MOR 479: The Business of Sports

Fall 2020

Monday & Wednesday, 8:00-9:50 a.m.; 4 units; Location: Online



School of Business

Professor: Office: Email: David M. Carter HOH 419 david.carter@sportsbusinessgroup.com

COURSE DESCRIPTION:

This course offers a unique perspective about the business of sports 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 six most critical entities influencing the business of sport: (1) Professional sports franchises and leagues; (2) Amateur athletics, including collegiate sports; (3) Major special events such as the Olympics and World Cup; (4) Corporate America; (5) The media; and (6) The public sector. This examination of the flow of funds requires close consideration of numerous industry stakeholders, ranging from network television and new media executives, corporate marketers and collegiate athletic department administrators, to elected officials 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. We will be examining sports industry accounting methods and its financial and marketing strategies, as well as planning concerns and managerial philosophies.

COURSE OBJECTIVES

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

1) Describe 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.

COURSE MATERIALS

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

<u>RECOMMENDED PREPARATION</u>: Numerous BUAD courses; those lacking sufficient Marshall School of Business coursework may struggle.

GRADING

Final grades represent how you perform in the class relative to other students. Your grade will not be based on a mandated target, but on your performance. Historically, the average grade for this class is about a 3.30. Three items are considered when assigning final grades: (1) Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible). (2) The overall average percentage score within the class. (3) Your ranking among all students in the class.

<u>GR</u> A	ADE COMPONENTS	POINTS	%
1)	Article Submission	50	5%
2)	Class Engagement	150	15%
3)	Two Quizzes	250	25%
4)	Mid-Term Exam	250	25%
5)	Final Exam	<u>300</u> 1000	<u>30%</u> 100%

EXPLANATION OF COMPONENTS

1) Article Submission: Individual Dates TBD

Each student will be responsible for submitting one (1) one-page analysis of a current sports business issue. This analysis should include an explanation of the critical sports business issues at hand, as well as the stakeholders impacted and other critical observations. Additionally, most will also informally present the sports business issue selected to the class by describing its sports business implications and impacted stakeholders.

2) <u>Class Engagement: Ongoing</u>

This part of your grade will be based on effective contributions to class discussions. Class will begin and end on time. Punctuality is one component of participation. Students should notify me in advance if they are forced to miss all or part of any class; multiple absences demonstrate a reduced level of participation. Multiple absences will result in reduction of grade points. Other components of participation 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. For further information on class participation expectations, see Appendix II at the end of the syllabus.

3) (Take Home) Quizzes: Due September 14th and October 26th

Each quiz requires students to identify and briefly describe the relevant sports business issues contained in the question posed. Quiz topics will be directly linked to current sports business events.

These assignments – *which are limited to 500-word responses* – will be graded based upon the following:

- Grasp of Assigned Issue (20%)
- Identification of Critical Issues (30%)
- Identification of Stakeholders (30%)
- Organization of the Exam (20%)

4) (Take Home) Mid-Term Exam: Due September 28th

The mid-term exam requires students to briefly analyze and outline the financial, marketing, and planning components in response to the question posed. Consider both the tangible and intangible implications when describing the effects on industry participants.

This assignment – *which is limited to a 750-word response* – 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%)

5) <u>(Take Home) Final Exam: Due Date = TBD</u>

The final exam requires students to analyze and outline the financial, marketing, and planning components in response to the question posed. Consider both the tangible and intangible implications when describing the effects on industry participants.

This assignment – *which is limited to a 1,000-word response* – 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%)

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 <u>Consult@usc.edu</u>. 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 <u>HelpDesk@marshall.usc,edu</u>, 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 <u>MyMarshall Home Page</u> 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.

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 #1	Industry Silos; Concentration of Power.
2.1	8/24	Pro Sports	Deloitte 2020 Sports Industry Outlook 2019 PWC Sports Outlook	Latest Market Trends; Areas for Growth across Sports Business.
2.2	8/26	Pro Sports	The Business of Sports Chapter 11: "Sports Franchise Valuation" Forbes Franchise Values	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	The Business of Sports Chapter 11: "Sports Franchise Valuation" (continued)	Components of Salary Determination; Ownership Factionalization; Assessing MRP across Portfolio; Alternate Business Models.
3.2	9/02	Pro Sports	Golf Digest "The Masters is the Golf Industry's Ignition Switch"Golf Digest "Making Big Bucks, Spending Big Bucks"Forbes Sports Money "The Real Reason F1's Top Teams Are Threatening to Quit"	
4.1	9/07	No Class: Labor Day		
4.2	9/09	Pro Sports Assign Quiz #1		Guest Speaker #1

5.1	9/14	Quiz #1 Due		
5.2	9/16	College Sports Assign Mid-Term Exam	The Business of SportsChapter 13: "A Brief History ofthe NCAA's Role in RegulatingIntercollegiate Athletics""The NCAA Cartel: Why isExists, How it Works, and Whatit Does"The Athletic"Five Scenarios for the Future ofCollege Football Realignment"New York Times"In Pac-12 Football: Empty Seats,TV Woes and Recruiting Gaps"The Athletic"Unrelenting Growth Leads to anUnending Advantage for theSEC"	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.
6.1	9/21	College Sports	Study Committee on College Athlete Name, Image, and Likeness Issues''Final Report and Recommendations for a Drafting Committee''Moody's Investors Service ''Eye on the Ball: Big-Time Sports Pose Growing Risk for Universities''	See Above
6.2	9/23	College Sports		Guest Speaker #2
7.1	9/28	Mid-Term Exam Due		
7.2	9/30	The Olympics & World Cup		Guest Speaker #3
8.1	10/05	The Olympics & World Cup	The 2018 Olympic Marketing Fact FileJournal of Economic Perspectives"Going for the Gold: The Economics of the Olympics"	Games' Management Structure; Revenue Stream Reliance; Role of Television; Global Non- Business Considerations; Economic Impact; Future Challenges.

8.2	10/07	Corporate America	"Corruption in the Bidding, Construction and Organization of Mega-Events: An Analysis of the Olympics and World Cup"Athletic Director U.	Rationale for Acquiring
			 "Why Naming Rights Deals in College Athletics Are Complicated Business" <u>The Athletic</u> "As the Rose Bowl's Presenting Sponsor Deal Ends" <u>Bloomberg News</u> "Why Staples Has Olympics Fever" <u>Sportsbusinessnews.com</u> "Microsoft's NBA Deal Puts Tech Giants among the Leagues' Highest Paying Partners" <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>The Sports Business Journal</u> "Creating a Storm for Social Justice" 	Naming Rights; Contractually Obligated Income; Pros & Cons of Sponsorship; Conflicts of Interest; Brand Management; B2B vs. B2C Marketing; Activism & Sports Marketing.
9.1	10/12	Corporate America		Guest Speaker #4
9.2	10/14	The Media	Barron's "TV's Sports Problem"Barron's "Football Season is Here and It's a Key Moment for the Future of TV"Variety "Big Media, Silicon Valley Battle for Multibillion-Dollar Sports TV Rights"	Audience Fragmentation; Platform Development; FAANG Group Impacts; Alliance vs. Transaction Model; Viewership Migration & Monetization.

10.1	10/19	The Media	Sports Illustrated"With Upheaval in Cable Market, Power 5 Bet on Silicon Valley"The Athletic"The Future of Power 5 TV Contracts"	See Above
10.2	10/21	The Media Assign Quiz #2		Guest Speaker #5
11.1	10/26	Quiz #2 Due		
11.2	10/28	Sports Anchored Real Estate	Fields of Green "Key Principles of Sports Anchored Developments" Urban Land Magazine "Playing Small Ball" New York Times "A Gleaming Stadium Opens with a Question"	Core Considerations; Expanding the Gameday Experience; Adaptive Reuse; Residential Transformation; Commercial Conversion; Public Sector Buy-In.
12.1	11/02	Public Sector/Policy	Major League WinnersChapter 1: "Urban Change"Hard BallChapter 7: "State & LocalPolitics"Major League WinnersChapter 5: "A White Elephant"	Direct vs. Indirect Revenue; Economic Impact vs. Activity; The Multiplier Effect; Importance of Externalities; Sports Anchored Development.
12.2	11/04	Current Events		
13.1	11/09	Course Wrap-Up & Career Opportunities		
13.2	11/11	No Class: Final Exam Working Session		

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 <u>Student Conduct Code</u>. 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" <u>https://policy.usc.edu/scampus-part-b/</u>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <u>http://policy.usc.edu/scientific-misconduct</u>.

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 genderbased 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 <u>dsp.usc.edu</u>

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

uscsa.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.

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 (<u>www.usc.edu/disability</u>). 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 (or to your TA) 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.

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<u>http://emergency.usc.edu/</u>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC's Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.

Appendix I



Undergraduate Program Learning Goals and Objectives (last update 12/21/17)

Learning goal 1: Our graduates will demonstrate critical thinking skills so as to become future-oriented problem solvers, innovators and decision makers in diverse and rapidly changing business environments.

- Students will demonstrate the ability to anticipate, identify and solve business problems. They will be able to identify and assess central problems, identify and evaluate potential solutions, and translate a chosen solution to an implementation plan that considers future contingencies
- Students will demonstrate the ability to be accurate, clear, expansive (thorough, detailed) and fair-minded in their thinking
- Students will critically analyze concepts, theories and processes by stating them in their own words, understanding key components, identifying assumptions, indicating how they are similar to and different from others and translating them to the real world
- Students will be effective at gathering, storing, and using qualitative and quantitative data and at using analytical tools and frameworks to understand and solve business problems
- Students will understand the concepts of critical thinking, entrepreneurial thinking and creative thinking as drivers of innovative ideas

Learning Goal 2: Our graduates will develop people and leadership skills to promote their effectiveness as business managers and leaders in the 21st century's evolving work and organizational structures.

- Students will recognize, understand and analyze the roles, responsibilities and behaviors of effective managers and leaders in diverse business contexts e.g., functionally diverse, culturally diverse, geographically diverse, etc.
- Students will understand factors that contribute to effective teamwork including how to elicit, manage and leverage diverse perspectives and competencies.
- Students will recognize, understand, and analyze the motivations and behaviors of stakeholders inside and outside organizations (e.g., teams, departments, consumers, investors, auditors)

Learning Goal 3: Our graduates will be effective communicators to facilitate information flow in organizational, social, and intercultural contexts.

- Students will identify and assess diverse personal and organizational communication goals and audience information needs
- Students will demonstrate an ability to gather and disseminate information and communicate it clearly, logically, and persuasively in professional contexts
- Students will understand individual and group communications patterns and dynamics in organizations and other professional contexts

Learning goal 4: Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities *and aspire to add value to society*.

- Students will recognize ethical challenges in business situations and assess appropriate courses of action
- Students will understand professional codes of conduct

Learning goal 5: Our graduates will develop a global business perspective. They will understand how local, regional, and international markets, and economic, social and cultural issues impact business decisions *so as to anticipate new opportunities in any marketplace*.

- Students will understand that stakeholders, stakeholder interests, business environments (legal, regulatory, competitor) and business practices vary across regions of the world
- Students will understand how local, regional and global markets interact and are impacted by economic, social and cultural factors.

Learning goal 6: Our graduates will understand types of markets and key business areas and their interaction to effectively manage different types of enterprises.

- Students will demonstrate foundational knowledge of core business disciplines, including business analytics and business economics
- Students will understand the interrelationships between functional areas of business so as to develop a general perspective on business management
- Students will apply theories, models, and frameworks to analyze relevant markets (e.g. product, capital, commodity, factor and labor markets)
- Students will be able to use technologies (e.g., spreadsheets, databases, software) relevant to contemporary business practices

Appendix II: Participation

Participation. In-class participation is 15% of the total grade and evaluated based on your level of involvement in class discussions and in-class exercises.

One of the primary goals of this course is to help you develop the ability both to clarify your own position on an issue and to be able to articulate and defend it clearly. Sharing your perceptions and ideas with others is crucial for learning and for understanding how the diverse opinions that you are likely to encounter in an organization are debated. You will find yourself presenting and testing new ideas that are not wholly formulated and assisting others in shaping their ideas as well. You should be prepared to take some risks and be supportive of the efforts of others.

Effective class participation consists of analyzing, commenting, questioning, discussing, and building on others' contributions; it is not repeating facts or monopolizing class time. The ability to present one's ideas concisely and persuasively and to respond effectively to the ideas of others is a key business skill. One of the goals of this course is to help you sharpen that ability.

- **Outstanding Contribution**: Your contributions reflect considerable preparation; they are substantive and supported by evidence from the case, readings, and logic. Your comments or questions create a springboard for discussion by making a critical insight. You synthesize and build upon what has already been said in the discussion. The class learns from you when you speak; in your absence, the discussions would suffer.
- **Good Contribution**. You come prepared with substantiated comments. You demonstrate good insight and clear thinking. You are able to make some connection to what has been said in prior discussion. The class notices when you're not part of the discussion.
- **Minimal Contribution**. You participate but are unprepared. You rarely offer interesting insights into the discussion. It appears that you are not listening to what others are saying during discussion.
- No Contribution. You say little or nothing in class. If you were not in the class, the discussion would not suffer.