



## BIG PICTURE IQ

By Anthony Moore  
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### The NBA's "Game Behind the Game"

**The NBA's "Game Behind the Game" not only shows the power of using a BIG PICTURE perspective, but it also shows the power of great "personal marketing," which is one of the principles discussed in our book *Scholarship Rich*.**

So much attention is placed on the game of professional basketball as a spectator sport that most people fail to realize the game that is played off the court. Yet, it's the game played off the court that dictates how the game on the court is played. Much focus is placed on the "large" salaries that NBA players command. (Keep in mind, size is relative.) Being that the NBA is a for-profit enterprise, it's important to keep in mind that players wouldn't receive their large salaries if they weren't making money for the owners paying their salaries. These are owners who clearly believe in the adage "if it doesn't make dollars, it doesn't make cents (or sense, whichever way you put it, it's a true story)." **Think about it**, if the NBA as a whole wasn't making a satisfactory return on its investment, the NBA wouldn't be returning! Furthermore, return on investment isn't just about yearly operating income. More importantly it's about the appreciating value of an organization over time. Sure, the owners are already rich (in case you don't know, that's pretty much a requirement). I'll even entertain the argument that to some of them a professional sports team might essentially be nothing more than an expensive form of recreation—something like a toy. But how many people are going to keep sinking millions of dollars into a hopeless toy that continues to not work right? That would take the fun out of any toy. Plus, looking at the **Big Picture**, there are a lot of other associated entities that benefit from the NBA (such as television stations, advertisers, and apparel manufacturers, to name a few). These parties are definitely about making money. Please believe that to them professional sports teams are not a toy but an investment they expect to be worthwhile.

### **Lebron James and the "Big Picture"**

Consider the impact of NBA phenomenon Lebron James, who is projected to earn over \$200 million from basketball and sponsorship by the time he turns 25 around the year 2010.<sup>1</sup> As even Michael Jordan didn't make that kind of money

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<sup>1</sup> Kurt Badenhausen, "Slam Dunk," *Forbes*, February 16, 2004, p. 65.

in his first seven years, those are record numbers. That's a whole lot of money, right? Especially for a guy who'll just be several years past being old enough to legally drink alcohol and enter most gambling casinos. However, don't forget about "The Game Behind the Game"—there's much more to this story. It is expected that Lebron will have made \$2 billion in revenues for his team and sponsors during the same period. For those not so quick on the draw when it comes to math, that's 10 times the money he's anticipated to make for himself. Can you say "Game Behind the Game?" I certainly hope so.

### **Let's break down the impact of Lebron James.**

The Cleveland Cavaliers are expected to be well compensated for the estimated \$60 million they will pay Lebron during his first seven years in the NBA.

**Big Picture item #1** – Before the first half of Lebron's first season had even concluded, the team's attendance went from 11,500 per game to 18,000. That translates to an extra \$10 million per season in addition to \$2 million from increased luxury suite rentals. Chi-Ching!

**Big Picture item #2** – Additionally, the ratings for Cavs games went up by 300%, which translates to additional money from television ads.

**Big Picture item #3** – With additional sponsors and increased revenues from concessions and merchandise, the Cavs were estimated as making \$90 million in additional revenue from Lebron's first season alone.

It is conservatively estimated that at a minimum Lebron will result in \$200 million more dollars for the Cavs during his first seven years. I'll save you some time before you get that calculator—Lebron is very likely going to provide a great return on investment to the Cavs.

### **Living Up to the Hype**

**Keep in mind**, we're discussing the "Game Behind the Game." Lebron James shows the power of one of the principles shared in our book [\*Scholarship Rich\*](#), which is that great personal marketing occurs when hype is built around a product that lives up to the hype. (For more info on **personal marketing**, check out the link on our website to an excerpt of **Chapter 14** of [\*Scholarship Rich\*](#), entitled "[\*You Are The Product \(Sales and Marketing\)\*](#).") The hype had been built around Lebron well before he entered the NBA. It was highly publicized who Lebron was and how great he would be. Think this was a coincidence? He was frequently billed as the second coming of Michael Jordan. So, before he stepped onto a professional basketball court as a player, demand had already been built up for him. He even capitalized from this hype by signing a deal with **Nike**

potentially worth over \$90 million before he even played his first NBA game. Prior to Lebron, never before had such a public relations effort been bestowed upon an NBA prospect—least of all one still in high school. The NBA deserves its due, as thus far Lebron has lived up to the hype...and then some.

The NBA as a whole is also gaining from Lebron as the Cavs had 14 nationally televised games in his first season, which is more than they had in the previous ten years combined. Furthermore, the Cavs went from last to first in road attendance. Lebron is expected to bring in over \$100 million for other teams in terms of the boost he will provide when he plays against them. He was also a major catalyst for a 20% increase in NBA-licensed merchandise that was sold. His jersey sales alone were estimated at bringing in over \$60 million during their first 12 months of availability. An increase in overall sales of Cavs merchandise was also fueled by the presence of Lebron. Total merchandise sales stimulated by Lebron are estimated to add up to \$500 million during his first seven years in the NBA. These figures don't even include revenue generated by Lebron from outside entities, such as **Nike**, which is expected to pay Lebron over \$90 million during his first seven years in the NBA. In all, the \$200 million dollars projected to be paid to Lebron is a relatively small price to pay for the expected return.

### **Big Picture IQ in Action**

Lebron James and the NBA's "Game Behind the Game" are a great example of the potency of having and using a **Big Picture IQ**. The NBA and its stars generate money from a number of revenue streams. Lebron characterizes this reality, as he is a demonstration of the remarkable marketing machine known as the NBA at its best. If the focus was only on money generated from tickets sold to actual games, the revenue generated by the NBA would only be a fraction of what it is. In addition to ticket sales, the NBA generates money from its national television contracts and a host of other means. Furthermore, individual team owners bring in money from the following: local television deals, advertisers who pay to have stadiums named after them, additional sponsors who pay to be advertised courtside and at other locations throughout the stadiums, plus there are sales derived from NBA apparel and other merchandise. Moreover, there are revenues derived from food, snacks and other items from concession stands in addition to the large sums from luxury suites, licensing for video games, and other outlets. **The Big Picture quota has just went through the roof!**

### **The Big Picture and Star Power**

The **Big Picture** also reflects how the NBA, much like with movies and television, is a medium of stars. In other words, people pay to see stars, along with merchandise associated with them and other products they endorse. Thus, it's not just about the competitive sport of basketball, but also about the individual

personas that makeup the NBA (and other professional sports). Why else are feature stories on players shown during half-time and pre-game shows? Those with a **Big Picture IQ** have been able to establish, define and profit in many different ways from the players' star power.

The owners of successful professional sports enterprises clearly look at the **Big Picture**. They look at what they are able to provide from a broad perspective versus just focusing on the play on the court, or even winning championships. **Think about it**, before television started showing games in our homes during prime time hours, many of the current revenue streams didn't exist. The dynamics of professional sports further changed when cable stations became major buyers of broadcasting rights to games. While regular TV is available for free to anyone who owns a television, people have to pay for cable television (outside of the "select" few who manage to get away with "free," as in illegal, cable for extended periods of time). Many local games (as well as national ones) are shown on cable. Furthermore, some professional sports team owners own a portion (if not all) of the local cable stations that show these games. If you're an owner of a team with very loyal fans, the games you have local broadcast rights to will certainly go a long way in owning a local cable station (or at least provide you considerable leverage with one). Take into account how the **Walt Disney Company** will move its weekly nationally televised "Monday Night Football" from **ABC** (a "free" station) to its **ESPN** station (a station you have to "pay" for). Speaking of ESPN, when Bill Rasmussen launched ESPN in 1979, he was really looking at the **Big Picture**. The 24-hour sports network is one of the most dominant basic cable channels (commanding one of the highest fees of any of the basic cable channels—fees which cable operators must pay to in-turn make the channels available to cable viewers). What's more is that ESPN has become even more powerful since, starting with the 2006 season, NFL viewers will need the station to see "Monday Night Football" in their homes (which means at least paying for a basic cable package since the channel can't be bought by itself).

### [Big Picture IQ As It Applies to College and Beyond](#)

In choosing a profession (or path to pursue in a profession) it's to your advantage to look at the **Big Picture**. In other words, do your homework on the profession you intend to enter. Find out which colleges are best in terms of successful placement within that profession. Decide which college will best suit you in terms of the environment that is best for you, taking into account factors such as average class size, resources available on-campus, the return on investment in terms of tuition and other costs, as well as other things that will impact your education and future success.

When evaluating potential career paths, don't just look at the more immediate payoff (as in the starting salary). Look at the long-term potential for the growth of

the related industry and your personal growth within it. Consider what the industry might look like in the near and long-term future. Examine the other industries that are intertwined with the applicable industry and how they relate to each other. With any companies you are considering being an employee of, research the company. Study it externally, in terms of its position within its industry, the varying industries and companies it's closely related to, and its relation to the general economy. Also, examine it internally, which includes elements such as how it's structured, the company's culture, the backgrounds of its leading officers, and other relevant factors. While keeping the **Big Picture** in mind, you do want to focus on the (sometimes tedious) day-to-day details. What sense does it make to focus on the **Big Picture** if you don't concentrate on what you must do on a daily basis in order to take advantage of it?

So, even with a **Big Picture** perspective, it's still vital that you focus on the "little things," because all great accomplishments and visions are realized by day-to-day actions. However, keeping the **Big Picture** in mind keeps one's seemingly small day-to-day tasks on track toward one's goals. It also helps to decrease the chances of one being blindsided by unfortunate and destructive incidents (although everyone will likely encounter an unexpected blow from time to time, planning limits these blows as well as the negative impacts of them).

## **Big Picture IQ and the Music Industry**

In pondering the **Big Picture** as it applies to college and your future career plans, let's highlight a very competitive industry as an example of applying a **Big Picture** perspective. The industry we are going to examine is that of music—a field that most people would agree is pretty hard to break into.

You don't have to necessarily go to college to be successful in the music industry, as many very successful people in the industry didn't graduate from (or even attend) college. However, going to college offers a great opportunity to learn skills that can help you succeed in the industry—especially if you're not an artist or musician or you have other gifts and talents that compliment your artistry. In fact, it might be best to major in something other than a field directly related to music (or at least minor in one).

When looking at the music industry, one of the things that stands out in my mind is that many of the artists that get heavy radio and television rotation are ones that are either already established or endorsed by established figures within the industry. In any event, they generally have large record companies with large promotions budgets behind them. Moreover, the industry is dominated by a handful of record labels. Furthermore, most major radio stations and music-video broadcasting stations are owned by a handful of companies (if that). These entities are basically the gatekeepers of the industry. They certainly hold major influence over what songs and artists get exposed and which ones don't.

For instance, if a radio station wants to be first to get new releases of popular artists, it might be in its best interests to play other lesser known artists associated with the relevant record companies and promoters.

The various industries and outlets that come to mind when I think of the music industry are radio, television, movies, magazines, professional sports (as far as the music that is played during games), commercial jingles, video games, music publishing, record companies, the Internet, printing companies who manufacture album covers, companies that press CDs, concert promoters, concert venues, ticket distributors, and books on music (whether they be about music education, musicians, the music-industry, or other music-driven topics). Plus there are supporting entities such as those that cater food for music events, makeup artists for stars, wardrobe people, and the numerous other industries that provide services for music industry events and stars. There are certainly others, but these are the ones that come to mind. In any event, the outlets mentioned cover several industries. Let's go over some of them. They include the television industry, the movie industry, the concert industry, the radio industry, the professional sports industry, the advertising industry (furthermore, commercial jingles potentially include any given company that advertises on television or radio). We also have the magazine publishing industry, the book publishing industry, the music publishing industry, the video game industry, the Internet (which encompasses just about every industry imaginable), the printing industry, the CD manufacturing industry, the public relations industry, and the actual recording industry. We haven't even gotten into the various positions that support the actual creation of the music, such as recording engineers and in-studio musicians.

Some of the above industries are primarily or greatly dependent on music (without music, there would be no product for the music industry to release, duh). For others, music is a complementary component (such as the music that goes into video games). All of these different industries present different paths and options for a person pursuing a career in music (many of them are an example of "the-road-less-traveled"). For instance, one could be a music contributor for film and television, commercial jingles, or video games for that matter. Some of the avenues can be pursued fulltime, or part-time to earn money while one pursues a career as a music producer or artist (endeavors that are on a more freelance basis can be especially ideal for people taking the artist, producer and/or songwriter route because they don't necessarily require a fulltime commitment). Besides, if you work as an intern at a major music company, chances are you're going to be doing some of everything anyway!

## Pay Attention to the Present, But Lookout for the Future

The particularly exciting thing concerning music for me is the Internet, which is an entirely new medium for distributing music. The Internet allows for music to be provided in ways not allowed by the principal and established mediums of television and radio. The same way television and cable—through 24 hour music video stations—allowed for greatly promoting and selling music beyond radio, the Internet seems poised to take music distribution to even further heights. As a still greatly growing and developing phenomenon, there are many unforeseen opportunities for those with vision and a keen **Big Picture IQ** to direct, grow and capitalize from (think about the guy who started ESPN over twenty years ago). There are endless unforeseen opportunities waiting to be found in any given area by those who apply a sharpened **Big Picture IQ**, which will empower them to spot the underserved and untapped markets within and related to any particular field or industry.

So, when looking at potential career paths and options, it's very advantageous to look at the **Big Picture** while still concentrating on the day-to-day tasks it will take to accomplish your long-term goals. That's why when I work with people in a one-on-one capacity, I help them to focus on the bigger picture and we look at unconventional ways for them to develop their careers and utilize their unique gifts and talents. Thus, we go way beyond the job outlook books, which just focus on career paths from a more conventional and rigid standpoint.

### SOURCES

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Chuck Finder, "Not Too Far-fetched to Say That LeBron James Has Exceeded Expectations," *Pittsburgh Post-Gazette*, February 15, 2004, p. D-3.



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