

## **MOR 479: The Business of Sports**

Fall 2021

Monday & Wednesday, 8:00-9:50 p.m.

4 units; Location: JFF 239

# USC Marshall

School of Business

Professor: David M. Carter  
Office Hours: By Appointment  
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### **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; (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. 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*

**RECOMMENDED PREPARATION:** 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 3.50. 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.

<b><u>GRADE COMPONENTS</u></b>	<b><u>POINTS</u></b>	<b><u>%</u></b>
1) Article Submission	50	5%
2) Contribution & Professionalism	150	15%
3) Two Quizzes	300	30%
4) Mid-Term Exam	250	25%
5) Final Exam	<u>250</u>	<u>25%</u>
	1000	100%

## **EXPLANATION OF COMPONENTS**

### **1) Article Submission: Individual Dates TBD**

During the course of the semester, 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) 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 15% 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.

### **3) Quizzes: September 20<sup>th</sup> and October 27<sup>th</sup>**

Each multiple-choice quiz will consist of 15 questions and feature questions generated from assigned readings, lectures, current events, and guest speakers.

Students will have 30 minutes to complete each quiz.

### **4) (Take Home) Mid-Term Exam: Due Electronically October 4<sup>th</sup>**

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) **(Take Home) Final Exam: Due via Email on December 8<sup>th</sup> @ 10:00 AM**

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%)

## 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 #1	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	<i>No Class: Labor Day</i>		
3.2	9/08	Pro Sports	<p><b><u>The Business of Sports</u></b> Chapter 11: “Sports Franchise Valuation” (continued)</p>	Components of Salary Determination; Ownership Fractionalization; Assessing MRP across Portfolio.
4.1	9/13	Pro Sports	<p><b><u>Golf Digest</u></b> “The Masters is the Golf Industry’s Ignition Switch”</p> <p><b><u>Golf Digest</u></b> “Making Big Bucks, Spending Big Bucks”</p>	Alternate Business Models.

			<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>	
4.2	9/15	Pro Sports		<i>Guest Speaker #1</i>
5.1	9/20	<i>Quiz #1</i>		
5.2	9/22	College Sports	<p><b><u>“The NCAA Cartel: Why it Exists, How it Works, and What it Does”</u></b></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 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.
6.1	9/27	College Sports <i>Assign Mid-Term Exam</i>	<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
6.2	9/29	College Sports		<i>Guest Speaker #2</i>
7.1	10/04	<i>No Class: Mid-Term Exam Due via e-mail</i>		
7.2	10/06	The Olympics & World Cup		<i>Guest Speaker #3</i>

8.1	10/11	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: An Analysis of the Olympics and World Cup”</u></b></p>	Games’ Management Structure; Revenue Stream Reliance; Role of Television; Global Non-Business Considerations; Economic Impact; Future Challenges.
8.2	10/13	<i>No Class</i>		
9.1	10/18	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> <p><b><u>Sportsbusinessnews.com</u></b>  “Microsoft’s NBA Deal Puts Tech Giants...”</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>	Rationale for Acquiring Naming Rights; Contractually Obligated Income; Pros & Cons of Sponsorship; Conflicts of Interest; Brand Management; B2B vs. B2C Marketing; Activism & Sports Marketing
9.2	10/20	Corporate America		<i>Guest Speaker #4</i>

10.1	10/25	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-Dollar Sports TV Rights”</p> <p><b><u>Sportico</u></b> “NFL Media Partners Won’t Imperil TV Model...”</p> <p><b><u>The Athletic</u></b> “The Future of Power 5 TV Contracts...”</p>	Audience Fragmentation; Platform Development; FAANG Group Impacts; Alliance vs. Transaction Model; Viewership Migration & Monetization.
10.2	10/27	<i>Quiz #2</i>		
11.1	11/01	The Media		<i>Guest Speaker #5</i>
11.2	11/03	Sports Anchored Real Estate	<p><b><u>Fields of Green</u></b> “Key Principles of Sports Anchored Developments”</p> <p><b><u>Urban Land Magazine</u></b> “Playing Small Ball”</p> <p><b><u>New York Times</u></b> “A Gleaming Stadium Opens with a Question...”</p> <p><b><u>Forbes</u></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.
12.1	11/08	Public Sector/Policy	<p><b><u>Major League Winners</u></b> Chapter 1: “Urban Change”</p> <p><b><u>Hard Ball</u></b> Chapter 7: “State &amp; Local Politics”</p> <p><b><u>Major League Winners</u></b> Chapter 5: “A White Elephant...”</p>	Direct vs. Indirect Revenue; Economic Impact vs. Activity; The Multiplier Effect; Importance of Externalities; Sports Anchored Development.
12.2	11/10	Current Events		
13.1	11/15	<i>No Class</i>		
13.2	11/17	Public Sector/Policy		<i>Guest Speaker #6</i>

14.1	11/22			<i>Guest Speaker #7</i>
14.2	11/24	<i>No Class: Thanksgiving</i>		
15.1	11/29	Course Wrap-Up & Career Opportunities		
15.2	12/1	<i>No Class: Final Exam Working Session</i>		

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## **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](http://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](http://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](http://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](http://equity.usc.edu), [titleix.usc.edu](http://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](http://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](http://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*

[uscsa.usc.edu](http://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](http://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](http://dps.usc.edu), [emergency.usc.edu](http://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](http://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 ([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 (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](mailto: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 (<http://emergency.usc.edu/>) 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](http://blackboard.usc.edu)), teleconferencing, and other technologies.

### **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.

## 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

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**Learning Goal 2: Our graduates will develop people and leadership skills to promote their effectiveness as *business managers and leaders in the 21<sup>st</sup> 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)

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**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

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**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

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**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.

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**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
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## **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.