



From Good Intentions to Maximising Your Impact

Ad hoc projects for “giving back” might make you feel great, but are you realising your full potential?

If you are public-spirited, you might occasionally do things like go to charity events, volunteer for beach clean-ups, or even travel to remote locations to teach poor children. You probably experience what behavioural economists call the “warm glow” – a warm, fuzzy feeling that makes you feel good about helping others. And you would be in good company; the United Nations’ **State of the World’s Volunteerism Report 2018** put the world’s volunteer workforce at 109 million full-time equivalent workers. But here is the catch: Seeking that warm glow can distract you from adopting a rational approach towards maximising your impact.

Take, for example, the charity parachute jumps that were popular in the United Kingdom in the 1990s. A **study** of 1,500 jumps documented that they raised £45,000 for charity, but the resulting injuries cost the UK health system £610,000 – or more than £13 worth of societal loss for every £1 raised.

Getting serious about impact

Defining impact comes down to this simple equation:

Your impact = The world with your involvement - The world without your involvement

In calculating impact, what ultimately matters is how

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

much you help improve the outcomes that are important to society, such as poverty reduction or inclusive education. The UN’s **Sustainable Development Goals** provide excellent guideposts, though it helps to get more granular and specific.

You need to consider the opportunity cost of the resources invested in a project. In the case of the parachute jumps, the volunteers could have done something else better aligned with what they were really good at. Also, any project can have unintended consequences, like the broken bones from the jumps, or a sense of helplessness and dependency among beneficiaries.

Finding your sweet spot

The essence of thinking rationally about your impact involves asking three questions:

1. What societal needs are you trying to address?
2. Which of your strengths could help you make a unique contribution?
3. What are your goals in terms of personal passions and constraints?



You might go a step further and ask: Could I work harder to **pursue impact using my job as a platform?**

If you work at a large company, your sweet spot might well lie in entrepreneurship – leveraging your professional skills, position and networks to build an initiative that benefits both your company and the society. In a forthcoming article, **Sustainable Cross-Sector Collaboration: Building Global Platforms for Social Impact**, Christiane Bode, Michelle Rogan and I show how an intrapreneur might navigate internal and external stakeholders in setting up cross-sector collaboration towards social impact.

Our article, published in the *Academy of Management Discoveries*, is written in the context of a global management consulting firm. It traces the story of how one employee managed to successfully launch and build a corporate social initiative (CSI). The idea was to set up a “corporate social enterprise” through which the firm would bring its consulting capabilities to the international development sector. Importantly, rather than typical (subsidy-driven) corporate social responsibility efforts, the CSI was designed as a self-sustaining business venture that would more easily get support and be scalable even within a corporate context.

Consultants of the firm who staff a CSI project play to their strengths, such as applying their supply chain management skills to distribution of vaccines in rural Africa. The initiative charges its clients lower fees and works towards sustainability by requiring consultants to accept a salary cut for the project duration. Yet the programme is very popular with consultants and has contributed significantly to employee **engagement** and **retention**.

The model pioneered a broader scope in management consulting that shifted from a transaction-based approach serving Fortune 500

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

clients to a partnership-based one aimed at addressing society’s most pressing needs. The consulting firm now routinely facilitates connections among various stakeholders, like linking mobile phone operators, the ministries of health, technology vendors and local healthcare providers in Rwanda, Tanzania and Kenya to roll out a disease surveillance platform.

Instead of asking “what are the issues a client would pay us for”, the new mindset starts with “what societal issues need to be addressed?” The consulting firm then breaks the problem down, taking in-house only the parts where it can make a business case for direct involvement. For parts that are beyond its capabilities, it seeks partners.

The employee who started it all – the intrapreneur – thus seemed to have hit a sweet spot between his strengths as a management consultant, his goal to contribute towards inclusive and sustainable business, and society’s need for cutting-edge management practices in the development sector.

A cautionary tale

While clarifying your goals and leveraging your strengths are important, developing insight into real societal needs is particularly critical for achieving that sweet spot for maximising impact. The story of Trevor Field, a well-intentioned sales executive in South Africa, presents a **cautionary tale**.

Field wanted to use his business skills to create a sustainable business model for providing clean drinking water to poor communities. He chanced upon an invention called the **PlayPump**, which used a mechanism integrated with a merry-go-round to harness energy from children’s play to pump up water from underground. A large tank, decked with billboards to be rented as advertising space to pay for maintenance, would store the water. PlayPump’s heart-warming pitch – solve Africa’s chronic water shortage by bringing play to poor kids – attracted millions of dollars in **donor support**. By 2008, 1,000 pumps had been installed, with ambitious plans to rapidly scale up to US\$60 million in funding and install 4,000 pumps in order to reach a target of 10 million beneficiaries.

But the project was a **spectacular failure** for a number of reasons. They didn’t seek the perspective of the community in order to understand its real need; it was very expensive relative to well-established alternatives like traditional hand pumps; it was focused on scaling up installations rather than also ensuring pump maintenance; and they didn’t take adequate steps to prevent **child labour** since PlayPumps required long periods of “play” to function as envisioned. The advertising revenues also fell short of projections –

companies were generally not interested in advertising much in rural Africa. But as donors were still drawn to uplifting images of happy children spinning on a merry-go-round, and remained unaware of these ground realities, it took years before the project was ultimately scaled back drastically.

This example illustrates how social impact projects focus too much on **heart-warming stories** or obsess about rapid scale-up without ensuring the real impact of improving people's lives substantially. While an impact entrepreneur cannot be expected to have worked out everything from the word go, it is important to invest in understanding the real societal need, and be aware that any initial solution will likely be far from perfect. Humility, patience, experimentation and learning are key.

Being human

No doubt human beings have complex motivations, and cannot be as rational as *Star Trek's* Mr Spock, especially on matters that tug at our heartstrings. Impact also manifests itself in immeasurable ways. I recently joined a charity trip to build houses for the poor in Cambodia. I knew, of course, that my construction skills were questionable, and that people like me imposed significant costs in the form of special **accident** insurance and comfortable air-conditioned cars. My immediate impact for the charity's work would have been greater if I had just donated the equivalent of what I spent on the trip. But, by participating, my son and I learnt a lot about life in rural Cambodia, and came back inspired to seek (and I hope achieve) more impact in the long run.

But the broader point is worth reiterating: Your impact ultimately stems from how much better the world truly is because of your involvement. The best way to contribute might often not be the most obvious or the easiest one. So, while having your heart in the right place is a great start, it helps to occasionally revisit your assumptions and take the time to ask "What would Mr Spock say?"

Jasjit Singh is a Professor of Strategy and the Paul Dubrule Chaired Professor of Sustainable Development at INSEAD. He also co-directs the **INSEAD Social Entrepreneurship Programme (ISEP)**.

Found this article useful? **Subscribe** to our weekly newsletter.

Follow INSEAD Knowledge on **Twitter** and **Facebook**.

Find article at

<https://knowledge.insead.edu/responsibility/from-good->

Visit INSEAD Knowledge

<http://knowledge.insead.edu>

Download the Knowledge app for free

