

## Freeplay's Dual Business Models Bring Good Design to Those Who Need It

*Innovations Case Discussion:*  
Freeplay Energy and Freeplay Foundation

As I read this case, it struck me that:

- Tension arises when a social agenda competes with a business agenda,
- Successful products absolutely must have good design, and
- It is very difficult to get empowering technologies into the hands of those who will benefit most.

### BUSINESS MODEL

The serendipitous combination of media attention, famous personalities, and political and market restructuring gave Freeplay the foothold it needed to become a viable organization. But it was the ability to evolve its business model and product line that has given the enterprise a life of 14 years and will be the key to its continued success.

Freeplay's original business model was a single organization that used its profits from sales to those with sufficient means, along with donor funds, to subsidize distribution to those who could not afford the technology. Aravind Eye Hospital, whose wealthy patients support operations for the poor,<sup>1</sup> and One Laptop per Child, with its buy one, give one approach, have shown some level of success with this model in organizations where the social goals dominate. Freeplay, looking for a more balanced approach, recognized the need to separate the for-profit and nonprofit sides of its original organization and chose to move to a strategic alliance of the two.

In *The Collaboration Challenge*, James Austin explores the creation of strategic alliances between nonprofits and businesses. He describes the stages an alliance goes through, from purely philanthropic (typically one-way),

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*Christopher Bull is a senior lecturer at Brown University working in the fields of material science, technology for development, and social entrepreneurship. He is involved in several aspects of water and agricultural projects in Kenya and public health in Mali.*

through transactional (with a flow of resources in both directions), to integrated, even to the point of having common board members. In this light, Freeplay's example is striking. It chose to move from being fully integrated to having a more transactional relationship. The motivation, one might surmise, was to free both organizations to pursue strategies that best fit their specific goals. The business side could make decisions with profit as the driver, using access to market capital and having a clearer conscience about its manufacturing operations. The foundation gained the ability to raise funds directly and choose partners and projects independently. Although the foundation is an entirely separate entity, it is hard to imagine that the talk in the Pearson-Stear household does not frequently turn to the intersection of the two.

What is the symbiotic relationship between the organizations? The Freeplay Energy Group (FEG) needs the Freeplay Foundation (FF) to help fulfill FEG's social mission, to inform the design process, and to facilitate product distribution. In turn, the foundation relies on FEG for funding and product. In some senses, the foundation has benefited more from the alliance: it appears to have been relatively stable, compared to the rough ride FEG has endured over the past ten years. That ride was the result of decisions it made about manufacturing, the vertical integration of the organization, and the business climate in which it has operated. Separating the organizations shielded the foundation from these issues.

What effect has the choice had on the impact of each organization? The foundation receives \$230,000 annually from the business and, by having significant input into its development, has gained a range of products (radios, electric generators, and lighting) designed specifically for its clients. The business, on the other hand, struggles to retain clarity about its social goals and to sell the products it develops for the foundation in developed-country markets. Given the rapid change of technology and the changing web of needs and resources, it must continuously adapt.

## DESIGN

Design is central to both organizations. Rory places research and development squarely at the core of the business. Kristine points to understanding the user's context and needs as one of the foundation's most important functions. The objective is to deliver good technology (and perhaps something with "sex appeal," as Rory puts it) to an extremely broad range of consumers.

Consider that the amount of use a tool gets depends not only on its meeting the need but also on its look, feel, balance, intuitiveness, reliability, efficiency, and simplicity—and the list goes on. Add to this the more elusive qualities such as the way it fits the context and the confidence it inspires. The relative importance of each of these qualities changes with the circumstances. A look at

Freeplay's current mix of products shows a single function executed in two very distinct ways. The Lifeline radio, distributed by the foundation, has toy-like qualities: it is big, boxy, and bright. It is designed to be used where people (some of them children) live and work. The radios designed for the E.U. and U.S. markets are small, sleek, and lightweight, designed to be carried away from where people live and work.

Design problems are typically broad and complex; they become broader and more complex for the 90 percent of the world's population that typically cannot pay for research, development, and industrial design. The problem may be engaged from a variety of directions (technical, cultural, economic), each with its own advantages and disadvantages. Nick Moon and Martin Fisher from Kickstart,<sup>2</sup> and Jan Chipchase from Nokia,<sup>3</sup> have demonstrated the pivotal role of participatory/inclusive design in the success of a product for this risk-adverse market.

Frequently, in products for those without resources, the aesthetic is utilitarian, with little thought given to what pleasure the user might find in interacting with the product. While this aesthetic might meet the need, it does not inspire the user, and hardly makes it a viable product in developed countries. When your market is as diverse as Freeplay's, it is a great challenge to create one design that works across all contexts.

### **Empowering Technologies**

The great potential for these products to transform users' lives, powerfully brought out in the stories of Terry Waite and Fatima, cries for action on many fronts. What is the best way to get the technology into the hands of the user? How can you do it in a way that addresses some of the gender bias? How can the cost be driven down? What is the most effective way to organize the endeavor? How do you develop trusted sources—sources that are perceived to be unbiased? Who defines the boundary between information and propaganda? Should the Freeplay radio be considered politically neutral or was the Kenyan ministry right in its assessment that radio would change the political landscape? The work of Freeplay illuminates the many and changing challenges in creatively addressing energy and information poverty; it gives hope that a host of well-designed products will be available and accessible to help meet these challenges.

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1 M. Ibrahim, et al, "Making Sight Affordable," *Innovations*, 1(3), Summer 2006.

2 M. Fisher, "KickStart's Pumps Help Kenyan Farmers Transition to a Cash Economy," *Innovations*, 1(1), Winter 2006.

3 Sara Corbett, "Can the Cellphone Help End Global Poverty?" *New York Times Magazine*, April 13, 2008.