

I was [reading the transcript](#) of the press conference that Commissioner Stern of the NBA and Jordi Bertomeu of the EuroLeague held in Barcelona this week.

I was just trying to keep up to speed on things, but somethings that Jordi Bertomeu said really got me thinking.

"We want to make our basketball visible around the world. The Euroleague is already seen in 120 countries, and thanks to this platform with the NBA and David, we have the opportunity to reach more of our target."

and

#### Jordi Bertomeu on Europeans in the NBA

"I believe the main problem is not that players go away, because they go and come back, too. We have to grow and make Euroleague Basketball attractive enough that they don't go away. That's our job. "

I guess I never really followed the business aspirations of the Euroleague, but one thing becomes amazingly clear in reading his remarks. Mr Bertomeu doesn't want to be a minor league or feeder system to the NBA. He wants to compete with the NBA.

The guy sure seems smart. It's brilliant, if someone allows you to do it to them, scorpion and frog approach to business. The scorpion professes his love for the frog. The frog puts the scorpion on his back and takes him across the pond that the scorpion would not otherwise be able to cross. On the other side the scorpion basically looks at the frog, says "thanks for the ride, but I'm still a scorpion" and stings and kills the frog.

I, like I think a lot of my brethren in the NBA, thought that we were leveraging the EuroLeagues to develop talent that we brought over here to improve the level of play in our games. We at the NBA brag over and over how our support of development of basketball around the world, starting with the Dreamteam, has led to international players progressing far enough to reach the NBA. Jordi wants to say thank you for all your work, from now on, they stay here.

After reading this, and I'm only surmising here, Jordi may feel that he can use the NBA as a frog to get his league across the pond and prove his league is the NBA's equal

Smart guy.

Why not let the NBA spend tons of money around the world to develop the game of basketball. For the Euroleague it's simply a marketing subsidy. Why not let the NBA pay their own way to come over and use their biggest stars to promote and brand Euroleague teams, league and players to his fans and customers. Why not let them play Euroleague teams. Euroleague can make some money from the games and if the Euroleague teams win, start defining to not just non American players how good the league is, but to American players as well. **If players anywhere in the world, including the USA start understanding that Euroball is as good, and in the eyes of some purists, better basketball than the NBA, why wouldn't American players choose playing Euroleague instead of the NBA ? Why wouldn't non American players choose to stay here rather than go to the NBA ?**

Maybe I'm seeing something that's not there. But I would prefer not to underestimate possible competition. Jordi is absolutely right to keep NBA teams coming over there, and supporting his players going to the USA. NBA players can become global brands and the more international players that become global brands, single name players like Dirk, Pau, Yao, Tony, the more credence to his argument that their basketball is as good as NBA basketball, and the brilliance of it all is that the NBA teams pay for it on both sides. We pay the players salaries. We pay to develop them into brands. We pay to come to Europe. We pay their teams to get players out of their contracts and help subsidize the teams. The money right now is on the American side, so why not let the Americans foot the bills. They do it for the Olympics, why not Euroleague ?

I'm reading a really good book, [Behavioral Corporate Finance](#), and it discusses how executives approach business decisions and one of the recurring themes reflects arrogance in the decision making process.

Is the NBA showing arrogance by presuming that it's our job to build basketball around the world and that we will be the primary beneficiary ? Is our arrogance blinding us to the possibility that we are subsidizing a world class competitor ? I think it's something we in the NBA have to consider.

If basketball players around the world truly have become equal in skill to American players, could the number of international players in the NBA be more a function of our style of play than any superiority in quality of play ?

If you look at NBA rosters and estimate that there will be about international 75 players that make team rosters, in glancing at that list, fewer than 10 are under 6'5. Which means almost all of our guards are North American, and a disproportionate number of forwards and centers are international. Which makes perfect sense. How many professional sports are better suited for tall guys than basketball ? Which sport are the tallest guys in their class in any town in the world funnelled to ? Basketball.

Which all leads to the question that Jordi touched upon. Why would international players come to the NBA instead of staying in Europe ? Couldn't the Euroleagues dominate basketball quality by just keeping their best men over there ?

They come because of money. Pure and simple. Does anyone really think that if the pay was higher in Europe that all these players would face the culture shock of coming over here to the NBA ? Heck, even if the pay is close in Europe, because of different tax rules and the tax free perks they can get, they might stay over there. There is no salary cap. No limits of practice. The games and season are shorter, so careers can be extended. You can make a lot of arguments about advantages of playing in the Euroleague.

Right now the edge is to the NBA because of the money. Which means the NBA has risk on multiple sides. If we continue to subsidize international basketball and they grow economically, they may be able to financially support salaries comparable to ours. If we continue to help Euroleague grow their brand, Euroleague could easily supersede the NBA (if they haven't already) as the dominant league outside the USA and money that the NBA hopes will be available for NBA rights will go to Euroleague. Finally, if the NBA stumbles in the USA financially at all, our ability to pay higher salaries might decline or disappear, propelling the Euroleague to a dominant position.

I personally, and I know I'm not alone in the NBA with this perspective, believe we face a risk of not getting the job done here in the USA. That rather than trying to help Euroleague dreams come true, we should focus on helping NBA dreams come true. It's great that we are building basketball fans around Europe and the Rest of the World. I would rather build basketball fans in the USA. It's great that in the future someone will come from Dnepreprost or Monte Carlo and say they became an NBA player because they saw Tony Parker play an exhibition in France, or Shaun Livingston in Moscow. I would rather hear stories about kids becoming NBA fans in Louisville, Lexington, Boise, Tampa, Cincinnati, Kansas City and other non NBA cities because they went to see an exhibition game in their city.

Believe it or not the financial future of the NBA depends on 500k viewers on average for an NBA game on our cable TV partners. If we add 500k viewers on average for an ESPN or TNT regular season game, we are heroes. If we lose 500k average viewers, we are zeroes, hoping the Euroleague buys contracts of our expensive players from us.

I know all of this reads like a prospectus for an IPO, outlining all the potential business risks, but these are business elements that we need to take a closer look at if the NBA is going to excel as a business going forward.