In any truly meaningful, sustainable relationship, there is give and take and recognition of that dynamic. In the sports business world over the past 15 years, we have seen the dynamic permeate traditionally one-sided relationships in facility development and sponsorships.

Both relationships for years were characterized by the allocation of money and trust by cities and corporations to major sports properties. “I hope you, team owner and sports league, do what you say you will do and deliver something in return.” This was the norm partly due to the extreme bargaining position held by the sports leagues and teams. Cities felt they could not lose these public trusts, though few teams were actually behaving as such. And some corporate sponsors, whether driven by ego, their own fan worship, or their desire to not let their competitors participate, paid relatively large fees in return for some tickets, hospitality, and the privilege of saying they were associated with the sports property.

In the past few years, however, we have seen a change. This change was driven by, of course, economics. The cost of doing business with teams and leagues came under fire, whether from politicians, advocacy groups and voters, or corporate boards, executives and shareholders. It also came under attack from that great component of a free market, competition.

As more sports leagues and teams came on board and new leisure options (the Internet), and increasingly sophisticated ones (video games), became available, major sports properties were put on notice that they did not have the same level of dominance as in the past.

So what did we see? Cities and sponsors had to become more sophisticated and they began to look for better tracking of activity in this area by trade organizations, consultants and sports properties themselves. What is the economic impact in terms of increased jobs, greater tourism and ancillary business from this facility? How many new customers, increase in purchase intent, and brand awareness and loyalty am I getting from this sponsorship?

As these questions were answered, we began to accumulate information and insight that have driven better practices and standards when it comes to the development, execution and evaluation of facility projects and sponsorships.
We now are seeing more valuable and fully integrated deals — each party is vested in the success of the relationship. While cities and sponsors are still giving money and support, they are now getting increased sales, brand awareness and good will, and are better able to document that exchange.

Dedicating the necessary financial and intellectual resources, and discipline to better understand the return on investment question was key into leveling out the balance of bargaining power and making these real two-sided relationships.

**Sports and social responsibility**

We are seeing this dynamic take place again, this time involving sports properties and nonprofits. Trends indicate that we will see the same process unfold, but with a slight difference. This time sports teams, leagues and organizations will be the ones becoming more sophisticated and knowledgeable about the marketplace, eventually getting more and making the overall relationship more powerful.

As sports properties have grown in prominence, so has the sentiment that they must do more for the community, beyond wins and losses. Sports has a history of contributing to local, national and international causes addressing issues such as education, health and equality.

Unfortunately, much of the positive impact is overshadowed by the bad behavior of select individuals, causing a hit to the properties’ brand and long-term value. To overcome this and to truly succeed in this area, the sports property must figure out how to efficiently dedicate more intellectual and financial resources, and discipline, to meet this new standard of evaluation and its own “What is the ROI of this relationship?” threshold.

While these challenges have not been regularly considered by sports properties, they are ones that the best nonprofits have considered and addressed for a long time. So in this relationship, these groups must do more to help sports properties produce and then measure their social or charitable impact. The help from nonprofits won’t come in the allocation of dollars, but rather expertise and enthusiasm, both of which they should have in abundance.

By providing information and insight, they can help sports properties align player, team and/or league goals and resources with those of the organizations with whom they work. They can help them navigate any legal or institutional hurdles there may be, especially when dealing with international causes. The accumulation of expertise will enable the development of best practices and standards, as we saw with facility development and sponsorships, which will drive the overall growth of the market.

Eli Wolff, manager of research and advocacy at the Center for the Study of Sport in Society at Northeastern University, commented: “While we are seeing a trend of increased social responsibility activities in sport, we still need to develop appropriate and substantive measurement and evaluation tools that take into account both financial and
nonfinancial returns. But I am encouraged. The need to treat social responsibility with the same importance as other major elements of sports business — facilities, sponsorships — is being better realized. In the Center’s work with teams, academics, and nonprofits, we are having success bringing attention to the quality and sustainability of such activities.”

Asking hard questions and becoming more analytical about sports and social responsibility does not mean stripping out the emotional element that is ingrained in the nonprofit world. Rather, it should imply that this area, like facility development and sponsorships, is worthy of being part of any sports property’s overall measurement of success.

Sab Singh (ssingh@kaurgroup.com) runs the Kaur Group, a strategy and research consulting firm in New York.