

Philanthropy? He wrote the book

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The concerned volunteer handling John Wood's Hong Kong public relations says that my suggestion of breakfast at the newly refurbished Mandarin Oriental might seem distasteful to the head of a charity.

So on a Saturday morning - at an hour too early to be called brunch - I walk into the cloud of stale beer and cigarette fug that is the main bar of the Foreign Correspondents' Club in central Hong Kong. A few nights earlier, a proud member described this place as a club for "drunks, cheapskates and losers". Is this a more appropriate venue to meet a man who likes to think of himself as the Andrew Carnegie of the developing world?

I settle on a banquette in the glass-enclosed "no smoking" bunker and order a coffee. When a smiling Wood strolls in, he looks unperturbed by our surroundings.

Wood, a former Microsoft executive turned social entrepreneur, has plenty of reasons to be cheerful. This is a good time for a global tour in support of a book called *Leaving Microsoft to Change the World*. New hedge-fund fortunes are being made; Bill Gates and Warren Buffett are deploying billions to address the world's ills; and celebrities - from Brad and Angelina and Bono downwards - are working away at good causes. Philanthropy is hot.

Wood's work has acquired an earnest fashionability of late, but it wasn't always that way. He left his Beijing-based Microsoft job in 1998 to found a charity called Room to Read, conceived as a way to get used books to the developing world.

The move prompted raised eyebrows among his colleagues, while his luxury-hotel-loving girlfriend soon became his ex-girlfriend. "I can still remember the days when I would check my e-mail and hit the refresh button four times and be like 'Damn it! My mail's not working. No one's e-mailing me.' There was just nothing going on," he says.

Wood now gets 300 e-mails a day from strangers eager to get involved in Room to Read. The charity has expanded and builds schools and libraries, gives scholarships for girls' education, and publishes local-language children's books in countries such as Cambodia, India and Nepal. Not satisfied with styling himself as the Carnegie of the developing world, Wood says he also wants to be its Dr Seuss.

He works longer hours and travels more than he did when he was at Microsoft. He also applies plenty of what he refers to in his book as Microsoft CEO Steve Ballmer's "get shit done" ethos to a charity world "immune from market pressures".

"I think the charity world has been kind of given a free pass - 'Oh, they're trying hard' [or] 'oh they mean well.' But they're not well-run," he says. "In business there is always a market mechanism. If you [the FT] lose readers you guys go out of business. If Microsoft annoys people they are going to switch to Apple. And in the charity world that doesn't really necessarily happen."

Over breakfast of scrambled eggs and pancakes, the word emerging most frequently from Wood's mouth seems to be "scaleable". There is plenty of talk of "metrics" and "return on investment", of branding and "market gaps". He wants Room to Read to be "the single trusted global brand for education in the developing world". And he plans to do that by creating an organisation melding "the compassion of Mother Teresa" with "the focus and tenacity of a blue-chip company like a GE or a Cisco".

Wood is obsessed with putting to work the business practices he learnt at Microsoft. He requires all Room to Read staff to include the latest quarterly measures of progress in their e-mail signature files, largely because "at Microsoft, Ballmer used to always say 'what gets measured gets done'".

He has an entrepreneur's obsession with costs, and relies on the kindness of powerful donors and old-fashioned penny-pinching to keep expenditure down. He travels around the world on frequent-flier miles amassed by "a senior figure at Goldman Sachs". To arrange fundraising events he draws on volunteer chapters in San Francisco (where the charity is based), and other cities such as London, New York and Hong Kong. As a policy, he refuses to recruit expensive expatriates to run local field offices.

Wood has a marketer's knack for laying out his achievements in a way that appeals to the global-oriented business class he and Room to Read target in their fundraising. The charity's pace of growth, Wood boasts, is faster than Starbucks'. In the sixth year after its initial public offering of shares, Wood says, Starbucks opened 500 new outlets, while Room to Read in its sixth year opened more than 1,000 school libraries.

"I don't meant to be flippant about the Carnegie analogy," he adds later, "but we've now done more libraries in the developing world than Carnegie did in the US."

Andrew Carnegie, the Scottish-born magnate turned philanthropist, built 2,500 libraries around the US. By the end of 2006, Room to Read had opened 3,300 libraries, and expects to have 5,000 by the end of this year. That number is expected to grow by a further 40 per cent, to 7,000 by the end of 2008. In coming years Room to Read expects to open an average of "30 libraries a week across the developing world".

Wood turned to philanthropy after a 1998 trekking holiday in Nepal. He visited a remote school with just a few books and, without much forethought, promised to return with reading materials for the children. An e-mail he sent to friends yielded hundreds of used books and when, months later, he returned to the school with his father and a donkey train loaded with books he was so moved by the reaction that he decided to change careers. This has since grown into his ambition to "democratise philanthropy".

"What do you mean by that?" I ask, between bites of undercooked pancake.

"I mean basically saying to the world [that] you don't have to be Gates or Buffett, [and] you don't have to be as good-looking as Angelina Jolie or Brad Pitt to go help Africa. What we are trying to say is, it does not cost much to go make this change. It's \$250 to underwrite a girl's scholarship. It's \$2,000 in total to do a library. It's somewhere in the \$10,000-15,000 range to endow a school. And I think if we really want to reach our long-term goal - which is to reach at least 10 million kids [by 2020] - we can't really necessarily depend on the fact that someone rich, someone really super-rich or really super-famous will do it for us."

A flaky charity world isn't the only target for Wood's criticism. He is unimpressed, too, by some corporate social-responsibility programmes. He has had "very deep, very thoughtful" conversations with some companies, but is scathing of others that use CSR as little more than an addendum to their marketing budget. "I've definitely seen the companies that take out half-page ads in the FT, The Economist or Time, bragging about what good corporate citizens they are. And I'm like, 'Huh, that's interesting, I've never actually seen anything that you've done in the developing world and I've filled five passports with travel.'"

Wood argues that, by under-investing in the developing world, many first-world companies are guilty of short-sightedness. Greater corporate investment in education in impoverished countries would not be an entirely selfless act, he says. Better education would yield more affluent societies and, eventually, faster global economic growth and bigger corporate profits.

He also argues that, as the Bush administration's actions in Iraq and elsewhere are making the US progressively more unpopular in the world, businesses and charities like his are being forced into "freelance diplomacy" or "freelance foreign relations".

But his biggest concern is over what he calls the "Gates conundrum". With their moves into philanthropy, Bill Gates and Warren Buffett have set a new standard for the world's super-rich, and Wood predicts that billions more will be thrown at non- governmental organisations in the coming decades.

Yet the charity world, he says, has a poor record of being able to absorb donations and grow quickly. "If you look across Africa there's just such a dearth of scaleable models for social change. I think in the next couple of decades that's one of the main challenges for the philanthropic world - can you teach these NGOs to build capacity and to scale?" Many groups erect one or two orphanages at a time, but in Africa "the HIV/Aids problem is such that you basically need a scaleable model for orphanages. You literally need someone to be the Starbucks of orphanages."

If the current giants of the philanthropic world succeed in preventing vast numbers of infant deaths in the developing world, they will also create a potentially overwhelming long-term challenge for already struggling governments and NGOs. "If those kids get to be the age of five, let's say, then how are they going to thrive?" Wood asks. "To thrive they need access to clean water and they need access to education... We've got five years to get ahead of Gates and Buffett on this issue and to me the clock is ticking."

As our allotted time is also about to run out, the conversation turns to lighter things, meandering around Wood's lack of executive stock options (he says he now gets "karmic options"); his Microsoft shares ("still my single largest holding") and the philanthropic habits of the new hedge-fund titans ("right now they are still in the wealth-creation mode [but] at some point, hopefully they will get to the wealth-deployment mode").

And then Wood is off, heading back to his hotel - I decide not to ask if it is the Mandarin - for a work-out before a book signing. A few days later he is off to Cambodia and then on to London for the UK launch of his book. I, meanwhile, wander back out into the bar to secure a receipt I will eventually lose, leaving me unable to claim our breakfast on FT expenses - a little bit of unintentional philanthropy.

Fonte: Financial Times, USA, February. 25 2007. Weekend, p. 10.