

**Integrating Moneyball into Sport Management Curricula: Using Simulation Exercises to Facilitate Instruction on Basic Financial and Economic Theory and the Impact of this Theory on Player Operations in Professional Sport**

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**75-minute symposium  
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Michael Lewis' *Moneyball*, published in 2003, has impacted the sport industry as few other works have. In the New York Times bestseller, Lewis chronicles the inner workings of the Oakland Athletics' player operations/personnel department. Most notably, the focus is on general manager Billy Beane and the Athletics' use of statistical analysis, primarily econometrics, to gain a competitive advantage in the market for baseball talent. The book has influenced management practices both within and beyond the sport industry.

Professional sport franchises are typically structured with two major segments of the organization: the administration, or business, side and the player operations, or personnel, side (Foster, Greyser, & Walsh, 2005). An examination of the Sport Management Program Standards and Review Protocol, developed by the National Association for Sport and Physical Education (NASPE) and the North American Society for Sport Management (NASSM), reveals almost no required or recommended content in the area of player operations/personnel in professional sport. Rather, these standards, which are being supplanted by the new Commission on Sport Management Accreditation (COSMA), are largely focused on content more closely aligned with the traditional administrative or business side of sport organizations. This may be due, in part, to player operations positions historically being filled by former players and former coaches. However, this trend has begun to change over the past five years; in part due to the publication and popularity of the ideas set forth in *Moneyball*.

Today, many player personnel executives have sport management and/or business academic backgrounds with emphases in finance and economics, and career opportunities are now prevalent in this area. As Jon Allen, former Chief Operating Officer of the Cincinnati Reds and graduate of the Ohio State University Sport Management program, stated: "In baseball, it's become more and more necessary to have individuals with an understanding of finance and economics" (Adams, 2005). Kevin Towers, the General Manager (GM) of the San Diego Padres reinforced this idea when at an annual meeting of MLB scouts he stated that due to skyrocketing salaries, player personnel staff must have a full understanding of the economic implications of every decision they make (Adams, 2005). Thus, it appears now that careers in the player personnel side of a major professional sport organization for those without playing or coaching experience do exist. For example, in 2005 the Tampa Bay Devil Rays made 28 year old Andrew Friedman the youngest General Manager in MLB history. Friedman, who has a bachelor of sciences degree in management with a concentration in finance, never played baseball at the professional level. That same year, the Texas Rangers made Jon Daniels one of the youngest GMs in history. Daniels also had no professional playing experience but came armed with a bachelor's degree from Cornell University. Over the past five years, we have seen this same story play out for other MLB teams such as the Los Angeles Dodgers, Boston Red Sox, and Arizona Diamondbacks (Fisher, 2005).

The purpose of this 75-minute workshop is to discuss how to incorporate player operations/personnel and related issues into sport finance and economics coursework. Each of the three presenters utilizes different simulation exercises and other pedagogical techniques to teach about these newer trends in player operations/personnel. Also, they incorporate related concepts like statistical design and analysis, econometrics, valuation, and auction theory. The presenters will share their course materials relative to the impact of financial and economic theory on player operations/personnel, but the session will also serve as a forum for discussion on this topic. Attendees will be encouraged to share their ideas in this regard. References Adams, R. (2005, January 10). *Catching On With The Big Leagues*. Street & Smith's SportsBusiness Journal. p.1. Retrieved electronically at <http://sportsbusinessjournal.com>. Fisher, E. (2005, November 7). *Baseball Calls Up Young Guns*. Street & Smith's SportsBusiness Journal. p.1. Retrieved electronically at <http://sportsbusinessjournal.com>. Foster, G., Greyser, S. A., & Walsh, B. (2005). *The Business of Sports: Cases and Text on Strategy and Management*. New York: Thompson Southwestern. Lewis, M. (2003). *Moneyball: The Art of Winning an Unfair Game*. New York: Norton.