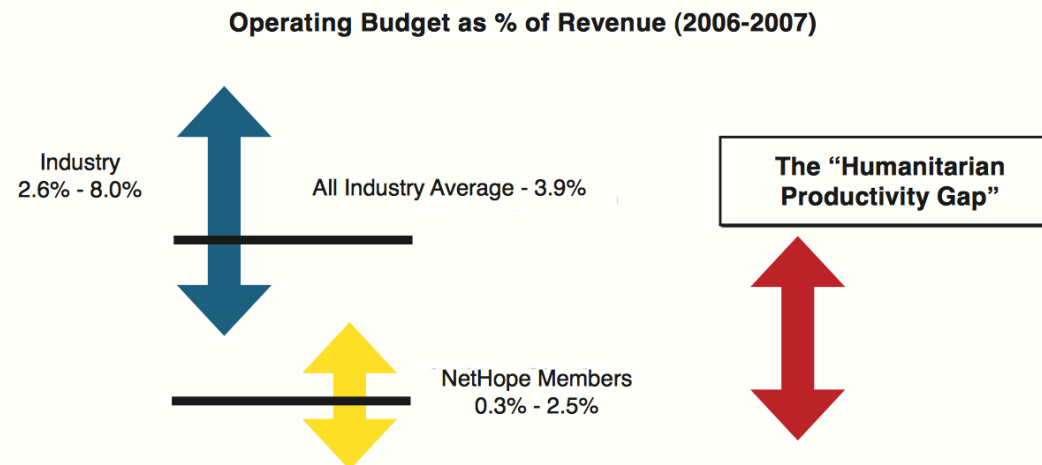


## Humanitarian Productivity Gap

# Humanitarian Productivity Gap

- Coined by William Brindley of NetHope
- Gartner Group in commercial world: 3.9% of revenue is operating budget
- Internal study in NetHope membership: average 2% of program revenue
- Conclusion: NGOs under invest in technology to support productivity.



Source: Gartner Group, NetHope

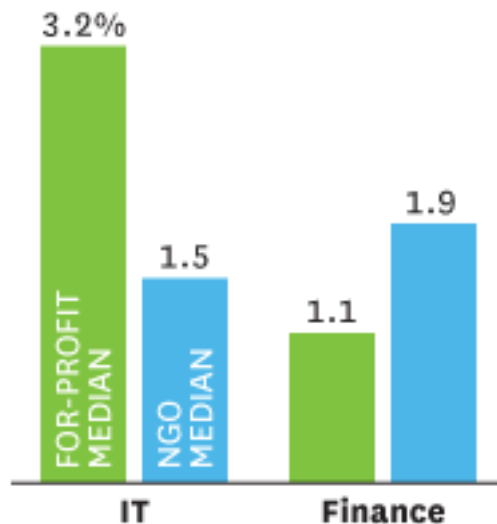
<sup>1</sup> NetHope member survey, October 2006

# HBR reports the disparity still exists

## OVERHEAD COSTS FOR FOR-PROFITS VS. NGOs

On average, global NGOs spend significantly more on finance than for-profit companies, but less on IT.

### FUNCTION COST AS A PERCENT OF ANNUAL REVENUE



SOURCE APQC OSBC<sup>SM</sup>  
BENCHMARKING DATA & THE  
BRIDGESPAN GROUP STUDY HBR.ORG

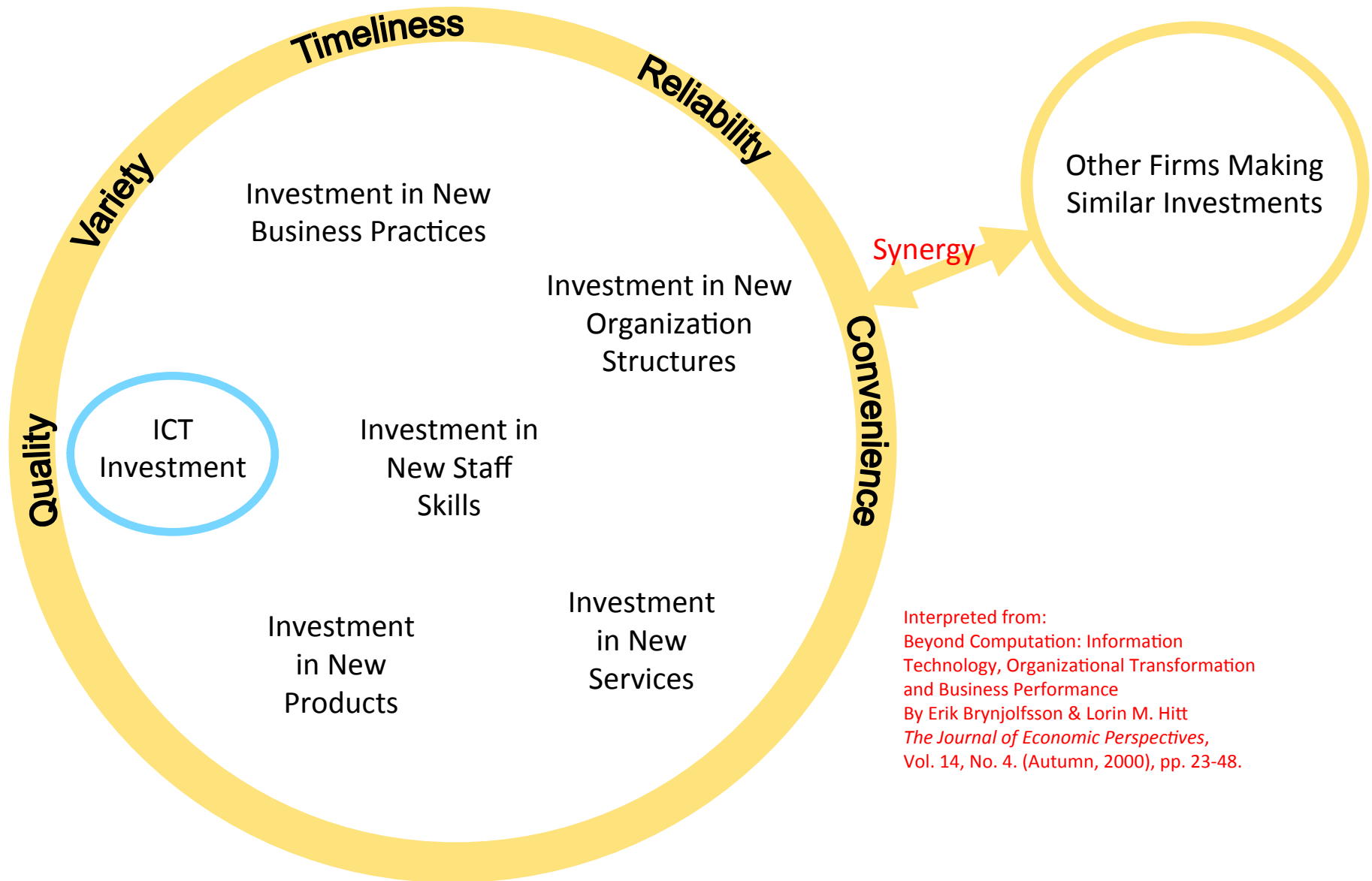
Source: <http://blogs.hbr.org/2013/04/the-efficiency-trap-of-global/>

# Humanitarian Productivity Gap

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- Is the comparison between for-profit and NGO valid?
- How would you assess the level of IT spending as a % of revenue for development organizations you have been a part of?

# Value of ICT investment



Interpreted from:  
Beyond Computation: Information  
Technology, Organizational Transformation  
and Business Performance  
By Erik Brynjolfsson & Lorin M. Hitt  
*The Journal of Economic Perspectives*,  
Vol. 14, No. 4. (Autumn, 2000), pp. 23-48.

# Social Program vs Social Enterprise

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- There are multiple organization models to solve a problem.
  - ! And achieve sustainable social change
- Participatory design tends toward the social program.
  - I.e. By government, nonprofit or NGO.
  - Sustainability can be difficult for the person(s) paying for the service is different than the person(s) receiving benefit from the service.
- The (Social) Entrepreneur approach is an alternative.
  - Look for how products and services can be provided in the market.
  - Sustainability comes from the market.
  - Participatory design is not the best fit for developing products for market.
  - Suggestion: Take a class with Tim Zak
    - 90.845 Social Innovation Incubator (Spring)
    - 90.811 Foundation of Social Innovation and Enterprise (Fall)

# "African Digital Renaissance" – World Bank blog

- > 90 tech hubs
- > 50% countries have 1
- Sizes range from:
  - co-working spaces
  - to full business incubators
- Source: World Bank  
<http://blogs.worldbank.org/ic4d/tech-hubs-across-africa-which-will-be-legacy-makers>
- Are they doing good?
  - I have not found any good evaluation reports yet.

