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# The Frontlines Of University Athletics, Where Winning Means Everything.

*A qualitative study on the effect the creation of the BCS (Bowl Championship Series) has had on how Div IA schools outside the BCS strategize in regards to their athletic programs.*

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# Abstract

<b>Title:</b>	The Frontlines Of University Athletics, Where Winning Means Everything.
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<b>Key words:</b>	Collegiate athletics, BCS, NCAA, Div 1A, evolutionary theory, Schumpeterian competition, contestable markets.
<b>Purpose:</b>	The purpose of this thesis is to discover how the BCS has affected the strategizing of athletic programs among Non BCS schools.
<b>Methodology:</b>	This study is descriptive and interpretative. An abductive approach and a qualitative method was used. The primary data consists of semi-structured interviews.
<b>Theoretical perspective:</b>	The market is analyzed using theories such as; Evolutionary theory, Schumpeterian competition and contestable markets.
<b>Empirical foundation:</b>	The empirical foundation is based on a series of interviews with different conference commissioners for NonBCS chartered conferences.
<b>Conclusions:</b>	An insight to a possible future of collegiate football at the highest level is provided, based on current status of said market along with study results.

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## 1 Introduction

The purpose of this thesis is to understand how the existence of the BCS or Bowl Championship Series has affected strategizing in regards to the athletic programs of those top level universities who currently do not enjoy full access to said alliance.

Given the exclusionary nature of the BCS, this study will also show through the use of several theories why efforts to break up the BCS (such as through antitrust cases) are in all likelihood unnecessary.

Universities and Colleges in the United States have a long history of profiling themselves in order to attract the best students the world has to offer. After many generations of differentiation strategies, it has become exceedingly difficult for prospective student to determine which school is right for them. An honest look at any of a number of standard faculties or departments at the most popular schools would show virtually little difference in the resources or the quality of education available. The reality is that the issue of which school to choose has a lot more to do with economics, geography and athletics.

Economics on the surface appears to be a large factor in which school to attend considering that some of the top universities in the US boast annual costs of \$30 000 or more. The standardization of federal and state education assistance programs, combined with the large range of scholarship options has lessened the economic factor considerably.<sup>1</sup> Even schools like Harvard possess a generous loan forgiveness program for graduate students. Pell Grants, Stafford Loans and other financial assistance<sup>2</sup> programs are also available at every accredited institution of higher learning.

Geographic issues have been substantially minimized over the past 80 years through the efficiency of air transportation, and with the advent of the digital age,

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<sup>1</sup> Harvard Gazette: "Assistance comes in many forms" – by Alvin Powell March 01, 2001

<sup>2</sup> U.S. Dept of Education: The Student Guide 2002-2003 – Federal Pell Grants, Stafford Loans, PLUS loans, et al

telephone and Internet communications have in a sense created a much smaller world.

What remains as a unique aspect of the higher learning experience in America, is the existence of collegiate athletics programs which are tied to almost every college and university in the United States. Even at Junior Colleges (two year programs), athletics play a large role in both the internal welfare of the school and the external attraction in what the school as a whole offers to potential enrollees.

Over the past 160 years, collegiate athletics has developed from the humble beginnings of the Yale vs. Harvard rowing contests to the <sup>3</sup>\$11 billion industry that it is today. The value of a strong athletic program has sent many universities scouring their budgets, local private sector, boosters, etc in an effort to afford the best money can buy. Given the dynamic attraction value collegiate athletics brings to a university, it isn't strange to see budgets for said programs upwards of \$60 million per year.

As colleges focus more and more resources on their athletic programs, an imbalance has occurred at the top level. A once level playing field has become more lopsided over the past 20 years. Nowhere is this more apparent than in the highest level of collegiate football. While all other 21 sports at the collegiate level offer a championship playoff to determine the number one team in the nation, college football's elite or NCAA Div IA does not. Instead, an alliance that began in 1992 has strategically taken the reigns of determining a national champion. In lieu of a playoff, a subjective rankings system is used. That alliance has morphed several times since. Seven years ago it became known as what it is today, the Bowl Championship Series (BCS).

The hottest issue in collegiate athletics over the past several years has been the BCS. Every year since its inception in 1998 has brought one controversy after another. The media has painted a colorful picture of said organization depending

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<sup>3</sup> New York City Investment Fund-Press Release - JPMORGAN PARTNERS INVESTS \$25 MILLION IN CSTV: August 11, 2004

on its allegiance. Over the course of the past five years however, media apologists have become rather mute in the wake of criticism that has ranged from small town newspaper articles to an organized coalition of university presidents whose efforts to bring down the BCS have resulted in congressional antitrust hearings.

What has become clear, is that there is a consensus among collegiate athletes, fans and even a considerable portion of university Presidents and Athletic Directors who identify the BCS as a cartel or possessing monopolistic qualities.

The BCS itself was created in an effort to establish a definitive national champion in NCAA Div IA football. A more definitive explanation will follow later in the background section of this thesis. It is sufficient to say that the implementation of the BCS has created a strongly perceived if not a genuine class division among Div IA schools.

“BCS schools” and “NonBCS schools” are two well used terms coined by the media that have propagated this sense of division amongst the largest sports programs in collegiate athletics. The even more condescending expression of “Mid-Major” (a term describing a NonBCS school or program) is reported to have originated from <sup>4</sup>ESPN which together with ABC and their parent company Disney have paid the BCS entity \$525 million for the rights to show the four major BCS Bowl games over seven years. The media language most especially those coming from color commentators of football matches aired on ABC, ESPN or any of its affiliates have successfully created an imaginary wedge between “top quality” BCS teams and the “mediocre” Mid-Majors.

This apparent division between one group of Div IA programs vs. another is cause for concern for those schools whose programs are in a sense on the outside looking in. Even though many university athletic programs run at a loss financially, they are in demand as a primary tool for differentiation between schools in attracting students for enrollment. The BCS schools because of the financial payouts in participating in BCS Bowl games, lucrative television contracts for season play

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<sup>4</sup> Tony Barnhart -The Atlanta Journal Constitution-Published on: June 9, 2004

and national exposure are able to profile their schools differently than those who endure the “Mid Major” label. The options left to these schools raises the question of how the BCS has affected their strategizing in developing and maintaining successful athletic programs.

## 1.1 Background

In order to really understand the current problem that the BCS poses to schools who do not belong to the charter member conferences, one needs to gain a historical perspective of how sports came to be such an integral part of the university experience not to mention an economic force.

<sup>5</sup>The origins of competitive collegiate athletics can actually trace their roots as far back as 1827 when the first collegiate boat club was organized at Cambridge University. Rowing had recently become a popular sport, and in 1829 the prestige of competition at the University level began when Cambridge issued a challenge to Oxford on 12 March of that same year.

It took another sixteen years before Yale and then Harvard followed suit and established rowing or boat clubs of their own. Universities at that time had developed certain athletic activities as a way to relieve the stress of academic learning. These activities were intramural in nature and were usually organized by class.

<sup>6</sup>What was to change the face of “university” athletics forever was the development of American Football. The sports humble beginnings eventually lead to a hybrid of rugby, and the first true intercollegiate matches in what would become American football occurred in 1875 between Harvard and Yale. Harvard had picked up the game a year earlier when accepting a challenge to play against McGill University in Montreal, Canada. Many attribute the Princeton-Rutgers games in 1869 as the first American football games, but the game so closely resembled soccer that the correlation is a hard one to accept. <sup>7</sup>The game quickly

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<sup>5</sup> The boat race homepage, <http://www.theboatrace.org/therace/history/> (last visited 16/01/05)

<sup>6</sup> The game homepage, <http://www.the-game.org/history-originsto1889.htm> (last visited 17/01/05)

<sup>7</sup> Walter Camp homepage, <http://www.waltercamp.org/history5.htm> (last visited 16/01/05)

caught on among the other schools in the region, and thanks to Walter Camp, a standardized set of rules was established to ease intercollegiate play.

Over the next 30 years, changes in tactics rent the game almost extinct. The brutality of the early game had caused the death or permanent injury of quite a few of its participants.<sup>8</sup> Finally, a Chicago journalist shocked the nation with the headline describing the 1905 collegiate football season - "18 FOOTBALL PLAYERS DEAD AND 159 SERIOUSLY INJURED!" A particularly bloody match between the Swarthmore College and Penn caused then President Theodore Roosevelt to demand that football make changes in how it was played or risk being banned altogether. Several Universities including Harvard (1885) had banned the sport because of the dangers.

What nearly caused the game of American Football to become extinct was what also drew spectators in droves. It is also what enabled it to spread across the nation and embed itself into nearly every university and college in the nation.<sup>9</sup> The safety demands by President Roosevelt helped spur the creation of a regulatory agency in 1906 known today as the NCAA (National Collegiate Athletic Association).

An important precedent had been set however in the attraction the game of American football had. The attraction value superseded all other activities held on university campuses. With the advent of the NCAA, the college Presidents quickly realized the value of this appeal.<sup>10</sup> The number of spectators as some of these games had already reached the tens of thousands, prompted university administration leadership to take over what had been a student-driven activity.

The NCAA quickly established its regulatory abilities by cleaning up American football over a period of decades. What started out initially as a rule-making body held its first NCAA championships in Track and Field in 1921.

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<sup>8</sup> American Football- By Bruce K. Stewart; From *American History*, November, 1995

<sup>9</sup> NCAA official homepage, <http://www.ncaa.org/about/history.html> (last visited 17/01/05)

<sup>10</sup> The Sports Imperative in America's Research Universities (November 2003) - *An Annual Report from The Lombardi Program on Measuring University Performance*

<sup>11</sup>A 1929 Carnegie Report clarified that universities were quick to recognize the pressures of producing the best “team”. This created a risk of producing what would amount to semi professional teams who although wore school colors did not possess an academic association. This risk would also destroy the unique aspect of “scholar-athlete” if measures were not taken to ensure that the athletes were indeed also students of the schools they represented.

<sup>12</sup>In the post WWII era, the need for a more permanent influence was demanded. Member schools were concerned about the effects of television on game attendance, recruiting issues as well as financial aid. In 1952 a headquarters for the NCAA was established in Kansas City, Missouri. The fear that television would have adverse affects on ticket sales would prove unwarranted, and ironically the regulatory framework that the NCAA was asked to implement to protect its members the schools, would be cause for a major antitrust lawsuit initiated by two of its members.

<sup>13</sup>In 1973, the NCAA decided to create three legislative bodies Div I, II and III. Div I was divided into Div IA and IAA several years later. Over that time, the NCAA helped standardize all other men’s and women’s collegiate sports and their championship tournaments. Today the NCAA regulates 22 different sports and 82 championship tournaments representing Divisions IA (except for football), IAA, II, and III.

<sup>14</sup>During the years that followed the 1952 decision for the NCAA to regulate television, it became clear after two timid years, that not only could television coexist with college football, but it could be a considerable source of income for the NCAA and its members. Initial rights fees were sold to NBC in 1952 for a little more than \$1.1 million. By 1979 the rights fees fetched a price of \$29 million. The NCAA looked to received over \$73 million in revenues in 1984 had they maintained control of television rights for all member schools. However, a

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<sup>11</sup> Id.

<sup>12</sup> NCAA official homepage, <http://www.ncaa.org/about/history.html> (last visited 17/01/05)

<sup>13</sup> NCAA official homepage, <http://www.ncaa.org/about/history.html> (last visited 17/01/05)

<sup>14</sup> The NCAA News – “The Electronic Free Ticket” – by Gary T. Brown: November 22, 1999

landmark decision that same year would set in motion changes that would eventually lead to the situation that reigns in Div IA football today.

<sup>15</sup>According to Thomas C. Hansen, a 1975 decision ...

”involving the Virginia State Bar Association and the Supreme Court that for the first time made it clear that (associations) did not enjoy blanket exemptions from antitrust laws. That was one of the most fundamental changes that eventually led to the lawsuit.”

This Lawsuit was initiated in 1981 by the University of Oklahoma and the University of Georgia. These two schools believed the NCAA’s control of television rights to be in violation of the Sherman Antitrust act. Given the precedent set in 1975 in Virginia, the case was heard and appealed on several occasions. Many other member schools supported Oklahoma and Georgia. In the end the two member schools prevailed. In June of 1984, the Supreme Court voted 7-2 in favor of the plaintiff.

This opened the door for member schools to negotiate their own television contracts with the various networks, and thus keep the revenues for themselves instead of sharing with over one hundred other schools. As television revenues continued to skyrocket, the landscape of Div IA began to change. Certain schools had quickly sewn up lucrative contracts through conference representation. The conference members allowed the commissioner leadership to represent them in negotiating rights. It quickly became apparent that some conferences were able to leverage their star programs into better deals than others.

By the early nineties, the push for better deals had bled into the post season where by tradition; DIV IA teams that had won their respective conferences or performed well throughout the season would meet other deserving teams in “Bowl” games. Prior to 1992, the national champion for DIV IA football was selected through a polling system that would rank the various teams every week, until the end of the

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<sup>15</sup> The NCAA News – “Gridiron Gridlock – by Kay Hawes December 6, 1999

season. The team ranked number one after the postseason Bowl games, would be declared the National Champion. The Bowl game tradition made it difficult to orchestrate a bonafide national champion. While interest among fans and players has long been for a playoff system, the self interest of the Bowl game entities felt a playoff was counterproductive to their ability to generate revenues.

In an attempt to create a national champion, the Bowl Coalition was created in 1991. It consisted of four Bowl games (Cotton, Fiesta, Orange and Sugar) and their affiliated conferences.<sup>16</sup> The idea was to match the best two teams in a national championship game. The conferences represented by Bowl affiliation contracts tended to produce the top ranked football teams, so the logic was to tie these conferences and their Bowl games to produce a national championship game that matched numbers one and two. This system met with several problems, the most glaring being the fact that the affiliated agreements prevented the numbers one and two to meet in a national championship game. As long as the conference champions were earmarked for a specific Bowl game, the odds of the numbers one and two actually meeting were not high.

<sup>17</sup>Four years later, the Coalition gave way to the Bowl Alliance. In an attempt to fix what was wrong with the Coalition, three of the four previously mentioned Bowls gave up certain rights to conference champions to basically float them in the event said champions were ranked either one or two. Early success at pairing one vs. two waned as the problems with the Bowl Alliance began to reveal themselves. In 1996 the Bowl Alliance refused to allow Brigham Young University into one of the Alliance Bowls. Even though BYU was one of the top 6<sup>th</sup> ranked teams with a better record than all of those receiving an Alliance Bowl bid, they were still slighted. The system revealed its first glaring signs of bias towards those schools or more correctly the conferences of schools that had original affiliation agreements with the Orange, Sugar and Fiesta Bowls.

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<sup>16</sup> Lafcadio Darling, Note, The College Bowl Alliance and the Sherman Act, 21 Hastings Comm. & Ent. L.J. 433, 437-38 (1999). (citing resource from Oklahoma Law Review summer 2004 57 Okla. L. Rev. 333)

<sup>17</sup> n72 Id. Delany house statement (citing resource from Oklahoma Law Review summer 2004 57 Okla. L. Rev. 333)

The biggest problem with the Bowl Alliance was the fact that two of the largest and most powerful conferences were not represented. The Big Ten and the PAC 10 conferences had the longest Bowl tradition among all the Bowl games.<sup>18</sup> The first Rose Bowl was played in 1902, and became a yearly event in 1916.<sup>19</sup> Both of these conferences featured some of the best football programs in the nation. Their initial refusal to join the alliance in favor of preserving tradition made it impossible for the Bowl Alliance to achieve its stated intent of a national championship game. The Big Ten and Pac 10 however finally accepted inclusion and the Bowl Alliance expanded to encompass these two conferences as well as add the Rose Bowl to the docket of games representing the national championship.

In spite of the new additions to the new “Super Alliance, it came up short in creating a true national champion for DIV IA football because of its exclusion to other DIV IA teams in conferences not aligned with the Alliance.

The Bowl Alliance was dismantled in 1997, but efforts to sustain the concept that said Alliance was predicated on continued on.<sup>20</sup> Retired SEC commissioner Roy Kramer who is often considered the godfather of the BCS who brokered the entity through creating an agreement between ABC Television, four Bowls and the Big East, ACC, Big Ten, SEC, Big 12, Pac-10 and Notre Dame. In spite of the staunch support and claims of the BCS being the best solution, the construct has proven a failure more times than a success. Over the 7 years of its existence, there have been only two times in 1999 and 2002 that the National Championship wasn't rife with controversy concerning the participants in the championship game. Also the same conditions of exclusion of five other conferences in participation still exists, although changes in the structure have been made which will be discussed later in this thesis.

The BCS construct as mentioned above is merely an agreement for a national media network (in this case ABC Television) to financially compensate the participating schools for the right to air four major Bowl games of which one will

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<sup>18</sup> Rose Bowl homepage, <http://www.tournamentofroses.com/history/halloffame.asp> (last visited 18/01/05)

<sup>19</sup> 2003 hearings before the House Judiciary Committee- Delany house statement

<sup>20</sup> College Football News – “Roy Kramer and his legacy on college football TV” : March 20, 2002

guarantee a match between the number one and two school. The BCS pundits have claimed from the beginning that this construct was an effort at giving the people what they wanted, “A bonafide National Champion”. Given the responsibility that conference commissioners have for enhancing the member schools revenues, it is highly likely that the BCS construct was more an issue of providing another revenue stream for the charter conferences and less about actually creating a system that would produce an unequivocal national champion in DIV IA football.

While all DIV IA are currently considered BCS conferences, the term NonBCS deals with one glaring <sup>21</sup> difference between the five conferences involved in this study and that is automatic qualification. This refers to the conference champion getting an automatic bid to play in one of the lucrative postseason BCS Bowl games.

<sup>22</sup>Just understanding the economic force that Roy Kramer created in the SEC helps clarify motives of those invited to the table. Kramer was able to increase revenue flow to the SEC from \$14 million annually to \$78 million due to major television contracts, the BCS

**BCS Quick Facts**

- Parties to the 1998 BCS agreement (11 entities):
  - Four bowls: Rose Bowl, Tostitos Fiesta Bowl, Nokia Sugar Bowl, FedEx Orange Bowl
  - Six conferences: Big Ten, Pac-10, Big East, ACC, SEC, and Big 12
  - University of Notre Dame
- Agreements currently in play (4):
  - A contract between the Big Ten, Pac-10, and the Rose Bowl
  - A contract between the Rose Bowl and ABC
  - The BCS agreement with seven conferences, Notre Dame, and three bowl games
  - A contract between the BCS and ABC
- The six BCS conferences are guaranteed one berth in the BCS, and the remaining two at-large bids may come from inside or outside the BCS conferences
- If Notre Dame wins nine regular season games, it automatically receives one of the two at-large bids
- Total estimated revenue for 2004: \$89,920,000
  - 2004 Share for Both the Big Ten and Pac-10 Conference: \$3,128,889 (these conferences have separate financial agreements with the Rose Bowl, paying them directly)
  - 2004 Share for Each of the other four BCS Conferences: \$21,515,555 if two teams earn a BCS bid and \$17,015,555 if one team earns a BCS bid
  - 2004 Share for a non-BCS conference team earning an at-large bid: \$13,886,666
  - 2004 Share for all non-BCS I-A conferences: \$480,000-\$1,000,000
  - 2004 Share for I-AA conferences: \$190,000 if the conference averaged 60 full scholarship grants over the previous four-year period. Otherwise: \$0
  - 2004 Share for College Hall of Fame: \$600,000

<sup>21</sup> The Sports Imperative in America’s Research Universities (November 2003)

<sup>22</sup> Id.

construct as well as the expansion of the SEC from 10 to 12 teams in order to create a conference championship game worth millions.

Considering the amount of controversy the BCS has stirred up, it isn't a stretch to understand that those conferences which have yet to receive a full fledged membership in this elite club are scrambling for ways to keep up with the ever widening economic gap between the schools of the BCS charter members and everyone else in DIV IA. The following quote by deputy dean and director of sports law program at Tulane Gary R. Roberts in truth captures the extreme frustration the BCS construct as caused for the "NonBCS" conference members.

*<sup>23</sup>"It is a blatant antitrust violation that survives only because there is nobody with the courage to challenge it — yet," Roberts says. "The real fault in the BCS system is not the way in which it determines who will play in the Big Game every year, but the fact that it is an illegal restraint of trade and an illegal conspiracy to monopolize."*

If college football's current system were replaced by a bona fide playoff series, he says,

*"The 63 BCS conference schools would not be able to hog 93% of the \$156 million paid out by the top four BCS bowls and all of the \$108 million paid out by the top four BCS bowls. That's why they keep extending the TV BCS contracts well into the future, and refuse to let the NCAA football issues committee even discuss a playoff — so that a playoff is never possible."*

<sup>24</sup>Mr. Roberts's comments were given in December of 2001. He had testified to the same four years prior in front of the Senate Judiciary Committee who had begun initial inquiries concerning the potential antitrust issues of post season play in DIV IA football. After his testimony he was released from his assignment on the Sugar Bowl committee; a Bowl that coincidentally is part of the BCS construct.

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<sup>23</sup> BCS Might Not Even Be Legal, <http://www.usatoday.com/sports/comment/saraceno/2001-12-13-saraceno.htm> (last visited January 18, 2005)

<sup>24</sup> Id.

Since Mr Roberts comments, the BCS has been under pressure to effect changes. With each controversy, the BCS has met them with concessions. Today's postseason climate is much improved from a perspective of fairness than seven years ago. For the first time since the Bowl Coalition was started in 1992 a school outside the charter membership succeeded in achieving a high enough ranking status to participate in a BCS Bowl game. The University of Utah Utes went undefeated this year and were BCS ranked 6th in the nation. This was enough for them to be given an automatic bid to this year's Fiesta Bowl.

The Utes gained even more clout for "NonBCS" schools by handily beating the Big East Champion Pittsburgh 35-7. How this affects the future for the BCS and more importantly how schools on the outside strategically ensure their survival at the top level of collegiate athletics remains to be seen. Further analysis will hopefully provide clearer insight to the strategic efforts taken by "NonBCS" conference members to succeed with or in spite of the BCS.

## **1.2 Positioning**

Anecdotal evidence suggests that this qualitative study is distinctive given the absence of replicate studies dealing with a strategic management perspective. It is accepted that the possibility of replicate studies do in fact exist, and if so, the difficulty in locating such only serves to strengthen the thesis as an original work evaluating the problem from a unique perspective.

Applicable studies that have been found, focus more on the value and ethics of the existence of athletic programs in the institutions of higher learning and how they coexist. Other studies that have provided valuable information have been limited to discussing the particular problem of antitrust issues of collegiate football post season play. These studies are in the form of law reviews that analyze the validity of said problem.

## **1.3 Delimitations**

Although the NCAA regulates all divisions ( IA, IAA, II and III) in both men's and women's athletics, This study focuses attention to those schools most affected

by the creation and application of the BCS. Even though a portion of the revenues generated by the BCS are given to schools in lower divisions, the percentage is so low as to minimize the ramifications to how the lower division schools strategize in relation to their athletics programs.

The schools most affected by this are those in Div IA as they are by NCAA regulations forced to maintain certain qualifications for entrance into the top division. Since 113 of the 117 DIV IA schools are currently members of a conference that represents the member schools in enhancing their revenues as well as branding, focus has been directed to obtaining information from conference representatives on behalf of the member institutions.

#### **1.4 Purpose**

The purpose of this thesis is to discover how the BCS has affected the strategizing of athletic programs among NonBCS schools. In identifying those strategies that produce positive results in achieving a successful program given the above mentioned relationship, could translate to identifying those schools or programs that are in the strategic frontlines of the same.

This premise is based on the concept that those schools that are best able to negotiate their way either into, circumvent the BCS entirely, or succeed in its break up by the creation of something more dynamically appealing in the market will achieve success and thus continue to compete at the highest level among universities.

## **2 Methodology**

In order for this study to be useful to the reader a description of the way in which the study was performed is necessary. <sup>25</sup>Any research rests on a number of assumptions about the problem that is to be investigated. These assumptions are laid out by those performing the study and it is important to state these to the reader. The goal is that the reader and the researcher should have a common focal point when interpreting the results from this study.

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<sup>25</sup> Holme, I. M. & Solvang, K. B., (1997), "Forskningsmetodik, om kvantitativa och kvalitativa metoder", Lund, Studentlitteratur.

## 2.1 Competing paradigms

<sup>26</sup>Organizational Analysts Burrell and Morgan have put forward a framework to analyze business research in terms of four competing paradigms. These can be understood in terms of the two dimensions; assumptions and function or purpose of a business investigation. The assumptions here are to be understood as different viewpoints from which it is possible to analyze the organization and can be said to be either external or internal. The second dimension deals with the function or purpose of investigating the world of business as a method to describe the workings of an organization or to make judgements about the way an organization should be and put forward suggestions about how to reach this goal.

In this study the assumption made is that the correct way to analyze an organization is to get an internal viewpoint from people who are directly involved in its activities and that it is therefore necessary to perform interviews through which such a viewpoint can be analyzed. This was accomplished through setting up several semi-structured interviews with DIV IA conference commissioners or their associate commissioners. This action was motivated by the fact that these “commissioners” due to their responsibilities to the member schools were the most insightful candidates in providing an internal viewpoint. Furthermore the function of this study is not to be judgemental or to serve as a guideline for the management of the organization, but rather to investigate and describe what is actually going on.

Although the function of this study is not meant to serve as a guideline, certain insights derived from said study can be helpful in identifying where a member school and even a conference lay in relation to the current problem with the BCS. Such information can be valuable in providing a starting point from which the affected institutions can begin developing a strategy to remain at the top level of collegiate athletics.

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<sup>26</sup> Bryman, Alan & Bell, Emma, (2003), “Business research methods”, Oxford, Oxford University press.

<sup>27</sup>According to Burrell and Morgan the two dimensions could be best described in terms of paradigms. Of the four paradigms within the Burrell and Morgan matrix the *interpretative position* (in that the understanding of an organization must be based on the experience of people who are working within it) best exemplifies the existing organizational framework of the “NonBCS” conferences and their member schools.

## 2.2 Research strategy

Literature on the subject of methodology often distinguishes between a quantitative and qualitative process of performing research. <sup>28</sup>First and foremost the distinction is that a quantitative research method deals with measurable entities and data whereas the qualitative counterpart does not. Indeed, some writers on the subject take the distinction even further and argue that the two methods can be said to form two distinctive clusters of research strategy.

The two methods are different in their views on the relationship between theory and research, they also differ in the extent to which a positivistic view (<sup>29</sup>one that advocates the application of the methods of the natural sciences to the study of social reality and beyond) of the world is applicable, and finally, in their view of the social reality as a real observable entity or a creation of collective thoughts.

With this in mind a researcher has to make a decision on which of the two research strategies to use. For this study there are a number of reasons that motivate the use of a qualitative rather than a quantitative research strategy. These can be explained by the paradigm of an interpretative position as discussed above and the assumption that social reality is a construct that has to be investigated from an internal view.

The notion that the organization is not an entity in itself rejects a scientific model and a positivistic view of the world and thus should not be investigated in terms of external and measurable variables. Another reason for using a qualitative method

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<sup>27</sup> Id.

<sup>28</sup> Id.

<sup>29</sup> Id.

in this particular study is the function of the study as describing the workings of the organization rather than provide solutions for it. This further points towards the qualitative strategy in that it is inductive in its nature. The aim is to describe and possibly generate new theories, or at least show new applications for existing theoretical lines of thought.

A pure inductive approach is, however, hard to imagine as the researchers most often already have a theoretical platform from which their view of the world is formed. Because of this, the study will have a deductive side to it in that it tries to apply existing theory to the research.<sup>30</sup> As the borderline between a deductive and inductive approach often is blurred, a hybrid or abductive approach has been suggested. In such an approach the questions asked in the study can be based on theory but the conclusions derived from the answers can still be used to form new theories.<sup>31</sup> The choice of a qualitative strategy will as previously defined, also have implications of the possible outcome of the study in that it is more likely to give rise to an inductive, or abductive study.

### **2.3 Research design**

When the research strategy has been defined it is important to make a choice about which research design to use. Naturally it is imperative to choose a design that will serve the purpose of the study in the best possible way, and for that reason there are a number of implications that have to be taken into consideration.<sup>32</sup> There are a number of designs that are well suited for a qualitative study of this nature.

The first decision to be made is whether to do a cross-sectional (to look at different focus groups at a single point in time) or a longitudinal study (a series of investigations or interviews at different points in time). The nature of the problem to be investigated in this study suggests that the important aspect to analyze is where the industry and its players stand today, which is why a cross sectional design should be the most accurate one to use.

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<sup>30</sup> Alvesson, M & Sköldberg, K., (1994), "Tolkning och reflektion: vetenskapsfilosofi och kvalitativ metod", Lund, Studentlitteratur.

<sup>31</sup> Bryman, Alan & Bell, Emma, (2003), "Business research methods", Oxford, Oxford University press.

<sup>32</sup> Id.

In terms of data collection there are also a number of different methods. The types most commonly used for a qualitative study such as this one, are interviews, case studies and combinations of those between different focus groups to achieve a broader and more exhaustive picture of their views of the problem to be examined. This comparative design is most often used as is in the case for this study. The data that makes up the framework for said design are as follows: A number of interviews with key persons in the industry as well as case studies in the form of publications, both historical and contemporary in regards to the problem.<sup>33</sup> The benefit of such a design is an increased level of validity, reliability and generalizability for the industry that is to be examined.

### **2.3.1 Other considerations**

Once the comprehensive decisions about the research strategy have been made, there are questions about the structure of the study at a lower level that has to be answered. For instance, should an interview be performed in a structured, semi-structured or open format? Who should be the interviewed and why? And how should the collected data be interpreted?

For this study telephone interviews were the only reasonable method of contact, as the researchers and the interviewees were separated by the Atlantic Ocean. Travel unfortunately proved to be cost prohibitive. Interviewing at such distances has both advantages and limitations. For instance, one advantage deals with evidence in the sense that it limits the effect of the interviewer potentially affecting the interviewee's answers to become biased towards a certain view. On the other hand, the absence of face to face communication also limits the interviewees' opportunities for visual observation. Signs of unease and reluctance from the interviewee towards certain questions or statements can be difficult to observe. It is however (as was also observed during the interviews) to a certain extent possible to observe and interpret some signs of unease from the tone of voice, sighs, pauses, questions having to be repeated and clarified etc., through conversational analysis.

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<sup>33</sup> Id.

### 2.3.2 Interviews

<sup>34</sup>The interviews that form the primary data source for this study can most accurately be described as semi-structured and focused interviews. They were based upon a list of open questions and topics for discussion, and sometimes some questions were left out and some were added. The sequence of the questions was also altered when it was appropriate and when a new significant issue was broached the discussion was allowed to explore this path in more detail. The term “focused interview” refers to using open questions about a specific situation of relevance.

The interview group consisted of five individuals of whom only four were actually interviewed due to either time restraints or the possibility of unwillingness on the part of the interviewee. These individuals are key leaders of the five different conferences that make up the group of member schools that do not currently enjoy complete access to the BCS. The reason for this choice was to obtain the viewpoints of said conference members who are affected by the BCS due to its exclusionary nature. The interest lies in how these conferences and their member schools adapted or strategized in relation to the BCS.

### 2.3.3 Document study

As part of the above mentioned case study a number of documents were studied and used as a secondary source of data. <sup>35</sup>The term “documents” include a wide variety of different types of information sources that can be analysed and the ones most extensively used in this study are in the form of; public documents such as legal reviews on antitrust matters, official documents i.e. financial reports, performance reports etc. Mass media outputs such as published articles were also considered. Many of those are in the form of virtual outputs or digital documents from the internet.

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<sup>34</sup> Id.  
<sup>35</sup> Id.

### 2.3.4 Source Criticism

Whenever sources are used in a research paper the researchers have to adopt a critical view of the sources. For document studies there are a number of different questions that should be kept in mind for the purpose of keeping the facts valid.

<sup>36</sup>Important aspects are: who produced the document? Why was the document produced? Did the writers have sufficient knowledge to write authoritatively on the matter? Were the documents written in an objective manner or is it overly skewed towards a certain opinion? Is the meaning clear or ambiguous? The list goes on, especially with digital documents where there can be issues in both authenticity and credibility. Any researcher drawing from this source has to be cautious when choosing relevancy.

By nature an interview is a mutual exchange of information. This also means that the information transferred can become distorted in different ways as there is a risk of any party misinterpreting the question and the collected data not showing the true facts. The interviewer has to take measures to minimize this effect. Further, when performing an interview the questions asked by the interviewer have to be formulated in a way that will not reveal the purpose of the question. <sup>37</sup>The reason for this is to avoid a phenomenon called the interviewer effect. This problem also arises in the mutual communication between the interviewer and the person being interviewed. There is a possibility that the questions or the fashion in which they are asked will be leading and the results being skewed towards a certain view.

## 3 Theory

When performing a qualitative study certain theoretical assumptions about the problem being addressed can be made. This study deals with an organization that is exclusionary in nature and has over a relatively short period gone through several changes. <sup>38</sup>These changes as well as the root cause of said changes allow room for consideration of Morgan's organic metaphor which compares an organization to that of a living organism. This study maintains that Morgan's organic metaphor applies to the BCS.

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<sup>36</sup> Id.

<sup>37</sup> Jacobsen, Dag Ingvar, (2002), "Vad hur och varför?", Lund, Studentlitteratur.

<sup>38</sup> Gareth Morgan (1999) "Organisationsmetaforer", Lund, Studentlitteratur

It is from this perspective that three theories will be applied to this study. They are; Economic Evolutionary Theory, Schumpeterian Competition and the Theory of Contestable Markets. These theories will be described in further detail in the sections that follow. This study asserts that the use of said theories provides the best “fit” to provide a cohesive answer or answers to strategic problem as outlined previously.

### **3.1 Evolutionary Theory**

The economic model of the evolutionary theory is not all that different from the biological one. Darwin’s original ideas of natural selection, environmental influences and the ability to adapt to these influences play a large role in economic evolutionary theory as well.

Naturally other factors are included in the economic version but the general idea is still the same.<sup>39</sup>The economic evolutionary theory presents and discusses how an organization or a company can change or transmute through time.

In the market environment today changes occur all the time. Some of them are swift and silent while others are slow with a great deal of publicity. All of these changes mean that an organization or a company have to adapt or alter their behavior in some way. These alterations can occur on all levels within the organization, such as within production or research and development or perhaps the marketing department.

The tactics or routines within the different departments can be compared with the role that genes play in the biological version of evolutionary theory. The operational routines determine the organization’s possible behavior just like genes do in the biological theory.<sup>40</sup>However it is not merely the routines that determine the behavior, the environment has a lot to do with the direction of the change as well. In the business world as well as in the collegiate sports world the environment often determines the direction and magnitude of the change.

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<sup>39</sup> Nelson & Winter (1982) “An evolutionary theory of economic change” Harvard College.

<sup>40</sup> Id.

An important aspect of economic evolutionary theory is the process of natural selection. In the biological version of evolutionary theory Darwin presented the phrase “Survival of the fittest”. This term is not so far away from the truth in the economic society, the firms that are flexible and effective are usually the ones succeeding. Economic natural selection means that the market will create stability and sort out the winners and losers without government intervention.

The natural selection process is not something that happens over night. It is a matter of transmuting through time; it’s rarely one radical change that will lead to the elimination of a firm or organization. The stability and the effectiveness of the operational routines naturally play a large role in the process and will have a great impact on the survival of the firm.

### **3.2 Schumpeterian competition**

The general idea of western economists is that free enterprise is a basic organizational solution to the economic problem. The free market will regulate itself according to the new standards. In this section we will take a look at Schumpeter’s thesis on competition.

Joseph Schumpeter developed within the evolutionary theory a concept which takes into account the original idea of evolutionary theory namely the idea of natural selection.

<sup>41</sup>A central aspect of the Schumpeterian competition is that some firms deliberately strive to be leaders in technological innovations while others simply try to keep up by imitating the success of the leaders. This particular aspect reflects the theory of economic evolution and natural selection quite well. The natural selection process creates an order where a few firms that are effective and strong take the lead when it comes to innovations and the development of new products.

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<sup>41</sup> Id.

<sup>42</sup>Another important aspect when it comes to innovations or development of products occurs when the new innovation or combination is implemented it means that the old one is eliminated by the new. <sup>43</sup>Schumpeter referred to this as creative destruction, new products and processes supplant the old and thereby contributing to the change from within.

Creative destruction can bring not only a change in organizational behavior but a change in the organizational structure. A firm that goes through creative destruction can very well alter the organizational structure in order to survive the new demands on the market.

If the theory of economic natural selection is valid then it would mean that a number of firms will have great power over the market. This is no big secret within the business community. There will always be firms that have a considerable degree of market power and thereby giving them a chance to influence the demands and trends. The fact that there are such firms in the business community today proves that economic natural selection takes place. Schumpeter claims that this is the price that society simply will have to pay for rapid technological advance.

<sup>44</sup>The critics of the BCS have stated that the market for collegiate athletics suffers from what they consider a monopoly or cartel that excludes all non members. <sup>45</sup>However when studying Schumpeter's thesis on competition, it states that the perfect state of competition has always been temporarily suspended when anything new is being introduced.

When the BCS began, the market responded and the organization suffered to a degree. The BCS was forced to change in order to survive. However the original members still gained. As entrepreneurs, they benefited on their innovation just like any other company would when presenting a new product.

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<sup>42</sup> Schumpeter (1934) "The Theory of Economic Development" Harvard University Press

<sup>43</sup> Schumpeter (1976) "Capitalism, Socialism, and Democracy" New York, Harper Colophon Edition

<sup>44</sup> Mark Hales (2003) "The Antitrust Issues of NCAA College Football Within the Bowl Championship Series", Sports Lawyer Journal

<sup>45</sup> Schumpeter (1950) "Capitalism, Socialism and Democracy", New York: Harper & Brothers, Enlarged 3rd edition, 1950

<sup>46</sup>Another key issue certainly recognized is that the political economy of reality not always generates an ethically ideal system for the distribution of wealth. There will always be winners and losers. It is possible to see this as a perspective to the economic natural selection process. However it is important that the system spur competition as much as possible and takes into account that the citizens in the community are the major target group.

The idea that a firm or an organization changes from within as a result of organizational genetics and the environment is motivated from regarding some of the recent changes made in the BCS since its inception. Although the BCS is a rather new institution there have been a number of changes due to weak system within the organization.

### **3.3 Contestable Markets**

Another important factor that must be taken into account when presenting the economic evolutionary theory is the market where the firms and organizations are operating. In most western societies the market is free with free enterprise and not controlled by the government. However the market form presented in this section is not just a free market but a so called contestable market.

In the world of collegiate athletics competition on equal terms is vital, not only because of the economic profits from winning on the field or court, but from the issue of sportsmanship. Competing in sports has always been an opportunity for fair play, and the fact that anyone or any team could succeed if they possessed the will to do so is a fundamental aspect of mans ability to achieve greatness.

<sup>47</sup>A contestable market is one that is accessible to potential entrants and has the following two properties: new entrants can without restriction serve the same market demands and use the same productive techniques as those available to incumbent firms. Also potential entrants evaluate the profitability of entry at the incumbent firms' pre-entry prices.

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<sup>46</sup> Nelson & Winter (1982)

<sup>47</sup> Baumol, Panzar and Willig (1982) "Contestable markets and the theory of industry structure", Harcourt Brace Jovanovich

The key aspect to a contestable market is the access offered to new entrants; the possibility to enter the market without any entry barriers or specific costs. While in the market the competition takes place on symmetric terms with the other competitors.

The competition within DIV IA football, also takes place on equal terms since the outcome is determined by athletic performance, not financial. Another important issue of the theory of contestable markets involves government intervention. If the market fails to stabilize or adjust itself then government intervention has been an alternative in order to set things right.

Government intervention in a free market economy can also occur when free competition is threatened. Antitrust legislation exists in most countries today and can be used as a last resort when some firms are acting unfair or otherwise against the free market competition.

Before government intervention is carried out two things should be taken into account:

- Examine the market's contestability. If the market satisfies with the market criteria then intervention with market mechanism should be ruled out.
- Even if the contestability criteria are violated, proposals for intervention should be approved only on the basis of an evaluation of costs and benefits.

There are however situations when intervention is necessary in order to keep the contestability on the market. A key issue for government intervention is the elimination of legal barriers of entry so that the market becomes accessible for any firm wanting to compete.

## **4 Empirical Data**

A more detailed description of primary and secondary data used in this study follows. As was discussed under section 2.3.2 semi-structured interviews along with documentation provided the data from which this study is based. A copy of the interview template can be found under 7 Appendix.

### **4.1 Primary Data**

The semi-structured interviews carried out for this study provided the foundation of primary data necessary to develop comparisons between the selected theories and the results of said interviews.

In DIV IA there are eleven conferences with a total of 117 member schools within them. Six of these conferences (65+1 schools) are charter members of the BCS organization, and they do not represent an active part of this study. The remaining five conferences (49+2) provide the subjects for this study. The interviews were to be done with the highest ranking official in each of the five conferences. The highest ranking official available for said interview would be sufficient to stand as proxy if lieu of the highest ranking official if he/she were not available. In this case, 4 of 5 conference interviews were successfully held according to the standards as stipulated.

The following Conferences were contacted and successful interviews were held:

C-USA-Conference USA

MWC- Mountain West Conference

SBC- Sun Belt Conference

WAC- Western Athletic Conference

The following Conference was contacted, but no successful interview was held:

MAC-Mid American Conference

The following Conferences were not contacted as they are representing the charter members of the BCS and although they serve a vital function in this study, their member schools strategizing is not being examined. These include:

ACC- Atlantic Coast Conference

BE- Big East

Big Ten

Big XII

PAC-10- Pacific Ten

SEC- Southeastern Conference

Independent –Notre Dame (Notre Dame is not affiliated with a conference for Div IA football but is included into the charter due to its long history as a football power and its economic standing)

All interviews were carried out by the same individual for this study, and all interviewees were either the Conference Commissioner (which is the highest ranking official), or an Associate Commissioner. The justification of selecting these individuals to interview was based on the primary directive or mission of a athletic conference to represent their member schools strategy which is an issue that is voted on between said members. This effective system created an opportunity to avoid a longer more exhaustive process of interviewing the member schools directly.

#### **4.2 Secondary Data**

To provide support for the primary data, certain publications have been used. Several articles dealing directly with the issues and problems of the BCS are used as references for this study. Several law reviews have been used as well. A key element among the secondary data was a particular case study dealing with the role of athletics in college. This data has been invaluable in sustaining the theoretical concepts that have been previously discussed.

### **5 Analysis**

By comparing the data received during the course of this study, with the theories adopted, issues of validity, reliability and generalizability will have a direct impact on accuracy of said study. While quantitative studies tend to be more easily adjudicated because of a strong focus on empirical data, qualitative studies require clear and effective arguments in support of or rejection of the use of adopted

theories. Effective and persuasive arguments that are motivated by study data act to serve as lifting the burden of proof.

It is vital that theoretical and empirical comparisons are focused on the two things. The theories adopted and more importantly the actual problem as it has been defined. The next section will be illustrating these comparisons from a perspective of strategizing in relation to the adopted theories and how they apply to the BCS. As these comparisons are made it is important to remember that these Conference Commissioners and Associate Commissioners are speaking on behalf of their conference or in other words, all of the 49 schools that will be a part of those without full access to the BCS in the fall of 2005.

Their answers to these questions will be considered as being answered by all member schools that these commissioners represent. It will be this language that will be used in the analysis and conclusion sections of this study.

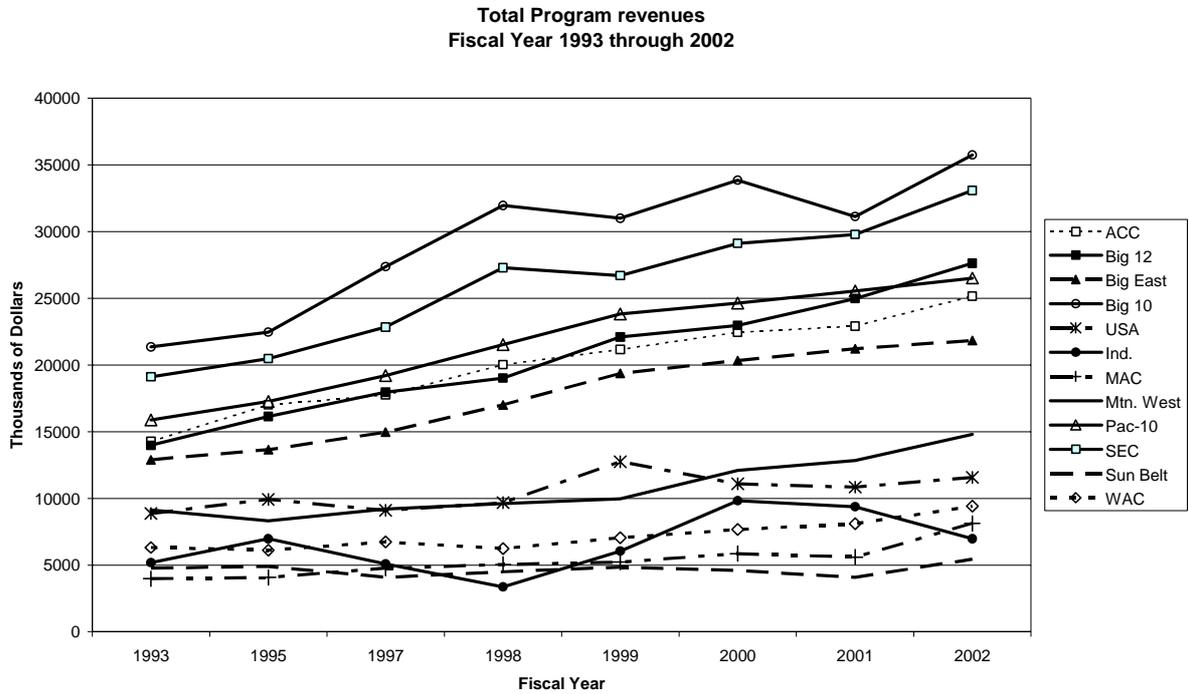
### **5.1 Theoretical-Empirical comparisons**

Question one of the study was intended to verify if the member schools still felt that the “student athlete” mission of the NCAA was intact in spite of the machinations of the BCS to promote elite college football. There was a unanimous consensus to that being the case. When asked if the BCS had forced direction away from this focus, the consensus by member schools was that it had not. There was however a majority representation by member schools who felt that the BCS organization ran counter to the mission of “student athlete”. The economic gap between these conferences and the charter members of the BCS was brought up as well as the need to gain access as an automatic qualifier.

Theoretically the responses revealed an organization that possessed power to control certain key aspects of the collegiate athletic “market”. If the BCS and its predecessors (according to these schools on the outside) had helped create an economic gap between the charter members and the others, the principles of evolutionary theory would apply in the adage “Survival of the fittest”. The

following two diagrams illustrate this so called economic gap between the BCS charter members and the rest.

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<sup>48</sup> Daniel L. Fulks, Ph.D., CPA Revenues and Expenses , Profits and Losses of Division IA Intercollegiate Athletics Programs Aggregated by Conference —2003 Fiscal Year *Accounting Program Director Transylvania University* and NCAA Research Staff

**Total Program  
Revenues, Expenses and Net Profit  
Price-Level Adjusted  
Fiscal Years 1993 through 2002  
(In thousands of dollars)**

Conference	2002	2001	2000	1999	1998	1997	1995	1993	Percentage increase from 1993 to 2002
<b>ACC</b>									
Total Revenue	25,160	22,909	22,441	21,163	20,016	17,749	17,001	14,266	76
Total Expenses	25,440	22,238	21,560	21,654	19,708	16,872	16,856	12,445	104
Net Profit	(454)	671	881	(1,250)	307	877	145	1,821	(125)
<b>Big 12</b>									
Total Revenue	27,621	24,028	22,969	22,095	19,024	17,951	16,138	13,981	98
Total Expenses	25,613	23,227	21,676	21,143	19,901	18,971	15,631	13,981	83
Net Profit	2,008	801	1,293	(1,448)	(877)	(1,020)	507	20	9,938
<b>Big East</b>									
Total Revenue	21,829	21,214	20,333	19,369	17,006	14,966	13,651	12,899	69
Total Expenses	24,870	23,884	22,803	17,560	19,670	17,419	16,152	14,883	67
Net Profit	(3,041)	(2,671)	(2,470)	(3,035)	(2,664)	(2,453)	(2,501)	(1,974)	(54)
<b>Big Ten</b>									
Total Revenue	35,739	31,133	33,854	30,992	31,958	27,369	22,464	21,351	67
Total Expenses	32,371	30,316	31,942	29,764	32,346	28,290	21,334	20,047	61
Net Profit	3,368	817	1,912	(1,910)	(388)	(921)	1,130	1,304	158
<b>C-USA</b>									
Total Revenue	11,580	10,839	11,090	12,750	9,667	9,093	9,918	8,874	30
Total Expenses	14,220	14,295	14,775	13,725	12,718	11,990	10,931	10,168	40
Net Profit	(2,639)	(3,456)	(3,685)	(2,240)	(3,050)	(2,897)	(1,013)	(1,294)	(104)
<b>Independent</b>									
Total Revenue	6,962	9,378	9,825	6,052	3,359	5,079	6,960	5,175	35
Total Expenses	8,979	9,874	9,253	6,579	3,523	5,981	7,589	6,503	38
Net Profit	(2,017)	(496)	571	(758)	(164)	(903)	(829)	(1,328)	(52)
<b>MAC</b>									
Total Revenue	8,112	5,593	5,852	5,223	5,037	4,765	4,060	3,993	104
Total Expenses	9,690	8,916	8,375	7,807	7,879	6,994	6,427	6,027	61
Net Profit	(1,578)	(3,323)	(2,523)	(3,273)	(2,842)	(2,229)	(2,367)	(2,044)	23
<b>Mountain West</b>									
Total Revenue	14,798	12,832	12,103	9,962	9,606	9,194	8,327	9,128	62
Total Expenses	14,418	13,678	13,122	11,024	10,257	10,453	9,987	9,652	49
Net Profit	380	(846)	(1,019)	(1,459)	(651)	(1,259)	(1,660)	(524)	172
<b>Pac-10</b>									
Total Revenue	26,510	25,535	24,636	23,823	21,532	19,205	17,263	15,862	67
Total Expenses	27,219	26,097	24,585	23,042	23,351	20,059	17,460	16,556	64
Net Profit	(709)	(562)	50	(2,297)	(1,819)	(854)	(197)	(694)	(2)
<b>SEC</b>									
Total Revenue	33,077	29,777	29,118	26,698	27,279	22,836	20,474	19,104	73
Total Expenses	28,348	26,137	24,907	22,578	26,444	20,910	16,014	17,225	65
Net Profit	4,729	3,640	4,211	365	835	1,926	4,460	1,879	152
<b>Sun Belt</b>									
Total Revenue	5,447	4,087	4,578	4,863	4,498	4,086	4,894	4,778	14
Total Expenses	7,462	6,320	5,652	5,264	5,127	5,054	4,999	5,043	48
Net Profit	(2,016)	(2,233)	(1,075)	(499)	(629)	(968)	(105)	(267)	(655)
<b>WAC</b>									
Total Revenue	9,398	8,108	7,663	7,041	6,243	6,724	6,122	6,317	49
Total Expenses	11,759	11,300	10,495	10,126	9,402	8,186	8,686	7,269	62
Net Profit	(2,361)	(3,192)	(2,832)	(3,231)	(3,159)	(1,462)	(2,563)	(952)	(148)
<b>Total Division</b>									
Total Revenue	20,362	18,442	17,751	17,340	15,591	14,850	13,367	12,800	59
Total Expenses	20,435	18,931	18,146	17,340	16,979	15,570	13,556	13,000	57
Net Profit	(72)	(490)	(395)	0	(1,388)	(720)	(190)	(200)	64

<sup>49</sup> Id.

These diagrams that have come courtesy of the NCAA show a clear gap between the BCS charter schools and those without full access. Since the first attempt at creating a Bowl Alliance the charter schools have had a strong period of exponential growth in revenues. This is usually a clear aspect of evolutionary theory in that several leaders will distance themselves from the pack or in this case from the other conferences.

From a classic application of Schumpeterian competition, the longer this gap is allowed to grow the more likely fewer schools will be able to keep up and the principles of creative destruction will take effect as schools either are forced to drop to lower divisions or

eliminate their football programs altogether. There are schools in the lower divisions of the NCAA that do not currently maintain a football team which supports the possibility of dropping what is considered the largest revenue generator in the athletic program.

When the Bowl Coalition was first formed, competition in bowl negotiations with various conferences and its membership was temporarily<sup>51</sup> halted in an attempt to provide a more

<sup>50</sup>Table 5-1

<b>Bowl</b>	<b>Venue</b>	<b>Conference</b>	<b>Conference</b>
New Orleans	New Orleans, La	Sun Belt	CUSA
Champs Sports	Orlando, FL	ACC	Big East
GMAC	Mobile, AL	MAC	CUSA
Forth Worth	Forth Worth, TX	CUSA	MAC
Las Vegas	Las Vegas, NV	PAC 10	MWC
Hawaii	Honolulu, Hi	WAC	CUSA
MPC	Boise, ID	WAC	ACC
Motor City	Detroit, MI	Big East	MAC
Independence	Shreveport, LA	BIG XII	MAC
Insight*	Phoenix, AZ	Big East	PAC 10
Houston	Houston, TX	BIG XII	WAC
Alamo	San Antonio, TX	Big Ten	BIG XII
Continental Tire	Charlotte, NC	Big East	ACC
Emerald	San Francisco, CA	Big East	MWC
Holiday	San Diego, CA	PAC 10	BIG XII
Silicon Valley	San Jose, CA	MAC	Sun Belt
Music City	Nashville, TN	SEC	Big Ten
Sun Bowl	El Paso, TX	PAC 10	Big Ten
Liberty	Memphis, TN	MWC	CUSA
Peach	Atlanta, GA	SEC	ACC
Outback	Tampa, FL	SEC	Big Ten
Cotton	Dallas, TX	SEC	BIG XII
Gator	Jacksonville, FL	ACC	Big East
Capital One	Orlando, FL	Big Ten	SEC
Rose**	Pasadena, CA	BCS	BCS
Fiesta**	Tempe, AZ	BCS	BCS
Sugar**	New Orleans, La	BCS	BCS
Orange**	Miami, FL	BCS	BCS

\*\* BCS bowls are reserved for the six charter conferences: ACC, Big East, Big Ten, BIG XII, PAC 10, SEC. Two of the eight spots are for at large bids of which until 2004 were limited to the six charter conference.

<sup>50</sup> National Champs homepage, <http://www.nationalchamps.net/2004/bowls/> (last visited 17/01/05)

<sup>51</sup> Schumpeter (1950) "Capitalism, Socialism and Democracy", New York: Harper & Brothers, Enlarged 3rd edition, 1950

efficient process for the post season structure. This new process was allowed to take root and through several adaptations become the exclusive organization it is today. Having successfully halted competition long enough to establish a cartel, the BCS has extended its advantages outside of the organization. There are currently 28 Bowl Games in the Div IA post season.

Table 5-1 illustrates the current post season match up structure. Depending on the at large bids offered in the four BCS games, 71-75% of all post season opportunities are contractually secured by BCS charter conferences. The BCS charter conference members created a separation in Div IA football which made the members of said conferences a more attractive product for the various Bowl Commissions. The establishment of the BCS created a rush to secure conference affiliated agreements. This action effectively suspended competition in line with creative destruction.

Even though there was a strong opinion about the BCS acting contrary to the mission of developing the “Student Athlete”, the desire to acquire full access was still strong among member schools. This further supports the concept of Schumpeterian competition. Schools that are not part of the charter have a strong desire to enter and gain full access, but that may require a change in organizational behavior not to mention structure. If the BCS does in fact run counter to the ideal of developing the “student athlete”, than a focus towards running a farm club system to feed the professional leagues may be what is required to join the new construct.

The second question was an attempt at gaining insight into whether the five conferences and their member schools felt that the NCAA was no longer a viable option. Given that Evolutionary theory is based on Darwin’s biological parallel. The interest in finding out just where the NCAA stood in relation to the BCS was important.

Here the answers were mixed at best. The closest answers to a consensus issue dealt with how misunderstood the NCAA was. The NCAA is basically made up of its members which are mostly all the Universities and Colleges in the United

States. There are smaller similar organizations such as the NAIA, but they pale in comparison. The BCS charter schools are enough to carry a voting mandate in the NCAA when issues are to be decided at the Div IA level. This mandate actually serves to protect the BCS construct as any issues that might be detrimental to the BCS could be voted down and vice versa. This relationship can lead to collusion as well as a cartel like blockade of anything that might threaten the existence of the BCS.

The third question was an attempt to determine if the BCS in its current form could directly affect the five conferences and their member schools with any decisions the BCS made. This question proved to be surprising in the diversity of responses. The initial concept for this question was to determine if Schumpeter's creative destruction was applicable to the BCS whose decisions directly impacted the five conferences and their member schools ability to act or strategize how they wanted.

One set of schools felt that since they technically belonged to a BCS conference, that there were no issues here to be concerned over. Their strategizing amounted to a "go with the flow" concept.

Another set of schools felt that the NCAA determine guidelines of competition and the conference enhanced their revenue and branding. They strategized by taking direct control of their budgets and did not feel the BCS had an impact on how they ran their schools

The final two sets of schools were more dramatic in that one set felt that the NCAA had in a sense "dropped the ball" in managing DIV IA football. The BCS had taken over that role according to these schools, and was not (in the spirit of the NCAA) attempting to advance the collective group. Their strategizing was affected in a forced focus on promotional efforts to clarify that the competitive dividing line between the BCS and the rest was not as wide as one might think. They did however concede to accepting that there was in fact a widening financial gap between the two parts.

The final group of schools was more proactive in their response. They see the NCAA as representing the collective whole and that through exercising votes, headway in affecting changes in the BCS have been possible.

The monopolistic tendencies in the BCS are apparent, and as creative destruction begins to affect the “outsiders”, they are often left with either imitating what those in the driver’s seat are doing, or find an alternative way to manage their organization to keep them competitive at the highest level.

The Budgetary foresight that the BCS charter schools enjoy provides a marked advantage. Knowing at the beginning of each year that regardless of who won the conference, the champion would be bringing in millions of dollars to be shared, has allowed BCS charter schools to plan differently. Their strategizing in obtaining the best resources to build up their programs has not been hindered in the way it has to the non charter schools, given said budgetary foresight. This has produced from an evolutionary theoretical perspective a genetically enhanced organizational structure.

The motivation for asking the fourth question provided a remarkable line of reasoning as to the future of the BCS. The interest in asking said question was to find out what side of the argument the BCS lie when considering the new definition of what is required to attain DIV IA status. With the exception of one set of schools, all others agreed that the BCS charter conferences were the driving force in “raising” the bar of DIV IA qualification.

<sup>52</sup>The theory of contestable markets requires no barriers to entry. In the real world, barriers always exist, but the lower they are the closer one comes to a contestable market. The Sun Belt Conference created controversy according to certain schools both within and without the BCS charter. The controversy was the act of contesting DIV IA. The Sun Belt membership came from DIV IAA, and they were able to become DIV IA with relatively little hindrance.

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<sup>52</sup> Baumol, Panzar and Willig (1982) “Contestable markets and the theory of industry structure”, Harcourt Brace Jovanovich

The Sun Belt created with such an ambitious move forward a nebulous boundary separating Div IA from Div IAA. Other DIV IAA programs began planning entry into DIV IA. This coming fall there will be 119 Div IA programs competing at the highest level.

Whether the schools explain the new regulations as raising the bar or better defining what makes a Div IA program, the point is clear that in order to protect the status and differentiation of the BCS, DIV IA “status” also needed protecting. The reason for this was clear, since the BCS has made more and more concessions over the past few years.

One important concession was the inclusion of all Div IA conferences as BCS members if not charter members. Without establishing more stringent barriers to entry to combat the contestability of DIV IA, any DIV IAA conference that desired to could in a sense move up to DIV IA and be included under the umbrella of the BCS.

Answers provided by the member schools involved in this study to question five did not lead to any new information than what has already been discussed. All responses were mere reiterations of the previous two questions.

Question six seeks to confirm the general consensus that exposure is desired to market the university to potential students even if said marketing arm(athletics) runs at a loss. Regarding the import of exposure there was a categorical unity of response in expressing that as the central reason.

Two conferences were very clear on how the strategization of member schools was negatively affected by the BCS in creating exposure. The BCS media rights contracts are owned by ABC/ESPN, who are today among the largest sports media entities in the United States. The “damage” done by said media has been according to these two conferences accomplished through the creation of an imaginary dividing line between BCS charter members and the rest of DIV IA. Terms like “Mid Major” and “NonBCS” schools have been coined and liberally used in the

media during television casting of contests between football teams representing schools not privy to the charter.

Over the years, this imaginary dividing line has solidified in the minds of fans, players, even the schools. The economic ramifications have served to further realize said division. Schumpeter's concept of creative destruction again is revealed in that valuable resources are used admittedly by many schools in putting out fires or damage control. Instead of using these resources to promote the unique aspects of the school and/or program, they are used to persuade potential students and recruits that there is no dividing line.<sup>53</sup> This establishes a marked change in how the schools organization works. It also creates a structural change which if left unchecked could serve to weaken the schools potential survival at the DIV IA level.

Question seven lies at the heart of the issue for this thesis; strategizing changes or adaptations due to facing a monopolistic organization. Only one conference did not address this issue. The responses from the other conference membership were clear. They were affected and they needed to do something about it.

As previously mentioned, the BCS through media efforts has succeeded in creating a dividing line in their striving to become leaders.<sup>54</sup> Two conferences in particular were quite clear in their strategy to compete at the highest level, and they have fallen in line with Schumpeterian competition in that they have decided to imitate the leaders in their efforts to differentiate themselves. They acknowledge the existence of a "Glass Ceiling", and their imitative efforts are focused on breaking through it.

One of the primary efforts they have made deal with the amount of media exposure. The market for collegiate sports has heated up over the past two years, and there are new players in this market that have been successful in wresting market share from established leaders like ABC and ESPN.<sup>55, 56</sup> CSTV (College

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<sup>53</sup> Nelson & Winter (1982) "An evolutionary theory of economic change" Harvard College.

<sup>54</sup> Id.

<sup>55</sup> Denver Post, "MWC big part of CSTV plans for expansion" by Natalie Meisler, January 19, 2005

Sports Television) has succeeded in taking away the primary media rights of almost two entire conferences. The biggest reason why this is important deals with how ESPN had negotiated contracts with those conferences outside of the BCS charter. The push was to use these conference schools to fill up airing slots that were less than prime time which were reserved for charter schools.

In recent years, the desire to fill time slots legitimate sports programming, ESPN had begun to require “NonBCS” conferences to set up midweek game dates to their scheduling. This began to have an adverse affect on ticket sales since it was hard to get people to show up to a Thursday night kick-off that would not end until one or two in the morning.

While allowing charter schools to enjoy the best time slots for maximum promotion, the other conferences were forced into either signing on to poor time slots that hurt ticket sales and exposure vs. little to no media exposure at all.

While risky, these new media deals could allow the MWC and C-USA to break the glass ceiling to maintain the highest level of competition.

The eighth question helps validate the pressure on universities to compete at the highest level.<sup>56</sup>The “Quality by association” principle is a valid assumption. The push for Div IAA schools to move to Div IA is strong. The potential for exposure to prospective students is much greater. Organizational genes are not the only factors that determine behavior in the evolutionary theory. Environment also plays a vital roll in the direction an organization takes as well.

Quality by association in the arena of collegiate athletics/academics provides a prospect of security via financial and aspiration equivalency. This is achieved through the exposure that the highest level of collegiate athletics provides. The assumption has reached a new level in that Div IA programs are seeking full entrance into the BCS to utilize the same principle.

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<sup>56</sup> Charleston Gazette, “ACC raid on Big East helped set CSTV deal in motion” by Dave Weekley, January 18, 2005

<sup>57</sup> The Sports Imperative in America’s Research Universities (November 2003)

The ninth question provided redundant answers compared to those in question seven. Again there was separation in how the conference members interpreted conference responsibilities to their member schools.

The tenth question broaches an issue that has long been discussed in regards to collegiate athletics. The issue of correlations between success on the field and success in higher enrolment and endowments to the schools is important for every school. If a correlation can be identified, it would help create efficiencies in how the organization works. There are many in academic faculties who work against efforts to promote and financially support a Div IA athletic program.

The organizational structure would change according to Schumpeterian competition. A stronger solidarity would evolve in the modern university concerning their athletics program. Many studies have been performed, and there has not been a statistically valid correlation between stated factors.<sup>58</sup> Many of those studies have been discussed in Dr. Robert Frank's extensive report prepared by the Knight Commission. Of course most of the studies referred to in Dr Frank's report are simplistic in how they achieve their results. The issue of if a winning program translates into more student applications is much too complex to develop in this thesis. It is sufficient to state that such studies have their inherent weaknesses, and the question at best is still up for discussion.

Anecdotal evidence however seems to suggest that there is at least case evidence to what in this study is referred to as the "enrolment effect". Based on an interview given by a Senior Athletic Director for the purpose of this study, Kansas State University experienced a dramatic fluctuation in enrolment at the school over a relatively short period of time. The situation occurred during the mid 1980's when the Kansas State men's basketball program was among the elite in Div I. After their coach retired, the team began to suffer and given that football was poor, there was nothing to buoy the athletic program up. Basketball fell from the top to the bottom of the conference, and over that two to three year period, the enrolment at the school dropped by 5000 students.

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<sup>58</sup> Dr. Robert H. Frank, "Challenging the Myth: A Review of the Links Among College Athletic Success, Student Quality, and Donations", Knight Foundation Commission on Intercollegiate Athletics May, 2004

During the nineties, the Kansas State football program hired a new coach and he began to implement a new strategy that helped propel the program to the top of the conference as well as nationally. The enrolment over this period again rose up to levels not seen since prior to the basketball program falling.

Real or perceived, this enrolment effect can have an effect on how these schools strategize, and given the importance of coaching at this level, one key factor in management strategy is hiring the right coach for football and men's basketball. This has become such a factor in today's environment, that the top coaches are able to negotiate salaries exceeding one million dollars a year. The fact that schools are prepared to pay these individuals such sums speaks clearly too how Schumpeterian competition really does separate the few leaders from the rest of the pack. Those schools willing to go to such lengths are strategizing in ways to ensure they stay at the forefront. It isn't surprising either that the highest paid coaches in Div IA are coaching teams represented by the schools whose branding is the most visible and whose schools are the most popular.

Questions eleven and twelve were asked to further illustrate the economic gap as already discussed.

The thirteenth question was asked to discover how loyal the conference membership was to the NCAA. Since all Div IA universities participating in intercollegiate athletics are also members of the NCAA with voting rights, it is important to understand how these schools view the stewardship of Div IA postseason football. Most conference members outside the charter schools actually prefer the BCS in charge of post season football in spite of the exclusionary aspects of said organization.

There were some member schools that felt the NCAA would do a better job, but no consensus was achieved. One thing a monopolistic organization can do to ensure its longevity is to divide and conquer. This again alludes to Schumpeter's creative destruction where the outsiders are forced to adapt and change to survive

The fourteenth question provided a clear consensus of inclusion into the BCS. All conference members outside the charter want in. None wanted it dissolved. Several discussed the need for reform that led to inclusion, but inclusion was the clear message.

For these schools knocking on the door, their drive is to eliminate the barrier to entry that has been established through the cartel and move towards a contestable market. Many of these barriers have been made smaller if not eliminated. In 2006 accessibility into the post season arena provided by the BCS will be much easier to non charter schools. All Div IA schools are now considered belonging to BCS conferences. The at large bid qualifications have been lowered to make it easier for said schools to win a bid for a BCS bowl. There are also plans to add another BCS bowl to the mix thus making it easier for said schools to participate.

This pressure provides a unique application of Schumpeter's Creative Destruction. The classic view explains how a cartel can stave off competition temporarily while developing the new advance (often technological) in the market. The cartel consisting of a few leaders is able to cause creative destruction in that those outside are not able to compete and eventually go out of business (become destroyed). The BCS has been developing and adapting as an evolutionary entity since 1992 when the Coalition was first formed. Only in recent years has the non charter conference membership been able to put enough pressure through various forces including the media to become more inclusive.

This threat has grown larger over the past two years, and the concessions given by the BCS has shown a possible application of creative destruction where outside forces cause the cartel to evolve to such a degree that any advantage or lead is destroyed as the playing field against levels out. This concept or applicability bears further research to study similar developments where no regulation has been forced or coerced to eliminate or weaken said cartel.

The sixteenth question helps define the current climate concerning possible regulatory issues that according to the theory of contestable markets is not necessary in order for a Cartel or Monopoly to change. The concept is that from an

evolutionary perspective, the market forces will cause the necessary changes to take place without intervention.

None of the member schools desire litigation of any kind. One conference commissioner explained that he had testified in front of the Senate Judiciary committee once, and had no desire to ever go through that process again.<sup>59</sup> Efforts have been made to bring antitrust cases against the BCS, but after preliminary hearings, it was agreed that there was no violation of the Sherman Act, and that any regulation by the BCS was best done from within.

Even though no one desires said litigation, the threat of such litigation is acceptable to a considerable portion of member schools. Once again these are external forces or the “environment” pushing for change.<sup>60</sup> The decision from the judges not to carry the matter forward supports the claim that the market has the ability to correct itself.

The final question did not provide any real new information or perspectives. As stated by one conference commissioner, the NCAA sets the minimum standards, but the BCS is allowed to negotiate higher standards.

## **6 Conclusions**

The conclusion that can be drawn from the analysis is that “NonBCS” schools acknowledge the exclusionary aspects of the BCS and the effect that has for their respective strategies. There does exist a feeling among the Schools that the evolution of the market for Collegiate Athletics might not comply with the outspoken aim for it to promote the “student athlete”, as stated by the NCAA. The BCS is forced to conform to the regulations and standards set by the NCAA but the fact that the BCS chartered schools have a mandate, could constitute a threat to the authority of the NCAA in terms of setting standards in the future.

The structure of the market is getting more and more similar to that of a professional organization and this trend has already established a financial gap

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<sup>59</sup> The Sports Imperative in America’s Research Universities (November 2003)

<sup>60</sup> Baumol, Panzar and Willig (1982) “Contestable markets and the theory of industry structure”, Harcourt Brace Jovanovich

between those chartered by the BCS and those that are not. Further, this gap is not convincingly correlated to a gap in the performance of said schools. The question stands; is it the profitability and marketability of the athlete program that should be in focus, or the promotion of “student athletes”?

Today there are two distinctions between the schools competing at the highest level of collegiate football. The first one is the one created by the NCAA regulations and it distinguishes what is mandatory for a school to call itself Div IA. The second one has evolved through the driving forces of the market and it is the distinction between BCS and NonBCS chartered schools. There is no outspoken standard that a school has to comply with to become a chartered member other than that of the Div IA status. The conclusion derived from our analysis is that schools look at this distinction as being unfair and that there are forces in action in order to change the current situation.

One such change could be achieved through breaking up the distinction between a Div IA and Div IAA schools. This is a very real possibility. The NCAA President Myles Brand, recently announced that the recent requirements for Div IA status were going to be loosened. The key issue was that of mandatory attendance levels which if initiated would have threatened five Div IA programs in violation, and at least ten others who were barely in compliance.

<sup>61</sup>The NCAA board will meet in April to discuss the future of Div IA football, and there is an option of eliminating the Div IA designation. Div IA and IAA would become just Div I. This would allow the elite status to be represented by the BCS. If a large Div I is to be created, the implications for the market could be severe. Instead of 117 schools competing at the highest level there will be over 350, and the BCS mandate in NCAA referendums will dissolve. Media exposure will be at a premium, and could allow for further separation for those who belong to the BCS.

Perhaps this will provide a shake up to change the current situation where the BCS chartered schools have a large amount of power. However, maybe such a radical evolution might not be necessary. As has already been discussed, the access issue

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<sup>61</sup> USA TODAY, “NCAA plans to rethink rules for I-A status” by Steve Wieberg, January 11, 2005

has continued to adjust. Maybe this has been done as a preventive measure to ease the pressure for a reform from those not chartered. Evolution is a process of small steps, unless enough pressure for a change is built up to cause a shake up.

The strategizing of NonBCS schools in relation to the BCS do differ, but the collective force of their disappointment towards the BCS can very well have forced it to reconsider its position and allow for more access in order to secure its continued existence.

A most likely scenario for the future would be the BCS becoming the new elite division and Div I being the rest. If so, the current non charter conferences will have to reexamine their current strategies and see if they are sufficient in securing a place in the new division.

Two conferences look to be well on their way to being a part of that future, while three others look primed for being swallowed up by a new division I. Only time will tell how this all plays out, but one thing is clear. The evolutionary nature of the BCS will eventually create a system that market forces demand.

## 7 Appendix

### **Interview Template for qualitative study “The Frontlines Of University Athletics, Where Winning Means Everything.”**

1. *“The wide variety of sports and the significant number of student’s athletes participating in non revenue sports focus on the value of the student athletes experience rather than only on the issues of football and men’s basketball.”*

#### **Read above to interviewee and ask: Do the member schools feel that the BCS has created a forced direction away from said focus?**

2. *The NCAA is an effective, powerful, and successful intercollegiate sports conglomerate.*

#### **Discuss**

3. *Universities and colleges can have successful NCAA programs or not, they can invest sufficiently or not but they cannot decide how their sports program will operate.*

#### **Member schools are willing to relinquish authority to NCAA and conferences. Where does the BCS fit into this equation for Non BCS conferences?**

4. *NCAA has recently raised or changed the bar of qualification for Div IA in an attempt to maintain parity.*

#### **Does the BCS circumvent these attempts, or do you feel that the NCAA is directly influenced by the BCS in their attempts to raise qualification standards for Div IA**

5. **How does the BCS affect the NCAA concept of Level Playing Field regarding their efforts at creating parity?**

*“One of the NCAA’s missions is to provide parity so that the outcomes on the field, court or stadium are based on the skill and determination of the athletes, and not the economic resources available. (Otherwise winning becomes more an issue of money than skill and commitment)”*

6. **What motivates Institutions to spend substantial sums on athletics and, in most cases, sustain their athletics program even when they produce substantial annual losses?**

*Obviously there is a big push to maintain an athletics program to help create a differentiation between institutions for market share of potential students.*

7. **NonBCS school differentiation (Brand Identity) strategies. How are they affected by the BCS?**
8. *“When a public university moves from Division I-AA to I-A it hopes that its audiences will see the Institution as comparable in some way to Illinois, UCLA, Berkeley, Michigan, Washington, and other academic and athletic powerhouses. Quality by association is the goal.”*

**Is this a valid assumption among member schools in your conference? If so, is being Div IA enough, or is achieving BCS status necessary to reach the quality by association goal?**

9. *Your roll as a conference is to maximize revenue and create identities for member schools.*

**First of all, do you agree with this assessment? Explain.**

10. According to study there is no correlation between success in athletics precluding or enhancing competitive academic success of universities.

**Is there a valid claim to the correlation to a winning athletics program and the student enrolment effect? (Use Conrad Colbert’s KSU example)**

**What role does the Conference than play in maximizing the enrolment effect in a positive way?**

**How is this achieved while maintaining focus on entrance to the BCS (If that is the goal)?**

**(Enrolment effect is based on anecdotal correlation between the number of students enrolling in school and the success of the athletic program. KSU example was in the mid eighties. Football team was poor, but Basketball was a national power. The program dipped and than bottomed out when the basketball program suffered from key losses in personnel. School enrolment dropped over a two year period by 5000 students. Potential revenue from said students ranges from 50 to 80 million dollars per annum)**

11. **How many member schools rely on subsidies from discretionary funds due to their programs running in the red?**
12. **For those programs not relying on said funds to maintain zero balance or better, what are they doing that is different? Can this be adapted or applied to all member schools, and if so would it aid in circumventing any effects the BCS has?**
13. **Would your member schools rather have the NCAA in charge of football revenue as they are with the NCAA Basketball**

**Championships, or do they prefer the BCS in spite of the exclusionary aspects?**

**14. Which comment most closely coincides with what member schools want?**

- 1. Seeks BCS inclusion**
- 2. Seeks BCS reform**
- 3. Seeks BCS dismantling**

**So what specific steps is your conference taking for inclusion into the BCS/ or to fight for the dismantling of the BCS/ or to fight for reform within the BCS framework?**

**15. Student capacity issues (Do they arise, and how vital are they for the future of the conference)?**

**16. Lawsuits or legal action has been brought up concerning the BCS. Have there been any definitive efforts by your member schools in pushing for litigation?**

**17. Since the NCAA has given way to the BCS, what conflicts are there concerning the standards set by the NCAA concerning the Bowl games and the financial requirements involved?**

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<sup>58</sup> Dr. Robert H. Frank, "Challenging the Myth: A Review of the Links Among College Athletic Success, Student Quality, and Donations", Knight Foundation Commission on Intercollegiate Athletics May, 2004

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<sup>60</sup> Baumol, Panzar and Willig (1982) "Contestable markets and the theory of industry structure", Harcourt Brace Jovanovich

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