

Profiting From Experience

Sara Martinez Tucker takes a corporate mindset into the not-for-profit world as she leads the Hispanic Scholarship Fund toward ambitious goals and programs.

by Sharon Shinn

Running a nonprofit organization requires passion, dedication, and tenacity.

Turning that nonprofit into a force for change requires a whole new set of skills, most of them rooted in business savvy. Sara Martinez Tucker brings both true commitment and financial shrewdness to her role as CEO of the Hispanic Scholarship Fund, based in San Francisco, California.

When Tucker joined HSF in 1997, the organization had been in existence for more than 20 years and had distributed nearly \$35 million in scholarship aid to Hispanic students seeking money for college. Tucker has expanded HSF's reach and financial base so significantly that now the fund distributes more than \$25 million *per year*.

Much of the growth can be credited to Tucker's business acumen. She received her MBA from the University of Texas at Austin in 1979 and soon joined AT&T, where she ultimately became regional vice president for the company's Global Business Communications Systems. During her tenure at AT&T, she served on HSF's board before taking over the role of president and CEO.

One of Tucker's key goals is to double the rate at which Hispanics earn college degrees. In 2000, HSF commissioned the RAND Corporation and the Institute for Latino Studies at the University of Notre Dame to tell her how. The resulting report led to the formation of various programs designed to involve families and communities in the education process and to encourage students to enroll in college and stay there.

Another one of Tucker's goals is to raise more funds so the organization has more money to disburse. She knows this means making the scholarship organization "palatable" to big-money donors. Corporate boards often don't want to fund scholarships, Tucker says, because they're so open ended: "The boards never know what happens to the scholarship recipients." She commissioned a survey by Harder + Company Community Research to discover exactly what had happened to the individuals who had received scholarships from HSF during its first 20 years. The survey uncovered the astonishing fact that 97 percent of HSF scholars earned their four-year degrees.

Armed with such information, Tucker has been able to attract donors such as Lilly Endowment Inc., which provided a \$50 million grant to HSF. Tucker has also secured HSF's participation in the \$1 billion Gates Millennium Scholars Program, as well as countless other partnerships with foundations, corporations, and other giving campaigns.

Tucker's success at HSF has led to widespread recognition. She was named the 2000 Hispanic of the Year by *Hispanic Magazine* and made *Hispanic Business* magazine's 2003 list of America's Top 80 Elite Hispanic Women. In 2001, George W. Bush appointed her to the board of directors of the Student Loan Marketing Association (Sallie Mae). Tucker also promotes the cause of education in other forums, such as the National Center for Educational Accountability.

Even a brief conversation with Tucker leaves the impression that she draws on every scrap of business knowledge, every moment of her life experience, in the performance of her daily job. What's more, Tucker is extremely willing to share the lessons she's learned about for-profits and nonprofits—as well as business and education.



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Although for-profit corporations receive much more attention in the business school, nonprofits are becoming a bigger part of the curriculum. When you moved from AT&T to HSF, what did you find to be the biggest difference in the nonprofit world?

Probably the speed at which things happen. By the end of my career at AT&T, I was in senior positions. I had control of my own budget, and I could move as fast as I could get my organization to move. If I had an idea, I could field test it and decide if it was worth the investment.

I brought the same mindset to the nonprofit world—but, candidly, no matter how good you are in terms of innovation or thinking through accountability, your speed is gated by your ability to get a funder behind your idea. That was the hardest adjustment for me.

What would you tell today’s business students about the best way to pursue a career in the not-for-profit sector?

I like the way I did it—moving from the for-profit to the not-for-profit world. I came out of my MBA program broke and in debt. I also came out very sheltered. I was 25 years old, and I had spent my entire life in south Texas. I had no clue what was out there.

The for-profit world allowed me to understand what it was like to work from a variety of perspectives—sales, human resources, operations, technology. It helped me understand how all the different pieces of a business have to come together to make a profit. So it gave me a diversity of experience.

It also gave me a diversity of living. The company moved me to Minneapolis, Santa Clara, Phoenix, D.C., and New Jersey, so I got to understand varying market segments by moving across the United States. I also was able to earn a good salary and pay off my student loans. The for-profit world exposed me to what was available and gave me the seasoning I needed to be an executive.

But I found in my corporate life that more and more decisions were based on shareholder expectations. There are a lot of politics in corporate America, and sometimes politics win out instead of what’s right.

For you, what have been the advantages of working for a nonprofit organization? What would you tell business students considering such a career?

For me, the benefits of working in the not-for-profit world are twofold. The first is that, no matter how controversial the decision gets, it’s easy for me to say to my team, “What would our students want us to do?” There’s a joy in knowing that we’re going to make decisions based on what our

kids need from us. I can go home at the end of the day and say, “I did something that made a difference for a student and a family.”

The second reason I would advocate a not-for-profit career is, we’re lagging behind the for-profit world by seven to ten years. We’re in need of sharp workers who have a business background and understand how to bring accountability into the not-for-profit world. There’s no free money anymore. We saw that with Hurricane Rita and Hurricane Katrina. People want to see where their dollars are going and what difference their dollars are making. You have to be able to create programs where people can see the results of their investments—and people who have the skills to do that are greatly sought-after.

Do students need different skills to excel in the for-profit and not-for-profit worlds?

When I was a for-profit employee serving as a director on a not-for-profit board, I think I would have said that there were very different skill sets. But in the past ten or 12 years, I’ve seen a convergence.

When I took this job, most companies would write us a check and trust we would do the right thing. Today there is a heightened sense of accountability. Now as I negotiate with corporations, foundations, and even individuals, I find that they want to understand what they’re funding. They want to know what difference they’re making. They want to see a return on their investment over time. Donors have become like shareholders in the for-profit world.

Since the skill sets are converging, students shouldn’t have to figure that their options are either/or. Ideally, even if you get a job in the for-profit world, sooner or later you’ll get involved in local nonprofits, serving on boards and bridging the skills. Or if you join a nonprofit, you might love sitting on corporate boards, because that will give you a fresh vantage point. I think there’s a lot of learning to be done on both sides.

Do you believe that business schools adequately prepare students for careers with nonprofit organizations?

I find that different campuses put a different emphasis on the whole idea of service. Some do it under the guise of ethics, some teach the notion of being a servant leader. When kids come out of certain campuses, you can tell just how much of that service ethic they’re going to have.

Students who come out of BBA and MBA programs wanting to work in the for-profit world don’t seem to have



the zealously of the students who want to change the world. Instead, they want to learn the system.

By contrast, the kids who want to change the world don't really want to learn your business model. They don't want to know what your distinct advantage is. They just want to do things. I'd like them to be tempered a little. I want them to understand the business philosophy and the organizing principles of the organization.

I wish there were more of a blend of service ethic and business skills. I would also hope that students who come to the not-for-profit world would understand that accountability and return on investment are necessary. We need to organize ourselves in the not-for-profit world so that we don't lose out on the passion we have for the work we want to do.

As head of the Hispanic Scholarship Fund, you've been able to bring your for-profit skills to the nonprofit world. Your goal is to double the rate of Hispanics earning college degrees. What changes have you made in the organization to reach that goal?

The RAND report helped us look at three levers: the percentage of Hispanics who graduate high school college-ready, the percentage of Hispanics who start college as soon as they graduate high school, and the persistence of these students once they start college. We knew we couldn't focus on improving any two of those; we had to look at all three.

We also knew we had to change our business model from focusing on college retention only. We needed to start looking at high school programs and summer programs. Instead of viewing our customers as being 18- to 26-year-old Hispanics, we had to view them as being 15- to 26-year-old Hispanics. We had to expand our work.

That was the practical side. At the same time, we wanted to consider the human side. After looking at the Latino community and doing focus groups with families, we realized it was necessary to create a common expectation in families. Ninety-seven percent of my scholarship recipients get their college degrees, so we asked them, "Why are so many of you making it?" These students told us that, in their families, the question had not been *if* they would go to college, but *when* they would go to college. So we realized we had to create that expectation in the community.

Today, the first thing we do is help parents understand what they can do at home to create an expectation of scholarship. The second thing we do is teach them about the American education system. A lot of them come from countries where

a fifth-grade education is the norm. Third, we help them understand what resources are available. We speak to them about federal, state, and institutional aid. A lot of our parents think taking federal

aid means you're on welfare. We have to teach them what programs are available to low-income kids.

But ultimately we know that the biggest barrier to higher education in this community is lack of financial resources. We've diversified our scholarship program so that we have scholarships for graduating high school seniors, for students going to community college, and for community college transfer students. We also help students understand what kind of help is available to them once they're on campus—what services to get from a student union and how important it is to establish a faculty relationship.

You've dramatically increased both the amount of money HSF raises for scholarships and the amount it disburses. How have you raised the profile of HSF and enabled it to attract corporate attention?

It's going to sound hokey, but we don't think of our kids as a charity. We're not asking for a permanent handout. We're saying, "Corporate America, if you invest in our kids now, you'll get the diverse worker you're going to need later, or you'll create brand loyalty with the fastest-growing segment of the American population." We go to foundations and say, "Two-thirds of our kids become active volunteers in their communities. Invest in their educations, and you not only get the citizen you want to live next door, you get the community leaders you want." What we take to our donors is the potential for accomplishing what they want to accomplish.

After I became president of HSF, the first thing I did was prove how the scholarship program offered a return on investment by surveying scholars about what difference the program had made in their lives. The second thing I did was show donors how their investment yielded either a productive community leader or a productive worker. The third thing I did was create a sense of urgency by saying that this is the generation we can't afford to lose.

We know that the two biggest predictors of a child going to college are parental level of education and family level of income. In 2010, one out of every five high school students in the U.S. will be Hispanic. Many of those students will be at-risk, either in low-income households or in households where both parents have less than a high school education. Imagine, with the growth of this community, how expensive this situation will be if we don't solve it with this generation.

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Once more Hispanics are attending college, how can business schools specifically interest them in pursuing business degrees?

We need to do a better job of helping Hispanics understand what’s possible with the MBA today. I’m grateful for what my MBA taught me. It gave me discipline and skills that I could take with me whether I stayed in corporate America or went to work at an organization that mattered to me.

When I was weighing my graduate degree options, I told my father that an MBA would cost me a fortune. My father said, “I’ve been working for 27 years. I feel I’m a really good general manager, but it’s taken me 27 years to learn everything. I want you to attend a program that helps you go through things faster and get places sooner.”

It’s so important for us to get the message out to students of color that a graduate business degree allows you to build a plan for whatever you want to accomplish. It’s not going to happen anywhere else. You can be a great salesman, you can be a great marketer, but until you understand the whole complexity of business planning and execution, you’re not going to have the confidence you need.

You have a seat on Toyota’s Diversity Advisory Board. Studies note that women and minorities are still largely absent on boards of directors. What do you think corporations are doing to improve diversity and representation on their boards?

Some boards bring in women and minorities because they believe it’s the right thing. Others do it because they think they have to. Some boards assess how good you are at leadership and building consensus. Others dare you to prove yourself a subject matter expert.

My hope is that more corporate boards will begin to appreciate the fact that once women have achieved certain levels, it’s because they’ve proven they’re good strategic thinkers, they can enroll others in their plans, and they can marshal resources in a particular direction. Women shouldn’t have to prove they’re subject matter experts in engineering or nuclear energy. What women will bring to the table is leadership.

Not many Hispanic women have achieved your level of success. What kinds of role models did you have?

I was the first Hispanic female to reach AT&T’s executive level, so all my role models were white males. When I was in corporate America, I used to run employee resource groups and say, “You don’t have to have Hispanic role models. Every boss is a learning opportunity—you either learn how to do

things better, or you learn how you never want to behave.”

But since I’ve been at HSF I’ve come to understand the importance of introducing my kids to folks they can identify with. A while ago, I was meeting with high school students, and I asked them, “If you were me—if you were trying to double the rate of Hispanics getting college degrees—how would you spend your money?” They said I should build an office here and put this kind of counselor there. I said, “For every dollar I spend on buildings and salaries, that’s a dollar less I have for scholarships.” And one young man said, “If I can’t see myself in college, all the money in the world isn’t going to get me there.” That stopped me dead in my tracks.

I realized that once you put yourself on a trajectory for improvement, you can learn from people who are different from you. But when you’re in a place where you can’t see yourself progressing, it’s important to connect with someone who can understand where you’re coming from.

Now when we do outreach, we always bring some of our alums. We start with a guest speaker who is a local scholarship recipient. I want to show my kids many people they can identify with, people who are using their education to make a better life for themselves and their families.

Do you consider yourself one of those role models for Hispanic students?

You know, I’m a 50-year-old woman. What 17-year-old is going to identify with me? I don’t see myself as a role model. I see myself as being in the business of creating role models.

I guess if someone could identify with me, they’d see that I left Laredo knowing I always wanted to be remembered as a good daughter, a good sister, a good friend, and—now that I’ve been married for 22 years—a good wife. I would hope, if people would look at me, they would see that, through my corporate career and my not-for-profit career, what hasn’t been lost is always my desire to be remembered that way. I’d hope that they’d also see that, no matter what I was doing, I gave it my all. And hopefully I did it for the right reasons.

When you look toward the future, what’s next that you’d like to accomplish—either with HSF, with another nonprofit, or back in the for-profit world?

In my corporate career, I was the first to say, “What’s the next thing? What can I tackle?” I love being on a steep learning curve. But I’m not done here yet. I don’t think the broad spectrum of Americans understands just how important the education of Hispanics is to their future. So until I get that message across, I figure I’m going to be that thorn in their sides. ☑



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