

# Where would Lewes FC figure in the Forbes Most Valuable Sporting Brands?

By Stuart Fuller

In mid-July, Forbes published their annual list of the World's Top 10 Most Valuable Sports Teams. Number 1 for the third year in the row was Real Madrid with a value of \$3.26bn, of which Ronaldo probably contributes half of that. American sports brands continue to dominate the list, with only Real, Manchester United and Barcelona in the top 10, with the Los Angeles Lakers and the New York Knicks NBA teams being the fastest movers on the list. The average value of the teams in the top 10 is \$1.75bn, a 31% increase from 2014. And who said that there was no money in sport?

Sports teams are awash in cash today thanks to multi-billion dollar TV and media deals around the globe. The undisputed TV king in the world of sports is the NFL, which kicked off new network deals last year worth more than \$5 billion a year, not including its \$1.5 billion-a-year deal with DirecTV for highlights packages. The NBA also got in on the act with a \$2.66 billion-a-year deal with ESPN and TNT, which was tripled the value of the previous deals. In the world of baseball, the strength came in deals with local cable networks such as the Los Angeles Dodgers' 25-year, \$8.35 billion contract with Time Warner Cable TWC. And then of course we have the Premier League deal, worth around \$2.7bn/£1.8bn per annum with Sky and BT Sports, representing a 70% increase on the previous deal.

Sports teams are not resting on their riches. They are searching for the next goldmine with new streaming services, using the power of mobile devices and improved mobile and Wi-Fi networks to bring the action to the palm of people's hands. Baseball is pouring resources into its digital and technology arm, MLB Advanced Media, which is equally owned by MLB's 30 teams and has been valued at \$10 billion. Premier League clubs are looking at developing their own online subscription channels to combat the growing concern of digital piracy and illegal streaming.

Whilst the list is always quite subjective, the method of calculating the value is relatively straight forward. Forbes uses a measure called "enterprise value" which is essentially total equity plus debt, taking into consideration any future shirt sponsorship deals plus stadium naming rights. Major sporting organisations will happily sell commercial rights for anything that moves (or even if it is stationary). Manchester City, for instance, have 17 official commercial partners ranging from an official energy drink partner (Jaguar Energy), official direct selling (think the old Amway model) and an official FX trading partner (FXPrimus).

So where would Lewes figure on the list? Well, probably not in the top 5,000 at the moment with a modest amount of equity and debt. We don't have a naming rights deal for The Dripping Pan, and I doubt we will in most of our lifetimes but perhaps Kevin Miller can weave his magic wand and pull in a shirt sponsorship deal that will have us all saying "Hells Bells" ....maybe, just maybe.