

So you want to be in the basketball business but cant afford an NBA team. Well guess what ? There is never going to be a better time to own a minor league basketball team than there is now. IF and only if you follow my nifty little handbook on how to make money at it.

Before you ask, I cant own a minor league team not associated with the NBA. I couldnt start or buy a CBA, ABA, etc team. I could get an NBDL team, but what Im about to tell you is not allowed in the NBDL. As a result, what I am about to tell you is of no use to me as long as I own the Mavs.

If you currently own a minor league team, this applies to you as well. Its simple. Not easy. Simple.

Not cheap, but the upside is big.

Currently in minor league basketball in the US, the leagues pretty much try to copy the business of the NBA. Tickets. Sponsors. Sell entertainment at the games. Fun family entertainment. All of which are nice and important. None of which will make you big money in the minor leagues.

The money comes from copying the player development and contractual relationships of foreign leagues. They are in the business of developing and selling players. So should every minor league team. So in short in simple terms, here is what minor league teams should be doing.

1. Sign up high school kids. Work with their parents. Pay their parents. Add high school kids as young as you can sign them up. Not after they graduate. WHILE they are in high school.

2. Copy the contractual structures of the European leagues. When a player comes from a European team to an NBA team, that team can pay 350k for the contract of the player (More if the NBA team is under the cap). Plus, the player (or team if under the cap), can be responsible for a buyout. Paul Gasol, when he signed with the Grizzlies was supposed to have at least a \$1.5mm buyout from his team in Spain. Its been reported that he paid the buyout out of the salary he receives from the Grizz. Good deal for Pau. Great deal for his former team. They developed him and got paid for it.

I dont know if Tony Parker had a buyout he had to pay himself, but his team signed him at 14 or 15 and developed him and probably got at least 350k from the Spurs. Again, good for the team.

What makes the timing particularly good for the minor leagues to get in the player development is not the NBA age limit. That is irrelevant. What makes the timing good is how messed up AAU , High School and NCAA basketball are.

AAU is like a meat market at the top levels. A brothel with pimps might be a better description, but it comes down to who can get who paid by who at a far bigger premium than how to develop boys into men and into basketball players.

What is worse, is that the only reason the AAU brothel exists is because High School summer rules are ridiculous. In trying to not give any one team a competitive advantage, and who knows whatever else they are trying to accomplish, they turned lose the pimps on their most talented kids.

And then there is the NCAA. Has there ever been a more hypocritical, half ass backward organization when it comes to "trying to protect the student athlete "?. America is the home of the American Dream where with hard work and initiative you can be anything you want, unless you want to be an athlete. For athletes in NCAA schools, its more like communist Russia where they assign a 4 year plan and so many work rules you expect Lenin to show up on the court with a whistle and a compliance officer.

One summer I went to IU to visit . I wanted to meet then Coach Davis and wanted to see how things were done. I couldnt believe what I saw. "Work Rules" that limited the number of players on the court to 4 at a time. Number of coaches on the court. Length of time on the court. The message was... "we all know the rules are stupid, but they are the rules". Ridiculous.

All of this has created a golden opportunity if done right. Here is how to do it right.

1. Signing and preparing the kids to play bball is the easy part. The hard part is making sure they get educated, family support and real world skills. if you are going to make this a profitable LONG TERM venture, then your ability to sign young players is only as good as your ability to develop young players into men who can be more than just basketball players.

If they dont succeed in your program, it wont be possible to stay in business. It wont be like there are hundreds of teams doing this. There will be a bright light shining on those that try this, so they have to make sure they do it right.

Part of the process is having tutors, homework monitors and counselors to work with kids AND their parents or guardians to make sure that all involved are firmly grounded in reality.

The truth of the matter is, if you are paying a family who needs it 10k or 20k per year, you have to make sure the money is spent wisely, including probably putting at least half of it in a trust for post graduation from high school

Gauging the impact on the family. How it responds to the money, the program and the responsibilities will not be easy at all. But if done right it can be rewarding.

The good news is that educators (note I use the term educators) in every city at community colleges and at public universities can be found to help put together specially designed programs that are tailored to each individual student. Will this cost you money ? Absolutely. But it will be well worth the cost.

2. This is the basketball part.

Bring in great coaches. Make it their responsibility not to win games against the other teams, but to develop the players. That is the business you are in after all. Player development.

Bring in great players who may have played in the NBA already, and who want to get into coaching someday. Guys who while playing with these young guys can teach them on the court and off.

3. Limit the players to playing home games.

This team isnt about winning. Its about profitability and developing young men to be the best players and people they can be. If they are in high school, travel , going away from home creates too many temptations, and of course they still have responsibility to their school work. Keep em home if they are in high school.

4. Practice the shit out of them.

Musicians often practice 8 hours a day. Your players will practice far less of course, but anyone outside the reach of the NCAA in sports that wants to be the best, could work their butts off as long as they could while still excelling at their school obligations. With enough practice time, you can work on their fundamentals and their minds and teach them the value of hard work

5. Sign them to multi year contracts

You arent going to sign a ton of players. You are going to sign the best players you can sign. This isnt a numbers game. This is about quality. Identifying quality boys and integrating them into a quality program. That takes time and money. Minor league teams cant afford a lot of mistakes. Mistakes kill Euro teams. They would kill your minor league team as well. So you need time to work and develop them as they grow up. 1 or 2 years aint gonna cut it.

Finally. Think of the impact you could have on the future of sports in America. Competition from minor league teams, if done correctly and grown over a period of years, could force the NCAA to make huge changes. Or better yet, force the NBA to buy you because of the quality of work done, and put the NCAA out of business completely.

Now it wouldnt put the concept of college athletics out of business. IU vs Ky, Duke vs UNC would still be a huge game. Kids going to those schools would still want to play for those schools. The kids playing however, wouldnt be the kids with the professional aspirations. The sports would be more like club sports where kids play because they want to play and no other reason.

To do this is simple. The concept is simple. The execution is difficult. Its not a no brainer, but it is a far better opportunity to make money for a minor league team than what they face now. If Im a CBA or ABA team, Im calling my local college tomorrow to see what they think and how they might help