



2018

New Business Models for Think Tanks

James G. McGann

University of Pennsylvania, jmcgann@wharton.upenn.edu

Follow this and additional works at: https://repository.upenn.edu/tcsp_papers

Recommended Citation

McGann, J. G. (2018). New Business Models for Think Tanks. Retrieved from https://repository.upenn.edu/tcsp_papers/3

in any form or by any means, electronic or mechanical, including photocopying, recording, or by information storage or retrieval system, without written permission from the University of Pennsylvania, Think Tanks and Civil Societies Program.

All requests, questions and comments should be sent to:

James G. McGann, Ph.D. Senior Lecturer, International Studies Director Think Tanks and Civil Societies Program The Lauder Institute University of Pennsylvania Telephone: (215) 746-2928 Email: jmcgann@wharton.upenn.edu

This paper is posted at ScholarlyCommons. https://repository.upenn.edu/tcsp_papers/3

For more information, please contact repository@pobox.upenn.edu.

New Business Models for Think Tanks

Comments

in any form or by any means, electronic or mechanical, including photocopying, recording, or by information storage or retrieval system, without written permission from the University of Pennsylvania, Think Tanks and Civil Societies Program.

All requests, questions and comments should be sent to:

James G. McGann, Ph.D. Senior Lecturer, International Studies Director Think Tanks and Civil Societies Program The Lauder Institute University of Pennsylvania Telephone: (215) 746-2928 Email: jmcgann@wharton.upenn.edu

New Business Models for Think Tanks*

By Dr. James G McGann

Think tanks today are facing increasingly intense changes in the world, both political and technological ones, which pose serious challenges and even existential crises to think tanks. In 2015, the columnist of the Washington Post, Amanda Bennett, asked “Are Think Tanks Obsolete?”¹ Think tanks are not obsolete, but some of their strategies are. In order to overcome the numerous predicaments imposed by our times, think tanks need to innovate their business models.

A New Operational Context

Think tanks today face the “NGO pushback” in which external forces are using legal and extralegal means to limit the number, role, and influence of the civil society. This “pushback,” coined in the 2015 Global Go To Think Tank Report, resulted in part from the rise of partisan politics and political polarization, both of which eroded effective decision making and blurred the lines between policy advice and advocacy for think tanks.² Influenced by this partisanship and the rise of populism, the general public has expressed a distrust of higher power institutions, including research institutes such as think tanks.

The funding landscape for think tanks has also changed drastically. The so-called “golden age” of think tanks in the 70s and the 80s is gone. Today, with the recent rise of global philanthropy, donors focus more on projects that are short-term, specific, and high impact.³ Furthermore, in the face of rapid technological advancements, think tanks now find themselves no longer the only actor in the knowledge brokerage

Dr. James G McGann is Director of the Think Tanks and Civil Societies Program, Lauder Institute, University of Pennsylvania, and Senior Lecturer in International Relations, Lauder Institute, University of Pennsylvania.

*Excerpted from the [2018 Global Go To Think Tank Index](#)

¹ Amanda Bennett. "Are Think Tanks Obsolete?" *The Washington Post*. https://www.washingtonpost.com/news/in-theory/wp/2015/10/05/are-think-tanks-obsolete/?noredirect=on&utm_term=20802394eb95 (October 05, 2015)

² James G. McGann. "2015 Global Go To Think Tank Index Report." *Scholarly Commons, University of Pennsylvania*. https://repository.upenn.edu/think_tanks/10/ (February 9, 2016), page 11.

³James G. McGann. "2015 Global Go To Think Tank Index Report." *Scholarly Commons, University of Pennsylvania*. https://repository.upenn.edu/think_tanks/10/ (February 9, 2016), page 11.

industry, but as only one of the competitors in the “global marketplace of ideas,” vying with other actors such as media organizations, advocacy groups, consulting and law firms⁴.

Given this aforementioned context, adapting new business models seems inevitable and worth studying for think tanks. The traditional academic-centric model has ended. The business models for think tanks is changing from “the manner by which the think tank delivers value to stakeholders, entices funders to pay for value, and converts those payments to research with the potential to influence policy”⁵ to a condign that incorporates innovative strategies in management, communication, financing, and technologies without undermining the quality and rigorousness of research and publication.

Management

The leadership of think tanks is being called to change. The desire for a scholarly head of a think tank, where the motto held, “research it, write it, and they will find it”⁶ no longer holds true. Today, think tanks not only need scholars, but also managers. In an information research world, where the competition for ideas and influence is intense, think tanks need to demonstrate the value they add to public discourse and public policy. The competition that think tanks have today leads some funders to conclude that the products and services of think tanks that have the “high impact” they desire are they ones which they are willing to fund.

In today’s environment, everyone can be a think tank, at least virtually. Think tanks face competition from advocacy organizations, for-profit consulting groups, and law firms, in addition to every means of electronic competition - an increasingly efficient competitor.⁷ As noted in the 2015 Global Index Report, “Big data, which involves the collection and analysis of massive amounts of information to pinpoint critical data and trends, may render think tanks and their staffs superfluous. This new analytic capability enabled by supercomputers, maybe the think tanks of the future.”⁸ However, big data, and any of the competitors, cannot replace the potential insight that an organization devoted solely to policy

⁴ Ibid.

⁵ Gerard Ralphs. “Think Tank Business Models: The Business of Academia and Politics.” *On Think Tanks*, onthinktanks.org/articles/think-tank-business-models-the-business-of-academia-and-politics/ (14 June 2016)

⁶ James McGann. “For Think Tanks It’s Either Innovate or Die,” *Washington Post*. 6 October 2015.

⁷ Ibid.

⁸ James G. McGann. “2015 Global Go To Think Tank Index Report.” *Scholarly Commons, University of Pennsylvania*. https://repository.upenn.edu/think_tanks/10/ (February 9, 2016), page 15.

research, has. Think tanks need to figure out how to market their product most effectively.

These think tank executives hold vast influence over the direction their institution takes. In the wake of all the global shifts that are directly impacting think tanks, executives need to wield their influence with these challenges in mind.

Strategic Communication

There are at least three audiences with which think tanks need to communicate - donors, policy makers and the general public. In order to catch the attention of these key audiences, a think tank needs to be able to deliver the analytical information it promises in a timely and effective manner.

In an age of nearly instant information dissemination via social media, think tanks have to keep this pace. Active blogging, social media use, online interactive forums, and infographics are examples of ways to do this. Once a think tank has garnered this kind of attention, they also raise their donor profile. When funding becomes an issue, the burden falls heavily upon the public image of the institution; this strategic communication of the goods and services a think tank can offer is an important way of maintaining necessary funding. These communication strategies are the vehicles in delivering research results, and thus are crucial in generating an impact on the policymaking community.⁹

Innovative Funding Strategies

While Benjamin Franklin has written that "In this world nothing can be said to be certain, except death and taxes," think tank leaders today may say "In this world nothing can be said to be certain, except death and short-term project funding" -- if any funding is to be certain at all.¹⁰

Increasingly, think tanks are moving towards endowment-based funding to increase long-term stability. Others have suggested the establishment of funds such as a shared reserves fund and an emergency bridging fund to help think tanks to build capacity and avoid financial risks. In short, an effective and successful fundraising strategy should build the organizational strategy and related processes into researchers' everyday work; have a Monitoring and Learning (M&L) system in place that

⁹ Fred Kuntz. "Communications and Impact Metrics for Think Tanks." *Centre for International Governance Innovation*.
<http://www.cigionline.org/articles/communications-and-impact-metrics-think-tanks> (July 11, 2013)

¹⁰ Jeremy Avins. "Strategy Is a Fundraising Necessity, Not a Luxury." *On Think Tanks*.
<https://onthinktanks.org/articles/strategy-is-a-fundraising-necessity-not-a-luxury/> (November 25, 2013)

communicates real impact while generating useful information; and be explicit about the connection between the strategy and funding needs.

Big Data Analytics

Accompanying technological advancements is the increasing amount of data and the use of big data analytics. Some estimations suggest a 4,300% increase in annual data generation by 2020 -- 44 times greater in 2020 than it was in 2009.¹¹ According to studies conducted by the European Parliament Research Service in 2016, big data analytics could identify efficiencies that can be made in a wide range of sectors, leading to innovative new products, greater competitiveness, and economic growth.¹² The McKinsey Global Institute stressed that "there are no industries in which the ability to continuously integrate new sources of data of any format and quality would not generate improvements."¹³ Think tanks are no exception.

While there are certainly complex regulatory concerns and technical loopholes with the appearance of new technologies, big data analytics could help think tanks better measure their influence in a quantitative way. In 2016, Tsinghua University in China released the 2016 Big Data Report on Chinese Think Tanks, measuring the influence of Chinese think tanks by assembling 110 thousand websites, 18 million active Wechat -- a Chinese social media app -- official accounts, 150 million active Weibo (or the so-called "Chinese facebook") accounts, 6,155 Online-forums, and 930 thousand News Apps for smartphones.¹⁴ This effort suggests that the seemingly unmeasurable "influence" of think tanks could be measured into numbers of citations, articles, and mentions on various platforms -- a technique that, while limited, could be adopted and used to gain more insights regarding the communication strategies and level of social and political impact of think tanks.

¹¹ Amar Numanović. "Data Science: The Next Frontier for Data-Driven Policy Making?" *Medium*. <https://medium.com/@numanovicamar/https-medium-com-numanovicamar-data-science-the-next-frontier-for-data-driven-policy-making-8abe98159748> (July 11, 2017)

¹² *Ibid*, page 3.

¹³ Nicolaus Henke et al. "The Age of Analytics: Competing in a Data-driven World." *McKinsey Global Institute*. <https://www.mckinsey.com/business-functions/mckinsey-analytics/our-insights/the-age-of-analytics-competing-in-a-data-driven-world>. (December 2016), page 73.

¹⁴ "A New Ranking: The 2016 Big Data Report on Chinese Think Tanks." *On Think Tanks*. <https://onthinktanks.org/resources/a-new-ranking-the-2016-big-data-report-on-chinese-think-tanks/> (June 23, 2017)

Conclusion

In order to survive ever-escalating changes, more and more think tanks are recognizing the need for constant innovation. While taking the changing context into account, think tanks today should push to innovate in management tactics, strategic communication plans, fundraising strategies, and big data analysis.

On the other hand, the new business model should not go against think tanks' original mission to produce quality and influential research that could help policy-making. Think tanks need to find a delicate balance between innovating their business models and committing to the quality and rigorosity of their research and products. None should come at the expense of the other. It is only with an innovative business models and an unwavering commitment to the excellence of research could think tanks survive and excel in today's world.

Bibliography

Avins, Jeremy. "Strategy Is a Fundraising Necessity, Not a Luxury." *On Think Tanks*. November

25, 2013. Accessed November 07, 2018.
<https://onthinktanks.org/articles/strategy-is-a-fundraising-necessity-not-a-luxury/>.

"A New Ranking: The 2016 Big Data Report on Chinese Think Tanks." *On Think Tanks*. June

23, 2017. Accessed November 07, 2018.
<https://onthinktanks.org/resources/a-new-ranking-the-2016-big-data-report-on-chinese-think-tanks/>.

Bennett, Amanda. "Are Think Tanks Obsolete?" *The Washington Post*. October 05, 2015.

Accessed November 07, 2018.
https://www.washingtonpost.com/news/in-theory/wp/2015/10/05/are-think-tanks-obsolete/?noredirect=on&utm_term&utm_term=.20802394eb95.

Henke, Nicolaus, Jacques Bughin, Michael Chui, James Manyika, Tamim Saleh, Bill Wiseman,

and Guru Sethupathy. "The Age of Analytics: Competing in a Data-driven World." *McKinsey Global Institute*. December 2016. Accessed November 6, 2018.
<https://www.mckinsey.com/business-functions/mckinsey-analytics/our-insights/the-age-of-analytics-competing-in-a-data-driven-world>.

Kuntz, Fred. "Communications and Impact Metrics for Think Tanks." *Centre for International Governance Innovation*. July 11, 2013. Accessed November 07, 2018. <http://www.cigionline.org/articles/communications-and-impact-metrics-think-tanks>.

McGann, James G. "2015 Global Go To Think Tank Index Report." *Scholarly Commons, University of Pennsylvania*. February 9, 2016. Accessed November 07, 2018. https://repository.upenn.edu/think_tanks/10/.

Numanović, Amar. "Data Science: The Next Frontier for Data-Driven Policy Making?" *Medium*. July 11, 2017. Accessed November 07, 2018. <https://medium.com/@numanovicamar/https-medium-com-numanovicamar-data-science-the-next-frontier-for-data-driven-policy-making-8abe98159748>.

Ovans, Andrea. "What Is a Business Model?" *Harvard Business Review*. December 06, 2017. Accessed November 07, 2018. <https://hbr.org/2015/01/what-is-a-business-model>.

Ralphs, Gerard. "Think Tank Business Models: The Business of Academia and Politics." *On Think Tanks*. June 14, 2016. Accessed November 07, 2018. <https://onthinktanks.org/articles/think-tank-business-models-the-business-of-academia-and-politics/>.

Lipton, Eric and Williams, Brooke. "How Think Tanks Amplify Corporate America's Influence." *The New York Times*. January 20, 2018. Accessed November 07, 2018. <http://www.nytimes.com/2016/08/08/us/politics/think-tanks-research-and-corporate-lobbying.html>.

Think Tanks & Civil Societies Program

The Lauder Institute

The University of Pennsylvania

“Helping to bridge the gap between knowledge and policy”

Researching the trends and challenges facing
think tanks, policymakers, and policy-oriented
civil society groups...

Sustaining, strengthening, and building
capacity for think tanks around the world...

Maintaining the largest, most
comprehensive database of over
8,000 think tanks...

All requests, questions, and comments should be directed to

James G. McGann, Ph.D.

Senior Lecturer, International Studies

Director

Think Tanks and Civil Societies Program

The Lauder Institute

University of Pennsylvania



About TTCSP

Think Tanks and Civil Societies Program

The Think Tanks and Civil Societies Program (TTCSP) of the Lauder Institute at the University of Pennsylvania conducts research on the role policy institutes play in governments and civil societies around the world. Often referred to as the “think tanks’ think tank,” TTCSP examines the evolving role and character of public policy research organizations. Over the last 30 years, the TTCSP has developed and led a series of global initiatives that have helped bridge the gap between knowledge and policy in critical policy areas such as international peace and security, globalization and governance, international economics, environmental issues, information and society, poverty alleviation, and healthcare and global health. These international collaborative efforts are designed to establish regional and international networks of policy institutes and communities that improve policy making while strengthening democratic institutions and civil societies around the world.

The TTCSP works with leading scholars and practitioners from think tanks and universities in a variety of collaborative efforts and programs and produces the annual Global Go To Think Tank Index that ranks the world’s leading think tanks in a variety of categories. This is achieved with the help of a panel of over 1,900 peer institutions and

experts from the print and electronic media, academia, public and private donor institutions, and governments around the world. We have strong relationships with leading think tanks around the world, and our annual Think Tank Index is used by academics, journalists, donors and the public to locate and connect with the leading centers of public policy research around the world. Our goal is to increase the profile and performance of think tanks and raise the public awareness of the important role think tanks play in governments and civil societies around the globe.

Since its inception in 1989, the TTCSP has focused on collecting data and conducting research on think tank trends and the role think tanks play as civil society actors in the policy-making process. To date TTCSP has provided technical assistance and capacity building programs in 81 countries. We are now working to create regional and global networks of think tanks in an effort to facilitate collaboration and the production of a modest yet achievable set of global public goods. Our goal is to create lasting institutional and state-level partnerships by engaging and mobilizing think tanks that have demonstrated their ability to produce high quality policy research and shape popular and elite opinion and actions for public good.

The Lauder Institute of Management and International Studies

The Lauder Institute of Management and International Studies offers an M.A. in international studies and conducts fundamental and policy-oriented research on current economic, political, and business issues. It organizes an annual

conference that brings academics, practitioners, and policy makers together to examine global challenges such as financial risks, sustainability, inequality, and the future of the state.

University of Pennsylvania

The University of Pennsylvania (Penn) is an Ivy League school with highly selective admissions and a history of innovation in interdisciplinary education and scholarship. Its peer institutions are Harvard, Stanford, Columbia, Brown, Dartmouth, and the University of Chicago in the US and Oxford and Cambridge in the UK. A world-class research institution, Penn boasts a picturesque campus in the middle of Philadelphia, a dynamic city that is conveniently located between Washington, D.C. and New York, New York. Benjamin Franklin founded the University of

Pennsylvania in 1740 to push the frontiers of knowledge and benefit society by integrating study in the liberal arts and sciences with opportunities for research and practical, pre-professional training at both the undergraduate and graduate levels. Penn is committed to meeting the full-demonstrated need of all undergraduates with grant-based financial aid, making this intellectually compelling integration of liberal and professional education accessible to talented students of all backgrounds and empowering them to make an impact on the world.

TTCSP Recent and Forthcoming Publications:

Think Tanks: The New Knowledge and Policy Brokers in Asia (Brookings Press and Asian Development Bank Institute, 2019) <https://www.brookings.edu/book/think-tanks/>

Trends and Transitions in Security Expertise from Deterrence to Climate Change and Back Again (Routledge, 2017) <https://www.routledge.com/Global-Trends-and-Transitions-in-Security-Expertise-From-Nuclear-Deterrence/McGann/p/book/9781138304000>

Think Tanks, Foreign Policy and the Emerging Power Policy Networks (MacMillan, 2017) <https://www.palgrave.com/us/book/9783319603117>

Think Tanks and Emerging Power Policy Networks (MacMillan, 2017) <https://www.palgrave.com/us/book/9783319719542>

The Fifth Estate: Think Tanks Public Policy and Governance (Brookings, 2016) <https://www.brookings.edu/wp-content/uploads/2016/06/chapter-one-the-fifth-estate.pdf>

Think Tanks and SDGs: Catalysts for Analysis, Innovation and Implementation (TTCSP 2015) <http://www.lulu.com/shop/james-mcgann/think-tanks-and-sdgs-catalysts-for-analysis-innovation-and-implementation/paperback/product-22563604.html>

How Think Tanks Shape Development Policies (University of Pennsylvania Press, 2014) <http://www.upenn.edu/pennpress/book/15244.html>

Security Expertise Practice, Power, Responsibility (Chapter 6) (2014 Routledge) <https://www.routledge.com/Security-Expertise-Practice-Power-Responsibility/Berling-Bueger/p/book/9781138819115>

Think Tanks and Global Policy Networks, Chapter in an edited volume (Routledge, 2013) <https://www.routledge.com/International-Organization-and-Global-Governance/Weiss-Wilkinson/p/book/9781138236585>

Global Think Tanks, Policy Networks and Governance (Routledge, 2010) <https://www.routledge.com/Global-Think-Tanks-Policy-Networks-and-Governance/McGann-Sabatini/p/book/9780415779791>