

NEW SECTOR NEWS

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SAMPLE BOSTON PROJECT: PEDIATRICIANS TO LAUNCH 501(c)(3)

In its five decades of service, the Massachusetts Chapter of the American Academy of Pediatrics (MCAAP), a professional organization of over 1,500 pediatricians, has become one of the most respected voices on behalf of children in Massachusetts. However, because MCAAP falls under the 501(c)(6) section of the Internal Revenue Code, it cannot receive charitable donations, and thus has been unable to fund programming and direct service initiatives.



MCAAP, a statewide professional organization of over 1,500 pediatricians, is dedicated to improving the quality of life for children in Massachusetts by providing them quality health care and advocating for their interests. The Chapter dedicates its resources to advocacy initiatives, educational programming, and health care reform.

Dr. Sean Palfrey and Dr. Lynda Young, past and current MCAAP presidents respectively, called on New Sector Alliance to help MCAAP create an organization that would allow MCAAP's member pediatricians to more directly address problems in children's healthcare. This year, New Sector teams and MCAAP have developed a plan for a new 501(c)(3) nonprofit arm of MCAAP, which will enable its member pediatricians to implement programs of their own or in partnership with selected community organizations.

This fall, a team of five Harvard Business School and Kennedy School of Government students (Deepa Gupta, Darria Long, Sahil Patel, GERALYN RICHARD, and LESLEY SAID) supported by two Accenture consultants (Michael Palmer and Paul Rakowski) addressed the viability of MCAAP launching a new 501(c)(3) organization. The team investigated early-stage issues including positioning, infrastructure, funding, and program development strategies. It also conducted a mission/vision workshop for MCAAP which helped determine the new organization's mission statement. Accounting for MCAAP's limited resources and the competitive funding environment, the team delivered recommendations about how best to achieve the nonprofit's objectives. (continued on page 2)

NEW SECTOR SPRING ENGAGEMENT SUMMARY

- 13 engagements with 11 different client organizations.
- 65 students serving on consulting teams.
- Over 800 hours donated by professional consultants.
- Over \$1.5 million in market value of services provided to nonprofits.

SAMPLE SAN FRANCISCO PROJECT: OPTIONS RECOVERY SERVICES



Since 1996, Options has offered a solution to the cycle of violence, crime, and addiction for those most in need through its holistic treatment model and relationships with the courts and community.

With over 90% of Options Recovery Services' graduates remaining clear of both crime and the courts after undergoing Options' innovative treatment program, the Berkeley-based nonprofit has engendered the support of district attorneys, public defenders, and judges. Despite this support, recent state and city budget cutbacks have challenged Options to find new sources of income in order to continue to deliver its holistic treatment program free of charge to alcoholics and addicts. This spring, a New Sector Alliance team worked with Options to create a business plan for a venture that will generate revenue for the organization, while contributing to the holistic treatment program by providing clients with job opportunities.

The New Sector team, comprised of six Haas School of Business students and UC Berkeley undergraduates (Manish Agarwal, Felipe Bruno, Mohammed Guller, Dave Madan, Libby Reder, and Fenny Wang,) and backed by four Accenture consultants (Sandy Shearer, Rick Heller, Noah Borun, and Jim Lee) initially brainstormed together to create a list of potential revenue-generating businesses. Drawing on the students' diverse employment backgrounds, which range from work experience in government, construction, consulting, nonprofits, and small business, the team generated an extensive list of possible businesses.

The team then worked with Options' Board Chair Bob Miller to winnow down the possibilities. (continued on page 2)

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MCAAP member pediatricians are active in a broad range of committees that focus on areas of care such as child abuse, neglect, emergency pediatric services, and foster care.

"PEDIATRICIANS TO LAUNCH 501(C)(3)" (CONTINUED FROM PAGE 1)

MCAAP engaged New Sector again this spring to refine these strategic recommendations and to develop a launch strategy for the new 501(c)(3) organization. The team of five MIT Sloan students (Rupa Bahri, Kathryn Ho, Colette Linzmeyer, Jamie Trish, and Nimrod Weiselfish) supported by Accenture consultants (Michelle Spiliotes and Michael Palmer) conducted interviews with member pediatricians to further develop the recommendations and generate ideas for service offerings. By drawing on the pediatricians' own interests, knowledge of the industry, and personal networks, the team established the initial direction for the organization and fleshed-out fundraising, partnership, and board development recommendations. The team will deliver recommendations as actionable tasks and a collection of "toolkits" with governance and fundraising materials for use during the launch phase.

Upon completion of the second engagement, MCAAP will have the strategy and tools to launch a 501(c)(3) organization that will give their member pediatricians a vehicle to directly address the gaps and needs they identify in children's healthcare.

"OPTIONS RECOVERY SERVICES" (CONTINUED FROM PAGE 1)

Miller, along with other members of Options' leadership, helped the team to identify "deal breakers," characteristics of the proposed businesses that might make them unviable, and therefore unnecessary to explore.

Team member Libby Reder said that having Miller, who is also a Haas graduate, was a major boon to the process, as he provided a link between Options' programmatic challenges and the business frameworks employed by the MBA students and consultants.

The Accenture coaches developed an evaluative framework which the team used to narrow the list to three choices – a café, a bakery, and a carwash (a service that Options had previously operated on an ad hoc basis). Upon further financial and strategic analysis, the team confirmed that a carwash would provide the best opportunity for Options because of low initial investment, high margins and operational simplicity.

Currently, the team is finalizing a business plan for a mobile car wash that will operate in various locations such as churches, supermarkets and business. The venture will enable Options to generate much-needed revenue and publicity, and will enhance its holistic model by providing clients with more job opportunities.

Dr. Davida Coady, Options Founder, Executive & Medical Director had this to say about the engagement: "It was a wonderful process as it both clarified what we knew intuitively about our successful, client-operated car wash, and steered us away from choosing the wrong business for Options."

SPOTLIGHT ON A STUDENT CONSULTANT: CHRIS KIM



Chris Kim, a junior at MIT, has been a part of four New Sector consulting engagements. His teams have worked with Design that Matters, World Links, Tech Boston Consulting Group, and most recently the Environmental Careers Organization.

Chris Kim has completed four engagements under the New Sector Alliance umbrella for a wide variety of client organizations and he is just a junior at MIT. Yet, the way in which he ties together this diverse set of experiences reveals a deeply knowledgeable, practical and professional individual.

Chris can sum up his consulting approach in one sentence: "You need to make the client happy." It's a simple statement, but Chris's understanding of his mandate is complex and deep. For him, pleasing clients is not a question of merely following orders, but rather it is a process of leading a team of individuals through the series of steps needed to arrive at a new vision, a better question or a more fully developed answer.

"tangibility is the thing — you learn by doing."

Chris credits New Sector with helping him to develop this skill. "With New Sector, tangibility is the thing - you learn by doing." He says that learning to communicate professionally and clearly has been the keystone of his New Sector experience. It is exactly this skill that our client organizations have come to appreciate and expect from New Sector teams. Neil Cantor, Executive Director of Design that Matters, said of Chris's spring 2004 New Sector team: "I was really surprised by the students' abilities to probe and get to the meat of a lot of issues.... They were all very professional and they did a great

job engaging with us and setting up regular meetings and feedback sessions."

Working with this broad array of clients, coaches and peers has expanded Chris's own horizons. "At MIT, you are expected to go into banking or finance," he says. However the passion of his client collaborators and the wisdom of his New Sector teammates - especially former McKinsey consultant and New Sector Summer Associate Dongwook Suh - have opened his eyes. Acknowledging the power of individuals to effect social change from both inside and outside the non-profit sector, Chris affirms: "I don't want to do just one thing."

NEW SECTOR STAFF TRANSITIONS



With great excitement and some nostalgia, New Sector Alliance is transitioning in a handful of new team members while saying goodbye to several others.

We are pleased to welcome our six new colleagues Valerie Bockstette (Director of Program Development) Jennifer Liao

(Boston Program Manager), Emily Dellinger Mondon (Program Director), Carter Romansky (Special Projects Coordinator) Rachel Roth (Special Assistant to the President), and Joe Reilly (Finance Manager). These individuals bring a range of experiences from higher education program direction to nonprofit management to consulting to banking. Such diversity of experience will surely be an asset as these new team members work to deepen and broaden New Sector's relationships among nonprofits, students, and business professionals.

At the same time, four team members are leaving New Sector, all of them to start MBA programs: Adam Gerson (Program Director), Susie Lee (Partnerships Director), Shannon Music (Boston Program Manager), and Annie Fishman (Resource Development Manager). Shannon and Annie will be attending Harvard Business School, where they will work diligently to extend New Sector's already thriving relationship (after doing their homework!). Adam and Susie are still determining which business schools they will be attending, but nevertheless look forward to integrating their new initiatives and networks with those of New Sector.

Two critical relationships have enabled staff growth. First, the HBS Service Leadership Fellows Program selected New Sector to receive a Fellow. The program subsidizes the salary of the Fellow, an HBS graduate, who takes on a management role with a leading public-serving organization for a year. New Sector is honored to be among the smallest and youngest organizations ever to be selected by the program; other participating organizations include Junior Achievement, Lincoln Center for the Performing Arts, and Teach for

America. Valerie Bockstette will be New Sector's HBS Service Leadership Fellow for 2005-2006.

Additionally, New Sector has grown its relationship with the U.S. Federal Government's AmeriCorps*VISTA program, allowing us to bring on our other new team members. Previously, the arrangement with AmeriCorps subsidized the cost of four "Entrepreneur Corps Fellows;" now New Sector has the opportunity to bring on up to ten.

In the midst of all this change, New Sector has strived to ensure continuity by building in staff overlaps, allowing new team members to "shadow" their predecessors. Moreover, staff remaining in place anchor the evolving team: Samidha Ghosh (Bay Area Program Manager), Carly Janson (President) and Dan Senter (Special Projects Coordinator).

While it is difficult to let these talented individuals go, the new staff members will do great things for New Sector and the organizations and students whom we serve. These transitions are inspiring; on one hand they represent the power of our mission to attract new leaders to the sector and on the other, they represent New Sector's ability to inspire lifelong commitment to social change.



New Sector Staff: (from top left to bottom right) Adam Gerson, Carly Janson, Daniel Senter, Emily Dellinger Mondon, Joe Reilly, Annie Fishman, Rachel Roth, and Shannon Music. Not pictured: Samidha Ghosh, Jennifer Liao, Carter Romansky, and Susie Lee.

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BOARD FELLOWS SNAPSHOT

We wish to congratulate the ten Harvard Business School and Law School students who participated in the pilot Board Fellows Program and to thank Professor Jay Lorsch for giving New Sector Alliance the opportunity to co-administer the program.

The program, which paired students up with Boston-based nonprofit boards, was kicked off in the spring by a rousing keynote speech given by nonprofit board governance expert, William P. Ryan. Addressing the Fellows and members from their respective nonprofit boards, Ryan touched on relevant challenges facing nonprofit boards today, and sparked an engaging discussion.

This semester the Fellows have worked to resolve some of these challenges by completing a consulting engagement with their respective boards.



William P. Ryan is a consultant to nonprofit organizations and a research fellow at the Hauser Center for Nonprofit Organizations at the Harvard Kennedy School of Government. He has co-authored numerous articles including the groundbreaking 1997 Harvard Business Review article "Virtuous Capital: What Foundations Can Learn from Venture Capitalists," which encouraged an evolving approach to philanthropy.



CARLIN (CARLY) JANSON
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Daniel Senter

Dear Friends and Colleagues,

At New Sector Alliance, this last semester has been both a time of change and a time of continuity. We have mobilized new clients, students, professional consultants, and staff in support of our dual mission—accelerating social change by strengthening organizations today, while developing leaders for tomorrow. At the same time, we have benefited from the continued involvement of a number of repeat clients and student and professional program participants.

In these last few months we have had the good fortune to engage seven new clients in Boston and San Francisco. Simultaneously, we have watched our relationships with several repeat clients deepen and expand. The continuation of our work with MCAAP - as well with two other repeat clients: Year Up and Outdoor Explorations - has produced impressive results. In the spirit of both change and continuity, we have worked with our clients to strengthen their core offerings *and* to expand their organizations. This has given us a deep sense of satisfaction.

This spring has also afforded us the opportunity to see both change and continuity among our student consultants. We are continually inspired by the diversity and talent of the new pool of students who apply to be a part of our programs each year. At the same time, we are honored when students take part in multiple engagements. As you will read, Chris Kim just completed his fourth (fourth!) engagement with us. While his description of the skills he has developed through his New Sector experience would resonate with almost any one of our student consultants, the vision and talent he has brought to his work are uniquely his own. Even as we make an effort to reach as many new individuals as we can, returning students like Chris reinforce the impact that New Sector and our client organizations can have on tomorrow's leaders.

Finally, in the coming weeks we will send some truly exceptional staff members—Annie Fishman, Adam Gerson, Shannon Music, and Susie Lee—off to business school. Although their presence will be sorely missed, we have been fortunate to recruit several committed new staff members—Valerie Bockstette, Jennifer Liao, Emily Mondon, Carter Romansky, Rachel Roth, and Joe Reilly—into our ranks. We look forward to watching New Sector evolve with these new additions to our team.

We here at New Sector are taking this time to reflect on our organization and the opportunities we provide to nonprofit clients, and to student and professional consultants. This introspection will help us to refine our programs and streamline our operations so that we can devote even more attention to enhancing our clients' ability to solve critical social problems and our students' development as socially responsible leaders. We hope that you will find this document and the stories that it contains inspiring. As always, thank you for your support. Please stay in touch.

Carlin Janson
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