



empowering young people to
own their economic success

ATLAS 4 Nonprofit Lifecycles Self-Assessment

The ATLAS Initiative of the Virginia G. Piper Charitable Trust
In partnership with Susan Kenny Stevens, Ph.D.

BOARD APPROVED: FEBRUARY 15, 2019

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Katherine Cecala, President
Marcia Wepfer, State Board Chair
Karen Quick, State Board Treasurer
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February 2019

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c/o Virginia G. Piper Charitable Trust Trustees
1202 E. Missouri Avenue
Phoenix, AZ 85014

Dear Virginia G. Piper Charitable Trust Trustees, Erin, Susan and Kim:

On behalf of Junior Achievement of Arizona, thank you so much for the incredible opportunity to be part of the ATLAS Project.

Junior Achievement has made significant progress in increasing and diversifying our finances and strengthening our board over the past couple of years. The ATLAS Project, which is designed to increase the nonprofit organization's operational capacity and organizational resilience, could not have come at a better time. This ATLAS Assessment summarizes Junior Achievement's capacity and challenges, and prioritizes our actions to help move us to the next level. Junior Achievement's ATLAS Leadership Team noted that, "at this point in our lifecycle, we have boundless opportunities and the energy and enthusiasm to achieve them."

We are pleased to present the attached ATLAS 4 Nonprofit Lifecycles Self-Assessment for Junior Achievement of Arizona. Junior Achievement's ATLAS Leadership Team would also like to recognize and thank our fabulous ATLAS Consultant, Stephanie Small, for all of her work with Junior Achievement and on the Assessment. This has been a great experience for all of us.

Thanks to the generosity and vision of all of you at the Piper Trust, we know that Junior Achievement can become an even stronger organization and can better prepare even more students to succeed in work and life.

Very truly yours,

A handwritten signature in black ink, appearing to read "Marcia Wepfer", written over a white background.

Marcia Wepfer
Board Chair
Junior Achievement of Arizona

Katherine K. Cecala
President
Junior Achievement of Arizona

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Work Readiness. Entrepreneurship. Financial Literacy.

**Junior Achievement's purpose
is to inspire and prepare young people to succeed in a global economy.**

As a 100-year old national organization with 60-years in Arizona, Junior Achievement of Arizona (JAAZ) has solid programs with demonstrable impact and outcomes reaching over 80,000 students, an impressive use of 9,500 programmatic and special events/administration corporate and community volunteers, hundreds of school partnerships across the state, and relationships with prominent corporations and businesses.

Even still, JAAZ is struggling to gain a foothold in the Arizona marketplace. Once the darling of businesses in the traditional model, the brand of JAAZ has not kept pace with the changing corporate environment. Today's successful companies are fast-paced, nimble, and driven by technology. It is perceived that corporate leaders view JAAZ as an "old school" organization and mostly remember JAAZ as the group that taught students to build and sell bird houses.

While JAAZ's programs are achieving impressive outcomes with students, the actual curricula are in dire need of an update. Most programs are paper-based or place-based; JA USA has just started in the last two years to offer middle and high school digital online programs.

When current President Katherine Cecala was hired three years ago, the financial picture of Junior Achievement of Arizona was bleak. The company had been losing money for about ten years, board members were not engaged in giving, and fundraising focused almost solely on special events. Many aspects of the organization were in decline; Katherine and the leadership team worked together to change organizational culture and involve all stakeholders in an effective turnaround.

Katherine and her team built an economic model to project JAAZ's future financial picture, and to retrospectively show the board what the finance model challenges were. As of June 30, 2018, JAAZ celebrates a \$390,578 surplus, 3.6 months of cash-on-hand, and a 15% increase in contributed revenues. Even with these successes, JAAZ is still working to strengthen its financial base, of which 84% is derived from fundraising.

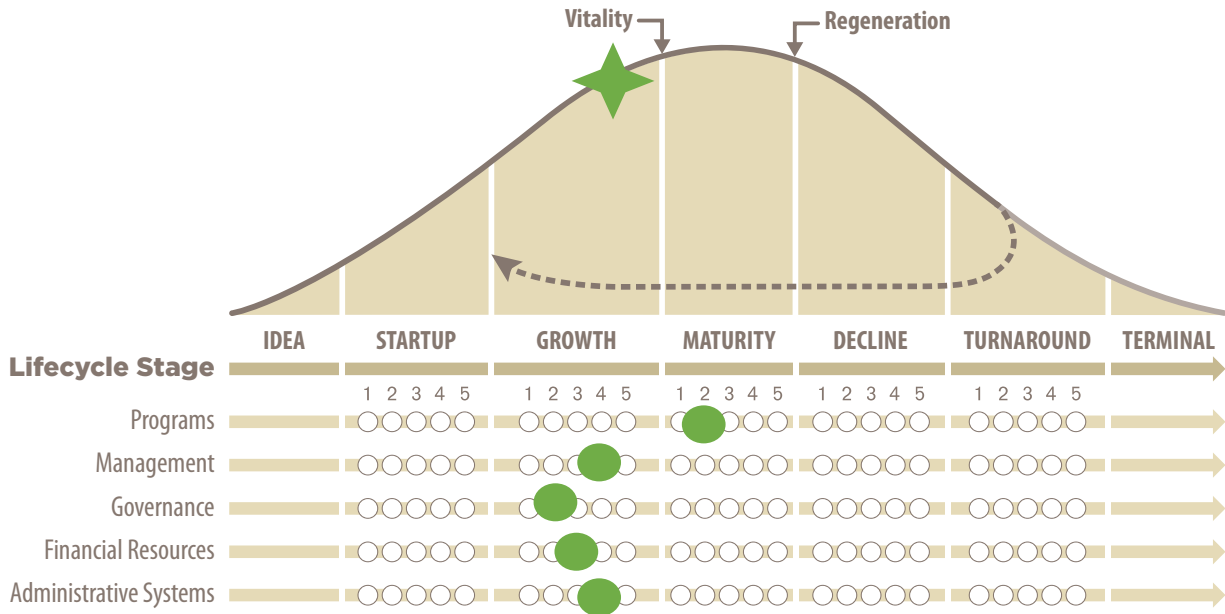
While there are many opportunities for growth, JAAZ is being held back by its brand image and challenges with its Phoenix facility, which is in dire need of repairs and a remodel. However, with a lean but strong staff, new leadership at the board level and a stronger financial footing, JAAZ is equipped to move the organization to the next level.

Lifecycle Placements and Rationale for Organizational Stages

Effectively past the Turn-Around phase, JAAZ has rebounded back into Mid-Growth and is poised to address several opportunities that will make their programs more innovative, their fundraising more efficient, their boards more effective and their brand the stand-out brand it should be.

The JAAZ ATLAS Leadership Team put it this way: *at this point in our lifecycle, we have boundless opportunities and the energy and enthusiasm to achieve them.*

Nonprofit Capacity Progress Measurement



ATLAS Key Findings, Considerations and Opportunities

The JAAZ ATLAS Leadership Team has placed the organization in **High-Growth**, as the organization *has recognized the link between successful programming and a strong organizational platform.*

Marketing and Branding

While this is not a “table leg” per se, branding is a key issue for JAAZ. It is perceived that the lack of an innovative brand image is holding back the development of program partnerships, fundraising efforts and board development.

Key opportunities for Branding include:

- Work with a professional firm to enhance the brand image of JAAZ by developing aspirational perceptions, messaging, stories and materials.
- Conduct a relationship-building campaign specifically to targets critical to JAAZ’s success (corporate, business, media, community leaders and influencers).

Mission and Programs – *Maturity 2, with Vitality*

Overall, JAAZ’s programs are mature, solid programs and staff is constantly assessing them with an eye toward keeping them relevant to students. While JAAZ is always working to keep programs relevant, they are hindered by limited funds, a lean staff, and program and brand mandates from JA USA.

Key opportunities for Programs include:

- Utilize technology more effectively and creating digital programs.
- Refresh specific curricula, including the reimagination of JA BizTown.
- Enhance the experience for volunteers to share knowledge and experiences.
- Strategically plan for program growth, effectiveness and efficiencies.

Management and Staffing – High-Growth 4

The JAAZ Leadership Team acknowledges that many management-level employees have a long tenure with the organization, all are experienced in their fields, and in terms of the structure, training, policies, and processes the *Management and Staffing* area has **elements of maturity**. However, there are still many opportunities to “build bench-strength” within the ranks and build a team that will take JAAZ to the next level of maturity. Additionally, the physical office (work environment) and lean staffing keep them from being fully mature.

Key opportunities for Management and Staffing include:

- Refresh and/or remodel the physical office space to reflect the innovative nature of the organization.
- Continue to increase the financial situation to hire support and administrative staff and assess compensation and benefits packages.
- Provide a more formalized program for professional development and upward mobility.
- Focus on succession planning and bench building.

Board Governance – Early Growth 2

New energy at the board leadership level has brought a sense of enthusiasm, professionalism and sense of possibilities to all three boards.

Key opportunities for Governance include:

- Prioritize board diversity in all three board’s member development plans.
- Continue to develop collaborative communications between the three boards.
- Adopt best practices in governance and define the roles and responsibilities of all boards.
- Continue to build a constructive partnership with the CEO and clarify the roles of staff.
- Develop a formal process for CEO evaluation, compensation and succession.

Financial Health – Mid-Growth 3

The past three years has put JAAZ’s finances on the right trajectory. The Leadership Team feels that the organization is being smart in its decision-making, but that the fundraising environment is still precarious. Solid financial processes are in place; fundraising processes are in the works.

Key opportunities in Finance and Fundraising:

- Thoroughly analyze fundraising and special events and develop an organization-wide strategic fund development plan to increase efficiencies and effectiveness in fund raising.
- Continue moving forward with the special campaign to raise \$2 million for program innovation.
- Start budgeting for operating reserves and depreciation.
- Identify additional opportunities for earned revenue and fees-for-services.

Facilities

JAAZ’s Phoenix office is in decline. While they own their building free and clear, there has been no investment in the physical infrastructure in many years. Additionally, the staff workspace does not reflect a collaborative and innovative organization of the 21st century.

Key opportunities for Facilities:

- Continue to identify financing opportunities to repair and replace critical infrastructure (roof, HVAC units, flooring, etc.).
- Utilize new branding images and materials to reimagine the working space for staff.
- Continue the special campaign to reimagine JA BizTown.

Administrative Systems – High Growth 4

Staff has focused its efforts on ensuring adequate systems, processes and a plan for replacing technology and feel that Administrative Systems are in “pretty good shape.”

- Continue monitoring all systems to ensure they keep pace with the growth of the organization.

Capacity Improvement Request

The JAAZ ATLAS Leadership Team is requesting the following capacity investment:

<p>Fund Development Consulting JAAZ will work with a professional fund development consultant to conduct a deep dive analysis of fundraising efforts and to craft an organization-wide, comprehensive fundraising strategic plan.</p>	\$10,000
<p>Branding Refresh JAAZ will work with a professional branding firm to assist them in developing stronger messaging, stories and materials to be used to develop stronger business partnerships and increase fundraising.</p>	\$40,000

Synopsis of Work Plan

The JAAZ ATLAS Leadership Team has identified the following areas of priority to be addressed within the scope of the ATLAS program over the 18-months of technical assistance (detailed ATLAS workplans may be found at the end of the assessment):

Capacity Activity	Assigned to JAAZ	ATLAS Consultant	Budget / Piper \$
<p>1. Fund Development Consulting</p> <ul style="list-style-type: none"> • Project oversight and guidance provided by ATLAS Consultant. • Fundraising analysis and strategic planning to be driven by an external fund development consultant. • Assist with messaging for special campaign for program innovation. 	Development Team	ATLAS Consultant	\$10,000
<p>2. Invest in Branding</p> <ul style="list-style-type: none"> • Craft an RFP to distribute to qualified branding firms. • Firm to develop messaging, imaging and select materials for the “new, innovative JAAZ.” • Develop a relationship building campaign to introduce brand in a systematic way to targeted stakeholders. 	Development & Executive Team		\$40,000

Capacity Activity	Assigned to JAAZ	ATLAS Consultant	Budget / Piper \$
<p>3. Focus on Program Innovation</p> <ul style="list-style-type: none"> Analyze all program lines for innovations and efficiencies. Craft a plan for the strategic growth of programs. Continue special campaign to reimagine JA BizTown and launch digital programming. 	Program Team	ATLAS Consultant	
<p>4. Continue Efforts to Build a High-Impact Board</p> <ul style="list-style-type: none"> Focus on board development with an eye towards diversity. Continue efforts to define the roles and responsibilities of each of the three boards. Develop a formal process for CEO evaluation, compensation and succession. 	Board Chairs & CEO	ATLAS Consultant (as needed)	
<p>5. Identify Financing Options for Facility Improvements</p> <ul style="list-style-type: none"> Address most pressing safety issues first (Roof, HVAC). As branding project is completed, utilize brand concepts for the reimagination of the workspace and common areas. 	Board & Executive Team		

Introduction

Junior Achievement of Arizona (JAAZ) has completed a comprehensive self-assessment to evaluate its organizational strengths and challenges and explore potential for sustainable growth. The evaluation applies the principles and methods of ATLAS, a capacity building initiative of the Virginia G. Piper Charitable Trust designed by Dr. Susan Kenny Stevens. Since 2012, twenty-one organizations have participated in ATLAS following a competitive process that recognizes the significance of the organization’s role in its community and its readiness to benefit from the ATLAS process. JAAZ was honored to be one of seven nonprofit organizations selected by the Piper Trust for the 2018 – 2020 cohort.

Based on Dr. Steven’s award-winning book, *Nonprofit Lifecycles, Stage-Based Wisdom for Nonprofit Capacity*, ATLAS employs a stage-based approach to assessing and consulting with nonprofits. As an evaluation tool, it assumes that until organizational maturity is reached, “predictable resource and structural incongruities will distract an organization from complete fulfillment of its mission.” Consequently, JAAZ’s Lifecycle self-assessment looked at key infrastructure factors - *management, governance, financial resources, and administrative systems* - to discern challenges and formulate improvements.

The ATLAS initiative contracted with seven local consultants to work in tandem with Dr. Stevens to guide their assigned organization through the process to generate a comprehensive self-assessment and an annual capacity work plan. From these documents, the Piper Trust will award a \$50,000 investment and the opportunity to work with their local consultant over two years to address the capacity issues that emerged from the self-assessment.

The goals of the ATLAS Program are to:

- Strengthen key grantee partners in support of mission sustainability;
- Provide a new tool for holistic assessment and sustainable capacity-building tailored to each grantee’s lifecycle;
- Provide common language about the elements of organizational and financial health; and,
- Build local expertise in nonprofit management issues.

Organizations were chosen by leaders at the Piper Trust on six selection criteria:

- Important Community Partner** | The Piper Trust believes that JAAZ’s mission, programs and services are “mission critical” to the Trust’s goals and to the greater community.
- Market for Services** | JAAZ has the potential to reach a broad and growing audience of clients who will need their services.
- Ready, Willing and Able** | JAAZ’s president and CEO and board leadership demonstrate an enthusiasm for excellence, a willingness to work hard to improve capacity and are competent to implement the concepts introduced.
- Critical Juncture** | Organizations were identified as having a “pivot point” that has caused them to contemplate their futures in a more meaningful way.
- Leadership Team Commitment** | The ATLAS initiative is a shared leadership model with buy-in needed from both staff and board leaders.
- Openness for Change** | JAAZ’s ATLAS Leadership Team and board are willing to address tough issues and take charge in implementing new strategies that will move the organization forward.

The JAAZ’s ATLAS Leadership Team consists of a combination of director-level staff and board members:

1. Katherine Cecala, President
2. Marcia Wepfer, Statewide Board Chair
3. Karen Quick, Statewide Board Treasurer
4. Charlie Smith, Central Arizona Board Chair
5. Sam Alpert, SVP Development
6. Colleen Cox, SVP Education
7. Amy Schaefer, Controller

The Leadership Team’s responsibilities are to drive the assessment by outlining the process for acquiring the best information from the organization’s staff, board and volunteer leaders to identify JAAZ’s lifecycle, make recommendations to the board for improvement in each of the five areas, lead the two-year implementation process and participate as a team at all ATLAS meetings.

Stevens Lifecycle and Capacity Philosophy

Nonprofit organizations invest a great deal of thought and energy into fulfilling their missions. Driven by a strong desire to change the world, many nonprofit leaders focus the majority of their time and attention to mission and programs. When we think about the infrastructure that supports those missions and programs, it is often the case that those “table legs” may not be as strong to support the good work of the organization.

The ATLAS Capacity Building Initiative encourages organizational leaders to take a close and honest look at those supporting “legs” of their organizational table. The JAAZ ATLAS Leadership Team has invested a great amount of time in thoughtful discussion about the stages of JAAZ’s infrastructure. Utilizing a self-assessment tool developed by Dr. Stevens, the Leadership Team analyzed eight areas of organizational operations. This assessment report follows those eight areas and addresses the questions set forth by the assessment tool.

The following pages give an honest assessment of each area, a synopsis of strengths and opportunities, the Lifecycle Placement and the Leadership Team’s rationale for choosing that placement.



Part One: History, Values and Defining Moments

Nationally, Junior Achievement was founded in 1919 to educate high school students about entrepreneurship, the U.S. economy and how to succeed in the workforce. The evening “JA Company Program” was JA’s signature program at the time where business people would work with high school students after the school day to start companies that built and sold products. JA was truly one of the first organizations in the United States to teach high school students about entrepreneurship.

The Arizona chapter was founded in 1957 in Tucson and then expanded to Phoenix in 1963. Junior Achievement of Arizona ran the JA Company Program until the JA curriculum was introduced into the classroom in the 1980's, at which time the JA curriculum was introduced into the classroom during the school day. Around that time, JAAZ also began to serve middle and elementary school students, and the curriculum grew to include financial literacy and work readiness education. Today, financial literacy is the core of Junior Achievement’s education.

Our vision in Arizona is to see a state where everyone is successful in work and life. In our 60 years in Arizona, we have reached nearly 2.5 million students, helping them understand how their education connects to the real world, and preparing them to manage the economics of life so they can become successful in their careers and personal lives. Today, in partnership with over 8,000 programmatic and 1,500 special events/administrative volunteers from the workforce and the community, 2,668 teachers from 394 schools, and the business community, JAAZ provides career readiness and financial literacy education to 83,532 K-12 students annually in Arizona. Approximately 60% of these students come from low-income households, and 83% of the students served live in Maricopa County. An additional 1,500 volunteers further JAAZ’s mission through their work on special events and other projects.

For K-12 students, the unmet need is the lack of education around career-readiness and financial literacy in the schools. And, for low-income students, many of their parents do not have the skills or education to teach their kids at home, so a productive path in life for this group of students is even more difficult. Our programs fill this gap and are especially critical for these low-income students because they are the ones who are least likely to learn financial responsibility or what it takes to be successful in the workforce.

Out of 107 Junior Achievement offices across the United States, JA Arizona is the 15th largest office, based on total number of students served.

Statewide Model of Operations

Junior Achievement partners with the school system, volunteers and the business community to provide its education to students. Funders, mostly from the business/corporate community, invest in our programs so that we can provide our curriculum for free to the students in the classroom. Oftentimes, these corporate partners also provide volunteers to teach our curriculum and support our programs.

Almost all curriculum is created by JA USA on a national level and then local chapters are the “disseminators” of that curriculum into the schools locally. Thankfully, we have longstanding partnerships with the school system, and we consistently have demand from teachers and administrators for our curriculum. In fact, we have 100 schools on our waiting list.

Our programs include our K-12 In-Classroom curriculum, two, fee-for-service Capstone programs (JA BizTown and JA Finance Park), and our classroom/competition-style events (JA Student Stock Market Challenge and JA You’re Hired). JA provides more than 826,000 hours of financial and career-readiness curriculum instruction per year and facilitates more than 20 different, hands-on programs focused on providing students with the skills, behaviors, and attitudes they will need to be successful in work and life. No other organization has the track record, longevity, and student reach like Junior Achievement.

Our Core Values | RAISE

JAAZ staff and volunteers RAISE the promises of a better future for AZ youth and our community.

- Respect — inclusion and diversity
- Achievement — excellence and impact
- Innovative — continuous improvement, entrepreneurial, future-thinking, nimble
- Service — stewardship, teamwork, caring — service to students, each other, volunteers, the community
- Ethical — integrity and honesty

Rationale: RAISE (lift to a higher position or level) is a synonym for Inspire (give rise to). We raise up (inspire) our students, volunteers and each other to raise our community. We are an organization of Ethics, Respect, Innovation, Service and Achievement.

Junior Achievement USA publishes the following in regard to core values:

A small set of timeless guiding principles that require no rational or external justification (how we want to conduct our business). Fundamental, inviolable beliefs of the organization. They define what we stand for and what we would hold onto, even if it became a competitive disadvantage.

- Belief in the boundless potential of young people
- Commitment to the principles of market-based economics and entrepreneurship
- Passion for what we do and honesty, integrity and excellence in how we do it
- Respect for the talents, creativity, perspectives, and backgrounds of all individuals
- Belief in the power of partnership and collaboration
- Conviction in the educational and motivational impact of relevant, hands-on learning

Defining Moments

1957	JA begins in Tucson
1963	JA begins in Phoenix
1970's – 1990's	Night-time Company Program is implemented
	After school programs begin
	JA moves into its first building on 7 th Avenue in central Phoenix
	JA is inducted into the Junior Achievement Hall of Fame for exemplary work
	Programming begins in Flagstaff
	JA is the winner of Junior Achievement USA' Charles R. Hook Award for program excellence and financial stability
1999	JA Central Phoenix and JA Tucson combine to form one JA Arizona (JAAZ)
1999	Moved from Central Phoenix to Tempe in 1999. Thanks to generous funders, the building was purchased outright, allowing for the immediate process of building out JA BizTown.
2001	JA BizTown is built
2008	JA BizTown 2 is built
2008	JA "You're Hired" program is launched
2016	Winners of the Phoenix Chamber of Commerce's "Most Impactful Nonprofit Award"
2018	Katherine Cecala is awarded "Most Admired CEO" award by Phoenix Business Journal
2018	JAAZ is honored as a "Best Place to Work" by Phoenix Business Journal

Part Two: Market and External Environment

Junior Achievement's purpose is to inspire and prepare young people to succeed in a global economy.

There has never been a more relevant mission and opportunity to prepare young people for our increasingly fast-paced, technological, global world and Junior Achievement is one of the only nonprofit organizations to take on this challenge.

Offering real-world entrepreneurial, hands-on programs both in school and after school, JAAZ provides tools to help young people gain the skills that the employers of today and the future are seeking - critical thinking, problem solving, teamwork, time management and interpersonal communications, to name a few.

As a 100-year old national organization, with 60-years in Arizona, JAAZ has solid programs with demonstrable impact and outcomes for thousands of students, an impressive use of thousands of corporate and community volunteers, hundreds of school partnerships across the state, and relationships with prominent corporations and businesses.

Why then is JAAZ struggling to gain a foothold in the marketplace? The ATLAS Leadership Team identified the following *perceptions*:

Brand Image

Once the darling of businesses in the traditional model, the brand of JA has not kept pace with the changing corporate environment. Today's successful companies are fast-paced, nimble, and driven by technology. It is perceived that corporate leaders view JA as an "old school" organization and mostly remember JA as the group that taught students to build and sell bird houses. JA USA has not placed a strong emphasis on marketing and branding on a national level like other youth development organizations (Boys & Girls Clubs, etc.).

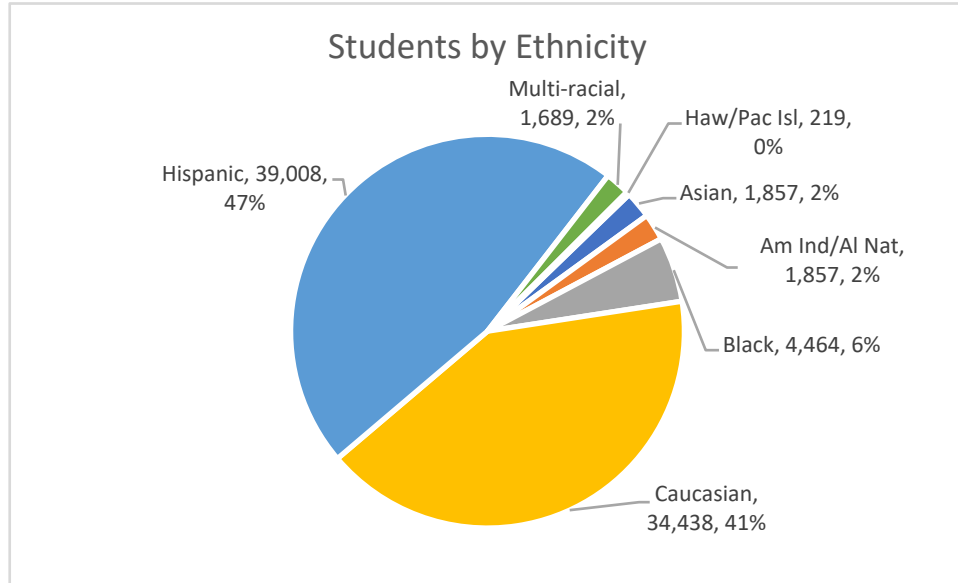
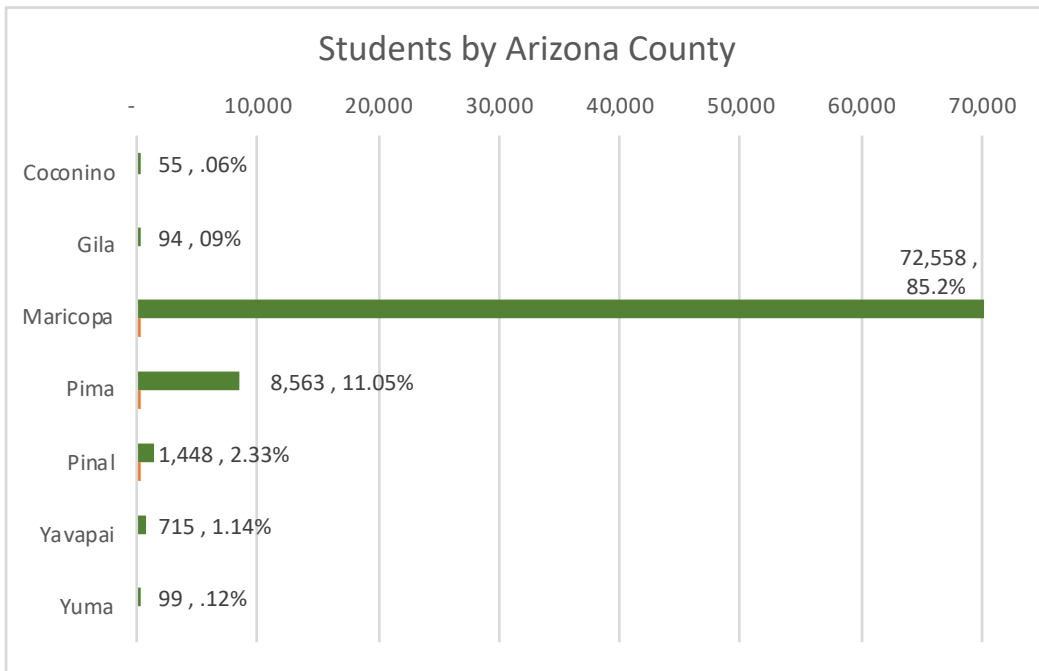
Program Relevance

While JA's programs are achieving impressive outcomes with students, the actual curricula is in dire need of an update. All programs are paper-based or place-based; JA USA has just started in the last two years to offer middle and high school digital online programs. Some curricula have outdated activities that refer to things students don't connect with (i.e., hard photo albums, address books, etc.) Additionally, the facilities where JA provides JA's BizTown and JA Finance Park perpetuates the appearance of an "old school" organization, with beige cubicles and outdated images. The JA BizTown program focuses on predominantly large, multinational corporations and does not reflect the local community of small businesses, start-ups, and tech companies. These spaces and the curricula that are presented in them need to be re-imagined to mirror more future-focused businesses to attract more sponsors and provide more relevant and timely programs to the students.

JAAZ's Target Market

JAAZ provides in-school and after school programs for over 83,500 K-12 students, using 8,000 trained volunteers at 394 schools throughout Arizona. A majority of students, 60%, come from low-income households.

At year-end 2017-2018, JAAZ provided services to 83,532 students statewide:



Competitors

Organization	Program Description	Competitive Advantage
Financial Literacy Programs <i>The most important competitors fall in the financial literacy space, with Everfi leading the pack. All programs below operate on a sophisticated digital platform and are free to select users.</i>		
EverFi	<p>A for-profit education “disrupter”, EverFi uses innovative technology to partner with over 4,300 organizations, institutions and educators to “revolutionize the way education is developed & delivered.” EverFi K-12 programs educate teachers & students on a digital platform & has local former educators to provide in-person support.</p> <p>In Arizona, EverFi served 113 schools and over 8,000 students.</p>	<ul style="list-style-type: none"> • National presence; use of technology; very sophisticated • Leadership team is GenX+, diverse and tech savvy • Funded by big tech superstars like Bezos Expeditions, Evan Williams (Twitter), Eric Schmidt (Google), and locally AZ Banker’s Association, US Bancorp, Phoenix Suns, Cardinals, etc. • 100% no cost for K-12 programs
Khan Academy	Innovative education program that provides a free world class education for anyone, anywhere. The partner with Bank of America’s “Better Money Habits” program	<ul style="list-style-type: none"> • National platform • Leadership team is Millennial+, diverse and tech savvy • Financial literacy & career development • Prominent national partner
FDIC “Money Smart” Program	Financial education program in English & Spanish for children, teens and adults. In-person and online resources available.	<ul style="list-style-type: none"> • Quality curriculum is free and available to all nonprofits for unlimited use.
Valley of the Sun United Way	Increasing Financial Stability is one of four key initiatives at VSUW. They train case managers to become financial coaches to the clients they serve in 50+ partner agencies.	Name recognition; strong fundraising mechanism
Vast array of entities & organizations	ACEE, Credit Unions, Banks, Dave Ramsey, YWCA	Large numbers of competitors in the field
Youth Development Organizations <i>Arizona-based youth development programs compete for the mindshare and dollars of Arizona funders.</i>		
Girl Scouts	Financial literacy program for girl members	Name recognition; built-in audience
Arizonans for Children	Financial literacy programs for children aging out of the foster care system	Internal program helps vulnerable and under-served population
Catholic Charities	Using the FDIC’s “Money Smart” curriculum to provide programming for children and adults	Built-in audience; large donor base
A multitude of youth development organizations	Boys & Girls Clubs, New Pathways for Youth, Big Brothers Big Sisters, Boy Scouts / Girl Scouts, etc.	In Arizona there are 19,828 registered nonprofit organizations of which 442 are Youth Development; 1,044 are Family Services; & 2,407 are Education.

Visual perception of competitors is a large influencer of JA’s brand. For example, a quick look at the executive leadership of EverFi, Khan Academy and JA USA is revealing. Everfi’s leadership consists mostly of GenX and

young Boomers, with a good mix of diverse men and women; they look like high-tech innovators. Khan Academy’s leadership skews even younger, with a very diverse team of Millennials. In stark contrast, the executive leadership of JA USA consist mostly of older white men (three women) who look like old-school bankers and have more blue-chip business experience.

Junior Achievement USA

Junior Achievement is the world’s largest organization dedicated to giving young people the knowledge and skills they need to own their economic success, plan for their future and make smart academic and economic choices. JA reaches 4.8+ million students per year in 109 markets across the United States, with an additional 5.2 million students served by operations in 100+ countries worldwide.

Current President and CEO, Jack E. Kosakowski, started as a student in the Junior Achievement program, attended college on a Junior Achievement scholarship, and has worked in a variety of staff positions at Junior Achievement for over 40 years, becoming President and CEO in 2007.

Many of the JA USA leadership team started their careers in local JA offices and were promoted up to the national office, with four of the seven-person leadership team having a 30+ year-tenure with JA. The leadership team skews older, white male, with many approaching retirement age.

Business Model

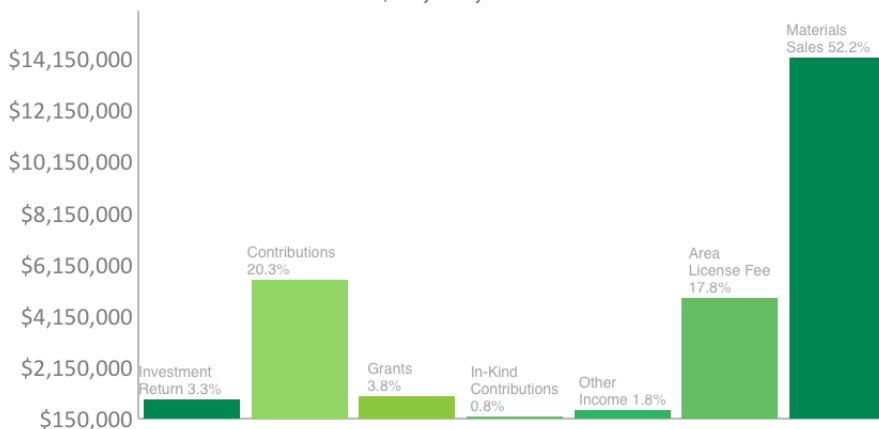
JA USA operates a franchise model, with revenues dependent on the Area License Fees from local JA chapters and the sales of educational Materials to the local chapters. These two areas represent **70% of JA USA’s revenues** (2016-2017 annual report).

Comparatively, Boys & Girls Clubs of America receives only 4.6% of their revenues from their chapters (Dues from Clubs). Big Brothers Big Sisters of America receives 17.6% of revenues from program services.

JA USA receives 20.3% of their budget from corporate funders in the blue-chip traditional style including American Express, AT&T, ExxonMobil, The Hartford, JPMorgan Chase, KPMG, UPS to name a few. JA USA is currently in the fourth year of a five-year campaign titled, “Share the American Dream” with a purpose to fund the digital transformation of JA’s middle and high school programs into blended learning experiences.

REVENUE DETAIL

\$27,151,970



From Junior Achievement USA 2016-2017 Annual Report

As a franchise of JA USA, JAAZ is required to utilize the programming and curricula developed by JA USA. To date, JA USA has not developed digital programming and has discouraged local franchises from developing their own. Should a franchise want to develop a new program, the terms of the licensing agreement state that they must get approval from JA USA and then JA USA will own that program.

A perception is that JA USA does minimal fundraising and little marketing to boost brand awareness. JA USA’s philanthropic model focuses on corporate partnerships and does little with individual giving, where nearly 80% of all philanthropic dollars are derived.

Junior Achievement Worldwide

It is perceived that JA Worldwide is more innovative and cutting-edge technology oriented. JA Worldwide serves over 10 million students in 100+ countries through more than 465,000 JA volunteers. JA Worldwide’s programming has a more entrepreneurial focus, with its three main pillars focusing on Entrepreneurship, Work Readiness and Financial Literacy.



There may be opportunities for JAAZ to build partnerships with some of JA Worldwide’s corporate and foundation partners such as the Citi Foundation, FedEx, HSBC, Franklin Templeton Investments and Johnson & Johnson.

Marketing & Branding Key Issues and Opportunities

Enhance the Brand Image of JAAZ.

A branding and awareness campaign must be undertaken to develop aspirational perceptions, messaging, and stories to be strategically promoted in the community. Conduct a campaign geared toward media, corporate, educational and individual audiences with materials that reflect the “new, innovative JAAZ” and to position JAAZ as top-of-mind experts and leaders in the youth development/financial literacy/innovation space.

Analyze Workforce Needs in Arizona.

Arizona struggles with a lack of corporate headquarters, a lack of large corporations, and turnover in key community leadership positions. JAAZ should analyze the key companies who do business in Arizona and develop a framework around what is viable. Questions to determine: who is the employee of the future of Arizona? What do companies say is missing from the workforce today? Determine these needs, demonstrate how JA’s programs provide these critical skill-sets and gear marketing efforts toward program impact.

Focus on Board Development.

Leadership attracts leadership. Continue your efforts to build high performing boards through the recruitment of local leaders and connectors. Ensure that all members are trained as ambassadors and connectors to tap into their spheres of influence to bolster both new corporate partnerships and individual giving.

Change What You Can.

While JA USA does control curriculum, JAAZ has many opportunities to enhance and promote their brand:

- The JAAZ website was recently updated using ancillary colors to reflect a more on-trend and high energy look.
- Define JAAZ’s core messaging so everyone on the team and the boards have a consistent way to define the mission.
- Promote stories of the students who participate in JAAZ’s programs to show impact and inspire the community.
- The JA BizTown and JA Finance Park are unique programs. Focus on upgrading them to reflect Arizona’s current business climate and promote their impact and effectiveness.
- Build new program partnerships with the new economy companies such as Blue Apron, Grub Hub, Uber, Amazon, Google and incorporate them into JA BizTown and other programs.

Part Three: Mission and Programs

Work Readiness. Entrepreneurship. Financial Literacy.

Junior Achievement's purpose is to inspire and prepare young people to succeed in a global economy.

Junior Achievement of Arizona provides in-school classroom and out-of-school experiential programs to more than 83,500 students in Arizona, sixty percent of whom come from low-income backgrounds. JAAZ's unique program model places more than 8,000 volunteers from the community into the classrooms where they teach the JA curriculum to students and share about their real-world experiences.

Each of program is hands-on and age-appropriate for students in kindergarten through high school, and equips today's students with critical financial literacy, work readiness and entrepreneurship skills that will prepare them to succeed in work and life.

While all programs have some element of in-classroom curriculum which take place at nearly 400 schools throughout the state, several programs in Maricopa County take place on-site at the Junior Achievement center in Tempe.

PROGRAM IMPACT							
Program Name	Brief Description of Program & Clients Served	Main Funding Source(s)	Staff Time	Mission Impact	# Served	Demand Trend	Lifecycle
			H, M, L	H, M, L		↑↓→	
JAAZ SITE-SPECIFIC PROGRAMMING							
JA BizTown (4th-6th Grade)	JA BizTown® is an engaging, hands-on program that introduces students to economic concepts, workplace skills, & personal & business finances. This program includes in-classroom curriculum & a half-day experiential visit.	Fees, direct and allocation of general contributions	H	H	21,655	→	Mature
JA Finance Park (7th-12th Grade)	JA Finance Park teaches students about personal finance including learning about balancing a family budget, interest rates, education, & saving. This program includes in-classroom curriculum & a half-day experiential visit.	Fees, direct and allocation of general contributions	H	H	4,014	↓	Mature
JA You're Hired Event (9th-12th Grade)	JA You're Hired is an innovative program that equips students with the essential skills to successfully enter the workforce. This program includes in-classroom curriculum & a half-day event.	Direct and allocation of general contributions	H	H	2,981	↑	Mature

PROGRAM IMPACT							
Program Name	Brief Description of Program & Clients Served	Main Funding Source(s)	Staff Time	Mission Impact	# Served	Demand Trend	Lifecycle
			H, M, L	H, M, L		↑↓→	
JA Student Stock Market Challenge	The JA Student Stock Market teaches students about the stock market as an integral part of the free enterprise system and offers a taste of what it's like to build a portfolio, manage risk, and experience its performance. This program includes in-classroom curriculum & a half-day event.	Direct and allocation of general contributions	M	H	1,188	↑	Mature
CLASSROOM SPECIFIC PROGRAMMING							
K-12 Elementary School Programs (K-5th Grade)	These 8 elementary programs build upon each other and teach financial literacy, work readiness and entrepreneur skills. Programs: K-JA Ourselves, 1st-JA Our Families, 2nd-JA Our Community, 3rd-JA Our City, 4th-JA Our Region, 5th-JA Our Nation, JA Map Your Success, and 3rd-5th-JA More than Money	Direct and allocation of general contributions	H	H	36,040	↑	Mature
K-12 Middle School Programs (6th-8th Grade)	These 7 middle school programs focus on teaching financial literacy, work readiness or entrepreneur skills. Programs: JA It's My Business, JA Global Marketplace, JA It's My Future, JA STEM Summit, JA Map Your Success, JA Smart Money, and JA Economics for Success	Direct and allocation of general contributions	H	H	10,180	↑	Mature
K-12 High School Programs (9th-12th Grade)	These 9 high school programs focus on teaching financial literacy, work readiness or entrepreneur skills. Programs: JA Launch Lesson, JA Career Success, JA Titan, JA Personal Finance, JA Exploring Economics, JA Economics, JA Job Shadow, JA STEM Summit, and JA Be Entrepreneurial	Direct and allocation of general contributions	H	M	2,259	↓	Mature

A detailed analysis of every element of each program has been developed showing that some “programs within programs” are in different Lifecycles and Demand Trends. When assessing program impact and financial effectiveness, these trends should be taken into account to determine a program’s viability and future.

In addition to these programs, JAAZ offers scholarship opportunities locally as well as via the worldwide organization. Through the generosity of sponsors, scholarship opportunities are available to students who

have participated in Junior Achievement programs. Junior Achievement also provides scholarships through its network of nearly 110 offices in the United States.

JA Sponsored Scholarships include:

- **2018-2019 Senior Scholarship:** High school seniors who have participated in a JA high school classroom program previously are eligible to apply for a JAAZ scholarship to the college of the student's choice.
- **JA USA Scholarship**

Business Partner Scholarships include:

- **Toyota Financial services "Making Life Easier" Scholarship** - awards up to \$1 million to college-bound students associated with select community partners.
- **BBB Ethical Athlete Scholarship**
- **BBB Law of Life Essay Contest**

Finally, a Parent & Student Resource section on the JAAZ website offers dozens of links, games, interactive websites, and activities for parents and students.

Volunteers – "The magic behind our mission"

JAAZ recruits, trains and places over 8,000 volunteers from business, corporations and the general community to deliver the JA curricula to over 83,500 students each year. While JAAZ trains the volunteers on its curricula and materials, volunteers are strongly encouraged to share their own personal stories and experiences with the students to make the lessons come alive in a meaningful way.

Program volunteers are utilized as Classroom Volunteers and at JA BizTown and JA Finance Park. Additional opportunities to volunteer with fundraising special events and as administrative volunteers in the JAAZ offices are also available.

In addition to these program volunteers, JAAZ depends on internal school coordinators to organize JAAZ's programming. While JAAZ may pay a small stipend to a school coordinator, only about 20 schools out of 394 have a JA paid coordinator.

Volunteers are recruited through Volunteer Match, sponsoring companies, and parents.

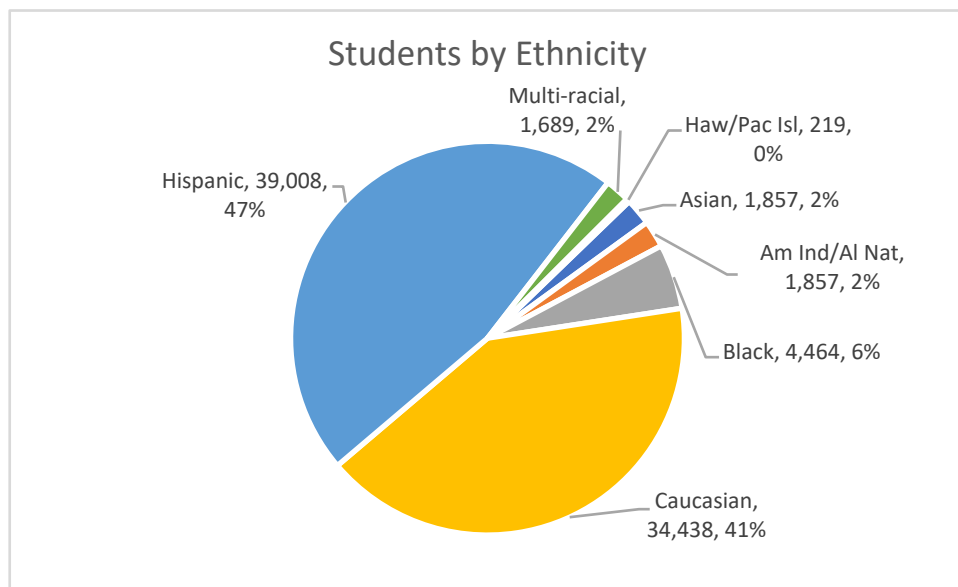
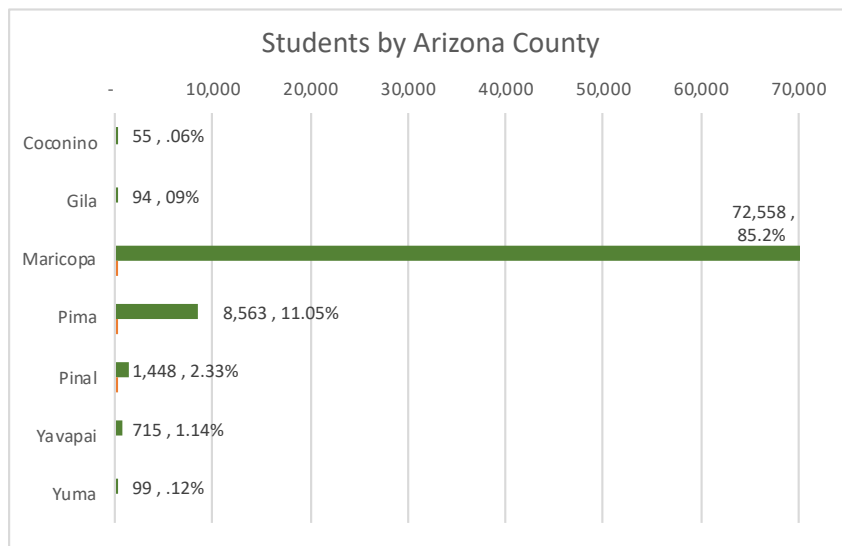
Program Impact

Pre- and post-surveys to local participants utilizing JA USA provided questions which focus on attitudinal and behavioral changes. In addition, JA USA conducts evaluates for the K-12 programs. Notable success statistics include:

- Students who participated in JA earn 20% more than the general population, are 143% more likely to start a business, 6% more likely to graduate from high school, 30% more likely to have their bachelor's degree and 67% more likely to have a graduate degree.
- JA elementary school students demonstrate higher critical thinking skills than their counterparts at a rate 63% to 47%.
- 71% of JA middle school students report that JA helped them recognize the importance of education and motivated them to work harder to achieve their educational goals.

- 79% of JA high school students report that JA positively influenced their attitudes towards continuing their education.
- Students gain a significant increase in knowledge following their participation in JA BizTown (35% increase) and JA Finance Park (39% increase), and K-12 classroom programs (35% increase).
- 98% of K-12 classroom teachers surveyed stated, “The hands-on activities of my JA program were effective and engaged the students.”
- 98% of K-12 classroom teachers and 99% of JA BizTown and JA Finance Park teachers surveyed would recommend JA programs to another educator.
- 88% of JA Alumni report that they are satisfied with their careers compared with 48.7% of the general public.

At year-end 2017, JAAZ provided services to 83,532 students statewide:



Program Key Issues and Opportunities

Technology.

Today’s students have been utilizing technology from the crib. They utilize devices and computers at school and in their personal and social time out of school. Students are able to obtain a high school diploma online, take college courses online, shop online and socialize online. Current JA programming is paper-based and as education migrates to a more virtual community JA’s programs could be left behind. While technology should be a focus, JAAZ will need to be cognizant that some of its school partners may not have the capacity for the implementation of certain types of technology.

Curricula Refresh.

JA USA controls how and how often the JA curricula is updated, however JAAZ has some leeway in how they attract companies to participate in JA BizTown. Currently, the majority of business represented in BizTown are “old economy” companies. Building relationships with “new economy” companies like Blue Apron, Grub Hub, Uber, Amazon, Google would be more relevant to students’ lives.

Additionally, volunteers have found that some of the curricula content is outdated and “old school”. For example, one activity asks students “what would you take with you in an emergency” and lists answers such as a photo album, address book, etc. Most children today don’t relate to those hard copy items as all of this information is now on phones and devices.

Enhance the Volunteer Experience.

While JAAZ trains and encourages volunteers to share their personal knowledge and experiences, quite a few simply stick to the program. More opportunities in-person and via website portal to encourage volunteers to share information, techniques, videos and stories across the grades would benefit the student experience as well as elevate the volunteers’ experiences.

Program Growth.

Programs are operating at capacity. Five JAAZ K-12 staff members are managing 10,000 – 12,000 students each. To grow classroom programs, JAAZ would need to hire additional staff and determine where to locate these staff within the current facility.

The JA BizTown and JA Finance Park programs recently hit the maximum of 26,500 students! Two BizTowns running simultaneously accommodate 110- 130 maximum number of students. Program growth of BizTown is only limited by facility space. JA Finance Park can also accommodate 110 – 130 maximum number of students and is only limited by the number of iPads available for use.

Programs Lifecycle Stage: *Maturity 2 with Vitality*

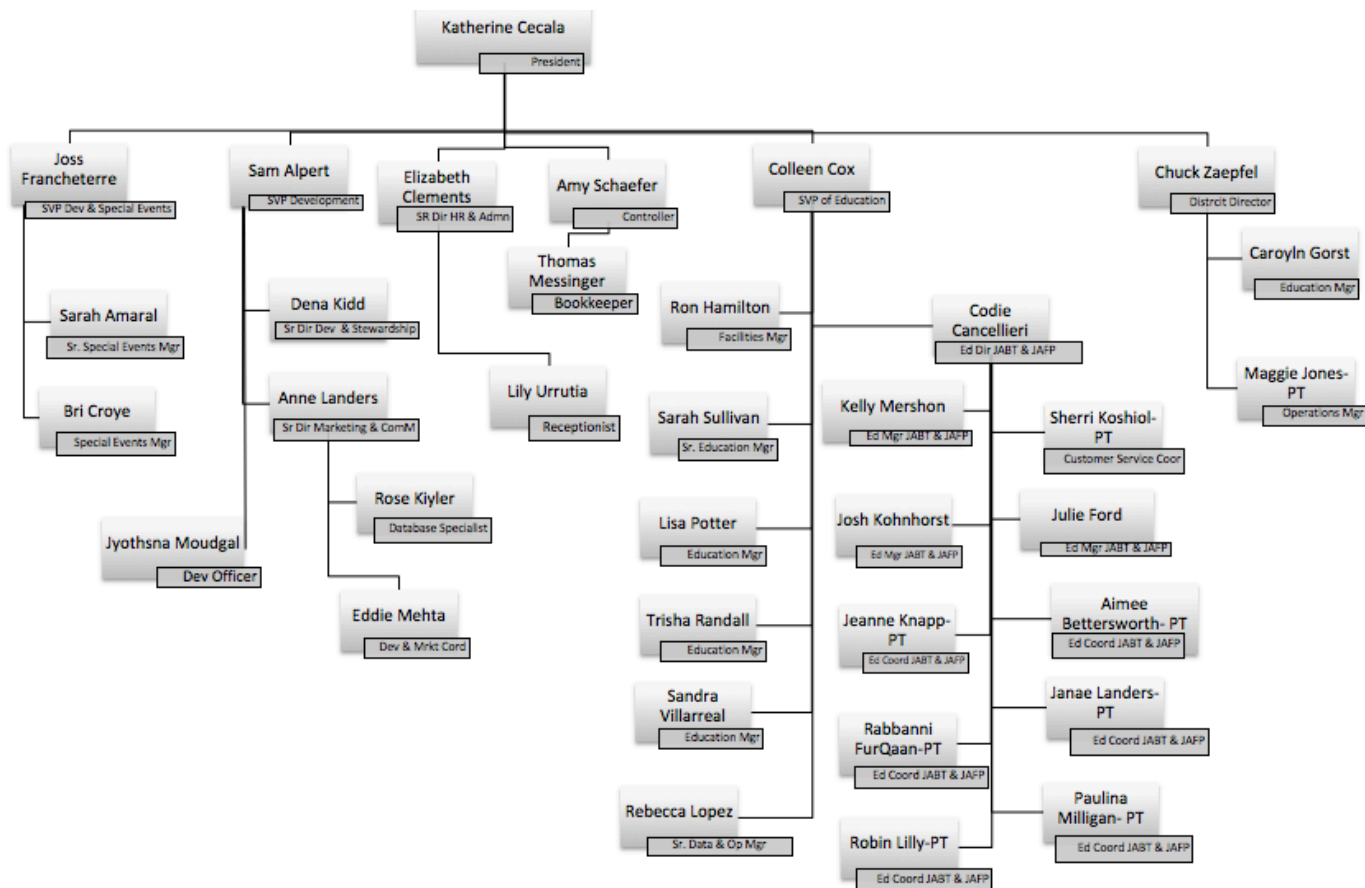
The JAAZ Leadership Team determined that overall, programs are mature, solid programs but that they are constantly assessing them with an eye toward keeping them relevant to students. While JAAZ is always working to keep programs relevant, they are hindered by limited funds, a lean staff, and program and brand mandates from JA USA.

Lifecycle Indicators:

- *Programs are well organized, results-focused and in touch with community needs.*
- *Organization balances favorite programs and methods against community relevance.*
- *Programs are comprehensive, multi-dimensional, and a mix of new and established.*
- *Nonprofit has strong, solid programs and the ability to analyze external changes that may affect current programming.*

Part Four: Management and Staffing

Junior Achievement of Arizona employs 27 full-time and eight part-time individuals in both Phoenix and Tucson, with three individuals working in Tucson. JAAZ employs a full-time Human Resources professional, Elizabeth Clements, Senior Director of Human Resources and Administration.



While all available positions are currently filled, staffing for JAAZ is lean. The CEO has no executive administrative support, nor do any of the senior leadership team. Many staff members “double up” on functions, including the Senior Director for Human Resources who also oversees Information Technologies and Office Management.

Executive Leadership

CEO Katherine Cecala came to JAAZ in October 2015, just three years ago. Her immediate focus was on developing a sustainable business model, as the organization had been losing money steadily for ten years. She has had to “right-size” the staff to fit the current financial situation, and in the process has developed a lean staffing model with a talented leadership team.

Staff members have nothing but laudatory comments about Katherine’s leadership and her efforts to turn-around many aspects of the organization. Her big-picture vision, inclusive style and positive demeanor caused an immediate shift in how staff members were functioning and in the relationship between Tucson and Phoenix staff and boards. Staff have commented on Katherine’s commitment to transparency, her integrity, respect and listening skills. She gives staff the leeway to do their jobs without micromanaging.

“Katherine is an amazing mentor, boss and friend. I couldn’t imagine a better leader for JAAZ.”
 Leadership Staff Member

Leadership Team

Leadership team members have commented that the CEO is transparent and forward thinking, with an ability to encourage creative problem solving and trying new things. They appreciate that she is a trusting individual that allows staff members to do their jobs without micromanaging them.

Junior Achievement of Arizona Leadership Team		
The JAAZ leadership team consists of five individuals officially and three who are seen throughout the organization as leaders from both top and bottom. Length of service ranges from 3-years to 16-years.		
Katherine Cecala	President	<i>October, 2015</i>
Katherine provides the overall executive leadership for JAAZ, provides fiduciary oversight and is actively involved in board and fund development. She guides the vision and strategic directions of JAAZ's mission. She has a diverse background in nonprofit leadership, healthcare administration, law, industrial engineering, utilities, and business. She also has extensive knowledge of our community and nonprofit landscape as she has served on over 35 nonprofit boards. A master’s level instructor of nonprofit leadership at Arizona State University, Katherine has a degree in industrial engineering from LSU, a Master of Business Administration from Louisiana Tech and a law degree from the University of Arkansas.		
Sam Alpert	Senior Vice President Development	<i>July, 2013</i>
Sam is responsible for overseeing up to \$2 million in funding from corporate, individual, foundation and government partners. He manages a team of five staff members. Prior to JAAZ, he worked for 10 years in advertising and public relations agencies, including owning his own agency for seven years. He has a Bachelor's in Journalism and an MBA from ASU.		
Joss Francheterre	Senior Vice President Development & Special Events	<i>May, 2002</i>
Joss is responsible for fundraising \$1 million through special events. Over the past 16 years he has created, changed, and improved many events while managing a staff of two. Originally from France, he has spent much of his life prior to JAAZ around the world where he has founded and run several successful businesses.		
Colleen Cox	Senior Vice President Education	<i>September, 2007</i>
Colleen oversees the implementation of education programs: JA BizTown, JA Finance Park, and in-classroom K-12 programs. Prior to JAAZ, she worked for E2C for seven years where she was the Director of Operations and Human Resources for their Amber Alert, Pets 911, and Earth 911 programs. She received a B.S. in Business Administration at the College of Charleston. She currently serves on the Tempe Union High School District CTE Evaluation Committee and previously served on the Phoenix Animal Care Coalition Board of Directors.		

Chuck Zaepfel	District Director, Tucson	<i>June, 2015</i>
<p>Chuck is the District Director for the Southern Office, located in Tucson, and manages a staff of two. In Tucson, he is the chief fundraiser and has oversight of the special events and education programs. He started his career at Custom Computer Services as a programmer and computer operator developing software for local companies. He purchased the company in 1985, which he rebranded as CCS Direct Mail and subsequently sold to Alphagraphics in 2005.</p>		
Anne Landers	Senior Director Marketing & Development	<i>September, 2014</i>
<p>Anne promotes greater awareness of JA within the community and manages a staff of two. She is the organization’s first marketing director in 20 years. Before coming to JAAZ, she was the Interim Director at an international community development nonprofit, Life In Abundance, where she oversaw the U.S.-based operations and fundraising for the implementation of programs abroad. She began her career at a start-up advertising and PR agency, David and Sam PR (Decibel Blue). Anne holds a Bachelor of Arts in Journalism from ASU.</p>		
Amy Schaefer	Controller	<i>April, 2011</i>
<p>Amy is responsible for the financial management of the organization. She tracks cash flow, maintains internal and external controls, and manages a staff of one. She has owned her own business and has many years of experience in accounting as a controller, auditor, and accountant and is a CPA. She has a Bachelor of Science in Accountancy from NAU.</p>		
Elizabeth Clements	Senior Director Human Resources & Administration	<i>July, 2009</i>
<p>Elizabeth provides guidance for staff development and strategic initiatives. She oversees office management, information technology, and is the chief culture officer and employee liaison while managing a staff of one. Prior to JAAZ, she wore many hats while working for small companies ranging from a cattle rancher to staffing agencies. She has a Bachelor of Arts in English from West Texas A&M University.</p>		

Strategic Focus

Recruiting, developing and maintaining a high-quality staff is a priority for the organization and is evident in the Internal Strategic Priority outlined in JAAZ’s Strategic Plan:

Drive Internal Excellence

Effectively steward resources; create a high-performing culture; embrace culture of innovative thinking; improve technology and space.

Specific personnel-related objectives and strategies are:

- Attract, develop and retain high-performing, dedicated employees, volunteers and Board members;
- Be the employer of choice for nonprofits;
- Empower employees and Board to effectively champion JAAZ and serve as effective ambassadors

According to the 2017-2018 Form 990, JAAZ invests \$2,184,532 (59% of total functional expenses) in employee compensation, pension plan contribution, payroll taxes and other employee benefits.

In 2018, JAAZ was honored as a “Best Place to Work” by the Phoenix Business Journal.

Human Resources Best Practices

The JAAZ Human Resources department demonstrates proficiency in human resources best practices including:

Personnel Handbook and Policies. The organization has an up-to-date personnel handbook and all needed policies including a code of ethics, confidentiality, conflict of interest, whistleblower, equal opportunity and telecommuting to name a few.

Annual Performance Review: All employees complete an annual performance review based on goals set for the first and second half of the fiscal year. Reviews also take into account other areas of assessment (job knowledge, planning, productivity, etc.), management skills (performance management, employee development, resource development, leadership), additional areas such as a rated and defined performance level, other noteworthy achievements, and areas of growth and development, and a future professional growth plan. It has been commented that with the addition of new leadership, higher expectations are being set across the board, and staff are rising to the occasion to meet them.

Internal Communications: Monthly all-staff meetings are held consistently and staff from Tucson participate through Zoom technology. Departmental teams meet as needed and often departments with cross-functional goals meet as needed as well. Staff feel that there is strong communications and knowledge sharing between teams and departments.

Bi-Annual Staff Surveys. The Senior Director of Human Resources conducts a staff opinion and satisfaction survey every six months. The average response rate is 83.9%. This survey process was started in November 2015, and the seventh and latest survey in November 2018 received a 100% response rate, with an overall satisfaction rate of 94%.

Almost all questions rated in the Strongly Agree to Agree areas with the exception of questions 15 (68% average) and 16 relating to salary and benefits (72% average). All scores have improved over the past six surveys.

November 2018 Staff Survey Results

Question	% Strongly Agree / Agree	↑ or ↓ over 2015
1. Teamwork is encouraged and practiced in this organization.	100%	3% ↑
2. I can easily work with other departments.	100%	18% ↑
3. Information is shared on a timely and regular basis.	85%	21% ↑
4. I am satisfied with the communication I receive at JAAZ.	91%	12% ↑
5. I am adequately recognized and appreciated for my work contributions.	88%	6% ↑
6. My job makes good use of my skills and abilities.	88%	6% ↑
7. Overall, I am satisfied with my job.	94%	9% ↑
8. My direct manager provides good leadership to my team.	97%	6% ↑
9. My manager gives me regular and effective feedback that helps me improve my job performance.	91%	9% ↑
10. JAAZ has a culture that values employees with different ideas and diverse backgrounds.	94%	21% ↑
11. I have a clear understanding of where JAAZ is heading in the future.	94%	38% ↑
12. My work schedule allows me sufficient flexibility to meet my personal/family needs.	94%	38% ↑
13. I am satisfied with my involvement in decisions that affect my work.	91%	12% ↑
14. I have the necessary tools and resources to do my job.	100%	24% ↑
15. I feel I am paid competitively for the work I do.	68%	21% ↑
16. Overall, I am satisfied with the JAAZ benefit package.	72%	5% ↑

Question	% Strongly Agree / Agree	↑ or ↓ over 2015
17. I get the appropriate amount of training needed to improve the quality of my work.	91%	26% ↑
18. Overall, I am satisfied with JAAZ at this time.	94%	3% ↑

JAAZ leadership uses the staff survey results to help managers recognize when there is a problem, so they can provide tools and coaching to rectify the problem. Leadership is committed to improving staff experiences and being more proactive in addressing staffing challenges.

Management & Staffing Key Issues and Opportunities

Physical Office Space (Phoenix). JAAZ wishes to be perceived as an innovative, forward-thinking organization. The current office space does not reflect that vision at all. Cubicles are “super old” and décor is dated. Physical space has an impact on the moods and productivity of staff members. JAAZ is currently seeking a company to adopt them to donate a space make-over with new furniture, lower cubicle walls, and a more “high-tech” feel and layout to provide more co-working spaces and group meeting spaces. Leadership does encourage staff to work remotely.

Financial Considerations. JAAZ has a lean staff with minimal support and administrative staff, and as survey results indicate, employees feel that lack of competitive pay is an issue.

Professional Development and Upward Mobility. As with most small to mid-sized organizations, there is not an obvious step-ladder for promotion. Staff members want to grow and move up in their career, but there are only so many places they can go. Leadership has been focused on “lattice growing” – giving staff more responsibility and trying to offer external professional development and leadership programs. Establishing a formal professional development program would elevate staff knowledge and professionalism and also help JAAZ identify the next generation of leaders for the organization.

Succession Planning.

JAAZ has a solid group of leaders and employees. Coupled with a formal professional development program to “build your bench” and develop the next generation of leaders, a formal succession plan would also look at opportunities for cross-training and additional knowledge sharing between departments. An element of a good succession plan would also include emergency succession planning should any key leaders be taken away from their duties for a period of time.

Management & Staffing Lifecycle: High-Growth (4)

The JAAZ Leadership Team acknowledges that many management-level employees have a long tenure with the organization, all are experienced in their fields, and in terms of the structure, training, policies, and processes the *Management and Staffing* area has **elements of maturity**. However, there are still many opportunities to “build bench-strength” within the ranks and build a team that will take JAAZ to the next level of maturity. Additionally, the physical office (work environment) and lean staffing keep them from being fully mature.

Lifecycle Indicators:

- *Management is willing to balance opportunity with strategy and focus.*
- *Executive leadership is often second or third generation from the originators.*
- *Management is perceived as leader among industry peers.*
- *Executive director inspires confidence in staff, board and community.*
- *Staff battle against lack of time and a general sense of urgency; there is always more to be done.*

Part Five: Governance

As a sixty-year-old state-wide organization, Junior Achievement of Arizona long ago developed a governance structure to ensure that communities where programs are provided have a voice. This structure has evolved into four board entities with varying roles and responsibilities.

Two district boards -- Central Arizona representing Maricopa County, and Southern Arizona representing Tucson -- acted as governing entities, often at odds with each other. A State Board was developed to be the one fiduciary and governing board to attempt to bring cohesion and direction to the district boards. Traditionally, these three entities continued to operate as if they were all governing boards, spending time reviewing financials, reporting on programs and focusing on board development.

With the addition of new President Katherine Cecala in 2014, modifications were made. Katherine shifted governance responsibilities to the State Board. The District Boards were expanded and intended to be focused on strategies to drive revenue and a higher level of community advocacy and engagement.

As this structure has evolved and new chairs for each of the boards have been elected in 2018, the time is ripe for formalizing each boards' roles and responsibilities, committee structures, and board member engagement strategies.

JAAZ Board Structure

According to the Operating Agreement between Junior Achievement of Arizona and the Central and Southern Arizona Districts, "The perennial strength of the Junior Achievement of Arizona, Inc. (JAAZ) operation can be attributed to its unique organizational structure, blending a centralized and decentralized approach that takes advantage of the benefits of each. Districts throughout the state take on "ownership" of their Junior Achievement operations, adapting them to local conditions and needs. At the same time, each JAAZ District benefits from the strength of pooled resources, the efficiencies of centralized administration, a full-time professional staff and a focused statewide strategic effort."

Statewide Board	Central Arizona District Board	Southern Arizona District Board
Is the legal and fiduciary governing board of JAAZ consisting of fifteen governing members, mostly made up of the chairs of the district boards and other district board members.	Represents Maricopa County interests and is made up of thirty-seven members.	Represents Tucson interests and consists of seventeen members.
Board Chair: Marcia Wepfer	Chair: Charlie Smith	Chair: Chrisie Ballard
Meets six times a year	Meets six times a year	Meets six times a year

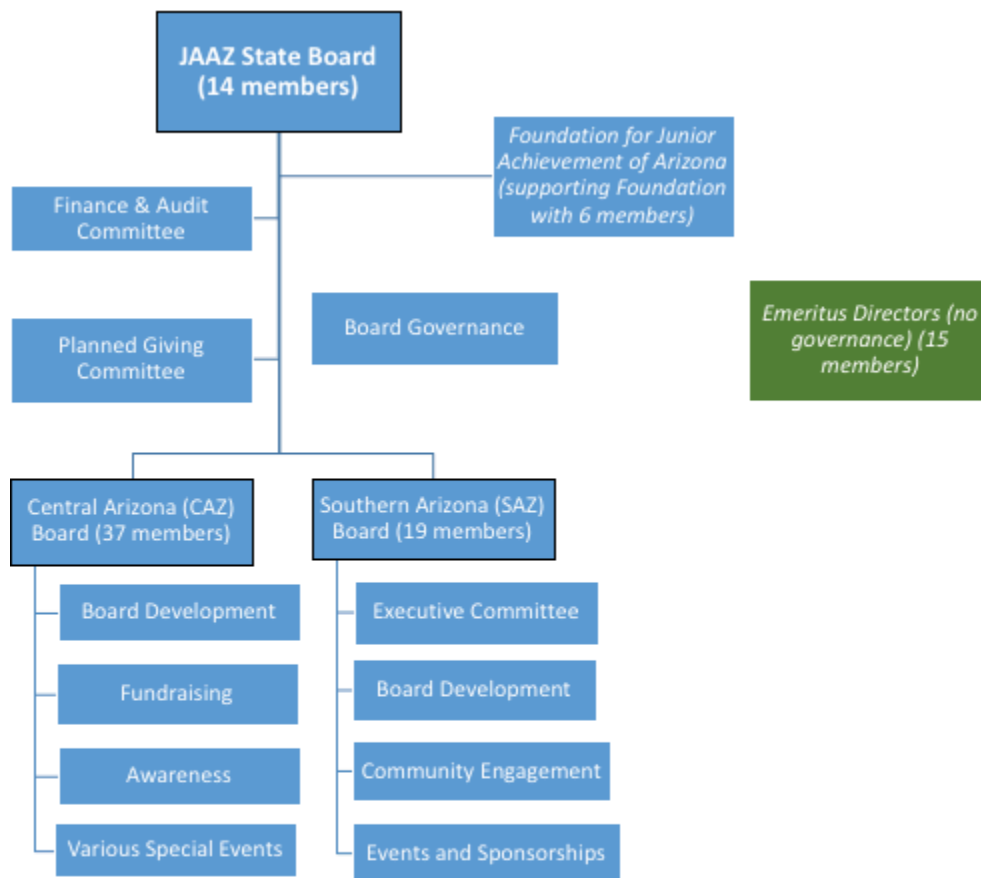
Statewide Board. As the governing board of JAAZ, the Statewide board has all of the legal and fiduciary responsibilities that define all governing boards. Bylaws were updated as of June 26, 2017 and include term limits for governing members. Bylaws also describe in detail the structure and process for District board membership. The Statewide board has a board orientation presentation that clearly defines the roles and responsibilities of each member and has adopted a Board Member Responsibilities and Pledge Commitment form that further outlines all expectations and holds members accountable.

Central and Southern Arizona District Boards. Functioning under an official Operating Agreement, the two District boards have regional responsibilities to approve revenue and program goals, secure volunteer providers and sponsoring organizations for programs, provide fundraising support to adequately fund operations in their territories, and be responsible for participation fees.

Foundation. In 1998, the sale of a piece of property instigated the development of a private foundation to manage the proceeds. This foundation was set up as a completely separate 501c3 entity from JAAZ. The foundation board of trustees meets twice a year to monitor the \$1+ million fund, oversee donor intent, and funds donor designated scholarships and a small percentage toward JAAZ operations. Statewide Board President Marcia Wepfer currently serves as the foundation president, with six trustees.

Directors Emeritus. The Director Emeritus title was developed two years ago as a way to honor certain exceptional former board members. The State board recommends members to honor the service and achievements of select state and district board members based on their years of leadership, roles taken and overall service to JAAZ. Members manage themselves and are currently interested in convening periodically for updates, informal celebrations and fellowship. JAAZ Bylaws state that Emeritus Directors are ex-officio members of the Statewide Board and are invited to all meetings in a non-voting capacity.

Current Board Structure



The three board chairs are currently working to streamline the board model and synchronize names of committees and responsibilities between the Statewide and District Boards.

Statewide Board	
Strengths	Opportunities
<ul style="list-style-type: none"> ● Most board members have volunteered in JA’s programs and have a deep understanding of the mission ● Members have historical knowledge of JA’s organizational and programmatic history ● State board is communicating better with the district boards ● <i>Board Development & Composition</i> <ul style="list-style-type: none"> ○ Board is made up of individuals with a wide range of experiences and expertise ○ Board membership is growing ● <i>Board Engagement</i> <ul style="list-style-type: none"> ○ Level of board engagement is very high; individual members are strong and committed ● <i>Board Accountability</i> <ul style="list-style-type: none"> ○ Raised the member giving amount to a minimum of \$2,000 per member with 100% giving ○ Holds 1 – 1 board “matrix” meetings to review the board engagement sheet and ensure members commit to the board requirements ● <i>Effective Board Practices</i> <ul style="list-style-type: none"> ○ Holds an effective board retreat ○ Regular “Mission Moments” with staff and students ○ Meetings often have robust discussions (i.e., Donor panels, Committee discussions) 	<ul style="list-style-type: none"> ● <i>CEO Evaluation & Compensation</i> <ul style="list-style-type: none"> ○ First completed in June 2018 ○ Need to formalize the process and make it replicable ○ Conduct a market survey and compensation review ● <i>Develop a stronger board development process</i> <ul style="list-style-type: none"> ○ Assess the current Governing board composition to identify prospective members ○ Assess the benefits of recruiting “outside” individuals (rather than only district board members) ○ Prioritize people who have proven themselves on a district board ● Emeritus Board ● Finance, Audit, Planned Giving – huge opportunity with Planned Giving committee ● Strengthen committees – include board development/governance

Southern Arizona Board

Strengths

- The majority of members are active and committed to the mission of JA
- Board is made up of diverse individuals
- 100% giving at \$500+ per member; board voted to increase minimum to \$1000
- Four committees are active
- Moving board meetings to facilities hosted by its members
- Many members have attended Piper Good Governance training opportunities

Central Arizona Board

Strengths

- Board is large (37 members) and has a breadth of experiences and networks
- A core group of about 15 – 20 members are committed and engaged
- Most board members giving personally at \$500 minimum each; board voted to increase minimum to \$1,000
- *Effective Board Practices*
 - Board meeting agendas are much more generative and strategic
 - Meetings include “peer-to-peer” learning and board development time to learn best practices
 - They are working on trying to pose one big generative question for robust discussion at each meeting
 - Meetings are not just held in a board room; they are held in different parts of the facility (i.e., Biz Town, etc.)
- Many members have attended Piper Good Governance training opportunities

Board Governance Key Issues and Opportunities

Prioritize Board Diversity.

As all three boards focus their efforts on “board building” they should align goals with a focus on members who bring a diversity of geographic location, skill sets and expertise, spheres of influence, gender and ethnicity.

Develop a More Collaborative Communications Process Between the Three Boards.

- Define committee structures
 - Could there be a shared structure between SAZ and CAZ?
 - Clarify, and perhaps rename, the names and titles of committees (committees in the CAS and SAZ mirror a governing board structure)
- Develop a mechanism for sharing between SAZ and CAZ
 - Occasional joint meetings
 - Coordination between boards on building relationships with corporations and potential partners
- Engage the Emeritus Directors in increased personal giving and/or legacy giving

Adopt Additional Best Practices in Governance Across the Three Boards.

- Focus board recruitment efforts for greater diversity
- Include more mission moments with staff and students at board meetings

- Practice more board recognition to give kudos to those who do something good
 - Board chairs could write letters back to the board member's company
 - Must have each board member provide work-related information each year
- Conduct board exit interviews and celebrate their service

Define Roles and Responsibilities of All Boards.

- Define in writing the roles and responsibilities of the governing board and the two district boards
 - While technical responsibilities are spelled out in the bylaws, a more user-friendly, concise document comparing roles would be helpful as members continue to clarify their work
 - Review roles on an ongoing basis as organization and needs evolve
 - Define metrics to demonstrate accountability against our board responsibilities {coming to Piper trainings, etc.} currently tracking attendance, giving and committee work
- Communicate roles and responsibilities to the three boards to ensure all members understand the expectations of each board
 - Traditionally, corporate partners have placed employees on the boards in “company seats” that were often in name-only. JAAZ must continue to educate partner companies about the expectations that all members will be active and engaged board participants
 - Strive to be more *proactive* about replacing corporate members by defining the types of members being sought rather than *reactively* accepting whoever the company identifies
 - Ask current corporate board members to help identify other employees to serve on committees in order to start building relationships with additional employees
 - Define members' roles in fundraising as ambassadors and connectors
 - Train board members on identifying their networks and engaging them in JA

Continue to build a constructive partnership with the CEO.

- While there is renewed energy in the leadership of the Statewide and District boards, the President still drives much of the direction and management of the three boards.

As these boards continue to evolve, understanding the “Governance as Leadership” model of shared responsibility will be helpful in the boards' development.

Clarify Roles of Staff and Board Members Between the Three Boards.

- Develop processes for each board to have personal connection with the CEO and other staff
 - CEO attend committee meetings on occasion to meet and thank board members
 - Meet regularly with board chairs and co-chairs

Develop a Formal Process for CEO Evaluation, Compensation and Succession

- Formalize the existing process to make it replicable:
 - Regular feedback from board chairs
 - Quarterly CEO/Board Chair meetings
- Conduct a compensation review
 - Market survey and data should be reviewed annually; review JA USA market data
- This is a perceived area of risk if the current CEO leaves and they are not competitive to attract someone of her caliber

Board Governance Lifecycle Stage: *Early Growth (2)*

After years of stagnation, things are happening and moving in the right direction. New energy at the board leadership level has brought a sense of enthusiasm, professionalism and sense of possibilities to all three boards. One new board member commented, “This is what I imagined a board to be and I’m proud to be a part of it.”

Lifecycle Indicators:

- *Board structure is being shaped. Committee structure, terms of office, and recruitment processes are beginning to be established.*
- *JAAZ is transitioning from a staff-driven model to one of shared board/staff ownership. Members are beginning to understand their roles in governance.*
- *Board members are regularly attending meetings and are willing to make informed, time-sensitive decisions.*

Part Six: Financial Health

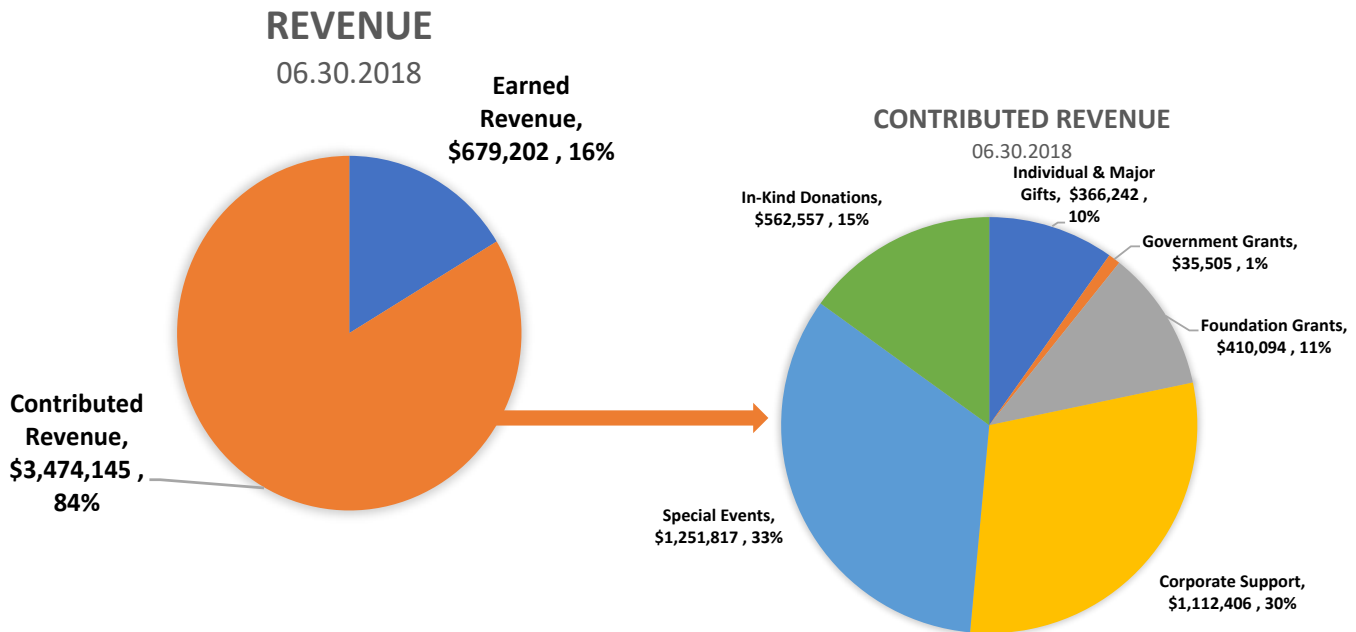
When current President Katherine Cecala was hired three years ago, the financial picture of Junior Achievement of Arizona was bleak. The company had been losing money for about ten years, board members were not engaged in giving, and fundraising focused almost solely on special events.

Katherine built an economic model to project JAAZ’s future financial picture, and to retrospectively show the board what the finance model challenges were. As of June 30, 2018, JAAZ celebrates a \$390,578 surplus, 3.6 months of cash-on-hand, and a 15% increase in contributed revenues. Even with these successes, JAAZ is still working to strengthen its financial base. Areas of focus for the future are replenishing operating reserves, ramping up staffing, funding depreciation to replace critical infrastructure, and keeping up with a potential \$80,000 net increase in JA USA program and licensing fees.

A strategic priority for Resources is to: Increase Financial Resources to Improve Financial Stability and Sustainability (break-even or better):

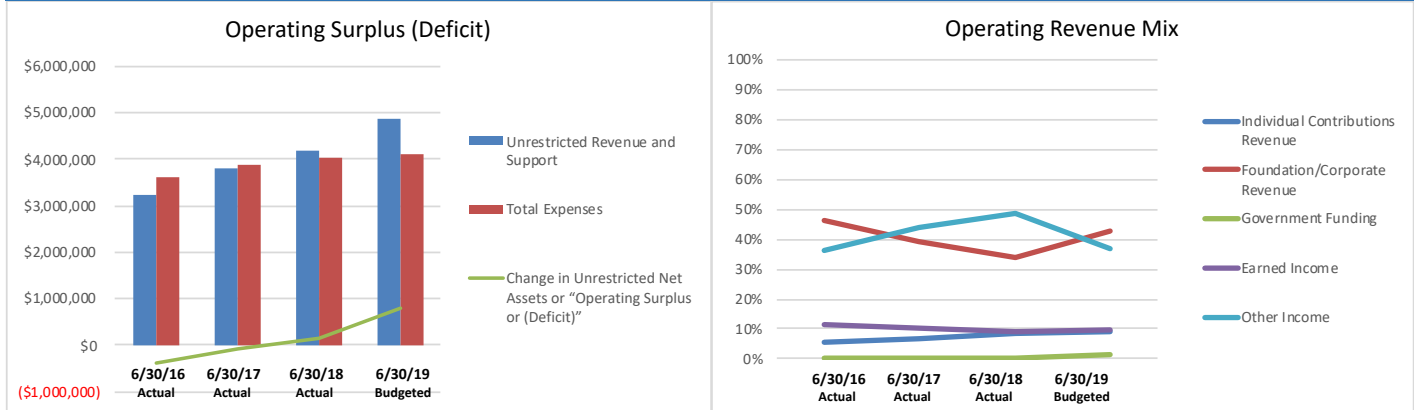
1. Develop and implement sustainable long-term diversified funding plan.
2. Increase annual revenue to exceed expenses by 10% (surplus to go towards capital pool to fund infrastructure, expansion of programs/initiatives, innovation fund, create four months of reserves).
3. Retain and grow corporate, foundation, and government donors.
4. Increase sponsorship of JA BizTown and JA Finance Park programs.
5. Increase individual donations – grow number of donors and retain and grow funding from existing donors; implement Major Gifts strategy (including endowment and planned giving).
6. Increase net revenue percentage from existing and new Special Events.
7. Leverage donor information; ensure accuracy and usability.
8. Research earned revenue / fee-for-service opportunities.

JAAZ revenue model depends on contributed income, which represents 84% of revenue, with the remaining 16% derived from earned revenues such as program services (fees paid by participating schools), investment income (from JA Foundation) and other revenue (eliminations from the JA Foundation).

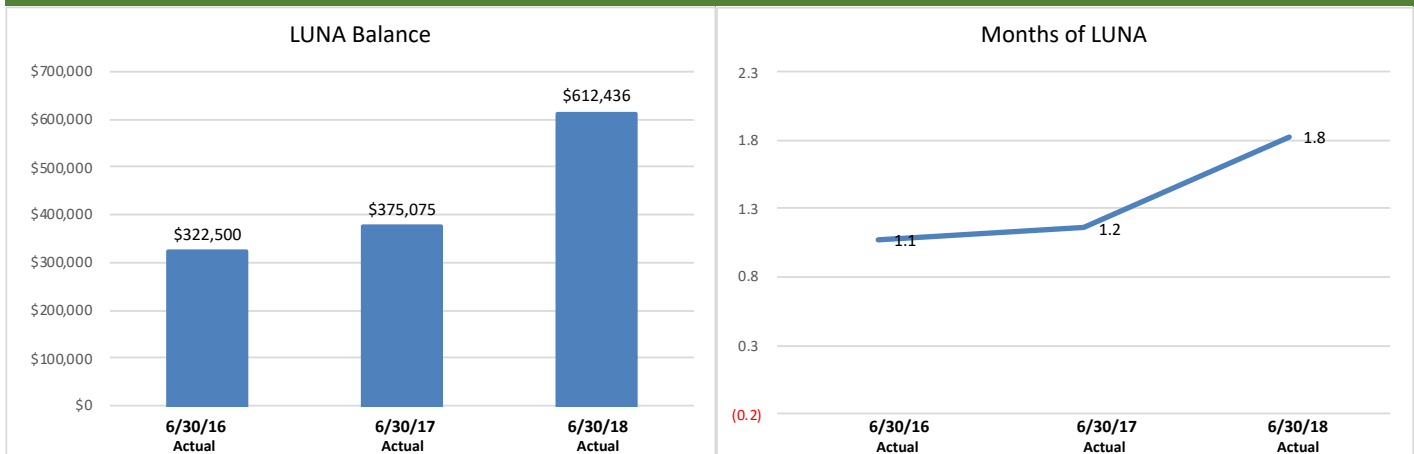


Over the past three years, JAAZ has improved its financial well-being in both operating cash and assets.

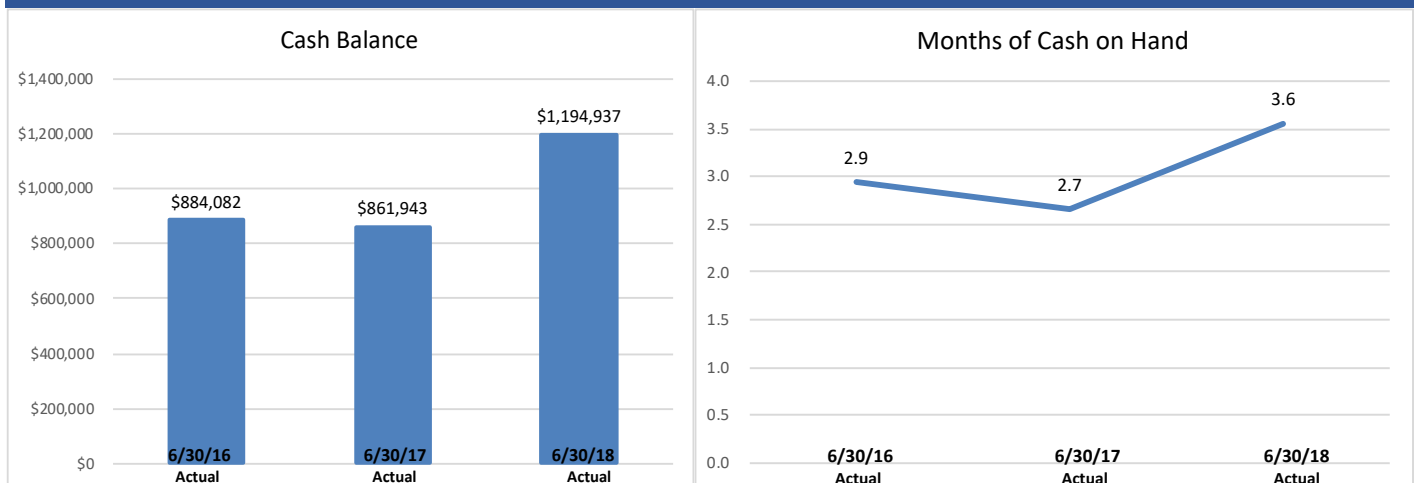
OPERATING RESULTS



LUNA (LIQUID UNRESTRICTED NET ASSETS)



CASH ON HAND



Junior Achievement of Arizona

3-Year Revenue & Expense Comparison & Financial Trends

	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
	2017-2018	2016-2017	2015-2016
REVENUES			
<i>Earned Revenues</i>			
Program Service Revenue	\$ 372,347	\$ 383,576	\$ 376,502
Investment Income	\$ 33,157	\$ 45,381	\$ 11,217
Other Revenue	\$ 273,698	\$ 54,887	\$ 46,801
<i>Subtotal Earned Revenues</i>	<i>\$ 679,202</i>	<i>\$ 483,844</i>	<i>\$ 434,520</i>
<i>Contributed Revenues</i>			
Individual & Major Gifts Contributions	\$ 366,242	\$ 266,682	\$ 178,599
Government Grants	\$ 35,505	\$ 62,610	\$ 35,035
Foundation Grants	\$ 410,094	\$ 83,100	\$ 225,688
Corporate Support	\$ 1,112,406	\$ 1,214,186	\$ 1,126,580
Special events	\$ 1,251,817	\$ 1,236,698	\$ 1,142,017
Less costs of direct donor benefits	\$ (264,476)	\$ (259,517)	\$ (213,286)
In-Kind Donations	\$ 562,557	\$ 412,302	\$ 106,105
<i>Subtotal Contributed Revenues</i>	<i>\$ 3,474,145</i>	<i>\$ 3,016,061</i>	<i>\$ 2,600,738</i>
TOTAL REVENUES	\$ 4,153,347	\$ 3,499,905	\$ 3,035,258
EXPENSES			
Program	\$ 2,846,235	\$ 2,684,709	\$ 2,376,290
Administration	\$ 235,571	\$ 226,619	\$ 245,770
Fundraising	\$ 664,658	\$ 701,088	\$ 756,630
Loss on uncollectible pledges	\$ 16,305	\$ 13,850	\$ 6,583
TOTAL EXPENSES	\$ 3,762,769	\$ 3,626,266	\$ 3,385,273
CHANGE IN NET ASSETS Surplus/(Deficit)	\$ 390,578	\$ (126,361)	\$ (350,015)
NET ASSETS Beginning of Year	\$ 3,145,822	\$ 3,272,183	\$ 3,622,198
NET ASSETS End of Year	\$ 3,536,400	\$ 3,145,822	\$ 3,272,183

Observations on Year-End June 2018
Includes restricted & unrestricted revenues
Lower than expected because of down days lost due to #Red for Ed teacher's strike
FY 18 - \$76,767 from JA Foundations to combined FY 17 - \$126,813 from JA Foundations to combined FY 16 - (\$24,224) from JA Foundations to combined
FY 18 - (\$210,000) Loan forgiven from JA FND. And additional (\$45,444) in eliminations from JA Fnds. FY 17 - (\$33,828) elimination from JA Foundations FY 16- (\$25,150) from JA Foundations
Individual giving increased 105% over FY16
Foundation giving increased 82% over FY16
Corporate support has remained relatively flat
Special events have remained relatively flat
Fundraising expenses are 19% of Total Contributed Rev.
Loss has increased 18% over prior year

Program Financial Model

Many nonprofit mission-focused programs are often break-even or sometimes run a deficit and JAAZ's programs are no different. Nonprofit organizations must often supplement any earned revenues and program-based fees with additional fundraising. As shown above, JAAZ depends on fundraising activities for 84% of its budget and has a diversity of contributed revenue sources including individuals, corporations, foundations, government and special events. The chart below outlines the revenues for each program, broken out by earned and contributed, as well as program costs in order to understand which programs are deficit-based. Only JA You're Hired and the Stock Market Challenge programs are currently running in the black. A deeper discussion of program Lifecycles, Demand Trends and Deficits is needed.

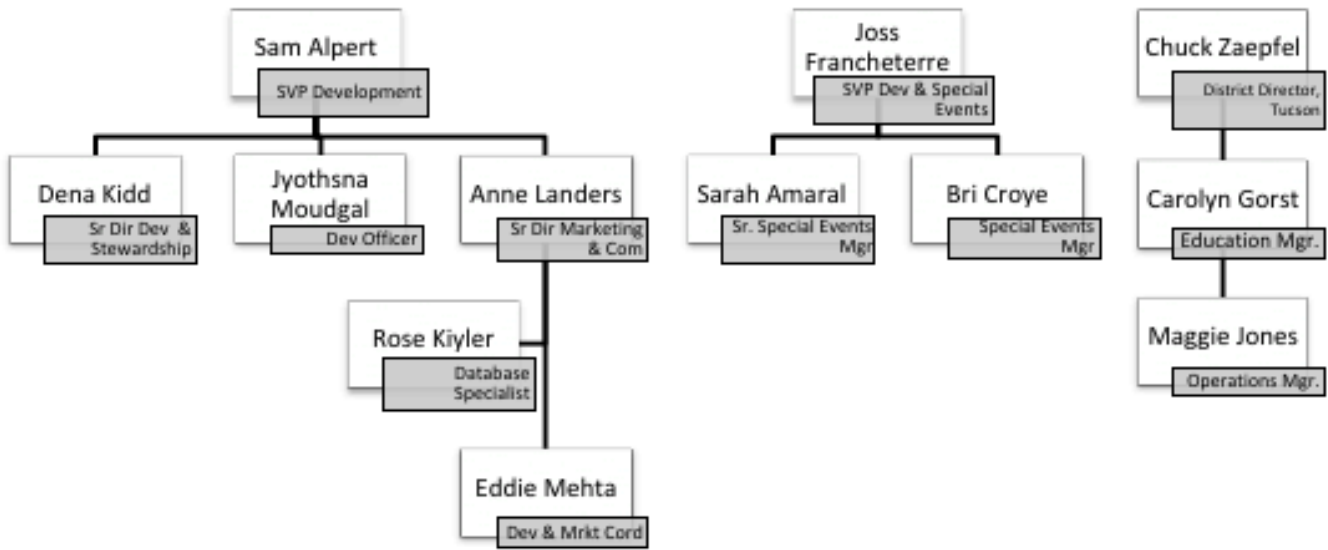
A study of what would increase demand in each of these program and a plan for additional earned and contributed revenues would give us insight and perhaps more targeted messaging for fundraising, in addition to helping JAAZ determine the viability of programs in this market.

Program												Per Person						
Program	17-18 Number Served	Primary Revenue Source	Lifecycle	Demand Trend ↑, ↓, →	Total Revenue	Earned Revenue	Contributed Revenue	Direct Cost	Indirect Cost	Total Direct + Indirect Costs	Total Direct+Indirect Surplus (Deficit)	ALL Costs with Direct + Indirect + Admin/FR Allocation	ALL Costs with Allocation Surplus (Deficit)	Total Revenue	Total Direct + Indirect Costs	Total Direct+In direct Surplus (Deficit)	ALL Costs Direct + Indirect + Admin/FR Allocation	ALL Costs with Allocation Surplus (Deficit)
JA BizTown	21,655	Fees and designated contributions	Mature	→	\$ 1,041,188	\$ 300,095	\$ 741,093	\$ 531,486	\$ 634,468	\$ 1,165,954	(\$124,766)	\$ 1,546,325	(\$505,137)	\$48	\$54	(\$6)	\$71	(\$23)
JA Finance Park	4,014	Fees and designated contributions	Mature	↓	\$ 156,502	\$ 72,252	\$ 84,250	\$ 98,517	\$ 139,798	\$ 238,315	(\$81,813)	\$ 322,665	(\$166,163)	\$39	\$59	(\$20)	\$80	(\$41)
Subtotal Exper. Ed.	25,669				\$ 1,197,690	\$ 372,347	\$ 825,343	\$ 630,003	\$ 774,266	\$ 1,404,269	(\$206,579)	\$ 1,868,990	(\$671,300)	\$47	\$55	(\$8)	\$73	(\$26)
K-12 Program	53,694	Designated contributions	Mature	K-8 = ↑ 9-12 = ↓	\$ 524,544		\$ 523,045	\$ 521,298	\$ 698,990	\$ 1,220,288	(\$695,744)	\$ 1,639,827	(\$1,115,283)	\$10	\$23	(\$13)	\$31	(\$21)
JA You're Hired	2,981	Designated contributions	Mature	↑	\$ 194,392		\$ 32,162	\$ 89,002	\$ 26,884	\$ 115,886	\$78,506	\$ 132,022	\$62,370	\$65	\$39	\$26	\$44	\$21
Stock Market Challenge	1,188	Designated contributions	Mature	↑	\$ 160,263		\$ 12,817	\$ 78,908	\$ 26,884	\$ 105,792	\$54,471	\$ 121,929	\$38,334	\$135	\$89	\$46	\$103	\$32
Subtotal K-12	57,863				\$ 879,200	\$ -	\$ 568,024	\$ 689,208	\$ 752,758	\$ 1,441,966	(\$562,766)	\$ 1,893,778	(\$1,014,578)	\$15	\$25	(\$10)	\$33	(\$18)
Program Total	83,532				\$ 2,076,890	\$ 372,347	\$ 1,393,367	\$ 1,319,211	\$ 1,527,024	\$ 2,846,235	(\$769,345)	\$ 3,762,768	(\$1,685,878)	\$25	\$34	(\$9)	\$45	(\$20)

Fundraising												Per Person						
General Contributions		Unrestricted Contributions Corp - Ind- Fnd- Gov			\$ 530,880		\$ 530,880	\$ 195,844	\$ 348,437	\$ 544,281	(\$13,401)							
Special Events	93,862	Fundraising events Net of Direct Donor Benefits (\$264K)			\$ 676,164		\$ 676,164	\$ 202,691	\$ 76,496	\$ 279,187	\$ 396,977			\$7	\$3	\$4		
Other		Investment income and misc.			\$ 306,856		\$ 306,856	\$ 10,962		\$ 10,962	\$ 295,894							
Gift-In-Kind		Gift-in-Kind			\$ 562,557		\$ 562,557	\$ 82,103		\$ 82,103	\$ 480,454							
Subtotal Fundraising					\$ 2,076,457	\$ -	\$ 2,076,457	\$ 491,600	\$ 424,933	\$ 916,533	\$ 1,159,924	\$ -						
Totals					\$ 4,153,347	\$ 372,347	\$ 3,469,824	\$ 1,810,811	\$ 1,951,957	\$ 3,762,768	\$ 390,579	\$ 3,762,768						

Fund Development

For an organization of its budget size, JAAZ has a robust development team with five individuals reporting to the SVP Development and two individuals reporting to the SVP Development & Special Events for a total of nine staff members in the Phoenix office. Additionally, two full-time and one part-time employees in southern Arizona are responsible for their own portfolio of individual donors, corporations and foundations, and implementing special events.



Special Events

Joss Franchetterre, SVP Development and Special Events has been with JAAZ for 15 years. The events team of three in Central Arizona plan and implement about 38 special events each year with the largest being the JA Open 4 Business Golf Tournament that raises \$400,000 and celebrated 25 years in 2018. A second Phoenix-based golf tournament and bowl-a-thons are cornerstone events. In Southern Arizona, .5 FTE are devoted to planning and implementing seven special events, six of which are bowl-a-thons.

While most fundraising events take place in other venues, the JAAZ team has been hosting more events in the JA BizTown venue to introduce more people to the programs of JA first hand. The JA Bottles for BizTown hosts guests in BizTown for cocktails, craft beers, food and silent auction.

Several unique events that capitalize on JAAZ's mission and also raise funds are the Stock Market Challenge, JA You're Hired, and the JA 18 Under 18 Awards.

Special events have served as an entry point for several of the organization's corporate donors. Additionally the events help to raise the visibility of JAAZ with about 5000 participants annually.

Special Events raised a gross total of \$1,251,817 in FY18 which represents 33% of JAAZ's contributed revenue. Special events are a challenging way to raise funds. They require a huge amount of staff and volunteer time and converting special event attendees to individual donors can be challenging. Additionally, the cost-to-raise-a-dollar is often higher than fundraising from other methods. The Better Business Bureau recommends that fundraising expenses not exceed 35%, while Charity Navigator recommends less than 20%.

JAAZ would benefit from a more in-depth study and analysis of each of its special events to really explore participation, revenue and expense trends, along with an analysis of the fundraising costs and return on investments will be crucial to understanding the effectiveness and viability of special events.

Individuals, Corporate, Foundation & Government Fundraising

Sam Alpert has been with JAAZ for five years and oversees a fundraising and marketing staff of five. Two development staff maintain portfolios of donors, with responsibilities to cultivate new donors, steward existing donors, and retain and grow contributions from each. The portfolio model to individual giving is a new approach for JAAZ and the organization has seen contributions from individuals triple over the past three years.

Staff recognize that contributions from individuals offers the greatest opportunity for fundraising growth, as nationally over 70% of all contributions are given by individuals (rather than corporations at 5% and foundations at 15%). They have made significant progress on increasing smaller individual gifts and are focusing on retaining and growing giving at this level.

Successful strategies that JAAZ has implemented to boost individual giving include:

- Increasing board giving by changing board culture and increasing expectations;
- Qualifying for the Arizona Qualifying Charitable Organization Tax Credit and promoting the opportunity to individuals;
- Increasing giving from volunteers by asking more often and more effectively during volunteer training;
- Increasing individual communication and requests to give through more emails, phone calls and direct mail.

An untapped opportunity is developing a major gifts and planned giving program. An experienced professional dedicated to major gifts and planned giving would propel this concept forward.

Traditionally, JA's have raised significant dollars from their corporate partners, and JAAZ raises a significant amount from Arizona corporate donors. Corporate contributions totaled \$1,123,606 in FY18, representing 32% of total contributed revenue, although total giving has remained relatively flat over the past few years.

Specific challenges in corporate giving include the lack of corporate headquarters in Arizona, greater competition for limited corporate dollars, and a difficulty selling JA BizTown "shops" to "new economy" businesses.

JAAZ staff often get caught-up in the "fastest way to raise a dollar" due to budget necessity, meaning, that corporate donations and special events are much faster to bring dollars in the door than the time it takes to nurture a major gifts donor.

The team would benefit from outside counsel to help them craft a strategic and focused fund development analysis and plan to grow contributed revenues, lessen the dependence on special events, and find a balance between a focus on corporate contributions (JAAZ's bread and butter) and individuals (where the opportunity is).

Special Campaign

As discussed at length in Part Seven: Facilities, while JAAZ owns their building free and clear, there has been no investment in the physical infrastructure in many years, leading to some critical repair needs. Additionally, to

address program relevance, JAAZ has plans to reimagine its JA BizTown space and begin work on digital programming. To address these issues and other needs, JAAZ is developing a special campaign raise \$2 million for impact and innovative program development. Funds are projected to be raised from a combination of corporate, foundation and individual gifts. Additionally, the board is outlining ways to finance an additional \$1 million of needed infrastructure improvements (outlined in Part Seven).

Finance and Fund Development Key Issues and Opportunities

Increase Efficiencies and Effectiveness in Fund Development Through Strategic Development Planning and Execution.

The team would benefit from outside counsel to help them craft a strategic and focused fund development analysis and plan to grow contributed revenues, lessen the dependence on special events, and find a balance between a focus on corporate contributions (JAAZ’s bread and butter) and individuals (where the opportunity is).

- Focus on reducing the cost to raise a dollar and increasing the net revenues of events. Conduct a comprehensive analysis of all events to determine ROIs for each in order to determine viability of select events.
- Continue to grow tax credit donations and direct mail. Continue to focus on the 8,000 annual volunteers through email, phone and direct mail. Implement a major gifts campaign, including planned giving.

Special Campaign.

Developing a solid structure and process for this special campaign will give the JAAZ fund development team a best practice way of structuring their entire fundraising program. A success in this campaign will give JAAZ a solid foundation and a “win” that will increase their fundraising self-confidence and improve the capacity infrastructure of JAAZ.

Budget for Operating Reserves and Depreciation.

To plan for the inevitable dips in contributions and cash flow, budgeting for an operating reserve is critical. Additionally, budgeting for depreciation will allow JAAZ to plan for infrastructure repair and replacement needs over time.

Earned Revenue / Fee-for-Service Model.

Identify additional opportunities for fees for services in JAAZ’s programs, such as additional fee-based financial literacy programs, digital curriculum subscription services and other program-related activities.

Finance and Fund Development Lifecycle Stage(s): *Mid-Growth (3)*

The past three years has put JAAZ’s finances on the right trajectory. The Leadership Team feels that the organization is being smart in its decision-making, but that the fundraising environment is still precarious. Solid financial processes are in place; fundraising processes are in the works.

Lifecycle Indicators:

- *Income has been diversified and organization has a sense of its economics and financial requirements.*
- *Financial systems support the organization.*
- *Additional analysis and processes for fundraising must be developed.*

Part Seven: Facilities

Junior Achievement of Arizona’s building is one of their greatest assets. Located on Southern Avenue and Hardy Drive in Tempe, Arizona, the building has convenient freeway access from both I-10 and the 60, has plenty of parking and is fairly centrally located in the valley.

The space is large enough to house JAAZ’s signature programs – JA BizTown and JA Finance Park – and has adequate office, meeting and staff training spaces. The staff is hosting more events at the facility to showcase who they are and the impact they are making on the community. It is the first impression JAAZ is making on people, and they desire that impression to be positive and long-lasting.

While JAAZ owns the building free and clear, there has been no investment in the physical infrastructure in many years. Some areas of immediate need are:

- Nine HVAC units, most of which are over 18 years old and need to be replaced;
- Roof is 30-years old and leaks into the offices and program areas;
- Parking lot needs to be repaved;
- JA BizTown flooring needs to be replaced;
- Exterior of the building needs painted and refreshed; and,
- Installation of first aid equipment (AED defibrillators, etc.) need to be installed.

Additionally, the staff workspace does not reflect a collaborative and innovative organization of the 21st century. New cubicles and chairs, furniture for meeting spaces, new flooring, technology and storage spaces all need to be purchased, installed and/or reconfigured.

It is perceived that when staff brings people in for tours, the building and office space perpetuate the old, outdated image and deters funders and potential partners which hinders growth. If the Facilities section of the Assessment had a lifecycle, the Leadership Team deemed the Phoenix facilities to be in *Decline*.

The Southern Arizona office in Tucson is adequate and functional for the 2.5 staff members housed there. The space is rent-free and includes technology, internet and utilities, saving JAAZ approximately \$24,000 a year.

Programmatically, JAAZ has an opportunity to reconfigure its most visible program – JA BizTown – for maximum impact for the students it serves and to attract new economy business partnerships for the future.

JA BizTown has to provide a 21st century learning experience – not just for elementary school students, but for middle and high school students, too. JAAZ needs to be able to utilize this facility year-round, so that they can bring in more revenue. To re-imagine the space, they need to reconfigure the way it looks. One idea is to make JA BizTown look more like a tradeshow space with “pods” of different industries or businesses in the middle of the floor and then technology (screens, kiosks, digital boards) around the circumference, as well as integrated into each business/pod.

With a more innovative JA BizTown space, JAAZ can expand into providing programs for high school students, an age group funders want to support since these students are closer to entering the workforce. They could administer after-school programming and/or provide summer curriculum. It will give them the opportunity to grow JA Finance Park programming. A new space will also position JAAZ as a destination for events – not just their own, but for the community – and could bring a new revenue source. In general, a re-imagined BizTown will definitely bring JAAZ more exposure in the community, which will lead to more funding.

Finally, the way students learn today is changing at a more rapid pace than ever before. Digital classrooms, gamification, global online collaborations, as well as immersive and augmented reality are revolutionizing the learning experience. Overall, learning with technology will only be more pervasive in the future. Junior Achievement has to evolve its delivery model. Our paper-based and place-based model of learning is not sustainable for future success. Launching a digital curriculum is paramount for the future success and relevancy of JAAZ’s programs.

The board is working on ways to secure financing to address the infrastructure needs, totaling around \$1 million. Plans to stabilize existing infrastructure by saving through budging for depreciation is in the works.

Financing Needs for Physical Infrastructure

Infrastructure – Building	Estimated Cost
Roof replacement, HVAC units, office flooring, BizTown flooring, parking lot, exterior improvements, first aid equipment	\$466,000
Infrastructure – Office Space	
Space planning, demolition, furnishings & equipment, technology, etc.	\$500,000 - \$600,000

The board has approved a special fundraising campaign to raise upwards of \$2 million for program innovation. JAAZ is currently developing a case for support to be able to present funding options to potential investors.

Special Program Innovation Campaign

Innovation – Re-imagination of JA BizTown	
Architecture, construction, technology, furnishings, etc.	\$1,000,000
Innovation – Launch of Digital Curriculum	
R&D, design, development, launch, maintenance for “virtual world” game	\$1,000,000

Part Eight: Administrative Systems

Organizational Meeting Systems

A recent grant from the Virginia G. Piper Charitable Trust to purchase a remote meeting system including large screen televisions, cameras, microphones and the Zoom software is allowing this state-wide organization to hold more effective virtual meetings where participants feel more engaged compared to a simple conference call set-up.

Financial Systems

Controller Amy Schaefer oversees all financial systems. Following the retirement of a long-term CFO, JAAZ had two independent evaluations of its financial systems to ensure system effectiveness, efficiency and compliance. JAAZ has appropriate internal controls and segregation of duties, with delineated staff handling mail, data input, deposits and reconciliations. Sage 50 Accounting software is used effectively and will be networked with the new fundraising software (BCRM). Payroll is processed through Paycom.

The board receives monthly financial statements including a Statement of Financial Position, Statement of Activity, Variance analysis and 12-month cash flows. On a quarterly basis the board reviews the balanced score card which tracks key metrics for programs, finances, marketing and board activities.

The Finance and Audit committee regularly reviews investment and market statements from the investment bankers/managers.

A detailed budgeting process is in place involving the Leadership Team, Controller, President and Finance Committee.

Personnel Systems

Sr. Director of HR and Administration, Elizabeth Clements, oversees all personnel-related activities. As outlined in Part Four: Management & Staffing, JAAZ's human resources department demonstrates proficiency in HR best practices:

- There is an up-to-date personnel handbook and all needed policies;
- All employees complete an annual performance review;
- Monthly all-staff meetings are held consistently;
- Bi-annual staff surveys are consistently delivered to ensure employee satisfaction;
- Job descriptions exist for all positions and there is a format including the employee and the manager to update them annually as needed.

JAAZ utilizes Paycom as the payroll company for the organization and the Griffin Group as their benefits broker (with an online portal for employees).

Personnel files are both in hard copy folders and stored on the server and are password protected.

Fund Development Systems

JAAZ has traditionally relied on a paper-based and spreadsheet system of fundraising tracking. On November 1, 2018, JAAZ transitioned from utilizing Raisers Edge as their fundraising software to Blackbaud Constituency Relationship Management Solution (referred to as BCRM). Junior Achievement USA has provided reference guides, standard naming conventions, training labs and other support resources on its website for JA franchises.

As with any new system, staff training will be key. Currently, only a few staff are well-trained on the system, with a goal to have everyone trained and effectively using BCRM. The BCRM system will be integrated with the accounting system to eliminate double-entry of data into two systems.

Management Information Systems

Sr. Director of HR and Administration, Elizabeth Clements, oversees information technology for JAAZ and estimates that it absorbs about 60% of her time. Currently, their technology systems are fairly old. In 2017, JAAZ received a grant from the Virginia G. Piper Charitable Trust to upgrade programs and their server systems, of which they are actively updating.

In 2018, they conducted a wholesale change of 25 computer towers for staff (although not monitors or keyboards). Their goal is to continue to replace five towers each year.

Software is Windows based, but older. They are in the process of submitting grants to install Office 365.

The back-up system could be considered a risk factor. Currently Elizabeth backs up the system each day, replaces the back-up tape and takes it off site. A cloud-based back-up system and an off-site server that employees could access virtually would be ideal and a current estimate for implementing this set-up runs about \$4,000 per month.

JAAZ currently contracts with AZ Technology Specialists, an IT vendor, for issues that Elizabeth is unable to address.

Administrative Systems Lifecycle Stage: *High-Growth (4)*

Staff has focused its efforts on ensuring adequate systems, processes and a plan for replacing technology and feel that Administrative Systems are in “pretty good shape.”

Lifecycle Indicators:

- *Administrative, financial, and communications systems have been updated and professionalized to support the expanding and complex program array.*

Junior Achievement ATLAS Self-Assessment Process Timeline	
<i>Final: 02.15.2019</i>	
Meeting Date	Activity
Thursday, September 20, 2018	ATLAS Leadership Team Orientation @ Piper Trust - Solidify Process - Identify champions for each section & how to acquire information needed - Set regular check-in meetings
Week of September 24th:	Stephanie: - Email finance templates/questions to Amy & Karen - Email program chart to Colleen - Set meeting with board LT members - Set meeting with Liz Clements, HR
Tuesday, October 2, 2018 10:00 am	Stephanie meets with Katherine - Understand expectations - Briefly assess JA's strengths, opportunities - Gain feedback for assessment process, timeline and direction
Tuesday, October 2, 2018 11:30 am	Stephanie meets with Liz Clements regarding HR
Thursday, October 4, 2018 9:00 - 11:00 am JAAZ Offices	1st ATLAS Team Meeting - Discuss National, Market & External Environment and Facilities - Solidify remaining assessment process items
Thursday, October 4, 2018	Stephanie meets with Colleen Cox, SVP of Education regarding Programs
Wednesday, October 10, 2018	Board Member Facilitated Discussion: Marcia Wepfer, Charlie Smith, Karen Quik, Chrisie Ballard
Wednesday, October 10, 2018	All Staff Meeting: Overview of ATLAS and Lifecycles Presentation
Wednesday, October 10, 2018	Stephanie meets with Sam Alpert, SVP Development and Joss Francheterre, SVP, Events & Development
Thursday, October 18, 2018	Stephanie meets with Amy Schaefer, Controller, Thomas Messinger, Bookkeeper and Katherine Cecala, President regarding Financial Health & Systems
October 22 - 29, 2018	Stephanie out of town (Lead Consultant for Gifford Foundation ADVANS program)
Thursday, November 8, 2018	JA Board Meeting: Overview of ATLAS and Lifecycles Presentation
Monday, November 12, 2018	ATLAS Leadership Team - Values & Defining Moments - Governance - Facilities
Tuesday, November 27, 2018	Stephanie interviews Anne Landers, Senior Director Marketing & Development Stephanie interviews Chuck Zaepfel, District Director, Tucson
December - January	ATLAS Leadership Team - Receive sections of assessment to review via email on a regular basis
Thursday, January 10, 2019	JA Board Retreat - Present completed Assessment for board input, prioritization & identify preliminary Lifecycles
Tuesday, January 29, 2019 1:00 pm	ATLAS Team Meeting - Finalize organizational and table leg Lifecycles and key indicators - Come to consensus on work plan focus and Piper Capacity Request - Outline board presentation
February	Obtain bids from select vendors for technical assistance (if any)
Friday, February 15, 2019 1:00 pm	Board Meeting to Approve Assessment Report, Work Plan & Request
Thursday, February 28, 2019	ATLAS Self-Assessments due to Kim Hartmann / Susan Kenny Stevens
Thursday, April 4, 2019	ATLAS Leadership Team Meeting @ Piper Trust (1:00 - 4:30 pm)
April, 2019	Piper ATLAS investment funds distributed to Junior Achievement - 18 month capacity improvement implementation begins

Junior Achievement of Arizona | Capacity Improvement Plans 2019-2020

Capacity Activity	Assigned to JAAZ	ATLAS	Budget / Piper \$	Quarter for Completion	Desired Outcome
Capacity Priority Area: Fund Development					
<i>Goal: Use accurate fundraising data to develop an actionable strategic fundraising plan.</i>	Devo Team	ATLAS Consultant (project oversight) Fundraising Consultant	Up to \$10,000	4Q2019	<ul style="list-style-type: none"> • Outside counsel will be hired. • A written plan will be developed. • All Devo staff will have common goals and a direction to work more efficiently together.
1. Identify an outside fundraising consultant to assist in framing our analysis and creating an actionable strategic fundraising plan				2Q2019	
2. Conduct a more thorough analysis of all special events and development activities: <ul style="list-style-type: none"> • Identify accurate direct and indirect expenses • Calculate the cost-to-raise-a-dollar and ROI for each activity • Identify demand trends and lifecycles for each activity 				2Q2019	
3. Using the accurate data, facilitate sessions with Devo staff to create an actionable strategic fundraising plan				4Q2019	

Capacity Activity	Assigned to JAAZ	ATLAS Consultant	Budget / Piper \$	Quarter for Completion	Desired Outcome
Capacity Priority Area: Marketing & Branding					
<i>Goal: Refresh the brand image of JAAZ to better reflect the impact and innovation of programs.</i>	Devo & Exec	ATLAS Consultant (as needed)	Up to \$40,000	3Q2020	<ul style="list-style-type: none"> • A written RFP will be developed and distributed; A professional marketing / branding firm will be hired. • Messaging, imaging and materials will be created and utilized effectively. • A written plan for a relationship campaign will be developed and implemented. • JAAZ will be recognized as the go-to organization for youth development and financial literacy.
1. Craft an RFP to distribute to qualified branding firms. <ul style="list-style-type: none"> • Identify and interview at least three firms 	SVP Devo			3Q2019	
2. Work with selected firm to develop messaging, imaging and select materials for the “new, innovative JAAZ.”	Devo & Exec			3Q2020	
3. Develop and implement a relationship building campaign to introduce brand in a systematic way to targeted stakeholders.				3Q2020+	

Capacity Activity	Assigned to JAAZ	ATLAS	Budget / Piper \$	Quarter for Completion	Desired Outcome
Capacity Priority Area: Mission & Programs					
<i>Goal: Analyze all program lines for innovations and efficiencies to identify program and financial growth opportunities.</i>	Program Team	ATLAS Consultant			<ul style="list-style-type: none"> • Opportunities for efficiencies and growth will be identified. • Growth plans will be developed.
1. Conduct a business model analysis of all program lines				2Q2020	
2. Craft a plan for the strategic growth of programs <ul style="list-style-type: none"> • Identify accurate direct and indirect expenses • Determine if any earned revenue opportunities exist • Create a case for additional fundraising support 				2Q2020	
3. Implement the reimagination of JA BizTown (once fundraising campaign is complete)				TBD	
4. Launch digital programming (once fundraising campaign is complete)				TBD	

Capacity Activity	Assigned to JAAZ	ATLAS Consultant	Budget / Piper \$	Quarter for Completion	Desired Outcome
Capacity Priority Area: Board Governance					
<i>Goal: Build a high-impact governing and regional board structure and practices.</i>	Board Chairs & CEO	ATLAS Consultant (as needed)			<ul style="list-style-type: none"> • Statewide Governing board members will more effectively perform their role as a governing body. • Central and Southern regional boards will have clearly defined roles. • All three boards will communicate and work together effectively. • All three boards will attract high-level, high-quality members.
1. Develop a More Collaborative Communications Process Between the Three Boards. <ul style="list-style-type: none"> • Define committee structures • Develop a mechanism for sharing between SAZ and CAZ <ul style="list-style-type: none"> ○ Occasional joint meetings ○ Coordination between boards on building relationships with corporations and potential partners • Engage the Emeritus Directors in increased personal giving and/or legacy giving 					

Capacity Activity	Assigned to JAAZ	ATLAS Consultant	Budget / Piper \$	Quarter for Completion	Desired Outcome
Capacity Priority Area: Board Governance					
2. Adopt Additional Best Practices in Governance Across the Three Boards. <ul style="list-style-type: none"> • Focus board recruitment efforts for greater diversity • Include more mission moments with staff and students at board meetings • Practice more board recognition to give kudos to those who do something good • Conduct board exit interviews and celebrate their service 					
3. Define Roles and Responsibilities of All Boards. <ul style="list-style-type: none"> • Define in writing the roles and responsibilities of the governing board and the two district boards <ul style="list-style-type: none"> ○ Review roles on an ongoing basis as organization and needs evolve ○ Define metrics to demonstrate accountability against our board responsibilities {coming to Piper trainings, etc.} currently tracking attendance, giving and committee work • Communicate roles and responsibilities to the three boards to ensure all members understand the expectations of each board <ul style="list-style-type: none"> ○ Strive to be more proactive about replacing corporate members by defining the types of members being sought rather than reactively accepting whoever the company identifies ○ Define members’ roles in fundraising as ambassadors and connectors ○ Train board members on identifying their networks and engaging them in JA 					
4. Continue to build a constructive partnership with the CEO. <ul style="list-style-type: none"> • Understand the “Governance as Leadership” model of shared responsibility. 					

Capacity Activity	Assigned to JAAZ	ATLAS Consultant	Budget / Piper \$	Quarter for Completion	Desired Outcome
Capacity Priority Area: Board Governance					
<ul style="list-style-type: none"> Develop a Formal Process for CEO Evaluation, Compensation and Succession <ul style="list-style-type: none"> Formalize the existing process to make it replicable: Conduct a compensation review 					
5. Clarify Roles of Staff and Board Members Between the Three Boards. <ul style="list-style-type: none"> Develop processes for each board to have personal connection with the CEO and other staff 					

Capacity Activity	Assigned to JAAZ	ATLAS Consultant	Budget / Piper \$	Quarter for Completion	Desired Outcome
Capacity Priority Area: Facilities					
<i>Goal: Strengthen physical infrastructure by replacing much needed facility elements.</i>	Exec Team & Board				<ul style="list-style-type: none"> Key safety features will be addressed and replaced. Office space will be reconfigured and designed with safety, functionality and innovation in mind.
Identify Financing Options for Facility Improvements <ul style="list-style-type: none"> Address most pressing safety issues first (Roof, HVAC). Replace additional items as funds are raised (flooring, parking lot resurfacing, exterior improvements, etc.) As branding project is completed, utilize brand concepts for the reimagination of the workspace and common areas. <ul style="list-style-type: none"> Furnishings & equipment Technology 					