

#13NTC Saturday morning plenary transcript

Hello everyone! Below is a transcript of the Saturday morning plenary. Please feel free to help edit and transcribe the plenary.

Note: This transcript has many typos, please feel free to help edit where you may see any errors!

Contributors:

Jason Shim @jasonshim

Failing informatively in the Nonprofit Technology Sector

[@kanter](#) [@ErinShy](#) [@BrianReich](#)

Introductions

Megan Kashner, Founder and CEO, [Benevolent](#) [@MeganKashner](#)

I am Megan Kashner, I'm a social entrepreneur and founder of Benevolent.net and what we do is helping specific individual low income individuals so when we fail and we do and we did so fairly early in our existence, we don't just fail and say oops that sucked, we learn from that. We actually fail people. So in the very beginning, we post about low income individuals' needs some were wildly successful and awesome, and there was a group of about 5 people who needed help with dental restoration. We failed to meet any single one of those needs and that felt horrendous and it's fine for me to go back and say this is what we learned, we learned this and this... those were five human beings who were hoping to get help and didn't and that, in my world in the social service world, we have to take that very seriously, so in the social profit world we have to do it smaller, so fewer people's lives and hopes are at risk.

I'm Erin Shy, senior director of product management, [Sage nonprofits](#). [@ErinShy](#)

Most of my failures are in the kitchen, but that's less interesting today. We work on rebuilding together, Montgomery County, under \$2 million budget and every year we go out and pick 30 homes and about 1000 volunteers on a single days to rebuild a house for single income families. We have a lot of volunteers so we didn't have a way to take it from their site waivers and integrate to our donor database. We had about 500 a year that we weren't able to integrate. We set up an online form that they could register and thought it was a great idea and certainly we could use these online forms. At the end of the day we only used 23% of the online forms, they kept on going back to paper pages. Instead of saying it was a failure, it turns out it was in the team captains, and they were selected because they're good at leading projects, in training technology, and we went to 60% and then to 90%, opportunity to be more engaged with

nonprofit.

I'm Allie Burns, SVP communications, [Case Foundation](#), founded by AOL executives.

[@allieb37](#)

I also like cupcakes quite a bit. When Beth asked us to talk about a professional failure I rifled through a long list of things in my mind, and I was having trouble separating "failure" and "most embarrassing." It happened before Case foundation I was thinking of going out as a comm consultant, and friend wanted me to join him on a business pitch. I went into the pitch not knowing much about the space, it was credit swaps and derivatives and I'm not a finance person and I thought I could go into it Don Draper it and do it looking through presentations and reading. I wasn't feeling well and had a horrid cough, I walked in and knew it was going to be a disaster. 25 people in the room, coughing up a storm, horribly embarrassing, realization that no matter how smart you think you are in what you do, you have to be prepared, hopefully I've learned from that failure and we'll find out today.

Hi, I'm Brian Reich, I call myself an [innovation strategist](#). [@BrianReich](#)

My job is to help individuals and organizations. If I didn't fail multiple times a day, that would be a tough one, but that was pretty much status quo. I work with a lot of organizations, I write, I speak. My job is to provoke orgs to think and act differently in a variety of capacities so I feel like I actually spend a lot of time failing intentionally. So my personal story of failure is a combo of personal failure and professional one. 3 years ago now, on the heels of writing my 2nd book and working on some successful projects, I got a little scared, it's hard being out on your own and generating revenue. My wife would get into the regular stream of arguments about making enough money, and I got a job at a very large PR firm. Edelman. Great job as a firm, terrible idea for me. I spent a year to the day. I basically got fired because I tried to do what I get the benefit of doing outside of an institution like an Edelman. I tried to push the way they were thinking and disrupt their business model to formulate their entire voice as a company and spent a better part of a year putting this together and really bought into the idea based on the feedback I was getting that everything was going swimmingly only a couple of the key people that ran the org, not Richard, but others, didn't understand it, never would understand it and weren't open to the change. I kept on pushing, I got numbers on my side, people, Richard on my side, but I failed. I went outside the real world, and went inside and limited my personal impact. And I failed to change them in any significant way. I learned that I'm never going to take a job inside again and 2, that the worst thing that I can do is be afraid, because it was when I was afraid I made the poor choice and when I was not afraid that I went guns blazing and knowing what I'm trying to do and that's much more constructive.

Kanter: Thanks for being fearless in telling that story. And beautifully, all your stories that to illustrate a definition of what is failure what can we learn from that. Taking these incremental steps, that may not go perfect. It's shaving that time to reflect, what can we learn from this, iterating, it's pivoting, it's not having that fear to take the risk in the first place. So the title of the session is called little bets. The art of affordable losses. it's a book by a guy named Peter Sims who I had a chance to meet, and it struck me to intentionally fail, we have a little video clip from

him.

Erin: Nonprofits, we're solving complex problems. In nonprofits, did you meet the expectations of someone? In a corporation, you know it's a customer. In a government, it's a constituents; if you're not successful, you get voted out. In the nonprofit world, it's the donors and funders rather than beneficiaries. You don't hear about nonprofits failing at their mission, it's not meeting their revenue target, their fundraising.

Kanter: So is there xpectations from funders that everything is successful?

Allie: Our founders are entrepreneurs, so risk and failure is something they're very comfortable with. Generally, funders are very risk averse. Applications are asking how are you going to be successful, and we're trying to change the conversation in the funder community. We can't ask nonprofits to take risks and be willing to fail if the funders providing the money are not willing to do that.

Kanter: So you're saying eat your own dog food?

Allie: Yeah.

Kanter: How?

Allie: Setting aside risk dollars. One of the things we talk about, if we don't have enough projects that we're hopeful are succeed but we're not confident will succeed then we're not doing something right. If we look at the plan and say everything will be great, that's not success, we're actually not going to innovate.

Kanter: So there's this idea of placing a little bet, giving some time to innovate, and change it a bit, does that resonate, Megan?

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Megan: It does, because there are funders that are interested in funding things that are risky. We have a lot of funders who are not comfortable with risk. What' I've learned is transitioning to being a grant seeker is it matters how I frame it. So the exact same funder, I'm from Chicago, so the exact same funder, fairly conservative group, not socially, but fiscally, if I fail to meet my numbers while running a traditional social service agency, we would need to have a serious conversation about it. Now when I do a new event, I say, I will give you some projections, and I promise you we will fail, but we need that investment. The outlook at approach and the feedback and what happened upon renewal was completely different.

Kanter: So Allie (...)

Allie: It goes to how important transparency is, right up front, Megan is saying, I'm going to fail, but you want to invest in this because it's going to lead to great innovation and great outcomes.

Kanter: For those of you who are tweeting, or taking notes, if you have experience in failure, let us know. Let's hear about it. Brian has some thoughts on that.

Brian: There's a couple things. We have to take this discussion up a level or two, and I know it's been talked about here, and last year as well, but the necessity of failure in this conversation carries with it the assumption that we cannot know the solutions to the problems we are trying to address. We are trying to solve poverty, and education crisis, and cure for AIDS, these are monumentally large, crazy problems. So any individual to go out there with legitimate confidence. "I know how this is going to work" out is ridiculous. I call bullshit on that statement.

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Kanter: First swear word!

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Brian: Part of this, where we are now in this period of rapid connection, rapid transformation, we need the failure just to understand on the path to understand anything that exists on the solution. We need to fail much more quickly to learn that system much more quickly to shake up the systems that we're using. I'm working right now with Planned Parenthood, the entirety of the project is to force failure through a series of constant experiments, because what they want and what they asked for, and this is analogous to the funder conversation. What they asked for were strategies and campaigns, and organizationally aligned things. And their mission is substantial and it's beyond what one campaign can do. I don't know how I can solve your problem, but I have some things that I think can help, and things that we can try and the only way to explore what we should be doing is to explore what's not working. It's not just acknowledging failure and not just framing around failure, it is aggressively and forcing yourself to failure. Setting yourself up to fail to prove your assumptions wrong to fish out things that can be legitimate constructive, proven to be... it cannot be org by org. We're an org, fail on product or service, okay, but each org is one piece of the puzzle. When you fail, you cannot fail not just for yourself, but every other org can learn from you, we have to not fail in the same way.

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Kanter: And now feel shame from it. How can we learn from this? Not just as an org in isolation but sharing that info so they're not replicating. Does that resonate with the panel? Audience? Tweet it!

Erin: Failure at it's best is synonymous with learning, not beating people up and feeling ashamed.

Kanter: Commendable failure is a commendable idea and I want to get back to Megan, and I see Mark sitting there, but failure, you're failing them, how do you balance that?

Megan: That's exactly right, we try to fail smaller, we fail fast, we're very public, but that's something as a new social endeavor we have a little more flexibility to do, I can never stop thinking about Jane Adams Whole house (?) this was a \$40m a year org serving 60K in Chicago that went down in 3 years to \$3m, 85% from government sources and 10% from personal.

Thousands of people got hurt when that org failed. On the upside, we hope that we never have to go through that again. We've all seen that happen and somehow we do seem to have learned this locally and rather than nationally, and I want to change that. When you see a big fail, it wakes up the leaders, funders, government, and something changes, and it's up to us to keep that change, that institutional memory.

Brian: the orientation of failure needs to change, so you have to assume there's going to be failure. If you're in the tech sector, you assume it's going to fail. I have confidence sitting up here that something will go wrong, so I have confidence that things will be okay when it does go wrong because I've been through it so many times. I've failed plenty of times, but trust me it only takes 3 or 4 and it just start to roll. How do you define success? As not opposite of success but part of getting to success. In the nonprofit community, whole house, success is seen as size, reach, people served, when, in fact, the biggest def of success in a rapidly changing fragmented learning, should be about learning. I would consider whole house to be a huge opportunity for success for all the efforts of changes in society. There is pain in that and an inhuman element to that and I've been accused of that, don't get me wrong, wholehouse doesn't solve the problem, it serves the problem. Its failure has greater benefit to the larger good, and unfortunate the collateral damage is people, we should be fail smartly without collateral damage to people in society.

Kanter: So success is failing smartly?

Brian: It's learning (...) I have every confidence that we can solve cancer, AIDS, but I don't fee that we're making progress towards those goals, and unless I see people volunteer those failures, and my assumption is we're not making progress. If we're not shifting and closing orgs down, we're not learning, we're bullsthighin ourselves.

Kanter: Oop, number 2.

Allie: Ther's a couple things reosnation with me. We have a phrase, part of our 5 principles, experiment early and often. (...) the other piece was resonating with me is the challenge of failing in the social services sector, there are human live at stake, it's not a product, or technology, and we had an experience with this a couple years ago with an org that we launched with much fanfare, cgi, launched on stage, public private partnership, it was fundraising arm for technology, and it was a merry go round that allows children to play, pumps water into a tank and provies clean water and deploying in sub-Saharan Africa, the model was based, maintenance model based on outdoor advertising in the tank itself. Launched in 2007 when the global recession hit, no one wanted to spend money on a water tank in Africa, the tanks didn't work, the pumps didn't work, installed in communities with no children, and difficult to get to work and get clean water and over time we realized that things weren't working. Lives were not being improved, in some cases, we replaced hand pumps that were working with these play pumps, so we knew we needed to make this change, we decided to shut down the organization and we debated do we do this quietly, do we sunset the organization and try to fix

what's wrong on the ground and not tell anyone about it, but let by Jean Case, our CEO, decided to write about what we were learning and what we were doing. Wrote a series of blog posts, painful experience of coming up short, laid out the challenge, Brian's going to kill me for saying this, ultimately had a positive outcome and turned over the tech to new organization that was taking a much smarter approach, but we thought when we posted this piece we were going to get skewered for investing in a bad technology, for failing, and actually it's the most popular blog post we've ever written and the most positively received piece. People were like, "thank you so much for admitting that you failed and learning from it." We did have people that skewered us and criticized we learned that transparency, learning from failure, so many people are afraid to talk about failure, people are afraid to talk about failure because of the perception in the public sphere.

Kanter: So how can we do that aside from how we do it now?

Brian: The way I would say this is what are you afraid of? At the end of the day, you're afraid of some people not liking you, losing your job, losing funding for the program, maybe it's easy to say if you've had all those things happen to you, there is life at the end of the tunnel, but that's reality, that we do need to fail, we do need to acknowledge, there are benefits to fail publicly.

Kanter: But does it need to be a huge dramatic failure to learn?

Brian, It needs to be a series of small failures.

Kanter: Little bets.

Brian: Yeah, I don't think there are many orgs willing to do what the case foundation did, but I would go one step further, we would like this to be a launch of a conversation in which going forward, those of us in the room, those of whom we represent in the sector. publicly fail for the benefit of the sector. If there is an org, funder out there who is willing to publicly document over a period of time so we can see how that works out for them, about the constructive and non-constructive elements, (...) literally, I want you blogging your failure, I want you podcasting your failure, I want you to stand in front of a video camera document your failure.

Kanter: I pledge to do that.

Brian: I pledge to do that. The case foundation has a larger platform than any of us here, except maybe Beth, but the conversation, we can come away, got some skin in the game.

Megan: I would encourage people, when those failures impacted real lives, we would love to hear about that. Were you able to create a soft landing for your clients? Were you not? How did that type of failure impact, getting up from a presentation and not feeling prepared. We are the social sector, our work is to improve the world, improve lives, we have to be cognizant.

Kanter: (...) When we do make a mistake, we feel the shame or fear and I think one of the steps is understanding what is your reaction failure and being able to understand how that operates in your organizational culture. There is some reach how people react to failure. One of three things, they get the finger, not this finger, the pointy fingers,

1) IT's all your fault!

2) What failure? It's denial

3) Third reaction, we go inside and we say, it's all my fault, I made a mistake, I'm horrible, it's messed up, fire me where I stand.

We blame ourselves, so there's these three dysfunctional.

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Brian: It's like you're inside my head. In college, I have to give credit to my parents, I was afraid, my parents who had spent a lot of money to put me through. I worried they would be upset with me, I delayed and delayed, dad I have some news. I failed statistics and he's like, I didn't think you were going to pass statistics anyway. Well, that would have been really helpful to know earlier.

Kanter: So you've illustrated this 3rd way of failure. Or we blame ourselves.

Brian: We need those situations to break out.

Kanter: Exactly. The first is to understand your own reaction to failure. I want everyone to take 30 seconds to think about a failure in your organization. Or personally. Think about that for 15 seconds and I'm going to watch you. (audience laughter) silence. We're bending like Gumby, because what we have to do is let go. There's a technique I learned from Matt Smith, trapeze artists use it, Olympic athletes use it. So you - you raise your hands and grin like a submissive dog so you can go on and learn. My panelists are going to do it with me. We're going to model the model and raise your hands! Grin like a submissive dog, bow and shout, we failed, let's move on and learn! Everyone in the room! Stand! Raise your hands, grin like a submissive dog, shout I failed. We can move on and learn.

Brian: And I think there is a difference between failing and being a failure. (...) as opposed to thinking in this iterative fashion and thinking forward, you can do it hourly, daily, but acknowledging and moving on from that failure is a key part and being forgiving. We are a very forgiving culture of failing and making mistakes and I think it's important all of us who are driving and mentoring others, not to brand someone as being a failure as if it is a detriment of something going forward. The moment we brand it as a failure we limit the potential to learn from it.

Beth: Erin, I know that you have developed some formal ways of dealing with failure.

Erin: Sure, one of the techniques we've developed is you can go online and publicly share your

failure and the value of that is that if I'm trying to solve cancer, and play pumps, it doesn't directly relate, but it creates that culture. When we're children, we're four, we're curious, why why why, and over time the teachers teach to value the right answer rather than the journey. Over time we get the constructs that become (...) but beyond that it's encouraging others to create that safe environment. Interestingly, if you look towards Facebook, more and more people are okay with saying I had a crappy day and creating a forum among your friends where you can admit that failure and it's about translating that to more public failure where we can learn and change.

Brian: I think there's a difference between accepting failure and embracing failure. The nonprofit community has a big problem of accepting failure as okay. We are not advancing towards solving some of problem. If you're not making progress, you are failing and we, at the same time, should not tolerate continual non-constructive failure, it's another thing to continually fall short of the expectations and continue to fund it and continue to say they're doing a good job and continue to letting them try hard and making necessary improvements. We do live in a society where the market, donors, and the media and others exist to hold us accountable that we need to be learning much better and faster and one of the things I would like to see in the change community, one of the things (...) I would like to take the idea away that we should be failing and learning, but you can't just fail and stay in business and keep your job. Maybe you shouldn't be in business or keep your job if you don't know how to fail smart and fail fast, it's okay, not everyone is supposed to be in their job, but we need to stop patting ourselves on the back, around failure--

Beth: And stop doing stuff that doesn't work, it's about change.

Allie: we struggle how do you encourage failure, or intent, the knowledge that if you fail, you're going to learn something versus failure because you didn't try hard enough or if it was just a bad idea and in these conversation it comes up all the time and difficult thing to evaluate, But if we err on the side of using failure as a learning opportunity, making it about the learning experience rather than the failure. I think that can help drive the conversation.

Beth: And it's a shift of mindset, the fixed mindset versus growth mindset. Where fixed mindset that we get our motivation from outside praise so we're not willing to take that risk, so we're not willing to lose the grant or the news story. Growth mindset is the person who gets the C+ and thinks, how can I get the A? And creating the growth mindset,

Megan: And that's where you get so many levels within a nonprofits and relationships with donors, media, government, but a minute to look inside the organization, b/c I think a lot of time when we talk about it, the founder and CEO we're going to take the risk, but to what extent do we need to challenge every single member of our team to try at our own level and learn all the way up.

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Beth: Do you think they're doing it?

Megan: I think we're so small it's easy. The leader has authority whether or not he or she tends to wield it.

Beth: because your'e modelling.

Megan: yes.

Brian: And I think outside can help - we have a limited presence focus on social sector, focus on dramatic failures and ethics violations, learning potential, but I think the case foundation, being fearless, willing to be fearless, and outside lens and pressure and focus we can put on this. I would like to suggest that we all have channels, we have media today I take a lot of flak but I also dish it out and I expect to be hated for it and the opposite is mostly true. I am hated for it, but most people also say thank you for calling me for that, we get swept up by our work and I would encourage us to operate as media and to call funders out, we need the clear outside view. It's a lot to expect of one internal org. We need the push, the swift kick in the ass.

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Beth: 5!

Brian: JC Penney, everyone's quick to jump on it. Every person in JC Penney is reading that thinking, I didn't realize that was the opportunity, they may choose to ignore at their own peril. We don't do enough of that in the nonprofit community, we turn them into a pariah. We are operating in the construct of media, a number of media people, they want to do it too, we should be inviting, engaging, let them push it.

Beth: I'm going to ask God to put the speaker prompt questions, I don't have the ability to control the prompter. Really interesting question that just came to the top. Thank you God! Okay, so it's really interesting, we're having this conversation, we want to commit to having this conversation. So how about people getting back to the office, okay hashtag, #npfail, but we're not going to talk about it at our organization.

Allie: I hope that folks do feel a power, and it does require an org culture change, I saw a tweet about a session, asking is it important to fail. Do you feel upset when your team and employees fail. Obviously we don't want to see team members fail, I think it starts

Beth: (...)

Brian: Taking a pledge. Case foundation, we will publish the names of those who agree to do this. For several months, on no less than 3, 4, 5, occasions, we will publically shame you.

Beth: Okay we're making this up now.

Brian: But let's put our money where our mouth is.

Beth: So this public conversation needs (...) we're going to bribe you to fail. We are encouraging you to over the next month to place a little bet and learn from it.

Slide - a call to action, place a little bet and win a prize! <http://bit.ly/npfail-13ntc>

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Allie: We are going to bribe you with a new Microsoft Surface tablet. The best failure story will be selected by Beth. I know a lot of you go to a lot of industry conferences and we're trying to have this discussion on some form or another and we had this live with courage, held in a bar, naturally, and having people share their stories, so just be on the look out for different case foundation sessions to bring out and celebrate failure stories.

Brian: The top one on the list was how you measure failure.

Beth: Do you want to take it on ? Or shall I?

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Brian: I'm working with Planned Parenthood and the whole construct of the project is failure (...) Public sharing of the document, observations that are being made, largely b/c the people driving it is mainly mind team, 11K people around the table. They have no idea they are pushing the learning (pushing the failure, and the big thing they said, it would have been really good to know you were trying all these things b/c we figured nobody was so we went out there to try it as well. We were documenting the spirit of the failure. I can't quantify it but...

Beth: Metrics for failure can be transformational.

Brian: Tweet that.

Beth: What did I say?

Brian: The metrics for failure are not transactional, they're transformational.

Erin: Marshmallow challenge, spaghetti and marshmallows, build the best one, worst performing group is MBAs, best group? 5 year olds! They do much better because they iterate and they still have time to continue with the experiment until they build the tallest marshmallow structure. The iterative process, of failing early and often is very key to ingrain that into your organization. It's not failure if it's iterative and working through it.

Beth: And that's the book I'm working on with Peter Sims, how do you translate the little bets for the nonprofit sector. There's another question here, what does failure look like in communications if we're focused on how things go viral? One actionable step is to put into your spreadsheets, if you add a column that says what have you learned?

Brian: You want a lesson in learning, what the white house press secretary is to stand on stage about everything in the world, on behalf of the most powerful person in the world, no clue what the questions are and what the topics may be. And the whole white house press office exists to learn from that. It's a constant iterative learning process. It's a human driven process with the

press secretary just being a trained whatever, a fire juggler trying to make it all happen and I don't think there is a specific (*...) I think communications is a reflection of failure in real time, you can say it right, wrong, the world changes, there is an answer, but just watching and observing people who communicate on a regular basis that is observing learning from failure.

Beth: We may be intentional about learning from failure, driven by doing the next thing, but we're not making the time to say what have we learned from this, so maybe a commitment is to add the time and space and to say how can we improve on how we do it. I'm getting warning signs. I want my panelists to summarize what your takeaways are.

Megan: I'm not sure if this is a summary-- I want to acknowledge what we haven't talked about. It's wonderful for ppl to start talking about it, I'm glad there was a liquid courage event, drinks were good. But things we're not yet talking about, smaller short sessions, cultural difference with sentiments around failure, ethnicity, gender, around budget size, around whether failure is a luxury, or seen that way. So I don't want to go out there, these talking heads are talking about failure for an hour and a half, we have more talking to do, we have a lot to learn from smaller nonprofits, from more local nonprofits around failure and we all have a responsibility, as we start to talk about failure, to encourage every funder to be more open, not just about failure, and I said this at a conference, I'm afforded a lot of latitude, because I'm a social entrepreneur, it would have been nice to have that same latitude when I was a small nonprofit.

Erin: I think we need to look at incentives. I think we need to go and look and communicate and build a long term relationship that we are going to fail and that is synonymous with learning so we can work towards and learn around providing services for beneficiaries.

Allie> I think this reinforces the funder communities, if it doesn't start with people holding nonprofits accountable we can't have the conversation in a successful way.

Brian: I want to reinforce. You are failing, We are failing. Failing as a sector, and society, Fail faster, smarter, in a public way. We will not achieve everything we want to do, but I will not just be disappointed, but angry, if you do not accept challenge to fail faster, smarter, better. I'm giving you permission on behalf of this group to fail, fail big, fail small, do it or get out of the business, but that is what is required for us to achieve. Fucking do it.

Beth: Fucking do it. Fucking fail.

(audience laughter)

Beth: SO we need to fail from the inside out, fail from the inside of our orgs, embrace the learning, embrace fail from beyond the doors, learning together, making change together. The other thing is metrics of failure, but this is that they're not transactional, it's transformation. SO metrics of failure are transformational, learning, embrace it not just give it lip service, but go back and do it, next week in the office, we should let go of our fear of failure, as Brian has told

us to do send that fear on a vacation to Hawaii. What can we learn with the small bets and it has to be both nonprofits as well as funders i the community and there is a session after lunch at 1:30 and the location is being tweeted where you can talk about more actionalble streatiges fmor the inside out. We've made a commitment to learn through the hashtag #npfail, you'll see a blog post on my blog. Let's do one more failure bow and move on. Everyone has to do it with us this time. Okay, so raise your hadns, shout I failed, grin like a submsisive puppy, bow and tahnk you!

Thank you everyone for your help in transcribing