

## Systems Building: Designing a Network for Social Change\*

*“There is scant evidence that isolated initiatives are the best way to solve many social problems in today’s complex and interdependent world. No single organization is responsible for any major social problem, nor can any single organization cure it.” —John Kania and Mark Kramer*

### What are Generative Social Impact Networks?

A generative network is a social-relationship platform—a “human operating system.” They are designed to be a platform for generating multiple, ongoing kinds of change, not just accomplishing a single outcome or silver-bullet solution. You make a social-impact network generative by building on the basic human desire to connect, share, belong, and make a difference.

In these networks, decision making is distributed throughout the membership. The networks have minimal formal rules or structure, and their structure may change rapidly. This makes them less stable but more adaptive than organizations. As a network begins to understand more about a complex problem, they have to adapt their approach to solving it—a process through which stakeholders who see different aspects of a system can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible.

### Which Kind of Network?

Builders of social impact networks must choose which of three kinds of networks to create: a connectivity, alignment, or production network. Each of these has a different capability and, therefore, can have different impacts.

- A *connectivity* network links people to allow them to exchange information easily and, often, to learn as a result of the interchange.
- An *alignment* network links people for a different purpose: to help them to create and share a set of ideals, goals, and strategies. Their members align around an overarching goal. Many of the growing number of “collective impact” community collaboratives are alignments of local organizations designed to improve a local system.
- A *production* network foster collective action by members to produce innovative practices, public-policy proposals, and other outputs for social impact.

### The CAP sequence?

Connectivity is the foundation of a successful social impact network. Creating alignment and production networks requires members to align around common goals; they must come to shared understandings about definitions, ideas, and even language. The network builders challenge, then, is to navigate through a developmental sequence that builds connectivity, then alignment, and then production.

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\* Adapted from *Connecting to Change the World: Harnessing the Power of Networks for Social Impact* by Peter Plastrik, Madeleine Taylor, and John Cleveland

## Designing a Network

A network's purpose, membership makeup, size, and value propositions are matters of network design.

### The Eight Design Issues:

1. *Purpose*: What is the network's reason for being?
2. *Membership*: Who is eligible to become a member, what are the membership requirements, and how many members will there be?
3. *Value Proposition*: What will be the benefits of membership for individuals and collectively?
4. *Coordination, Facilitation, and Communication*: How will network members link and work with each other?
5. *Resources*: What is the network's funding model?
6. *Governance*: Who decides what the network will do, and how do they decide?
7. *Assessment*: How will the network monitor its condition and performance?
8. *Operating Principles*: What rules will govern the network's culture?

### Purpose: A Reason for Being

- Who is the network for?
- What problem is it working on?
- What type of collaborative activities will the network undertake?

For some networks, a general statement of purpose is not enough of a starting point; the members must agree on measurable goals that they will seek to achieve. This sort of shared performance measurement is the key to initiating the collective impact model. It allows a set of organizations to align with each other in a collective sense of purpose, and it obliges each of them to specify its role in achieving the goal.

### Membership: Who's In, Who's Not

Networks have boundaries and here, too, are design choices. Generative social impact networks lean toward having a closed membership, often handpicked by other members, and keep themselves relatively small so members can develop strong relationships with each other.

When it comes to designing a membership model, network builders have to address four basic questions:

1. *Eligibility*: who is eligible to become a member and what criteria must a potential member meet?
2. *Size*: how many members should there be?
3. *Categories*: should all members have the same benefits and responsibilities or should there be different categories of members?
4. *Requirements*: what requirements for participation should there be for members?

### **Value Propositions: Benefits of Membership**

People and organizations join networks to exchange value. Exchanging value in a network may include:

- *Connections*: Can you connect others in the network to people who may be able and willing to help them?
- *Knowledge*: Do you know something that may be valuable to others in the network?
- *Competencies*: Do you have a skill that may be of value to others in the network?
- *Resources*: Do you have access to funds or other resources that may be useful to others in the network?

### **Coordination, Facilitation, and Communication: Linking Members**

There are three coordination roles in network building:

- *Logistics* involves setting up meetings, conference calls, and other ways members can engage with each other; tracking and documenting activities and decisions; creating and distributing essential information.
- *Operations* typically involves other duties, such as running a website and other external communications; facilitating group processes of members; documenting network decisions and activities and managing an archive of network documents; administering the network's finances; helping members to draft proposals for funding; and orienting or on-boarding new members of the network.
- *Strategic management* is a higher level of responsibility focused on helping network members, especially those with governance duties, make and implement decisions about the network's development. This could include managing relationships with outside partners and funders, supporting members who are undertaking initiatives for the network and creating and modifying network plans.

Before long, as network membership and activities expand, logistical coordination starts to require more time and additional skills. Network members themselves usually don't have that kind of time, and some don't have the skills either.

As staffing grows, some networks of organizations decide to have several member organizations provide staff for the network, rather than have network support come from a single entity. The idea behind this decentralized model is to help spread a sense of ownership around the network and also prevent a centralized staff from becoming too strong a force in the network.

### **Resources: Funding Model**

A network has both operational and project costs.

Sources of social impact network revenue:

- Philanthropic funders

- Member dues or fees
- Sponsorships
- Partnering
- Government grants or contracts
- Crowdfunding
- Earned income for products and services

Anticipating funder's many questions:

- Who can be held accountable for producing results when so many organizations are involved?
- Why do so much time and so many resources have to be spent up front in developing the network instead of having an immediate impact?
- How will the network capture what it is learning and share it with others?
- How can the network's performance be evaluated?

### **Governance: Making Decisions**

The usual top-down command model of organizations is not an option in a decentralized world. We usually urge networks designers to keep network governance informal for as long as possible. In a network's early days, the founders are its government, and there's nothing wrong with that. Most other network members aren't ready to take responsibility.

There's another reason to hold off on formalizing governance: the purpose of the network governance is not to tell members what to do, but to enable them to do what they want to do—and it usually takes time before members know what they want to do together. In the process of operationalizing the network, the governance arrangements will become clearer, and be codified in a governance agreement.

There are three basic elements of governance design: who decides, what is decided, and how it is decided.

Networks use any combination of four different methods to make their decisions:

- By *community*—a consensus of the members or their representatives. Some networks start with consensus governance, but when they run into trouble they add rules for deciding by majority vote when consensus cannot be reached.
- By *emergence*—through the actions of members. “Decisions” emerge as the aggregated actions taken by the members—coalitions of the willing.
- By *democracy*—using a majority vote of members or representatives.
- By *imposition*—complying with conditions set by others.

### **Assessment: Monitoring Network Health**

At the outset, two types of evaluative information should be gathered. One is the degree to which the network is satisfying its member's value propositions. The other assessment information that matters is the degree to which members are connecting with and relating to each other.

Example:

Measuring Intensity of Member Connections	
Level	Definition
0	I have not yet met this person.
1	I have been introduced to this person, but do not exchange information with them on a regular basis (at least once a month).
2	I exchange useful information with this person on a regular basis (at least once per month) but have not worked/do not work directly with them on a project.
3	I exchange useful information with this person on a regular basis and have worked or am working directly with this person on one or more projects.
4	I depend on this person regularly for important advice and have worked with him/her on more than one project.

#### Operating Principles: Guiding the Culture

- Make the network do the work.
- Do everything with someone, not alone.
- Let connections flow to value. (what members value is what should drive networks)
- Keep network information and decision making open and transparent.
- Keep plans flexible.

#### Ten Lessons for Network Builders

1. Don't dictate the network's purpose; co-create it with potential start-up partners.
2. Be open to surprises; don't try to pin everything down.
3. Lead, but allow others to co-lead in organizing the network.
4. Let network membership expand naturally through members' connections, not through the builder's dictates
5. Intentionally dilute your power over time.
6. Entice other funders into the game.
7. Make sure you know what other network members think about your ideas, and don't override their concerns or objections.
8. Step up to support the monitoring of network health.
9. Recognize that having anyone in the network exercise dominance erodes, rather than builds, the network. (if whatever governance structure you set up can't call the dominant character on that kind of behavior, then there's a design flaw)
10. Patience is essential and will be rewarded.