

# Building an Online Social Innovation Commons

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Peter Plastrik, Greg Berry and John Cleveland<sup>1</sup>

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## Purpose

This paper describes a social-enterprise concept—an online Social Innovation Commons—and a plan to design and launch the concept in “release stages.” The idea is part of an ongoing effort to develop ways to help the field of social innovation evolve more rapidly toward greater impact. We describe:

- the **problem**
- the **concept**
- SI Commons **purpose**
- **challenges** and **solutions**
- SI Commons **rules**
- SI Commons **essential infrastructure**
- SI Commons **business model**
- **implementation** approach

## The Problem

Probably every social innovator or innovation investor/funder has had this experience: A problem or an opportunity needs to be addressed. How do you find out what has been tried, what worked and under what conditions, and how much it cost? Or, if a new idea needs to be checked out: How do you find out if it's a good idea, if it has been tried before, if it is similar to other ideas?

Thus begins the search for social innovation information: What's been written about this? What's on the Internet? Who are the experts? What do they say? And, as the search piles up the information, another question arises: How to make sense of the hodge-podge of information? Some is in the form of a marketing pitch based on the innovators' claims of

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<sup>1</sup>Contact us at [pete@in4c.net](mailto:pete@in4c.net), [greg@nuanceintelligence.com](mailto:greg@nuanceintelligence.com), and [john@in4c.net](mailto:john@in4c.net).

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success; or long detailed reports and full-length books that may or may not be worth reading; or Web pages and documents that aren't really on target. Not to mention the fact that each "chunk" of information has its own formatting, few are searchable, and—most important—they employ differing "performance standards" for the innovations, or no standard at all.

In short, even though there is a large amount of information "out there," a search for usable information usually leads to confusion and frustration. And even when it is successful, it requires a tremendous amount of labor in the face of great uncertainty of success—a risk that dampens enthusiasm for the task—as well as a high degree of judgment in sorting through the information.

In response, social innovators and philanthropic funders and private investors in social innovations cope in various ways. Those who can afford to, such as organized philanthropies or large nonprofits, undertake costly information searches to develop their strategies and ideas; they fund staff or turn to outside experts to develop the information they need. The rest either engage in low-cost searches, finding what's easy to find and using, rejecting, or adapting it without much comparative information or analysis, or they patch together a more disciplined and costly search that starts and continues as resources allow, but is slower than desired. In other words, *rampant inefficiencies in the information market for social innovation create debilitating costs and low speed of development.*

This almost unsolvable "information maze" is a universal obstacle to accelerating the development and spread of effective social innovations. In the "age of information" it is a notable breakdown in the field of social innovation, a missing but fundamental "decision-support" capacity for the field's development. It's important to note that we are talking about a particular type of information market: the "comparative information" market, rather than the "descriptive information" market of Wikipedia or the "information search" market that Google has built. There are many examples of enterprises in the comparative information market: *Consumer Reports* and JD Power rankings of automobiles, boats, electronics, and other consumer goods, and standard setting efforts in fields such as food labeling and GAAP (Generally Accepted Accounting Principles).

### The Concept

We seek to design and build a way for social innovators to get through the maze—an online “Social Innovation Commons” that attracts, categorizes, rates, and makes accessible a vast amount of information about specific social innovations. The Commons will function as a *market* in which social innovators and investors exchange—provide and consume—social innovation information with each other and develop other ways to generate value and collaborate. The Commons will be designed to establish this market’s purpose, essential infrastructure, rules and standards, business/enterprise model, and market development strategy.

### SI Commons Purpose

The SI Commons seeks to organize the world’s knowledge about social innovations and make it universally accessible, as a way of accelerating the development and spread of social innovations and increasing the effectiveness of social innovators and the broad field of social innovation.

### Key Challenges and Solutions

The threshold challenges for developing the SI Commons are information quality and information acquisition.

- **Information Quality.** A substantial amount of social innovation information is available on the Internet, but the information varies widely in terms of its content, format, search-ability, and reliability. Attempting to convert this information into a standard format and to upgrade the content quality would be an enormous task. And filling in the large gaps in much of the information (e.g., lack of data about the cost of innovations) would be impossible.

Solution: The Commons will categorize all information so that it is easy to find and view with comparable information, and it will rate all information for its usefulness based on a Preferred Format. It will employ two strategies to incentivize the creation of more useful information that fulfills the Preferred Format. First, by applying the standard to rate information and making the rating visible to users, it will “steer” users toward Preferred Format information; to obtain more viewers, information providers will start to package their information in the Preferred Format.

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Second, the Commons will work with large-scale information generators, such as foundations, to apply the format to the information they develop in the future and post at the Commons Web site.

Specifically:

- 1) The Commons Management will categorize each information item by
  - a. The “innovation sector(s)” in which it belongs (e.g., urban education, health care, community-based change)
  - b. The stage of innovation development it has reached (concept, prototype, launch, scaling)
  - c. The entities developing and supporting the innovation (e.g., social entrepreneur, funders)
  - d. Location where the innovation has been implemented.
  - e. Performance information about the innovation.
  - f. The name of the person/organization that posted the information.
  
- 2) The Commons Management will rate each information item for its completeness/usefulness and tag the information with the rating (e.g., 1-5 stars). The quality checklist will include:
  - a. Is the innovation adequately described?
  - b. Is the hypothesis underlying the innovation described?
  - c. Is the process of developing the innovation described?
  - d. Is the measurable performance of the innovation described?
  - e. Is the cost of implementing the innovation described?
  - f. Is there contact information for following up?

[Note: Commons Management will not rate the content of the information.]
  
- 3) Information users will be able to rate each information item for its content and will be able to add comments. Comments will be made visible and user ratings will be aggregated automatically into a User Score.

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- 4) Users will be able to search for information by its Commons category, Management rating level and User Score.
- **Information Acquisition.** Social innovation information mirrors the highly decentralized structure of the social innovation field: there are a few points of aggregation (foundations and larger nonprofits, for instance), but mostly the information is fragmented among many holders and a great deal of it is not in digital form. The SI Commons will convert larger-scale information holders into information providers by offering this value proposition: We will make your information, unchanged and under your brand, much more easily findable by a much larger audience. And if you want, we will facilitate connections between you and viewers of your information.  
Specifically:
    - (1) The Commons will import each provider's digital or scanned information, tag it with the provider's brand, categorize it according to the Commons content architecture; and tag it with a Commons Management rating.
    - (2) The Commons will place all information from a single provider in a Provider "Room" on the Web site, where the provider's brand and other information ((e.g., history, contact) will be presented. A viewer would be able to visit a particular provider's Room or access the information through other paths (e.g., by innovation sector, stage of development, Commons Management rating, etc.).
    - (3) Smaller providers of information would be able to post their documents on the site, following instructions from the Commons Manager concerning tagging the information for placement in the site architecture.
    - (4) All information would be rated by the Commons Manager before appearing on the site.

### SI Commons Rules

Design of the Commons and activities in the Commons will be guided by a few simple universal rules:

- **Openness.** Anyone can post on the site any information (relevant to social innovations) in any format.
- **Raising Standards.** All information posted will be categorized and rated by SI Commons Management to inform potential viewers about the quality of the information. And information users will be encouraged to rate the information on its utility to them.
- **Brand Enhancement and Protection.** Contributors of information may brand the information as they choose; the SI Commons will not replace brands. There will be no advertising on the site.

### SI Commons Essential Infrastructure

The SI Commons “backbone” will be a Web site that uses:

- Open source technology and Drupal content management software.
- A functional architecture that offers a wiki; user-generated content; a rating system based on customized algorithms for user vectors; and social network media. Think *Consumer Reports* meets Wikipedia, Amazon.com, and Facebook.
- An information architecture that organizes the content of social innovation information.
- Additional software tools to create other value-generating mechanisms for social innovators.

### SI Commons Business Model

The Commons will create value for two kinds of users: providers of information and consumers of information.

- Providers of information. A large number of entities—organized philanthropies, nonprofit think tanks and innovation developers, social enterprises, “double bottom line” private investment funds, sponsors and producers of “prize contests” for social innovations (e.g., Google, Dell) and media covering social innovations—develop information about

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social innovations and have a mission-driven interest in disseminating the information (e.g., promoting the innovation; contributing to knowledge in the sector; connecting with other social innovators). However, because of limited resources and capacities and the press of other priorities, they rarely do a good job of packaging the information and making it “findable” on the Internet.

By creating a large, easily searched database of social innovation information rated for its usefulness, the SI Commons will attract a much larger number of viewers than any of these providers of information do on their own. It will also provide opportunities for the information providers to connect with viewers and generate other value to exchange with them.

- Consumers of information. Many individuals and organizations search for useful information to help them in developing, implementing, scaling, and spreading a wide range of social innovations. As described earlier, unless they are well connected to experts (e.g., innovators, funders, researchers) they will have difficulty finding useful information. There is too much information; it is too spread out among many sources; and it is of highly varying quality.

The SI Commons database will allow consumers to make their searches far more efficient and they will be far more likely to find useful information. In addition, they will be able to participate in rating information on the site for other consumers. If they choose, they will be able to use the site to connect with consumers with similar interests. Finally, they will have the opportunity to design additional online services for social innovators that could become a part of the SI Commons.

The Commons will generate revenues from these sources in the following ways:

- Provider sponsorships. Potential large-scale providers of the site would pay to be “sponsors” of the site, ensuring their brand is promoted at the site and they can use the site’s functions for connecting to viewers of their information. Sponsorships would be charged within a range of fees, depending on the volume of information on the site (so

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that the Commons' cost of processing the information can be recovered). If the Commons also has a consumer subscription fee (below), then Sponsors could dedicate part of their payment to cover subscriptions for specified users (e.g., a foundation could designate grantees as consumers it has paid for). Sponsors could also pay the Commons to create special information sections—for example, a Room dedicated to a particular category of innovation with high quality analysis and comparative information about the innovation. (Analytic data about site usage would be shared with information sponsors.)

- Consumer subscriptions. Potential users of the site would pay for service on a tiered subscription fee. Limited initial use would be free. After free use expires, further searches would require a small subscription fee (e.g., \$10 per month) for unlimited searches and other activities on the site. An enhanced, longer-term subscription (6-12 months) would be available, which would allow the user to receive alerts about new information available at the site, as well as set up interface with the site based on selected preferences.
- New function services. As site users develop new functions that can be added to the Commons, the Commons will capture a portion of the revenues those functions generate.

### Implementation Approach

The next step is proof of concept. This will likely result in revisions to the concept and will determine interest of potential partners in supporting further development of the SI Commons. Our plan is to undertake the following steps in the first half of 2010:

- (1) Test the interest of potential information-providing partners in participating in the SI Commons, including:

- ✓ Organized Philanthropy: Kellogg Foundation; Barr Foundation; Ford Foundation; Packard Foundation
- ✓ Social Innovator Organizations: Ashoka; Echoing Green

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- ✓ Social Innovation Media: Stanford Social Innovation Review; various Web sites
- ✓ Social Innovation Prize Sponsors: Dell; Google
- ✓ Social Innovation Nonprofit Organizations and Networks: Center for Neighborhood Technology; Center for Financial Services Innovation; Corporation for Enterprise Development

(2) Conduct an online market survey to identify user needs/requirements for Web site.

(3) Anticipate key design challenges, including:

- a. **Knowledge structure.** Creating a taxonomy of innovation categories (a social innovation “NAICS” so to speak)
- b. **Scale.** What the level of innovation is to build information around. Think micro-finance – is this about the concept of microfinance; a particular kind of microfinance product; or a particular microfinance organization?
- c. **Metrics.** Clearly defining what kinds of information are needed on each social innovation (the “product labeling” problem)
- d. **Incentives.** Figuring out what the market mechanism is that creates incentives for producing the information (think the LEED example – voluntary organization that led to standardized information on green buildings – but that market dynamic is a “certification” process; in other fields, this problem has been solved by professional standards – for instance, in accounting, the GAAP standards that define what is in a P&L; balance sheet and cash-flow statement that allow investors to make decisions about investing in companies; in real estate, it is the MLS service).
- e. **Standard setters.** Who the key players are that could begin a self-reinforcing process of information standard-setting.
- f. **Market entry points.** Three possibilities identified so far:
  - i. **Customers.** Building standards through the “customer” side by building a database for them.
  - ii. **Investors.** Building standards through foundations and private investors – creating a “store” with many “shelves” or “departments” for different

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foundations, but with a common “ingredient label” for all the products on the shelf.

iii. **Entrepreneurs.** Building standards through the organizations that are championing social entrepreneurs (like Ashoka, Skoll, etc.).

(4) Build a budget for development of the Si Commons Web site.

(5) Identify potential investors and begin capital raising.