DESIGNING WITH THE BENEFICIARY

AN ESSENTIAL STRATEGY TO OPTIMIZE IMPACT

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Consulting citizens and stakeholders is widely recognized as an essential element of best practice in the fields that we collectively term the "for-impact sector." We define this sector as one that formally invests money and human resources in promoting the social good. This field includes development aid agencies, philanthropic foundations, impact investors, nonprofit organizations, and social ventures. Stakeholder engagement is generally viewed across the for-impact sector as the right thing to do as a means to uphold democratic practice, ensure transparency, and respect citizens' right to information.[1]

Those who implement for-impact projects also consider stakeholder engagement a strategic necessity for gaining buy-in and social license for their projects.[2] However, new research suggests that inviting stakeholders' creative input as part of that engagement is also a smart thing to do—that it is in fact a crucial step in achieving optimal project design. Capturing citizens' ideas can tap into what today's leading for-profit companies recognize is valuable input for their projects—the insights and ingenuity of end-users.

As visiting scholars at Stanford University's Global Projects Center, we are investigating how the revolution in the for-profit sector to engage end-users in product design may be applied in the for-impact sector. Specifically, we seek the answers to three main questions: (1) What has created the recent shift in the for-profit sector toward inviting end-user input in product design? (2) Is our perception that a similar revolution is not yet occurring in the for-impact sector correct? (3) If engaging end-users is not occurring in the for-impact sector, why not? Through case studies of companies at the forefront of user-driven design, a literature review, and more than 40 interviews to date with leaders from diverse institutions in the for-impact sector, illuminating answers have begun to emerge.

WHY IS THE FOR-PROFIT SECTOR LISTENING TO END-USERS?

There has been a major shift in the for-profit sector over the last decade, away from a model in which products and services are created through a closed-door, top-down, expert-biased process—what we call the passive consumer model—and

toward a model based on open, crowd-sourced, user-driven strategies—the engaged "prosumer" model. In the prosumer model, end-users help to shape/create the products they consume.[3] Many companies have come to recognize that, to have an edge over their competition, they must regularly engage end-users in testing assumptions and get their insights into what consumers want—in short, they create solutions together.[4]

Many companies today are increasingly competing with one another to persuade end-users not only to buy their products but to participate in shaping and promoting them.[5] Hungry for innovative ideas that meet consumers' needs, companies such as Google, LinkedIn, and Etsy are including end-users in their product design, branding, marketing, and even hiring processes.[6] But it's not just tech companies that are doing this; firms as varied as Home Depot, Bank of America, and NRG Energy are reaching out to end-users as partners in designing their products and determining the direction of the company.[7] The past decade has seen a radical increase in end-user engagement in the design process, and in engaging consumers as "active co-creators of value everywhere in the system."[8] We examined this sea change toward end-user engagement in the for-profit sector and have identified two clear driving forces: evidence of financial return, and new levels of feasibility resulting from technology and incentives.

The case for financial return has been affirmed in recent decades, and particularly the last 5-10 years. Industry articles on the topic commonly note that every dollar spent on involving end-users in the design process brings in between $2 and $100 in return. Involving end-users in the design process enhances the three drivers of higher profits: innovation, quality, and capture of market share.[9]

INCREASED INNOVATION

End-users have an increasingly vital role to play in innovation. In fact, studies have found that non-experts often come up with product ideas that have more novelty value and benefit to customers than those created by engineers and designers.[10] Non-experts also identify solutions to entrenched problems more successfully than experts.[11] Furthermore, the research on crowdsourcing sheds light on why and how groups of non-experts can generate valuable information. James Surowiecki's influential 2004 book, *The Wisdom of Crowds: Why the Many Are Smarter than the Few and How Collective Wisdom Shapes Business, Economies, Societies and Nations,* demonstrates that the judgment of a crowd can be more

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effective than the judgment of even the most expert consultant, particularly when several conditions are satisfied, such as diverse perspectives among the crowd. At the heart of this phenomenon is a mathematical truism: when a sufficiently large and diverse group of people is asked to make independent predictions or assessments, the errors each makes in coming up with an answer will cancel each other out, leaving the most accurate information.[12.]

In the decade since Surowiecki's book appeared, there has been an explosion of research and writing on crowdsourcing and the myriad ways it can generate breakthrough insights and value. As research on non-expert and crowd knowledge continues to expand, more and more companies have opened up their design and technical problem-solving processes to end-users, as a strategy to increase the likelihood of finding bright new ideas that will create winning products.

SUPERIOR QUALITY PRODUCTS

Diverse groups of end-users are not only excellent at solving problems and generating ideas, they are also successful in selecting and improving the best options among multiple prototypes.[13.] This is one reason a growing number of companies are engaging end-users in prototyping, product testing, and, increasingly, in the design process. One study shows that companies focused on the user interface and user experience in developing their product designs and applications create more effective products.[14.] Another study reveals that robust end-user engagement results in product designs that are more attractive to consumers.[15.]

A key finding in our research is that end-users add significant value when they are involved in multiple stages of the design process, including iterative discovery and feedback. End-users involved in these stages act as true thought partners with the company's designers and technical experts. Extensive research by Venkat Ramaswamy, a leading scholar on this topic, has found that superficial attempts to involve end-users do not produce the significant innovation, quality, and financial returns enjoyed by companies that embrace the "co-creation paradigm."[16.] Ramaswamy points out that, in companies that are not fully into co-creation, end-users

> are researched, observed, segmented, targeted, marketed at and sold to by people from the firm, but they are not engaged in any deep, meaningful interaction with the firm, especially on their terms… The firm decides what the "touch points" are and how the relationship with the individual is defined. Individuals do not get to decide what they can share with the firm but instead must answer the questions asked of them at the focus group. They do not participate in the design of the product or service or program, but they are only presented with an offering designed for them by the firm…They are left with a yes-or-no decision…This firm-centric paradigm of the conventional enterprise has served us well for many years, but it is rapidly becoming outmoded.[17.]

The research of Ramaswamy and others is showing that, if end-user engagement is to result in superior products, services, and experiences, companies must move toward a model in which they develop their products jointly with stakeholders and build opportunities for sustained connection and co-creation with end-users.[18.]

CAPTURING MARKET SHARE

Recent research in psychology and behavioral science demonstrates that engaging end-users leads not only to new ideas and better products but to increased brand loyalty, customer retention, and users' active promotion of preferred brands.[19.] Indeed, a key element of the prosumer revolution is engaging end-users as volunteer marketers. Today's leading companies are recognizing increasingly that their success rests on being able to mobilize end-users as loyal advocates of their brands and products, particularly via social networks.[20.]

The importance of this development is affirmed by the growing number of companies that exist solely to help other firms engage users in a co-creative capacity; this includes hundreds of companies that are tracked on crowdsourcing.org. Companies increasingly see investing in user-driven design and co-creation as an essential strategy to increase innovation, quality, and market share; to inform the investments and direction they pursue; and to decrease risk.[21.]

Our research findings show that strong financial returns were not the only thing that sparked the for-profit sector's sea change toward user-driven design over the past decade. This shift was also influenced by three related factors that increased the feasibility of end-user engagement: an evolution in the method of involving end-users in product design, new tools for engaging end-users at scale, and increasing pressure from investors to test assumptions about new products with end-users.

THE EVOLUTION OF METHODS

Today's practice of involving end-users in designing better products has its roots in the political and civil rights movements of the 1960s and 1970s, which spurred design theorists and practitioners to reevaluate and update to their own practices.[22.] These shifting times gave birth to participatory design processes that actively involved the potential and current users of a system in its design. Participatory design appeared first in the for-impact sector in contexts such as urban planning and public health, where end-user engagement was motivated by goals of democratization, equity, and citizen empowerment.[23.]

The mid-20th century also saw the application of participatory design approaches in engineering and for-profit product development, as companies realized that greater interaction with end-users was leading to the faster development of key ideas.[24.] These pioneering efforts generated numerous design tools and techniques such as usability testing, mock-ups, prototyping, and even role-playing, which are now standard practice across many industries.[25.]

In the late 1980s and 1990s, user-centered design became the new standard, as users were elevated from "guinea pigs" to co-developers of systems and products.[26.] In the 2000s, global design firm IDEO popularized what it calls human-centered design, which focuses on having empathy for users. In short, human-centered design encourages practitioners to engage end-users as complex, insightful actors who play a critical role in determining how a new product or service can add value to their lives, organizations, and communities.

As it became clear that this approach to design was behind many successful commercial goods, companies began employing a user-centered design approach in more and more contexts—from hardware, to user interface systems, to user experiences, to corporate strategy, and even to enhance the functioning of complex organizations and multi-stakeholder systems. Most recently, as design has

moved away from the world of products, these tools have been adapted and extended into a distinct new discipline: design thinking.[27.]

Design thinking is deeply rooted in human-centered design. It has been adopted by diverse fields and actors throughout the for-profit sector, including IDEO and superstar companies such as Apple.[28.] Design thinking requires practitioners to let go of long-held preconceptions about the roles of the designer and the end-user and to recognize the end-user as a partner in the process of iterative discovery. This approach has taken off like wildfire across the sector and has been rapidly established as mainstream best practice. In sum, the rapid evolution over the past half-century of engaging end-users in design and decision making has inspired a new mindset and best practices.

THE ADVENT OF NEW TOOLS

An important driver of the shift to user-centered design is the rise of crowdsourcing, which is generally defined as an open call to anyone or to members of certain target groups to take part in completing a task. The boom in crowdsourcing over the past decade has incentivized an array of approaches that allows companies to source information from or delegate tasks to individuals across the world. Crowdsourcing has become a key way to enable co-creative engagement with end-users at scale.

As the desire to engage end-users in the design process has grown, so has the diversity and range of crowdsourcing. Crowdfunding efforts allow individuals to be end-users by investing in a shared goal. Distributed knowledge platforms enable end-users to contribute information to a shared knowledge hub, such as posting geographic coordinates or product ratings. Crowd creativity and open innovation tools allow end-users to offer ideas for solving a problem, challenge, or opportunity.

The popularity of crowdsourcing and the exponential growth in connective technologies has seeded diverse forms of end-user engagement. It also has changed the paradigm for the scope, scale, and ease of conducting such processes.

INVESTMENT HAS SHIFTED STANDARDS

In the past decade, the Lean Startup methodology first proposed by Eric Ries has contributed to the revolution in how we think about bringing new products and services to market.[29.] Ries' 2011 book, *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses,* debuted at number two on the *New York Times* Best Seller list, immediately becoming a must-read for entrepreneurs. The book advocates testing ideas early in "minimal viable product" form, rather than making a massive investment in a new product launch before learning whether people will want the item.[30.] One of Ries' key recommendations is that startups rigorously test their ideas with end-users right from the start.

This commonsense approach has influenced investors as much as it has entrepreneurs.[31.] Being able use evidence-based testing to prove that an entrepreneur understands and can provide what the customers want is becoming a prerequisite to raising funding. For today's savvy investors, robust user testing is increasingly seen as a basic part of the proof-of-concept, due diligence, and in some cases the de-risking required for investors, who increasingly expect to provide early stage funding to enable such proof of concept. Investors are thus creating new incentives and resources for companies to engage

end-users in depth and at scale when shaping the company's direction and product line.[32.]

IS THE FOR-IMPACT SECTOR LISTENING?

Designing with end-user input is now mainstream practice across the for-profit community and is growing in scope and form. But is this same shift occurring in the for-impact sector? In our research to date we find that relatively few for-impact institutions have formal procedures or requirements for testing ideas with end-users before launching a new project or service. Moreover, we often find an apparent contradiction in our interviews with the staff members and leaders of for-impact institutions. On the one hand, most interviewees affirm that their organization does not regularly engage end-users in testing and shaping ideas prior to launch, yet most express frustration that this is not happening. They agree that it would bring value to their work and say they want their organization and the sector to do more of it.

A recent blog post by a director at Ashoka points to the same phenomenon that we are finding in our interviews:

> I've met many bright [social enterprise] founders bringing a fantastic product to market that could transform the lives of millions of people living at the base-of-the-pyramid. Solar lanterns, water purifiers, clean cook-stoves, water-free toilets, drip irrigation systems—the list is long and impressive.
>
> But how many actually met their customers before they built a product and went off to sell them? Depressingly few.
>
> I remember one enterprise that distributed affordable eye-glasses to impoverished rural kids in India. It would have made a huge difference to their education. Yet a surprising number of the glasses were broken or "lost" very quickly. Why? Because the (early versions) of the glasses were just plain ugly. It turns out children at the base-of-the-pyramid are the same as kids all over the world—they care how they look in front of their peers. Design thinking would have found that out quickly.[33.]

This example illustrates the waste, misguided investment dollars, and missed opportunity to have a positive impact that can result from failing to collaborate with the end-user in product design. It also affirms what we are finding in our interviews—that the for-impact sector is systematically failing to listen to its end-users.

WHY IS THE FOR-IMPACT SECTOR FAILING TO LISTEN?

Our research to date suggests that failing to listen to users stems from the entrenched formal procedures applied in the for-impact sector, and from a mindset that pervades our sector. Our interviews illuminated some of the obstacles to creative partnering with end-users, as well as key opportunities to move our sector toward the kind of outcomes we all desire.

Thus far our interviews point to two systemic phenomena that are occurring across the for-impact sector, which we refer to as end-user exclusion and consolidation of influence. We define end-user exclusion as systematically leaving out, blocking, or ignoring input from the people for-impact initiatives are intended to benefit. Our interviewees made it clear that excluding end-users from the decision-making processes is prevalent across the sector. As one interviewee noted,

> Our organization's existence relied on satisfying investor and donor

> demands. There was no built-in mechanism to include end-users in a meaningful way. While we would sometimes solicit feedback from the business leaders we invested in, we rarely reached the farmers or artisans we were ultimately serving. The culture divide was too great and the incentive to do that difficult work was not there.

When we asked interviewees to analyze why this is occurring, they pointed to a number of "broken incentives" that drive for-impact entrepreneurs and advocates to respond to donors/investors but not to end-users. One of the most common broken incentives is for-impact funders' failure to invest in the preliminary development stages, which prevents organizations from testing their ideas before a new program or service is put in motion. There is also little engagement with end-users to help get an idea right. This contrasts sharply with the for-profit sector, where early-stage investors commonly provide seed funding for the proof-of-concept cycles and user engagement in prototyping.

Interviewees also pointed out that excluding end-users is not only an issue in the design stages of specific programs, campaigns, or initiatives. It starts at the stage where priorities are set for entire organizations, agencies, and even fields. This leads us to the second systemic phenomenon, consolidation of influence, which we define as a persistent monopoly on decision-making power and designer authority in crafting the impact agenda. Many interviewees pointed out that only two parties are present while an impact agenda is being set: donors/investors, and entrepreneurs/advocates, such as executive directors or program staff. Interviewees noted further that donors/investors wield the most influence within this two-party dialogue.

Perhaps most striking is that the majority of interviewees brought up the sector mindset that makes designing with end-users appear impossible or unnecessary. The following quotes highlight key points on this subject:

- There is a problem that our sector is focused on: How can we get the community to talk to us? But the bigger question is: How can we trust the community, and how can we truly believe that the community is just as smart as us? We have been trained…to think that we are smarter than the community. We have to un-train ourselves from this mentality.

- How do we create leverage points? I see two key factors: resources—the kind of seed capital and proof-of-concept investment that we see in the for-profit sector—but also mindset. We have to recognize that the problem is not just resources or not just risk-aversion on the part of funders. People within the sector are also very rigid, with stubborn ideas about what creates impact. They are sure they know…[and] don't need to test their assumptions.

- In the for-impact sector, we still believe and assume that we know about people.

Interviewees frequently pointed to this sector-wide mindset as an obstacle to end-user engagement, which spurred us to investigate how it originated and why it persists. In a literature review of the origins of the for-impact sector, we found that the answer may be largely a history lesson. We focused our historical analysis on the United States because of its influential role in creating and shaping the growing for-impact sector.[34.]

Our research places the birth of the U.S. for-impact sector in the late 1800s, when, in the evolution of the American concept of self-governance, civil society was acknowledged to be a viable and conven-

ient method of providing social welfare. Philanthropy simultaneously emerged as the elite's response to the extreme inequality of the Gilded Age. Players such as Rockefeller and Carnegie established the first large-scale foundations and spurred the creation of a sector that came to see "doing good" as a sector with its own science, community of practice, experts, and acting bodies.[35.] This essentially professionalized the idea of doing good for others, and did so on a scale that attracted millions of dollars in investments. The sector was expanded in the mid-20th century, when international development became a way to mitigate Europe's colonial legacy while justifying the United States' growing political influence across the globe.[36.]

The twin legacies of colonization (justified as an effort to "civilize regions inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world"[37.]) and Gilded Age elites giving to the "less fortunate" poor are inseparable from the roots of the for-impact sector. They in fact have a very real impact on how aid continues to be delivered today. Doing good for others is still largely perceived as an action of the more fortunate visited upon the less fortunate. It is generally accepted as a one-way flow of a range of resources, including information, technology, health care and other services, and investment. The sector is built on the underlying assumption that some have the privilege to help, while others are relegated to being helped.

Early for-impact actors borrowed from other sectors to establish ways of doing business. From government they adopted a managerial, institutional ethos based in representational governance. From the for-profit sector they took exclusivist, competitive professionalism and specialization. From the citizen elite, still strongly influenced by European notions of noblesse oblige, they embraced discretion, authority, confidentiality, and consolidation of resources. From the zeitgeist of the times—when women were not considered fit for public office, African Americans were viewed as less than human, and landownership was still a ticket to entry in some realms—they extrapolated that only some were fit to participate in doing good. The operating methods of the emerging for-impact sector were further influenced by social Darwinism and colonialism, both influential concepts at the time.

Our interviewees' responses suggest that an entrenched belief system is still alive today within the for-impact sector, one that holds onto the idea that only certain groups of people, with a certain kind of education, privilege, and access, have the expertise and ability to generate smart solutions to entrenched social ills. As one interviewee observed,

> I think that resources and power have always been conflated. Even our earliest myths show that as humans… [we have a] cultural expectation that someone who has more things and access to more resources is somehow better than others or more powerful. ... [We] still operate in ways that assume that they are smarter.

Interviewees also pointed out that elevating certain forms of knowledge—and the people who are experts in this knowledge—perpetuates a power dynamic of investors, entrepreneurs, and advocates who assume they "know best" what the end-user wants or needs. As one interviewee noted, "We need a shift in culture; maybe we should be more mission agnostic—that is, not be so stubborn and egotistic about assuming we know what people want and what is the best way to deliver it."

Interviewees have noted that, while current practices in the for-impact sector may involve asking end-users to report on challenges with a service or program, or

to check a box saying that they have been consulted, end-users are rarely asked in earnest for their ideas, insights, and proposed solutions to the problems they face. In contrast, the for-profit sector rigorously tests assumptions about what people want by involving end-users in design and problem-solving. One interviewee summed up this comparison:

> In the private sector, they are increasingly understanding the importance of the relationship between customer and company to create trust...In the development and urban planning world, when people do talk about "engagement," they tend to feel negative about it and tend to feel that it is onerous but not very productive. And to be honest, the way that engagement normally happens these days, it is not very productive!

It goes without saying that for-profit operating methods have shifted dramatically since the Gilded Age, but this level of change is not evident when looking at modern-day for-impact institutions and their Gilded Age counterparts. For example, if one assesses the structure and decision-making processes of the League of Nations (an entity explicitly set up to manage colonies) it is easy to recognize the blueprint of today's World Bank Group. So why has the for-impact sector largely remained mired in an outdated mindset and approach? The answer may lie in the powerlessness of the sector's end-users. Whereas for-profit end-users have the power to vote with their dollars and thus to decide if a company will thrive or fail, for-impact end-users have no such power. In short, the survival of for-impact institutions is not based on whether end-users want what they are delivering. Locked in an echo chamber of assumptions made alternately by entrepreneurs/advocates and by donors/investors, the sector is buffered from actual demands and trends among its end-users.

Lacking any accountability to their end-users, for-impact institutions have not been forced to update their practices and thus continue to do business as usual, which allows stereotypes to persist. Comments from our interviewees and insights gained from our analysis reveal that this environment encourages for-impact practitioners to infantilize, dehumanize, ignore, and even fear its end-users—although it may do so unconsciously. This implicitly biased mindset prevents the sector from seeing end-users' valuable expertise, even though the latest research demonstrates that their knowledge is essential for achieving quality, innovation, and optimized returns.

In sum, our research suggests that an outdated mindset persists across the for-impact sector, resulting in the exclusion of end-users and a consolidation of influence within the institutions. We should not underestimate the power of this mindset to determine which operating methods are deemed acceptable and advantageous. In the for-profit sector, the shift in mindset inspired by design thinking was a critical ingredient in the sector's revolution in end-user inclusion. What will it take to spark a similar revolution in the for-impact sector? Our research to date suggests that it will require at least three key ingredients: (1) an investment in shifting the standards, (2) using the tools and translating the methods of the for-profit sector, and (3) changing the prevailing mindset.

AN INVESTMENT IN SHIFTING THE STANDARDS

Our research suggests that donors/investors in the for-impact sector are uniquely positioned to catalyze the practice of user-driven design.[38.] Some pools of philanthropic funding that are

currently available are analogous to the for-profit sector's seed capital, although such funding is still relatively rare among for-impact financiers and thus hard to access. Where such seed capital does exist, the sector tends to see its use as enhancing programs that are already successful and making it possible to take them to scale. For example, an inner-city program that is working well in Detroit may receive funding that helps it scale to cities across the United States.

A major limitation of this type of seed capital is that it comes in only after for-impact entrepreneurs have come up with a winning idea and demonstrated its impact. Our research finds that funding is most critically needed to finance a the process of testing and getting an idea right before being required to demonstrate its impact. Once an assumption has been tested and end-users have helped shape and hone an idea, a program can launch with confidence and anticipate its impact within a realistic timeframe. A project must continue to engage end-users throughout the cycle of a project, including the creation, evaluation, and learning phases. If appropriate, a funder can provide additional seed capital to support this process and bring the idea to scale. Ramaswamy says that the greatest benefits of the co-creation paradigm are reaped when people are engaged as active co-creators throughout the system.[39.]

Our interview subjects frequently pointed to the lack of funding for user-driven design in the for-impact sector. Many of them had clear ideas about the catalytic roles for-impact financiers could play in changing this situation and making such funding a regular practice:

- Funders should support some sort of proof or demonstration of citizen demand and constituency backing before fully funding a proposed initiative—what I call social capital base validation.
- [At our foundation] we first give general operating support and then we engage in co-design. That is how you create equal power and real negotiation. The grantees and communities already have the resources and your commitment. This means you invest in a better process—you bolster the infrastructure needed for a great community-driven design process.

Several interviewees pointed out that the key actors sparking such reform are often the smaller foundations, family philanthropic and investment offices, and non-endowed foundations that must raise the funds to meet their budgets every year. These actors are most willing to experiment and could become the forward-thinking venture capital catalysts of the for-impact sector.

Some may object to our argument that the pre-implementation phases of the for-impact project cycle are underfunded and counter that development banks and other large for-impact financiers invest millions of dollars in upfront feasibility, due diligence, and stakeholder engagement processes. While this is true, these processes tend to fall squarely in the firm-centric paradigm articulated by Ramaswamy, in which end-users are presented only with a take it or leave it decision at a point in the process that is determined by the financier. In other words, significant financial resources are indeed being invested in the front-end processes of the for-impact sector, but they are not effectively engaging end-users in the co-creative design process or as active co-creators of value.[40.]

USING THE TOOLS AND TRANSLATING THE METHODS

With advances in crowdsourcing and connective technologies, as well as sophisticated methods of in-person end-

user engagement, there is an amazing array of tools available that could enable the for-impact sector to engage in user-driven design at scale. Many of these tools are already being adapted to for-impact work, including OpenIDEO's platform for for-impact design challenges, Textizen's SMS-based tools for gathering end-users' input and mobilizing them to attend design and planning sessions, Concordia's fine-tuned processes for community-led, resident-centered design, and many more.

The for-profit sector is far ahead of the for-impact sector in involving end-users in the design process, and it could be tempting to simply lift their successful tools and drop them into the for-impact sector. However, our research strongly suggests that cutting and pasting the best practices of one industry and into a vastly different space can be problematic. Several interviewees expressed concern that crowdsourcing and user-centered design tools could be applied in ways that in fact undermine communities' collective decision-making processes or safeguards, such as hard-won international legal protections for indigenous peoples' right to give their free prior informed consent. As one interviewee cautioned, "Be careful, because crowdsourcing is often based on a very American, Western, individualized idea of society." Indeed, for-profit crowdsourcing methods often operate within a paradigm of individual consumer choices rather than community decision-making.

The user-driven design process for consumer products tends to engage people in their independent capacity as users of a product that will exist for a relatively short time and will have at worst a minor negative impact on end-users or others. In contrast, if for-impact end-users are engaged in designing a hydropower project or urban redevelopment plan, the lifespan of the final product will be vastly longer and the potential negative impact far greater. There also are complex leadership and organizational structures to account for among the end-users of a for-impact initiative, such as national, regional, and local government agencies, civil society organizations, community organizations, and indigenous groups, each of which has its own leadership and governance structures. Thus it may not always be appropriate or effective to engage members of a group in their individual capacity; the crowd and the process must instead be designed to respect and engage with these structures.

For-impact work will need to create and adapt methods to ensure that their design processes are responsive to these conditions, and that they respect communities' rights and decision-making authority. Fortunately, as several interview subjects pointed out, the for-impact sector already has actors with a strong record of participatory design: social movements and community organizations. One interviewee expressed this point well:

> I feel that user-centered design actually comes from community-organizing work in the Global South and [has been present] in social movements for decades. It comes directly from methods that these movements developed—and that have been taken and packaged by the [for-]profit sector in a certain way. But user-centered design is first and foremost ours, from our movements.

This quote uncovers a critically important point: when embracing new methods in the for-impact sector that truly engage all actors as innovators, we cannot view for-profit leaders as the only pioneers. We must remember that grassroots actors in the for-impact sector have been thought leaders in their own right, and we may be long overdue in recognizing and learning from their ideas and innovations.

SHIFTING THE MINDSET

As society changes, so do consumers. If a company cannot get consumers to want its product or service or convince an investor that consumers will someday want their innovation, it will fold. In short, the end-user is the deciding factor in a company's success. As the end-user mindset has evolved, the companies creating products and services for them have had to innovate new ideas and deliver the promised services in the ways determined by the consumer. In the for-impact sector, however, the end-user mindset has been slow to change, which has led to the systemic phenomenon of end-user exclusion and consolidated influence.

We can draw from user-driven design methods that have proved successful in the for-profit sector, but we must do so with caution and creativity. As shown by Clark and Monk in their 2011 study of transplanting financial institution innovations from one national context into others, institutional practices that worked well in one context proved ineffective when simply cut and pasted into another without accounting for differences in the "inherited traditions and established cultural practices" of that other context.[41.] Clark and Monk demonstrated that innovation in institutional practices and methods must continue if the methods are to work effectively in different environments. They also found that the operating environment may need to evolve if it becomes fundamentally incompatible with the desired institutional mandate. "In other words, there are organizational workarounds in the short term…but in the long term the local environment will need to evolve such that the inputs for a successful…institution are readily available."[42.]

We argue that the current mindset of the for-impact sector reflects the inherited traditions and established cultural practices that Clark and Monk found to be decisive.[43.] Therefore, if the for-impact sector does not adequately recognize the colonized mindset as a powerful component of the current operating environment, any attempt to include end-users in the design process will ring hollow.

Uncovering the inherited mindset of the for-impact sector creates an opportunity to choose whether to continue with business as usual or to change our operating environment. We challenge our sector to ask itself whether maintaining a mindset that undervalues and in some cases dismisses the ideas, ingenuity, and insights of the majority of the global population will allow us to employ user-driven design effectively at scale. If not, is it worth changing? In other words, do we believe systemic co-creation with end-users will generate social welfare returns that are comparable to the profits reaped by for-profit actors that co-create products with their end-users?

Our research to date strongly suggests that the answer is yes. Furthermore, we believe the sector has an opportunity to establish how to provide funding for co-creation without controlling the agenda of the entity being invested in, which contrasts with how seed funding functions in the for-profit sector. The for-impact sector is well positioned to take a leading role in both innovation and the widespread use of co-creative design with end-users. We therefore encourage the for-impact sector to invest the effort, resources, and time needed to shift the inherited mindset and release this untapped creativity.

Because the for-impact sector structure does not inherently vest its end-users with power like that held by consumers, impact actors must create incentives to encourage end-user co-creation. We argue that the catalyst for creating an array of new incentives will be philanthropic investment in seed funding to test assumptions and co-create designs with the end-user, along with adapting crowd-

sourcing tools for for-impact use, both online and in person. Once for-impact actors are involved in regular conversations, partnerships, and relationships with their end-user community, the results will help to deconstruct the rest of the old mindset. The new mindset will align with new methods that create fertile conditions for innovation that keeps pace with the changing times.

We are perhaps arriving at an unprecedented convergence between the for-profit and for-impact sectors, where the quantitative science, the business cases, and the moral imperatives are for once aligned and pointing to the same conclusion: that when we apply a mindset and methods that engage all actors within a system as capable problem-solvers, we can generate optimal results. The ongoing failure to recognize this conclusion in the for-impact sector is having very real and even dire consequences for the lives and well-being of many people with whom we share this planet. For this reason, we believe that the for-impact sector must urgently advocate and affirm the equal capacity of all people to be problem-solvers, experts, innovators, and dreamers.

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