


# True Disruption







**How can a nonprofit like  
The Nature Conservancy  
create a winning innovation  
strategy when the disruptive  
force is something  
like climate change?**

**By Kelsey Alpaio**

ILLUSTRATIONS BY FEBIN RAJ

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Stepping inside The Nature Conservancy's New York City office is like finding an oasis in a concrete desert. Tucked into the 14th floor of a seemingly standard skyscraper in Chelsea, one of the first things that greets you is a full-grown tree. It spirals one story up, passing desk clusters lined with greenery and bathed in natural light.

This is home to 150 employees who work in TNC's New York Division. But when it comes to innovation, Jennifer Chin stands alone.

"In terms of having somebody who's 100 percent dedicated to understanding how to integrate innovation into the conservation work we do, and how to achieve the mission using the tools of innovation, my role is pretty unique," says Chin, Director of Conservation Innovation for The Nature Conservancy's New York State Division.

Chin's role isn't just unique inside her organization—it's rare across all nonprofits. According to a 2017 report from the Bridgespan Group that surveyed 145 nonprofit leaders, 80 percent reported that innovation is an urgent imperative at their organizations. However, only 40 percent believed that their organizations were set up to innovate.

Founded in 1951, The Nature Conservancy is one of the largest environmental nonprofit organizations in the world. Headquartered in Arlington, Va., the organization has a presence in 72 countries and all 50 states. Its main priorities are to tackle climate change, protect land and water, provide food sustainability, and build healthy cities. The New York Division focuses on these goals

specifically with New York state in mind—from the Adirondacks to the Great Lakes to New York City and Long Island.

The organization raised a record \$791 million from supporters in 2018 (with total revenue of \$1.29 billion).

"Our mission is more urgent now than it ever has been. That's driven, in large part, by all of the impacts we're seeing from climate change," says Chin. "The recognition that the world is changing very, very quickly right now. That we need to keep up. I think that's the main disruptor."

We sat down with Chin to learn more about innovation at the organization, its Sustainability Accelerator, and what corporates can learn from nonprofits.

## BIG OPPORTUNITIES

When it comes to "keeping up" with a disruptor like climate change, Chin says funders play a big role in helping the organization stay focused on innovation. Chin's role itself, which she took on in 2017, was the result of a major funder making a gift and directing it towards innovation efforts.

In terms of the Conservancy's innovation focus, Chin says it's all about increasing the impact they have across all environmental priorities. To do so, the organization is training its employees to be more innovative, while also looking for new tools and technology from outside.

According to Chin, The Nature Conservancy already understands the need to move fast, but is still building out the structure to make innovation happen across the whole organization, which employs 3,500 people globally.

"The sense was that we have a really big opportunity to be impacting clean water, conserving land, oceans, making cities more healthy and, of course, addressing climate change at a scale that other organizations, frankly, I think are not equipped to tackle as well as the Conservancy is," says Chin. "Looking across that, there's also the recognition that we are not getting the impact that we want, and that we need new tools."

Chin says that there has been an increase in executive leadership attention on innovation, but that there is still room to grow when it comes to understanding how innovation can impact the organization as a whole.

Some questions Chin is working to answer include: "What is it that we need to do as an organization to enable innovation here? How do we generate the right mindset? How do we develop the skillsets in our people? How do we make sure that the systems that have been built around a more waterfall-type way of working can be altered and shifted in a way that begins to support a more nimble way of working?"







One way Chin is bringing innovation into the organization is by training employees on various methodologies that have not traditionally been used in the conservation space, such as design thinking and human-centered design.

“There is a very strong recognition that we can’t just save the environment,” says Chin. “The health of people and the health of nature are inextricably intertwined. That means that we need to bring stakeholders to the table much earlier, really practice our human-centered design.”

Chin is also focused on bringing new technology into the organization.

“If you want to look specifically at the technology side, we’re seeing cheaper hardware,” says Chin. “Now, you can get sensors into places that you couldn’t before, and gather data from them at a price that, previously, was not affordable for us...”

Chin also mentioned advanced imaging technology, drones, data modeling, AR, and VR as technologies that will impact the organization’s work in the future.

#### SUSTAINABILITY ACCELERATOR

When it comes to discovering technology outside of the organization, Chin says the Conservancy’s Sustainability Accelerator, operated in partnership with Techstars, plays a big role.

**“What does set nonprofits apart is people who work here are really passionate about changing the world. They’re passionate about the mission.”**

The accelerator welcomed its first class of startups in 2018, and is driven by an equity fund created by investors looking to support sustainable technology. In the accelerator’s first cohort, 10 startups were selected for a three-month program in Denver. Techstars and the Conservancy’s investors receive equity in the participating companies—a six percent stake that is split between the two organizations.

“Part of our role in the Sustainability Accelerator is not only to explore new technologies, but with our size and our network, to generate a better ecosystem for startups working in the environmental field,” says Chin. “It’s a tough area [for a startup] to be able to both have impact and make money.”

Chin says the types of startups they attracted during the first cohort ran the gamut. These companies included Aqulytics, a data platform to help governments and communities manage water use more sustainably; This Fish, a provider of seafood traceability software; and Sustain, a business-to-business software platform that in-



## Advice from the AARP: “No Money, No Mission”

**Most nonprofits** have one thing in common—they’re mission-driven. Whether it’s preserving the environment, searching for a cure, or empowering people as they age.

But according to Andy Miller, SVP of Innovation at AARP, the Washington, DC-based nonprofit, “Social mission is great, but we often say ‘No money, no mission.’” So how can nonprofits make the case to create or scale their innovation teams with both funding and social mission in mind?

We asked Miller to share how the innovation team at AARP, with about \$1.6 billion in revenue, has grown, and what advice he has for other innovators at nonprofits.

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### SCALING INNOVATION INSIDE NONPROFITS

AARP Innovation Labs has been around now for three years. It grew from three people to over 20. The general roadmap here, or the equation of success is pretty simple. There’s only so many things you can do as an organization. It is “I can create new products myself,” “I can work with the startup ecosystem,” or “I can drive internal innovation.” And to be successful, you have to do all those things. But you can’t start with all of them. If you start with all of them, you’re done. Because you’re going to be a mile wide and an inch deep, and no one’s going to see value.

What I did here is to look at the landscape and go, “What’s going to have the most impact the fastest?” And at AARP, it was around knowing our CEO’s desire to have everyone trained [on design thinking]. We are primarily an organization that is not product-centric. So, how do we start to get people to be product people? It was simple. It was, I have to start with the culture aspect. I have to start with human-centered design training back into the core business. And then how do I sort of amp that up a bit by [CONTINUED ON NEXT PAGE]

centivizes employees to reduce energy usage.

“There are a couple of outstanding companies that came out of the last [accelerator],” says Chin. “It really brought home for us...how important it is for us to be in the space, to be encouraging this ecosystem, to be putting major investment into the space to grow it. Startups are fast, and they are nimble, and they can try things out in a way that the Conservancy is not set up to do.”

According to Chin, the accelerator also plays a major role in changing the way innovation is perceived by the organization.

“I’m part of an internal advisory committee that thinks about how we can use the Techstars engagement to influence internal thinking about innovation,” says Chin. “[How can we] influence how our partners potentially utilize technology?”

### FOCUSING ON IMPACT, NOT PROFIT

One of the biggest challenges for nonprofits when it comes to innovation is that they’re not concerned with—you guessed it—profit.

“For many organizations, [profit] is the litmus test of whether or not something is working,” says Chin. “For us, it’s impact, and that impact is defined in different ways depending on the area in which we’re working. Impact in water quality is a very different metric from impact in carbon reduction. We are always chasing that impact.”

But according to Chin, the way nonprofits receive their funding can hinder them from pursuing methods that may increase overall impact.

For most nonprofits, including The Nature Conservancy, funding comes from a mix of individual donors, government grants, and foundation money. These different types of funding, however, come with different restrictions and regulations. For example, some multi-year funding commitments can require an organization to lay out long-term plans without much flexibility. This can make experimentation and pivoting based on early results more difficult.

“That type of funding locks organizations into doing things a certain way, even if they might not be having as much impact as they could be,” says Chin. “There’s a slowly growing movement to get funders on board with providing more flexibility, but I think that’s going to be a long road.”

In the New York division, Chin says there are funders that recognized the need for innovation early on, allowing the organization to focus more effort on creating that impact. This innovation-directed funding pays for Chin’s salary and other innovation activities inside the organization. But Chin says deciding where to spend that money takes a careful hand.

“The Conservancy...provides employees a lot of resources in terms of training,” says Chin. “I







wanted to make sure...it's very clear that innovation requires a different mindset."

This has included bringing in design thinking consultants to work with project teams, and providing funds for augmented reality experiments.

Another way the organization utilizes donations for innovation is through corporate partnerships. Four percent of The Nature Conservancy's funding came from corporations in 2018, but donations can also come in the form of free training. For example, one funder that works at a large financial services organization provided the Conservancy's marketing department with Agile training. Now, Chin is working to roll out this training to the entire New York division.

"We're hoping that this training will allow people who are interested to come in and get a sneak peek into what it's about," says Chin. "If they feel like it's going to be useful, they can then engage more deeply, both with that training group, with me, and with others who have been through some of these processes in the experimental phase over the last year."

According to Chin, the training is working. She's seeing individuals using more "innovation language," and asking questions including, "How can we bring the scope of [a project] down? Can we do it more innovatively?"

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#### LEARNING FROM FAILURE

The Conservancy's funding model also has an impact on how failure is perceived at the organization.

"We have funders that we have made commitments to," says Chin. "Oftentimes, those funders are laying out, 'In order for you to continue getting funding from us, here are the milestones that you need to be hitting. Here are the specific metrics that you need to measure yourself against.' We can't fail on those."

Chin says failure has a different connotation in nonprofits—one that doesn't always reflect the "fail fast" mantra.

"Nonprofits have a different perspective on failure," says Chin. "This is in part because a lot of the work that we do is with communities. Oftentimes, you're trying to plug gaps where corporations or for-profit models are not bringing the right services, and the government is also not

providing an additional service, in the case of our internal consultancy. You have to have those wins. And the faster you can get those wins, you can help others.

Then the second thing we did—our CEO is really [interested in] creating new products. She wants AARP to have its own products. So the second thing I did to make sure we scale this was look at all the things that we had been working on as an organization and said, “Is there anything out there, any ideas or any projects that could really work that maybe were overlooked, or people didn’t know how to execute?” There was this idea around creating a curated wellness box. So we went all in on this box idea, [and were] successful in getting the business off the ground—the speed at which we did that, and the...lack of money that we spent was sort of anti to how things are done here. Within six months, we launched a product that was doing six figures in revenue.

Each time we had a success, I would sort of leverage that a bit to say, okay, we can do more, I just need more resources. As long as we kept showing that, we were able to continue to scale the team.

#### ADVICE FOR NON-PROFITS

[Regardless of where your funding comes from,] I wouldn’t run the innovation program any differently. I think you have to think like a startup. We’re a nonprofit. But we’re an enormous nonprofit, one of the largest nonprofits in the United States. So it feels like a corporation, not a nonprofit.

If you’re a small nonprofit, that means you’re probably scrappy by nature. You have to go out and—especially if your funding is coming from donations—you have to be scrappy, you have to figure out how to create enough value that people want to keep writing checks. And so you probably have that scrappy gene already in your DNA.

Continue to leverage that scrappy gene, but understand what your goal is. My goal is both revenue and social impact. If your goal is just revenue, as a nonprofit, you probably don’t win, you probably aren’t going to be successful. Because at the end of the day, you’ll be creating products, services, programs, whatever it is you’re creating, that may go against the grain of what your organization stands for.

I also would advise people, social mission is great, but we often say, “No money, no mission.” So can you create products, services, programs, whatever the innovation teams are doing. Just remember—no money, no mission. So it doesn’t mean you have to be a for-profit, a greedy organization trying to make a million dollars. But you shouldn’t lose money. Try to at least operate at a break-even, if not a slight margin.

If you’re going to get into the product business, use this to your advantage. We’re building our own products. I’m often competing with for-profit organizations, and in many cases, publicly-traded for-profit organizations. I have a huge advantage. I don’t have Wall Street pressure, or revenue targets that Wall Street’s going to punish me for if I don’t hit. So from a price perspective, I just have to make sure I’m not losing money.

Understand what you’re building and who you’re building it for. That social mission really, really matters, and don’t deviate from it. In fact, use that to your advantage.

providing what people need. [Nonprofits are] helping people who are not getting what they need to get for whatever reason. Many of these populations are vulnerable, so you can’t just go in and experiment willy-nilly. These are people’s livelihoods.”

Chin says they are much more cautious about using “failure” in the traditional definition of the word, but that experimentation is definitely on the table. She says it’s important to make sure that “we’re failing with learnings.”

“For the nonprofit sector, it’s more fruitful to think about failure as things [that] didn’t go the way that you thought they were going to go,” Chin says. “If you had designed the project in such a way that you are at least limiting the unknowns, then you can pinpoint what you learned from it, so that in the next iteration it can be better.”

#### WHAT FOR-PROFITS CAN LEARN

In a lot of ways, nonprofits aren’t different from the for-profit world. For example, Chin says the Conservancy, like most big companies, still deals with the curse of success. People may think, “We’ve been successful in the past, so why do we need to change?”

Chin also noted that while some companies choose to keep their innovation arms separate, The Nature Conservancy realized that innovation needed to be integrated from the start.

“[Our approach may be] slower and harder, because you’re trying to change people, but our belief is that it is going to pay off, because everyone who works here will be onboard with the same thing,” says Chin. “We won’t run into the issue that some corporations have, which is when you try to reintegrate your innovative product with the core, there are a lot of culture [issues], and stepping on toes...”

One of the biggest learnings for the Conservancy has been to bring stakeholders to the table early, and communicate directly with individuals inside vulnerable communities. Chin says it’s important to co-create solutions, as opposed to simply imposing already-baked ideas.

And Chin says one big advantage nonprofits have is the dedicated, passionate employees they attract—and their desire to see results out in the world.

“What does set nonprofits apart is people who work here are really passionate about changing the world,” says Chin. “They’re passionate about the mission. If you introduce such individuals to ideas, and [the] ideas make sense and they’re applicable and they work, they will use them, because they see, ‘If I do this, it does get me to impact faster.’” ●





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**JENNIFER CHIN, DIRECTOR OF CONSERVATION INNOVATION FOR THE NATURE CONSERVANCY’S NEW YORK STATE DIVISION**

