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Sport Management

After completing this chapter you should be able to:

- provide a definition of sport management;
- describe the scope of the sport industry;
- describe competencies of sport management professionals and the various job opportunities available to them;
- identify future challenges and trends in the field of sport management.

Sport has historically been defined as any activity, experience, or business enterprise whose primary focus is related to fitness, recreation, athletics, and leisure. More recently, the primary focus of sport could more accurately be seen as “making money.” In the last two decades, sport has become a multibillion-dollar industry around the world. With the growth of the sport industry, the field of **sport management** has emerged as an academic discipline distinct from physical education and recreation academic programs. Sport management encompasses the people, businesses, and organizations that produce, facilitate, promote, or organize any product related to sport, fitness, and recreation.



This chapter explores the importance of sport management to the sport industry and identifies why this area of study is unique. By the end of the chapter, you will understand the importance of internships for securing a career in sport management, and you will discover many job opportunities in this ever-expanding field.

Nature and Scope of the Sport Industry

In the late 1980s, the size of the sport industry was estimated at \$63.1 billion a year in the United States, ranked 22nd among more than 400 industries, a figure that was expected to increase to \$121 billion by the year 2000. That expectation was quickly exceeded, however; an estimated \$152 billion USD was generated in 1995, with

additional associated economic activity (money spent by sports participants, spectators, and sponsors) of \$259 billion, moving sport to the 11th largest industry in the United States. And it just keeps getting bigger. Current estimates place sport as the 6th largest industry, bringing in \$213 to \$410 billion USD depending on the factors considered (Figure 14.1).

Money within the sport industry varies in distribution among the components of advertising, endorsements, sporting goods, facility construction, the Internet, licensing, media broadcasting rights, professional services, spectator spending, sponsorships, medical spending, travel, multimedia, and operating expenses. The potential gross profits from sport-related activities and events prompt many cities and municipalities to strive to host both large sporting events (such as a world championships or the Olympics) and smaller sporting events (such as a national or regional championships) (see box *Reaping the Rewards*).

The sport industry has been segmented in various ways to help differentiate the multitude of areas in which sport management principles might be applied. Some of these areas include school and college sports programs, professional sports, amateur sports organizations (e.g., the International Tennis Federation), private club sports, commercialized sports establishments (e.g., bowling alleys), facilities (arenas, stadiums,



Figure 14.1 Current estimates place sport as the 6th largest industry in the United States, bringing in \$213 to \$410 billion USD depending on the factors considered.



Reaping the Rewards

If Toronto is successful in its bid for the 2015 Pan American Games, the city stands to reap the many rewards of hosting a major international sports event. Revenue of more than \$110 million is expected from the private sector and ticket sales. It's estimated that the Games will generate \$2 billion in economic activity and create more than 17,000 jobs in construction, event support, and tourism. The Pan American Games, which bring together 5,000 athletes from 42 countries, could attract as many as 250,000 people.

In addition to its economic impact, the Games will leave behind world-class infrastructure that the citizens of Toronto will enjoy for years to come. Many brand new facilities will be built, and existing venues will be renovated. All facilities will use green technology, will be fully accessible, and will meet or exceed international sport standards.

One institution that stands to benefit is the University of Toronto Scarborough (UTSC). If Toronto is selected to host the Games, a state-of-the-art athletics complex will be built on the UTSC campus. The joint athletics and aquatics facility will give students – and people of the

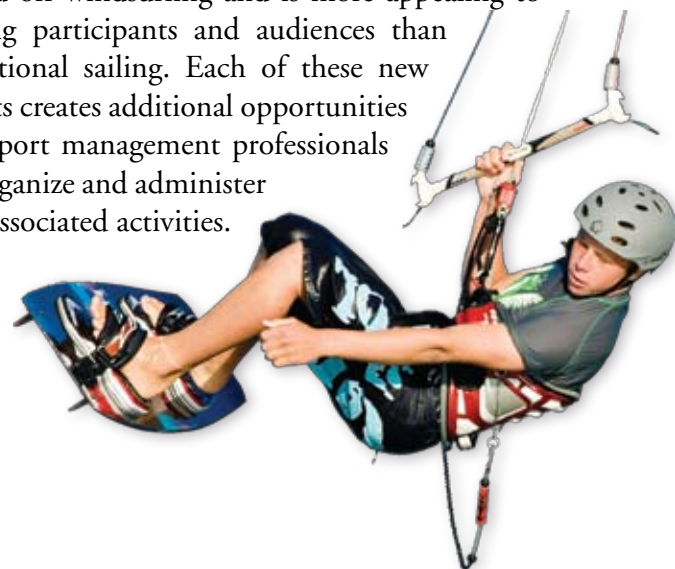
greater Toronto area – access to a superior venue for both recreation and high-performance training. Franco Vaccarino, vice president and principal of UTSC, says the complex will “create an enormous legacy for our students and our community and become a centre of gravity for athletics in our province.”

Hosting an international sports event is obviously about more than just the 10 days or two weeks of competition. An event of this magnitude has economic and societal repercussions that last for years. It's no wonder that cities are willing to spend millions of dollars on the bidding process to get the chance to showcase themselves to the world.



coliseums), community recreation (parks and recreation), industrial sports programs, social agencies (e.g., the YMCA), military sports programs, sport marketing and consulting firms or agencies (e.g., International Management Group), developmental programs (e.g., Special Olympics), corporate sponsors, the sporting goods industry, sports news media, and academic programs. Most professional leagues and some professional teams operate in almost all of these sport-related activities, either directly or indirectly through contract service agreements. Additionally, the trend toward conglomerating sports networks to include professional teams, media outlets, not-for-profit grassroots activities, community support ventures, land acquisition, and facility ownership and management clearly places the sport industry as a major portion of the entertainment industry. Just think of a professional sports organization such as the New York Yankees or Toronto Maple Leafs.

New sports are continually emerging, and new markets are created for them. For example, the popularity of snowboarding has created new opportunities for manufacturing, retail, facilities, and events, including specific made-for-television competitions such as the Winter X Games. Sports such as snowboarding and motocross have been legitimized by their inclusion as Olympic events. The relatively new sport of kitesurfing has nearly killed off windsurfing and is more appealing to young participants and audiences than traditional sailing. Each of these new sports creates additional opportunities for sport management professionals to organize and administer the associated activities.



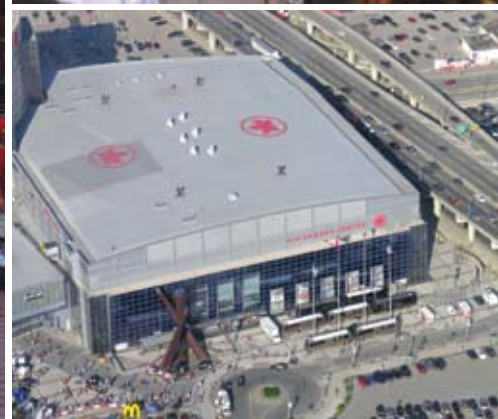
Unique Aspects of Sport Management

Sport is a unique aspect of business management because of the nature of sport and its financial structure, because of its unique career paths, and because it is a social institution in most cultures. First, sport is a perishable product. The experience of sport is highly subjective and contingent on many aspects that the sport manager is unable to control, including the outcome of the game, the weather, and so on.

Second, the fiscal structure of sport is not based on a fee for the product. Sport generates a significant portion of its profits from services such as concessions, parking, merchandise, and sponsorships. Therefore, the cost of the ticket to attend a sporting event represents a relatively small portion of the total product-related revenue generated from the event. Sport managers compete for this revenue with other entertainment options,

including other sports, restaurants, and theaters. The amount that people spend is contingent on the availability of **discretionary funds** (money that is left over after necessary expenses such as rent, food, and car payments). One common mistake in estimating the financial impact of sport is failing to account for the transfer of funds from one form of discretionary spending to another. Typically, a household will have a set amount of available discretionary funds. The presence of a sports team or activity typically does not generate new spending in any market but rather represents a transfer of spending from one entertainment activity to another. This is another factor that makes sport different from other typical business ventures.

Sport management is also unique because of the career paths that sport managers typically take. In this respect, sport is very much like the general entertainment industry in which people get their “big break” through networking with others in the field and volunteering their time until someone notices their skills and potential for contributing



A Career in Sales and Marketing

NAME: Norva Riddell
OCCUPATION: Vice President, Sales and Marketing
 True North Sports & Entertainment Limited

BACKGROUND/EDUCATION: Joined the True North organization in June of 2004 after 19 years in various sales and marketing roles with Molson Canada. Received the Ken McKenzie Award for 2007-2008 from the American Hockey League. The award recognizes the role played by team management in building a successful franchise and is presented annually to an AHL team executive who most successfully promotes his or her own club.

What do you do?

I'm responsible for sales and marketing for the Manitoba Moose Hockey Club, primary tenant of the MTS Centre, as well as the sale and servicing of the MTS Centre's private suites. I manage the revenue budgets associated with corporate sales, Moose hockey ticket sales, and 50 private suites located in the MTS Centre as well as the marketing team that supports the Moose hockey brand.

Why did you choose a career in sport management? What was your motivation for pursuing this field?

I didn't specifically choose a career in sport management; I chose a sales and marketing career with an organization that I truly believed in – it just happens to be in the sports and entertainment industry. My previous career with Molson Canada made the transition to True North Sports & Entertainment a natural one. My training and experience was very relevant and beneficial in my current role.

What are the future job prospects in the field? Where is it heading?

Job prospects are good in our field – there is such diversity in the talent that we require to run a successful organization. It allows for various professions to apply for jobs within our organization. As long as we remain competitive in our industry, we will continue to be a viable option for sports and entertainment in our community. People are always looking for ways to spend time with family and friends – we work hard to ensure that we can provide that option to our patrons, which will continue to make us competitive and let us offer those interested a great place to work.

What do you enjoy most about your profession?

I enjoy the diversity as well as the opportunity to work in the sports and entertainment industry – every day is unique. You have the ability to be creative and take responsibility for the sales and marketing of your brand. There is ownership and pride associated with working for a successful organization – sharing in the success of growing a business is very gratifying.

What other career options are available to students interested in this area?

There are numerous opportunities within our industry: sales, marketing, game production, multimedia, graphic design, web development, communications, promotions, event management, and finance. It takes many people to run a successful sports and entertainment organization.

What career advice would you give to students interested in entering this field?

I think, most important, you need to establish your interest – determine your area of expertise. If it's sales and marketing, I would encourage people to get their start in sales – one of the best ways to understand a product in your respective market is to know how to sell it. There is typically a real passion associated with selling – once you've had the opportunity to spend some time selling a product, it gives you a greater appreciation for the marketing of the brand and the relevancy of things that need to be created to grow your brand or business.

Multimedia is an excellent option as well. There is a tremendous amount of talent behind the scenes of all successful sports and entertainment organizations. The patrons' experience in the building, the availability of information online or through corporate communications, the creativity associated with presenting your product – all are critical in helping those who sell the product. We are selling/marketing an experience, not just tickets.



to the success of the sports organization. Very few sports organizations advertise permanent positions of employment. Those positions are filled from within from a pool of interns who typically work without pay. The reality of this field is that competition is extremely high for a relatively fixed number of key jobs. Unless you plan to be an entrepreneur, internship is typically the entry-level position. It is for this reason that most sport management programs require at least one semester of full-time work in a sport agency in order to graduate. In some cases, one part-time job (practicum) and one full-time job (internship or co-op) are required for a bachelor's degree in sport management.

Finally, sport is an important social institution in most cultures, varying from recreational play and games to highly organized professional and international competitions. Many countries fund the development of athletes and national teams, which highlights the importance of having an international presence and being competitive on the world stage. Perhaps like no other entity, sport has the ability to remove social barriers between groups of people. Nationalistic fervor reigns during important international competitions such as the Olympics. At the moment of victory or defeat in an emotionally charged contest, fans are united by the common experience. The event is likely to live on in their memories and will forever bind them to others who also shared that moment.



As a medium for social change, sport has become interwoven with politics and the fight for equality and tolerance. An example of using sport as a political vehicle is the U.S.-led boycott of the



Figure 14.2 Sport was being used as a vehicle for social change and to generate awareness when Tommie Smith and John Carlos raised their fists on the medal podium as a symbol of racial solidarity at the 1968 Olympics in Mexico City.

1980 Olympic Games in Moscow to protest the Soviet Union's military occupation in Afghanistan. The Soviet Union retaliated in 1984 with a boycott of the Los Angeles Olympic Games. The 2008 Olympics in China brought increased attention to prominent national issues such as human rights violations, air pollution, and the protection of property rights.

Other instances of using sport to bring awareness to global issues include the 1968 Olympic demonstration by American track athletes Tommie Smith and John Carlos, who raised their fists during the medal presentation as a symbol of racial solidarity (Figure 14.2). In the 1970s, American tennis star Arthur Ashe traveled to South Africa to bring attention to apartheid. Ashe's eventual death from HIV infection caused by a blood transfusion also focused attention on the worldwide AIDS crisis. Women's participation



in sport has increased dramatically since the 1970s, partially due to the passage of Title IX, which opened the doors of opportunity for women in intercollegiate athletics in the United States.

Similarly, sport has provided an arena for raising awareness about other types of social injustice, including homophobic beliefs and segregation of persons with disabilities. Events such as the Special Olympics, the Paralympic Games, and the Gay Games have experienced significant growth, popularity, and commercial success and bring well-deserved attention to these members of society (Figure 14.3).



Figure 14.3 Sport can help bring awareness to many types of social injustice such as homophobic beliefs and the segregation of persons with disabilities.

Professional Preparation

Bachelor's, master's, and doctoral programs are offered in sport management. The **North American Society for Sport Management (NASSM)** is the

professional organization for sport management academicians in North America. Its website (www.nassm.org) provides a list of schools that offer degree programs. Professional organizations provide a forum for the exchange of ideas through research, writing, collaboration, and networking. The NASSM hosts an annual meeting that gathers sport management professors and students from around North America. Standards for sport management educational programs include topics in sociocultural aspects, management and leadership, ethics, marketing, communications, budget and finance, legal aspects, economics, governance, and field experience. Additional courses may be found in sales, sponsorship, facilities and event management, intercollegiate athletics, policy, and public and media relations. Each of these areas has some unique aspects when applied to sport.

International organizations include the European Association for Sport Management and the Sport Management Association of Australia and New Zealand. Collectively, these two organizations along with the NASSM are referred to as the **International Sport Management Alliance**.

In addition to the field experience required for success in the competitive sport management field and an educational background in the business aspects of sport, it is important for students to develop a professional attitude. This attitude includes a professional image (grooming, attire, and posture); understanding of and adaptation to organizational culture; and demonstration of a strong work ethic, communication skills, teamwork, and business etiquette. It is not enough for sport

Success in the competitive field of sport management requires developing a professional attitude and a positive professional image.

