

Cementing a Career Path with an MBA

by Tracey Wong Briggs

A Stanford MBA who passed all four parts of the certified public accountant (CPA) exam on his first try, Gary Pechota, Rosebud Sioux, has had a highly successful career by any measure: CEO of South Dakota Cement at age 33, he also led the turnaround and sale of Giant Cement, a company with operations along the East Coast. He later came out of retirement from 2003-2006 to serve as chief of staff for the National Indian Gaming Commission. But Pechota, now age 60 and retired for a second time, had almost no exposure to the business world while growing up in rural Colome, South Dakota. His father was a high school graduate, and his mother raised three children before earning a GED diploma at age 55 and going into nursing. He credits his parents and older brother, as well as an economics professor at Black Hills State University, with opening the doors for him. Pechota shares his story with Tracey Wong Briggs of the Graduate Management Admission Council.



PAUL FETTERS

Gary Pechota

Rural Roots in South Dakota

I'm an enrolled member of the Rosebud Sioux Tribe, and I grew up about 60 miles from the tribal headquarters in an off-reservation town of about 400 people. That was a great way to grow up. But still, the downside was that [I was not] aware of all of the career choices out there, and certainly investment banking was not in my vocabulary at that time.

When I was growing up, most of the Indian role models were in law, politics and social sciences. As I look back, in undergraduate school there were very, very few Indian students in business. So business wasn't a common career choice for Native Americans at that time.

The high school that I went to was about 100 students. I think there were 23 (Native students) in my class. I would guess that probably half the kids in my class went to college, but very few of the Indian students did.

My dad was a custodian and a carpenter. My mom did laundry, she did babysitting, she did waitressing. I'm sure that they wanted us kids to do much, much better than that, and they pushed us to do that. (With) Mom, it was always "When you go to college..." rather than "If you go to college." She was always referring to Indian role models and saying, "You can be the next so and so." She pushed very hard for us to get into college. Once my brother did well in high school, he did well in college, and he set the standard that I had to follow. I think that's an important lesson if you can get your first child through high school, through college and maybe on to graduate school, the chances of the others following are very, very high.

My brother Terry is an attorney in Rapid City, South Dakota, and does a lot of Native American work. At one time, [he] was the youngest person ever appointed as a US Attorney in South Dakota. He had a pretty good vision of what he wanted to do. That told me that you have to enjoy what you're doing. And when I saw him do well, I assumed that I could do as well. He was a very, very good role model from that standpoint.

Graduating from high school, I wasn't quite sure what it was that I wanted to do. I had always been fairly enterprising, and since about the sixth

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grade, my brother and I were expected to be somewhat self-sufficient. We had summer jobs, and we always knew how to make a buck. I got to college, and I experimented with a number of classes and found that I really did like the business side of things.

I went to school (Black Hills State University) on a Bureau of Indian Affairs scholarship. My mom was really instrumental in getting the paperwork together on that. To this day, I still am not sure how she found out about it and helped put the application together. But she felt that it was important enough that if it meant going back two or three different times [to Black Hills State], she was going to find out about it.

Encouragement

I had kind of a rough first year in college—rough from the standpoint that my grades weren't what they probably should have been. Then the last three years I did very, very well. I think it was just a degree of maturity, and the realization, "You're here for a purpose, and what you do now will have an impact on the rest of your life." Once you realize that, the choices are fairly easy.

I had a professor at Black Hills State

who pushed me to do better and to look at what I was going to do after school. His name was Dr. Raymond Artusy. He just took an interest in me. He was demanding of his students, and he was just extremely bright and well versed—you know, could talk about almost any topic. And that kind of rubs off. I was, I think, 20 years old when I graduated. One of the things that Dr. Artusy said was, "You need to have a process for selecting where you go to [graduate] school. First of all, pick the best school that you think you can get into. In your case, you should pick Stanford." And then he said, "Pick a secondary school that's a good school that you can go to if you don't get into your Number 1 school, and then pick a school that you know you can get into."

Dr. Artusy looked at my personality, how I had performed at school, and thought that I would do well out there [at Stanford]. I think he saw me as quietly aggressive—competitive, not overboard—and that's the Stanford Business School. It's competitive, but there is still this camaraderie, and people want everybody else to do well. You hear stories of some of the schools where it's just cutthroat. That's not the way Stanford was at all.

Priorities Pay Off

Growing up in a household that struggled to make ends meet, Gary Pechota was focused more on getting through the next day or the next week than developing a grand vision for his life or career. But he's optimistic that young people today, particularly those in tribes with money to invest, will grow up with a greater awareness of the possibilities available to them and be able to go much further than he did. He offers some hard-earned advice:

"We all need something that sets us apart from the others. Certainly in my case, a graduate degree was a big, big factor. I also think that hard work is a great equalizer and that one of the most important pieces of advice I'd give is, make trade-offs between your job and non-job activities very early in your career. By that I mean you may not be able to go out bowling every Wednesday night, or something like that, but pay attention to the job. And that's early in your career. And then, take some chances. I think if you work toward establishing a reputation as a doer and as a team player, that's going to follow you throughout your career.

"If you really want to go to business school, pick out that first, second and third choice. Even before that, try to pick out the flavor for the business schools as well. Pick one that fits your background and personality. That takes a lot of work, but you can get to the bottom line."

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Dr. Artusy said, “If you’re going to get in, this is what you have to have as far as test scores, this is what you have to have as grades. And if you want to get those test scores up, there’s a certain amount of preparation that has to be done.” I worked hard at that; I took him at his word. I’m an overachiever, so if the typical person studied four weeks [for the GMAT® exam, the standardized test used for business school admissions], I probably studied eight.

Fortunately, I was admitted to Stanford, but I got married. I decided that maybe it would make a little bit of sense to [defer] my admission for a year, to get out, get a little bit of work experience, and also put a little money aside. I think that year’s worth of work experience made a big, big difference in how I performed [in business school], and as importantly, how I contributed to the class discussions.

I worked for United Sioux Tribes Development Corporation as an accountant. The person who was a head of the business was also head of the Rosebud Sioux Tribe. So during that year, I moved down to Rosebud and became assistant manager of a tribally-owned electronics plant.

From South Dakota to Stanford—and Back

[Prior to going Stanford] I had never been out of South Dakota, other than to Minneapolis once, I think. The memory that comes back is driving out to Stanford with the U-Haul trailer, being in the fast lane in traffic and horns honking, people pointing and screaming at me. I asked myself, “What the hell did I get myself into?” I mean, literally I didn’t even realize that there was a fast lane and a slow lane!

Once I got on campus, it was very, very easy to adjust. One of the things that they did at Stanford was that [in a class of 300] they divided us into sections. I had a section of 60, so I got to know 60 kids really, really well, and several of the other 240, as well. I made good friends. Stanford put an emphasis on prior work experience, and so I was able to learn from my classmates as well as the professors. The whole experience was, I’d say, crucial to any success that I’ve had in my business career.

I went to work for General Mills right out of graduate school as a financial analyst. With all sorts of financial

analysts there, it was hard to distinguish myself in any meaningful way. I decided that I would eventually move back to South Dakota, and it made more sense for me to go back to South Dakota with a CPA certificate than it did with four years of experience at General Mills. So I decided to sit for the CPA exam, and got through all four parts the first time.

I went to work for one of the big eight accounting firms and did very, very well there. But at that point, we had two kids, the grandparents were in South Dakota, and we thought it might be nice to move back. So we moved to South Dakota and I went to work in the retail wholesale lumber business that had been a client of mine [at] the CPA firm I’d worked for. After a couple of years there, the job at the South Dakota Cement Plant opened up, and I applied for it. The governor of South Dakota knew who I was—a neighbor of his when we were down at Rosebud. He gave me a chance, but I don’t think I would have had the chance without a graduate degree. He was a big believer in degrees. I didn’t have all that much experience at running an operation, but he gave me the opportunity.

Starting at the Top

I started out as the president and CEO of South Dakota Cement at the age of 33. It was a situation where the previous CEO had been fired. The business was in a state of flux, and we got that turned around. After about 10 years there, I decided that if you go in as CEO, and 10 years later you’re [still] CEO, you’re not going to go any higher.

I decided that I needed another challenge. Thinking that I had enough experience, enough drive, a good enough education that I could turn something around, I found the worst-performing operation in the US (Giant Cement, which had operations along the East Coast). Turning things around comes down to a couple of things: one, having a little bit of a vision on what a company can do; two, surrounding yourself with people who believe that this vision is possible. And then it’s just a lot of hard work after that.

It was difficult [at Giant Cement]. We had regulators; we had financial institutions; we had the community; we had the employees. [We] were trying to do what was best for them, as

well as the shareholders, since we were a publicly traded company. We had some environmental problems so we had community issues, and just day-to-day earning the trust of everybody affected by our business. It got to be kind of a fine line to walk. We had to see all viewpoints. You just can’t be in everybody’s face all the time.

If there is any Native American tie [to my success], maybe that’s it. Because we’re not confrontative. You can come in and you can say something, but ultimately, they say, “Well, show us.” Over the years, we tried to show that we were good citizens and we were an important part of the community, and we succeeded.

After about seven years, we got the *Forbes* 200 Best Small Companies Award, based on performance measures and how the stock performed. That’s one of the things in my career that I’m really proud of.

We [finally] decided that as a small company it made more sense for us to be a part of something else. So we went out and sold the company to a Spanish firm in 1999 and then I stayed on for two years in a transition period before retiring. Most importantly, I left the employees of the company in a position where they were part of a company that had good financial resources, had lines of credit, and in the long run, I thought the employees were going to be better [off]. The shareholders came out very, very well on the deal, too.

Coming Full Circle

I had been retired for two years, but I felt that there was more that I could do. I was also in a position where I could kind of pick and choose what it was that I did. I knew I wanted to make a difference to Native Americans while still taking advantage of my business background.

The National Indian Gaming Commission—these are the people who regulate Indian gaming in the United States—was looking for a chief of staff. I had a lot of respect for Phil Hogen, who was running the commission, and decided that Washington, DC, might be interesting for a period of time. I found out a lot about the ways of Washington, and I worked with some very talented people there. Native American gaming has been one of the phenomenal success stories by any

industry standard. More importantly, it's given Native Americans a voice that they didn't think was possible at any other time. Gaming is doing well, even in spite of the economic downturn. A lot of the senators and representatives in DC are paying much more attention to Native American issues. The tribes have the ear of the elected officials, and they're making a difference.

It was fun to watch the progress of the various tribes. With Indian gaming money coming into the tribes, education, health care and other types of programs are doing much, much better.

After leaving the Gaming Commission, I bought into a business back in South Dakota called DT Track Consulting, Inc. We do medical coding and billing, primarily for IHS [Indian Health Service] service units. In effect, we're helping the service units collect what they are due from Medicare, Medicaid and private insurers. This allows them to provide services with collections and provide better services to tribal members. The work is important; it's critical to the health care of Native Americans. We have nationwide contracts.

My first job out of undergraduate school was with the United Sioux Tribes Development Corporation, which was an umbrella organization of various tribes in South Dakota. And my present position, or the company that I am owner of, is involved in Indian health care. So it's sort of like bookends, where I started out working for an Indian organization, and I'm ending my career working for an Indian organization, with a lot of private sector work in between.

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I found a path for my future.

I wasn't sure what to do with my life. There didn't seem to be many options. Then I heard about the Indian Health Service (IHS) Scholarship Program, which is available to American Indian and Alaska Native students. After thinking about it, I realized a career in health care would be rewarding! I went online at www.scholarship.ihs.gov and started working on my application. It was easy – everything I needed was right there.

I always thought it would be great to learn the skills to help others and now I can. I'll get to work in Indian Country, maybe even with my own people. How cool is that?

To be considered for the IHS Scholarship Program, your completed application must be submitted no later than March 28, 2010.

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