

Sport Business in the Classroom

Stephen A. Greyser, Harvard Business School

More than 30 years ago, a small group of senior Harvard Business School (HBS) colleagues and I initiated the MBA seminar that became the first sport business course at a leading major business school. Our focus then was on key elements of management—strategy, finance, marketing, operations, and fledgling analytics—and their application for helping to develop leagues and strengthen teams. Soon, responding to student interests, faculty-supervised field study projects were undertaken in conjunction with sponsoring sport entities (the NBA was an early and longtime HBS project sponsor). The seminar topics broadened over time to address sponsorship, broadcasting, and other areas of the ever-enlarging sport world.

Sport business in the academic world had already been initiated at Ohio University in 1966—in business schools that were developing multicourse degree programs (beyond simply a single course), student independent projects and internships, and executive programs; in kinesiology departments; and also in law schools (Rick Horrow studied sport law at Harvard Law School). Campus speakers and symposia abounded, stimulated by student sport business clubs, faculty contacts, and alumni participation. Programs mushroomed (undergrad and graduate) in the United States, Europe (notably Germany and Switzerland), and Japan. At some business schools, intellectual content was developed and led to publications—research papers, journal articles, case studies, and books.

For example, at Stanford Business School, Professor George Foster developed a series of quarter-long MBA offerings on different elements of sport business. He drew on numerous Bay area and Pacific resources, plus alumni and sport leaders. He produced numerous case studies and eventually was lead author of a text and cases book on strategy and management, *The Business of Sports* (Foster, Greyser, and Walsh 2006).

More recently, MIT's Sloan School's two-day Sports Analytics Conference has attracted hundreds of students and sport industry participants annually.

Evolution and Growth of Sport Business

The foundation of the still-broadening academic activity is the widening and deepening reality of the sport business world itself, as well as the significant growth in financial stakes.

The now multibillion-dollar business of sport has become a pervasive element in our economy and our society. Major business elements of sport regularly move from the sport pages (where the focus is dominantly on competition) to the business pages (often about sales of clubs, major sponsorships or broadcast contracts, ticket price hikes, new types of merchandise, arena and stadium naming deals, the impacts of scandals such as those in FIFA), and occasionally to the front page (e.g., strikes and lockouts, threats of franchise transfers, plans for new stadiums, signing of home team superstar free-agent players). Also, treatment of sport business has become global, reflected in worldwide coverage of the business dimensions of mega-events such as the Olympics and the World Cup, and expanded intercontinental travel for team and individual competitions.

The context includes, for example:

- More professional and collegiate leagues and sports competing for fans' time and money and for marketing and sponsor support
- More big events seeking fan attention, sponsor support, and broadcast exposure
- More broadcast channels and hours of sport, providing opportunities for league and team rights fees but requiring corporate marketing and advertising support
- Broader availability of televised sport events and programs for fans—at home, in competition venues, and via mobile (watching games on a phone!)
- More opportunities for company and brand sponsorship of leagues, teams, and events—"the official (product/service) of the (league/team/event)"—with pressures for more dollars from rights holders and for measurable return on investment by sponsors
- More licensed manufactured branded equipment, apparel, and other merchandise (for leagues, teams, colleges, events, players), plus the memorabilia and autograph industry—and more branded retail outlets and retail space devoted to them, all competing for consumer purchases
- New financial paradigms for franchises in terms of new stadiums, more revenues from season ticket holders, and more corporate sponsorships, but with more complex relationships (e.g., team revenue sharing and luxury taxes, a more powerful role for players and agents)
- More contentious relationships over "shares of the revenue pie" between players associations (unions) and owners (leagues), manifested particularly in threatened or actual work stoppages
- Expansion and franchise moves in professional leagues
- Greater attention to and concern over the business of intercollegiate sport, encompassing conference realignments, the postseason football championship playoff system, broadcast rights fees, dedicated cable channels, and implications for both the "student" and "athlete" dimensions of the players (including possibly pay for athletes)
- More globalization of sport, in terms of television, players, and games (even

regular-season ones) being played by teams in overseas countries, intended to stimulate fan development and league marketing; European football (soccer) clubs playing (nonleague) matches in the United States and with regular-season U.S. TV contracts

- The growth of web-powered products, including streamed competition (games), fantasy leagues, and so on
- Multiuse sport and community activity facilities
- New and developing sports, for example, MMA, esports, and the expansion of fantasy leagues
- Broader legalized sport betting and quasi-gambling competitions
- Investment firms that find and finance buyers and sellers of teams, and companies that make a market in shares of athletes and their earnings streams
- New, often entrepreneurially driven, technology that can improve the playing, managing, and experience of sport for athletes, teams, and fans

In our society, sport has become the lingua franca of 21st-century workplaces and gathering spots. Indeed, it has spawned the sport bar industry. In the manner of a secular religion, sport commands big audiences; almost all the largest TV audience programs are sport competition, led (by far) by the Super Bowl.

Further, “Sports bind a community together,” National Hockey League Commissioner Gary Bettman, who is a contributor to this book, told me. More broadly, sports constitute *entertainment*, sometimes diversion, for fans who often “wear their fandom” and not just at games. Sport is *competition* for the athletes. And it is *business* for teams, leagues, and event owners—and their broadcasters. It is an *experience* for everyone involved.

This whole context and its consequences generate myriad topics, perspectives, and insights in sport, in sport business, and—significantly for readers of this book—in sport careers. That is why this volume exists.

Impacts in Schools Now

Whether dedicated projects, individual courses, or multicourse programs, sport business abounds in classrooms nationally and internationally.

Illustrative of U.S.-based combined graduate and undergraduate degree programs is the University of South Florida’s Muma College Vinik Sport & Entertainment Management Program. Its extensive MBA concentration includes traditional foundation MBA coursework plus sport-based marketing, law, business analytics, market research, social media, contemporary issues, and an internship. Its capstone course is MBA-wide, not just in sport. The program has a wide range of corporate partners, some of which provide a “residency program” with both work and classes. Faculty research publications and a major conference are incorporated.

Two programs outside the United States show the range of sport business training.

- In Germany, WHU’s Center for Sports and Management offers a year-long Sports

Business Academy that blends a “practically relevant” and academically rooted curriculum. In addition to traditional management topics (e.g., marketing, strategy), a strong focus is on internationalization, the digital world, and leadership. Among the research outputs of the center are collaborative case studies with HBS faculty (including the 2018 case, *The Bundesliga in the U.S.*, HBS number 9-919-406) and perspectives on the future of sport.

- At Osaka Seikei University in Japan, the sports management degree encompasses coursework in sport marketing, finance, law, media, sponsorship, event and venue management, and team and league management. In addition, the curriculum includes tourism (sports and recreation in community development and design) and event and venue management, as well as the sociology of sport.

Meanwhile . . . Back at Harvard

My one-semester Business Strategies for Sports Organizations course has obviously evolved substantially to reflect the changes in the field. Indeed, the required course paper often finds a student exploring new corners of the sport landscape.

The opening session begins with discussion of a compressed one-page “Model of Business of Sports” that provides an overview of the territory. Detailed elements of the model constitute topics addressed in later sessions. Three major zones and their underpinning are articulated:

1. Competition (the game), involving teams, leagues, events, and the players (and unions and agents) essential to competition
2. Revenue-leveraging elements, such as broadcasting, sponsorship, naming rights, sport venues
3. More independent related components, such as branded athletic apparel and equipment firms, sport financing firms, and gambling

Supporting the apparatus are fans, through bodies at games, eyeballs for TV, and wallets for tickets, merchandise, and so on. (The general public also supports public funding of venues.) Fans provide time, hearts, and money for the sport of sport and the business of sport. (Longer-form treatment of this model is an introductory chapter for Kahle and Close 2011.)

To stimulate discussion, students are asked to prepare their views on “Big Business of Sports Issues” of the previous or current year—and why they are big and related to the business of sport (and not to the on-field performance side of sport). To foster further discussion, students also are asked to prepare a case based on Major League Soccer, focusing on why soccer is so much more popular in other parts of the world than in the United States and how to build it further. This provides opportunity for input from students who grew up or have worked outside the United States.

Subsequent weeks examine major areas via case studies, readings, and assignments about current parallel situations. For example, a classic case on the IOC and the Salt Lake City bribery scandal is accompanied by an assignment about recent FIFA scandals. A special discussion on the Super Bowl commercials takes place in the session after the game, with a focus on marketing and business dimensions beyond the creative content alone. Among other topics are new league development, with a case on the original

launch of the XFL and treatment of its current (planned) revival, and a series of cases on the launch of women's professional basketball and discussion of the present state of the Women's National Basketball Association and other women's pro leagues. Team marketing and fan development, broadcasting contracts and revenues, and athletes as endorsers all incorporate cases and related recent experiences. (Some of the latter emerge from new events, e.g., the "return" of Tiger Woods.) Globalization opens up issues of league marketing outside the United States and the NHL in (and out of) the Olympics. Branding nations via big sport is a discussion linked to an international research study (Okada and Greyser 2018) on Olympic stadiums as white elephants after the Games. Substantial attention is devoted to the business of intercollegiate sport and its nonparallels in other countries. Social purpose in sport is at the center of a case on community philanthropy as a key part of team brand building.

This description is not intended to be comprehensive. It depicts some of what is covered and how. A stream of my own case studies and HBS Working Papers plus published articles strengthens coverage. Illustrative cases are on the Tampa Bay Lightning's brand building with community philanthropy, Bank of America's sport sponsorship, and the NHL in the Olympics. Published research papers deal with intercollegiate conference realignment, NBC and the Olympics, sponsorship linked to internal marketing, and enhancing rights holders' value via sponsorship, as well as Olympic stadiums "after the Carnival."

A number of other HBS faculty have developed sport-based materials for their own courses in various other subject areas. They have found that a sport-related case adds to the breadth (and interest) of their MBA or executive program offering.

"Building Sports Businesses" is a short intensive program (four days) for HBS MBAs to be offered in early 2019, led by my colleague Bob Higgins. It addresses entrepreneurship (especially technology-based), the changing media landscape affecting sport, emerging sports and leagues, and investing in sport, among other topics. While neither a semester course nor a multicourse program, it offers a distinctive approach and attention to up-to-date topics.

All this is a far cry from that initial seminar on sport management topics decades ago.

Relevance of This Volume

Permeating students' minds in their pursuit of knowledge and the development of helpful relationships through sport business classes and associated campus clubs are career opportunities. Careers is a major theme of this book—for example, paths, meaningful networking, finding the fit between one's skills and talents and a potential position, building your own brand, and identifying work that feeds your soul so that you have passion for what you do and where you do it.

Many areas of the book are linked to traditional and new areas of business. One principal zone of business practice addressed is brand building—for leagues and clubs at the commissioner and owner levels (including owner responsibility to the community), and even rebranding a community via sport.

The role of advanced tools for better business strategy and operations is recognized via treatment of technology, analytics, and social media (including sidebars by two of my favorite HBS students, now successful alumnae: Jessica Gelman and Angela Ruggiero). At a more foundational level, many chapters treat the basics of conducting business, applied

to the sport realm: marketing, sponsorship (from both the rights holder's and sponsor's perspectives), operations, fan (consumer) engagement, licensing, finding a product-market fit, and more. The role of organizational values is examined as central to what an entity is—for managers, staff, and stakeholders.

Making deals likely is aspirational for current students, but not for those who are developing (or have developed) their own sport-based businesses. Relationship building for deal making is shown to serve pure business purposes as well as prosocial purposes linked to one's business.

A fundamental element for all organizations (and in all management curricula) is leadership. This book offers a multisource, multidimensional set of views and experiences.

The sources of the perspectives shared here are broad—commissioner, athletic conference head, college athletic director, sport club owner, star athlete turned successful executive, agent, team president, coach, political figures, and many more. All have views to enhance student understanding of the rich mosaic of sport business and the roads to success within it.

Conclusion

Whatever sport-related academic course or program a reader may be in, whatever element of sport business may be of strongest interest, whether one is at an aspirational or operational career stage, this volume can serve as a ready resource, a helpful companion, and an insightful guide over time to aid in exploring and following one's career journey.

References

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Instructor Guide Author Biography

Stephen A. Greyser is the Richard P. Chapman Professor (Marketing/Communications) Emeritus at Harvard Business School (HBS), where he specializes in corporate brand management, corporate communications, the business of sport, and nonprofit management. He is a member of the HBS marketing and social enterprise faculties. His AB, MBA, and doctorate are from Harvard. He was an editor at *Harvard Business Review* and later its Editorial Board Chairman. He is responsible for 16 books, numerous journal articles, several special editions of journals, and over 300 published HBS case studies.

His major corporate branding research includes pioneering field-based (collaborative) studies of monarchies and the Nobel Prize. He cocreated the concept of "heritage brands" and wrote an award-winning article on brand reputation in brand crisis. He developed over 40 cases and materials for the HBS MBA Corporate Communications course he created.

He has received several lifetime achievement awards in communications and public relations. In 2017, he was Visiting Distinguished Professor at Boston University College of Communication.

Greyser created and teaches Harvard's sport business course, has been faculty advisor to the HBS Business of Sports Club since its founding, and is a member of the university's Faculty Standing Committee on Athletics. He has served on the Selection Committee for the Boston Red Sox Hall of Fame, and is on the board of The Sports Museum. His numerous cases and articles include several on sponsorship (for companies and events) in the Olympics and UEFA, and a 2018 case on combining sports brand building with community philanthropy (coauthor). He also published HBS faculty commentaries on Super Bowl commercials and the legacies of several Olympics. He co-led an NFL pre-Super Bowl 50 branding and sponsorship event at Levi's Stadium. His comments on the meaning of the Olympics for China were seen by tens of millions in China on CCTV after the 2008 Opening Ceremonies. He has recently written an analysis of "Nation Branding via Big Sports." He received the American Marketing Association's 2010 Sports Marketing Lifetime Achievement Award for distinguished career contributions.

He is past executive director of the Marketing Science Institute and an elected Fellow of the American Academy of Advertising for career contributions. He is a trustee of the Arthur W. Page Society. He is a past national vice chairman of PBS and an overseer at WGBH and at the Museum of Fine Arts (Boston), where he was the founding chair of its Trustees Marketing Committee. He served as Alumni Association president of Boston Latin School, America's oldest school (1635), and conducted its 350th and 375th anniversary ceremonies; he received its 2005 Distinguished Graduate Award. He is an Honorary Fellow (2012) of Brunel University. Known as the Cal Ripken of HBS, in almost 50 years of teaching at Harvard he has never missed a class.