

The Billionaire Who Wasn't: How Chuck Feeney secretly made and gave away a fortune

Conor O'Clery *Public Affairs* \$26.95
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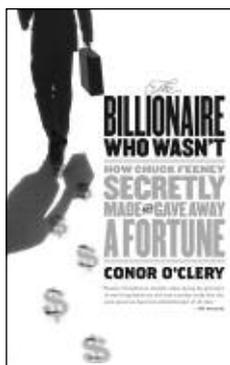
Felicitas von Peter and Michael Alberg-Seberich

and insists on flying economy is not your usual billionaire – or philanthropist. Chuck Feeney's humble character and his vision for a better world through fostering leadership are the ingredients of this unique story by Conor O'Clery. His biography of Chuck Feeney gives an insight into the work of one of the most successful entrepreneurs and philanthropists of our time. It shows that by finding and trusting in the right people and continuous learning from experience one can 'move mountains'.

Feeney and his three business partners in the 1960s built up one of the largest retail businesses in the world, Duty Free Shoppers (DFS). When Feeney sold his share in the company in 1996 he pocketed more than \$1.6 billion. What nobody knew at that time was that Feeney had signed off the core of his funds into a foundation, Atlantic Philanthropies, 12 years earlier. This foundation worked until the end of the 1990s, mainly in secrecy. Among grant recipients around the world Feeney and his foundation were known only as 'anonymous'.

The other novelty about Feeney's way of giving is that in 1999 he decided to spend down Atlantic Philanthropies funds by 2016 – in order to stay in control of what happens to the money as well as to witness the impact his donations will have. Conor O'Clery estimates that by the time Atlantic ceases to exist, the foundation will have invested more than \$12 billion in charities. Since the foundation is registered in the tax haven of Bermuda and because of extremely successful investments,

At first glance a man who wears a cheap watch, uses a plastic bag full of books as carry-on luggage



spending down often means a crazy race against the rapidly increasing returns Atlantic manages to achieve.

Feeney's way of doing philanthropy is closely connected with his way of doing business. DFS's business model was based on setting up shop in duty-free havens around the world and luring the growing number of international travellers there to buy luxury goods. Most of his business activities were kept secret as long as possible so that competitors would not copy ideas. This way of doing business and the fact that Feeney worked in intelligence for the US Airforce at the end of the 1940s are indicative of the urge for secrecy behind all his actions.

During his travels, Chuck Feeney would also identify philanthropic ventures to invest in. Luck, a sixth sense, a nose for leadership, the analysis of facts, advice from friends and a startling interest in world affairs guided him as a donor, particularly in the USA, Ireland, Australia, Vietnam and South Africa. In the end this proved to be the same mixture of qualities that ensured the success of his business. Feeney's success very much depended on the people he invested in. Characteristically, he would question prospective grantees in detail before making any grants.

The Billionaire Who Wasn't describes how Feeney's philosophy of philanthropy developed and what

obstacles his foundation had to overcome. As an active philanthropist, Feeney gave, and gives, not only money but also time, passion and a personal commitment to the causes Atlantic Philanthropies supports.

The biography shows how Atlantic Philanthropies developed into a highly professional foundation with a clear and focused strategy. It illustrates some of the challenges inherent in managing a large foundation and describes how the foundation ended up narrowing its focus to investing in just four major programme areas in the last decade of its existence.

However, the reasons why Feeney was so reluctant to go public with his philanthropic work and decided to spend down the money of the foundation can hardly be understood without learning more about him as a person. Feeney is presented as a naturally modest man. The book develops leitmotifs for his actions that are rooted in his own upbringing. He was raised in the close-knit Irish-American community of Elizabeth, New Jersey, where his mother tried to help people without others knowing about it. Conor O'Clery presents Chuck Feeney himself, a father of five children, as a passionate family man who intuitively found ways to teach his children to focus their lives beyond wealth.

With this authorized biography the secret of Chuck Feeney is no longer a secret. In an interview in September 2007, he said 'I'm not getting younger, I don't think. And I feel like there might be some advantage to spreading the word about giving while living and the satisfaction that people get from giving, and see if anybody agrees'. Many will.

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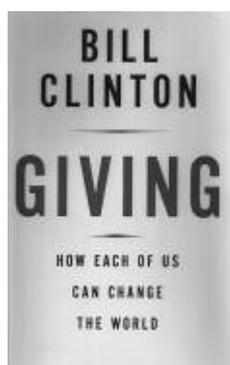
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Giving: How each of us can change the world Bill Clinton
 Alfred A Knopf \$24.95
 ISBN 9780307266743

Pushpa Aman Singh examples and stories of giving in all forms: time, skills, money and things. The book features every kind of giver – people of all age groups, of varied economic and social backgrounds in different continents, innovators and replicators, people of different religious faiths, the rational and emotional giver, the one-time and perpetual giver. It is highly likely that every reader will be inspired or provoked by at least one story.

The book is more than just a compilation of ideas. Clinton explains some situations in more detail than others but manages to give key facts regarding the costs involved and the impact of various

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acts of giving. In the non-profit world where most case studies and reports focus on describing process and explain the challenge of measurement against indicators, Clinton reports numbers and feedback provided to donors. So much so, that I worry that the book might create high donor expectations regarding programme output/outcome figures.

True to its title, the book is aimed at just about everyone. It gives a menu of giving options and it is hard to think that the examples apply only to the rich and privileged, to someone else and not 'me'. It is hard to put down the book without feeling a sense of the power one has to make a difference. There are several instances when you feel either guilty or ashamed of not having given enough. Clinton has used a simple style of writing in first person. Having heard his speeches so often, one can nearly hear his voice.

The book itself can be a great gift to every potential giver. I can easily imagine CEOs of corporates, successful entrepreneurs and professionals at least glancing through the pages of such a gift because of the author. It stands a good chance of provoking into action at least a small number. For those who are actively seeking to give and exploring options for making large gifts, or considering

options for starting an enterprise to serve the underprivileged or searching for career options with a non-profit that matches their interests and skills, this book fills an existing gap. It has been my standard recommendation to all such people who have recently approached me for information. For intermediaries like GiveIndia that connect donors and non-profits, this is a useful book to motivate donors. For non-profits, it is an interesting source of information about who is doing what, a starting point to search for models to replicate, independently or through collaboration. There are a number of good ideas for tapping donors, informing and engaging them, that lie scattered across the book. The book does not end in its 240 pages because of the valuable list of websites provided in the resources section.

One could criticize the author for the predominance of examples from organizations and individuals personally known to him and his very layman style of writing. I believe these very things make the book attractive. The inside account of giving situations, with impact details and ready-to-use information, make you ready to give. The book fulfils its purpose as stated by the author: 'I wrote this book to encourage you to give whatever you can, because everyone can give something. And there's so much to be done, down the street and around the world. It's never too late or too early to start.'

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BOOKS IN BRIEF

The Power of Unreasonable People: How social entrepreneurs create markets that change the world

John Elkington and Pamela Hartigan

Harvard Business School Press

£15.99/\$27.50

The title of this book apparently derives from a remark by George Bernard Shaw that 'the reasonable man adapts himself to the world, the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man.' On this argument, some of today's entrepreneurs are decidedly unreasonable and, the authors suggest, our future may hinge on their work. They identify 'unreasonable' entrepreneurs who are solving some of the world's most pressing economic, social and environmental problems. They also show how these pioneers are disrupting existing industries, value chains and business models and in the process creating fast-growing markets around the world. The book looks at how apparently unreasonable innovators have built their enterprises, how their work will shape risks and opportunities in the coming years, and what tomorrow's leaders can learn from them.

To order www.HarvardBusinessOnline.org

Effective Foundation Management: 14 challenges of philanthropic leadership – and how to outfox them

Joel J Orosz *AltaMira Press*
\$22.95 (paperback)
ISBN 0759109877

Steven Burkeman

Joel Orosz's theme, foundation management, is, for some people, a strange one. How can giving money away be

complicated? Why should it need to be managed? In more innocent days, worthy people were simply identified by the benefactor and put in charge. Here in the UK, they tended to be ex-ambassadors and former senior soldiers; men (and they were almost always men) who 'knew how to run things', felt that they were 'putting something back' after their exciting and often very privileged professional lives, and were not exactly paralysed by self-doubt. As younger people with more activist backgrounds began to work in foundations, they began to see them as resources to be managed. They worried about how best to do it and some were competitive in their desire to do it better than others. And now there are whole books about it.

I started out wanting to dislike this one. The notion that there were only 14 challenges, and that ways to beat them could be so easily summarized, seemed like an insult to my long years of working in the foundation scene. And when, in the Introduction, I read that '*This book can be attacked in two different ways*', I thought, 'Well, I'm sure I can find a few more ways than that . . .' I was, however, wrong.

Despite the title, Orosz sets out just seven challenges and a further seven dilemmas of managing foundations. He identifies critical issues with which many of us have been grappling here in the UK, such as the lack of ideological cohesion between board and staff, and within staff (I'd have added 'within boards', especially where the trustee 'gene pool' has been – potentially



unhealthily – limited to descendants of the founder). The dilemmas include whether to focus on a specific field of work and aim to have a high impact in it or to work more broadly, accepting that impact will therefore be shallower.

I have a sense, however, that the structure Orosz has chosen for the book forces him to pose some issues – and this is one of them – as dilemmas while his own view is fairly clear. In this instance, I read him as arguing for a tight focus, albeit tempered by a sense of realism and humility about the impact that any single organization can expect to have on major social issues. Similarly, his 'dilemma' of 'high overhead versus low overhead' reads as a plea for foundation leaders to recognize that a realistic(ally high) level of overheads is essential if foundations are to fulfil their potential for impact. The chapter called 'high profile versus low profile' is actually an argument for the former, sensitively handled.

These, though, are small quibbles. While few of the issues on which he focuses are new, he manages to address them in a way that is both profound and accessible. Take, for example, the following extract, about the challenge which results from the absence of a salutary external discipline on foundations:

'Since foundations are undisciplined by the market, electorate, or funders, their only impetus for improvement comes from their (generally) self-perpetuating board of trustees. If you

are a foundation leader, your imperative thus is a simple one: keep the board happy, and you will keep your job. So, what makes a board happy? The answer is easy: pride-inducing success. What makes a board unhappy? The answer is equally easy: embarrassing failure. What does this mean for the CEO?

As a practical matter, the answer to this question is also very simple: since any kind of success is preferable to any kind of failure, since embarrassing the board members is to be avoided at all costs, it is critically important that every project be a success. What is the best way to ensure that every project will be a success? The key to perpetual success is to keep every project uncomplicated and modest in its ambition. Thus, inexorably, in order to keep their boards happy, in order to assure that embarrassment never darkens the trustees' doorsteps, CEOs tend to seek the cautious and incremental success. Paradoxically, the societal organization given the most freedom to act hobbles itself; it is as if a superb French chef, capable of creating any gastronomic delight, insisted on making nothing except the blandest of oatmeal.'

What a pithy, and entertaining, summary of an all too common, but rarely described, phenomenon.

After reading this book, I contacted Peter Grant who runs a Master's Course on Grantmaking Management at London's Cass Business School to urge him to include it on the course reading list, alongside the homegrown *oeuvres* of Leat, Unwin *et al*; I am delighted to report that he was ahead of me and had already done so. Peter's initiative should be copied by all those responsible for training and 'growing' new grantmakers.

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