

COLUMBUS CEO

Q&A WITH GENE SMITH

ASSOCIATE VICE PRESIDENT AND DIRECTOR OF
ATHLETICS AT THE OHIO STATE UNIVERSITY

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THE GAME PLAN

Gene Smith's favorite book begins with its author likening the mind to a garden which may be "intelligently cultivated or allowed to run wild." Smith says he reads *As a Man Thinketh*, a 1902 philosophical tract by James Allen, at least once a year to remind himself of its lessons in mind over matter. As director of athletics at Ohio State University, Smith has passed those lessons down through the ranks to 32 head coaches and thousands of student-athletes who have graduated during his eight-year tenure.

Smith, 57, earned a bachelor's in business administration in 1977 while playing football at the University of Notre Dame. His experiences on the field as a defensive end combined with the business sense he cultivated in the classroom led him to a 28-year career directing athletic programs at NCAA Division I schools.



PHOTO RYAN M.L. YOUNG

Smith led Ohio State's athletics program through the recession as well as the memorabilia-trading and benefits scandal that deposed head football coach Jim Tressel in 2011. With the worst of the NCAA sanctions behind them, the Buckeyes kick off their second season under head coach Urban Meyer against Buffalo on Aug. 31.

As director of athletics, Smith oversees 36 sports, 340 employees and more than 1,000 athletes. The financial scope of the department, which is entirely self-supporting, is bigger than that of many mid-sized companies. "We have a budget of about \$142 million, so I manage the financial affairs of the operation. [We have] about 18 million square feet of buildings, 388 acres of land. So I basically run a small business inside the incubator of higher education," Smith says.

Q: How do you balance athletic performance with the financial aspect of your work?

A: We always keep our mission at the forefront of what we do. Our mission simply is to create an environment for our student-athletes to be successful, academically, athletically and socially. We want to develop them in a holistic way. So we keep that at the forefront of our decision making. We also realize that we are fortunate to be a financial asset to the institution and Central Ohio.

Q: How do you measure your contribution to the overall financial success of the institution?

A: Some of it's quantifiable, for example the Thompson Library, when it was going through its renovation. The library doesn't have an alumni base, so it didn't have a lot of people who contributed. So it stalled, the project had stalled because of fundraising. We made a decision as an athletic department to transfer \$9 million to allow that project to keep going and move towards completion. We did a deal where we transfer \$1 million a year for nine years to help pay the debt on the Thompson Library. So that's very quantifiable.

HIGHLIGHTS

Education: bachelor's in business administration, University of Notre Dame (1977)

On the job since: March 2005

Leadership:

- Recipient of the 2013 National Association for Athletics Compliance Organizational Leadership Award
- Member of the NCAA Division I Administration Cabinet
- Past president of the National Association of Collegiate Directors of Athletics
- Has served on the NCAA Management Council, the NCAA Committee on Infractions, the NCAA Executive Committee, the NCAA Football Rules Committee and the NCAA Men's Basketball Committee, including chair for the 2010-11 academic year

Community involvement: Board member, YMCA of Central Ohio and the Boys & Girls Clubs of Greater Columbus; governing board member, Lincoln Theater Association; member, Kids Unlimited National Advisory Board in Toledo

Family: The Cleveland native and his wife, Sheila, have four adult children—Matt, Nicole, Lindsey and Summer—and five grandchildren.

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- Gene Smith

Q: That runs counter to the negative buzz around athletics competing with academics.

A: We transfer about \$30 million a year to the university, every single year. About \$16 million represents what we pay for our scholarships. We pay for all of our scholarships, out-of-state or in-state, doesn't matter. ... The rest goes to different initiatives on campus. Some of it goes to facilities operation, some of it goes to different programs on campus, social work. So we support a lot of different areas.

We recognize our economic impact to this community. It's massive. We know that when we have seven home football games, what that means to the hotels and the restaurants and the gas stations and the taxi drivers, the convenience stores and all that. We recognize that. When we have 18 to 19 home men's basketball games, we understand that. We think that that's a huge responsibility.

Q: How have you gone about building relationships with the Columbus business community?

A: I'm fortunate that I don't have to reach out to them as much as they reach out to us. We have a lot of partnerships with large businesses—Huntington Bank, Nationwide, AEP, all of those. But we have relationships with some of the smaller businesses—Discount Tire, Dick's Sporting Goods, a lot of different places [and] all the hotels.

We work collaboratively, primarily through the Columbus Sports Commission, with a lot of the hotels on bringing events here: the high school events that we host, the wrestling championships, the basketball championships we host at the Schott, or the NCAA events we work so hard to attract. We just completed our list of the future bids we'd like to put in front of the NCAA for events we'd like to host in the future. We want to host the women's Final Four here in basketball. We're going to go after that, so we work with the hotels to make sure that in that window of time, those four-night stays, we can fill up the hotels. Different initiatives cause us to have different interaction with businesses in the community.

Q: What impact will expansion or facility upgrades have?

Q: Anytime we make facility changes that affect attendance or give us the ability to attract different events, then it economically impacts the community because we're going to bring those events to town. For example, we're going to eventually build a 4,000 seat arena, the Covelli Arena. When that comes online, we'll be able to host more campers; we'll be able to attract more events. That will be something new. That will be located on Woody Hayes and Ackerman, so probably the Applebee's on Ackerman [Road] will benefit from those activities. It all depends on the location of that new facility and the attendance associated with it.

Q: How are scholarships distributed between OSU's various athletic programs?

A: Each sport has a maximum number of scholarships that they can provide, it's NCAA prescribed. The easiest for everyone to understand is football: You can give 85 scholarships. We pay for those scholarships through the institution, whether it's out-of-state or in-state. Whatever that value is, we pay financial aid.

Q: If the NCAA student stipend issue were entirely up to you to decide, what would you put in place?

A: It's a membership-driven organization, so everybody votes on different pieces of legislation. The \$2,000 stipend, which is above and beyond the normal scholarship, it's a cost of attendance issue [that] was voted on [by] everybody. We voted to support it at Ohio State.

Really what you have is those schools who financially can do it are voting yes, and those who can't are voting no. It's a financial reality that has faced our organization and has become an issue that has to be resolved, because there's a number of schools who want it and can afford to do it. It's kind of one of those lightning rod issues that is creating fragmentation in our organization.

Q: Is this a simple matter of cost of living increases for students?

A: That's truly what it is, it's cost of attendance. So the old scholarship model is room, board, books and tuition. That's a 40-year-old scholarship model.

The institutions determine what cost of attendance is. So if you're a student here, they determine that you're going to pay X amount of dollars to travel home, back and forth, twice a year, three times a year, whatever that calculation is. They calculate you're going to need entertainment money. They calculate you're going to need gas money. They calculate cost of attendance based upon living.

Ours, I believe, is around \$3,400 to \$3,500 at the Ohio State University. Stanford's is higher. Stanford's is somewhere around \$6,300 to \$6,400. So the \$2,000 became a compromise position. ... If Ohio State's recruiting you and you're considering Stanford and Ohio State, and you can get \$6,000 of cost of attendance there and \$3,000 here, you're probably going to go to Stanford. So we created a cap in order to maintain some competitive equity.

Q: You've been an athletic director for 28 years. What have you seen change in that time, and why do student-athletes need a stipend program?

A: When I was at Iowa State University, I recruited a young man by the name of Troy Davis from Florida. We were in Ames, Iowa, and he came from Bradenton, Fla. His mother was a custodian and

Dad was a lawn-care guy. He had seven brothers and sisters, Pell Grant eligible, meaning they were ... defined as needy students. So he didn't have extra money. Whenever he got his room and board money, he would send half of it home to help his family.

We recruited him to come to Iowa State. We recruited him there, so the reality is, we put him in a financial situation that made it very difficult for him to survive. We'd pay his tuition. We'd pay for his books. When he's on campus, we'd pay him for his room. When he moves off and lives in an apartment we're giving him a check to pay for his apartment, but he's siphoning off a little bit to send home to his brothers and sisters. So it became a strain on him. And a lot of times, that's what takes young people to the decision—and they can't work, they don't have the time—so they [do] something different. They sell their rings. That's what happens. And so the cost of attendance is really additional funds to allow those young people to live more comfortably.

Keep in mind I give you that example because a lot of athletes don't come from an environment where they come up aspiring to go to a four-year school. In your family, it may have been talked about when you were 11, 12, 13, 14 years old, and your parents may've said, 'We're going to build a fund and help fund you.' Or you may say, 'I'm going to get a student loan,' and you're going to work and all that. Well, a lot of our athletes don't know that they're capable of going to college and being recruited until their sophomore years, and they say, 'My goodness, I'm good enough to go and play at the college level.' There's no family structure setting aside funds. So at the end of the day, they're going to college for the first time in their family, many of them first generation, and there's no financial backing. So that's what's missed publicly about some of these young people who come into athletics. Now that's not all of them, but there's a percentage.

Q: Some athletes go on to careers in professional sports. Would you advise them during their time here at OSU to study business so they can manage their own careers?

A: We advise them to study their interests, whatever their interest is, communications or biology or whatever it is. But we do have in place programs on financial literacy to help them understand finances. ... From a checkbook ... to when they become juniors and seniors understanding stocks and bonds and real estate. We educate them along that continuum as they get older.

Q: The nature of your business brings a lot of media scrutiny. What are the challenges and rewards?

A: It's all rewards, it really is. We're blessed because we have been successful. We have developed history and tradition, and we have expectations to be at the top of the pinnacle academically and athletically. I always look at that as our opportunity to be the front window of the institution. So we want to make sure we do it right.

We want to do it with integrity. We want to do it the right way. That's a tremendous opportunity. Now the challenge with that is that every year, with 1,000 athletes, we get 180 to 200 new ones every year: 17, 18 years old, different levels of maturity and immaturity.

One of the interesting things that people forget: You're bringing young people, in a lot of cases, from an environment where they have their values and we're trying to bring them in to institutional values. So automatically, in that six-week window or seven-week window when they first come in, they're challenged. Because, 'Wait a minute. This is how I lived and now you're telling me this is how I've got to live.' We're making them make new value decisions. That is a unique experience to watch. That's why you have to hire the best coaches. That's why we've got the best. That's just a piece of what they do, but we have the best.

Q: Tell us about your coaching staff.

A: Ty Tucker in tennis ... in the national championship this year, went to the Final Four in men's tennis, undefeated at home for four straight years. That's a phenomenal record. Last year, we had the doubles champions in the country. Ty Tucker's just one of the best.

Bill Dorenkott in women's swimming took our women's swimming program from being last three years ago to being third this past year. It's just phenomenal.

We had six teams yesterday that were recognized by the NCAA for their academic performance rate, this relates to graduation rates, and football was nationally in the top 10.

When you think about Donny Darr, our men's golf coach, or Therese Hession, our women's golf coach, or Geoff Carlston, our women's volleyball coach, they do an unbelievable job not just with winning but making sure that our athletes compete at the highest level in the classroom. I could just keep going because there [are] 32 head coaches for 36 sports, but they're all solid. Greg Beals in baseball, just a phenomenal coach. They all have the same values that we espouse, too. They all understand our mission, what we're trying to do for young people and it's just great to have them be part of the team.

Q: Regarding coaching salaries, is there a sort of arms race in recruiting the top talent?

A: People always use that term 'arms race' in relation to athletics. It's funny—in any business, you're in an arms race. In the college of business or engineering, you're in an arms race because you're trying to hire the best faculty, the best researchers. Steve Rasmussen at Nationwide is trying to hire the best accountants, the best salespeople at Nationwide so he can beat Progressive. The reality is we're all in that.

So yes, we are definitely a leader among 341 Division I schools in trying to attract the best. We pay at the highest levels, consistent with their talents and skills, consistent with the job and consistent with our expectations. So yes, we are like everybody else.

Q: You're often recognized for the department's success and fiscal controls. Where did you develop your business acumen?

A: My degree was in business administration. I was one of those weird ones that actually enjoyed accounting. I was strange (laughs). Not something I wanted to ultimately do, but I understand the basics of it.

The other part is I worked at IBM for two years. Most people don't know that. In a time when computers were just coming into ... business in 1981, I sold a lot of software packages and a lot of computers in the accounting industry and in manufacturing, distribution, medical, legal. But they all had a financial component, so I needed to understand money and how it works. I've been blessed. I was on a bank board back in Iowa. I'm on a bank board [Insight Bank] here.

Q: Where were you based with IBM?

A: I was in Southbend, Ind. I had St. Joseph County as my territory. I enjoyed the experience, learned a lot.

Q: How did you get from computer sales to sports?

A: I went from playing at Notre Dame to coaching, so I coached four years at Notre Dame. Then the head coach who hired me left. He retired, so then I went to IBM. ... While I was getting my business degree, my goal was to go work for a multinational corporation. I got convinced to get into coaching, so I did that. When he retired I said, 'I'm going into business.' So I went to IBM.

At that time, working at IBM was equivalent to getting your MBA. They flew me to Atlanta for nine months and I learned to program, sell computers, the whole nine yards. When I was working at IBM, a coach who coached me at Notre Dame—the position coach—had become the athletic director at Eastern Michigan University. He called me one day and asked me to have coffee with him. He was looking for someone with a business background, he was looking for someone who understood athletics and he was looking for someone who would be loyal to him. So he convinced me to leave my stock options at IBM and my bonuses to go work for him in athletics. And I fell in love with it, because it combined my business skills and my athletic skills.

Q: What lessons from those early days—on or off the field—would you pass on today?

A: It's still about the student-athletes we serve. We cannot forget the experiences that they are having and what our responsibility is to them. We sit in the 'Shoe. You sit in the 'Shoe. You see those guys

running up and down the field. And I see that as well, but I also see them as individuals and understand that they are going through unbelievable experiences. And so how do we help them take advantage of those experiences, those life lessons that you learn in football or track or tennis or whatever, and you make sure when you leave us and graduate you can articulate what you've learned.

Student-athletes learn so many different things. If you're the HR director at Hewlett-Packard and you're interviewing me, I can share with you how I dealt with adversity. I can share with you, quantifiably, time management skills. I can share with you my level of discipline and commitment, because I had to demonstrate it at the highest level as an athlete. How do we help them articulate that?

I tell our people, with all the things we do, we can never forget that. I would tell any athletic administrator, that's the focus. That's the focus. Help them grow as people and get their degrees. Because athletes, they know how to do that. Give them weights, give them trainers and all that stuff, they'll do that. But the real difference, how we differentiate ourselves as Buckeyes, is focus on that individual holistically. So I would tell any athletic administrator, that's it—right there is what you've got to stay at.

Q: Do some of your student-athletes come back to you for jobs after graduation?

A: We have so many that stay in touch. Not necessarily just to come back for them to work here, but just to help them where they are in trying to find something. We've established different programs. One of them that we have here is our Bucks Go Pro Program. We have, I think, 17 or 18 interns in the athletic department who are student-athletes. Lenzelle Smith, who's on our basketball team, is working this summer. And each of them has to do 100 hours in athletics. Dominique Alexander, who is on our men's lacrosse team, he's working for us. The idea is to have them in a work environment so they understand what it means to go to work every day, because a lot of athletes have never worked. They've never worked because they've been so busy with athletics.

Urban just created a career night. ... We have a mandatory program where all of our juniors and seniors have to have résumés. What Urban did in football was [to take] that a little bit further. They have to have their résumé. Then on [career] night, he's bringing in somewhere close to 80 companies. Our athletes are going to go through interviews. You come in and we may have seven or eight athletes interested in [your industry]. You'd be in a room, we'd have them lined up and you'd get a chance to go interview them.

A large percentage of them have never worked and never been through an interview. We're trying to get them ready because only 1 percent of them will go pro. The rest of them have got to go interview and find a job. We do a lot of programs like that. While we get a number of them calling and want to come back here to work ... most of the time we're just trying to help them find employment somewhere else.

Q: What skills do athletes have that make them good employees?

A: Athletes understand work ethic, first and foremost. If you think about what they do every day and their time schedule, it's phenomenal. They understand work ethic.

Time management. When you think about once they start school, and with practice and working out and studying ... the day in the life of an athlete, it's dark when they start and it's dark when they finish. So they understand time management.

They have values that are instilled in them through the program. They know how to work with different people from all walks of life. I tell people all the time, if you look at an offensive line—a center, two guards and two tackles—I guarantee when you look at those five guys, they're all from different backgrounds. We have Caucasians, African-Americans, rural, urban, Catholic, different religions. You're going to have every different type of person. We ask them to come together and in a football game execute 80 to 85 plays and work together as a team.

So they know how to work with different people from all walks of life. They shower together, you know, so think about that. A hundred football players in a gang locker room, and all you've got is your towel and you shower together.

Q: You'd have to be able to get along and have great personal skills.

A: Their EQ—their emotional intelligence—95 percent of them, they're at the top of the scale. Their self-awareness, their self-management, all those things are at the top of the scale. I could go on and on. Athletics is one of those last incubators where the development of the holistic person—respect, 'yes sir, no ma'am'—it's still here. That's what employers are looking for, that baseline. They're looking for the knowledge. Can you do the job? But what's going to differentiate you from the other nine candidates being interviewed? For our athletes, we try and teach them that's it. So how do you articulate that in the interview?

Q: Do you view their employability as a measure of your success here?

A: No question. No question, that's the biggest measure.

Q: How would you describe your leadership philosophy?

A: It's really about people. People are the heart and soul of all that matters. I, like most leaders, employ different leadership styles based upon the business situation, so from a style point of view there's not one that defines me. But philosophically, it's about people. ... Take away all the structures, it's how you behave as an individual and how you communicate and how [we can] help you be the best that you can

be and achieve your personal/professional goals. How do we do that for you? You know that we care that way and you know that we're going to do that for you. When we do that for you, you're going to give all you have to the organization.

I'm passionate about that, it's so important.

Q: How do you stay on top of everything across the board, from what's going on in the student-athletes' mind all the way to facilities management?

A: I hire good people and get out of the way and trust them, No. 1. I'm not a micromanager. I hire good people, let them run their shops, then we have evaluations like all organizations. I have an executive team ... then I have three councils that are focused on different areas. We have a finance council to focus on our finances, facilities and events council ... our revenue generation council.

We have staff meetings eight times a year during the academic year. Head coaches' meetings. So we have platforms of communications through different mediums, but most of it's [that I] trust my people. I do roam around. ... When I have holes in my schedule during the academic year I'll disappear and go into somebody's office and sit and talk.

Q: What's your day-to-day schedule like? How do you unwind?

A: During the ... academic year it is pretty much 24/7, but during this time of year, from the end of the school year to the beginning of August, it's not as bad. June is a little heavy because of national things that are happening. I have to go to a lot of different things nationally, do a lot of speaking engagements. Then in July [that's] kind of my shut-down timeframe.

I enjoy working out. I work out at 5:15 in the morning five times a week. I'm an early riser. I enjoy good books. ... I'm also a movie buff. I love going to the new Easton theater with the dine-in theater where you can lay the seat back all the way and watch a good movie.

Q: Do you have a favorite movie, or a good one you've seen recently?

A: My favorite of all time is *Gone with the Wind*. But recently ... I would probably say I enjoyed *The Great Gatsby*. The thing about *The Great Gatsby*, even though you knew the story, the magnificence in what they did was phenomenal. It's probably right there with *Les Mis*.

I like to go to shows. I took my mother-in-law to New York for a weekend, and we went to see *Wicked*. One of the best plays I've ever seen was *The Book of Mormon*. If you haven't seen *The Book of Mormon*, you've got to put it right at the top of your list. I could go back tomorrow and see that one.

Q: Any good books you'd recommend?

A: My basic is *As a Man Thinketh* by James Allen. It's a short read. It's an old book that I read years ago and I probably read it once a year just to remind myself. I can't tell you that I've got a good one right now. ... I guess I'm probably moving to biographies, because I'm done reading leadership books.

Q: Kindle or hard copy?

A: iBook, iPad

Q: Who's your sounding board?

A: Her name is Sheila Smith—my wife. My wife and my friend, she's the one. I'm blessed because she competed at the highest levels in sports. She was an Olympic basketball player for Canada. She coached at the highest level. She coached women's basketball at Oregon and UNLV. She was also an athletic administrator at UNLV. So she understands my world. When we have conversations, they're not foreign conversations. ... I'm blessed that she has that background. So yeah, she's my sounding board.

Q: Do you think about retirement?

A: It's way too early. Fortunately, I have four kids who are off my payroll. I have my sister's three sons who are off my payroll. And I have two nephews ... then we have five grandkids. Knowing my children, they have expectations for [the] grandchildren, so I'm going to work for a while (laughs).

Kitty McConnell is a reporter for Columbus CEO.

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