

**MOR 579: The Business of Sports**

Fall 2021

11:00-12:20 MW, Location: JKP 104

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 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; (6) Sports anchored real estate; and (7) 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 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 Hours: 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)	<b>Term Project</b>		
	5 page proposal	50	
	Written report	150	
	Group presentation	<u>150</u>	
			<b>350</b>
2)	<b>Exams</b>		
	Exam #1	200	
	Exam #2	<u>200</u>	
			<b>400</b>
3)	<b>Contribution &amp; Professionalism</b>		
			<u>250</u>
			<b>1000</b>

## **EXPLANATION OF COMPONENTS**

### **1) Term Project: Due Date – November 17<sup>th</sup>, 22<sup>nd</sup>, 29<sup>th</sup>, or December 1<sup>st</sup>**

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

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

### **2) Exams: September 29<sup>th</sup> and October 25<sup>th</sup>**

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) Contribution & Professionalism: 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 contribution and professionalism represents 25% of the course grade, students are encouraged to be involved in the discussion, both in the classroom as well as offline. 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, and thus such absences will impact students' point totals for contribution and professionalism.

## ASSIGNED READINGS

Week	Date	Key Topic	Reading	Sub Topics
1.1	8/23	Course Introduction		
1.2	8/25	Overview of Industry Stakeholders	In-Class Group Exercise	Industry Silos; Concentration of Power.
2.1	8/30	Pro Sports	<p><b><u>PwC 2021 Sports Outlook</u></b></p> <p><b><u>Deloitte 2021 Sports Industry Outlook</u></b></p> <p><b><u>Deloitte: COVID-19 Outlook for the Sports Industry</u></b></p>	Latest Market Trends; Areas for Growth across Sports Business.
2.2	9/01	Pro Sports	<p><b><u>The Business of Sports</u></b> Chapter 11: “Sports Franchise Valuation”</p> <p><i>Forbes Franchise Values</i></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	9/06	<b><i>No Class: Labor Day</i></b>		
3.2	9/08	Pro Sports  <b><i>Project Proposals Due</i></b>	<p><b><u>The Business of Sports</u></b> Chapter 11: “Sports Franchise Valuation” (continued)</p>	Components of Salary Determination; Ownership Factionalization; Assessing MRP across Portfolio.

4.1	9/13		<p><b><u>Golf Digest</u></b> “The Master’s is the Golf Industry’s Ignition Switch”</p> <p><b><u>Golf Digest</u></b> “Making Big Bucks, Spending Big Bucks”</p> <p><b><u>Washington Examiner</u></b> “Masterful Economics at Augusta”</p> <p><b><u>Sportico</u></b> “The Masters San Galleries...”</p> <p><b><u>New York Times</u></b> “Georgia is Facing a Political Onslaught...”</p>	Alternate Business Models.
4.2	9/15	Pro Sports		<i>Guest Speaker #1</i>
5.1	9/20	College Sports	<p><b><u>“The NCAA Cartel”</u></b> Why is Exists, How it Works, and What it Does”</p> <p><b><u>The Athletic</u></b> “Five Scenarios for the Future of College Football Realignment”</p> <p><b><u>New York Times</u></b> “In Pac-12 Football: Empty Seats, TV Woes and Recruiting Gaps”</p> <p><b><u>The Athletic</u></b> “Unrelenting Growth Leads to an Unending Advantage for 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	9/22	College Sports	<p><b><u>Moody's Investors Service</u></b>  “Eye on the Ball: Big-Time Sports Pose Growing Risk for Universities”</p> <p><b><u>Moody's Investors Service</u></b>  “College Sports Postponements Dampen Revenue Prospects”</p>	See Above
6.1	9/27	College Sports		<i>Guest Speaker #2</i>
6.2	9/29	<i>Exam #1</i>		
7.1	10/04	The Olympics & World Cup	<p><b><u>The 2020 Olympic Marketing Fact File</u></b> (pages 5-11 &amp; 28)</p> <p><b><u>Journal of Economic Perspectives</u></b> “Going for the Gold: The Economics of the Olympics”</p> <p><b><u>“Corruption in the Bidding, Construction and Organization of Mega-Events”</u></b>  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	10/06	The Olympics & World Cup		<i>Guest Speaker #3</i>
8.1	10/11	Corporate America	<p><b><u>The Athletic</u></b>  “As the Rose Bowl’s Presenting Sponsor Deal Ends...”</p> <p><b><u>Bloomberg News</u></b>  “Why Staples Has Olympics Fever”</p>	Rationale for Acquiring Naming Rights; Contractually Obligated Income; Pros & Cons of Sponsorship; Conflicts of Interest; Brand Management; B2B vs. B2C Marketing;

			<p><b><u>Sportsbusinessnews.com</u></b>  “Microsoft’s NBA Deal Puts Tech Giants among the Leagues’ Highest Paying Partners”</p> <p><b><u>Sportsbusinessnews.com</u></b>  “Sponsorship Market Dynamic Favor Premium Sports Brands...”</p> <p><b><u>The New York Times</u></b>  “Seattle Storm Take Progressive Tack”</p> <p><b><u>The New York Times</u></b>  “WNBA’s Seattle Storm Embrace a Role...”</p> <p><b><u>The Sports Business Journal</u></b>  “Creating a Storm for Social Justice”</p> <p><b><u>Sportico</u></b>  “WNBA Weathers 2020 With Expanded Coverage, Sponsorship and Activism”</p>	Activism & Sports Marketing.
8.2	10/13	<i>No Class</i>		
9.1	10/18	The Media	<p><b><u>Barron’s</u></b>  “Football Season is Here and It’s a Key Moment for the Future of TV”</p> <p><b><u>Variety</u></b>  “Big Media, Silicon Valley Battle for Multibillion Sports Rights”</p>	Audience Fragmentation; Platform Development; FAANG Group Impacts; Alliance vs. Transaction Model; Viewership Migration & Monetization.

			<p><b>Sportico</b> “NFL Media Partners Won’t Imperil TV Model...”</p> <p><b>The Athletic</b> “The Future of Power 5 TV Contracts...”</p>	
9.2	10/20	The Media		<i>Guest Speaker #4</i>
10.1	10/25	<i>Exam #2</i>		
10.2	10/27	Sports Anchored Real Estate	<p><b>The Fields of Green</b> “Key Principles of Sports Anchored Developments”</p> <p><b>Urban Land Magazine</b> “Playing Small Ball...”</p> <p><b>New York Times</b> “A Gleaming Stadium Opens with a Question...”</p> <p><b>Forbes</b> “Why Tottenham Hotspur’s \$1 Billion Stadium Will Be...”</p>	Core Considerations; Expanding the Gameday Experience; Adaptive Reuse; Residential Transformation; Commercial Conversion; Public Sector Buy-In.
11.1	11/01	Public Sector/Policy	<p><b>Major League Winners</b> Chapter 1: “Urban Change”</p> <p><b>Hard Ball</b> Chapter 7: “State &amp; Local Politics”</p> <p><b>Major League Winners</b> Chapter 5: “A White Elephant...”</p>	Direct vs. Indirect Revenue; Economic Impact vs. Activity; The Multiplier Effect; Importance of Externalities.



11.2	11/03	Public Sector/Policy		<i>Guest Speaker #5</i>
12.1	11/08	Current Events Discussion		
12.2	11/10	Course Wrap-Up & Career Opportunities		
13.1	11/15	<i>No Class: Group Presentation Prep Session</i>		
13.2	11/17	<i>Group Presentations</i>		
14.1	11/22	<i>Group Presentations</i>		
14.2	11/24	<i>No Class -- Thanksgiving</i>		
15.1	11/29	<i>Group Presentations</i>		
15.2	12/01	<i>Group Presentations</i>		

## **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](http://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](http://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](http://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](mailto: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.

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