



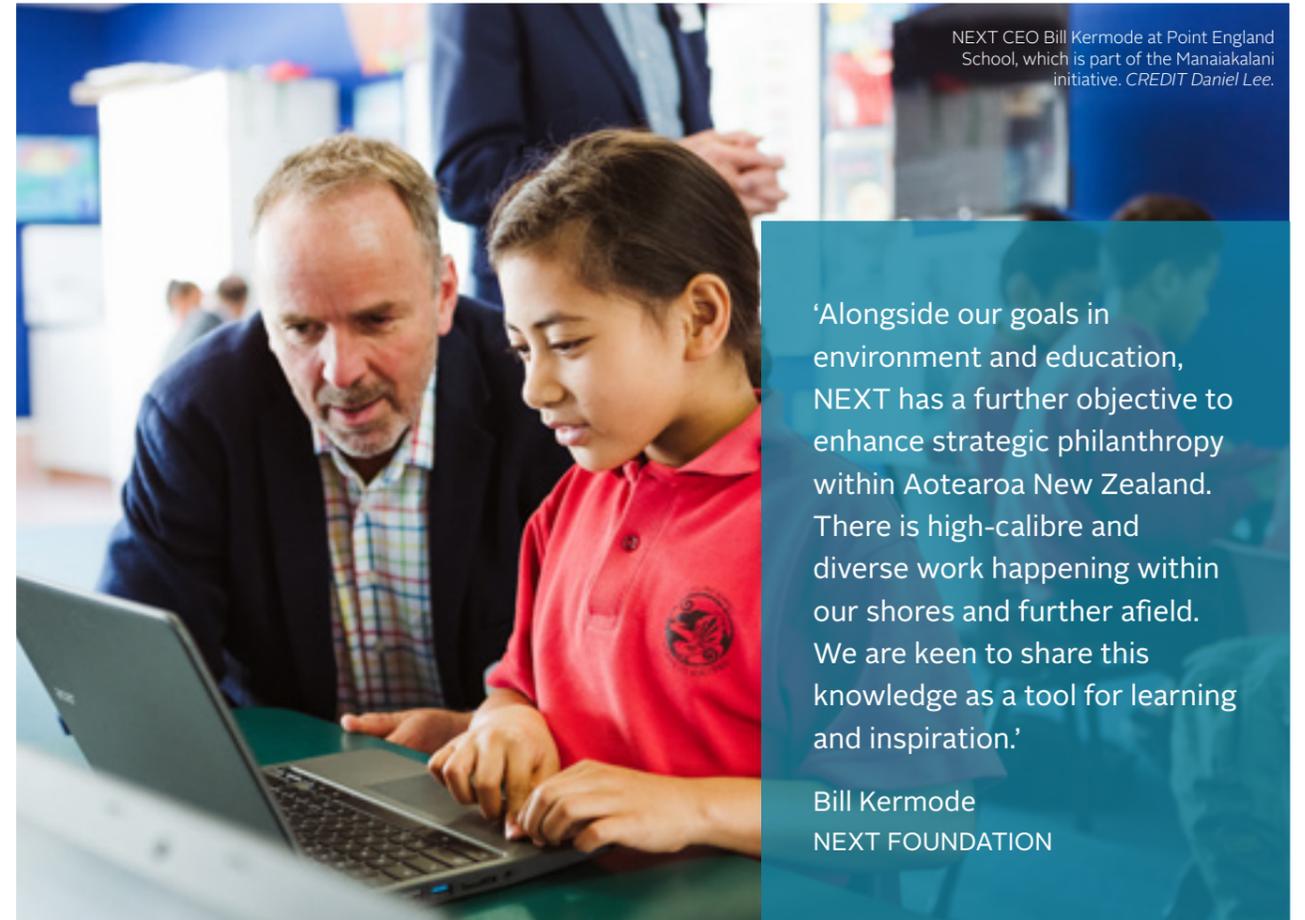
NEXT STORIES

Strategic practices in philanthropy

Baskets of knowledge

‘Nāu te rourou, nāku te rourou
ka ora ai te iwi’

*With your food basket and my
food basket the people will flourish*



NEXT CEO Bill Kermode at Point England School, which is part of the Manaiakalani initiative. CREDIT Daniel Lee.

‘Alongside our goals in environment and education, NEXT has a further objective to enhance strategic philanthropy within Aotearoa New Zealand. There is high-calibre and diverse work happening within our shores and further afield. We are keen to share this knowledge as a tool for learning and inspiration.’

Bill Kermode
NEXT FOUNDATION

Strategic Philanthropy

- Different foundations have different tools in their philanthropy kete or baskets - money is just one of these tools
- Being strategic and thoughtful in approach can magnify impact significantly
- Reflection and focus on learning improves practice
- Sharing stories and case studies of what works will help grow strategic philanthropy in Aotearoa New Zealand

Growing strategic philanthropy

One of NEXT's objectives is to enhance strategic philanthropy within Aotearoa New Zealand. NEXT believes that strategic and thoughtful generosity can lead to enhanced outcomes and long-term success.

Alongside Bill Kermod, NEXT spoke with five diverse leaders in Aotearoa New Zealand and further afield to find out what tools they have in their philanthropy kete or baskets, what outcomes are being achieved as a result and what they've been learning. Thank you to those interviewed who were generous with their time and knowledge:

Iain Hines – Peter McKenzie Project

petermckenzieproject.org.nz

Sir John Hood - Robertson Foundation

www.robertsonfoundation.org

John McCarthy - Tindall Foundation

tindall.org.nz

Kate Frykberg - Te Muka Rau

temukarau.nz

Michael Traill - Social Ventures Australia (SVA)

www.socialventures.com.au



The Peter McKenzie Project is named in honour of the late Peter McKenzie.

About the foundations

The Peter McKenzie Project came about due to the thinking of the late Peter McKenzie, grandson of J R McKenzie. Peter saw an opportunity for long-term funding to tackle complex issues. A project of the J R McKenzie Trust, PMP is focused on helping create a New Zealand where all mokopuna, young people and families flourish. The goal is to improve systems - so systems are better at stopping families falling into hardship and better at pulling them out of it. As he was developing the idea for the Trust, 'Peter became sick and very sadly, he died. That has probably made it easier to name that project after him (he was a humble guy) - there was a sense of wanting to honour him,' Iain Hines, PETER MCKENZIE PROJECT

Robertson Foundation is a family foundation set up by Julian and Josie Robertson, 'Julian set up Tiger Management in the 1970's and would recruit talent from college, teaching them about business (hedge funds) and philanthropy. They would get their bonuses at the end of the year and if they put a portion into Tiger Foundation, they would become directors of that Foundation. Then Julian and Josie set up the Robertson Foundation. The family wish to focus on impacting public education, environment and medical science,' Sir John Hood, ROBERTSON FOUNDATION

Social Ventures Australia uses venture capital or private equity to provide money and strategic advice to support outstanding social entrepreneurs and help them scale, 'Backing great social entrepreneurs is still there as a core priority, and in addition SVA does strategic consulting, impact investing and is underpinned by the idea you can thoughtfully bring

business ideas to support the social purpose sector,' Michael Traill, SOCIAL VENTURES AUSTRALIA

Te Muka Rau is a small philanthropic trust established by Kate Frykberg and Dave Moskovitz, 'Both our name (which means "the many strands") and our vision of a "a socially cohesive Aotearoa New Zealand where Te Ao Māori is strong and vibrant, where the central place of Te Ao Māori in Aotearoa is understood and supported by all, and where we all feel confident and respected in our own cultures and heritage" are gifted to us by the communities we serve. Our key focus is advocacy and community-led initiatives,' Kate Frykberg, TE MUKA RAU

The Tindall Foundation is a family foundation set up with the money from the public float of the Warehouse in 1995, 'Half of the donations are given to initiatives that support children and families. That is a line in the sand for our trustees ... At the heart of the Foundation is generosity and giving with minimal strings attached,' John McCarthy, TINDALL FOUNDATION

NEXT Foundation was established in 2014 with a gift of \$100 million from Annette and Neal Plowman, with a mandate to commit it all in ten years. Its vision is to create a legacy of environmental and educational excellence for future generations of New Zealanders. 'NEXT is addressing challenges such as predator free New Zealand and the importance of the first 1,000 days of life for educational outcomes,' Bill Kermod, NEXT FOUNDATION

Philanthropy tools

The leaders all saw that money is just one of the tools these foundations have in their philanthropy kete or baskets. Tools and approaches were diverse and included

- Contributing more than money - such as skills, experience, time and sharing connections
- Investing in a small number of initiatives, often long-term and targeting organisations that can be catalysts for system change in areas of strategic focus
- Calling on 'thought leaders' and subject matter experts to shape focus and be involved in governance
- Having clear criteria and up-front due diligence - strong up-front processes can enable higher trust and longer term relationships
- An intention to be humble, authentic and learning focused
- Focusing on how success will be measured, and outcomes (there were different views on this)
- Sharing and championing partner successes with other funders and investors; and leveraging communications and marketing to promote partner organisations
- Proactively approaching top talent and organisations rather than running a 'call' for applications and/ or be 'open all hours' taking pressure off applicant and funder. The Peter McKenzie Project ran a 'call for ideas' and supported a short-list with developing their proposals further
- Being flexible, adaptable and proactively doing what is needed. For example seed funding, convening and cohering, starting something from scratch, investing and stepping aside so the experts 'can get on with it', advocating
- Utilising the tools of grants, impact investment and equity share; and investing in charitable organisations and social enterprise (including sector infrastructure)
- Being brave and investing where others are not - including innovation

'Our approach to philanthropy is asking, if you are lucky enough to live comfortably, why wouldn't you share it? Money is one tool. You can add your voice, support with connections, and do hands-on things like connect to other funders or provide additional support for capacity building. Also hopefully lead your life as much as possible according to the values that underpin what you want to change in the world.'

Kate Frykberg
TE MUKA RAU

'We don't take applications; we look at who can deliver on our strategies; we do extensive due diligence on them to ensure they can deliver; and we agree performance contracts with them and agree the outcomes; then we work closely with the grantees to ensure they have every opportunity to succeed. We are constantly learning, using that learning to enhance our practice and thinking. We are very much a learning organisation that looks at things in a systemic way ... to create better outcomes for humanity.'

Sir John Hood
ROBERTSON FOUNDATION

'We are looking for how can we contribute to improving how systems work and embedding changes in systems, rather than investing in new or existing programmes. We are looking for the more invisible - but hopefully more enduring - systems change.'

Iain Hines
PETER MCKENZIE PROJECT

'We are a reactive funder (we respond to applications) and we are also proactive - we will go out and find or create things, that will hopefully make a difference that aligns with the objectives. Sometimes we will start from scratch, convene, proactively seed fund and shoulder tap. We may convene a group of people and develop a response and there are two or three examples of that such as the community foundation movement, the New Zealand Housing Foundation, Trees that Count, VOYCE Whakarongo Mai ... There are a bunch of ways we can influence, we do quite a lot of private behind the scenes advocacy and we are cognisant of the power funders have - that influence can be used constructively and destructively. We try and use our communications and marketing to not promote the Tindall Foundation but as a platform to promote the organisations that we fund.'

John McCarthy
TINDALL FOUNDATION

'At the front end of SVA we wanted to be clear about outcomes. There was a lot of work done around tools like social return on investment (SROI). We drew on initial SROI work from Stanford University and they generously shared their work ... The other dimension is trying to build thoughtful and sustainable revenue bases for social purpose organisations. What sat behind that was building funding support from new markets, high net worth funders motivated by the idea that they wanted some accountability for what their donations were driving. Was their money making a difference? They had made money commercially and wanted to apply the same logic to their philanthropic commitments.'

Michael Traill
SOCIAL VENTURES AUSTRALIA

'We want to invest with impact, to partner to multiply that dollar impact ten-fold, and to inspire other organisations and individuals to join. Convening and cohering is one of the powerful tools philanthropic organisations have - convening interested and influential organisations and individuals around a common issue or problem. Philanthropy is uniquely positioned to help organisations leave their baggage at the door and focus on solutions.'

Bill Kermode
NEXT FOUNDATION

Achievements and milestones

We asked the foundations we spoke with what a strategic and thoughtful approach to philanthropy had enabled them to achieve that they otherwise would not have, and what milestones they felt proud of. This is what they shared

THE PETER MCKENZIE PROJECT

While it was too early to comment on achievements of the Peter McKenzie Project, a considered approach has enabled the J R McKenzie Trust to be learning focused, think long term and have focus. The Trust's support of the child advocacy groups and development of the Child Poverty Monitor have perhaps made a contribution towards increasing public concern and action on the issue; its explicit focus on Māori-led development has encouraged other philanthropic funders into that world; its investment in justice reform (via organisations such as JustSpeak) supported their work to make positive shifts in justice settings; and the Trust is a proud supporter of the Living Wage Movement, which has amplified awareness and debate on the issue of fair pay, as well as making a tangible difference for many families.

ROBERTSON FOUNDATION

Robertson Foundation takes a targeted, businesslike, results-oriented approach to their philanthropy. This has enabled them to support some of the most brilliant scientists in the world with 'phenomenal outcomes'; partner with the Environment Defense Fund (demonstrating fugitive emissions are about 60% higher than previously thought and partner with industry to reduce emissions); work alongside some of the most successful public school chains to help them expand; enable scientists at Rockefeller University to create new medical devices, therapies and drugs through utilising undeveloped intellectual property; and partner with Oxford University in the use of big data to refine the practice of personalised medicine.

'With the Peter McKenzie Project it is too early to talk about achievements. With J R McKenzie Trust and the focus on child and family hardship. What has the Trust's small contribution been there? For many years to fund advocacy groups like the Child Poverty Action Group, which many would say has been a major influencer in that area ... There have been some wins ... how do you measure that ... the Trust has quite often funded things that others do not fund. With Māori development there has been an explicit focus over the last decade or so on supporting Māori-led development.'

Iain Hines
PETER MCKENZIE PROJECT

'We are proud of what we do, but I hope never self-satisfied or complacent. We are constantly learning and using that learning to enhance our practice and thinking.'

Sir John Hood
ROBERTSON FOUNDATION

SOCIAL VENTURES AUSTRALIA

A strategic approach to philanthropy has enabled SVA to 'have clarity regarding what works and what doesn't; identify better what organisations and people could take a programme to scale; build a high quality team; and 'convene remarkable partnerships.' This led to the organisation being a driving partner to bring together four non-profits that acquired the bankrupted assets of ABC childcare and led to the creation of Goodstart Early Learning. This is the largest provider of early learning care in Australia and a billion dollar social enterprise.

TE MUKA RAU

Te Muka Rau's thoughtful approach to philanthropy has led to the creation of a bicultural board which, 'has changed things radically'; including enhancing funding decisions (in one case avoiding unintentional negative consequences to a community); and enabling new approaches like participatory philanthropy to be explored. A recent example is supporting, 'treaty-based, multi-cultural communities.' This is a new approach to immigration where new migrants take part in marae-based learning to build a sense of belonging, to foster an authentic understanding of history, the Treaty of Waitangi and Māori tikanga and to increase understanding and tolerance.

'At a level of scale, the capacity to be able to be a driving partner to put together a partnership of four non-profits that acquired the bankrupted assets of ABC childcare in 2010 proved what is possible, at scale, when you can facilitate great partnerships. Good Start Early Learning is now the largest provider of early learning care in Australia. It is a billion dollar social enterprise.'

Michael Traill
SOCIAL VENTURES AUSTRALIA

'Creating a bicultural board with two Māori and two Pākehā trustees has changed things radically ... the changes made us think about philanthropy in terms of reciprocity. That is not normally the way philanthropy works - it is usually quite one way and top down.'

Kate Frykberg
TE MUKA RAU

THE TINDALL FOUNDATION

The Tindall Foundation's pragmatic approach has enabled them to get on with what needs to be done including leveraged investment, partnering and collaboration. One example is their long-term support of the New Zealand Housing Foundation where a \$10 million investment from the Tindall Foundation gave others confidence to invest - resulting in the building of 700 houses with over 100 low-income families now having reached full ownership. Further examples include the VOYCE Whakarongo Mai collaboration; starting & supporting the Community Foundation movement (now with over \$100 million in funds); the seminal Vivid Economics Report on zero emissions pathways for the New Zealand economy (through Sir Stephen's influence the political conversation about climate change became truly cross-party and the consensus 'debate' in parliament was unprecedented); Trees That Count (national, native tree-planting project); the twenty year celebration of the Tindall Foundation; and involvement of the next generation. The Foundation has pioneered the Funding Manager model in Aotearoa New Zealand and a third of its annual donations each year (around \$3m) are distributed through 23 Funding Managers across the country. The purpose is to ensure the Foundation's resources are effectively reaching grassroots community initiatives.

'VOYCE Whakarongo Mai is an example of where collaboration has worked. With the other three funders and government as partners - we could be really proud of how we put that process together, navigated through some tricky conversations and forged a new way of doing things, finding solutions, using each others strengths and abilities to achieve a really good outcome for arguably a very vulnerable group. We had timing and preparation on our side.'

John McCarthy
TINDALL FOUNDATION

NEXT FOUNDATION

Applying a strategic approach has enabled NEXT to achieve milestones such as establishing the Tomorrow Accord partnership with government. The Tomorrow Accord is an agreement between the Government and philanthropic organisations (initially NEXT Foundation) such that once pre-agreed Key Performance Indicators for a qualifying conservation project are met, the Government will undertake to (at least) maintain the ecological gains made in that project to date. The Accord enables philanthropy to invest significantly in the early stage, higher risk part of a conservation project, in the knowledge that if successful, Government will provide long term support. Further NEXT milestones include making Rotorua Island predator free; ecological wins in Abel Tasman (such as eliminating wilding pines and reintroducing birds like kākāriki, robin, saddleback, kākā and pateke); co-creation of the Taranaki Mouna consortium which includes eight local iwi, philanthropy, government, business and community; and support national expansion of the Mind Lab, Springboard Trust and Manaiaakalani with the long-term goal of increasing equity in education.

'Taking a strategic approach has enabled NEXT to achieve outcomes otherwise not possible, such as the Tomorrow Accord. That's in two respects. One is partnering with government to achieve an agreed outcome and the second element is enabling government to be part of a sustainable model. The Tomorrow Accord is about sustainability for components of a predator free New Zealand.'

Bill Kermode
NEXT FOUNDATION

The Tindall Foundation supports the national native tree planting project Trees That Count. CREDIT Striped Trees Productions.



Giving is good, thoughtful giving is better

We asked these foundation leaders for their view on the potential of strategic and thoughtful philanthropy. Kate Frykberg summed it up, 'Giving is good, thoughtful giving is better.'

'The philanthropy sector has this in its grasp - knowledge building in a thoughtful way, and partnering with other non-profit organisations to achieve outcomes that would otherwise not be possible.'

Sir John Hood
ROBERTSON FOUNDATION

STRATEGIC PHILANTHROPY ENABLES

- Building of knowledge in a particular area
- Understanding of impact, what success looks like and 'a reference point for what you want to achieve'
- Initiatives to be taken to scale over the long-term. For example the Tindall Foundation has been involved with the Community Foundation movement for 18 years and New Zealand Housing Foundation for 15 years
- Knowledge building, convening and partnering to achieve outcomes otherwise not possible, 'These big issues can require multi-disciplinary solutions involving multiple sectors and organisations'
- Higher trust relationships, unrestricted donations and being a thoughtful partner (as the up-front due diligence is good)
- Leverage of knowledge, talent and skills for the benefit of partner organisations

'Giving is good, thoughtful giving is better. Sometimes I think we make it a little bit hard, that unless you are doing venture philanthropy, or strategic philanthropy or catalytic philanthropy, or whatever buzz word, it's somehow not good enough. The unintended consequence of this is that some people who can afford to be philanthropic may feel a bit paralysed - like they shouldn't do it at all in case they get it wrong. That said, all philanthropy should pass the first 'do no harm' test. And the power of strategic and thoughtful philanthropy is hopefully you can make more of a contribution and see the results more clearly.'

Kate Frykberg
TE MUKA RAU

'Different people understand strategic philanthropy in different ways. We have pragmatic trustees who if they think something needs to be done they influence so it can be done. Thoughtful is a good word - the ability to act thoughtfully, in all of the meanings of that word. Understanding and respecting the views of others, especially from those experiencing issues or need at the grassroots level in communities. Our Funding Managers are a great help with this part of the work.'

John McCarthy
TINDALL FOUNDATION

'We believe that strategic philanthropy is an effective way of gifting funds. It is not the only way though.'

Bill Kermode
NEXT FOUNDATION

Behind that word strategy is people getting more ambitious and wanting to see more enduring change ... moving the needle ... We are on a journey to find out what is possible, with more ambitious aspirations.'

Iain Hines
PETER MCKENZIE PROJECT

'If you want to make a difference you must have some reference point that determines whether what you invest in has been effective and what outcomes are being driven.'

Michael Traill
SOCIAL VENTURES AUSTRALIA

Te Muka Rau (which means "the many strands") key focus is advocacy and community led initiatives (pictured here with He Korowai Trust in Kaitiāia).



Learnings

The foundations we spoke with are reflective in their practice and openly shared what they are learning.

LEARNINGS INCLUDE

- Being a humble, respectful donor and understanding money is one 'part of it' and asking 'how can we help'
- Build the right relationships (including with government), focus on quality and trust your intuition - high trust can work
- Change comes from within - support local people and local solutions within local communities
- The voices of impacted communities must be in the room, 'nothing about us without us'
- The importance of engaging local iwi early
- Collaboration is hard, but it can work - be goal focused and bring your best self to the conversation (leave egos at the door)
- When scaling, capability and having the right people within partner organisations is key to success
- Māori trustees bring a valuable point of view and specialist knowledge
- A small amount of money applied at the right time, can be 'hugely important'
- Focus where you can have greatest impact. For example NEXT learned it is more powerful as a catalytic investor. The organisation evolved from being a sole funder to being a partner, convenor and collaborator
- Impact measurement can be tricky and includes, 'data and stories'
- Calling for applications can present problems for both sides
- Be nimble, try not to get 'bogged down' by process
- Give partners feedback, learning edges are a gift
- Good things take time - think long term

'We are constantly learning, using that learning to enhance our practice and thinking. We are very much a learning organisation that looks at things in a systemic way, and the systemic nature of the opportunity and how we might work with that system to create better outcomes for humanity ... Humility is important, and the goal of ultimately benefiting humanity.'

Sir John Hood
ROBERTSON FOUNDATION

'Collaboration can happen but it is hard – when done well it can be very powerful – and it can be fun! To me collaboration in essence is about being very clear about what you are trying to achieve collectively and why collective effort is more important and valuable than individual effort. Clear focus on what and who for is important in collaboration. And the 'who' have to be in the room and part of the conversation. And egos have to be left at the door.'

John McCarthy
TINDALL FOUNDATION

'There has been plenty of failure, but you aim to move forward by learning from it.'

Michael Traill
SOCIAL VENTURES AUSTRALIA

'If you want to work inside the tent you need opportunities to build relationships.'

Iain Hines
PETER MCKENZIE PROJECT

'We are learning the whole time. We have learned that we have to tell people that we are different to many other funders in our investment process and engagement; that it is important to listen to community; the importance of engaging iwi early; and that making a difference on a system basis is a multifaceted thing - not about just finding one or two organisations that will be the answer. And we still have a lot to learn about impact.'

Bill Kermode
NEXT FOUNDATION

'We have learned that change comes from within people and families and communities more effectively than it does from a programme than is provided by outsiders. From a philanthropy perspective this means supporting community-led initiatives where the people running the initiative reflect the people being served. "Nothing about us without us" is really important.'

Kate Frykberg
TE MUKA RAU

Medical science is part of the investment focus of the Robertson Foundation.



Growing strategic philanthropy

The leaders we spoke with had various ideas for how strategic philanthropy could be grown within Aotearoa New Zealand

- Strategic philanthropy means different things to different people - focus on good practice and what works, rather than definition
- Share local stories, case studies of what works and the 'nuts and bolts' of different approaches and learning
- Also look outward at what is happening internationally to build knowledge and learning. Spending time with similar organisations overseas heavily informed the SVA story and journey
- Focus more on understanding impact, including sharing experience, stories and data
- Support each other within the generosity community -

share learning, be curious and have courage to be vulnerable

- Explore more how we partner up, equitably value and talk to one another across philanthropy, community, government, business and others - collaboration is the 'way forward'
- Focus on relationships - enhance the mana of giver and receiver and focus on long term, equitable relationships and outcomes, 'underpinned by a spirit of generosity'
- Broaden the frame of reference from a 'western construct of philanthropy', to include Māori models of generosity such as manaaki (to support/ take care of) and explore what makes organised generosity here in Aotearoa New Zealand unique
- Be humble and learning focused



in Aotearoa New Zealand

'In Aotearoa our frame of reference for organised philanthropy is still to a Western model. Is that still fit for purpose in 2018? What might a contemporary model of Aotearoa philanthropy look like? Within Aotearoa there is already a model of generosity and manaaki that was here long before my ancestors stepped ashore ... so organised philanthropy can be done differently in this part of the world. Part of my broad thinking about strategic philanthropy includes how generosity can be practiced in Aotearoa in 2018 and beyond. My hunch is we already know some things about how generosity can be done really effectively here - equitable exchanges that enhance the mana of both giver and receiver, that intentionally develop and maintain long-term relationships for long-term outcomes, and grow partnerships that are reciprocal in nature. Some philanthropic organisations in Aotearoa are already beginning to develop strategically in this direction. If more of us practiced like that then I suspect the question of how our philanthropy could be more effective wouldn't be such a difficult conversation.'

John McCarthy
TINDALL FOUNDATION

'It's struck me that New Zealanders in my experience are quite open minded. We learned a huge amount by spending time in the United States and United Kingdom with organisations doing similar work. The opportunity to look abroad and adapt to local context models was deeply informing of SVA's work. The idea of looking out is very powerful, that was an important part of the SVA story and journey.'

Michael Traill
SOCIAL VENTURES AUSTRALIA

'What you are doing now is useful. It's sharing what happens underneath. I think it would be really helpful for us all to maybe be a bit more vulnerable. To not say, 'Here are the cool things we are doing,' but saying, 'These are the doubts we are having.' Sometimes there is a subtle competitiveness between foundations, it's not helpful.'

Kate Frykberg
TE MUKA RAU

'Being open to learning. Listening to those you support in the community and to those they support. Listening to creative people – in philanthropy and elsewhere. And being bold and prepared to try things out and learn. Stay curious. Treat everything you do as an experiment.'

Iain Hines
PETER MCKENZIE PROJECT

'Sharing stories, sharing successes must help. Sharing stories of successes, learning and impact.'

Bill Kermode
NEXT FOUNDATION

'Share more good examples to inspire other people to follow suit. Getting case studies written of examples of what has occurred in New Zealand over the last 15 or 20 years (or even longer) and getting them out there - So people can see what good philanthropy has done. Once you get leaders in the different sectors talking about the success stories you create a spirit of philanthropy.'

Sir John Hood
ROBERTSON FOUNDATION



Forming partnerships to create sustainable change is an important aspect of NEXT's strategic approach, as demonstrated by the Tomorrow Accord to enhance New Zealand's natural environment (picture Abel Tasman National Park).



For more information go to the NEXT website

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