



THE LONG INTERVIEW / CHANGE-MAKERS

Some charities may have lost their way, but Robert Kee of Operation Hope Foundation, which runs orphanages in poor nations, tells Susan Long he wants to set an example with a hard-nose approach that looks at the benefit-to-cost ratio.

Charity, SME -style

Operation Hope Foundation (OHF) squats in the cramped corner of a flatted factory unit in Ayer Rajah Crescent. A pile of slippers grace the entrance. Plastic bags of donated clothes jostle for space among four staff cubicles that have seen better days.

It's crumpled co-founder and director Robert Kee, 64, sports a sunburn from spending the past month overseeing the building of an orphanage and training centre in Phitsanulok, Thailand, and finalising the paperwork for an orphanage and boutique hotel social enterprise in Pokara, Nepal.

This is charity "SME-style", says Mr Kee, who is also managing director of Applied Digital System, a \$55-million-revenue programming house operating on the same premises.

Home is a Balinese-style bungalow with a pool along Holland Road, but he spends a quarter of his year, up to a month each time, in Cambodia running an orphanage he founded, sleeping under a mosquito net mounted on sticks and eating the same one-dish meals as the kids who call him grandpa. His sole creature comfort from home: Sambal chilli.

The avuncular man hands over a name card - "three cents only," he proudly declares - made on his ink-jet printer. In the more than 200 visits he has made to Cambodia to oversee OHF orphanage and training centre there, he flew on budget airlines, paying for his ticket from his own pocket. He used to stay in US\$5 (S\$6.30) rooms when travelling on his charity's business till he got robbed and decided to "upgrade" to US\$15 ones.

Through his own "back to basics" example, he is trying to model how charities should operate: The way a hard-nosed small and medium-sized enterprise (SME) would, keeping a beady eye on the benefit-to-cost ratio instead of operating like a glitzy, free-spending multinational marketing agency. He laments that few charities, donors or journalists these days care about the benefit-to-cost ratio - the estimated dollar value of the goods and services received by beneficiaries - which can be as low as 5 per cent.

For example, a charity distributing rice in a disaster-stricken area might fly in a team of 10, including a videographer and photographer, and hire two Land Rovers. At the end of five days, the team could

have spent \$30,000 to give away 300 sacks of rice that cost \$20 each. So out of \$36,000, only \$6000 is the benefit.

After 16 years of doing field work in the Philippines, Timor Leste, Cambodia and Nepal, first for the Lions club of Singapore, then as a lone philanthropist, after that for the Methodist church and then for OHF, he has distilled his observations into a book, *Changing Lives: Hard Truths About Helping The Poor*, available for \$10 on www.ohf.org.sg.

In his book, he emphasises that the onus is on donors to ask tougher questions, such as how much of a charity's total expenditure goes to staff salaries, especially to expatriate executives.

When a charity has overpaid executives, its programmes suffer not because of increased cost, but because it creates a culture of inefficiency. “When staff are fearful of losing their six-figure salaries, they will make safe rather than impactful decisions,” says the former Colombo Plan scholar who co-founded OHF

with University of Auckland schoolmates Ling Swee Chan and Ong Lin in 2001, He does not take a salary or claim any expenses from OHF.

Values and value

He started his first orphanage at age 53 in Cambodia after he served as a Methodist Missions Society community outreach coordinator in the late 1990s and “found it hard to give away money” to brand-name organisations “without feeling cheated”.

Asked about various charity scandals in Singapore, he says: The way we operate, we must begin with the end in mind. If our objective is to help the poor, we must have a lifestyle consistent with that. There must be a match of philosophy and values. If not, something is wrong.”

The root of the problem, he laments, is that both charity and religion have become a “business” - but only in the fund-raising aspects. Meanwhile, corporate governance and safeguards in what is essentially a trust-based, cash business are lacking.

Too many charities, he feels, focus on raising funds, then hand some over to a local organisation to run short-term, ad-hoc programmes. “Financially, that is a very good model for them because their income is regular but their expenses are discretionary.”

But he sees value in the old days of charity, when the Methodist built schools, hospitals and other infrastructure in Singapore. “Helping the poor is the smaller-scale example of helping a country develop, you need to invest in building long-term structures,” he says.

OHF owns its property, vehicles and equipment. It has an orphanage in Prey Veng, Cambodia, that houses

120 children, and a residential training centre 50 minutes away, which trains some 120 A-level school-leavers in English, computer skills and baking to help them snag jobs or start businesses, as well as some 200 volunteers a year. It also has an orphanage for 40 kids in Kathmandu, Nepal. It will soon

expand into a fully owned facility for 120 children.

It operates on about \$500,000 a year – raised largely from a small pool of donors here. Some charities spread their money over many, so donors are impressed by the large numbers of beneficiaries. But OHF spends “hundreds and thousands of dollars” on each beneficiary, with its “build, own, manage” model, which incurs fixed monthly expenses for staff salaries, food and electricity – in perpetuity.

But he is banking on long-term impact. “If we train them well, these children and their children will be able to break out of the cycle of poverty.” Two children have graduated from the orphanage and landed white-collar jobs in Phnom Penh.

NGO Price

The first thing the trained electrical engineer does in each new country he lands in – he plans to build orphanages in Myanmar, Indonesia, the Philippines, Laos, Vietnam, China and India next – is to find out the price of cement, bricks and sand.

In poor countries, he says, foreign non-governmental organisations (NGOs) are seen as kindly “Santa Claus or rich uncles”. “It's so ironical that when you're building a hotel there, the contractors give you a competitive price. But if it's an orphanage, it's time to slaughter.”

He always levels with them and says: “Look at my eyes. What kind of eyes? Chinese eyes. Quote to me like a Chinese businessman. Don't give me NGO price.”

In one flood relief project, he felt insulted when the poorest villagers spurned the rice he was distributing. Finally, one villager piped up. He then realised to his horror the grains were rotting and mixed in with sand by unscrupulous local vendors who profiteer from naïve eager-beaver NGOs.

These days, he weighs and checks the rice delivered against a sample taken when ordering. His orphanages are run like small hotels, with regular maintenance of rooms, lights, fans and vehicles. Electricity and petrol consumption are monitored. In the kitchen, fresh food purchases are weighed and recorded daily. “People tell me: 'You're always talking about money'. But money will affect culture. If children see staff buying motorbikes and gold rings from the money meant for their food, what are they learning?”

McDonald's consistency

The youngest of six children of a stenographer and a housewife, Mr Kee grew up in a two-room flat in Tiong Bahru. He served his scholarship bond as a sound engineer, became managing director of a British electronics firm at 27 and at 30, started a data communications company, that he sold to an Australian public-listed firm.

His journey to Cambodia started in 1994, after the father of three watched an Inside Asia documentary on child prostitution and was stricken by the need to save street urchins. “For two weeks, I had a

running conversation with God. Why send me to such a place like Cambodia, I asked? What can I do alone as one person? In the end, I agreed to go and that kind of conversation never occurred again,” relates the former Anglo-Chinese School student who attends Cairnhill Methodist Church.

On his first mission trip there in 1995, he revelled in bathing with tadpole-infested well water. It was “heaven” to him because “everyone was same, rich or poor, fat or thin, man or woman, all unkempt and sleeping on the floor”.

“It was a great social leveller.” Having tested his operating system over the past decade, he hopes to grow OHF into Asia's largest charity with a presence in 10 nations by 2014.

He plans to do that through a franchise model like Austria's SOS-Kinderdorf group, which has a network of 550 self-managed orphanages in 133 countries, but “more cost-efficiently”. His orphanages will fly two flags (Singapore's and the host country's), with the host country setting up its own board of directors and raising its own funds, while OHF puts systems and processes in place. Won't the rigor of his controls invariably slip if OHF scales up so quickly?

Not if robust standard operating procedures are put in place, he says. “If McDonald's and Starbucks can ensure consistent quality in their hamburgers and coffee all over the world, why can't charities? In global business, maintaining operational standards is a done deal. It's just that nobody is applying this methodology to charities.”

But why is he so convinced a Singapore-registered charity is the way forward?

“As an Asian charity, we are more cost-conscious. To Western charities, the project comes first, the money is second. I think we put both on a par. Also, wealth is moving to Asia.”

He says the world needs to go back to “real charities doing real projects which really help people”, free from corruption. “If we can leverage on Singapore's clean efficient reputation and ensure that donations will be used properly,, I'm sure many millionaires in China will donate to OHF China and many rich men in Indonesia will donate to OHF Indonesia.”

The grandfather, with many pots on the boil, is developing solar cookers for one billion people worldwide who still use firewood for cooking., and an affordable fruit and vegetable processor for farmers to use when packaging surplus produce , which would otherwise rot, into retort pouches.

One worry he has for Singaporeans today is that they are “too materialistic and inward-looking”. “Everyone wants to make a movie about himself. And the amount of energy spent on planning weddings,” he says, shaking his head. “I spent 50minutes planning mine. Now it's like planning a war.” His wife of 40 years, Susan 62, is general manager of Applied Digital System. Two of their grown-up children help to run it.

But it is charity that he considers his most enriching enterprise. “Enjoyment is not just about staying in five-star hotels or comfort or luxuries. Once you enjoy helping others, your enjoyment is infinite because you are never done.” suelong@sph.com.sg

His views on...

SCHOOL PROJECTS IN CAMBODIA

“These days, many schools come to Cambodia to build a house or well for the poor. Often the contractor says: 'You all Singaporeans, just sit there and do your sms, let my workers do, then when they finish, you can do some touch-up.' So the children toggle their iphones, then do some painting at the end. When they go home, they do a nice PowerPoint that they built a school but it's a lie. Are we teaching our children to lie? What values are we teaching?”

– on the emerging trend of “voluntourism”

DISASTER FUNDRAISING

“Why do people give during disaster relief? Millions of people live in grinding poverty even when there is no disaster and it's easier to help them slowly over the long term. In a tsunami situation, many NGOs rush into a small area, all trying to spend money, which drives up costs. Transparency International is querying almost a billion dollars of aid for the 2004 tsunami in Sri Lanka that has gone missing. They say US\$603 million was spent on non-tsunami related projects and US\$472 million is missing. The BBC recently reported that Haiti, two years on, is not much different.

– on disaster-relief giving

