Friends of the Wharton Sports Business Institute (WSBI):

Welcome to our fall newsletter, an opportunity to catch you up on all that we have launched and will be launching as part of WSBI. The growth the past nine months for WSBI has been reflective of the expanding world of sports business which we are living and working in. Whether it was the World Cup, or any host of topics and debates in professional and collegiate sports in 2010 thus far, often a member of the WSBI family was there to report, give thought and help provoke discussion. That will continue to be the case as 2010 comes to a close, and as 2011 begins anew. Here is a glimpse of some of the goings on, we hope you find it useful.

Thank you again for your support of the Wharton Sports Business Initiative.

Sincerely,

Kenneth L. Shropshire

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Reminder About Who We Are

The Wharton Sports Business Initiative (WSBI) is a partnership among top level business leaders, Wharton faculty and students that generates and disseminates knowledge about the sports industry through educational programs, strategic corporate partnerships, high-level student consulting assignments, global forums, and research. The Wharton Sports Business Initiative is a research and executive education focused “think tank.”

We have also re-created our website to better share information about our activities with video and a more robust overall online experience befitting our partners and our mission. We encourage everyone to visit http://www.whartonsportsbiz.org
Rosner Takes On Role as Wharton Practice Professor

Scott Rosner was recently appointed to be a Practice Assistant Professor in the Legal Studies and Business Ethics Department at the Wharton School of the University of Pennsylvania. He will continue to teach the Sports Business Management course at the MBA and undergraduate levels. In addition he will lead sports related Field Application Projects along with other affiliated faculty. Rosner is the lead author of “The Business of Sports,” a textbook synthesizing a collection of the leading scholarly sports business articles, the first such volume in the field.

Industry Executives Comment on Labor Pains as they Look Ahead to 2011

Is sports poised for a big brand bounce back in 2011 or will the issues of labor strife for all four major sports slow the spring again?

That was one of the topics discussed this past summer when WSBI brought together some of the biggest thinkers in the industry for the third Wharton-Spencer Stuart Conference themed “Building Winning and Profitable Organizations in the Sports Industry.” Among those in attendance were Green Bay Packers president Mark Murphy, then-Washington Nationals president Stan Kasten, Toronto Maple Leafs General Manager Brian Burke, Cincinnati Reds owner and president Bob Castellini, along with other notables like former WNBA Commissioner Val Ackerman and former San Diego Chargers and NFL exec Jim Steeg. Each brought a different perspective to the table as their experience relates to the industry today and the growth of the business of sport, but all were in agreement that the issues of labor could derail all the momentum built in the industry by a strong World Cup and Olympics, the rise of the NHL and the continued success of both MLB and the NBA. The confidential, closed-door sessions touched upon a number of topics relevant to the executives and Wharton representatives present. Future events will also bring together senior leadership to share not just topics of the day, but to help lay out the landscape for what is to come, from technology to labor issues to international play.

WSBI Assists “Beyond Sport”

WSBI is working with the global organization Beyond Sport to support them in assisting some of their winners. Beyond Sport is a global organization that promotes, develops and funds the use of sport to create positive social change across the world. Beyond Sport works in three ways to build awareness: 1) Through their annual awards program, which provides support worth $1 million annually to projects across the world that use sport to address issues within their communities; 2) Through their annual summit of leadership, an annual event that brings together the best sport-led social innovators with influential, global leaders to address sport’s role in driving positive social change; 3) through Beyond Sport World, an online networking platform that allows any organization across the globe involved in sport and development to promote their activities and connect.

WSBI-led student teams are providing consultation and guidance to all these endeavors to grow both initiatives together and create the most cohesive bond possible for linking sports and positive social impact with leadership.

For all the details go to http://www.beyond-sport.org/

2011 WSBI Alumni Advisory Committee Meeting

We have set Thursday, April 7, 2011 as the date for our Annual Alumni Advisory Committee Meeting. We look forward to seeing familiar faces return and hope to see those who have been unable to attend in the past.

Request for Ideas for WSBI-Hosted Panel Discussions

In an effort to stay at the forefront of tackling the most pertinent issues affecting the sports business, we would be interested in hearing ideas as to what types of panel discussions would be compelling. Please feel free to reach out to Derrick Heggans, Managing Director, at heggans@wharton.upenn.edu or via telephone at 215-898-1393.
WSBI’s Professor Ken Shropshire spent virtually an entire summer on the road, including a trip to South Africa examining the impact of the World Cup. While he felt that the economic impact has yet to truly be measured as a barometer of success, the overall reaction and opportunity not just for the country, but for the region and the continent, is already being felt. Here is a brief look back at World Cup through his eyes:

Do we know what the legacy of the World Cup is?
Whenever a global sporting event like the World Cup is on tap, speculation rages regarding its impact on the host nation. The reference is always to “legacy” when it comes to the value these mega events will leave behind. This has particularly been the case with the FIFA World Cup held on the African continent for the first time. The focus of such discussion is traditionally economic, but in recent years that has tilted slightly toward the social and psychic impact, and so it should be.

Frankly, the true economic impact of any sporting event is difficult to pin down and will be again this time as well. Assigning a measure to social and psychic impact is admittedly even more difficult. However, new positive views of global regions are difficult to acquire any other way than by the hosting of mega sporting events.

Do you think people left with a different impression than what they expected?
Yes very much so. There is always a bit of trepidation going to a place for the first time that you may have only seen negatively portrayed on the news. So I would think most people went in a bit skeptical no matter where they were from. I think that the overall reaction therefore is one of pleasant surprise and will help the region grow in terms of interest and tourism in the future.

Without knowing the financial impact, what is the way impact can be measured now?
It is always hard to say what is immediate when you have such a large outlay of expenditures. The most important thing is that the world came to South Africa and loved the experience for the most part. Like it will do for Brazil in 2014 and 2016, that type of effect, making South Africa a player now on a global scale, will pay dividends with other events down the line that can’t be measured by a dollar today. It will help in growth at some point, just hard to say exactly when.

What was your biggest surprise?
I think how smoothly the events were run. Many people imagined horror stories with ticketing and egress and security, and none of that came to pass. Even traffic was not a major issue. That was probably the greatest accomplishment. To pull off such a grand scale event in multiple cities in a time when the media are working 24/7 and anything can get blown out of proportion and do it so smoothly. That is a textbook example of what can be done.

They set a standard that Brazil will now have to measure up to.

What were the immediate positives that you saw being there?
The first was the reaction that visitors coming to South Africa had for the first time. While some may have been expecting safaris and bush, the urban locales of many of the venues and the way people were treated was quite extraordinary. Yes there was great security, but one was able to move about and feel safe and comfortable in the cities and at the venues, and I think that was very reassuring.

Shropshire Delivered Keynote at Inaugural “Decade of Sport in Brazil” Conference in November
Professor Shropshire delivered a Keynote presentation on November 8, 2010 in Sao Paulo, Brazil as part of the “Decade of Sport in Brazil” Conference focusing on Brazil’s hosting of the 2014 World Cup and 2016 Olympic Games. The conference participants were largely comprised of over 3,000 senior executives of companies throughout Brazil. WSBI will also continue to contribute content to Brazilian publications relating to best practices of companies that have had successful sponsorships tied to the World Cup and the Olympics.
Q and A with Pam Harris

Pam Harris (WG ’87) has helped to build some of the most exciting brands in the world – Madison Square Garden, the New York Knicks and Real Madrid North America as well as assisting in building platforms for brands like Unilever, Bristol-Myers and Grey Advertising.

Harris was raised in South America (Brazil and Mexico), and speaks fluent Portuguese, Spanish and has studied Italian and French. She has an MBA from The Wharton School and an undergraduate degree from Stanford University.

We caught up with Pam and asked her to reflect upon her career.

How did you get started in the sports industry? What drew you to the industry?

After college, I came to New York to work in advertising. Once I learned more about the business, I realized I wanted to be on the client side, I wanted to get into brand management. It was more fun to be in charge of everything that went on in marketing and selling a product. It’s a great job - you get to learn about every single thing it takes, from development and production to marketing and distributing a product. You get to learn about all different things and lead teams that are moving the brand forward. You learn a lot in really structured environment. But the problem is, as much as I was into toothpaste and face cream, you spend all your day thinking about the product and spend so much time thinking about whether Excedrin should come in a tablet or caplet. I wanted to work on something where the consumer is even more passionate than me about my product. And that’s what sports is for me.

I worked doggedly to get into the sports industry. I tried to get into NBA International, around the time when David Stern was building it. I grew up in Brazil and Mexico, so I thought it was great place for me. I watched games, memorized statistics. Then I met Dave Checketts, and was really lucky to connect with him. He went to business school, came from Bain Consulting. He was in the front office with the Knicks, and he saw that if you could take all these traditional marketing methods and apply it to a sports team, that would be a great thing. I know it’s really arcane now, but that was a really novel thing at the time. No one was really coming at this from a specific marketing background.

You have an interesting story about how you first came to meet Checketts.

I had a friend from Wharton named Fred Wilson. I was at his office working on my resume and he was joking, “you should write that you can do a tomahawk dunk on a 9 foot hoop.” I put it in and it was really funny, and Dave has said it was the thing that got me my interview. My resume would have been really dull and boring and in a small way it made me stand out. For anyone who’s trying to break through, it’s hard to differentiate yourself. People have to do whatever they can do to make themselves

Request for Ideas for 2011–2012 Academic Year Theme: “Games: Body and Mind”

The University has an academic theme for each year that is incorporated into its curriculum on all levels. The Academic Theme for 2011-2012—Games: Body and Mind.

The Year of Games will explore the roles played by games in the lives of individuals and communities, across the perspectives of a wide range of disciplines. Topics could include (but are not limited to): computer game design, robotics, game theory and mathematics, sports in history, sports and the economy, neuroscientific research on the links between body and mind, games and cultural identity, gender and equality in athletics, and competition in all spheres of our lives.

Academic theme years are designed to provide common intellectual and academic experiences that integrate knowledge across Penn’s diverse schools, programs, centers, and institutes. They begin with the Penn Reading Project, in which all entering undergraduate students read and discuss a common text, and continue throughout the year with a variety of programs, courses, events, initiatives, and symposia. Games will be the fifth academic theme year developed by the Office of the Provost, the Council of Undergraduate Deans, and the Office of College Houses and Academic Services, after years devoted to Water, Arts & the City, Evolution, and Food.
stand out, and be extra creative if you’re looking for a creative job.

The two of you have worked closely since you graduated from Wharton. How would you describe your relationship, and has it changed from when it began until now?

I’ve known him since 1991 and worked for him often, but there has never been a time I’ve spent with him where I don’t learn something from him. I’ve been so fortunate in my career to have someone like him to follow. He is an amazing visionary; he sees things like no one else does, sees possibilities that no one else sees, and everybody gets it and is completely focused on it. He puts that dream in your head and says it into existence. He doesn’t micro-manage. He lets you do it your way. When he walks in the room, he has such a commanding presence, but he is so down to earth. I worked with him for 10 years at the Garden, and now we’re back together at SCP Worldwide. We look at undervalued properties and allow them to throw their talents at it.

You’ve said you developed your brand management skills in “classic packaged goods” (Unilever, Bristol Myers, etc.) How is brand development of those products similar to what you see in sports and how is sports unique?

I think brand management teaches you a very disciplined way of setting goals, strategic objectives and tactics. You learn when you’re building a brand that it all starts with the customer – the brand is just the relationship between you and your customer. It’s a disciplined way of doing that, whereas in other areas of business you go straight to tactics.

In sports, your product changes, based on whether your team is doing well or not. So you have to think about the product in other ways that transcend winning and losing. What role do we play in people’s lives that doesn’t change if we lose a game? Maybe a kid sees something that connects him to a New York Rangers player and that makes him love that player and that team for a long time. In packaged goods you have so much more control of the product, and in sports, you really have to seek out the things you can control.

Some of the things you introduced at Madison Square Garden (dance squads, team songs) have become popular throughout the country. Are there any marketing innovations you see going on right now that get you excited, that you think will be commonly adopted among teams and leagues?

What I find really exciting for sports right now is the use of technology and social media. I think teams are just now trying to understand what social media is all about and how they can use it. At Real Salt Lake, they have very ardent fans. And so we started having our general manager [use] Twitter throughout games, and they loved that. I think the use of social media to reach their fans and for fans to connect more with each other is really, really exciting. We’re experimenting with a way for people to buy tickets not based on where the ticket is located, but on the kind of people you’d be sitting with and what happens in that section. It’s kind of a combo of match.com, Flickr, Four-square, etc. On the team side, there’s such a reliance on getting that season ticket base, but on the fan side, it’s such a big commitment to buy a season ticket, especially when you have HDTV now and the experience of watching from home is so much improved. So you really have to sell the live experience and part of the experience is the people sitting around you. And that’s such an important thing to keep in mind for teams.

Talk about the importance of culture in sports marketing. Are there things that you can do with a brand like Real Madrid that you could not do with the Knicks, and vice versa? Do you see that changing as the industry becomes more globalized?

I think every country has different rules and mores about what’s allowable, and I think there are cases where Europe will look to the U.S. about what’s the right way to introduce sponsorships and places where the U.S. is looking to Europe for ways to do their marketing. People are watching sports from all over the world now, so your eye starts to get used to it. In South America, when the ball goes out of bounds there’s a couple seconds there, and a screen comes on and you might get a little jingle for T-Mobile and a little video, but you don’t miss any action. And after awhile, you get used to seeing it.

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