

55th ANNUAL DPI/NGO CONFERENCE
United Nations, New York City September 10th, 2002

***Rebuilding Societies Emerging from Conflict:
A Shared Responsibility***

Kristina Anna Kazarian

Author of "New Philanthropy Benchmarking"

55th ANNUAL DPI/NGO CONFERENCE
United Nations, New York City September 10th, 2002
Rebuilding Societies Emerging from Conflict: A Shared Responsibility

I. Introduction:

Before beginning my prepared text, I wish to thank both the United Nations and the Armenian Relief Society for their invitation to speak, as well as, the moderator Penelope Girogosian. The topic of this panel today is of particular relevance to my recently published book, *New Philanthropy Benchmarking*, available at Amazon, as it places particular emphasis on the importance of social sector benchmarking and can be directly applied to increasing prosperity in rebuilding economies.

I would like to begin this afternoon with a statistic from the September 2002 edition of the *Harvard Business Review*, "65% of the world's population earns less than \$ 2,000 each per year." Some of you many jump to the conclusion that on the surface this statistic confirms why developing economies struggle. However, the more commercially focused among you may realize the boundless opportunities underlying this statistic.

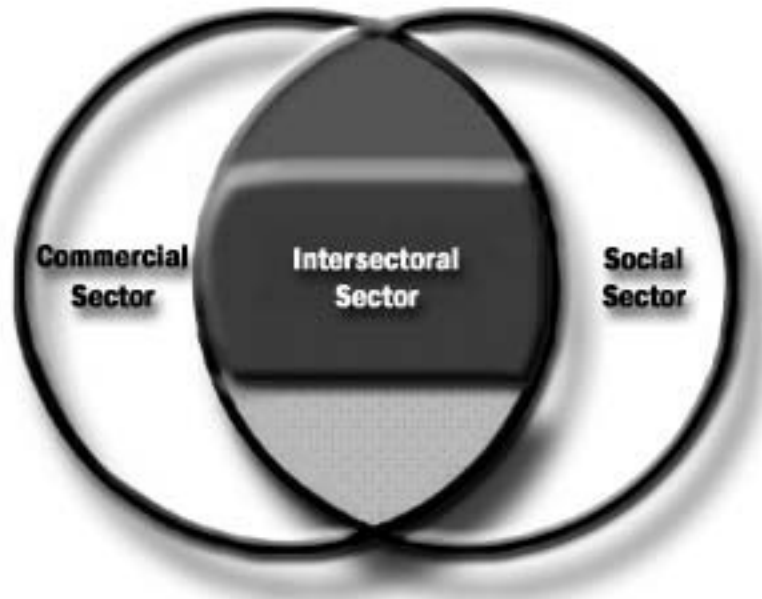
This opportunity encompasses three main elements to creating economic prosperity while rebuilding economies. First, creating community wealth is abundantly possible. Second, overlooked and yet to be innovated intersectoral opportunities exist. And third, *NPB* tactics and benchmarking provide tools to increase effectiveness.

Now back to the statistic we began with. With over 4 billion people at the bottom of the economic pyramid, massive economic market potential exists in these three elements for rebuilding economies.

Transition: Before speaking on these topics, let me provide a very brief overview on the contents of *New Philanthropy Benchmarking* ("*NPB*")

II. NPB Summary:

- A. Simply put, the ambitious mission of *NPB* is to inspire intense competition... and provide the wisdom to initiate positive change in intersectoral initiatives.
- B. As a side note, the definition of intersectoral is the blending of two or more sectors working collaboratively and using their resources, inherent perspectives, experience, and management tools to achieve common goals. The two sectors are the commercial and social sectors.
(hold up JIC pad explain and point to the circles)



- C. *NPB* organizes its information into what are referred to within its text as the three Sevens.
 - 1. The first Seven distills and profile the successful transfer of commercial practices by 7 capitalists/philanthropist: the Bronfman brothers, Bill Gates...Mike Milken...Thomas Monaghan...George Soros...Steven Spielberg...and Michael Steinhardt...
 - a. These individuals are not only recognizable by their names... but by their passionate commitment and success, especially to the social sector.
 - 2. The second, is the 7 wisdom points... These wisdom points are derived from the sector's best practices, innovative insights, and extensive original research. These wisdom points not only empower... but are operationally practical.
 - 3. The third, is the 7 educational components that provide a structured framework to apply the expansive content of *NPB*. These components build on commercial sector benchmarking, progressive intersectoral strategies, and contemporary financial market analytical tools.
- D. With this admittedly very limited background explanation of *NPB's* content now let me return to our three main elements and their boundless opportunity to create economic prosperity in rebuilding economies.

III. Creating Community Wealth is Abundantly Possible:

A. Developing countries have the ability to create community wealth through intersectoral opportunities. This point can be observed through the strategic philanthropy and restructuring.

1. This section with in *NPB* addresses many of the talents required in the intersectoral sector: capacity building, collaboration, managerial efficiency programs, restructurings, foundation value creation.

a. While these talents are significantly important, time constraints allow for only a brief reference and a word of encouragement to investigate further.

B. Examples of Wealth Creation

1. *NPB* contains over 50 intersectoral illustrative examples and

2. Also provides over 100 examples of publicly traded companies with intersectoral missions.

IV: Overlooked and Yet to be Innovated Intersectoral Opportunities Exist:

The second element focuses on "overlooked and yet to be innovated" intersectoral opportunities.

A. To diminish any traditional myths that intersectoral situations are unrealistic and not transferrable to rebuilding economies let us discuss examples within the Social Enterprise and Social Capital Markets categories.

B. Within the Social Enterprise category:

1. The first example is Edison Schools, a recent start-up and publicly traded company that has assumed management of some of the most challenging public schools in the United States . While its application is domestic it should be viewed internationally applicable as it embraces the Nation's most disadvantaged communities.

2. The second example is Nork Marash, a privately owned cardiac surgery hospital in the capital city of Armenia. Employing 300 full time employees including 50 doctors and 150 nurses with 20% of patients from foreign countries. Nork Marash is an international benchmark in creating a vital commercial entity, drawing patients from over 12 surrounding countries. This example is especially applicable to certain Latin American and African Countries.

3. The third example, also located in Armenia, is the dozen, largest, private universities with total attendance above 6,000, creating over 1,000 quality white-collar jobs.

4. And lastly the fourth and largest of these examples is HCA, one of the largest hospital chains in the U.S. with its top competitors being social sector hospitals and in 2000 sales exceeding 16 billion dollars. While this example is located domestically, its innovative and successful application of business practices to a typically social sector provides a powerful international benchmark.

C. While these four examples have typical social sector missions they operate in the unique intersectoral setting.

D. Social Capital Markets broad category examples include innovative financings, social venture capital, and mergers and acquisitions.

- E. The development of Intersectoral value-creation practices is moving at an increasingly fast pace and provides positive energy for the recognition of the power of benchmarking and its application. The rapid increase in number of intersectoral success stories illustrates the previously unrecognized potential.
- F. So the question here becomes why are these examples important to rebuilding economies.
 - 1. First these examples illustrate intersectoral areas of the market successfully utilized in other rebuilding economies.
 - 2. Second these examples provide detailed benchmarks.
 - 3. And third, one aspect that may inhibit professionals from tapping into the massive amounts of community wealth generation is accessible working materials. *NPB* provides diverse resources.

V. NPB Tactics and Benchmarking Provide the Tools to Increase Effectiveness:

Transition: The third and last of the three elements is the importance of benchmarking and *NPB* analytical tactics in achieving your mission.

- A. The Classic Benchmarking Pyramid within *NPB* explains that the highest value added studies conducted are less than 1% of all studies.
- B. There are several tools used to measure the impact of resources investments relative to other investments, such as SROI and BROI.
- C. However, the attractiveness of *NPB* is its The Multiplier/ Discount Effect which challenges one to achieve a 10 or even 100 times greater impact on each dollar investment.
 - 1. The multiplier/discount effect is intended to serve as the social sector version of the return on investment, through comparative analysis of best practices.
 - 2. More on the multiplier/discount effect can be found in *NPB*.
 - 3. **The various tools stress that while not everything can be measured, all can be compared.**

VI. Conclusion:

- A. To conclude let me just again stress that there are boundless opportunities to create economic prosperity in rebuilding economies.
 - 1. **Yes** creating community wealth is abundantly possible.
 - 2. **Yes** overlooked and yet to be innovated intersectoral opportunities do exist.
 - 3. **Yes** *NPB* tactics and benchmarking provide the tools to increase effectiveness.

NPB offers the wisdoms to create massive community wealth. With established international benchmarks and limitless potential, we can confidently assert that...rebuilding economies hold boundless opportunities to create economic prosperity.

55th ANNUAL DPI/NGO CONFERENCE
United Nations, New York City September 10th, 2002
Rebuilding Societies Emerging from Conflict: A Shared Responsibility

Kristina Anna Kazarian
Author of "New Philanthropy Benchmarking"

