



Kerrin: Hello, and welcome to the Untapped Philanthropy podcast. **I'm your host and Fluxx co-founder, Kerrin Mitchell.** I've spent my career exploring technology's role and amplifying impact within our social sector, and more specifically, helping funders to learn to leverage technology and data to connect and better serve our collective causes, constituents, and communities.

In this podcast series, my team and I will profile social sector leaders, public figures, philanthropists, and industry futurists to explore this fascinating intersection of funding, technology, and policy. We're here to analyze the most critical and formative topics and trends that shape philanthropy both today and tomorrow. We hope this series leaves you inspired to think and act through a more collective and visionary lens.

This week, I'm thrilled to welcome to the podcast, former Chief Information Officer at the Walton Family Foundation, and now founder of the consulting firm New Spark Strategy, Mr. Sam Kaplan. Sam, how are you?

Sam: I'm doing great, Kerrin, thank you for having me. So first of all, I am a total accidental technologist. A million years ago in college, I studied English and art history and got within a couple of weeks of graduating and realized I had like no marketable skills at all. And somehow I convinced a software company to hire me as a technical writer. And so I joined the wonderful world of software development. And I sort of just continually lucked into really interesting jobs.

Several years ago, I made my way here to Northwest Arkansas to join the Walmart Corporation as an IT director. And then I had the opportunity to take on a different role at Walmart, which was the head of technology and data analytics for the Walmart Foundation. And so that was really where that sort of had this, you know, amazing trial by fire in the world of philanthropy because it's very different than then merchandising and supply chain management. But you know, at that point, I realized I had really found my calling in the world of technology, I left Walmart Foundation, and I joined a little software company that you might have heard of called Fluxx, where had the opportunity to be a director of many interesting things. And honestly, that was my absolute favorite job of all time crane was there a short time I was at Fluxx.

And as fate would have it, I got a call from Walton Family Foundation, offering me the CIO role there, knowing that those roles are super rare and philanthropy, I very reluctantly left Fluxx to join the Walton Family Foundation and I was in that role for quite a while. And then I sort of took a leap of faith around this time last year to start New Spark Strategy, which is my consulting practice.

Kerrin: I love it. And I remember the first time we met. You were doing a presentation at the time on Advanced Data, AI, Blockchain, like this sort of future of philanthropy. And I just remember sitting in the back of the room with David Goodman and being like, I got to know that guy. And then we were introduced. And then, of course, your time at Fluxx was always a joy.



And honestly, the futurist side of what you've always represented in the industry is what I'm really excited to chat about with you. And so, with that in mind, let's talk about the future. So tell us a bit about what inspired you to do that where you want to take it.

Sam: You know, I kind of found my calling when I discovered the world of philanthropy and my ability to be a technologist in this world. And so, I came to the realization at one point that, as wonderful as it is to work for a foundation, there's only so much opportunity to really make a sector-wide impact when you're with a particular organization. And it had just been a dream of mine for a very long time to carve out a role where I could work with a lot of great grantmakers, and a lot of foundations. And so I started New Spark Strategy because I felt like it was an opportunity to combine my love of technology and innovation and strategy. And at the same time, help grantmakers begin to envision how they can leverage technology in a way that really helps them achieve their mission, rather than just supporting the back office. So like I said, I've been doing this for a little over a year now, I've got some great clients. And so far, so good, I'm totally loving it.

Kerrin: That's awesome. And you know, with the launch, obviously, you've set in motion a series of projects and in some degree recipes and steps for CIOs to better serve our social sector. So there's the strategic element, there's also a lot of operational work you do to help people optimize and increase their tactics and strategies.

And in that, you have to be able to make all those things happen to be able to buy in on the process and all these different standards. And these strategies and tactics are the building blocks of the future. And so I thought today, if you're open to it, that we'd explore the concept of building blocks that get us to the right place. Let's examine the data, the process, and the systems and culture. So are you up for that? Let's first start talking about where we're headed. If you could design a future state for foundations to work towards, what would this future state look like? And how do you believe we need to show up for our communities?

Sam: Yeah, so to me, I think the future state of philanthropy is really all about a connected technology ecosystem that brings together everyone in the sector, those being grantmakers, nonprofits and their constituents, and all the technology vendors that are developing these amazing systems and applications. And I think that this new level of connection will enable us to achieve greater impact and to really do that faster and at less cost.

So to me the ultimate end game is that we can all achieve this collective mission that we're working towards, in a better way. But I think that the challenge that we have right now is that everybody is designing sort of these independent systems and these independent processes. And I think we speak a lot about collaboration. But we really need a larger, larger technology ecosystem that can provide this like interoperability and give us all the ability to come together to work towards achieving these goals in a way that's more collective than more individual.

Kerrin: Right. And if you had a list, say a couple of challenges that sort of keep us from reaching that plan, what would those be?



Sam: One, I think, is like if I put my CIO hat back on, grant-making organizations in general, have evolved over many years, and so every foundation tends to have its own operating processes and its own sort of set of values and ways of doing things and ways of working. And I think, really like all the way through 2019, most grant-making organizations felt like it was just simply too hard to reinvent themselves, or to change the way that they do their business and the way that they interface with grantees.

2020, I think came in and really changed all of that in a significant way for us, but I think probably the biggest impediment towards connected ecosystem has just been, this belief and reluctance that it's just too hard to do things differently than the way that we've always done them. And so foundations, are open towards this incremental change, but very reluctant to think about, like wholesale change.

Kerrin: Right, and I completely agree with you, I think we're limited by what can we do versus what should we do, and we get stuck in that. And I think, you know, looking at those pieces, there are so many places where we can get hooked in and say, well, we can't do it for this reason, but there are just some sort of places where we have to kind of throw the line out there and let's dig into those.

Let's start breaking that down a little bit. Let's look at the long-standing Achilles heel of the industry – and that is the concept of data taxonomies supporting structures. How do we build a story on collective impact if we don't have a common denominator to create that? I think Churchill was not incorrect when he said that perfection is the enemy of progress here. And I think this is one of those places that like, data is just the exact example of that when we apply that to philanthropy. So I'm curious to kind of get your sense and sort of offer up that instead of trying to boil the ocean, what are things that we can do? initiatives, maybe this year, that can sort of move forward?

Sam: Yeah, it's such a great question from a pure technology perspective, especially around data. And that's something that I think, as a vendor we need the Fluxx's of the world to come together with all of your sort of peer organizations out there, whether they're large companies like Salesforce and Microsoft, or whether they're other advanced management platforms, or even some of the newer vendors that are popping up in the space.

And I think that vendors themselves should be having the conversation. How do we make our systems and our data more interoperable? You know, the reality is that like five years ago, everybody wanted to become like the platform that would be implemented within an organization or a foundation. But the world has gone a totally different direction, and that everything is about best-in-class systems these days. So from a foundation perspective, I want to have the grants management system that makes the most sense for me. And I also want to have a CRM system that makes the most sense for me, and five or 10, other systems that are all best in class, that I can easily integrate together and share data that enable me to achieve my mission in the right way. And so I think part of this is about how we start talking the same



language from a tech perspective and from a data perspective? Like, what are those common models that we can come together on? Whether it's API, whether it's data schema? How do we begin to find this opportunity that enables us to all start functioning together in a more cohesive way?

Kerrin: That sort of idea that the data doesn't have to be perfect, it can just be cleaned and shared, that alone would be a lovely win. I was talking about this with Kris LeCorgne from The MacArthur Foundation yesterday. He said he would love to be able to take this record and just say, send it to this org or send it here.

And just the ability to start looking at data the way we do contact management, sending a virtual card or whatever it be, and thinking beyond that about data as the connective tissues of the processes? And how do we start to look at those as ways to utilize technology as simple as Twilio is, and all those things that are commonplace in many consumer places, they are hinting at the place where foundations can go in in terms of the way that they connect things through and keep people communicating and updated. Talk to me about the process side what are the biggest opportunities you see here for either vendors or foundations or partners?

Sam: Yeah, so I actually think that like, from a social impact perspective the funding model itself is upside down. Today if you are a nonprofit, you get funded by seeking out a foundation that aligns with your mission, and then going through this sort of long arduous process of applying for funding, and then waiting on the organization to either provide that funding and partner with you on something or to decline you and then you start all over again.

And I actually think that like from an equity lens, that's terrible. We've had this power imbalance between funders and nonprofits, you know, as long as philanthropy has been around. And so I think like, from a process perspective, I get super excited about figuring out how can we flip that model on its head, where nonprofits actually have more of an opportunity to call the shots. How can we build this in a way that gives nonprofits the opportunity to choose the funding partner that they most want to work with, or even have funders compete to become their partners. And so going back to this idea of a connected technology ecosystem, I would love to see something that makes it much more simple for a nonprofit to be able to develop a proposal one time and then post that in a way that it can be discoverable by multiple partners, who would be interested in working with that nonprofit and potentially coming together to co-found a solution or even to compete to give that nonprofit the opportunity to pick and choose who they most want to work with and most aligns with their own ethos and their own vision.

Kerrin: Yes, this is definitely one of the things I look at. It's that idea of collective funding that can take the many to one funder to nonprofit model into a place where they obviously magnify the impact they can make. But what's also interesting, too, that I'm starting to see a lot of momentum around is this idea of, you know, multiple grantees coming together on a single grant. So even multi-party the ability to propose and say this, there's a group of us that have come together with complementary aspects to support a local or specific cause that we



champion, how do we go as a group to go get funding and get that collective funding, as soon as I said many to many in that sense. So that's sort of the place where I think technology kind of needs to step in. And the reality is, that sharing and collaboration are at the helm of decision making. So how do we really meet them there?

And I think that layers in this concept of vendors and partners who are non-competing, but you have a lot of vendors and partners who have different motivations sometimes and are responsible for servicing their clients, but are also responsible for growing their business and managing quality levels and all those pieces. So it's definitely a balancing act. I can tell you from the Fluxx perspective, it's one of those things you're constantly trying to grow responsibly. Is it our role as technologists, or even as a futurist in your case to think bigger and people them in that direction? Or support them and where they are and show them paths forward? What's sort of the play thereof – if you build it, will funders come together collectively?

Sam: Yeah, you know, it's funny, when I worked at the Walmart Foundation, and at the Walton family foundation, I actually wanted our technology vendors to be more of a strategic partner with the organization. And so I was constantly reaching out to our vendors to help me better understand how I could make improvements, how I could do my work differently, and how we could achieve our mission in a better way.

So and I say that knowing that a lot of my colleagues feel the opposite, like they want their technology vendor to come in, and sort of build the product or build the implementation to their exact specifications. And it's a real challenge, because a lot of times your colleagues at a foundation, the program officers and the leadership have these processes that have evolved over many years. And, again, they're very reluctant at times to change them, even if there's a better way of doing things.

But I do feel like it takes some managerial courage for vendors like Fluxx to, you know, to sort of assert your expertise and to say, look, we work with hundreds of grantmakers out there, we've seen it all, you know, I understand your grantmaking process. And here are some ideas on, how you can make this more efficient, or how you can make this more equitable for your nonprofit partners. And, again, it's I think it's a real challenge. And I understand that there is a real balancing act there. But, you know, ultimately, I think like, that is the responsibility of the tech vendors in this space. It's not just to provide the solutions that we use to do the work. But it's to provide a better way of doing that work.

Kerrin: Absolutely. And I think that's one of the things that when you look at this idea of best-in-breed technologies, there are technologists that are mission-driven. And in that, I think that's kind of where I draw the line too. We got in this for a reason we could have done any industry, most of us came from places that weren't grounded necessarily in the nonprofit space. But we were drawn to it for this, this concept of making a difference. So I think you're right, it is incumbent on us to be thinking that way. And it is something that I feel is core to, I know its core to Fluxx and its core to our partners. And I think understanding your partner network and what they can do together with that alignment on mission is really important. And it's not just



all marketing, hubbub, and hearsay. It's an actual commitment to your point of resources, and roadmaps, and making the investment that it takes at the risk sometimes of you know, any sort of lucrative growth. In that sense, though, I mean, what's your God?

I mean, with all of these changes that we're asking of data and processing systems, are we ready for this? Where do you think we are in terms of readiness versus the need for us to push and then I love to touch also upon the intangibles after that, but maybe let's focus right now on readiness. I mean, where are you seeing momentum? How do we build a quorum, if you will? To be able to get over that chasm...

Sam: All the events of the last year really changed the landscape for philanthropy and for the way that we make grants. And so all of a sudden, 70 foundations found themselves in a different role. And that was, how do we keep our nonprofit partners from going out of business are closing their doors. And so, I would say most foundations, if not all, had to very quickly redesign their grantmaking processes to find ways to expedite access to capital and to get money out the door faster, to make it easier for nonprofits to take the funding and spend it on what they felt was the most pressing need of the moment, rather than these sort of very rigid, you know, categories of spending that typically come alongside grant dollars.

And so we discovered last year like this is not only possible, but it's preferable. I think we made more good grants last year than we have like in the last 10 years. And so now that we have this momentum, I think there's an imperative that goes along with that both from a vendor perspective and a grant-making perspective. How do we keep building on all the successes of 2020? From a grant-making perspective? How do we keep how do we how do we keep developing more trust-based relationships between foundations and nonprofit partners? And how can organizations like Fluxx and other grant management platforms and CRM platforms? How can you take more of a leadership role this year, just like you did last year to come in and say, like, you know, we see this need, we see that you need to get dollars out the door faster, here's how you can do that. Right? Like floods played a huge role last year, in the success of all of these grantmakers being able to rapidly change their processes. So now that we as a sector have seen that it's possible like now's the moment for Fluxx and all of your peers and colleagues out there to build on what you were able to achieve last year.

Kerrin: Yeah, I mean, it truthfully, it was somewhere around a 33% increase of dollars going out last year processed through Fluxx. It was a massive increase. Obviously, a good part of that was COVID. So I think like 1.5 billion of that was was COVID of the say 12 plus billion that went out the door. But the truth was that the most interesting part is that that the actual acceleration of other funds other than COVID. It was a massive amount of money that increased in support of the communities all the way through. You look at the big foundations that are starting to think differently, and you realize that they are actually approaching these sort of grant-making aspects differently. You look at McKenzie Scott, you know, \$4 billion in four months, like that is insanity.



And it could to your point, really overhaul the way the people get things out the door, and maybe they think as you said, and instead of getting trapped in the process, the point of this is to get money into the communities and support the causes we care about. So it really does change the way that people kind of approach it. And that that is something that will obviously take time, as culture shift does to be able to kind of proliferate across.

I think Mackenzie Scott has this wonderful opportunity where she can sort of start from scratch and say what I want to do differently, but there are places out there that are not going to have the luxury of changing overnight. So we do have this, this kind of concept of culture, but also you know, there are intangibles around equity and strategy. And that rounds out our ability to be as effective and as impactful as we want. Talk to me a little about the culture and equity and strategy and how you're starting to see people think differently in that sort of new realm.

Sam: You know, I had the opportunity to work with the Technology Association of Grantmakers over the last year, and I wrote a series of four different white papers that were all focused on the role that strategy plays in technology in our philanthropic sector.

And one of the things that I discovered as I was doing a lot of research is that some of the best technology leaders actually don't come from a tech background, they are people of color. They are people from different segments of society and work backgrounds that look and think very differently than a lot of classic IT leaders in philanthropy. And so I feel like foundation leaders and executives and boards of directors really need to start thinking about technology very differently than they do today. Like it's no longer about, you know, like servers and networks and racks. And it's not just about, how do we make sure our data secure. It's much more about collaboration, and about finding ways that technology can help the organization truly achieve its mission and so from a strategic perspective a lot of the organizations that I'm working with are super interested in finding ways to embed technologists directly into program teams.

And that's something that has not been done at most foundations ever. But now, foundations are starting to think like how do we take advantage of technology to make the world a better place? How do we infuse technology across all of our program teams to actually make better grants and to enable nonprofits to do their work better? And so from a strategic standpoint philanthropy really has to reinvent itself in terms of the people that lead technology and the technologists that are embedded with program teams. And even the program teams themselves have to evolve in a way that technology is viewed as a strategic imperative, and not just a way that, you know, back-office processing gets done.

Kerrin: That is it going to be an interesting opportunity for us to sort of tackle. And I think it's incumbent on us as, again, technologists to be thinking through that at all points in time, for example Fluxx is looking at how we improve. And really, I'm calling it like a facelift for the grantee experience, but how do we start to meet people in that way, and it does have to take accessibility, DEI, and all those things into account in ways that I think in the past had been assumed by the application, or you get that through the browser. So I'm actually really excited to kind of dig into that more.



And we've been having a lot of conversations. So maybe, Sam, I'll bug you for a follow-up on that as we get a little further on. And we'll do a little follow-up podcast on it. Because I would love to kind of see where we're at in six months and see if we've been able to change some of those flows in those opinions on where technology needs to be and where it should be showing up. So I think a lot will happen real soon. So in terms of anything that I didn't ask you that you wish I had talked to you about are something that we can kind of go into, that's a certain passion project of yours that you'd like to talk about while we have all these lovely listeners available.

Sam: Well, you know, just going back to this idea of a more connected technology ecosystem. I'm super into the idea of a nonprofit marketplace, where nonprofits have the opportunity to sort of develop their proposals and have them viewable by a wide audience, I'm super interested in finding ways that we can better use technology to match like these proposals with most likely funders, just to find ways to reduce all the administrative burden that nonprofits have to go through just to be able to get grant dollars.

I think we all know that nonprofits spend so much of their time and energy and scant resources and the pursuit of funding. There's got to be ways that we can leverage technology and our various platforms to come together to find a better way to enable nonprofits to connect with the best partners out there, the right foundations, and to reduce all of that paperwork and administrative burden.

Kerrin: I love how eloquent you are, that was great. I wanted to end on a sort of what we call the rapid-fire questions where I'm going to run you through a series of short, quick questions, I encourage you to respond with the first thing that comes to mind. Pretty easy. All right, ready. I don't even think I've prepared you for them so we'll see what you come up with. What tech innovation do you think will be most impactful say three years from now?

Sam: I think that blockchain is actually going to finally emerge as a super important platform in philanthropy, I think we're going to find ways to take advantage of it far beyond the cryptocurrency usage that it's enjoying today. So I think that having a technology platform that doesn't rely on an intermediary and is truly decentralized is going to make a huge impact in philanthropy.

Kerrin: What is your favorite new technology trend that you follow most closely, just in your life and in general, personal or professional?

I love my robot vacuum. It's my robot vacuum that makes the biggest difference.

Kerrin: Mark, my partner literally watches ours. Like how does it know how to get around that chair? I know, is magic. It's all sorcery. If you could snap your fingers and change one thing about funder technology, what would it be?



Sam: It would be better API's and more interoperability, you know find ways to make it simpler to integrate these best-in-class solutions. I would also say like I want our technology partners to keep up with their technical debt. So many of the systems that are available for us in the nonprofit sector still feel they look like old accounting systems. So I want our technology vendors to find opportunities to modernize their systems.

Kerrin: Awesome and final question. If you could have dinner with any philanthropist living or deceased, who would it be?

Sam: So I'm going to refer back to one that you mentioned earlier. So Mackenzie Scott and Jack Dorsey would be two that I would pair together to have dinner with because if you look at what they have accomplished over the last 18 months in philanthropy, it's unlike anything that we've ever seen. Jack Dorsey tracking hundreds of million dollars of giving in a Google Sheet and Mackenzie's giving away billions of dollars in such a short period of time in such a different way than foundations do it today. Those two and a handful of other new technologists are really going to just redefine the way that philanthropy works and the impact that's being made and the way that we use technology to manage all of that.