5 TRENDS DEFINING
SOCIAL INNOVATION
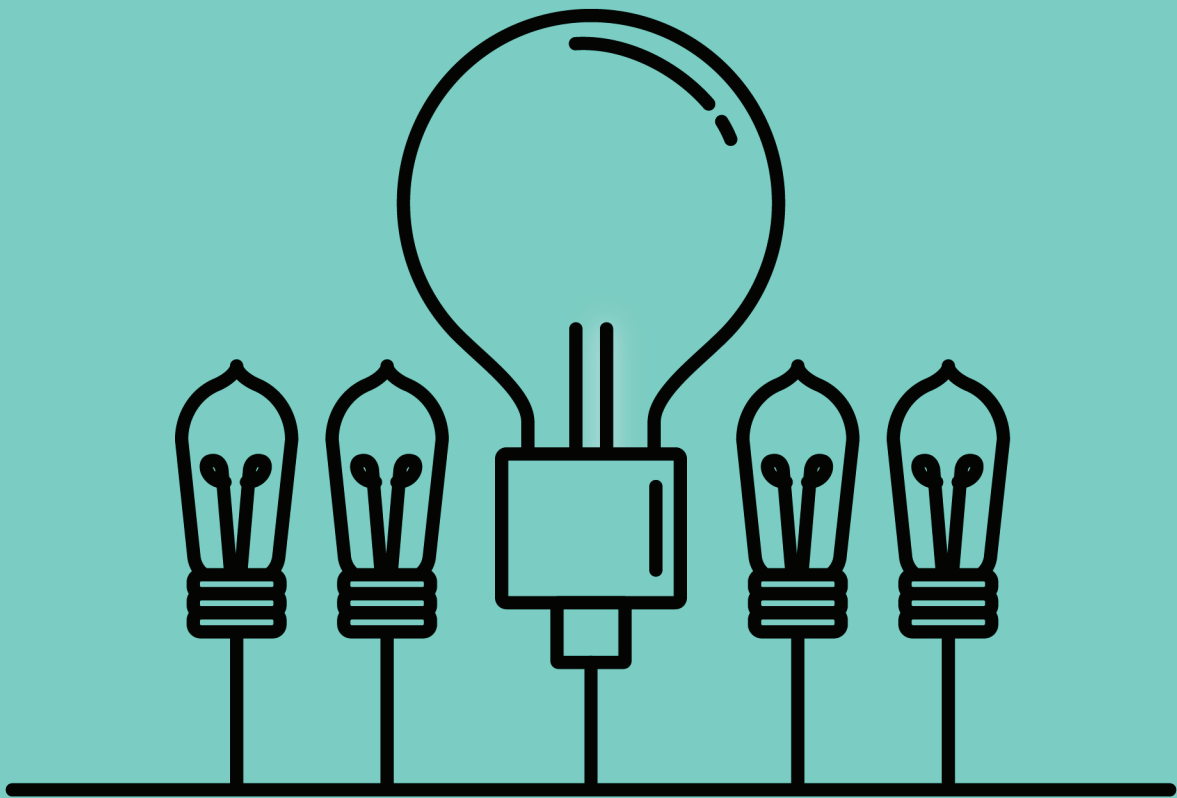# IN 2015

TABLE OF CONTENTS

Introduction

This guide was originally published in March 2015.

2015 will be an unprecedented year for social innovation. This optimal environment has been enabled by a number of trends and technologies that have increased available capital, participation, intelligence and creativity in the design of social solutions. Based on our research and observations, and combined with the feedback of the 2014 Leadership Council members and Classy Awards Nominees, we've compiled a list of the top trends that will define the social innovation landscape this year.

1. **Available capital for innovation will increase.**

2. **Mobile solutions will focus on individual empowerment.**

3. **Large NGOs and agencies will prioritize innovation.**

4. **Data intelligence will transform social solution design.**

5. **Corporations will be more vested in addressing social problems.**

Chapter 1
Available capital for innovation will increase.

Available capital for early stage social innovations continues to grow in breadth and depth and we expect to see a definitive increase in those opportunities in 2015. A number of factors have contributed to this optimal environment:

- **Increasing financial influence of Millennials**

- **The fast-paced growth of crowdfunding platforms**

- **An increasing number of institutional funders focusing their investments on innovation**

Millennials and technology are changing the ways social innovations are funded. According to Forbes, there are 80 million Millennials in America alone, and more than $200B in buying power.[1]

Coupled with Generation X, they're also poised to inherit nearly $40 trillion in the coming years, much of which will be donated to charity. Naturally progressive and willing to take risks, Millennials are more likely to invest in new endeavors and innovations that promise to bring dramatic change, and in 2015 they'll have more investment power than ever before.

Crowdfunding sites have become the easiest way to enable Millennials to invest in innovative social enterprises. According to the 2014 Giving USA Report, 17% of Millennials reported having given through crowdfunding sites and nearly 47% anticipate giving through crowdfunding in the future. This trend is leading to the rapid growth and expansion of crowdfunding platforms like Kickstarter, Indiegogo,

---

[1] Forbes, "10 New Findings About The Millennial Consumer." http://www.forbes.com/sites/danschawbel/2015/01/20/10-new-findings-about-the-millennial-consumer/

[2] Giving USA, "Giving USA 2014 Data Tables." http://givingusa.org/product/giving-usa-2014-data-tables/

GoFundMe. From 2009 to 2014, funds raised online via crowdfunding grew more than 1,000% to nearly $10 billion.[3] By 2025, the global crowdfunding market could reach between $90 billion and $96 billion, according to a 2013 study commissioned by the World Bank.[4]

Innovations crowdfunded through online giving marketplaces

- **Lava Mae** provides mobile showers for the homeless.

- **Kite Patch** is a breakthrough mosquito fighting patch that blocks mosquitoes' ability to track humans.

- **Luminaid** is a solar-powered, inflatable light that packs flat and inflates to create a lightweight, waterproof lantern.

Classy.org has grown into the leading online and mobile fundraising platform for top nonprofits and social enteprises. Over the past year alone, we've seen 3.1x growth in organizations raising funds through the platform.

"Crowdfunding as a utility for social innovation is really in its infancy. As crowdfunding goes mainstream and the world continues to go mobile, the opportunity for collective change is massive. This will be especially true at a local level, where communities everywhere become empowered to help themselves in various ways right through the phone in their pocket," said Scot Chisholm, CEO and cofounder, Classy.org.

Kindred Image is a social organization that exists to end child abandonment and create a culture of life in South Korea. Started by a group of USC grad students studying film, they were inspired by

---

3 Forbes, "Crowdfunding Entrepreneurs Predict More Good In The World In 2014." http://www.forbes.com/sites/devinthorpe/2013/12/24/crowdfunding-entrepreneurs-predict-more-good-in-the-world-in-2014

4 Fortune, "Why investors are pouring millions into crowdfunding." http://fortune.com/2014/04/17/why-investors-are-pouring-millions-into-crowdfunding/

their experience in South Korea and created a film to raise awareness and funds for the cause. With zero nonprofit experience, they came to Classy.org looking for a way to turn their inspiration into a sustainable fundraising model with monthly recurring revenue and peer to peer fundraising. Since registering on Classy.org last year, they've raised $163,123 from 2,019 supporters on the platform.

Institutional investments in social innovations are also on the rise. In a spring 2014 article on SSIR, Gabriel Kasper & Justin Marcoux of Monitor Institute described a new trend of funders who are introducing innovation into their philanthropic processes and portfolios.[5] Kasper and Marcoux dubbed these "innovation funders" that are "seeking out ideas with transformative potential, tak[ing] risks on less proven approaches, open[ing] themselves up to exploring new solutions, and recogniz[ing] that innovation requires flexibility, iteration, and failure." Many of the largest foundations in the country are supporting this innovation movement, including the Robert Wood Johnson Foundation, Gates Foundation, David and Lucile Packard Foundation, MacArthur Foundation, Knight Foundation and Rockefeller Foundation.

The Social Innovation Fund (SIF) represents increased interest and growth in fund allocation to innovative solutions from the government as well. Launched in 2012 by the White House and Corporation for National and Community Service (CNCS), SIF combines public and private resources to grow the impact of innovative, community-based solutions. Approximately $40 million is now available for new grants in 2015, according to their website.[6]

---

[5] Fortune, "Why investors are pouring millions into crowdfunding." http://fortune.com/2014/04/17/why-investors-are-pouring-millions-into-crowdfunding/

[6] Corporation for National & Community Service, "About the Social Innovation Fund." http://www.nationalservice.gov/programs/social-innovation-fund/about-sif

Chapter 2

Mobile solutions will focus on individual empowerment.

It's no secret that mobile is king. Cell phone ownership rates have skyrocketed in the last decade. Developing nations are now skipping landlines and moving straight to mobile technology.

Globally, mobile-broadband penetration was expected to reach 32% by the end of 2014 — four times higher than 2009. Mobile broadband remains the fastest growing market segment, with continuous double-digit growth rates in 2014. By 2020, 90% of the world's population will own a cell phone.[7]

The massive growth of mobile has been the primary catalyst for a whole new category of social innovations focused on community and individual empowerment. In 2015, its implications on social solution design will be more present than ever.

Empowerment solutions promote individual and community control, political efficacy, improved quality of community life and social justice. Rather than providing a service to an individual or community, they provide the necessary tools and infrastructure that individuals need to serve themselves.

"If you can start to bring core health services to the smartphone … then you're going to start seeing a pretty fundamental shift in the health-care system," said Samuel Sia, associate professor of biomedical engineering at the Columbia University in a February 2015 Skoll blog.[8]

Sia is referring to a new device for smartphones created by researchers at Columbia that can test for HIV and syphilis and provide accurate results in 15 minutes. Dr. Antonio Urbina, who wasn't involved

---

[7] Ericsson, "Mobility Report." http://www.ericsson.com/mobility-report
[8] Immortal News, "New $34 Smartphone Device Tests For HIV And Syphilis In 15 Minutes." http://www.immortal.org/5211/new-34-smartphone-device-tests-hiv-syphilis-15-minutes/

in the project, told the Daily News that the app is a "game-changer" which is "going to empower individuals to take ownership of their own health."[9]
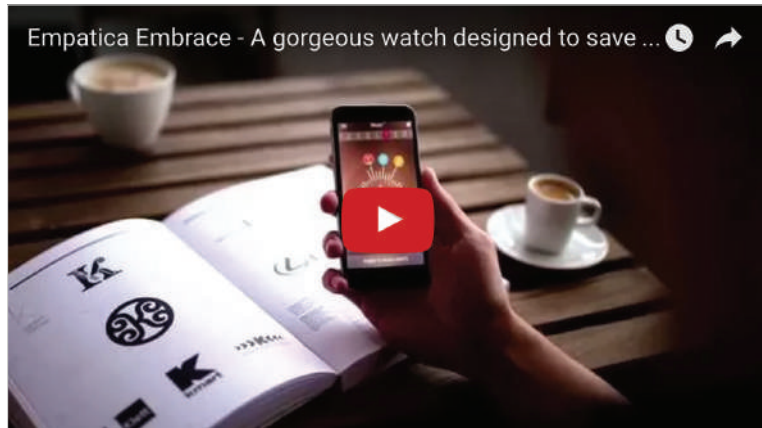
MedicMobile, a mobile app that enables health workers to register pregnancies, track disease outbreaks faster, keep stock of essential medicines, and communicate about emergencies. And Empatica, a computing company that develops wearable devices with medical quality sensing,

▶ Watch the Video

Embrace is designed to look good and save lives. It can track your activity, stress and overall balance, sending notifications when unusual physiological events might soon occur.

like Embrace, a watch for patients with epilepsy. Wearers get an alert when an unusual event happens like a convulsive seizure.

mHealth innovations like these that support the achievement of health objectives focused on patient empowerment "have the potential to transform the face of health service delivery across the globe," according to the World Bank.

Individual empowerment solutions have already made massive leaps in personal finance. Mobile banking has swept many African communities, where limited access to money or capital has inhibited individuals abilities to take control of their finances.

---

[9] Daily News, "'Game-changing' smartphone device can diagnose HIV, syphilis in 15 minutes." http://www.nydailynews.com/life-style/health/smartphone-device-diagnose-hiv-syphilis-15-minutes-article-1.2105919

M-Pesa, the mobile based money-transfer and microfinancing service, is now serving tens of millions throughout Africa. 60% of Kenya's GDP is now transacted on M-Pesa, and nearly 7 in 10 Kenyans (68%) who own a cell phone say they regularly use their mobile device to make or receive payments.[10] Half in Uganda say this as well, according to a 2014 Pew study.[11]

MORE: Inventure is a mobile innovation that is making microfinance loans smarter.

The blend of mobile banking and microfinance solutions have been identified as a significant means of individual empowerment, especially for women, who disproportionately lack formal bank accounts yet are largely responsible for managing family finances. Many organizations, like BRAC, Kiva and FINCA, that offer microfinance as a social solution have started to adopt mobile-banking platforms as an alternative delivery channel to reduce costs, facilitate greater outreach to rural areas, and increase existing customer convenience.

We expect to see mobile-focused individual empowerment solutions being embraced to address social problems of all sizes in 2015.

> " *Social innovation is providing people with the tools necessary to have greater power in society. Across the board, social innovation uses creativity to empower people leading to improvements in livelihood, health, education, social justice, and emergency relief.*"
>
> — **EMILY COPPEL**, *BRAC USA*

---

[10] Stanford Social Innovation Review, "Mobile Impact Machine." http://ssir.org/articles/entry/mobile_impact_machine

[11] Pew Research Center, "Emerging Nations Embrace Internet, Mobile Technology." http://www.pewglobal.org/2014/02/13/emerging-nations-embrace-internet-mobile-technology/

Chapter 3

Large NGOs and agencies will prioritize innovation.

Large NGOs and international agencies are not traditionally recognized for playing a significant role in driving social innovation, however over the past few years that has changed. In 2015, we expect to see large organizations stepping up more than ever as the catalysts of collaborations that support a healthy environment for social innovation.

Oxfam America, CARE USA and the Clinton Foundation at the 2014 CLASSY Collaborative

At the 2014 Collaborative in San Diego, leaders from Oxfam America, CARE USA and the Clinton Foundation sat down to discuss how large NGOs continue to innovate, collaborate pivot and scale.

"There is a lot of innovation that goes on that we don't have the opportunity to capture. As a large NGO, we miss out on a lot of opportunities to grow because small, innovative ideas aren't always on our radar screen. We need to do better," said Dr. Helene Gayle, President & CEO of CARE USA during the Collaborative session.

Despite this challenge, large organizations are in an optimal position to facilitate social innovation. "As a large NGO, we are in a unique position. We can spot opportunities, we can be conveners of different types of actors, we can introduce types of M&E practices, our scale and breadth gives us advantages, but we also need the creativity of smaller organizations." said Raymond Offenheiser, President of Oxfam America in response to Gayle.

"What I have found is that you have two types of people. Ones who have the opportunity and ability to come up with the technological solutions and ones who are the end users [of that technology]. As a large NGO, it's our job to bring the end users together with the people who have the opportunities and ability," said Gayle.

This realization is illustrated by the growth of investments in innovation labs. BRAC, Rockefeller Foundation, World Bank and UNICEF have all invested in creating labs to drive entrepreneurial endeavors, foster innovative solutions to social problems and provide resources for early-stage ventures.

According to The Bridgespan Group, preliminary estimates indicate that the innovation lab sector is relatively small—approximately $150 million per year.[12] However the sector is growing quickly in response to increasing demand—about 65% of the labs were founded in the last five years.[13]

> ## What's an innovation lab?
>
> UNICEF defines their innovation labs as open, collaborative incubation accelerators that bring business, universities, governments and civil society together to create sustainable solutions to the most pressing challenges facing children and youth. The Lab model creates opportunities for young people who have a unique insight into the challenges that affect their communities, to team up with local leaders to develop creative and sustainable solutions.

Kidogo is an example of an innovation born out of such labs.

Kidogo is a social enterprise that improves access to high-quality affordable early childhood care and education in informal settlements. Kidogo was selected as a winner of the first ever AMPLIFY Challenge, a joint project between IDEO.ORG and DFID using open innovation to identify approaches

[12] The Bridgespan Group, "Social Innovation Labs. How Social Innovation Labs Can Advance Your Work." http://www.bridgespan.org/getmedia/008ecee5-1fe5-4b4c-b6c3-210d03c36bbd/Social-Innovation-Labs-External-Guide.pdf.aspx

[13] Rockefeller Foundation, "How Social Innovation Labs Contribute to Transformative Change." https://www.rockefellerfoundation.org/blog/how-social-innovation-labs-contribute/

to specific development challenges. As a part of the project, Kidogo receives pro-bono support from a team of IDEO.ORG designers over the period of the project.

Though not born out of a lab, Voices of Youth (VOY) Maps is a similar example of an innovation born from a large international agency. An initiative of the Youth Section in the Division of Communication at UNICEF Headquarters, VOY uses digital mapping technology to create a virtual image depicting the everyday realities, challenges and opportunities encountered by young people, ultimately empowering them to participate in the improvement of their neighborhood. The organization's platform is built and maintained by UNICEF, and takes advantage of their global partnerships and reach.

> " *The social sector needs more NGOs, partners, agencies and funders that are truly committed to undertaking the long-term and painstaking efforts solve and address complicated problems and issues. This will require unique and different collaborations, alignment among diverse (and sometimes unlikely) institutions, less focus on competition for resources, and more focus on collective and sustained commitments to solve vexing social issues and challenges.* "
>
> – **TODD REEVE**, *Bonneville Environmental*

Chapter 4

Data intelligence will transform social solution design.

"Data-driven intelligence has been used successfully in technical and business endeavors, but a very different situation prevails in the social arena. A large chasm exists between the potential of data-driven information and its actual use in helping solve social problems," Kevin Desouza and Kendra Smith wrote in a 2014 article on SSIR.[14]

"Some social problems can be readily solved using big data, such as using traffic data to help ease the flow of highway traffic or using weather data to predict the next hurricane. But what if we want to use data to help us solve our most critical problems, such as homelessness, human trafficking, and education? And what if we not only want to solve these problems but do so in a way that the solutions are sustainable for the future?"

The Polaris Project at the 2014 CLASSY Collaborative showing the data they are able to collect and analyze because of their partnership with Palantir

It's not that the social sector hasn't recognized the need for data. But in the past few years the emergence of data analysis groups like Bayes Impact, Social Cops and Palantir have equipped social organizations with new intelligence to guide their strategies and inspire innovative solutions.

---

[14] Stanford Social Innovation Review, "Big Data for Social Innovation." http://ssir.org/articles/entry/big_data_for_social_innovation

This year, we will see the most aggressive adoption of data intelligence for guiding social solution design.

"In my view, it was data that was going to be our best bet as we tried to reinvent the way we work with policy-makers," said HyeSook Chung, Executive Director of DC Action for Children in a November 2014 blog.

DC Action, a nonprofit focused on improving child well-being, partnered with DataKind in 2014 to do the analysis work they didn't have the resources to do themselves.

"I wish we could afford to hire staff like Google or Amazon, but instead we have an army of data scientists via DataKind. [They] equalize the playing field in the competitive world of big data analytics for a small but fierce nonprofit like ours," said Chung.

MORE: See how Palantir is working with the Carter Center to track the crisis in Syria.[15]

Now, DC Action is able to analyze family and child data in specific neighborhoods, and using predictive analytics, attempt to identify potential areas of future child abuse cases.

Polaris Project, a nonprofit that works to end modern slavery, receives 100,000 calls via the National Human Trafficking Resource Center Hotline (NHTRC) each year. Working with Palantir, they're now able to make connections between the calls, identify global trafficking patterns and networks, locate emergency response resources and identify services for trafficking victims in a matter of seconds.

The San Francisco Department of Emergency Communications is working with Bayes Impact Fellows to build a model that will minimize overall response times and identify the optimal number and placement

---

[15] Palantir, "Mapping the Syrian Crisis with the Carter Center." https://www.palantir.com/2014/06/mapping-the-syrian-crisis-with-the-carter-center/

of ambulances across San Francisco. The algorithm underlying the dispatch system targets a 9.5

minute response time and optimizes ambulance dispatch by shortest distance to response location.

The partnership will also allow the Department to know how many ambulances are needed at various

times of day and optimize the starting location of ambulance fleets. The implications of tools like these

on social innovations will be paramount in 2015.

> " *With mobile technology, we can hear directly from factory workers in Bangladesh in real time. Anonymous feedback from 20 factories is interesting, but data from 200 factories is what really drives change. At that scale, we can begin to predict and prevent a fire or building collapse before it happens.* "
>
> – **HEATHER FRANZESE**, *Good World Solutions*

Chapter 5

Corporations will be more vested in addressing social problems.

"The business of business isn't just about creating profits for shareholders — it's also about improving the state of the world and driving stakeholder value," said Marc Benioff, Chairman and CEO of Salesforce, in a February 2015 HuffPost article.[16]

Benioff joins a number of powerful CEOs and business executives, like Facebook CEO, Mark Zuckerberg and Apple CEO, Tim Cook, who have championed a corporate focus on stakeholders rather than shareholders.

In 2010, the idea was advocated by Roger Martin, who wrote that maximizing shareholder value "is a tragically flawed premise, and it is time we abandoned it."[17] It's since been adopted by business thought leaders and corporate executives, who all agree that the primary purpose of a corporation is not to maximize shareholder value, but rather "to serve customers' interests."[18]

This idea goes beyond simply serving customers. It's a call to action for corporations to take a stronger role in addressing social problems. In 2015 we expect to see corporations making product, service and operations adjustments to drive meaningful social value for customers and other key stakeholders. One of the best illustrations of this new dedicated effort can be seen in the rise of the social intrapreneur.

---

[16] Huffington Post, "A Call for Stakeholder Activists." http://www.huffingtonpost.com/marc-benioff/a-call-for-stakeholder-activists_b_6599000.html

[17] Forbes, "Salesforce CEO Slams 'The World's Dumbest Idea': Maximizing Shareholder Value." http://www.forbes.com/sites/stevedenning/2015/02/05/salesforce-ceo-slams-the-worlds-dumbest-idea-maximizing-shareholder-value/

[18] The Aspen Institute, "Reopening the Question of Corporate Purpose." http://www.aspeninstitute.org/sites/default/files/content/upload/Unpacking_Corporate_Purpose_May_2014_0.pdf

Intrapreneurship, coined by Gifford Pinchot III and Elizabeth Pinchot in 1978, and later championed by Peter Drucker, refers to the process of initiating new ventures or creating new sources of value within an established organization. Social intrapreneurs are "staying put in their companies and delivering business results that score high on financial, social and environmental metrics," wrote Judy Samuelson from Skoll World Forum in a recent Forbes article.[19] "They are imagining and implementing new products, services and management practices that address some of the most complex problems of our time. These intrapreneurs are the ones, for example, who see underserved markets where their company could deliver profitable products or services and deliver social value at the same time."

In 2014, Forbes dubbed the social intrapreneur as the year's most valuable employee. In 2015, as their significance for corporate gain grows, the role of the social intrapreneur will continue to skyrocket.

> " *Innovation is creating new discussions and asking new questions. It requires the resilience to face seemingly insurmountable challenges head-on and an understanding that the 'answers' you find are oftentimes fluid and ever-changing. Innovators never shy away from their mistakes. They confront failures head on and learn from them, focusing always on improvement."*
>
> – **JORDAN LEVY**, *Ubuntu*

A Social Intrapreneur at Unilever

James Inglesby, a chemical engineer at Unilever, challenged Unilever's established market areas to address areas in the world that lack access to sanitation. Piloting a program in Ghana, he built a business for Unilever that offers a branded, affordably-priced, self-contained plastic toilet and a toilet cleaning service run by a local social business which uses Unilever cleaning products, according to Forbes.

---

[19] Forbes, "Social Intrapreneurs: Disruptive Innovators on the Inside." http://www.forbes.com/sites/skollworldforum/2013/04/07/social-intrapreneurs-disruptive-innovators-on-the-inside/

Armed with a renewed focus on stakeholders and rising internal entrepreneurial activity, the potential that large corporations have to address social problems and develop social innovations has never been more apparent.

Take Internet.org, a Facebook-led initiative in partnership with major corporations Ericsson, Samsung, Nokia and Qualcomm, working to connect the two thirds of the world that doesn't have internet access. The initiative is investing in the creation of a drone that could provide internet connectivity to developing areas. The solution requires 3.2 million times less power, is more efficient, and is more affordable than traditional methods of connectivity like satellites and towers. Beyond just access to Internet, the initiative hopes that the drones will eventually be able to assist in rural areas where traditional infrastructure has failed, such as aiding in disaster relief efforts like pinpointing areas that need material delivery, medicine or other supplies.

There's also the Google X, an innovation facility run by Google that develops technologies as solutions to global problems. X has come out with four major projects, including driverless cars, Google Glass, high-altitude Wi-Fi balloons, and glucose-monitoring contact lenses. Most recently, they announced they were developing a Fitbit-like bracelet that can detect cancer cells, a potential game-changer in terms of empowering individuals to take control of their health.

> "*The social sector needs more conversations that cross bounds and disciplines in 2015. How does biodiversity affect poverty? In what ways is our national food system rooted in racism? How do advancements in light detection technology and UAVs impact crop yields for farmers? Interdisciplinary conversations increase creativity. They connect the dots between seemingly disparate topics. It is through conversation that life-changing solutions to some of the most complicated environmental and humanitarian issues evolve.*"
>
> – **BECKY ROSALER**, *Plant With Purpose*
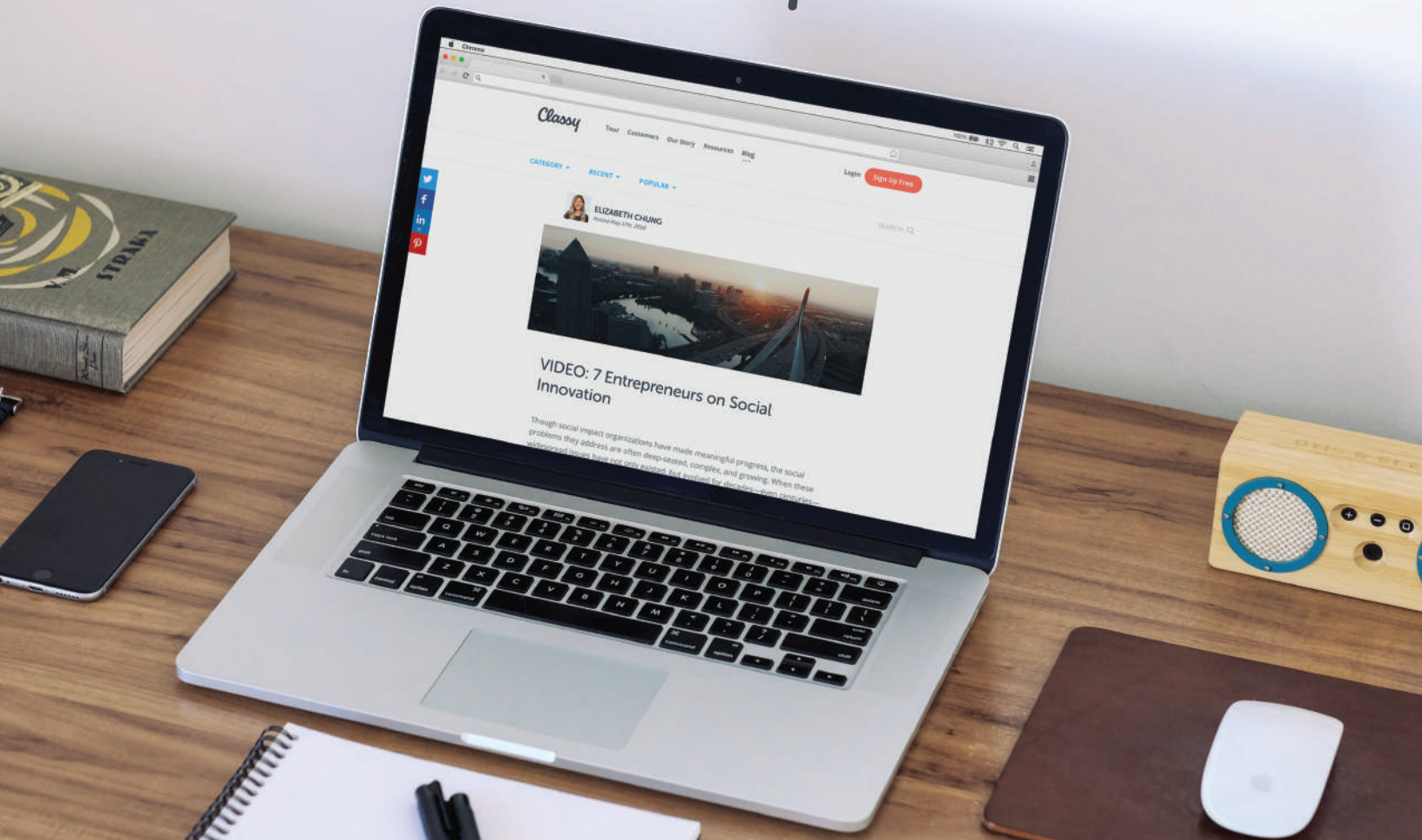
Impress your board

Make them say WOW with Classy's free best practices, delivered weekly

Subscribe Now →