

MOR 479: The Business of Sports

Spring 2023

Tuesday & Thursday, 2:00-3:50 p.m.

4 units; Location: BRI 202

USC Marshall

School of Business

Professor: David M. Carter
Office Hours: By Appointment
Email: david.carter@marshall.usc.edu

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.

<u>GRADE COMPONENTS</u>	<u>POINTS</u>	<u>%</u>
1) Article Submission	50	5%
2) Contribution & Professionalism	200	20%
3) Two Exams	400	40%
4) Final Exam	<u>350</u>	<u>35%</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) 500-word (maximum) 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) Exams: February 21st and April 6th

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 20% 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.

4) **(Take Home) Final Exam: Due via Email on May 4th @ 2:00 PM**

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%)

DRAFT

ASSIGNED READINGS

Week	Date	Key Topic	Reading	Sub Topics
1.1	1/10	Course Introduction		
1.2	1/12	Overview of Industry Stakeholders	In-Class Group Exercise	Industry Silos; Concentration of Power.
2.1	1/17	Pro Sports	<u>PwC 2022 Sports Outlook</u> <u>Deloitte 2022 Sports Industry Outlook</u>	Latest Market Trends; Areas for Growth across Sports Business.
2.2	1/19	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	1/24	Pro Sports	<u>The Business of Sports</u> Chapter 11: “Sports Franchise Valuation” (continued) <u>Sportico</u> “Broncos Sale Will Offer Record \$3B Tax Write-Off...”	Components of Salary Determination; Ownership Fractionalization; Assessing MRP across Portfolio.
3.2	1/26	Pro Sports	<u>Golf Digest</u> “The Master’s is the Golf Industry’s Ignition Switch” <u>Forbes</u> “The Masters Tournament at Augusta is Leaving \$269 M on the Putting Green” <u>Washington Examiner</u> “Masterful Economics at Augusta”	Alternate Business Models.
4.1	1/31	Pro Sports		<i>Guest Speaker #1</i>

4.2	2/02	College Sports	<p><u>“The NCAA Cartel”</u> Why it Exists, How it Works, and What it Does”</p> <p><u>The Athletic</u> “Unrelenting Growth Leads to an Unending Advantage for SEC”</p> <p><u>San Jose Mercury News</u> “Power Five Revenue Analysis”</p> <p><u>Wall Street Journal</u> “Big 10 Strikes \$7. B Deal”</p> <p><u>Sports Business Journal</u> “Big 12 Scores Big Win...”</p> <p><u>The Athletic</u> “Future of College Football, Inc.”</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.
5.1	2/07	College Sports	<p><u>Moody’s Investors Service</u> “Eye on the Ball: Big-Time Sports Pose Growing Risk for Universities”</p> <p><u>Moody’s Investors Service</u> “College Sports Postponements Dampen Revenue Prospects”</p>	See Above
5.2	2/09	Current Events		
6.1	2/14	College Sports		<i>Guest Speaker #2</i>
6.2	2/16	<i>No Class: Exam Prep</i>		
7.1	2/21	<i>Exam #1</i>		
7.2	2/23	The Olympics & World Cup	<p><u>The 2022 Olympic Marketing Fact File</u> (pages 5-8 & 23)</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.

			<u>Insider.com</u> “Beijing Says the Cost of Hosting the 2022 Winter Games...”	
8.1	2/28	The Olympics & World Cup		<i>Guest Speaker #3</i>
8.2	3/02	Corporate America	<u>The Athletic</u> “As the Rose Bowl’s Presenting Sponsor Deal Ends...” <u>Sportsbusinessnews.com</u> “Microsoft’s NBA Deal Puts Tech Giants among the Leagues’ Highest Paying Partners” <u>Sportsbusinessnews.com</u> “Sponsorship Market Dynamic Favor Premium Sports Brands...” <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>Sportico</u> “WNBA Weathers 2020 With Expanded Coverage, Sponsorship and Activism”	Rationale for Acquiring Naming Rights; Contractually Obligated Income; Pros & Cons of Sponsorship; Conflicts of Interest; Brand Management; B2B vs. B2C Marketing; Activism & Sports Marketing.
9.1	3/07	The Media	<u>Barron’s</u> “Football Season is Here and It’s a Key Moment for the Future of TV” <u>Sportico</u> “NFL Media Partners Won’t Imperil TV Model...” <u>CNBC</u> “Disney’s Shift to Streaming...” <u>Outkick</u> “ESPN Lost 8 Million Subscribers in 2021...”	Audience Fragmentation; Platform Development; FAANG Group Impacts; Alliance vs. Transaction Model; Viewership Migration & Monetization.
9.2	3/09	The Media		<i>Guest Speaker #4</i>
10.1	3/14	<i>Spring Break</i>		

10.2	3/16	<i>Spring Break</i>		
11.1	3/21	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> <p><u>Forbes</u> “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.
11.2	3/23	Public Sector/Policy	<p><u>Major League Winners</u> Chapter 1: “Urban Change”</p> <p><u>Forbes</u> “Tennessee Titans Focus on Strengthening Nashville...”</p> <p><u>Tennessee Titans</u> “One Community Program Overview”</p> <p><u>Micronomics</u> “The Economic Impact of Super Bowl LVI” (pages 1-21)</p>	Direct vs. Indirect Revenue; Economic Impact vs. Activity; The Multiplier Effect; Importance of Externalities.
12.1	3/28	Public Sector/Policy		<i>Guest Speaker #5</i>
12.2	3/30	<i>No Class</i>		
13.1	4/04	<i>No Class: Exam Prep</i>		
13.2	4/06	<i>Exam #2</i>		
14.1	4/11	Current Events Discussion		
14.2	4/13	<i>No Class</i>		
15.1	4/18			<i>Guest Speaker #6</i>
15.2	4/20	Current Events Discussion		
16.1	4/25	Course Wrap-Up & Career Opportunities		

16.2	4/27	<i>No Class: Final Exam Working Session</i>		
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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” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on [Research and Scholarship Misconduct](#).

Open Expression and Respect for All

An important goal of the educational experience at USC Marshall is to be exposed to and discuss diverse, thought-provoking, and sometimes controversial ideas that challenge one’s beliefs. In this course we will support the values articulated in the USC Marshall “[Open Expression Statement](#).”

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University’s educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

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 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.

Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) - (213) 740-5086

eeotix.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.

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 for Equity, Equal Opportunity, and Title for appropriate investigation, supportive measures, and response.

The Office of Student Accessibility Services (OSAS) - (213) 740-0776

osas.usc.edu

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

USC Campus Support and Intervention - (213) 821-4710

campussupport.usc.edu

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

Diversity, Equity and Inclusion - (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.

Office of the Ombuds - (213) 821-9556 (UPC) / (323-442-0382 (HSC)
ombuds.usc.edu

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

Occupational Therapy Faculty Practice - (323) 442-3340 or otfp@med.usc.edu
chan.usc.edu/otfp

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

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.