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MIRA - Growing a Micro-Philanthropy Platform

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Student Case Study Collection

MIRA GROWING A MICRO-PHILANTHROPY PLATFORM

It was October 2011, Sara Ortega, CEO of Mira, and her board of directors were in the heat of an important meeting. Two years since its formation, Mira had raised USD \$17,444 for projects submitted by partner non government organisations (NGOs) in Cambodia. While this was a significant sum, much of the money had been raised through Sara's and the directors' personal networks—they needed a plan that would be sustainable in the long term. Current donor engagement and satisfaction as well as future expansion plans needed to be evaluated and refined. With limited manpower and much to do, Sara had to decide what to prioritise.

A Background to Online Micro-Philanthropy

Rapid uptake of technology in the past decade had transformed how people work, play and connect. Internet usage rates had been increasing rapidly across the world and significantly in developed and developing countries. To remain competitive, businesses needed to establish a significant online presence and engage their customers online. Non-profit organisations (NPOs) had made the shift as well, ensuring that their information, activities, events and contacts were available online. It was a wise move considering that online donors were considered the most loyal and engaged, with more than 50% of these donors indicating familiarity with chosen NPOs and almost 60% who had encouraged friends to support an NPO.¹

Concurrently, the buzz word in the social service sector had been that of social innovation. This could be incremental (small improvements based on insight) or radical (capable of huge systemic change) and included the effortful implementation and diffusion of the idea.²

This case was written by Wang Enqin as part of the Case Study Writing Exercise for the Lien Centre for Social Innovation towards fulfilling the POSC 201: Development, Underdevelopment and Poverty module under the supervision of Assistant Professor John Donaldson. It was prepared solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

Online micro-philanthropy had been one such recent innovation. Micro-philanthropy is the idea that individuals' small donations can be collated to fund an individual person or a project. Online micro-philanthropy integrated this idea together with the infinite reach, collating power and immediacy of the internet. The benefit of this was three fold. First, it empowered individuals to donate modest amounts that could become part of a bigger project. Second, time-strapped consumers could read, donate and witness the impact of their donation on a single platform within a short span of time. Third, giving became more visible as websites displayed profiles of donors and the beneficiaries. The advent of social networking sites also implied that giving was made viral. People could donate, share it on their networking platforms with friends and family, who could then decide to give and share with their networks.

Kiva and Donors Choose were examples of how micro philanthropic websites could successfully attract and raise significant amounts from individual donors. Kiva, an online lending platform, allowed donors to lend money to entrepreneurs in developing countries. Kiva's field partners (local NGOs) collected business and family-related information about entrepreneurs and uploaded onto Kiva's website. Donors were able to track the loan updates of these individual entrepreneurs on the website. Upon the success of their ventures, these entrepreneurs would return the loan and donors could choose to contribute to another entrepreneur or take the money back. By November 2011, Kiva had raised a staggering US \$254 million worth of loans for about 660,000 entrepreneurs.³ (Exhibit 1)

Donors Choose, a US-based education centric platform, allowed teachers in American public schools to put up requests for classroom material. Once the requested sum was met, Donors Choose would purchase and deliver the materials to the classroom and the donors would receive pictures, letters from the teacher and a cost breakdown of the purchase. Donors Choose was publicised by celebrities such as Oprah Winfrey and by November 2011, had raised more than USD\$93 million for about 5.5 million children.⁴ Such organisations demonstrated the power of aggregating small contributions for significant impact.

The Birth of Mira

Mira emerged within the context of these times. Mira's founders, American Sara Ortega, Canadian Simon Tam, and Singaporean Jens Thang, met each other when they were teaching in an adult education programme in Ghana. Despite coming from three different countries, they wanted to do something worthwhile beyond their current teaching stint. After many months of after-work discussions, brainstorming and planning, the idea of Mira, an online scholarship platform was birthed.

Mira, which means "prosperous" in Sanskrit, aimed to "provide educational opportunities to underserved and exploited children around the world by funding education-related projects."⁵ Mira was intended to serve as an international micro-philanthropic platform through which citizens could make modest contributions towards a particular child's scholarship and receive

constant updates about the child they were supporting. Mira's success banked on three main aspects:

- Scalability—Allowing individual philanthropists to fund scholarships for children in developing countries;
- Innovation—Personalising the giving experience through an online interactive platform with live updates of the supported child;
- Viral effect—where the giving experience could be easily shared through the givers' social networking sites.

“Mira is an example of how establishing and reaching out internationally is not as difficult as people think,” Sara opined. “Many people think that international issues can only be dealt with by the local government, but Mira demonstrates the ease and impact of contributions of an individual, despite being thousands of miles away.”

In 2009, the founders submitted their idea for the Lien i3 Challenge and were awarded USD \$100,000 to embark on the project. Mira received U.S. government approved non-profit status in October 2009.

Adjusting and Adapting the Model

In its early phases, Mira made one key adjustment to the nature of the scholarship. Initially, Mira was intended to be a micro-scholarship platform where children received individual scholarships. However, several issues were raised in the implementation process. First, donating towards individual children could perpetuate a selection bias based on the child's appearance. Second, in developing countries where child trafficking and prostitution was common, placing pictures and names online could pose unnecessary risks to the children. As such, a shift was made towards offering scholarships for education-related projects. Not only would this reduce the aforesaid threats, targeting a group would also ease process of tracking students within the developing country.

Organisational and Operational Structure

Two years into the project, Mira had raised US \$17,444 for seven education-related projects in Cambodia. Sara was the CEO and only full-time employee of Mira. Sara managed Mira's administrative and communication functions with donors and NGOs on her own while key financial and legal decisions were made together with Mira's Board of Directors. When help was required for an event or particular function, volunteers were sourced through volunteermatch.org. The bulk of Sara's time was spent on two things. First, fundraising, to ensure that both Mira's administrative and NGO partners were receiving funding and second, engaging and updating the current and potential donors.

As of December 2011, Mira raised USD \$17,444 in cash and in-kind. 60% of the funds have been channeled to past and current school projects, whilst the remainder funded Mira's operations. Out of the latter sum, 34% have been donations in-kind such as non-cash products or services.

Mira started off having conversations with over 40 Cambodian-based NGOs to explore the nature of Cambodia's social service sector. Topics ranged from that of culture (both the country's and the organisation), to financing and banking and the black market deals that occurred in the sector. Through these exchanges, Mira was able to gain a comprehensive understanding of the social service sector and adapt their processes to suit this culture. It was also through these conversations that the initial NGO partners were identified and chosen.

Mira's future plans were determined largely by pushing out a new idea and gauging its feasibility based on donors' response. To test donors' receptivity and willingness to donate through online means, Mira did a pilot project for improving dormitories at a Child Protection Shelter. Based on the positive response they received, they tweaked and adapted the website and increased the number of projects.

Operationally, Mira's board reviewed and evaluated the credibility of an applying NGO and the relevance of their request. The NGO had to meet the following criteria to qualify:

- Be registered with the Cambodian Government;
- Willingness to be open with their accounting practices;
- Submit two references from recognised professionals in the community. NGOs could then submit project requests for the board to evaluate.

The main criteria for any project was simple, NGOs had to show that it had positive influence or relevance to the child's education.⁶ Upon approval, details of the NGO and project would be placed on the Mira's website where donors would be able to donate any sum they chose. Upon achieving the targeted amount, the campaign would be closed and the money transferred to the NGOs. The NGOs would be required to submit a formal report three months and twelve months into the programme and informal reports beyond the former to allow Mira to evaluate and suggest improvements. Subsequently, Sara would liaise with NGOs and update donors on the progress of the project through various online channels. (Exhibit 2)

Strengths

“One of Mira's key goals is to spread the value of giving.”

– Sara Ortega

Mira had a great idea, it wanted to make giving something that everyone could do, no matter who or where they were. All one needed was access to the internet.

They wanted to bank on social networking sites to share the spirit of giving. Facebook and Twitter served as a preliminary form of communication with donors and potential donors alike. Mira's Facebook page included a *Mira Donor Spotlight* to acknowledge donors and encourage them to share reasons behind their contributions. Pictures of the children using new materials, updates on project progress as well as recent news about education within the social sector were posted on their wall. Mira recognised the importance of keeping their donors engaged and in touch with what was happening. In addition to the social networking sites, quarterly newsletters were sent out to update donors on the developments of ongoing projects.

Traditional offline engagement techniques were employed as well. To personalise the donor engagement, phone conversations and face-to-face meetings were held. Christmas cards were also sent to past donors to thank them for their donations and invite them to contribute to Mira once more. Although this required significant manpower and cost, Sara believed it was essential to express gratitude to Mira's donors. Fundraising events were also used to strengthen donor connection. On 6 August 2011, Mira held their first annual fundraising event "Eat, Drink and be Mira!" where current and potential donors were invited. The purpose of the event was threefold. First, it personalised the giving experience by allowing the Mira team to meet and thank the donors personally. Additionally, a video showcasing the Mira's work over the years was compiled and screened. Giving donors a sense of the actual impact their donations had on the lives of the children. Donors also had a chance to Skype with one of the field partners in Cambodia and to hear for themselves what the community had to say.. Second, the gathering placed focus on the value of giving by allowing donors to interact with other donors in the Mira community and share the reasons for their contributions. Last, it served as a fundraising platform where Mira received donations from the sales of tickets and auctioned off donations (e.g. Disneyland tickets, airfare gift cards, homewares) from various businesses and Cambodian crafts to those who attended.

Challenges for a Young Organisation

However, as a young organisation, Mira faced multiple issues that would stifle and limit its growth if left unaddressed.

"None of us have that many people on our personal networks. No matter how popular you are, there is only so much room for expansion."
- Sara Ortega

One of the key issues for Mira was that of continued funding. Most of the past and current donors of Mira had been personal networks of Sara and the board of directors. While significant growth had been achieved, personal networks could only bring Mira this far. Mira's website had yet to generate the viral effect it intended to have. The cash flow from current individual donors was unlikely to sustain Mira in the coming years. Contributions to the website were slow moving and projects took a long time, of up to 72 days to be fully funded. Mira needed to find ways to extend the reach to individual donors as well as consider alternative sources of funding.

Mira did not seem to be able to reach the intended international scope of its operations. Although it had initially targeted an international donor base, a large majority of its donors were from the US. Sara wanted to increase the number of projects, number of NGOs in Cambodia as well as extend Mira's reach beyond the Cambodian borders. However, the lack of manpower made this an almost impossible task.

Maintaining communication channels between current donors was proving to be rather difficult. While Mira had been using multi-faceted ways to engage their donors, response and activity on Facebook and Twitter had been non-consistent and communication seemingly one sided. The current website was not eliciting the traffic that Mira had anticipated. It also needed improvement to its appearance and processes. (Exhibit 3) Sara was uncertain whether the quarterly newsletter was sufficient to keep their donors updated and engaged with the beneficiaries. While phone calls and face to face meetings with donors seemed important to maintain a personal touch, manpower limitations made it difficult do so continually. The lack of a feedback system made it hard to identify which channels were most effective in engaging the donors and which ones were not worth the time. Sara needed to find channels to reach donors in a time-efficient and effective manner.

Presenting to the Board

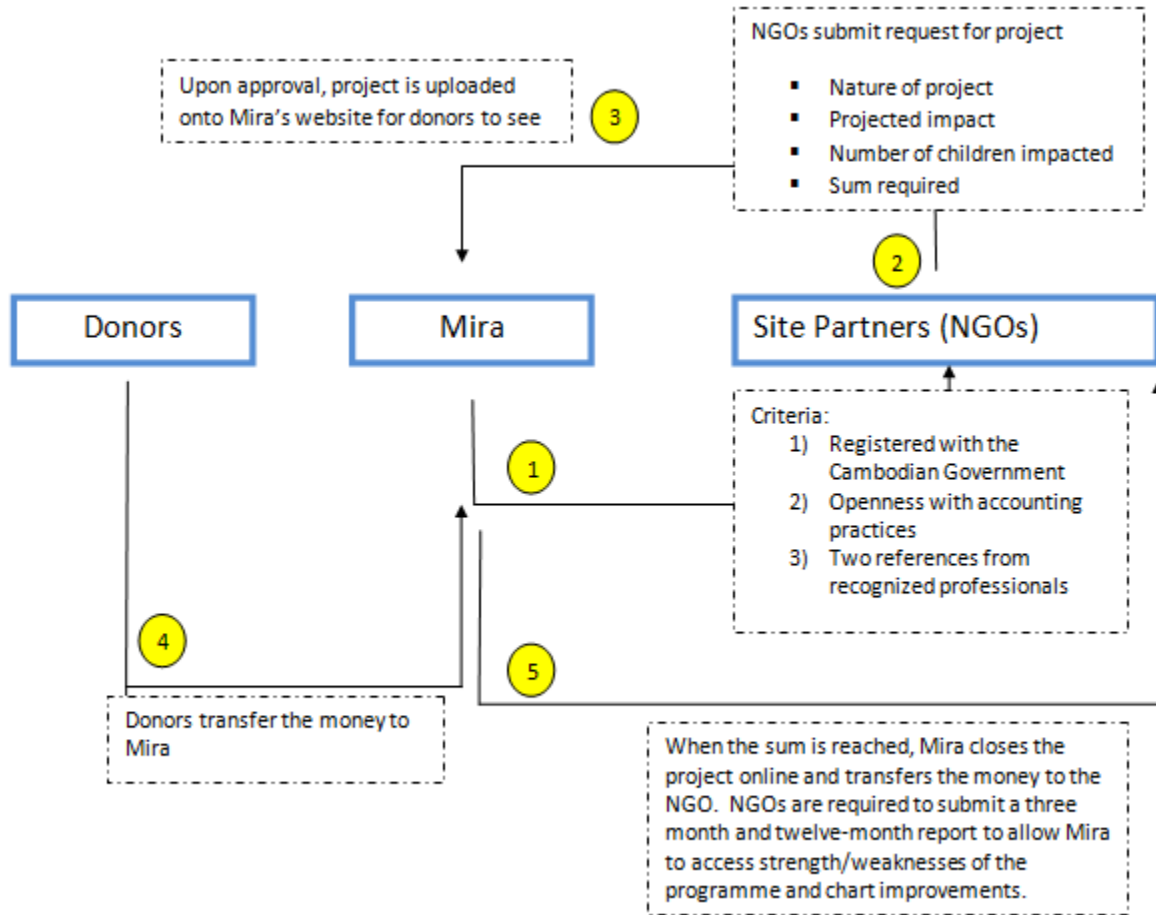
Sara needed to weigh the costs and benefits of the different expansion plans to decide which ones were most important and essential for Mira.

Exhibit 1
MIRA
Kiva's Website

The screenshot shows the Kiva website interface. At the top left is the KIVA logo. To its right are navigation links: Lend, About, Community, Updates, and My Por. Below the navigation is a green banner with the text "Empower people around the world with a \$25 loan". The main content area features a grid of small photos of loan recipients. On the right side of this grid, a larger profile for "Alexander" is displayed. The profile includes a red flag icon, the text "Peru | Transportation | Transportation", and a short bio: "Alexander, 30, is a single, hardworking man. He with his mother who he cares for in his own hous located in Tambo District. He...more". Below the bio is an orange "Lend Now" button and a link "or Browse all loan".

Source: <http://www.kiva.org>

Exhibit 2
MIRA
Operational Flowchart



Source: Drawn from Sara's description of the model.

Exhibit 3
MIRA
Mira Scholars Website

Internet Connection for Child Protection Shelter



Project Snapshot

- Cambodia
- 30 kids impacted
- 456.80 raised
- 51 days left
- 0

Thirty girls seek to advance their skills in online literacy.

Funding Request:

Requested Item	Item Cost	# of Items	Total
Network Equipment: router, cables	\$130	1	\$130
Installation Fee	\$40	1	\$40
Deposit	\$30	1	\$30
Monthly Usage Fee	\$87	12	\$1044
TOTAL			\$1244

Project Background:

▶ \$456.80 raised of \$1244.00 goal

▶ 7 contributors

▶ Support this project

\$ 50.00 \$ 100.00 \$ 250.00
 \$ 500.00 \$ 1000.00 \$

Optional donation to Mira's general fund? \$

Optional Processing Fee? \$

Total \$ 0.00

DONATE

▶ Photo Album



Want to help this project get funded?
Share with your friends!

Source: <http://www.mirascholars.org/project-detail?id=490>

Endnotes:

¹ Paulette Maehara, "Donor Management- Closing the Funding Gap", in Willie Cheng and Sharifah Mohamed (eds) *The World that Changes The World* (John Wiley & Sons, 2010).

² Geoff Mulgan, "Social Innovation- Stepping on the Accelerator of Social Change", in *The World that Changes the World..*

³ Kiva, "How Kiva works", *Kiva*, 2011, <http://www.kiva.org/about/how>.

⁴ Donors Choose, "Our Impact", *Donorschoose.org*, 2011, <http://www.donorschoose.org/about/impact.html>.

⁵ Mira Scholars, "About Mira", *Mira*, 2011, <http://www.Mirascholars.org/about>.

⁶ Other criteria included the project duration, requested amount and number of children impacted.