

Software Giant Maintains a Soft Spot for Those in Need

JDA's Jim Armstrong takes a hands-on approach to philanthropy and finds that it's most effective when it's reciprocal

One might think Jim Armstrong's recent decision to learn Spanish has something to do with a client of his company, Scottsdale-based JDA Software Group.

But learning another language has nothing to do with a Spanish-speaking client, and everything to do with his desire to connect to and communicate with the needy people of Agua Prieta, Mexico, with whom he and his wife, Jo-Ann, have both an emotional and a financial connection.

Although better known in the retail industry as JDA's chairman and CEO, Armstrong and his wife devote their time and money to a handful of charities, including Rancho Feliz in Mexico, the Salvation Army, the Arizona State University (ASU) Service Learning Project and orphan Scholarship Program, and various charities supported out of Whitefish, Mont.

With the same entrepreneurial spirit and dogged determination that led him to start his own company more than two decades ago, Armstrong takes a hands-on approach to philanthropy, whether it's digging the foundation of a duplex for a homeless family, serving food in a soup kitchen or counseling young people.

He and his wife founded the Armstrong Family Foundation in 1996 with donated shares of JDA stock, and today the \$18 million charitable organization — which recently expanded to include the Kiita Foundation — is self-funded through the couple's donations. The foundation donates an average of \$615,000 per year in grants to local non-profit organizations. Seventy-five percent of the funding is dispersed to the

four charities that are nearest and dearest to the Armstrongs' hearts. Another 15 percent goes to charitable organizations, such as the Boys and Girls Club and the Heart Foundation, and the balance is divided among JDA board members to donate at will.

"If you give money superficially to charities, it's easy to stop doing that," says



Armstrong, who rarely attends black-tie functions intended to raise money and shies away from the bureaucracy of charitable boards. "But if you get involved with a charity the way we're involved with Rancho Feliz or the ASU orphan Scholarship Program, it just feeds on itself. Projects begin to build on one another just as they do in the business world."

HARD WORK PAYS OFF Armstrong is no stranger to hard work. He grew up in a small Canadian mining town and worked in a uranium mine to pay his college



The principal focus of Rancho Feliz (Happy Ranch) has evolved to providing American volunteer groups with the opportunity to serve the less fortunate.

tuition. Afterward, he pursued a career in technology, ultimately launching JDA Software Services in Calgary in 1978.

Seven years later he sold the business and, with a partner, formed U.S.-based JDA Software, which became a public company trading on the NASDAQ 10 years later. Today, JDA is considered one of the world's leading software and service firms, serving more than 4,600 retailers and suppliers and operating 36 offices on five continents. Forty percent of the world's retailers with annual sales in excess of \$100 million have

licensed JDA products, according to the company.

While Armstrong persevered in the corporate world, Jo-Ann spent most of her time raising the couple's four children. Their hard work eventually yielded financial rewards, and by 1996, Armstrong says they had reached the point where it was time to give something back.

Gay Brack, who founded the program, and as with everything, when you first get involved you ask, 'How can I help?' They had a whole list of things they needed, so we just dug in our heels and got to work," recalls Jo-Ann.

They began by donating computers and went on to build a library and add a new, completely furnished room for tutoring. As the program grew and a graduate student was needed to oversee it, the Armstrongs picked up the tab. And when additional transportation was needed to shuttle children to the facility, the Armstrong foundation donated a van.

"The real beauty of the program is that it

nessman, who is so incredibly successful in his own right, down here offering to pitch in and help," she adds. "He and Jo-Ann have set an example for a lot of folks here."

RECIPROCAL GIVING The charity that is perhaps most demanding and most rewarding for the couple is Rancho Feliz (Happy Ranch). Initially formed to provide food, clothing and shelter to abandoned children in Mexican/American border towns, the program's principal focus has evolved to providing American volunteer groups with the opportunity to serve the less fortunate.

The operating philosophy of Rancho Feliz is called reciprocal giving – philanthropy is most effective when each party gives to the other and when both are actively involved in the exchange. It's a philosophy that resonates with Armstrong.

"We don't give these people money; we try to help them by creating some sort of meaningful exchange. So we'll provide breakfasts and lunches to children in the barrio, but school attendance is mandatory to be eligible for meals," Armstrong explains.

Since becoming involved with Rancho Feliz, the Armstrongs have been instrumental in supporting the La Divina Providencia girls' shelter and senior citizen housing facility. In addition, they financed the building of the Exchange Dormitory, a residence where volunteers who go to Agua Prieta can stay at no charge. Today, they're in the process of building a medical/dental clinic.

As they talk about the girls' shelter, it's clear from the emotion choking their voices that it has special significance. "When you go down to the barrios and you see people – especially really young children – living in cardboard boxes with no sanitation facilities, it breaks your heart," says Armstrong.

"In some cases the children are orphans and in other instances their fathers cross the border and are never heard from again – leaving behind a mother and five children whom she can't feed. We take the girls in, and give them a place to sleep, some food and a chance to go to school. They're just craving affection, and when I go down there to visit, they surround me and call me Senor Brazo Fuerte, which means Armstrong in Spanish. It's such an incredible feeling to know that we're able to bring these children some happiness."

Gil Gillenwater, who founded Rancho Feliz along with his brother, Troy, thinks of Jo-Ann as the nurturer and Armstrong as the driving force behind getting things done. "Jo-Ann will come down here and do an arts-and-crafts project with the girls, and they just can't get enough of her attention



Jim and Jo-Ann Armstrong founded the Armstrong Family Foundation in 1996. Today, it's an \$18 million charitable organization.

"We're both from a blue-collar background, and we understand how tough it can be for some. Since we've been financially successful over the years, we felt it

was time to help others who weren't doing as well," he recounts. The decision to set up a family foundation was rooted in his desire to control where the money went and to get his family involved.

It was the couple's oldest daughter, Alison, who got them involved in a program operated jointly by the ASU Service Learning Project and the Salvation Army. At the time, Alison was an ASU education major and among the first interns involved in the program, which provides after-school tutoring for inner-city children in the Salvation Army's South Mountain facility in Phoenix. Wanting to do more for the children, Alison solicited her parents' involvement.

"Jim and I went down to talk with Dr.

works," beams Jo-Ann. "They have documented aptitude increases of 30 percent in math and 50 percent in English reading skills. It really builds the children's confidence when they start seeing their grades go up." The program is now run in 20 inner-city schools.

Last year, the Service Learning Project was expanded to include several new programs, including one for eighth-grade students preparing to take high school entrance exams, a Graduate Equivalency Diploma course and a pre-school program. "What started out as just a little idea has evolved into this huge program that is very, very successful," says Jo-Ann. "We're really glad that we can be a part of that."

"The Armstrongs have made significant contributions to this program. If we go to them with something the program needs, they find a way to make it a reality," says Jan Kelly, ASU's director of academic community engagement services, who describes Armstrong as a "regular Joe."

"It's always a bit humbling to see this busi-



ASU orphan Scholarship recipients must maintain a 3.0 grade point average to stay in the program.

told Jim that if he hadn't said 'Yes,' the boy would have had no place to live."

Being a mentor to the students can be trying at times, especially for Armstrong who is sometimes forced to play the heavy when students' grades aren't up to par. "There was one student last semester who really messed up. When I sat him down and talked to him about what happened, he told me he failed the final exam because he couldn't find a parking space," Armstrong recounts. "He said he did-

and affection. She really gives the girls a sense of self-worth," says Gillenwater.

"Jim is obviously extremely generous, but he's more inclined to be active in other ways," he adds. "He's always looking for ways to leverage his donations, and he has no qualms about getting on the tractor and getting his hands dirty."

Armstrong is especially proud of a project called Vecinos Dignos Sin Fronteras (Worthy Neighbors Without Borders). Using a tract of land donated to Rancho Feliz, the Armstrongs have been instrumental in building affordable duplex housing for displaced families.

Through the Armstrong Family Foundation a matching grant program has been established whereby the foundation pays for the first half of the duplex and Rancho Feliz raises money to pay the balance. To date, 26 duplexes have been built.

"It really motivates people when they see that you'll do half and they can do the other," explains Armstrong. "We build homes that a family of four or five can live in comfortably. But this is not just about a home; it's about giving them dignity."

Here too, the home is not given to the family. Instead, they must qualify for it. The home owners must work to pay a mortgage, agree to attend classes, keep their children in school, take birth control

lessons and actively participate in the newly established community.

EASING THE BURDEN The ASU orphan Scholarship Program holds special significance for the Armstrongs because their daughter-in-law was an orphan and faced the challenge of putting herself through college.

To ease the burden for other needy students, the foundation awards several annual scholarships to worthy ASU students who are struggling financially due to an unfortunate family situation, such as a parent's death or illness or abandonment. The Armstrongs awarded scholarships to four students the first year and have added four additional students to the program each year since.

To keep the scholarship, students must maintain a 3.0 grade point average. Still, Armstrong is ever cognizant of the daily challenges these students face and admits that a GPA of 2.8 or 2.7 is usually acceptable.

"We had one boy who became an orphan during his junior year in high school. He lived at friends' homes after that and somehow got dropped out of the system," recalls Jo-Ann. "We were able to help him, and today he's getting a 3.6 GPA. In the spring, he called Jim to ask if we would consider giving him some scholarship money to go to summer school. Jim agreed. Then, a few days later, a woman from ASU called and

n't want to double-park because the fine was \$50. I told him, 'With what it costs me to send you to school, double-park and I'll pay the fine.'"

As if they weren't busy enough, the Armstrongs also support the needs of a small town in Montana called Whitefish, where the family often spends summer vacations. Over the years, the foundation has helped to update a high school computer facility, supported the local food bank with a matching grant and recently helped the community fund a hockey rink.

Perhaps the ultimate satisfaction for the Armstrongs is seeing the positive effect that their involvement has had on their children, all of whom are now involved in some way in the charities that the foundation supports. In fact, their efforts have already come full circle.

A short time ago Armstrong gave his daughter-in-law, Amy — the one who was orphaned — a gift of some money for new clothes. Instead of buying clothes for herself, she used the money to create a scholarship for needy students in Boulder, Colo., where she and her husband now live.

Someday Armstrong hopes to retire from JDA. Not surprisingly, when that time comes, he looks forward to devoting himself full-time to philanthropic activities. — Susan Reda

STORES