Texas Athletics

Ben Bentzin

5th Annual Alumni Business Conference
March 26, 2010
UT Athletics Success Driven By...

- Innovation
- Focus
- Branding
Texas Athletics 1992

- DeLoss Dodds men’s AD since 1981
  - Turnover in coaching
  - Consolidated fundraising in Longhorn Foundation

- Donna Lopiano resigned as women’s AD

- Title IX lawsuit
  - Settled in 1993
  - Required equity in men’s and women’s programs

- $6 million to launch new women’s programs in rowing, soccer, and softball – 200 women athletes
- Chris Plonsky hired to create sponsorship program
- Abandon Southwest Conference for Big 12
  - TV revenue
  - Bowl revenue
  - 50% divided equally, 50% based on appearances
- Upgrade facilities
  - Training, sports medicine
  - premium suites and seats
- Hire the best coaches
Building a winning team...
Texas Athletics Revenue Growth

1997

$21.4 million

2008

Basketball, $16.7 million

Camps, $8.0 million

Frank Erwin Center, $16.6 million

All Other Sports, $9.6 million

$138.4 million

Football, $87.6 million


Programs added:
• Women’s 2001
• Trademark/licensing 2004
• Erwin Center 2007
2008 Top 10 Football Revenue

Source: US Dept of Education Equity in Athletics Data Analysis 2008-2009
Football and Basketball generate the surplus

2009 UT Athletics Surplus/Deficit by Program

- **Men’s Football**
  - $87.5 million rev
  - $22.6 million exp
  - $64.9 million surplus

- **Men’s Basketball**
  - $14.8 million rev
  - $7.9 million exp
  - $6.9 million surplus

- **All Other Men’s**
  - $5.5 million rev
  - $9.0 million exp
  - $3.5 million deficit

- **All Women’s**
  - $5.9 million rev
  - $17.0 million exp
  - $11.1 million deficit

Source: US Dept of Education Equity in Athletics Data Analysis 2008-2009
UT is top’s in the fourth best conference

2007-2008 Conference Revenue
- Big Ten: $154.2 million
- ACC: $137.6 million
- SEC: $135 million
- Big 12: $103.1 million
- Pac-10: $80.1 million
- Big East: $77.6 million

2007-2008 Big 12 Revenue
1. **Texas**: $10.2 million
2. **Oklahoma**: $9.8 million
3. **Kansas**: $9.24 million
4. **Texas A&M**: $9.22 million
5. **Nebraska**: $9.1 million
6. **Missouri**: $8.4 million
7. **Texas Tech**: $8.23 million
8. **Kansas State**: $8.21 million
9. **Oklahoma State**: $8.1 million
10. **Colorado**: $8.0 million
11. **Iowa State**: $7.4 million
12. **Baylor**: $7.1 million

*Big 12 revenue sharing: television 50% divided equally, 50% based on appearances; all other revenues divided equally.*

Source: Omaha World-Herald analysis May, 2009
Innovation
Innovation usually takes place in response to a crisis or opportunity.

Title IX was the crisis that drove innovation at Texas.
DeLoss Dodd’s Four Point Plan

1. Consolidate fundraising
2. Get out of the SWC
3. Upgrade facilities
4. Hire the best coaches
Innovation at Texas

Applying professional sports marketing fundamentals to college athletics

Improving team performance – winning!

Revenue from sponsorship, tickets, TV

Investment in coaches, athletes, facilities
Focus
### UT 20 teams vs. 24 average for top 10

<table>
<thead>
<tr>
<th>Men’s</th>
<th>Women’s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UT Men’s – 9 Teams</strong></td>
<td><strong>UT Women’s – 11 Teams</strong></td>
</tr>
<tr>
<td>Baseball (296)</td>
<td>Basketball (339)</td>
</tr>
<tr>
<td>Basketball (341)</td>
<td>Cross Country (335)</td>
</tr>
<tr>
<td>Cross Country (307)</td>
<td>Golf (244)</td>
</tr>
<tr>
<td>Football (241)</td>
<td>Rowing (84)</td>
</tr>
<tr>
<td>Golf (293)</td>
<td>Soccer (314)</td>
</tr>
<tr>
<td>Swimming (137)</td>
<td>Softball (282)</td>
</tr>
<tr>
<td>Tennis (260)</td>
<td>Swimming (195)</td>
</tr>
<tr>
<td>Track, Indoor (251) / Track, Outdoor (275)</td>
<td>Tennis (317)</td>
</tr>
<tr>
<td></td>
<td>Track, Indoor (310) / Track, Outdoor (313)</td>
</tr>
<tr>
<td></td>
<td>Volleyball (325)</td>
</tr>
<tr>
<td><strong>No UT Men’s Team</strong></td>
<td><strong>No UT Women’s Team</strong></td>
</tr>
<tr>
<td>Fencing (19)</td>
<td>Bowling (30)</td>
</tr>
<tr>
<td>Gymnastics (16)</td>
<td>Fencing (23)</td>
</tr>
<tr>
<td>Ice Hockey (58)</td>
<td>Field Hockey (77)</td>
</tr>
<tr>
<td>Lacrosse (57)</td>
<td>Gymnastics (63)</td>
</tr>
<tr>
<td>Skiing (13)</td>
<td>Ice Hockey (34)</td>
</tr>
<tr>
<td>Soccer (200)</td>
<td>Lacrosse (85)</td>
</tr>
<tr>
<td>Volleyball (23)</td>
<td>Skiing (14)</td>
</tr>
<tr>
<td>Water Polo (21)</td>
<td>Water Polo (33)</td>
</tr>
<tr>
<td>Wrestling (84)</td>
<td></td>
</tr>
</tbody>
</table>
## UT Austin Men’s APR 4 Year Avg to 2008

<table>
<thead>
<tr>
<th>Sport</th>
<th># Div I teams</th>
<th>UT APR</th>
<th>Percentile Rank within Sport</th>
<th>All Division I APR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseball</td>
<td>296</td>
<td>944</td>
<td>40(^{th})</td>
<td>946</td>
</tr>
<tr>
<td>Basketball</td>
<td>341</td>
<td>979</td>
<td>90(^{th})↑</td>
<td>933</td>
</tr>
<tr>
<td>Cross Country</td>
<td>307</td>
<td>971</td>
<td>50(^{th})</td>
<td>964</td>
</tr>
<tr>
<td>Football</td>
<td>241</td>
<td>939</td>
<td>40(^{th})</td>
<td>939</td>
</tr>
<tr>
<td>Golf</td>
<td>293</td>
<td>956</td>
<td>30(^{th})</td>
<td>963</td>
</tr>
<tr>
<td>Swimming</td>
<td>137</td>
<td>948</td>
<td>20(^{th})↓</td>
<td>967</td>
</tr>
<tr>
<td>Tennis</td>
<td>260</td>
<td>960</td>
<td>40(^{th})</td>
<td>964</td>
</tr>
<tr>
<td>Track, Indoor</td>
<td>251</td>
<td>968</td>
<td>60(^{th})</td>
<td>953</td>
</tr>
<tr>
<td>Track, Outdoor</td>
<td>275</td>
<td>969</td>
<td>60(^{th})</td>
<td>954</td>
</tr>
</tbody>
</table>

- APR awards points for academic progress and student retention
- UT received no penalties, all programs in 20\(^{th}\) to 90\(^{th}\) percentile

Source: NCAA Division I 2007 - 2008 Academic Progress Rate. 5/1/2009
Separate ADs for men’s and women’s sports

- UT one of only two NCAA Division I schools with separate athletic directors for men’s and women’s sports
  - DeLoss Dodds (1982)
  - Chris Plonsky (2001)
Branding
Corporate Marketing

**Texas Fans**

<table>
<thead>
<tr>
<th>5,000,000+</th>
<th>Texas Fans in the State</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,239,288</td>
<td>Austin DMA Target Population</td>
</tr>
<tr>
<td>64.8%</td>
<td>Texas Male Fans</td>
</tr>
<tr>
<td>35.2%</td>
<td>Texas Female Fans</td>
</tr>
</tbody>
</table>

| 45.8 | Average Texas Fan's Age |
| 48.4% | Household Income more than $75,000 |
| 420,000+ | Texas has the largest alumni base in the state |

**LONGHORN SPORTS NETWORK**

**FAN DEMOGRAPHICS**

**LONGHORN SPORTS NETWORK**

**OFFICIAL CORPORATE SPONSOR PROGRAM**

The Official Corporate Sponsor Program encompasses the elite partners of Texas Athletics.

**Official Corporate Sponsors are granted unique opportunities:**

- Official status
- Category exclusivity
- Promotional use of UT Athletics Trademarks
- Access to exclusive hospitality events

Official Corporate Sponsors of Texas Athletics include the likes of AT&T, Bank of America, Coca-Cola, H-E-B, ICAG, Lowe's, State Farm, Taco Bell, Time Warner Cable, Scott & White and others.

**Testimonials**

"I have worked closely with Longhorn Sports Network over the years and I am always impressed with the professional, creative and energetic team. Highly recommend Longhorn Sports Network to other organizations."
- Ronnie Lee Vandiver, Texas Zone Marketing Manager, State Farm Insurance

"I would pass on to anyone considering a partnership with UT-MVS that they will not be disappointed. I have worked with Longhorn Sports Network for over two years and have been pleased with their responsiveness, creativity and willingness to help make things happen."
- Lynde Geller-Mertz, Marketing Director, Pizza Hut

ESPN.com ranked Austin, Texas, one of the Top 10 most passionate football markets in the nation.
Brand Management Objectives

- Increase favorable associations
- Leverage existing affect
- Monitor changes
- Avoid detractions
Texas leads in licensing

Four consecutive years through 2009 UT Austin ranked No. 1 in CLC royalties for collegiate merchandise

(1.) The University of Texas at Austin
(2.) University of Florida
(3.) University of Georgia
(4.) Louisiana State University
(5.) The University of Alabama
(6.) University of North Carolina
(7.) University of Michigan
(8.) Pennsylvania State University
(9.) University of Notre Dame
(10.) University of Oklahoma

Winning is key to continued brand strength...
Detractors say...
Concerns about college athletics

- College athletics have become professional
- Money corrupts the system
- Alumni contributions fund athletics at the expense of academic programs
Money is not new to college athletics

- First intercollegiate athletic contest Harvard defeats Yale in rowing
- Held on Lake Winnipesaukee, NH to build ridership on the Boston-Concord-Montreal railroad
- Athletes received free transportation, room, board, and alcohol
Managing detractors...

<table>
<thead>
<tr>
<th>Successful management of college athletic requires...</th>
<th>UT results...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tracking and reporting academic progress with penalties for poor performance</td>
<td>No academic penalties under APR</td>
</tr>
<tr>
<td>Strict enforcement of NCAA rules</td>
<td>No major NCAA penalties since 1987</td>
</tr>
<tr>
<td>Surpluses after reserves flow to academics</td>
<td>$12.6 million transfer to university since 2007</td>
</tr>
</tbody>
</table>
Implications for your business or organization...
Implications

1. Narrow the focus for your business or organization
2. Focus on the measures of excellence for the few things you will do very well
3. Successful brands are the result of years of sustained, consistent effort
4. Winning is contagious, identify where you can win and leverage those wins to build your reputation
5. Hire stars who are recognized for being the best in their field
Where should UT Athletics go from here?

Are there opportunities for continued growth, or should UT focus on digesting what’s already been done?
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