

DESIGN FOR SOCIAL IMPACT

DESIGN FOR SOCIAL IMPACT

HOW-TO GUIDE



DEAR COLLEAGUES,

As people concerned with the need for significant social change, we believe in the power of design thinking—a human-centered approach to problem solving and innovation. We know what it takes to be innovative. We've seen the amazing solutions that smart people and savvy methods and tools can yield. As we hear more and more about poverty, climate change, and diminishing resources worldwide, we can't help but to think about how we can help effect change.

How can we harness the passions and talents of designers in our firms to address some of the world's largest problems? How can we continue to do what we do best while having a significant positive impact on the world? As Bruce Nussbaum wrote in a *Business Week* column, "It's great design that can solve social as well as economic problems. They (designers) took the methodology of product design and applied it to services. Now they are moving beyond that to systemizing design methodologies for all kinds of arenas, including social problems. What better way to deal with the health care crisis than to use design?"

Designers have always strived to create positive social change and IDEO has been no different. Our learning journey has taken us a long way and has brought us in contact with countless inspiring people. We continue to explore new directions and find new ways to apply design thinking.

At IDEO, we've built initiatives around both design for social impact and design for environmental impact. And for us, design for social impact also entails creating transformational change in communities. Our focus is on under served and disadvantaged lower income communities worldwide.

We are excited about our increasing involvement in this space and look forward to working with all of you as we bring human-centered design to bear on some of the world's largest problems.

Best regards,

A handwritten signature in black ink that reads "Tim Brown". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tim Brown
CEO, IDEO

DESIGN FOR SOCIAL IMPACT

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HOW TO USE THIS BOOK

This book is intended for design firms of any size or type. Some of the ideas are larger than any one firm would take on alone; others are straightforward enough that any of us can implement them immediately.

The How-to Guide offers principles of design for social impact and a menu of offerings for types of social impact engagements that might make sense for your firm.

The accompanying workbook consists of a set of exercises to complete alone or to prompt discussions with your team.

When engaging with the workbook, you will be prompted to undertake a decision-making process that will help you determine what having social impact can mean for your firm.

INTRODUCTION

With a new focus area on innovation, The Rockefeller Foundation is exploring new avenues for social change. One promising area is design and how the design industry can play a larger role in the social sector. This How-to Guide and the accompanying Workbook are written for design firms that are interested in joining in conversation.

The Rockefeller Foundation invited IDEO to conduct this exploration starting in February 2008. We spent the first two months interviewing people involved in social sector work. We had inspiring discussions with foundations, social entrepreneurs, NGOs, professors, writers, students, designers, and consultants. The conversations examined the role design could play in this sector, how design firms might work with social sector organizations, and how we could maximize our impact in this space. Observations and interviews were conducted in offices, at conferences, and on the phone, and brought the team to Bangalore, Bombay, New York, Oxford, Palo Alto, Pune, San Francisco, and Seattle.

The consistent message has been YES. Yes, design thinking has a lot to offer, and many of our potential partners are very excited to see us become more engaged. The challenge is how. How can design firms make social impact work a core part of their business? How can we collaborate with organizations that are highly resource constrained? How can we redesign our offerings to become more accessible to social sector organizations? This initiative is focused on the process around doing this work, rather than the content of the work itself.

We have seen a growing interest on the part of some foundations to fund design and innovation projects for themselves or for their grantees. Our hope is that once we as an industry demonstrate the value of design thinking, corporations and social sector organizations will develop an appetite for funding this work as well.

Getting involved in social impact work is a journey and we hope that this How-to Guide and the accompanying Workbook can speed the process along for all of us.



WHAT IS DESIGN FOR SOCIAL IMPACT?

SOCIAL IMPACT AS A CONSIDERATION

Social impact applies to a broad spectrum of contexts. To designers, it is about the impact of products or services on individuals and groups of people. We look at the broader impact of all of the design work we undertake. We think about balancing the needs of the individual with the needs of the overall community. On every design project, we can consider the triple bottom line and take into account social, environmental, and economic impacts.

SOCIAL IMPACT AS THE INTENTION

While it is extremely important to take into consideration the social impact of all projects, the focus of this How-to Guide is on offering different modes of engagement to partners and clients to build a portfolio of projects that creates positive social change in communities.

A STARTING POINT FOR DESIGN FIRMS

When starting a social impact initiative, it is advisable to declare a specific intention. Design and innovation can play a large role in many complex problems, including education, distribution, water, energy, healthcare, and job training. Design firms are able to work in a variety of different contexts—urban, rural, rich, poor, domestic, and international. Each individual design firm must define its own area of focus in order to develop depth and use resources wisely.

At IDEO, after many internal and external conversations, we have decided to focus our efforts within social impact on projects with organizations that create transformational change in under served and disadvantaged communities. These design projects can be sponsored by a variety of types of clients in the private, public, and social sectors. In selecting partners for this work, the focal point is on the impact that can be created. Likewise, the scope of a project must be intentionally tailored to achieve the desired impact.

CONTRIBUTORS TO THIS BOOK

During the course of this exploration, the team met with a number of people who represent different stakeholder groups on the topic of design for social impact. These conversations served as the basis for identifying best practices as well as words of wisdom for new players coming into this arena. We are grateful to all of them for sharing their wise input.

FUNDERS

Acumen Fund
Ashoka
B Corporation
Draper Richards Foundation
Endeavor
The Bill & Melinda Gates Foundation
Good Capital
The Rockefeller Foundation
The Skoll Foundation
The World Bank

IMPLEMENTERS

ARTI
Benetech
Better World Books
d.light
D-Rev
IDE
Industree
Kickstart
Medicine Shoppe
PATH
Scojo Foundation
Unitus

THINKERS

David Bornstein
David Green
Global Social Business Incubator
Industrial Design Centre IIT
NID Bangalore
Srishti School of Art, Design and Technology
Stanford d.School
Symbiosis Institute of Design

DESIGN FIRMS

Celery Design Collaborative
Design Continuum
Design Directions
Design That Matters
Dissigno
Elephant
FLIP Design
frog design
Human Factors International
IDEO
Idiom Design and Consulting
MetaDesign
Smart Design
Turner Duckworth
ziba

CONSULTING FIRMS

Boston Consulting Group
Bridgespan
Central Office
Katzenbach Partners
Monitor Institute
On-Ramps
Social Enterprise Group



DESIGN PRINCIPLES

PROVIDE VALUE

Demonstrate the Value
Cause Transformational
Change
Mind the Gap

BE FOCUSED

Stay on Target
Conserve Energy

SET UP FOR SUCCESS

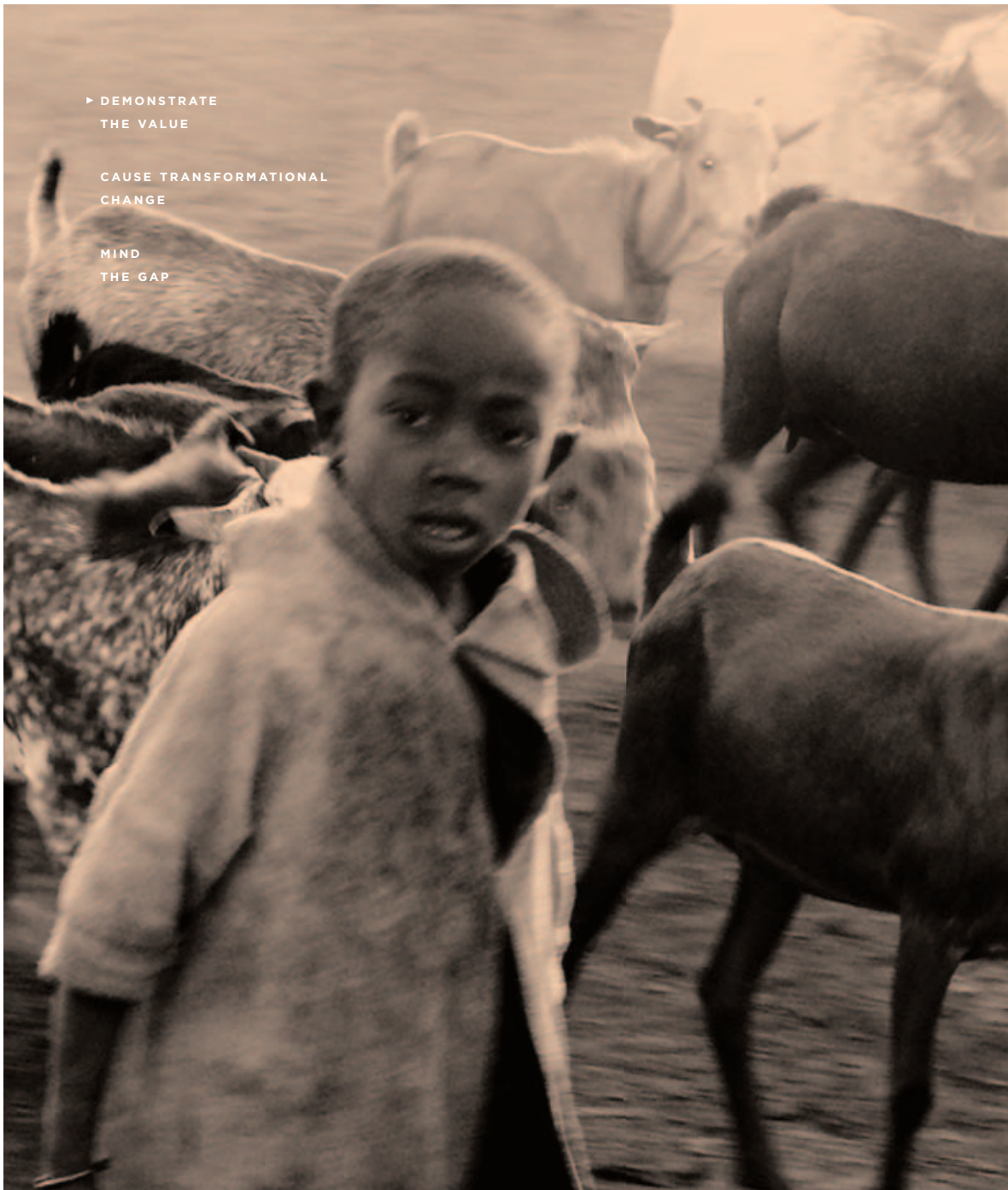
Train Appropriately
Optimize for Impact
Know the Players
Demand Skin in
the Game

▶ The design principles on the following pages came from the people interviewed for this project. These are the guiding principles for working with social sector clients.



PROVIDE VALUE

Demonstrate the Value
Cause Transformational Change
Mind the Gap



► DEMONSTRATE
THE VALUE

CAUSE TRANSFORMATIONAL
CHANGE

MIND
THE GAP

PROVIDE VALUE

DEMONSTRATE THE VALUE

Design thinking can make a big contribution to the social sector, but most of our potential clients are unfamiliar with what we as design thinking can do. When communicating our offerings, we must demonstrate the value of our approach. Because resources in this sector are so limited, we need to justify the impact of an investment in a design project—is it more impactful than spending the money in other ways? As one design firm said, “I felt guilty charging non-profits for our work; they could buy goats instead and save lives.”

CONSIDER...

- » Teaching your approach (through workshops)
- » Raising awareness of design through educational institutions
- » Collaborating as an industry and referring opportunities to each other to raise all boats



DEMONSTRATE
THE VALUE

► CAUSE TRANSFORMATIONAL
CHANGE

MIND
THE GAP

PROVIDE VALUE

CAUSE TRANSFORMATIONAL CHANGE

Design firms must choose project opportunities based on the potential for real impact. It can be a challenge to choose between the innovation needs of a single organization (too limited in scale?) with projects that are more broadly targeted at an entire sector (too generic?). We were warned that “there are two types of people: those who get stuff done, and those who talk about it to look good.”

CONSIDER...

- » Being smart and selective about your partners
- » Identifying design-ready organizations that can make use of your contributions
- » Measuring impact without burdening partners with the collection of metrics that aren't core to their goals
- » Scoping projects with impact in mind and using something like Acumen Fund's BACO (Best Alternative Charitable Option) calculation



DEMONSTRATE
THE VALUE

CAUSE TRANSFORMATIONAL
CHANGE

► MIND
THE GAP

PROVIDE VALUE

MIND THE GAP

Great concepts and great vision are not enough to make an impact. Many start-ups and NGOs are extremely resource-constrained and are unable to follow through on overly conceptual designs. Designers must recognize the challenges around implementation and deliver comprehensive prototypes with clear implementation plans.

CONSIDER...

- » Providing plans that take into consideration the client's capabilities
- » Being strategic about who to engage with and when
- » Leveraging your network to create implementation partnerships



BE FOCUSED

Stay on Target
Conserve Energy

BE FOCUSED

STAY ON TARGET

In our conversations with funders, implementers, and consultants, one piece of advice was offered again and again: “be focused.” Every design firm needs to determine its own particular focus. Choosing firsthand the intended areas of impact, the desired types of partners, and the project offerings will increase the likelihood that you will work on your dream projects.

CONSIDER...

- » Staying true to your core offering
- » Communicating your focus clearly
- » Declaring a mission and sticking to it



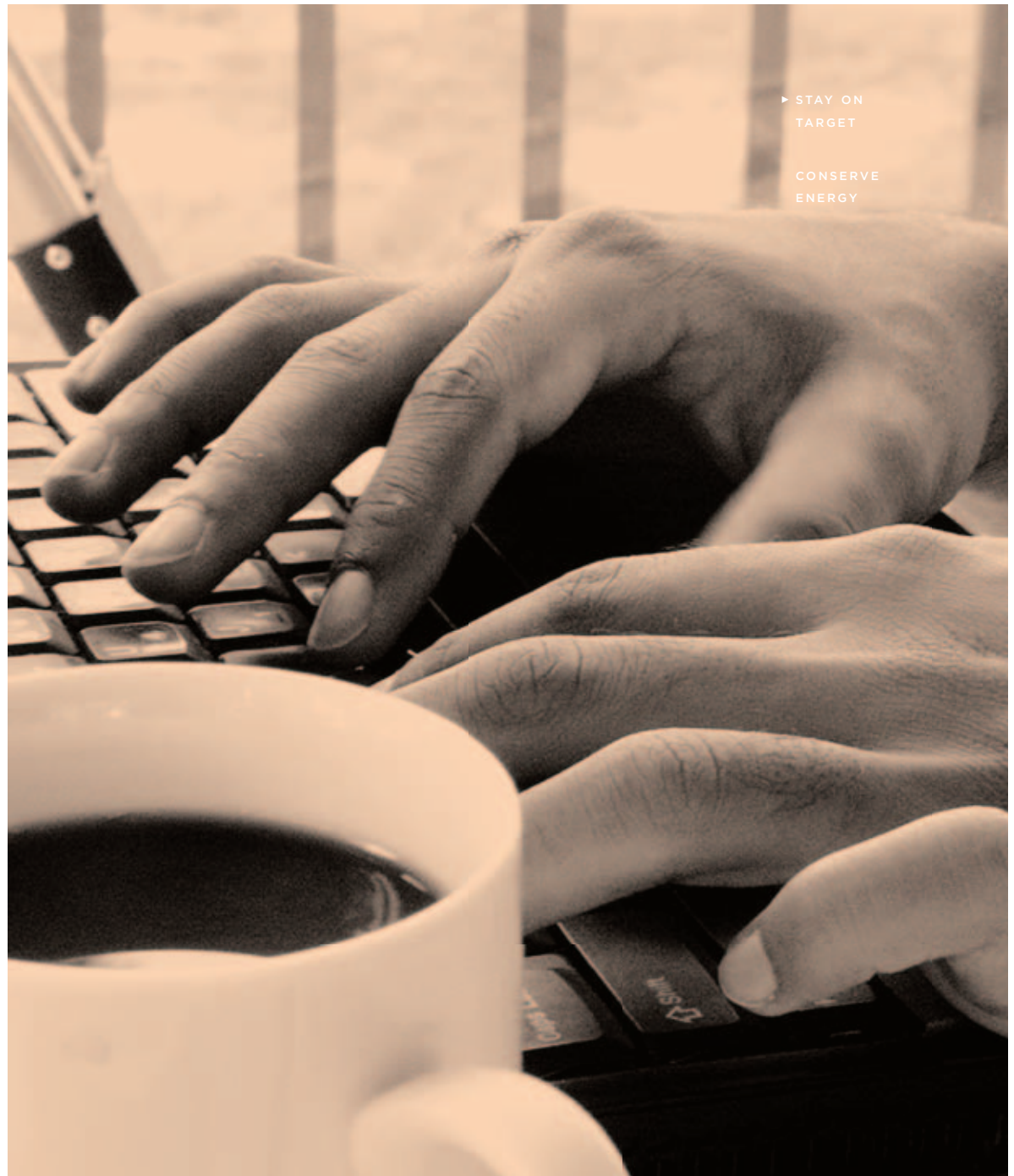
BE FOCUSED

CONSERVE ENERGY

The social sector is a huge space with millions of large and small players. Because business development (BD) costs can be high in proportion to the size of projects, design firms must focus their efforts. Narrowing your scope will allow you to develop depth in specific areas where you believe you can create the most impact. Many firms have multiple interests and have a hard time limiting their focus. Clarify your offerings to avoid confusion within your firm and with potential clients.

CONSIDER...

- » Maintaining focus for BD efforts and employee time
- » Saving BD costs by standardizing proposals and contracts for small projects





SET UP FOR SUCCESS

- Train Appropriately
- Optimize for Impact
- Know the Players
- Demand Skin in the Game



SET UP FOR SUCCESS

TRAIN APPROPRIATELY

While a “fresh eyes” perspective is a valuable way to uncover new insights and ideas, we must not have naïve “bug eyes.” Passion and enthusiasm are not enough to have impact, and can result in unintended outcomes. Design firms should invest in hiring and training staff to do social impact projects, and should provide cultural and situational information and briefings to project teams who are working in unfamiliar environments.

CONSIDER...

- » Providing country and sector briefings to teams at project onset
- » Ensuring at least one team member has experience in the context of the project
- » Being humble and leveraging the experiences of others within and outside your firm



TRAIN
APPROPRIATELY

► OPTIMIZE
FOR IMPACT

KNOW THE
PLAYERS

DEMAND SKIN
IN THE GAME

SET UP FOR SUCCESS

OPTIMIZE FOR IMPACT

Design firms should think about creative ways to reduce project costs by being efficient in project activities. Narrowing the scope of the project can often serve as an effective lever to increase efficiency. Good communication is critical, but is not to be confused with impact. One NGO warned us, “I need a tangible outcome. Powerpoint does not help me.”

CONSIDER...

- » Producing compelling deliverables in a way that doesn't add excess time or cost
- » Resisting the temptation to up-sell potential clients on full-scale projects
- » Clarifying with your team and the client upfront about what impact will look like



TRAIN
APPROPRIATELY

OPTIMIZE
FOR IMPACT

► KNOW THE
PLAYERS

DEMAND SKIN
IN THE GAME

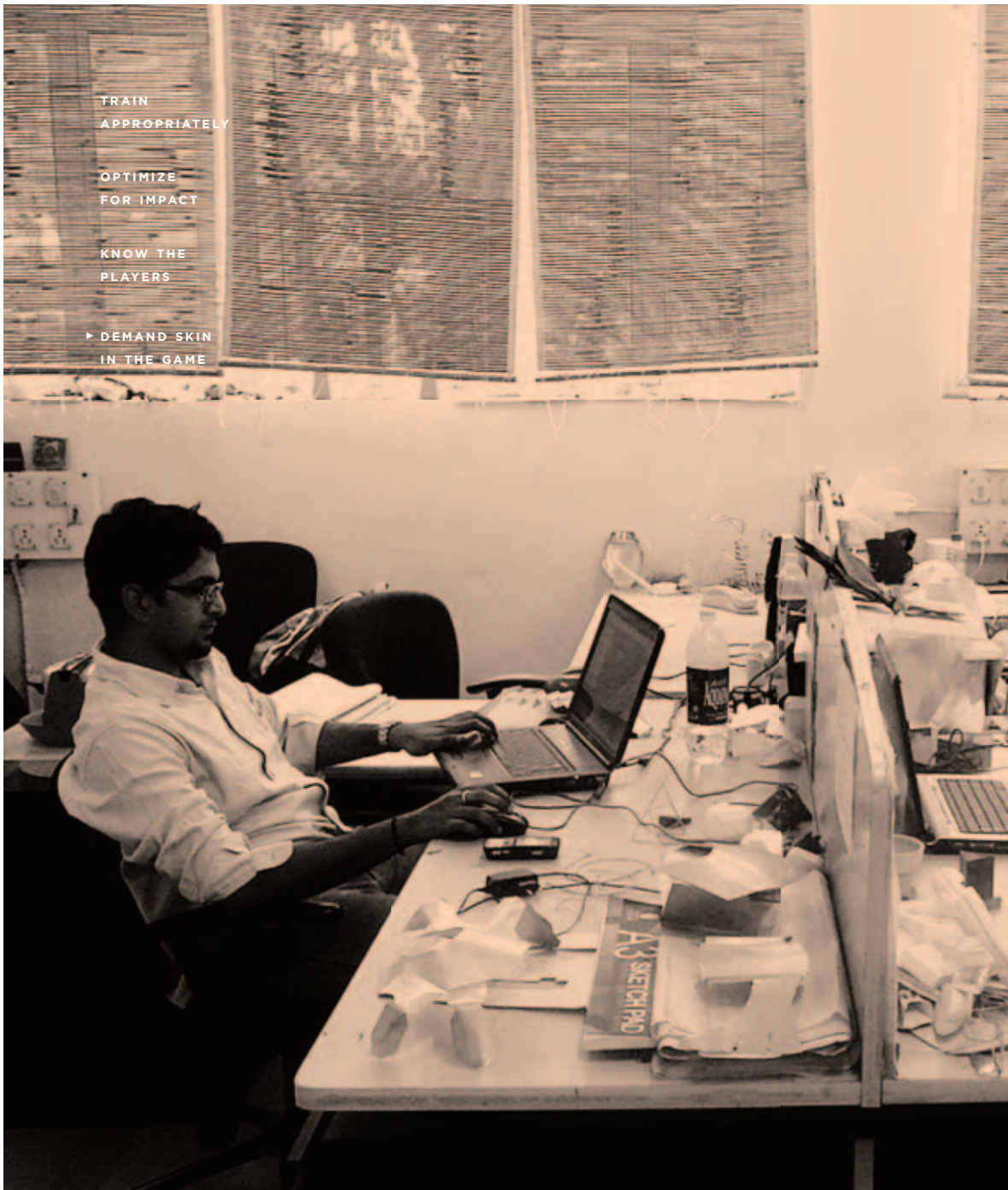
SET UP FOR SUCCESS

KNOW THE PLAYERS

Working with social sector clients is different to begin with, and not all social sector clients are alike, e.g., a social entrepreneur will vary greatly from an established charity. We must tailor our way of doing business appropriately. Third-party payer systems in which foundations fund projects for their grantees create a host of new challenges. As we heard from one foundation, “Foundations are brokers or facilitators, not end clients.” Designers must learn to speak the language of social sector clients and communicate their passion for this work.

CONSIDER...

- » Modifying contract templates for foundations and NGOs
- » Building relationships with a network of experts and other people involved in the social sector
- » Consolidating social impact BD—building a focused team to work on developing these projects



TRAIN
APPROPRIATELY

OPTIMIZE
FOR IMPACT

KNOW THE
PLAYERS

► DEMAND SKIN
IN THE GAME

SET UP FOR SUCCESS

DEMAND SKIN IN THE GAME

Pro bono engagements should be an exception rather than the rule. We do better work when we are paid because we can apply the time and other resources to do an exceptional job rather than applying less experienced people in their spare time. Our clients value the work more when they pay for it and will dedicate the necessary resources to make it succeed. As a management consulting firm advised, “Be explicit about who the client is. Watch for scope creep from clients who aren’t paying for services.”

CONSIDER...

- » Preparing an agreement letter with non-paying clients authorizing their commitments of time and money
- » Requiring clients who can’t afford your fees to commit in other ways (ie. bartering, or putting in their time)



DESIGN CHALLENGES



The guidance underlying the design principles points to the following five challenges.

HOW MIGHT YOU...

...MODIFY THE WAY YOU WORK?

...EDUCATE OTHERS?

...DEVELOP NETWORKS?

...IDENTIFY FUNDING STREAMS?

...MODIFY YOUR STRUCTURE?

MODES OF ENGAGEMENT

Modify the Way You Work

Educate Others

Develop Networks

Identify Funding Streams

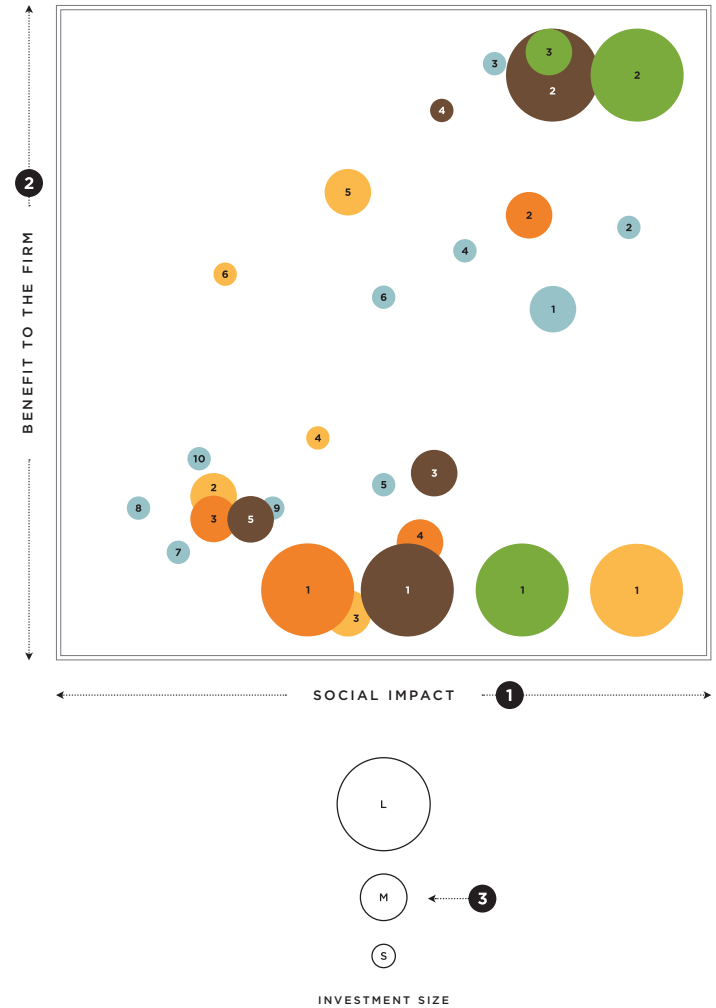
Modify Your Structure

▶ The following 28 ideas are different ways a design firm might engage to have social impact. Many of us have been doing some assortment of these for years. Other ideas may currently seem out of reach for many of us. Use the accompanying workbook to help you navigate these offerings and consider which may be the best ones for your firm.

MODES OF ENGAGEMENT

The following pages describe each of these offerings in detail. Each offering is placed in relation to the others to compare the relative investment size, benefit to the firm, and potential for social impact. These assessments are meant to be generic and will likely need to be adjusted in one dimension or more to fit the context of your firm.

MODIFY THE WAY YOU WORK		EDUCATE OTHERS			
1	Concept incubation	44	1	d.school .in/.za	66
2	Design + implementation	46	2	Empathy field trips	68
3	Business as usual	48	3	Design certification	70
4	Scale to fit	50	4	Intern hosting	72
5	Process guide	52	5	Publishing	74
6	Sabbatical	54	6	Process workshop	76
7	Catalogue of design challenges	56			
8	Project scoping	58			
9	Design review	60			
10	Concept brainstorm	62			
DEVELOPING NETWORKS		IDENTIFY FUNDING STREAMS			
1	Industry Pact	80	1	Design industry fund	90
2	Local partners	82	2	Fundraising	92
3	Design competitions	84	3	Cross-Subsidies	94
4	Contribute to existing networks	86	4	3 rd party sponsorship	96
			5	Project financing	98
MODIFY YOUR STRUCTURE					
1	.org	102			
2	.in/.za	104			
3	Center of excellence	106			



1: SOCIAL IMPACT

Social impact relates to the capacity of this type of work to create positive social change on communities and individuals.

2: BENEFIT TO THE FIRM

Benefit to the firm includes tangible benefits such as profit as well as intangible benefits such as reputation, morale, and building expertise.

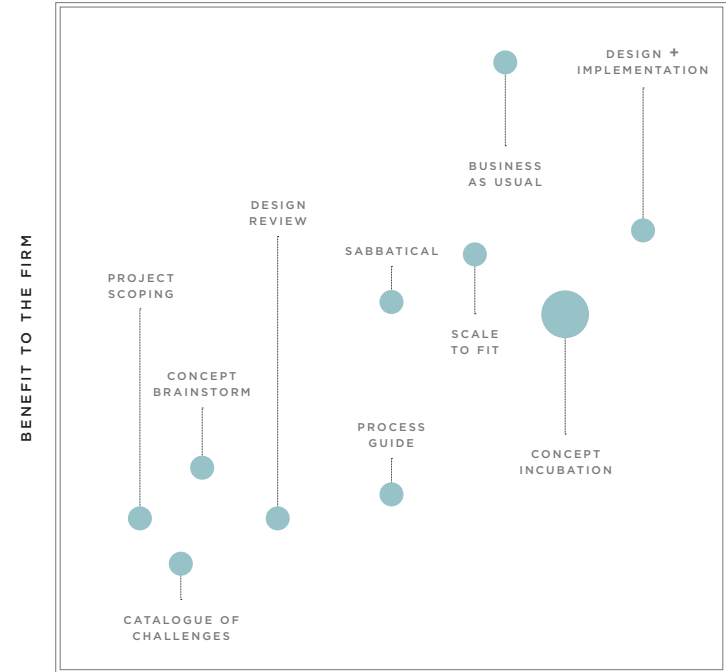
3: INVESTMENT SIZE

Investment size is related to how much the firm will have to commit to in relation to how much return they will see. Investment includes time and money commitments and represents how much the design firm has to put in to make it work.

MODIFY THE WAY YOU WORK

MODIFY THE WAY YOU WORK

- Concept Incubation
- Design + Implementation
- Business as Usual
- Scale to Fit
- Process Guide
- Sabbatical
- Catalogue of Challenges
- Project Scoping
- Design Review



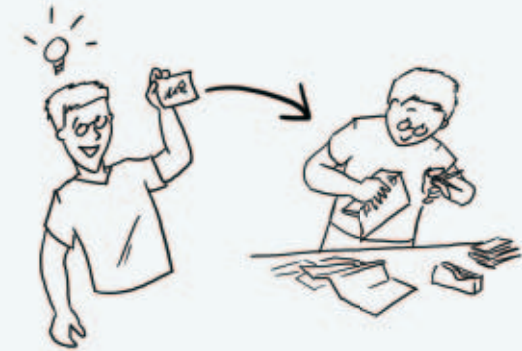
SOCIAL IMPACT



INVESTMENT SIZE

CONCEPT INCUBATION

Identify the challenges at hand, brainstorm and prototype solutions, then start to build a business model or the appropriate partnership to do so.



WHEN THIS WORKS

- » Strong partnership in target geography
- » Deep understanding of issues and region
- » Enough expertise to choose the right opportunities

TIPS

- » Build expertise before diving in
- » Spend time identifying needs before deciding on a concept
- » Focus on high growth opportunities

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- » Very satisfying for the team
- » Great opportunity for impact
- » Don't have to wait for the dream client

-

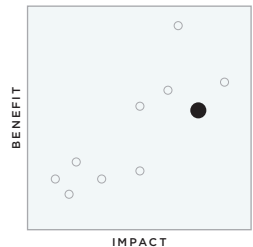
- » High risk
- » Have to fund it or find funding
- » Longer-term commitment

QUESTIONS

- Do you have the expertise to build businesses?
- Do you have the patience to work on such an extended time scale?

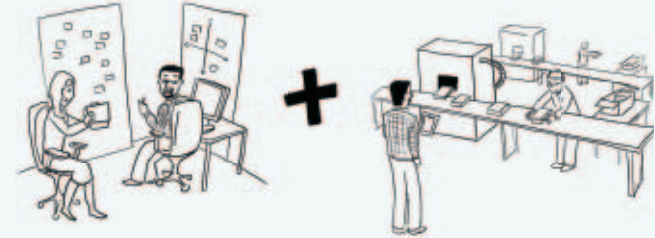
WHO IS DOING THIS

- Design that Matters
- Dissigno
- d.School - Design for Extreme Affordability
- PATH



DESIGN + IMPLEMENTATION

Carry on beyond design to ensure the concepts move forward. Create an ecosystem to ensure implementation.



WHEN THIS WORKS

- » Willing and capable clients
- » Strong implementation partners
- » Designers who will work on the project for a long time

TIPS

- » Partner with manufacturers, supply chains, distributors, etc. who want to have impact
- » Partner with VCs to fund work
- » Partner with management consulting or marketing firms to get the products or services to market

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- » Higher level of engagement improves likelihood of success
- » More satisfying for all participants to go to market
- » Bridge implementation gap

-

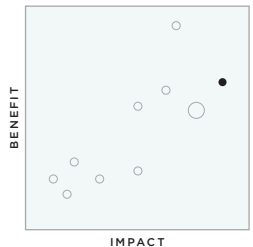
- » Very expensive projects
- » Difficult to manage partners: it's demanding
- » Very time consuming
- » Hard to staff part time for a long time

QUESTIONS

Do you have the expertise to mind the gap between design and implementation and support it through to fruition?
Do you have the network to support implementation?

WHO IS DOING THIS

Benetech
IDEO



BUSINESS AS USUAL

Carry out full scale, “normal” project work at full fees.



WHEN THIS WORKS

- » Access to third-party funding from foundations, the government, or Multinational Corporations (MNCs)
- » Credibility with foundations
- » Existing corporate clients with desire to move into emerging markets

TIPS

- » If working with multiple parties (e.g. funding foundation and social enterprise) clarify who ‘the client’ is
- » Make sure all parties have an investment in the project. Whether it’s time or money

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- » Easy to implement
- » Easy to get internal buy-in
- » Profitable
- » Increases the perceived value of the work
- » Doesn’t place atypical constraints on a team

-

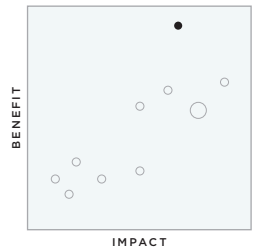
- » Third-party payer system can get messy
- » Less accessible to many social sector organizations
- » Very few organizations can pay full design fees
- » Potential perception of overcharging clients with limited resources

QUESTIONS

- Are you willing to limit yourself to only full-scale engagements?
- Do you have clients who can pay your standard rates for social impact work?

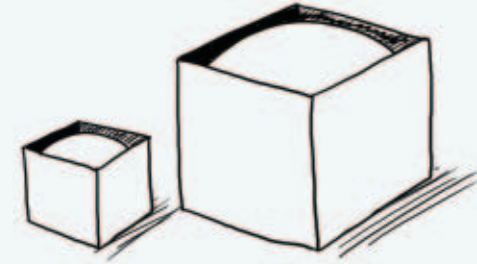
WHO IS DOING THIS

- Design Continuum
- frog design
- Mile7



SCALE TO FIT

Optimize. Narrow the scope of the project and/or the process to provide a lower-cost offering.



WHEN THIS WORKS

- » Enough experience is available to be efficient
- » Having something to cut that reduces project cost (flexible margin or modular approach)
- » Client has capacity for follow-through and implementation

TIPS

- » Identify areas for cost reduction (project coordinator, travel, deliverables)
- » Consider a smaller team size
- » Consider focusing efforts to apply one specific capability to a project, such as communication design or mechanical engineering

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- » More affordable and accessible
- » Increases the pool of potential clients
- » Quickly imparts experience with a variety of clients

-

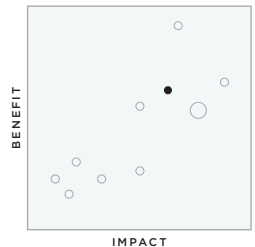
- » May have to make trade-offs/sacrifice quality
- » Potentially reduces impact
- » Not as profitable

QUESTIONS

What can you cut and still deliver value?
Are you willing to change your process for social impact projects?

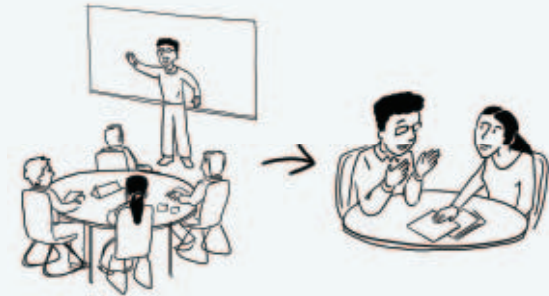
WHO IS DOING THIS

Design Continuum
IDEO
MetaDesign



PROCESS GUIDE

Guide the client to do the work. Serve as a mentor and direct the process while the client carries out the design activities.



WHEN THIS WORKS

- » The process is defined and can be taught, abstracted, and modularized
- » Clients who are able to carry out the work
- » Designers who enjoy teaching and mentoring

TIPS

- » Aggregate clients along themes (drinking water, energy) and run simultaneous projects
- » Choose clients who are capable of carrying out the work
- » Consider staged client work sessions over time

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- » Leverages small efforts for a larger impact
- » More affordable and accessible offering
- » Allows firm to work with more clients

-

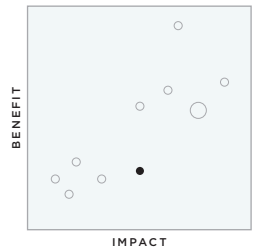
- » Non-Governmental Organizations (NGOs) tend not to have resources (no time, no money, no capacity) to follow through
- » Complicates resources and staffing for the design firm
- » Designers can't ensure the quality of the work

QUESTIONS

Is your project resourcing process flexible to commit to ongoing, low involvement efforts?
Do you believe clients can do the project with minimal guidance?

WHO IS DOING THIS

IDEO
Social Enterprise Group
Taproot Foundation



SABBATICAL

Embed staff in a social sector organization for several months as a learning opportunity for the individual and as a way to contribute to analogous experience that organization.



WHEN THIS WORKS

- » Employees are passionate
- » There is excess capacity - unstaffed designers

TIPS

- » Be selective about which employees you offer this benefit to
- » Consider paying full or half salary and/or offering health insurance or travel expenses
- » Set clear expectations with the employee prior to the sabbatical

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- » Builds capacity of people within the firm to do social impact work
- » Develops relationships with NGOs
- » Compelling benefit to employees
- » During periods of over-capacity, it's a way to get people off the payroll temporarily

-

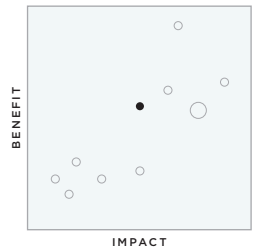
- » Added resourcing hassles
- » Opportunity cost—staff aren't working on other projects
- » Salary or other costs incurred to the firm

QUESTIONS

- Do you have people who want to take a sabbatical?
- Can you afford to lose designers for a few months?

WHO IS DOING THIS

- Design Continuum
- IDEO
- Katzenbach Partners



CATALOGUE OF CHALLENGES

Keep a database of design challenges to be accessed when time allows (via workshops or mini projects during unbillable time). The projects should require various degrees of complexity, time, and skills.



WHEN THIS WORKS

- » Lots of contacts with organizations who can't pay for projects
- » Passionate designers with down time

TIPS

- » Use time between projects
- » Junior designers could do projects on their own
- » Run all workshops with real cases instead of hypothetical ones
- » Ask clients to define their design challenge and keep them on hand
- » Consider aggregating projects along themes to build depth in certain content areas

QUESTIONS

- Do you have passionate people with time to spare?
- Do you have the bandwidth and experience to scope a catalogue's worth of challenges?
- Do you have connections with entrepreneurs and organizations who have design challenges?

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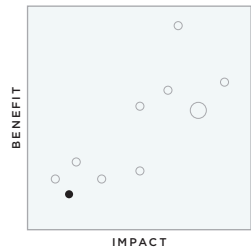
- » Minimal project cost
- » Flexible timing to fit into existing schedules
- » Good value for clients

-

- » Oversight & set-up of mini-projects is time consuming
- » Some BD costs to fill the pipeline with projects

WHO IS DOING THIS

- Architecture for Humanity
- Engineers without Borders
- Kluster



PROJECT SCOPING

Spend a few hours with a client to help them scope a design project. The activities can then be carried out by the client or with another design firm.



WHEN THIS WORKS

- » Clear process to share
- » Enough experience to give guidance

TIPS

- » Could be a workshop or phone call
- » Offer a process workshop first and then follow it with a project-scoping workshop

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- » A small effort can have big impact
- » Demonstrates the value of design thinking
- » Could lead to paid work

-

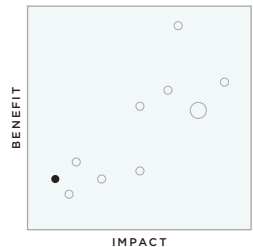
- » Requires client to take the next (big) step
- » Clients want the answers, not the questions
- » Likely to be pro bono

QUESTIONS

- Do you have expertise?
- Do you have a process?

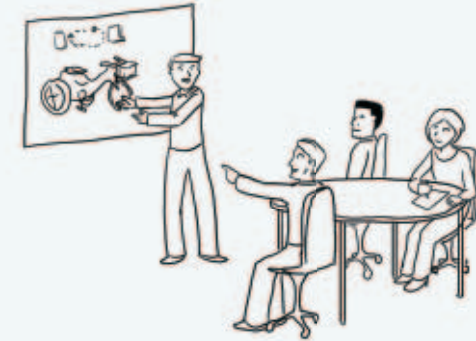
WHO IS DOING THIS

- MetaDesign
- NFFCP + Scojo



DESIGN REVIEW

Offer a 1-2 hour review to give feedback and guidance on an existing design.



WHEN THIS WORKS

- » There is experience and credibility on hand
- » There is passion for the project

TIPS

- » Select clients that have design skills and can implement the recommendations
- » Be clear about the scope of the engagement and what they'll get
- » Consider inviting multiple social entrepreneurs to review each other's work

+

- » A small effort can have a big impact
- » Empowers client to move forward with added confidence and credibility

-

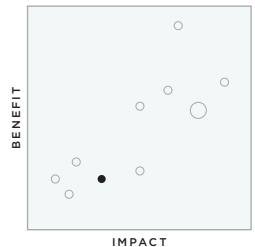
- » Likely to be pro bono
- » Relies on clients to follow through

QUESTIONS

- Do you have the expertise?
- Do you have designers who know how to and want to coach?

WHO IS DOING THIS

- Global Social Venture Competition
- Turner Duckworth
- World Bank Development Marketplace



CONCEPT BRAINSTORM

Conduct a 1-2 hour session to provide clients with ideas and inspiration.



WHEN THIS WORKS

- » Desire to build a social impact community and expertise
- » People with a lot of passion

TIPS

- » Set aside time for briefing (before) and filtering (after)
- » Set client expectations in advance

+

- » Fun for designers
- » Quick
- » Low risk

-

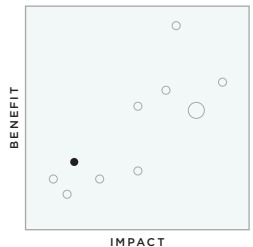
- » Low impact
- » Half-baked ideas can seem naïve to clients

QUESTIONS

- Do you have a team of passionate people?
- Do you have enough expertise to make this impactful for the client?

WHO IS DOING THIS

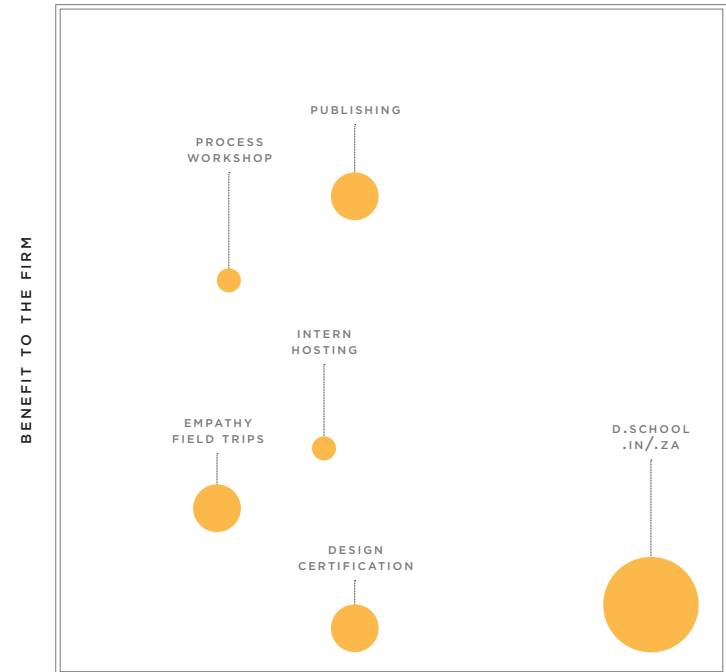
IDEO



EDUCATE OTHERS

EDUCATE OTHERS

d.school .in/.za
Empathy Field Trips
Design Certification
Intern Hosting
Publishing
Process Workshop



SOCIAL IMPACT



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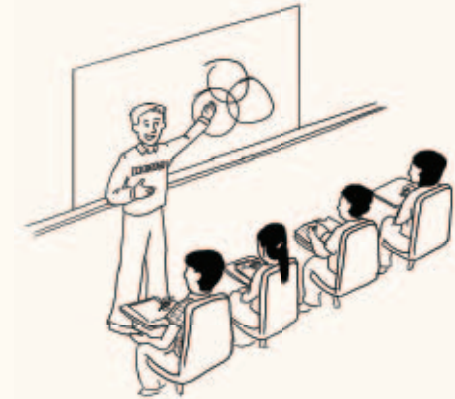
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INVESTMENT SIZE

D.SCHOOL .IN/.ZA

Support or build capacity of a design program in Africa and India by developing curriculum or providing professors.



WHEN THIS WORKS

- » Funding is available from university, government, foundation, or private donors
- » There exists a desire to teach

TIPS

- » Partner with established design schools
- » Use practitioners as professors

+

- » Potentially largest impact because it develops local capacity
- » Creates a network of designers around the world
- » Creates a pool of qualified designers

-

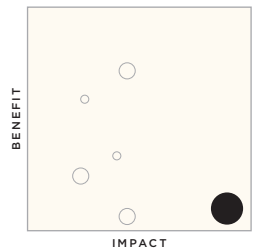
- » No financial return
- » Requires lots of resources
- » Must wait a long time to see impact which you don't see directly

QUESTIONS

- Do you have interest in teaching your process?
- Can you identify funding to support a program?

WHO IS DOING THIS

- Cisco
- Microsoft
- Stanford d.School



EMPATHY FIELD TRIPS

Executives or other interested parties pay to participate in cultural observations to gain first hand experience in the developing world.



WHEN THIS WORKS

- » With a strong network in place
- » Opportunity to extend the brand of the design firm in new directories

TIPS

- » Target decision makers who are interested but not committed to social impact work
- » Hire a team to handle the logistics
- » Partner with local NGOs
- » Don't mix empathy field trips with project research

+

- » Potentially transformational experience for participants
- » Strengthens personal commitments to social impact work
- » Fun
- » Creates a network between participants

-

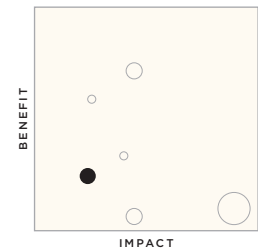
- » No direct impact
- » Low return on investment
- » High start-up costs

QUESTIONS

- Do you want to diversify in new services?
- Does this detract from your core business?

WHO IS DOING THIS

- Alumni association trips
- Cultural tourism
- Journeys for Change & UnLtd



DESIGN CERTIFICATION

Designate individuals to be official “social impact designers.” Certified designers can be hired by participating companies.



WHEN THIS WORKS

- » Known demand for designers to be hired by corporate clients
- » Credibility with clients who would want to hire certified designers
- » Willingness to teach designers

TIPS

- » Ask designers to pay for certification
- » Ask clients to pay to recruit designers
- » Could be run by a neutral 3rd party

+

- » Creates a network of designers
- » Lends credibility to design firm's process
- » Builds capacity to farm out work that the firm can not or does not want to do

-

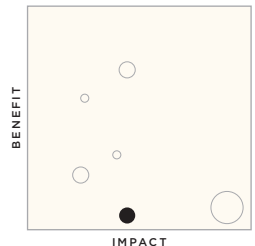
- » Minimal revenue for design firm
- » A lot of effort to train and evaluate designers

QUESTIONS

- Do you have an interest in teaching your process?
- Is there a benefit to your firm for building a network of certified designers?

WHO IS DOING THIS

- Au pair agency
- Cisco
- Core 77
- Microsoft



INTERN HOSTING

Host fellows or interns from emerging markets and train them in your design process.



WHEN THIS WORKS

- » There exists a relationship with a university to recommend students
- » There is capacity to train and mentor student interns

TIPS

- » Interns must work on projects and be mentored
- » Encourage interns to return to so that their home country receives the benefits of their learnings
- » Create a cohort by bringing in at least two interns at a time

+

- » Brings cultural diversity to design firms
- » Creates opportunities for the interns and builds their credibility
- » Creates a network of designers once they return home

-

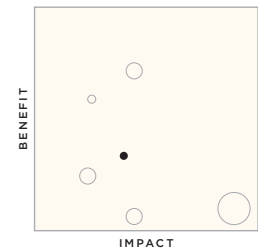
- » Time consuming
- » Interns need intense training and coaching

QUESTIONS

- Do you have the capacity to bring on interns and train them?
- Could interns contribute to your work?

WHO IS DOING THIS

- Design Continuum
- IDEO



PUBLISHING

Publish books, articles, blogs and/or tools on design for social impact. Publications serve as guides for novices to recreate the design process independently.



WHEN THIS WORKS

- » Connections the right publisher (to reach the right audience)
- » When the author has credibility
- » Start small (articles)
- » Build credibility before publishing tool kits
- » Best accompanied by a workshop or other support
- » Do this for PR, not money

TIPS

QUESTIONS

- Do you have something to say?
- Do you have people who can write?

+

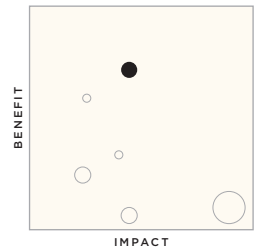
- » Flexible time commitment
- » Adds credibility
- » Spreads your ideas across time and distance
- » Can potentially lead to paid engagements
- » Can potentially be sold

-

- » Books take a long time to write
- » Requires good writers
- » Indirect (possibly shallow) impact
- » Little or no financial return on time investment

WHO IS DOING THIS

- Architects for Humanity
- Business Review
- Harvard
- IDEO



PROCESS WORKSHOP

Conduct a two-hour to one-day session teaching the process of design for social impact at conferences, NGOs, think tanks, etc.



WHEN THIS WORKS

- » There are people in your firm with a passion to teach
- » There is an established process
- » There exist relationships with interested attendees and organizations

TIPS

- » Use workshops to build capacity for social impact work within your organization
- » Tailor workshops to social impact issues
- » If labor can't be covered, ask for paid expenses
- » Consider open enrollment workshops

+

- » Minimal effort and cost
- » Can potentially lead to larger (paid) engagements
- » Builds your network

-

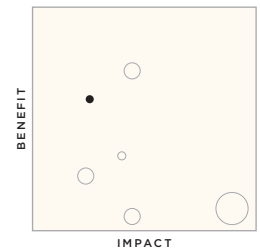
- » Potentially minimal impact
- » Mostly pro-bono

QUESTIONS

- Do you have a process to teach?
- Do you want to teach?
- Is there an interested audience?

WHO IS DOING THIS

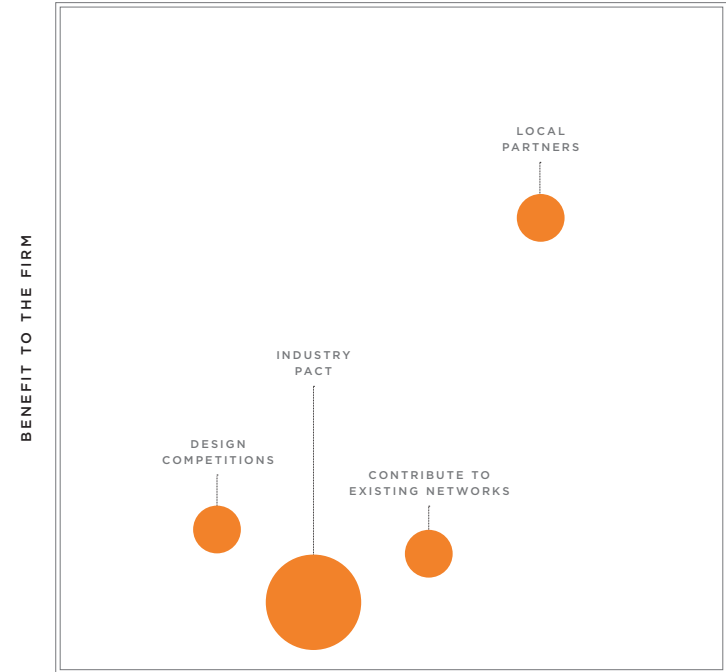
- Celery Design
- d.School
- Design Continuum
- IDEO



DEVELOP NETWORKS

DEVELOP NETWORKS

- Industry Pact
- Local Partners
- Design Competitions
- Contribute to Existing Networks



SOCIAL IMPACT



INVESTMENT SIZE

INDUSTRY PACT

Inspire firms across the design industry to value and participate in social impact work.



WHEN THIS WORKS

- » The industry is collaborative
- » Leaders are passionate
- » Someone is willing to take initiative

TIPS

- » Convene multiple firms to develop the pact
- » Involve employees at all levels
- » Ensure that firms are doing the social impact work they've publicly agreed to do

+

- » Raises social impact awareness among designers
- » Raises awareness about design in the social sector

-

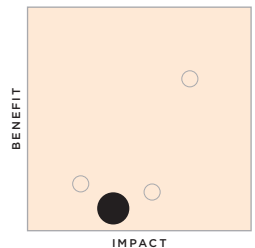
- » Requires a lot of effort to initiate and maintain
- » Doesn't directly increase number of engagements or impact in the world
- » Ultimate impact may be minimal

QUESTIONS

- Can your firm collaborate with other design firms?
- Would signing onto a pact strengthen your commitment to social impact work?

WHO IS DOING THIS

- Bluetooth Consortium
- Designers Accord



LOCAL PARTNERS

Staff projects with local talent or designers
(e.g. Indian design firm or Indian design school).



WHEN THIS WORKS

- » There is a network of partners around the world
- » There is willingness to work with outside designers

TIPS

- » Maintain a relationship with a professor of design or design firm
- » Consider entering a new country with partnerships and later open an office

+

- » Lower cost
- » Increased contextual knowledge
- » Built-in hosts/guides

-

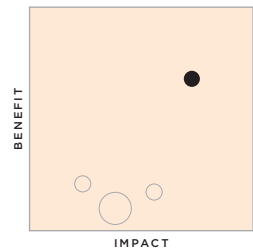
- » Challenging to collaborate
- » Takes effort to maintain network of partners
- » Difficulty to control the quality of design work

QUESTIONS

What type of partnerships do you value?
When do partnerships work for your firm?

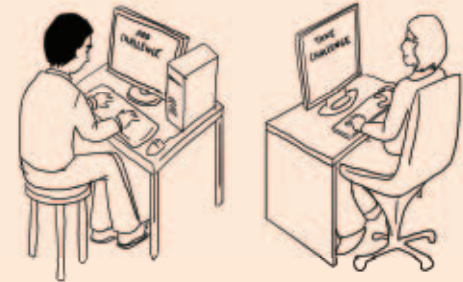
WHO IS DOING THIS

Institute of Design in Chicago
Media Lab Asia
Parsons New School for Design



DESIGN COMPETITIONS

Sponsor web-based competitions for designers to support organizations in need of assistance. Host or participate in open source challenges.



WHEN THIS WORKS

- » There is excitement about design challenges but no bandwidth to solve the problems
- » There exists desire to outsource design work by posting challenges for others

TIPS

- » Partner with an NGO or foundation (like Ashoka or Rockefeller) to gain credibility
- » Tap into an existing design challenges (like InnoCentive or X-Prize)
- » Post design challenges that are discrete pieces of work and can be effectively handed over

+

- » Provides exposure and publicity for design firm
- » Connects firm with new partners
- » Provides opportunities to do smaller side projects

-

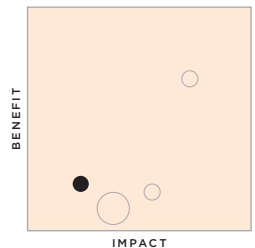
- » Time consuming
- » No revenue
- » No one owns the follow through

QUESTIONS

- Do you want this work to be outside your firm?
- Do you have the resources to dedicate to starting and running this?

WHO IS DOING THIS

- | | |
|---------------------------|-------------|
| Ashoka | InnoCentive |
| Architecture for Humanity | Kluster |
| Design 21 | X Prize |



CONTRIBUTE TO EXISTING NETWORKS

Encourage designers to volunteer their efforts to larger causes or existing networks.



WHEN THIS WORKS

- » Small design firms that want to get involved but don't have the resources to identify projects
- » It's a first entry into social impact work
- » Passionate designers are involved

TIPS

- » Focus on competitions or networks that will give exposure
- » Incentivize designers to contribute to these efforts

+

- » Both sides get something
- » Helps designers develop as entrepreneurial thinkers
- » Gives designers experience on social impact projects

-

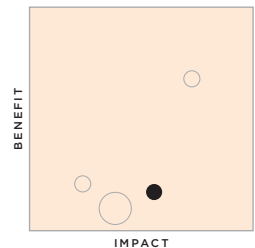
- » Generally smaller efforts
- » Difficult to do in addition to project work
- » Pro bono—no financial benefits

QUESTIONS

- Do your designers have passion and time to take this on?
- Are you ready to make this work a core offering?

WHO IS DOING THIS

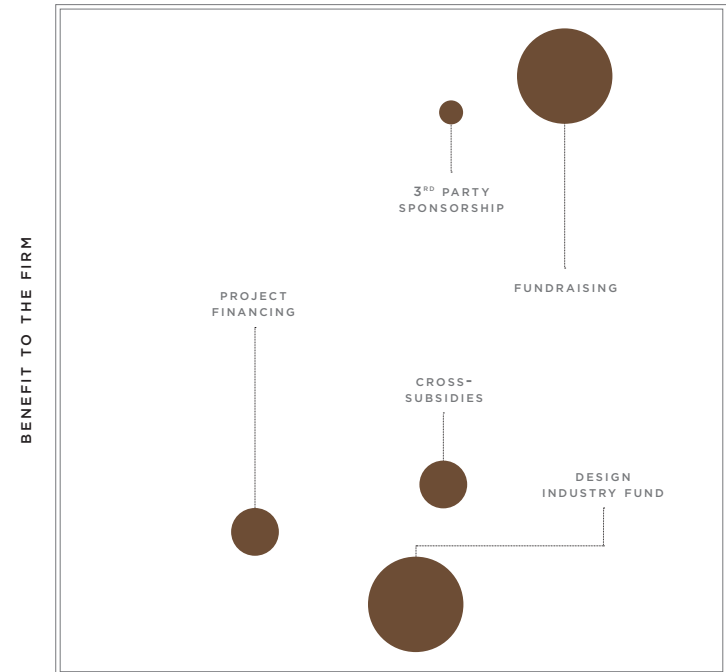
- IDEO
- MetaDesign



IDENTIFY FUNDING STREAMS

IDENTIFY FUNDING STREAMS

- Design Industry Fund
- Fundraising
- Cross-Subsidies
- 3rd Party Sponsorship
- Project Financing



SOCIAL IMPACT



INVESTMENT SIZE

DESIGN INDUSTRY FUND

Establish an industry-wide body that receives funding and projects from foundations and NGOs and assigns them to design firms.



WHEN THIS WORKS

- » There is foundation or other major donor support to set it up
- » Significant funding and many projects from foundations, the government, and NGOs
- » There is willingness to collaborate with other firms

TIPS

- » Define selection criteria and request applications from potential clients
- » Bring together several design firms
- » Secure funding in advance

+

- » Increases the size of the pie
- » More efficient for foundations
- » Raises awareness of design to social sector

-

- » No one design firm would take it upon themselves to create this
- » Requires dedicated overhead costs?

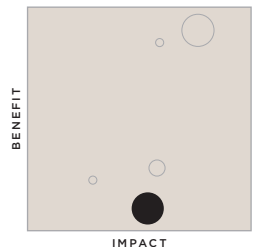
QUESTIONS

Do you have the capacity to do this work yourself or do you need the fund's support?

Are you motivated to collaborate with others in the industry?

WHO IS DOING THIS

Design Industry Foundation Fighting AIDS
TED Prize
USAID IQCs



FUNDRAISING

Raise a pot of money to fund work from foundations, government, corporate clients, individuals, or internally-generated initiatives.



WHEN THIS WORKS

- » There exist relationships with funders
- » The parties share a perceived expertise in social impact work

TIPS

- » Tap corporate-giving arms of clients
- » Develop clear selection criteria for projects
- » Create outside panels of reviewers to approve selection criteria
- » Consider matching funds
- » Consider creating a companion non-profit fund

QUESTIONS

Do you have the relationships and expertise to raise the money?

Do you have projects you want to identify funding for?

+

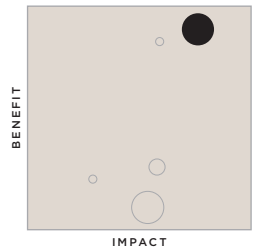
- » Allows firm to do more social impact projects
- » Builds expertise and credibility by doing more projects
- » Gives more flexibility about who to work with and when
- » Could create efficiencies with scale

-

- » Time consuming to set up and maintain
- » Possible perceived conflict of interest in managing own funds
- » Challenging to raise philanthropic money as a for-profit firm

WHO IS DOING THIS

Acumen Fund
Good Capital
Legacy Ventures



CROSS-SUBSIDIES

Use higher margins on full-fee projects to discount social impact projects. Consider sliding scale or tiered pricing.



WHEN THIS WORKS

- » Corporate clients are aligned with and excited about this work
- » The margin is high enough, or can be, on full-fee work
- » Social sector clients can afford subsidized rates

TIPS

- » Express as investing the firm's profits in this work, not as taxing the clients
- » Ask clients to subsidize specific social impact projects and leverage the travel for one project to do research for another project

+

- » Can become a draw for higher paying clients
- » Allows more flexibility to do discounted or pro bono work
- » No external oversight needed
- » Could add positive aspects to less positive work

-

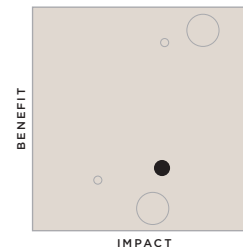
- » Takes money from design firm's bottom line
- » Could create awkward conversations with those who don't qualify for subsidized or pro bono projects
- » Could result in increasing the design firm's rates for corporate clients

QUESTIONS

- Can you afford to subsidize this work?
- Does this offer help attract corporate clients?

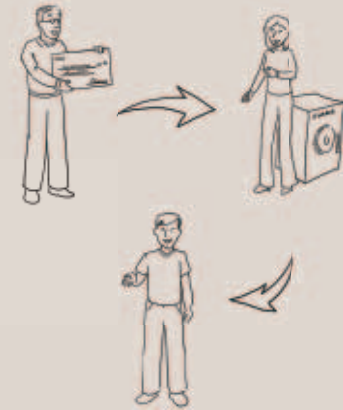
WHO IS DOING THIS

- Smart Design
- Celery Design
- Free Range Studios



3RD PARTY SPONSORSHIP

Get funding from a foundation or Multinational Corporation (MNC) in order to do a design project for one of their grantees. The design firm could become a broker between funders and grantees.



WHEN THIS WORKS

- » Relationships and credibility with founders exist
- » They are projects you want to take on

TIPS

- » This applies to any type of engagement, not just business as usual
- » Include design projects within a larger grant that NGOs receive
- » Get grantees to write proposals for funding
- » Make sure grantee has skin in the game
- » Clarify who client is when there's a 3rd party payer

QUESTIONS

- Do you have connections to funding sources?
- Can you fundraise for projects?

+

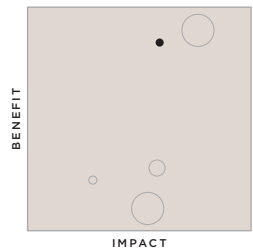
- » Can leverage your brand to help clients get funding
- » A good way to do more impactful projects for clients who can't pay themselves

-

- » Third party payer relationship can get complex
- » Projects are few and far between
- » In some cases, the grant recipient has no skin in the game

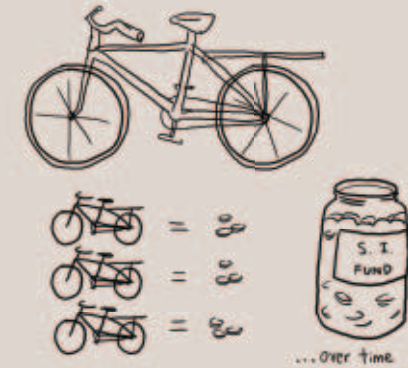
WHO IS DOING THIS

- Celery Design
- McKinsey
- Monitor Institute
- Smart Design



PROJECT FINANCING

Offer flexible payment terms to social enterprise clients. Terms could include equity deals, royalties, or deferred payment.



WHEN THIS WORKS

- » There is strong commitment to the organization or project
- » The social enterprise has a business idea that the design firm believes in

TIPS

- » Be selective with clients
- » Be prepared for longer term engagement
- » Consider bartering for services

+

- » Builds credibility by putting own skin in the game
- » Allows independence in choosing clients

-

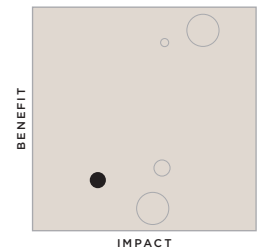
- » Risky for design firm
- » Financial returns in social impact projects are very long term

QUESTIONS

- Can you afford to wait for compensation?
- Are you willing to take the risk?

WHO IS DOING THIS

- Good Capital
- Rent-to-own
- Venture capital



MODIFY YOUR STRUCTURE

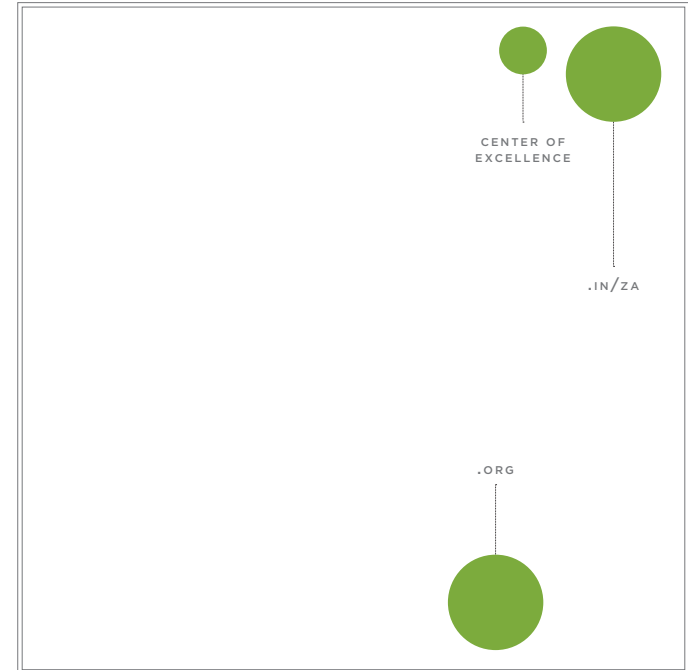
MODIFY YOUR STRUCTURE

.org

.IN/ZA

Center of Excellence

BENEFIT TO THE FIRM



SOCIAL IMPACT



INVESTMENT SIZE

.ORG

Spin-off a non-profit with lower rates.

Assign dedicated staff to the non-profit.



WHEN THIS WORKS

- » Social sector work is a central part of firm's business
- » People with expertise in social sector work are involved

TIPS

- » Watch out for creating 2nd class consultants if compensation is different
- » Understand all legal ramifications, especially IRS regulations, before proceeding

+

- » More credible to non-profits
- » Access to grants
- » More accessible to non-profits
- » Tax benefits if rates are lower
- » Good PR opportunity

-

- » Requires sacrifices to lower rates, including culture and compensation
- » Siloed workforce and inflexible resourcing
- » Makes no profit for the firm
- » More difficult to share learnings between projects

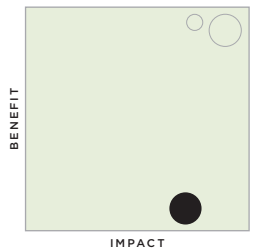
QUESTIONS

Do you want to split social sector work off from your core business?

Is it worthwhile to spin-off a non-profit?

WHO IS DOING THIS

Bain and Bridgespan



.IN/.ZA

Open an office in an emerging market
and engage in social sector work.



WHEN THIS WORKS

- » The location is a central part of the firm's business
- » If it's a full-service office (not only social sector clients)

TIPS

- » Consider rotating staff to other offices
- » Build capability first
- » Establish network and clients first

QUESTIONS

- Do you have the capital to invest?
- Do you feel like you can create more impact by adding a location?

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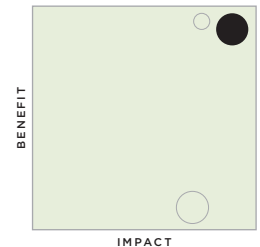
- » Increases credibility
- » Shows commitment
- » Lowers rates and overhead
- » Teams are immersed in local environment
- » Easier access to emerging markets

-

- » Diminishes involvement of existing staff
- » High start-up costs
- » Difficult to recruit designers
- » Mismatch of salaries and project costs
- » Potentially disruptive to local design industry
- » Difficult to learn a new cultural and business context

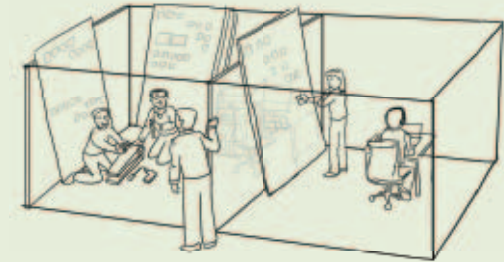
WHO IS DOING THIS

- Human Factors International - India
- McKinsey Brazil Social Entrepreneurship Center



CENTER OF EXCELLENCE

Create a social impact innovation center within the design firm. The center has revenue and expense targets and builds community, expertise, and client relationships.



WHEN THIS WORKS

- » High volume of social impact work
- » People with expertise are involved

TIPS

- » Someone within the firm should have an existing network and know the players
- » Have at least one person dedicated to social impact work and draw from the larger design pool for project work
- » Assign dedicated client contacts

QUESTIONS

- Do you want to make social impact a core part of your business?
- Do you want to centralize social impact work?

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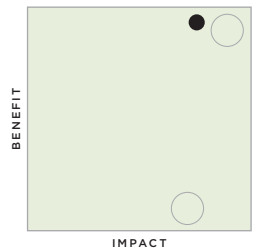
- » Adds credibility
- » Builds internal expertise
- » Provides dedicated resources
- » Reduces BD costs by streamlining

-

- » Could silo social impact work
- » Could make social impact work seem less valuable
- » Requires committed overhead expenses

WHO IS DOING THIS

MIT D Lab
Monitor Institute



INSPIRATION

Case Studies

Stay Informed



CASE STUDIES

Process Guide
Publishing
3rd Party Sponsorship
Concept Brainstorm



CASE STUDY NO. 01

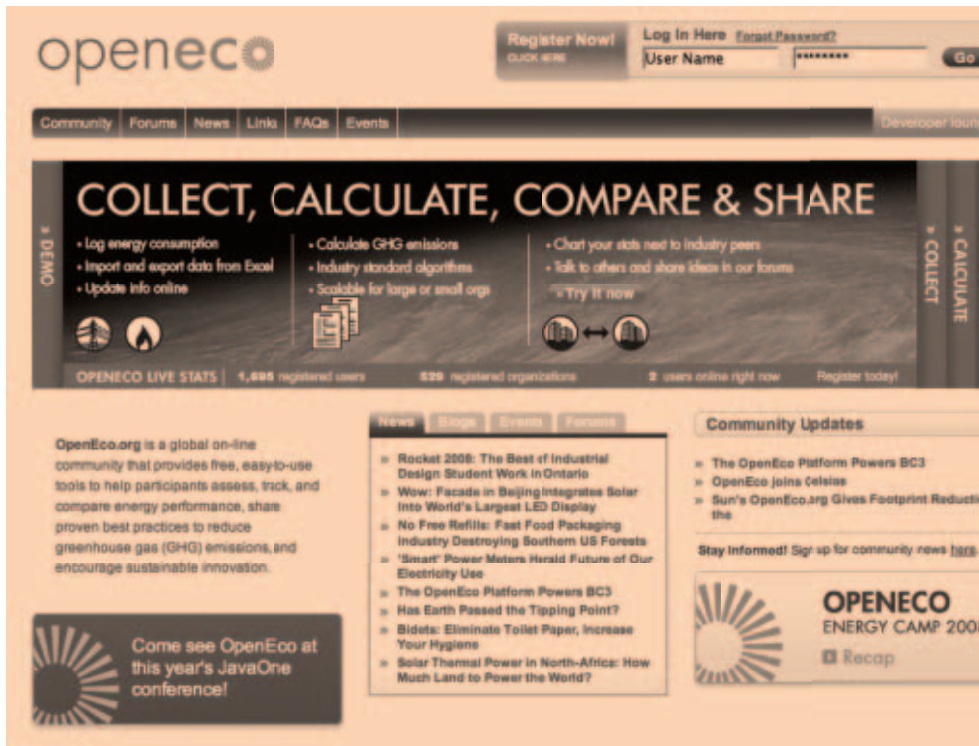
PROCESS GUIDE IDEO + d.light

d.light hired IDEO for a series of design reviews to support their work in developing a solar lantern. The team had five one-hour reviews with a senior mechanical engineer over a period of two months. This interaction was very rewarding for both parties. IDEO was paid for the employee's time. The coach enjoyed the interaction and was able to have a big impact on the d.light team. "We felt the engagement to be extremely worthwhile, and we were able to quickly learn from an expert, rather than make mistakes and slowly make progress. The result was a much smoother process which means more time spent on developing other great products for the developing world."

CASE STUDY NO. 02

PUBLISHING Elephant Design

Elephant Design decided to do something to support their home city of Pune, India. The firm has designed and published three communications pieces as a way to impact their local community. The books and card set highlight the charms and offerings of the city and has served to increase tourism as well as draw in more industry to the area. The three pieces, *Pune: Queen of the Deccan*, *My Pune Travel Book*, and *Pune 30 Picture Cards* all serve to elevate Elephant's status in the community and also serve as source of profit.



CASE STUDY NO. 03

3RD PARTY SPONSORSHIP

Celery Design Collaborative

Sun Microsystems hired Celery to design a web-based tool to manage their greenhouse gas emissions. The site allows participants to assess, track, and compare energy performance and encourages sustainable innovation. As the project took shape, Sun decided that it made sense to open source the tool and build a community around it. OpenEco.org demonstrates Sun's leadership and provides PR value to the company. Celery worked with Natural Logic in the conceptual phases and with Code Magi for the engineering and build-out to develop the on-line community.

CASE STUDY NO. 04

CONCEPT BRAINSTORM

IDEO + Better World Books

IDEO conducts one-hour pro bono "Social Impact Labs" twice a month. Each lab session focuses on a challenge raised by an organization that appreciates design thinking but can't afford an engagement with a design firm. One recent session was with Better World Books, an online bookstore that uses its profits to reduce poverty through literacy. During the lab session a group of IDEO designers from a variety of backgrounds got a briefing on the challenge of making social impact with environmental consciousness. The brainstorm resulted in a large number of ideas that inspired Better World Books. "It was very fun and inspirational to get out of the office and re-think some problems that we think about on a daily basis."

STAY INFORMED

We recommend the following books, articles, and websites about design for social impact.

BOOKS

Biomimicry: Innovation Inspired by Nature
Janine Benyus

Blessed Unrest: How the Largest Social Movement in History Is Restoring Grace, Justice, and Beauty to the World
Paul Hawken

Capitalism at the Crossroads
Stu Hart

Cradle to Cradle
William McDonough and Michael Braungart

Design for Society
Nigel Whiteley

Design for the Other 90%
Cooper-Hewitt, National Design Museum

Design for the Real World: Human Ecology and Social Change
Victor Papenek

Design like you Give a Damn: Architectural Responses to Humanitarian Crises
Architecture for Humanity

Eco Design: The Sourcebook
Alastair Fuad-Luke

The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits
C.K. Prahalad

Rural Studio: Samuel Mockbee and an Architecture of Decency
Andrea Oppenheimer Dean and Timothy Hursley

How to Change the World: Social Entrepreneurs and the Power of New Ideas
David Bornstein

The Next Four Billion
World Resources Institute

The Power of Unreasonable People: How Social Entrepreneurs Create Markets that Change the World
John Elkington and Pamela Hartigan

Worldchanging: A User's Guide to the 21st Century
Alex Steffen

ARTICLES

"BoP Protocol 2"
Cornell University, 2008

"Can the Cellphone Help End Global Poverty?"
New York Times, April 13, 2008

"Embedded Innovation"
Stu Hart, 2008

"Low Tech Laboratory"
Good Magazine, October 2007

"Low Technologies, High Aims"
New York Times, September 11, 2007

"Nothing Ventured, Nothing Gained" - Jed Emerson, Tim Freundlich, and Jim Fruchterman, Skoll Centre for Social Entrepreneurship, 2007

"Serving the World's Poor, Profitably"
C. K. Prahalad, Harvard Business Review, September 2002

"Strategy and Society"
Michael Porter and Mark Kramer,
Harvard Business Review, December 2006

"The Best Available Charitable Option"
Acumen Fund, 2007

"The Hidden Wealth of the Poor"
The Economist, November 3, 2005

"This is Not Charity"
Atlantic Monthly, October 2007

"Trickle Up Economics"
Forbes, June 20, 2005

BLOGS AND WEBSITES

www.acumenfundblog.org

www.changemakers.net

www.design21sdn.com

www.goodmagazine.com

www.hipinvestor.com

www.janchipchase.org

www.jocelynwyatt.com

www.naturalstep.org

www.nextbillion.net

www.socialedge.org

www.worldchanging.com

www.xigi.net

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THE
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