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Venture fund shares the high-tech wealth

Founded in 2002 by two Anglos, Tmura's unusual business model is based not on donations but rather grants of stock from companies.

By Raphael Ahren

Tmura – The Israeli Public Service Venture Fund, which supports Israeli charities by sharing the wealth created by the country's high-tech sector, raised nearly NIS 718,000 in new grants last year for youth and education projects in Israel, the nonprofit organization announced last week.

Founded in 2002 by two Anglos, Tmura's unusual business model is based not on cash donations but rather grants of stock from companies. It uses the proceeds from successful "exits" – a public offering, acquisition or sale of shares on the market – to support different local charities.

"We've demonstrated that the Tmura model can be attractive also for publicly-traded companies that want to support community activities but may find it challenging, in the current business environment, to make cash contributions," said New York native Yadin Kaufmann, the foundation's founder and chairman. "The correlation between the company's performance and its share price also means that the greater the company's progress, the larger the value of its donation."

To date, Tmura has collected \$3 million for more than 30 nonprofits in Israel, the foundation declared in a statement last week. Recipients include Bma'aglei Tzedek, which delivers educational programming promoting social justice from among high-school students; Machshava Tova, which operates computer centers in the country's periphery to teach computer skills; and Big Brothers Big Sisters of Israel, which matches long-term volunteer mentors who meet weekly with children from single-parent homes.

The organization has also generated over \$3.5 million through regular grant matchmaking programs, in which it matched the grants of first-time donors who sold their companies and gave part of the proceeds to charity, Baruch Lipner, Tmura's Toronto-born executive director, told Anglo File. In 2010, Tmura – which is Hebrew for reward or compensation – enjoyed five successful exits, from Wintegra, AudioCodes, Vringo, ConvergIn and Dune Networks.

"I was always into donating stocks to charity, personally," said John Medved, the California-born CEO of Vringo, who has been involved with Tmura since its founding. "The work they're doing is essential. What the country needs now is for the leaders of the start-up nation to move into social entrepreneurship. We've got the tech and business entrepreneurship down. But we need to unleash the same energies and same kind of creativity and passion that we displayed for start-up businesses for start-up social ventures," the Jerusalem resident told Anglo File.

"Our model started in the States by a group called the Entrepreneurs Foundation and we thought that it was a model that was very appropriate for Israel because there's a strong high-tech and venture capital scene here," Lipner said. "As people do more business with companies abroad, they see that corporate philanthropy is becoming a part of the way business is done abroad, and so it's also something that's being adopted here."

In addition to the exits, Tmura last year recruited 28 new companies to join its program, including Transpharma, EyeView Digital and BioControl Medical, bringing the total number of companies who have donated options through Tmura to 194, the foundation stated.

This story is by:

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