

# DIRECT AND INDIRECT MODELS



## **Direct and Indirect Models**



## Community for Change: Foundational Ideas Series

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# REJOICING IN BOTH NON-LINEAR RETURNS AND IN 7% OF POTENTIAL

My morning routine is pretty... routinized. I get up early most every morning – between 5 – 5:30am even on weekends – and the first thing I do is hit "go" on the coffee machine, drink a slug of water, take vitamin D and then settle in for a fairly protected hour that includes stretching, reading, journaling and meditation. I love this start. I now avoid opening any email for at least this first hour. Some derivation of this routine happens 95% of my days. I love it. I THINK it also proves highly effective for my long term growth and wellness and my effectiveness for the day just ahead.

Today I am changing things up a bit.

I got out of bed today so inspired to write about the Community For Change.

A friend Brinton Johns offered something seven years ago at our annual Sundance retreat that was transformational for me and others:

"Each day I wake up and listen for what my brain wants to do that day and then I do that."

Today my brain wants to write.

So here I am at Jean Jacques listening to Jimmy Buffett to pull forward summer a bit. I am basking in the afterglow of a legendary 44-point playoff win last night by my Cavaliers and Lebron James (BAM!) which I enjoyed watching with my one of my two favorite sons Eamon and one of my other two favorite sons Tucker will come back to Pleasantville from school in just four days! And we are going up to Maine next weekend for Memorial Day.

Lots of great stuff.

So...



## THE COMMUNITY FOR CHANGE

## INDIRECT AND DIRECT IMPACT

"Impact" used here means "lasting non-linear transformational monumental change".

That's the new way I will use the word "impact". I will interweave all of these words in slightly different combinations for the next bit. Each of those words increases my energy and enthusiasm.

"We act as though comfort and luxury were the chief requirements of life. All that we need to make us happy is something to be enthusiastic about."

### - ALBERT EINSTEIN

About six months ago, Brynne wrote a piece on "Five Rings of Activity" of the Community For Change which include, for instance, gatherings and connections. I think our dear friend Morris Pickens suggested these "rings" to Brynne. The "Five Rings" also help us greatly in organizing. Each action "circle" itself has potentially infinite ways for "impact" to occur. An attempt at organizing the infinite sea.

For today, I want to talk about a different lens I use to consider IMPACT that complements the model Brynne shared of "Five Rings of Activity". There are additional great lenses for understanding Monumental Change = IMPACT. It is what we have been studying as best possible for two decades and my extraordinary partner Dave Bujnowski's brain seems to "want" to think about models of change most every day of the year! Our philosophy of investing is that when we see certain patterns of change unfolding in the world the relationship of ENERGY INTO a system to ENERGY OUT OF the system can materially change. The change is often non-linear in nature. Think of a sports team that hires a new coach and quickly goes from basement dweller in the standings to winning a championship. Non-linear change.

## BAM! Like Lebron. Non-linear change.

That's what we look for... transformational change. That the transformed "thing" is literally NOT what it used to be.

For today, I will just add one more "lens": DIRECT vs. INDIRECT.



## **DIRECT MODEL**

Since we work with a lot of non-profit organizations we might suggest that the DIRECT MODEL could be simplified to a relationship of: BY GIVING MONEY TRANSFORMATIONAL CHANGE – NON-LINEAR IMPACT WILL OCCUR.

#### BAM!

In other words, the holy grail code cracking solution has been created and tested and works and more energy or money put behind this proven method will with near certainty create TRANSFORMATIONAL change.

The phrase, "stop searching... you have already found the answer," comes to mind.

I sense that most folks in society LOVE to see this DIRECT IMPACT and put money behind it and tell friends about it.

I sense, on the other hand, when most people CONSIDER giving their money – which most of us are somewhat attached to at some level – we want some "proof" that a true DIRECT TRANSFORMATIONAL IMPACT will happen. We are suspicious. We have been disappointed too often by promises.

Sometimes the transformational IMPACT it is hard to truly demonstrate.

Sometimes it actually just doesn't exist as well-intentioned as efforts might be! Just as we don't wish to give money to an business that will then lose it, we don't wish to support ineffective non-profits that aren't creating IMPACT.

One key reason I am writing today is that yesterday in working with Brynne, she described the stunning numbers that one of our partners Restore has generated from their Economic Empowerment. \$1,500 in to the system to train/develop woman who are survivors of sex trafficking is resulting in something like a \$15,000 increase in earned wages in year one alone! Yes, I have the right number of zeroes. Think of the annuity beyond just one year!

And I said to Brynne: "Money in and a practical change out." ...thinking THAT was indeed pretty substantive.

She said after a long pause:

"No Pip... it's not practical change... it's Transformational Change."

It hit me. This isn't a nice modest change. It is TRANSFORMATIONAL. It is the type of change



Brinton loves to call NON-LINEAR. This change alters the whole world. The situation is no longer the same at all. Like hitting "hyperspace" on the vintage video game Asteroids.

It goes further. If a "payback" from a \$1,500 DIRECT model leads to \$15,000 in the first year THAT alone is COMPELLING. But there is much more...

I heard Brynne then use words that I have often used myself.

She said that when a SINGLE LIFE is transformed the effects are both lateral and longitudinal. Laterally, many lives around you are also deeply affected – latitudinal IMPACT. And longitudinal non-linear IMPACT is unleashed as EVERY generation ahead is set on a far different course than it would be otherwise.

## AN INFLECTION POINT

Brynne and I have found time and again that the amazing people leading efforts to generate non-linear IMPACT don't fully experience the longitudinal and latitudinal impacts of their work. When one life is TRANSFORMED so so many lives are transformed. Us humans can be VERY powerful, you know!

Again and again, once we point out these longitudinal and latitudinal IMPACTS we have NEVER experienced ANYONE wanting to push back on the idea that TRANSFORMING one life activates an incredible multiplier effect. NON-LINEAR. Usually the person we offer this perspective to is first silent. Taking in the idea that THEIR effort to create TRANSFORMATIONAL IMPACT with "just" one human being can lead to maybe ten real human being affected in our life today AND also alter history forever could understandably be overwhelming.

Brynne asked me yesterday to let this all sink in.

She suggested that I under appreciated the power that Kelly and I have in DIRECTING our money especially in these proven models. It's undeniable.

As most of you know... I listen to Brynne. I especially listen to Brynne. I am not sure if THAT has really sunk in for her! "Let THAT really sink in Brynne." ;)

Today, I am making space to let what she said sink in.

One of the best ways I find to let something "sink in" is to wake up at 5:30am on a Saturday morning, and write about it because... my brain wants to. One activity of the Community For Change is to FIND these DIRECT IMPACTS and share them.



Here are three I thought of when I woke up today:

**RESTORE'S ECONOMIC EMPOWERMENT PROGRAM**: \$1,500 invested in one-time training yielding \$15,000 in year one alone! *Contact: Jimmy Lee* 

**THE HAITIAN PROJECT:** Altering the graduation rate of the countries students from – if I recall correctly – 10% or so to 90%... with a clear further link to earnings. *Contact: Patrick Moynihan* 

**HIGHSIGHT:** Drastically altering the four-year college graduation rate of kids in Chicago from about 10% to approximately 80%! *Contact: Mark Duhon* 

These are extraordinary results. THE DIRECT MODEL implies that IF ONE MORE HUMAN BEING is able to be come into DIRECT contact with these programs very very very powerful non-linear, transformational, longitudinal and latitudinal impact WILL happen. Not "might" happen... WILL HAPPEN.

## "Good money, chasing good money..."

Thank you Jimmy, Patrick and Mark for including us.

## INDIRECT MODEL

"Not everything that counts can be counted and not everything that can be counted counts..."

#### — ALBERT EINSTEIN

The INDIRECT MODEL is largely about "knowing" that the world is holistic, that we are all inter-dependent and that a seemingly "small" change can unleash massive IMPACTS.

The Community For Change believes that "often" seemingly "small" change IS exactly what creates the conditions for massive change. It's why the details Priscilla creates magic with aren't just "amazing" but rather they are important.

As a Community For Change we believe that if we help bring amazing and passionate people into a DEEPLY trusted space and "engineer" their opportunity to "bump into one another" at rich, rich levels they will find ways to assist one another that we could never have imagined ahead of time and an incredible knock on effect can be unleashed. Merely shifting context



from the often energy-sapping context of "network" where we go to GET STUFF FROM the system to a potentially incredible context of "community" where we wish to CONTRIBUTE to one another can change everything.

The INDIRECT MODEL is perhaps about unleashing energy and unlocking latent potential. Just create a rich, rich rare trusted space for great people to share and great things will happen. And Coburn Ventures and the Community For Change have been intentional in aiming to create such spaces for a long, long while!

The INDIRECT MODEL believes that there is SO MUCH energy to unleash and potential to unlock. And this is GREAT news as opposed to some "admission" of ineffectiveness! I believe that the potential in the world is so vastly non-linear and yet we are stuck in a linear way of thinking that maybe things could be a "little" better as opposed to "massively and even unrecognizably better".

I have told this story often:

In 200I, we were interviewing someone for a position. Our interview processes often last months if not years (for instance, I knew Brynne for about five years before I offered her a job. She didn't realize that I thought that all of life is an interview of sorts I suspect). So, there I was on the phone in the lobby of the Huntington Hotel in Pasadena, California near the coffee at 5:30am in the morning having an interview. And Melanie – who is now a doctor In Sydney and no doubt in the ranks of the most brilliant caring doctors on our planet – lamented:

"But Pip... that is easy for you to say because you are already near your potential and I am nowhere close."

I have no idea what the THAT was that triggered her comment. Not important.

What I DID say in response was:

Pip: "Melanie – what percent of my potential do you think I have achieved?"

Melanie: "Maybe 80%".

I remember this as if it happened yesterday.

Pip: "Melanie, it is only 5:30am in the morning and I KNOW already that this is the worst news I will hear all day... maybe all year."



Melanie: "Huh?"

Pip: "80% sounds horrible. You see I would like to get maybe 10% better every year... and doing the math if I get 10% better this year that would get me to 88% and then, let's see, in, what, two and a half years I will be FULLY tapped out. My growth will be DONE. Ughhh. I only get to grow for two and a half years and then it's over."

Melanie: "Well, Pip, what percent of your potential do you think you are at?"

Pip: "Well, I think I had a big growth year last year, so, I think now I might be up to... 7% of my potential... and I find that fun and promising... before you told me I was at 80% of my potential I envisioned a lifetime of awesome growth ahead that was mathematically nearly limitless! If I have a great year my 7% would only get me to 7.7% with a ton of headroom up to 100%."

This is why I tell this story:

I think that EVEN THE BEST organizations and systems operate perhaps at 10% of their potential.

The Community For Change believes that if you CREATE TRANSFORMATIONAL CHANGE in a system or an organization or an environment such that they can UNLEASH ENERGY and UNLOCK LATENT POTENTIAL that all sorts of amazing things can occur into the future including – but hardly limited to – the inception and development and bringing to life of ideas that later become those DIRECT opportunities that have visible near-certain, "stop searching... you found the answer" countable metrics!

If we assist a system in a powerful way, we might help in the birthing of dozens or hundreds of transformational ideas!

### I believe that with every ounce of my soul.

Coburn Ventures and the Community For Change have been trained across years – for better or worse – in a way that generates uncorrelated thinking versus what is commonly discussed. Our clients at Coburn Ventures use us, specifically, because they expect us to provide them with and assist them in generating uncorrelated thinking and the Community For Change incudes us ALL working with people and organizations and systems on their very very hardest problems with the expectation of together generating break through thinking that will have multiplier non-linear impact.

A critical coach of mine once said that he, "works with already effective people who aren't satisfied with their current level of effectiveness and want more of life."



The Community For Change sure seems to attract those type of people, huh??!!

"SPONSORING" BRYNNE THOMPSON.

## INDIRECT IMPACT UNLEASHING

Kelly and I hired Brynne Thompson – a long time business partner most all of you know -- as our INDIRECT "philanthropy".

The Community For Change was her idea.

Kelly and I see Brynne's brilliance, HUGE heart, deep deep caring and Brynne's appreciation for holistic inter-connectedness of it all and her ability to create break through thinking that helps unleash energy and unlock potential.

Well...

When a couple years ago Brynne was transforming from being a hard-nosed financial analyst to perhaps creating – among many things – the Community For Change it was easy to redirect our "philanthropy" of Coburn Ventures toward... Brynne.

This values-driven and expansive "Community For Change" of what Morris Pickens would identify as "Five Rings" of infinite activity could be her starting place for making IMPACT by making opportunities available to ALL in our community without any hint of a spirit of "obligation".

I didn't know what it would "be". All that I knew was that if we sponsored Brynne it was the best INDIRECT contribution we could possibly make.

Essentially what Brynne said was:

"If you can sponsor me I will help make non-linear, transformative IMPACT happen in all sorts of ways that we can't even imagine today but WILL happen."

Or maybe we said that to Brynne!:)

"When we sponsor you to have space to follow your creative "what does my brain want to do today" hunches inside this giant umbrella you will create magic."

## A HUMAN AS AN INFLECTION POINT

I also thought and think that as I keep growing from my own 7% of potential and Brynne from



hers and the two of us working ever better together and as we make space to include so so many others to join us and we all as a Community For Change learn how we can all accept our inter-dependence and then turn it into our advantage that a non-linear change of the non-linear change might grow all the more magical.

We are all just starting.

## A COMMUNITY AS AN INFLECTION POINT

We are at best at 7% of our potential. Isn't it great news?

## HAPPY SATURDAY,

PIP

"I'll sing my song to the wide open spaces... I'll sing my heart out to the infinite sea..."

- THE WHO

"We call them weak... who are unable to resist... the slightest chance love might exist... and for that forsake it all..."

- STANDING OUTSIDE THE FIRE, GARTH BROOKS

