

Dealing With Disruption It Affects Nonprofits Too

Nonprofits in the Digital Age

October 18, 2016

Innovation is Amazing!

- We are living in heady times:
 - 3D printers print body parts
 - With Car2Go, you wave your iPhone at the car and you can drive away
 - The Internet of Things will allow us to make real time decisions about agriculture, energy generation, water usage, et. al. that will minimize waste
 - We carry supercomputers in our pockets that let us do our banking, communicate with each other, and entertain ourselves
 - We can put goggles on our head and be transported to Venice, Mars, or Westeros

And It's Happening So Fast

- Consider These Founding Dates:
 - Basic WiFi protocols first established 1997
 - GPS for Mobile Phones in 2004
 - Facebook founded in 2004
 - First iPhone in 2007
- And Consider the Speed of Obsolescence:
 - DVDs (1995); Camcorders (1982); Answering Machines (Mid-80s); Fax Machines (Mid-1980s); and separate devices for anything
 - AOL e-mail address now considered a faux pas

OK, THAT'S INTERESTING, BUT...

**What does that have to do with
non-profit organizations?**

Disruption is Everywhere

- Are you prepared for your donor to ask if they can Venmo his or her donation (1 of 4 Millennials now prefer to pay via App)?
- Are you prepared for hackers to break the security of your Virtual Reality app and replace the Lucian Freud nude with online porn?
- Are you prepared to get the proper consent for reposting the Instagram photo thanking your organization for its good work
- Are you prepared for drones to deliver food to the food bank, autonomous cars to ferry volunteers to worksites, artificial intelligence analyzing Big Data sets to identify the best donors, sensors and telematics that identify the effectiveness of aid delivery, AR goggles providing “pop-up” animations during the Mahler symphony, etc.....

Disruptive Tools Are Broadly Available

- Virtual reality
- Big data
- Artificial intelligence and machine learning
- The “Sharing Economy”
- Robots, drones, autonomous machines
- Wearable computing
- Ubiquitous surveillance
- The Internet of Things
- Cheap, cheap storage and processing power
- True international reach

Disruptive Expectations

- We live in a cult of innovation and disruption:
 - Technology will solve all problems (e.g. climate change, traffic, education, etc.)
 - Innovators have few ethical obligations; innovation is good in and of itself; we can, therefore we should...
 - Innovation always outweighs its consequences (or is inevitable)
 - Any legal or sociocultural constraints on innovation should be removed or disrupted because they suppress creativity, economic development, new ideas and growth.
- Any innovation, by definition, will “disrupt” the status quo and will make existing organizations uncomfortable
- Innovators can disrupt every business category, even those with high barriers to entry

But Many Forget

Disruption isn't an end in and of itself

So, How Do I Deal With It?

- Remember, you can be “hip” and on mission
- Find the right speed for your organization. It will be faster than legal is comfortable with and not as fast as the early adopters are comfortable with
- Get comfortable with “MVP” and “Design Thinking” and “Agile” and “Iterative”
- Watch mission creep with any innovation. Did the wearable tracker suddenly become a medical device?
- Recognize your own innovations and their potential
- Educate your constituents (employees, service providers, users, donors, etc.); make sure your narrative is consistent

Short Form Advice

- Don't get cute
- Remember the parable of the bear; don't be the outlier
- Slow down
- Get it right, then scale
- Don't be afraid of the law/legal
- Good customer service solves most legal issues
- Transparency works (an informed person is a happy person)
- Make a good faith effort
- Asking nicely works

THANK YOU



Kraig Baker
Partner
Technology,
Advertising,
Trademark and
Entertainment
kraigbaker@dwt.com
Seattle
206.757.8007