



Travis Caperton

MAKE NO SMALL DREAMS

BRINGING WITH HIM A CEO'S FINANCIAL
SKILLS AND AN ALUMNUS' LOVE FOR OU,
JIM GALLOGLY TAKES OFFICE
AS THE UNIVERSITY'S 14TH PRESIDENT.

By LYNETTE LOBBAN

PRESIDENT DESIGNATE JAMES L. GALLOGLY knew he had a lot to learn before stepping into his role as 14th president of the University of Oklahoma on July 1. So, like many other summer students, he moved into residential housing and started studying. His curriculum included getting to know students, administration and faculty, along with an in-depth survey of the university's financial and organizational structure.

Fellow Headington College residents were not immediately aware that the distinguished gentleman walking down the hall, folding clothes in the laundry room and eating with students at meal-times was their new president. And that was fine with Gallogly.

"Part of the reason I'm there is to interact with students," he says. "There's no better way for me to get to know them than to sit down and have dinner with them or talk with them in the halls. I'm just one of the people in the dorm now."

Not for much longer. As some 22,000 students return to campus this fall, Gallogly will be there to greet them. For the first time, he will preside over Freshman Convocation in August, which, with characteristic efficiency, will double as his inauguration ceremony.

Inside the College of Engineering that bears his name, Gallogly is recognized as a generous donor and creative problem solver – a trait he exhibited during 29 years of executive roles at Phillips Petroleum Co., ConocoPhillips and Chevron Phillips Chemical Co. In 2009, after running every unit at ConocoPhillips at some in his career, he left and took on the challenge of a lifetime as CEO of an international company that had entered bankruptcy several months before.

The turnaround of LyondellBasell from Chapter 11 to one of the largest and most profitable pet-

rochemical companies in the world was a hot topic in publications from *Forbes* to the *Wall Street Journal*.

“When reporters would come and ask for my story, I would say, ‘This is not about me or a handful of managers. It’s about 13,000 people who took back their company,’” says Gallogly. “Our employees proved to the world that they had the skills to go from worst to first with the right plan and some encouragement. Whether it’s a university or a company, it’s going to take all of us.”

EARLY LIFE

Gallogly was born in Newfoundland, Canada, where his father was stationed as a communications specialist with the U.S. Air Force. The second of 10 children, Jim grew up in a close-knit family that relied on each other as they were transferred across the United States. Most of his elementary years

early age – I had to stand up to work the clutch.”

The Galloglys eventually made their home in Colorado Springs, Colo., with five boys sharing a bedroom. When Jim’s dad retired from the Air Force, he decided to use his G.I. Bill to fulfill his lifelong dream of becoming a teacher. The University of Colorado had just opened its Colorado Springs campus and Tommy Gallogly was one of its first students.

“Dad took double loads of classes and graduated in two and a half years,” recalls Gallogly.

Then, he began teaching at his son’s high school. “It was the ’60s and I wondered what students would think of Senior Master Sergeant Gallogly with his military haircut and strict discipline, but I need not have worried. Many students told me he was the best teacher they ever had.”

COLLEGE YEARS

During his senior year of high school, Jim was awarded a congressional appointment to the U.S. Air Force Academy in Colorado Springs, but when the physical revealed he was color-blind he knew he could never fly.

“That was the end of one dream and the start of another,” he says. He enrolled in CU-Colorado Springs and took mostly night classes while working full time.

Students on the new campus were encouraged to take the initiative and create research opportunities across disciplines. As a psychology major, Jim worked in the pioneering field of genetics. His research partner was Charles A. Greer, now vice president of research and professor of neurology and neurosciences at Yale.

“Jim was a fabulous student,” says Greer. “He was very serious, dedicated, always asking questions. If you walked into a room of people, you might not pick him out right away because he is quiet and thoughtful. He listens, then he emerges with his ideas and comments. He’s a deep thinker.”

Jim was offered a graduate fellowship at CU in Boulder, but decided to take a year off to consider his future. That future would soon include wife Janet, whom he met while working at Safeway. He also formulated a career path.

“I wanted to be an oil and gas lawyer. Oil prices were high and it looked like I’d be able to get a job,” he says. “We didn’t have the Internet back then, so I did some old-fashioned re-



James Gallogly, pictured second from right on the back row, poses for a family portrait with his parents and nine siblings. His father was a satellite communications specialist for the U.S. Air Force before fulfilling a lifelong dream of becoming a teacher earning his degree in education and teaching high school.

were spent in Fairbanks and Anchorage, Alaska, but his education began in a one-room schoolhouse in Iowa.

“I had farming grandparents,” Gallogly says proudly. “We moved into a trailer on their land outside Geneva when my father was stationed in Korea. There was no kindergarten, so I started first grade at 5. I also learned to drive a tractor at an



President-Designate James Gallogly visits the OU Health Sciences Center for the first time at the public announcement of his presidency on March 26.

search to find the best schools. I chose OU.”

A self-described “car guy” – he is one class away from becoming a certified race car driver – Gallogly loved rebuilding classic American cars throughout high school and college. In the summer of 1974, he sold a rebuilt ’68 Corvette for tuition, then he and Janet packed a U-Haul with all their worldly possessions and set out for Norman.

Gallogly went to school full time and worked nights at the Norman Safeway on weekends. “We wanted to graduate debt free. And with Janet working full time, we did it.”

One of Gallogly’s mentors at OU was the nation’s foremost authority on oil and gas law, George Lynn Cross Research Professor Eugene Kuntz. The Eugene Kuntz Conference on Natural Resources Law and Policy held annually at OU, is the largest conference of its kind.

With a recommendation from Kuntz, Gallogly was hired by a premier Denver law firm. Two years later, he returned to Oklahoma as legal counsel for Phillips Petroleum in Bartlesville.

After 10 years Phillips management came to him with an offer: Would he like to be general counsel, CFO, or would he want to run a business? He chose the latter and was given the largest unit in the company: North American Exploration and Production.

Gallogly says heading up North American E & P was as close to being an independent oilman as it gets in a major company, and he loved it. But Phillips, as a whole, was struggling. “We had two takeover attempts,” he says. “And Phillips had to deal with high debt loads for about a decade. It was hard for the company to survive, let alone grow.”

One evening a handful of executives gathered solemnly on the 18th floor of Phillips headquarters to weigh their options. They knew, looking out over the streets and neighborhoods of Bartlesville, that they were deciding the fate of a town as well as a company.

“We were a pretty feisty group and we decided we would not let Phillips become a hyphen in somebody else’s name,” recalls Gallogly. “We would not do that to those people out there. We got a whiteboard and drew up plans that night.”

First, they would merge the chemical unit of Phillips with another company, borrow against it, and use the new money to pay down debt. On July 1, 2000, the chemical operations of the Chevron Corp. merged with those of Phillips, and Gallogly became the first CEO of Chevron Phillips Chemical.

The midstream, or gas processing, business merged with Duke and became Duke Energy Field Services. Phillips then had enough cash to buy ARCO Alaska and later acquire for stock the refining assets of Tosco. Sticking to their original

timetable, Phillips merged with Conoco within five years and created a Fortune 5 company from two companies with deep Oklahoma roots..

Gallogly was a senior executive at both Chevron and ConocoPhillips when he was asked by the latter to run worldwide Refining and Marketing. After a couple years, he was moved again, this time to Worldwide E&P. "You talk about the dream job!" Gallogly says. "I basically lived on an airplane, but it was extremely exciting."

In 2009, Gallogly got a phone call from international entrepreneur Len Blavatnik. He told the ConocoPhillips executive, "You're coming to work for me, and you're going to run my bankrupt company, LyondellBassel."

At first Gallogly laughed. He had no intention of leaving ConocoPhillips for a company that held over \$20 billion of debt and was a mess after two failed mergers. "It looked like it would be impossible to fix," says Gallogly. "But later, that's what intrigued me."

He left ConocoPhillips late one Friday evening and started with LyondellBassel early the next Monday. Within the first hour, he led a worldwide conference call with employees. He told them, "I did not come to help you get out of bankruptcy. We will do that, but that's not why I'm here. I'm here to help make LyondellBassel the number one petrochemical company in the world."

Gallogly is fond of paraphrasing a quote from 18th-century German writer Johann Wolfgang von Goethe, "Make no small dreams, for they have no power to move the hearts of men."

"Employees weren't going to get excited about just getting out of bankruptcy," Gallogly says. "But if they shared in the dream of doing something that had never been done before –going from last place in the industry to first place – with everyone working together, amazing things could happen."

"It was the second-largest bankruptcy in history, right behind General Motors. While we were in bankruptcy, we were working on not only restructuring the company, but also growing it for the future. In 2010, we emerged from Chapter 11 and were listed at about \$17 dollars a share on the New York Stock Exchange. Four years later, we were at \$115 a share. We lit it up."

"People wanted to give me too much credit for what happened, but I didn't run those plants better than they'd ever been run before. I wasn't the person who executed the bold plans. All of our employees were part of the greatest turnaround story in Wall Street history and that is something we will all be proud of for the rest of our lives."

Gallogly retired from LyondellBassel in 2014, and for the



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President-Designate James Gallogly jokes with OU Sooners coach Lincoln Riley at a breakfast shortly before meeting the public as the university's 14th president.

next few years enjoyed a slower pace, spending more time with Janet and their three adult daughters and their families. But by his own admission he was "flunking retirement." He was in the final stages of accepting a job offer with a large company that had significant operating issues when he received a letter from the OU Board of Regents asking if he would agree to be considered as the next OU president.

"I couldn't say no to OU," he says. "I love this place and if I can help in any way, I will."

His actions bear out his words. A strong proponent of STEM education, he has served for many years on the Board of Visitors for the College of Engineering and was instrumental in the creation of OU's new Stephenson School of Biomedical Engineering. In 2012, Gallogly was awarded an honorary degree for his exceptional and ongoing support of the university and, in 2016, he was honored with the Order of the Owl Award recognizing OU law graduates who demonstrate leadership and service throughout their careers.

"Janet and I have been investors because we believe in OU," he says. "I hope we've set a positive example of service."

At 65 years of age, Gallogly says he is now giving the most precious gift he has to offer OU – his time. Since arriving on campus, he has delved into the university's organizational and financial structure at a microbial level and has already downsized a number of upper management positions. At his first OU Regents meeting in June, he brought some relief to parents and students when he did not ask for a tuition raise – marking the first year without an increase since 2013.

"It's very important to me when I think about tuition levels to understand that the opportunity to come to a great

“ I WILL GIVE PEOPLE GREAT CHALLENGES INSIDE AND OUTSIDE THE UNIVERSITY. I WILL ASK THEM TO MAKE NO SMALL DREAMS AND THEN PUT THOSE DREAMS INTO ACTION. ”



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James and Janet Gallogly, who met as students working in a Colorado Safeway grocery store and have been married for 44 years, greet members of OU's spirit squads during his March 26 introduction to the university family at Oklahoma Memorial Union.

institution like OU is hard for many. I faced the same thing,” he says. “We can price ourselves to the point where the average Oklahoman can't afford to go to their own university. Not on my watch.”

In the past five months Gallogly has also been learning about the governance model of the university, and Megan Elwood Madden, chair of the OU Faculty Senate, says he seems like a good student.

“He has met with the Faculty Senate executive committee several times, and in each of those meetings, he has actively sought out faculty input and listened to our ideas on a wide range of issues,” says Madden, OU's Stubbeman-Drace Presidential Professor of Geology and Geophysics.

Gallogly told the senate that he believes the role of the president is to guide the university, but the faculty has the main role of actively carrying out the university's mission.

“I would also say he has expressed a desire to make OU more accessible to students from a wide range of backgrounds,” Madden adds. “That is one area where the faculty is especially eager to work with him.”

One of Gallogly's personal goals is to join the faculty to teach oil and gas law at the same institution where he learned from his mentor Professor Kuntz. “That's part of

why I returned to OU – to teach and to learn.

BLUEPRINT FOR THE FUTURE

Even though OU is facing a \$15 million budget deficit this year, preceded by a \$31.2 million deficit in FY 2016-17, Gallogly remains optimistic. “We have our challenges, but everything is solvable,” he says.

“We have a great undergraduate experience at OU, but we're not the research institution we should be. Reputations of major institutions like OU are built on graduate programs and the quality and size of our research effort. It will drive the state's economy. We're going to have to double our level of research.

“We also want to be the medical provider of choice in Oklahoma. People prefer to be treated where they can see physicians who are personally doing cutting edge research in their fields. I will go out and talk to our loyal OU supporters and show them what we can do together.

“I will give people great challenges inside and outside the university. I will ask them to make no small dreams and then put those dreams into action. I have no doubt we will do amazing things together – our students, our faculty, our staff, our alumni and the people in the state of Oklahoma.

“Because we're Sooners, champions.”

