Network Power for Philanthropy and Nonprofits

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This report is accompanied by a detailed case study,
"Lawrence Community Works: Using the Power of Networks to Restore a City."

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1. A Tale of Three Networks

Nonprofits as network organizations. The model is rooted in sound practice, native nonprofit tradition, and a growing theoretical base.
Jon Pratt[2]

In 2000, a philanthropist new to Vermont anticipated that her track record as a funder of environmental causes might attract appeals for donations from many nonprofits in the state. She worried that these organizations probably performed overlapping tasks, were not very economically efficient, and didn't work closely with each other. She wanted "a more strategic relationship" with them, rather than funding them one by one. These concerns are endemic in the donor community: how, to put it plainly, to get more bang for the philanthropic buck?

Around the same time, a veteran community organizer returned to his badly declining hometown of Lawrence, Massachusetts, eager to catalyze a process of renewal by engaging thousands of people in leading change. He suspected that operating a typical community development organization would not work. An organization might become dominated by its leaders and inaccessible to community members; it might end up getting in the way of change and then be hard to fix; and it probably couldn't mobilize the large numbers of people that were needed. Besides, the community already had a thick layer of nonprofit organizations and they obviously weren't making a big enough difference. Many thoughtful practitioners (as well as donors) share these concerns: how precisely to unleash transformational, large-scale social change?

In nearby Boston, the former head of a nonprofit youth service organization was worrying about the plight of executive directors of nonprofits in the city. Steve Pratt knew that a talented array of people was running these organizations, but they tended to work in isolation—"it's lonely work," he says—and were often caught between the demands of their staff and those of their board of directors. He wondered, as have other nonprofit directors and funders, how to build the capacities of nonprofit executives to lead their organizations.

In each of these separate situations, the answer was the same: try to build a network.

In Vermont, 10 nonprofits linked to form the Vermont Smart Growth Collaborative to work together and act more efficiently. They developed an overall strategic plan, agreed to pool their capacities, and to distribute donor funds to the member organization with the best capacity to perform the specific task. Working as a network has allowed the organizations to raise hundreds of thousands of dollars they probably would not have otherwise obtained. And because the 10 members include, along with environmentalists, organizations focused on affordable housing, alternative transportation, historic preservation, and responsible business, the Collaborative has developed a new brand that is proving to be useful. "It's a brand or identity that isn't available to the single organizations," explains Elizabeth Humstone, administrator for the Collaborative. "The benefit of the whole [network] is it brings more clout, expertise, and diversity to each organization."

In Lawrence, some 700 community members have been participating in an "open architecture" network, called Lawrence CommunityWorks, that offers a range of programs, from neighborhood development and financial asset building to youth development and English as a second language. All of this is happening with few of the trappings of a community organization. "We've created an environment that is different from the usual community organization," says founder Bill Traynor. "It's informal; people can come in and

out of the network. It's easy and fun to be a part of and there is a lot to do. You make your own way through the maze." Participants don't have to adopt any particular point of view or follow the ideas of leaders of organizations. "We put a premium on connection, not on buy in." The network, Traynor says, "is about individual families working to create an environment in which it is more productive to engage in public life."

In Boston, Steve Pratt reached out to nonprofit executives he knew and they began to meet monthly, building trust and sharing information about their experiences with the special challenges of nonprofit leadership. As the number of these people grew and their connections deepened, they formed small peer-to-peer classes of "fellows" to exchange ideas, learn together, support each other, and collaborate on work. Eventually, directors from 56 nonprofits participated in what came to be called Eureka-Boston. As one activity, Eureka fellows considered what they could do together to address some of the core challenges faced by nonprofits in Boston. Early efforts focused mainly on developing policy statements rather than on specific initiatives. However, in the wake of the 9/11 attack, Pratt says, "there was an 'aha' moment." Funding for nonprofits was drying up quickly, and the executives decided to "brand" and promote the nonprofit sector as a whole—using their collective resources to make a public case that community-based nonprofits are the leading edge for economic development and revitalization in Greater Boston.

Decisions to rely on networks to more effectively generate social change are not new to philanthropy and nonprofits. Foundations have funded the civil rights, feminist, and consumer movements for decades. More recently, many have assembled "learning networks" of grantees that work together to innovate and improve their practices. And, as Jon Pratt, executive director of the Minnesota Council of Nonprofits, points out "community organizers and grass roots organizations have applied network concepts for years."[3]

But something new and important is afoot. The nonprofit and philanthropic sectors are under growing pressure to do more and to do better. The number of nonprofit organizations is expanding substantially, as are the tasks the civil sector undertakes in light of government downsizing.[4] "We're seeing growth of nonprofit organizations, but not much change in the systems they are trying to impact," says one foundation executive. Nonprofit capacity is a "chronic problem," writes Jonathan Peizer of the Open Society Institute. "The sector must embrace new paradigms."[5] In an intriguing online paper about the environmental movement, Gideon Rosenblatt, executive director of a Seattle nonprofit and former Microsoft senior manager, notes that "many environmental leaders are questioning whether the environmental movement has the right strategies and organizational structures in place." The movement, he says, has "over-invested in institutional overhead" and "is replicating board development, fundraising and many other functions across thousands of very small organizations." It is essential, Rosenblatt concludes, to "un-bundle" and rebuild the environmental organizational structure using network approaches.[6]

Foundations, a crucial capital market for nonprofits, and governments that contract with nonprofits increasingly seek improved impact, leverage, and "return on investment." Nonprofits are routinely expected to be more strategic, entrepreneurial, and "high performing," and to focus on producing outcomes.[7]

In this shifting context for the civil sector, concerns expressed by the Vermont philanthropist, Lawrence activist, and Boston nonprofit director signal broader doubts about the efficiency and effectiveness of nonprofit organizations—and their decisions to rely on a

network approach represent a fundamentally different response. In a similar vein, Jon Pratt argues that networks are a good fit for nonprofits:

> *Network strategies offer a powerful set of tools to manage the key tasks and challenges faced by nonprofits... Network thinking offers powerful analytic and strategic tools for nonprofit boards and managers to increase the stability, influence and autonomy of their organizations.*[8]

Yet another signal of an emerging deep-seated shift in the nonprofit sector may be seen in the unanticipated and rapid growth of GlobalGiving, Guidestar, Volunteer Match, and MoveOn, nonprofits that provide Internet-based infrastructure for connecting, informing, and mobilizing millions of people, and seem to do so at reduced costs.[9] Like the Vermont Smart Growth Collaborative, Lawrence CommunityWorks, and Eureka-Boston, these entities are tapping the power of networks.

Internet Nonprofit Infrastructure (In Their Own Words)

GlobalGiving.com: "GlobalGiving is a unique service that directly connects donors with grassroots projects in the developing world. Its mission is to become the world's richest marketplace in international aid and philanthropy—rich not only in terms of funding, but also in terms of knowledge and innovation. Its long-term goal is to globalize opportunity."

GuideStar.org: "GuideStar, the national database of U.S. charitable organizations, gathers and distributes data on more than 850,000 IRS-recognized nonprofits." "Guidestar's mission is to revolutionize philanthropy and nonprofit practice with information."

MoveOn.org: "Our nationwide network of more than 1,700,000 online activists is one of the most effective and responsive outlets for democratic participation available today." "At MoveOn, every member has a voice in choosing our shared direction."

VolunteerMatch.org: "VolunteerMatch is dedicated to helping everyone find a great place to volunteer." "VolunteerMatch is the nonprofit, online service that helps interested volunteers get involved with community service organizations throughout the United States." "With your help, we concluded the year [2003] with over 1.4 million referrals, 26,321 organizations, and 27,769 opportunities."

2. The Power of Networks

...the dynamic of our society, and particularly our new economy,
will increasingly obey the logic of networks.
Kevin Kelly[10]

The power of networks is drawing increasing attention in mass media headlines as well as in specialized scientific literatures. From the explosive growth of Howard Dean's Internet-based campaign, the frustrating resilience of Al Qaeda, and the far-flung mobilizations of the World Social Forum to the connectivity evident in the spread of the Internet and HIV/AIDS, the structure of electricity grids across the U.S., the decentralized coordination of thousands of parts-supplier companies in the Toyota Production System, and the extensive influence of a small number of linked members of corporate boards of directors—networks have stirred the interest of people seeking innovation and large-scale change.[11] "Today we increasingly recognize that nothing happens in isolation," writes physicist Albert-Laszlo Barabasi.

> *Most events and phenomena are connected, caused by, and interacting with a huge number of other pieces of a complex universal puzzle. We have come to see that we live in a small world, where everything is linked to everything else... We have come to grasp the importance of networks.*[12]

What is new about this? Societies have long had transportation and communications networks. Social scientists have analyzed social networks for decades. Networks have been represented in mathematical thinking for hundreds of years. And the existence of networks is self-evident in the personal networks that most people build and maintain.

Clay Shirky, a partner in the Global Business Network consulting firm, puts his finger on what is changing: "We understand networks better—a lot better—than we used to, and we have much better tools for manipulating them."[13] Now, he says, people can "rely" on networks because "we can finally begin to predict how networks will behave over time." This crucial development has happened especially because of the emergence of the "science of complexity," which is bringing together scientific disciplines to understand the behavior of the many interacting parts of complex systems, whether they are epidemics of disease, new ideas that become crazes, failures of large infrastructure networks, changes in social norms, or successful business innovations.[14] We are coming to understand the "basic organizing principles" of complex connected systems, explains Duncan Watts, the sociologist author of *Six Degrees*, and this allows us to predict how networks may behave.[15]

Business Networks

The business community, driven to seek commercial advantage, has been an early responder to these developments, looking for ways to use principles and tools from network knowledge, such as network mapping, to analyze markets, improve marketing of products, and follow flows of goods.

The private sector has experienced an "upsurge in network models," reports the International Institute for Sustainable Development.[16] Seth Godin's *Unleashing the*

Ideavirus describes how to spread information through networks of customers. Bhaskar Chakravorti's *The Slow Pace of Fast Change* explains how to steer new products through the "equilibrium" that market networks may put in the way of innovations.[17] Businesses "are embracing network based forms of organizing to build new capabilities, accelerate innovation, and increase agility," notes author William Snyder, especially by using "communities of practice" in the workplace, informal networks of employees across the organization who connect to solve problems, share ideas, set standards, and build tools.[18]

What are these "organizing principles" of networks? Is the networking that Steve Pratt, Bill Traynor, and the 10 Vermont "smart growth" organizations did more than an intuitive act? In *The Tipping Point* Malcolm Gladwell calls the kind of person who knows many people and links them to each other a "Connector," someone who has an "instinctive and natural gift for making social connections."[19] But this description raises a question: if connecting—the essential act of making networks—is a human *instinct*, what practical *knowledge* can there be about how social networks form and function? Is networking something we just do, or is it something about which we can be more intentional?

Start talking with people about networks and they quickly want to get practical. "Can you distill this information about networks into something that I can use when I go 'under the hood'?" The question comes from a former nonprofit organization director who is trying to build a network in Boston, after he has listened to a dozen people from foundations, nonprofits, and consulting practices talk all morning about networks.[20] "Are networks a new 'unit of action' for achieving nonprofits' goals?" asks another participant. "Is an implication for philanthropy," she continues, "that we always say, 'We connect,' but we don't really know much about connecting?" A community organizer pipes up: "Should I think of my city as a constellation of networks?" "I need to know more about the economics of networks," says another former nonprofit executive, now building a network of nonprofit executives. "Is it more effective to activate latent nodes or to add new nodes to a network?" queries a man involved in a half dozen networks for social ends. "How do you maintain the right amount of chaos in a network?" asks a woman who is trying to evaluate a network's impacts.

These questions from social activists reflect both their hunger for new answers to persistent problems and a wondering out loud about what "nutritional value" networks may provide them. Answering them requires a framework for understanding networks.

The State of Network Theory

From generalization… The buzz of organizational innovators is all about *general propositions* about networks. Kevin Kelly, former executive editor of *Wired* magazine, expresses the potent mix of broad theory and hope: "The symbol for the next century is the net… The net is the archetype displayed to represent all circuits, all intelligence, all interdependence, all things economic, social, or ecological, all communications, all democracy, all families, all large systems."[21]

To differentiation… Yet someone interested in learning about networks will quickly find that there are *many theoretical approaches* to the topic: network science & complexity theory, sociology, anthropology and Social Movement Theory, diffusion theory, business management, and innovation management, to mention some. And thoughtful theorists are clear that both general propositions and different theoretical approaches are most useful when applied to specific cases. "Claiming that everything is a small-world network or a scale-free network… oversimplifies the truth… in a way that can mislead one to think that the same set of characteristics is relevant to every problem," says sociologist Duncan Watts. "We need to recognize that different classes of networked systems require us to explore different sorts of network properties."[22]

And on to integration… Eventually, case-based insights can be combined with theoretical insights in ways that will allow an integration of theories about networks, and create powerful new knowledge for application. As Watts puts it: "Any deep understanding of the structure of real networks can come only through a genuine marriage of ideas and data that have lain dispersed across the intellectual spectrum."[23]

3. Framing Networks

What the science of networks can do, even now, is give us a different way to think about the world, and in doing so help us to shed new light on old problems.
Duncan Watts[24]

The first question is: What is a network? The simplest definition of a network is that it is a set of "nodes and links," of connections between things (e.g., networks of canals and roads between cities, or of computers, cells, or nerves). This is a very broad statement, however, and, as Duncan Watts observes, not especially helpful in the analysis of particular cases. The networks we are interested in are what social scientists call *social* networks – systems of social ties that link people to one another. Social networks result from the intertwining of individual initiatives within specific social contexts – and include the personal networks of colleagues, friends and acquaintances with which we are all familiar.

The networks that are of concern to the civil sector are social networks, but of a particular type. Think back to Steve Pratt, the nonprofit executive director who built Eureka. He initially connected to his personal/professional network, to people he knew. Most individuals build these networks to achieve personal goals. But Pratt had something else in mind. He hoped to develop a network in which *many* individuals linked to achieve *collective* goals. We call this a "social network for social ends." These are the sorts of networks that the civil sector builds.

In networks, Watts writes, "the parts… interact with each other, and in interacting, even quite simple components can generate bewildering behavior."[25] These surprising network effects include rapid growth and diffusion, resilience under stress, and "small world" reach. But how do they happen?

Network Effects

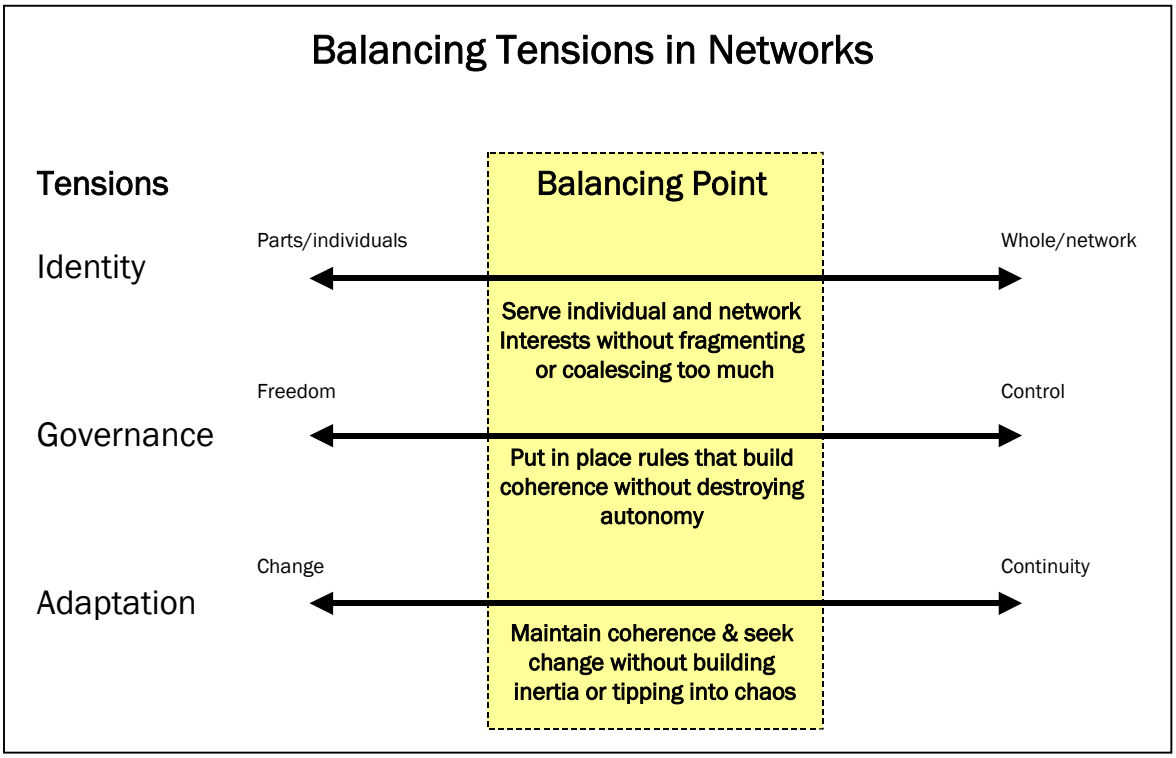
Growth—the network expands rapidly and widely, because its members benefit from adding new links and, therefore, they seek to make new linkages. (This is known as Increasing Returns to Scale.) An often-used example of this effect is the fax machine. One fax machine has no value because it is not linked. Two fax machines have value because they can "talk" to each other. After that, the more connected machines there are, the greater the value of the whole fax network. "The value of a network explodes as its membership increases," explains Kevin Kelly in *New Rules for the New Economy*, "and then the value explosion sucks in yet more members, compounding the result."[26] The growth of MoveOn.org is an example: On September 18, 1998, two Silicon Valley entrepreneurs launched an online petition to "Censure President Clinton and Move On to Pressing Issues Facing the Nation." Within days, hundreds of thousands of individuals had signed up. Today, some 1.7 million are members of the MoveOn.org network, some of them in the MoveOn Peace campaign, others contributing to the MoveOn.org Political Action Committee.[27]

Resilienc*e*—the network withstands stresses, such as the dissolution of one or more links, because it quickly reorganizes around disruptions or bottlenecks. For example, when a key factory in the Toyota system burned down in 1997, more than 200 suppliers responded, with very little direct oversight from Toyota, and within three days reestablished production of crucial valves. Few of the firms had the expertise or tools to make the valves, but as Watts reports, they had "a common understanding of how problems should be approached and solved" and they were used to cooperating with each other. The Toyota network, Watts observes, was "self healing"; it "recovered almost as rapidly as it had succumbed."[28]

Reach—the network brings people together in novel combinations, because it provides remarkably short pathways between individuals separated by geographic or social distance. When two people in a network create a "bridge" across distance or social category, the connection is available to other nodes in the network. "Distant links offer us short paths to people in very remote areas of the world," explains Albert-Laszlo Barabasi. People increasingly are experiencing this network effect, he adds: "Our ability to reach people has less and less to do with the physical distance between us. Discovering common acquaintances with perfect strangers on worldwide trips repeatedly reminds us that some people on the other side of the plant are often closer along the social network than people living next door."[29]

Networks generate these effects through *connectivity*; linking allows the whole of the network to be greater than the sum of the parts. But connectivity in social networks is not simply a matter of linking nodes to each other. Link people together one way and you will get different network effects than if you had linked them a different way. These differences arise from the ways that fundamental tensions within networks are resolved, especially tensions associated with the network's identity, governance, and adaptation. Each tension presents network decision makers with key choices that are present and evolve throughout a network's life span. Generating network effects is thus a continuous balancing act. "Many real networks," says Watts, possess "essential counterpoints" that drive "the system through their endless conflict to an uneasy yet necessary truce."[30]

Scientists of complexity call this an "edge of chaos" phenomenon: some networks, like other complex systems, continuously balance and rebalance themselves between order and chaos. "The balance point"—explains Mitchell Waldrop in *Complexity*—"is where the components of a system never quite lock into place, and yet never quite dissolve into turbulence either."[31]



A brief description of these three tensions:

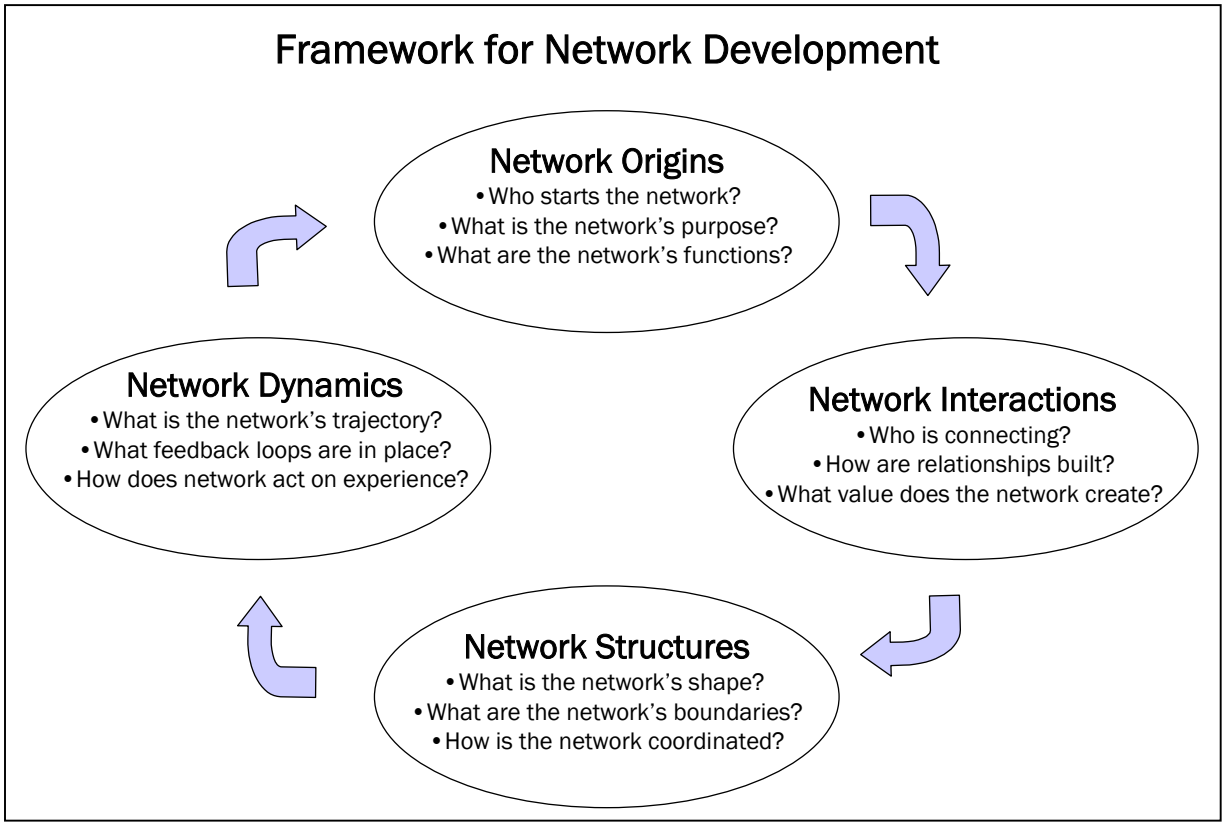
- **Tension of identity (part vs. whole).** Networks balance the need to satisfy the interests of *individual members* (parts) and the interests of the *network as a whole*. A network may appeal to a potential member's individual interest with a "value proposition" that, generically, sounds like this: "join the network and you will get 'x,'" in which "x" may be any service or product. A quite different value proposition offers the *network itself* as the value that the potential member will receive. It sounds like this: "join the network and help to build the network." In any network, both types of value proposition are present. What matters is how they are balanced. If a network's energies are too focused on individuals' interests, it will not have enough energy to maintain itself and grow as a network; the network will not *converge* sufficiently on shared interests. If, on the other hand, network energy is too focused on the interests of the network, the whole, some individuals may lose their sense of connectivity with the network; the network will not *diverge* sufficiently on individual interests.

- **Tension of governance (freedom vs. control).** Networks balance the need of individual network members to decide and act on their own (freedom) with the

need to decide and act as a collectivity. When the balance is right, an individual member in a network can act locally, but in a way that is in keeping with understandings that are shared with other network members. Decision-making in social networks is often described as informal, or based on consensus. What lies behind this is individuals with many possible choices of action who nevertheless share common purposes and common "rules" (such as being honest, sharing information, or paying dues on time). Too many rules will destroy the autonomy that is needed; too few will not allow coherence among individuals to emerge.

- **Tension of adaptation (change vs. continuity).** Networks balance the need to maintain their existing purpose and governance with the need to innovate and change. Continuity is useful: it allows a certain predictability while network members assess their experiences and compare and copy successful activities. On the other hand, nimble adaptation is a special advantage of networks as a form of organizing. Because networks do not have fixed charters or confining central controls, they have the potential to creatively transform new information into new practices, and to respond quickly to changes in their external environment. As with the other network tensions, the challenge is in the balance. When the balance is right, networks maintain coherence without building in inertia, and seek change without tipping into chaos.

These deep tensions are manifested in the many practical, day-to-day concerns that affect the emergence and life of networks (and keep those who build or invest in networks awake at night). Our framework takes into account these fundamental challenges of networks, but is organized around more practical factors involved in working with networks: how they originate, how interactions are established, how enabling structures (patterns of linkage) take shape, and how dynamics of the network occur.



4. Network Origins

Connectivity originates with someone. When Steve Pratt wanted to help fellow nonprofit executive directors in Boston to develop their leadership skills, he started by meeting with some of those he knew. We can use his example, and those of others, to study the origins of a network.

Who starts the network? Pratt connected with others, but he was a particular kind of instigator: a member of the network he wanted to build, one nonprofit leader among dozens, he was an *insider*. Another example of building from the inside involves Henry Kravis, a leading Wall Street financier, who contacted some 50 people in his personal and professional network. He asked each to join and contribute $1 million each to create a unique business-financing network, the New York City Investment Fund, which supports the city's economic development.

Network originators are not always insiders. Sometimes a *funder* instigates the development of a network, but stays outside of the network. We saw this in the Vermont Smart Growth Collaborative (the original funder was later joined by several other philanthropies). In another case we examined, three foundations came together in the mid 1990s to stimulate the creation of the Boston Parents Organizing Network, which was then launched with six nonprofit organizations capitalized by the funders. A third type of instigator, also an outsider, is a network *organizer*, someone like Bill Traynor, who gets a network going, but is not an arms-length funder or an inside member of the network. In Vermont, the originating funder hired Peter Stein, a veteran in the conservation field, to explore with the state's environmental organizations the possibility of collaborating. Stein helped to organize the network.

Whether a network originates with an insider or an outsider (an organizer or investor) may affect the process of network building. Funders, members, and organizers may ultimately need each other to successfully build networks, but each type of originator may start with a different perspective about building a network. Outside originators, particularly funders, may put a strong premium on defining network outcomes on a specified (and, usually, short) timetable, even though much about the emergence of networks, including their life span, cannot be programmed. "Too often," say Creech and Willard, "we see networks planned for the short term, around funding agreements, but with an underlying assumption that the network will exist in perpetuity once established."[32] Inside originators, on the other hand, may start with a strong sense of purpose and initial connectivity with other members, but may not know how to organize the enabling structures of the network.

What is the network's purpose? As network originators link with other nodes, they have to articulate their reason for building a network. Originators build networks to create capacities they believe are needed; they have an analysis of what is needed—in the "system" upon which they are focused. Pratt saw a skills gap in the nonprofit sector in Boston. Traynor saw a leadership vacuum in Lawrence. When the Barr Foundation analyzed the after school sports programs in Boston, it identified serious gaps in that system and funded a network organizer, Chris Lynch, to build stronger connections among the hundreds of provider organizations. In short, building a network, creating connectivity, is an answer to a perceived capacity problem.

One capacity problem that drew the attention of the philanthropist in Vermont is the economic efficiency of the nonprofit sector. Overlapping capacities may create useless, costly redundancies. But can networking result in economic efficiencies? Rudy Ruggles, a consultant in Boston, suggests that networks may produce a variety of economic efficiencies, cutting costs because of the scale, speed, scope, or span that they achieve. (Scale uses assets to produce more of single output. Speed uses asset to produce outputs at higher rate of throughput. Scope uses an asset to produce different types of outputs. Span efficiently coordinates/sequences use of assets.)[33]

The context in which a network is built may influence the network's design. For instance, a network that will operate mainly in public sector political contexts may have to attract a more diverse membership than one that exists in the business community. And dramatic changes in context may powerfully affect a network. At the time of 9/11, the New York City Investment Fund had some 200 members in its network of financial and corporate leaders focused mostly on the purpose of diversifying the city's economy. "After the attack," says Kathryn Wylde, the Fund president, "the network shifted much of its energies to being part of the rebuilding of lower Manhattan." Not long after that occurred, the city plunged into fiscal crisis. "More recently," reports Wylde, "the network has gotten involved in working with public officials to deal with the city's fiscal problems." And now, she adds, "we're reactivating the network around the city economy."

What are the network's functions? The purpose of a network suggests the specific functions or tasks that a network will undertake. The Lawrence CommunityWorks network's purpose is to generate new community leadership. As a result, the network has assumed several functions to date: it mobilizes people, getting them to participate in civic life; it delivers resources and assistance to individuals and families; it helps people exchange information and build relationships with each other. This is a quite different set of functions than we observed with the Funders' Network for Smart Growth and Livable Communities, a national linkage of some 90 foundations interested in the topic of smart growth. That network invests in developing innovative ideas and diffusing them to members and people outside of the network. A third network, the Vermont Smart Growth Collaborative, has taken on yet other functions. Its primary task is to assemble a new capacity to influence smart growth policies in the state. A related task is to create a new umbrella "brand" for the collaborative's member organizations.

Our research identified at least nine distinct functions that networks for social ends may perform.

- *Innovation*—generation of novelty (new knowledge, products)
- *Diffusion*—rapid spread of ideas, products
- *Combination*—assembling of new capacities
- *Alignment*—formation of new identity/brand
- *Mobilization*—reaching and activating many people
- *Exchange*—sharing of information widely
- *Assessment*—provision of diverse feedback/evaluation
- *Advocacy*—influencing existing decision making structures
- *Delivery*—bringing resources & assistance to increase capacity

We found that all the networks we looked at have taken on *multiple* functions, usually starting with one or two, and then expanding to a handful. New functions seem to develop within a network, often without anyone planning the process. Remember how Steve Pratt's Eureka network, set up to deliver capacity building resources to members, decided in the wake of 9/11 to take on the function of advocating support for the nonprofit sector.

5. Network Interactions

Whatever a network's origins, it is built through interactions, a great many interactions. Here, too, our cases were instructive; they revealed key elements of building and maintaining relationships within networks.

Who is connecting? Steve Pratt and Bill Traynor are building networks of individuals: respectively, nonprofit executive directors and community residents. This is not the same thing as building a network of *organizations*, which is what the Vermont Smart Growth Collaborative, the Funders' Network for Smart Growth, and the Boston Parents Organizing Network have been doing. We recognize that organizations are made up of individuals (and that most individuals have organizational ties). But a network of organizations will tend to be more conservative and less nimble as a network than a network of individuals. The Vermont collaborative, for instance, has 10 organizations as members. In each organization, one or two people are actually active in the network—but they act on behalf of and with the approval of their organizations. Their boards of directors, for example, have to decide whether to become members, how much organizational resource to allocate to the network, and so on. Organizations tend to need more certainty about the costs and benefits of their actions, such as joining a network, than individuals may require. They make up their "minds" and change their minds more slowly than individuals. Writing about organization networks they know, Creech and Willard note that they "require institutional commitment beyond the participation of individuals and experts."[34]

A second way of thinking about who is connecting involves the question of how much of a relationship already exists with potential nodes in a network. When financier Henry Kravis phoned 50 names in his Rolodex, he wasn't making cold calls. He called people with whom he had working relationships, some of them for decades. He was tapping an existing network for a new purpose. Some of those relationships may have been *active* at the time of the call, while others were probably *latent,* they hadn't been relating for some time. Yet, six years later, quite a few members of the Fund network are individuals who were *unconnected* with Kravis.

Network interactions occur between nodes that are active, latent, or unconnected. This distinction matters because it shapes what must occur in order to link with a node. It may be that most network instigators start by linking with people with whom they have active relationships, because it is easier to do and there is a greater assurance of success. A second option is to identify nodes that are latent, such as old relationships or indirect contacts (friend of a friend), and try to connect with them. At first glance, this would seem to be easier than trying cold calls. And yet making links among strangers matters too—if a network is to grow and diversify.

A third factor in who is connecting is a network's membership criteria. Who can join? All networks have rules about membership, though some are very open while others are very closed. The Boston Parents Organizing Network and the Vermont Smart Growth Collaborative articulated principles that they expect potential member organizations to embrace. Steve Pratt limits his network building to leaders of nonprofit organizations. Traynor's network is open to residents of Lawrence, a geographic standard, but does not require credo or credential. These various rules of eligibility affect the interactions of a network, because it establishes some things that network members are likely to have in common from the outset—and this is the likely basis of early relationship building.

How are relationships built? Interactions start with information sharing; this is necessary for building connections and trust—relationship—among nodes. When the heads of environmental organizations in Vermont started meeting to discuss collaboration, they didn't know each other well and were used to having to compete with each other for funds. Through monthly sessions, says Peter Stein, the network organizer, "quite a bit of trust developed among the members." But at some point a network's development requires that interactions move beyond information sharing. The small group of foundations that started the Funders' Network for Smart Growth spent a year exchanging information about each other, then gathered for a meeting. "The folks said, 'All this information sharing is good," recalls Ben Starrett, the network administrator, but they realized that they wanted to do more—to work together—and decided to put more energy into something they valued: the creation of innovative ideas about smart growth and the diffusion of those ideas to practitioners in the field.

The formation of networks of collaborating organizations passes through four stages, say Heather Creech and Terri Willard of the International Institute for Sustainable Development (IISD), based on their experiences with several global networks:[35]

- Forming relationships (choosing partners).
- Organizing relationships (determining what the partners will do and how they will do it)
- Formalizing relationships (codifying governance)
- Institutionalizing relationships (managing the internal alignment between an individual organization and the network)

What value does the network create? Networks create value for their members or else they languish and die. But it can take time for the value propositions of a network to emerge fully. We have three observations about value creation by networks:

- *In some networks, connectivity for its own sake can be a value proposition.* A network can simply be created to connect people with each other, without being concerned about what they actually do as a result. Most of the networks we are familiar with are more instrumentally inclined than this; they build connectivity so that certain things, such as innovations about smart growth or skill building of nonprofit executives, will happen. But the Lawrence CommunityWorks is taking a different approach. It first seeks to connect people simply so that they will be more connected. What arises from all the linking is open. "The energy from the connections should drive the network's agenda," says Traynor.

- *Most networks seem to operate as channels for* multiple *value propositions*. Just as networks take on multiple functions, they may seek to provide members with a "menu" of value propositions. Members of the Kravis network, for example, may get value from the network's business deals; this entrepreneurial excitement was initially a powerful attractor of members. But some members also find value in engaging—giving their time and expertise—in civic responsibility; some like rubbing elbows with other Wall Street players, and still others find that the network generates private business opportunities for them. As the network

coordinator, Wylde pays attention to what members value. "The hard work comes in keeping them engaged," she says. "What will keep them interested?"

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- *Networks concurrently create value for individual members and for the network as a whole.* As we said earlier in discussing underlying tensions in networks, this involves a balancing act. Some members of a network will derive value from the existence of the network, rather than from any particular benefit that only they get from the network. Other members will focus on what they get for themselves, rather than the value of the network as a whole. The Vermont Smart Growth Collaborative experiences a version of this tension. Some of what its members want can only be obtained through the collective, yet members also have individual interests, such as getting credit or funding for themselves. At the Funders' Network for Smart Growth, some member foundations pay dues and get what they want out of the network, while others provide additional funding to the network to support its overall work.

6. Network Structures

As interactions occur within networks and are repeated, patterns of linkage appear. These structures enable interactivity by, for example, routing the flow of information through particular people in a network or creating multiple pathways for exchange among members. One structural phenomenon in growing networks is the creation of hubs—nodes that are more connected, have more links, than other nodes, and become more influential in the network. Hubs are created because early nodes in a network have more time than latecomers to form links with new nodes and because new nodes tend prefer to link to more connected nodes. This is why it is said that as networks expand, the rich (more connected) nodes get richer.

What is the network's shape? Some networks, like the one built by Steve Pratt at Eureka, are designed to increase connectivity by bridging gaps between nodes that did not previously connect. Others, like the Vermont Smart Growth Collaborative, are designed to knit nodes closely together. The IISD's Sustainable Development Communications Network and Trade Knowledge Network started as Hub-and-Spokes structures, with IISD serving as the hub for the network. But this meant that members had no real opportunities to exchange experience and work with each other, and members were not accountable to each other for their work on projects. The structure did not promote collaboration. "We realized," write Creech and Willard, "that more collaborative models support sharing and creation of new knowledge, better linkages to policy processes and extended relationships, and improved capacity development across the network."[36]

It appears that some structural arrangements (a specific pattern of nodes and links) are better suited to some network functions than others. For example, the tasks of both mobilization and diffusion are typically best served by a multi-tiered branching structure in which flows between center and periphery are more easily achieved. . In contrast, the task of combining capacities, as Vermont Smart Growth aimed to do, is better achieved in a small dense cluster (which can be highly organized) than in a larger multi-channel network.

Structural Shapes

Network structures make revealing pictures.

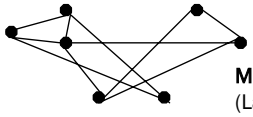
- When many nodes connect to a single node, a **Hub-and-Spokes** or **Star** structure is created. Each Of the spoke nodes has one link, while the central node is linked to all other nodes.

- When many nodes connect to each other in various configurations, a **Many Channels** structure is created. Each node may have several links through which it can reach other nodes.

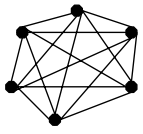
- When a number of nodes are all connected to each other, a **Dense Cluster** is created. Each node is connected directly to all of the other nodes.

- When hubs connect to one another, either directly or through spokes, a **Branching** or **Multi-Tiered** structure is created. Nodes may have fairly long paths, through central nodes, to reach each other.

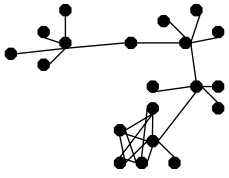
Hub-and-Spokes
(Eureka)



Many Channels
(Lawrence CommunityWorks)



Dense Cluster
(VT Smart Growth Collaborative)



Branching
(Boston Parents Organizing Network)

What are the network's boundaries? Like any territory, networks have boundaries beyond which there are no linked nodes. Boundaries define who is in and who is out of the network; they limit connectivity. The terms of network membership established through eligibility rules, fees, alignment with network identity, etc. create boundaries. But boundaries can be more or less porous. And the liveliness that exists at the edge of a network can be an important factor in producing desired network effects.

Bill Traynor has tried to maintain extremely open boundaries for the Lawrence CommunityWorks network. When the Funders' Network for Smart Growth found that its growth had peaked at about 50 foundations, it established a lower entry-level membership fee to encourage more organizations to join.

How is the network coordinated? As a network develops, it begins to need a certain amount of coordination and infrastructure to support its members' activities and to tend to the network's business. Among the coordination tasks of the Lawrence CommunityWorks network are:

- Coordinating member activities, like a "traffic cop" that helps with routing so that congestion doesn't occur.
- Developing and maintaining a management information system for the network
- Orienting new members.
- Monitoring the health of the network.

The coordinators of the Vermont Smart Growth Collaborative and the Funders' Network for Smart Growth also do fundraising for the network and administer its finances.

Networks have choices about where on the network the coordination function is located. The Vermont Smart Growth Collaborative, for instance, appointed one of its member organizations to serve as the coordinator. The Boston Parents Organizing Network, which started with six community organizations, hired a coordinator from the outside. In Lawrence, network organizer Traynor and his staff serve as the coordinator and work for the network.

Development of coordination and infrastructure is driven by the network's economics, as well as its needs, since coordination costs money. There seems to be little information available about the costs of running networks. Kevin Kelley argues that networks tend to have low fixed costs and insignificant marginal costs, and this seems intuitively correct. But networks are not free. Our observation is that networks generate their resources by:

- *Obtaining in-kind services from their members.* Essentially, this is the fuel from volunteers. The New York City Investment Fund lives on this resource: scores of Wall Streeters provide the network with their business expertise at no charge.
- *Obtaining funding from outside sources, such as foundations.* This is external subsidization of costs. The Vermont Smart Growth Collaborative was formed in order to secure potential philanthropic capital.

- *Selling services to members.* Whether in the form of membership dues or fees for services, this amounts to a "market" mechanism for generating resources.
- *Obtaining extra funding from members.* This is internal subsidization of costs. Some members of the Funders' Network for Smart Growth provided grants to the network in addition to their membership dues, to support the development of the network's infrastructure.

7. Network Dynamics

Networks evolve; they change over time. Their purpose, functions, value propositions, and structures may change. Their membership may change; people and organizations come and go. And, along with the possibility of adaptive change, networks seem to have a maturation process. Creech and Willard observe that networks of organization may take as long as five years to become established and produce concrete work.[37] Many networks of organizations don't even get that far, they add. "The private sector literature on strategic alliances and networks reveals that over 60 percent of these relationships fail outright or underperform."[38]

What is the network's trajectory? Networks typically settle into patterns that need to be examined and may need to be disturbed. When Steve Pratt noticed that most people in his network were working through him—the "super node"—he started to look for ways to connect them to each other. Bill Traynor realized that there wasn't enough cross-connectivity between clusters in the Lawrence CommunityWorks network, so he trained his staff to serve as "weavers" to help members make connections.

Even external events that disturb the network deeply can have positive outcomes. This is the view taken by Kathy Wylde of the New York City Investment Fund. She sees external shocks to her network, such as 9/11, as an opportunity as well as a crisis. "It's hard to develop the excitement and priority for important people to pay attention to things that are slow moving," she explains. "You need *external forces* to reinforce them. It's not enough to have a worthy purpose and good leadership. You have to have buzz."

What feedback loops are in place? Someone has to pay attention to what is going on in the network. "You have to see where things are starting to happen that can be connected to other things," says Traynor. He calls this "resonance—an indicator of when to act." But "seeing what's going on" in turn requires feedback loops—ways of finding out what is happening. Traynor is creating practical tools to show who is active in Lawrence CommunityWorks and make what's occurring in the network more apparent to network members and coordinators. Ben Starrett uses surveys of members to learn more about what matters to them. He was surprised by one the results.

> *Last year we did member surveys and they rated the annual conference as the most important service of the network. This surprised me; to us on staff it was a lot of work and we were not getting feedback that said it was worth as much of the budget as it cost. But for members, the ability to see each other once a year and have the informal conversations, the* act of networking*, was highly valued.*

How does the network act on its experiences? Opportunities to shape and re-shape a network emerge as a natural part of its evolution. The Vermont Smart Growth Collaborative faces a number of issues: Should another organization that wants to become a member have the same standing in the network as the original 10 members? Is the organization that serves as the Collaborative's coordinator gaining too much influence in the network? A major concern at the Funders' Network for Smart Growth is whether or not the members that joined under the reduced membership fee will agree to sign up again when the special price ends and much larger payments are required. The Boston Parents Organizing Network

is re-examining network boundaries and considering how roles and responsibilities could be better distributed among members.

Some networks are highly intentional in identifying lessons learned. The dense cluster of 10 organizations that makes up the Vermont Smart Growth Collaborative will likely convene for a retreat to discuss its issues and make decisions, reports Elizabeth Humstone. The funders of the Boston Parents Organizing Network have paid for an evaluation and strategic planning process for that network, which is now five years old.

Whatever the process, the principal task is to take what is being learned and shape a trajectory that will propel the network into a continuous spiral from order/continuity to chaos/change in a productive way.

8. Network Power: An *Ideavirus* for the Civil Sector

Nobody spreads an ideavirus as a favor to you. They do it because it's remarkable, thought-provoking, important, profitable, funny, horrible or beautiful.
Seth Godin[39]

Our framework's guiding questions and the choices or possibilities that go with each question are not intended to be exhaustive or even correct. Hopefully they are a starting point for helping people to develop a "lens" through which to perceive networks and the work of building networks. They point to several crucial understandings about networks: that how one manages the enduring tensions of identity, governance, and adaptation fundamentally affects the nature of the network and the effects it will produce; that the many practical questions about starting and shaping networks pose choices that can be made visible and analyzed; and that, therefore, decisions about networks can be made more intentional.

We have seen, for instance, that some networks unleash effects that have great power to innovate, disturb, ignite, and dramatically change systems. This power depends on balancing the underlying tensions of networks in ways that do not settle permanently on too much order or too much chaos, but instead "spiral" between these states. Other networks are much more modest in their impact. Although the potential power of networks attracts much of the interest in connectivity, most people seem to want to build networks that they can control, stabilize, and use instrumentally for their own ends. Thus, they may end up sacrificing much of the power that networks can unleash. Their more "conservative" networks tend to become more like organizations over time. Perhaps this is sensible; dramatic effects are not needed for all purposes. But a better understanding of networks could allow more fully informed and intentional choices to be made.

If the framework provides some useful ideas about networks in an accessible way, then it probably also stimulates a desire to learn more. For some readers it may also raise this additional matter: if networking approaches are currently positioned in just a small corner of the civil sector's brain—at the experimental edge of innovation—how can they be moved into its heart and bloodstream? How can the sector progress from stirring anecdotes to a systemic arrangement?

It is easy to collect stories about nonprofit networks. The storytellers—all sorts of network instigators who are gaining practical experience in the art and science of networking—enjoy telling their tales. They may be short on theory and big on questions, but nonetheless they seem to believe that network approaches promise important benefits for philanthropic and nonprofit organizations.

Yet it is commonplace to observe that the civil sector lags behind the "edge of innovation." Many explanations are offered. The organizations work in isolation from each other, so there are no good ways to spread examples of excellence.[40] Civil organizations have limited resources, so they cannot pay much attention to adopting new approaches.[41] Nonprofits may simply lack the know-how and tools to move in new directions.

These and other systemic barriers to change may be impeding the testing and adoption of networking approaches by nonprofits and philanthropies. The spread of networks "is taking place more slowly within civil society organizations" than in the private sector, observe Creech and Willard of the International Institute for Sustainable Development: "There still appears to be a separation between institutions, with their internal

management structures, and networks that have identities of their own—rather than organizations internalizing and capitalizing on their participation in networks."[42] Jon Pratt, head of the Minnesota Council of Nonprofits, also sees slow progress with the sector's adoption of networking, but points to a different reason: Nonprofit managers and boards don't yet have the capacities to become avid networkers, he says. They need ways to "assess the strength of their network relationships, map the linkages and understand how network strategies can advance the work of their organization."[43]

In spite of these difficulties, it is evident that innovative leaders in the civil sector are already pursuing activities to embed networking in the sector's way of working. But can networking become a powerful *ideavirus* for the civil sector—"an idea," that as Seth Godin explains, "moves and grows and infects everyone it touches."[44] We can see five strategies for accelerating the penetration of network approaches that will build the sector's long-term ability to more effectively improve life in communities.

Strategies for Network Approaches

1. Discover the "hidden networks" already embedded in the civic sector—and be more intentional about using them.
2. Develop far-flung communities of practice—hives—that create, adapt, and spread network tools and skills.
3. Develop numerous experiments to demonstrate how civil organizations can improve their capacities by embracing network approaches.
4. Pioneer the use of network analysis and strategies as ways to dramatically change large-scale systems in society.
5. Use *viral marketing* to spread the idea of networks throughout civil society,

1. ***Discover the "hidden networks" already embedded in the civic sector—and be more intentional about using them.*** "Networks are everywhere," declares physicist Albert-Laszlo Barabasi. "All we need is an eye for them."[45] It is time for the civil sector to eyeball its own networks. Mapping the sector's own connectivity and making these maps visible to all would help generate and awareness of the extent to which networks are part of the sector's way of working and where the potential lies to activate and strengthen networks. In short, the sector should figure out where its *hives* and *hubs* are. Translation: within the sector, what are the existing networks through which ideas could flow?

   We are not aware of many maps of the linkages among nonprofit and philanthropic organizations and individuals, but we suspect they would reveal several patterns: the civil sector's hives are largely *local* phenomenon (bounded by geography); mostly based in *niches*, such as economic development, education, or environment; quite *fragmented* (many gaps due to isolation); and *dominated* by a few hubs (either a relatively large organization or a funder focused on a niche in a place). These sorts of maps could lead to decisions to bridge holes, span boundaries, or develop new hubs—to increase connectivity.

2. ***Develop numerous experiments to demonstrate how civil organizations can improve their capacities by embracing network approaches.*** Most people are not "early adopters"; they want more certainty of success than early experimenters can have. For them, seeing is believing; when it comes to adopting an innovation, they want to know that it works. This is a crucial step in reaching scale with change: risk-taking innovators demonstrate what does and does not work. Many experiments with networking approaches should be attempted. A "learning agenda" should be articulated. (We can say right off the bat that it is critical to learn much more about the economics of networks.) But that is not all. Experiments should be designed with feedback loops so that others can learn what happened and why it happened. Nor is that all. The feedback from many experiments should be assessed visibly and candidly for the civil sector using clear standards; this should be about learning, not about burying failures or burnishing public images.

3. ***Develop far-flung communities of practice—hives–that create, adapt, and spread network tools and skills.*** The civil sector has a long history of organizing to create and spread knowledge products, such as books and online tools, which practitioners can use. Information about and assistance with network tools and skill building can be spread through market mechanisms and through "communities of practitioners" that meet to learn from experts and each other. Learning communities of this sort usually require funding to prime the pump.

4. ***Pioneer the use of network analysis and strategies as ways to dramatically change large-scale systems in society***. Networking is not just about building the capacity of the civil sector. Network strategies can also be used as levers for change in communities. The many "systems" the civil sector entities try to change—health care, education, real estate development, and the forest product industry, to name just a few—all have networks at work within them. The health care system has practitioner networks and economic linkages among, for instance, laboratories, physicians, hospitals, and insurers. Education systems have networks of teachers and administrators, and networks of policy developers and decision makers. The real estate sector has networks of developers who take on projects together, and the forest products sector has networks of tree growers, loggers, manufacturers, and retailers. These networks can be analyzed, their interactions, structures, and dynamics assessed. And this sort of analysis may inform the civil sector's strategies for influencing these systems.

5. ***Use "viral marketing" to spread the idea of networks throughout civil society.*** "Viral marketing is a special case of an ideavirus," explains Seth Godin. "Viral marketing is an ideavirus in which the medium of the virus *is* the product. It's an idea where the idea *is* the amplifier."[46] In this case, networking may be both the idea and the medium for the transmission of the idea; a network may be its own virus. More networking can beget more networking.

   Of course, it won't be that simple. Earlier we mentioned some of the barriers to innovation in the civic sector. They raise this question: is the civil sector in an adaptive posture that is open to change or is it in a condition of equilibrium, of excessive order or disorder, which is closed to change? We claim no special insight into the answers, but it

seems useful to note that forces for both change and continuity are at work in the sector. When it comes to potential sources of equilibrium, most veterans of efforts to help civil sector organizations improve point to the fundamental relationship between nonprofits and funders (the capital market for nonprofits).[47] "Lack of collaboration is mostly due to stupidity and competition," one consultant in a network building process told us.

> *Every organization has a sense that they need to be first out of the box with new ideas to impress funders. They have pride of authorship. At the same time, there is a lack of market discipline. Not all funders perform good due diligence on proposals; many support duplicative efforts.*

The likelihood of resistance means that viral marketing approaches will need to be quite strategic. Should the virus of networking be aimed at influential hubs in civil society? Or should it "attack" many different entry points at the same time and later focus on a target. Or should the virus "piggy back" into the sector on some other innovation? Or will it be necessary to develop entirely alternative pathways for the virus?

Whatever the answers, the aim is the same: helping the ideavirus of networking to reach the tipping point in civil society.

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End Notes

[1] Peter Plastrik is a partner in Integral Assets Consulting and coauthor of *Banishing Bureaucracy* and *The Reinventor's Fieldbook.* Madeleine Taylor is a partner in Arbor Consulting Group and the editor of *Creativity and Innovation: A Bridge to the Future.* Together they managed the Barr Foundation's Network Research Project.
[2] Jon Pratt, "Nonprofits as Networks," can be found at www.mncn.org. Pratt is developing a book and series of organizational tools on network strategies for nonprofits.
[3] Pratt, "Nonprofits as Networks."
[4] The number of public charities registered with the IRS increased 76 percent between 1992 and 2002, according to the National Council of Nonprofit Organizations, data cited in J. R. Labbe, "Make Educated Choices As Charities Multiply," *Detroit Free Press*, February 4, 2004.
[5] Jonathan Peizer, "The Quiet Revolution in Non—Profit Capacity Support," October 31, 2003, www.soros.org/initiatives/information/articles.
[6] Gideon Rosenblatt, "Movement as Network: Connecting People and Organizations in the Environmental Movement," January 2004, www.movementasnetwork.org. Rosenblatt is executive director of ONE/Northwest in Seattle.
[7] See, for instance, Christine W. Letts, William Ryan and Allen Grossman, *High Performance Nonprofit Organizations: Managing Upstream for Greater Impact* (San Francisco: Wiley & Sons, 1999) and Michael E. Porter and Mark R. Kramer, "Philanthropy's New Agenda: Creating Value," *Harvard Business Review*, November-December 1999.
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[11] See Gary Wolf, "How the Internet Invented Howard Dean," in *Wired,* January 2004, on how Dean's campaign used the Meetup site on the Internet to grow from 3,000 members in early 2003 to 140,000 members by November 2003. See Duncan Watts, *Six Degrees: The Science of A Connected Age* (New York: Horton, 2003), on the Internet, HIV/AIDS, electricity grids, Toyota, and corporate directors.
[12] Barabasi quote: Albert-Laszlo Barabasi, *Linked: The New Science of Networks* (Cambridge, Massachusetts: Perseus Publishing, 2002), p. 7.
[13] Clay Shirky, in "Work on Networks: A GBN Tour," at www.gbn.org. Shirky, in "Work on Networks: A GBN Tour," at www.gbn.org, mentions a number of seminal books that have triggered great interest in the business community, including John Seely Brown and Paul DuGuid, *The Social Life of Information*, Robert Putnam, *Bowling Alone*, Malcolm Gladwell, *The Tipping Point*, Barabasi, *Linked*, and Watts, *Six Degrees.*
[14] See Mitchell Waldrop, *Complexity*.
[15] Watts, *Six Degrees*, p. 26.
[16] Heather Creech and Terri Willard, "Strategic Intentions: Managing knowledge networks for sustainable development," International Institute for Sustainable Development (2001), p. 8. Available at www.iisd.com.
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[18] William M. Snyder and Xavier de Souza Briggs, "Communities of Practice: A New Tool for Government Managers," IBM Center for The Business of Government, November 2003, p.4.
[19] Gladwell, *The Tipping* Point, p. 43
[20] The Barr Foundation convened a discussion about networks on January 29, 2004, as part of its Networks Research Project. .
[21] Kelly, *New Rules for the New* Economy, p. tk.
[22] Watts, *Six Degrees,* tk.
[23] Watts, *Six Degrees*, tk
[24] Watts, *Six Degrees,* p. 16.
[25] Watts, *Six Degrees,* p. 26.
[26] Kelly, *New Rules for the New* Economy, p. 25.
[27] See www.moveOn.org/about/.
[28] Toyota story: Watts, *Six Degrees*, pp. 253-260.
[29] Barabasi, *Linked*, p. 40;

[30] Duncan Watts, *Six Degrees,* pp. 99-100.
[31] Mitchell Waldrop, *Complexity.*
[32] Creech and Willard, "Strategic Intentions," pp. 88-89.
[33] In a memo for the Barr Foundation's Network Research Project, Ruggles, a consultant in Boston formerly with Ernst and Young's innovation office, adapted the framework of network consultant Ross Mayfield. See http://radio.weblogs.com/0114726/2002/10/21.html#a16.
[34] Creech and Willard, "Strategic Intentions," p. 20.
[35] Heather Creech and Terri Willard, "Strategic Intentions: Managing knowledge networks for sustainable development," International Institute for Sustainable Development (2001), www.iisd.com, p. 58. IISD-related networks include the Sustainable Development Communications Network, the Trade Knowledge Network, the Climate Change Knowledge Network, and the Global Knowledge Partnership.
[36] Creech and Willard, "Strategic Intentions," pp. 67-68.
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[38] Creech and Willard, "Strategic Intentions," pp. 58.
[39] Godin, *Unleashing the Ideavirus*, p 67
[40] Manual Pastor and Rachel Rosner, "Communities Armed with Buckets Take Charge of Air Quality," in *Sustainable Solutions: Building Assets for Empowerment and Sustainable Development,* Ford Foundation, July 2003. www.fordfound.org. "Examples of excellence may go unrecognized, and community groups wind up working in isolation," note Pastor and Rosner. "As a result, the advantages of a new approach to organizing or advocacy may not spread to those who need it."
[41] Creech and Willard, "Strategic Intentions," pp. 90-91.
[42] Creech and Willard, "Strategic Intentions," pp. 90-91.
[43] Pratt, "Nonprofits as Networks."
[44] Godin, *Unleashing the Ideavirus*, p. 19.
[45] Barabasi, *Linked*, p. 7.
[46] Godin, *Unleashing the Ideavirus*, p. 65.
[47] Jonathan Peizer, "The Quiet Revolution in Non—Profit Capacity Support," lays out a detailed description of the grantee-donor relationship. Funders, he points out, usually support a nonprofit's programmatic activities rather than its capacity needs because they are locked into wanting to "demonstrate noticeable effects in tackling a problem of social value." And they often act in splendid isolation: "Noticeable effect is important to donors because their constituents, board members or living donors expect the money they expend to demonstrate tangible results… Donors purposefully try to define a unique niche for themselves, so their first instinct is not necessarily to partner with others." Peizer concludes that the donor—grantee relationship can be dysfunctional when it comes to building organizational capacity.