Chapter 1

Sports & Business: Is Sport Business or is Business Sport?

The secret to winning is constant, consistent management

Tom Landry, Former NFL Head Coach

[Red Auerbach] wasn't just talking basketball. He was talking about any enterprise where people are making products, where they have to compete, where they have to win

Lee Iacocca, Former Chrysler CEO

Sports creates a diversion away from the other aspects of life. Whether playing a game or watching one, these events supply entertainment. Beyond the attention devoted to the playing of games and beyond the entertainment value of the games, sports permeates the culture in all kinds of ways. Children as well as adults engage in all kinds of competitive settings where objectives are identified, boundaries are set, order of play is identified, and so on. In many ways, these games of play mirror and are mirrored by competitive activities in non-sporting settings such as everyday business.

The lack of understanding of this visceral appeal of sports has led many to underestimate its influence and value. For instance, the famous sportscaster, Howard Cosell, derisively referred to sports as the "toy department" of life and sought to move beyond sports and into more serious broadcasting jobs his whole life. Sports grips American culture in a way that far exceeds the amount of money spent by fans attending games or by the dollars that advertisers pay for time during telecasts. Even when these dollars include merchandising revenues tied directly to professional sports teams or indirectly to colleges and universities because of their athletics programs, the monetary transactions related to sporting events fail to fully capture the scope and influence of sports in the U.S. Everyday, millions of office and break-time conversations center on the local team's most recent performance, an upcoming game, the impending draft, the current coach, the future coach, and so on. Still, these conversations only begin to scratch the surface of the time devoted to sports-oriented topics. Daily, millions of people pour over televised, print, and online media sources to check out game outcomes, interviews, and opinions not to mention the money and time spent on sports gambling or managing "fantasy" teams.

Just as other aspects of American culture, business is heavily influenced by sports. The vocabulary of sports and business share many terms in common such as competition, rival, teamwork, strategy, efficiency, production, and others that are just as easily used in one setting as the other. As Green Packer Hall of Famer, Jerry Kramer, noted in his reflections on his playing days, the legendary coach, Vince Lombardi, "compared the Packers to a large corporation, like GM, IBM, or Chrysler."[1] Lombardi's viewpoint concerning the overlap of sports and business management not only expressed his own opinion but that of many corporate leaders who shared his view of the intimate connection between coaching and managing a corporate enterprise. During the Green Bay Packers dynasty of the late 1950s and 1960s, Lombardi's popularity as speaker before top industry leaders soared. His presentations ventured well beyond the specifics of football strategy into general advice about leadership, motivation, personnel relations, and other matters related to managing a business.

Other coaches and sports figures preceded Lombardi and a truckload have followed him into the field of management consulting. For instance, John Wooden who supervised the UCLA dominance of college basketball from the mid 1960s to the mid 1970s, made many speaking appearances before business groups but had to turn away many others because of time constraints. In more recent years, long-time football coach Lou Holtz's straight talk and one-liners have made him popular on the business speaking circuit.

In addition to speaking appearances, successful coaches, general managers and players now routinely publish their wisdom concerning various aspects of management. For example, Holtz authored *Winning Everyday: The Game Plan for Success* as well as other similar titles. Joe Torre, the popular manager of the New York Yankees authored *Joe Torre's Ground Rules for Winning: 12 Keys to Managing Team Players, Tough Bosses, Setbacks, and Success.* Duke University basketball coach Mike Krzyzewski offered the lessons of his experiences in *Leading with the Heart: Coach K's Successful Strategies for Basketball, Business, and Life.* Bill Russell, the legendary player for the Celtics and also served as a coach and general manager, offered *Russell Rules: Eleven Lessons on Leadership from the Twentieth Century's Greatest Winner*. His former coach, Red Auerbach, authored *MBA: Management by Auerbach: Management Tips from the Leader of One of America's Most Successful Organization*s. This list could go on and on.

In fact, the acceptance of coach-as-management-expert has become so widespread that the *Harvard Business Review* chose (then) retired NFL coach Bill Parcells to write the first article for a new department where coaches, religious leaders, or scientists could publish ideas pertinent for business executives. His article, "The Hard Work of Turning Around a Team," does not exactly equate football with business but finds many similarities. He says, "my guess is that the challenges I've faced are not all that different from the ones that executives deal with every day. I'm not saying that business is like football. I am saying that people are people, and that the keys to motivating them and getting them to perform to their full potential are pretty much the same whether they're playing on a football field or working in an office."[2]

The quotation from Bill Parcells runs parallel to the theme of this book. Whatever the title -- chief executive officer, plant manager, district supervisor, coach, general manager, or other -- the similarities between managing a sports team and managing any other business run wide and deep. The success of managers in most any endeavor depends on their ability to acquire and use resources, adjust to changing market conditions, gauge the actions and reactions of rivals, develop or imitate new methods of production, and hire, motivate, and empower people At least so far as these common aspects are concerned, management is management whether the decisions are made in a corporate suite overlooking New York City, in a manufacturing plant in Bowling Green Kentucky, on a practice field at Redskins Park in Northern Virginia, on the court at Duke's Cameron Indoor Stadium, on the "frozen tundra" of Lambeau Field in Green Bay, or in front of the centerfield monuments of Yankee Stadium.

LEARNING THE RIGHT LESSONS

Casey Stengel, a longtime baseball manager known for great one-liners said, “Good pitching will always stop good hitting, and vice-versa.” No doubt, the inconsistency in Stengel’s proverb was there to obtain a laugh, but it happens to express a big question mark in the study of management whether in athletics or business. How can the lessons of successful management be determined whether the focus is on business in general or in sports managing-coaching?

For the coaches and managers who offer their advice in seminars and books, the primary method they use is simply to look back at their careers and attempt to sort out the most important influences behind their successes and failures. Ultimately, the composition of their lists depends on the seat-of-the-pants assessment of the person doing the writing. This is the way that Joe Torre finds his “12 keys” to successful management. Bill Parcells lists four or five major factors in accomplishing the task of turning around a team. John Wooden organized his ideas in a pyramid founded by five basic building blocks with four levels of blocks above that base. Vince Lombardi listed three essentials.

Not only do the number of “essential” or “key” factors differ, but sometimes the “lessons learned” and the advice given by successful people may even stand in direct conflict with each other. For example, Earl Weaver, one of the most successful baseball managers of all time with the Baltimore Orioles, made it a point to distance himself from his players to the point of rarely speaking with them. To put it in his own words, “A manager should stay as far away as possible from his players. I don't know if I said ten words to Frank Robinson while he played for me.” In contrast, many other highly successful coaches such as baseball manager Joe Torre and basketball coach Mike Krzyzewski place open and clear communication with players as one of their most important keys to success. Some coaches, such as football's Bill Parcells and basketball's Bob Knight rely heavily on direct and even mean-spirited confrontation to try to pressure players into better performances, while others such as basketball's John Wooden consider such methods useless or even childish.

Sometimes, when such diversity is pointed out, the phrase "each coach must do what works best for them" crops up as the reply. If carried to it logical limit, such a conclusion would seemingly imply that nothing can really be learned about successful managing – it is totally personal in nature. While most students of management or leadership would agree that there are non-transferable attributes that likely enter into effective management, they do not make up the sum. Some lessons can be learned, but how?

The attempts by sports figures at ferreting out the main components of managerial success bear a strong resemblance to "behavioral" approaches or closely aligned "case study" approaches used to study management in many academic settings. In behavioral approaches, a business analyst might spend time in corporate suites observing the activities of the executives or might interview or survey executives regarding their decisions. The thrust of such research is to steer away from esoteric theories and opinions about managerial activities and get down to the brass tacks of what executives actually think and do.

Similarly, in MBA programs where case studies are the primary pedagogical vehicle, detailed accounts and histories are compiled on successful and unsuccessful companies and particular episodes for companies. Instructors and students use these cases as the basis for examining patterns and tendencies that led to success or failure. For instance, through the 1980s and 1990s, companies such as Microsoft, FedEx, Staples, MCI, Home Depot, and others showed tremendous growth in earnings, market share, employment, and other performance measures. As a result, students intensely studied them in management education cases. During the 1960s and 1970s, companies such as General Electric and IBM attracted enormous academic attention for the same reason. In essence, such case studies fit neatly under the "behavioral" approach heading in that they emphasize the concrete behavior of companies and managers as the basis for understanding management practice.

Behavioral methods for determining and outlining the basis of successful management practice are naturally appealing. They are realistic rather than hypothetical, concrete rather than abstract They draw from experiences of real people and real companies and speak in the language of real-world practices. So, why not rely on the wisdom attained from people or companies such as Mike Krzyzewski, Lou Holtz, Microsoft or Staples as templates to imitate? After all, "experience is the best teacher" as the proverb goes. Even further, management education is filled with this kind of learning-by-observing or learning-by-asking approach. Management advisors and analysts such as Peter Drucker and Tom Peters have gained worldwide reputations using these kinds of methods. Peters, in particular, has rejected the highly organized, "rational" study of management in his books *In Search of Excellence* and *Thriving on Chaos*. His basic tenet is to study what managers do and then adopt or adapt whatever works.[3] Among academics, Henry Mintzberg has been one of the most consistent and ardent advocates of this viewpoint.[4]

As appealing and seemingly straightforward as learning by simple observation or experiences of others may seem, it suffers from severe limitations. The difficulty in attempting to figure out meaningful lessons about successful management solely from experiences drawn from coaches, teams, executives, or companies rests in separating the truly general lessons that need to be learned from those that masquerade as general lessons but are not. How does a person really assess whether the critical factors to Joe Torre's success with the Yankees were really the "12 keys" that he identified? Possibly of these 12, only half are genuinely important. Alternatively, maybe Torre overlooked two or three key ingredients that he used but did not fully appreciate. Sports sections of newspapers and magazines along with radio and TV talk shows are literally filled with analysis and commentary about why a particular coach or team was or was not successful. Looking for intersection of ideas across several successful coaches is not really a satisfying solution either. Vince Lombardi's "Trinity" of "repetition, confidence, and passion" do not readily fold into John Wooden's pyramid incorporating fifteen items.

These same kinds of difficulties arise when the unit of study is broadened beyond the philosophies of particular coaches. For example, the NFL currently serves as the en vogue model of sports league success. By contrast, Major League Baseball has been held up as the case study of bad management. After all, the NFL has been experiencing robust growth in revenues in recent years while MLB has been experiencing stagnant viewership and other problems. Critics and analysts of MLB's business problems frequently use the NFL as a guidepost. Just as with individual coaching philosophies, such lessons are enticing but are likely flawed. Possibly, the NFL's financial situation owes itself more to the sports consumer's appetite for their product than for the specifics of how the league has arranged inter-team or player-team finances. "Common sense" observation of current NFL practices may end up highlighting the trivial and passing over the genuinely important points.

These points have been applied in a variety of ways ranging from Scottish philopher David Hume in the eighteenth century down to economist Robert Lucas and psychologist Daniel Kahneman, both Nobel Laureates, in more recent times. They apply equally as well to management. There is a lot of "stuff" going on within an organization as well as beyond its borders that has implications for the organization's success. In a country, millions of people interact with each other and with thousands of companies. In companies, hundreds or thousands of employers and managers interact with each other and serve hundreds, thousands or millions of customers. Picking out the right lessons by simply observing behavior or studying ten or twenty cases is next to impossible because of the overwhelming amount of information and the complex interdependence of factors. A team or business can be organized in a number of different ways. Many different people and players can be employed and then utilized in multiple combinations. Managers can usually pick from a wide array of strategies. They can set up a variety of compensation schemes and interact with employees in numerous ways – sometimes with obvious differences, sometimes with subtle differences. Sports teams and most businesses are just too much of a jumbled-up collection of facts to make accurate generalizations solely based on hunches and observations drawn from

The flaw in an observation-alone or case study-alone approach to sifting out the key ingredients of managerial success has been illustrated time and time again. For instance, IBM became the object of intensive study at business schools during the 1970s because of its long-running success. Basing conclusions on IBM's practices, observers tended to emphasize the importance of hierarchical organizational structure and even formal attire among other keys to their success. At the time, few, if any, predicted or warned students and readers about the upcoming problems IBM would face in the 1980s and 1990s. Moreover, some of the very policies that had been vaunted as the keys to IBM's success, such as their organizational structure, now began to be seen as factors in their demise.[5] Every few years, the reigning management gurus turn over and a new set of ideas become the prevailing slogans. Even ideas that are sound become adopted and twisted into little more than buzzwords thrown around by hustlers of management advice. Over just the past few decades, "management-by objective", "total quality management," "six sigma," "strategic management," "mission-oriented," "benchmarking," and many others have undergone these kinds of transformations.[6]

Such flip-flopping, though, is not uncommon when hunches drawn from experience and anecdote are the primary or sole bases used to try to determine successful management policies. Using coaches, their practices, and their advice has led to the same kinds of failures. Based on the success and popularity of coaches such as Vince Lombardi with the Packers or Bear Bryant with Alabama in the 1950s and 1960s, a generation of coaches imitated the tough-as-nails discipline of players. Lombardi himself helped to promote the focus on discipline because he viewed the discipline-intensive aspects as critical to his success. Yet, many coaches who emulated his intensive methods failed and sometimes failed miserably. In contrast, other coaches who ignored the Lombardi trends and developed a much less restrictive style, such as

Oakland's John Madden, enjoyed tremendous success. Even today, many coaches still subscribe to the view that the extreme methods of Lombardi are the key to success even though many successful coaches have not used them and many unsuccessful coaches have.

The same thing is true when observing the practices of famous managers. People such as Alfred Sloan, legendary CEO of General Motors, and latter-day managerial whiz, Tom Peters, are at different ends of the spectrum in the kinds of advice they have drawn from the experiences. Sloan preached a highly rational, scientific approach to the analysis and practice of management. Peters promoted a looser, "management by walking around" philosophy. People such as Microsoft's Bill Gates and General Electric's Jack Welch fall somewhere in between these two extremes but tend to draw out principles that are unique to them or at least stated in somewhat unique terms.

Does this mean that experiences and anecdotes are useless in the study of management practice? No, it does not. The lesson is that observation and experience need to be kept in their proper place. Drawing from the experiences of managers and constructing case histories is a tremendous teaching tool. Cases offer illustrations that can open a listener's or reader's mind up to an important principle but they are not usually the best means of finding the right principles.

A second purpose for case histories and experience is that they serve as a means to initiate discussion and further study. The views of Joe Torre, Mike Krzyzewski, or some other sports figure, their views about their own success are not without merit. Whether listening to them or observing their practices, many interesting ideas can be gleaned. Further, rather than just taking the experiences of a single coach, it can be instructive to look for similarities in the methods used by different coaches, all of whom have experienced long term success. This provides an especially rich basis from which to speculate about the factors that are important. In this book, the cases and illustrations drawn from sports are put to both of these purposes.

If experience alone does not provide a basis for making reliable generalizations about sound management, coaching, or leadership practices, then what does? Unfortunately, for those looking for quick answers and single-page memos for success, the answer is a lot of hard work and clear thinking that includes careful simplification, meticulous logic along with extensive analysis of data.[7] This kind of work is not sexy. It does not make for light reading. It is not accomplished through merely carefree reflections and ruminations. It is not based on a "just-give-me-the-facts" mentality. In short, it is not the kind of work that tends to make for a lot of media attention or finds its way to bestseller lists. Instead, it requires long and tedious labor. It requires the ability to step back from some of the details of a problem or decision in order to partition the problem into digestible chunks. While different in its details, the methods necessary are not very different from those required to make advances in science and medicine. The ultimate goal is to distinguish the principles that are truly general in nature from those that may or may not be critical to success.

The difficulty involved in investigating the principles behind sound management in rigorous and sometimes abstract ways is one of the reasons why disciplines related to the analytical study of management – statistics, operations research, accounting, economics, and finance – are often not the most popular with students. Nonetheless, foundational principles built on clearly-worked out analytical principles provide a super-structure for understanding the world much in the same way that a foundation and frame provides the support and structure for a house. Over the last forty years or so, there has been a growing body of management principles that have been drawn from this kind of slow and rigorous process into a body of knowledge. This body of knowledge is incomplete and always in a state of flux. Nonetheless, it furnishes the backbone of this book.

THE LIMITS OF THE SPORTS-BUSINESS CONNECTION

While supplying a rich background in which to illustrate and consider managerial decisions, sporting environments have their limitations. For one, just as with any particular industry, leadership in sports contains idiosyncracies and trade-specific characteristics. Even among sports teams, not all managers face the same problems. College coaches, for instance, do not face the issue of how to fit players' salaries within limits imposed by owner or the league. College coaches deal with players who, by and large, are not financially secure as are most professional athletes. Because of this, they possess a degree of authority above their professional counterparts. Likewise, among professional coaches, with a roster of fifty players, an NFL coach can more easily release a player, even a good player, than can an NBA coach with a twelve man roster.

Second, sports organizations are not large and complex. Even the largest sports teams pales in comparison to even medium-sized companies much less national and multi-national firms. Players, coaches, front office personnel, and support staff for a football team would number under one hundred while the number of employees in a small to medium-sized companies might number in the hundreds and few thousand. Large companies such as GM or GE employ over one hundred thousand people.

While this relative smallness supplies an advantage in that allows sports teams to be studied in great detail, it also limits some of the issues that can be addressed. Beyond merely writing additional paychecks, additional problems are faced by managers as the size of the organization grows. Questions as to how to best organize a company into units and subunits become much more important and complex. A sports team might have to decide whether to roll the functions of GM and coach into a single person's hands or divide them between two individuals. Over time, the number of positional coaches and their responsibilities might change in football or similar organizational issues may arise in other sports. For a company with hundreds or thousands of employees located at several different locations and possibly producing a variety of goods or services to be sold in multiple markets, the structure of the company and the division of decision making authority within the company becomes a critical matter.

Third, human relation issues often dominate sports organizations. People are important in practically in organization. One might even claim that people are the most important resource in any organization. Still, it is obvious that production in sports environments is highly labor intensive, and therefore, a large chunk of the critical decisions faced by sports managers revolve around personnel decisions – large even in comparison with many other organizations. Not surprisingly, the advice offered in nearly all of the coaches' books on managing and leadership steers heavily toward various aspects of dealing with people such as how to motivate people.

Without denying the importance of people to any organization's success, decisions regarding equipment, tools, structures, and other non-human capital are important in their own right. A sports-oriented approach will not go a long way in illustrating decisions in these areas.

Fourth, the culture surrounding sports teams in many ways differs markedly from the culture within most other organizations. The term "culture" here is used with regard to intangible sets of customs, rituals, expectations, and taboos present. Even the U.S. Supreme Court has recognized these cultural differences. In a case determining the definition and scope of sexual harassment, one Justice noted that the same action, such as a pat on the rear-end, would be viewed quite differently depending on whether a coach delivered it to a player on the practice field versus if a manager delivered it to a secretary in an office whether the secretary were male or female.

Historically, sports teams, especially with regard to player-coach relationships, have exhibited a culture more like military and paramilitary organizations than like most business or political organizations. Coaches have held autocratic power more akin to that of a drill sergeant than a business manager. What the coach says goes, at least for the most part Dissent is met with punishment or dismissal. The use of verbal intimidation has been rampant with physical abuse an occasional fact also. This culture has slowly been evolving to look a bit more like the rest of the private sector. This is a subject considered more in Chapter 4. Still, attending a practice or a listening to a timeout huddle or halftime talk can quickly illustrate the fact that the sports culture in America differs considerably from most other organizational cultures.

Because of these differences, some of the tools and methods available to coaches are just not available to the same degree to all managers whether for the better or worse. Sometimes, in reading and listening to the coaches-turned-consultants, one is struck by the fact that many coaches do not appear to grasp these cultural differences, or if they do, they think they can be waived off. For instance, Bill Parcells''s advises "The only way to change people is to tell them in the clearest possible terms what they're doing wrong. And if they don't want to listen, they don't belong on the team."[8] While there may be some truth in his view, not many managers have the ability to place an employee on waivers. Sole proprietors may have similar powers or a CEO may be able to determine the team of highest level executives, but few managers wield the hire/fire power of a sports coach or general manager.

A final obstacle in making use of management lessons from sports is that developing managerial skill is not merely a matter of digesting information or learning a particular set of strategies or tactics. Whether for the CEO of a large financial institution or the manager of a major league baseball team, the practice of management steers a course between art and science. Whether based on a analytical approach or some other approach, successful management cannot be totally reduced to a set of formulas and passed from one person to another. In this respect, consultants such as Tom Peters or academics such as Henry Mintzberg are on the mark. While they may carry the point too far, no amount of study of the brush strokes and use of color of Rembrandt will manufacture a painter equal to the Dutch master. Even painters of great skill who may imitate Rembrandt's methods cannot fully incorporate and imitate the creativity that made him a renown painter. In the same way, becoming a skillful coach requires more than merely serving an apprenticeship under a highly successful coach. Developing into a successful

CEO requires more than matriculating through a top flight MBA program or reading the biography of a corporate magnate. The skillful use of “heuristics” – rules-of-thumb and other mental shortcuts – is valuable in solving all kinds of messy, complex problems. In fact, a small but growing field is emerging that considers such methods. The difficulty is using heuristics without overusing or abusing them.[9]

SPORT AS MANAGEMENT OR MANAGEMENT AS SPORT?

Is this a about sports or a book about management? The answer is both. In its specifics, this volume is a sports book through and through. The following chapters are filled with examples drawn from sporting events and related episodes involving players, teams, coaches, executives, and leagues. Sports fans who are interested in evaluating the decisions made by players, coaches, and general managers of sports franchises should find the material of interest.

On the other hand, this volume is a management book. While it is certainly not a management textbook in the usual sense , every chapter in the book and every section within these chapters covers topics that transcend sports venues. At its core, the organization of the book centers around common issues and problems faced by managers regardless of setting. As a reader for current or aspiring managers or as a supplement to traditional textbooks, the following pages offer an opportunity for individuals who combine an interest in management with the fun of sports to explore important management lessons. Not every conceivable management topic is included. Some fit with the sports emphasis better than others. Still, the breadth of issues included is considerable.

Probably more analogies have been drawn between settings such as war to either sports or business than between business and sports. Coaches have long borrowed phrases with military overtones such as “it’s time to go to war” or “you’ve got to take the fight to them.” Even sports nicknames follow this trend on occasion. Long-time Indiana University basketball coach Bob Knight earned the title of “The General.” Baseball manager Gene Mauch came to be known as “The Little General.” Likewise, many managers and management education have dipped into not only military terminology but into outright transfer of military concepts. The book, *The Art of War*, based its prescriptions on the writings of a Chinese general from antiquity. In spite of these common analogies, sports and everyday management bear a much closer relationship to each other than either does to warfare.

A case can be made, however, that the relationship between sports and business extends beyond mere analogy. Near the opening of this chapter, the point was made that rather than the “sport as a metaphor for life” idea, a more accurate rendering would be “sport is life.” Sport, play, and the terms and phrases that go along with it pervade nearly all of society. Just as sports and everyday activities share much in common, sports competitions and everyday business settings share much in common in terms of the situations that the decision makers face -- whether these decision makers are coaches, players, general managers, corporate executives, or laborers. These scaled-down versions of life exhibit highly observable versions of many of the same things that go on in business and life.[10] Yes, baseball may mimic life in some of its features, but other sports fill in many of the holes. For example, because football and basketball involve teamwork and strategy to a much greater extent than baseball, it provides more material from which to study these elements of managing and others such as new technologies.

LESSONS FROM ON AND OFF THE FIELD

The relationship between sports and managing can be described as ironic -- maybe even schizophrenic. Established, successful coaches usually become national celebrities as recognizable to most people on the street as any national politician or Hollywood star. For instance, Vince Lombardi and Tom Landry would have likely been picked out by the man-on-the-street as readily as the President of the United States. As noted earlier in the chapter, the advice of these coaching celebrities may be sought out not only on sports-related matters but on varied aspects of management in general and many other mattes as well. As their tenure lengthens, they sometimes evolve into the role of coach-statesman where even their philosophies on life in general became highly valued. In fact in a few instances such as Bear Bryant, the adulation rises to near worship, at least within the state of Alabama, so that whatever opinion the coach voiced, regardless of topic, becomes revered as holy writ to the devoted fan. Once a coach finds success and becomes established as a public figure, even diminished success is tolerated to a large degree. Fans and media may offer criticisms, but these remarks tend to be offered with respect, and at times, sympathy. Tom Landry's last couple of seasons in Dallas or Marty Schottenheimer's struggles in the first part of the season in Washington offer two cases in point.

On the other hand, "front office" personnel in sports – owners and to a lesser extent general managers – frequently typify the villain to reporters and fans. The names of Art Modell, Jerry Jones, Daniel Snyder, and Jerry Krause many others are frequently accompanied by unflattering if not outright venomous remarks. The irony is that the same people who hang on each utterance of a successful coach roll their eyes at or snidely pass off statements and decisions made by owners, whether old-timers such as Art Modell or more recent entrants such as Jerry Jones. For many, these owner-executives are fat-cats tainted with all that goes with the money side of sports – profits, contracts and salary negotiations, stadium deals, ticket prices, luxury suites, and the like. To many fans and reporters, these aspects of sports are, at best, unavoidable annoyances and, at worst, a miserable plagues.

These kinds of unflattering views of the upper management of sports franchises have reached their extremes when franchises have moved. The departure of the Dodgers from Brooklyn after the 1957 season for the warm breezes and deep pockets of Los Angeles stoked vitriolic feelings at the time and continue to do so over forty years after the move. The sense of betrayal by the generations of fans who grew up near Ebbets Field has been chronicled in numerous books, documentaries, and interviews. It frequently resonates more like the emotional outpouring of jilted lovers than of consumers of a branch of the entertainment industry.

Reactions involving only slightly lest angst and anger litter the landscape of sports history involving the movements of other long-standing teams – the Browns from Cleveland to Baltimore, the Colts from Baltimore to Indianapolis, the Cardinals from St. Louis to Arizona, the Rams from Los Angeles to St. Louis, the Oilers from Houston to Tennessee, the Giants from New York to San Francisco. In some cases, the movements of particular players for financial reasons have also stirred similar emotions. When superstar and Canadian-born Wayne Gretzky left the Edmonton Oilers of the NHL to join the Los Angeles Kings, fans in Edmonton mourned the loss much like the death of a family member. In a more recent case, pitcher Kevin Brown jumped ship from the Padres after a World Series season and traveled up Interstate 5 to the join the hated Dodgers, sparking contempt not only for Brown and the Dodgers but for the whole free agency system that permits money to come into play. In other cases, the response may be a bit more measured but, nonetheless, negative toward the business side of players' and teams' decisions. The villain may be the team, player, or both depending on the circumstances. The movement of Roger Clemens from the Boston Red Sox to the Toronto Blue Jays brought derision toward the team. In the case of Alex Rodriguez who shunned lucrative offers from his prior club, the Seattle Mariners, to sign $250 million contract with the Texas Rangers, the Seattle fans and media directed their disgust at Rodriguez. Likewise, Rodriguez insistence on a trade, resulting in his move to the Yankees, targeted him for the contempt of Ranger fans.

Not surprisingly, the owners and general managers responsible for financial matters in sports, the "money men," have often found themselves at the receiving end of fan and media contempt. While such views may be commonplace among media and fans, even coaches themselves often foster this outlook. NFL coach Bill Walsh of the San Francisco 49ers expressed the prevailing view toward the front office personnel when he generically referred to owners as someone who got "rich quick," the GM as in the owners pocket and receiving "a large salary for doing very little," and the player personnel man as "a frustrated former coach or player sending out scouts." In Walsh's view, the coaches would be working while the "owner, GM, and personnel director were having dinner, frustrated by the use of players." For these reasons, he thought that owners and general managers typically preferred coaches who showed little independence in Walsh's view.

The irony and imbalance in these views is all the more striking given the popularity of coaches not just as coaches but as management consultants and advisors. Seemingly, coaches can understand management, but managers cannot understand coaching. Howard Cosell coined the term "jockacracy" to capture this kind of superior, "you haven't played the game" outlook. In spite of the unflattering views of sports owners and general managers and harsh words of coaches such as Bill Walsh, the similarities in the decisions of sports managers who toil "inside the lines" to those who work "outside the lines" are much greater than the differences. In fact, Bill Walsh is almost certainly very similar as a GM as he was as a coach. The decision making processes once he moved up into a general manager likely imitated those he used as a coach on the field. The main difference is that as GM he, or any other person, faces a somewhat different set of incentives and constraints than does a coach.

Classified into its main roles, the on-the-field side of sports management (coaching) is akin to the operations or production side of a business while the off-the-field side (ownership, general managing) incorporates the financial, marketing, and strategic parts of the business. The owners and general managers in the "front office" usually center on performance measures such as revenues and profits whereas the operations side normally focuses on more narrow production goals such as wins and losses. Just as in other kinds of business, these differences in goals and constraints sometimes lead to hostility and confusion.

The production people – coaches, players – along with many fans and media do not readily see the similarities between the front office activities and those occurring "between the lines." Yet, just as the decisions between coaches and managers in other kinds of businesses share common features, coaches and front office managers-owners do also once some of the facade is stripped away. In each of the settings, participants regardless of title -- president, CEO, owner, general manager, supervisor, coach -- face decision making problems. The success of managers inside and outside of sports or whether on the "business" side or the "on-the-field side of a sports franchise depends on key decisions regarding hiring, motivating, and empowering personnel. They must assess their resources at hand, weigh likely consequences of their actions, make adjustments, gauge the actions and responses of rivals – all within the limits imposed by time, expenses, budgets, and information.

Depending on the particular business, the role of production decisions may be more or less critical and difficult than other elements of business decisions. Or, the role of production-side decision makers and financial-side decision makers may be more intertwined or even combine in the same office or person depending on the size or nature of a business. However, this is also true within sports itself. For example, the role of player selection, although important in any sport, is likely to be of even greater consequence in baseball relative to on-the-field strategy than in a sport such as football.

A LOOK AHEAD

The interconnection between sports and managing opens up a wide variety of topics for consideration throughout the following chapters. Chapter 2 provides an overview and introduction of basic concepts important to and common among effective managers in sports – the fundamentals. Many of these ideas are crop up or are inherent in the discussion of the later chapters. The topics include recognition of hidden costs and tradeoffs, coordinating decisions, learning and adapting, and understanding the nature of uncertainty and risk. The term fundamentals is not intended to convey that these include all the important management concepts – just the building block level ideas.

Chapter 3 covers the prerequisite for success in any kind of business, sports or otherwise – the relationship between the product or service offered and the consumers to whom it is offered. In the ongoing search and struggle for methods that yield productive teams, many a team and manager has lost sight of the fact that it is, ultimately, the value placed by consumers in the marketplace on the product or service that makes any of the other matters meaningful. Sports is ripe with examples, both good and bad, that help to illustrate several of the key matters regarding markets and management.

Chapter 4 goes into detail regarding the special issues and problems involved in the management of people. Because sports businesses are a labor-intensive workplace, they provide an especially illuminating look at decisions that managers frequently face regarding hiring practices, effective utilization of people, development and enhancement of skills, turnover, motivation, communication, and conflict.

Chapter 5 considers the role of information in managing sports teams and franchises.

Emphasis is placed upon the quality and use of information and not just on the quantity of it in trying to deal with a complicated competitive setting. Along with the analysis, examples are provided that provide warnings to those who would try to use information carelessly or as a substitute for critical thinking.

Chapter 6 examines tools for strategic and tactical decision making. Sports managers, just like business managers, face a variety of situations where their competitor's response cannot be taken as a fixed. Instead, the best strategy depends vitally on expectations concerning the opponent's actions or reactions. Ironically, the name "game theory" has come to describe this kind of analysis.

Chapter 7 looks at innovation and adaptation by sports managers. The emphasis of the chapter is that, first, innovation or adaptation is critical to long term success. Second, there are creative forces at work when innovations or adaptations are created or developed and these creative forces may not be easy to teach or foster. Yet, managers differ greatly in their ability and commitment to developing an environment where innovation is possible and obstacles are reduces. Also, the politics of innovation or adaptation must be considered in order to be successful.

Chapter 8 and 9 explore the role of managers within organizations and how they add (or subtract) value from the organization. Chapter 8 hones in on the question of how far the scope of any one manager's decision making responsibility should extend. Also, the chapter tries to draw a critical distinction between effective management and unproductive over-managing. Chapter 9 considers managers more broadly defined.

REPLAY

1. Sports is fun but it also reflects and is reflected in life including business. While some of the specific knowledge needed differs, managers face common challenges across all kinds of settings. Managing the Yankees and managing Lessons from on-the-field decisions share close relationships with off-the-field decisions inside and outside of sports.

2. Case studies of a particular coach or manager, whether Vince Lombardi or Mike Krzyzewski, can illustrate important facts about management and initiate useful discussion of management policy. Success and failure is too complex, however, for examination of single or multiple coaches or companies to provide a template for management.

3. Effective coaches and managers are part scientist and part artist. Clear reasoning and accurate data provide important tools to assist decision makers. They do not yield pat formulas that eliminate the value of discretion, experience, and personal interaction.

Notes

1. Jerry Kramer, *Farewell to Football* (New York: World Publishing, 1969), pp. 198-199.

2. Bill Parcells, “The Tough Work of Turning Around a Team,” *Harvard Business Review*, (November 2000), p. 180.

3. Robert Heller, *Tom Peters* (London: Dorling-Kindersley, 2000), p.27.

4. See, for instance, Henry Mintzberg, “The Manager’s Job: Folklore and Fact,” *Harvard Business Review* (July-August 1975), pp. 49-61.

5. David Besanko, David Dranove, and Mark Shanley, *Economics of Strategy* (New York: Wiley, 1996), make this point in their Preface.

6. John Micklethwait and Adrian Woolridge, *Witch Doctors: Making Sense of Management Gurus* (New York: Times Books, 1996), detail many of these episodes.

7. Chapter 1 of Besanko, Dranove, and Shanley, *Economics of Strategy*, contains more details on these points.

8. Parcells, “Tough Work,” p. 180.

9. The author has taught a special topics MBA course on complex problem solving that summarizes material in this field. See http://www.wku.edu/~brian.goff/Complex_Problems.html.

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10. Further discussion of the sports as economics laboratory is provided in Lawrence Kahn, "The Sports Business as a Labor Market Laboratory," *Journal of Economic Perspectives*, (Summer 2000), pp. 75-94, and Goff and Tollison, *Sportometrics*, Chapter 1.