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The Power of Trust
Learnings from Six Years of Building a Global Community of Young Leaders

Innovations Case Narrative:
Sandbox

Sandbox is the leading global community for exceptional young changemakers. It exists to provide every young doer with a trusted group of peers and a place to learn from, connect with, and support one another. Sandbox counts over 1,000 members from a variety of backgrounds and has active hubs in 31 cities worldwide. Sandboxers and their work have been featured on the front pages *of Wired, Fast Company*, *Forbes*, and the *Boston Globe,* and have been covered in the *New York Times,* the *Washington Post*, *Inc.,* and *Vogue*, as well as on CNN, ABC, and many other media channels.

HOW IT ALL STARTED, A LONG, LONG TIME AGO . . .

The two of us have been working together since we were 15. That's when the idea behind Sandbox first emerged. While we were in high school, we were both deeply engaged in Swiss student politics, as was Antoine Verdon, who would become a Sandbox co-founder and its first CEO. Together we organized a series of workshops for student activists from across the country where we met many people like ourselves—full of ideas and ambition to build things and create change in the world.

After graduating from high school, we continued to work together, and became interested in entrepreneurship. We ran a bar on a boat, organized job fairs at our university, and eventually started an event management company together. A few years later, at a reunion of our student politics friends, we realized that many of them had taken similar paths. The raw ambition of our high school years had turned into actual projects. People had started companies, gone into politics, moved into leadership positions. They were shaping the world around them. At this moment we asked ourselves: Where will these people be five, ten, 30 years from now? Will they still have that fire we saw in them in high school? Will they still be active and building things?

That's when the idea of Sandbox was born. We were convinced that the active young doers of today will probably still be active 30 years from now and we asked

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ourselves: What if we could create lifelong friendships with the fellow misfits of this world and build things together for the rest of our lives? What would the world look like if the leaders of tomorrow could meet now, instead of 30 years from now? What would our collective journeys look like if we could support each other on the way, learn from each other, and build things together?

SANDBOX, SINCE YEAR ONE

Sandbox evolved in many ways during its first six years and became a community more by accident than by plan. We went through four phases.

Phase one was a global conference that never got off the ground.

We had a background in event management, so our original plan was to organize a large conference with corporate sponsors, who would pay for amazing young people to come together—we were imagining a World Economic Forum for the under-30 crowd. There was just one tiny problem: timing. We started working on the conference idea in 2008, just as the financial crisis was unfolding. It soon became clear that our plan to find sponsors would not work. We had to find another way.

Phase two was small dinners.

Though we couldn't afford to host a large conference, we kept bumping into amazing young doers who we thought would be perfect Sandboxers. So, to build relationships with them we started putting together small informal dinners in Zurich and in any other city we traveled to. Fabian moved to New York City and started organizing dinners there. Christian Busch, who would become another cofounder, started hosting dinners in London. Our friend Björn Herrmann started doing so in San Francisco. The feedback was very clear: people loved hanging out with like minded peers, and they wanted more of it. But what more could we offer them?

Phase three was creating a framework for a community.

We realized that while the bottom-up dynamic we saw happening in cities across the world was fantastic, it also created confusion. What did it mean to be attending one of these dinners? Was everyone automatically a member of Sandbox? And, what did it mean to be a member?

This gave us a key insight into community-building that is still at the core of how Sandbox operates. If we wanted to connect these people to each other more than just once or twice and actually turn them from a group of nice strangers into a close-knit group of friends who will spend years, even a lifetime, together, we had to provide a structure with five simple but essential ingredients.

First we needed a framework to define who is inside—and outside—the community. As much as we loved bringing inspiring people to the table, we had to mark our boundaries clearly. So, in early 2009, we developed our first selection process

for any potential member. We also provided accepted members with an online directory so they could see who else was "in."

Secondly, we needed to define our purpose. We were truly enjoying connecting people, but we realized that our original intention of simply bringing them together wasn't enough reason for a community to exist, as it wouldn't keep people's excitement up over time. Thus we had to define our higher objective for Sandbox: to meet and learn from extraordinary peers and support each other.

We also needed a transparent global standard for evaluating new members. At first, every inspiring young person we met became a new Sandboxer, but we realized it was important for members to understand why they had been selected—and why their peers were. We decided that application decisions should be influenced by both a local and a global perspective, with the ultimate approval always coming from the global headquarters. This ensured that member applications in Bangalore were comparable to those in Mexico City, and it let people feel they were in this group for a good reason.

And that meant we needed clear expectations. We wanted our members to do more than just join the community. We wanted them to be active members and contribute: the more they did, the more valuable the community would be. We have learned to be very frank about what we expect of new members, and we make them sign a social contract that states both what they can expect from Sandbox and what Sandbox expects from them.

And, finally, Sandbox needed rhythm. People are usually excited when they join a new community, but they only start taking it seriously once they realize it is more than a one-off event, and that activities and events happen regularly and predictably. So we saw that, rather than organizing four events one month and nothing for the next three months, it was much better to pace our activities over time. At some point we started to develop a regular monthly newsletter for all our members, to give them a sense of constancy and predictability.

Phase four was moving to a global scale.

At first we built Sandbox chapters (we call them hubs) in places closest to us or in places where we had close connections, mostly in Europe and the United States. But our ambition is for Sandbox to operate in any major city in the world. In order to scale on a truly global level, we have learned to pay attention to three points.

First, we defined roles for people who want to help us expand. We have been very fortunate to be supported by Sandbox ambassadors, members who volunteer to run Sandbox at a local level. From the very beginning, fellow Sandboxers were approaching us offering to bring the community to their city. Over time we have learned that it is key to create a specific role for our volunteer supporters. Ambassadors sign up for a one-year commitment and can consider remaining in the role after that first year. We set goals together with them.

Second, we focus on critical mass. When we started out, we would welcome Sandboxers anywhere in the world, as long as they fit the application criteria. Over

time, we started to see the value of critical mass. Instead of having five members in 40 cities, we would do better to have 40 members in five cities. Why? While we were proud to have a presence in many countries across the world, the actual community experience was mostly shaped on a local level. For that to happen, we needed at least 20 people on the ground, so they could meet and spend time together.

And we saw that each city has a different flavor. It seems obvious in retrospect, but it took us a while to realize how beautifully different people are across the world. Therefore our Sandbox chapter in Beijing needs to have a different way of doing things than the one in Berlin. We now provide a simple global framework that any Sandbox hub can use, and then let every hub embrace its local character and fill it with the activities that fit best.

HOW A COMMUNITY LIKE SANDBOX
CREATES TANGIBLE VALUE FOR ITS MEMBERS

The main value of any community lies in the deep and trusted friendships between people, relationships we hope will last forever. But communities are inherently intangible: how can anyone quantify the quality of relationships? While most of us understand the power of long-term friendships, the short-term benefits are not always so obvious. So, how is a community like Sandbox helping its members? Are we truly supporting our members on a day-to-day basis, or is it merely fun to hang out with amazing peers? The two of us have asked us this question many, many times and the five points below are nuggets of how a community like Sandbox can truly accelerate its members, even in the short term. We believe these ideas apply not just to our organization but to curated, global, peer-to-peer communities in general.

Provide moral support. Beyond everything we found that surrounding oneself with a group of peers makes it easier to deal with the many stressful and frustrating situations involved in building a new company or project. Personally, we have found that fellow Sandboxers have been able to relate to the madness of entrepreneurship in ways that most other people don't. We have also found that spending time with Sandboxers makes us dream bigger. If you're constantly around friends who talk about big and crazy ideas, suddenly your next idea seems much more feasible.

Help members search for people or expertise. We have observed that many Sandboxers use the community as an effective way to search for contacts. They might be looking for people at specific organizations, experts within specific domains of expertise, local door openers, or people to hire. In this connected world, it is astonishing how many people not only search for entry points through the community but also find them. Often someone knows someone, and that leads them to the person they need. One of the more memorable searches in Sandbox history was initiated by Kyra Maya Phillips, a Sandboxer based in London, who was looking for a possible connection to Somali pirates. Writing a book about the

underground economy, she wanted to cover Somali pirates. Through Sandbox, she found them.

Offer a global home. Members of our community tend to travel a lot, and many of them pass through the world's major innovation hubs and capitals. Sandbox provides them with a trusted home in places where they might not yet know anyone. Our ambassadors act as door openers and connectors and help identify the right people on the ground in a new city. A few years ago, when we surveyed members on what they like most about Sandbox, one of the most common answers was that they loved to stay on other Sandboxers' couches when they were traveling. What better way to connect on a meaningful level than to stay with each other?

Provide spread and exposure. Getting something off the ground is hard and getting attention for your early-stage, semibuilt project is even harder. We have noticed how the community generously helps to spread information and give exposure to members' projects. Interestingly, community members are even willing to share information (for example, on their Facebook walls or Twitter feeds) about the projects of people they hardly know, simply because they are members of the same organization. On the other hand, Sandbox has also become an efficient way of spreading opportunities, such as open job positions or business plan competitions.

Provide a forum for feedback and learning. We also noticed that Sandbox is a great place for people to learn from their peers. The questions cover a very broad spectrum: on the one hand, people are asking for feedback on their ideas and projects, but on the other hand we see that members share difficult everyday situations and ask for collective input on how other people deal with them, from managing failure anxiety to explaining to your parents what it is you actually do.

LESSONS FROM BUILDING A COMMUNITY

Starting a community—though it was something of an accident—is the best thing that ever happened to us. Here, quickly, are a few lessons we have learned from the process, with more detail below.
- Communities are not networks; they function more like families.
- Communities are defined by trust and shared values.
- Communities work best when the experience has a clear beginning and end, with powerful rituals in between.
- Technology is only a means to an end, and local face-to-face interaction is absolutely crucial for an active community.
- Figuring out the business model for a community is really, really hard.

A community is not a network—it's a family.

We learned over the years that there is a huge difference between a community and a network. A (human) network is a group of people who have connections to each other. These relationships often exist for a specific reason; for example, to exchange best practices within the same industry. But a community is different: its members

come together around shared values and ideals, and they build a common identity. It's about deep and meaningful relationships, not connections or "contacts." So, in many ways, a community works like a family.

Our favorite example to illustrate this comes from our hub in Washington, D.C. When our Sandbox ambassador Kalsoom Lakhani got married, two of the tables at the reception were reserved for Sandboxers. This is still one of our proudest moments: a community is not just people you have met but people you would invite to share intimate moments.

Successful communities are built on trust.

Communities are far more powerful than networks because members trust each other. Trust is the strongest enabler of deep and lasting friendships. People are willing to open up more. They are willing to help each other more. They want to spend more time together. They will trust other members of the same tribe, even if they have never met. And they form more meaningful relationships. While plenty of organizations provide monetary capital to bring young doers forward, we believe that trust is just as valuable and powerful as money in bringing people, and their ideas, forward.

Creating trust is the most important—and hardest—task of any community-builder. It comes from measures like a consistent and clear application process with equally high expectations of all members. It comes from clearly outlining what members can expect and what is expected from them. It comes from consistency and rhythm. It comes from being transparent and clear about the goals and vision of the community. And it comes from sharing genuine values.

Values make all the difference.

Many communities out there have members with amazing achievements. How is Sandbox different? Many members have told us that it's our focus—and our emphasis—on values. We like to describe Sandbox as a family and believe that, like every family, we need a shared set of beliefs.

Since starting Sandbox, the two of us have tried to infuse the community with the following key values: humility, vulnerability, and a sense of humor and humanity. Why these three? Everyone at Sandbox is extraordinarily accomplished. Everyone is hustling and working hard on their next big idea. But in order to truly connect and bond, we have to leave all that behind and just be human. We have to listen. We have to respect the other humans in the community. We have to stay curious. And we have to accept that, sometimes, we say and do totally ridiculous things.

Strong communities have a beginning, an end, and powerful rituals.

When we started with Sandbox, there was no beginning and no real end to the experience of being a Sandboxer. As a result, the initial excitement among new Sandboxers would decrease over time and members would disengage. To address

this, in 2011, our dear friend and long-time New York City ambassador, Niamh Hughes, working with Fabian, pioneered the Sandbox class model. It's very simple. Sandboxers are accepted in classes of around 20 people every 12 months, instead of on an individual and rolling basis. We realized that as a community we could learn a lot from the classic timeline of a university and started to model our experience accordingly: our classes start with a kick-off event, followed by three years of shared experiences, including local retreats and global summits. Members then "graduate" from Sandbox. Since we introduced the class model in New York, we have started to implement it in more of our hubs and think it has worked very well so far. What we haven't answered yet is how members, once they have graduated from a class, will continue to be involved in Sandbox. A strong alumni community is crucial for the long-term success of Sandbox, but we haven't yet figured out how to provide this without having to run two communities at the same time.

We are a micro-global community.

Initially, our community grew organically all over the world. We accepted members wherever we found amazing people, but we saw we would need critical mass on a local level if we were to thrive. So we decided to accept applications only from people in hubs where we already had a presence, or wanted to build one. This let us provide both global relationships and a local community at the same time. The American writer and professor Clay Shirky termed our approach "micro-global": while members feel they belong to a global family, they create their strongest relationships on a local level.

This approach of global and local (or top-down and bottom-up) is also at play in other ways: Sandbox has global headquarters with a full-time staff that provides constant activity, support, and communication, and coordinates applications to ensure that members are on an equally high level across the globe. On the other hand, we have a wonderful group of local volunteer ambassadors who run their Sandbox chapters. We found that having two to three ambassadors per city allowed us to create an intensive experience for our members on the ground. This balance of top-down and bottom-up has worked well so far, but the two are in a constant negotiation process. As Sandbox matures as an organization, we expect the bottom-up part to become stronger.

The more informal, the better.

Organizations, including communities, tend to become more formal in their interactions over time—people see it as an expression of professionalism. We believe the opposite is true, and have tried to encourage less formality whenever possible. People interact very differently in an informal setting. Informal is more human. We encourage our members to host events at their homes. We discourage the use of nametags, business cards, and anything else that reminds us of traditional "networking." We want our members to discuss not what they do but who they are, what they want to achieve, and what challenges they face on their way. This helps

our conversations to be more focused and meaningful; people discuss actual issues instead of collecting connections.

True diversity is powerful.

Fabian likes to joke that the easiest community to build would be one for white male tech entrepreneurs. They are very easy for us to find. But we realized early on that true diversity is incredibly powerful. No matter if the entrepreneur is female or male, or if they are working in politics, academia, design, social entrepreneurship, or technology, most young doers are facing the same challenges. Their different perspectives enable them to grow faster and open up new horizons. It also makes it easier to focus on building true friendships rather than "professional" connections.

The more interesting the audience at an event, the more interactive it should be.

We suffer from conference fatigue, and it seems many others do too. We don't want to spend our days in a windowless conference room at a hotel near an airport, listening to mediocre keynote speakers. In 2011, when Fabian organized the Sandbox Transamerica Expedition in Mexico—our first larger event—he wanted it to be as interactive as possible. So he developed an event format that has become key for our events worldwide. As participants register, we ask them to suggest an hour-long session about anything they would like to do—but it has to be interactive. From all these suggestions, we curate an offering of sessions for the final agenda. We prefer activities that encourage participants to work together, like cooking, setting up camp, or building a bonfire. Again and again we have been blown away by the human creativity that emerges when you let your audience lead parts of your event. At our 2012 Global Summit in Lisbon, the topics of sessions ranged from comedy improv to how to pour a perfect pint of Guinness, how to write a love letter, Finance 2.0, and the history of advertising.

For communities, technology is a means to an end.

For a long time we thought we had to create our own online social network that would serve as the single way of communicating within the community. We started out with a customized community on a platform called Ning—and failed miserably. Nico calls this the Facebook fallacy, and we think that many organizations suffer from it. Because Facebook is the predominant social network, people tend to develop platforms that mimic how it works, but for one specific community. This approach almost never works: competing with Facebook on a technological level is impossible, and getting people to use yet another platform is very difficult.

At Sandbox, we eventually realized that we should allow members to interact on whatever platform they already use the most—and we would never have a unified platform. Instead, Sandboxers today use a combination of Facebook groups,

mailing lists, Whatsapp groups, and even good old email to stay in touch with each other.

This is not to say that communities should never run their own platforms. They should—simply because most of them need good data on their members to maximize the value they create. This particular insight came to us way too slowly, in part because neither of us has a tech background. As a result, Sandbox doesn't have very accurate data on its members, which is annoying for the members themselves (for example, it's hard to find all the other Sandboxers in the same city), and it's a huge problem for the organization.

Even communities need a business model.

Over the past four years, we have tried and discussed many business models and revenue streams for Sandbox. Some have worked well, but we have not yet managed to make the organization financially sustainable for the long term. That happened partly because we spent less time on this issue than we should have. We believed—wrongly—that a successful community would inevitably lead to financial success. But it also happened because there are no obvious answers and few people have figured out how to create sustainable business models for communities.

Every organization that is not entirely volunteer-run needs an income, and we see several viable business models that can be built on top of the Sandbox community. But two aspects are vital in any such model: it cannot exploit the community, and it cannot create bias toward certain members (e.g., those who are older, or wealthier, or starting companies).

Income option 1: Membership contributions. We both have come to believe that members should contribute financially. We wish we had started with membership fees from day one; doing so establishes an expectation among members. But when we started, we simply lacked the self-confidence to ask people to pay for what was, at that point, an unproven model. It was only earlier this year (2013) that we did a test run and found that voluntary monthly membership contributions are a great way to go. Members can contribute according to their financial means, and according to how much value they are currently gaining from the community. Additionally, encouraging contributions raises both the perceived value of the community and the activity level of individual members.

Income option 2: Innovation consulting. Instead of soliciting contributions from members, Sandbox started with a consulting business model that Nico developed together with Thomas Sevcik of Arthesia, a key advisor and then a board member. For several years we supported companies, mostly large multinationals, in developing innovative strategies. After doing some initial research, we would assemble a group of Sandboxers for a workshop with the client, and then provide a final report with results. The participation of Sandboxers was of course always voluntary (and paid). This model worked very well; among many others, we consulted

with Volkswagen, UBS, and Frankfurt Airport. Under Nico's leadership, Sandbox became profitable.

But the consulting came with significant downsides. We felt that the consulting projects were drawing our time away from what actually mattered: creating value for the community. So, we eventually decided to stop consulting and focus fully on building community. In retrospect, this was not a wise decision. Granted, consulting required a large time commitment from our headquarters and only involved a small subset of members. But if you're a startup and you have a business model that works, you should stick to it until you're certain you've found something better.

Income option 3: Event partnerships. Given our background in event management, we hoped to replace the revenue from consulting with revenue from events, and began working on our first Global Summit. This worked quite well, and we found great partners that supported us financially, easing the burden on our members. But big events usually need to happen consistently over several years to become profitable, and so far, Sandbox events have not become a major source of income.

Other options and the way forward. Over time, we have had many other ideas for revenue sources for Sandbox, from an investment fund, to a speaker agency, to an educational initiative. Some of these clearly have potential, but none of them is a silver bullet, the one solution that will provide all the revenue we need. Most likely, Sandbox will rely on several revenue sources in the future. From our experience, we think such sources are likely to succeed if they follow three basic principles. They should be aligned with our vision and mission. They should add value for members and the community as a whole, rather than taking value away. (For example, Sandbox should never sell members' data.) And they should be simple to implement and not require massive additional overhead.

LESSONS ABOUT BUILDING A STARTUP

Sandbox is also a startup, and much of what we've learned can be applied to other startups, whether they're communities or other types of organizations. The quick summary first:

- Start, early on, to think about the most appropriate structure and governance model. Not everyone needs to be a for-profit.
- Look within for top talent.
- Have a team of full-time people in one location.
- Think about who invests in you.

Sandbox should have been a nonprofit.

We started Sandbox as a for-profit because we knew how to do that and figured it was easiest. But we had always wanted it to be an organization that would be around forever, and we didn't spend enough time thinking about the opportunities and constraints of a for-profit versus a nonprofit structure. Knowing what we know

now about funding options and hybrid structures, we'd begin by building Sandbox as a nonprofit and potentially add a for-profit arm at a later point. Starting as a nonprofit most likely would have limited our access to funding early on, but it would have allowed us to do at least three key things: focus on our core mission of building an exceptional community, create more stable governance structures, and involve our members more deeply in the process. That's why we are excited to see the new team experimenting with different ways to get member input.

Look within for talent.

We were and are incredibly lucky to work with a series of amazing community managers over the last five years. But we struggled for a long time to attract and retain top talent for Sandbox beyond the founding team—even though we had access to an amazing community of incredibly talented people.

We see several reasons for this. First, we lacked the self-confidence to believe that all the amazing people who wanted to join Sandbox could also be interested in working for us. As strange as this may sound now, it took us quite a while to see the advantages of recruiting from within our existing pool of fabulous members.

Second, we didn't do a very good job of managing the expectations of the people we brought on to the team. We emphasized rewards—like good pay, or stability, or decision-making power—and then often could not deliver. For the first two, the reason was simply that we were a struggling startup. The third one involved a complicated situation within the founding team. We had brought on four additional cofounders, which made it hard to extend decisionmaking power to even more hires.

We did eventually come around to bringing Sandbox members onto the team. Daniel Karpantschof, who had been a member for several years, worked with Nico in New York, and today Sandbox is led by two former ambassadors: John Egan and Alex Terrien. They have done tremendous work in their hubs (Dublin and Paris, respectively), and we are very proud to see them lead the organization today.

You need a full-time team working out of one location.

For a long time, the Sandbox cofounders were working from as many as four different locations, and most were working part-time. This situation developed for several reasons. Some founders were working on other projects and companies, and we couldn't pay everybody to work full-time. And being a global community, we thought it would be helpful to have the cofounders spread out around the world.

This turned out to be a mistake. It took us too long to realize that distributed teams don't work when you're building a new organization. Everyone has to be in the same room and at the same table. Having people in different places and working part time, means the team members feel too entitled and not committed enough. It slows down the decisionmaking process, and people feel left out and become territorial. People spend a lot of time making sure that everyone has the

same information, instead of focusing on building new things. With a team as distributed as ours, it was hard to build a good working culture. When we finally moved operations to one place (first Zurich, then New York, and now London), we got things done a lot faster with a lot less people power.

There are investors who like you, and there are investors who like your business.

The first group tends to be friends and family, who believe in you and personally want to support you. The second group includes the "professional" venture capitalists who see potential in your idea. The two have very little in common. Obviously, both groups have an interest in making a profit from their investment and thus want to see the company they're investing in succeed. But the first group is mostly concerned with seeing constant progress and development. They are interested in what happens in your company on a monthly basis, but they have a very flexible time horizon for their liquidity event. Conversely, the professional investors are mainly concerned with their path to liquidity. Simply showing them "activity" doesn't work—what they need is a clear, long-term view to sustainability and profitability. If you can't offer that (yet), you should hold off on bringing in additional investors. Taking someone's money is a bit like getting married: it can be a wonderful thing but it is also a serious commitment, and once you are in you have to make it work.

THE WAY FORWARD

Over the last five years we've made many mistakes, and Sandbox still faces several challenges, from how to become sustainable to how to engage members over longer periods of time. But we are still incredibly humbled (and a bit proud) to see that so many amazing people have joined Sandbox and have turned it into a unique community. And, with John Egan and Alex Terrien, we are thrilled to have an exceptional leadership team that knows, lives, and breathes Sandbox.

Since starting Sandbox, we have met many community builders who are facing similar challenges to ours. We hope that our learnings outlined here will be helpful to anyone who is building a community, and we look forward to learning not just from Sandbox, but from communities around the world.

Last but not least, a word of thanks. We didn't build Sandbox by ourselves. Building this community has been a huge collaborative effort, and we are forever grateful to the many people who helped us on our path, especially our many ambassadors.