

Tim Cawley: Using Business Skills to Help Transform Education



When Tim Cawley left his post as a senior vice president at Motorola in October 2007 to become the managing director of finance and administration at Chicago's Academy for Urban School Leadership (AUSL), a nonprofit teacher residency program and school management network, he was fulfilling a lifelong plan. And now that he has recently moved from AUSL to become chief operating officer (COO) at Chicago Public Schools, his sense is that the plan has taken its next natural turn. As he put it, "For me, it always felt like I was destined to do something like this; it was just a matter of when."

In the course of a highly successful 30-year business career, Cawley had honed his business skills with companies like Procter & Gamble and Ameritech, and also worked in smaller businesses including as the chief executive officer (CEO) of a small toy company. But by 2001, when he was recruited to join Motorola, Cawley had begun to think about where and how he would be able contribute to the nonprofit sector. That train of thought, Cawley says, was inspired, in part, by the efforts of Paul Vallas, the then CEO of Chicago Public Schools (CPS). "Some of the things I read about that he was doing sounded a lot like what I was doing in business: hiring the right people, measuring results, holding people accountable, strategic allocations of resources," he said. Vallas's work made him think: "This might be the kind of place where I can apply what I've learned in business."

If Vallas was his inspiration to make a change, it was a series of events, which began with a meeting with Arne Duncan in the spring of 2007, that revealed an opportunity to take action (at the time, Duncan was Vallas's replacement as CEO of CPS; he is currently President Obama's secretary of education.)

Cawley always had believed that the state of inner-city education was dismal and unjust. "It just seemed colossally unfair that these kids were dealt such a bad hand," he said. But it was an introduction to Duncan by a friend at McKinsey & Company, and their subsequent discussions about education reform, that caused Cawley to think seriously about finding a full-time nonprofit opportunity in the education field. "There are a lot of problems in the world, but this seemed like one where, right here, you could make a difference, and you could see the impact of it," Cawley said.

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Then two of Cawley's friends facilitated a meeting with AUSL's founder, Martin J. Koldyke. During that meeting, Cawley said, "I told [Koldyke] what I wanted to do, and he said, 'We happen to be looking for a business guy,' and the rest is history."

AUSL was not Cawley's first exposure to nonprofit work. He had been a member of the Northwestern University Settlement House board since the mid-90s. But, Cawley noted, being on a board was an entirely different level of engagement—and one that was not hands on enough for him. "It's hard to be hands on as a board member," he said. "If you're really hands on, you're getting in the way of management."

The job at AUSL was decidedly hands-on. "At the time [that AUSL recruited me], it was beginning to scale up," he explained. And that growth created the need for increased discipline in the management of the organization. "Managing expenses, developing HR practices that were good at finding, retaining, and motivating employees, all of these things were needed," Cawley said. "My experience with Ameritech and Motorola, where I needed to drive change management, gave me the opportunity to bring what I had learned [to AUSL]" Specifically, Cawley calls out a trio of business skills that have helped him succeed in his new role.

Expense discipline: "Every dollar that is spent needs to be accounted for, and accountable back to the person making the decision to spend it," he said. According to Cawley, that's the first step to spending money in areas that are needed to improve the organization—and to ensure that the organization is in fact determining the best use for the money. "When you come from business, you're used to making financial tradeoffs, which lead to good budgeting, that then lead to making good decisions over the course of the year," he said. For example, he said, if the organization needs two new tutors, you need to ask: "What will happen if we don't spend the money? How much are tutors? What else could we spend the money on if we don't spend it on the tutors?" "Bringing that kind of thinking to AUSL," he explained, "has allowed us to manage revenues much more carefully and build a little bit of a reserve that allows us to go into any given year without having all of the money raised."

Early on, Cawley notes, his methods weren't widely embraced: "At first, my peers were skeptical: They thought, 'He's trying to turn this into a profitable business.'" However, Cawley says, when they realized that they could make the case for, say, two more tutors, and use money from reserves to fill the roles, they began to see the value in his approach. "Once they saw that keeping the powder dry really did mean preserving [money] for when it was needed and that it was available when it was needed, they totally got the idea of why you build reserves—why you don't spend money in the present if it really isn't necessary,"

he said. In addition, Cawley brought in a finance director to provide tools to help managers see how their spending affects the budget, which helps everyone gain more financial discipline and clarity.

Strategic marketing: According to Cawley, AUSL needed to go from 400 applicants to 1,000 a year to more effectively recruit for its residency program. Prior to Cawley's appointment, the organization had primarily recruited people at places and events that had large numbers of attendees. "The feeling had been to simply go to where the people were, but I asked, 'What about recruiting good candidates?'" Subsequently, AUSL changed its recruiting strategy and focus more on recruiting at universities and job fairs, as well as leveraging its own networks to find the best candidates for its program. "[Our new approach meant] not embarking on just any activity, but really thinking through and targeting the highest value places to expend our efforts," Cawley said.

Using data to make decisions: Getting data and using it to really understand how the organization is doing is something businesses do all of the time, Cawley notes, and bringing this discipline to AUSL has helped the organization's leaders and managers look at what they do more analytically. As an example, Cawley said, asking such questions as "How was attendance last month? How does it compare to the control schools? How are the students performing, and how are students growing?" has helped AUSL gain more clarity on its performance and make better decisions for its organizations, its schools, and the students it serves.

Those skills—transferred from Cawley's for-profit work to his nonprofit work—were notable assets to his role at AUSL. And when the opportunity arose to become COO of Chicago Public Schools (CPS), he knew that he had a chance to leverage them even further.

Cawley wasn't looking to change jobs. As he put it, "I was delighted with AUSL." But two key relationships with Dave Vitale, president of the CPS school board, and Beth Swanson, the former budget director for CPS, helped sealed his fate to become CPS's COO by recommending him for the post.

And so, for the past two months, Cawley has been plying his nonprofit and for-profit experience into his new position, where his responsibilities map very closely to what he did at AUSL, just on a much larger scale. "It's my old AUSL role on steroids," he said. "The school district is enormous," he said. "It's the third largest [school district] in the country, with over 400,000 students, a \$6.5-billion budget, and over 40,000 employees." AUSL, in comparison, has 19 schools and \$100-million budget.

Between three and a half years at AUSL and his for-profit experience, however, Cawley feels well equipped to be successful at CPS. “I feel my entire career was meant to get me to this point,” he said.

Cawley easily could have stayed where he was, but reflecting on the move, he sees even more opportunity to make a difference in his new role. “Only an opportunity like this would have moved me,” he said. “It gives me the opportunity to have broader impact and to help improve AUSL and keep them doing great work.”

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