

MOR 579: The Business of Sports

Spring 2020

6:30-9:30 PM Thursdays

JFF 328

#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: Hoffman Hall 419

Hours: 5:30-6:00 Thursdays; and by appointment

E-Mail: david.carter@sportsbusinessgroup.com

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 presentation	<u>150</u>	
			350
2)	Exams		
	Exam #1	200	
	Exam #2	<u>200</u>	
			400
3)	Class Engagement		
	In-class contribution	125	
	Attendance	<u>125</u>	
			<u>250</u>
			1000

EXPLANATION OF COMPONENTS

1) Term Project/Group Presentations: Due Date – April 30th

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.

Oral presentations, in which every group member is required to participate, will be limited to fifteen minutes. The written portion of the report is not to exceed fifteen double-spaced pages and is due no later than 6:30 PM on May 7th.

2) Exams: February 27th and April 16th

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 40 minutes to complete each exam.

3) Class Engagement: 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 engagement 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 engagement given multiple absences from class.

USC STATEMENT ON ACADEMIC CONDUCT AND SUPPORT SYSTEMS

Academic Conduct:

Students are expected to make themselves aware of and abide by the University community's standards of behavior as articulated in the [Student Conduct Code](#). 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:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
studenthealth.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention and Services (RSVP) - (213) 740-9355(WELL), press "0" after hours – 24/7 on call
studenthealth.usc.edu/sexual-assault

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Campus Support & Intervention (CSI) - (213) 740-0411
<https://campussupport.usc.edu/>

A team of professionals here to assist students, faculty, and staff in navigating complex issues. Whether you are here seeking support for yourself or someone else, we are available to help you problem solve, understand options, and connect with resources. Please note that we are not an emergency resource and are not available 24/7.

Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298
equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following *protected characteristics*: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct,

intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298

usc-advocate.symplicity.com/care_report

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity |Title IX for appropriate investigation, supportive measures, and response.

The Office of Disability Services and Programs - (213) 740-0776

dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC Support and Advocacy - (213) 821-4710

uscса.usc.edu

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

STATEMENT FOR STUDENTS WITH DISABILITIES

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 STU 301 and is open 8:30 a.m. – 5:00 p.m. Monday through Friday. The phone number for DSP is (213) 740-0776.

STATEMENT ON ACADEMIC INTEGRITY

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. *Scampus*, the Student Guidebook, contains the Student Conduct Code in Section 11.00, while the recommended sanctions are located in Appendix A.
<http://www.usc.edu/dept/publications/SCAMPUS/gov/>

Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review, should there be any suspicion of academic dishonesty. The Review process can be found at <http://www.usc.edu/student-affairs/SJACS/>

STATEMENT ON TECHNOLOGY USE

Please note that communication devices such as iPads, iPhones, etc. capable of sending and or receiving electronic communication and all entertainment devices such as iPods or other MP3 players are to be turned off and kept off throughout the class session. Receiving or sending communication or entertainment during class disrupts the learning environment and is rude to those around you. Laptops can be used only with the express permission of the professor. When you are permitted to use your laptop for note-taking purposes, Internet connections are prohibited unless otherwise stated by the professor. There will be no use of laptops during examinations.

RETURN OF GRADED MATERIAL

Returned paperwork, unclaimed by a student, will be discarded after 4 weeks and hence, will not be available should a grade appeal be pursued by a student following receipt of his/her course grade.

ASSIGNED READINGS

<u>WK.</u>	<u>DATE</u>	<u>TOPIC</u>	<u>READING</u>	<u>SUB TOPICS</u>	<u>SPEAKER</u>
01	01/16	<u>COURSE INTRODUCTION & STAKEHOLDER OVERVIEW</u>		Industry Silos Concentration of Power	
02	01/23	<u>PRO SPORTS</u>	<p><u>PWC Sports Outlook (2018 Edition)</u> At the Gate and Beyond: Outlook for the N.A. Sports Market through 2022</p> <p><u>PWC Sports Outlook (2019 Edition)</u> At the Gate and Beyond: Outlook for the N.A. Sports Market through 2023</p> <p><u>The Business of Sports</u> Chapter 11: “Sports Franchise Valuation”</p> <p><i>Forbes</i> <i>Franchise Values</i></p>	<p>Sources of Revenue & Expenses Trends in Revenue & Expenses</p> <p>Impacts of Rising/Falling Player Costs Role & Importance of Operating Incomes</p> <p>Determinants of Economic Viability Tax Implications of Franchise Ownership Impact of Ownership Fractionalization Assessing MRP across Portfolio</p>	

<u>WK.</u>	<u>DATE</u>	<u>TOPIC</u>	<u>READING</u>	<u>SUB TOPICS</u>	<u>SPEAKER</u>
03	01/30	<u>PRO SPORTS</u> IN CLASS GROUP EXERCISE	<u>Golf Digest</u> “The Masters is the Golf Industry’s Annual Ignition Switch” <u>Golf Digest</u> “Making Big Bucks, Spending Big Bucks” <u>Forbes Sports Money</u> “The Real Reason F1’s Top Teams Are Threatening to Quit”	Alternative Business Models	
04	02/06	<u>PRO SPORTS</u> PROJECT PROPOSALS DUE			<i>Guest Speaker #1</i>
05	02/13	<u>COLLEGE SPORTS</u>	<u>The Business of Sports</u> Chapter 13: “A Brief History of the The NCAA’s Role in Regulating Intercollegiate Athletics” “ <u>The NCAA Cartel</u> : Why is Exists, How it Works, and What it Does” <u>Unwinding Madness</u> Chapter 2: “How College Sports Lost Its Way”	Differences between College & Pro Critical Dates in NCAA History NCAA Structure & Funding Revenue Distribution Sports as a Branding Tool Title IX: Defined & Applied	

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05	02/13	<u>COLLEGE SPORTS (CONTINUED)</u>	<u>Knight Commission White Paper</u> “The NCAA and ‘Non-Game Related’ Student Athlete NIL Restrictions” <u>Moody’s Investors Service</u> “Eye on the Ball: Big-Time Sports Pose Growing Risk for Universities” <u>Unwinding Madness</u> Chapter 8: “Two Paths to Meaningful Reform” <u>The Athletic</u> “Five Scenarios for the Future of College Conference Realignment”	Financial & Reputational Risks Potential for Reform Name, Image & Likeness Current State of the NCAA	
06	02/20	<u>COLLEGE SPORTS</u>			<i>Guest Speaker #2</i>
07	02/27	<u>EXAM #1</u>	Current Events Discussion (Following Exam)		
08	03/05	<u>THE OLYMPICS & WORLD CUP</u> IN CLASS GROUP EXERCISE	<u>The 2018 Olympic Marketing Fact File</u> <u>Journal of Economic Perspectives</u> “Going for the Gold: The Economics Of the Olympics”	Games’ Management Structure Revenue Stream Reliance Role of Television	

<u>WK.</u>	<u>DATE</u>	<u>TOPIC</u>	<u>READING</u>	<u>SUB TOPICS</u>	<u>SPEAKER</u>
08	03/05	<u>THE OLYMPICS & WORLD CUP (CONTINUED)</u>	<u>“Corruption in the Bidding, Construction and Organization of Mega-Events: An Analysis of the Olympics & World Cup”</u>	Global Non-Business Considerations Economic Impact Future Challenges	
09	03/12	<u>CORPORATE AMERICA</u>			<i>Guest Speaker #3</i>
10	03/19	<u>NO CLASS/SPRING BREAK</u>			
11	03/26	<u>NO CLASS</u>			
12	04/02	<u>CORPORATE AMERICA & THE MEDIA</u>	<u>Athletic Director U.</u> “Why Naming Rights Deals in College Athletics are Complicated Business” <u>Bloomberg News</u> “Why Staples Has Olympic Fever” <u>The New York Times</u> “Seattle Storm Take Progressive Tack” <u>The New York Times</u> “WNBA’s Seattle Storm Embrace a Role...” <u>Sports Business Journal</u> “Creating a Storm for Social Justice”	Rationale for Acquiring Naming Rights Contractually Obligated Income Pros & Cons of Sponsorship B2B vs. B2B Cause vs. Sports Marketing Activism & Sports Marketing Brand Management	

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12	04/02	<u>CORPORATE AMERICA & THE MEDIA</u> (CONTINUED)	<p><u>Barron's</u> "TV's Sports Problem"</p> <p><u>Barron's</u> "Football Season is Here and It's a Key Moment for the Future of TV"</p> <p><u>Variety</u> "Big Media, Silicon Valley Battle for Multibillion-Dollar Sports TV Rights"</p> <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 of Sports Content" <i>pages 1-18</i></p>	<p>Audience Fragmentation</p> <p>Platform Development</p> <p>FAANG Group Impacts</p> <p>Viewership Migration & Monetization</p>	
13	04/09	<u>NO CLASS</u>			
14	04/16	<u>EXAM #2 & THE PUBLIC SECTOR</u>	<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>Core Considerations</p> <p>Expanding the Gameday Experience</p> <p>Adaptive Reuse</p> <p>Residential Transformation</p>	

<u>WK.</u>	<u>DATE</u>	<u>TOPIC</u>	<u>READING</u>	<u>SUB TOPICS</u>	<u>SPEAKER</u>
14	04/16	<u>EXAM #2 & THE PUBLIC SECTOR (CONTINUED)</u>	<p><u>New York Times</u> “A Gleaming Stadium Opens with a Question...”</p> <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>	<p>Commercial Conversion</p> <p>Public Sector Buy-In</p> <p>Direct vs. Indirect Revenue</p> <p>Economic Impact vs. Activity</p> <p>The Multiplier Effect</p> <p>Importance of Externalities</p> <p>Sports Anchored Development</p>	
15	04/23	<u>COURSE WRAP UP</u>			<i>Guest Speaker #4</i>
16	04/30	<u>GROUP PRESENTATIONS</u>			