

Executive Policy Seminar Series
Capital Markets Research Center

Building A System

John Thompson, III
Head Men's Basketball Coach
Georgetown University

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GEORGETOWN



McDONOUGH
School of Business

UNIVERSITY

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Welcome

Thank you for joining us for our New York Spring Executive Policy Seminar. This will be my final seminar as Center Director. I expect to spend another decade as the Largay Professor at Georgetown. On August 1, my colleague, Lynn Doran, will become the Director. Lynn I appreciate your being here tonight; Lynn's son, Sean, graduates from the Business School with high honors later this week.

There are many people in this room whom I want to thank for your support. If I identified you by name, I would embarrass some and fail to recognize many others. Please accept my sincere appreciation for years of support and your friendship.

In the Spring of 1987, I was looking forward to a sabbatical and quiet return to the faculty, after completing a term as Associate Dean, submitting our initial accreditation report for the MBA program, transferring the editorship of the *Journal of Financial Research*, and chairing the search for our school's first chaired professor. In exchange for signing my leave papers, Dean Parker exacted an agreement that I would develop a Center to link our external community, faculty, and students who shared my interests in Business, Public Policy, and Finance. It was to be a two-year assignment. That was 18 years and 7 Deans ago. Nothing was recorded on paper, so no Dean could fire me.

We began soliciting sponsors in Washington and then in 1995 Merrill Lynch became our first New York sponsor. Our primary New York programs have been to bring students to the City for an annual visit to the NYSE and two investment banks, an annual New York Executive Policy Seminar, and hosting sponsors and friends at the Georgetown - St. John's basketball game. Most of you know that has been an unpleasant experience, and that is why I begged our speaker tonight to join us. He will change the experience.

My years with the Center have been tremendously satisfying, especially expanding our presence to New York. The Center is healthy and continuing to expand. Our New York sponsors are now: Merrill Lynch, Goldman Sachs, US Trust, Citigroup, and our newest sponsor CSFB, which has returned after a three-year absence. Each has committed to continue their support for our new director. There are also some target sponsors in this room, carefully seated beside people who will encourage you. The experience of our current sponsors will recommend the benefits you will enjoy.

When I designed the head table tonight, I decided to follow a lesson I observed from Coach Thompson at this year's men's basketball awards dinner. Usually about 20 awards are given for the fastest runner, the highest jumper, the

most rebounds, etc. This year Coach Thompson sent a clear message to all of the fans and players. He presented *only one* award. It was the academic award to Amadu Kilkenny-Jual as the player achieving the most academic progress. Georgetown is about students, academics, and caring for one another. That is what makes us different. The student support for the Center has been truly magnificent. The picture of the *Center Class of 2004* will always be in my office. Sharon Sweeney and Julie Davies are here. Sharon is my co-author of an academic research paper. She got her job with the Center after writing me a beautiful thank you note following our NYSE trip. Julie is a student at Georgetown Law, who, I hope will represent me some day. Jon Carson and I worked on a study of the World Bank's IFC loan portfolio. Jon got his job when he volunteered to do whatever project developed. Jay Wright was the most intellectual student I have ever taught. Jay and Jon are Presidents of Mobilpro and Buzzmetrics, respectively. The first student to work for the Center was Justin Livengood, more than ten years ago. Merrill Lynch hired Justin the same year as the firm joined the Center. Later, Justin competed his MBA at Harvard and returned to Merrill.

Laurence Tosi is one of our most successful JD – MBAs. He has maintained the Merrill commitment and we appreciate your support. Dan Oldroyd worked until three a.m. one night to reconfigure the Center's international mailing list so that we could invite guests to our International Conference for regulators and stock exchange leaders. These are the experiences that make being a Professor and Center Director rewarding.

I have been a basketball season ticket holder since 1979, first sitting in McDonough as an adjunct faculty member and then joining the Business School in 1980. It is fitting for me to have the man who has restored Georgetown basketball to respectability as the speaker for my final Executive Policy Seminar. I am confident that St. John's has begun preparing for a long losing streak to Georgetown. John Thompson, III says the basketball program will make progress in tiny steps. Coach that is what the Business School and the Center have done. I joined a school with, no graduate program; and only 7 of the 16 faculty members had terminal graduate degrees. Our Undergraduate Program was not accredited and today we are a top 25 MBA Program, a premier Undergraduate Program, and thanks to some of the people in this room, ready to build a state-of-the-art building. The basketball and the business school programs have much in common.

It is a privilege to introduce John Thompson, III. He is an Ivy League graduate and former Princeton coach. He took Princeton to two NCAA tournaments and one NIT. He is first, and foremost an educator, as you will learn tonight. Coach, thank you for restoring the pride and progress to the Georgetown Basketball Program.

Building A System

John Thompson, III
Head Men's Basketball Coach
Georgetown University

Launching a Coaching Career

I grew up in Washington and graduated from Gonzaga College High School. As a high school senior, I narrowed my college choices to Princeton and North Carolina. When I came home from visiting Chapel Hill, I told my parents that was where I wanted to go. I had spent two days with Michael Jordan and Kenny Smith, and you may recall that Coach Dean Smith and my father have been very close friends for many years. I felt that North Carolina was the right place for me to go to college, but my parents urged me to review all of my options and not to forget that my college education had to serve me for a lifetime. I thought long and hard, and a week or two after my trip to Chapel Hill, I committed to attend Princeton. You never know how decisions like choice of schools or early jobs will affect your life.

I got a premier, Ivy League education and played basketball under the tutelage of a man who demanded that his players place the team above the individual. Coach Pete Carril placed what I thought were impossible demands on me when I was a freshman. He emphasized that I had a great deal to learn before I was likely to earn much playing time. But later he gave me the opportunity of a lifetime to become a college basketball coach. After graduating from Princeton and working in business for a couple of years, I was thrilled to be invited by Pete Carril to become one of his assistants and then to be selected to replace him as head coach. His philosophy has greatly influenced my expectations as a coach.

Coach Carril and “Pops,” (this is what I call my father) have similar demeanors, but they look a bit different. One’s a little white guy and one’s a big black guy. Each demands top performance in

the classroom and on the court, and I am fortunate to have had both men as mentors and role models.

This year at Georgetown, I am sure our freshman felt the way I did at 18, but they were asked to do even more. There were many times when we had three freshmen on the court, and sometimes there were four. That was not easy for the coaches or the players, but we all learned as a team.

Leaving Princeton was extremely difficult. It is my alma mater and I love it. I met my wife there and all three of our children were born in Princeton. Coming to Georgetown is a great challenge and a wonderful opportunity. I know the expectations are high. Building a program that can compete for a national championship is never easy, but playing in the Big East, if you win, will put a team in a position to challenge the top teams in the country.

Coaching as a Profession

Coaching is an unpredictable profession. If you cannot win, you get fired. If you win most of the time, you are asked only about the losses. College basketball coaches and fans forget that we are working with young people, highly talented young people, who are experiencing academic demands, sports pressure, and social situations that are totally new to them.

There is no single method to coach, mentor, and lead young men. There are some similar styles, but a coach, has to learn to alternate the roles of coach, father, brother, disciplinarian and cheerleader.

Recruiting will always be a challenge for any coach. Each school is different. At Georgetown, I have already backed away from certain potential recruits because of academic concerns. To be successful at Georgetown, as a student and an athlete, a young man needs to be bright, disciplined, and extremely dedicated.

Regulating Athletics

One night at Princeton, the president, Bill Bowman invited me for dinner and he wanted to talk about how college athletics should be

controlled. College basketball is “regulated” in complex ways, similar to the finance industry. You have to contend with the SEC, the Federal Reserve, and Elliot Spitzer. We have the NCAA, the Big East Conference, and the University.

I feel that the NCAA should not mandate a universal set of academic requirements for athletes. What the NCAA fails to appreciate is that not all schools are alike athletically, academically, and culturally. The NCAA makes the assumption that each of the universities and colleges in the NCAA has the same goals and objectives. They do not. Not every school has the same emphasis on academics and/or athletics. For example, I cannot propose to bring a player to Georgetown unless I am confident that he can do the academic work successfully and that he has the maturity to compete with students with high SATs, who were top graduates in their high school class.

Additionally, every school defines success with their student-athletes in a different manner. Who is to say that graduating players in 4 years, or even 3.5 years, is better than 5 years, when they are more mature? The NCAA certainly aims to make this determination by holding athletes to an unfairly higher standard (4 years to graduate) when the average U.S. college student takes a year longer.

Building a Team

When you begin working with a new group of players, first and foremost, they need to come together as a team and to understand that it is the team that matters, not the individuals. That is tough for young players to learn, and it is especially hard for freshmen.

The typical college freshman player at virtually all of the top 100 college basketball programs has been told, since he was about 10 years old, that he is the greatest player to ever play in his neighborhood, his school, his town, and sometimes in his state. You would not believe how many high school boys I have met who have been told they should expect to be NBA stars, earning millions of dollars before their twenty-first birthday. Often when those boys get to college, they find out that as freshmen they are not even among the top seven players on their team. Later that year they learn that

their team is unlikely to win half of its games and even an NIT invitation is far from certain.

Just about the time that the young man recovers from this shock, he is studying for his first set of college final exams. Depending on which high school he attended, this may be the first time he has prepared for final exams. Moreover, he may be competing against students with great study habits who study six hours a day and all weekend. There is probably no college basketball program in the country where a player can satisfy all of the requirements of his sport – practices, weight training, meetings, study enough to maintain a respectable academic performance - and have much of a social life. This is very different from high school for the young man who was probably offered numerous college scholarships from well-known colleges and who had almost every cheerleader waiting for him after practice.

This is what the coaching staff faces when we begin to build a team. Midnight madness in October is always exciting, but the next morning the coaches wake up and realize how much you need to accomplish in the next seven weeks. The games are easy compared to the demands on a coach and the players who are preparing for the games and gaining the educational benefits for students at a fine academic institution. If we looked at a typical day in the life of a college basketball player (and it would not matter which college he attends), you would find it as pressured and demanding as the schedules that many in the financial world must satisfy. Our players have a demanding coach and an academic advisor who monitors them constantly. Felecia Saine joined us as our academic advisor this fall, and I consider her to be my conscience.

I would like to share an incident that occurred this spring during midterms, when we were in the middle of an important part of our schedule. After the Villanova game at home, we had lost three games in a row, and the players had the usual amount of physical ailments that you have by the end of February after playing three quarters of your schedule. Professors at Georgetown give demanding midterms and require that papers be submitted on time. Before practice the day before the next game, Felecia told me that several players had heavy exam schedules the next day and a couple of others had major papers that were due. We agreed that practice

would end at 6:30 that evening.

At about 6:35, Felecia came out of her office and stood at the top of the bleachers of McDonough and waved to me. I saw her out of the corner of my eye and quickly turned my back. One of my assistant coaches said “Coach, Felecia is trying to get your attention.” I told the assistant coach to turn around so that his back was also toward her because I knew very well why she had come to the top of the bleachers. She was there to remind me that it was after 6:30 and that I had agreed to have a short practice. I remembered our agreement, but as coach, I was thinking about the game the next night and how important it would be to the seeding at The Big East Tournament in New York and the possible impact on post-season tournament bids.

I believe that you must have an academic advisor who has no coaching conflicts and whose sole commitment is to the players’ academic achievements. If an assistant coach also tries to take on responsibility for the players’ academic obligations, that coach will have an impossible job. If an assistant coach excuses a player from practice because of midterms, for example, the head coach will ask “Where is my star player? I want to implement some new plays that focus on him.” When the head coach hears that the player is excused, his natural reaction is to question the assistant coach’s focus on the next day’s game.

The First Year

When you look at this year’s Georgetown basketball program, we all should be proud of what the team, as a team, has achieved. But we have a long way to go. I like to say we are taking baby steps.

My first day as head coach at Georgetown was April 20, 2004. When I accepted the Georgetown job, I had no staff, no assistant coaches and I had not met most of the players. There were no plans for what the players needed to do in the spring, or what weight lifting regimes they should follow during the summer. There was no outline for which players might take courses during the summer, or who should play in which summer league. We were far behind our

competitor programs. Also, I had no academic advisor (Felecia came from the University of Arkansas in August, 2004). I did have the benefit of growing up in Washington, but my wife and I had not had a chance to look at houses or schools for our children.

I scheduled my first recruiting trip for early-May (much to the disappointment of my mother, who expected to see me for Mother's Day, now that I had come home to D.C.). The only player I did recruit for the 2004-2005 team was John Wallace, who had a fine year. May of 2004 was very late to be recruiting high school juniors who might come to Georgetown in the fall of 2005. Most top high school players make preliminary decisions about their short list of schools when they are in the tenth grade.

As I hired assistants and we began to develop plans for the fall, there were two things that we knew. We had to improve the ways that we did almost everything and we had to take small steps. It is easy to forget that our freshmen, one of whom is 7'2" and 225 pounds, and another is 6'8" and 250 pounds, are only four years out of the eighth grade. Many college freshmen have never played in front of more than a few hundred fans. Can you imagine what it is like for them to face their first game in the MCI Center and then a couple of months later to play in Madison Square Garden?

We knew that to improve, our freshman would have to play an important role, even as early as December; our returning players needed to learn a system that was very different from the one they had known; and we had to build a team concept. In fact, presenting only the academic award at the banquet this year was not to send a message, as Professor Walker assumed. The purpose was to emphasize that we are a team and that the team, not the individuals, is what matters and what will enable us to build a program. It will be a long process, and don't be surprised if there are inconsistencies along the way. We believe we are well positioned for a successful second season, and for the long term, but there will be times when we are adding new components of our total system, and there will be games when we look like we have a long way to go.

One of the new experiences I have had this year was hearing about what I was doing from the Internet. After a couple of days as Coach at Georgetown, I stopped looking at the chat rooms. Fans and others, with no facts, circulate stories that either they wish were

true or they have heard from an unreliable source. Often there are stories about a supposed recruiting effort or signing a high school player, and usually it refers to a young man whom I have never heard of or never met. In the Internet age, it is a little dangerous and somewhat unfair to high school kids to have totally unfounded stories about them circulating as if they were factual. Remember these are 16 and 17-year-old young men, not politicians in Washington who have public life as their vocation.

How Far Have We Come and Where Can We Go?

We can build a tremendously successful program at Georgetown. My father is fond of saying that the easy way to build a program is to coach at a large university where the resources are unlimited, space to build an arena is available for the asking, and the range of academic majors are sufficiently diverse to satisfy any high school graduate. But you might recall, when the University of Oklahoma, with all of these benefits, courted him, he decided to stay at Georgetown.

There are always questions that arise about the Georgetown basketball facilities. I played quite a few practice games in McDonough, but I never expected to call it my home court.

Of course, we would like to build an on-campus arena to hold 8,500 fans, but until we do, we will enjoy the spirit of the University. McDonough is a fine practice facility, better than many colleges have at their disposal. The MCI Arena is a first class arena that is a mere 30 blocks from the campus. (After one game, I was tempted to suggest that some of the players find out exactly how long it would take to make the trip on foot!) Georgetown won a national championship practicing in McDonough, (before it was air-conditioned), and playing our games at the Capital Center, which is located half way to Baltimore. Many of the Big East teams practice in one location on their campus and play many or all of the home games elsewhere. UCONN plays some games in Hartford. St. John's plays their home games in the Garden, 20 miles from its campus. Seton Hall plays in the Continental Airlines Arena in East Rutherford, New Jersey, and Villanova plays several games each

year in the Wachovia Center.

One of the difficulties with MCI is scheduling. We have to work around the Wizards basketball schedule, and the Capitals hockey schedule must be set before we can confirm our schedule. That is not so bad, but I also have to compete with the circus and a horse show for floor time!

We have a group of freshmen who will mature into strong players. This year they became accustomed to the rigors of college life and a college basketball season. It is important to remember that the typical high school student plays about 18 games, travels short distances to away games, and often plays in front of fewer than several hundred fans. As they become used to playing together, Jeff Green and Roy Hibbert can become a formidable inside team, and they will learn to be effective playing together. This year we had to focus on developing team skills and a system to which every individual can contribute.

We have support from the administration, the alumni, and the students. By the last third of the season, the student attendance at MCI was terrific. I had written an open letter to students at the beginning of the season asking them for their support and emphasizing that the players and the coaches needed their support to benefit from the home court advantage at MCI. They responded tremendously. The alumni have also been very supportive, and I am just beginning to meet many of them. Financial support for the basketball program will increase as we build a winning program and as the alums see that they are an integral part of a successful program.

Georgetown Is Coming

Last year we probably surprised some opponents, and they were not prepared for us. We will not be able to do that in the future, and we do not want that advantage. We want other teams to know that Georgetown is coming, and we will be successful because we are Georgetown!

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