

Crain's: Can The Lions Turn Around?

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Merchandise is popular, they sell out games, but they lack one thing: wins

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December 05, 2005

In an industry where winning is one sort of bottom line, the Detroit Lions operate at a significant loss.

Since 1964, the first full season under ownership by William Clay Ford Sr., the team has had only 13 seasons where it has won more games than it lost.

But the team's loyal fans still turn out, helping the team consistently sell out home games at Ford Field. Sales of Lions merchandise since Jan. 1 is up 41 percent for the year, according to West Palm Beach, Fla.-based SportScanInfo, which tracks sports merchandise sales at 13,000 U.S. stores.

And, the value of the team is estimated at about \$747 million. Ford bought the club for \$4.5 million.

So, with little correlation between performance and value and attendance, is there a way to break the cycle of poor play?

Monday's firing of head coach Steve Mariucci, who was replaced on an interim basis by defensive coordinator Dick Jauron, may not be the answer, according to one veteran turnaround expert.

The team has changed coaches so often that it's unlikely a new one will make much of a difference, said Al Koch, managing director of Southfield-based AlixPartners L.L.C. and Questor Management Co. L.L.C.

"It's like if you take a car to the dealership and it's not running right, so they put in a new carburetor," Koch said. "Then it still runs like crap so they say, 'We need to put in a new carburetor.' Then it still doesn't run right and they put in another carburetor. Seems to me the coach is the carburetor here. They need to change a different engine part."

Koch said he would look at successful teams — how they operated, how they acted and selected coaches and players — and compare that with how the Lions do business. Then he'd try to convince the Lions to change their culture to emulate the top teams.

Success in sports, like in any business, is mostly about getting the right people, and that's the responsibility of a team's top executives, said Chuck Moore, director at Birmingham-based Conway, MacKenzie & Dunleavy P.C.

Moore said a successful turnaround also includes getting the right people to buy into what the business — or team — is trying to accomplish.

“In a successful turnaround, there is no room for dissenting opinions or taking individualistic approaches,” Moore said. “If people are not ready to step up and buy into whatever the team is trying to achieve for the long term, it’s best to replace them and get someone who will buy into it and is willing to work hard.”

For example, the Philadelphia Eagles suspended star receiver Terrell Owens for four games and have said they plan to bench him for the rest of the season. Among the reasons given was his often vocal and public dissension over the team and other players.

Richard Gorges, principal at Rochester Hills-based Corporate Restoration Inc., said the Lions need to take similar action.

“Management needs to get attention and demand respect,” Gorges said. “They have to ask ‘What is the fear of a player not performing?’ ”

Gorges said the answer is to instill a feeling that if players don’t meet expectations, they won’t be part of the Detroit Lions organization.

“They need to stop saying ‘Gee, I had a bad Sunday’ and start thinking about how they’re going to improve,” Gorges said.

James McTevia, chairman and CEO of Eastpointe-based McTevia & Associates Inc., said when businesses go bad there are usually three things to blame: bad management, bad equipment and bad employees.

With a relatively new stadium, he ruled out equipment.

“Spend enough money and you can restructure management and get the employees that are willing to get the job done,” McTevia said. “Companies do it all the time.”

Matt Millen, president and CEO of the Detroit Lions, said in the press conference announcing Mariucci’s firing that change is needed from the front office to the players.

He also said that Ford was involved in discussions to fire Mariucci. Not meeting expectations was a main reason Mariucci was fired, Millen said.

“This is a brutal business and, at times, good people suffer a cruel fate,” Millen said.

And even though the seats are filled with fans who continue to suffer the cruel fate of another losing season, record affects revenue.

Additional revenue could be generated through being good enough to last into the postseason, playing on Monday or Sunday night in front of a national audience, and attracting more advertisers.

For example, when the Detroit Pistons won the 2004 NBA championship, it was worth an estimated \$30 million to \$40 million in additional revenue to the team, said Tom Wilson, president and CEO of Palace Sports & Entertainment. Palace Sports owns the Pistons.

Neil Schwartz, director of marketing at SportScanInfo, said that although Lions merchandise is up 41 percent for the year, it's down 15 percent in the last four weeks.

"That tells me that there was a lot of enthusiasm earlier in the year that has dwindled in the last month or so," he said.

Moore also questions whether or not fans will keep paying for a subpar product or turning on their TV.

"The Lions typically have high hopes rekindled before each season," Moore said. "But the annual dissatisfaction is quite significant and you have to wonder how much longer fans are going to support the team."