

MOR 579: The Business of Sports

Fall 2020

12:30-1:50 MW, Location: Online

#16708

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

Phone: (213) 434-1070

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	
	Group presentation	<u>150</u>	
			350
2)	Stakeholder Analyses		
	Analysis #1	200	
	Analysis #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 2nd, 4th, 9th, or 11th

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) Stakeholder Analyses: Due Dates – September 23rd and October 19th

Students -- *working in pairs* -- must, in five or fewer double-spaced pages, briefly analyze and outline the financial, marketing, and planning components in response to the issue posed. Consider both the tangible and intangible implications when describing the effects on industry participants.

This assignment will be graded based upon the following:

- Grasp of Assigned Issue (10%)
- Identification of Primary, Secondary, & Tertiary Industry Stakeholders (20%)
- Potential Marketing Impacts (20%)
- Financial Considerations (20%)
- Strategic Planning Issues (20%)
- Organization of the Exam (10%)

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.

CLASSROOM POLICIES

1. Class attendance and participation is important in developing a coherent view of the materials covered in the course. Unless accommodated as described in (b) below, attendance and active participation is expected at the synchronous Zoom class sessions.
 - a. Students are expected to have cameras on during the synchronous Zoom sessions, and preferably use headsets or earphones to ensure the best audio quality. *Please advise me if you have circumstances under which you will not be able to meet these expectations.*
 - b. For students who are located in a time zone where the synchronous class sessions or exams fall outside the window of 8 a.m. to 10 p.m. in your local time zone, please contact me. You will not be penalized for not attending the live Zoom class sessions. The Zoom sessions will be recorded and you will be responsible for watching the recorded sessions. Exams and other synchronous assessments will be scheduled for students to be able to complete the assessment between 8 a.m. and 10 p.m. in your local time zone.
2. During synchronous Zoom sessions, the following netiquette is expected, as if you were in a physical classroom.
 - a. Please do:
 - i. Log into class early or promptly
 - ii. Arrange to attend class where there is a reliable internet connection and without distractions
 - iii. Dress respectfully. Video conference business meetings are and will be the norm, so practice your professional telepresence.
 - iv. If you use a virtual background, please keep it respectfully professional.
 - v. Display both your first and last name during video conferencing and synchronous class meetings.
 - vi. Respectfully minimize distractions by muting and or turning off video if necessary and when appropriate.
 - vii. Engage in appropriate tone and language with instructors and classmates.
 - b. Please try not to:
 - i. Engage in a simultaneous activity not related to the class.
 - ii. Interact with persons who are not part of the class during the class session.
 - iii. Leave frequently or not be on camera for extended periods of time.
 - iv. Have other persons or pets in view of the camera.
3. All Zoom sessions will be recorded and posted in the Blackboard Course pages.

TECHNOLOGY REQUIREMENTS

The following equipment and system requirements are recommended to successfully participate in this online course:

- Computer with webcam
- Earphones or headset
- Reliable (preferably high speed) Internet connection
- Current operating system for Windows or Mac
- Current browser
 - Google Chrome
 - Firefox
 - Internet Explorer (not recommended)
 - Safari (Mac)

For technical support please see:

- **USC Systems** (Blackboard, USC Login, MyUSC, USC Gmail, GoogleApps)
For assistance with your USC login or other USC systems, please call +1 (213) 740-5555 or email Consult@usc.edu. They are open Mon – Fri 9:30am – 5pm and weekends from 8am - 5pm (all Pacific time).
- **Zoom Video Web Conferencing System** (MarshallTALK)
For assistance using Zoom, go to [Zoom Support Page](#). You may also call +1 (888) 799-9666 ext. 2. They are available 24/7.
- **Marshall Systems** (MyMarshall, Marshall Outlook email)
For assistance with Marshall systems you can call +1 (213) 740-3000 Mon-Fri 8am-6pm (Pacific), email HelpDesk@marshall.usc.edu, or use our self-help service portal as shown below. The portal allows you to get immediate assistance by searching for the information you need. You can also use it to chat with a technician or input a request. To access the service portal, follow these steps:
 - On a computer or mobile device, go to [MyMarshall Home Page](#) and click the “**Help**” link on the upper right.
 - Log in using your Marshall username and password.
(If you don’t know your Marshall login please follow the onscreen instructions pertaining to login issues)

If your computer does not have Microsoft Word, Office 365 package is available to you free of charge and allows you to install Word, Excel, PowerPoint, Outlook, OneNote, Publisher, and Access on up to 5 PCs or Macs and Office apps on other mobile devices including tablets. Office 365 also includes unlimited cloud storage on OneDrive. To download Office 365 log into your student (University) email through a web browser, choose Settings (top right corner), and select software. If you have further questions or need help with the software, please contact the USC ITS service portal.

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.

ADDITIONAL INFORMATION

Add/Drop Process

Students who do not attend the first two class sessions may be dropped from the course if they do not notify the instructor prior to their absence.

Retention of Graded Coursework

Final exams and all other graded work which affected the course grade will be retained for 90 days after the end of the course *if* the graded work has not been returned to the student. If a graded paper is returned to you, it is your responsibility to file it.

ASSIGNED READINGS

Week	Date	Key Topic	Reading	Sub Topics
1.1	8/17	Course Introduction		
1.2	8/19	Overview of Industry Stakeholders	In-Class Group Exercise	Industry Silos; Concentration of Power.
2.1	8/24	Pro Sports	<u>Deloitte 2020 Sports Industry Outlook</u> <u>2019 PWC Sports Outlook</u>	Latest Market Trends; Areas for Growth across Sports Business.
2.2	8/26	Pro Sports	<u>The Business of Sports</u> Chapter 11: “Sports Franchise Valuation” <i>Forbes Franchise Values</i>	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	8/31	Pro Sports <i>Project Proposals Due</i>	<u>The Business of Sports</u> Chapter 11: “Sports Franchise Valuation” (continued)	Components of Salary Determination; Ownership Factionalization; Assessing MRP across Portfolio.

3.2	9/02	Pro Sports	<p><u>Golf Digest</u> “The Master’s is the Golf Industry’s Ignition Switch”</p> <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>	Alternate Business Models.
4.1	9/07	<i>No Class: Labor Day</i>		
4.2	9/09	Pro Sports		<i>Guest Speaker #1</i>
5.1	9/14	College Sports <i>Assign Stakeholder Analysis #1</i>	<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> <p><u>The Athletic</u> “Five Scenarios for the Future of College Football Realignment”</p> <p><u>New York Times</u> “In Pac-12 Football: Empty Seats, TV Woes and Recruiting Gaps”</p> <p><u>The Athletic</u> “Unrelenting Growth Leads to an Unending Advantage for the SEC”</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; Name, Image & Likeness; Financial & Reputational Risks; Potential for Reform; Current State of the NCAA.

5.2	9/16	College Sports	<p><u>Study Committee on College Athlete Name, Image, and Likeness Issues</u> “Final Report and Recommendations for a Drafting Committee”</p> <p><u>Moody’s Investors Service</u> “Eye on the Ball: Big-Time Sports Pose Growing Risk for Universities”</p>	See Above
6.1	9/21	College Sports		<i>Guest Speaker #2</i>
6.2	9/23	<i>Stakeholder Analysis #1 Due</i>		
7.1	9/28	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.
7.2	9/30	The Olympics & World Cup		<i>Guest Speaker #3</i>
8.1	10/05	Corporate America	<p><u>Athletic Director U.</u> “Why Naming Rights Deals in College Athletics Are Complicated Business”</p>	Rationale for Acquiring Naming Rights; Contractually Obligated Income; Pros & Cons of Sponsorship; Conflicts

			<p><u>The Athletic</u> “As the Rose Bowl’s Presenting Sponsor Deal Ends...”</p> <p><u>Bloomberg News</u> “Why Staples Has Olympics Fever”</p> <p><u>Sportsbusinessnews.com</u> “Microsoft’s NBA Deal Puts Tech Giants among the Leagues’ Highest Paying Partners”</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>	<p>of Interest; Brand Management; B2B vs. B2C Marketing; Activism & Sports Marketing.</p>
8.2	10/07	<p>The Media</p> <p><i>Assign Stakeholder Analysis #2</i></p>	<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 Sports Rights”</p>	<p>Audience Fragmentation; Platform Development; FAANG Group Impacts; Alliance vs. Transaction Model; Viewership Migration & Monetization.</p>

9.1	10/12	The Media	<p><u>Sports Illustrated</u> “With Upheaval in Cable Market, Power 5 Bet on Silicon Valley”</p> <p><u>The Athletic</u> “The Future of Power 5 TV Contracts...”</p>	See Above
9.2	10/14	The Media		<i>Guest Speaker #4</i>
10.1	10/19	<i>Stakeholder Analysis #2 Due</i>		
10.2	10/21	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.
11.1	10/26	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.
11.2	10/28	Course Wrap-Up & Career Opportunities		

12.1	11/02	<i>Group Presentations</i>		
12.2	11/04	<i>Group Presentations</i>		
13.1	11/09	<i>Group Presentations</i>		
13.2	11/11	<i>Group Presentations</i>		