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STANFORD SOCIAL INNOVATION *review*

What's Next

White House Digs Innovation

By Suzie Boss

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WEB 2.0

Tweets for Change

► Work fast. Do good. Invite everybody. Mash up these appealingly simple strategies with a Web 2.0 tool like Twitter, the popular microblogging platform, and you wind up with something called a Twestival.

During the world's first Twestival, on Feb. 12, near-simultaneous fundraisers took place in pubs and clubs in 202 cities around the globe. The buzz began building a couple of weeks earlier, thanks to chatter in the Twitterverse. (For anyone who's managed to miss the latest Internet phenomenon, Twitter allows people to post short updates, called tweets, which others can subscribe to and read.)

Twestival attendees got to meet and greet the real people behind the avatars whose mini-messages they follow. But this was more than socializing. Ticket sales and online donations generated more than \$250,000

to support the nonprofit Charity: Water, whose mission is to provide clean drinking water in the developing world.

Twestival organizer Amanda Rose, a Canadian events consultant living in London, volunteered to organize the event on a few weeks' notice to demonstrate the power of microphilanthropy. "I'm not a charity thumper," she insists. "This just seems like the right thing to do." During tough economic times, she adds, "we are going to be reliant on microdonations. I wanted people to give what they could, even if it's only two dollars, and let them see how it adds up."

Picking just the right cause is critical. "It had to be a simple and worthwhile concept," Rose says, "so the Twitter community could get behind it." Clean drinking water turns out to be an ideal concept to convey in 140 characters or less (the maximum length of a tweet). What's more, Charity: Water is a nonprofit "that really understands social media and how to engage this crowd," Rose says. The or-

Fashionable Twitterers combine clubbing with fundraising for clean drinking water at New York's M2 Ultra Lounge.

ganization invites donors to post their personal stories about philanthropy on its Web site and uses Google Earth to show the locations of wells it builds in the developing world.

Conversations that start with a few words on Twitter often jump to blogs and YouTube. Rose says this shows the viral power of Web 2.0 tools to connect and engage people. "It's the conversation that gets people."

Instead of taking a top-down approach, Rose favors crowdsourcing. That means engaging local volunteers in every site. "I want to bring huge awareness," she says, "but decentralize it." Her strategy: provide event guidelines to ensure consistency across geographies, then leave the nitty-gritty to locals. Naturally, she arranged to track donations online, giving Twitterers something else to chatter about.

Every Twestival had its own vibe. New Yorkers raised \$24,000 while schmoozing in a nightclub. Meanwhile, in Dubai, the tweet-up raised \$400 at a beach party. "That reflects the online Zeitgeist," Watson says. "Nobody's experience online is the same as anyone else's."

London's Twestival was a huge draw: 700 tickets sold out in two hours, and donations topped \$8,000. Dhaka, Bangladesh, raised almost nothing, but was still a success from the organizer's perspective. "I just wanted them to participate," Rose says. "The next time it happens, the momentum will be huge." ■

GOVERNMENT

White House Digs Innovation

► When first lady Michelle Obama helped turn a patch of the South Lawn into a kitchen garden for the White House, sustainable foodies savored the moment—and the overnight attention it brought to their "eat local" movement. Social innovators, meanwhile, spent early spring waiting for the Klieg lights to turn in their direction. "Any day now" was the rolling estimate of when the new President would formally announce creation of the first-ever White House Office of Social Innovation. (At press time it was learned that the office would be headed by Sonal Shah, who previously worked at the global development team of Google.org.)

Even before the announcement, spirits were high among those who have pushed hard for the creation of this new West Wing office. "This could be a very big idea," predicts Vanessa Kirsch, executive director of New Profit Inc. Kirsch is also a founder of America Forward, a coalition of leading social entrepreneurs. During the presidential campaign, America Forward lobbied hard for a White House office that would help scale effective nonprofit programs.

More cause for optimism came in late March with the passage of the Senator Edward M. Kennedy Serve America Act. Passed with broad bipartisan support, the act creates a community solutions fund for replicating proven programs, starting with \$50 million in 2010. It also

greatly expands opportunities for community service. For social innovators, this means fresh infusions of money and people power for scaling up good ideas.

One of the people who helped establish the new office was Michele Jolin, a former senior fellow at the Center for American Progress. (Jolin first made the case for the new office in “Innovating the White House,” published in the spring 2008 issue of the *Stanford Social Innovation Review*.)

Establishing a White House office sends a strong message. “Every President creates special offices around his priorities,” Jolin points out. “This is a way to signal that social innovation will have some extra oomph in this administration.”

With a home base in the White House, the new office staff will be in a position to convene gatherings, bring together potential partners, and use the bully pulpit to promote social innovation across sectors. At the same time, the office will likely be careful not to create any new bureaucracy that could interfere with community-level innovation. “Government’s role is creating a climate so that innovation can happen,” Jolin says, “not to put barriers in place.”

This emphasis on showcasing innovation and funding what works could enable government to act more like a venture philanthropist, predicts Kirsch. Emphasizing results and competing for resources are hallmarks of social entrepreneurs. “We welcome the chance to compete against metrics,” she says. “Tell us what you want to accomplish in government and give us the chance to show you that we can do it more cost-efficiently, or at scale, or in neighborhoods where you didn’t think we could succeed. Our dream is that this office is like the little engine that could.” ■

HEALTH CARE

Mobilizing Against Fake Drugs

► Your child is feverish and hacking, so you rush to the pharmacy to buy some cough syrup. If you’re living in the United States or Germany, you trust that the bottle contains exactly what the label describes. But in the developing world, there’s a one-in-three chance the medicine you purchase will be fake.

Counterfeit drugs are a big and cruel business across much of Africa. They not only waste consumers’ money but put public health at risk. Western tools for authenticating pharmaceuticals—such as chemical testing, nanotechnologies, radio frequency identification, or holograms—rely on labs and technologies that aren’t always available in the developing world, where even electricity is unreliable. And even if government regulatory agencies are in place, they lack the resources to match well-funded counterfeiters.

“All these options have failed us,” says Ashifi Gogo, a young, Dartmouth College-trained engineer who is a native of Ghana. “They don’t work in developing nations.” Gogo is the cofounder of mPedigree, a start-up that has devised a method for using mobile phones—ubiquitous in the developing world—to put drug authentication into the hands of consumers.

Here’s how the drug authentication system works: At the point of sale, a buyer scratches off a label to reveal a unique numeric code. Using text messaging, the buyer sends this code to an automated hotline, which checks a database and reports back immediately whether the



Ghanaians can easily find out if the drug they bought is legitimate by texting a scratch-off code and receiving instant authentication.

medication is authentic or fake. If it’s counterfeit, the buyer can demand a refund on the spot.

During a trial in Ghana, most consumers had no trouble using scratch-off labels to authenticate pharmacy purchases. The trial also indicated that elderly consumers prefer talking to a hotline operator rather than texting. A survey revealed that nearly half of consumers were unaware of the prevalence of counterfeit drugs on the retail market. Yet the World Health Organization estimates that counterfeit drugs account for 30 percent of the drugs sold in the developing world.

The most promising aspect of mPedigree’s model may well be its bottom-up design. “Consumers are the ones who are most invested in drug safety, the ones with the most to lose,” says Gogo. Although mPedigree also encourages government enforcement, he adds that “empowering consumers is what this technology is about.”

That makes sense to Marv Shepherd, president of the Partnership for Safe Medicines. “We have to get control of this problem. Consumers need to trust that they are getting authentic products. Any deterrent

that can be implemented will be helpful to combat “a global problem that shows no signs of slowing down.”

Under the mPedigree business model, consumers pay no premium for the assurance of drug safety. Drug companies eager to protect their brands have shown a willingness to cover the costs of texting, redirecting a portion of their marketing budgets to cover SMS fees, Gogo says. Ghana’s four telecommunication firms collaborated during the first trial, making the same four-digit access code work across all mobile carriers.

Eventually, Gogo intends to sustain mPedigree’s drug safety efforts with a for-profit venture to authenticate other commonly counterfeited goods, such as clothing and entertainment products. “Nobody dies from buying a fake DVD,” he says, “but big companies still want to be able to protect their IP [intellectual property].” ■

SOCIAL INVESTING

Hedge Funds for Good

► Looking for the silver lining in the current financial mess takes a special breed of optimist. Combine that with a quest to redefine the hedge fund as a force for good and you can start to sound downright quixotic.

Yet that's what the founders of New York-based Uhuru Capital Management have set out to do. The firm will manage a conventional fund of hedge funds, but with an attention to social values. What's more, general partners will direct 25 percent of their profits to help social entrepreneurs scale up efforts in developing markets.

The founders bring solid credentials for both making money and doing good. Peter Kellner, a successful private equity investor, is a protégé of Ashoka founder Bill Drayton and cofounder of Endeavor, a nonprofit that supports high-impact entrepreneurs in emerging markets. And Neal Goldman launched Capital IQ, a financial research firm that was later sold to Standard & Poor's.

The opportunity to put sustainable investing ideas into practice is what attracted Jed

Emerson, Uhuru's managing director of integrated performance. After years of talking up blended value theory on the conference circuit, he says, "what we really need are more and deeper examples of practice."

Will wealthy individuals and families warm to Uhuru's approach? Justin Rockefeller (the youngest son of U.S. Sen. John D. "Jay" Rockefeller IV) is one who showed early support, providing start-up capital and family name recognition.

Uhuru isn't sharing financial projections, but no one expects the firm to grow to the size of the multibillion-dollar hedge funds. "That level would not be success for us," Emerson admits. "We're trying to maximize value. We don't believe we would be able to manage funds as effectively," he says, if they mushroomed into the billions.

Uhuru's timing and smaller is better approach may work in its favor. The firm starts at "the current reset point," Emerson points out, with no need to recover losses, a problem plaguing many other hedge funds.

"It's pretty clear we're at an inflection point in the financial system," says Tim Freundlich, a partner at Good Capital and senior vice president at the Calvert Foundation. "Everyone's wondering, how do we come out of this on stronger footing? The commitment up front to sustainability and social responsibility—that's what they're leading with [at Uhuru]. In the hedge fund world? There's been very little of that."

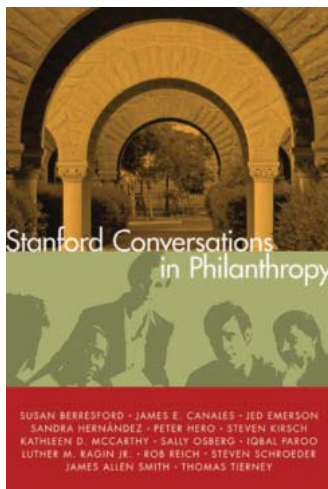
But it's on the back end where Uhuru—Swahili for freedom—may really make an impact. That's where a quarter of general partners' incentive-

based management fees will be channeled to the new Uhuru Sustainability Foundation, dedicated to helping social entrepreneurs achieve scale in developing markets. The foundation will keep overhead low by relying on intermediaries such as Ashoka and Endeavor to manage the selection process. "We become an investor in their fund management approach," Emerson explains, "in the same way we would if we were investing in for-profit activity."

Once all the parts are operating, Uhuru will have in place a global network of wealthy investors, hedge fund managers, and social entrepreneurs—groups whose circles seldom overlap. Their shared knowledge will inform how Uhuru makes money and does good. Predicts Freundlich, "That could be a much bigger conversation." ■

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