

# THE REORGANIZATION OF A PROFESSIONAL SPORTS LEAGUE – A CRITICAL ANALYSIS OF THE RESTRUCTURING OF THE AUSTRALIAN NATIONAL BASKETBALL LEAGUE

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## Abstract

There are numerous examples of professional sports leagues that have failed. Australia has witnessed professional soccer (National Soccer League) and rugby leagues (Super League, Australian Rugby Football League) disappear, be restructured, or reintroduced under a new brand and name (soccer: A-League, rugby league: National Rugby league) (MacDonald & Karg & Lock, 2010; Commonwealth of Australia, 2006). North America has seen the closure of a number of professional sports leagues such as the XFL (American Football), World Hockey Association (Ice Hockey), and the Canadian Soccer League (Football/Soccer) (Bostwick, 2007; Golokhov, N.D.). There are numerous reasons why these professional sports leagues fail. Poor earning potential, limited attendance or fan base, the economy, the structure of the game, or the effectiveness of the organizational culture and structure are but a few.

In 2009, the top tier professional sports league for the highest ranked team sport in the non-organized participation category in Australia (Interim Board of Basketball Australia, 2008), the National Basketball League (NBL), was reorganized and placed under the control of Australia's national sport organization (NSO) for basketball, Basketball Australia (BA). This came about due to the ongoing volatility of this professional sports league since its inception in 1979. Prior to the reorganization, the league was under the governance of the NBL team owners. The league was restructured and relaunch under the same name (NBL) in October 2010 (NBL, 2010).

NSO roles traditionally do not include the governance of a professional sports league, but rather focus on sports development, high performance, funding acquisition, and being the national representative of the sport in their

country and to that sport's international federation. Basketball in Australia was different.

This study critically analyzed the strategies implemented by BA in 2009 in their endeavor to improve the status of the NBL within the Australian sports market. The research sought answers to the following questions:

1. What were the trends within failing professional sports leagues? (National Soccer League, Super League, Australian Rugby Football League)
2. What steps could professional sports leagues take to ensure their league survival?
3. Should a government funded National Sporting Organization (in this case Basketball Australia) govern country's premier professional sports league such as the NBL?
4. Would the implementations of current strategies make the league more successful that it was in the early 90s? (financial status, sponsorship revenue, competition level, game product, fan interest/television viewership)

A qualitative research methodology was used in this study. The two qualitative research techniques used were in-depth interviews and a content analysis of secondary research data. The data collection phase of the in-depth interviews was from October 9, 2009 to November 4, 2009. The research participants were randomly selected based on accessibility. The research participants were from the following organizations:

- Basketball Australia – Chief Executive Officer, National Team Assistant Coach/Former NBL Player (National Sport Organization)
- Basketball Queensland – Sport Development Officer (State Sport Organization)
- Gold Coast Blaze – Owner, Chief Executive Officer, General Manager (NBL team)

All in-depth interviews, except one, were tape-recorded and were conducted in person on the Gold Coast, Queensland, Australia. The one interview not done face-to-face was conducted over the telephone.

The two secondary data document sets used for the content analysis were:

1. Commercial Reform of Basketball in Australia: Board Statements of Future Directions
2. Commercial Reform of Basketball in Australia: Financial Model

The analysis of the data was coded by the author. Six themes arose from the coded data and they were,

1. The organizational structure of the old NBL
2. The failure of the old NBL
3. The power transition of the NBL from NBL owners to BA
4. The organizational structure of the new NBL
5. Implementation strategies BA adapted to the new NBL
6. Criticisms of the new NBL

The research concluded that certain trends have been found with regards to failing professional sports leagues. These included poor leadership; the entertainment factor, or lack thereof, of the sport; small attendances; and, the inability to secure television contracts. An implication of the study is additional changes were needed in order to for the league to sustain itself long-term in regards to the NBL. However it was unclear whether or not BA was the right organization to govern the NBL.

The limitations of this research study are: research participants were mostly from one region, the data

collected was coded by hand, the inability of gaining access to documents, and the research only captured the restructuring process (did not see how the end product).

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