



# FundRazor

How Collective Sourcing  
Can Fix Public Education  
John Malone

What if everybody with a child in public school decided, collectively, to stop buying one thing in favor of another? How much would a company pay to have their product be the new thing bought?

We are talking about leveraging an emotional tie to a business decision. We are talking about bringing small businesses and education together. But we have a few hurdles to get over first.

When it comes to changing the way we fund public education, we have to stop looking at ourselves as just voters and taxpayers. We must also identify ourselves as consumers and business owners, and use that as a way to see what funds are available and really get what we need.

Currently, when we want to raise money for things like education, we have two options: Taxing and begging. Begging is often disguised behind getting grants and fancy fundraising dinners, but really... isn't asking for a grant just like a homeless person holding a more creative sign at a traffic light? Yes, it's well written and formatted correctly, but it's still begging.

In this manifesto we examine the connection between company profits and commissions, the availability of this money, and what corporations want most. We position schools, parents, and volunteers at the center of the economic ecosystem, and will demonstrate how to redirect a constant flow of Unrestricted Recurring Revenue into our schools—all through shopping locally and collectively.

But... we still have a few hurdles we need to get over first.

Having spoken to thousands of volunteers and schools, the challenge is not only to get people to understand how the system works and what you need to do to change it, but that (and this is difficult to hear) many, I'd say most people who have dedicated their lives to volunteering or public service don't actually understand there is a system. The system that I am speaking of is the methodology of business, and what people actually do and think in the business world.

Have you ever been at a party, standing between a liberal and a conservative friend having a conversation about how to change something, when your liberal friend says something like "why don't they just (insert comment here)" and the conservative immediately stops listening? You cringe not because the comment is incorrect in any way, but because it comes from a place of naivety and a lack of understanding how things work in the business world.

And not understanding the way the business world works is ignoring the way the world currently works. Ignoring that world and not referring to it will leave you left out of a conversation faster than parents leave dog owners out of conversations when they reply to the question “Do you have kids?” with “No, but I have dogs, so I understand.”

Like it or not, the business world views the fundraising and nonprofit worlds as dog owners.

Heart, please allow me to introduce you to brain.

We have to accept how the system works.

The system is like an oil tanker: it takes a long time to turn it around, and everyone must be on board miles before you make any kind of turn. What we are trying to do is get agreement, turn this big oil tanker one tiny decision at a time, and move on. And before we do this we will need to arm ourselves with unreasonableness—in the GB Shaw sense that we will become “the unreasonable man” (Google it!)

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So here are the the 10 things you need know about the system before we move on. (Hold your breath and count to ten, or if you must, hold your nose and proceed)

1. **Companies are not people.** Okay... so even though corporations are recognized as an individual in the eyes of the law, companies are not people. I know this seems simple, but people connect with people, companies connect with revenue. Stop trying to speak with companies like they are people. Stop thinking about companies like they are people. Stop trying to appeal to the “better angels” of a company’s nature. They don’t have any. And remember that the bigger the company is, the less power the individual person typically has in it. So if you connect with a person there, empower them to speak in the language of the company and convey the company’s interests. They probably do want to help you. Empower them to do so.
2. **People Hate Change.** Sometimes people love what they do. If you are reading this longing to work for the website that published this, that’s probably isn’t you. But people are more comfortable doing what they’ve been doing rather than trying something new. When you need to change a person and the way they typically do things, what do you do? Hug them. Wrap your arms around them and remember they are reasonable. (It’s ok that they are afraid, just keep hugging.) To help them adjust, help them understand what will stay the same first and then introduce the minor changes.

3. **You vote for the future.** Elected officials have, and take, years to institute change. Our systems and schools and programs need money now. Our power to elect officials is contained in the vote. Our power to influence dollars is in our ability to direct revenue.
4. **Companies Lobby to Protect the Status Quo.** Shocking, I know! Companies lobby to ensure that their position of profitability is protected and that the faucet of opportunity will not be interrupted by inconvenient legislation. So by the time our elected official gets to the point of presenting change, the system has become intransigent, and it's hard to move—especially when all of your resources are going into funding and not lobbying
5. **Find a currency and trade it.** A currency is nothing more a common token of value held by a group of people. Currency has value. Companies value sales (there is no revenue without sales) and they typically measure them in quarters. What is a particular company's sales number? Find it out. In order to have a conversation about what they can do for you, you need to be able to talk about how you can help that number.
6. **You can't sustain anything by trying to create a new behavior.** If a fundraising idea, or any idea, involves a new person remembering an additional card, or widget or app, it won't be sustainable. You won't make a difference if you try to create a new behavior people must follow. Creating interest is hard. Locating interest and directing it is easier.

7. **People who know about money are laughing at you.** Think what would happen if we were at a board meeting at a company that needed to raise revenue and they suggested the things we subject ourselves to at the nonprofit level. If the director asked who had ideas to raise money and you yelled out “bake sales,” you would be fired. And if he scans the room and says “you, Todd” and Todd stammers “w-w-wash cars.” Well, even if the boss entertained the idea and asked “whose cars?” and Todd replied meekly, “each other’s cars”... well, now Todd is fired too. They are laughing. Trust me, I meet them every day.

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8. **You must tie fundraising to sales.** However you do it, you must tie fundraising to sales, sales culture, revenue, ROI. Start thinking like a business if you want to work with business people. I remember the last time I met the sales leader at a company, and he was the nicest guy... oh wait, that didn’t happen. Your cause is nice enough. Your sales don’t have to be.

9. **Tee shirts are expensive receipts for donations.** So is a dinner with the president. They are nothing more than fancy receipts. If you really bought something, you would have the thing you bought. Make sure people aren't just buying receipts.
10. **People are smart, companies are dumb.** A company as a thing can't even tie its shoes. But the people that work there are smart, and they collectively move the company forward. But a company is like someone looking to marry a doctor whose email address is `iwanttomarryadoctor@rightnow4real.com`. They literally tell you what they want on their website. But remember, they are reasonable and looking for new ways to get there!

Now for the serious part: 84% of U.S. schools are underfunded. We fundraise for things that we used to take for granted. It's like getting drinks on a plane: we forgot when we started to pay for them, but now it's the norm. Many school fundraising ideas were established to augment tiny bus trips or extracurricular activities, like when a team made a final that wasn't budgeted for and they needed help to get to the location. You remember those days?

Now, beyond the collection of seemingly ever-diminishing tax revenues, those methods have become the norm and we have underfunded education, but it's no wonder we have undervalued education.

**A slight tangent regarding our education system:** The similarities between the recent housing crisis and education (especially third level) are uncanny. Let me explain...

- Tie home ownership to the American dream and market it as such. Tie college to the American dream and market it as such.
- Undervalue renting as a status symbol. Undervalue high school diploma as a status symbol.
- Generate Revenue from loans given to people to buy a home. Generate Revenue from loans given to people to get a college degree.
- Increase cost of homes as loans now more available. Increase cost of education as loans now more available.
- When the source of home mortgages dries up, lower the standards to get loans. (Create more mortgage products, zero down, no proof of income needed.) When the source of school loans dries up, lower the standards to get into college. (Create more schools, zero physical attendance required.)
- Result? Devalued housing market collapses. Result? Devalued degree, with a bachelor's now more like a high school diploma, a master's like a bachelor's, and a PHd like a master's.

BTW you now must have a master's degree to be a kindergarten teacher. Do you know what kindergarten teachers get paid and what a masters degree costs? (Google it)

Our system is broken, but here is how we can fix it: think of your town or school district as an online auction—like Groupon, or LivingSocial, or a travel website like Travelocity. The vendors give deals to these sites in exchange for the websites driving traffic their way and bringing in customers. They aggregate the customers and manage the searches. And the customers go to these sites because they know they have the best deals. It's a win-win, a self-fulfilling prophecy.

Similarly, we can collectively shop based on who supports our schools, and set up systems that drives business their way in exchange for that support. And how will they support our schools? By donating a portion of the sales revenue to our schools in exchange for our loyalty.

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So... We are not going to change a behavior; we are going to redirect it. We are going to integrate fundraising into local business culture, help business meet their sale goals, and help them help us raise funds for our schools all at the same time.

We will work with service-based businesses, as they offer recurring revenue, and consumer goods are too impulsive and too often one-off transactions.

We will only work with small local businesses to start.

And we will “vote” for change with the local services we use. Why? Because local services are predictable, they have local salespeople we can work with, our elected officials can work on tomorrow, and we will get our funds today.

Don't believe it can happen? Well, we've already applied a model with the guidelines above.

We piloted this concept in a small New England city and started convincing local businesses to switch their credit card processing service providers in late 2011. After several months, 40 businesses had switched their relationship with their service provider—all in exchange for getting local parents to shop at their stores. We traded this loyalty to the merchant service providers (just like Groupon, etc). in exchange for lower rates for the businesses. Those savings were then passed along to the local school district.

The total donation for the month of June 2012 was \$1264, or a run rate of \$15,200 per annum.

So it can work. The model can be tweaked. It should be experimented with and fit to local communities, businesses, and schools. It will be necessary if you're working with business, as all business is negotiated. But it can and is being done, and we need alternative models like this to spread. There are plenty of funds available out there. We just have to be creative about finding ways to direct them to the things our communities care most about.

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With the great recession in our rear view and companies bouncing back, it is time to get up, shake off the dust, look around and appreciate that we are all still here. Most of us have been a little dinged up in the process, but look to your proverbial left and right... they are the people that were with you through it all, even if you didn't realize it before.

But, while we were fighting and scraping to keep our businesses and school programs alive, something amazing happened, something wonderful. We have realized that we all need each other. We are interdependent. Regardless of our political bent, we all want the same things for our communities—good schools, safe streets, vibrant businesses—and our heads and our hearts can actually speak as one.

It still takes a village, and that village is becoming larger and more interconnected than ever. We can look at things like Facebook as being negative or positive, we can panic about our kids now always-on existence and worry about shows like Catfish and our kids over-sharing, but this world is here to stay and the village has become bigger as a result. The amount of people that can care about us and follow what we're doing on a daily basis has gotten wider. An aunt in Seattle can see what's going on with a niece in London. She can catch wind of a thread that seems like the child is in with the wrong crowd and message her mom to say "be careful." The days of walking down our streets and being parented by a neighbor on her doorstep are not over. The doorstep has changed to a log-in page.

The way we fund our schools has to keep up. We can't expect Mark Zuckerberg to donate \$100 million to our school districts as he did in Newark. We must utilize the tools he has given us online (and others like them, and build our own) to mobilize ourselves and our communities, and make collective decisions to support what matters to us most—our children and their education.

I am a parent of four children. I have been so privileged over the course of their school life to work with school fundraisers and small business owners—the two pillars of our communities, and a great America. During the past two years I have seen communities do everything to make their children’s educational experience better. They panic, they stress, and they do amazing due diligence on fundraisers and their programs. They volunteer the little time they have to improve things that need improving. It’s time we develop new systems and programs to link the two groups that depend on us most to survive and remain vibrant: our communities’ small businesses and local schools.

**Now get up!** 📺

# Info

**ABOUT THE AUTHOR** | John Malone, the Founder and CEO of GenerateForSchools, is a social entrepreneur. He is the parent of four amazing children: Emily, Ollie, Finny and Addy, and a lover of start-ups and start-up culture. Born and raised in Ireland, he has made Massachusetts his home for almost 20 years. He believes that people are smart, creative, and hardworking and that it would only take a few of us to change the world. If you'd like to help him do it, visit [generateforschools.com](http://generateforschools.com).

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