

# How to give away \$100 million and still get your money's worth

BY BILL KERMODE

Business success is a relative term. It may mean you've built a business, helped build a business, or done very well in the business you work in – to the point where personal comfort and security are no longer an issue. What else, you might wonder. How could those skills and capital be employed to do something more for the greater good? What would success look like then?

Those are questions we have had to think about at NEXT Foundation too. With next year marking the fifth anniversary and half-way point in our ten year life, it is a good time to be taking stock of what we have done, where we're heading, and – perhaps most importantly – what we've learned about what we call strategic philanthropy along the way.

When NEXT began in 2014 we always knew that we would be learning on the job. While we had a solid structure and clear goals, there is no substitute for experience. Being open to those practical lessons was always part of our philosophy. So we are happy to share some of the insights we've gained, for other like-minded individuals and organisations.

Key to understanding how and why NEXT came into being is an appreciation of Neal and Annette Plowman's long history of philanthropy focused on education and the environment, which pre-dates NEXT by decades. As the scale and complexity of their philanthropic projects grew, it became clear that dedicated resource and a fit-for-purpose structure would deliver much greater impact. NEXT Foundation was the solution.

Chris Liddell led the trustees' thinking about how NEXT would take shape, based on his own business and philanthropic knowledge and experience, as well as his wide-ranging reading around the subject of strategic philanthropy. For NEXT this has meant the application of sound business principles to our philanthropy – good leadership, clear goals and targets, measurement and accountability, good governance.

"Thoughtful philanthropy" has been used by others as a wider term to describe this approach of choosing good projects, implementing sound "business" plans, and tracking performance. Essentially, it means the same thing – asking what success looks like, and using all the available knowledge, networks, experience and expertise to achieve it.

The fact that NEXT is a limited-life foundation brings a greater level of focus to what we do. With \$100 million to be committed over the ten-year span of the organisation, we're looking for high-impact projects that meet urgent needs for sustainable outcomes. There are arguments for and against this approach, but Neal and Annette were adamant from the outset that this was their preference – get in, make a measurable difference, and live to see the results.

There's no better example of this than NEXT's support for the Government's target of making New Zealand predator-free by 2050. It's a hugely ambitious goal, and it brings together so many strands of our national identity – from tikanga Māori and love of the natural environment to the economic drivers of agriculture and tourism. There is arguably no task more urgent in the world than environmental sustainability, and becoming predator-free by 2050 is a great opportunity for New Zealand to lead by example.

But good intentions aren't enough. The various high-performance organisations we support within this overall movement collectively represent our strategy of empowering the experts on the ground to get on with their work in a coordinated, cohesive manner that means



the whole is greater than the sum of its parts. I wrote about this in my last blog, when I discussed the concept of the "arteries and capillaries" of government as vital pathways for any project or enterprise. Connecting the big picture policy and funding end (the arteries) with the practical, innovative initiatives on the ground (the capillaries) is fundamental to the success of any change movement.

This is different to the approach and ambition of much traditional charity work, and why we put so much store in defining the nature of NEXT's support. In a sense, it represents the other dimension of NEXT's mission – to demonstrate strategic philanthropy in Aotearoa New Zealand, in the hope that others might be inspired to take a similar approach in their area of interest too.

There are already many organisations doing incredible work in this field. They might differ in terms of specific goals and approach, but they share an understanding that money is only one part of the tool kit when it comes to achieving our desired outcomes. Knowledge, experience, personal and business networks, thought leadership, innovation and sharing information are all vital to being effective, and – coupled with financial assistance – are the keys to effective strategic philanthropy.

There is historical context to this, too. A lot of wealth has been created in the past 30 years, and recently within industries that hadn't even existed at the beginning of that period. The power of digital technologies to disrupt conventional systems, and the ambition of the entrepreneurs and innovators behind this revolution, will have major implications for philanthropic models in the near future. In fact, the "hacker" mentality behind so many Internet success stories is already changing the not-for-profit 'for purpose' world, at the same time as governments find their own budgets limited by other priorities.

And yet the guiding motivations remain the same – to do good, to leave the world a better place, to effect real and lasting change beyond the accumulation of personal wealth. I'm pleased to share more in NEXT's mission to grow strategic philanthropy with the first four 'NEXT Stories' we have just released - talking about our philosophy for giving, what we do and why, hopefully to help like-minded individuals and organisations support their own initiatives.

