply be the kinds of listings through existing contacts that offer access to partially vetted business development assistance service providers on the ground. Either way, however, it would be the "context-creation" made possible through a visualization and creation of live links within a social network that would be the richer value-added offering. Further 'premium' bits of information around 'reputation' within and between communities based on feedback streams online could be considered as ancillary development activities and relegated to future phases of work.

2. Trust from a User Perspective

In terms of the user view on the development of trust in online environments, there is resounding consensus on the notion that it is not only important, but that **clear, well publicized and enforced policies** must be articulated in order for a network to achieve desired levels of traction. Ways of developing and enhancing trust have been identified by some as including **triangulation techniques, where peer sources validate and confirm one another's work and assessment**, and concurrent **activities that reinforce offline relationships** in conjunction with the online community. The notion of being able to function in a 'safe space' where 'no question is stupid' is also one that predominates as an element that drives the 'stickiness' of a network. From a strategic standpoint, this concept of trust as it may be manifested in online functionality seems to beg the following question:

- How can *personal recommendations about content, contacts or other topics* be requested, filtered and presented in a way that both protects identity while simultaneously leveraging the value of relationships?
- How can we determine the threshold for what constitutes 'critical mass' when it comes to trust? When do we know we have been successful in creating it?

Professionals in this sector appear to both want to base their decision-making processes on the information flow of those they trust, while protecting all-around anonymity at all costs; naturally, avoiding the potential of creating channels for slander or other negativity is important, as is ensuring that the information they have sought out is as true as possible.

"Work-in-Progress" Findings: The logic of implementing a basic social network function supports the enabling of more private, personalized information flows between individuals and organizations that would be willing to request and give 'recommendations'. Without this, the likelihood of people

openly endorsing or not endorsing peers in the sector is near zero. Coupled with the right sorts of assurances around encryption, security and privacy of data flows online, the likelihood of those interacting with existing acquaintances and colleagues is already high and mirrors what happens already offline. Critical mass around this issue of trust will be discernible only when such a platform will have reached a more advanced stage, whereby feedback flows on for example the performance of “business development assistance providers” (who may not themselves be online members with full access) may be considered acceptable, and where rankings and feedback loops may be supported by sufficient empirical grounds. **It is also important to point out that none of the above can come at the cost of time; if a tool does not help to actively save these practitioners’ time, it is simply unlikely to be a success.**

3. Leveraging the Informal vs. Formal

The many networks and associations already in existence, both offline and online, represent the aforementioned ‘glue’ of the philanthropic ecosystem, and it is through these convening bodies that relationships between peer funders are created and strengthened. This strengthening happens through the convening of meetings, online knowledge sharing and resource centres, as well as the circulation of regular publications and newsletters – but it is also part of a social dynamic that emerges *informally*. The exchange of basic information occurs at events, frequently in face to face meetings, office visits, and by email or telephone – and sometimes then gets taken to the level of forming ‘funder collaboratives’ that may emerge and dissipate. One interview yielded information about a series of offline ‘pitch events’ that get organized in London every few months organized within (and by) a small group of funders who thematically pre-select the best of the potential grantees they identify – and thus this offline collaboration becomes an effective “1st screening” before the gathering even happens. This is followed by a series of highly efficient 30 minute pitches that become a means by which these foundations are able to absorb a great deal of information in a useful, ‘closed’ peer setting. It stands to reason that only if an online tool may be able to support the organization of / and outcomes of this type of ‘bricks and mortar’ gathering would it be deemed of high value.

Another interviewee disclosed that within specifically oriented ‘pockets’ of activity – in their case in the context of UK-only funding - while access to the organizations they support is logistically quite easy and the Charity Commission website amply supports their basic needs , they could be inclined to use a technology solution that supports this work. This entails work in a foundation circle including the likes of LanKelly Chase, the Tudor Trust, Panaphhur, and Esmee Fairbairn in shared

assessments and legal work, with potential interest in looking at advisory listings, due diligence templates and opportunity 'origination' online.

Some important related questions are thus:

- **To what extent and how may an online network capitalize upon the *informal* interactions between donor/foundation professionals with shared interests?** While the implied formality of templated exchanges is easier to develop, the *informality* captured in social network settings (such as the posting of free-style comments, status updates and so on) is the value toward 'stickiness' and usability of a site that may be key to traction.
- **Does this lend further credibility to the notion of integrating more 'informal' social network tools such as Facebook into the core of a GPLI portal?** One way of doing this could be to use Facebook, LinkedIn or Twitter logins as a parallel gateway for signing into a GPLI platform; technically this is not difficult although tactically it should be discussed in light of existing clusters of 'followers' of specific causes or "likes" on any given FB group page. This does not mean of course that one's entire social network is inserted into a GPLI platform by virtue of using a common login. It does however mean that anyone *already invited* to GPLI and also in one's existing Facebook or LinkedIn network could be imported automatically as a local contact.

In the words of one interviewee, "People want a casual conversation piece, a repository, and then the opportunity of formalized content and structure creation.". On some level this speaks to a phased approach that takes stock of the value of 'managing the informal'.

"Work-in-Progress" Findings: The element that emerges outright from the research supports the idea that supporting offline activities in conjunction with any deployment online is a must for this initiative to succeed. It is naturally in normal social settings that relationships are forged, often to be developed more deeply online thereafter. Herein lies as well the strength of integrating existing – more 'informal' – elements that may by default bring into a GPLI "online circle" the connections that will comprise its 'stickiest', 'highest traction' user base. Moreover, making it easy for professionals to automatically bring into their 'circle' those that they have already likely connected with via *Facebook* or *LinkedIn* over the course of time could lend a viral quality to the GPLI deployment that would otherwise be difficult to achieve. This is accounted for later in this paper as a potential step to be taken in later phases of deployment.

III. Considering a Business Model

As we consider the features of a viable ‘business’ model (leaving aside for a moment whether it should be for-profit or not), we must determine what may be its potential USP, and what core value it may add that is not already added by those who dominate the existing (albeit fragmented) market. The informal scorecard approach to the assessment of the marketplace depicted further down in Table 1 is a method for culling out the higher value elements that may be woven into a strategy for a GPLI deployment. While this is an admittedly subjective and qualitative method of study, it allows for a side-by-side comparative analysis of that which exists, hopefully helping to unearth that which remains unaddressed and thus potentially reflects areas of opportunity. The sections below further develop the main elements that must be taken into account as we formulate the cornerstones of this feasibility study, each presenting questions to which more concrete ‘working recommendations’ will be directed in Section V of this paper.

a. Target End Users

As with any potential business case, it is important to understand the target end users of a product or service offering. The end users in this study are comprised of a community of active grant-makers and donors working in foundations across the philanthropic sector, active across borders and faced with a unique set of challenges that require avenues for collaboration, coupled with strong articulation of the need for discretion. The needs of grant-making entities appear to be based on a number of critical areas in which interaction is perceived to generate value or benefit to both individuals and the collective; these are expanded upon in greater detail in sections below.

Typically, the average donor foundation to which the GPLI would like to cater online is an institution that is making annual disbursements/grants across a wide range of amounts, geographies and sectors. There is a fair mix of those who seek to do multiple year-on-year rounds of funding and those whose funding cycles are contingent on idiosyncratic factors, with insufficient data to support any assumptions around a correlation between this and the appetite to use online sources more frequently. **Overall, there does not appear to be any single obvious point of (online) reference that the majority of these users are loyal to.**

Based on input from interviews, it is clear that these users are a) quite highly time-constrained, b) already working in small clusters founded on strong personal linkages, and c) do not need access to a meta-site of information for the sheer sake of it. One interviewee has gone so far as to state that there is no demand for a new ‘solution’. Irrespective of this, one thing is clear: the online ‘world’ is

used to inform and not to make decisions. Most users appear to regularly tap a variety of resources at their convenience in their general work: accessing search engines, signing up to listservs, attending conferences and events, as well as searching sector-specific databases and both public/private access websites. There is a fair and consistent mix around those who (are willing to) pay for these resources, and those who do not, with an equally mixed collective view on perceived value where fees are involved. Paying more or at all in this context does not seem to equate to a clear sense that more value is being derived as a result.

b. User Needs and Daily Activity

The target user segment does not appear to place as great an emphasis on open resources like social networks or even bespoke online databases in conducting their everyday work as we would think, although a slight nod here and there to the power of Twitter as a communication resource has been discernible. The value of an industry association does appear to be widely accepted, although this lies in its ability to convene, and traditionally not necessarily to support actual daily information-gathering and decision-making processes. This is one “step-change” that would need to be achieved in order for an online deployment to succeed: the promotion and widespread adoption of a tool that is conceived to be useful *in the practice of the everyday*.

- **How can ‘the everyday work’ of users be reflected in the form of functionality that will encourage them to log in frequently, assuming this is a priority for a deployment?**
 - **Frequency of traffic and estimations of access** should be determined as a core part of any strategy moving forward.

In terms of aspiration, it appears that what people hope to derive from membership in an industry association is the ability to form (as well as strengthen) relationships that may then evolve to become trusted sources of information and possible partners for cooperation. For the most part, it appears that for the purposes of conducting daily business, most donor practitioners are quite reliant on their own *internal* institutional resources and contact base, as well as their existing trusted contacts and resources outside their institution in equal measure. Therefore, any online platform catering to this constituency would need to find a way to streamline channels of communication that *are largely already in existence*. The technical resources required for this (in, for example, creating an internal messaging system native to a specific website) are probably not best used in the re-creation of what exists already, but rather in a mandate to complement and leverage it. For example, seamless importing and organization of specific email exchanges or threads on particular topics that may be of use to one or more users, coupled with the ability to auto-capture contact lists

and identities on Skype – are ways to technically integrate existing content and relationships into a more relevant and adoptable online tool that creates ‘memory’, in effect. This is based on an assumption of course that an online network would *seek* from a positioning standpoint to *be relevant* on a daily basis.

“Work-in-Progress” Findings: It should be a priority of a GPLI deployment to encourage moderate to high levels of traffic around the system deployed, and to look to build something that seamlessly integrates with existing repositories of data and everyday tools (i.e., Outlook contacts lists, email and folders). The incorporation of a meta-tagging system around choice bits of correspondence that happens both during ‘business as usual’ and that gets ‘recorded’ as part of communications around specific threads may be useful for the offering of more robust search functions and knowledge management, presumably for the benefit of those who are willing to share this kind of information with those they know.

c. How do Users Work?

1. Grantee Selection

The process of identifying grantees, as a major part of the objective of most donors and foundations, happens in a variety of ways. Many institutions have online direct inquiry systems that are both internal and bespoke, with supported comprehensive application processes that may occur online or offline. It stands to reason that each foundation will have a slightly different proportion of grantee-generated requests for funds vs. their own outreach to potential recipients on behalf of the foundation’s own research efforts. It also goes without saying that potential grantee organizations approach foundations from within active networks of practice, where clusters of activity and expertise in a particular place on a particular issue are visible. As familiarity increases with an issue space and its key constituents, a foundation becomes better-versed in who is doing what and to what effect; the time line in attaining this knowledge from scratch can run anywhere from 1 to 3 years, and thus the question to be asked in terms of determining potential site functionality is whether the intervention of a technological solution may intensify or shorten that effective ‘learning curve’?

In short, on the back of the general responses from respondents within this community, levels of autonomy and indeed sector-specific work styles indicate that the **willingness to allow a technology intervention into this process is low.**

“Work-in-Progress” Findings: It is nevertheless interesting to think for a moment about the potential value in supporting an *activity log of the active endorsements* of specific grantees by known (previous) funders, in order to simply **streamline and centralize the kinds of information that are normally already viewable** on most individual foundation websites. The ability to view this information in the context of a richer, high-context and private virtual environment that provides underlying management contact details (and even potentially a ‘high context’ feedback mechanism upon these listings) could add value without presenting a massive technical task to the GPLI. High ‘context’ in this instance is a reference to user profiles upon which feedback has been generated, as well as detail added regarding the individual bearing specialist knowledge and a network, thereby spanning many layers beneath the top level information that people usually see (i.e. “Dell Foundation works in 12 countries in health and sanitation”).

2. Due Diligence

From a technological standpoint, one of the most active and obvious benefits that any solution provides should be one that involves savings in terms of time and resource. It stands to reason that one of the most heavy ‘transaction cost’ areas of functioning for most major donor/foundations will lie in due diligence, and that herein also lies an opportunity for any new and effective system to exploit.

From a **method standpoint**, every organization will take a different perspective in its due diligence. Some will work in applying acceptance criteria on a case by case basis, implementing a more versatile and dynamic approach to their diligence that will take into account varying sets of outcomes from each separate site visit, round of secondary research, or input from peer funder group. The extent to which a review of legal/financial and available programmatic information is determined internally (as opposed to externally) through the use of more standardized tools is also a differentiator of method.

From a **process standpoint**, relevant program staff within a given foundation may be tasked with travel to a field site, while on occasion consultants will be employed to outsource this work. It is apparently quite rare that the work of third parties be viewed as a complete substitute for the internal assessment of a foundation, but these may often still play an assistance role in follow-up visits and meeting where further information is required. It is worthy of note that the costs of managing smaller pools of funding happen to be quite a deal more proportionally untenable than with larger pools, particularly as pertains to due diligence. The economics of transaction costs of due diligence can quickly become unworkable. One way around this appears to be the use of ‘mentoring

grants', whereby foundations disburse money to bigger organizations to work with small ones in an effective 'train the trainer' sort of scheme based on 're-granting' as a vehicle. On the other hand, however, some practitioners iterate simply that foundations will ever only really trust themselves, and that issues of liability are much more a priority than the costs of due diligence rising beyond certain thresholds, which in and of themselves may be of lesser consequence because they are isolated or simply considered a part of operating overheads.

In any case, the questions to be considered include:

- **Does it make sense to use an online portal to standardize, collate/integrate or simply aggregate appraisal methods by vertical or sector?**
- **Moreover, should the customization and development of bespoke due diligence methods be supported by a tool derived from networked information?**
- **Should the substance of due diligence itself be shared?**

It is worth highlighting that some donors are actually moving to a more cutting edge approach to their learning, particularly in the way they attempt to understand their potential grantees better. One interviewee cited that an examination of a specific vertical (in this case, "digital media learning") was comprised of how they were spending time online, looking at the way children today learn about using new tools. Networks capable of framing the activity of interactive groups, the use of wikis, and open interactive participation with Sharepoints involving engagement with numerous grantees at once comprised areas of significant interest; digital media hubs of this sort enable co-funders and grantees to share, participate and hold on-going conversations with one another.

"Work-in-Progress" Findings: There appears to be interest in our respondent pool in opening access to due diligence methodologies and templates, and this even in a sector where most foundations' 'centre of gravity' appears to revolve around relatively insular approaches. There also appears to be sufficient curiosity to support the claim that viewing and potentially downloading such templates would be considered useful, although far less so in terms of the substance of the due diligence itself in any given case. Moreover, one interviewee mentioned that the ability of potential diligenced grantees to establish and maintain an ongoing profile that captures their achievements over time – an effective "track record" tool – would be a tremendous help to funders who are keen on making decisions based not on theoretical 'plans for the future', but on practical evidence of past success and implementation. From a substance perspective, the potential of offering actual due

diligence reporting on real opportunities is something that does not appear to register prominently as a priority interest area.

To the extent that processes supporting the due diligence applied to grantee selection can be undertaken by third parties, there is also some perceived value by users in building up and making accessible directories¹ of such providers (heretofore mentioned as ‘business development assistance providers’), upon which feedback can be ‘privatized’ and held for ‘donor eyes only’. It would appear a high priority that these directories may be ‘acted upon’ in terms of customized (and privacy-defined) feedback streams from within the social network architecture, so that context and relationships may be brought to bear on what would otherwise likely be a simple ‘yellow pages’ type of facility.

c. Cross border Collaboration

Concurrent with increasing internationalization of mandates is the challenge of providing mechanisms for helping grant-makers quickly assess the climate for their grant-making work in a given country. Naturally, some are open and accepting, while others are more closed – and in the same way that the *CIA Fact Book* offers comprehensive review of the political, economic and societal conditions in a given country, an opportunity exists to provide coding and analytics around the identification of international ‘hotspots’ or areas to be wary of when pushing contentious issues such as population control or gender/human rights.

While it is a fact that information on regulatory issues is becoming more readily accessible at the country level worldwide thanks to the growth of active intermediary ‘philanthropy support organisations’ and various initiatives tied to academia/civil society over the last couple of decades, most major donor funders still face a substantial challenge when it comes to identifying what factors (and indeed, stakeholders and actors) must be considered when working this way, where trusted sources of information are hard to come by.

“Lost in Translation”

Another obvious but often overlooked matter is that of translation; much of what may be required by way of documentation is often presented in (literally) the ‘wrong’ languages for donors, and at times this proves a challenge when smaller organizations are in need of shared services or a vendor recommendation. Moreover, the limited resources in areas (particularly the emerging markets) where telecommunications in particular are lacking mean that the richness of the grantee base even

¹ Apparently, the Foundation Center is moving towards this sort of functionality offering.

capable of fulfilling and submitting funding applications is inherently compromised. This issue trickles down right through the entire value chain and process of allocating grant capital – from opportunity identification straight on through to proper monitoring and oversight, as the infrastructure challenges create bottlenecks on both sides. These are extremely common problems that can be addressed through basic methods that simplify things, such as information that is easily printable, files that are mobile-friendly, data that can be both delivered and gathered via ‘sms’ servers and platforms, etc.

As an example, even the ability of the top 10-20 donors / foundations working in a challenging country context to amalgamate their applications processes - such that an applicant fills in just **one funding form** for all institutions at once - would be already a tremendous *coup* in terms of shortening time frames and mitigating efficiency problems that plague most cross-border programming. This would be in many ways a simple technical intervention that supports what in any case is the reality on the ground; any good project worth its salt is likely to approach the same community of funders, provided their sector focuses match. It is apparent that a similar effort has been underway at the **Council on Foundations** to identify the common elements in funding apps, with a view towards consolidation. The common fear associated with this and the general pushback is that all donors are *so* unique that this is simply not possible. A more realistic assessment, however, is that there is a fear that this type of technical solution could ‘open the floodgates’ of opportunity ‘flow’ to levels beyond the capacity of most donor foundations to process them.

It is interesting to note that the group discussions yielded some nuanced discussion which point to the idea that there are inherent risks to creating tools and information/networking infrastructure that relentlessly pushes toward openness and transparency for its own sake. The development of civil society and philanthropy in restrictive countries or non-straight forward regulatory environments where people make it a profession to get around the law may often very easily result in trouble. Transparency might not always be a good thing, as tools (particularly those in the business of information) can be leveraged equally effectively for bad as for good. We must therefore be mindful that the goal of deploying networking infrastructure is not simply one about achieving openness for its own sake.

“Work-in-Progress” Findings: It appears that one way to address the challenges of working across borders for many funders and philanthropists may lie in the creation of a space that holds a) a **compilation of personalized contacts**, and in effect b) **mini-‘war stories’ and associated anecdotal solutions to challenging situations**. This would present an interesting ‘intelligence’-equivalent source of data to a community that may access this type of content in very specialized niche circles,

and largely offline at that. This would also support on some level the need for grant-makers to be able to share stories in support of their creativity, and to also provide material for their ability to discern ‘patterns’ in the volumes of information and data thrown their way.

d. Inter-donor Cooperation & Innovation

Most donor foundations appear to prefer *not* to work in isolation, although the average size of the ‘donor collaboratives’ referred to above on average is unclear from the data gathered to date. An even spread characterizes those who opt for sharing due diligence on new opportunities vs. those who prefer undertaking it alone, and a small portion hire external reviewers to assess projects as a standard. Some nominal interest does exist for access to shared due diligence templates, but from a demand perspective it appears that the chief need that rises to the surface pertains to access to benchmarking and market information, allowing funders to assess the relative impact output per unit of input across their portfolios.

The most valuable feature of donors’ offline networks is derived from **peers**, who check one another’s assumptions, contribute additional information about potential organizations or existing grantees, and who help shape strategy. Taking and cultivating this wealth online means that each individual donor foundation suddenly has access to a much greater breadth and diversity of experience and opinion, particularly as pertains to evaluation results and shared expertise. Naturally, the **cultural predispositions** of the differently situated institutions by geography will by default be a strong determinant of the kinds of practices they are likely to adopt, as well as the extent of their conservatism in sharing information. One interview participant stated, “In the US, people appear more inclined to connect in new and different ways. In Europe, people tend to still prefer picking up the phone.”. That said, there has been collective appreciation in many of these conversations for the fact that new generations of donors are using more interesting tools to do what they do.

- One element that has been raised in group discussion is whether it may be of value that a platform **shed light on the degrees of separation between users**, or the designation of ‘the shortest path to Y being through Contact X’. (This is referred to indirectly in the Findings section on Page 7).

As mentioned earlier in this document, the appeal of ‘social networks’ does not appear to be extremely high in this user crowd. Nevertheless, neither is there empirical evidence to support that ‘they will not come once one is built’, or that users will not be appreciative of a tool that allows them to understand where their work falls in the wider context of a complex ecosystem of actors.

Recommendations of this study err on the side of including the above *in a later phase of any deployment.*

Collective (Community) Innovation

One interesting element that appears to be *lacking* across the board in a visible way across the breadth of all the platforms reviewed for this analysis is that of both intra- and inter-community innovation. There does not appear to be any structured, enabled or otherwise explicit attempt to capture new ideas within this broader community, test them against the opinions of subject matter experts, pit them against one another, and/or open up dialogue within a community of practitioners that while admittedly quite conservative, does nevertheless appear to wish for a smarter way to interact. Indeed, in a survey undertaken by Brousseau and the Northern California Grantmakers (NCG) in 2004 interviewing 822 grantmakers, the desire to expand the creativity with which they approached their work was highest on a list of seven possibilities [4]; this comes in part from the prerogative of wishing to share experiences that get to the heart of the grantmaking expertise, but also surely from the enablement of tools that support, in essence, creativity. The ability to translate what one knows from one situation to another is an essential element of creativity, and the stage upon which this transposition may take place is one that does not currently exist in any formalized way. The following statement supports the notion that a platform supporting creative innovation would and could be of high value: “In the social psychological perspective, creativity is not a genetic quality that people either have or don’t have, but a quality that comes *from interactions of people and their environments.*” [5].

“Work-in-Progress” Findings: As the trend for higher engagement philanthropy becomes ever more tangible, it will be important for the GPLI system as a convening point to position itself at the helm of something cutting edge, even if it is not around portfolio-sharing or any kind of fancy online transaction mechanism. The idea of considering open innovation platforms within (and between) communities of practice in the donor/funder arena is one that can drive the realization of best practices and that can be operated as simply as by providing points/’kudos’ systems around votes for ‘best idea’, that in turn drive reputational ‘races’ within niche networks. This is an area that can be described in greater detail and discussed in a group setting if of interest.

IV. The Market: Managing Fragmentation

Funders' networks and philanthropic platforms should not act in silos if they wish to be optimal, and yet the competing vested interests of conveners tend to overtake this basic logic. The practicalities of sharing expertise within the confines of 'niche' specialty areas further compound this; moreover, systems with explicitly US or European focuses appear to be quite common, while certainly from a cultural standpoint they appear to dominate in number. In order to function effectively, donors require a variety of inputs, actors and interactions with other 'marketplace components,' and many of the most dominant networks have a limited ability to cater to multiple stakeholders, at least online. These marketplace components - through their specific functions - add value to an online platform, and in turn are responsible for building trust, maintaining reliable information flow and possibly even ensuring liquidity within the ecosystem. These attributes in turn act as a 'grease in the wheels' that ensures that a virtual marketplace keeps running on demand. In the virtual space that caters to foundations and funders with a philanthropic focus, a number of networks already exist and are covered (albeit not comprehensively) in the illustrative Table (1) below. Many of those listed offer both open domain areas of information, as well as members-only access areas.

Those sites with a more 'institutional' focus on foundations and on niche activity areas where knowledge dissemination, best practice and policy/advocacy work feature prominently appear to be less 'closed domain' and permeable. Those working to provide premium services such as 'experiential' concentrated workshops catering to individuals and their families are more likely to be impermeable, and to charge for access. The GIIN and ANDE, products of the relatively younger thread of activity in the sector referred to as 'impact investing' are distinct, and cater to a constituency of early adopters who appear slightly more willing to pay for service. This may be due to the association of the concept of 'investment' to their core activity. On the whole, however, few have managed to really monetize and make their networks financial sustainable, with the exception of the 'conveners of conveners', or the larger 'association of associations'. The majority cater to at most a couple of hundred members, with little insight supporting the extent to which that membership is considered technically 'active'.

It is not beyond our scope to consider as well for a moment the situation in which an information source or entity caters to donors that make grants on behalf of users - where a single foundation itself is not necessarily the absolute source of the corpus of grants 'under management'. Donors know what they are looking for, and a "Guidestar"-like entity or service (of which there are a handful of rising variants), in which the core basic requirement rests upon support for legal compliance, is useful to bear in mind alongside the range of more 'traditional' players.

While Table 1 captures the general scope of the most prominent virtual hubs in cyberspace, it is also worth noting that many have opted for the use of user-customizable communities, such as Drupal Commons. Others use *Sharepoint.com* or *Confluence* sites, or services that offer similar collaboration software to enable the formation of groups with common interests; the lowest hanging fruit in this regard is likely the *NING*, *Yahoo! Group* or *Facebook* group that can be derived through access to common search engines or social networks. Slightly higher tech approaches may incorporate ‘News Gator’ overlays on a *Sharepoint* site in order to enhance the user experience, but overall, these initiatives are more designed for expediency than for scale. The reality around these types of sites is that for as long as they are user-managed and administrated (likely on a volunteer as opposed to a professional basis), there will always be a consistency and quality issue. These networks are harder to track but are concomitantly less likely to pose any significant competitive threat to the formation of a formally convened network, as they are often inconsistent in the value they deliver, other than to support the exchange of open forum questions. Almost all of the funder networks captured thus far offer *some* research or value-added analysis of the sectors which they serve in primary function:

For the sake of methodological clarity, some detail on the informal score analysis shown below in Table 1 may be useful. Each platform is ranked on a scale of 1-10. The list of networks is by no means exhaustive, but is rather indicative of the popular ‘go-to’ points that appear to dominate the foreground of the donor-funder arena. Each criterion assessed per platform is weighted and appraises the existence and quality of: member’s only features, coverage of main substantive function, monetization, numbers served, main goal (with an agnostic approach to sectoral proclivities), nature of active service types, and sponsors/supporters. Qualitatively, the findings of this comparative analysis lean toward the celebration of models that demonstrate higher traction, successful monetization schemes, and some technical front-end sophistication in terms of public/private domain differentiation. It goes without saying that the quality and presence of important sponsors and supporters is also of interest. At the same time, the caveat must also be added that without direct membership access into each and every said network, anything more than light-touch comparative assessments are hard to make, particularly when it comes to guessing the robustness of the back-end support systems and the complementary offline activities that often run in conjunction with these online communities. Nevertheless, what we are able to ascertain broadly is the extent to which a given online space successfully caters to its constituents, what the substance of its activity is, and generally whether it could be of value from a partnership perspective to the GPLI. More details on scorecard findings are available in Section V(c) on page 33.

Table 1: Comparative Analysis of 24 Online Donor Funder Networks/Portals and Scorecard Analytics Results

Table 1: Funders networks	ARIADNE NETWORK http://ariadne-network.edu/	FUNDERS NETWORK http://www.fundersnetwork.org/	WINGS + + www.wingsweb.org	FOUNDATION CENTER http://foundationcenter.org/	GLOBAL FUND FOR COMMUNITY FOUNDATIONS http://www.globalfundcommunityfoundation.org/	GREEN FUNDERS http://www.greenfunders.org	GROWTH PHILANTHROPY/Social Impact Exchange http://www.socialimpactexchange.org	FUNDERNETWORK http://fundernetwork.uk/	SOCIAL IMPACT EXCHANGE	PHILANTHROPY UK http://www.philanthropyuk.org/	THE EUROPEAN RESEARCH NETWORK ON PHILANTHROPY	COMMUNITY FOUNDATIONS http://www.communityfoundations.org.uk/	LOCAL GIVING http://localgiving.com/	INSTITUTE FOR PHILANTHROPY http://www.instituteforphilanthropy.org/	EUROPEAN FOUNDATION CENTER http://www.efc.be	ANDE http://www.aspeninstitute.org/policy-workshop-network-development-entrepreneurs	IMPACTBASE http://www.impactbase.org/	COUNCIL ON FOUNDATIONS (COF) http://www.cof.org/	GRANTMAKERS FOR EFFECTIVE ORGANIZ. http://www.grantmakers.org/	GIIN	AFRICA GRANTMAKERS AFFINITY GROUP (AGAG) www.africagrantmakers.org	SYNERGOS LEARNING LIBRARY www.synergos.org	US INTERNATIONAL GRANTMAKING www.usig.org	GUIDESTAR www.guidestar.org	
Members Only? feature	Y	N	Y	N	Y	Y	N	Y	Y	N	Y	Y	N	Y (slumi)	N	Y	Y	Y	Y	Y	Y	N	N	Y	
Other key Functions	Profiles of funders and interests, a library, a calendar, conferences, informal notice-board, job postings, access to moderated communities, geographical or linguistic areas of focus, and specialised tuition	Annual conference; Access to knowledge; Monthly Learning Network; PLACES, a leadership dev program	Advocacy and Leadership, Teaching and Learning, Knowledge Dissemination; Sustainability; Governance	Instruction on funding research, proposal writing, tools for finding funders, news, research, library and training classes	Grantmaker	Quarterly lunches, ad hoc events, retreats, research, special events, member's section	Network and infrastructure to promote & finance nonprofit scaling; market creation mechanism	Open to all funding organisations, blog, a Q&A section, foundation search to facilitate access to funders' resources	Focal point for funding major nonprofit expansions, including program replication, practice dissemination, policy initiatives, system change	Current info & best practice; accessible links to specialists; inspire more people; philanthropy director	Advance, coordinate and promote excellence in philanthropic research	Nat'l membership association for CF; negotiating national grant-making and funding opps on behalf of members; providing TA	Enable giving to small local groups in the UK; provide listings per vertical	Provides donor education; Build donor networks; Raises awareness and understanding of philanthropy	Enabling legal and fiscal environment; Documenting European philanthropy; Benchmarking and capacity building; Network-building	Knowledge Sharing, Metrics, Training, Research, Convenings, Capacity Dev Fund for impact investing	Impact Investing Fund Product Listings	Legal info; public policy; professional development; careers; publications	Learning for Improvement; Collaborative Problem Solving; Stakeholder Engagement and Scaling What Works	Increasing scale and effectiveness of impact investing; IRIS standard; Impactbase; Investor's Council	Annual retreat, conference calls/webinars, commissioned research, searchable database	Online resource library for philanthropy and creating partnerships	Partnership of Council on Foundations and Intl Center for non-Profit Law; provides templates, database of legal info on 35 countries	Partnership of Council on Foundations and Intl Center for non-Profit Law; provides templates, database of legal info on 35 countries	
Monetized?	N	N	Y	Y (non-member)	N	N	N	N	N	N	Y	N	Y	Y	Y	Y	N*	Y	Y	N*	Y	N	N	Y	
Number served (L,M,H)	100+	100+	150	<<	TBD	<75	N/A	N/A	3400	N/A	100*	60	56	200+	236	140+	100+	1800	370	<48	n/a	n/a	n/a	1000s	
Main goal	KNW / CONV	KNW / CONV	KNW / CONV / EFTE	KNW / POLICY	TACONV / POLICY	EFTE / CONV	MATCH / CAP	KNW / EFTE	MATCHING	KNW	RSRCH	CONV / EFTE	MATCH	CONV / KNW	KNW / CONV / LEGAL	MATCH / CONV	MATCH	KNW / EFTE	KNW / CONV	EFTE	KNW / CONV	KNW / CONV	KNW	KNW / LISTINGS / EFTE	
Focus Area	HUMAN RIGHTS	ENVIRON / LAND USE	AGN / DATA	DATA / RESEARCH	COMMUN / GLOBAL SOUTH	ENVIRON	AGN	AGN	AGN	AGN	STRUC / GOV	COMMUN	AGN	AGN	AGN	AGN	IMPACT / INV	AGN / DATA / RESEARCH	OUTCOMES / VALUATION	IMPACT / INV	GEOGRAPHICAL FOCUS: AFRICA	AGN	LEGAL	AGN	
Services																									
Information Services	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Transactional Services	N/A	N	N	Y	Y	N	Y	N	N	N	N	Y	N	N	N	Y	N	N	N	N	N	N	N	N	
Advisory Services	Y	Y	Y	Y	N	?	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	Y	Y	N	N	N	Y	
Regulated?	N					?	?							?							?				
Reputable Investors/Supporters	*9 MAJOR TRUSTS AND FOUNDATIONS -SEE BELOW	MEMBERSHIP	VIP	VIP	VIP	INVESTORS, TRUSTS, FOUNDATIONS, INDIVIDUALS	*SEE BELOW		*SEE BELOW		21 EUROPEAN COUNTRIES	GOV / CORP DONORS / INDIVIDUALS	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW	*SEE BELOW
SCORE	7.55	4.55	9.8	8.5	6.75	6.8	7.75	6.55	8.5	7.75	9	7.75	6.75	9.05	8.3	9.55	7.9	9.05	9.8	7.55	8.3	4.3	4.3	9.75	

*Free in Beta; LEGEND: KNOWLEDGE: KNW; RESEARCH: RSRCH; CONVENING: CONV; EFFECTIVENESS: EFTE; MATCHING: MATCH; IMPACT INVESTING: IMPACT / INV; CAPITAL INTRO: CAP; AGNOSTIC: AGN; COMMUNITY: COMMUN; STRUCTURAL/GOVERNANCE: STRUC/GOV; <<: thousands; **These are exceptional bodies that serve as an 'association of association', and therefore should be appraised as such.

Notes [6]

Online Issues Space Analysis:

It is fascinating, when one undertakes an analysis of the online ‘issue space’ related to the subject of “*resources for grantmakers and foundations*”, to see which websites and entities rise to the surface in terms of prominence as vital ‘nodes’ of this network. The above analysis reflects the results of a web crawl undertaken by a software tool called the **Issuercrawler.net**; the software was conceived in the mid-1990s at the Department of Science and Technology Dynamics, University of Amsterdam, and has a forerunner in the Netlocator, also known as the De-pluralising Engine, built in Maastricht during the Jan van Eyck Design and Media Research Fellowship, 1999-2000. The Issuercrawler is basically server-side ‘Web network location’ software. There are two steps before launching a crawl, namely the harvesting of the top appearing *urls* after a standard Google search of any topic, and the actual determination of the ‘online crawl’ settings. The Issue Crawler crawls the specified starting points, captures the starting points’ outlinks, and performs co-link analysis to determine which outlinks have at least two starting points have in common. The Issue Crawler performs these two steps (crawling and co-link analysis) once, twice or three times. Each performance of these two steps is called an iteration, and each iteration has the same crawl depth. The larger the circle representing a site/network, the higher the number of shared in-links it supports. The *centrality* of nodes at the heart of each ‘issue space’ online is also indicative of their prominence vis-à-vis their peer organizations. Should any site that sits most *centrally* and *core* to any ‘issue space’ network disappear, it follows that the likely result would be the collapse of the links that give shape to a given issue space (and thus a community) online.

Effectively what we find in the output of this exercise above in Figure 2 is which prominent websites (be they .org, .com, .edu or other) appear to dominate the virtual arena around the general ‘issue’ of grantmaker/donors/foundations resources online. Naturally, given the nature of this research, the dominant results appear to be ‘.org’ type entities. As stated in Rogers’ work, there is a certain ‘optionality’ in linkmaking, and hyperlinks between websites are matters of organizational policy and ‘selective associational space’ [7]. This depiction is not equivalent to generating ‘rankings’ of which sites are *more important* than others; it simply creates a snapshot in real time as to which sites are *most highly linked to*, and this implies their role as a ‘convener’ and meaningful ‘node’. This measure may also possibly be seen as a proxy for general web traffic analysis, although once again the feedback of users should be differentiated from inter-organizational dynamics within the sector. The fact that the results differ from a manual comparative analysis in our preceding table simply speaks to the fact that niche networks with selective users bases are not by design set out to dominate cyberspace. Yet, at the very least, from a marketing standpoint, it stands to reason that

social media (given the incredible prominence of the **Twitter** node in this network) – ought to be incorporated as a core element of outreach strategy if indeed the goal is to attract *traffic* and *traction* in general. The most prominent nodes on Figure 1 appear to be aggregation points and news sites, including blogs and the odd institution. The two noteworthy ‘most linked to’ sites on this depiction given the context of this analysis include the **Council on Foundations** and the **Foundation Center**. This is, of course, highly dynamic content. Both bear the greatest number of in-links, which means that their prominence in the network and their ability to ‘hold the issue space’ online is undisputed. What the results also point to is that what we are looking at are not accidental outputs; there is intention embedded in each shared link, and there are key nodes in this “issue network” that hold it together. It is those sites who have successfully optimized their ‘searchability’ in the hierarchies of the Google search engine that rise to prominence in such issue space networks. This is *not to say* that niche sites with a very specific user base that intentionally veers away from mainstream web traffic are not important as network nodes; however, it is also noteworthy that the absence of some of the major high-ranking online networks/communities from the generic issue space analysis is telling in itself. The likelihood of coming across specific philanthropic entities (like Gates, Atlantic, Packard) points to their generic influence and reputation, though does not speak to any qualitative assessment of the content they contain.

This is useful insofar as we are attempting through this analysis to understand the importance of positioning such a GPLI resource in an already existing and reasonably robust virtual arena. The difference between Figures 2 and 3 lies in that while the former was generated through a straightforward ‘hyperlink crawl’ launched on the back of the results of a basic Google search for the terms “grantmakers and philanthropy resources online”, the latter depiction was launched on a much more deliberate and controlled ‘starting point’ for delineating this online ‘issue space’. This latter starting point includes all 24 of the pre-selected networks identified and analysed in Table 1, and shows us that in contrast to the generic starting point, in Figure 2 it is the ‘biggest name’ foundations themselves that seem to comprise the densest ‘essence’ of this issue in the virtual world. In this simulation of our ‘issue space’, it is again the **Council on Foundations** website (and *not* Twitter) that ‘holds’ the center of gravity of this network. Given their prominence in both depictions (one derived from random search means, and the other more deliberate), looking at a potential connection for deployment would be advisable. There is also validation here - through the crawl that supports the visualization in Figure 2 - that **WINGS(web)** is indeed a good selection as ‘host’ or ‘partner/sponsor’ for a GPLI platform, as it retains a position of centrality and proximity to the core of the ‘issue space’.

Figure 2: Hyperlink Analysis of the Online “Issue Space” around grantmakers/philanthropy resources online

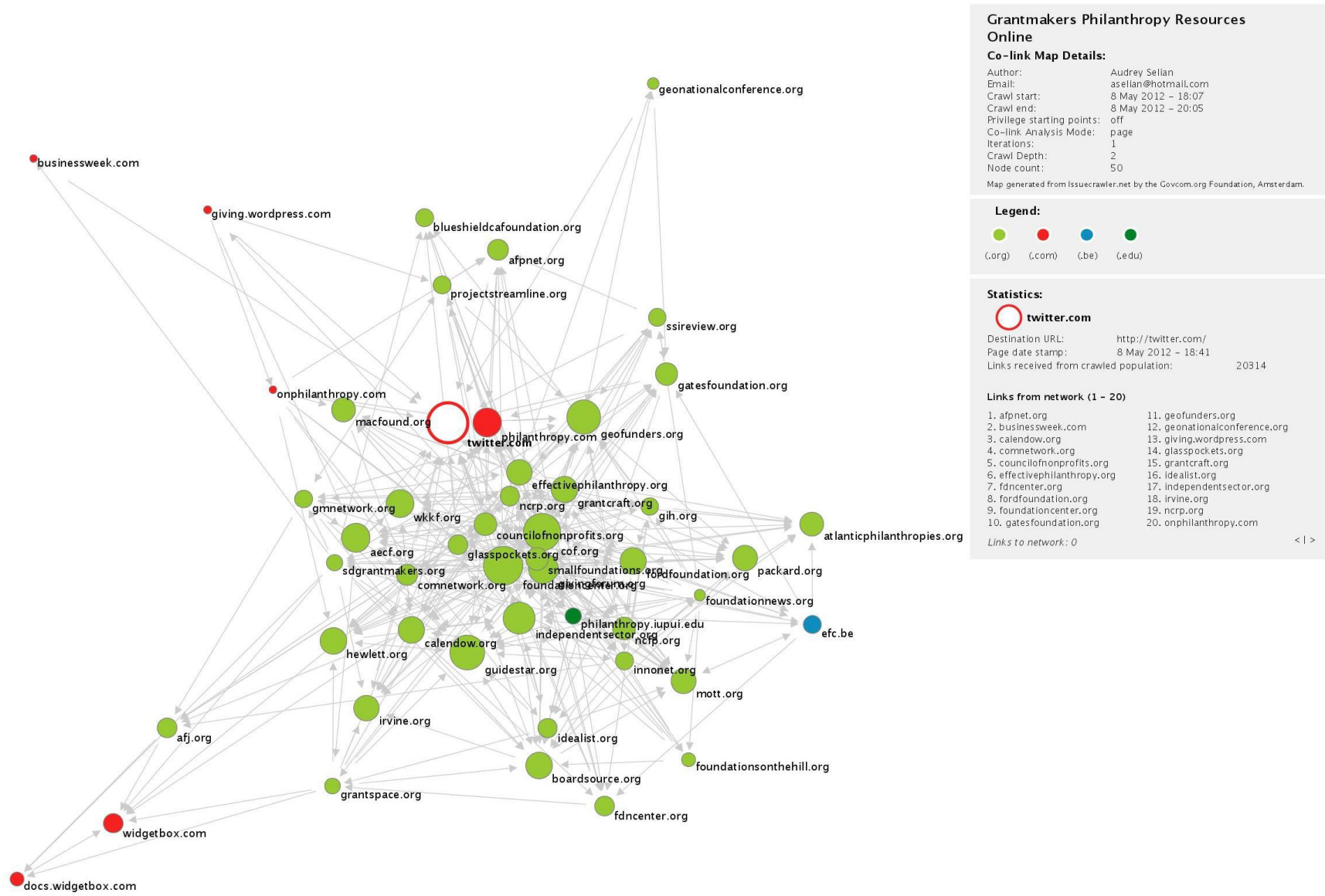


Figure 3: Hyperlink Analysis of the Online “Issue Space” based on pre-selected starter points from Table 1



Selected Grantmaker Resources Online

Co-link Map Details:

Author: Audrey Sellen
 Email: asellen@hotmail.com
 Crawl start: 8 May 2012 - 23:15
 Crawl end: 9 May 2012 - 01:21
 Privilege starting points: off
 Co-link Analysis Mode: page
 Iterations: 1
 Crawl Depth: 2
 Node count: 49

Map generated from Issuacrawler.net by the Govcom.org Foundation, Amsterdam.

Legend:

(.org.uk) (green) (.com) (orange) (.net)(.gov.uk) (blue) (.be)(.org.br) (grey) (.gov) (yellow)

Select links layers:

links on

Statistics:

cof.org
 Destination URL: http://www.cof.org/
 Page date stamp: 8 May 2012 - 23:15
 Links received from crawled population: 593

Links from network (1 - 20)

1. gatesfoundation.org	11. ega.org
2. bernardvanleer.org	12. mott.org
3. hiltonfoundation.org	13. packard.org
4. fordfoundation.org	14. rockefellerfoundation.org
5. efc.be	15. siliconvalleycf.org
6. idis.org.br	16. wingsweb.org
7. carnegie.org	
8. alliancemagazine.org	
9. scf.org.uk	
10. foundationcenter.org	

Links to network: 29

Export & Save options:

File type:

Map type:

V. Recommendations

Sometimes it takes a breakthrough in terms of understanding the collective benefit of shared resources in order for a solution to reach widespread acceptability. This does not yet appear to be discernible in the existing market space, and the GPLI development process should be viewed as an iterative exercise that will **begin with simpler phases and test assumptions about user behaviour and market needs, with a plan to revisit traffic flows and traction on a bi-annual basis over time.** A view as well toward cultivating innovation and idea management between donors and within the platform will also be elaborated upon below.

a. Value add of GPLI platform

The GPLI as a joint initiative of the Council on Foundations, the European Foundation Centre (EFC) and the Worldwide Initiatives for Grantmaker Support (WINGS) is an **ideal frame for the launch of a federated system that is capable of providing what many in the current fragmented arena of inter-donor networking are unable to support independently.** Growing the practice and impact of philanthropy in a global context through support of more robust understanding of legal and regulatory environments, of more optimal models for improving and increasing collaboration, and through identification of new ways to create inroads into niche networks of multilateral organizations is what defines the bigger picture vision of this work. Many of the various initiatives underway already make reasonably good attempts at addressing the above matters, albeit in mostly uncoordinated ways, and often with highly specialized audiences that could stand to benefit from access to more consolidated networks.

The challenge of undertaking this bold experiment by GPLI underpinned by making the right decisions where it comes to the allocation of finite resources, people and technology. These decisions should be supported by the premise that **re-inventing the wheel is clearly not optimal;** ideally, one should allow those who have already spent sizable time and resource on specific topic areas to continue to do what they do best, with the offer to incorporate them under a federated umbrella that not only gives them access to parallel initiatives, but an opportunity to expand the impact of their innovations through an ever wider laboratory and community of practice.

b. Market readiness and key findings

An honest answer to this question derived from the straight input of interviewees and survey respondents would indicate that it is indeed 'early days' for a sophisticated GPLI platform deployment that delivers on a truly 'federated approach'. Nevertheless, a review of the highly fragmented market and existing initiatives, and an understanding of the obvious gaps in knowledge and information management sector-wide support the idea that **there is a material opportunity to benefit in the long term from an approach that consolidates information effectively**. This will entail time and negotiation, but need not be a painful trajectory in the sense that the possibility of offering clear incentives and win/win opportunities is realistic.

Based on what has been discussed above, **it is recommended that the GPLI proceed with a careful, phased action plan to deploy an online network, with the caveat that it be designed to leverage efforts which have already been developed and gaining successful user traction**. This is validated by the density of the interactions evident in the existing 'issue spaces' online depicted in Figures 2 and 3 above. In a sense, this research exercise has yielded an outcome that is neither obviously positive nor negative; the prevailing logic must be one that is derived from a tactical approach to the crowded space of information service providers. As stated above, the starting point for this exercise includes the idea of 'starting simple' and bearing caution to avoid 'biting off more than can be chewed' with the deployment of extensive (and expensive) sophisticated functionality too early on. In terms of partnering, there is the obvious point that deployment under the auspices of a venerable network like WINGS is indeed likely to be the *most* risk-mitigated approach to deploying a new system.

It is believed on the back of this research **that there exist sufficient areas of opportunity to justify this resource and effort**. An assessment of the drivers of user traction, 'stickiness' and otherwise successful user interfaces yields a number of findings that should be considered with caution, including:

- **Personalisation as Key:** In parallel (and stark contrast) to the vast macro space in which GPLI may position itself, one main research output is that there is a clear need for improvement of the depth of person-to-person interaction on the various systems that already exist. *Specificity of names and contact information* has been heretofore lacking, and the ability to support the desire and need for expanding networks through 'contacts of contacts' on the basis of trust is a positive. This means that not only should individuals be capable of listing their contact details and function at their prerogative in a protected online environment, but

that they should be able to use both formal and informal means to communicate with one another through a safe network.

- **Tactical positioning:** There is a clearly limited amount of time that users have to allocate to their ‘participation’ in online *fora* in general. Can a GPLI system be compelling enough to override existing loyalties to more niche networks? To address this issue, two paths exist in terms of positioning:
 - **The GPLI platform positions itself as a federated umbrella** under which numerous existing initiatives may find a comfortable (Scenario 1, p.36) or;
 - The GPLI platform **positions itself as a competitive substitute** to the more/most successful existing initiatives currently online. Part of this challenge will be addressed by the inherent nature of the supporters of this initiative, meaning that it will by default already reflect the sum of a number of ‘joint venture’ type initiatives of high-traction networks like WINGS, the Foundation Centre, or the EFC (Scenario 2, p. 37).
- **Formalizing the informal:** If GPLI is to put online that which it does on a daily basis (i.e., offer advice/recommendation for identifying organizations who should be in touch), it stands to reason that the launch of a **dynamic *ad hoc* information management (vetting) system underpinned by a robust and ‘easy to use’ social network** would garner attention from the philanthropy and foundation marketplace. By vetting, we mean the creation of a ‘search and filter’ mechanism that allows for those who know one another personally to be connected at a level that is distinct from the ‘virtual/online’ contacts only, and that allows for information flows on various levels to be protected and managed.
- **Third Party Service Provider “Listings”:** This would entail a mechanism that allows for users to ask their trusted closest contacts to provide contact and feedback on a given individual or organization service provider. In later iterations this could translate to facilitating the contextualization of that same entity in spatial (and visual) terms within where they sit in (or across) their network.
- **Managing Visibility:** Winning online platforms for this sector are those that will take pains to map out ‘*who is in the conversation*’ as well as the clear ground rules for it, while retaining practices that protect the privacy of stakeholders. Conveying context regarding the nature of discussion at hand and who can participate is critical, and while on some level dialogue

already exists between all the ‘right players’ to support a GPLI success story – it is important that the image of this effort be tinged with the neutrality that is becoming of this calibre of convener.

- Passive registration for newsletters is not what GPLI as a system will be trying to do. There is a world of difference between **‘push’ technology experiences, as opposed to ‘pull’ experiences** where user experience and feedback continually changes the nature of the said interaction.
- While rather obvious, it is worth pointing out that a **differentiation of private domain and public domain** content (i.e. “Members Only” vs “Open”) is advisable. This not only ensures the emergence of a ‘safe space’ for users intent on protecting privacy, but also opens the possibilities for privacy-driven associated premium services.
- **Fostering creativity and innovation within a “community of communities”**: Herein lies the notion of potentially embedding ideation and innovation software within a community, i.e., <http://www.spigit.com/>. These types of solutions incorporate game mechanics, and are designed to engage people at scale. Using social algorithms, any ‘crowd’ or cluster of members on a site may be engaged to vet the most promising ideas from within a given community or company through collaboration. With big data analytics, actionable and predictive information that drives results is pinpointed – and the best ideas and suggestions emerging from a collective can be identified. This type of embedded ‘service’ could create a unique way of tying together and leveraging the collective experience of numerous platforms, all comprised of their own respective, rich networks of practitioners.

c. Functionality review and usability specifications

A GPLI platform will seek to create channels for the following: sharing information among foundation professionals working nationally and internationally; enabling access to sources and networks that can be trusted; and providing support for methods of identifying and accessing local knowledge and expertise necessary for cost-effectiveness of international philanthropic work. Each one of the types of function listed in the table below has been identified as what should optimally ‘sit in the box’ of the GPLI website if it is to be deemed a useful and impactful tool in its arena.

Table (2) below also contains an overview of the main silos of ‘service’ and function that most online networks are currently working to provide the foundation market and which a GPLI-sponsored platform should also (at a minimum) aim to cover in scope if anything of consequence is to emerge.

A question remains as to whether this information should represent the consolidation of the top 5 networks on the basis of our scorecard analysis, or whether this content and architecture should be developed as a *substitute* to existing systems; the former is a preferred route on the basis of this research.

The extent to which these kinds of functionality may be integrated with the most ‘popular tools of all’, specifically email, high coverage listservs (i.e., GEO, The Environmental Grantmakers Association, etc.), as well as what we know to be the daily practice of most professionals in this sector (in making point-to-point inquiries offline) is a vital strategic element to also consider. These elements are proposed to be part of a later phase of deployment, and not part of a preliminary launch product.

Table 2: Core Functionality Overview

RESEARCH / LIBRARY SERVICES	CONVENING / COMMUNITY BUILDING	KNOWLEDGE / EFFECTIVENESS
Searchable and consolidated Library	Calendar of events	Grant portfolio information by organization
Data/ Survey work / Benchmarking	Organization & management of offline events;	Best practice case studies with comments boards
Hyperlinks to current resources, including special interest groups	Access to special gatherings, retreats, etc.	Resource Centres (related to RESEARCH above)
Templates – assessment, diligence, etc.	Closed domain logins for members of private community	Advisory/Consulting services offerings in directory format
Publication of sector white papers	Customized Newsletters/RSS feeds	eBay-like user profile feedback
Consolidated access to key sector blogs	Donor education – trainings/ programs content and info	An ideation/innovation platform that is bespoke and supportive of sector-wide collaboration
	Layered and meta-tagged contacts management	

In order for any of the above functionality on a new ‘federated’ GPLI platform offering to make sense and to achieve traction, a vital ‘hook’ or differentiator must be present. **This may lie in the major ‘anchor’ foundation organization that chooses to champion the GPLI system.** The belief is that a strong social network component will be the piece that frames the basic federation and aggregation of a number of other existing offerings, whereby the following may be achieved:

- **“Super-Users”/Groups that represent groups** (architecturally, allowing for user profiles that are attributable to a large group at all times) may be able to partake on the GPLI as the biggest and most effective convener in Europe (with the caveat that all members of all sub groups get personal/individual access);

- The formation of **in-depth, ‘up to date’ directories** that incorporate current names and access details of program officers and portfolio managers staffing each of the member institutions;
- Each of these members may in turn then have an opportunity provide (and/or endorse, or not) a **list of their preferred contacts and third parties** in the countries of their choice/activity, with the possibility of providing (anonymized) feedback on any person seeking input prior to engagement. This may be supplemented with an option to invite those into the system to embellish their listing profile;
- A **LinkedIn approach** to supporting visibility on the **number of degrees of separation** between individuals, as well as suggested paths toward making contact;
- Last by not least, a **robust “search function”** that supports effective search of the consolidated content on the GPLI platform.

Thereafter, the option to later integrate function that focuses on capital introduction/matching mechanisms (considered to be more of a retail market service, with the exception of some work pertaining to CDFIs), and on impact investing may also be considered. Decisions may be drawn around the suitability of depicting ‘grantee listings’ later on, as this has *not* been deemed to be a current top priority interest area for most respondents of our survey or interview work. The types of function offered by systems specializing in these respective areas would include features like:

Table 3: Ancillary Functions for a Platform

MATCHING/ CAPITAL INTRO	IMPACT INVESTING
Investor/expert/mentor networks (i.e. CDFIs)	Social investment exchanges
Proactive Donor-beneficiary matching	Explicit Due Diligence coordination
Grantee profiling and pitch support	Service Provider introduction
Matching for crowdfunded pipeline	Compliance/regulatory / legal review(s)

Usability specification

At the moment, in the current marketplace we see several dozen different doors leading into different ‘homes’, if you will. From a usability standpoint, it may help to describe the proposed GPLI platform as a single “house of many rooms”, each of which is comprised of its own existing interior design, format and mission. Its



roof will be comprised of an **enhanced granular social network** that enfolds it, and its basement can

be supported by some variant of robust ideation software (like Spigit.com) that supports engagement with individuals across systems and communities. The idea would be to concentrate on building the relevance of the single front door, through which all of these rooms are accessible. This would also by default drive the richness of the database of individuals which comprise the hundreds if not thousands of institutions that partake in the virtual philanthropy arena.

Based on the results of our **comparative scorecard analysis**, the following ten platforms comprise a solid list of partner and content providers, not to mention quality control partners in developing the substance of a GPLI online initiative:

Table 4: Top 10 Platforms for Potential Partnership based on Scorecard Analysis

- | | |
|---|--------------------------------|
| 1. WINGS | 6. Council on Foundations |
| 2. Grantmakers for Effective Organization (GEO) | 7. Institute for Philanthropy |
| 3. Guidestar | 8. Foundation Center |
| 4. ANDE | 9. Social Impact Exchange |
| 5. European Research on Philanthropy Network | 10. European Foundation Center |

These are indicative (but not exhaustive) selections of the kinds of ‘rooms’ in the GPLI ‘house’ that could presumably add the highest value to the overall consolidated offering. In terms of the use of software and social network design tools, it is likely that an off-the-shelf or “software as a service” (SaaS) model will be less likely to suit the needs of GPLI as it proceeds on its development course. More likely than not, what will be required is some bespoke programming solution that is cost-effective and allows for scalability and dedicated service/tech support – as well as strong security/encryption capabilities.

d. Phased roll-out approach

As part of these recommendations, the follow Table (5) lays out a draft development plan along the lines of which a phased deployment and development may be explored. Phase I entails the launch of the simpler elements outlined in the paper and recommendations above, while Phases II and III add layers of increasing complexity at the discretion of the strategic team and on the basis of user demand for more extensive and sophisticated services. This is a hypothetical roll-out plan and may be used as the basis of discussion.

Table 5: A Phased Roll Out:

Phase I	<ul style="list-style-type: none"> • User profiles and directory development, layered ‘circles’ of contacts; personalisation element • Inter-foundation peer-to-peer (P2P) access; • Views on active portfolios;
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	<ul style="list-style-type: none"> • Views on ‘track record’ type activity of grantees; • Enablement of bi/multi-lateral communication between individual entities and groups, etc.; • Facilitation of feedback/opinion elements (by category, preferably on drop down list to start), viewable on bilateral basis between the one who asks and the one who responds; • GPLI community offline convenings and activities through partner organizations; • A capture (within user profiles) of “decisions made”/activity; • Posting of useful templates and such in a Resource Centre: <ul style="list-style-type: none"> ○ Assessment, diligence, etc. • Searchable and consolidated Library comprised of: <ul style="list-style-type: none"> ○ Calendar of online/offline events; ○ Data/ survey work and results/ benchmarking; ○ Best practice case studies with comments boards; ○ Publication of sector white papers; ○ Hyperlinks to current resources; ○ Customized Newsletters/RSS feeds; ○ Consolidated access to key sector blogs.
Phase II	<ul style="list-style-type: none"> • Addition of ‘premium’ bits of information around ‘reputation’ within and between communities based on feedback streams; • Advisory/Consulting services offerings in directory format; • Addition of aggregation capability on user feedback on any content category, such as commonly viewed articles, conversation threads or the work of third party service providers; • Launch integration of Facebook and LinkedIn into possible premium user profiles, as way of leveraging informal vs. Formal networks; • Add embedded capability to track and include threads of exchanges from other standard communication (i.e. email) channels; • Add ability to generate ‘activity streams’ between connected clusters of group users, by vertical. • Aggregate Phase I ‘track record’ type data to generate sector specific benchmarking • Donor education – trainings/ programs content and info
Phase III	<ul style="list-style-type: none"> • Launch the innovation/ideation platform software plugin (i.e. Spigit) to drive collective idea generation. • Create visualizations of degrees of separation between and within user base. • (hypothetical) P2P instant messaging • (hypothetical) Bespoke coordination tools around grant transaction processes • (hypothetical) Feature social investment exchanges • (hypothetical) Enable proactive donor-beneficiary matching • (hypothetical) Support explicit Due Diligence coordination • (hypothetical) Service Offerings: Compliance/regulatory/legal review

e. Necessary requirements and estimated costs

The topmost priority requirement for the success of a new GPLI Platform is strong and animated network administration and ‘curation’. For example, the ARIADNE network is currently curated by a small but effective number of individuals who are active in consuming and contributing, as well as in effecting inductions on the system. The following cursory table captures a few basic elements about costs to be expected in this process:

Table 6: GPLI Platform Development Financial Estimates

Cost areas	Financial requirement estimates*	
	One- off costs	Monthly/ongoing
Budget for build	£80-£100K one-off	
Phase I	£35-40K	
Phase II	£25-30K	
Phase III	£20-30K	
Domain hosting, server, security elements		£2-£5K/month
Tweak Budgets		Included above
Design elements/Art Direction/Brand work	£20K one-off	
Animation & Curation (minimum 2 resources)		\$10-15K/month
Miscellaneous	£25-£30K	
Estimated Totals	£125K - £150K	£12-£20K / month
*assumes competitive tech providers & hosting within the UK and Europe. These prices may be amended by about 30-40% should tech providers & hosting be completed in India.		

It would also be possible to consider working with service providers based outside of the UK, and indeed outside Europe, in order to be able to achieve a more conservative cost base than that depicted in Table 6. Reductions of up to 30-40% may be possible as such, although process and relationship-wise, it would be vital to have a link to a provider that has already been vetted by trusted contacts. It is important to note that there is an important qualitative and process difference between user interface (UI) work and graphic design work, and that these two areas be treated as such; the draft budget above assumes that UI work is incorporated into the main build budget and not in the design/art direction work.

f. Proposed Business Model Scenario 1: A Community for Communities

The business model for this ‘federated’ approach is one that incorporates a hybrid view on revenues

and profits, and that ideally supports a shared ownership structure whereby joint venturing is a distinct possibility; reasonable terms around dilution as more and more networks join could be a part of this approach (thereby supporting the long term value of this kind of ‘investment’ despite potential dips in individual holdings over time). This model would by definition need to grow and benefit from what is known as a ‘network effect’. In terms of ownership, nothing quite supports the neutrality and appropriateness of a convener better than evidence that the convener manages a representative body of foundations, each with aligned incentives for growth. And indeed, the wider this number, the better positioned it would be to succeed and garner trust from its constituents.

Singularity or centrality in ownership is unlikely to do a GPLI deployment any favours in terms of supporting what is already a *distributed* community, and it is core to this proposed model that each room in the GPLI virtual ‘house’ continue to function as the standalone and sustainable ‘island’ it has striven to be to date. GPLI in this scenario would not eat into or compete with the hard work of existing initiatives, though neither would/should it be in the business of subsidizing standalone networks that will not be monetized (unless the collective sees a very clear and material social value benefit that is presumably visible quite quickly). A judgment will need to be made concerning those systems that are not designed to make money, and that simply add value from a pure information and knowledge-building standpoint.

From a relationship management standpoint, a GPLI platform can offer a number of ‘options for engagement’ for potential partner platforms – thereby creating a spectrum of involvement that ranges from ‘light’ to ‘heavy’, with equivalent ownership-based incentives positioned in parallel to the options presented. These would include, for example:

1. **Becoming a full member of GPLI platform** on the basis of a subscription fee, and offering premium service access to the entire directory of practitioners (on the condition that all active subscribers are also automatically signed on to GPLI (pending admin approvals, of course)). Also on offer may include access to third party information gathered by each respective system, provided it may be genericised (likely to be of more appeal) prior to distribution. This would all be undertaken on the basis of a shared revenue model where in return for the aforementioned fee, a foundation may be considered an equity shareholder of the new network on some basis, thereby supporting a community ownership approach to this deployment;

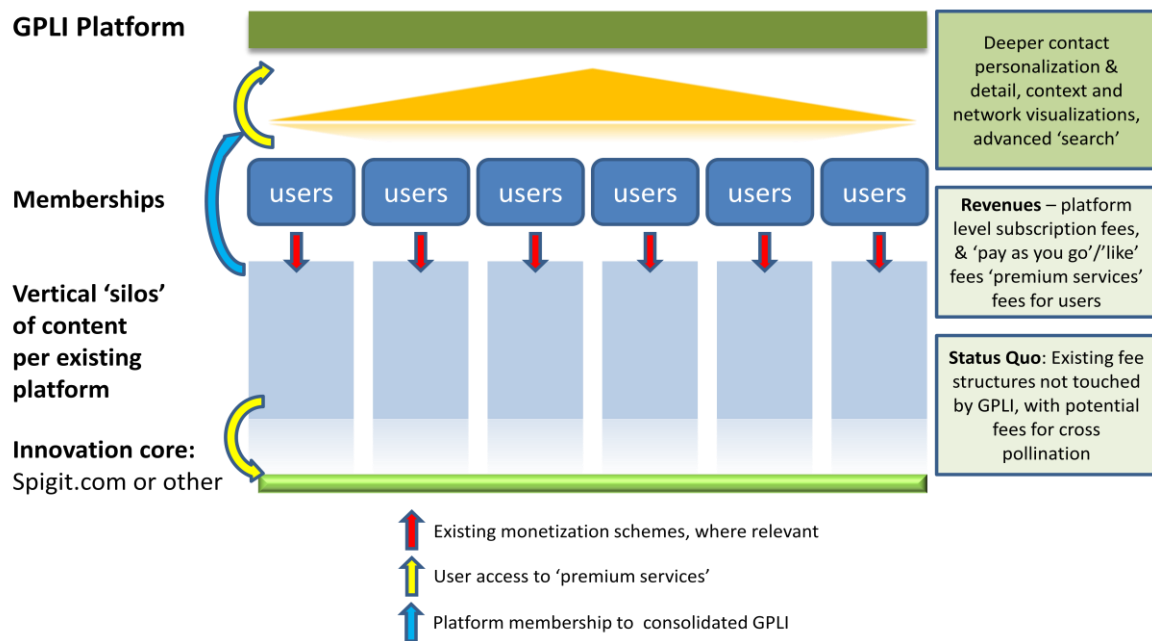
- or -

2. **Becoming a partial member of GPLI platform on the basis of a zero or partial/limited fee,** with no direct (equity) participation in forthcoming revenues, but a clear trickle down benefit from association, and a value added service of 'access' to a wider searchable pool of foundation professionals as a result.

Clear performance thresholds would need to be set for all sub-platform partners, as should parameters of information sharing; meanwhile, the desire to monetize should be determined before taking the time to assess user demand for specific services and functions so that relationally the appropriate balance(s) may be struck. Members of existing communities who are already paying something monthly or yearly should likely pay *no more than* they already do to their current centres of loyalty, at least at first; their organizations will presumably be seeking to deliver the greatest possible value to their usership, and in so doing be keen to connect them in materially new and better ways to others in parallel networks.

One way to align incentives from a revenue perspective is to allow and support member communities to offer the cross-pollination of knowledge and resources at a higher level (and laterally) as a potential '*premium service*' offering to those in their member communities who would like the equivalent of a 'gold pass' to the GPLI system. Vertical silos could choose to open resources to parallel networks, receive fees and give a portion back to GPLI. There may even be opportunities to support individual transaction fee revenues (through more subtle means, like the accumulation of rights through 'points systems') to be explored by individual networks sitting under the federated GPLI umbrella. The possibility of not only benefiting from higher level association but from monetizing involvement (potentially through the dissemination of specialist information, or contacts) in the same way that eBay turns individuals into 'storefronts' at low/zero cost could be an attractive feature of a federated GPLI site. This element is depicted by the green line at the top of the 'schematic graphic' presented below, sitting above the different user clusters that connect to the GPLI system via their underlying platforms/networks. The schema in Figure 4 below roughly illustrates a "1st phase" business model based on a 'leverage' approach; it is a 'work in progress' in terms of thinking:

Figure 4: Scenario 1



This would include “Groups” as its own user type as part of the wider GPLI community of practice, with gold passes given to individuals who are willing to pay a premium (perhaps on a “pay as you like” basis) beyond basic group access specifications. To an extent, any work contracted therein via the cross-pollination enabled by GPLI could be subject to transaction fees as per the positioning of the original impact-oriented network. This can be explored in further discussions.

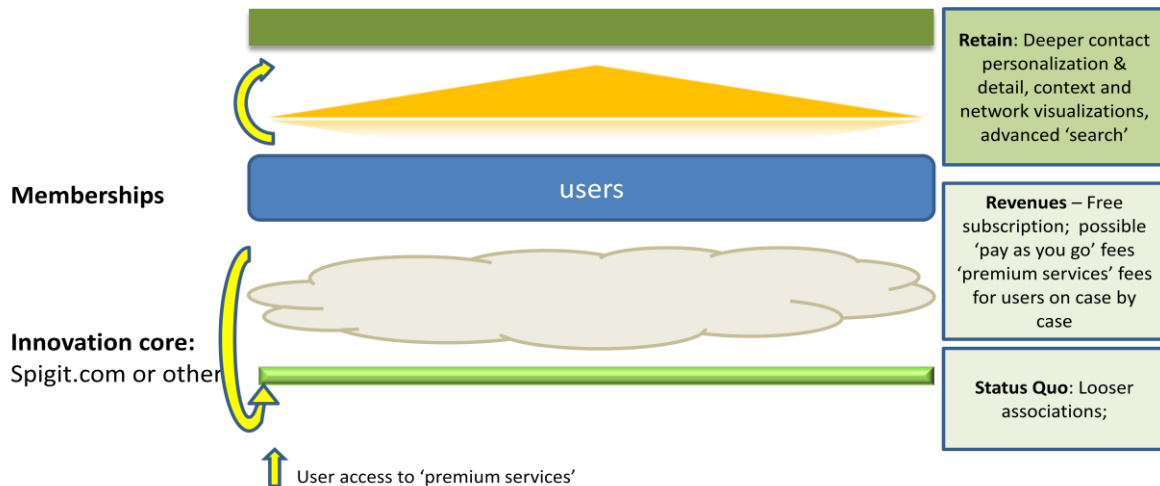
g. Proposed Business Model Scenario 2: A Standalone Community

An alternative business model to be considered by the GPLI as it weighs options around a development roadmap is one that takes a different view entirely on how to manage clients. This model is deemed at present not to be optimal, but is expanded upon briefly here in order to simply lay out a parallel approach. Rather than looking to draw in ‘groups of users’ as entities capable of accessing collective accounts, the GPLI may focus on drawing in a user base organically from interested individuals without paying heed to the goal of any ‘hard-selling’ membership up front. From a front end perspective, the personalization of deeper contact bases and network visualization can be incorporated into the deployment (in later stages) as envisaged for Scenario 1.

However, this can be on a non-monetized basis, with offerings of premium service only on a more specific ‘pay as you go’ basis associated with levels of access on a case by case basis. From a development point of view, this likely requires a slight more complex functional architecture. From the perspective of federating existing systems and networks, there would be little required to

support this model other than the possibility of operating with an open API, capable of providing ‘cloud-like’ searchability of ‘partner’ organizations. None of these, however, would sit beneath or be integrated as part of GPLI in a formal sense. Therefore, while this model illustrated in Figure 5 below would likely not position itself as a federated entity, it could execute strategic partnerships.

Figure 5: Scenario 2



The system as a whole would be positioned as a substitute for the many dozens already in existence, albeit bolstered by some serious brand firepower by virtue of its sponsoring organizations. This framing is hypothetical in nature and is not backed up by any revenue modelling or survey-driven rationale.

h. Potential revenue streams

The fact that most existing online initiatives catering to donors and foundations are not able to monetize their offerings should not necessarily be a deterrent to thinking through the potential revenue streams of a GPLI platform, although realistically it should be plain that a timeline of *at least* 3-5 years must be accounted for when assuming attainment of any semblance of a financial breakeven.

At the same time, there is limited evidence to support the idea that people value more that which they pay for, at least in this particular market where money is less a challenge and often no object. As an example, WINGS was for a long time without fees, and they recently they opened voluntary membership which provides users access to information residing on their system. This translates to the fact that revenue model aside **it will be the quality of the user (interface) experience that sets this experience and network apart from its peers.**

Nevertheless, and without pushing ahead too quickly with conclusions of which (if any) of the following may be appropriate, the below present a list of potential sources of revenue that can be eventually selected as cornerstones of a business model for a GPLI Network:

- **“Pay what you think it’s worth/is fair”** approaches for existing end-users (of sub platforms under federated GPLI umbrella) keen to access premium services that include visualization and contextualization.
- If the GPLI system is launched under the auspices of an association with significant existing traction (i.e., WINGS), a **shared ownership/cooperative structure** (with member associations partaking in a portion of add-on memberships fees derived from within their membership pool, or from incoming fees on a shared basis with fellow vertical platforms) is likely to present a viable win-win approach. Inherently this could mean taking a ‘joint venture’ view on associations with underlying member platforms/networks, pending fulfilment of base requirements and mutually agreeable ‘vesting’ periods, if ownership discussions are brought on to the table.
- The potential ability to provide ‘contextualized’ third party service provider listings in a directory format may yield an interesting opportunity to generate quarterly or annualized **‘listing fees’**.
- **“Freemium”/ “Premium”** service access approaches may be explored, specifically for access to some of the potential contextualization and visualization services provided through the top level platform in its more advanced stages. This would include the kinds of services that a LinkedIn supports in clarifying degrees of separation between users, and making linkages.
- Should matching of opportunities to donors be an option, **transaction fees** on the back of this type of ‘deal flow’ could be viable, provided the intermediary organizations involved are amenable.
- Simple quarterly or **annual membership** or **subscription fees**.
- **Advertising** revenues.
- Revenues generated from important **offline events, such an annual conference** (i.e., equivalent of the U.S. based Global Philanthropy Forum).
- Revenues generated from **high value-add research pieces** on specific regions or sectors, whether generated from intra-GPLI membership or (via fee basis) by third parties.

The above list reflects a range of possibilities that may be explored and is by no means exhaustive or mutually exclusive. Given that the approach to a full deployment (how this ends up being defined in practice) would likely be phased, some of these potential streams may be relevant at different periods of the deployment process, provided that messaging and communication around what constitutes ‘basic’ vs. ‘premium’ service is managed clearly.

i. Marketing, outreach and communication strategies

The marketing and outreach elements of the GPLI work come last but are certainly not least; fortunately, it appears that the unique positioning of the GPLI by default, as well as of **WINGS** as potential launch partner place this project already significantly ahead of any independently led initiatives on the market at present. Despite the mass market inclinations of social media tools, given our knowledge of the ‘glue’ they provide to issue spaces online, a major recommendation includes an intelligent use of Twitter, potential log-in level integrations with **Facebook** (which may support the possibility of going viral *within* communities) and **LinkedIn**, and very high levels of interactivity between website and everyday inbox(es). These elements comprise what we believe will help GPLI retain significant importance in this arena.

Prominent marketing at the level of offline events, both **niche** and **generic**, from existing network level to **national** and **international** (including the likes of sponsorship or affiliation with the annual U.S. Global Philanthropy Forum, etc.) will be an important element to budget and plan for in Years 1 and 2. A view towards positioning such a GPLI network in the niche arenas of the high net worth individual may also be worth the effort, not only as an education tool for existing philanthropists, but as an indoctrination tool for new ones, and as a bridge building tool between the realm of institutional giving and the increasing arena of ‘high net worth individual’ giving.

From an operational perspective, it will be important to ensure that at least 1-2 dedicated human resources be set in place for this task to be handled properly; traction goals should be set early on and marketing strategy should always be informed by a commitment to quality over quantity. We would recommend the ability to process both input requests for registration as well as outgoing invitations, in support of a hybrid strategy for growth that both allows a doorway in for potential interested parties and supports a notion of exclusivity that both bolsters and protects the value of this system. This kind of system, particularly in its federated form, will only be as valuable as the integrity of every last vetted and qualified individual that has access to its private domain. Bearing this in mind while formulating the language of the marketing outreach will be vital.

VI. Conclusions

The outcomes of this research point to the fact that online platforms indeed hold great potential for niche user groups, and that the demand in particular for accurate, clear, and high value information can be met successfully by a GPLI deployment in the philanthropic donor sector if architecture, positioning and content are thought through carefully.

This paper has laid out not only a number of vital questions to be considered, as well as a series of recommendations which provide the basis for a Phase I from which to begin a planning and solid specification development exercise. Despite the inherent conservatism and even the 'reluctant adopter' culture of the foundation sector, we posit that the potential relevance of intermediation mechanisms to enable more efficient and intelligent philanthropic funding is and will remain high.

As more and more practitioners cultivate the resources they like to use at their fingertips from outside the walls of their individual institutions, the need for a protected and trust-enhanced virtual space will only be compounded and validated.

VII. Endnotes

[1] Paul D Johnson, The Philanthropic Initiative, Inc. "Global Institutional Philanthropy: A Preliminary Status Report", WINGS/TPI, November 2010, p 6.

¹ [2] The text of the online survey is available upon request.

¹ [3] "Facebook users average 3.74 degrees of separation", November 23, 2011. Link:

<http://www.bbc.co.uk/news/technology-15844230>.

¹ [4] Brousseau, Ruth Tebbets, "Experienced Grantmakers at Work: When Creativity Comes Into Play", The Foundation Center, January 2004, pp.7-8.

¹ [5] *ibid*, p. 13.

¹ [6] **SUPPORTING TRUSTS AND FOUNDATIONS:**

ARIADNE: DREILINDEN, OAK FOUNDATION, HIVOS, ADESIUM FOUNDATION, TINSLEY FOUNDATION, THE ATLANTIC PHILANTHROPIES, OPEN SOCIETY INSTITUTE, SIGRID RAUSING TRUST.

FOUNDATION CENTER: Supporters include : <http://foundationcenter.org/fundfc/fcdonors.pdf>

ENVIRONMENTAL FUNDERS NETWORK: ARCADIA FUND, ASHDEN TRUST, BODY SHOP FOUNDATION, COMIC RELIEF, ETC.

GIIN (Global Impact Investing Network): IS CURRENTLY A SPONSORED PROJECT OF ROCKEFELLER PHILANTHROPY ADVISORS. FOUNDING SUPPORTERS: J.P. MORGAN, THE ROCKEFELLER FOUNDATION, USAID. ADDITIONAL SUPPORTERS: THE ANNIE E. CASEY FOUNDATION, BILL & MELINDA GATES FOUNDATION, CITI FOUNDATION.

GROWTH PHILANTHROPY: AMERICAN EXPRESS FOUNDATION, ANNENBERG FOUNDATION, BANK OF AMERICA FOUNDATION, BILL & MELINDA GATES FOUNDATION, CANTOR FITZGERALD, STARR FOUNDATION, ETC.

PHILANTHROPY UK: CABINET OFFICE - OFFICE FOR CIVIL SOCIETY, THE GATSBY CHARITABLE FOUNDATION, LLOYDS TSB FOUNDATION, ESMEE FAIRBAIRN FOUNDATION

INSTITUTE FOR PHILANTHROPY: ARCADIA FUND, BARCLAYS WEALTH, CAPITAL INTERNATIONAL LTD., GOLDMAN SACHS, ETC.

LOCAL GIVING: COMMUNITY FOUNDATION NETWORK & ARDBRACK FOUNDATION

IMPACT BASE: ANNIE E. CASEY FOUNDATION, CITI FOUNDATION, DEVELOPMENT PARTNERS, IMPRINT CAPITAL ADVISORS

SOCIAL IMPACT EXCHANGE: 12 MAJOR SUPPORTERS & CHARTER MEMBERS – AMERICAN EXPRESS FOUNDATION, THE ROCKEFELLER FOUNDATION, THE STARR FOUNDATION, THE HEWLITT FOUNDATION, ETC.

¹[7] Richard Rogers, "Digital Cognitive Technologies", Wiley, 2009. Link:

http://www.govcom.org/publications/full_list/Rogers_Digital_Cognitive_Technologies_preprint_Wiley_2009.pdf.

VIII. Annex A: Contributing organizations.

Organizations that contributed to this research:

ORGANIZATION

Oak Foundation

Panahpur Foundation

Calouste Gulbenkian Foundation

Foundation Center

Khemka Foundation

Zennstrom Philanthropies

Atlantic Philanthropies

British Asian Trust

Shell Foundation

Impetus Trust

Esmee Fairbairn Foundation

LGT VP

Tellus Mater Foundation

Donald Woods Foundation

Aga Khan Foundation

Halloran Philanthropies

Mlinda Foundation

Omidyar Network

Active Philanthropy

ERM

UN Foundation

Children's Investment Fund Foundation

Gatsby Charitable Foundation

Sir Dorabji Tata Trust

Packard Foundation

Dynasty Foundation

Silicon Valley Community Foundation

Charles Stuart Mott Foundation

Asia Foundation

Rockefeller Brothers Fund

MacArthur Foundation

Council on Foundations

IDIS Brazil

LIN Centre Vietnam

Vladimir Potanin Foundation

CAF South East Asia

Fondacion AVINA

CAF India

SANEED

Thomas Reuthers Foundation

Tudor Trust

Independent Consultant



The Council on Foundations is a national non-profit association of more than 1,800 grantmaking foundations and corporations. The Council strives to increase the effectiveness, stewardship, and accountability of the sector while providing its members with the services and support they need to advance the common good.

www.cof.org



The European Foundation Centre is an international association of foundations and corporate funders dedicated to advancing the public good in Europe and beyond by creating an enabling legal and fiscal environment for foundations, documenting the foundation landscape, strengthening the sector's infrastructure, and promoting collaboration, both among foundations and between foundations and other players.

www.efc.be



WINGS is an independent global network that brings together 145 associations and support organisations serving philanthropies in 54 countries. WINGS seeks to strengthen philanthropy and a culture of giving through mutual learning and support, knowledge-sharing and professional development among network participants, as well as by giving voice and visibility to philanthropy at a global level.

www.wingsweb.org