

Tribute to Jim Doti: A Personal Account

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Trustee

As I remember it, I first met Jim at a retreat organized to promote the formation of the Institute for Free Enterprise at Chapman. At that time, Jim was the Chairman of the Department of Economics. I was impressed from the start. Jim had earned his Ph.D. from the University of Chicago, the top economics program in the world. The faculty there included Nobel Laureates Milton Friedman and Frederick Hayek, the thought leaders for free market driven economic theory. The big ideas pioneered by these men changed public policy in nations across the planet.

I had authored a white paper proposing the establishment of the Institute and trustees, including the university leadership, were enthusiastic about moving forward. As a free market economist, Jim was instrumental in its formation. What was to become a long and wonderful relationship with him was born out of that initiative. Odd as it might seem, James Roosevelt Jr., son of Franklin Delano Roosevelt, was appointed as the Institute's first Director. At that time "Buck" Smith was President.

I became a Chapman Trustee in 1988. Chapman had gone through a very difficult period. Its innovative World Campus Afloat program, during which the institution actually owned a ship, was bankrupting the university. This was due in large part to skyrocketing oil prices in the early 1970s. George Argyros, Chairman of the Board of Trustees, was looking to strengthen the university's governance by adding members with strong business and financial experience.

In 1988, with the retirement of Buck Smith, Jim Doti was appointed as the acting university president; while a national search was commenced for a new president. The Board sought a new leader that would aggressively advance the institution. Jim was a candidate, but in 1989, the Board ultimately selected Allen Koenig, who was serving as the president of a private university in the Eastern United States. At that time, Chapman had painfully managed its way through the financial crisis caused, in part, by its ownership of the ship. However, the university was not doing well. Chapman's student applications were weak, the measures of student quality were low (very low), its faculty was poorly paid out of financial necessity, the campus was not attractive, and its ranking was poor among its peers. The Board of Trustees sought change. They

were prepared for a leader that would “make waves”. What they did not expect was that the Koenig waves would be tsunamis. With Koenig at the helm, problems emerged everywhere in the university and the Trustees grew concerned.

In the meantime, Jim’s reputation had grown and he was being recruited to head up other universities. I recall a Chapman event at the Pacific Club when I was talking to Jim. He confided in me that he had a very attractive offer to become the President of another university. I took him aside, and confidentially encouraged him to delay his acceptance. I told him to “just wait a little and see what happens.” What he did not know, and I could not tell him, was that we were about to fire Koenig and appoint him as Chapman’s permanent president. Jim Doti became Chapman’s leader in 1991.

As he took the institution’s top post, he was inheriting an organization that was not doing well. In the 25 years that followed, he would lead the institution through an impressive period of growth and transformation. It was through Jim’s leadership that Chapman would emerge to become the outstanding institution of higher learning that it is today. But it was not an easy task to accomplish and would take all of his skill and relentless effort over decades to remake the university from top to bottom.

Upon his ascendancy to the Chief Executive role, he asked me to meet with him every month for some coaching on how to be a good leader and how to run the institution. He knew that, while he had great academic credentials, he had very little management experience. I had served on many corporate boards, hired and fired many CEOs, and consequently had mentored many leaders in the corporate arena. He saw this as an opportunity to bring up his managerial skill level at an accelerated pace. Because of the financial complexities of the university, we would sometimes meet at the office of Don Sodaro who had excellent accounting and financial reporting expertise. In the course of this, Don, led and I helped restructure the way the university prepared their financial statements to make it easier to run Chapman’s complex educational organization. This process went on for almost a year and Jim quickly stepped up to the managerial challenge of operating the university.

Evolution from a College to University Status

The transformation of Chapman was a multi-dimensional process. Through most of its history, Chapman was a small liberal arts college. Its academic offerings were very narrow and it had no professional schools. At that point, it was correctly called Chapman “College” reflecting its small size and lack of broad academic programming. Many years later, through Jim’s leadership, it would emerge as a full spectrum, comprehensive “university”.

The first expansion from its liberal arts heritage was the addition of the business school, which later became the Argyros School of Business and Economics. The school was kick-started with a naming gift from the university’s Chairman, and alumnus, Ambassador George L. Argyros. One of Doti’s strengths is his ability to recognize and recruit leadership talent. He saw something special in Bob Bassett who was running a department offering film studies classes. These classes were in great demand and Bassett wanted to elevate the program to School status within the university. Jim got behind the entrepreneurial film leader and created the Chapman School of Film and Television in 1996. Even before this, Marion Knott was an early supporter of Bassett’s

effort. In the 2001-2002 timeframe, my wife Twyla became enthusiastic about the potential of the film school and began looking for donors to name the school and build out its world-class facilities. Twyla introduced Larry and Kristina Dodge to Chapman and the Film School initiative and got them excited by articulating a vision of what it could become. They became interested; ultimately making the naming gift to the school. Marion also put up a major gift to build the studio facility that bears her name. It is unquestionably one of the best in the United States. Today, the Chapman Film School has risen to become ranked as one of the top five in the nation.

Jim's accomplishments in building out the academic infrastructure at Chapman were extraordinary. Key to this was Jim's fabulous fundraising skills. He did not just ask donors for money, he shared with them a vision and excited them about what their gift could do to make a difference. In 1995, Doti started the Chapman Law School, soon getting a gift from Don Kennedy to name the building and another gift from Dale Fowler to name the school. The Schmid College of Science and Technology was formed in 2008. In 2013, Chapman launched Orange County's first School of Pharmacy. In 2014, Chapman created the Crean School of Health and Behavioral Sciences and in 2015, opened the Rinker Health Sciences campus in Irvine. Chapman's School for Performing Arts just recently opened its Musco Performing Arts Center in 2016. There was a long stream of these important developments that have helped expand the depth and breadth of the university. As the Doti-led transformation progressed, in 1991 the institution made the official decision to rename itself Chapman *University*.

Athletics

With the renaming came the decision to drop from NCAA Division II status to Division III status for Chapman's athletics program in order to focus the university more on academics and teaching. He faced considerable resistance from the athletics department and its boosters, but ultimately prevailed. The move allowed the university to redirect scholarship funds from athletic awards to academic merit awards, thus raising the student quality of the university.

Corporate Restructuring

Chapman had operated an adult education program called University College since 1958. This program initially provided an educational option for military personnel, but gradually served an increasing number of working adults. Its student population was about 12,000 for various fields of study that were provided at 25 campus locations. For years, it was an accreditation and strategic conflict for the university, since its needs, faculty composition, and markets were very different from those of the main campus. In another of his "big ideas", Jim Doti determined that it would be an advantageous strategic move to separate the two organizations. It was a great idea, but much more difficult to accomplish than anyone thought. I was appointed by Chapman's Board of Trustees to head up a Special Committee to explore the feasibility of accomplishing that and to structure a corporate non-profit reorganization of the university. This type of transaction had rarely been done in the United States, and although it seemed simple on the surface, it proved to be a challenging process.

We were fortunate to have an excellent leader for this unit in Gary Brahm. Gary

had a long successful career with Chapman as its EVP and CFO for 14 years and wanted to run the new adult education unit, now called Brandman University, in recognition of a lead gift by the Brandman Foundation. The difficulties with accomplishing the spin off were many. Because of its operational character, taking revenues from consumers, there was no certainty that we could obtain the necessary 501(c)(3) tax exemption. Executive compensation was also a challenge in that the Internal Revenue Service closely examines these situations for excessive compensation, which is disallowed under the statute. We sought to compensate the executive team generously and provide a quasi-equity benefit for them. I solved the latter by designing a retirement plan payout that was driven by the school's performance metrics in its future years. This all came under serious scrutiny by the IRS, but with thoughtful positioning, the aid of our compensation consultant Mercer and law firm, we were able to get it approved. In 2007, we completed the reorganization wherein the main campus and the adult education division became separate subsidiaries of Chapman University, the parent holding company.

Building a Leadership Team

In my corporate life, I have learned that there is no more important a task for a Chief Executive than building and retaining an excellent management team. In that endeavor, Jim Doti has been totally superior. In this area of his responsibility, we only need to look at the people he has recruited into leadership positions: Gary Brahm who served 17 years as the university's Executive VP for Business Operations and CFO before moving on to head up Brandman, Sheryl Bourgeois who has skillfully led University Advancement for almost two decades, Harold Hewitt who took over Gary's role as Executive VP and has done an outstanding job, Daniele Struppa the brilliant Chancellor recruited 10 years ago, who runs the main campus so well that he became Jim's successor to the presidency. Those leaders have in turn, hired excellent people into the next layer of management. When one looks at the quality of leadership at the Dean level for the Schools and Colleges of the university, it is easy to come away very impressed. The same goes for key posts in the university's administrative staff.

Recruiting talent is one thing, but retaining them is another issue. When organizations like Chapman become highly visible successes, they attract competitors that go after their leadership team members. It is amazing that Jim and Chapman have been able to create a culture and environment that has retained this exceptional team over such a protracted period. Overall, President Doti has built an outstanding team and the institution's performance reflects their contribution to the university's impressive progress. Chapman's brilliant success is a product of this team's efforts, but it was Jim that assembled that team.

Engagement of the Orange County Community Governance

Jim's personal, engaging manner and vision for the university has captured the affection of leaders throughout the region. Across the Orange County landscape, people have embraced him as the president of the university. In great part, because of Jim, those individuals have gotten behind the university with a high degree of enthusiasm and confidence in its management. This has allowed Chapman to recruit an exceptionally

high quality Board of Trustees. Good governance is an essential ingredient to the success of any organization. At Chapman, the Board and its Committees work hard to advance the institution and assure that its financial and operational matters are carried out in a highly professional manner. While Jim has created a vast number of friendships among these trustees, it is by no means a “rubber stamp” board. A number of big proposals brought before the board were not approved. Among these was the acquisition of a PBS TV station serving the LA/OC market. Another was taking over a university that operated a medical school. The Board of Trustees saw the TV station as a potential diversion from the university’s academic mission and was concerned that the non-traditional medical program would tarnish Chapman’s image. I was an activist in these disapprovals and a thorn in Jim’s side on these decisions. But all turned out well and the university moved forward on its path to excellence.

Campus

Few people, including prospective students and parents, that visit Chapman come away with anything except a very positive impression of the campus. The university’s physical plant is beautiful and extremely functional. Its architecture is varied and very “college like”. The landscaping is attractive, including interesting sculpture, busts of inspirational figures, and attractive meeting places. With the sports facilities, student union, residence halls and interfaith chapel, the university offers a wonderful living-learning environment. It is all very well thought out and designed. Jim’s “fingerprints” are all over it with the ideas he promoted and the sponsorships he raised. The Chapman campus has been crafted into a masterpiece that has been assembled in the 25-year tour of duty by Jim Doti.

Rankings/Quality of the Institution

All of these factors have caused Chapman to rise steadily in the national and regional rankings. The university has gone from the “back of the pack” to becoming one of the most admired institutions of higher learning in the western United States. Along with this came a strong surge in student applications, allowing the university to improve its selectivity measures and, through that, the quality of its student body. As the university has grown, the additions to its faculty have been impressive. Across the board, Chapman’s faculty is compensated in the top quartile of its peer group and it has been highly successful at recruiting top faculty in all disciplines.

When we look back on the remarkable trajectory of Chapman over the last 25 years of Jim Doti’s reign, it’s hard to come away with any view except to be, not just impressed, but to be amazed. It is, as I have often said, “the biggest success story in higher education.”

I once asked Jim “Why did you come to Chapman? You graduated with a Ph.D. from the top economics school on the planet at the University of Chicago. Your opportunities must have been endless. Why take a job at a small, struggling liberal arts college in Orange, California?”

Jim laughed saying that Milton Friedman had asked him the same question back in 1974. He had also been offered a job at General Motors. It paid four times the Chapman

starting salary of \$9,500/year. But he wanted to teach and decided to take the job at Chapman for one year, then move on to a larger research university.

As he recounted the story, it was about two months after arriving in California that he was driving down Pacific Coast Highway toward Laguna Beach for the first time. It was a glorious Orange County day in November. When he spotted the main beach at Laguna he saw what looked to him like heaven. That was an epiphany that led him to decide to stay in Orange County. He remarked that he also had come to love the culture and feel of Chapman. Looking back on it now, he said that Chapman was a small enough place where he felt he could make a difference.

And he certainly did!

A few years later he met Lynne, fell in love, and that sealed the deal.