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### A new approach to charitable giving

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# A NEW APPROACH TO CHARITABLE GIVING

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*Move over social entrepreneurship: hello venture philanthropy*

When most people think about philanthropic giving, the emphasis tends to be on choosing the right cause to fund, rather than the day-to-day practices of that particular charity or social enterprise. However, there's a new model in town: it's called *venture philanthropy*. Venture philanthropy is all about creating strong partnerships between donors and charities, so that both parties are equally engaged in the process of doing good. **Kevin Teo**, the COO of the Asian Venture Philanthropy Network (AVPN), says that venture philanthropy is really catching on in Asia. "It's a new thing here. What's heartening for us is that there is a very strong level of interest. Many benefactors are very eager to learn more about it."

So what exactly is venture philanthropy?

Teo describes venture philanthropy as, "the application of venture capital approaches toward philanthropy." According to Teo, this involves a paradigm shift in which benefactors take an active, "investment-minded" approach, much like a venture capitalist would. A venture philanthropist supports an organisation over the course of multiple years, providing the resources it needs to grow and develop over time. Teo says, "The venture philanthropy approach encourages benefactors to take a long-term view of how their philanthropic resources are being applied towards a social-purpose organisation. We call them 'resources' because they encompass finances as well as expertise."

Teo says that this model is very different from the models that came before, "Venture philanthropy is opposed to what we know as traditional philanthropy where folks write a cheque towards a cause and often don't want to be bothered anymore. This is the opposite in sense of being investment-minded and taking a long-term view."

# CREATING DIALOGUE BETWEEN STAKEHOLDERS

Venture philanthropy organisations like Teo's AVPN work closely with benefactors in Asia who are interested in taking on a more engaged approach to their philanthropic giving. However, his organisation must navigate between private benefactors, the government and the NGOs. In the industry, this is known as "tripartism". According to Teo, much of his work involves creating dialogue between these parties. "For us in AVPN, a lot of what we do is bridging conversations across those sectors. Not only across sectors, but across geographies as well."

Since the concept of venture philanthropy is fairly new in Asia, part of the problem is that various stakeholders often do not speak the same language. Organisations like Teo's seek to make it easier for the private sector, the public sector and the NGOs to communicate and interact with one another. "There isn't really a common language today. Even for representatives within the same sector, you don't have the same language, which is why there has been such demand for early stage of venture philanthropy in Asia."

The AVPN is also interested in fostering conversation among practitioners from different geographic regions. "We are interested in connecting government agencies with policy developments in other countries," says Teo. "We recently introduced social enterprise practitioners from around the world to various local agencies. There seems to be plans afoot to replicate some of those practices in Singapore. We are invested in providing those linkages to approaches that have been effective elsewhere and starting conversations here."

## THE FUTURE OF PHILANTHROPY IN ASIA

As philanthropic giving matures in Asia, Teo believes that the future looks bright. "I think things look positive and promising. The growth of venture philanthropy organisations and funds are indicators of progress." Until now, the focus has been on the quantity of money that people are donating, but organisations such as AVPN are more interested in the engagement within the sector. "We're encouraging people to ask questions about what the money has created. Once you start asking those questions, then it pushes the social sector to professionalise and become more effective."

*Kevin Teo spoke to Perspectives@SMU on the sidelines of the Asian Venture Philanthropy Network's first annual conference held at SMU recently.*