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## Introduction to the Sport Industry

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“SPORT IS NOT SIMPLY ANOTHER BIG BUSINESS. IT IS ONE OF THE FASTEST GROWING INDUSTRIES IN THE US, AND IT IS INTER-TWINED WITH VIRTUALLY EVERY ASPECT OF THE ECONOMY—FROM THE MEDIA AND APPAREL TO FOOD AND ADVERTISING . . . SPORTS IS EVERYWHERE, ACCOMPANIED BY THE SOUND OF A CASH REGISTER RINGING INCESSANTLY.”

—*Michael Ozanian*

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### INTRODUCTION

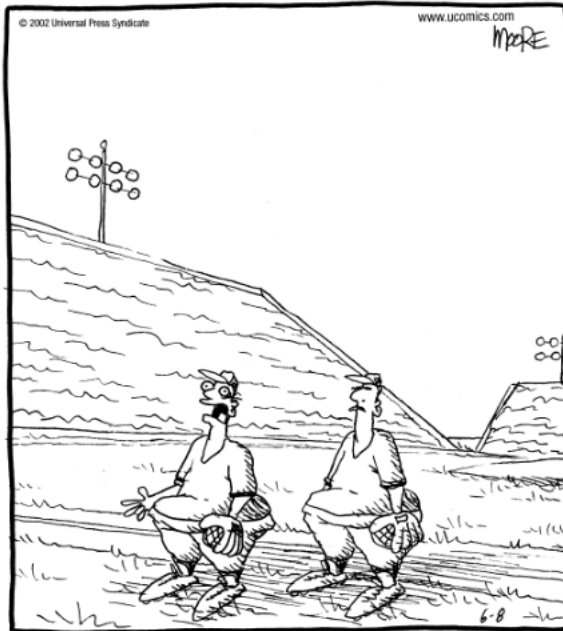
The sport industry continues to be one of the largest and fastest-growing industries in the United States and the world (Plunkett, 2013). This accelerated growth has fueled the continued desire of many people to pursue a career in the sport industry. Countless students each year, in the US and abroad, enter academic programs specializing in the study of sport management to prepare for a future in sport.

In addition to the rapid growth of the sport industry, the nature of sport business has changed as well. Sport is now a major component of the entertainment industry, competing for the discretionary income of fans worldwide. Gone are the days of collecting gate receipts in “cigar boxes” (Gillentine, 2012). Sport is now a multibillion-dollar industry and growing. This increases the need for sound administrative and business practices, as well as for individuals specifically educated for the unique nature of the sport industry.

#### Learning Objectives

Upon completion of this chapter, the reader should be able to:

- Understand the growth of the sport industry
- Describe the growth of the academic study of sport management
- Identify the myths surrounding the sport industry
- Discuss the unique features of the sport industry
- Elaborate on the challenges of selecting a career in the sport industry



"... There! Smell that? I love the aroma of a major league ballpark. Smells just like money!"

## WHY A CAREER IN SPORT?

Before launching into a college degree program and professional career in sport, individuals should fully understand the commitment and dedication required for success in this field. In order to evaluate their current status, it is important to answer the most basic of Socratic questions: *Why?*

Probably the most common answer to this question is "I love sports!" While it is important to have a passion for your work, a love of sports is probably not enough to ensure a happy and productive career in the sport industry.

Upon entering the sport profession, this "love of sport" becomes a job and, like all jobs, will have its good moments and bad. If your motivation also includes "getting to watch lots of games," your time and money may be better spent purchasing a 65-inch Ultra HD television. When you choose sport as a career, you will be preparing for the upcoming event while others are tailgating in the parking lot; most likely you will be working during game time, in addition to several hours before and after the event. Your passion has now become your occupation. Helping others enjoy watching the event while you earn your paycheck is the reality.

Another common answer is "I hope to rub elbows with the rich and famous." While you may have greater access to well-known athletes, coaches and celebrities, don't be misled in thinking they will be your new lunch buddies. Frequently, entry-level sport managers find themselves disappointed after meeting the "star player" of their new

<b><i>Welcome to the Sport Industry!</i></b>	
Cost of an typical college degree in sport management:	<b>\$80,000</b>
Number of weeks you will work nights and weekends in this industry:	<b>52</b>
Percentage of friends who will ask for free tickets:	<b>100%</b>
Seeing your stadium full of cheering fans despite a poor record:	<b><i>Priceless</i></b>



Photo courtesy © Andy Gallentine

employer. According to David Samson, President of the Miami Marlins, “Quite often you will find these guys are immature, overpaid, and over indulged, just because they can throw hard” (David Samson, personal communication, January 17, 2004).

Others enter the sport industry with dollar signs in their eyes. The sport media is full of stories chronicling the astronomical salaries and monies generated in the sport industry. While it is true that a lucrative living can be made in the sport business, the reality is that few in the management of sport receive those salaries. The vast fortunes of the owners of today’s professional sport franchises were typically made outside

of the sport industry. Don’t be disappointed though; a comfortable living can be made in sport management . . . but individuals must be prepared and patient to work toward that level of compensation.

### Opportunities in Sport: Myth and Reality

The sport industry is subject to a high level of public scrutiny. Daily, and even hourly, fans evaluate every move made not only by the players on the field, but also by the executives directing the organization. This constant evaluation, however, does not ensure the credibility of those making the evaluation. Therefore, many “myths” regarding the sport industry continue to flourish and proliferate (additional myths are also discussed in various chapters). Many of these myths focus on the potential for a career in the sport industry. Most of these myths are based upon antiquated ideas and/or outdated information, while others merit closer analysis because they include accurate information but are presented in a questionable context. Listed below are some of the most frequently cited myths, compiled from a variety of sources, about seeking a career in the sport industry.

#### 1) **Opportunities are limited and the field is saturated with applicants.**

It seems almost paradoxical to state that sport is one of the fastest growing industries worldwide and in the next breath state that opportunities are limited. While obviously there are not an unlimited number of jobs available in the sport industry, there are, in fact, jobs available. In order to be successful in the sport industry, individuals must be mobile. Opportunities in sport are found in locations ranging from New York City to Stillwater, Oklahoma, to

Portland, Oregon, and all points in between. Individuals wishing to enter the sport industry must be willing to “go where the jobs are.” Often people are too myopic in their vision of where they are willing to work, and therefore limit their access to jobs. With regard to oversaturation of the job market, most administrators will agree there are never enough qualified applicants for positions, while there are always too many unqualified ones. It is important for individuals to appropriately prepare and position themselves to become attractive to potential employers.

**2) Short-term opportunities are not worthwhile.**

One of the quickest and most effective ways to enter the sport industry is through internships (see Chapter 15). Quite often these positions are designed to be seasonal or short term. They do, however, provide the individual with the experience necessary to apply for better full-time opportunities as they arise. Often, individuals will fill multiple short-term internships in order to gain valuable experience and to begin networking in the sport industry. During events such as the Sony Open tennis tournament, which attracts more than 300,000 guests annually to Key Biscayne, Florida, numerous volunteer and intern opportunities exist. Over 2,000 volunteers and staff work together to produce an event that has become one of the most popular tennis tournaments among fans and players alike. Opportunities such as this are not only good résumé builders, but also provide you with an avenue to showcase your skills for today’s sport industry executives. Furthermore, do not be discouraged from accepting positions that initially indicate a specific beginning and ending date. View each of these opportunities as a chance to gain new skills and to showcase your abilities.

**3) Opportunities for minorities are limited.**

While the number of minorities holding high-ranking sport industry positions is verifiably low, these numbers are improving (Lapchick, 2008). As more and more minorities decide to pursue a managerial career in the sport industry and prepare themselves for that career, we will see a continued change in the demographic make-up of sport managers. The process is, and will be, slower than any of us desire, but the sport industry has always been willing to allow individuals the opportunity to pursue this career option and is often more willing than the rest of society to judge a person on their successes rather than on their race, ethnicity, or gender. The formation of several organizations such as the National Association of Black Sports Professionals (NABSP), the Black Entertainment and Sports Lawyers Association (BESLA), the Black Sports Agents Association (BSAA) and The Association for Women in Sports Media (AWSM) are representative of organizations whose mission is to increase opportunities for minorities by enhancing their presence, awareness, and industry exposure (Lapchick, 2007). As a result of these (and other) efforts, it is hoped that the number of minorities in administrative positions will continue to increase.

Becoming successful in a management position in the sport industry requires the same skills athletes must have to succeed: dedication, commitment, and a willingness to work harder than your competitors.

#### 4) Opportunities for females are limited.

As you will learn in Chapter 2, there are laws protecting the rights of women in the workplace. But beyond that, the sport industry is witness to an unprecedented growth in the number of females entering and advancing in the workplace. Events such as the *SportBusiness Journal's* (SBJ's) *Game Changers: Women in Sports Business* and Venues Today's *Women of Influence* are excellent showcases for the contributions of women in the sport and entertainment industry.

There certainly is, however, much room for improvement. One only needs to look in the "Careers" section and the "People" section in a recent issue of the *SportsBusiness Journal* to see that while women are represented, all things are not equal. In fact, look at the *SBJ* Top Forty Under Forty, or the listing of Top Sport Executives, and notice the number of women.

Despite the continued existence of these myths, the sport industry does offer many exciting, challenging, and rewarding positions for those deciding to pursue this career path. Managerial challenges in the sport industry may be compared to completing a crossword puzzle. You can clearly see the problem that needs to be solved; there is at least one clue to help identify the best possible answer; the answer's position in relationship to the entire situation is evident; and once the answer is found, immediate gratification is mentally and visually present.

### THE EVOLUTION OF SPORT MANAGEMENT EDUCATION

The growth of the sport industry far exceeded the expectations of scholars and researchers in the late 20th century, who projected that the GNP for the industry would consume more than \$121 billion (Meek, 1997; Pitts, 2001; Rosner, 1989). However, actual estimates after the turn of the century show these numbers to be far too conservative, with various researchers putting the number somewhere between \$200 billion and \$425 billion (Pitts & Stotlar, 2003; Plunkett, 2013; "The Sport Industry," 2007). These estimates have varied widely due to the unimaginable explosion of opportunities within this industry, which is good news for those who want to pursue a sport-related career.



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As employment opportunities in the sports industry have grown, the need for training of sport professionals has received much attention. Universities have quickly tried to develop sport management curricula at the graduate and undergraduate levels to fill the need for professionals trained specifically in sport management (Stier, 1993). In fact, as of July 2013, the North American Society for Sport Management (NASSM) website places the number of universities offering a sport management curriculum at approximately 350, a substantial increase from the first established program in 1966. In addition, membership in NASSM, including that of sport management faculty members and students, has reached over 1,000 for the first time in its history.

As the interest and participation in sport have grown to all-time highs, so has the need for professional preparation of sport managers. Large numbers of undergraduates and sport professionals are rapidly returning to the campus to take discipline-specific courses to improve the current or potential employment opportunities (Parkhouse, 2005; Parkhouse & Pitts, 2005). The impetus for the development of a sport administration academic program developed when Walter O'Malley (of the Brooklyn Dodgers) urged University of Miami (FL) educator James Mason to imagine the effectiveness of individuals specifically trained to deal with the business of the growing sport industry (Mason, Higgins, & Owens, 1981):

I ask the question, where would one go to find a person who by virtue of education had been trained to administer a marina, race track, ski resort, auditorium, stadium, theatre, convention or exhibit hall, a public camp complex, or a person to fill an executive position at a team or league level in junior athletics such as a Little League baseball, football, scouting, CYO, and youth activities, etc. . . . A course that would enable a graduate to read architectural and engineering plans; or having to do with specifications and contract letting, the functions of a purchasing agent in plant operations. There would be problems of ticket selling and accounting, concessions, sale of advertising in programs, and publications, outdoor and indoor displays and related items. (Mason et al., 1981, p. 44)

From this modest and carefully orchestrated beginning, sport management and sport administration programs have grown rapidly throughout the United States and the world. The curriculum proposed by Mason in 1957 was considered "ahead of its time" and was not implemented by the Coral Gables institution (Sawyer, 1993). Mason started the first graduate program in Sport Administration at Ohio University in 1966. Ironically, Biscayne College, now known as St. Thomas University, located only 15 miles from the University of Miami campus, became the first university to establish an undergraduate program in sport administration (Masterlexis, Barr, & Hums, 2012). These formative years of the Sport Management Academic discipline (1967–1987) are identified as the Era of Maturation (Gillentine, 2013). The era is characterized by the growth of academic programs and the emergence of academic leaders in sport management. Dr. Guy Lewis is recognized as one of the leaders during this era for his role in the development of sport management programs at the University of Massachusetts and the University of South Carolina (Appenzeller & Appenzeller, 2008; Roach, 2010). In 1971

<b>Table 1.1. Eras of Sport Management</b>	
The Era of Incubation	(1957–1966)
The Era of Maturation	(1967–1987)
The Era of Unbridled Growth	(1988–2000)
The Era of Dualism	(2001–2007)
The Era of Reflection, Assessment & Refinement	(2008–present)
Source: Gillentine (2012)	

at the University of Massachusetts, Lewis developed one of the first degree-granting sport administration programs (Parkhouse & Pitts, 2001). Dr. Lewis later collaborated with other progressively minded sport management professionals to establish the Department of Sports Administration (now the Department of Sport & Entertainment Management) at the University of South Carolina (Gillentine, 2012; Roach, 2010). The South Carolina program is significant, as it was created as an independent sport management department not affiliated with an education, recreation or physical education department or college (Baugus, 2008).

The expansion of academic programs was not confined to undergraduate and master's degree programs. Results of a study completed in 1996, and reconfirmed as recently as 2013 from the NASSM website, showed that no fewer than 27 universities offered doctoral programs with at least an emphasis area in sport management (Gillentine & Crow, 1996). Despite this finding, sport administration/management academic programs struggle to find enough discipline-specific trained professionals to fill their faculty needs (Mahony, Mondello, Hums, & Judd, 2004).

The rapid development of sport management graduate programs occurred through the independent efforts of various universities throughout the country. The lack of coordination between schools caused a fragmentation in the development of programs. Each university or department was free to establish its own priorities and areas of emphasis (NASPE/NASSM, 1993). The sport management/administration programs were established and housed in different departments (general business, physical education, management, etc.) according to university preference (Bridges & Roquemore, 1992).

The Sport Management Arts and Science Society (SMARTS), a group organized at the University of Massachusetts, Amherst, first examined this curricular fragmentation (Masteralexis et al., 2012). From the initial explorations of the SMARTS organizations, greater emphasis was placed on the academic credibility of graduate sport management programs. The recognized need for a standardized review of sport management curricula and programs prompted the formation of the North American Society for Sport Management (Parkhouse, 2005).

The National Association for Sport and Physical Education (NASPE) organized a Sport Management Task Force in 1986 to begin the development of standardized core competencies. The NASPE task force formed a partnership with the North American Society for Sport Management to further explore and develop the standardized core requirements for sport management programs. The recommended standards established

by the joint task force identify minimum competencies that should exist in undergraduate and graduate sport management programs. Standards were also established identifying the minimum number of course offerings and faculty needed to offer a program. The Sport Management Program Review Council (SMPRC) was created through the NASPE/NASSM task force to help universities “attain and maintain excellence in undergraduate and graduate education for sport management” (NASPE/NASSM, 1993). For 15 years the SMPRC reviewed programs, volunteering for the approval process through use of the identified criteria, and evaluated the program curriculum by area and as a whole.

The development of minimum program requirements and the move toward standardization were the first steps to establish credible sport administration and sport management curricula. In 2005, representatives from NASSM and NASPE reconvened to discuss organizing a body for the *accreditation* of sport management programs. Two committees were developed to explore the accreditation process and the identification of appropriate standards for accreditation. Nine months from their inception, the committees provided their preliminary reports to representatives of NASSM and NASPE. The leadership from both organizations solicited and collected feedback from all constituencies regarding the movement toward program accreditation. From the subsequent discussions, a proposal for the formation of a Sport Management Accreditation body was developed (“Sport Management Accreditation,” 2007).

Through the joint efforts of NASSM and NASPE, the Commission on Sport Management Accreditation (COSMA) has been created to provide accreditation and related services for sport management programs (see Table 1.2). As required by accepted academic accreditation policies and procedures, COSMA will exist as an independent accrediting body, with a Board of Commissioners formed from its membership. NASSM and NASPE identified a timeline to officially launch the COSMA organization in July 2008 (COSMA History, 2008). The failure to properly train and prepare managers and administrators is the number one cause of management failure today. Over ninety-eight percent of managers are placed in positions for which they have not been properly trained (Bridges et al., 1992). To help ensure that sports professionals do not follow the same pattern of failure, it is imperative to continue developing quality sport management programs. In order for the sport industry to maintain consistent educational and preparation standards, it is important that universities recognize and implement the recommended standards, ultimately leading to program accreditation.

### Purpose of the COSMA

The purpose of the COSMA is to promote and recognize excellence in sport management education in colleges and universities—at both the undergraduate and graduate levels—through specialized accreditation. Institutions, students, employers, and the general public all benefit from the external verification of quality provided through the COSMA’s accreditation process. They also benefit from the process of continuous quality improvement that is encouraged by the COSMA’s developmental approach to promoting excellence in sport management education.



<b>Table 1.2. Characteristics of Excellence in Sport Management Education</b>	
Excellence in sport management education has many different components that must be considered during the evaluation process.	
Excellence in sport management education normally displays the following characteristics:	
•	The sport management program has a clearly defined and relevant mission and broad-based goals that are consistent with those of the institution.
•	The sport management program has a strategic plan that is in touch with the realities of sport management education and the marketplace, and that is consistent with the strategic plan of the institution. This strategic plan is driven by the approved mission and broad-based goals of the sport management program.
•	The sport management program has developed and implemented an outcomes assessment process that promotes continuous improvement in the sport management programs and operations, and that is linked to the strategic plan of the sport management program.
•	Students in the sport management program develop, both personally and professionally, into well-educated, ethical, competent sport management professionals.
•	The sport management program operates in an environment that encourages and promulgates innovation and creativity in sport management education.
•	The sport management program has meaningful and effective linkages between the classroom and practitioners in the sport management community, thereby providing assurance of relevancy and currency in the academic programs.
•	The sport management program encourages cooperative relationships with other educational units, both external and internal, which are consistent with its mission and broad-based goals.
•	Faculty in the sport management program model ethical character and integrate ethical viewpoints and principles in their teaching.
•	Faculty in the sport management program are effective teachers who are current in their fields and active in their professional contributions to their institution and discipline. Further, the faculty are positively engaged within their sport management program and contribute to its mission and broad-based goals through appropriate faculty development and faculty evaluation processes.
•	The mix of academic and professional credentials of the sport management faculty is worthy of the respect of the academic and sport marketplace communities.
•	The mission of the institution and its sport management program is effectively communicated to current and prospective students.
•	The institution provides adequate resources to the sport management program to accomplish its mission and broad-based goals.
•	The curricula in the sport management programs reflect the mission of the institution and its academic unit, and are consistent with current, acceptable practices and principles of professionals in the academic and sport marketplace communities.
•	The curricula in the sport management programs ensure that students understand and are prepared to deal effectively with critical issues in a changing global environment.
•	The content of sport management courses is delivered in a manner that is appropriate, effective, and stimulates learning.
•	The sport management program recognizes the role of practical and experiential learning as a relevant component of sport management curricula.
•	The institutional organizational structure supports excellence in sport management education.
Source: Commission on Sport Management Accreditation	

## WHAT'S THE DEAL WITH THE NAME?

The rapid development of sport management academic programs also created another point of confusion within the industry: the name. Individuals examining sport management academic programs will find them listed under a variety of different titles. The most common names for academic programs are either sport(s) management or sport(s) administration. While most professionals agree that the particular name of the program is much less important than program course content, it is important to understand why there are differences in *sport* and *sports*, *management* and *administration*. The early academic programs in sport were frequently housed in departments of physical education.

Therefore, the programs were referred to as *sports* management or *sports* administration. The term *sports* typically refers to separate sports activities such as football, baseball, etc. The implication, then, is that *sports* management would therefore encompass only the management of these sports activities. *Sport*, on the other hand, offers a more universal description of the variety of activities and occurrences in the sport industry as a whole. These activities may include planning, organizing, and controlling sport programs (discussed in Chapter 4). Parks and Quarterman (2002) offered a clarifying analogy by surmising that the difference between *sport* and *sports* is similar to the difference between *religion* and *religions*. While *religions* refers to the different beliefs and denominations (i.e., Catholicism, Baptism, Judaism, Islam, etc.), *religion* is a broader term that encompasses leadership, belief, operation, and function.

The variance between the use of *administration* or *management* also traces its origins to its original home department. The term *administration* was typically associated with those programs and individuals working in the public sector, such as high school or university athletic directors. Since many early programs were housed in physical education departments, the use of this term seemed most logical. The term *management* was typically associated with those organizations and individuals working in the private sector. As graduates of those early programs often saw a larger job market available in educational settings, many programs adopted the term *administration* in their name. Regardless of the name, the true test of an academic degree lies in the program content.

## UNIQUE ASPECTS OF THE SPORT INDUSTRY

The need for discipline-specific academic preparation for the sport industry is magnified by the uniqueness of several primary features included in the discipline. While at an elementary level these features are similar to skills needed in other business ventures, closer analysis clearly identifies how this industry differs from others. Mullin (1980)



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