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JUNE/JULY 2007

TOP 25 FRANCHISES

Our annual list of top franchises for Hispanic entrepreneurs

EMILIO T. GONZALEZ

"People need to understand America is what it is today because of its immigrant communities."

SWEET SUCCESS

Fortius Holdings President Maria Contreras-Sweet shares her career lessons



LESSONS IN SUCCESS

By Conrad Dahlson

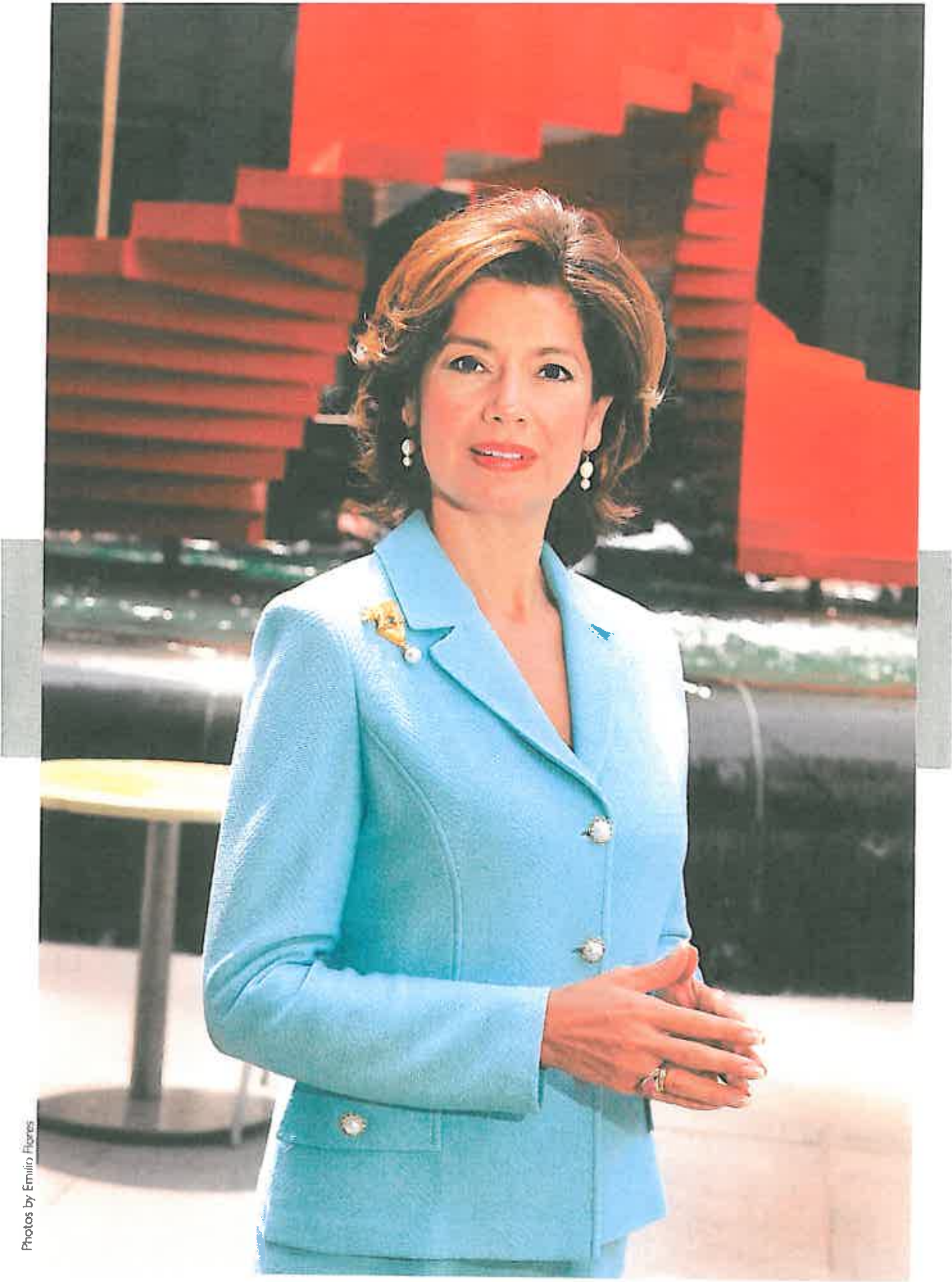
BOTH IN GOVERNMENT AND THE PRIVATE SECTOR, MARIA CONTRERAS-SWEET HAS SHOWN WHAT IT TAKES TO GET THE BREAKS.

Streaking across the firmament of business and government success, from being a Westinghouse VP to heading a huge California state government agency to founding Promerica Bank, Maria Contreras-Sweet leaves admirers wondering how she did it all.

The fact is, her career holds a lot of profitable lessons – for anyone willing to work like crazy, that is.

Lesson No. 1: you don't have to be born with a silver spoon in your mouth. It wasn't the most promising start that at five her mother separated from her father down in Guadalajara, Mexico in 1960 "for many reasons that sometimes I understand and sometimes I don't," and brought her north to Los Angeles where they stayed from house to house with various family members living there.

Another lesson: start young.



Photos by Emilio Fiores



Contreras-Sweet and New Mexico Governor Bill Richardson during a Promerica Bank dedication ceremony in downtown Los Angeles earlier this year.

OUR DREAM IS TO BE THE BANK OF CHOICE FOR OUR COMMUNITY WITH THE AIM OF CONSTRUYENDO PATRIMONIO – BUILDING WEALTH.”

Still in high school and working as a “utility” in a jewelry store, she met the office manager for the speaker of the California Assembly who noted her already impressive abilities. He asked her if she wanted to work as a “utility” for his boss.

“I was like, I’m just practicing cheerleading. I don’t know anything about that,” she recalls. But he determinedly told her she had the “skill set” they needed.

The next lesson is a little more complex.

The skill set the speaker’s office manager glimpsed, and has unfolded in every position she has held, is the ability to tackle a complex series of problems and visualize solutions for all of them. And then working, working, working to make those solutions a reality.

For Contreras-Sweet it was a turning point. From land use and transportation to the problems of aging, she got to know every committee in the state government. So exciting did she find the experience that she enrolled as a political science major at California State University, Los Angeles. Her studies were amplified by real-world experience when she was hired by a state assemblyman.

Paradoxically, it was her knowledge of government that plunged her into the private sector after graduation. Westing-

house hired her to handle government affairs, but when the Pittsburgh giant acquired the soft-drink bottler 7-UP/RC, she got a chance to hone her marketing savvy at a time when cutting-edge tactics like guerrilla marketing were in vogue.

Next lesson: when you move on, use what you’ve learned.

From public policy to the private sector, not a scrap of her experience went to waste when she opened her own enterprise, the Contreras-Sweet Company, an international management consulting firm servicing Fortune 500 and Service 1000 firms. For example, she says she used the same strategy in building her company that she had formulated for 7-UP/RC – and that is to be tops in everything. Then the approach had been to leave the cola wars to Coke-Pepsi and be tops in everything else from orange drink to bottled water.

Now the Contreras-Sweet Company set out to get the top entertainment conglomerate, and landed Disney. The top soft drink, and landed Coca Cola. The top museum, and got the Getty Museum in Los Angeles.

Not wanting a Latino company to look inferior in any way, she invested heavily in a top-drawer presentation and in the

first year expenses far surpassed income – the typical startup profile. But by dint of dedication, she was putting together a premium portfolio.

But suddenly getting to the top of the business world had to stop. In her third entrepreneurial year with the company thriving and solidly in the black came some good news and some bad news.

Contreras-Sweet was tapped to go back into government as California’s Cabinet Secretary for the California Business, Transportation and Housing (BT&H) Agency – a plum post to be sure, but Contreras-Sweet had to think twice because financially she had to give up what had developed into a going concern.

And what about the family? The job was in the California state capital, Sacramento, and they lived in Los Angeles. Would grabbing this tremendous opportunity mean uprooting the kids – Rafael, Francesca and Antonio – from home and school, plus getting husband Ray (the guy, she always told him, who “made her Sweet”) to leave his business?

An invaluable lesson. get input from the people who matter.

“The dinner table is our boardroom,” Contreras-Sweet says, “with the family as the board of directors. This was a tough

call but the board was unanimous." "We'd always done well," she says, "landed on our feet, and this was a chance to do something for my country." So with the family's blessing she commuted for the next five years.

Sacramento turned out to be "one of the most enriching experiences of my life." She now bossed a segment of state government with 42,000 employees and a \$14 billion budget. Some say that seldom had the former been so effectively employed or the latter so well spent.

It was an immensely complex undertaking to be sure. What did health care, real estate, the Highway Patrol, traffic safety, banking, housing, business, prisons, alcoholic beverage control, contracts for roads and bridges, and regulating the state's drivers' licenses have in common? How do you even know where to start?

Now comes the lesson of lessons: set an inspiring ideal as your single, shining goal.

She saw her goal as building better communities. Because how well or how badly the people in California's communities would live was directly proportional to how well or how badly all of these sectors functioned.

Moving from strategy to tactics, Contreras-Sweet set up an Infrastructure Commission to review all the operating divisions under her command while picking the brains of top leaders from business and labor to communities and health care. How do we plan for the state's hospitals, prisons, schools, land use, transport, businesses and more? How do we bring all these pieces together?

By visualizing them all as "Building Blocks of a Sound Economy," as she called her new program. So that each sector became part of building better communities. On the basis of her findings she made recommendations to the state legislature that had some not insignificant payoffs. One of them helped then-Speaker of the State Assembly Antonio Villaraigosa land a \$3.1 billion housing bond.

Success breeds success, and doing a good job inevitably means being given more jobs to do.

So in 2000 she was tabbed to chair the state census. Whether or not that had been part of her job description, she took it seriously - because there was more at stake than just another head count: people have to be counted to be represented.

"I wanted to make sure we counted everybody, which meant we had to get into the traditional pockets of undercounting" where minorities live.

The census results won California a new congressional seat plus proportionately greater funding due to its verifiably larger population.

Once again all was going swimmingly when Contreras-Sweet's career took another dramatic U-turn. California Gov. Gray Davis fell from power in October, 2003, after becoming only the second governor in U.S. history to be recalled.

"When Gray Davis left, we all did," says Contreras-Sweet simply.

A very important lesson: don't give up.

With Sacramento behind her, Maria Contreras-Sweet put all her past experience to work. As a civil servant "contracting and putting projects out to bid, I noticed there wasn't much diversity among the bidders. So I launched a program called Access California. I went to centers of diversity (in California) like Oxnard, El Centro, Fresno. I talked to Latinos, women, blacks, people who didn't have capital." One of their big problems, she says, is that when clients take months to pay, their business can easily go under.

Lesson: helping others is a way to help yourself.

Many times these minorities were ready to toss in the towel, she explains, "but I'd say 'don't sell your business.' And they'd say 'But we can't afford to keep the company,' and I'd say 'you have assets, you could secure a loan.'"

Secure a loan where? How about from Maria Contreras-Sweet herself? She founded a private equity firm with real estate titan Edward P. Roski Jr. called Fortius Holdings to provide venture capital for up-and-comers.

Without abandoning that company, she saw that what these minority entrepreneurs, this underserved community needed most was a full-service bank to help out with all their financial needs. She talked with her influential friends from coast to coast and convinced the likes of Cuban-born music entrepreneur Rodri Rodriguez, former U.S. secretary of housing Henry Cisneros, Roski and others to get behind her for the long, tedious incorporation process. Her connections, the requisite \$100,000 in capital to found the bank, getting "25 very special families from the Latino community" as the original investors and a tremendous amount of work finally paid off. "I'm the burra, you guys are the stars," she told her powerful associates.

The bank opened its doors in November 2006 as Promerica - the promise of America.

"Our dream is to be the bank of choice for our community with the aim of construyendo patrimonio - building wealth."

Lesson: giving back is one of life's greatest rewards.

As she did in business, Contreras-Sweet set out to make a difference in the Latino community "almost as a hobby" when she founded HOPE, or Hispanas Organized for Political Equality, 15 years ago. "I thought there should be a place for Latinas. In school you got writers like Louisa May Alcott but there was no Latin American view of things. I want to change that." And politics is the agent of change.

She urged female friends to become part of the political process, and got HOPE moving on from being a hotbed of political chat to an effective institution that today counts lawmakers among its members.

Maria Contreras-Sweet sums up her amazing career with down-to-earth family values: "I'm proud of my Mexican heritage, proud to be an American. This is a great time to be here as a mom, a migrant, a worker."

Lessons for us all. ■