

The Tao of CharityFocus

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We just jump and trust that the net will appear, instead of stalling projects until resources are secured. We have passionate be-the-change volunteers, instead of paid employees working 9-to-5. We invite people to sit in silence, instead of holding fundraisers. We have distributed meetings in the living rooms of the world, instead of having centralized headquarters. We share stories with each other, instead of doing outreach. In the previous century we might've been any small group of friends, but in today's fast-paced networked economy, such decentralized and distributed posses are often in the position to be true changemakers.

CharityFocus, like all good posses, never really tried to create itself. It just happened. In January 1999, in the height of the dot-com heyday, a few friends gathered in an ordinary living room, over some pizza. It was Silicon Valley, where greed was in the air, BMWs were being given as signing bonuses, and 18-hour workdays were not uncommon. But this meeting was about something very simple – something so simple that it was radical. It was about giving.

“Let's serve without any strings attached, just for the sake of giving,” Nipun Mehta opened. A posse based on a fundamental generosity.

Subsequently, four volunteers went to a homeless shelter to offer help. We ended up building them a website and a revolution was born. Thousands of volunteers would sign out of the dot-com greed – even if it was just partially – and sign-up for the simple, no-frills idea of helping nonprofits build websites. No money was charged, and no money was given. Everything was free. Nonprofits came by the hundreds to receive volunteer help, and our services soon evolved from websites to web solutions to web portals that now touch tens of thousands of lives on a daily basis.

Despite its unexpected success, CharityFocus never wavered from its three major organizing principles. First, be volunteer run. Second, serve without asking for anything. Third, focus on small acts. It kept us simple and human, raw and authentic.

Back in the 1500s, those principles might've made them a bunch of altruistic farmers. But in the 21st century, we became a networked posse of many smaller posses, known as CharityFocus.

First Principle: Be Volunteer Run

None of us had ever started an organization – there were no experts in the room. If there were a slogan for our meetings, it probably would've read two simple words: "Let's see." How will you scale? How will you fundraise? How will you measure progress? We didn't know. No clue. And so our response was always, "Let's see." It was the rocket-model: instead of ready-steady-go, we would just blast off, steady eventually, and become ready, if even necessary.

Our first pressing question was about hiring staff. Initially, we were six people and we could self-organize, but we were aware that the industry "best practices" were to have one staff member for every fifty volunteers. Let's see. When six volunteers became sixty in a month, we surprisingly found that we had enough help if we distributed the work into small enough pieces and connected them through an online portal. In place of 5 hired staff working 40 hours a week, we had 40 volunteers coming alive for 5 hours every week. Sixty became six hundred volunteers and our wheels kept spinning just fine.

As we scaled up, we just kept on dividing our tasks into smaller and smaller pieces. For example, instead of a having one secretary answering phone calls, we had a distributed team of three – one to retrieve the messages in the answering machine and log it into our online database, another to assign the call to a particular coordinator, and a third volunteer to actually respond to the call.

Sticking to our first principle meant that we had to distribute tasks, decentralize governance, and loosely connect all the pieces through an efficient and effective online portal. Rather serendipitously, this allowed us to tap into the nascent “power of many” that the Internet was birthing.

Before the Internet, the manifestations of the “power of many” were significant but few. Twenty years ago, for example, Nepal's infant-mortality rate was 133 for every 1,000 births, with most of the babies claimed by pneumonia and diarrhea. By the 1980s, they had found the culprit – lack of Vitamin A in the Nepalese diet. But no one could implement an effective program to deliver a low-cost vitamin-A capsule that could be taken as infrequently as twice a year. That was until Ram Shrestha hit upon a brilliant insight – get grandmothers to volunteer! As of 2005, the infant mortality rate had been halved, thanks to 49,000 grandmothers distributing Vitamin A to 3.5 million Nepalese children.

With the advent of the Internet, everything changed. A band of volunteer engineers, distributed across the world, working on Linux proved to be the biggest challenge for multi-billion-dollar Microsoft Corporation. 2004 American presidential candidate Howard Dean raised millions of dollars with an average contribution of

\$64. Encyclopedia Britannica now plays second fiddle to Wikipedia – a distributed group of millions of volunteers coming together to build the world’s largest encyclopedia.

Figuratively speaking, instead of getting a million dollars from one person, a million people were donating a dollar. Financial ledgers couldn’t measure it, but the proof was in the pudding – everyone flocked to become a producer, a changemaker, to do what made them come alive.

CharityFocus was no different. Our teams were fluid and our decision-making was decentralized – whoever did the job got to make the decisions. There was an umbrella, think-tank group for providing advice and ideas and a “swat” team for troubleshooting, but it was up to the “do-tank” to call for support and/or to implement any of the suggestions.

As a result, instead of a narrow project focus and regimented processes, everything was always in flux. Insights and innovations and projects would pop up, often from the most unexpected places, like the 16 - year-old who wrote to us about volunteering. We didn’t know how to incorporate her, but instead of the canned, “Sorry, you need to be over 18 to volunteer” response, we brainstormed. We spent hours and hours so that this one person, Lydia Gonzales, could have an experience in service. And eventually, coordinator Yoo-mi Lee came up with a simple and brilliant idea: let’s have her review websites. It would give Lydia a broad exposure to social missions, could be done remotely, didn’t require any technical skills, and was very helpful feedback for volunteers building the website. Lydia did a fantastic job. And as a result we started a Reviewers team. Thousands of people joined this new Reviewers team for a fun and simple volunteer

opportunity. A year or so later, we got an email from a member of the Reviewers team thanking us for “giving a handicapped person like me, an opportunity to help someone.” All thanks to Lydia.

Such things kept happening, not just with processes, but also entire projects.

In 2001, PledgePage was a dot-com that allowed marathoners and fundraisers to post their stories, photos, and guest-books online to raise money for great causes. It was a great service used by hundreds of people but they couldn't sustain themselves financially and announced their closure. One of our friends, Jim Lynch at CompuMentor, said: “Hey, why don't you guys take this on?” A volunteer-run dot-org taking on a commercial dot-com? Surely, a radical idea. Our servers were donated, our technical team could support and maintain it, and we had a large online community of friends, but could we stretch our infrastructure to take on a dot-com? It ends up that we did. Not only that, their numbers doubled in the first three months after the transition. Since then, more than 5,000 users have raised over \$5 million dollars using that service.

Being fully-volunteer run, CharityFocus had practically no overhead. We delivered millions of dollars in services with an annual budget of a couple of thousand dollars. Without material resources, though, our organizing principle was the commitment to our values.

You can't throw stock options to get someone to work harder; you have to inspire them by example. You can't fire someone if they are under performing; you have to be flexible enough to find the right job for the right person (because ultimately, everyone is good at something). You can't be anyone's boss; you have to become their brother and sister in service. The whole system requires a deep and patient commitment to blossoming one's own humanity.

So here we were – a couple of friends at a homeless shelter wanting to be of service, without any strings attached. What we ended up with was masses of people “being the change” with their current resources and within their present circumstances.

Second Principle: Serve Without Asking

When you serve unconditionally, you make a lot of friends. Having a lot of friends gives you a lot of influence and power. And that power tends to corrupt the spirit of service. To counteract that typical pattern of organizational decay, we decided that we wouldn't ask for anything. No cashing out. Instead, our journey would be to humbly accept whatever arrangements fell in our laps and serve to the best of our abilities.

Initially, it was easy. We didn't have money, we didn't need money, and we didn't ask for money. But then, as we delivered quality outcomes and gained credibility in the world, some wondered if we would be able to do more and scale rapidly if we had more money.

On several occasions, philanthropists would ask us, "People like you should never have to worry about money. Tell me what you need." A metaphorical blank check like that is flattering but our response was consistent – "Perhaps you'd like to volunteer?" That response baffled some and endeared us to others, and almost always resulted in unexpected outcomes.

A couple of years after we had started, we met one such man: an Indian entrepreneur living in Singapore, who was most popular for having founded Sony Entertainment Television. Jayesh Parekh was deeply moved by the work of CharityFocus, and he got the same offer to volunteer. Nothing immediate came out of that meeting. He didn't offer resources and he didn't volunteer. About eight months later, though, Nipun Mehta – CharityFocus's founder – got a phone call: "Nipun, I want you guys to do with ProPoor what you have done

with CharityFocus.” A staffed foundation, with satellite offices in several cities, and an online portal that connected 13,000 NGOs in South Asia was now being offered to CharityFocus.

"Coming from the commercial world, nothing gets done without lawyers; nothing gets done without a 30 to 300-page contract. Here is Nipun. We had not one piece of paper, not one agreement, not one lawyer. We sat, looked into each other's eyes, and that was it. Basically, I just said, 'It's all yours.' I didn't need proof, I didn't grill him, I didn't do due diligence. It just took a couple meetings, and I was so confident about the technology, about the people, about the volunteers, the work.” Jayesh placed all his employees in equivalent jobs in other organizations, signed up to be a volunteer himself, and ProPoor became a project of CharityFocus.

To solicit resources, one ends up making promises for a future that is impossible to predict. Often, it ends up being a game of pleasing and appeasing donors and showing them what they want to see. On the other hand, not asking for resources more accurately implies, "We can't guarantee anything. If you like our work in the past, if you like our values, let's work together." Departing from the replicable patterns of the past opened us to the unknown, a place of natural innovation and untapped potential.

Instead of scarcity and fear for an uncertain future, our second principle rooted us in abundance and trust.

The Internet is all about abundance. The scarcity of videos at Blockbuster was now abundant indi-flicks on Netflix; the scarcity of music albums at Tower Records was now abundant songs on iTunes; the scarcity of programming on NBC was now abundant videos on YouTube. Unlike physical space, the Internet could sustain a “long tail” – products that are in low demand can collectively make up a market share that rivals the relatively few bestsellers and blockbusters, if the distribution channel is large enough. If, then, generosity was in low demand in our current world context, we could survive if we amplified the distribution channel.

So, if the going got tough, the CharityFocus response was to simply amplify the generosity. Serve more. So long as our work was relevant, so long as it was touching lives, we would be useful and continue to exist meaningfully. Instead of supply push, it was a demand pull. And the downside wasn’t so bad either. If we failed, we would’ve been happy to have our epitaph read: “CharityFocus died trying to be unconditionally generous.”

Not being afraid of our “death” gave us a unique kind of audacity and confidence. It allowed us to serve without asking for anything.

Of course, not asking doesn't mean not receiving. When your work delivers value to the community, people will inevitably support that work. But when you are able to keep serving the community without asking for anything, it paves the way for an even richer form of giving and receiving. **Over time, people's cups of gratitude overflow; they don't give to fulfill a need, they give as an expression of their own solidarity and joy.**

One of our simplest (and oldest) projects is DailyGood. Every day, we email about 50,000 people with a small quote-pack: an inspiring quotation, a little bit of good news, and a small be-the-change suggestion. At one point, we needed a high-end computer server to handle the massive email traffic, but had no budget for it. "Let's email everyone and inform them about our need," someone suggested. After having delivered that service for a decade, without any charge or advertising, and after having received so many "DailyGood has changed my life" messages, we knew that we could raise the money within minutes of sending out the email. But that didn't feel right. The problem with it was the greed in trying to exercise the power of our goodwill -- "What if everyone gave \$10? Imagine what we could do with that money." Surely, it makes sense to be transparent about our needs, but a subtle element of greed was clouding our decision. So we decided to wait until the dust had settled.

Two weeks later, unbeknownst to the DailyGood team, we got an email asking for our mailing address. "I'd like to make a small donation to CharityFocus," the email said. We wrote back, assuming that "small" really

meant small by our definition. The following week, we got a \$10,000 check from a person, who had no clue about our financial situation and who had never previously donated to CharityFocus.

We often joke with our business-school friends, “Corporations have venture capital, but CharityFocus has serendipity capital.” Our conviction in our second principle – serve without asking – created room for such serendipities.

Media coverage is another illustrative example. We didn’t pitch stories, didn’t have any PR strategy or media kit, and none of us had ever been written about in a feature story. But the word on CharityFocus kept spreading and dozens of newspapers and magazines and TV shows – including a half hour, live interview on CNN International – carried major stories. Those mentions were great, but what was even more inspiring was that practically all of the reporters would end up saying, “I’d love to help too. Let me know how.” Liz Garone, who wrote for newspapers like The Washington Times and San Jose Mercury News, volunteered to write “everyday hero” profiles for our website. Joel Engardio, who did a 12-page cover story about us for SF Weekly, became a partner in service. Paul Van Slambrouck, the former editor of The Christian Science Monitor who first broke the story of CharityFocus, joined as a coordinator of our KarmaTube project.

Things just happened like that. And after a while, we counted on it. ☺

Trusting the self-organizing arrangements of the universe hardly guarantees any outcomes; being rooted in your values, though, guarantees a meaningful experience and rich friendships with people trying to similarly be that change in the world. **The security of CharityFocus, then, wasn't in its material resources, but in its deep relationships cultivated through a resonance with selfless service.**

Third Principle: Focus on Small Acts

Just as every tiny bit of the hologram contains information of the whole, every small act holds the potential to deepen our connection within the network. That shift in our awareness forever alters the lens through which we view the world and our role in it. Perhaps that is the greatest, immeasurable gift each person can offer.

Mother Teresa eloquently said, “We can do no great things -- only small things with great love.” That, in a way, captures the third principle of CharityFocus.

Our projects are designed to ensure success in the base-case scenarios. If we just empowered one nonprofit organization with a website, if we just sent one DailyGood email for one day, if only one person created a PledgePage, if only one person watched a KarmaTube “Do Something” video, our projects would’ve been a success. **There is no threshold of critical mass to reach before we can**

accomplish our goal. Each step was the goal, each step was the reward.

With such a design principle, we never get caught up in making future-based projections, nor did we seek any kind of marketing help. Instead we used the information available at the moment to organically lead us to the future. Our job was simply to serve Right Now.

In late 2003, two of our volunteers had a coffee table conversation about college pranks. One college student was talking to a twenty-something man about pranks that students do for rival football teams. The older man asks, "Isn't it interesting that students are motivated to do such incredible acts without getting any credit?" Such acts are fun, collective, creative, and incredibly challenging. But typically, they're not all that constructive nor do they leave anyone with a lasting "wow" feeling. So the question followed – why not do the same with kind acts? More friends joined in the conversation. Right then, we thought up a game of doing anonymous act of kindness and leaving behind a "smile card" to keep the chain going.

In a way, “acts of kindness” wasn’t a part of our mission statement. We were about building websites, leveraging technology and inspiring volunteerism. But in a way, of course, we were very much about acts of kindness – it is fully volunteer run, it is done for free, and it keeps our focus on the small. So why not?

Over the next three months, we tested out the concept and then, set up a website – helpothers.org.

We did two radical things with the project. First, we didn’t put any brands, organizational labels on the site. Who are we? We are you. Secondly, we decided to ship cards for free, and that too, anonymously. Of course, a user could download our card designs online and print them at their local printers, but if they weren’t so inclined, they could fill out a form and within a week, they would get the cards delivered without any costs.

“What is your sustainability plan?” our business-minded friends asked. “We don’t have one. We’ll ship cards until we run out of money, but by then we hope generosity will kick in and support the project.” People shook their heads in disbelief.

Well, it turns out that the generosity model did work. More than 500,000 cards are currently spread all over the world, people ranging from the Dalai Lama to Warren Buffett have personally been tagged with these cards, and thousands of users have come together online to create “Smile Groups” to share tens of thousands of kindness stories and comments.

In fact, a project like Smile-Cards is tailor-made for CharityFocus. Because we are volunteer-run, our overheads are so low and we can do things that don't have business plans; because we trust in the gift-economy, we can do everything for free and word spreads like wild fire; because we value small acts, we aren't interested in measuring or getting credit for all the ripples that are generated.

Every small change we make creates a ripple in the universe without a measurable end. It is easy for an individual to understand this, but it is hard to scale organizations with this principle.

The Internet, though, changes this paradigm. **Growth came very naturally for CharityFocus because in a networked economy, scale doesn't come from doing big things but rather creating empty spaces that allows the network to virally spread niche products.**

While the 1800s were about a farming economy and the 1900s were about factory economy, we are currently in an idea economy. It's no longer “profitable” to find one big idea, patent it and scale it with a one-to-many

distribution model. The leaders in this economy are the ones that hold the space for small ideas to emerge with a many-to-many networked distribution. Consider the most recent innovators -- Wikipedia didn't write the world's largest encyclopedia; YouTube didn't create videos that get 100 million views a day; Flickr didn't take any of the photos that are posted every second; MySpace didn't create the content that attracts the masses. And just so, the Gandhis, Mother Teresas and Martin Luther Kings of the next generation will not simply publish a newspaper, write letters or give talks. Instead, the next revolution will be led by a distributed network of everyday heroes who create spaces for meaningful, many-to-many connections to manifest organically.

Small is in. Free is in. Collective is in.

Instead of going from big to bigger, we are now going from micro to nano. Everything is being dis-intermediated: albums are being sold as songs, newspapers are read as blogs, radio shows are being heard as pod-casts, and movies are made as online clips.

The CharityFocus challenge, then, was to dis-intermediate social change actions itself. If Time magazine's 'Person of the Year' actually was 'YOU', then it was time for everyday people to stop feeling powerless about doing some grand things in the world and be empowered to see the impact of their small actions, all adding up collectively.

Perhaps one of the first mass-scale examples of uplift was the Free Hugs video. A teen garage band created a rough-cut video about a local man holding a "Free Hugs" sign at a mall and giving hugs to strangers. Initially,

they made the video to uplift a friend whose grandmother had passed away; but when they posted it online, “word of mouse” carried it to tens of millions of viewers within a matter of days. On the fourth day, they were on Good Morning America. Soon after, they had a recording contract from Hollywood. By the end of the month, Oprah featured the “Free Hugs guy” on her show. They were everywhere and millions of people were talking about it.

It was a small act – holding up a ‘free hugs’ banner. Practically anyone, anywhere in the world, could replicate it and without much overhead. But yet most of the people touched by it didn’t have a way to connect with others similarly inspired. The group eventually put a small website to leverage social change, but it was too little, too late. No commercial entity helped out because distributed posses of free hugs isn’t exactly a money-making enterprise.

And that was just free hugs. Imagine the thousands of other small acts that are broadly accessible.

The internet is the first medium where inspiration and action are on the same platform: you no longer watch an inspiring public service announcement and have to remember to look it up in the phone book the next morning. It’s all right there, just a click away. But with the internet, what doesn’t exist are containers that carry forward inspiration into small actions.

Enter KarmaTube – a collection of short, inspiring videos coupled with three related actions that every user can take. If you saw the Free Hugs video, for example, you could do a similar activity in your own local community and join a micro, online community of like-minded people; if you saw a moving video about

leveraging soccer to do AIDS prevention in Africa, you could donate to organizations doing that work; if you saw an independent movie, you could hold a showing of that movie in your local community and meet others doing the same; if you saw something that moved you, maybe all you do is forward it to a few friends who then tell others. The possibilities are endless. And so, for the first time, there was a space for socially-conscious videos to get paired up with small, immediate actions; inspired viewers are now engaged in micro action, noble causes are empowered, and everyone feels connected to a broader network.

CharityFocus saw the void and launched KarmaTube, and within months of its launch, tens of thousands of viewers have benefited from the service. Even if one person did just one action, that would be enough. In fact, it was only because we had the view, that we were able to “see” the void in the first place. It is only because we had consistently valued the small that we had a flexible, no-cost infrastructure that could implement a suitable solution. It is only because we valued the small that the project attracted volunteers who were motivated similarly and could sustain the project.

A focus on small acts, then, is our third guiding principle. It allows us to see problems in a new light, find innovative solutions, and sustain the spirit of service. It translates to building empty containers that authentically encourage small actions; in proportion to its relevance and value to its constituents, the many-to-many network takes care of the scale.

And we've learned that when we do small things in the world with great love, there's a sense that we're just instruments supporting the matrix of connections. We travel light.

Post-Script

CharityFocus started in April 1999, as a virtual organization with practically no operational overhead. Over the next eight years, we would deliver millions of dollars of free services and organically grow our programs into over a dozen core projects. More than hundred thousand users would join as members, largely through word of mouth and mouse, and our various web portals would attract 100 million annual hits.

Still, that was only because serendipity placed us in today's era.

We never held any intention to grow an organization, start up a revolution, or create systemic change. We were, and are, just a bunch of Everyday Joes who are trying to be the change with our three guiding principles – volunteer and don't compromise any principles, live by the gift-economy in a world of trust and abundance, and focus on inner change, the smallest change possible.

In April 2007, we set up a gift-economy restaurant in Berkeley, CA -- Karma Kitchen. When guests dine at Karma Kitchen, they don't pay for their meal. Run mostly by volunteers, meals are cooked and served with love, and offered to each guest as a genuine gift; to complete the full circle of giving and to sustain this experiment, we leave it to the guest to pay it forward, expressing their goodness in whatever way they wish.

Our slogan for Karma Kitchen aptly describes what CharityFocus volunteers have been doing and will be continuing to do – 'growing in generosity.'