



TEACHING NOTE FOR PALANTIR PHILANTHROPY ENGINEERING: SOFTWARE TO IMPROVE LIVES

By 2014, Palantir Technologies, a fast growing Silicon Valley company with global impact at the heart of its mission, had spent several years donating the same software to nonprofits that it sold to commercial customers to help solve some of the world's most pressing problems. It had consolidated these philanthropic activities in 2011, when Jason Payne, a long-time software engineer at the company, made an internal transition to found the company's Philanthropy Engineering Program. Palantir developed software that pulled diverse and extensive data into a unified platform, allowing customers to generate new insights by analyzing and exploring their data. Palantir had recognized early on that its suite of applications were also extremely valuable to social sector organizations—those with the potential to make significant global impact, but that lacked the resources to purchase Palantir's technology. The company therefore decided not only to make its software and engineering support freely available to these organizations, but also to engage closely with them to support their work.

It was an approach to corporate philanthropy that differed significantly from the traditional model, where companies set aside funds or created foundations to carry out their charitable activities. First, Palantir's philanthropy was almost entirely in-kind giving (contributions of software and engineering expertise, rather than money). The company believed that this created more value than a one-off grant, particularly when making long-term philanthropy investments. Second, Palantir did not differentiate between paying and non-paying customers, allowing social sector organizations to access a suite of applications that it had tested and refined in the field for more than a decade. Its approach was to identify opportunities that played to its core strengths as a company and where its technology could be deployed against a specific, measurable goal. Third, Palantir organized a dedicated, full-time team of engineers that partnered with data-driven organizations to tackle the hardest problems in the social sector. This team was fully integrated into the company and was considered equal to other business verticals.

Position in Course

This case is intended for use in a course on philanthropic innovation, social impact, technology and social change, corporate social responsibility, or corporate strategy. The teaching objective is to explore a new model of corporate philanthropy and the role of data in effecting social sector

change. This case highlights the evolution of the Philanthropy Engineering team at Palantir and the growth and development of its strategies, processes, and partnerships. The teaching objective of the case is to highlight the novel and potentially beneficial effects of applying new data technologies to existing social sector problems.

Supplementary Readings

This case is part of a portfolio of 10 new cases centered on philanthropy, technology, and innovation. This set of cases (along with previous social impact cases produced by Laura Arrillaga-Andreessen) can be found on the Laura Arrillaga-Andreessen Foundation's website (laaf.org).

- Marc Benioff, "A Call for Stakeholder Activists," *Huffington Post*, February 2, 2015.
- Kevin Desouza and Kendra Smith, "Big Data for Social Innovation," *Stanford Social Innovation Review*, Summer 2014.
- Michael Porter and Mark Kramer, "The Competitive Advantage of Corporate Philanthropy," *Harvard Business Review*, December 2002.
- O'Reilly Media, "Data Philanthropy is Good for Business," *Forbes*, September 20, 2011.
- Worldwide Initiatives for Grantmaker Support, "Global Philanthropy Data Charter," *Worldwide Initiatives for Grantmaker Support*, 2014.

Assignment Questions

1. How is Palantir using technology to improve the delivery of non-profit and humanitarian services? What elements of its philanthropy program are innovative in the corporate sector?
2. How does Palantir ensure that the partnerships it forms with non-profits can generate the maximum social impact? Give a specific example for each component of its decision-making methodology.
3. In what ways have Palantir's philanthropic activities benefitted the company internally?

Analysis

1. ***How is Palantir using technology to improve the delivery of non-profit and humanitarian services? What elements of its philanthropy program are innovative in the corporate sector?***

How is Palantir using technology to improve the delivery of non-profit and humanitarian services?

- "Data philanthropy" and intelligence augmentation: Palantir helped non-profits make correlations between their internal data and data sets provided by other sources such as public data, think tanks, and other non-profits.
 - *Example*: Through a partnership with Polaris' National Human Trafficking Resource Center hotline, Palantir layered Polaris' data over a number of other data sets to identify patterns in criminal activity, such as hotspots of sex

trafficking at truck stops across the United States. This in turn allowed Polaris to collaborate with Truckers Against Trafficking to increase victim identification and prevent abuse at these locations.

- *Example:* The Combating Terrorism Center at West Point used Palantir software to analyze the personnel records of foreign fighters in Iraq. This analysis yielded insights into the “flow of foreign fighters into Iraq and Syria...[and] into the recruiting and organizational capabilities of Al-Qa’ida.” These insights were used by U.S. military forces to focus on disrupting the specific regions and communications channels where these activities took place. Ultimately, this information yielded strategies inhibiting the spread of Al-Qa’ida fighters across the region.
- **Optimization of resources:** Palantir’s technology helped non-profits reduce waste and increase their effectiveness and impact with the same number of resources.
 - *Example:* Working with Team Rubicon in the wake of the 2012 Hurricane Sandy aftermath, Palantir built a “triage algorithm” to “divide and assign volunteers to different jobs, according to the urgency of the need.” Palantir enabled a deeper understanding of the “damage and the relative vulnerability of families the storm affected” via a mobile app that allowed teams on the ground to communicate, track personnel, and create reports and surveys remotely.
- **Consolidation of large data sets:** Palantir increased its impact substantially through data partnerships with large, global organizations.
 - *Example:* Verité, a non-profit focused on establishing responsible business supply chains, provided Palantir with access to their data sets. This information combined with the sub-contractor data from other companies enabled Palantir to identify where slavery might exist in the supply chains of companies manufacturing products for sale in the developed world.

What elements of its philanthropy program are innovative in the corporate sector?

- **An integrated approach:** Palantir saw its philanthropic activities as intimately connected to the rest of its operations. Rather than set aside funds, or create a distinct foundation to pursue its social change goals, Palantir relied almost entirely on in-kind giving of its software and engineering expertise. It executed on its philanthropic initiatives through the Philanthropy Engineering team, which sourced and screened projects, and deployed engineers from across the organization to partner with nonprofits and turn their data into wisdom—a concept Palantir calls “data philanthropy.”
- **Flexible cost to the nonprofits:** While some companies provide in-kind donations or deeply discounted products, Palantir provided software and services at a price that depends on the non-profits’ ability to pay (“pro-bono” or “low-bono”). Thus, Palantir could generate revenue, while its nonprofit partners feel ownership and commitment to the project. In fact, all of the examples outlined in the case were offered for free or at significant discount as part of Alex Karp’s pledge to donate between 10 and 20 percent of Palantir’s total revenue as in-kind donations of software and engineering expertise.

- **Sustained staff investment:** Palantir formed deep relationships with its social sector partners—providing engineers and designers from other teams across the company to help staff their partner engagements. These “Forward Deployment Engineers” uncover and solve problems using Palantir software. Through its partnership with the National Center for Missing and Exploited Children (NCMEC), Palantir’s Forward Deployment Engineers unified multiple disparate databases to create a tool for NCMEC staff to conduct faster information searches, and ultimately, resolve more cases. This required an integration of large data sets with case reports, maps, images, and videos—a process that was only possible with sustained staff investment.
 - **Rigorous selection process:** The Philanthropy Engineering team prioritized partner nonprofits (through a rigorous selection process described below) that were best equipped to use Palantir’s software and where Palantir could have the greatest measurable impact. For example, Verité, a nonprofit that conducted supply chain analysis, had built up data over multiple decades about electronics factories and the brokers and subcontractors that sourced migrant labor. Palantir partnered with Verité to increase its existing capacity to analyze and draw conclusions from this massive data set—allowing them to perform more sophisticated analysis and identify more instances of labor exploitation.
2. ***How does Palantir ensure that the partnerships it forms with non-profits can generate the maximum social impact? Give a specific example for each component of its decision-making methodology.***
- **Rigorous selection process:** In addition to using an “Impact Form” (see Exhibit 2 in the case) as a framework, Palantir asked four questions and assessed risk in four areas during the due diligence process.
 - **Questions:**
 - Did the organization have sources of data significant enough to utilize Palantir’s robust analytical capabilities?
 - Did the organization have questions that could be answered by analyzing this data?
 - Did the organization have analysts in place who were capable of using Palantir’s software to ask those questions?
 - For a non-profit, what was the difference between having and not having Palantir?
 - **Risks:**
 - The potential risks associated with the organization itself.
 - The potential risks associated with the data.
 - The potential risks associated with the challenges to be tackled.
 - The potential risks in Palantir’s ability to both provide sufficient resources to the project and account for the opportunity costs.
 - Only once the above questions and risks were explored did Palantir consider providing services for a non-profit. This framework reduced the overall number of non-profits Palantir can work with, but also ensured that the non-profits they ultimately decided to partner with could make the best use of Palantir’s services.

- **Portfolio approach:** Palantir diversified its philanthropic efforts both within specific issue areas and across the entire social sector. Both methods diversified Palantir’s philanthropic involvements ensuring broad impact, varied opportunities for Palantir engineers, and more equitably distributed access to Palantir’s software.
 - *Example:* Palantir deployed a portfolio approach to work with non-profits in a variety of issue areas and locations that prioritize “human-focused issues” such as healthcare, global development, and disaster relief—both domestically and in the developing world.
 - *Example:* Palantir partnered with a diverse array of organizations over four years including the NCMEC and the National Human Trafficking Resource Center and Hotline in order to help reduce human trafficking through multiple approaches.
- **Red-Teaming:** Through “red-teaming” (a military term to describe the practice of “improving decision making by viewing a problem from the perspective of a competitor”), Palantir investigated how a potential partnership may not be successful. Typical reasons included too many resources required from Palantir or its partner(s) or reputational, legal, or privacy risks.
- **Contracting process:** Palantir has a structured approach to managing and evaluating its partnerships. Philanthropic partnerships are reviewed 90 days after signing an annual contract in order to determine if the philanthropic engagement is delivering positive returns on investment.
 - Palantir weighs its manpower investment against each nonprofit or NGO partnership’s social impact returns to determine whether or not to continue support.

3. *In what ways have Palantir’s philanthropic activities benefitted the company internally?*

- **Meaningful work:** Palantir used deployments on the Philanthropy Engineering team as an incentive to engage and retain employees. While difficult to measure, the staff found that “going on rotation with non-profits and NGOs is a powerful, inspiring experience.” These deployments provided more direct, emotional rewards than some of the other projects the company tackled. Recently, Palantir created “PhilTalks” that enable Palantir employees to meet with NGO partners to see how they were using Palantir—extending the effects of the Philanthropy Engineering team’s work from the specific deployment to the entire company.
- **Networking and company cohesion:** The rotational component of staffing Philanthropy Engineering engagements had the added effect of giving engineers an opportunity to collaborate with other teammates that they would not encounter typically. Philanthropy Engineering utilized talent from across the entire organization and created space for individuals to collaborate on cross-functional, cross-departmental teams.
- **Robust skill development:** The projects managed by the Philanthropy Engineering team exposed engineers to new data sets, facilitated the application of their existing experience

to different contexts, and empowered them with new ways they could make an impact. The intensity with which Philanthropy Engineering deployments focused on a single issue created opportunities for engineers to explore problem-solving in an intense deep-dive (rather than working on a large, multi-functional team to solve numerous problems at once).

- Test early versions of Palantir’s software: Nonprofit partners were more willing to utilize Alpha and Beta versions of Palantir’s software in their analysis. This gave the product development team opportunities to test the software at a smaller scale before rolling it out to larger, revenue-generating projects. Similarly, social sector partners often had “significantly less onerous requirements for server and site access” than other clients, allowing Palantir to more efficiently work with new products.
- Increased public will: As workforce demographics shifted, social impact became an important criterion for many potential employees in evaluating professional opportunities. A company with a strong philanthropic record is better able to recruit and retain such talent.

Teaching Approach

The *Palantir Technologies: Software to Improve Lives* case is appropriate for a fifty-minute teaching module including both a lecture and a discussion.

Key themes for discussion include:

- Corporate philanthropy and social responsibility
- Data usage in the social sector
- Cross-sector collaboration and partnerships
- Evaluation of social impact
- Technology’s positive disruption of philanthropy

Please see the LAAF website (laaf.org) for Stanford Graduate School of Business Lecturer Laura Arrillaga-Andreessen’s complete portfolio of Stanford Graduate School of Business case studies, teaching notes, and learning resources that she has created since 2000.