

# TEAM OKLAHOMA

BY CAROL J. BURR

**Joe Castiglione  
spent his first year  
at Oklahoma  
assembling the  
people and plans  
to propel Sooner  
athletics into a  
new era.**

A parishioner exiting mass at one of Norman's Catholic churches this fall commented to the priest on Oklahoma Governor Frank Keating's presence in the congregation. "I didn't see the governor," the priest confessed, "but Joe Castiglione was here."

Almost in spite of himself, the University of Oklahoma's second-year athletic director has become a major Sooner personality.

However prominent his job in this sports-crazy state, Castiglione seems indifferent to his personal celebrity. When he arrived prior to the 1998 season, just as the souvenir football programs were being assembled, he was unconcerned about getting his photograph into the publication. His administrative assistant, Pam Kelleher, still struggles to find suitable publicity photos to accompany his out-of-town speaking engagements.

But Sooner fans in the know recognize that in this man's hands rests the resurrection of OU athletic fortunes. His short-term decisions must be the right ones; his long-range plans must chart a prudent yet aggressive course.

Knowledgeable observers think Castiglione is on the right track. To OU Heisman Trophy winner Billy Vessels, who served on the search committee, the former University of Missouri athletic director is "a real professional with a business mind" capable of solving Athletic Department problems that have been building for a decade. An editorial writer for *The Daily Oklahoman* calls him President David Boren's smartest athletic hire.

# “people working together can make great things happen”

—Joe Castiglione

Castiglione drew high marks for his own first hire, football coach Bob Stoops, the highly regarded defensive coordinator from Florida State who has created the surprisingly successful “new look” Sooners in his first season. The new athletic director had not counted on filling this high-profile position during his first months on the job, but when the OU Regents vacated the position held by John Blake, Castiglione swung into action.

Serving as his own search committee, he did his homework, went after his chosen candidate, fought off competing offers and sold his man on Oklahoma—all the while resisting the pressures of press and public. What could have been the familiar media frenzy was a businesslike process that appears to be the Castiglione style.

The most daunting challenge Castiglione faces is repayment of the department’s operating debt to the University of \$7.9 million, plus a short-term \$261,000 loan to cover last year’s budget shortfall. The latter Castiglione expects to be repaid by January 1; the rest will take a little longer.

The ’98-’99 budget was already in place when Castiglione arrived. Nevertheless, he contends that the department could have finished in the black had it not been for the \$1 million price tag on the mid-year coaching change. Buying out Blake’s contract cost the University approximately \$610,000, plus the expense of settling with 10 assistants,

conducting the Stoops search and bringing in his new staff.

Castiglione is launching a two-pronged attack on the financial crisis: cost containment and revenue enhancement. The 1999-00 budget of \$22.9 million is leaner and meaner, down from the previous \$23.9 million, with the first reserve fund in many years, 3 percent, and a line item of \$100,000 to begin the debt repayment. He admits that both categories are much too small but all that the department presently can afford.

“We’d like to move toward a reserve fund that is 10 percent of the annual operating budget,” he says, “for those unforeseen demands during the course of the year. Last year, for example, we had much larger medical and scholarship bills—people might forget that as a department we are sort of the moms, dads or guardians for 450 student athletes in 20 men’s and women’s sports. During the winter, we also had to deal with facility break-ins and major water damage to the press box. In any given year, we could have storm damage or pipes break. We could not possibly insure all our facilities; the premium would be astronomical.

“I know the debt repayment seems small,” he continues, “but we have taken the first step. The debt accumulated over more than one or two years, so it will take more than one or two years to pay it off.”

Historically self-supporting with the cash cow football

**The Athletic Department’s senior administrative staff gathers in the director’s office at the beginning of the 1999-00 season. From left are Gerald Gurney, associate director for academic student life; Merv Johnson, special assistant to the director; Larry Naifeh, executive associate director; Dan Gibbens, faculty representative; Bruce Van De Velde, senior associate director; Joe Castiglione, director of athletics; Robert Smith, assistant director/business manager; and Marita Hynes, associate director/senior women’s administrator.**



# “Athletics becomes the window through which people view the

making up deficits for other sports, the Athletic Department last balanced its budget in 1993, the year the Big Red recorded its last winning season. Losing football teams alone do not account for the department's red ink, however, although failure to live within the means of this new reality contributed. So did the revolving door coaching situation and resulting salary settlements. So did the added expense of bringing women's sports into Title IX compliance.

“I entered this business after Title IX, therefore I'm not constantly blaming it for our financial problems,” Castiglione insists. “Title IX—gender equity—is the way it is and, in most people's minds, the way it should have been for a long time.”

Castiglione is curtailing costs with a number of checks and balances, requiring each of the department's programs to take a zero-based budgeting approach—dollar in, dollar out; no carry-over; no deficit spending. His short-term maneuvering has included consolidating some operations—maintenance, for example—cutting some positions, leaving other positions vacant.

Long-term solutions involve organizational restructuring to maximize the department's resources in every possible way, putting emphasis on areas that can generate money. The most obvious, of course, is tickets. To increase customer convenience and service, Ticket Manager Tom Blubaugh's operation has moved to highly visible quarters outside Oklahoma Memorial Stadium's Gate 1, and Sooner football fans once again are flocking through the turnstiles. The entire home season sold out, and the nearly 57,000 season tickets purchased is the most since 1990.

But tickets are also the key to Castiglione's new donor program for the two revenue sports, football and men's basketball. Detailed on Pages 8 and 9, the donor program increases for the first time in many years the minimum level of contributions for premium seats in the stadium and Lloyd Noble Center. Castiglione instituted a year's notice of the changes for current seat holders and a three-year graduated increase. He and his development officer, Kirby Hocutt, have been making the rounds to communicate with donors.

“This is not a surprise tactic,” Castiglione says. “I know how ultimately detrimental inadequate communication can be to both the donor and the program. That's not what we're about at all. These people are our best friends, so the last thing we want to do is put undue, unreasonable pressure on them. Many cases require individual attention.”

Castiglione acknowledges that some grandfathered arrangements will continue to be honored. However, other ticket holders presently not paying the donor component for their premium seats will be asked to join the program or accept accommodations elsewhere.

In 1998, seat options accounted for \$3.08 million of the \$4.1 million in annual donations to Sooner athletics. When the new minimum contribution levels are fully implemented in 2002, the total is expected to reach \$6 million annually. Castiglione's five-year annual giving target is more than \$7.2 million.

The University shares a significant amount of revenue

with the Big 12 institutions in areas such as television, post-season play and some sponsorships negotiated by the conference. Castiglione also has revamped another major source of income, the corporate partnership program, into “multimedia rights,” a concept he developed at Missouri.

Realizing that the OU Athletic Department could not fund an appropriately sized sales force to maximize its marketing potential, Castiglione immediately consolidated and outsourced the entire sales operation. The resulting partnership with Sooner Sports Properties brought an immediate \$300,000 in new money for such things as the Sooner radio network, televised coaches' shows and game playbacks, sponsorship opportunities in the stadium and arena and merchandise licensing. That amount will grow incrementally over the next four years.

“It's part of our restructuring that I think will pay enormous dividends for us financially as well as increase awareness of the University's intercollegiate athletic program,” Castiglione says.

He has no doubts about the product he is selling—to private supporters, fans, coaches and administrators, student athletes, the public.

“We are the University of Oklahoma,” he says simply. “People like me were attracted to OU because the level of expectation is higher here than it is in other places. Those of us in this business have a competitive fire that burns within; we want to be in the championship hunt. That's a dream that anyone can have being a part of the University of Oklahoma.”

Castiglione does not limit his analysis to athletics; he detected this winning spirit throughout the institution when he interviewed for the directorship. Having visited the OU campus many times in the past, he realized that something new was afoot, a contagious spirit of optimism wherever he went.

He recalls that “it was to a point that I turned to President Boren during my interview and said, ‘Is this staged for my benefit?’ And he said, ‘Absolutely not.’ And I said, ‘This is almost unbelievable.’”

“But it is easily believable once you are around President Boren, understand his vision and recognize the support that he has received from the Board of Regents to create a university that is a pacesetter among public institutions of higher learning. It permeates everything we do.”

Castiglione does not claim that athletics is the University's most important component, but he does believe strongly that intercollegiate athletics can be an integral part of the University's mission.

“In many cases, we are the one and only experience that an individual might have with the institution,” he insists. “Athletics becomes the window through which people view the rest of the institution; call it the front porch to the institution.

“Let's face it. How many other parts of the campus can get on TV for two or three hours at a time all across the United States, and be in millions and millions of homes.

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—Joe Castiglione

That's our culture, like it or not. All I'm saying is, let's use it to our advantage.”

The athletic director is fostering relationships with the academic deans, directors and faculty, who he believes can use intercollegiate athletics to strengthen their endeavors.

“Since we're both in areas of the entertainment industry,” Castiglione says, “we are collaborating with Dean Marvin Lamb of Fine Arts to figure out ways to work together on some events.”

Castiglione terms cooperation with the Michael F. Price College of Business as “excellent.” He sees opportunities for journalism students in the Athletic Department's radio, television and print operations, and for architecture students to gain firsthand experience in planning sessions for new athletic facilities.

When asked how a financially strapped department can afford to upgrade facilities, he replies simply, “We can't afford not to. Oklahoma is a national program; we compete for student athletes against the likes of Michigan, Penn State, Texas, North Carolina, Florida, UCLA, Tennessee. If we fail to provide similar opportunities, then we will lose out in recruiting the best and brightest.

“It certainly takes great coaches, great teachers, great motivators, people with vision. All of that is vitally important. But ultimately our success relies on the quality of the student athletes and the quality of their experience while they are here with us,” Castiglione says. “We want to develop an environment that is so enjoyable and productive that future prospects are beating our doors down to become a part of our program.”

Castiglione is pleased with progress thus far, especially with the people he has on board. “We have great coaches leading our programs. Character and competency make *the* most effective combination.

“There are a lot of good things taking place. Some people don't realize we had three conference championships last year: wrestling, men's gymnastics and softball. The men's basketball team went to the NCAA's Sweet 16, while the women's team returned to post-season play for the first time in many years. We had some outstanding individual and team performances.”

While Castiglione has high expectations from his coaches in areas such as recruiting, instilling athletic and academic discipline and representing the University in a first-class manner, he rejects a win-or-else philosophy. “It isn't about winning every game or every match, but it is about being in a position to win every game and every match.

Winning is a by-product of successful preparation. We aspire to win championships, and we are going to go about it in the right way.”

All but one of the department's senior administrative staff have years of experience with Sooner athletics: Larry Naifeh, Gerald Gurney, Marita Hynes, Robert Smith, Merv Johnson and Dan Gibbens. The exception is Bruce Van De Velde, the senior associate director who for a year was Castiglione's “blue chip prospect.”

Van De Velde had worked with Castiglione at Missouri before becoming athletic director at Utah State. Stepping back into an associate role was a strong vote of confidence in the Oklahoma program and its director. “It was a tough call for him to make,” Castiglione admits. “We were fortu-



Joe Castiglione, right, announces his first major hire as OU's athletic director, the new head football coach, Bob Stoops. Castiglione received high marks from the press and Sooner fans alike for his professionalism in conducting this all-important search.

nate to convince him that he could become a vital component in our future success.”

A self-described team builder who believes that “people working together can make great things happen,” Castiglione can be very convincing. “When we are successful, it's not going to be because of the athletic director. It's going to be because of our student athletes, our coaches, our staff—even our constituents whom we are depending upon to help us. We are all working toward a common goal.

“There's nothing arrogant about aspiring to be among the greatest programs that there are in intercollegiate athletics. That's who we are; that's who we have been; and certainly that's who we will become again in the future.”