

REALLY TOUGH PROBLEMS

Written by Karl Dakin

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There are a lot of really tough problems out there. In recent years, there has been more discussion about why these problems continue to exist and whether these problems can be solved. In my readings and my own analysis, I have concluded that really tough problems can be solved with the right combination of money and innovation. You can't solve a problem by continuing to do the same thing over and over again. In fact, it has become popular to define insanity as doing things the same and expecting different outcomes.

And, you can't tackle the really big problems with small applications of money. Steven Goldberg does a razor sharp analysis of why charitable giving does not make really tough problems go away in his book "*Billions of Drops in Millions of Buckets*".

As the title suggests, no matter how much money may be raised, its impact is diluted if it is spread out over too many projects. The Bill and Melinda Gates Foundation published their annual letter this week. [A full copy can be obtained at: <http://www.gatesfoundation.org/annual-letter/2010/Pages/bill-gates-annual-letter.aspx>

] The letter states that: “

Melinda and I see our foundation's key role as investing in innovations that would not otherwise be funded. This draws not only on our backgrounds in technology but also on the foundation's size and ability to take a long-term view and take large risks on new approaches. Warren Buffett put it well in 2006 when he told us, "Don't just go for safe projects. You can bat a thousand in this game if you want to by doing nothing important. Or you'll bat something less than that if you take on the really tough problems." We are backing innovations in education, food, and health as well as some related areas like savings for the poor.

“ The Foundation focuses on selected problems and solicits innovation to solve these problems with large amounts of money. A conscious decision has been made to work toward a better future rather than to distribute money to all of today's needy. DaVinci Quest is attempting to take a similar approach with our innovation competitions. Through the incentive of access to an international stage and the possibility of winning a major cash prize, we can attract the best and brightest minds from all over the world to provide major innovate solutions for the world's really tough problems.

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