Chapter Two

What Is Your Audacious Goal?

In the year 2000, 191 of the world's leaders gathered at the Millennium Summit in New York City to adopt the Millennium Development Goals (MDGs), a bold set of eight goals for tackling the most crucial challenges in global development by the year 2015. This was the first time that quantifiable development measures had been endorsed on the world stage, presaging a move towards more data driven strategies. Goal 2 was to "achieve universal primary education." Over the next 15 years, net enrollment increased dramatically, from 83% to 91%. Though it fell short of universal enrollment, this represented an impressive (nearly 50%) decrease in the number of children out of school globally.

Goals do focus minds, but not always on the right priorities. While more kids attended school, in many countries the quality of education actually declined. And as of 2015, over a hundred million youth still lacked basic literacy. Learning from the MDGs and mindful of new challenges in the twenty-first century, the next-generation SDGs for 2030 focus on the *quality* of education, with Goal 4 to "ensure inclusive and quality education for all and promote lifelong learning."

Establishing a goal seems as if it should be straightforward. After all, in business the goal is typically to increase profits. Wouldn't the analog for a mission-driven organization be to increase social benefit? Yes, but it doesn't turn out to be quite so easy.

When I started leading the mobile engineering team at Google, our goal was clear: to build a billion-dollar business. At the time, the iPhone had just launched, and our revenue was only $50 million annually. We had a long way to go. Nevertheless, this stretch goal galvanized the team. Engineers dreamed up features to increase usage, business development sought partnerships that would drive traffic, and sales found new customers to buy ads. At each weekly leadership meeting, we reviewed our metrics. If there was an unexpected uptick or downturn, we'd track down the cause. With a significant boost from the popularity of both iPhone and Android, we hit our billion-dollar target in only three years, increasing revenues by a factor of 20.

In contrast, mission-oriented goals tend to be vaguely worded, along the lines of "reduce poverty," "tackle injustice," or "fight climate change." These are all worthy aspirations, but in the absence of a clear timeframe or measure of success, how do we know if we're making enough

progress? Are we setting our ambitions high enough? What level of risk is appropriate? At Google, our billion-dollar target focused minds far more than if we had simply agreed to increase revenues.

Upon joining the US Agency for International Development (USAID) as the first executive director of the Global Development Lab (the Lab), I encountered this tendency firsthand. The Lab had recently been established as a new bureau to accelerate our progress in fighting global poverty through science, technology, innovation, and partnerships. Yet, when I asked how we would measure our success, I was simply told, "Identify breakthrough innovations." After a bit of encouragement, my team eventually agreed on a goal of identifying 10 breakthrough innovations in five years that each would improve the lives of at least a million people, demonstrate evidence of substantial impact, and have a financially sustainable path forward. The implications quickly became apparent. The Lab had sourced many promising early-stage innovations, but few had reached this stage of maturity. With the new clarity, we shifted our priorities and invested more to help the most successful candidates in our portfolio get to scale.

The birth of innovation begins with a clear, aspirational goal. This is the top-down vision of the change you seek to create, rather than the bottom-up calculation of what appears achievable with foreseeable improvements on your current trajectory. Ask yourself, What does success look like? Take a walk outside the office to reflect on the world you hope to bring about. Talk to your mentors and role models. Remember why you got into this work in the first place. Your goal is your North Star that is crystallized by an ambitious target.

I have come to believe that unclear and conservative goals are one of the root causes of inertia in the social sector. Given the degree to which reputation can influence funding from both individuals and institutions, the fear of setting a quantifiable stretch goal, then being punished for failing to reach it, is understandable. Yet without a long-term aspirational goal, day-to-day pressures can cause us to focus on short-term wins rather than searching for better solutions that will make a bigger difference.

THINK BIG

In some ways the social sector is incredibly audacious. In others, it is not nearly audacious enough. We dive in fearlessly to tackle the long-standing, entrenched, and intractable ills of our society with passion and commitment. At the same time, the real pressures of funding and

operations often limit the size and scope of our ambitions, so that they fall far short of the real need. This is why one of the core principles of Lean Impact is to think big.

Take Ben Mangan, the cofounder and former CEO of EARN, a nonprofit that helps low-income Americans meet their financial goals by developing a habit of saving. After 10 years, EARN had grown to become one of the largest microsavings providers in the United States and was being feted for its success. While opening 7000 goal-based savings accounts placed it near the top of its sector, one day Ben stepped back and realized that EARN was barely making a dent in the 50–70 million Americans in need of greater financial security.

So, he pivoted. At an awards dinner in 2012, Ben surprised the audience by announcing an ambitious goal to help a million people save a total of a billion dollars by 2022. To do so required an entirely different approach. EARN would never reach that degree of scale with its existing model, which included in-person visits and a dollar-for-dollar financial match. Instead, EARN pivoted its strategy and built a technology platform to support a lighter weight, self-service model. In the first year of its new SaverLife program it reached 85,000 new users, more than 10 times as many as the total number reached over its prior 15 years.

Ben's realization is one that doesn't happen often enough. When we focus on short-term deliverables, we can lose sight of the big picture. The nature of grant proposals and tight budgets in the social sector encourage a model of planning within constraints – by determining the best use of available resources – rather than strategizing relative to needs – by finding a viable solution, then seeking out the resources that will be required.

It's important to take a step back and ask the question, Are we trying to empty the ocean with a spoon? In other words, if the size of our problem is in the tens or hundreds of millions, do we have a plausible path to reach a substantial proportion of that audience given our cost structure, funding sources, and degree of complexity? If not, shouldn't we direct at least *some* of our investment towards finding a solution that could go farther?

HOCKEY STICK GROWTH

In the tech startup world, companies aspire to achieve hockey stick growth (see Figure 2.1). On a graph, the projected audience hits an inflection point and shifts from slow, linear growth (the

blade) to surging, exponential growth (the shaft). When seeking funding for their business ideas from VCs, startups proudly display such hockey stick charts and make the case for how and why they can achieve these ambitious targets.
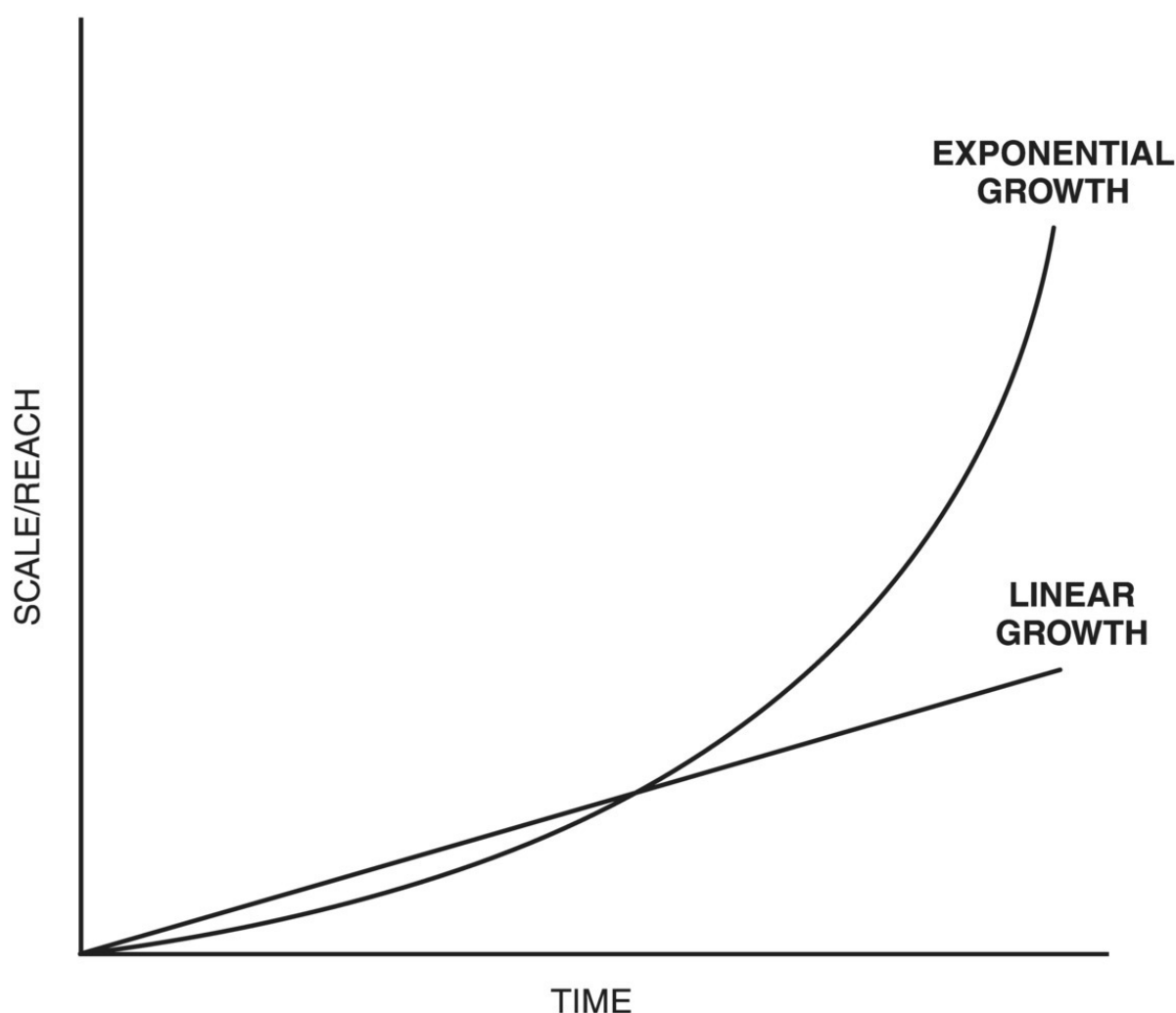
Figure 2.1 Exponential, or hockey stick, growth.

We don't see a lot of projections of such exponential growth for social impact. Why not? Even many of the most successful mission-driven organizations seem to be, at best, on a perpetual linear growth path. True, they are scaling, but slowly, and are unlikely to reach the size of the need in our generation. If we don't aim to make a massive impact, it is unlikely we will.

One problem is that most social-sector organizations are conditioned to live on a shoestring. For every dollar raised, a deliverable is expected. If you receive a grant for $1 million for workforce development and it costs $100 to provide services for each person, you are expected to train 10,000 people. Each dollar buys you exactly one dollar of value – the very definition of linear growth. Precious little wiggle room exists to fund the research and experimentation that might bend the curve with a disruptive solution or creative business model.

Scaling social solutions requires a mindset shift from the linear growth path of service delivery to the exponential growth path of transformation. This starts with an audacious vision for change based on an assessment of the size of the need rather than a projection of anticipated progress. Such a goal forces us to think beyond the confines of a single program or institution to seek the business, policy, or replication models that can massively accelerate growth over time. We'll explore these and other paths to scale in Chapter Eight.

Contrary to the business world, scaling an individual entity is not always the best way to deliver on an ambitious social mission. In many cases, what is needed is to heal the market and policy failures in a broken ecosystem through collective action. Chapter Ten will delve beyond the enterprise into the realm of systems change.

To maximize social good, we must think beyond ourselves and beyond our current organizations, to embrace a bold vision for the world we want, then relentlessly pursue ways to make it a reality.

A STRATEGY FOR UNCERTAINTY

There is often a mismatch between our strategy and the nature of the problem. Consider the difference between opening a local dry cleaning shop versus starting a company like Amazon. For a dry cleaner, the customer need, solution, and business model are all well understood. If a particular community is underserved, it's straightforward to open a business and fill the niche. On the other hand, Amazon started with the aspiration to become the "Earth's Biggest Bookstore" based on what was at the time the highly speculative proposition of selling books online. Amazon had to experiment on many levels – from product mix to online experience to cost efficiencies – before landing on a promising path.

The difference between these two ventures lies in both certainty and scope. In the social sector we're creating a lot of dry cleaners, while the problems we are tackling (think generational cycles of poverty, social justice, and environmental degradation) have a level of uncertainty and scale more like Amazon's. If both your problem and solution are well understood, you can simply execute on a defined plan. On the other hand, when the solution is unclear and the needs are vastly underserved, we must take greater risk, set higher ambitions, and test multiple alternatives. Had Amazon operated like a dry cleaner, it never would have stretched to achieve the success it has today.

You might wonder whether there is a place for small, locally focused nonprofits. Absolutely. But it is also worth considering a few questions. In your geographical area, are you reaching everyone who could stand to benefit? Would it be possible to deliver greater value or cost savings with economies of scale, either through growth or by merging with another entity? Are you delivering the best possible outcomes per dollar spent? If so, could other organizations, communities, or geographies benefit from your solution, either by expanding operations, franchising, promoting replication, or advocating for policy change?

YOUR NORTH STAR

If your goal is the distant North Star, towards which you constantly steer, then it must be clearly articulated so that everyone involved can row in the same direction. The magnitude of social impact is based on a combination of breadth and depth – how far we reach and to what degree we improve on the status quo. Such choices will inevitably affect direction, priorities, success criteria, and decision-making. If we don't know what success looks like, how will we rally others to achieve it?

As Astro Teller, head of X, Google's moonshot factory, points out, there is a significant difference between trying to increase the fuel efficiency of a car by 10% versus by 10 times. Counterintuitively, he claims that in some cases a 10-fold improvement could turn out to be easier, as far more people have already sought to squeeze out incremental improvements and largely exhausted the possibilities.[1] While both scenarios seek fuel efficiency, this quantifiable goal has dramatic implications for the appropriate approach and degree of risk to take.

One common argument I hear against setting measurable objectives is, What if we miss our target? The fear is typically of reputational damage or losing donor support. But there is an important distinction between committed activities and aspirational goals. Delivering on your commitments is important to build trust and credibility, and these should not be taken lightly. On the other hand, the purpose of aspirational goals is to stretch thinking and inspire. Articulating the difference clearly with stakeholders can separate the accountability associated with management objectives from the vision you want to rally everyone towards.

A well-defined goal should minimally answer the basic questions of *how many*, to *what extent*, and by *when*: that is, the date by which you aim to achieve the desired depth and breadth of impact. As an example, the social enterprise myAgro aims "to increase the income of a million

smallholder farmers by $1.50 per day by 2025." The clarity of its ambition drives the team to continually seek ways to simplify their model and cut costs, as they recognize that financial sustainability is the only way to reach that degree of scale.

For an entire organization or initiative, I recommend considering a timeframe of at least ten years to keep the focus on your long-term ambition. Think big. Work down from the size of the need that exists in the world, rather than working up from what seems achievable based on what you know today. Ask if reaching your target will move the needle appreciably. The best approach to helping a thousand people in a single community may be quite different from one helping ten million across the country, even assuming you will want to start small in either case. Later, when we turn to *validated learning* in Chapter Five, we'll discuss the *innovation metrics* that can be used to measure interim progress toward this goal.

Your goal should be measurable so it can serve as a benchmark for tradeoffs. This means cold hard numbers for both impact and scale. Are you targeting a 10% or a 10-fold improvement? Do you hope to reach all people or animals, or only certain demographics, species, or geographies? These choices will have implications for how you understand the problems and needs, the design of your solution, and potential paths to scale.

While some impact indicators may be slow and expensive to measure, in Chapter Nine we'll discuss proxies that can enable faster feedback loops. Avoid the temptation to focus on tactical metrics, such as the dollars raised or number of people reached through trainings, services, or other interventions. These only reflect activity and don't equate with having made a substantive difference. If your organization works across multiple problem spaces, consider setting separate goals for each rather than aggregating them into one vague and meaningless target.

ENDS VERSUS MEANS

One pitfall that is all too common in mission-driven work is conflating our ends and our means. We can become so immersed in designing and deploying an intervention that we lose perspective on our ultimate goal and fail to recognize when our solution may be insufficient. I encountered this phenomenon while leading a workshop on Lean Impact at TEDGlobal 2017. As most of the participants didn't know each other, I thought a good way to break the ice would be to have each table introduce themselves, share a problem they were passionate about, and agree on a goal for the purposes of the exercise. It didn't turn out the way I expected.

Many of the groups immediately began discussing potential solutions. One became immersed in planning an anti–wildlife trafficking media campaign. Another debated technologies for an electronic fence that could zap disease-transmitting mosquitoes. I found myself running back and forth between tables to prod each team to step back from its solution and focus on how the world would be better if it was successful. Eventually, the goals started to emerge. The first team wanted to protect increasingly endangered jaguars by eliminating poaching (a single jaguar's fangs, claws, pelt, and genitalia sell for $20,000 in Asia[2]). The second team wanted to reduce mosquito borne diseases in Africa by 50%. I had underestimated the gravitational pull of a compelling solution.

There's a tendency to describe goals in terms of progress in deploying an intervention, rather than focusing on the purpose of the work. That is, the claim "10,000 people will be trained in better farming techniques" describes an activity that may or may not be effective, whereas the statement "10,000 farmers will have increased their incomes by 50%" describes the desired outcome. The latter keeps us focused on the change we hope to effect and forces us to consider the possibility that our initial approach may not turn out to be the best path.

Why is this conflation common in the social sector? To start with, there is no easy metric, such as business profitability, to focus minds. But I expect that the need for a core differentiator is a larger factor. An organization constantly pitches its "solution" to donors, promotes it in its marketing, and works to deliver it. That solution becomes what the organization is known and sought out for. And, even isolated stories of success can create an emotional attachment that makes it difficult to let go of a marginal intervention. Instead we should try to hold lightly onto any solution and use evidence rather than conviction to determine whether it works.

Sam Goldman discovered this on his path to starting one of the most successful early social enterprises, d.light. While serving as a Peace Corps volunteer in Benin, Sam's 15-year-old neighbor was badly burned in a kerosene accident. Sam became inspired to find a way to provide the 1.6 billion people who live without electricity access to safer, affordable light. As part of the Design for Extreme Affordability class at Stanford University in 2006, his team researched how energy needs were being met in Myanmar and Cambodia. They discovered an existing system of kids who shuttled lead acid batteries every few days to recharge them at generators. Based on this informal activity, the team's first design, the Forever-Bright, was a low-cost LED light run off batteries that could be recharged by a diesel generator.

Sam soon cofounded d.light and started to delve into other markets, including India. There, he discovered that generators were not as readily available as in those initial countries. The original solution wouldn't work, and it was time to pivot. When he tested solar lanterns as an alternative, he discovered they were a far better solution to the problem. Solar was magical and blew people's minds. For the first time, people could have free light day after day. Demand grew. Following many more pivots, d.light has now sold close to 20 million solar light and power products in 62 countries.

One of the core principles for Lean Impact is to relentlessly seek impact. A clearly defined goal reminds us how high to aim and offers a benchmark against which to measure our progress. Is our solution moving the needle appreciably? Is it doing so quickly enough? Can it reach sufficient numbers? Will it reach those most in need? A goal helps us determine if we are getting close, have an aspect that needs some improvement, or are way off the mark.

Notes

1 Astro Teller, "Google X Head on Moonshots: 10X Is Easier Than 10 Percent," *Wired*, February 11, 2013, https://www.wired.com/2013/02/moonshots-matter-heres-how-to-make-them-happen.

2 "Asia's Appetite for Endangered Species Is Relentless," *The Economist*, April 19, 2018.