



Reconnecting the Non-Profit Organisation with its Beneficiaries



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Different stakeholder interests may cause non-profit organisations to lose sight of the real needs of their beneficiaries. **Sharifah Mohamed** shows how design thinking can help them to refocus.

Design thinking¹ has created quite a stir in the non-profit sector lately.² Supporters of this approach claim that it makes for a more effective and sustainable social intervention. By focusing on the beneficiary,³ the argument goes, policies and programmes can get to the root of the issue faster.

However, detractors argue that design

thinking is just another fad. To them, design thinking is essentially about empathy for the beneficiary which is what the non-profit sector should be about anyway. If common sense had prevailed in the first place, non-profit organisations need not have to go through this extraneous, packaged process just to get the same result.

Both stands have their merits. The more fruitful question to ask though is who really represents the beneficiary in the non-profit sector.

Who Speaks for the Beneficiary?

In the non-profit sector, the beneficiary does not pay for a social service. Donors do. Yet, donors do not experience firsthand the effects of their donations.⁴ If anything, it's the non-profit organisations (NPOs) that prepare feedback on the effectiveness of their own programmes.

The problem is that NPOs need to show results on paper so that they can justify their existence, and since it is harder to show real but unmeasurable outcomes, often, manageable but unimpactful outcomes are sought and reported.

For instance, it may be pleasing for the donors to know that \$x (no matter how small the amount is when averaged per recipient) have been disbursed to needy beneficiaries, but it would be more difficult to justify to donors that their money has been used to set up a support group for the unemployed in order to help to shore up their confidence. Similarly, it would be easier to report to a government funder that prudence has been exercised since the NPO has given monetary help to the unemployed for not more than six months, while completely ignoring the fact that the available job opportunities do not actually match the needs of the beneficiaries.

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In other words, an NPO may not be actually or fully addressing a problem and yet continue to exist because it manages to feed donors' perceptions that they are doing their job, no matter how ill-defined it is.

This dysfunction can exist not because the people in the non-profit sector are a deceptive lot— rather it is a reflection of the constraints that different players⁵ in the sector face:

- **Board members:** They are, on paper, the stewards of the NPOs, making sure that the staff leading the organisations do so in line with the mission.⁶ The reality is that there may be knowledge asymmetry between the board members and the staff implementing the programmes, where the board may not have the domain knowledge to assess if the staff are doing their job as intended. In the for-profit world, the (financial) bottom line and the deliverables related to it are fairly clear. In the non-profit sector, however, it is more difficult to hold staff to account because the deliverables related to a non-profit's mission are not so clearly or easily defined.
- **Executive Directors:** By the theory of self-selection,⁷ the executive director is meant to be personally motivated to further the NPO's mission. By executing the mission, he (or she) gets the satisfaction of serving the beneficiaries. The reality is that the executive director deals with the upward stakeholders—i.e. board members, government funders and regulators—more than he does with beneficiaries. If he does not conscientiously connect with his ground workers, it will be easy to lose sight of the beneficiaries' real needs.
- **Social/Community Workers:** These frontline officers are in direct contact with the beneficiaries and are in the best position to “feel the pulse.” However, overwhelming caseloads mean that case workers simply cannot devote equal attention to each case. The result is that they may resort to playing by the perceived “rules” set by the grant-makers. For instance, in Singapore, while social welfare is generally discouraged, monetary help is available from the government if beneficiaries ask for it. This, however, involves rigorous background checks and analysis by the relevant case worker to determine if the needs are real—this means more work. Which explains why it is easier for many of these social workers to stick with the default position of a strict approach to aid (or no aid).

NPOs can, and do, connect with its beneficiaries, but as the above points show, the connection often relies more on the “who” rather than the “what” of management. An individual driven by a personal cause would put in more effort, in spite of the circumstances, to connect with his beneficiary’s real needs. But there is very little external motivation in the system itself to “nudge” another individual to do so.

What is Missing?

Discipline in focusing on the beneficiary’s needs is a critical challenge in the non-profit sector. Players can be easily distracted by the multiple interpretations and requirements of different stakeholders arising from either systemic or political constraints.

There is also the challenge of applying right-brain thinking to find breakthrough solutions for social change. For an organisation that has to constantly turn the wheels for fundraising, it is generally in survival mode, struggling to do just enough to satisfy the funders.

Community, and more specifically volunteers, are the other missing middle. While the NPO staff is overwhelmed with bureaucracy and other requirements, there are not enough volunteers who can come in and be the “eyes and ears” as well as “hands and legs” for the organisation.

So how can design thinking address these gaps?

Design Thinking and the Non-Profit Sector

Successful models of design thinking exist.

One of the pioneers in design thinking is IDEO. It provides consultancy services to businesses and has recently set up a non-profit arm. In the field of social innovation, IDEO has worked on various healthcare issues, one of which is a project for VisionSpring.

VisionSpring is a social enterprise that provides affordable spectacles for thousands of adults in the developing world while creating jobs for them. VisionSpring wanted to reach out to children as well and approached IDEO for this task.⁸ As part of their design thinking process, IDEO staff went down to India to conduct fieldwork (interviewing teachers and observing the school settings) in order to truly understand the motivation and dynamics involving these children. Tim Brown, CEO and president of IDEO, shared how young girls had burst into tears when the designers had asked them to take traditional eye tests. The pressure of failure was just too great for them. But when the girls were asked to role reverse and conduct the test on each other instead, they did it with seriousness and great pride.⁹

Other findings that IDEO gathered may seem trite: it found that children wanted to be “treated like adults,” that they enjoyed being likened to movie stars, and that they usually influenced their mothers’ decisions. While these findings seem innocuous, they were key to the development of

about 12 different prototypes for effective outreach to the children, culminating in five eye camps where 1,600 children were screened, 106 were transported to local hospitals and 46 eventually received the much needed glasses. This was made possible through a constant process of learning, unlearning and relearning, and doing and redoing.

Compare this approach with how a programme is implemented in the traditional non-profit sector; they seem to be at odds with each other because in the latter case, intervention has, invariably, been paternalistic. For instance, if families are breaking up, NPOs would initiate counselling and marriage workshops, get feedback for the programme and process the reimbursement claims for the programme with a funder. If low-income families are falling into debt, NPOs might organise financial planning workshops for them regardless of whether their income is sufficient in the first place. In other words, the traditional process has generally been: “Here’s the problem, here’s the solution, here’s the number of participants and the feedback to the specific programme, so can I have my grant please?”

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Putting the Focus Back on the Beneficiary

By emphasising a process that starts and ends with the beneficiary, design thinking introduces discipline into the non-profit work. It forces non-profit executives to get their assumptions right and to re-apply solutions until they connect with the problem.

That is not to say that NPOs do not get feedback from their beneficiaries. They sometimes do, but this is often done through an intimidating process of roundtable discussions or a mundane exercise of filling up survey forms. Such platforms may deter the NPOs from getting incisive and reliable feedback from their beneficiaries.

Design thinking uses colourful sketch boards, big mind maps and various visuals to engage the beneficiaries. This approach makes the beneficiary feel involved as a participant, instead of being treated as just a subject. For instance, The Australian Centre for Social Innovation has piloted a design thinking process for their Family by Family initiative,¹⁰ where they try to make families with problems thrive through a network of families. One programme component is to find the best way of measuring change. To get to that, and in consultation with their beneficiaries, the Centre designed, tested and rejected over 15 versions of measuring tools e.g.

daily planner, progress charts, development cycle diagrams and so on. Finally, they settled on a colourful, visually pleasing chart that measures changes in behaviour, attitude and goals along the continuum of “no change,” “some change,” and “heaps of change.”

That does not mean that design thinking lets the beneficiaries dictate a programme or that it merely complies with the beneficiaries' wants and wishes. Rather, it incorporates their needs and constraints into the programme planning. This is done by exercising participant-observation, whereby the programme designer imagines himself to be in the shoes of the beneficiary, and identifies innate motivations that the programme can leverage for success.

If there is one thing that design thinking, as an approach, can leverage in a way that traditional approaches are not able to, it would be the beneficiaries' drive to work their own way out of their situation. This difference is critical because it changes the assumption that beneficiaries are weak and in need of help, to one where the beneficiaries have it in them to help themselves— they just need the initial resources and nudge to get started. More importantly, this approach preserves the beneficiaries' dignity.



Simplifying Design Thinking for the NPO

For all its promise, not all NPOs can afford to apply design thinking in their work. A successful implementation of design thinking requires buy-in from management to embrace failures and invest time in the different prototypes. It also requires an enlightened form of funding. But NPOs and funders would do well to note some learning points about design thinking:

- **Finding Solutions is Fun:** Of course, social problems are nothing to joke about. Yet, the process of finding solutions need not necessarily be dull and dreary, be it for the beneficiary, the volunteer or the case worker.
- **Process Distils Discipline:** This approach is about “walking the talk.” If indeed the non-profit organisation exists to help the beneficiary, then let this be manifested in its methods.
- **Long-term, not Short-Term:** There will be failures in the short run, but the hope is to build relationships with beneficiaries and volunteers, who in turn, could pay it forward.

By putting the focus back on the beneficiary, design thinking is a goal (and process) worth reaching for.



¹ There are variations in the definition. The better known definition is by IDEO which defines design thinking as an approach that “brings together what is desirable from a human point of view with what is technologically feasible and economically viable.” For more elaboration and examples, refer to articles—Christian Bason, “Leading Social Design,” and Koh Zhixiu, “Design Thinking”—in this issue of Social Space.

² Tim Brown and Jocelyn Watt, “Design Thinking for Social Innovation,” *Stanford Social Innovation Review* (Winter 2010).

³ Generally refers to vulnerable groups i.e. low-income, at-risk youths, disabled, mentally unwell etc.

⁴ For more information on this structural disconnect, refer to Willie Cheng “The Missing Hand of Adam Smith,” *Doing Good Well: What does (and does not) make sense in the nonprofit world* (John Wiley & Sons, 2009).

⁵ For a more comprehensive understanding of the social ecosystem, refer to Willie Cheng and Sharifah Mohamed (eds), *The World that Changes the World: How philanthropy, innovation and entrepreneurship are transforming the social ecosystem* (John Wiley & Sons, 2010).

⁶ Ralf Caers et. al., “Principal-Agent Relationships on the Steward-Agency Axis,” *Nonprofit Management & Leadership*, Vol. 17, No. 1 (Fall 2006).

⁷ Ibid. This hypothesis states that the individual rationally assesses opportunities in the for-profit and non-profit sector and would choose the sector that resonates with their own goals.

⁸ “Children’s Eye Care,” IDEO, www.ideo.com/work/childrens-eye-care/.

⁹ Tim Brown and Jocelyn Watt, “Design Thinking for Social Innovation,” *Stanford Social Innovation Review* (Winter 2010).

¹⁰ “Radical Redesign,” The Australian Centre for Social Innovation, www.tacsi.org.au/assets/Projects/Redesign-Social-Services-2010/rsssfbyfsmall2.pdf.