

# A MUCH NEEDED TRAVEL CALL: USING THE G LEAGUE AS THE NBA'S KEY TO INTERNATIONAL EXPANSION

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## INTRODUCTION

Larry Bird once said, "Once you are labeled the best you want to stay up there, and you can't do it by loafing around. If I don't keep changing, I'm history."<sup>1</sup> Although Larry Bird's words were directed toward himself and his career as a forward in the National Basketball Association, his words ring true for the NBA as a whole. The NBA is arguably the most profitable and popular professional basketball league in the world, but as the NBA's success and popularity continue to rise, if it doesn't keep progressing, its future as one of the best leagues in the world is not secure.<sup>2</sup>

The time is ripe for the NBA to make changes. The NCAA cannot provide a place for all its athletes who want to make money now; therefore, the NBA should take advantage of the NCAA's rules as they are. The NBA itself, in order to avoid stagnation, needs to expand and grow. The key to expansion and becoming the hero to both players and fans in an arguably tragic tale of collegiate athletics lies in an existing component of the NBA: minor league basketball.

The NBA is known primarily for its 30 professional teams; however, the organization also operates the G League, the NBA's official minor league.<sup>3</sup> The G League is designed to give players,

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<sup>1</sup>Simran Khurana, *Know Your Favorite Basketball Players with Famous Basketball Quotes*, THOUGHT CO. (Jan. 9, 2018), <https://www.thoughtco.com/know-your-favorite-basketball-players-2832291>.

<sup>2</sup> Sam Amick, *NBA's Massive Growth in China 'Beyond What Anybody Could have Anticipated'*, USA TODAY (Oct. 4, 2017, 5:03 PM), <https://www.usatoday.com/story/sports/nba/2017/10/04/nba-massive-growth-china-beyond-what-anybody-could-have-anticipated/732025001/>.

<sup>3</sup> *What You Need to Know About the NBA G League*, NBA G LEAGUE, <http://gleague.nba.com/about/>.

coaches, officials, trainers, and front-office staff the opportunity to develop their skills for the NBA.<sup>4</sup> The G League currently has 26 teams, each with a one-to-one NBA affiliate;<sup>5</sup> however, NBA Commissioner Adam Silver said the NBA is looking to expand the G League by adding one new G League team that is set to start in the 2018-2019 season and by adding a developmental team for each of the three remaining NBA teams unrepresented in the G League.<sup>6</sup> The G League teams are in various locations throughout the U.S. and Canada – often in different cities than their professional counterparts.<sup>7</sup> Adding four more teams would be beneficial to the NBA and collegiate athletes alike as it would allow for more growth and preparation between NBA teams and their affiliates; however, adding four teams only scratches the surface of the opportunities the G League could provide the NBA.

This author proposes the NBA look beyond the status quo of professional basketball in the United States and its minor league system as an answer to addressing the NCAA's short-comings and the NBA's desire for international growth. The solution lies in building the G League's international presence in order to build the NBA's international presence. As such, the NBA should selectively acquire basketball leagues around the world and reconfigure those leagues to be part of the G League, with each team having an affiliation to an NBA team and NBA teams having multiple affiliate teams, much like Major League Baseball's farm system.

This author expounds on this solution in four parts. First, I will examine the NBA's current problems in greater detail. Second, I will explore the current international landscape of professional basketball leagues. Third, I will explain this proposal in further detail, and fourth, I will analyze the implications of this idea and the potential benefits it provides the NBA.

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<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> Jack Maloney, *Obama: NBA Should Strengthen G League So NCAA Isn't Serving as a 'Farm System'*, CBS SPORTS (Feb. 27, 2018), <https://www.cbssports.com/nba/news/obama-nba-should-strengthen-g-league-so-ncaa-isnt-serving-as-a-farm-system/>.

<sup>7</sup> *NBA G League Franchise Map*, NBA G LEAGUE, <http://gleague.nba.com/franchise-map/>.

## CURRENT NBA PROBLEMS

Despite its success and popularity, the current state of the NBA is riddled with various problems that stem from struggles within the NBA and a call on the NBA to offer solutions to the NCAA's existing issues. Although the NCAA could make changes within its own organization to prevent scandal, its reach and power are limited. This section will explain in further detail the difficulties the NBA is facing both internally and externally so as to best understand the need for reform in this current system. These difficulties include critiques regarding the one-and-done rule, the FBI investigation in many collegiate basketball programs, the saturation of the NBA in the U.S. market, and the expenses and logistics associated with expanding the organization's international market.

The NBA's current rule regarding draft eligibility states: "A player shall be eligible to be signed a (G League) Player Contract only if he has satisfied all applicable requirements of Section (a) below, and one of the requirements of Section (b) below:

a. The players (i) is or will be at least eighteen (18) years of age during the calendar year in which the Player Draft is held, and (ii) with respect to a player who is not an International player has graduated from high school (or if the player did not graduate from high school, the class with which the player would have graduated had he graduated from high school has graduated); and

b. Either (i) the player has NOT attended a college or university in the United States or Canada during the academic year that takes place during all or any part of the season; (ii) the player has attended a college or university in the United States or Canada during the academic year that takes place during all or any part of the season but is no longer eligible in the current academic year (including by enrolling) to play basketball for the college or university during the season at the time of signing the Player Contract; or (iii) the player has no remaining intercollegiate basketball eligibility."<sup>8</sup>

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<sup>8</sup> Jonathan Givony, *Top NBA Prospects Denied Eligibility by G League*, ESPN (Jan. 11, 2018), [http://www.espn.com/nba/story/\\_id/22046425/top-nba-prospects-denied-eligibility-g-league](http://www.espn.com/nba/story/_id/22046425/top-nba-prospects-denied-eligibility-g-league).

Michael McCann writes, the idea that recent high school graduates are immature, ill-advised, and unprepared to play in the NBA is a myth, citing data that proves the contrary to be true.<sup>9</sup> Other critics believe the NBA's rule is an unnecessary restriction, especially considering a player's decision to leave college early or bypass it entirely might be based on a number of factors.<sup>10</sup> For example, players like USC's De'Anthony Melton and Louisville's Brian Bowen left their respective schools after being named as players involved in the current FBI investigation.<sup>11</sup> Other players, such as LiAngelo Ball, choose to leave college voluntarily.<sup>12</sup> And still others, looking to have an income upon high school graduation, go overseas to play professionally since they cannot do so under the current NBA eligibility rule.<sup>13</sup>

While it is easy to assume that an American basketball player is opting to play overseas due to a desire to kick start a professional career, that is not always the case. Players leave for a myriad of reasons such as higher pay and different cultural experiences. For example, Brandon Jennings, point guard for the Milwaukee Bucks, considered playing for the University of Arizona to bide his time before entering the NBA Draft but decided to play overseas after signing a \$1.65 million contract with an Italian professional team; however, Jennings's overseas venture offered much more for him than money as he had never been outside the United States before signing with the international team.<sup>14</sup>

Jennings and other players credit their success in the NBA to their time playing abroad. While a college basketball career would have helped them develop their skills in the game, these players say their time spent playing in a professional league acclimated them to the hostility that can come from fans in a professional

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<sup>9</sup> Michael McCann, *Illegal Defense: The Irrational Economics of Banning High School Players from the NBA Draft*, 3 VA. J. SPORTS & ENT. L.J. 113 (2004).

<sup>10</sup> Givony, [http://www.espn.com/nba/story/\\_/id/22046425/top-nba-prospects-denied-eligibility-g-league](http://www.espn.com/nba/story/_/id/22046425/top-nba-prospects-denied-eligibility-g-league).

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Max Blau, *Brandon Jennings, Kyle Singler, and Others Talk about Playing Basketball Overseas*, GRANTLAND (Dec. 7, 2012), <http://grantland.com/the-triangle/brandon-jennings-kyle-singler-and-others-talk-about-playing-basketball-overseas/>.

<sup>14</sup> *Id.*

environment and the demands of a professional basketball player's schedule that collegiate athletes do not experience in a college basketball career.<sup>15</sup> As Robbie Hummel, former collegiate and NBA player who had multiple stints in foreign basketball leagues put it, "In college, basketball is like a job, but you have class, social activities, and homework to take up all your time, as well, and also in the NBA, it's your job to work at basketball and be the best player you can be."<sup>16</sup>

The one-and-done rule serves more like a blanket rule that does not take into consideration a player's reasoning or purpose for seeking draft eligibility immediately after high school or for leaving their universities mid-season. One NBA team's general manager made a point to say society does not limit what a person may do once they graduate high school so long as they are qualified for their chosen work and argued the NBA should be no different.<sup>17</sup> Although this rule is not necessarily an obstacle for the NBA, other than the fact that it has the potential to keep talented players from entering the draft at a younger age, it does spark controversy and criticism amongst its fans and observers especially with a growing sentiment that the NCAA should pay college athletes. It also could serve as the impetus for some coaches to attempt to compensate players in order to build their programs at the risk of violating NCAA rules and, in some cases, federal law.<sup>18</sup>

This year, perhaps more than most, has placed the NBA under particular scrutiny as disgruntled college basketball fans have called upon the NBA to offer solutions that will prevent or resolve problems and debates concerning paying college athletes.<sup>19</sup>

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<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> Givony, [http://www.espn.com/nba/story/\\_/id/22046425/top-nba-prospects-denied-eligibility-g-league](http://www.espn.com/nba/story/_/id/22046425/top-nba-prospects-denied-eligibility-g-league).

<sup>18</sup> Mitch Sherman, *Everything You Need to Know About the College Basketball Scandal*, ESPN (February 23, 2018), [http://www.espn.com/mens-college-basketball/story/\\_/id/22555512/explaining-ncaa-college-basketball-scandal-players-coaches-agents](http://www.espn.com/mens-college-basketball/story/_/id/22555512/explaining-ncaa-college-basketball-scandal-players-coaches-agents).

<sup>19</sup> Dave McMenamin, *LeBron James Calls NCAA 'Corrupt' in Wake of Scandals*, ESPN (FEB. 27, 2018), [http://www.espn.com/nba/story/\\_/id/22596036/lebron-james-calls-ncaa-corrupt-says-nba-give-alternative](http://www.espn.com/nba/story/_/id/22596036/lebron-james-calls-ncaa-corrupt-says-nba-give-alternative); Maloney, <https://www.cbssports.com/nba/news/obama-nba-should-strengthen-g-league-so-ncaa-isnt-serving-as-a-farm-system/>.

The most blatant and pressing problem for the NCAA is the FBI investigation concerning allegations that executives at shoe companies were funneling money to schools through financial advisors in order to pay players to attend those institutions and ultimately promote certain shoe brands.<sup>20</sup> Although this problem does not implicate or affect the NBA directly, it does put more pressure on the NBA to offer a solution that will prevent such scandals from recurring.

The third problem the NBA is facing is that it is quickly approaching, if it has not already reached, a saturation of the U.S. market.<sup>21</sup> NBA officials have discussed creating new teams, and, despite the appearance of saturation, Silver is still throwing out ideas regarding expansion of the League in the U.S.<sup>22</sup> Finding a desirable location for an additional team would require extensive research to determine which geographic area would be the most beneficial to the NBA, but it would also require a restructuring of the league to allow for even distribution of teams in the conferences.<sup>23</sup>

The fourth problem the NBA faces arises from the financial and logistical difficulties associated with expanding the NBA. There is no doubt the NBA has pulled in a large fan base from countries around the world, but the international market expansion is miniscule compared to what it could be. Silver has expressed interest in placing a future NBA team in a foreign city, most likely Mexico City.<sup>24</sup> He explained that starting a team in

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<sup>20</sup> Sherman, [http://www.espn.com/mens-college-basketball/story/\\_/id/22555512/explaining-ncaa-college-basketball-scandal-players-coaches-agents](http://www.espn.com/mens-college-basketball/story/_/id/22555512/explaining-ncaa-college-basketball-scandal-players-coaches-agents).

<sup>21</sup> The Associated Press, *Column: US Leagues are on the Verge of Going International*, THE NEW YORK TIMES (Apr. 27, 2018, 5:31 PM), <https://www.nytimes.com/aponline/2018/04/27/sports/ap-paul-newberry-going-international.html>.

<sup>22</sup> Matt Bonesteel, *Adam Silver Says NBA Expansion Discussion is 'Inevitable,' Specifically Mentions Seattle*, THE WASHINGTON POST (July 26, 2017), [https://www.washingtonpost.com/news/early-lead/wp/2017/07/26/adam-silver-says-nba-expansion-discussion-is-inevitable-specifically-mentions-seattle/?utm\\_term=.273f3e084c5d](https://www.washingtonpost.com/news/early-lead/wp/2017/07/26/adam-silver-says-nba-expansion-discussion-is-inevitable-specifically-mentions-seattle/?utm_term=.273f3e084c5d).

<sup>23</sup> Tom Ziller, *The NBA Might Really Add New Teams. Here's What It Would Take*, SB NATION (Feb. 13, 2017, 10:49 AM), <https://www.sbnation.com/2017/2/13/14596586/nba-expansion-louisville-seattle-adam-silver>.

<sup>24</sup> Timothy Rapp, *Adam Silver Talks 82-Game Season, Possible International Franchises in NBA*, BLEACHER REPORT (Oct. 5, 2017), <http://bleacherreport.com/articles/2737101-adam-silver-talks-82-game-season-possible-international-franchises-in-nba>.

Mexico City would allow the NBA to further its reach in the Latin American market while simultaneously choosing a location that would allow feasible travel during the season.<sup>25</sup>

Silver and other League officials have considered expanding to other international markets such as China or Europe but explain that until the speed of air travel increases, the logistics of placing one team in a distant location would not be realistic.<sup>26</sup> They went on to explain, not only does it take too much time to travel from those places to the U.S., but the extensive travel would also put too much wear on the athletes.<sup>27</sup> As a result, the NBA has settled with having teams take part in the NBA Global Games, traveling to and hosting teams from other countries, each year.<sup>28</sup>

So long as these problems persist, the NBA will continue to fight an uphill battle when it comes to appeasing fans who are looking to the NBA to resolve a number of issues their policies have created in collegiate basketball, growing the NBA's profitability, as well as expanding its international reach. The NBA cannot afford to turn a blind eye to the problems plaguing the NCAA. Rather, it should capitalize on the opportunity by offering solutions. By doing so, the NBA might also find answers to its own problems of market saturation and limited international expansion.

#### CURRENT INTERNATIONAL LANDSCAPE

Although the NBA is the most well-known basketball league in the world, there are a number of international leagues that have relatively strong fan bases and receive international attention. In one article, Fran Fraschilla listed the top 14

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<sup>25</sup> *Id.*

<sup>26</sup> Sam Amick, *As NBA Shoots for the Stars in Growing Game, China and Europe are a 'One Off' for Now*, USA TODAY (Oct. 5, 2017, 7:31 AM), <https://www.usatoday.com/story/sports/nba/columnist/sam-amick/2017/10/05/nba-overseas-china-europe-regular-season-technology/734611001/>.

<sup>27</sup> *Id.*

<sup>28</sup> Rapp, <http://bleacherreport.com/articles/2737101-adam-silver-talks-82-game-season-possible-international-franchises-in-nba>.

basketball leagues beyond the NBA.<sup>29</sup> These leagues include the EuroLeague, EuroCup, Spain's Liga ACB, Turkish Basketball Super League, Russia's VTB United League, Italy's Lega Basket Serie A, France's LNB Pro A, The Greek Basket League, Germany's Basketball Bundesliga, FIBA's Basketball Champions League, Adriatic League, Australia's National Basketball League, Israeli Basketball Premier League, and the Chinese Basketball Association.<sup>30</sup> These leagues have various histories, structures, and growth opportunities similar to the NBA.

European basketball leagues tend to take a tiered approach in which teams compete in certain leagues only after they have met performance expectations in smaller national leagues. The EuroLeague, for example, manages premier basketball tournaments in Europe including the Turkish Airlines EuroLeague and the 7DAYS EuroCup.<sup>31</sup> The member teams play in EuroLeague games on weekdays and games for their national leagues on weekends.<sup>32</sup> The EuroCup falls under the EuroLeague's umbrella but operates using different teams than are in the EuroLeague tier.<sup>33</sup> Teams' qualifications for the tournament are based on their successes in their domestic leagues and other competitions as well as their invitation to compete from the EuroLeague. Teams that perform well at the EuroCup are eligible to move up to the EuroLeague the following season.<sup>34</sup>

The structure of these leagues, although not perfectly comparable to the NBA's structure, is what makes many of these leagues an excellent opportunity for NBA acquisition. Their concept of promotion based on strong performances throughout the year is a parallel to the theory behind the G League in which players and coaches must perform well enough to be considered eligible to play in the NBA. This organizational structure is not

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<sup>29</sup> Fran Fraschilla, *Top Basketball Leagues in the World outside the NBA*, ESPN (Dec. 7, 2017), [http://www.espn.com/nba/story/\\_/id/21691644/fran-fraschilla-ranks-world-top-basketball-leagues-nba](http://www.espn.com/nba/story/_/id/21691644/fran-fraschilla-ranks-world-top-basketball-leagues-nba).

<sup>30</sup> *Id.*

<sup>31</sup> *About Euroleague Basketball*, EUROLEAGUE BASKETBALL, <http://www.euroleaguebasketball.net/euroleague-basketball/about>.

<sup>32</sup> Fraschilla, <https://abcnews.go.com/Sports/top-12-basketball-leagues-world-nba/story?id=44826666>.

<sup>33</sup> *EuroCup 2017/2018 Teams*, EURO CUP, <http://www.eurocupbasketball.com/eurocup/competition/teams>.

<sup>34</sup> *Id.*



only similar to the G League's theory of promotion but it has also prepared its fan bases to cheer on their teams with hopes of seeing them promoted to a top-tier league. In the NBA's case, teams themselves will not be promoted, but the athletes will have the opportunity to do so, and having fans attached to those athletes as they move up the ranks in the NBA would be beneficial to the League.

These leagues are also familiar with the idea of welcoming players from outside Europe as many of them have hosted American athletes seeking to play at a professional level that, for various reasons, could not play in the NBA.<sup>35</sup> Some leagues, however, put certain restrictions on the number of foreign players they allow on their teams.<sup>36</sup> Italy's Lega Basket Serie A is one such league as it requires a team's roster to have five Italian players at all times.<sup>37</sup> The remaining slots can either be filled by five players from outside the European Union or three players from outside the European Union and four players from the European Union.<sup>38</sup>

Some leagues outside Europe, on the other hand, have a more similar structure to the NBA such as Australia's National Basketball League (NBL).<sup>39</sup> Unlike many of the European leagues, the NBL is not a tiered system whose teams are constantly competing for a spot in the top-tiered leagues. Rather, the NBL is simply composed of eight teams, seven in Australia and one in New Zealand, that compete amongst each other during the regular season and ultimately compete to win the league's championship.<sup>40</sup> Likewise, the Chinese Basketball Association does not use a tiered system but has a regular season culminating in playoffs with no further advancement beyond the league's championship.<sup>41</sup>

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<sup>35</sup> Jesse Kramer, *Eight Former One-and-Dones Who Found Pro Success Overseas*, SPORTS ILLUSTRATED (May 10, 2016), <https://www.si.com/nba/draft-past-one-and-dones-overseas-daequan-cook-donte-greene>.

<sup>36</sup> Fraschilla, <https://abcnews.go.com/Sports/top-12-basketball-leagues-world-nba/story?id=44826666>.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> Fraschilla, <https://abcnews.go.com/Sports/top-12-basketball-leagues-world-nba/story?id=44826666>.

The Chinese Basketball Association is different than other foreign leagues in that it is highly regulated by the government.<sup>42</sup> Iraq's Superleague also operates under similar regulations.<sup>43</sup> This variation is perhaps the most unlike the NBA as it is not merely a structural difference in the league's operation. Rather, government control alters the core of the league's operation and leadership. As such, this structure is likely incompatible with the NBA's operation.

Each of these leagues presents similarities and differences that should be considered when deciding which leagues might be viable options for the NBA to acquire. Additionally, exploring the similarities and differences between these leagues provides the NBA with a case study, if you will, of what makes basketball leagues profitable and successful across the globe.

#### THE BEST SOLUTION FOR THE NBA'S PROBLEMS

One of the NBA's greatest problems, a saturated U.S. market, could be one of its greatest assets.<sup>44</sup> In order to continue growing, as well as resolve the other issues discussed above, the NBA must think of a realistic solution. The NBA has already expressed an interest in using the G League as part of its international expansion, suggesting the possibility of placing a G League team in Mexico City;<sup>45</sup> however, the better solution is not to place one or two G League teams overseas but, rather, to use the G- League as an opportunity for economic growth. This author proposes the NBA combine its international expansion and G League development by acquiring foreign basketball leagues and restructuring them as additional G League teams. This solution will allow the NBA to continue to expand without having to reconfigure the NBA as a whole.

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<sup>42</sup> Ben Baden, *Re-Thinking the Game Plan*, CHINA BUSINESS REVIEW (Oct. 1, 2011), <https://www.chinabusinessreview.com/re-thinking-the-game-plan/>.

<sup>43</sup> Peter Holley, *Why These Pro Players are Willing to Play Basketball in Iraq for \$20k a Month*, THE WASHINGTON POST (Mar. 17, 2015) [https://www.washingtonpost.com/news/early-lead/wp/2015/03/17/why-these-pro-players-are-willing-to-play-basketball-in-iraq-for-20k-a-month/?noredirect=on&utm\\_term=.5a4ad2fc727b](https://www.washingtonpost.com/news/early-lead/wp/2015/03/17/why-these-pro-players-are-willing-to-play-basketball-in-iraq-for-20k-a-month/?noredirect=on&utm_term=.5a4ad2fc727b).

<sup>44</sup> The Associated Press, <https://www.nytimes.com/aponline/2018/04/27/sports/ap-paul-newberry-going-international.html>.

<sup>45</sup> Maloney, <https://www.cbssports.com/nba/news/obama-nba-should-strengthen-g-league-so-ncaa-isnt-serving-as-a-farm-system/>.

Expanding the G League will allow the NBA to develop a true farm league. Although the G League currently gives players, coaches, and officials opportunities to hone their skills before advancing to NBA clubs, the program is too small to provide the best opportunities for development of the NBA and future players alike. Major League Baseball's minor league system is the best example for the NBA to follow and ultimately mirror in developing the G League. MLB's minor league has five subgroups: Triple-A, Double-A, Class A (also known as Single-A), Class A Short Season, and Rookie.<sup>46</sup> Additionally, each subgroup is divided into its own league.<sup>47</sup> All of these teams have affiliation contracts with MLB teams even though a majority of the minor league teams are not owned by Major League clubs.<sup>48</sup> These affiliations are established through Player Development Contracts (PDC) between a Major League club and minor league team and can change for a variety of reasons including the teams' facilities and desired geographic locations.<sup>49</sup> Players are usually sent to a minor league team to develop their skills before they are called up to the Major League. As such, players from the Double-A and Triple-A systems are regularly called up to the Major League.

The NBA should look beyond athletics and see how other brands have successfully tackled global expansion. Two powerhouse businesses that are known world-wide and have experienced economic growth while staying true to their brands are the Coca-Cola Company and Apple. The Coca-Cola Company's success can be attributed to a combination of branding and franchising as well as the business practices implemented by Coke overall.<sup>50</sup> Coke started in the U.S. in 1886 and is now present in more than 200 countries.<sup>51</sup> Although Coke's products are consumable products as opposed to the NBA's product of

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<sup>46</sup> *Overview of Baseball's Minor League Organization*, THE SPORTS ADVISORY GROUP <http://www.thesportsadvisorygroup.com/resource-library/business-of-sports/overview-of-baseballs-minor-league-organization/>.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> Richard Feloni, *7 Strategies Coca-Cola Used to Become One of the World's Most Recognizable Brands*, BUSINESS INSIDER (Feb. 19, 2016, 2:09 PM), <http://www.businessinsider.com/strategies-coca-cola-used-to-become-an-iconic-brand-2016-2#7-it-adopted-a-franchise-model-7>.

<sup>51</sup> *Id.*

entertainment, the NBA can apply a number of the Company's globalization and franchising practices to its own product in order to achieve similar results.

Coke has used seven strategies to expand its brand worldwide. These strategies include having a unique, market-tested formula; using a timeless font for its logo; distributing its product in a proprietary bottle; holding retailers responsible for maintaining its high standard; keeping its consumer price fixed for 70 years; using word-of-mouth advertising and developing a voice; and adopting a franchise model.<sup>52</sup> While some of these strategies apply strictly to the beverage such as a market-tested formula, other strategies are applicable to the NBA's growth as well. For example, if the NBA were to place G League teams overseas, the NBA would need to monitor those teams and make sure they are held to the NBA's standards. Further, the NBA can even take a lesson from the "New Coke" fiasco in the 1980s by learning to stay true to its product.<sup>53</sup> Additionally, and perhaps most importantly, the NBA should ultimately view placing branches of the G League overseas as a franchising opportunity. The NBA does not need to reinvent the wheel when building basketball programs overseas. The League has already proven its international success and ability to adapt to new markets by garnering fans from around the world; thus, it does not need to alter the game itself or even how the operation is run logistically. It merely needs to expand its services so that fans around the world can have a more personal experience with the NBA.

The NBA can learn from Apple as well. Apple is ranked as the number one company by brand value internationally at \$184 billion.<sup>54</sup> One article noted the peculiarity in Apple's international popularity in that the product has not changed to adapt to regions.<sup>55</sup> Rather, as the author put it, "The thing about going global is not just about offering a product to several markets

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<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> Aimee Picchi, *These are the World's Most Valuable Brands*, CBS NEWS (Sep. 25, 2017, 1:11 PM), <https://www.cbsnews.com/news/brands-most-valuable-in-the-world-interbrand/>.

<sup>55</sup> Francoise Hovivian, *Globalization: Apple's One-Size-Fits-All Approach*, BRAND QUARTERLY (Dec. 19, 2014), <http://www.brandquarterly.com/globalization-apples-one-size-fits-approach>.

around the world. It's also about finding the denominator for a particular product that is region-blind."<sup>56</sup> This is not to say that Apple does not use any localization practices. In fact, the article goes on to give four methods Apple has used to personalize its products in various regions including opening stores around the world, choosing carefully the countries in which it is going to do business, and making a standard website that is translated into the local languages of the countries in which it has stores.<sup>57</sup> The author's final remark regarding Apple's success internationally is the overarching argument that the company doesn't change its product to match various cultures.<sup>58</sup> Instead, by remaining true to its product, Apple becomes the culture, and people adapt to the product as opposed to the product matching the people.<sup>59</sup>

In the game of basketball and professional sports overall, there is no reason the NBA cannot grow in popularity like Apple and set the pace for the market. The best way for the NBA to set the pace is to focus on other areas of its brand outside the NBA teams. One author explained Coca-Cola's method of achieving that goal by saying, "The Coca-Cola Company isn't one giant company; it's a system of small companies."<sup>60</sup> As it stands now, the NBA has smaller companies in its G League teams, but these companies are incredibly overshadowed by the NBA teams. The NBA would be best served by building the G League internationally using Coke's model, while using the globalization and localization practices of Apple. The NBA should choose carefully the countries in which it will expand as well as make language specific websites and streaming services for each of these countries to get the most benefit from expansion. Applying these techniques to the already popular sport of basketball will allow the NBA to develop in ways that would not be possible by simply creating a couple of new NBA teams in foreign countries.

The NBA should implement these business practices in its minor league system in order to achieve similar results. This

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<sup>56</sup> *Id.*

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> Feloni, <http://www.businessinsider.com/strategies-coca-cola-used-to-become-an-iconic-brand-2016-2#7-it-adopted-a-franchise-model-7>.

implementation would best take place in three phases: addressing the logistical issues associated with expanding the G League, maintaining and improving the current development league in the United States, and selecting leagues in which to expand internationally.

*I. Addressing the Logistical Issues Associated with Expansion*

The first logistical issue of this proposal addresses player acquisition. The NBA currently holds one draft each year in which each team has the potential to select two players to add to their rosters if they have not traded their draft picks. The athletes are then considered part of the NBA team and are not required to spend any time in the G League. Filling multiple NBA affiliate team rosters with players would require the NBA to expand the number of players teams draft each year. G League teams currently have their own methods of acquiring players that are, for the most part, not associated with the Draft. Its two biggest methods for acquiring players with no previous affiliation with the NBA are the G League Draft and local tryouts.<sup>61</sup> In order to sustain successful, potentially multiple, development teams, the NBA should extend its Draft procedures.

The most effective way to do this would be to create a bifurcated draft in which each team would select a total of four players instead of two. The first phase of the draft should be specifically for the G League and limited to athletes graduating from high school. The second phase of the draft should be like that of the current NBA Draft; however, in order to alleviate the problems associated with the one-and-done rule, the NBA should raise the requirements to limit this draft to athletes finishing their junior or senior years in college as opposed to their freshman and sophomore years as well. Of course, this bifurcated system would be most successful if the NCAA addressed its eligibility rules. The G League draft would lose its appeal if recent high school graduates weren't drafted but still lost their amateur status simply from entering the draft. Therefore, if an athlete declares for the G League draft upon high school graduation but is not

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<sup>61</sup> NBA G League 101: How Rosters are Built, NBA G LEAGUE, <http://gleague.nba.com/how-rosters-are-built/>.

drafted, that athlete should still be afforded the opportunity to play basketball in college until he can declare for the NBA Draft; however, the NBA's alterations are not dependent on NCAA action.

The only caveat to entering the G League draft is that if a player is drafted, he will be required to play in the G League at some level for two years before having the opportunity to move up to the NBA. This would guarantee the NBA that the players they draft will still receive the training and development they claim to seek by the implementation of the one-and-done rule. Aside from the mandatory two years in the G League, the players will still be considered professional basketball players and under the NBA umbrella. For example, the players will still receive a salary, albeit smaller than that of an NBA player. The player would also be subject to the rules and regulations of the NBA such as trades wherein the NBA affiliate would conduct the trade of their player to another development team.

The second logistical issue that would have to be addressed is the contractual agreement the G League teams and would have with their NBA affiliates. The MLB's model seems most successful in how it does not require an affiliate team to be owned by its counterpart, rather the two need only a contractual agreement that, once expired, would allow a team to renew the contract or seek affiliation with another program.<sup>62</sup> The NBA and G League offices would be responsible for overseeing such contracts; however, the teams, like in the MLB, should have the freedom to negotiate their affiliations amongst themselves.<sup>63</sup> Once these logistical issues are addressed the NBA can then focus on the structure of the G League expansion.

## *II. Maintaining and Improving the Current Development League in the U.S.*

First, this paper is in no way suggesting the NBA completely uproot its developmental league and move it overseas. Rather, this proposal offers a method of expansion for the NBA. Current G

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<sup>62</sup> THE SPORTS ADVISORY GROUP, <http://www.thesportsadvisorygroup.com/resource-library/business-of-sports/overview-of-baseballs-minor-league-organization/>.

<sup>63</sup> *Id.*

League teams should remain in place, giving fans in the U.S. the opportunity to observe players before they get called up. Realistically, the G League in the U.S. would be best served as the top tier of the system. Players in the minor league's Triple-A are most-often the players called to the big leagues.<sup>64</sup> As such, it would be more practical to keep the players who are most likely to be called to the NBA in the U.S. because they would have less distance to travel and less complications adjusting to an NBA schedule while making the transition. The remaining leagues are the teams that should be placed overseas seeing as those players would most likely be in the farm system longer as they work their way up to the NBA.

### *III. Selecting Leagues in Which to Expand Internationally*

The G League offers the NBA growth for a number of reasons. First, it provides fans an opportunity to experience professional basketball even if they are not able to attend an NBA game. Second, it provides brand expansion for the NBA. Third, it gives the NBA an opportunity to observe players and for players to grow as athletes all while under the NBA umbrella. This growth, however, does not have to be limited to the borders of the U.S. Instead, growth would be more likely if these development leagues were placed throughout the world.

In this case, the NBA does not need to completely recreate the G League nor does it need to establish a new league overseas. Instead, the NBA should acquire one international basketball league at a time, using the league's current structure and teams to become the new G League teams. The G League would then operate as it does in the U.S. but with exposure to new fans, more learning opportunities for the athletes, and more affordable, practical solutions to the NBA's market expansion.

There are a number of factors the NBA should consider when choosing which leagues to purchase. These factors include the stability of the leagues, the potential profit these leagues offer, and the legal implications of expanding the G League to these

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<sup>64</sup> What is Minor League Baseball and Other Frequently Asked Questions about the MiLB, PRO BASEBALL INSIDER (2014), <http://probaseballinsider.com/what-is-minor-league-baseball/>.



geographic regions.<sup>65</sup> Moving the G League abroad would require the NBA to adapt their business operations to the political climate and economic structure in the regions in which these leagues are located. For example, if the NBA were to acquire a league in China, it would most likely have to alter its structure so as to fall in line with the demands of the country's governmental and economic structures.

Another consideration in choosing which teams to acquire is exposure. Although there are a number of professional basketball leagues overseas, some are strictly national leagues whereas other leagues are comprised of teams from multiple countries. One of these leagues would be best for the NBA to buy in order to accomplish its goal of exposing its brand and reaching a broader fan base. Taking these factors into consideration, the best league for the NBA to purchase to begin its expansion would be the Adriatic League, also known as the ABA League.

The ABA League has been ranked the eighth league in the world outside the NBA.<sup>66</sup> The ABA League currently has twelve teams located in five countries.<sup>67</sup> This league has funneled players to the NBA and has focused on player development.<sup>68</sup> Further, the teams in this league are not considered to be in the top half of European teams, so the club owners would be more likely to sell some of the players, once developed, to higher ranking European teams, thus turning a profit.<sup>69</sup>

As such, the ABA League appears to be one of the best leagues the NBA could buy. With only 12 teams, there would not be enough franchises to have an affiliate for each NBA team, and it would take time to establish more teams within this league to provide enough teams for every NBA team to have an affiliate.<sup>70</sup> Such growth is likely, however, and the ABA League appears to present the greatest likelihood of doing so. Further, the ABA

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<sup>65</sup> Marc Edelman & Brian Doyle, *Antitrust and 'Free Movement' Risks of Expanding U.S. Professional Sports Leagues into Europe*, 29 NW. J. INT'L L. & BUS. 403, 405 (2009).

<sup>66</sup> Fraschilla, <https://abcnews.go.com/Sports/top-12-basketball-leagues-world-nba/story?id=44826666>.

<sup>67</sup> *Club Information*, ABA LIGA, <http://www.aba-liga.com/KK.php?id=12>.

<sup>68</sup> Fraschilla, <https://abcnews.go.com/Sports/top-12-basketball-leagues-world-nba/story?id=44826666>.

<sup>69</sup> *Id.*

<sup>70</sup> *Club Information*, ABA LIGA, <http://www.aba-liga.com/KK.php?id=12>.

League's presence in five European countries presents an incredible opportunity for the NBA as it would have a wide market observing NBA prospects. The ABA League appears to be the most sensible option when it comes to acquiring a league that would be the best investment, providing exposure to the NBA, and giving athletes and coaches opportunities to develop their skills. The ultimate goal is for the NBA to select a league that would allow for expansion and growth while providing exposure.

#### THE SOLUTION IN ACTION

As mentioned previously, the NBA faces a number of obstacles when it comes to appeasing its fans, growing its profits, and expanding its international reach. If the NBA were to expand the G League by purchasing select foreign basketball leagues, the NBA would be able to resolve many of its current expansion issues. Additionally, placing G League teams overseas would allow for expansion and growth that is not available with the NBA's current structure. This section revisits each of those obstacles and addresses how this proposal would provide a solution to these problems.

First, moving the G League could give the NBA reason to eliminate the one-and-done rule and, thus, appease the critics who find the rule to be unnecessary and counterproductive. Expanding the G League internationally would not only make fans happy, but it would also meet the NBA's reasons for its current rules which are that it would give the athletes an opportunity to mature and better their skills before playing in the NBA. Any player who is drafted immediately after high school would be required to spend two years in the G League, playing in front of crowds, developing their basketball skills by playing against other athletes who are on a professional track, and acclimating themselves to a schedule structured more like a professional athlete's schedule than a student athlete's schedule.

Second, expanding the G League internationally could prevent some of the illegal enticements plaguing the NCAA. Eliminating the one-and-done rule and moving the G League overseas would give recent high school graduates the opportunity to play for pay even if they were not receiving big contracts like those of the NBA athletes. Receiving such payments as well as

receiving exposure in a professional league on an international stage could make illegal offers to play at particular universities less appealing. Ultimately, this solution not only benefits the NBA but it also benefits the NCAA as it would protect them from these scandals as well.

Third, purchasing a foreign basketball league would be an incredibly beneficial solution to the NBA's currently saturated market. Basketball fans in the countries in which G League teams would be placed would likely be drawn to attend G League games because it would give them the opportunity to watch soon-to-be-basketball greats. The fans would also likely follow their favorite G League team's counterpart in the U.S., thus adding to the NBA fan base. This would also alleviate the NBA's concerns for needing to start more teams in Mexico City or another foreign city because it would provide international exposure while maintaining the structure of the NBA teams, preventing the NBA from worrying about conference realignment or finding another city in which to create another team to keep the number of teams even.

The NBA should be methodical in how it moves forward. Instead of compartmentalizing G League development and NBA expansion, it should couple the two and expand the G League overseas. Combining these efforts is not only practical but it is also efficient as building the G League overseas and in the United States will automatically bring more attention to the NBA as a whole. While the G League is not widely popular now, pouring resources and talent into the program will increase the amount of time and attention fans will dedicate to its teams, and making an expansion effort of this magnitude will ensure the NBA follows Larry Bird's advice to keep changing in order to remain the best.