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Giving Back

The Importance of Corporate Citizenship



By Paul M. Ostergard

The best-managed companies in today's fast moving global economy are doing more than just producing good returns for investors. They are adding new value to the communities they serve in very businesslike ways.

World-class companies are those that go beyond delivering quality goods and services worldwide. They are preferred employers, preferred investments and preferred neighbors wherever they operate. Each knows its entry into new markets will be judged on the basis of past performance elsewhere. This self-interest helps assure that corporate citizenship is imbedded into day-to-day business decision-making.

Companies today must compete not only for customers, talent and investment but also for reputation. To be a preferred neighbor in distinct communities across five continents requires a company to think globally and act locally.

When companies don't plan their charity they can easily end up with no clear message about what they stand for and support. For example, on any given weekend, a company may be supporting — in three different communities — a beach clean up, an AIDS walk-a-thon and a jazz concert. Each is worthwhile, but in aggregate they don't build a unique image for that company.

Thoughtful, well planned giving practices that are linked to a company's business strengths, can help them develop a strong image. A strategy that employs a company's strengths can also engage employees, encourage them to participate in community problem-solving and share in the pride of accomplishment. Healthy communities and healthy businesses prosper together.

Companies are becoming much more strategic in their philanthropic endeavors. Citigroup, as an example, has determined that improving public education and stimulating community development are concerns shared by almost all the communities where it does business.

To accomplish its objectives in both areas, Citigroup searches for non-governmental organization partners that have successful track records and a capacity to operate across borders in multiple markets. This is one reason Citigroup supports Junior Achievement International. JAI has an excellent reputation and delivers its product efficiently worldwide. Last year, JAI Member Nations impacted more than 1.2 million students in 106 countries outside the USA.

As the global economy accelerates and becomes even more interdependent, well-managed companies will increasingly focus their energies in areas where they can leverage their core-business strengths, target their resources and return the best value to their communities, their employees and their investors.

This article was excerpted from the UN Chronicle, issue four, 1999. Since writing this article, Ostergard has become the president & CEO of the Committee to Encourage Corporate Philanthropy. Before that, he was chairman & CEO of Citigroup Foundation.



MasterCard International Credits JAI Worldwide

MasterCard International recently presented JAI with a \$100,000 grant to help them provide service around the world to JA organizations that reach over one million students each year from 5 years of age to young adults.

"We are proud to partner with JAI because of its innovative programs, long-standing commitment to excellence, and outreach to students worldwide," says Robert Selander, president and CEO of MasterCard International. "In teaching kids about finance and how the marketplace works, JAI will be helping motivate them for success in life."

"MasterCard's support is allowing JAI to enter new markets with tailored materials that reflect local customs and

economic needs," says Sam Taylor, JAI's chief operating officer.

The grant makes available resources for JAI to provide support and service which will impact students in several of MasterCard's key markets, including: Argentina, Australia, Brazil, Canada, France, Germany, Japan, Mexico, Netherlands, South Africa, South Korea, Spain, Switzerland, and the United Kingdom.

World Record

A Brief Overview of Junior Achievement Around the World

Northern Ireland Gets Royal Visit

Young Enterprise of Northern Ireland (YENI) got a royal visit from the Prince of Wales.

YENI gave Prince Charles a firsthand look at how economic education helps students when he visited Omagh in Northern Ireland last year. The Northern Ireland Business Education Partnership and Business in the Community organized a special session that featured JA and YE students in their classrooms.

The students invited Prince Charles to sit in on part of the Primary Program. The Prince expressed a great deal of interest in the activity and even signed one of the student's program certificates. Company Program participants set up a display of their handcrafted wooden jewelry boxes and gave the Prince one as a gift.

Everyone affiliated with the visit reported that the Prince's social call was an excellent success.

YENI, which was founded in 1995, has the greatest number of Team Enterprise Companies operating anywhere in Europe.



Australia

Students are raising their glasses high down under. A student company from

Melbourne named FIYA, took top national honors in December for its success with Y2K souvenir beer, wine and shot glasses. The company turned a 294 percent profit selling 3,000 pieces - three times more than they expected. The students are still getting orders, months after the business liquidated.



Ireland

The Junior Achievement Ireland Golf Challenge 2000 will be Thursday, May 25, 2000, at the

Druids Glen Golf Club. The entry fee per team is 1000 pounds and the format is Four Ball Stableford (two scores to count at every hole). Funds raised will be used to help students understand the importance of business and entrepreneurship in the Irish economy. Those interested in participating should contact JA Ireland, 353-1-660-3000, or jairl@iol.ie.



Japan

Thanks to the efforts of Yoshi Nakamoto, executive director of JA -Japan, and Bill

Roske, vice president of operations of JA in San Francisco, students in Japan are now participating in the JA Company Program. Fuji-Xerox provided consultants to work with two companies of 15 students each. The students chose teddy bears and handy-phone straps as products for their companies. The JA Company Program launch in Japan proved successful with extensive media coverage including a five-minute spot on television and a front-page article in a major newspaper.



Kenya

JA Kenya just completed a three-month pilot of eight JA programs involving 25 volunteers

and 450 students. Volunteers and staff report the pilots were well received and that JA gained good media attention. JA-Kenya's staff and 23-member board have outlined both a short-term and a 10-year strategic plan to continue JA into the next decade.



Latin America

Countries in Latin America just completed their Banks in Action regional competition.

Competitors included teams from Argentina, Brazil, Costa Rica, Guatemala, Mexico, Panama, Paraguay, Peru and Uruguay. More than 300 students competed over three months.



New Zealand

The Enterprise New Zealand Trust Inc., a JAI member nation, won the New Zealand Ministry of

Education contract to develop enterprise education in that country. This \$150,000 (USD) prize is for two years and carries heavy recognition because enterprise education is a private sector initiative in New Zealand.

Citibank-Argentina/JA-Argentina president, Carlos Fedrigoti, welcomed students to Buenos Aires, Argentina for the final round of competition in December. Teams from Argentina, Guatemala, and Paraguay took the top three positions.



Romania

JA in Romania is experiencing unheard of growth. Its first year, JA reached a sparse 1,280 students. The second year that number jumped to 10,580. This year they expect to reach 52,430 students. The growth is attributed to dedicated efforts of JAR board, staff, consultants and teachers and support from funders such as Arthur

JA Enrollment in Romania

1st year: 1,280 students

2nd year: 10,580 students

3rd year: 52,430 students

Andersen, Citigroup, Connex GSM, Hewlett-Packard Romania, Romanian American Enterprise Fund and Topway Industries. Stefania Popp, executive director of JAR, will travel to New York in April to address the JAI board of directors.



Uruguay

Estefania Berois, a JA Company student, was named the country's first

Entrepreneur of the Year. Uruguayan president, Dr. Julio Ma. Sanguinetti, attended the award ceremonies. Berois will represent her fellow students at an international conference for students in Mexico this July.



Sri Lanka

Sri Lanka held its first-ever national awards ceremony. More than 1,800 guests and

students participated, including U.S. Ambassador Shaun Donnelly and Ministry of Education/ Higher Education Secretary Andrew de Silva. YE-Sri Lanka reached 5,000 students this past year.



Chairman's Report

XXX

Mark Suwyn, Chairman & CEO, Louisiana-Pacific Corporation
Chairman, Junior Achievement International

Paul Ostergard's article on the cover of this issue is a powerful reminder that giving doesn't have to be painful - in fact, it's imperative to the existence of 21st century companies. Today, well planned giving is just as important as finding customers and skilled workers. Our commitment to philanthropy shouldn't be a question of "should we" but rather "how much" and "where will it have the greatest impact."

Successful businesses do things that make sense. By examining closely your company's strengths and a community's needs, you can develop a philanthropic plan that's not only good for the cause, but also good for your company.

When it comes to high impact strategic giving, it makes a tremendous amount of sense to support JAI. As Paul mentioned in his article, JAI has a successful track record and operates efficiently around the world. Their cost-effective impact is the envy of most multi-national profit and not-for-profit organizations.

When companies support JAI, the implications are both important and far-reaching. Students knowledgeable about free enterprise and their place in the global society mean better workers, educated decision-makers, informed consumers, more markets and a much better world.

As you meet with others in your daily activities, please keep JAI in mind. Be a spokesperson for JAI and the excellent investment it can be for companies searching for philanthropic endeavors that create a positive community image.

Awesome Junior Achievers

Russian Students Get 55,000 Reasons to be Optimistic

Russia recently received 55,000 reasons to be more optimistic about the future. Specifically, JA of Russia was awarded a \$55,000 grant from the John Templeton Foundation to sponsor an essay contest designed to help boost Russian students' optimism and perseverance, and to let them explore principles that would most improve the world.

The contest, dubbed the Laws of Life, will involve more than 20,000 students throughout JA's 42 regions in the Russian Federation.

"The contest will help the children highlight their hopes and dreams," says Nina Kouznetsova, executive director, JA of Russia. "And it will prepare them to face the emerging global economy in which Russia has to participate."

The John Templeton Foundation, established in 1987, works to:

- Encourage character education in schools and colleges;
- Foster an appreciation for freedom and;
- Stimulate research on the relationship between spirituality and health.

"We believe companies that are dedicated to serving their customers do the best financially," says Sir John Templeton.

JA of Russia held the pilot phase of the contest last year. Here's an excerpt from the winning essay: "We know that a man is born free and has a freedom of choice, he can establish his own laws - the laws of human life. But if these laws contradict the laws of nature, they will ruin the civilization. The nature itself will rise against the human beings, and they would be weak and helpless against its power. Thus, only those laws, world, and culture would survive which correspond to the laws of nature." — Valeria Lokteva, 17 year old, School # 1060, Russia.



Bausch & Lomb Inc. Sees Fit to Give \$10,000 to JAI

The optical instrument and pharmaceutical conglomerate, Bausch & Lomb Inc., contributed \$10,000 last month to help JAI provide support to its 106 member nations.

"As a global company with about half of our revenues coming from outside the United States, Bausch & Lomb appreciates the role that Junior Achievement International plays in educating young people about sound business and economic principles," said Dr. Thomas Riedhammer, senior corporate vice president-global pharmaceuticals and chief technical officer of Bausch & Lomb Inc. "The impact of this kind of education can be seen in better educated consumers, employees and investors."

"Bausch & Lomb Inc. and Dr. Riedhammer have been very good friends to Junior Achievement International," said Sam Taylor, JAI chief operating officer. "I believe it says a lot about our programs that Dr. Riedhammer is an alumnus, he's a strong leader in a strong company and we are grateful for this support."

On Board

A Profile of Junior Achievement International Board Members

New Member

Pamela George, one of JAI's newest board members, is vice president of corporate marketing for Sybase, Inc., one of the largest global independent software companies. Sybase provides the infrastructure for e-businesses and helps them deliver information anywhere. Ms. George develops and drives Sybase's marketing strategy and is responsible for corporate marketing programs and analyst relations; she also manages the company's global channel and key partner programs.

Before joining Sybase, Ms. George was vice president of corporate communications at Maxager Technology, a software company in California. Prior to that, she was director of corporate communications for Cisco Systems where she built a worldwide communications team to serve Cisco's needs as its revenues grew from \$62 million to \$2 billion in four years.

She has also worked in marketing at Arrow Electronics and Intel Corp., in sales at



Polaroid, and as an editor at Houghton Mifflin. She is a graduate of Simmons College in Boston, Massachusetts.

"I don't know of a better way to promote a pro-business climate around the world than by educating our youth on the benefits of a free market economy. JAI does this extraordinarily well and I'm looking forward to being a part of expanding the horizons of our next generation," said George.



Pamela George
Vice President of
Corporate
Marketing for
Sybase, Inc.

Country Profile

Year Founded:
1991

Junior

Number of Students
Served: 1 million

*Achievement
Russia*



When it comes to spreading economic education, Russia doesn't waste any time.

With a formal signing ceremony on a December day in 1991 in the Kremlin, JA was born in Russia. And since that day, JA has spread throughout the 42 regions of the Russian Federation — reaching over a million young people with its programs. More than 6,500 teachers have been trained in advanced teaching techniques and certified as JA trainers.

"We want to achieve exponential growth in coming years," says Kouznetsova. "Our message about free enterprise, business and economics and the value of a strong education help students meet the changing economies of the world with sound decision-making skills and a positive outlook."

JA courses in Russia are developed and published within the Partnership Program between U.S.A.I.D. and JA Russia.

Last year JA Russia received a U.S.A.I.D. grant to develop "JA Russia Online," which gave the entire organization new standards of technology to enhance instruction, maintain administration, and reduce operating and materials costs.

JA Russia administrators aren't the only ones who take their jobs seriously. Students are also thoughtful of their role as learners.

"Young people of Russia have a long list of very serious concerns and a host of responsibilities," says Dr. Evgeny Velikhov, board co-chair of JA Russia. "They are grounded in reality and repeatedly challenged to be prepared to face the emerging global economy in which Russia has to integrate."

No one affiliated with JA is resting on their laurels. Velikhov said JA-Russia will continue to work to reach new students and further impact those who are already involved.

"Not only will we look for ways to ensure the attainment of JA Russia's vision that JA programs will be available and accessible for generations of Russian students to come, but we will vigorously pursue methods to better serve and meet their needs," he says.

Russia

Population: 147,300,000

Percent of Population Less
Than 15 Years of Age: 22%

Board Members: 31

Annual Budget: US\$1,171,140

Languages Spoken: Russian

President: Nina Kouznetsova

Programs: *Our Families, Our Community, Our City, Applied Economics, GLOBE, HPGBC, National MESE and Banks in Action Network competitions, Travel & Tourism, JA Connections, Intl. Marketplace and Enterprise in Action*

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Site created by Zelinda Vig, Web Manager
Junior Achievement International
Email: zelinda@jaintl.org