Using Web-based Sports Business Simulation Technology in a Sport Finance Classroom

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Session 13: Teaching Workshop (75-minute)  Friday, June 1, 2007  8:00 AM - 9:15 AM

Finding innovative methods to teach material is critical to enhancing the learning environment. This is particularly true in classes with a reputation for being quite complex. In a graduate level Sport Administration Program, the Sport Finance class is one that fits this description. Subsequently, technology has been created to apply basic concepts related to finance to the complexity of a professional sports organization. One such program is the Oakland A’s Baseball Business Simulator. The computer program essentially simulates 15 years of managing the finances of a Major League Baseball franchise. Each "year," students make roughly 100 decisions related to the finances of the organization such as player salaries, ticket prices, television and advertising expenses and revenues, and so on. Applying what is called "appropriate randomness," the program will provide results after each season's decisions are submitted. Students are evaluated based on their ability to increase revenue and overall franchise value. Additionally, a point system is implemented in the program to reflect the success or failure of each simulation "run."

The two presenters have both implemented this program into graduate level Sport Finance classes. However, as intimidating as the topics related to Sport Finance are to students, technology such as this can also be intimidating for professors as well. The purpose of this symposium is to present ideas about how to effectively implement a web-based business simulation program into graduate level Sport Finance classes as well as to go step-by-step through some of the key components of this technology. In addition to providing interested instructors about how to use the program, one of the authors will present his qualitative research which evaluated the effectiveness of the program throughout the course of one semester. After implementing the program for the first time, the author wanted to know if the program was effective in engaging the students more in material that would otherwise be presented in the form of lectures and readings. Further, he wanted to know if the program helped students understand the material in the class by allowing them to apply key concepts to a real-world example. It is based on these criteria that he evaluated the effectiveness of this program. This evaluative case study used several interviews combined with the author's own recollections of the class ("emotional recall") to determine whether or not the simulation was an effective teaching tool in terms of increasing engagement and comprehension.

Related to student engagement, the data indicate that this program is best used for a shorter period of the class, probably about six weeks. Further, particular attention must be paid to how the instructors tie material in the class to the simulation. Students became disinterested when they did not see a purpose or application of the simulation to the material in the class. Students initially became very interested in the class and the prospect of using a simulation to apply key concepts in the class. One doctoral student, Jerry, even referred to the simulation as "a game." Indeed, it was the competitive aspect of the simulation that worked to engage the class the most. In addition to providing such outputs as revenue, attendance, winning percentage, and overall franchise value, the simulation also incorporates a point system based on these outputs which results in a "high score list" for the class. Some students quickly became obsessed with having the high score for the class and the desire for "bragging rights" became the focus of this fairly cohesive and tightly knit class. According to Jerry, this "interaction made it feel more engaging." Unfortunately, this obsession with high scores occasionally interfered with student comprehension of the material.

However, as the course of the semester continued, the initial excitement of this new technology waned and students began to lose interest. There began to be some separation between the material that was covered in the class and the concepts that were utilized in the simulation. Further, many of the students were very excited in the first few weeks and ran through the entire simulation several times (each simulation run takes one to two hours). After a while, these students seemed to feel as though they had done all they could do with the program.

As it relates to student comprehension, there was some room for improvement. The primary observation was the apparent disconnect between the material that was covered in the class lecture and reading assignments and the concepts that were presented in the simulation. This responsibility lies squarely on the shoulders of the instructors who were responsible for creating the class outline for the semester. More careful planning was needed to make sure that the concepts presented in class were then immediately applied in the simulation.

There were several key positive aspects of the program related to student comprehension. Some of these were planned and some were merely a byproduct of the program. First and foremost, students really enjoyed learning about how teams finance
new stadiums. Even Jerry, a doctoral student with significant experience with sport finance and the business of baseball, admitted that he knew little about how a stadium gets funded and that the simulation was able to teach him many of those concepts. Second, students were able to grasp the vast array of decisions that are required to successfully run a professional baseball franchise. With over one hundred decisions to make each simulated year, students were "forced to look at more financial indicators with the simulation." An unexpected benefit was that in order to get the data to make better decisions, students were forced to do extra reading. In the rapidly changing field of sport finance, reading the current literature on the subject is essential to understanding it.