

MOR 579: The Business of Sports

Fall 2019

12:30-1:50 MW, JKP 212

#16725

This course offers a unique perspective about the business of sport by exposing students to specific managerial challenges and issues facing industry leaders.

It does so by blending assigned readings, current developments in the sports-business industry, and guest speakers.

In order to address the flow of funds in the sports industry, the course examines the five most critical entities influencing the business of sport: Professional sports franchises and leagues; amateur athletics, including collegiate sports and the Olympics; corporate America; the media; and the public sector.

This examination of the flow of funds requires close consideration of numerous industry stakeholders, ranging from network television and corporate marketing executives to collegiate athletic department administrators and sports economists.

With the domestic sports business industry estimated at \$500 billion dollars annually, and the global sports business industry estimated at \$1.5 trillion annually, qualified professionals are required to manage this growing industry.

This course provides prospective sports management professionals with the insight necessary to establish successful careers in the sports business by applying the knowledge gained from the GSBA core curriculum to this industry. Completing the GSBA core will enable students to examine sports industry accounting methods, its financial and marketing strategies, as well as planning concerns and managerial philosophies.

Recommended Preparation: Completion of all GSBA core classes

Instructor: David M. Carter

Office: HOH 419

Hours: 11:45-12:15 MW; and by appointment

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COURSE MATERIALS

Required: *USC custom publishing package* of selected readings; and
The Sports Business Journal

LEARNING OBJECTIVES

After successfully completing this course, students should be able to:

- 1) Comprehend the process involved in making managerial decisions in the sports management industry; requires knowledge of industry stakeholders as well as understanding of industry terms and concepts;
- 2) Analyze, evaluate, and critique the strategic decisions of key industry participants;
- 3) Devise a comprehensive strategy, including realistic recommendations, for an industry participant; and
- 4) Demonstrate orally and in written form the ability to analyze the sports management industry and provide strategic direction for industry participants.

GRADING

Students will be evaluated and course grades determined in accordance with the GSBA Dean's standard for graduate elective courses. This standard dictates a maximum grade point average of 3.50.

Note: Students are expected to conform to all university policies regarding academic integrity. Indiscretions and/or excuses will not be tolerated.

GRADE COMPONENTS

1)	Term Project		
	5 page proposal	50	
	Written report	150	
	Oral report	<u>150</u>	
			350
2)	Exams		
	Exam #1	200	
	Exam #2	<u>200</u>	
			400
3)	Class Participation		
	In-class contribution	125	
	Attendance	<u>125</u>	
			<u>250</u>
			1000

EXPLANATION OF COMPONENTS

1) Term Project: Due Date – November 25th, December 2nd, or 4th

Each group of four will be responsible for researching, analyzing, and presenting - both orally and in writing - a sports business issue which presently influences the sports management industry.

The written portion of the report is not to exceed twenty double-spaced pages. Oral presentations, in which every group member is expected to participate, will be limited to twenty minutes. Additional details will be provided in class.

2) Exams: October 7th and November 6th

Each multiple choice exam will consist of 20 questions and feature questions generated from assigned readings, lectures, current events, and guest speakers.

Students will have 30 minutes to complete each exam.

3) Class Participation: Ongoing

Class will begin and end on time. Students are expected to be prepared to discuss and respond to questions pertaining to any and all assigned readings. As participation represents 25% of the course grade, students are encouraged to be involved in the discussion. Students should notify me in advance should they be forced to miss class.

This part of your grade will be based on effective contributions to class discussions. These include input that is relevant to the course content and the topic of discussion. Students are expected to be prepared to discuss and respond to questions pertaining to any and all assigned readings.

Effective class comments may address questions raised by others, integrate material from this and other courses, draw upon real-world experiences and observations, or pose new questions to the class.

Notably, it is difficult to demonstrate a high degree of participation given multiple absences from class.

Statement on Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, “Behavior Violating University Standards” <https://policy.usc.edu/scampus-part-b/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>.

Support Systems:

Students whose primary language is not English should check with the American Language Institute <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students.

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. <https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students. <https://diversity.usc.edu/>

USC Emergency Information

Provides safety and other updates, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible. emergency.usc.edu

USC Department of Public Safety – UPC: (213) 740-4321 – HSC: (323) 442-1000 – 24-hour emergency or to report a crime. Provides overall safety to USC community. dps.usc.edu

Students with Disabilities:

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

ASSIGNED READINGS

Week	Date	Key Topic	Reading	Sub Topics
1.1	8/26	Course Introduction		
1.2	8/28	Overview of Industry Stakeholders	In-Class Group Exercise	Industry Silos; Concentration of Power
2.1	9/02	<i>No Class – Labor Day</i>		
2.2	9/04	Pro Sports	<p><u>PWC Sports Outlook (2017 Edition)</u> “At the Gate and Beyond; Outlook for the N.A. Sports Market through 2021”</p> <p><u>PWC Sports Outlook (2018 Edition)</u> “At the Gate and Beyond; Outlook for the N.A. Sports Market through 2022”</p>	Sources of Revenue & Expense; Trends in Revenue & Expenses; Role & Importance of Operating Incomes; Determinants of Economic Viability; Tax Implications of Franchise Ownership; League/Sports Credit Ratings; Impacts of Rising/Falling Player Costs.
3.1	9/09	Pro Sports	<p><u>The Business of Sports</u> Chapter 11: “Sports Franchise Valuation”</p> <p><i>Forbes Franchise Values</i></p>	See Above
3.2	9/11	Pro Sports <i>Project Proposals Due</i>	<p><u>The Business of Sports</u> Chapter 11: “Sports Franchise Valuation” (continued)</p>	Components of Salary Determination; Ownership Factionalization; Assessing MRP across Portfolio; Alternate Business Models

4.1	9/16	Pro Sports	<p><u>Golf Digest</u> “Making Big Bucks, Spending Big Bucks”</p> <p><u>Forbes Sports Money</u> “The Real Reason F1’s Top Teams Are Threatening to Quit”</p>	See Above
4.2	9/18	Pro Sports		<i>Guest Speaker #1</i>
5.1	9/23	College Sports	<p><u>The Business of Sports</u> Chapter 13: “A Brief History of the NCAA’s Role in Regulating Intercollegiate Athletics”</p> <p><u>“The NCAA Cartel”</u> Why it Exists, How it Works, and What it Does”</p>	Differences Between College & Pro; Critical Dates in NCAA History; NCAA Structure & Funding; Revenue Distribution; Landmark Legal Rulings; Sports as a Branding Tool; Title IX Defined & Applied; Financial & Reputational Risks; Potential for Reform; Current State of the NCAA
5.2	9/25	College Sports	<p><u>Unwinding Madness</u> Chapter 2: “How College Sports Lost Its Way”</p> <p><u>The Fields of Green</u> “College Football and University Branding”</p> <p><u>The Fields of Green</u> “Large Market, Highly Branded College Teams Win Over Time”</p>	See Above

6.1	9/30	College Sports	<p><u>Knights Commission White Paper</u> “The NCAA and ‘Non-Game Related’ Student Athlete NIL Restrictions”</p> <p><u>Moody’s Investors Service</u> “Eye on the Ball: Big-Time Sports Pose Growing Risk for Universities”</p> <p><u>Unwinding Madness</u> Chapter 8: “Two Paths to Meaningful Reform”</p>	See Above
6.2	10/02	College Sports		<i>Guest Speaker #2</i>
7.1	10/07	<i>Exam #1</i>		
7.2	10/09	<i>No Class</i>		
8.1	10/14	<i>No Class</i>		
8.2	10/16	The Olympics & World Cup	<p><u>The 2018 Olympic Marketing Fact File</u> (pages 5-8)</p> <p><u>Journal of Economic Perspectives</u> “Going for the Gold: The Economics of the Olympics”</p> <p><u>“Corruption in the Bidding, Construction and Organization of Mega-Events”</u> An Analysis of the Olympics and World Cup”</p>	Games’ Management Structure; Revenue Stream Reliance; Role of Television; Global Non-Business Considerations; Economic Impact; Future Challenges

9.1	10/21	Corporate America	<p><u>Athletic Director U.</u> “Why Naming Rights Deals in College Athletics are Complicated Business”</p> <p><u>Bloomberg News</u> “Why Staples Has Olympics Fever”</p> <p><u>The New York Times</u> “Seattle Storm Take Progressive Tack”</p> <p><u>The New York Times</u> “WNBA’s Seattle Storm Embrace a Role...”</p> <p><u>The Sports Business Journal</u> “Creating a Storm for Social Justice”</p>	Rationale for Acquiring Naming Rights; Contractually Obligated Income; Pros & Cons of Sponsorship; Conflicts of Interest; Brand Management; Activism & Sports Marketing
9.2	10/23	Corporate America		<i>Guest Speaker #3</i>
10.1	10/28	The Media	<p><u>Barrons</u> “TV’s Sports Problem”</p> <p><u>Variety</u> “Big Media, Silicon Valley Battle for Multibillion-Dollar Sports TV Rights”</p>	Audience Fragmentation; Platform Development; FAANG Group Impacts; Alliance vs. Transaction Model; Viewership Migration & Monetization

10.2	10/30	The Media	<p><u>Sports Illustrated</u> “With Upheaval in Cable Market, Power 5 Bet on Silicon Valley”</p> <p><u>IHS Markit</u> “New Frontiers for Distribution Viewership Migration & Monetization of Sports Content” <i>pages 1-18</i></p>	See Above
11.1	11/04	The Media		<i>Guest Speaker #4</i>
11.2	11/06	<i>Exam #2</i>		
12.1	11/11	Sports Anchored Real Estate	<p><u>The Fields of Green</u> “Key Principles of Sports Anchored Developments”</p> <p><u>Urban Land Magazine</u> “Playing Small Ball...”</p> <p><u>New York Times</u> “A Gleaming Stadium Opens with a Question...”</p>	Core Considerations; Expanding the Gameday Experience; Adaptive Reuse; Residential Transformation; Commercial Conversion; Public Sector Buy-In
12.2	11/13	Public Sector/Policy	<p><u>Major League Winners</u> Chapter 1: “Urban Change”</p> <p><u>Hard Ball</u> Chapter 7: “State & Local Politics”</p> <p><u>Major League Winners</u> Chapter 5: “A White Elephant...”</p>	Direct vs. Indirect Revenue; Economic Impact vs. Activity; The Multiplier Effect; Importance of Externalities
13.1	11/18			<i>Guest Speaker #5</i>

13.2	11/20	Course Wrap-Up & Career Opportunities		
14.1	11/25	Group Presentations		
14.2	11/27	No Class – Thanksgiving		
15.1	12/02	Group Presentations		
15.2	12/04	Group Presentations		