



Raymond A. Mason School of Business

WILLIAM & MARY

LEADERSHIP & BUSINESS PODCAST

EPISODE 235: BRIAN MANN – THE CHANGING LANDSCAPE OF COLLEGE ATHLETICS

Brian Mann

For coaches, what I see changing dramatically is if you don't have a curious, versatile, adaptable approach to what you do, it's going to be really hard to move forward.

Female Voice

From William & Mary in Williamsburg, Virginia. This is Leadership & Business, produced by the William & Mary School of Business and its MBA program. Offered in four formats: the full-time, the part-time, the online, and executive MBA. For more information, visit wm.edu.

Ken White

Welcome to Leadership & Business, the podcast that brings you the latest and best thinking from today's business leaders from across the world. Sharing strategies, information, and insight that help you become a more effective leader, communicator, and professional. I'm your host, Ken White. Thanks for listening. Few businesses have experienced the amount and type of change college athletics has experienced recently. It started when NIL was introduced, which gives college athletes the rights to control and profit from their name, image, and likeness. Now, some of the very best college athletes in the country are earning seven figures. Meanwhile, the transfer portal, which allows student-athletes to easily move from one college team to another, has dramatically changed college athletics, and the changes keep coming. Brian Mann is Director of Athletics at William & Mary. A former college quarterback, he was Senior Associate Athletics Director at the University of California, Berkeley, before coming to William & Mary. He joins us on the podcast to talk about NIL, revenue sharing, and the significant changes taking place in college athletics. Here's our conversation with Brian Mann.

Ken White

Well, Brian, thanks so very much for joining us. It's great to see you. It's been a couple of years, I think since you were last here, and we talked about conference realignment and NIL, but great to see you. Thanks for joining us.

Brian Mann

Yeah, conference realignment was the big thing then. That's almost old news at this point, but great to be here. Thanks for having me back.

Ken White

Yeah, thank you. Let's talk about NIL. In the introduction, I explained what that was. It has so dramatically changed everything, the state of college athletics. Where do you see the state of athletics, especially big-time football, right now?

Brian Mann

I think we're about to take an enormous step in that we're moving away from third-party and external NIL deals into direct revenue share between the institution and the student-athlete. As long as the house settlement is formally approved by Judge Wilkins in early April, starting July 1, institutions can directly share with their student-athletes the revenue that comes in up to \$20.5 million, roughly. That number may shift. That, to me, is an enormous change in what's happening, not just in the world of NIL, which is a couple of years old, but if you look at the history of college sports, that has always been a third rail. That never shall there be money going from institution to a student-athlete. We've now flipped that switch. Starting July 1, there are contracts, there are dollars being shared directly with student-athletes. That is going to fundamentally change the relationship between institution and student-athlete, and it's as big a shift as I can remember in college athletics.

Ken White

I can remember a couple of generations ago, Joe Paterno, the head coach at Penn State, was saying, Can we please give these folks a little bit of money? It's taken so long to get there. But yeah, explain a little bit more about the amount and how that works.

Brian Mann

Yeah, As part of this house settlement, which is the name of one of the plaintiffs, it actually encapsulates three different antitrust lawsuits, the House, Carter, and Hubbard suits, which cover different areas. There are three major components of this settlement. The first is going to allow the NCAA to provide \$2.8 billion in back pay to student-athletes over the last 10 years who are not able to capitalize on their name, image, and likeness. The second piece is that it's going to allow for revenue sharing moving forward of around 20.5 million in year one that will go up every year and be revisited a few times throughout the terms of the settlement, settlement which is 10 years long, by the way. Where they got that number is it was an average amount of revenue for a Power Four university, and 20% of that sits at roughly \$20.5 million. That's where they came to that number. Now, there's a third component of this, which is they're going to remove all scholarship limits. If you're in our world, you know every sport has a different number of scholarships that can be

awarded. They're going to get rid of that. They believe that puts them at future antitrust risk, and instead, they're going to put roster limits in place. The one everyone talks about a lot is baseball. Right now, you can distribute up to 11.7 scholarships, the equivalent of half, full, quarter, whatever it might be. They're going to get rid of that limit and instead say you can have 34 student-athletes on your baseball roster, do whatever you want, all full, all half, no scholarship, whatever. But that's the third major component of this settlement: 2.8 billion in back pay, 20.5 million moving forward in revenue share, and a shift from scholarship limits to roster caps, which is in its own way going to cause dramatic chaos. There's going to be a significant number of student-athletes who no longer have an opportunity to compete because of reductions. There's going to be a lot more scholarship dollars in some of those sports, which are going to drive more talent to the top-tier schools. It's going to make me a little concerned for William & Mary in our level in some ways. But those are the three major components of this 10-year settlement that we're waiting to see if it goes through formally. All signs are pointing that it will in early April.

Ken White

If so, it's not necessarily leveling the playing field. Possibly, the rich could get richer.

Brian Mann

It's leveling the playing field at that level. It's taking away some of the advantage that some schools have, at least on paper. Now, the challenge with this is if you only have \$20 million to share with your entire department, that is going to be a reduction in what some schools are spending on their football roster, for example. There's still going to be a third-party, NIL, collective world that will exist to try to put a little more resource into that quarterback, into that point guard, into whoever it may be that the school might not have because of that cap. But from a larger standpoint, what it's going to do is shine a great spotlight on how much on the terms, on the length. Right now, everyone's guessing because the world of collectives putting money in the pocket of student-athletes, nobody really knows what it is. This is going to make it much more above board, but still not totally clean it up and still not totally level the playing field, in my opinion.

Ken White

How do all these changes affect coaches? We've seen several leave big-name coaches, saying, I'm done. I don't want to work anymore in this environment. How are coaches affected at this point?

Brian Mann

Yeah, it's shifting control quite a bit. I mean, this used to be a very top-down industry, particularly with long, established, strong, successful head coaches. You mentioned Joe Paterno. My guess is if you talk to somebody who played for Joe Paterno in his first five years versus year 15, year 25, whatever it is, the experience was probably very similar in

the way Joe ran that program and the way that they interacted with their student-athletes. Now, your roster could turn over every 12 to 24 months. And so the control that you have over a student-athlete to say, Hey, sit on the bench for a year, maybe play some special teams for a year, and then maybe your junior, senior year, you'll get in, and we know what's right for you, so we're going to do those things. Those days are gone. Because if it's not working out for a student-athlete, they're going to go in the transfer portal and find a home where they can play. Or if they play really well, they're going to go into the transfer portal and try to find another home. So, for coaches, what I see changing dramatically is if you don't have a curious, versatile, adaptable approach to what you do, it's going to be really hard to move forward. Because it used to be if you were building a team every four or five years, the identity might change, but year to year, it wasn't. Now, every six months, that could change. You have to be able to adapt and adjust and not force square pegs in a round hole. It doesn't work anymore. But the ones that can do that can turn a program around almost immediately.

Ken White

Yeah. It's like the NFL: a new roster every year. Culture has got to be difficult to create when you know half your team could be gone.

Brian Mann

No question about it. What I found fascinating, though, is this bothers the student-athletes a whole lot less than it bothers you and me because we have this traditional mindset and this way that we've gone about running programs, whereas they are now coming up through the ranks, whether it's AAU or Travel Ball, they're constantly shifting rosters and moving around. Teammates are constantly coming in and moving. So, culture is harder than ever to define and create, but it's because of us. They're more comfortable with this than ever. That's where the coaches need to shift. I think that's why you're seeing more and more younger coaches. Even in the NFL, this is true, have success because they understand that they came up that way. They can relate better than those of us that maybe have been stuck in the old way of doing things.

Ken White

Academics. It's hard to get a degree when you're going to four different schools in four years. How are coaches, players, parents reacting to that?

Brian Mann

Yeah, that's something that worries me a bit in all this. I am fully supportive of student-athletes capitalizing on their NIL. I think when there's hundreds of millions of dollars rolling into an athletics department, they absolutely should be sharing that. I think the way we're doing it is still not perfect, and we'll work towards it. But this, to me, I hope, is still about providing an education that can change a life, in addition to making sure they're

capitalizing all these opportunities. The transfer thing becomes harder and harder. As you know, when you transfer from one school to the next, it's unlikely that everything transfers. The further down the road you get, the harder it is to make sure that your classes are transferring. It's a real challenge for people. One of the marks the NCA has is progress towards degree. That's always a thing that they monitor when it comes to eligibility. That's now being challenged. What does that really mean? Why does that dictate whether or not you could be on the field, on the court, in the pool, or the track? Why does that matter? That's all happening now. What I love about where we are and at high academic institutions is, even though we're going to participate in the transfer portal as much as it makes sense for us, we're still going to be limited. We've got to find young people that prioritize their education, whatever that means. Maybe that means they've done great at the schools they were at already, and many of those classes will transfer. Maybe it means not as many as they would like would transfer, but they're up for the challenge. They're going to do what they got to do to get there. Those are the ones that we want to bring in. There will be some opportunities there but it concerns me to some degree, and I realized I sound like an old man shaking my fist at the sky. For all the good that's happening, I worry about the education and the degrees because I believe those are still a big, big part of what we do, particularly if you're not at the Top Power Four conference.

Ken White

We'll continue our discussion with Brian Mann in just a minute. Our podcast is brought to you by the William & Mary School of Business. The Financial Times, Bloomberg Business Week, and US News & World Report have all named the William & Mary MBA program one of the best in the US and the world. If you're thinking about pursuing an MBA, consider one that has world-class faculty, unparalleled student support, and a brand that's highly respected. The William & Mary MBA. Reach out to our admissions team to learn which of our four MBA programs best fits you: the full-time, the part-time, the online, and the executive MBA. Check out the MBA program at William & Mary at wm.edu. Now, back to our conversation with Brian Mann.

Ken White

Some people certainly understand those who are really into college athletics; others may not. A lot of our conversation is about the big-time college football. But there are so many schools that don't fit there. William & Mary is an FCS, right? It used to call one AA. There's Division 2, there's Division 3. How is this going to affect those?

Brian Mann

A couple of things that I say. We play FCS football at William & Mary, which is Division 1 but the second tier. What I've said to people is that to me is the luckiest decision that we've made. I'll give you what I share with people. It's a little corny, but when I talk about the storm that's coming, it's not coming for us. Now we're going to get wet, but we don't

have beachfront property. That's because we play FCS football, so we're not trying to revenue share 12 to \$15 million a year just to compete. If you're in the group of five conferences that play FBS football but aren't at the top, you're not going to be able to revenue share that, but you're going to find every dollar that you can to remain competitive. I don't know where that money comes from. You don't have increasing television and multimedia rights deals coming in every year that are going up between \$5 and \$10 million. You don't have these bloated departments and staffs where you can start to reduce and consolidate. You're going to have to make really hard decisions about how you support all of your sports. You're going to have to make really hard decisions about how you pay your staff. If you're at the top, that's okay because, after a rough few years, the television deals are going to make all that right. But for those of us at a different level, it becomes hard. The fact that we are playing FCS football means that we can and will participate in NIL. We can and will participate in the transfer portal. It's a reality we have to face, but it's not going to impact us the same way it is, either if you're in the power four or if you're in that group of five, trying to compete with them as much as you can.

Ken White

Yeah. Interesting. When we say FCS, FBS, William & Mary's level is just a fewer scholarships. Is that really the best way to describe it?

Brian Mann

Right. That's right. Typically, one or two fewer games per year. That's the biggest difference.

Ken White

How does this affect the sports that are maybe non-revenue, as we call them, the cross country, the swimming, the tennis, the lacrosse, those kinds of sports?

Brian Mann

Well, part of it remains to be seen. There's a lot of concern out there that schools are going to start reducing their support for what we call Olympic sports, drive them into things like football and basketball. If that happens, if it's true, and I'm skeptical, that means there's more opportunity for a place like William & Mary to grab incredible student-athletes in those Olympic sports. For us, what's so great about what we have to offer, and I heard this throughout different coaching searches we've done over the last year or so, we hear this when we're going out and trying to find staff, is at our level, you either need an NIL war chest or something that differentiates you in the market. For us, that's our degree.

Ken White

Sure.

Brian Mann

The experience that we can provide to our student-athletes, the life-changing degree. If you look at it, we're seeing transfers in basketball at a normal rate across our peers. In football, it's a much smaller rate than at most places, certainly in our conference and at our level. Huge credit to Mike London and the culture that he builds, the people he recruits. They want to be here for something greater than that. If you look at all of our sports, it's a nominal number of transfers that are coming in and out because if they're choosing William & Mary at the beginning, it's probably because they're looking for something more than just the court, the pool, the track. They want that degree. They want that experience. For us, yes, we need to figure out NIL and revenue sharing if that comes to our table, but we need to double down on the educational opportunity, the experience that we're providing, and making sure we're bringing the right people into that space. If we do that, we can persist. If we lose sight of that and try to be something that we're not and try to be the highest bidder in the transfer portal, for example, it's going to fall apart fast for us.

Ken White

Like every other business, have a differentiator and be great at what you're great at.

Brian Mann

That's right.

Ken White

Now, colleges and universities, athletic departments have fundraisers, and for years, donors would give money to support a program. Where does NIL fit in on that? If I'm a donor and I have \$5 million, I want to give my alma mater. Would I give it to my athletic director, or I have other choices now?

Brian Mann

Yeah, I'd want to have a conversation with you. That's where it comes down to. Traditionally, it was you give to scholarships, you give to facilities, and you give to operating budgets. Those help us, and we lean on our donor population heavily. It's upwards of 20% of our total budget comes from annual philanthropic dollars, and that doesn't even include endowment payouts that come through. Those are annual gifts. We have an amazing population of people that give. We're really lucky. What's happened over the last few years is there's been a need for people to support student-athletes through NIL, and up until July 1, that has almost entirely had to happen outside the four walls of the university. You're giving to this group that forms to support a football or basketball or baseball or volleyball program, but it's outside the four walls of the university. Now, that means that the control that you have over it, the way that those funds are directed, you have more control over than ever. The downside is, for the most part, those are not

charitable organizations. You're not getting the deduction credit that you would get if you gave to a university. There's a whole generation of people that don't want to give to that because it doesn't feel right or good to them. We're going to continue to bring those people inside our four walls to support facilities and mental health and nutrition and student-athlete support. But there's also people that haven't been given to the university because they don't exactly see the benefit of it, that now are giving to NIL efforts because they love that, and that's what they want to do. It's ironically, unlocked a new donor base for a lot of schools that they didn't have before. What's happening now is, for the most part, they're going to ask all of those donors to give back to the university. Because if the university is going to revenue share with the student-athletes, they want those dollars to come in the house. A lot of donors are okay with that because it means they're getting a charitable contribution credit, the university is getting the funds, they're deciding their coaches are deciding where the money is going. The early days of NIL, when a donor was given money to a student-athlete that may or may not play, it was really tricky. It's simplifying the process a bit. But again, if you have a cap, at some point, if everybody's equal, they're going to start to look for those margins of excellence dollars that are likely going to fall back outside the university. It won't go away, but it is going to come back inside the university tent, so to speak.

Ken White

When I talk to a lot of business leaders and say what one word defines what you're doing and what you're thinking about, they often say change. Sounds like that's your world.

Brian Mann

Yeah, I mean, I would be a little more direct. I'd say it's chaos right now. It's because I have no problem with competing in a world that the odds are long or the road is hard as long as the road is defined. The problem we've had now is there's so little definition as to what it is we're actually trying to do. The house settlement is going to help that. In my opinion, it's not the end. There's still no collective bargaining with student-athletes. It's still at risk in a handful of ways. We need to find a way to better do that. We're just now getting guidance about what this revenue share means from a Title IX perspective. The Department of Education, Department of Justice, over the last couple of days have started to chime in. I mean, it's chaos right now, and there is a light at the end of the tunnel where it's going to make more sense. But with regards to change, every athletic director in the country always goes to bed thinking about money and wakes up thinking about money. That more than ever now, no matter how big your coffee are you're thinking about that because I don't care your business. If I told you to introduce a \$20 million line item that didn't exist a few months ago, that'd be hard for anyone. But the other thing that has to happen, particularly at that highest level, is you've got to reorg your department to act more like a professional organization. Stanford is a great example of this. They now have a general manager of football, Andrew Luc, and Andrew is going to do a myriad of things.

But you need somebody who understands your salary cap, somebody who understands the market and what you're going to have to pay for that quarterback, that wideout, that left tackle. You're going to need somebody who's scouting. It's not just about high school anymore, but you got to start looking at other rosters at the FCS level, which is, again, one tier below. We're always concerned that the schools around us are going to look at our guys and grab them and pay them a little bit more money. But a full personnel office, a salary cap, a capologist, these are all starting to be hired at those institutions. It's not just money; it's now rethinking entirely how your organization is set up for success, and it's fun and exciting, even though it's chaos.

Ken White

That's our conversation with Brian Mann, and that's it for this episode of Leadership & Business. Our podcast is brought to you by the William & Mary School of Business, home of the MBA program offered in four formats: the full-time, the part-time, the online, and the executive MBA. Check out the William & Mary MBA program at wm.edu. Thanks to our guest, Brian Mann, and thanks to you for joining us. I'm Ken White, wishing you a safe, happy, and productive week ahead.

Female Voice

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