

## A Quick Guide to Changing the World -- Seriously

by William D. Eggers and Paul Macmillan

The solution revolution—the convergence of money and meaning, problem solvers and “patient” capital, governments and citizen (and commercial) changemakers—is underway. But while it flourishes in some parts of the world, other regions are still sitting on the sidelines.

So the question becomes: What can we do to accelerate the solution economy?

Here are six strategies—over-arching principles applicable to business, government, foundations, investors, and social enterprises—that can really grow this revolution.

### 1) Change the Lens: Use a Different View to Reveal Both Blind Spots and Untapped Opportunity

Start by asking: What is my goal?” Forget for a moment about how you currently do things. Ignore the caveats and parameters that usually filter the question. Think bigger. Question your assumptions. For decades, the assumption that the disadvantaged cannot afford to pay for products and services obscured the opportunity to make a profit in base-of-the-pyramid markets. Now, both for-profit and nonprofit organizations, like Unilever and Uganda’s LivingGoods have mobilized to serve this population, transforming blind-spots (the oft-neglected poor) into opportunity (new, viable customers).

### 2) Target the Gaps: Develop New Markets by Meeting Neglected Needs

Deep societal problems offer huge potential markets. Take the holes in proper housing for low-income populations and health care and food—sectors estimated at \$202 billion and \$3.6 trillion, respectively. Problem solvers approach gaps in basic needs not as obstacles but as opportunities. When Parag Gupta founded Waste Ventures, no one else was providing end-to-end solutions for waste removal in India’s poor communities. He improved conditions for waste pickers while satisfying a market need. The bottom line: Look for market gaps and leverage strengths through cross-sector partnerships to go where no business or foundation or government has gone before.

### 3) Rethink Constraints: Focus on an End Goal and Consider Outside Resources

When fiscal constraints forced NASA to shut down the space shuttle program in 2011, the agency had to rethink how it was going to reach its goals. As NASA reduced its commitments, a dynamic private-sector space ecosystem stepped vigorously into the void—with support from the agency. SpaceX holds more than \$3 billion in contracts for more than thirty launches, including \$1.6 billion worth of contracts from NASA. Not only

has NASA welcomed the new players in space, but it has also radically reengineered its own business model to take advantage of outside innovation. NASA's breakthrough was to change its focus from what it could achieve itself to what outcome it wanted to happen—then find who could help.

#### 4) Embrace Lightweight Solutions: Sometimes the Best Solutions Are Also the Cheapest

Lightweight solutions employ the lightest-touch approach to problem solving, often at a lower cost. Take ridesharing. While traffic gridlock chokes some of the world's largest cities, our analysis suggests that shifting about 15 percent of drive-alones to car sharing or ridesharing could save 757 million commuter-hours and about \$21 billion in congestion costs annually. To achieve this savings through traditional means would require billions of dollars of infrastructure investment. Ridesharing apps engage the millions of commuters needed to generate a sizable impact at a fraction of the cost.

#### 5) Buy Differently: If a Purchase Is a Vote, Are You Driving the Right Outcomes?

Governments and large companies purchase trillions of dollars in goods and services each year from millions of suppliers and partners. One of the fastest ways for these public and private institutions to influence the solution economy is through how they buy. The public sector can refashion traditional government contracting through myriad other ways. Prizes and challenges, open tendering, and pay-for-success approaches open up the government market to new solution providers, helping to grow the supply side. Corporate purchasing power can promote social good as well. Unilever, for example, has committed to the sustainable sourcing of raw materials to reduce the pressure on agricultural supplies worldwide.

#### 6) Measure What Matters

Solving society's most intractable problems begins with understanding what actually moves the needle, allowing resources and creativity to be focused where they have the most impact. Creating standard impact metrics are crucial to scaling solutions. Common measurements enable the development of exchanges, which opens larger financial channels. Stakeholders can now use the Impact Reporting and Investment Standards (IRIS) IRIS to aggregate sector-wide data and compare it across organizations—the same way the SEC extracts data to analyze public companies. Shared measurement systems help bring disconnected problem solvers together and enhance coordination and impact for funders and funded alike.