



BY MICHAEL J. McDERMOTT

The Business of Education Reform

Raj Thakkar is passionate about one thing in particular: the need for reform in the United States education system. While lots of people share his conviction, few actually do anything about it. But Thakkar has harnessed his passion and combined it with a healthy dose of creativity to develop Charter School Business Management Inc. (CSBM). The company aims to help reshape the educational future of thousands of students. And it's growing by leaps and bounds.

One reason education reform is so desperately needed, Thakkar argues, is that U.S. students are no longer keeping pace with those from other countries. "On top of that, there is a huge achievement gap among students around the country that is almost entirely dependent on their ZIP code," he says. "Achievement levels of students from low-income neighborhoods are nowhere near those of students from affluent neighborhoods."

Charter schools represent one education-reform effort aimed at redressing that disparity. Charter schools are nonsectarian public schools of choice, many of which are located in the most challenging neighborhoods. They are publicly funded and open to all students with no admission testing or screening, Thakkar says. Each school has a charter, or performance contract, that details its program, goals, and methods of assessment. The schools are able to operate with increased autonomy and flexibility in exchange for strict accountability.

Charter schools are accountable for both academic results and fiscal practices to multiple stakeholders. These include the authorizing agency that grants the charter, the parents who choose to send their children to the schools, and the public system that funds them. Done right, this multi-tiered accountability system leads to quality schools and increased student achievement, Thakkar says. However, charter schools that do not perform academically, are not viable financially, or violate



Raj Thakkar is helping charter schools manage their finances

the law can be—and have been—shut down.

"Financial mismanagement is one of the main reasons that approximately 600 charter schools have been shut down since the first one opened in 1992," Thakkar says. "Educators open hundreds of new charter schools around the country every year. But while they are passionate about academics, they often do not realize that part of their mandate involves running rapidly expanding, multimillion-dollar businesses."

Thakkar has harbored strong feelings about education reform for many years, but he spent the early part of his career in unrelated fields. He says two events, in particular, helped shape his life. The first was his father's heart attack and subsequent open-heart surgery at the age of 45. Just 17 at the time, Thakkar stepped in and ran his father's convenience store for three months while his dad recuperated—an experience that gave Thakkar a true appreciation of how hard his father worked and the level

of service he provided to his customers. A second heart attack forced his father into retirement at age 50. "He taught me through example how to run a business the right way and the importance of prudent financial planning," Thakkar says. "Retiring 15 years early is very difficult if you haven't planned well."

After finishing college and graduate school, Thakkar spent several years working in the technology field. His last job, at a tech startup, provided him with a second defining life experience. "I helped save the company from bankruptcy, but to do that, we had to downsize from 30 staff members to 10," he says. Eventually, the company built back up to several hundred employees, but Thakkar's experience with what he calls "awful corporate politics" left a bitter taste in his mouth and caused him to reassess his professional path. "Again, I learned the importance of smart financial planning, but more importantly, I learned how *not* to treat employees," he says.

Thakkar soon found a new job as chief financial officer of Explore Charter School in Brooklyn, New York, and experienced firsthand all the challenges charter schools face as they undergo rapid expansion.

After spending four years at Explore Charter School and helping it get its charter renewed for another five years, "I felt it was my duty and moral obligation to help new educators launching their own charter schools. They were well versed in how to educate students, but they did not know how to set up and run a business. Finance is what keeps them up at night, and I had the knowledge to help them."

Thakkar began laying the groundwork for CSBM during his time at Explore Charter School. He has an engineering background from his undergraduate studies, which ingrained in him the methodical approach he relied on to quickly understand the charter school market. "My nature as an individual is to figure out the best and fastest way to get things done and then share that knowledge to increase productivity," he says.

Explore Charter School soon gained a reputation for good management among the independent charter school community (there are also "franchise" charter schools that are managed by larger organizations). Educators interested in launching their own charter schools often visited and questioned Explore's staff, and Thakkar and



Partnership for business: Founder Matt Greenberg stands with Raj Thakkar outside Growing Up Green Charter School in Long Island City, New York.

ring. It also provides outsourcing services for charter schools that prefer to have CSBM handle their book-keeping, audit preparation, financial reporting, and payroll responsibilities.

The charter school market has embraced Thakkar's business model so enthusiastically that managing growth has become his biggest challenge. First-year revenues of \$95,000 in 2006 almost quintupled to \$488,000 in 2007. Since then they have climbed to \$801,000 in 2008, \$1.4 million in 2009, and a projected \$2 million in 2010.

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Growth like that doesn't come without a few hiccups along the way, and CSBM has had its share. True to its nature, though, the company has used them as learning experiences and developed better service and stronger contracts as a result, Thakkar says. The company has been successful in conventional ways, including

being named Small Business of the Year for the Eastern Region by the U.S. Chamber of Commerce in 2009. But the greatest reward for Thakkar has been the part his company plays in helping schools provide a solid education to their low-income students and empowering school leaders to make sound financial decisions.

"There are so many immeasurable returns on the investment of our time and energy," says Thakkar. "There is no way of knowing how many school shutdowns we've prevented or students who may have dropped out or been lost in the mix without our support."

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his colleagues freely shared both the positive and the negative. "I think we really helped many future charter school leaders learn from our mistakes and our best practices," he says.

Those experiences helped convince Thakkar that a company such as CSBM could succeed. The charter school movement was only a few years old, and most participants were trying to figure things out as they went along. "Being the first mover in the market that focused solely on charter schools was a bit of a gamble," he concedes. "There are other types of schools that could use our help, including traditional public schools, parochial schools, and private schools, but I chose to go with what I knew best."

The gamble paid off, and then some. Besides helping new charter schools get off the ground, CSBM also helps existing schools that "have made a complete mess of their finances," Thakkar says. His company helps them restore financial order and implement CSBM's best practices. It guides troubled charter schools in professionally developing boards of trustees, leadership teams, and front- and back-office staff, and it counsels them on how to prevent the original problems from recur-



BY AMY KORPI

Mission-Driven Dentistry

The devastation caused by this year's earthquake in Haiti reminded us all of the dire poverty in that island nation. Many of us don't realize, however, that many of the beautiful places in the Caribbean are home to people beset with similar difficulties.

"Sadly, just over the hedge of so many familiar resort areas are people in dire need of the kinds of things we take for granted," says Dan Stowe, D.D.S., who has seen these needs firsthand and has addressed them by taking periodic time away from his dental practice for three decades.

Stowe's journey began in dental school. The son of a Baptist minister, he looked into following in his father's footsteps, but with a twist—as a career medical missionary. In discerning his vocation, he found there are many organizations and programs that facilitate involvement in medical missions without requiring relocation or seminary training. So, in 1981, carrying his own portable dental equipment and supplies, he began traveling to places in desperate need of dental surgical services.

For the first 10 years, Stowe's volunteer trips took him to the Caribbean more than 25 times. Then he learned of a need in another part of the world. Following the disintegration of the Soviet Union, a friend who was establishing a seminary in Eastern Europe told Stowe about

his students' serious dental problems. So Stowe started packing his bags again, this time for destinations like Romania and Russia, including Siberia.

Since then, he has worked in Buenos Aires slums and remote villages in western China. Most recently, Stowe went to Uganda. "This region has, by far, been the most challenging," he says. "I feel like everything I've done in previous years was to prepare me for what I'm facing in Africa. In Uganda, you find a mass of humanity, and it is displaced humanity. My next trip there—my fifth—will include four dental surgeons, three medical doctors, pharmacists, nurses, and more, but there will be 3,000 to 4,000 people waiting for us."

Stowe doesn't limit his volunteerism to overseas locales, however. Since 1982, he has worked for the Stowe Baptist Center in the inner city of Columbus, Ohio, providing dental care and recruiting others to do the same. (He is quick to point out that the center's name refers not to him, but to his late father, who started several inner-city churches.)

The dental clinic idea started with something of an epiphany. "I was returning from one of my early Caribbean missions," Stowe recalls. "During our approach into Port Columbus Airport, I looked at the skyline, and I couldn't get the thought out of my mind that there are people in our own community who have serious needs as well."

He called his church's food pantry/soup kitchen coordinator and asked whether the people coming into the ministry had dental needs. They certainly did. What started as Stowe treating patients with his portable equipment has grown into 14 local professionals volunteering their services to homeless and working poor people in 10 dental stations two evenings each week. "I firmly believe there is a good nature in most people," he says. "Most people genuinely care about others.

They just need a platform where they can plug in and get involved."



Amy Korpi is managing editor of Creative Living. "Good Works" highlights the philanthropic and volunteer activities of Northwestern Mutual clients like Dan Stowe, whose Financial Representative is Bob Roach of Columbus, Ohio. To suggest a candidate for this column, contact editor Catherine O'Neill Grace at cgrace@tmgcustommedia.com. Please note this column features Northwestern Mutual clients only.