

# Services Collaborative Funding 1 Year Report

April 2013 - March 2014

In April 2013, we began a process called Collaborative Funding, in order that those contributing funds to Enspiral Services collective funds have a proportional say in decision-making over how they are spent.

The process takes place on Loomio and Google Spreadsheets, with people who contributed income that month deciding which “buckets” (potential projects) to allocate it to, after basic operating expenses are accounted for.

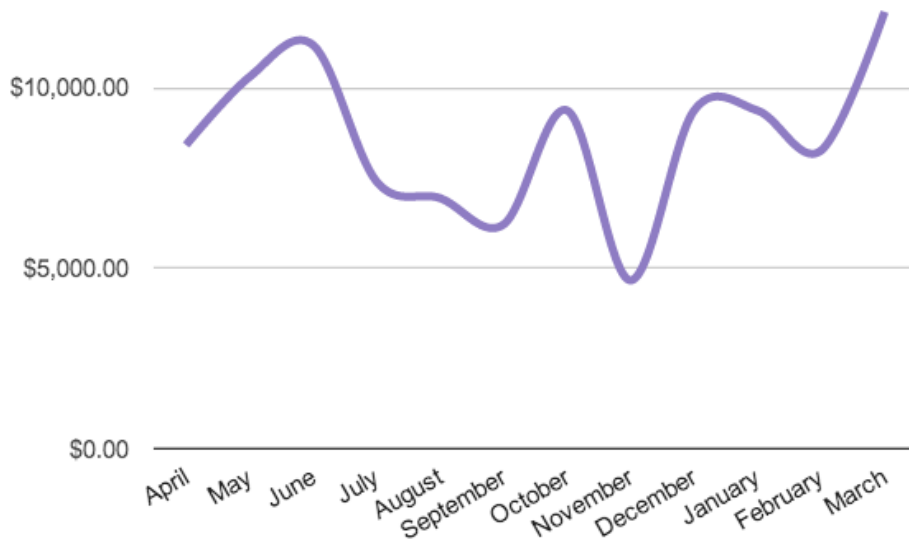
The income presented here are contributions by individuals and teams, given to the collective pool as a percentage of income earned.

Contributions are a recognition of the value of working within Services, and the power of funding shared resources and work done for the good of the company as a whole. The default contribution percentage for all invoices is 20%, but is sometimes varied depending on circumstances.

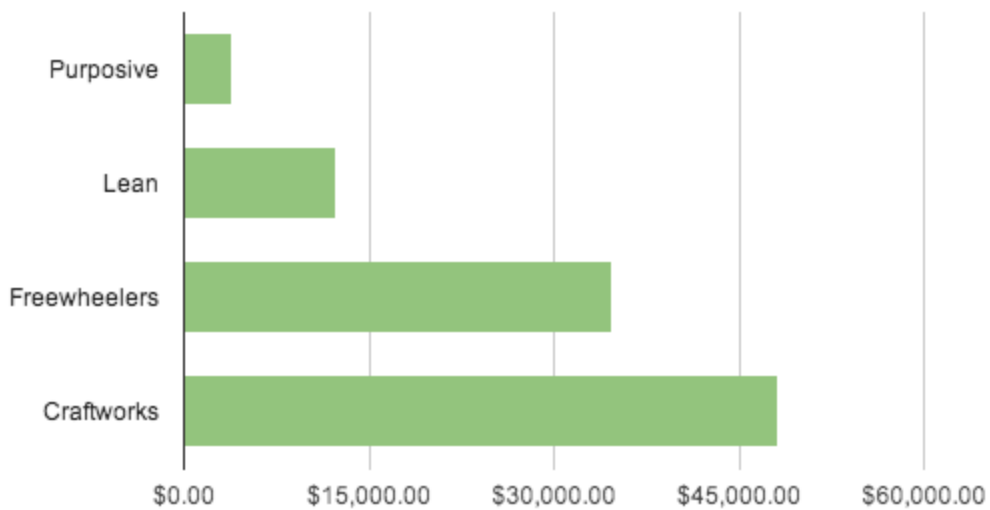
We've been doing collaborative funding for a year, and it's time to reflect.

-----income-----

**Total contributions: \$103,632.54.** Monthly income ranged from a low of \$4,667.48 to a high of \$12,107.88, with an average of \$8,636.05.

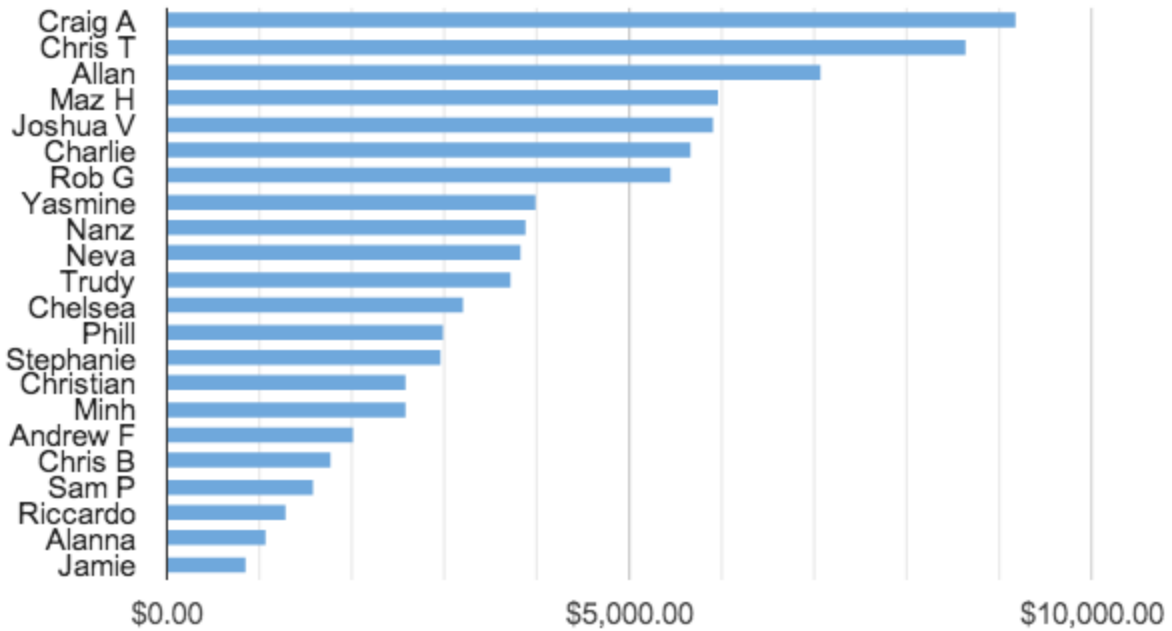


### Contributions from Teams

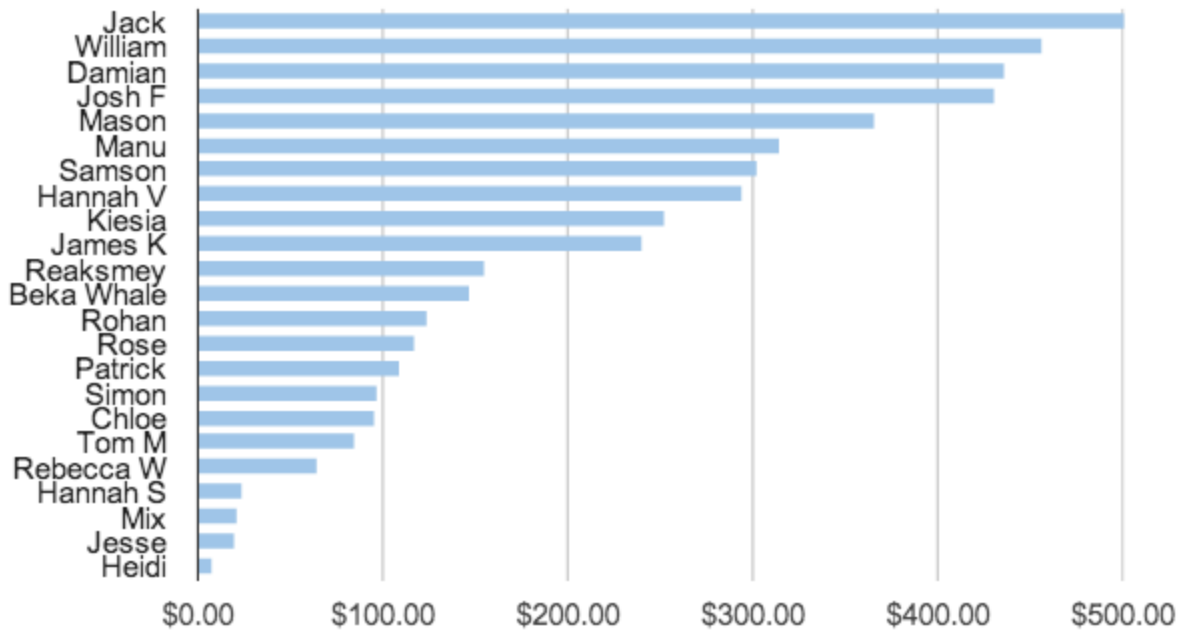


**The top 7 people made up 53% of all individual contributions:** Craig Ambrose, Chris Toynbee, Allan Anderson, Maz Hermon, Joshua Vial, Charlie Ablett, and Rob Guthrie. **There were a total of 44 individual contributors,** with annual totals ranging from \$8 to over \$9000.

### Individual Contributions - Top 50%



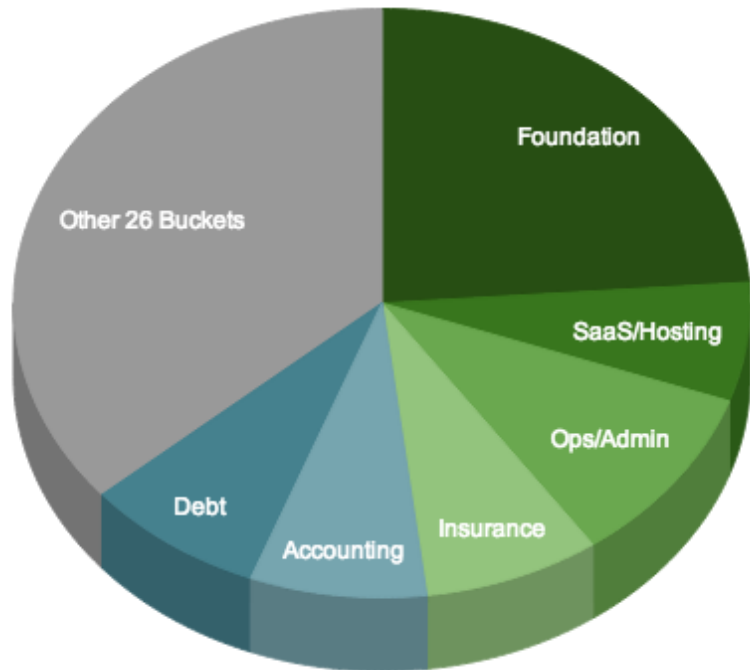
### Individual Contributions - Bottom 50%



-----expenditure-----

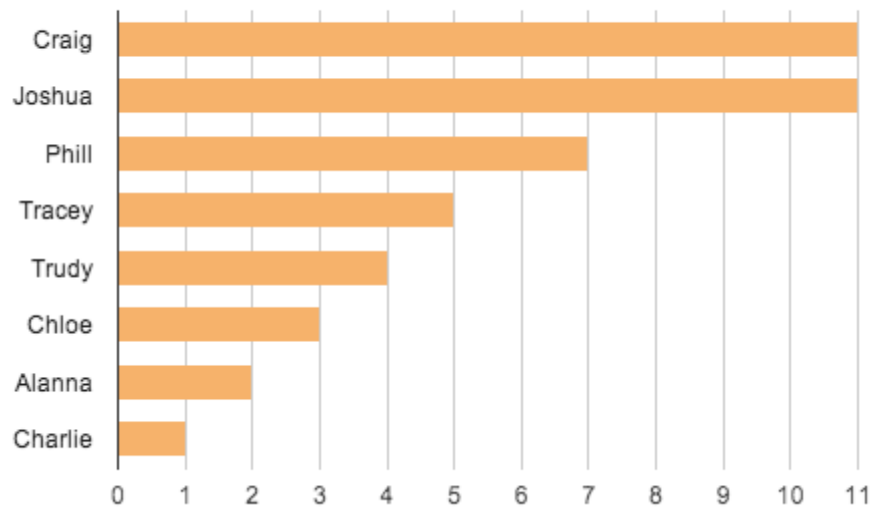
**Services gives 25% of collective revenue to the Enspiral Foundation**, which is about 5% overall (25% of the default 20% contributions = 5% total).

**Services then retains allocation rights to these funds** in the Foundation collaborative funding process (which is separate) and the Core group decides allocations for it.



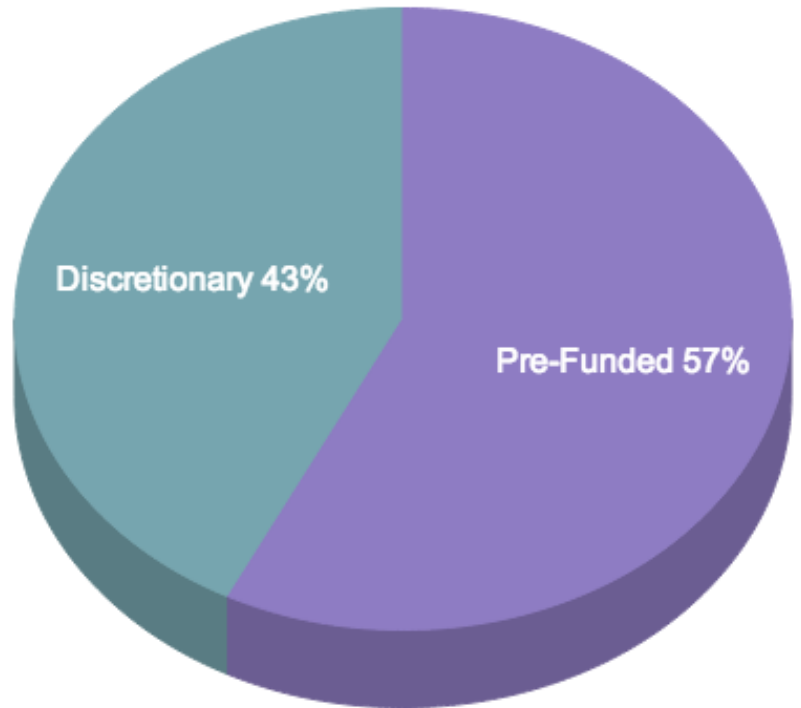
**Currently, the Core group (leadership team) decides the buckets** each month, and only members of the Core have proposed buckets in practice. Someone “owning” a bucket (proposing and carrying out the work) is called the “bucket sponsor”.

**Bucket Sponsors**



**Pre-funded Buckets are set by the Services Core** (leadership team) and deemed necessary expenses for running the company. Most of these long term commitments are also agreed on Loomio by the wider group. These are funded first each month.

**Discretionary Buckets are proposed by people in Services** to do work and cover expenses for projects. Everyone participating in collaborative funding then decides whether to fund the buckets or not.



Discretionary Buckets	\$46,928.99
Debt	\$8,744.02
Reserves	\$6,903.03
Tax Bill	\$5,900.25
my.enspiral backend dev	\$3,580.63
Cambodia Training	\$3,000.84
Enspiral Space	\$2,633.78
Enspiral.com frontend	\$2,184.90
Team Disbursements	\$1,942.23
Freelance wrangler	\$1,250.00
Financial Transparency	\$1,120.00
Other 16 Buckets	\$9,669.31

Pre-Funded Buckets	\$63,311.41
Foundation	\$26,316.38
Operations/Admin	\$10,912.50
Insurance	\$8,550.00
Accounting	\$8,532.53
SaaS/Hosting	\$7,200.00
Collab Funding	\$1,800.00

*See the raw detailed numbers behind the information in this report [here](#), including a full list of all the buckets, and all the contributions.*

**Reserves:** \$6,903.03 was put in and \$4,512.24 was spent, meaning a net increase of \$2,390.79.

**Enspiral Services Debts were fully paid off**, including repaying people for past projects gone wrong and covering a large tax bill from 2012.

## What's Working

- **Transparency**

Everyone can see every single month what Services is spending money on and why. Everyone can get a sense of what others in the group are prioritising by what they are funding. The process of collaborative funding itself requires high levels of internal information flows, which has positive effects across the company.

- **Engagement**

Most people with allocations take the time to get involved in the process and proactively decide where their funds should go. When questions about budgets come up, everyone has a decent amount of context and is empowered to express informed opinions.

- **Shared Ownership**

People have been very willing to take the big picture perspective and engage with the strategic decision-making of running a business. They have collectively held responsibility for meeting collective obligations. The company has managed to pay for everything it needed to pay for, expand in strategic areas, and fund some exciting new initiatives.

- **Flexibility**

Contributors can vary their contribution percentage, allowing a range of circumstances to be catered for. Several times, people have requested special buckets, such as “magic buckets” funding initiatives in the Foundation or supporting other Enspiral companies, or last minute changes and requests, which we have been able to respond to constructively.

## What Could be Improved

- **Automation**

Currently this is a very manual process with a lot of admin overhead. This should be greatly helped by the development of Cobudget in the near future.

- **Low Discretionary Proportion**

While and overall operating budget of 57% of revenue is lean by traditional standards, Services should strive for consistently improving toward a higher

proportion of discretionary buckets, to live its values of distributed decision-making, keeping pre-funded buckets lean. All signs point to this statistic improving as income rises, and it's trending upward.

- **Limited Sponsors**

Few people are empowered to raise buckets, limited to the Core group. Improving awareness and process around requesting bucket funding could encourage meaningful involvement from the wider Services community in receiving, not just allocating, bucket funds.

- **Reporting**

Funding a bucket is an investment, but we don't currently have a system for reporting back to the investors about the outcomes. In practice, the Core group keeps a close eye on accountability and makes sure the promised work gets done, and people are very trustworthy in only accepting the money if they've done the work. However, this information is not making its way back to the wider group.

- **Relationship to Foundation**

The Enspiral Foundation runs its own monthly collaborative funding round. There are confusing connections between the two processes that could be clarified better. Services gives a monthly contribution to the Foundation round, which the Core group then allocated to the Foundation's buckets, which is understandably complex for many people to understand.

In several cases, Services people wanted to use their funds for Foundation buckets. We have created "magic buckets" that cross over to the Foundation's process, but this tends to be confusing. The most basic issue is the Foundation is chronically underfunded while Services often has more funds, and people at Services understand and personally care about the Foundation's initiatives.

There is also the unintended consequence that in practice, a small number of people in Services end up allocating the lion's share of Foundation funds. So far this hasn't presented any problems, but in general we've learned that more diversity of perspectives leads to better decision-making outcomes, so it's something to consider.