

2011 Social Impact Exchange Conference Opening Plenary Remarks

Good Morning. My name is Alex Rossides, I'm the President of the Growth Philanthropy Network, and on behalf of the Growth Philanthropy Network, Duke University, and the Robert Wood Johnson Foundation, I'd like to welcome you to the second Annual Social Impact Exchange Conference on Scaling.

We are absolutely delighted to have so many of you here to address one of the most important challenges facing our sector and indeed our country – the challenge of how to consistently scale up our social solutions to improve the lives of millions and help transform our society.

Last year we took the first steps together in forming a community that can address this challenge, and this year we want to take the next steps together along this path.

My role today is to share with you the purpose and work of the Social Impact Exchange, and the goals of the conference, and then turn it over to Ed Skloot who will be your master of ceremonies throughout the conference.

Social Impact Exchange

As many of you know, the Exchange is a national membership association **completely** dedicated to the issue of scaling impact in the social sector.

It was born from a **deep conviction** that whatever the solutions might be, if they are not consistently scaled up to reach vastly more people, then we will fail to solve our most difficult social problems.

The Exchange has a clear focus on ***scaling impact*** which can take many forms in addition to replication or the scaling a single organization.

Its focus is also primarily on the private sector mechanisms to scale impact. Many have looked to government as the ultimate scale funder, and we certainly need to understand how best to work with government (and when its capital should come into play).

But it is clear that government will have less capital to spend going forward, and the social sector will need to carry solutions to further maturity and proof.

It is also clear that the necessary progress on scaling will require **a major, sector-wide effort**, that by its very nature must entail broad-based collaboration in every issue area, in every city, and across the sectors of philanthropy, business and government.

And so, the purpose of the Exchange is to serve as a **common ground** where all parties can come together and work together to move the field of scaling forward.

The Exchange is highly-collaborative and at its heart, it is **action oriented**, with members identifying initiatives and implementing them through working groups.

Launched in 2009, the Exchange now has 2,800 members and 180 leaders and funders signed-up to participate on working groups. (It's easy to join from the website. There is no cost and everyone is welcome).

Its launch would not have been possible without our **terrific** partners at Duke or without the major support of the Robert Wood Johnson Foundation, and its Vulnerable Populations Group led by **Jane Lowe**.

RWJF has now been joined by the Rockefeller Foundation as a major supporter and by 6 additional charter members, including the Kresge Foundation, Bank of America, the Starr Foundation, American Express, the Stone Foundation, and the Mayer Phillips Foundation **My heartfelt thanks to each of them for believing in the importance of this work.**

Creating a Marketplace

Many have recognized over the last decade, that success in consistently scaling social solutions will not come from individual funders acting independently, nor even from sporadic scaling collaborative, it will require the emergence of a **system** - a system that enables consistent collaboration and large amounts of capital to be repeatedly generated.

For businesses in the *for-profit* sector there exists a mature system to vet, select and support growth of high-performing companies. *Yet no such system exists in the social sector.*

As Karl Stauber, the CEO of the Danville Regional Foundation, wrote in his recent paper for the Philanthropy Review:

“While our field has many innovations, we have few communication channels or social systems needed to diffuse them. If we cannot get new ideas to scale and to impact, we are doomed to be an ineffective and inefficient field.”

So though the Exchange has several goals, its primary one is to build a philanthropic **capital marketplace** that can identify, nurture and consistently finance hundreds of scaling efforts annually at a national, state and local level a marketplace with thousands of funders that efficiently connects buyers and sellers, or in our case funders and high-impact nonprofits.

Such a marketplace will certainly function differently from for-profit capital markets, but without such a system, it is hard to imagine being able to organize the amount of resources necessary to consistently scale our solutions.

While establishing a marketplace system is difficult, the good news is that we are not starting from scratch. We are building on the **incredible** work of many, including Edna McConnell Clark, P/PV, New Profit, SeaChange, Bridgespan, Venture Philanthropy Partners, MDRC and many, many more.

We also have a growing pipeline of evidence-based scalable nonprofits who have dedicated themselves to developing systems and strategies for scaling their impact.

In addition there are a growing number of high-quality **intermediaries**. These firms are doing phenomenal work day-in-and-day-out to identify and help prepare scalable initiatives for funding in different issues, at different stages of growth, and in cities across the country.

The foundational elements are in place, and our job now is to connect this good work into a system that supports those scale-ready nonprofits while also enabling funders achieve their impact goals.

Exchange Strategies & Initiatives

The Exchange's strategies are geared toward building that marketplace system, and over the last year it has begun this work through a set of initiatives led by its working groups.

For example: To more efficiently connect thousands of individual philanthropists to scaling initiatives, one working group has launched an effort to develop an investment platform that houses a growing number of scale-ready nonprofits.

The intent is to integrate it with platforms of financial institutions that will distribute the nonprofits to thousands of their philanthropic clients. Tomorrow you will see a demonstration of the platform and hear from the first, of what we hope will be many, firms that are piloting the initiative with their donors.

This summer we will also be launching the **SIF Registry** – an online platform that houses in one place information on the SIF intermediaries and their subgrantees so that the field of philanthropy can more easily provide matching funds for these organizations.

In addition, to engage **foundations** the Exchange is forming funder Working Groups in the **issues-areas** of education, poverty, health and Impact Investing which will focus on **creating scaling marketplaces** in those fields with hundreds of foundations involved.

We are also planning to pilot models for **local scaling marketplaces** so that cities and can similarly organize hundreds of funders locally to scale solutions.

Models for several of these marketplaces will be introduced at tomorrow's sessions.

Also being introduced is a **new framework** for conducting **due diligence** on scaling initiatives that has been developed collaboratively by the Exchange and the **Alliance for Effective Social Investing**. There is a copy in your conference bag, and it will be shared for discussion at tomorrow's evaluation session.

And finally, the Exchange **Knowledge Working Group**, spearheaded by our partners at Duke, has developed an inclusive strategy to aggregate, develop and disseminate knowledge on scaling to the field.

It is still very early in the process, but as you can see a **system** where we can collaborate and connect great opportunities to funders, while continuously building our learning, is beginning to take shape.

Funder Engagement

The main ingredient that is required now to succeed is the will and the participation of all of you and the many funders throughout the sector. There is a role for everyone to play - either in building or funding through this system.

There are opportunities for involvement that can include almost every issue, every local city, every stage of growth and different forms of capital – in other words there is something here that can align with the work of almost all funders.

So, the most important thing we can do is to get engaged – join a working group in an issue you care about, join a funder network in your community, connect with intermediaries here at the conference, or involve your companies and financial firms. We will indeed need each and every one of us to work together.

The Exchange Conference

The Exchange Conference provides an opportunity to take a step in this direction. It has been set up over the next two days to share projects that are underway and to give opportunities to get involved. There is an incredible line up of speakers and panelists for which we're very grateful.

Day 1 is devoted to plenary sessions and presentations from 6 of the **top** nonprofits in the country who will present their scaling plans.

On Day 2 we'll have a variety of knowledge break-out sessions which will give you an opportunity to learn how to participate in scaling markets in your community or in the issues you care about.

And Tonight at our cocktail and dinner reception we're going to have a little bit of fun. Everyone is encouraged to connect with intermediaries and presenting nonprofits who will each have a table set up. In fact, you each have an actual **"Dance Card"** in your bag and we'd like you to fill up your dance card with at least 5 conversations. At the end of the day Thursday we'll collect the cards and hold a drawing with those who have 5 names filled out. The winner receives a free registration to next year's conference for themselves and a nonprofit.

In all seriousness though, we know this work is not easy.

But, we have incredibly talented people in this field, and we still have sufficient resources to tap in this country. So, there is **no** reason why we can't build a system that generates billions of dollars annually in support of scaling effective initiatives – **if we set our minds to it.**

There is no reason why we can't work hand-in-hand with business and government to lead the way in scaling-up economic solutions for the world's poor, or increase the learning of citizens at home and across the globe, or scale breakthroughs in health and agriculture that exponentially increase our standard of living.

It is **doable** if we work together and have the collective **will** to make it happen.

And, I promise you as I did last year, if you get involved we will be with you every step of the way supporting your hard work and turning it into scaled impact.

And with that, I now have the pleasure of introducing the master of ceremonies a person many of you know, who led the Surdna Foundation for 18 years and is now the Director of the Center for Strategic Philanthropy and Civil Society at Duke University our good partner and friend, the one and only Ed Skloot.