

## Interview

## Inside the NBA

An Interview with David Stern, Commissioner,  
National Basketball Association (NBA), New York



David Stern

**EDITORS' NOTE** David Stern graduated from Rutgers University (New Jersey) in 1963 with a B.A. in political science and history, and then studied law at Columbia Law School. He proceeded to work at the New York law firm Proskauer Rose, where he served as outside counsel to the NBA. He left the firm in 1978 to join the NBA as General Counsel, and was named the league's Executive Vice President in 1980. Stern was unanimously elected to his current position in February 1984.

**ORGANIZATION BRIEF** The National Basketball Association (NBA) is the world's premier men's professional basketball league and one of the major professional sports leagues in North America. Founded in New York in June 1946 as the Basketball Association of America, the league adopted the name National Basketball Association in the fall of 1949 after merging with the rival National Basketball League. With its games televised around the globe in 43 languages, the NBA ([www.nba.com](http://www.nba.com)) also runs the Women's National Basketball Association and the NBA Development League.

**Are you content with how the league has progressed this year? And looking ahead, are there one or two key priorities for the future?**

It has been an extraordinary season. In the playoffs, we were blessed with a bunch of exciting games, great individual performances, and a close series, all of which have served to give us a boost. One priority we have going forward is to make our fans more aware of how talented our players really are, off the court as well as on. So we have spent a lot of time letting people know what our players do in their communities. This priority is projected in our NBA Cares campaign, which has gone a long way toward giving our fans a better understanding of our players as real people.

**Like all sports, basketball is sometimes criticized for generating huge amounts of money for a small number of people. Is it hard to change that negative public perception?**

We use NBA Cares as an umbrella for all of the community activities in which we are engaged, and that has been helpful offsetting criticism. It doesn't refer to one particular program, because it covers all the work going on in the communities of our individual players. It also refers to our community work after Hurricane Katrina, and it has an international component too, through Basketball without Borders. In short, the phrase NBA Cares captures the gamut of our community activities. Our aim is to demonstrate our players' commitment to the community. And around the edges, we want to enhance people's understanding of our players' respect for the tradition and history of our sport, so we also want to capture their passion for the game and their engagement with the fans. I think we have achieved those goals, and have moved up the scale on all fronts this past season.

**People tend to have different attitudes toward the notion of giving back to the community. Do all your players understand the value of community involvement?**

Yes. As a matter of fact, the players have an extraordinary desire to use their personas to do good. They often look for ways to channel that desire, but it doesn't always come easily. I recently sent a letter out to all players thanking them, as a group, for what they've done this season,

and as a result of that letter, 15 players who hadn't been quite as active as they would have liked called me and said, "What more can I do this summer?" So the desire to give back is very much generated from within the players, not from outside.

**You have always been focused on building a global brand. What are some of your key priorities as the NBA grows internationally?**

It's important for us to demonstrate our commitment to our global audience. So, for instance, the men's national team, which is run by USA Basketball, played in the Basketball World Championship in Japan in August and September. On the way there, they stopped in Guangzhou, China, for games against the Chinese and Brazilian teams, and in Seoul, Korea, for games with the Korean team and the Lithuanian team. That kind of activity is taking place all the time.

Beyond that, we're spending a lot of our time focusing on China, where Adidas, our apparel partner, has more than 2,000 franchised stores. We have just made a deal with the largest Chinese consumer products company – Haier – and we have 25 television deals and many streaming video deals in China. Interestingly, 20 percent of NBA.com's business is generated on our Mandarin language site. So, international growth remains a key focus for us.

**Have you noticed any major differences between the international players and the home-grown talent in the U.S.?**

I've heard other people talk about this in a certain way, and I'm coming around to their ideas. They say that there's a different style of training in Europe, which is less about what you do with 12-year-olds, and more about what you do with high-school teams, club teams, college teams, and even professional teams. There is much more time spent on drills in Europe than there is in the U.S. Some of our teams do drills here, but not all of them, because once you're in season, there are lots of other things to be done. Most high-school kids just play games. In the summertime, they have summer leagues, AAU [Amateur Athletic

Union] leagues – you name it. Some of the basketball people tell me that it would be more constructive if a higher percentage of their time was spent on drills. In our Development League, we have a protocol that requires drills. So when players get sent to the Development League, they are going to be shooting drills because there's more time to do that. They don't have a choice; they have to do it.

**There's been much debate over the age of your players. How important is it for the NBA to have the 19-year-old eligibility rule?**

Its impact is only being felt this year, because this is the first year that we're not taking high-school seniors. Of course, one could argue that some players who would previously have been available to us are not available now, so there's less talent in the draft. Not that the players in it aren't talented, but we're precluding players who a year ago would have been eligible. That's one aspect. More importantly, those very same players will now go to college for a year to enhance their basketball and life skills, which will ultimately improve basketball and the NBA. That's a great thing for us. So the 19-year-old eligibility rule is a very positive development. It gets us out of the high-school gymnasiums, and it removes any criticism that we're encouraging kids to forego education.

**Do you find that at 19, players have the desire to learn and the thirst to succeed?**

I think so. If you look at our players, you can see that they have a desire to win and they're very competitive. It's our job to find the right context for them to develop well, so they can be the best that they can be.

**Have television viewing figures stayed strong? Do you see continued growth in that area?**

I regard that as two different issues. Viewing figures have stayed strong, and this year, we're up double digits across our three network platforms. But I think this is an unusual year, because the multiplicity of channel choices and all the other entertainment options – computers, video games, and the like – are driving television ratings down, or at least keeping them from growing in a robust manner. But that's going to be offset by the 30 million video streams a month that NBA fans around the world will be seeking, and other on-demand offerings. So I think we're going through a period of change and, in the future, television ratings will not be considered the ultimate measure of success.

**You've been very focused on building a clear competitive balance from the top to the bottom of the**

**league. What was the rationale behind that strategy?**

I don't think we can take particular credit for this year, other than to say that the collective bargaining agreement was designed to negate any advantage – or the largest part of any advantage – that a team might have in committing unlimited funds to player acquisition and player compensation. If a team is well managed and generates decent revenues, then it can com-



*David Stern with Madam Wu Yi, China's Vice Premier, Minister of Health*

pete in our league. Once you can compete and get yourself into the playoffs with a decent record, you have the ability to create some havoc in our field.

**In basketball, many careers end at a young age. How important is it for the NBA to maintain relationships with players after they have stopped playing? Have you been happy with your success in that area?**

We can never do enough, but we do run a number of player programs. For instance, there's one to help players who want to finish their degrees, and we also offer training in life skills and business skills. We can help guide players to the right career for them. We also work closely with both the National Basketball Players Association and the National Basketball Retired Players Association. All those things working together are pretty effective.

**Are you satisfied with how the Women's National Basketball Association [WNBA] has progressed?**

Yes, I'm happy with it. In fact, it is exceeding my expectations. Just think of the achievements: the ability to average 8,000 spectators a game, which is a great feat for a woman's professional sports league; the fact that we are now celebrating the 10th anniversary of the WNBA; the changes that have occurred in the woman's game, from athletic apparel for girls to the *USA Today* coverage; and the growth of elite teams. Above all, it's fantastic that girls now have role models to look up to, just as boys look up to Michael Jordan and Magic Johnson.

**When you first took on this role, did you believe you would be able to**

**turn the organization around to such an extent?**

I had no idea. It sounded like fun. It's a great game, and we are here to grow and protect it. We do that by ducking at incoming missiles and also by making decisions on the run to do one thing or another. We got a little lucky with the building boom, the television boom, and the growth in sports marketing, which is where we really hit the sweet spot. Plus,

we were able to navigate through a few tumultuous waves – I won't say rough, but tumultuous. The water has calmed down a bit in recent years. Some people say that's because Michael Jordan retired. I think that's one reason. It's also to do with the building, television, and sports-marketing booms reaching natural plateaus. We're now in an age where globalization, technology, and women's basketball – not to mention minor league basketball, like our Development League at the NBA – have opened up real opportunities.

**What would your colleagues say if they were asked about your management style?**

They would say that he is difficult, exacting, demanding, pointed in his evaluation, direct in critiquing on behalf of the organization, and loyal to his colleagues who make it all work.

**You know so much about the business, but as it has grown, you have inevitably been pulled in many different directions. Have you had to give up some control?**

I've given up most of it. If I were to characterize my style, I would call it "episodic micromanagement." When I write my book, it's going to be called *Episodic Micromanagement is Under-rated*. I try to take sporadic and episodic dives into particular areas for the purposes of understanding them better and to educate myself on the issues. I like to understand the decision-making process on staffing, for instance, and why resources are needed in particular areas.

**How difficult is it to turn the business off? Can you ever really get away from the job?**

It is challenging to turn it off and it isn't natural for my personality to do so, but I'm trying to be more disciplined about it. The advent of the cell phone and the Blackberry has not been very constructive in terms of achieving a good work-life balance.

**Do you ever take the time to step back and appreciate the impact and success of your work, or do you always look ahead to the next challenge?**

I never look back. I'm always looking forward. ●