

# Choosing Among the Ten Types of Big Bets

Relatively more widely used

Relatively less widely used

BIG BET TYPE	RECEPTIVE CONDITIONS...		RISKS TO MANAGE
	... FOR IMPACT	... FOR DONOR ENGAGEMENT MODEL	
<b>1. Fund Ongoing Operations</b>	<ul style="list-style-type: none"> <li>Successful interventions are well established</li> <li>There's a persistent funding gap that neither government nor other types of charity is likely to fill</li> </ul>	Donor time: <b>Low</b> Center of gravity of idea: <b>Grantee</b> Risk of not meeting goal: <b>Low</b> Type of support: <b>Ongoing</b>	<ul style="list-style-type: none"> <li>You ramp the recipient's budget up to a level it can't sustain absent your support</li> <li>You attach too many strings and hamper the organization's ability to put the funds to the best use</li> </ul>
<b>2. Purchase a Physical Asset</b>	<ul style="list-style-type: none"> <li>Assets are absolutely core to delivering value, such as a research lab or a charter school building</li> </ul>	Donor time: <b>Low</b> Center of gravity of idea: <b>Shared</b> Risk of not meeting goal: <b>Low</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>You leave the recipient with ongoing costs that it can't sustain</li> <li>You build an asset without sufficient associated program work, sub-optimizing its potential</li> </ul>
<b>3. Found an Organization</b>	<ul style="list-style-type: none"> <li>A need exists that no one is filling in a high-quality way</li> <li>There's a great leader who could run the organization</li> </ul>	Donor time: <b>High</b> Center of gravity of idea: <b>Donor</b> Risk of not meeting goal: <b>High</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>You contribute to social-sector fragmentation by starting a new nonprofit where one isn't needed</li> <li>You crowd out other donors, leaving you as the main source of enduring support</li> </ul>
<b>4. Give to an Aggregator</b>	<ul style="list-style-type: none"> <li>An information asymmetry exists between you and the field, as in complex issues like climate change</li> <li>The impact you seek requires more philanthropic support than you're willing or able to provide</li> </ul>	Donor time: <b>Low</b> Center of gravity of idea: <b>Grantee</b> Risk of not meeting goal: <b>Moderate</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>The aggregator puts too much distance between you and the work you're supporting</li> <li>Strong aggregators don't exist in the area you care about</li> </ul>
<b>5. Build a Field</b>	<ul style="list-style-type: none"> <li>Service delivery is fragmented or there is no dominant player</li> <li>Important ideas or practices are not being adopted</li> <li>Viable ongoing funding models exist</li> </ul>	Donor time: <b>High</b> Center of gravity of idea: <b>Shared</b> Risk of not meeting goal: <b>High</b> Type of support: <b>Ongoing</b>	<ul style="list-style-type: none"> <li>You underestimate the difficulty and cost of developing the field</li> <li>There isn't genuine demand from the field's actors for your approach</li> </ul>
<b>6. Advance Institutional Research</b>	<ul style="list-style-type: none"> <li>Knowledge and research is key to progress</li> </ul>	Donor time: <b>Low</b> Center of gravity of idea: <b>Shared</b> Risk of not meeting goal: <b>Moderate</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>The institution doesn't go headlong into the effort because it's not central to its mission and goals</li> </ul>
<b>7. Endow an Organization</b>	<ul style="list-style-type: none"> <li>There's a persistent need for the organization's work</li> <li>The organization can endure without its current leader</li> <li>The organization can't get to a stable, high-functioning existence on existing funding sources</li> </ul>	Donor time: <b>High</b> Center of gravity of idea: <b>Grantee</b> Risk of not meeting goal: <b>Low</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>The organization is unsustainable even with your support</li> <li>The organization might move in a direction that you are not interested in or disagree with</li> </ul>
<b>8. Wage an Advocacy Campaign</b>	<ul style="list-style-type: none"> <li>Policy or cultural norms are major impediments to change</li> <li>There is a player or players that have influence</li> <li>There is untapped public sympathy</li> </ul>	Donor time: <b>High</b> Center of gravity of idea: <b>Donor</b> Risk of not meeting goal: <b>High</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>You put in place rigid spending targets that are out of sync with the highly time-sensitive nature of advocacy windows of opportunity</li> <li>The target audience isn't ready for change</li> </ul>
<b>9. Provide Growth Capital</b>	<ul style="list-style-type: none"> <li>A strong intervention exists but is not being widely adopted</li> <li>Other funding sources can be activated in the future to sustain the organization at its post-investment level</li> </ul>	Donor time: <b>High</b> Center of gravity of idea: <b>Shared</b> Risk of not meeting goal: <b>Moderate</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>The bet is pitched as an investment but really will be used as operating support</li> </ul>
<b>10. Run a Competition</b>	<ul style="list-style-type: none"> <li>The solution is not yet clear</li> <li>The best person or organization to devise a solution is not known</li> </ul>	Donor time: <b>High</b> Center of gravity of idea: <b>Grantee</b> Risk of not meeting goal: <b>Moderate</b> Type of support: <b>Investment</b>	<ul style="list-style-type: none"> <li>You do harm by wasting non-winners' time and energy</li> <li>You surface a great answer but it lacks a sustainable business model or isn't replicable</li> </ul>