

David Eisner: Thank you very much. It’s my pleasure to start off providing some good digi-babble. That quote that all the Internet is about is speeding up the access and retrieval of information reminds me very much of some comments that were made around the time when there was a debate about whether the telephone should be in every home. A prevailing thought was that all the telephone really does is enable people to talk to their neighbors without having to walk across the street.

In fact, it’s much more than that. I want to thank INDEPENDENT SECTOR for playing a leadership role in helping the overall sector manage the dramatic changes that are sweeping around us. This forum, and the papers that have been collected for it, are illustrative of that leadership.

I’m grateful to be able to explore with this panel and all of you the role of technology in building communities. It’s a subject I’m passionate about, and that AOL Time Warner cares deeply about.

There has been a lot of talk about how the Internet is going to revolutionize nonprofits and the philanthropic sector. Unfortunately, immediately thereafter the discussion goes to the power of e-philanthropy and new forms of fundraising. I want to be really clear on this point. The impact of the medium is going to be revolutionary and profound. But that revolution is not going to be around, as some people think, fundraising.

It’s true that the Internet offers the promise that nonprofit organizations will be able to perform important functions in pursuit of their missions more effectively. That includes fundraising, recruitment, advocacy, publicity, and every other part of managing an operation, as well as delivering services.

But the greater efficiency of doing these things is not what’s revolutionary. The truly transformative impact that the Internet will have on nonprofits is specifically in the area of building community.

Before getting into specifics, let’s just think about this at the highest level. What the Internet is all about is building community. If you look at America Online, Yahoo, eBay, Amazon – virtually every successful consumer-based business has succeeded on the strength of its ability to provide community, whether those communities are around chatting, sharing information, participating in auctions, in current news, financial services, or anything else.

Another thing that we know is that the strongest communities in the world are those where people come together about things they feel passionately about – about helping other people, about their causes and beliefs. So I don’t think it’s overreaching to say that if we get this right, if the nonprofit community pushes forward with integrating this new technology, 10 years from now the most powerful online communities will be those devoted to public interests, to helping people.

This also means that if we get this right that the causes we care passionately about in all of our organizations, and philanthropy itself, may be able as a result of this revolution to move from the side of the economic stage more toward the center. Through building communities on the Internet, we can link public interests we care about and that we represent centrally and indivisibly to one of the driving economic engines that will power the information age, the Internet.

That’s the good news. The bad news is that it’s not going to happen automatically, easily, or by itself. It’s going to take all of us getting used to new ways of thinking, new kinds of partnerships, new evaluations of our individual and collective value propositions. It’s not going to be easy or comfortable, and it’s going to take a whole lot of work.

Just so you don’t think you’re being picked on, everybody is doing this work. Every business, every sector in our society is currently reevaluating itself and figuring out new value propositions based on what this new information age means for it.

I’d like to talk this morning a little bit about the work that lies ahead of all of us, and maybe in the process of that overcome some of the misperceptions that are out there.

First, let me drill down – “drill down” is an Internet industry term for providing greater details – what I’m talking about in terms of building community on the Internet.

I want to talk about four trends that I think are central to understanding the power of the Internet to build communities. First, more people are going to be able to have more affiliations as a result of the Internet than they’ve had in the past. People can participate in more communities because it’s easier. As an example, in an offline world I participate in some professional organizations and some religious organizations. I participate in some groups that focus on my kids, and I try to participate a little bit with my neighborhood.

But frankly, that’s about all I have time for in addition to work. As much as I would like to do other things, offline the cost and the time required to engage is too overwhelming. Online, I’ve found that I can participate in many other types of communities. And since becoming part of the online world, I’m now inside the youth-development community. I get to follow domestic-violence issues which I hear about. I focus on international extreme poverty. And I’ve re-picked up my fascination with chess, which is something that I never would have been able to do outside.

And I think that you’re going to see that this becomes one of the strongest opportunities for nonprofit organizations overall, because people care about a lot of these social issues. But the fact is that they don’t have time to integrate that caring into their day-to-day lives. When it becomes easy for them, and when they simply go online they can receive messages, they can participate in conversations, they can get news, you’re going to see more people able to participate in more of these social causes than ever before.

And that’s going to be a fundamental benefit to the philanthropic community.

A second trend that the Internet brings that changes and expands communities is the “ask” gets easier. Over and over again, we know that when people are asked why they didn’t make a contribution somewhere, or why they did make a contribution somewhere, the answer is fundamentally around whether they were asked and how they were asked.

On the Internet, the opportunities to link that ask with what people do in their day-to-day lives is extraordinary. Imagine a situation where every time a consumer was touched by a story on domestic violence, or on saving the Chesapeake Bay, there was a button next to that story that said, “Would you like to do something?” Imagine if every time there was a story on something that touched their hearts there was a button that said, “Do you know what’s happening in your community?”

This is something that's going to start happening in this community. We know that when people are done watching documentaries, reading touching stories about youth or other issues, they feel that they want to do something. That feeling dissipates quickly before there's an opportunity to look in a phone directory or visit a local volunteer agency.

The immediacy of those buttons, and the ability to make that ask quickly, is going to change how many people we can draw into our communities.

The third trend that's important is that the cycle of engagement is going to become frictionless. All of us are used to the basic cycle where in order to have a person become an active part of our community, first you have to attract them, interest them in what we're doing. Then we have to inform them. Then we have to somehow recruit them, get them to sign up. And finally we need to mobilize them.

At each step along the way, traditionally we experience a lot of dropout. It's very difficult, after we attract someone, to keep their attention long enough to inform them. After we inform them, we have dropoff between informing them and recruiting them. And so on, between recruiting them and mobilizing them, there's dropoff.

Online, it can all happen in one place. It can all happen at the user's convenience. And it can all happen in a click. We don't have to give somebody a pamphlet and say, “We hope you're excited by this. If you are, please call this number.” Because that's where we get the dropoff.

Instead, they get excited when they're reading it, and right there they hit the click and have the opportunity to be recruited. And as soon as they've been recruited and they're signed up, they have four options. Would you like to email your member of Congress, would you like to send this note on to a friend, and so on.

We're going to see that these cycles of engagement happen faster. That's going to be an important benefit to this sector.

Fourth, networking. We're going to see that as a result of the Internet, practitioners in all these communities are going to have the ability to work more closely together. They're going to be able to share information with each other. They're going to be able to match demand with supply, whether that's matching volunteers to volunteer needs, matching contributors to financial needs, matching expertise to where it's needed. We're going to be able to create learning environments, and we're going to be able to develop best practices.

Some of the organizations that I'm involved with now, *Sea Change for example, are doing terrific work in building these learning communities and these marketplaces between social entrepreneurialism and investors.

I think we're going to see that these communities end up number one, making the subject area far more professionalized, consistent, higher quality, because the information-sharing will be so much better. And secondly, we're going to see that the outcomes from these communities will be so much stronger because we're not going to see over and over and over again people reinventing the wheel.

The final trend that I think is important to focus on in terms of how the Internet impacts the philanthropic sector of growing communities is an increase in focuses on niches.

Up until now, we really haven't seen it because folks like AOL and other ISPs have been rushing as quickly as we possibly can to get the Internet out to the mass audience. Most of what we've been doing is focused on non-niche, mainstream audiences where we have the lowest cost of member acquisition.

Quickly, we're going to start moving into a world where we are focusing more and more on specific niches, as the low-hanging fruit of people that already have computer access are already signed up. And we need to focus on getting new communities online.

As we start focusing on niche marketing, and as broadband begins to expand access so that there is a greater opportunity to put content online, we're going to start seeing a higher premium for niche-oriented content. So that your organizations that are focused on environmental content, or on women's content, or on youth-development content, that content is going to come at a higher premium and it's going to be used to help build communities around those issues.

So those are a few of the trends that I think auger really well for how the Internet can help build communities. Let me spend just a little time talking about some of the barriers we need to address if we're going to take advantage of these trends and fully realize the opportunities to build communities on the Internet.

Unfortunately, they're every bit as daunting as the opportunities are wonderful. Let me hit four of them.

First, all of us have to focus on building innovative uses of the medium as a force for accomplishing social objective. Many pilot programs have told us what we suspected, which is that this technology offers never-before-seen potential to take communities that have been traditionally denied the ability to participate in society and help them participate economically, socially and politically.

But we have not fully exercised these applications, and it's important that we do.

Second, we must continue to press urgently forward with finding new ways to ensure that everyone is able to enjoy the benefits of the Internet, that no group is left behind based on income, education, geography, race or ethnicity. Obviously, this is a responsibility that industry has very strongly. It's a responsibility that's also shared with government.

But it also must become a higher priority than it currently is among after-school and literacy programs, among youth-development and mentoring initiatives, and other community-based programs. And it's important to remember when we talk about overcoming the digital divide that we're not just talking about getting computer hardware, software, wires and connectivity into these places. We're also talking about training. We're also talking about community education. And we're talking about developing content so that when people come there, they find things that are relevant to their lives.

Third, we've got to continue to find new ways to support the development of tools that make giving, volunteering and civic participation easier and more compelling. For the past couple of years I think a lot of us have assumed that this would be something that

would be picked up almost exclusively by the for-profits. And today it appears that the nonprofit sector will have to bear an increasing role in making e-philanthropy a reality.

Let me point out that I don't think the challenge to the sector in this area of e-philanthropy is so much how to build the software and the applications themselves. I think the true challenge is in finding new ways to work together toward common goals.

Does it really make sense to have more than five different organizations toiling independently to develop national databases of volunteer opportunities? Does it make sense to have literally dozens of organizations assembling the same data about the sector for use by Internet donors? Why can't organizations come together in their common interests to use common tools?

Let's look on the business side for a minute. Could you imagine if every Internet company developed its own browser? If AOL can share a browser with Microsoft, its arch-competitor, if all the competing airlines can share the common SABRE database of flight information, if all the car companies can list their pricing on Cars.Com, why is it so difficult for nonprofits to come together to share the same basic data and tools infrastructure all of them need?

Well, in large part it's because the sector hasn't really figured out the Internet yet. It hasn't figured out how the business models work. And that in turn leads me to the fourth and final barrier I want to talk about today.

Most nonprofits don't use the Internet themselves. This is an issue that I'm sure you're all familiar with. It's very hard to have a discussion like you're having here for the past couple of days without talking about the importance of increasing capacity in the nonprofit sector. But it's a truism. How can we possibly hope to erase the digital divide for underserved communities if the organizations that represent and serve and advocate on behalf of those communities are themselves on the wrong side of the digital divide?

Likewise, how can we expect consumer demand for online giving, volunteering and civic participation to grow, if the organizations they're trying to reach are not able to respond to their emails, or even to acknowledge contributions that come to them online?

Some of the most important players in addressing the capacity issues for nonprofits are grantmakers. It's important for grantmakers to focus on providing grants for technological capacity. But what's really important is even where grants are not related to technology, grantmakers need to take an interest in their grantees' technological proficiency in the same way that they take an interest in their staff capability, their management, their financial credibility. They need to add technological capability to that list.

I've touched on four critical and daunting agenda items, and unfortunately there are lots more I haven't brought up. For example, the challenges we face in creating low-literacy, multicultural and multilanguage content.

The good news is that we have time to respond to these challenges, because we're really only at the very beginning stages in the development of this interactive world. If this were an evolutionary tree, cause-oriented, community-building, and e-philanthropy on today's Internet would be near the bottom – below Homo Sapiens, beneath amphibians and reptiles. Down there with the single-celled creatures.

At this stage in the medium’s development, we’re amoebas; or more accurately, Amoebas.Org.

As Steve Case has said, the fascinating thing about where we are today is that the medium is big enough to matter and still small enough to be shaped.

I hope all of you and all the nonprofits you come in contact with find ways to have some fun wrestling with these issues. Seriously. There’s a joy to what we do as nonprofits; it’s a thrill to spend our time working to benefit society and to help people. We all know that there are things that we do that are less than joyous, whether it’s administration, sometimes fundraising, dealing with red tape and so on. It’s important that we not let technology become a part of the burden or part of the drain. Rather, it should be part of the excitement.

We have a golden opportunity to build stronger and more passionate communities than any we’ve experienced before. We can help people become participants in our causes through the magic of electronic connectedness. That should be exciting and fun. We just need to get to work.

Simon Rogers: How committed to you think big companies like AOL are going to remain in building communities among people who essentially don’t have any money, especially when times are harder for those big companies?

Eisner: I think that you’re going to find that it’s in all Internet and high-tech companies’ best interest to ensure that the Internet is ubiquitous. That adds value to the overall network and, frankly, the system doesn’t really work if everybody is not connected.

I think that you’re going to see different levels of commitment as companies experience this enlightened self-interest at different paces. Certainly at AOL Time Warner it’s one of our highest philanthropic and business imperatives.

The other reason that we’re going to focus on it is that we have a little bit of a window to get this right before government steps in. If we don’t get it right, government should step in. So I think that the burden of proof is on us to show that we can make everybody a part of this new revolution. If we don’t, then we’ll be looking at more regulatory ways of handling it.

Rogers: And do you think that will survive, for example, what’s happened to the NASDAQ recently?

Eisner: I think you have to take a long-term view. I don’t anticipate that large agendas will be shaped by the ups and downs of the stock market like that.

Rogers: Thank you, David.