



UW TACOMA MILGARD SCHOOL OF BUSINESS LEADERSHIP AWARDS

LUI KIT WONG/Staff photographer

Jack Peterson, president of Bellarmine Preparatory School, is the UWT Milgard School's nonprofit business leader of the year.

Extending the mission

JACK PETERSON: Nonprofit business leader of the year followed his heart to Bellarmine

BY KATHLEEN COOPER
Staff writer

Jack Peterson's so good at the pitch, it makes you wonder where his career would have gone if he were selling something other than a Jesuit education.

What if he had stayed with his first company, which sold construction tools? Last year, it had \$1.9 billion in revenues and a 23 percent increase in sales. Maybe he would have helped lead that trend, and benefited from it, after working his way up from a territory salesman.

He opened new accounts so quickly, he had earned a bonus refrigerator and washer/dryer set before he and his wife, Mary, had a house.

But a job opened up in development at Bellarmine Preparatory School in Tacoma, and he saw it as a chance to move into education, where his heart lay.

So instead of climbing a corporate ladder, his professional

legacy is this:

In Peterson's three decades at Bellarmine, and as president for the past 15 years,

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ABOUT BELLARMINE

- 130 teachers and staff
- 1,014 students, 70 percent identifying as Catholic
- Annual operating budget: \$15.7 million
- President's salary: \$107,000

JOHN R. PETERSON

Age: 57

Nickname: Goes by "Jack"

Family: Mary, 58; children Rurik, 34; Michael, 32; Matthew, 30; Jackie, 28; Damian, 25

Where did you grow up? On Seattle's Capital Hill.

Where do you live now? In North Tacoma, near UPS.

Education: Seattle Prep; bachelor's from Yale; master's from Seattle University

Hobbies: Hiking and backpacking. Exercise almost every day to stay in shape for that. Most recently went to the Pasayten Wilderness.

What are you reading? "Curriculum 21" by Heidi Hayes Jacobs

PROFILES AND AWARDS

The News Tribune business team will profile the three winners of the University of Washington Tacoma Milgard School of Business 11th Annual Business Leadership Awards.

April 8: Business Leader of the Year: Luke Xitco, president and CEO of Tacoma's Associated Petroleum Products.

April 15: Small-Business Leader of the Year: Tony G. Panagiotu, president of Panagiotu Pension Advisors of University Place.

Today: Nonprofit Business Leader of the Year: John R. Peterson, president of Bellarmine Preparatory School of Tacoma.

The winners will be honored at a dinner at 6 p.m. Tuesday at the Greater Tacoma Convention & Trade Center. Organized by the Milgard School of Business, the award program is sponsored by Heritage Bank and The News Tribune.

MILGARD

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the school's revenues have increased from \$6.9 million to \$18.6 million. The endowment grew from \$914,000 to \$18.5 million. Almost a third of the students are people of color. The 84-year-old campus has several new facilities.

And a school that started as an all-boys Catholic school in 1928 has, through its rigorous educational mission, become one of the premier high schools in the South Sound region.

That's why Peterson was chosen out of 11 nominees as the 2012 nonprofit business leader of the year by the University of Washington's Milgard School of Business.

"Jack personifies extending the mission of Bellarmine to the community," said John McCarthy, a Pierce County Superior Court judge, Tacoma native and 1967 graduate. "Under Jack's leadership I've seen this movement of people that are not Catholic, who were anxious to have their kids involved in Bellarmine because they saw the discipline taught there."

FROM SALES TO EDUCATION

Peterson, 57, was raised in Seattle's Capitol Hill neighborhood. He considered becoming a priest, but knew he wanted to marry and have children. He wanted to be a teacher.

After college, he decided to take a sales job first.

"I want to get some experience in the world, in business," he said.

He worked in sales for Hilti, a Liechtenstein-based company that sells construction tools. After a few years, he moved to a local construction company, then to a computer firm. Then Bellarmine had an opening, in development.

"I realized something about myself," Peterson said. "I probably wouldn't be happy just being in a classroom. I would be one of those peo-

ple who was more worried about how the overall organization is working."

In a half-dozen interviews with people connected to Bellarmine, those who know Peterson describe him first as spiritual. His belief in God and the value of the Jesuit education drive him. He's direct, composed, detail-oriented and analytical.

Peterson likes goals. He likes spreadsheets. He's convinced that with careful planning, the future is predictable.

"It surprises me when people say, whatever happens, happens," he said.

"The greatest disservice I could do," Peterson said, "was to have people experience a future which is not the one they desire because nobody told them what it would be like in advance."

"That's what I see my job as. To say, here's what the future could be. Or it could be over here. And the decisions we make today will decide what path we could be on."

PREPARING SCHOOL FOR FUTURE

He applied this philosophy to his retirement, which he announced a few years ago. The new president should be hired by this fall, even though Peterson isn't leaving for another year.

"I've got a lot invested in this place," he said. "I wanted the board to have a long time to prepare. A school is like a lake. It needs a river flowing in and a river flowing out."

He's met with all the applicants. He wrote a book on managing a Jesuit school. He gave a talk at a board retreat on the topic. But the hiring ultimately is up to the board, Peterson said.

It's easy to see how his approach is a short walk to micro-managing.

"I think about that a lot. Anyone in a leadership position is going to be tempted to be controlling," Peterson said. He said he uses an approach he learned while being a director for a college acting company: Some de-

cide how the actors will move on stage before ever seeing what comes naturally. Others guide the action after observing the actors' instincts.

"There's a desire in me to want to control all the variables, and people are a big variable," he said.

Chris Gavin, the principal of Bellarmine, has been in that job as long as Peterson has been at the school. For the past 15 years, Peterson has been his boss.

"At times our work is like going through marriage counseling," Gavin said. "I tend to be more relational and Jack tends to be more process. I can make things more complicated because I sort of wrestle in my mind about different possible scenarios and solutions, where Jack likes the process to bring those out."

Peterson's approach earned him the confidence of the Bellarmine's board. In 1996, he was named school president - Bellarmine's first who is not a Jesuit priest.

"He's a systems guy, and he's faith-based. So he looks at the mission and has been able to apply business models," said Michael F. Tucci, the immediate past president of the board and whose family has a long history of involvement and financial support to the school.

When the Great Recession began, the school saw a 40 percent drop in the value of its endowment investment. Donations dried up. Enrollment dropped. Financial aid requests increased.

The 2008-2009 school year was difficult.

"We froze salaries. We cut back on our budgets. We narrowed the gap so that first year we only lost \$250,000," Peterson said. The next year, donors filled the gap to put the school's budget back in the black.

The school hasn't completely recovered. It offered \$2.1 million in financial aid this year, but for the first time put a cap on the amount a student could receive.

"In some cases, families

were admitted but couldn't come because we weren't able to meet their full financial need," Peterson said, dis-appointment in his voice. "It was just a few families. We got pretty close."

The per-student cost of education at Bellarmine is just more than \$15,000 a year, Peterson said. Annual tuition is about \$12,300, with the endowment and fundraising making up the gap. About a third of the students receive some sort of financial aid. "If we charge tuition closer to what the actual cost of educating is, then we don't have to use our donated dollars just to subsidize people who can well afford the full cost. We can target that toward people who can't afford it," he said.

Gavin said he had deep respect for Peterson's approach to the school's financial health.

"That's where I think Jack has probably worked hardest. In the last six years that's been a harder sell, and yet Jack continues to plow that ground," Gavin said.

"Jack works hard at relationships with major donors, and telling the story that wasn't short term."

FOCUS ON DIVERSITY

The school didn't have enough black students.

"I would run into an African-American alum, they would say, 'I got a great edu-

cation there but the social experience was very, very hard,'" Peterson said.

Just after he became president, Peterson went to The Urban League, the Tacoma Ministerial Alliance and the Black Collective. He wanted black students to consider Bellarmine. Group leaders said the cost of tuition was prohibitive.

Enter Leo Hindery, Tacoma native. His dad sold shoes. He graduated from Bellarmine in 1965 and went on to become a communications mogul and political activist.

"Leo and I had talked about this. I went and met with him and asked him for several million dollars," Peterson said. "I felt he was capable of it. He'd been very successful."

An answer took more than a year.

"I knew how much this meant to him. Leo is one of the big outspoken people about the discrepancy between rich and poor," Peterson said. "This is a big thing to him. He's very aware of the privileges he has gotten."

Peterson finally flew to San Francisco to meet Hindery for lunch, which turned into a 15-minute pitch as Hindery took a break between meetings.

"He just looked at me and said, 'Jack, what do you need?'" Peterson made the

same request. "He looked at me. He was doing math in his head. 'I'll give you \$3.75 million and I want it to go for diversity. Under-privileged kids from a minority background.'"

The endowed scholarship, announced in 2000, helped double the amount of financial aid the school offered. Now about 31 percent of the student body is of color, including 9 percent Asian, 8 percent multi-racial, 7 percent black and 6 percent Hispanic.

"Education didn't used to be a demarcation. It was the leveler," Hindery said in a recent interview. "I didn't have to persuade Jack what we were trying to do here. That's why it was easy for me to give so much money."

That's the heart of Peterson's pitch.

"Sometimes people misunderstand when someone has had some success in fundraising. They say you've talked someone into something they wouldn't normally do. I haven't had that experience," Peterson said. "Generally what you're doing is connecting something we do here, our mission, with a person's deepest aspirations."

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- Mr. T. Harkness

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