

Part One

FLAT AND BEAUTIFUL

Chapter One

The Flat World

From Columbus to Skinny Lattes

Before Christopher Columbus, Vasco da Gama, and others took up the challenge of the unknown and sailed out into the wide oceans to look for and conquer new lands, we believed the world was flat. We could see until a certain point, and then the land and ocean started to disappear.

Then our explorer friends, helped, incidentally, by Galileo and astronomers everywhere, allowed us to realize that actually our planet was round. It was spinning through

a universe of other stars and planets, all of which seemed to be round, too. The round world was characterized by distance, by different cultures, by uncharted territories. . . .

And then, in the latter part of the twentieth century, the world got flat again. Everything that had defined the round world was suddenly brought into question. You could fly from one side of the world to another in less than a day without ever moving from seat 24B. You could hold a conversation with another person of a totally different culture in a different time zone, in a shared language, at any time of the day or night. And that was before the Internet. Now, the world is literally at your fingertips, and Google is working toward becoming the ultimate Big Brother and trying to put at our fingertips all the information that has ever existed in the world.

As we shall see later, the flat world is an incredible playing field for us all. It has brought opportunity to bring change in a way that we could never have dreamed about just 20 years ago. It has put us in a world of incredible wealth and at the same time given us the keys to solve poverty. It has altered perceptions and interactions in a nonreversible and very positive way, by giving information to those who never had it before. But it has

The Flat World

also brought something that we need to be acutely aware of—responsibility. With opportunity comes responsibility. With responsibility comes the role of the individual: you and me; them and us.

And it has come NOW.

So what is the flat world? Where did it come from, and why am I writing a book about it?

Thomas Friedman, the *New York Times* columnist, wrote a book in 2005 that has become a reference point in flat world thinking. *The World Is Flat* (Farrar, Straus & Giroux) has not only become a global best seller, but it has challenged a number of taboos on the subject, setting the basis for further thinking and development (of which this book is unashamedly a part). Together, we will be calling on some of Friedman's work to better understand the concepts at play in the flat world, but our focus here will be on how these trends are, and will be, impacting on fundraising and the development of philanthropy around the world.

As we set out on this journey, may I humbly make a suggestion? Suspend your preconceptions. And remember how much the world has changed in the past few years. Just 10 years ago, how many of us had an

iPhone, an iPod, or a lightweight notebook computer? How many of us complained because of the number of e-mails we received? Who had a Facebook page or stopped on their way to work to pick up a skinny latte while checking their multiple e-mail accounts on their BlackBerrys? Who still uses a fax machine? The world has become exponential and shows no sign at all of slowing down. So let's start from the hypothesis that everything we think we know about tomorrow is very, very likely to be wrong . . . and then we shouldn't be too far from the truth.

Flat, Wild, and Wacky

The flat world is the result of globalization—of people coming together to share, collaborate, and interact in a way that has never happened before. A few months ago Wikipedia had this to say of globalization: “It refers to increasing global connectivity, integration and interdependence in the economic, social, technological, cultural, political and ecological spheres.” This definition is, by itself, meaningless. Wikis are one of the products of the flat world—totally open, interactive platforms that allow

The Flat World

any reader to become a contributor, changing content and then publishing it for all to see. Wikipedia is of course the best-known, and builds on the collaborative expertise of millions of people around the world to create what has become since its creation the world's biggest dictionary and encyclopedia. It is a pure product of globalization, something that would have been unthinkable just 10 years ago. However, it has one fault. It is a normalizer. The instant collaboration brings with it the ability to define concepts and words in the most complete way possible. But in the process, the senses of the concepts become distorted. And concepts as difficult as “globalization” become totally incoherent. We see connectivity, interdependence, and integration—words that show how the global playing field is becoming increasingly a web of interaction. But to be honest, this doesn't help much.

David Rothkopf was an advisor to the Clinton administration and a key thinker around the concepts of globalization. This is what he has to say: “Globalization is the word we came up with to describe the changing relationships between governments and big business. But what is going on today is a much broader, much more profound phenomenon. It is about things that

impact some of the deepest, most ingrained aspects of society. This is not just about organizations and businesses interacting; it is about the emergence of totally new social, political, and business models.”

What is certain is that globalization is a phenomenon that is the confluence of a number of key processes and subprocesses that are impacting all around our society. Globalization is nowhere and everywhere at the same time. It is intangible and yet very, very tangible. It is. Period.

It has fans, and it has detractors. It has people who meet at G-8 summits to shout their anger, while it has people who meet in Beverly Hills salons to flaunt their dollars. It brings us together, and it divides us. Again, it is. Period.

And this is one of the biggest problems with globalization. It is. And no one is responsible. There is no one individual or company or government that we can pin the responsibility for globalization on. Even Bill Gates, widely seen as being the closest we can get to a human incarnation of globalization, cannot be held entirely responsible. And this is exactly why people get so angry about it. We are cause-and-effect animals.

The Flat World

Events in our society typically have a cause, and if they don't we try our hardest to find one (think attorneys). But because no one is entirely responsible for globalization, because no government, no individual, no company is directly the cause, we are faced with a problem. We have no one to blame! We have no one to turn on to vent our spleen, to whine to about stuff we can't control and that scares us, to challenge and shout at because things are happening that we don't understand. We don't know who to blame for financial crises—governments, banks, or greedy businesses? All of the above? Quite simply, we are stuck.

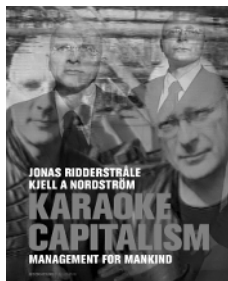
And then it gets worse. Because when we realise that globalization and the ills of the world are not the fault of one person, one group, one party, or one nation in particular, that nobody is truly responsible, we have a show-stopping “aha” moment. Because if nobody is responsible, then in some way we are all responsible. And that is the problem. Because, fundamentally, we are *not* very responsible.

We are consumers who yearn for lower prices and who want to eat avocados all year at rock-bottom prices even if they have to be flown halfway around the

world. But we (or our friends and families) are workers in industries where our jobs are at risk. We are human beings who thrive in the luxury of our SUVs, but we are parents who are scared sick about the state of the planet we are leaving for our children.

We are, as humans, famous for our paradoxes. But globalization has made the whole thing starker—we know we should take the train and reduce our carbon footprint, but it's still so tempting to jump in the car, crank up the air-conditioning, plug in the iPod, and create a little travel haven of individualism. If globalization is one thing, it is the freeing up of hundreds of individual factors and processes to follow their natural tendency to move toward efficiency at all costs. And it is. Period.

It is the trigger and the symptom at the same time, the underlying cause and the realization. And it is leading us into a world where the unlikely and the improbable are becoming probable. Where the extremes are leading the middle. Where, as Jonas Ridderstrale and Kjell Nordstrom point out in their fantastic book *Karaoke Capitalism*



The Flat World

(Praeger, 2005), “the best rapper in the US is white. Where the best golfer is black. Where France accuses the US of arrogance in its diplomacy.”

The world has been turned upside down: if you were to visit the International Fundraising Congress in the Netherlands each October, you would find yourself among people from over 60 countries and, as happened to me a couple of years ago, you might find yourself having breakfast with a person from Nepal who is using common sense and a bit of creativity to raise money from rich Nepalese for projects to help poor Nepalese. Or maybe you could just simply check out the financial flows of Western Union, and look at how much money from rich Indian families in Delhi and Bangalore is now flowing into poor, depressed Indian communities in the United Kingdom. Or how much money from successful Mexican entrepreneurs is now flowing into deprived Mexican communities in the United States.

We live in a world where foundations and non-governmental organizations (NGOs) are multinationals, where multinationals are foundations, and where the divide between haves and have-nots, between rich

and poor, is no longer geographic. We live in a world where the infant mortality rate in Washington, D.C., is the same as in Sri Lanka. We live in a world where the biggest and most successful NGO in the Ukraine is a mail-order company. We live in a world where each person in Western Europe will be on the receiving end of up to 1,800 communications, including branding and advertising messages, each day.

We live in a wild, wacky, slightly confusing, and terribly fast-moving world.

From Geography to Biography

So, how did we get here?

Thomas Friedman argues that globalization as we know it today actually has its origins back in 1492 and has gone through three major stages of evolution since then. This is, perhaps, a slightly U.S.-centric model, but one that does have a certain logic.

The first phase of globalization started with Columbus. Whether or not he did actually discover anything, he is credited with bridging the divide between the *old world* of Europe and the *new world* of North and South

The Flat World

America. This period (from the fifteenth century to the late eighteenth century) was one of terrible tumult in Europe, with wars, revolutions, and just simple bickering among ruling classes taking up much of the continent's energy and resources. It was also the period of the founding of the new world, with the first settlers arriving in what would become the United States and Canada to forge new communities and in doing so committing genocides from which the North American psyche has never quite recovered. It was the opening up of travel and trade between continents, a time in history when countries and muscles mattered more than anything else. If you wanted to play with the big boys, you had to show how much brute force (horsepower, wind power, steam power) your country had and how creatively it could deploy it (mostly through wars and other such uses of man's talent). It was a time of national globalization—of imperialism, of empires—of countries going global for the first time.

The second phase of globalization came with the industrial revolution and ended with the digital revolution, and was a period of unprecedented growth and

wealth creation. Friedman argues that this was when the world went from “size medium to size small.” What powered this growth was no longer national imperialism, but corporate imperialism—companies, from the textile mills of nineteenth-century northern England to the multinationals that dominate our choices and supermarket shelves today—taking control of capital and opportunity and going global to search for new markets for their products and cheaper labor sources for their production.

And what fueled this power was a combination of falling transportation costs (from horse to ship to railway to airplane), and falling telecommunication costs (from telegraph to telephone to satellite and fiber optics).

So from *countries* with global ambition, we moved to *companies* with global ambition. And then globalization as we know it hit, and we moved to *individuals* with global ambition.

I wonder if you are one of the very few people in the world who used airline transport more pre-2000 than you are doing now. (I did the calculation recently and wondered if I shouldn't start buying shares in a carbon offsetting company.) Or think about how you

The Flat World

communicated pre-Y2K. Mobile phones? E-mail? Internet? How did we ever live without them?

The past seven years have seen exponential change, on a scale never before witnessed by humanity. The world has gone, in one fell swoop, from “size small to a size tiny.” We are communicating, travelling, collaborating, exchanging information, thinking, and working together with people all over the world in a completely new way. In a way that has never been seen before. In a way that was completely and totally unimaginable (except to a select few) just a few years ago. This is the world of tomorrow. And it is going at Mach 3.

But this wild, flat world has brought with it another change, equally fundamental and equally unexpected. It has created the individual revolution: the third phase of globalization.

Today with a PC and a link to the Internet, you are a global company. You can reach every other individual or organization that also has a PC and a link to the Internet. It is the widest, most incredibly powerful market that has ever existed. If you are a fundraiser and you have a link to the Internet, you are potentially an international NGO.

Individuals are now in a position where they can make a difference through virtual networks of like-minded individuals around the world. Geography has been replaced by biography. And these individuals are creating organizations. They are enabling, empowering, and collaborating globally through the flat world.

The individual has taken back the earth—and (thankfully) not just white middle-class individuals from Western, developed economies. Chinese, Indians, Africans, Russians, Hungarians . . . large and small, young and old, rich and poor are taking part.

Globalization has led us to the flat world—a world where college students from India can start up a small company doing subcontracted game design for French software houses and less than 10 years later purchase the rights for Charlie Chaplin's image.

It is a world where Benyam Addis, an Ethiopian student at a recent class of mine, can come to the United States and study philanthropy and fundraising in order to develop his nonprofit organization helping children back in Ethiopia. A world where individuals have the tools and the opportunity to make changes in

The Flat World

a way they never had before. A world where the words of Martin Luther King have never rung so true.

There is perhaps one other way of putting this transition. We went from a pre-industrial age, where the majority of activity was subsistence farming, to an industrial age, where steam power, machine tools, and electricity brought incredible new wealth, to the information age, where computers and the Internet have enabled people to link together and become much more productive.

But we have now moved even out of the information age. We have entered a new era: one of new challenges, and one where the power might actually really go to the people. It is not the *digital age*, as many would have us believe. We have entered the *talent age*.

In the talent age, the information tools developed during the information age have become a commodity: cheap and easily available, if not free. Think open source. I recently heard a radio interview on French public radio with a member of the open source community who claimed that open source companies now employ over 25,000 people in France alone—by making products that are free! The source code that used to be the most

guarded secret of software companies—the crown jewels of their economic success—is now being given away.

The tools or the products that do things, or allow us to do things—in this case to access and interpret information—are no longer what makes the money. It is the service that goes with them, that supports them, and that drives them. Of course, this has been the case in other industries for many years. Carmakers have long since made more money from financing than from the cars themselves, and radio and television media have always been free at point of sale. But the open source model is the first time that this notion of free has been run out to the whole business model. Media need advertising. Open source companies only need you to want to engage with their free product in such a way that you enjoy it, find it useful, and want to engage with it further.

During much of the production of this book, I used an online tool called YouSendIt (www.yousendit.com) that allows you to transfer large files for free over the Web. No more hassles with e-mails that get lost or bounce because they contain files that are too weighty for Outlook or Entourage. Simply upload the file, put

The Flat World

in your e-mail address and the address of the recipient of the file, and send it off. At one point, I found myself reading through an e-mail from the company asking me whether I wanted to upgrade to a subscription version, thereby parting me from my cash, to get faster upload times. Having engaged with the product and enjoyed it, and having recommended it to friends, I felt that I was ready to take that step. I had been successfully open sourced! The product itself was a commodity, with limited value. But the value could be created by adding to the product—making it faster, sexier, easier to use, and so on—and all at a price.

In today's commodity world, competitive advantage is no longer about having more. It is no longer about quantity. It is about quality, niches, and relationships. It is about understanding the entry point for a relationship—in this case, giving me a useful product for free that I was so impressed with that I raved about it to anyone who would listen—and then working from there with talent and imagination. It is about being different, making yourself stand out from the crowd, and being the Purple Cow that Seth Godin introduced us to a few years ago in his book of the same name.

And all this requires a *huge* sea change in the way we position, develop, and market our products—or in the case of the philanthropic sector, our causes. Because quite simply it is no longer about the product or the cause. If I feel strongly about saving whales, I have a choice of probably a dozen organizations in any given Western European or North American country that would happily help me part with my money to save a humpback or two. So what is going to influence my choice? Obviously brand awareness is one factor, and a pretty important one indeed. So is the fact that the charity actually asks me for money. But what about the experience I have as a donor? Increasingly we know that the donor experience is key, especially to repeat giving. And I would argue that donor experience is now *the* key. In a world where quantity has been replaced by quality, loyalty and repeat giving are the only ways to survive. There is no point in spending hundreds of thousands of dollars on recruiting a database full of donors if they each make only one donation. And crunch time happens when people start transferring their giving, not only from one organization to another, but from one cause to another, according to donor experience.

The Flat World

But hang on a minute . . . this definition of crunch time sounds remarkably like what has already been happening for a number of years. Don't donors make informed giving decisions according to how they feel about an organization? Not a cause, but an organization? When, in 1995, the CEO of the French cancer charity, the Association for Cancer Research (ARC), was arrested for embezzlement, huge numbers of their donors did not just move their giving away from the charity, they moved it away from the cause. If ARC was their favorite charity, they moved their giving to their second favorite charity, which most likely meant a different cause. Ask a group of people how many of their top five nonprofits are all for the same cause. How many do you think give to five different cancer organizations, or five different anti-drunk-driving causes?

So let's take a step back, here. What we are saying is that the box is now more important than what is inside it. That the after-sales (or after-donation) service is more important than the donation or the product itself. And that we need to move our thinking to embracing and accepting this ASAP.

It needs us all to not just think outside the box (indeed, recently a friend of mine remarked that these days there are so many people thinking outside the box that it has become cool to think inside it), but to fundamentally shift our thinking. And as so often has happened in the past few years, those Californian design and psychology geniuses at Apple were ahead of the game on this one. “Think different” was a downright revolutionary slogan back in the 1980s when Apple first used it in its advertising. (See Exhibit 1.1.)



Exhibit 1.1 Apple Advertisement

The Flat World

Truly “thinking different” requires huge effort and commitment. It requires risk, energy, and talent—lots and lots of talent. Because talent allows us to take the product, the cause or the traditional way of looking at something, and turn it on its head. The industrial and information ages were about learning how to be the norm, learning how to be productive, to be stable, to be middle of the road. Learning how to be a good team player who got promotions and moved up the ladder with the cause you cared about most. Learning how to be a company that had stable clients and innovated slowly so as not to scare them off. Learning how to watch what your competitors were doing and copy it as soon as you could to be sure to gain valuable points of market share.

But today, we need to unlearn that. We need to deprogram ourselves. We need to deprogram our children, our education system, our universities, our organizations. We need to stop trying to be someone else, and start working out what it is that makes us *us*. We need to work out who we are, and who we want to be. And once we’ve figured it out, we need to

shout it loud and proud from all of the rooftops. We need to not just Think Different, but Act Different, Behave Different, Dream Different, and Change Different.

In our oversupplied world of individualism and choice (both of which by-products of globalization we will go into more later), whatever it is that we do has become a commodity. Our new product has already gone out of date by the time we put it to market. Our new concept will have been copied within 30 seconds if it looks like it might work.

Zoom

If you live today in a major metropolitan center in large areas of the global North, there is a fair chance that you have either seen, spoken to, been accosted by, enjoyed the presence of, or just downright ignored a face-to-face (F2F) fundraiser. It was, in much of Western Europe, the “next big thing” in charity development in the late 1990s and early part of this century. The concept is terribly simple—young, energetic, and passionate people stand on the streets of big cities

The Flat World

and try to start conversations with passers-by that, it is hoped, will lead to the folks on the street being so convinced that they sign up immediately to become regular monthly donors to the charity through standing order or funds transfer. Face-to-face fundraising first saw the light of day in Vienna, in 1996, in the offices of Greenpeace. Daryl Upsall worked at Greenpeace International headquarters at the time and recalls how it came about:

“In 1993, we sent George Smith and Ken Burnett, two of the profession’s most recognized experts, out around the world to look at fundraising. We knew we had a challenge. Greenpeace had become Graypeace—our average donor age was over 55, our global income was in decline, and we needed to do something radical. At the time, 18 percent of our income was coming through regular monthly giving, and the idea we had was to move the whole organization into monthly direct debit around the world. But we needed a tool to do it. The answer came from Austria, of all places, in June 1995. Jasna Sonne from Greenpeace Austria and a local company called Dialog Direct were having lunch at a restaurant in Vienna, and they had the idea that it would be great to

go and recruit a thousand people in the streets of Vienna to do a monthly direct debit via a special bank form. Everyone thought it was crazy. But we tested it. It was so successful within a small period of time that the Austrian church called a debate in the parliament to complain that Greenpeace was being so successful in recruiting donors that it was stealing the money that should be going into collection boxes on Sundays in church.”

By the time Daryl Upsall left Greenpeace in 2001, monthly giving had risen to 58 percent of all income, and is now up to 70 percent, giving the charity a huge advantage in challenging economic times.

A great idea that came out of a lunch meeting in Austria is now raising money for charities across the world, from Chile to China. Indeed, the best results and growth are coming from places like Thailand, India, and South Korea! As Daryl says, “the fact that a fundraising tool from Austria could become a hit in South Korea still blows my mind!”

Ideas move incredibly fast in the flat philanthropic world. Conferences, the Internet, articles in newspapers and magazines that then get blogged and sent around

The Flat World

the world. . . . Information is no longer power. Today, power is the ability to transform that information into something that differentiates your organization and your cause. Something that attracts people to your brand, that makes them sit up and think, “Yes, I want to help *your* organization, rather than the 500 others around the world that appear do the same thing.” We cannot please all of the people all of the time. And we should stop trying to. With a bit of luck, we can use new ideas and new technology to help us please a small niche of people most of the time—just like Greenpeace does. Done well, that is enough to live, thrive, and survive in the flat philanthropic world.

What Makes a Pancake?

We cannot really understand where we are and work out where we are going if we do not have a clearer idea of how we got here. Thomas Friedman identifies 10 processes, or flatteners, that have played an important, if not essential, role in moving us toward this globalized society. I have taken these 10 flatteners and put them in

a philanthropic context. What emerges are four major trends: political, technological, human, and economic.

Political Trends

Politics has played a huge part in our lives as citizens of the world in the past 100 years. From the two world wars to the cold war, politics, politicians, and political ideologies have been a staple in twentieth-century life. But the absolute reign of politics arguably came to an end on November 9, 1989, the day the Berlin Wall fell.

My father was born in London in the late 1940s to a German mother and a Czech father, both of whom were Jewish refugees who had managed to escape before doing so became impossible. They both lost most of their families to the concentration camps and tried to rebuild a new life for themselves in England. My father had been to Germany during the 1960s, had stood by the Brandenburg Gate and Checkpoint Charlie in Berlin, and had looked over to the East German part of the city—to that world that seemed forever cut off and distant.

For him and his parents (my grandparents), the fall of the Berlin Wall was an electroshock. I remember waking

The Flat World

up one morning around that time, perhaps even the day following the tearing down of the wall, to find my father's ear glued to the radio, to the news, to the incredible opening up of the world, to the overwhelming events that were happening. I had rarely seen him so moved.

For Europeans, all over the continent, the fall of the Berlin Wall was life-changing. Imagine a bottle of champagne that has been shaken consistently for 50 years, but the cork has been held in place. Imagine suddenly releasing the cork.

For people on the other side, who had lived with oppression and distrust for decades, the effect was electrifying.

Balazs Sator is a fundraiser and trainer who lives today in Hungary. Recognized today as one of the leading lights in the Eastern and Central European nonprofit world, he is particularly well placed to tell this experience firsthand.

"I grew up in a small village about 50 kilometers outside of Bratislava in what is now called Slovakia, but back then was part of Czechoslovakia. What was brutal during Soviet times was that growing up it became

clear that unless the situation changed, or I became a party member, I was never going to get the chance to go to the West. You can see Vienna from one of the hills in Bratislava and yet it was forbidden territory. I was too young to say it felt horrible, but that border was so much in the middle of my life.

“Not everyone was a revolutionary—we started understanding some of these things as a generation because everyone recognized that something was wrong, that the system was wrong. This was 1988 and the beginning of the period of change. There was a huge force at that time—I still have goose bumps now when I think of what happened. My village was outside Bratislava, and we traveled in every day for the demonstrations. Despite the police brutality, we still went out on the street day in and day out because we had realized that if we weren’t there then we would be guilty of not being a part of the change. Crime fell by almost 70 percent. People started to think differently. It began with the blue ribbons—people who supported the revolution started pinning blue ribbons on their jackets. Some who were not brave enough wore them inside their clothes. Then people started lighting candles in their windows.

The Flat World

“It was December 1989, after the fall of the Berlin Wall, that I finally got the chance to travel over the border to Austria. I waited on a bus for nine hours in Bratislava to travel to Vienna. We didn’t believe that our passports would be accepted! As we stepped out of the bus in Vienna, suddenly the joy of actually being there was turned into shock at the incredible difference between the two countries—what people were buying there, the shops they had, the cafés they were sitting in. For us, Czechoslovaks, it was unbelievable.

“Even if the euphoria around the revolution quickly turned to the challenges of building a democracy, it doesn’t take anything away from the fact that this change was produced by hundreds of thousands of individuals coming together. And even if I was just one of them, I am proud today to have been there. Finally I can do as I wish and I can achieve what I am capable of. Something changed in the environment, and you can be the cork that pops out of the bottle. For me this was the biggest value of the changes—individual responsibility and rights *do* matter, and that is what has taken me to fundraising. Individuals fundraising for a better world represent one of the forces behind democracy.”

As Balazs so poignantly illustrates, the opening of the Soviet bloc was a clear victory for the capitalist model, one based on individual enterprise and multinational collaboration, which was now recognized openly across the world as being the predominant model of growth. But it was also a clear victory of the individual over the body politic—of the vision of individuals, forming themselves into virtual coalitions and organizations of like-minded souls and overcoming a government armed both with machine guns and with ideology. The individual had, through association, brought about change—huge change that would impact on lives around the world for decades to come. Not even 20 years on from this victory of the individual and civil society, there are now over 250,000 active nonprofit organizations in Russia. Most of these are involved at some level with philanthropy, and a Carnegie Report in 2003 showed that some 85 percent of Russian companies had corporate social or philanthropic activities. Eighty five percent of Russian companies!

Technological Trends

Technology has arguably been the most vital catalyst in creating the flat world. It has allowed each and

The Flat World

every one of us, thanks to mobile phones and wireless technology, to work anywhere and to be in contact with the rest of the world 24/7. This chapter is being written from the deck of a friend's house in San Jose, California, but this morning I checked back with the office in Paris, France, e-mailed partners in South America and the UK, and participated in a teleconference with a client in Canada. At the end of the day, challenge yourself to think about how long it might have taken you to achieve everything that you have done in one day without your PC, the Internet, software, and telecommunications.

And if the exponential growth in computing power carries on as predicted, it is estimated that this side of 2050 a home PC will be able to carry out more calculations per second than the combined brains of every human on the planet! And it will, of course, be able to feed the information generated by these calculations to you wherever you are, by wireless and satellite technology. These are startling predictions—terrifying, even. But we don't have to look so far into the future—it is estimated that by 2010, the amount of information in the world will be doubling every 72 hours. Let's just

mult that over for a moment: Every three days, the total amount of information on the planet will be doubling.

This has huge implications for the world we live in. It means that if you are a nonprofit organization, by the time you are finishing your next three-year strategic plan, you could be, in theory, talking to a completely different audience of potential supporters—with individuals able to access more information on your cause, your organization, your performance, and your competitors than ever before, more easily than ever before, and more quickly than ever before. They will have more information, more knowledge, more options, more choices. They will be exponentially more powerful. Think Facebook—and think how long many organizations took to understand it. It may be that the next trend that impacts us will be over before we can actually capitalize on it if we don't smarten up to the way technology is moving everything faster than ever before.

Human Trends

Technology now allows us to do things we could not even have dreamt about 10 years ago. Technorati's

The Flat World

State of the Blogosphere 2008 study cites figures from Universal McCann claiming that 184 million people have started a blog worldwide and that 364 million Web users worldwide are now blog readers.

That is almost 200 million people who have decided to share their thoughts, their work or their lives with anyone who simply cares to click and read. And almost double that number seek out information through blogs. The whole system has empowered the individual to take the act of communicating information into his or her own hands. You don't like what you are hearing on CNN or the BBC? Well then, pick up your mobile phone, and go and stand outside a TV studio ready to ask questions of the politicians as they leave. Record their interviews, snap a couple of photos, write the whole thing up giving it your particular angle, and suddenly you don't need cable news anymore. Indeed, independent journalism is now a huge business, and thousands of individuals across the world who are dissatisfied with the quality of reporting offered by traditional media are starting their own news blogs. Today, in the era of technology multitasking, with a simple phone that has a camera and an MP3 recorder, anyone can communicate information.

Please note that this doesn't mean that anyone can be a journalist, and (while this is not the place for a rant) I do feel strongly that, as a society, we are losing the value of real investigative journalism and thus endangering the subtle balance of democracy by removing many of the fail-safe mechanisms that great journalism provides.

As we discuss the human trends, let's return for a moment to open source. Perhaps one of the most remarkable and unexpected human developments to come out of technology, open source is truly revolutionizing many sectors of the economy. The idea of individuals working together collaboratively online to develop, improve, and share software and hardware has fundamentally changed the business models of many leading-edge companies. While in Silicon Valley writing and researching this book, I began to understand the power of the human being, through technology, to develop the tools that will allow other human beings to express themselves and work better, faster, and more intelligently.

Open source, and the doors it opens (such as peer-to-peer sharing of content, music, video, etc.), will continue to impact on the world we live in, moving slowly, sector by sector, like a creeping giant. The nonprofit

The Flat World

world and how it funds itself will inevitably be impacted. And we have the opportunity today to anticipate rather than be a victim of that change. Let's not fall into the same trap as major record companies, for example, which instead of trying to embrace changes in technology and search for new and profitable business models during the 1990s and early 2000s, spent their time sticking their heads in the sand and fighting the inevitable, with catastrophic results for their bottom lines.

Offering donors new ways to create their interactions with nonprofits, using new technology to collaborate with donors and beneficiaries in order to meet their needs in a more effective and efficient way, opening up our (often slightly stuffy and opaque) organizations for all to see—these will all be on the agenda for tomorrow's fundraising team meetings. We have a choice. Pretend it's not there and suffer the consequences, or anticipate and make the most of what is an incredible opportunity to help further our missions.

In the flat philanthropic world, one elected official alone cannot solve the problems of eight million people, but eight million people networked together can solve a city's problems. Think YouTube. Think Barack Obama.

A word of warning, though, when going down this path: you must do it in a way that truly empowers, not just directs people's energy toward your cause. The individual is king in the new flat world, and if individuals feel that they are not being trusted and empowered, the relationship could be short-lived. The 2007 election campaign in France is a fantastic example of what happens when we try to put too much order and focus into open sourcing.

The candidate for the French left, or labor party, Ségolène Royale, made headlines around the world with her “participative democracy” approach—with its foundations in the open-source Web. The campaign created a number of web sites and blogs (the “Ségosphère”), which were designed to give French people an opportunity to participate in an exercise in online democracy, raising and discussing issues through the Web in a format that was intended to empower in a very positive way. The Web campaign was hugely successful, but failed to bring together the necessary majority to elect the candidate. Why? Aside from the fact that the woman in question was probably unelectable, many commentators claimed that the Web tool was used as a gadget, not

The Flat World

really networking people, but just giving them a platform to vent their everyday, run-of-the-mill qualms and complaints. This created the expectation that if the candidate were elected, the issues would be dealt with. And in the end, the candidate herself was simply not able to retain the necessary credibility to follow through on her own new open source system.

This expectations trap, where our capacity to raise an issue does not match our ability to do something about it, was incredibly deftly avoided by Barack Obama's presidential campaign. It is almost as if the Americans learned from the French mistakes! Obama and his team brought together a virtual network of over two million people in one of the most astutely crafted pieces of online mobilization ever seen. Where Ségolène Royale talked about the problems and encouraged people to share their gripes in the hope that they would become part of the bigger picture, Obama centered his campaign around two words—*hope* and *change*—two of the vaguest words in the English language, but words that evoke passion and emotion. It is strange to think that semantics could have been an integral part of a political campaign, but Obama's

decision to *not* position the online movement around tangibles, but around intangibles, shows just how clever the Democrats can be when they put their minds to it.

Barack Obama has taken the open source concept to a whole new place, one that we, as nonprofits or agents of change, can learn from and adopt.

Economic Factors

A few years ago, I was lucky enough to visit China and spend three weeks with my partner traveling around the country, from south to north and east to west—from Tibet to Hong Kong via Xian and finally finishing up in Beijing. To say it was memorable would be an understatement. But one particular memory from the trip has remained stuck in the front of mind ever since. It happened in Beijing, an incredible and confusing city. After having been in town for a day or so, we left our hotel as usual in one of Beijing's many suburbs to head into the center and continue our discovery of China's capital. After a visit to the Forbidden City in excruciating heat, made bearable only by the fact

The Flat World

that the English commentary in the audio guide was provided by Roger Moore (somewhat of a coup for British intelligence, I thought at the time!), we returned to our hotel—or at least where we thought our hotel was. Everything around where the hotel should have been looked incredibly unfamiliar. There were cranes and building sites where there shouldn't have been. There were no buildings where there should have been, or at least where there had been that very morning. We eventually found our hotel, still standing. But a whole block opposite had been simply flattened in the course of a single day. Who knows where the people who were living that morning in the houses opposite slept that evening? When we left three days later, the first concrete pillars of a new tower block construction were already poking out of the ground.

And then it dawned on me. This was China. Not China of today, but China of tomorrow—a country where whole blocks are flattened in one fell swoop in just a few hours. Where the central planning machine—whose one ambition is growth at all costs—is bulldozing everything in its way.

The economic opening of China and India is such a part of our everyday lives that we tend to forget that it has happened only in the past 10 to 15 years. Bangalore is fast becoming home to most of the back offices of European, North American, and Japanese companies. As Dinakar Singh, a Wall Street hedge fund manager, remarks in *The World Is Flat*, “India had no resources and no infrastructure. It produced people with quality and by quantity. But many of them rotted on the docks of India like vegetables. Only a relative few could get on ships and get out. Not anymore, because we built this ocean crosser, called fiber-optic cable. . . . For decades you had to leave India to be a professional. . . . Now you can plug into the world from India.”

The Global Passport for Change

Outsourcing and offshoring are two very integral parts of business models across the world. Any service, call center, business support operation, or knowledge work that can be digitized can now be sourced globally to

The Flat World

the cheapest, smartest, and most efficient provider—wherever they happen to be.

My team and I recently worked on a Web project for a charity in France. The client wanted to work with an international team but didn't know where to start, so we built a group of consultants and agencies who collaborated, horizontally, on producing value for the client. Where were they geographically based? In Argentina, Canada, the United States, the United Kingdom, and France. Did they ever meet? No. All collaboration was done by e-mail, coordinated from our office in Paris. The strategy was done by one part of the team, the design and build by another. Everybody contributed new ideas and thinking, including best practices and experiences from each team member's country. Was the charity happy? You bet!

The flat world allows us all, wherever we are, to access the best people on the planet. We are no longer limited to working with the people or organizations in our towns, or in our regions, or even in our countries. As long as the content in question can be digitized, you

now have a global passport for change and the freedom to work with whom you want, when you want, regardless of time zones.

Outsourcing (taking parts of the organization and subcontracting their activity) and offshoring (moving whole activities, often in manufacturing, overseas for cheaper labor costs) are currently producing some very vehement discussions in Europe and North America. Chinese textiles and Indian call centers are very much seen to be the bad boys of globalization—taking our jobs, preventing us from ensuring financial security for our children, and in the case of the call centers causing us hours of frustration. Although I don't want to get too much into a debate that would merit another book to discuss fully, I think it is important as agents of change and developers of philanthropy to address this question, if only briefly, as we are likely to see the impact of these global trends on giving in the near future.

The idea is that anything that we can make or outsource more cheaply in other areas of the world will be made or outsourced there. This means huge challenges for Western societies and loads of job losses.

The Flat World

But I think that the real issue here is not jobs, but the polarization of capital. When a U.S. company takes part of its manufacturing to China in order to decrease costs, stay competitive, and ultimately increase profits, the people making money out of the process are the company and its shareholders—not those who are on the lower rungs of the job ladder. While the Chinese workers benefit from increased employment opportunities, the profit is ultimately taken out of China and benefits rich Americans. The capital becomes increasingly polarized, and goes to those individuals with the capacity and the drive to change and to become fitter, stronger, leaner, and higher educated, with higher-value skill sets.

And what about the consumer versus the worker debate? As consumers, we love Wal-Mart's lower prices, giving us access to a wider range of products that we couldn't previously afford. As a worker, these lower prices are being delivered by the same outsourcing and offshoring that are causing us to lose our jobs.

China and India are not the problem. *We* are the problem. Our inability to construct a basic values system where we understand the importance of

retraining, reskilling, and re-equipping people for the challenges that lie ahead is our failing. In my 2008 Philanthropy and Development class at St. Mary's University, in Minnesota, one of my students hailed from Flint, Michigan. Steve was the development director in a Flint elementary school. During the class he shared some horrific realities about one of the United States' most depressed and abandoned cities, which has been out on a limb since the decline of the traditional American automotive industry began a decade or so ago. High school students had a 25 percent graduation rate. The crime rate was into the stratosphere. Prospects had hit rock bottom, as had the population, which had been leaving in droves. Steve was convinced that education was the key. But it was criminally underfunded. So, yet again, the third sector was filling the gap. Steve decided that his elementary school would spearhead a campaign to "Save Flint." At the time of writing, documentary filmmaker Michael Moore had expressed a firm interest and Steve was working closely with his classmates from St. Mary's to look at how to develop and implement the campaign.

The Flat World

This chronic failing of Western economies to prioritize education and reskilling has left cities like Flint, or Sheffield in the UK, or Tourcoing in France at the mercy of the outsourcing economic reality. No wonder people in such places are scared of globalization—we have failed to give them the tools to see it otherwise.

To return to the economic reasons behind globalization, there is another that merits some serious thought from our sector.

Supply chaining is the art, as much as the science, of coordinating a number of different suppliers to ensure that a product arrives in front of the customer at the right time, in the right place, and in the right condition. I argue that it is as much an art as a science because a well-constructed and well-executed supply chain has a sense of the art that you find in a good soccer game, when all the players seem to move independently, but as one, in order to achieve one goal. Commercial organizations such as Dell, Wal-Mart, and Amazon owe their success less to their marketing or branding than to their ability to optimize and maximize their supply chains to gain valuable percentage points in efficiency, which they then pass on to their clients.

Supply chains are absolutely, totally global. When you order a computer online from Dell, the different components that will end up in your PC box will be sourced from as many as 50 different suppliers in over 10 different countries—from Europe to China, via Taiwan, India, and many, many others. Their success depends on total stability throughout the supply chain—both political and economic stability. And as we shall see later in this book, this desire for stability could well be one of the influencing factors in balancing out the flat philanthropic world in the years to come.

But the nonprofit world has not been left behind. Emergency relief organizations have upscaled their supply chains in order to be able to react in record time to crises, wherever they happen to be.

The Three Tippers

The human, technological, political, and economic factors help to explain some of the big globalization trends, but in themselves they are not enough to have

The Flat World

caused the huge changes we have been experiencing over the past 5 to 10 years. They needed to come together at some point and reach a moment of confluence, or a “tipping point,” as Malcolm Gladwell puts it in his seminal book. So what was the tipping point that brought these together to unleash such overwhelming change on the world?

Thomas Friedman argues that there are three factors that have contributed and come together at a certain time to tip the scales. I agree with the fact that there are three, but believe very strongly that one of these is far and away the most prominent and most important.

First is broadband. Globalization relies on technology to support its interactions. And technology relies on wires in the ground to support its interactions. The Internet is sterile if no one can access it, and it will have no information on it (and therefore no value) if people do not have the bandwidth to be able to share their digitized content. Just look at the correlation between growth of online purchasing (and giving) and broadband connectivity.

Second is inertia. More than 40 years elapsed between the invention of the lightbulb and the widespread availability of electric lights in Western houses. There is always a time lag in technology, produced both by a lack of infrastructure and by the fact that people need time to adjust and integrate technology. Think how long it took some people to work out how to set a VCR player. Think about the fact that the tin can was invented five years before the tin can opener!

But the third and most important factor is that we suddenly unleashed the talent, the determination, and the energy of three billion people!

In 1985, the global economic world (North America, Western Europe, Japan, parts of Asia and Latin America) comprised 2.5 billion people. During the 1990s, the economies of China, Russia, India, Eastern Europe, and Central Asia all opened up—a new market of 3 billion potential consumers, hungry consumers. And even if only 150 million have current access to the market and can be considered to be on the same wealth level as the Western economic world, that is still more than half of the U.S. market in terms of numbers of consumers.

The Flat World

These three billion are hungry people. They are hungry to take our place—not to be us, but to be better than us! And these new economies have understood something that we have underestimated for a long time—and I lamented earlier in this chapter: they have understood the importance of education.

India sent more university students to the United States in 2004 and 2005 than any other country (over 80,000, with 62,000 from China). Previously these students were graduating and then staying in the United States and going to work for companies like Goldman Sachs. Now they are going back to India and working for companies like Goldman Sachs! Each year the United States trains some 150,000 Indians and Chinese to lead the companies that will be at the forefront of the next stage of this globalized revolution.

The Exponential World

The speed with which this is happening is overwhelming. The first commercial use of text messaging took place in December 1992. Today, whatever day it is that

you are reading this, the number of text messages sent will exceed the number of human beings on the planet. This month, Google will receive nearly three billion searches and MySpace will have another 230,000 members.

This is change—big time. And it is not slowing down. Quite the opposite. We have entered the exponential world. In the exponential world, change does not just have a percentage-point, incremental increase. It has a doubling, tripling increase. EBay was created in 1996. The exponential world has allowed its revenue to grow to \$6 billion in just a dozen years.

The world is flat and exponential, and as fundraisers we have to first understand this concept and then apply it to our work. It is no longer good enough to achieve four- to five-point increases in direct marketing revenue year to year. Our mission requires more. Our beneficiaries deserve more. We are being demanded to do more. But just maybe, for the first time ever, we now have the tools to do more. The gauntlet is down and the choice is ours: do we pick it up and make the most of this incredible opportunity, or do we allow it to pass us by?

The Flat World

Exponential growth also brings with it some intriguing questions, like where did we obtain those billions of bits of information each month before Google? And, in the words of Clinton advisor David Rothkopf, “What happens if the political entity in which you are located no longer corresponds to a job that takes place in cyberspace, or no longer really encompasses workers collaborating with other workers in different corners of the globe, or no longer really captures products produced in multiple places simultaneously? Who regulates the work? Who taxes it? Who should benefit from those taxes?”

Increasingly, we are going to have to face up to the fact that we don't have the answers. We may only have the questions. And this is a fundamental change to the way we think and work as organizations. Nonprofits are risk-averse by nature. But we are going to have to turn that around and realize that if we only act according to a set of rules that are tried and proven, we are robbing ourselves and our beneficiaries of a real chance. In a sense, we are preventing ourselves from being the organizations we could be, preventing our beneficiaries from receiving

the help and support they need, and preventing our missions from being fulfilled.

Quantum physics is all about taking giant leaps into the unknown, testing and proving. Today we need quantum fundraising—where we throw out the rule book, encourage failure, test new things, promote research and development, and do this in absolute transparency with our donors with the aim of sharing an ambitious vision to do ourselves out of a job. If you are a fundraiser, your job just changed. You are no longer a philanthropy developer; you are a philanthropy revolutionary. Your aim is exponential fundraising, where growth and mission accomplishment are driven by innovation and change. Henry Ford said, “Whether you think that you can, or that you think you can’t, you are usually right.” Your aim is quantum fundraising, where you throw the rule book away and put absolute faith in your vision for change. Lack of self-confidence has no place in the fundraising world of tomorrow. The stakes are too high. Too many people are depending on us. If you don’t believe you can change the world, get out of the game. If you do believe you can change the world, make it happen; then tell us about it.

The Flat World

Quantum fundraising is going to be our Red Bull for the flat philanthropic world. It is going to pump us full of energy and send us off in the right direction. It is going to help us deal with the three big challenges that are coming right at us like a speeding truck: choice, individualism, and disappearing boundaries—the realities of the flat world.

