

ORAL HISTORY PROJECT

MR. JIM HAYES

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INTERVIEWER: Unknown – not identified in interview tape

INTERVIEWEE: Jim Hayes, retired CEO of Junior Achievement

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LOCATION OF INTERVIEW: Colorado Springs, CO

ABBREVIATIONS USED: JH = Jim Hayes
I = Interviewer
JA = Junior Achievement
NLC = National Leadership Conference

SUMMARY: Mr. Jim Hayes served as a JA national board member, including two years as chairman. He became CEO of Junior Achievement in 1995, serving in that position for six years. Mr. Hayes shares how he became involved with Junior Achievement, what excites him about the organization and what he sees as the strengths and challenges for the organization. Mr. Hayes touches on his experience as a classroom volunteer, the Impact 2005 initiative, the partnership between JA and the Learning Exchange, and his views on JA’s international operations.

I: Well, Jim, thank you again for having us here. We really appreciate our time with you. You are a special person and I’m just delighted that you are one of the first to help us with the project. For the record, please tell us your name.

JH: My name is Jim Hayes.

I: And tell us what positions you’ve actually held in Junior Achievement.

JH: My first position with Junior Achievement was as a member of the national board. My first exposure to Junior Achievement was at the Indianapolis National Business Hall of Fame in, I believe 1986, ’87; I’m sorry, it was ’87. It was shortly after I became publisher of *Fortune*. *Fortune* used to have a working relationship with JA to nominate and name the laureates for the National Business Hall of Fame. At the time the partnership wasn’t working well for either *Fortune* or for Junior Achievement. Shortly after I joined *Fortune*, some of my people came to me to talk about some of the things that happened at *Fortune* and they told me of this partnership. They said it’s a partnership that we want to get out of; it’s not working for *Fortune* and our recommendation is that we discontinue the relationship with Junior Achievement. So, I said, “What is Junior Achievement?” because I had never heard of Junior Achievement. I had never been to a school where it was available. It was the first I’d ever heard of this organization.

So I said, “Before we discontinue this relationship let me go see what it’s all about and then I’ll make a decision.” I agreed to go to the Hall of Fame that year in Indianapolis and I was really overwhelmed. I was totally impressed with what I saw. So, I came back and I said to my people at *Fortune* that we’re not going to discontinue that relationship, we’re going to build it because I think it is right for our magazine to be teaching kids about business and it’s the kind of relationship that we can make a lot more out of. So we did. We enhanced the relationship greatly and it became a very close partnership between JA and *Fortune*. My boss at the time was Dick Monroe, who was the CEO of Time, Inc. and on the board of JA. I went to Dick and I said, “Dick you haven’t been going to too many meetings of that board because it conflicts with our own board meetings. Would you mind if I took your place on the board?” And Dick said, “No, you can take my place. That would be wonderful. I’d be delighted to have you take my place.” So, my first position at JA was a member of the national board. I replaced Dick Monroe who had been on the board for quite some time.

I: That’s great. And then you moved on to chairman—

JH: I was chairman of the national board for a couple of years. And all along I was a classroom volunteer in New York. I taught an eight-grade class in a middle school in Manhattan. And then after being chairman of the board and member of the board I joined the staff as president in 1995.

I: Tell us about your experience in the classroom.

JH: Well, I loved it. I taught Project Business, which at the time was a 14-week course for middle school. I taught an eight-grade class at this middle school. These were all disadvantaged kids and it was in a really tough part of New York City, but it was fairly close to the Time Life building. I couldn’t do fourteen consecutive weeks, so my deal with the teacher was that I would start in September and I’d finish by June. I’d get my fourteen weeks in because I traveled a lot, I wasn’t in town a lot. I did that for six years and it was a great relationship with an inspiring teacher, Cathy Moore, who was such an inspiration as a person and as a teacher. And I had a wonderful time doing it.

I: Great. What other events and activities have you been involved in with JA?

JH: Well probably just about any event. I’ve been involved with countless local events, from local golf tournaments to local auctions, to other local fundraisers, to local board meetings. I’ve done countless of those over the last eight or nine years. I’ve been to all the staff functions of any kind, National Leadership Conference, National Business Hall of Fame. This past National Business Hall of Fame held here in Colorado Springs just a few weeks ago was the first one since 1987 that I didn’t have a role in. So, I’ve been to every one since 1987; that’s fifteen years, I think. I first had a role in it as publisher of *Fortune*, and I had a role in it as chairman of the board of JA, and then I had a role in it for six years as CEO. I’ve been to all the national golf tournaments. I can’t think of any events that I haven’t been a part of.

I: I can’t either, Jim. Tell us about special memories that you have. For example, I know that you were on SAC [Strategic Advisory Council] for a while, now called SLC, Strategic Leadership Council. I know you were deeply involved in moving that whole mission forward for the initiative Impact 2005. Tell us about that experience for you.

JH: Well, I thought it was very important that there be an elected body of field representative who could speak for the field. And in fact, its predecessor had been, I forget, it was another acronym, FOAC, Field Operations Advisory Council. But that was an appointed group, and I thought it was very important that we have an elected body of representatives who could and should speak for the field in the decision-making process. And they also would be a mechanism whereby the field communicated with national and national communicated back to the field. It was a very idealistic plan. This body would work and function in that way. And I thought being elected to it would be a very important accomplishment.

I: Were you instrumental in making that happen, in helping to plan that?

JH: Right. I thought it was a very important element and I hope that that institution continues to work well. It should not be a debating society; it should be a representative body and should speak both to the field and for the field. That was just one part of the whole Impact 2005.

I: Tell us about that, give us the big picture first and then tell us how that all came about.

JH: Well, I'll tell you how it came about. I was on the board at JA when we passed a million kids. We were all very excited about that and very proud of that. I remember we used to pay attention to the number of kids we were serving, collectively. And as that total went up, we were increasingly proud of what was being accomplished. I was one of those very proud people. Then I came out here as a staff member and began to understand more about JA. I began to understand more about the assets that it brought to its work. I remember I used to tick these off. The assets were something like this: a network that deals with 25,000 schools; 140,000 – don't hold me to my numbers but they're pretty close – 140,000 volunteers; 160 offices throughout the country servicing 3,300 counties; a curriculum that was universally heralded; 7,000 local board members plus the national board, doing something that was desperately needed in this country: to help kids understand business because our educational systems and teachers are not prepared to teach business. In many cases teachers don't know much about business, and in many cases, teachers are not necessarily predisposed towards business. Kids weren't learning about this very important aspect of American life, so I thought what we were doing was very important to society and very important to individual kid's lives.

I also found that wherever I travelled there was enormous demand for what we did. Every place I went, all the offices that I visited, I constantly heard there are more classrooms that need to have this, they're going unfulfilled because we can't raise the money or we haven't recruited the volunteers. So, I began to look at all those assets and I realized that the one million kids represented something like three percent of the kids in this country. I thought to myself, you know when you have those assets and what you're doing is so important and there's so much demand for what you're doing and there's no price resistance because we gave it to schools, that a three percent share market was totally unacceptable. And although we were very proud to have a million, the upside was just enormous. We should not be resting our laurels on the one million kids that we were reaching, we should reach out for many, many millions of more kids. That was the mentality of a businessperson. I felt that we should be very aggressive about the future and begin to build a plan or plans that would take us to far greater numbers of kids than just the one million we were doing. That started the Impact 2005 planning process. It was a time in our history when we would begin to think very aggressively about reaching out to large numbers and really push growing to a far greater number of kids.

I: How many programs did we have at that time?

JH: We had a full elementary school, full middle school, and high school programs. We had the total range of sequential classes. Elementary school had grown very rapidly from zero just a few years ago. I remember when I was sitting on the board and Karl Flemke, then the CEO [of Junior Achievement], came to us and talked about elementary school and the plans and whatnot. How in the world can you begin to teach kids in kindergarten and first grade about business and economics? I was very skeptical at the outset. But then they began to show us the curriculum. I remember that we had a board meeting in the Time Life building where they put out all the materials for each of the classes and staff people took us through and I thought, this is absolutely brilliant. And so, we went as an organization from zero kids in elementary school to millions of kids in very short order. I thought if we can do that in elementary school then we can certainly do that in the full range of classes. Based on the assets this organization has, I got very, very aggressive about the future. I thought it was important for large numbers of kids to understand this. And I was never troubled – some were troubled – by ‘you can’t grow and maintain quality.’ I’ve heard that many, many times and I’m oblivious to it. I also used to hear that in business a great deal, where you can either be the volume producer or the quality producer, but you can’t be both. Business learned how to overcome that brilliantly. Now in business if you don’t have both quality and volume the world’s going to run right over you. I felt the same kind of approach to JA’s future was the correct one. So, Impact 2005 was a very ambitious organization-wide strategic planning process to outline for ourselves a very aggressive look to the future. Originally, we went through a lot of iterations of what the mission should be. At one point I wanted JA to be in every school in America by the year 2005. That worked really well for me. I thought it was really good and I think a lot of the organization thought it was very good. But it didn’t work for enough of the organization. There was some reticence on some part to be that aggressive about the future, and I can understand that. So, what we came down to was about twenty percent of the kids. That was the first step in the strategic plan, to get twenty percent of the kids by the year 2005.

I: Where did the biggest resistance come for that in terms of what their philosophy was that debated that.

JH: Well, the point around which the debate raged was, and raged might be a little excessive, but the point was you can’t have quality and volume at the same time. I just don’t accept that. I know business wrestled with that for a long time and successfully overcame it, but that was the negative point, that you’ve got to have one or the other. I felt the program, if it’s strong enough and good enough, and the mechanism of JA was good enough, and all the pieces were good enough, then I didn’t worry about quality because I thought that we could grow and still deliver and keep the quality that we do. I mean, it’s never going to be as deep as the Harvard Business School or a summer semester at the London School of Economics, but based on the amount of time we have with those kids it’s a remarkably in-depth program. Basically, because the curriculum is so well-prepared. So, the resistance came around that point. We never, as an organization, would never have grown that aggressively. I was reminded once when I went to see one of the leading philanthropists in America, certainly perhaps *the* leading philanthropist in America on the subject of youth-serving organizations. We sat and talked for a while and he said, you know you’re the first CEO of a national not-for-profit who has ever come and talked to me about growing your organization. I began thinking about that and I realized in business to

grow is just a fundamental part of the fabric; if you don't grow, you're passé or whatever. But in the not-for-profit world, to grow meant that you have to raise more money, and you have to recruit more volunteers. All of us felt we were maxed out and growth was a very difficult thing to think about. Growth was a very unpopular word in the not-for-profit world. I think there was just some inherent resistance on that.

I: So, from the time you started with Impact 2005 to the time that you left that initiative, what was the growth?

JH: The growth started out the first couple of years very aggressively, we were like 17-18-19 percent for a couple of years and then it slowed down and it got closer to the 8-9-10 percent range. Last year, as a matter of fact, it kind of got down around 7-8 percent.

I: What do you feel is the greatest accomplishment in that whole arena as you transformed that mentality.

JH: Well, I'm not the one to answer that question but I'll give it a go. I think getting the organization to think differently about itself was very important. And getting them to see themselves in a larger context, whether it be twenty percent or nineteen percent. I think helping the organization understand just how important it was and how the opportunities for the future were really so vast. I think the organization is very insular. I think it kind of focuses within itself and I don't think there's enough understanding or appreciating the outside world and the universe in which the organization functions. Whenever I talked about – and I did this a lot – talked about Impact 2005 with people outside the organization, funders or businesspeople, they just were dazzled by it. They loved the aggressiveness of it and they loved the ambition of it because it's important, it's necessary. We're not selling a pig in a poke here; this is something that's desperately needed by large numbers of young people. And I think whether the organization accepted the twenty percent or would have preferred eleven or twelve percent is, well, it's not the issue. I think just getting the organization to feel more aggressively about its future was an important step.

I: And I know, Jim, that you were not playing a numbers game. I know that for you it was how many children can we impact, how many lives can we really make a difference for. Can you expand on that a little bit?

JH: Sure. Somebody asked me the other day what did I miss. I miss not being part of an organization that does this kind of work, that does such valuable things for kids. That said, if you do that and if you believe that, then you'll want to do it for more kids and ultimately you want to do it for all kids. I was always kind of frustrated by an attitude that we can't do that, yet we almost have to do that. I mean, there's no choice. Who else is going to do that? Who else is going to help kids understand free enterprise and business? How can we ask kids to ultimately champion free enterprise and business when they become adults if they can't understand it? It is such an important part of our culture and in the last couple of months we've seen the worst of free enterprise with some of the atrocities that are going on in the corner offices of a lot of big corporations. It's just deplorable behavior. I daresay helping kids understand is a very important job, so when they get to that position of life, they behave a little bit differently. So, I was very determined to reach as many kids as possible, that the kids deserved it and they needed it. I think if you believe in the work of the organization how can you not say, gosh we've got to get to

every kid. And once you say that, you've got to get to every kid. Then the first step is let's get twenty percent or ten percent, or whatever it is. You've got to start down that path. And if you don't think you should do it for every kid, well what kids to you leave behind? I mean, the Irish kids? How do you discern what children should not be included in what you're doing? And I, to this day, feel every kid in America. I think the mission statement is brilliant – to ensure that every child in America has a fundamental understanding of free enterprise – that's brilliant. It's right for the country, and it's right for kids.

I: How long have we had that mission statement?

JH: I think that like in 19— that came out, in fact, in 2005. We had the purpose and the mission, and those words got a little murky. They always do get murky. Somebody said the reason you have management consultants these days is to define the terms. In our case we had a purpose statement, and that was to educate and inspire young people to value free enterprise, business, and economics in order to improve the quality of their lives. And then the mission that we fulfill, that we address in order to get there, is to ensure that every child in America has a fundamental understanding of the free enterprise. And the first step along that path, the first strategic step was to get twenty percent of the kids.

I: Was there anything else you want to share on the Impact 2005 initiative?

JH: Well, in hindsight, I wish I had done another piece to it. There was a very interesting speech that John Clendenin, who was then chairman of our board, the CEO of Bell South, he made to the NLC, when it was called – what is it called now?

I: That's what it's called now.

JH: What was it called then? NTS or whatever. It was right after the board had adopted Impact 2005, so it had been approved and planned by this group of seventy-eight, seventy-nine professional staff members, field and national personnel. And we had worked with some local board members. Finally, at a meeting in New York, the national board adopted Impact 2005 as the official strategy for the organization. In his remarks to NTS, or whatever it was that year, John Clendenin said, "Now that we've done that, it's everybody's responsibility to make this work." And that was a very key – that's how I viewed it, albeit maybe naively, but that's what my experience is. That when an organization adopts something, I mean you could disagree, but the argument is over. We're going to do this. The board has approved this now and this is what we're going to do. And then it becomes everybody's responsibility to make it happen. So, I heard what John said because I agreed with that, I felt that way, that was my feeling as well. We'd come through a rigorous strategic planning process, some of it painful, some of it gut-wrenching, some of it difficult for a lot of people, but we came through it and here was our plan. Now it's up to everyone to make this work. And I think I kind of naively believed that that would be the spirit of the land. But it wasn't the spirit of the land, though in many cases it was. But I think I relied too much on everybody jumping in there and doing their piece. And if I had to do it over again, I would make sure that everybody had a better understanding of what their piece was. And to help more people figure out how to make their jobs more effective.

I: I've always been rather curious about maybe creating a model for making that happen, to make it easier for people, and we have the difficulty, of course, of having autonomous

organizations, not a true franchise. How does that fit in with what we could have done differently?

JH: Well, I wanted to do that, too. I wanted to take an office and make it a company-owned store and put our resources into that, honest to God. A city, franchise, major city in this country, and turn it into just that. A skunkworks, whatever you want to call the terminology, a test, a model, and put resources in there, try different things, see how they react, I thought it was a great idea. I tried to do it in our nation's capital and wasn't able to. I talked to Bill Freeman about it. Of course, you ran into those autonomous issues that got in the way of doing it. Just so we could demonstrate, could try things, you could try different ideas, different approaches, do different things with people, your staff. I thought it was a wonderful idea. But I wasn't able to get that done. But I still think it's a very good idea. You could demonstrate what could be done, put some very interesting people in there, and let them demonstrate to the rest of the organization what can be done. One of the best-run organizations in this country, I might be a little out of date here, is Ritz Carlton Hotels. I used to know the CEO there very well, Horst Schultze, who was a brilliant executive and manager. When he had sixteen hotels, I don't know how many they have now, before he implemented any plan, he would test it in one of his hotels for a year. You do this, you figure out, here's the idea. I don't know what the idea might be, but you go test it in your hotel for a year. Then come back to the rest of the organization and show how it works. So, everything was tested before it was implemented, determined to be a good idea, then, all right, now the rest of you get in line and we'll do this.

I: Fascinating.

JH: You touched on a very interesting point. I think a skunkworks, or a test, would still be an excellent idea. You have to define the art of the possible and that's one way to do it.

I: Absolutely, and we have many best practices out there that can all be brought together. I would agree with you. Have you thought about some of the other activities you were involved in? You were deeply involved in pretty much everything, you had your hand on the pulse of the whole organization and were deeply involved with many of the different task forces and initiatives that came around. What were some of the others that you could tell us about?

JH: Well, some of the work on high school was really interesting because it's a very tough market for Junior Achievement. The competition for high school students' time is great. The calendar is already full, and for us to get in there with our programs is very difficult. I used to argue that I thought the need for what we do is probably greater at the high school level than at any other level. And those were our roots, high school, that's where we started. We were a high school program the first fifty-sixty years of this organization and it was only relatively recently that we started middle school and very recently elementary school. So, I thought trying to get back to high school and to try to rebuild our position there was very important. And I think some very good work was done on that. I think some excellent work was done on the whole issue of delivering our services or our programs by way of technology. That world was exploding around us and we had to figure out how to use it because kids understood it so far better than we did. That's how they wanted to learn, that's how they wanted to see things and experience things, and so a lot of the work that went into that was very important, very pressing.

I: In relation to the state mandates now, it is often said that is one of our greatest challenges. How do we meet the needs of the teacher who has to meet those requirements, and sometimes don't have enough hours in the day, to be able to bring JA in to make that part of their curriculum? How do you see us meeting that kind of a challenge?

JH: I didn't think that JA should overtly get involved with the debate over mandates, because that's a highly politicized issue within education and I thought it was very important for JA to remain neutral on those issues. We talked about how we might be able to influence state mandate decisions through our business partners in those states and they should lobby as opposed to our lobbying. You get in the middle of those debates and suddenly half the people don't like you, and we've never been there. I remember a man by the name of Frank Newman, who was the head of the Education Commission of the States, one of the leading thinkers of public education in this country, came and spent a day with us. I had known Frank very well from some other work I had done. He spent a day and listened to all our programs. He said when he left us, "I can't believe that you guys haven't gotten in trouble with educators, that you've been able to stay out of all the debates. You're huge, in more than twenty-five thousand schools and you've got all these kids. How you've been able to stay out of the fray is remarkable because there are so many politicized debated issues in education." So, I thought it was very important for us to stay out of those debates. We're going to urge our local business partners to lobby their Secretaries of Education instead.

I: Fascinating. And I presume that that's been debated quite a bit then in some of the meetings that you've been at.

JH: Right, but I don't think it's a debate. I think that people really accepted that that's the way to do it. I mean, for example, every state has a Secretary of Education or a Director of Education, or some leading principal education official in that state. I wonder how many of those we're talking to? I'll bet the number is pretty few because that's not a fundamental responsibility of how you run an office. But those people are very important in determining the future of this organization. Have them on your side and things are going to be somewhat facilitated great; if they don't like it, they don't understand you. I went to see Pete Wilson once, who was the governor of California at the time, and I had known him before. He said, "I'm so happy to hear you're with JA. I've been a great fan of JA. When I was mayor of San Diego, I was very actively involved with you guys. I know all about you. You're one of the great organizations and this is just terrific." We talked for about ten-fifteen-twenty minutes and I mentioned our classrooms and he said, "Oh, you're in the classrooms now, I didn't realize you're in the classrooms." So, here's the Governor of one of the largest states who thought he knew us inside out and backwards, and he had no idea what was going on with us. And the fact that he didn't know that we were in classrooms is surprising for somebody who said he knew all about us. I think that some of those issues definitely have bearing on the future of this organization. I think the organization has to be very careful how they address them so as not to get caught up in the quagmire of vicious debate over highly politicized issues. It's just like vouchers, are you a pro-voucher person or an anti-voucher person? We all have opinions, but I don't think JA should articulate that opinion because suddenly half the people don't like you anymore. And they are no longer supportive of you.

I: Are there any other activities that you were involved in that you can tell us about, kind of paint a picture for us?

JH: Any other activities—

I: Well, about National Leadership Conference or some of the other trainings that we've had, regional conferences and so on. What was your view of those? Were they beneficial?

JH: I thought they were hugely beneficial. I think it's essential to bring as many of your professional people together once a year, sit down, say here's what we're doing boys and girls, this is how things are going, this is how well you're doing. Yes, I think it's essential to sit everybody down at least once a year and talk about where the organization's going, what are the priorities, what are the barriers. Yes, I think those kinds of meetings are essential. Then there are all the ancillary benefits as well. Networking and bonding and all those things that are very important to an organization's well-being. In my remarks, I always tried to let them know what I was thinking about. These are the things I think about in JA, the good and the bad, the challenging, the rewarding. I always tried to let them understand what I was thinking about.

I: What was going on in the country during your career as president, as chairman of the board, that you think affected Junior Achievement?

JH: I think there was a growing awareness of the plight of the kids in this country, all those statistics that I used to talk about a lot. The concern about a well-prepared workforce was a huge issue, and it was a national issue. Both of those issues affected JA immediately because JA is arguably a mechanism for getting at both of those issues in a very meaningful way. I think there was great prosperity in the land, it was a time of unrelenting economic expansion. That helped JA. I think it was also a time when a lot of successful people were thinking about doing something more significant with their lives. They had had material success and they wanted to do something of—I don't like this terminology, but it is the terminology, this whole 'giving back' concept. The wording just troubles me a little bit. But I think a lot of people were wanting to give back and that helped JA. I think a lot of big CEOs were expected to take an active role with social issues in their communities or in their markets, and that helped JA. I think boards are expecting different kinds of behaviors of their CEOs now. While there's not the kind of economic expansion that we saw during the '90s, I think boards want their CEOs to pay more attention to what's going on in the house with attention to detail. Now, particularly, after all these scandals of the last six months. That's going to further encourage boards to say, "I know that your job is right there in the corner office. You're not up there to solve the problems of Sarah Lawrence University or whatever the social issue might be."

I remember the first time I met John Clendenin, who was for years one of the most heralded CEOs in America by far, and at BellSouth for all those years. I was going to sit at a dais with him before I was involved with JA, and I got his bio. I was staggered by all the not-for-profit slash social sector boards he sat on: Boy Scouts, Girl Scouts, an endless list, universities, local, national things, JA of course. I remember saying to him, John, where do you find time to do all that. And he said to me— this was the first conversation I ever had with him and we became very close as the years went by; He said, "I have nine grandchildren." The point being, kids in this country need that, and if I'm in a position to provide some wherewithal, some intelligence, whatever it might be for that, then I'll do it because I think it's very important. And I think John at the time maybe was an exception, but it was not unusual for CEOs to be actively involved with lots of different activities, national and local. I don't think that kind of ability is going to be

there and will affect JA, unfortunately, because you get a CEO involved, he or she brings along a lot of resources that can help an institution or organization.

I: Speaking of that, Jim, you have an illustrious career yourself with background in the publishing industry and a variety of other experiences that you brought that to the table for Junior Achievement. Do you feel it's essential for all leaders in the organization to bring something of that magnitude to Junior Achievement?

JH: No, I don't think it's essential, I think it is very helpful. But I don't think it's essential.

I: Do you feel that Junior Achievement utilized those wonderful resources that you brought to the table sufficiently?

JH: No. No, I don't think so. I think the organization could have taken a lot better advantage of me; truth be known.

I: I certainly felt the same way.

JH: I think one of the most effective CEOs in the not-for-profit world right now is Roxanne Spillett who runs the Boys & Girls Clubs. Her background is totally Boys & Girls Clubs, and she's doing an outstanding job. I think it's helpful for some very tangible reasons. One, you bring a different perspective, not one that is honed and molded and created over the years of dealing with just one organization. You bring a different perspective; you bring a whole new network of friends and contacts and acquaintances. And that's very important. You bring in a breath of fresh air. Change agents most often come from the outside. I never thought of myself as a change agent, but the fact remains that organizations are most often changed by people that come from the outside. Or people that come from the periphery of an organization. And meaningful, significant change seldom comes from the core. That's just historic.

I: And Junior Achievement has a history of bringing people up through the organization, which is a good thing too—

JH: I agree completely.

I: An oftentimes, I would say, fail to look at outside resources from that perspective. Do you feel that it would be beneficial for them to do so in the future?

JH: Well, I don't think there's a general answer to that. I think undoubtedly there will be candidates that will emerge who will be superb national CEOs, but if there's nobody waiting in the wings at that point then always a good reason to turn to the outside. And I think the different perspective is important. I think it's very helpful to have a really good understanding of the world outside, particularly for an organization like JA because their support comes from the business community. So, a business background or experience in the business world and experience with business people can only help, but I don't think it's essential.

I: As I look back on the various generations, back to even our grandparent's day, leadership styles have changed tremendously. They've had to change because of the changing climate of the populace. How do you see leadership having to change for Junior Achievement? In conjunction with that, I've heard a variety of people tell me, oh gosh kids have never changed,

kids are the same. But there are different cultural changes that are taking place. So, if we are to meet the needs of kids, and we're to teach kids about business, how should we respond to that in relation to our leaders? How should our leaders respond to that?

JH: Well, I think there are a couple of questions there. I made a speech the other night to a group of businesspeople about leadership and about how leadership has changed and how we view it differently. One of the ways we view it differently is that leadership used to be in the province of a distant few. It was the CEO in the corner office, it was the military leadership, our elected officials in Washington or in state capitols. We said leadership is really in the hands of very few people; the rest of us are here to manage the affairs of our organization and make sure things get done. I think now we view leadership very differently. The title of my talk was *All Levels, All Sectors, All of Us*. Now we look for leadership at all levels of an organization in all kinds of organizations. And it's all of us. We all have a leadership role. I think that's one of the most significant changes in leadership in this country in the last twenty-five years. It's no longer just the general in the big tent, or the CEO in the corner office. It's every one of us, and we lead our organizations, be they states or nations or cities or corporations or schools or classes or families or teams or whatever. There's a leadership role for all of us. That's one of the reasons why the Leadership Academy was founded, to try to help people view their jobs as leaders within this organization. That was another program that I was very much involved with from the beginning and felt that it's a mechanism, it's an experience that really should build a stronger cadre of well-informed, comprehensive leaders at all levels of the organization.

I believe there's been a huge change in leadership. And I also think the qualities of leadership are different, the characteristics of leadership are different. It is far less dictatorial, because a thinking public or constituency is not going to sit still for that. We used to sit up there and say, "Alright now, Kevin here's how to do your job, here's what you've got to do and you've until Saturday to get it done." Now we say, "Kim, how can we make better use of this, you tell me how to run your affairs. I'm too far distant, I don't know enough about it. You're closer to your job." Now we ask people how they should do their jobs better. That makes good sense because, again, they understand their jobs better than anybody else. And I think today we really have to demonstrate a care for our people and do things in a meaningful way to demonstrate caring for our people. I don't think our institutions really did care that much about their people. Savage thing to say, but I don't think we really cared enough about our constituents when we were in yesteryear. It was a dictatorial, top-down, take it or leave it, this is it, this is how we're going to do it. And now people don't want to be treated that way anymore. They're not going to be motivated that way and motivation is a huge piece.

I: And if we are in fact teaching about business, how does that relate to what Junior Achievement needs to do to be a forerunner in all of that?

JH: Well, you've got to walk the talk. Everybody. And I think people in the not-for-profit world have to answer to a higher calling. I think that they have to behave in a way that is exemplary. I don't think you can deal with kids in one fashion and then deal with your personal life or your business life in another fashion. It's got to be consistent.

I: Thank you, Jim. Now, talk about some of the people that you've been deeply involved in in relation to JA. Who are the people who have influenced your life?

JH: Well, Karl Flemke had an enormous influence on me in this regard. When I think of all the people I've worked with he was the one that really— We were only friends for a relatively short period of time, about five or six years, but became very close friends very quickly. I learned so much from him about this organization. One of things I said at his funeral was that we had become friends at an advanced state in life. Most of the time when you think about your closest friends, they're the people you grew up with, that you went to school with, went in the Army with, whatever it was. And it was so refreshing to meet somebody at a relatively advanced state in life and become so close. I thought it was an interesting lesson. I thought Karl was a great champion of kids and I just thought, that's the highest of callings. That's what I said at his funeral. I said when it's all said and done, this guy was a champion for kids. Mary [Flemke] called me up right after he had died and said I should come to his funeral. I was in New York then. She said, "Would you come and talk at his funeral?" I said, "I will do it, sure."

I got out here the afternoon before the funeral and went to the funeral home, then went up to my room at the Antlers to write my remarks. The funeral was at 2:00 in the afternoon the next day. I sat there all night long and couldn't think of one thing to say. All night long. I never went to bed. I sat there and said, what am I going to do? And then it got to be noon, I'm still sitting there, and I haven't been able to put one word down on paper. I've known this to happen to others. It never happened to me before, but I've seen it happen to writers. So, it got to be quarter to one, and then around 1:00 I started to write. I was late for the funeral. I was literally screeching into the parking lot. I wasn't late, it turned out, but that's how up against the wall I was. Maybe about three months later I went back and looked at what I had written, and I couldn't improve one word. I always go back and look at the stuff I've written, and I can always improve. I can do it ten years later, I mean, after ten different edits I can make it better. But I've looked at this piece of copy for one reason or another and I've never been able to improve on it. I don't know what that says or means, but Karl had an enormous influence on me and I think if it were not for Karl, I wouldn't have come to Junior Achievement. He'd been dead for almost a year by the time I got here, but he had wanted me to do it a long time ago, he wanted me to be his successor. But I had decided to do something different and so I said, "No I can't do this." He was sorely disappointed with that. But of all the people, he had an enormous influence on me in this organization.

There are other people who— There's a guy by the name of Brad Butler, CEO of Proctor & Gamble, who left Proctor & Gamble early to devote his life to educational reform. I got to know Brad very well. Brad was an incredible inspiration to me. He's why I left the publishing business and got involved with kids' issues. There are several people like that. Bob Galvin who is the CEO of Motorola. I just admired them so much for what they were doing with their lives and how they identified something that they really wanted to do, an issue that was a great concern to them, well-being of kids, and then they went and sold out. So, I followed their footsteps in terms of leaving the for-profit world and getting involved in the not-for-profit world. Those are the people who really influenced me enormously.

I: As you look back, Jim, in retrospect, what's probably the most memorable experience that you've had, good or bad, with Junior Achievement?

JH: Gosh, I'm going to have to think about this for a little bit because there were some terrific experiences. I loved teaching, I loved interacting with kids. I think probably my favorite moments were talking to kids, be they elementary school kids or high school kids. Those are the

quick memories that come to mind. I loved talking to the boards. I think the local boards viewed things very much the same way I did. Again, I think I brought a business mentality and a business approach to the not-for-profit world, and I don't think that's necessarily a very popular thing. I remember I gave a speech at the Independent Sector annual meeting once. I knew exactly what I was doing; I talked about some of the things that the not-for-profit world could and should learn from the for-profit world. There were gasps in the audience. I could hear them, audible gasps. But I got dozens of letters later on from people saying that it had to be said. So, I loved talking to businesspeople about JA, its role, what it could mean to a community.

I: And the influence we have on kids. What influence would you say, what kind of impact, how would you describe the impact.

JH: It is so multi-faceted. I remember sitting next to a lad once at a dinner in Sacramento, he was like fifth grade. I can still see the young man; he was very poised. He was a speaker that night at dinner. I remember asking him what Junior Achievement had meant to him. He said, "Well, I always thought there were only three careers available to me: teacher, factory worker, or nurse; my father was a factory worker, my mother's a nurse. I always thought that that was all I could do. After JA, I now know there's a whole range of things I can do. I can do anything I want to." I said, "So what are you going to do?" He said, "I want to be Secretary of State." I thought it was great. JA had opened up his eyes to career opportunities.

I remember once I was— I think this was as meaningful experience as I've had, and you might have heard me tell this story, too. I had this one kid in my school back in New York when I was teaching. A cute little guy, and I could never get a word out of him. All year long he never looked at me, never asked a question. I used to have all the kids come out to my house for a day in the country after they graduated. He came out but never talked to me. I talked to Cathy Morrow, the teacher, about that and she said, "That's Robert, very shy and very quiet." So, I just figured there's a kid that for some reason or another I didn't ever get to. He came to the house and that that was it, I never saw the kids again. Then about two or three weeks later I got a letter from his mother and it absolutely knocked my socks off. It wasn't about me, but it was about volunteers in kids' lives. She said, I can remember some of the phrases, she said, "Thank God there are people like you who are willing to give their time to our kids. I'm a single parent. You have eased my path as a single parent." And then she went on to say, "He was always so excited when he knew you were coming to class. And then when he came home that night, he would tell me the things you talked about." And she listed them. You can never know how these little nippers, or these little minds, react to you. That experience blew me away. Then I had the little girl ask me if sex was fun. [laughter] Cathy Morrow always knew when I was going to get there, because I would call her two days before and say, this Friday's good. So, she'd tell the kids, "He's coming in on Friday." I would get to the class and wait outside until she was finished doing whatever she was doing. Then I'd walk across the front of the room and put my jacket on the desk. This time I got halfway across the room and this tiny little girl in the front row said, "Mr. Hayes is sex fun?" [laughter]

I: Did you stop in your tracks?

JH: I stopped in my tracks big time. And Cathy Morrow jumped in there said, "Oh, the reason Jennifer is asking that is because we were just talking about sex education."

I: And how old were these children?

JH: They were eight-graders.

I: Oh, my goodness.

JH: But Jennifer was exasperated. She said, “Well, Mr. Hayes?” [laughter] Now I got lucky that day because I was planning on talking to them about respecting institutions. I was all set to talk about respecting people, institutions, property, stuff like that. So I said, “If you show it the proper respect and you don’t take advantage of it or belittle it; if you handle it with the proper respect then yes, it’s a lot of fun.” [laughter] But, you’ve got to handle it that way. That was a memorable moment of my life in the classroom.

I: I’m sure, and in her life as well.

JH: Well, I’ll tell you what’s interesting. That year she came to my house. A tiny little girl, very soft-spoken little girl, adorable little girl. She called me the night before she came to my house and said, “Mr. Hayes, can I bring a friend?” I said, “No, Jennifer, you can’t. That’s the rule. Nobody’s bringing friends, it’s just the class, that’s it.” Well, she came to my house and— How old were you when you were in eighth grade?

I: Could be twelve.

JH: Twelve, thirteen, yeah. She was at my house all day long and she couldn’t have been nicer or sweeter. That summer went by and I was talking to Cathy Morrow in preparation for next year. She said, “Remember little Jennifer?” I said, “Of course I remember little Jennifer.” She said, “Well, Jennifer’s pregnant, about to have a baby. And the friend she wanted to bring was her boyfriend.” So that life got off the track.

I: You sure do have a wide variety of experiences in going to that classroom.

JH: Oh, yeah. And the more they see of you, the more they’re willing to share, if they trust you and feel they have any kind of rapport with you.

I: It’s true, a conveyance of trust.

JH: I think another really important experience was— Anthony Hall is a very interesting man. Is he active with the board these days?

I: I have not heard the name before.

JH: Well, he’s a great man and I’ve known Anthony for years, first as a board member myself. Anthony, one day, said to me, “I want you to speak to the Boulé.” I said, “Fine.” He said, “Someday I want you to speak to the Boulé.” I had really paid it no heed at all. And time would go by and he’d say, “I’m serious about this Boulé. Maybe next year, maybe next August or September, we’ll get you to speak to the Boulé.” So, I better figure out what a Boulé is. I knew it was an African American organization. I asked some of my friends in the African American community, “What’s a Boulé?” “I don’t know, never heard of the Boulé.” I asked some very successful African American leaders in this country, and they never heard of Boulé. I finally found somebody who told me what the Boulé is. The Boulé now is probably a hundred years

old. When I spoke to them, I think they were ninety-two or ninety-three years old. It had been a secret organization in the Black community for decades. No one knew about them. And it had no agenda whatsoever. The model was, I think, to get to know one another or to get to know the best of us, or something like that. It was purely social. Every prominent Black leader in this country – no entertainers, the entertainment community is not part of it – lawyers, doctors, businesspeople, some politicians, are members of the Boulé. For years they had secret meetings. It was purely social. Anthony was president of it; he was head of the Boulé. This was an incredibly powerful group of business leaders, all men. He wanted to begin to use the potential leverage or influence of this group, so he got them to agree to do a series of white papers on issues that affected the Black community. Then he asked me to speak to them. I spoke to them about looking after kids and education issues. I was the first White man ever to speak to that organization. And if you don't think that knocked my socks off. The meeting was held in Seattle. Bill Clinton had wanted to be the first one to speak there, but I was the first [White man] that ever spoke to them.

My introduction was really interesting. There were eight hundred men there. I sat there in the front of the room with Anthony and I watched these guys walk in. They walked past me and I'm sure they were thinking, what the hell's going on here today. [laughter] They were eight hundred strong. Anthony's introduction was this: he said, "I want to meet my friend Jim Hayes. Jim doesn't look like anybody in this room, and no one in this room looks like Jim. But I just want Jim to talk about some of things he thinks about and about the organization that he's now leading." He didn't get into *Fortune Magazine* or anything else; no, that was it. That was the introduction. They have a name, it's a Greek name. They don't call each other brothers or sir, it's a name for it, sort of like Archduke, I mean it's a Latin or Greek name. They're all called Archduke. So, when I got up there, the devil made me do this. [laughter] I said, "Thank you, Anthony, for the nice introduction. You're right, I don't look like anybody here and none of you guys look like me. Anthony's right about that. However, as I'm looking here, I've seen a lot of Archdukes here with the same color hair as mine." [laughter] It was really good. I've given a lot a speech in my life, and I have never been more warmly received. And to have been the first White person to address that group was an incredible honor. That was a big moment.

I: And how did they receive your story about Junior Achievement.

JH: Oh, we had a wonderful time. What's interesting, since that time I have been in maybe four or five situations where people have come up to me and said, "You addressed the Boulé, right?" And I said, "That's right." I was up at the practice tee at Castle Pines a year ago and this guy came up to me and said, "Hi, my name's Milton Carol. I hear you addressed the Boulé." And it's happened about four or five times. It's really something.

I: What a wonderful experience. Well, Jim, let's talk about what do you see are the greatest failures of Junior Achievement in the last eighty-some years.

JH: Well, I don't think it's a failure, but I do think that the organization could be a lot more aggressive about itself. I think it should be much more determined and demand of itself to reach out to a hell of a lot more kids. I mean, four million kids are great, but there are like over a hundred million kids in school now, I forget the number. I think they should be absolutely determined and relentless to walk down that path to get to as many kids as possible as quickly as possible. And I think until the organization makes that commitment, collectively and universally

and cohesively, they'll be selling themselves short. They won't be the great winner that they should be.

I: And by the same token, what do you see are the greatest successes?

JH: I think any of the curriculum. The ultimate impact that it has on kids in the greatest success, and that's measured one at a time, over a period of time.

I: Do you have a favorite program?

JH: I love Project Business because it was the first one. I taught it and it was very comprehensive and it was all-inclusive, and it was terrific. I guess we've gotten away from it and it's a little hard to get volunteers to commit to fourteen weeks. I love the elementary school program because I think it is so insightful for kids and to get them thinking these ways and about these things at that point in life is remarkable.

I: There is talk of blending some of the programs together, retiring some and blending some of them together—

JH: Is that right?

I: —similar to what's been done in the past. Do you see that as a—

JH: I don't know anything about that. Would that mean that you would eliminate programs?

I: That's my understanding, that they're at least looking at the possibility of—

JH: Like taking out third grade, or—

I: Yes. I'm not sure which ones at this point, but they're looking at which have the deepest impact on the students.

JH: Well, if—

I: Planned obsolescence, I believe it is.

JH: If the third grade, or whatever grade, is deemed to be less impactful than grades one, two, four, five, and six, my first decision would not be to eliminate third grade; it would be to figure out how to make third grade every bit as impactful as the grades around it. I think the idea of sequential education is terrific. I think the idea of having it every single year is terrific. I was first skeptical of that theory, but I learned to be a supporter of it. I think thoughtful teachers would prefer that also. And if there's a weak program, fine, bolster it up, just don't do away with it.

I: In relation to—

JH: Like Harley Davidson. They were a bust, they were just about to go out of business. Then somebody came along and built a better bike and took advantage of the name and now it's one of the most successful corporations in America. I mean, it's right to teach the third grader just as it's right to teach the second grader or a fifth grader. And if it's less impactful I'd challenge the

educators to make it more impactful. In elementary school you have six weeks, six sessions, six hours. I would not take a year out. I'd bolster the year somehow or another.

I: You talked a little bit before about some of the things if you had it to do over again, what you would do differently. Do you want to expand on that in any other way?

JH: Well, I wish I had been better prepared when I came to JA. I wish that I had understood the structural issues, the political dynamics. I wish I had understood that better because I was probably a little naive to all that, I was totally naive to all that. I just wish I had been better— If I had taken Karl's place, for example, this is hypothesizing, I'm sure Karl would have said, "Here are some things you should understand." And I would have been better equipped to deal with some of those things. But my predecessor and I never overlapped for a day so I had to figure it out for myself. I learned a lot in those six years about the political dynamics of not-for-profit organizations way beyond JA. I think there's a lot of divisiveness within the not-for-profit sector and it's not just JA. The universities are the worst! I just wish I had been able to deal with that better because I thought, as we talked earlier, about how once the organization adopts a plan, that becomes the plan, everyone goes and does it. Everybody takes upon themselves the responsibility to make their piece work as well as they can. If I had been better prepared for those sorts of energies, I probably could have handled it better, I might have been able to make a little more progress in that regard. I think that for any organization that is trying to maximize its effectiveness, to be divisive gets right smack dab in the way of being as effective as you can be. And that's a big issue.

I sit on the board of a school for social enterprise up at the Harvard Business School. It's all about MBA candidates who want to have careers in the not-for-profit sector. We talk a lot about dynamic tension. Successful businesses are built on some dynamic tension, but it can be excessive and it can be divisive and it can undermine an organization's ability to as effective as it can. I wish I could have done more with that. I wish I understood it better at the outset because I could tell you, in that kind of environment there's a very good possibility that my management skills aren't really well-suited for it. I thought about that a lot. But somewhere in there is not necessarily a regret, but if I had it to do over again, I wish I had been better prepared because I believe in organizational effectiveness. I think business is really good at it. I learned a lot of lessons in the last twenty-five years, and the literature that's been written about organizations is extensive. I just don't think I was able to maximize the effectiveness of JA as much as I would like to have.

I: So, I hear you saying that that kind of dynamic isn't unique to Junior Achievement.

JH: True.

I: I always wondered about that.

JH: No. I had dinner one night with three chairmen of the National Urban League; they happen to be friends of mine. They were talking about the issues they had to deal with and they bring in outside speakers to talk to their people about this, trying to get beyond it. It's been a factor in the Boy Scouts, it's been a factor in NAACPs, it's been a factor in Boys & Girls Clubs. Where you have grassroots organizations and you have local autonomy and you have a national headquarters, very often these tensions are very typical. As a matter of fact, some organizations

are a lot worse than JA in that regard. I just think it's important because the beneficiaries of that organization are not being rewarded as much as they should. In our case, it's the kids.

I: I remember you said to me once that the Boys & Girls Club does an extraordinary job of fund raising, far better than JA does. Can you tell us a little bit about that and how we might benefit from that understanding?

JH: Well, having a place to go, a safe haven, is a terrific boon to their fund-raising activities. It's very easy to understand and see the impact they're having on kids. It's a little harder to make that connection with JA. I mean a potential funder can go sit across the street from a Boys & Girls Club and see the kids come in there and have a safe, productive, good afternoon. They're way down the road with cause-related marketing. They're the best right now with cause-related marketing. One of the principal tenets of effective cause-related marketing is building relationships, and that takes a long, long time. You've got to hang in there with these people and you've got to build a relationship. It might take years. I think that sometimes we're a little impatient in wanting a return quickly. Boys & Girls Clubs really tills those fields very intelligently and very successfully for a long time. We kind of dart in there and dart out. I don't think we have that enduring commitment.

I: I remember hearing from a variety of people that we're living in an age of competition and certainly we know that another organization could come in and duplicate what JA's doing and it might be overcapitalized and, you know, walk in and take away a great deal of our market. But I think I heard you say, too, that it's also the age of collaboration, and...

JH: Should be.

I: How can we transform that age of competition mentality?

JH: I have said facetiously many times that what the not-for-profit sector needs is a good investment banker. And I say it partially facetiously and partially seriously, because one of the things that business learned in the '70s, '80s was this whole world of strategic alliances, and mergers and acquisitions. They went through a very painful period where companies were bought and sold, divisions were spun off because they weren't part of the core business. But as a result, business became a lot more efficient, a lot more effective, and better-run. I think the not-for-profit sector should do that, too. There are too many organizations that have duplicated one another. I'm working on a project here in Colorado Springs. There are, I don't know how many, like eight or nine organizations that teach leadership to people in Colorado Springs. They're all fighting for the same donor dollar, their competing programs are very hard to get. Some of them aren't easy to discriminate between. Colorado Springs doesn't need eight organizations with eight sets of funders, so we're bringing those together. It's going very slowly. But in business, if you want to buy or merge or acquire somebody, you call your investment banker and you say, I'm thinking about buying XYZ Company, do some due diligence and tell me what the deal is. And they come back and say, well, here are the assets, here are the liabilities, and they don't want to be sold. You could do it, but it's going to cost you whatever. And you go do it, or you don't do it.

I tried to merge with several organizations in my days with JA, and I thought I had it all pretty well set up on a couple of them. The one that intrigued me the most was the National Council

for Economic Education. They used to be the Joint Council. The National Council for Economic Education. I met with that president several times. I met with several of his board members who were friends of mine. I thought I had everybody convinced that we should get together, that we should merge. What the National Council does, they teach teachers to teach economics. I thought if you really want to enrich the experience for the kids, you have the JA volunteer, the JA curriculum, working with a teacher who understands economics and business. That's the best way from the student's standpoint. And they agreed with that. I had a lot of meetings and talked to some of their principle funders who were friends of mine who were all supportive. You guys should get together, JA should be the surviving organization and you should be able to train teachers. Because there's a lot of confusion in the philanthropic arena: Didn't I just give to that? No, that was National Council. They teach teachers, we teach kids. That confusion. Finally, I had arranged this meeting of the board and their senior staff guy, my counterpart, who was in agreement; his previous board chair, who was a friend of mine; and my board chair. We all went up to the CEO of International Paper who happened to be board chair of the National Council. We sat there and I thought it was all set up, but everybody ran like little scalded dogs. Let's talk about it some more, let's try some things to have a stronger reach in markets. So, it kind of went away, and that's too bad because it was a good idea. Then I tried to— you know NFTE?

I: No, what's that?

JH: NFTE, National Foundation for Teaching Entrepreneurship. Steve Mariotti is a really neat guy, he founded this program that, by his own overt admission, was kind of a JA knock-off. He teaches disadvantaged kids how to start businesses. How to write a business plan and how to start businesses. He only has about ten thousand kids in this program, but he's really good at what he does. He and I became very close. I said, "Why don't we merge? You can come in and be in charge of all disadvantage stuff. You get the advantage of the JA network and we get the advantage of yours." He said, "You're running the General Motors, JA is General Motors; I'm the guy with a used car lot." I said, "But you're so good." He thought about it and he said, "Jim, I can't do that." And this was an answer I could accept. He said, "Because if I do that, if I become a part of JA, then I just lost my whole cachet as an entrepreneur. I'm teaching entrepreneurship." I respect that, it's a good answer. There are ways you could have worked around it, I'm sure, but that's how he felt about it.

I: Jim, you're now involved with the El Pomar Foundation which is been a tremendous benefactor to Junior Achievement. Tell us what El Pomar has done for JA.

JH: El Pomar— do you know what my title is here?

I: Tell us what your title is.

JH: My title is poet laureate of the El Pomar Foundation. I have no responsibilities. They're generous, they give me an office and some help, but I have no responsibilities. If I can help them out, I help them out. I do a lot of work, it's informal but rewarding work, with their fellowship. I talk with their fellows a lot. I talk to them collectively, individually. And so, I don't have any official capacity. I love it here. El Pomar has been one of the biggest national and local funders of this organization [JA] for years. El Pomar is the reason why JA is in Colorado Springs. Bill Hybl made that whole thing happen when he heard there was a chance that they were going to

move back in Connecticut in the '80s. He heard about it and said, "We'd love to have you guys come to Colorado Springs." He arranged a tract of land, he arranged the funding, and in no time at all he put together this package that brought the organization out here, and I think it's the right place to be. I really do. I heard the argument about well, you travel so much we're better off if you're in Chicago or Atlanta. I don't buy it at all. I think that's yesterday's argument. Communications are such these days that it almost doesn't make any difference where you operate out of. I think it's great to be out here in the heartland of America.

El Pomar believes in what JA does. They're all about helping their citizenry. Kids and education are a big part of the mission of this organization, so they believe earnestly in what JA does and they'd like to see it expand. They would like to play a part in making it expand, which they do basically by financial help or help with the fellows. There are several fellows who have spent a lot of time over in that building.

I: We've been surely blessed to have them in our lives.

JH: Absolutely.

I: No question about that. I wanted to be sure it's on the record that you were certainly one of the closest people to that whole event and all the events that have come through our history. I know it has certainly changed the history of JA quite a bit. Well, Jim, I know you've talked about this a little bit, too, and we're kind of winding down here, but what do you see are the challenges that JA will face in the near and distant future?

JH: There's an internal challenge, and that deals with some that divisiveness I talked about. And I think there's an internal issue, and that is getting together and coming to grips with how they're going to address the future and doing it cohesively and aggressively. The external issues are, I think, the funding world, which is going to be a bit of a cocked hat for a while. It's interesting, a lot of funders are looking for new solutions, new ideas, new programs. They rush to give grants to new, innovative solutions to tired old issues. You see a lot of new organizations emerging that receive a flurry of support. Many of those organizations do not endure because they're new and because they don't have an infrastructure and because they're not properly funded. A lot of those same funders look at JA and say, "That's an old organization, they've been around a long time. We're looking for something a little sexier, a little more contemporary." That is an issue. I think the argument of that issue is that the reason this organization's been around eight decades is because of its network, its effectiveness, its reputation, and its role within the education community. Those are the qualities that have helped it endure. So it's not old and tired, it's anything but. But in that context, I think it's going to be very important for JA to keep reinventing itself, to keep demonstrating that it is a very contemporary organization within the framework of what it does so very well. I think that's a big challenge.

I: I just read a marvelous research report on the Mosaic Generation, the youngest group that we're serving right now, eighteen and under. One of the things I thought was quite extraordinary was that these are the children who want experience. They don't want you standing in front of them and lecturing and telling them how to do something, they want to get in and do it themselves. I think that that's always been one of JA's strengths. As we look down the road to

the future, I'm sure that you would agree that that's one of the things JA does well and that, hopefully, I presume you would feel we should keep that part.

JH: Right. Well, I got the organization involved with Exchange City and, more recently, with Enterprise Village for that very reason. The conversations that I initiated with the Learning Exchange were not just for fifth grade Exchange City. We wanted them to bring their expertise and tell us how we can do experiential education for far more than just one grade because we're in K-12, we're not just fifth grade program. And, of course, that relationship came a tad unglued as the years went by, but I had hoped for a very different evolution of that relationship than we saw.

I: Elaborate on that, if you would, and tell us what your involvement was in all of that and how that all came about.

JH: The CEO of the Learning Exchange had talked to my predecessor about a partnership before I got there, obviously. And those conversations had not gotten anywhere because my predecessor felt that it was really only a financial issue that the other organization was concerned with. I heard about the program, took myself to Kansas City to see the program, liked it so much I said let's re-open those conversations. I invited her to Colorado Springs, the CEO. We had a lot of excellent meetings and we agreed enthusiastically to become, in effect, their marketing arm. We would spread Exchange City throughout the country through the JA network. We would be their exclusive marketing piece. So, we did that for a while and many cities picked it up and did it. I think all those had considerable success because it's a wonderful program and benefits the local office in many different ways. It brings them new funders, gets a lot of visibility, a lot of awareness. And then we found out that we were not the exclusive provider of that service, that they had contracts with other vendors. One of them came to us and said, we'll sell you that for a lot less money than you're getting from Kansas City. We sent our experts down there and some area presidents. Pete Harder went down. They all came back and said, "It's better. It's cheaper, it's better, and you have more control over it. Plus, they have a middle school program as well." So, I went back to the Learning Exchange and said, "We've got this other opportunity here. We like doing business with you, but I can't go to the area offices and say, buy this one when that one over there is cheaper and arguably better, at least as good as, and they have more local control over it." But the Learning Exchange wouldn't listen to me. I went to their board chair, took some of my board members, and said, look this doesn't make sense. They refused to think that this other program was anywhere near as good as theirs. They thought theirs was vastly superior. I asked the chairman, "Have you ever seen this other program?" He said no, but he'd heard about it. They were just totally close-minded. Again, this was a business deal that they didn't approach in a very business-like fashion at all. So, at that point I said, "I'm sorry, I can no longer guarantee you exclusivity to our offices. I'd rather give it to this other person, unless you budge." I gave them months, flew there a couple of times. I said, "Look, here's the deal. How can you help me so that I can go to our offices and say this is the program we want to deal with?" And they just wouldn't budge. So that's when that whole thing erupted about—

I: And this was the Gus Stavros Institute that now has the JA Enterprise Village and Finance Park that we've now purchased. And you see that as a good thing?

JH: Absolutely. I think that whole experiential education is wonderful. I mean, it's wonderful! There are so many benefits. One of the benefits I heard about – this would have had to be in Exchange City – you know the kids apply for jobs before they get there, and they get interviewed for jobs, and they get these jobs and they go off and they do these jobs. And it turned out that kids from blue collar families were applying only for blue collar jobs. But after they went through the experience they realized, I don't have to confine myself to blue collar activities, I can apply for the job as president of the bank or whatever. Which is what our country's all about. That's an ancillary benefit hardly anyone ever talks about. It's an eye-opening experience for kids. And I would love to see JA have many of those experiential opportunities. Certainly, one for elementary school, certainly one for middle school, and certainly one for high school. I talked with a guy down in Fort Worth about the idea of an economic education theme park. It would be this one great big structure that would have a Finance City, an Exchange City, it would have all these different things. And you have kids buzzing in there all academic year long. In the summertime they could bring their parents by and see stuff with the parents. The best name we could come up with was Economic Education Theme Park. Obviously if they ever did it, it would be a different name. But that's the idea. That's how much I believe in the whole concept of experiential education, it's wonderful.

I: Well, I had an opportunity to go down to Lauderdale, Florida, in fact Pinellas County, and got to see first-hand the kids in it and it was extraordinary. The enthusiasm of those kids and they seem to have no problem getting volunteers. Parents are waiting in line to be part of that because it is such a high-impact program.

JH: I was hoping for that from our initial relationship with the Learning Exchange, because they have the expertise. That's what they supposedly do, they developed systemic reform for education, they designed these programs. They have another program called Science Works, and it's in an underground abandoned salt mine. It's wonderful. And I thought with their expertise and what they do that they could help us build a bunch of these different programs for different levels of our students.

I: Well, I don't know how all the politics—

JH: Let me just say one more thing on this. I think it's very important. It took a long time to figure out that our values and the values of our partners at the Learning Exchange were extremely different. Totally different. Our values were kids, and helping kids understand, learn, advance. Their motives were purely economic, they were purely financial, and that came out time and time again. It didn't come out just from the staff, but it came out from their board chair, who said to us that their goal, with their relationship with JA, was to recover the amount of money they had invested building the original Learning Exchange. Business just isn't done that way. I mean you sink those costs, fine. If you have some partners, you're not trying to recover everything that you've spent before you even knew they existed. And so, a partnership where the values are so different, no way it could work. And I believe that the values of the outfit in Florida is the education of young people.

I: I would agree with you. And along with that, I was wondering how you see this all now affecting those who have already committed to the JA Enterprise Village.

JH: There surely is a solution to it. I don't know the solution. Unfortunately, they signed a contract that is very one-sided. We should have taken a much more active interest in looking at the contract, but we made one of those fatal assumptions. We assumed that before they signed a contract, they'd show it to the lawyers on their board or whatnot. But there is a two-year hold, I think, where they can't sign on another program for two years, they have to shut down. Surely there's a way to get around that issue. I don't know what it is, and I would hope that eventually there is one provider, one very good provider, one economically responsible provider, that is of the highest quality that they could all turn to. I had a lot of trouble in my conversations with the Learning Exchange, who failed to really understand was that our people were the ones that were taking on this enormous financial burden. They had to raise the three million dollars, they had to build the facility. So there never really was an equal partnership. We were putting all the money into it. When we ran out projections of some ambitious plans, that maybe the day would come when we had fifty Exchange Cities around the country, the amount of money our people would put up would be overwhelming. And the Learning Exchange wasn't putting up any amount of money, they really weren't putting anything in to earn the partnership. Exclusivity in business is not unusual, but you pay for exclusivity. We gave them exclusivity and we were paying them for it. They were winning all ways and we finally said, "This is not a good deal, we need to change this deal. You've got to bend here, you've got to yield here, because there's somebody else out in the wings every bit as good and a lot cheaper." They didn't see it. So that's why that whole thing came undone.

I: I absolutely hope that that gets resolved because I know a lot of people are waiting to see how that's coming along.

JH: I'm sure the solution has a great deal to do with finances. And maybe here's what we say, we buy out the local offices, or we do something that makes the pot right for them, and hopefully the money stays there and doesn't go to the Learning Exchange because I don't think the Learning Exchange deserves the money.

I: I agree. As you look back on your illustrious career with JA, what would you say is the most rewarding experience you've had?

JH: Well, it has to do with being part of an organization that serves large numbers of kids. And doing something of great value for a lot of kids. And trying to get that organization to do more of what it does so very well for more kids. That's clearly it. That's why I came there, that's really all I care about in that regard.

I: That's great. And I know you continue to care about that, even though you're not president of Junior Achievement anymore. That's the passion in your life.

JH: If I ever get back involved with a program, I think it will be much more hands on. I had an interesting interview up in Rockford, Illinois with the big newspaper there. I spent the morning with the editorial board, and it was a great time. Finally, we were finished, and the editor turns to me and says, "Mr. Hayes, I have one more question." I said, "What's that?" And he said, "Could you please tell me why you decided not to run for President of the United States?" I start guffawing and he said, "No, I'm very serious. Let me explain my question. You ran *Fortune Magazine* for eight years and you left that to run a not-for-profit organization. Your competitor, Steve Forbes, ran Forbes for a number of years and left that to run for President of the United

States. Where do you think you could have more impact?” And I said, “Unquestionably, I’d have more impact in a not-for-profit organization. If you really want to change lives, or if you, really want to have that kind of impact.” And I believed it. I would believe it even more today if some of these internal, political, potentially divisive issues didn’t exist. There are more politics in this world than there are in the business world. Take those things out and these organizations could have extraordinary impact. And I think you could probably sense that impact more when you’re doing something hands-on, maybe even running— I’m not going to run a local office, please— [laughter] But, I think that something really hands-on would be a different kind of reward for me. I liked being a classroom volunteer. There’s an enormous amount of reward with that. And I think it’s harder for people here to sense that connection because their jobs are different. They do different work. They’re not dealing with kids day in and day out, they’re more distant.

I: One of the things I forgot to ask you about, Jim, is the Museum of Science and Industry. What do you want to see in that, in terms of our relationship with them?

JH: I don’t know about that relationship, but what I do know, though, is that that National Business Hall of Fame is a great institution and I’d love to see that expanded. I talked to John Dickinson about this and we tried to do it this year, but it was a little too late. At the next Business Hall of Fame, I would invite a whole bunch of laureates to come and sit down to discuss how to grow the stature and the prestige. Not us try to figure it out, let them figure it out. By asking them to figure it out you get them more involved and maybe they’ll come back more. But whether it’s Chicago Museum of Science and Industry, or the Guggenheim, or whatever, I think that whole institution, that whole Hall of Fame, deserves more stature, more prestige. From what I hear it’s a pretty good place where it is right now, but maybe not the best place. I do recall that a few years ago, before we signed a new agreement with them, several people expressed an interest in having it. One was Disneyland, I’m not sure how serious it got, one was the Broadmoor, turning the Carriage House into the National Business Hall of Fame. And there were one or two other potential sites. Of the potential sites at the time, the one we liked the best was the Chicago Museum of Science and Industry. But I would love to see that really build and I think maybe the laureates— I’m sure the laureates would like to see the stature enhanced, so they’d be willing to work on it, I believe.

I: Along that line, with the National Business Hall of Fame event that we hold each year, how do you see that needing to change?

JH: I love it. I thought this last year’s was wonderful. I would do two things with it. One, I would have a little more prologue or preamble about the Hall, how you get into it, what it means. I think we’re all so close to it, we assume everybody knows that. Well, I know that audience there the other night, more than eighty percent had never been to one before. They weren’t sure about it. You could figure it out pretty fast, the National Business Hall of Fame, but I think there should be a little more preamble and discussion as to who’s in it, how you get elected, how important this is, about the Chicago Museum of Science and Industry. Secondly, I think those bios, those films, should be enhanced a little more. They didn’t get into a lot of aspects of many of those people. They should be a little more comprehensive.

I: And I heard you say earlier for past laureates as well as new laureates be honored at that particular event.

JH: Oh, yeah. It's a great event, and everybody loves it. The kids were absolutely wonderful this year, I love the idea of the roving reporter. I loved that; it was wonderful, ingenious.

I: Radio City does a great job.

JH: They sure do.

I: Is there anything that we haven't talked about?

JH: We never talked about International.

I: Oh, tell us about International.

JH: That's been a very troubled subject for a long time. This is a situation that would never have been allowed to exist in the for-profit world. Never. Never would have gotten ten percent down the road and this one has. It has created a lot of ill will, a lot of mean-spirited behavior. A lot of unnecessary pettiness and a lot of unnecessary competition. It's been disgraceful. In a way different structured for-profit world, the CEO would have said, "No, we're not going to do that. This is how we operate." But there are these loosely written contracts. International is a franchise of JA, Inc. and they have taken great advantage of that. We have allowed them, regrettably, to take some advantage of that and we haven't been the enforcer we should have been. There has been some confusion in the world as to what's the parent company, who's in charge here, who's running this, who's on first. I think the idea of JA exporting economic education around the world was a thrilling idea, it's a sexy idea, it's a wonderful idea. But unfortunately, the structural issues that we're facing, competitive issues that we're facing, it's not a happy expansion, it's not a happy development, it's very implosive. A lot of board people are disgusted with it.

I: So, what's the answer, what's the take-away?

JH: Well, the one solution that I thought was to model it after either the Girl Scouts or the Red Cross where there's one global, loosely connected federation of states, countries in our case. Each one has to pay their own way, pay a membership fee based on numbers of kids or numbers of dollars raised, but some economic formula. And sharing of information. But every country has total autonomy within their borders, no one else can come in there to raise money. Germany can't come raise money in the United States of America or France. And that's pretty much how the Girl Scouts work. Girl Scouts is a very well-run organization. But the 'one' idea hasn't sold it. Early on I could have argued that the best thing that could have happened to International would for it to become a department, or a subset of JA, Inc. where additional resources could have been applied to it. It would have solved the nagging, competitive fundraising issues. Solved the curriculum issues also. But they didn't want that. I could understand their stance. I'm not sure just how ultimately proper it is, but there was a feeling that many of these counties didn't want to be served by a department of an American company. Maybe, maybe not. I never heard it first-hand. All the countries I spoke to wanted to work directly with us and they'd come to JA because it was an American entity. Maybe somewhere there are some people who didn't want to be involved with a subsidiary but it's a subsidiary now, it's a franchise now. There are so many models about how you expand internationally. Federal Express, Proctor & Gamble... Halls of the libraries of business journals are littered with how you expand internationally. And they're all a lot more business-like than what's going on here.

I: Do you see the issue of autonomy as opposed to true franchise being a double-edged sword for us?

JH: Yes, it is. And I could argue it both ways. I think autonomy, period. The autonomy the local office has. It gives the local business community a greater sense of ownership, and that's good. It creates some structural issues, and some internal issues that are regrettably negative. I mentioned earlier that universities have really tough politics, and they do. One of the things that causes the difficulty is tenure. A professor can say, "I don't care what the president wants to do, I'll be here long after he or she is gone." They act in a very independent, self-serving fashion. To a certain degree, our area presidents have tenure. They don't report in here. And I think there should be more order in an organization like that. It's everybody's organization, it's not national's organization, or Richmond, Virginia's, it's everybody's organization. It's our organization. I remember I gave a speech about that, my favorite words, and no one would see that one on it. *[laughter]* I said the words I want to hear are we, us, our, not I or me.

I: I remember that speech. In relation to the autonomy, how do we work out the issue of standardization, so that we're all the golden arches as opposed to purple and polka dot and so on.

JH: I've thought a lot about that, and I've got to be a bad guy. And it's okay to be a bad guy every now and then. I think there should be some area for local influence, no question about that. I don't think it should be McDonald's hamburgers. But certain things should be standardized. I think it's a mistake that these franchise agreements are in perpetuity. I think it should be a renewable agreement. We thought about changing that, but that was a battle I just didn't want to fight. There were several battles I just opted not to fight.

I: And that's a huge battle.

JH: Sure. Probably never get it through, either. The campaign to make it would be so time consuming and so absorbing that you couldn't do anything else. The only way you can bring a renegade organization into line is to yank their charter, and I don't think that's good because then the kids aren't served. We only yanked one charter and that was in Madison, Wisconsin before my time. And you can't even mention JA in Madison, Wisconsin anymore. Twenty-five years later they just don't even talk about it. As opposed to yanking a charter, I think you can say, well, you come up for renewal in 2005. I'm not saying every other year or anything like that. Actually, perpetuity is against the law these days and you could challenge that legally. That's no longer legal in this country. You can't write contracts in perpetuity.

I: Which makes sense.

JH: Yes. So, the local autonomy is a double-edged sword, no question about it. It has strengths and it has created some problems. And I love the local ownership, I really like that. It gets people really involved.

I: Absolutely. What do you want to be remembered for, Jim, in JA?

JH: Town hall meetings. *[laughter]*

I: Those were great.

JH: What do I want to be remembered for? I would say an unrelenting focus on kids and trying to get the organization really focused on kids, because once it does, that's why that organization exists. Once it does, then it's very hard not to want to be more aggressive about the future. I have no apologies whatsoever for those goals being so hard. I have none whatsoever. They're hard, but that doesn't make them bad goals. I heard they were bad goals; they're not bad goals. They're hard and they're aggressive and they're bold and they're audacious and all those things. Fine. But they're good goals, and I can't say reaching twenty percent of the kids by 2005 is not a good idea. Hard, I know; it's very difficult. That's why it requires everybody to go after it. I'm sure those goals will be tempered and reduced, but I have no apologies for those goals. I think they're right. Anybody who really believes in the work of our organization, understands the situation of the kids in this country, knows we can't have anything but audacious goals like that. So, I'd like to be remembered for that. And what I said of Karl Flemke, is there anything better than to be known as a champion of kids? Is there anything better? I mean, really. Publisher of this, publisher of that, forget it. *[laughter]*

I: Well, Jim, that's why from the day I met you, you've been my hero.

JH: You're very generous.

I: And I know how truly generous, heartfelt—

JH: You know, someday you're going to hear a very bad story about me, I can see it coming—

I: I won't believe it. *[laughter]*

JH: And I will be arrested. I can see it coming, I know it's going to happen. Because I talk to kids all the time, and I can just hear some yokel blowing the whistle, "Police! Police!" *[laughter]* "This man is assaulting my child!" *[laughter]*

I: That will never happen.

JH: I was talking with some local kid on the street somewhere and the mother snapped at the kid and said, "I told you not to talk to strangers." *[laughter]* And I said, "I understand, but all strangers aren't bad." Years ago, a friend of mine in the magazine business was walking through Grand Central Station, and I know he was drunk, he was an alcoholic. He was a very funny drunk, though. He tells this story: he said, "I was probably reeking of booze and I fell down the escalator. And there was this little boy at the bottom of the escalator with his mother and my friend heard the mother say, stay away from that drunken man." I have this picture of the same thing happening to me. *[laughter]*

I: I don't think so, Jim. You're perfect in my eyes and in many people's eyes.

JH: Thank you.

I: You have been truly one of the inspirational, charismatic leaders of this organization.

JH: You see, that's the thing. My reputation in the magazine business was kind of like that. I always had great people. I really had great people. Anybody who worked at that company was pretty good, because if you want to be in the publishing business the place to work was with those magazines. And that's what I said earlier, I'm not sure my management style was right. I

always gave my people tremendous amount of freedom and independence. I tried to set the mark for them and said, “This is what we’re going to do” and let them figure it out. But I’m not sure that’s the right kind of management style for not-for-profit. Are you going to talk with Mary Flemke?

I: I don’t know.

JH: You should. It would be an excellent idea.

I: We’ll make it happen.

JH: She knows. You can’t talk to Karl, unfortunately, but Mary was such a part of that organization for decades and has some wonderful insights and she really speaks her mind. She’s excellent. We’ve talked about Karl. Karl was a very effective energy there. It’s interesting. Karl’s dead now, and now they have him as a martyr. They, being the field. They were after him viciously. Mary and I never talked about JA until I left. Never, because she didn’t want to get into it. But when I left, we talked about it. Karl’s management skills were the exact opposite of mine. He kept them in line. “God dammit, I’m going to keep them in line.” And I’m not that way. I let the screaming wizards go crazy, with the belief that they were going to help us get [unclear].

I: Well, we sure miss you coming down to visit us in our wing. You were very visible, Jim, you were always there. You had an open-door policy. If we had any issues that we needed to discuss, we knew that you were there.

JH: Thank you, I was very proud to be a part of that organization. Extremely proud.

I: And I think the town halls were a great addition. Truly, I do. I think it opened things up for a lot of people to be able to know what was going on.

JH: I just wanted people to know that this is your organization, it’s not mine. And what’s on your mind, let’s talk about it. No repercussions. There used to be serious reprisals. If somebody got out of line, they just slammed them. I wanted to make sure that’s not the culture we’re going to have around here. You’ve got a good idea and it’s off the mark, then let’s talk about it. If something’s bothering you, let’s talk about it without any recriminations.

I: Well, I think that just about does it. Is there anything else that you think we should kick you for?

JH: I’m having trouble with significant childhood memories. *[laughter]* I’m having a terrible time with that. You don’t have enough room in your family marriage-slash-children for getting into that. *[laughter]*