

Professionalising philanthropy



United in giving: (from left) David Evans, head of philanthropy & values based investing, Asia-Pacific, UBS; Chew Kwee San, honorary secretary & council member, Tan Chin Tuan Foundation; Laurence Lien, chairman of Lien Foundation; Jenny Santi, head of philanthropy services, SEA, UBS; Dipak C Jain, dean, INSEAD; Peter Kok, MD & regional market manager, S'pore & M'sia, UBS; Mahboob Mahmood, adjunct prof of entrepreneurship & family enterprise, INSEAD

By **MINDY TAN**

THERE is a keen need within the sector to professionalise family philanthropy, thus ensuring more strategic focus and an evolved mode of operation and funding.

This message was the key takeaway at Tuesday's launch of the UBS-INSEAD study on family philanthropy in Asia.

According to the study, Singapore is already on the way to meeting this target, with 74 per cent of philanthropies in Singapore being professionally run, compared to an average of 50.5 per cent in the rest of Asia.

Singapore was closely followed by Thailand and the Philippines in terms of professionally run philanthropies, at 67 per cent and 64 per cent respectively.

Speaking as part of the panel, Laurence Lien, chief executive of the National Volunteer & Philanthropy Centre and chairman of the Lien Foundation, shared: "I strongly believe the best use of philanthropic resources is in innovation, social entrepreneurship, and really making social change.

"Foundations have this wonderful opportunity because there is always entrepreneurship expertise in the family, there's a long-term context, and you have fewer stakeholders that you

have to be accountable to, compared to the government."

These factors, he said, are the ideal conditions to ensure high impact and strategic giving, goals that a professionalised foundation will be able to easily attain.

Deepening philanthropy by being strategic and focusing on key areas, and using the help of professionals to further deepen one's understanding, and knowledge, of a few sectors will also bring more meaning and enjoyment both to the philanthropist and the family, he added.

"To be successful in their philanthropic aims, it takes more than just good intentions. It requires both the identification of a suitable issue to support and the development and implementation of a strategy for effective and sustainable giving," noted Kathryn Shih, chief executive of UBS Wealth Management, Asia-Pacific.

While professionalising the running of a foundation is key, panellist Chew Kwee San, honorary secretary and council member of the Tan Chin Tuan Foundation, stressed the importance of retaining family counsel.

He said: "A family member or a stakeholder must be part of the process. He has to take responsibility

for the selection of the employee, he must himself learn and at the same time help to communicate the core thrusts and philosophies that the foundation wants to serve."

The study also noted that professionalising the running of the philanthropic arm will strengthen the formalisation of the grantee selection process.

"When you link funding and operations, that natural competition that you would have seen when you delink the two (brought about by having to go to external sources for services) is eliminated.

"That hinders what could have been a driver for transparency and efficiency in the sector," noted Jenny Santi, head of UBS Philanthropy Services, South-east Asia.

Standing at 70 per cent, Singapore has one of the highest percentages of grants going to other organisations, with only 30 per cent of funding directed at a foundation's own operational activities.

"These trends suggest

that there is more transparency and efficiency in the philanthropic sector in Singapore, where philanthropists feel they are able to make a difference through existing and well-run non-profit organisations," Ms Santi added.

While Singapore has the makings of a regional philanthropy hub, Mahboob Mahmood, adjunct professor for entrepreneurship and family enterprise, INSEAD, noted that more has to be done in terms of regulations.

He said: "In terms of knowledge, best practices, networking, and training, that's beginning to happen, and Singapore is playing an important role. But in terms of aggregating funds, we are a little less further along.

"(Previously), tax laws in Singapore made it difficult to give money overseas. That's changed but registration of charities which focus overseas is still something of an obstacle."

In this regard, Singapore has a little further to travel, he said.



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