Faculty Director’s Letter

Friends of the Wharton Sports Business Initiative (WSBI):

Since the beginning of WSBI one of our structural pillars has been to be focused on the social impact possibilities for sport, consistent with the Wharton School’s focus on social impact.

This area has received a reinvigorated focus with Brazil and South Africa hosting global sporting events and a recent high profile Sports Illustrated article, “Sports Saves the World.” When I worked for Peter Ueberroth leading up to the 1984 Olympic Games, he was fond of the Winston Churchill quote which we feature on the WSBI website: “Some see private enterprise as a predatory target to be shot, others as a cow to be milked, but few are those who see it as a sturdy horse pulling the wagon.” I use this quote to inform students wanting to use sport to save the world that working with a for-profit business does not mean you can’t be involved nor instrumental in the “save the world with sports” efforts. In fact, the more you make, in some sense, the more you may be able to pull the wagon.

WSBI has continued to provide the umbrella at Wharton for multiple sports business activities, including events and research that focus on optimizing the industry. Field Application Projects (FAPs) this year again include work for the likes of major sports leagues, governing bodies, teams, sponsors and broadcast entities. Next semester in our Sport and Social Impact class we will again conduct projects for entities such as last year’s Galz and Goalz with the Namibian Football Federation, where the focus was on using soccer to provide girls with HIV prevention education. We participated in Beyond Sports’ Beyond Sport United. Mori Taheripour and I are at work on a textbook that can be used by others to fully contemplate this space. In addition, we continue working on projects like creating the optimal sports league structure and the future of sports advertising, along with expanding our business education offerings. But, we will continue to do our part in focusing ambitiously on how sports might save the world.

In April, we played host to the inaugural Wharton Sports Business Innovation Conference, with Keynote speaker, Ted Leonsis and we will close the year having played host to the Ivy League Sports Symposium in November. We are extremely proud this year of the inaugural offering of the Wharton Sports Business Academy, the featured topic of this issue of Game Changer. Our goal there is to give high school juniors and seniors a realistic introduction to the business of sports, using sports to give them an introduction to business education. We are emphasizing that success in this business will come by having expertise in a business discipline, not in sport itself. Most importantly, thanks to the generosity of many, we were able to host a diverse group of students, racially, ethnically and globally, in a way that we hope projects the future image of the sports industry.

As always, if we can be of any assistance to you or if you have ideas for us, please do not hesitate to contact me or other members of the WSBI team. Happy holidays to all!

Sincerely,

Kenneth L. Shropshire
Faculty Director, Wharton Sports Business Initiative

David W. Hauck Professor at the Wharton School

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The State of the Business of Sports and the first annual Wharton Sports Business Academy

In 2011, WSBI hosted a new programming series under the umbrella moniker of “The State of the Business of Sports.” Programs were held with the leaders in sport at major North American sports events, including the Super Bowl, NBA All-Star game, the NCAA Men’s Final Four and the U.S. Open.

Some of the biggest names in the business of sports were brought together to discuss issues, provide solutions and address the critical challenges that the industry faces today in a format that was both casual and informative for all the attendees. The response to these events has been very positive, with industry leaders now looking to WSBI for similar events in 2012.

Also in 2011, WSBI took a step to educate the leaders of tomorrow while looking to level the playing field in the business of sports, by this past summer launching the first annual Wharton Sports Business Academy. The month long program held in July was not about assembling the leaders of today in conference, it was about helping forge the innovation and the leadership of the next generation of sports business leaders.

High performing rising high school juniors and seniors, with a burgeoning passion for sport business came from all corners of the globe to participate in the month long program. Much like the industry today, where generalists are hailed but specialists are needed, the program touched on every area of both current and future business, all designed to give the attendees a well rounded and firmly grounded background on the industry. The response not just from the students, but as well from the professors and industry executives, was also impressive.

“Though we knew that the students had strong academic backgrounds, I was somewhat surprised by the level of preexisting knowledge that some of them had about the sports industry - particularly on the analytics,” said Professor Scott Rosner. “While the undergraduates typically bring a lot of hard work and energy to the classroom and the MBAs great sophistication and general business knowledge, this group’s camaraderie, energy level, enthusiasm, and passion for the industry was beyond what I’d ever experienced in the classroom. It was one of the most fun experiences that I’ve had in 14 years of teaching.”

Professor Andrew Brandt concurred with his colleague. “Obviously, the frame of reference is much more recent. In telling my experiences and referring to players, it dawned on me that these kids were born in the early to middle 1990s, which made me pause in some of my stories knowing how young they were when that was going on. Beyond that, it felt very similar to an undergraduate class,” he added.

The month-long program included road trips to New York and Washington, D.C., with visits with industry leaders in law, sales, finance, communications, operations and facilities. It touched on the global nature of sports like soccer and the opportunities that will open for the future World Cup. In NY, the students visited the USTA’s Billie Jean King National Tennis Center where USTA executives gave them a presentation on the business of the USTA and specifically the U.S. Open Championship, also providing a tour of the entire facility. Students received similar visits to CITI Field, Lincoln Financial Field and the Wells Fargo Center. There were video sessions looking back on some of the successes and failures of sport business in the past, and most importantly there were daily, if not hourly, sessions where the thoughts and opinions of every student were brought into the mix.

However the biggest differentiator for the program was the team project each group of students needed to engage in. In addition to other team building exercises, students had to come up with mock sports ventures of their own. They presented their business plans to program coordinators in the final week of the

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2011 Highlights

The month long program held in July was not about assembling the leaders of today in conference, it was about helping forge the innovation and the leadership of the next generation of sports business leaders
program and had to incorporate best practices learned from across the board over the length of the program. “The projects gave us a chance to work as a team and get perceptions of sport from others in the program who were from different parts of the world,” said Clay Fairbanks, who participated in the month long program. “It was very unique to hear that our perceptions were not the same as those who experience the business in different ways.”

Walker Brown, who also participated in the Academy had similar feelings. “I know we were surrounded with some of the smartest kids in America, and to be able to work together was quite an amazing experience,” he added.

“Being obsessed with sports isn’t enough for someone to say they want to hire you,” said Kai Cunningham. “You have to understand the business from all angles and work with others.”

Cunningham and his project teammate, Andrew Zung, took their passion for lacrosse and turned it into a project that would continue to grow the game in Maryland.

David Rifkin, said his team wanted to use an online platform to showcase athletes in an innovative way. In its company pitch, the team highlighted its growth strategy, which targets South America, Asia and Europe in year one, and Australia and Africa in the second year. Athletics Abroad will make money by charging athletes $10 a year to join, while providing financial aid to those players in developing countries who may not be able to pay the fees. The company also plans to generate income through online advertising.

Another team worked to design innovative cup holders for stadium seating. The team came up with the idea while brainstorming ways to improve the stadium experience, starting with the inconvenience of warm beverages. Los Angeles native Kelly Allegro, noted that the team wanted to target the sports industry fan base. “We learned that there is a trend in stadiums, so if one does something cool, the others have to get it; it’s a huge market,” she said. Teammate Malvika Nagpal, who came to the program from New Delhi, India, added, “We had to work out kinks in our core design and look at the concession sales market.”

“Being obsessed with sports isn’t enough for someone to say they want to hire you. You have to understand the business from all angles and work with others.”

Kai Cunningham, WSBA Student

The take away from the session exceeded the expectations of those involved in the planning, and showed that the format proposed can have long-range growth potential not just for WSBA, but for the entire industry as well.

“We were pleased to hear that both the students and parents were overwhelmingly happy with all aspects of the first year of the Academy. It is important to us that we not only maintain all of the great aspects of the program, but continue to improve on the overall experience,” WSBA Program Director Derrick Heggans added. “We’ve already received significant interest in the 2012 program, so we are preparing for a modest increase in class size. The program will continue to feature top-level guest lecturers, visits to sports businesses beyond Philadelphia, and, of course, cutting edge in-class instruction from Wharton professors. Most importantly, the quality and character of the students is what made the program an exceptional experience for all. We were pleased to have hosted a class of exceptional students hailing from 18 different states in the U.S. along with India, France and Italy. We expect to host students from other continents in the near future as we feel that the diversity of the student population is a significant educational component for the students. As well, we are exploring the idea of expanding the program beyond Wharton’s Philadelphia campus.”

A successful launch indeed, one with the future leaders of sports business a bit more informed, and certainly more experienced for the challenges ahead.

– WSBI
Penn IUR Roundtable on Anchor Institutions Ballparks as Urban Anchors

December 1-2, 2011
University of Pennsylvania

Summary of the PRAI-3
The third Penn IUR Roundtable on Anchor Institutions (PRAI-3) will focus on ballparks and the important issues they face as urban anchors. In their role as anchors, ballparks not only provide centers for sports and other civic activities, but also have the capacity to build wealth for their local economies. PRAI-3 explores the critical issues facing ballparks as they seek to fulfill their core missions while also anchoring their surrounding neighborhood or city.

PRAI Background
The placed-based nature of anchor institutions, such as universities, hospitals, cultural centers and sport facilities makes them important players in city-building. Anchor institutions are economic engines for cities and regions, acting as real estate developers, employers, purchasers of goods, magnets for complementary businesses or residential use and developers of human capital. Anchor institutions can transform a local economic base, creating industry-based clusters that multiply their economic impact many times over. Strengthening these institutions is important to ensuring successful urban revitalization strategies. Penn IUR has sponsored two other roundtables: PRAI-1 on performing arts centers and PRAI-2 on museums. In addition, to PRAI-3 on ballparks, it will undertake PRAI-4 on university-hospital-cultural institution clusters in 2012.

Structure
PRAI is a leadership “think tank” that convenes key leaders from anchor institutions (Anchor Teams), their respective civic collaborators (academic, government, and foundation partners) and technical experts. Prior to the meeting, each Anchor Team works with Penn IUR researchers who write a case that presents the anchor, its city and neighborhood and outlines a compelling local challenge to be addressed in the subsequent meeting. PRAI begins with an open-to-the public session held on the first evening in which the principles discuss their facilities or related issues. The following day, Anchor Teams and invited experts engage in an intense, closed-door discussion, focusing on the solving the problems highlighted in the pre-prepared cases. In addition, nationally recognized experts make short presentations on innovations, trends, models, and techniques of interest to the anchor.

The PRAI session offers an opportunity to engage with peers, strategize solutions, compare notes from the field, and generate national knowledge that can be applied in a local context. PRAI focuses on building knowledge around:

• public/private investments,
• mission-driven community initiatives, and
• public engagement strategies.

Objectives and Outcomes
Overall, PRAI aims to foster a community of urban anchor institutions and provide opportunities to exchange knowledge on issues related to their roles in sustainable growth and development. The individual sessions focus on a particular anchor type, offer peer- and expert-generated strategies to help urban anchor institutions serve as catalysts for improving communities, cities, and regions.

Penn IUR publishes the cases in order to build and disseminate scholarship on the role of urban anchors to a broad audience of policymakers and urbanists.

• A network of urban anchors with strong public missions;
• An opportunity for direct collaboration between the public and private sectors;
• Follow-up opportunities, including PRAI ‘alumni’ expert sessions, executive events, and access to case study briefs; and
• A means of disseminating general findings to a national audience.
# Draft Program

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<tr>
<th>Date</th>
<th>Location</th>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>December 1</td>
<td>Bodek Lounge, Houston Hall, 3417 Spruce Street</td>
<td>5:30 pm</td>
<td>Public panel discussion featuring PRAI participants</td>
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<td>7:30 pm</td>
<td>Dinner, Pod Restaurant, 3636 Sansom Street, Philadelphia</td>
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<tr>
<td>December 2</td>
<td>Regent Room, Inn At Penn, 3600 Sansom Street</td>
<td>8:30 – 9:00 am</td>
<td>Public panel discussion featuring PRAI participants</td>
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<td>9:00 – 9:30</td>
<td>Welcome &amp; Introductions</td>
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<td><em>Penn IUR Co-Directors, Eugenie Birch and Susan Wachter</em></td>
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<td>9:30 – 10:30</td>
<td>Resource Panel (10 min presentations; 30 min of open discussion)</td>
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<td><em>It’s Not Just a Ballpark</em>, Manuel Diaz, former Mayor, City of Miami</td>
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<td><em>What Makes a Winning Ballpark</em>, Mark Rosentraub, Bruce and Joan Bickner Endowed Professor of Sport Management University of Michigan</td>
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<td><em>Why Cities Matter to the Business of Baseball</em>, Robert DuPuy, Former President and COO, Major League Baseball</td>
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<td>10:30 – 11:45</td>
<td>Case 1 (15 min presentation; 30 min open discussion; 30 min to formalize recommendations)</td>
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<td><em>Cleveland Indians</em>, Paul Dolan, Chair and CEO</td>
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<td>11:45 – 1:15</td>
<td>Lunch Speaker</td>
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<td><em>AT&amp;T Park’s Critical Success Factors as an Urban Anchor</em>, Laurence M. Baer, President, San Francisco Giants</td>
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<td>1:15 – 2:30</td>
<td>Case 2 (15 min presentation; 30 min open discussion; 30 min to formalize recommendations)</td>
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<td><em>Washington Nationals</em>, Edward Cohen, Principal Owner</td>
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<td>2:30 – 3:45</td>
<td>Case 3 (15 min presentation; 30 min open discussion; 30 min to formalize recommendations)</td>
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<td><em>Philadelphia Phillies</em>, David Montgomery, President and CEO</td>
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<td>3:45 – 4:00</td>
<td>Refreshment Break</td>
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<td>4:00 – 5:00</td>
<td>Closing Group Discussion</td>
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<td><em>Facilitator</em>, Irwin Raij, Partner</td>
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<td>5:00 – 6:00</td>
<td>Cocktail Reception</td>
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## Contributing Experts and Participants

- **Steven Fluharty**, Senior Vice Provost, University of Pennsylvania
- **Arthur Fuccillo**, Partner, Washington Nationals
- **Lawrence Nussdorf**, President and COO, Clark Enterprises
- **Melanie Nussdorf**, Partner, Steptoe & Johnson
- **Kenneth Shropshire**, David Hauck Professor, The Wharton School, University of Pennsylvania

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**Penn Institute for Urban Research**

**Format**

Each Anchor Team will present PRAI with a critical challenge for discussion. The other participants will share lessons from their own experiences.
About Penn IUR

The Penn Institute for Urban Research (Penn IUR) is a university-wide body that addresses the issues of 21st century cities locally and globally. Penn IUR believes that place matters in understanding political, social and economic phenomena and that spatially based approaches are essential to identifying contemporary urban challenges, strategies and solutions and their application to public policy. Penn IUR offers several programs to support urban-focused, cross-disciplinary instruction, research and civic engagement. Its programs focus on building knowledge in three critical areas: developing innovative urban development strategies; building the sustainable, 21st-century city; and strengthening the role of anchor institutions in urban places. www.upenn.edu/penniur

Wharton Sports Business Initiative Calendar

2012

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<tr>
<th>DATE</th>
<th>DESCRIPTION AND LOCATION</th>
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<tbody>
<tr>
<td>January</td>
<td>Undergraduate Sports Business Career Fair, The Wharton School</td>
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<tr>
<td>February</td>
<td>State of the Business of Football, Super Bowl, Indianapolis, IN</td>
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<td>March 19</td>
<td>WSBI Alumni Advisory Committee Meeting</td>
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<td>April</td>
<td>WSBI Sports Innovation Conference, The Wharton School</td>
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<td>April</td>
<td>State of the Business of College Basketball, NCAA Final Four, New Orleans, LA</td>
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<td>April 26</td>
<td>Race and Sports Symposium</td>
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<tr>
<td>June 25 - 27</td>
<td>NFL-Wharton Prep Leadership Program</td>
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<tr>
<td>July</td>
<td>State of the Business of Baseball, MLB All-Star, Kansas City, MO</td>
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<td>July 8 - August 4</td>
<td>Wharton Sports Business Academy, The Wharton School</td>
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<tr>
<td>August</td>
<td>State of the Business of Tennis, U.S. Open, New York, NY</td>
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Stay in Touch with WSBI

Please visit our website at www.whartonsportsbiz.org for updates and notice of upcoming events.