

Feature

The Jerry Reinsdorf Interview:



Entrepreneurship and Sports Management

Jerry Reinsdorf is Chairman of the Chicago Bulls and the Chicago White Sox, United Center, and U.S. Cellular Field. He is also a partner in Bojer Financial Ltd., a real estate investment company. We spoke with Mr. Reinsdorf to explore his thoughts on sports, the business of sports, and success in life.

Kaizen: You grew up in Brooklyn when the Dodgers were there. Were you a fan as a youth?

Reinsdorf: I was an avid Dodgers fan. Everybody in Brooklyn lived and died with the Brooklyn Dodgers.

Kaizen: You went to college at George Washington University in Washington, D.C., and then earned a law degree from Northwestern University in Chicago. Looking back, what was the most valuable business skill or knowledge you acquired while a student?

Reinsdorf: In college I was involved in a lot of extracurricular activities—I was the business manager of the newspaper, business manager of the yearbook, and participated in many other activities. It gave me a start in trying to think like a businessman. I don't think I learned anything in law school about business.

I did learn one incredibly valuable thing in law school—I had a professor who taught us that if somebody asks you a question, your answer should be, "Why do you want to know?" Obviously that helps you frame the answer and puts everything in context.

Kaizen: Your first job out of university was as an Internal Revenue Service lawyer. Coincidentally, your first job was a delinquency case of the man who owned the White Sox?

Reinsdorf: That's right.

Kaizen: At this point in your life, you were 24 years old. Had the possibility of a career in sports business crossed your mind?

Reinsdorf: No. At that point I just wanted to be the best tax lawyer I could possibly be. I had a four year commitment to the IRS, and I wanted to serve it out and get into private practice.

Kaizen: You next went into private practice in 1964 and, over the next eighteen years, worked in real estate development?

Reinsdorf: No. In 1964 I left the government and went to work for a large Chicago law firm and stayed there a little over three years. Then I went to work for a small firm, and it was while at that small firm that I started putting together the pools of capital for real estate investment.

Kaizen: And that was your Balcor Company?

Reinsdorf: Yes. I was a member of the law firm and then went on to form Balcor. Balcor was not really a developer in a true sense. We were basically a buyer of real estate.

Kaizen: What kinds of projects did Balcor work on?

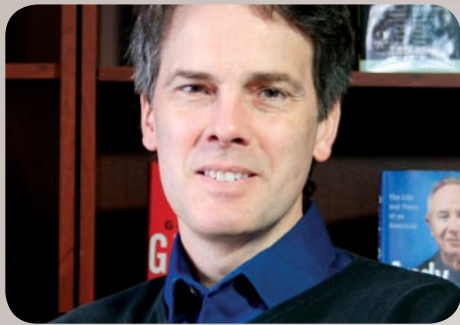
Reinsdorf: Apartments, shopping centers, office buildings, mobile home parks. At one time we were probably the largest owner of apartments in the country.

Kaizen: You were very successful here: in 1982 you sold Balcor for \$102 million to a division of American Express?

Reinsdorf: Right.

Kaizen: And that is what enabled you financially to invest in major league sports?

Reinsdorf: Well, not baseball, because I had actually put together a group to buy



It has been a fruitful semester for us at CEE, and we are happy here to be offering our first ever summer issue of *Kaizen*.

We highlight an upcoming course from Professor William Langston, who will be revising his sports management class to include a unit on Sports Entrepreneurship, and Professor Shawn Klein, who will again be offering his popular Sports Ethics course.

We are also proud to salute the excellent work of five students in the Business and Economic Ethics course—Naomi Byars, Jennifer LaSarre, Kathreen Atkerson, Seth Kryder, and Brittney Leach.

Our feature interview is with Chicago's Jerry Reinsdorf—owner of the Chicago Bulls, Chicago White Sox, and many real estate ventures. We spoke with Mr. Reinsdorf about character and business success, the passion for excellence that sports can generate, dealing with the conflicts that come with highly competitive enterprises, and the hard work and good judgment that go into building championship teams.

As always, at the Center we continue to build up our collection of resources on entrepreneurship and business ethics, so please feel welcome to visit us on the second floor of Burpee, online at www.EthicsandEntrepreneurship.org, or contact us via email at CBE@Rockford.edu.

Stephen Hicks, Ph.D.

REINSDORF, CONTINUED

the baseball team the year before. I purchased the White Sox (<http://whitesox.mlb.com/>) in '81.

Kaizen: So you had the financing already separately done for that.

Reinsdorf: Exactly. But then when the Bulls came along in 1984, at that point I had the capital to buy the Bulls. But I had a number of people who had invested with me in other deals who pleaded with me to get into it, so I accepted them as partners.

Kaizen: For how long had you wanted and planned to buy a sports team?

Reinsdorf: Actually, I originally started as a minor investor. Somewhere around 1975, I think it was, I answered an ad in the *Wall Street Journal*, with somebody looking for investors to buy a baseball team. I got back to him, and I agreed to invest \$500,000. He was trying to buy the Giants and move them to Toronto, but that didn't work out. A couple years later he got back to me and said, "I want to try to buy the Cleveland Indians." I said, "All right, I'm in." So that didn't work out. But a little later he tried to buy the Mets and that didn't work out.

After the Mets deal, I remember thinking to myself, "Why do I want to be a minority partner with no say, in a team that did not even play in the city in that I lived?"

At the end of the '50s Bill Veeck, who headed up a group that owned the White Sox, was notorious for never holding onto his teams for very long. He'd owned the White Sox for five years. So through an intermediary I contacted him to see if he was ready to sell.

Kaizen: At this point, were you committed to

Chicago, or would you have considered teams in other cities?

Reinsdorf: I think yes, 'til the Mets deal folded. If I hadn't gotten my own team, I don't think I would have been interested in going forward and getting a piece of some other team. I had already made up my mind that it wouldn't be that much fun if the team didn't play where I lived and I was a minority partner without any say.

Kaizen: The business of sports seems to have transformed itself over the last generation—sports is more a professional business operation and less a wealthy individual owning a team as a hobby. Was professionalizing the business of sports part of your strategy going in?

Reinsdorf: Before I got into the game, teams were mostly owned, not by people who had it as a hobby, but by people who—that was their business. But it wasn't a very successful business. There wasn't that much money in sports.

Being competitive best marketing possibly

Then people like Bill Veeck and Calvin Griffith started to fade out of the business. And they were succeeded by people who really loved the game. But these people had made money in other businesses, and for some reason they didn't run their baseball teams like they ran their other businesses. So they mostly lost money. I don't think it was a hobby; I think it was just bad business. Then, for some reason that I'll never understand, the value of franchises went up to the point where you don't have very many people who are sole owners. Because of the amount of money involved, they have to take in partners. And when

The Business of Sports, 2008-2009

NBA

Avg. Team Value	\$379 million
Chicago Bulls Value	\$504 million
Avg. Team Revenue	\$119 million
Chicago Bulls Revenue	\$165 million
Avg. Home Game Attendance	17,504
Bulls Avg. Attendance	21,197

MLB

Avg. Team Value	\$482 million
Chicago Sox Value	\$450 million
Avg. Team Revenue	\$193 million
Chicago Sox Revenue	\$196 million
Avg. Home Game Attendance	28,883
Sox Avg. Attendance	24,608

you have partners, it's harder to make capital calls. So in recent years people have tried to run the business so they at least break even.

Kaizen: When you bought the White Sox in 1981, they hadn't made it to the playoffs since 1959. Were they also struggling financially?

Reinsdorf: Right. I operated them pretty much on a break-even basis. Before Veeck's ownership, and it was his second ownership, he actually owned the team for a few years around 1959 to '61. Then he came back after the '75 season, and he pretty much operated break-even. The team was ready to go broke before Veeck came back. And he struggled to break even. He tried to move the team to Denver. He was going to sell the team to Marvin Davis, and Marvin was going to move it to Denver. Commissioner Bowie Kuhn stopped the move.

Kaizen: What were the first steps you took to improve the team's finances and performance?

and winning is the tool you could have.

Reinsdorf: The first thing we did was bring in somebody who had worked with me before to do a total review and survey of the operation. I also brought in a partner, Eddie Einhorn, who had experience in television, because I had done some research and concluded the future of sports was in TV—that there was only so much additional revenue you could get from tickets. You had to figure out a way to maximize your television revenue. So Eddie Einhorn came in as a partner. We had a very small operation—very few people. I had to bring in professional people who helped us with marketing, who understood how to keep books and records.

Kaizen: You also increased greatly the number of scouts prospecting for talent?

Reinsdorf: Yes. Veeck was able to break even by running a very low-cost operation. We thought we needed to have more scouts; we needed to do a better job of finding talent.

Kaizen: Did you find that the business of running a sports team is in principle like any business, or were there unique elements in the world of professional sports?

Reinsdorf: First of all, if you want to be successful, you have to follow basic business principles. The problem in sports that keeps people from doing it is that every move is chronicled by the



The Chicago White Sox winning the World Series in 2005

media. There are so many people who own teams who are afraid to be criticized by the media, so they make stupid decisions just to make the media happy. I, on the other hand, delight in doing what the media *doesn't* want me to do. And that's not a good trait either. You have to make your decisions without regard to what the media thinks. Sometimes they're right, and sometimes they're wrong.

Kaizen: Did you need to develop additional skills in order to make the transition from being in real estate to being head of a sports organization?

Reinsdorf: Not significantly. Being a CEO of a sports team is a lot like being a CEO of any other business. It's not your job to perform the various tasks that are necessary to run the business. It's your job to identify what positions have to be filled, and go out and get good people to do those jobs who can do them better than you can do them, and make sure that they talk to each other.

Kaizen: So you're a human capital talent scout and developer in that respect?

Reinsdorf: Exactly. Any CEO essentially has to find good people to do the various jobs. I read a book once called *The Time Trap*, in which former [Illinois] Senator [Charles] Percy was quoted as saying the CEO has only three jobs: long-range planning, public relations, and identifying good people to work for him and making sure they talk to each other.

Kaizen: Since you became owner, the White Sox won the Division championship five times—and, of course, they won the World Series and became World Champions in 2005. How exciting was that for you, to win the World Series after all that effort?

Reinsdorf: It was tremendously exciting. The thing that made it the most gratifying was the

impact that it had on the community. I was excited when we won, but I had no idea of the aftermath—what was going to occur afterwards. You could have gone to any cemetery in the Chicago area the next day and found graves decorated with White Sox stuff. People came up to me and told me, "I had to make sure my father—or my grandfather or my mother—knew the White Sox won." Very sentimental. The mayor personally planned a parade that went through about a half dozen different neighborhoods. There were close to two million people in the parade. There wasn't one incident; there wasn't one arrest. Any number of women would come up to me, whether it would be in a grocery store, in a shopping center, on the street, crying, just telling me how happy they were. Remember, it was 88 years [since the White Sox had won the Series]. So to give back to the community was the most gratifying and exciting.

Kaizen: As a result, the White Sox franchise is now worth over \$300 million. And you had paid about \$19 million for it back in 1981?

Reinsdorf: It's probably worth a lot more than \$300 million, I would think. But I don't know; I have no desire to sell.

Kaizen: Do you think the White Sox's success on the baseball diamond made for the business success, or did your business strategy make possible the success on the field—or is that a which-came-first-the-chicken-or-the-egg issue?

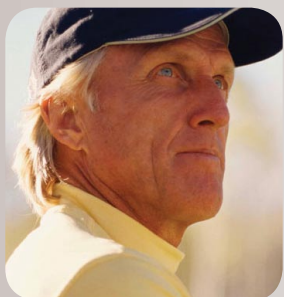
Reinsdorf: It's a lot easier, first of all—I want to add one thing and I'll get to that question. In regular business—if there's one big difference—you try to make as much money as you can. When you're running a sports business, what you really want to do is win and break even. So I'd rather win and

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“Any man’s finest hour is the moment when he has worked his heart out in a good cause and lies exhausted on the field of battle—victorious.”

—Vince Lombardi



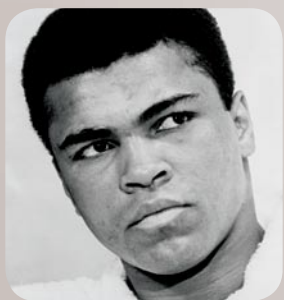
“You only get out of it what you put into it. If you are a sheep in this world, you’re not going to get much out of it.”

—Greg Norman



“The NBA is never just a business. All good businesses are personal. The best businesses are very personal.”

—Mark Cuban



“Champions aren’t made in the gyms. Champions are made from something they have deep inside them—a desire, a dream, a vision.”

—Muhammad Ali



Courtesy of the Chicago Bulls

Michael Jordan

break even than finish second and make a lot of money. But I don’t want to ever lose money. As far as your question—being competitive and winning is the best marketing tool you could possibly have.

Kaizen: Can any amount of business strategy make up for a team that’s not performing well?

Reinsdorf: Sure. You have to be smart enough to know when your team is not good. And when your team is not good, you’ve got to make sure you can control your costs really well.

Kaizen: While you were building up the White Sox, you also became Chairman of the Chicago Bulls (<http://www.nba.com/bulls/>) in 1985, when you led the group that purchased a majority interest in the basketball franchise for \$16 million.

Reinsdorf: Yes.

Kaizen: How were the Bulls doing financially at that time?

Reinsdorf: They were losing money.

Kaizen: When you bought the Bulls, they were averaging only about 6,000 in attendance per game, but within a few years they were averaging over 17,000 in attendance and had a waiting list for season tickets. What was your part in the dramatic growth?

Reinsdorf: They were being outdrawn by the indoor soccer team. Then we had a terrific marketing idea—it was called “Michael Jordan.”

Kaizen: Jordan had arrived in 1984, and the team improved consistently over the next years leading up to their dominance of the 1990s?

Reinsdorf: Actually, Jordan was drafted in June of ‘84. I made the deal to buy the team in September of ‘84, but we didn’t close till January of ‘85. In 1984 nobody knew what he was going to be—I sure as hell didn’t know what I was buying and

We thought we had who ever lived, and him with the we could win a

they didn’t know what they were selling. That was the thing that really shot the attendance up. Our part in the whole thing was that we were able to surround Jordan with the kind of players who were necessary to win championships.

Kaizen: As Chairman, what was your division of labor with the team’s General Manager Jerry Krause and, in the ‘90s, Coach Phil Jackson?

Reinsdorf: Well it’s the same thing in both sports: you have a general manager whose responsibility is to put the team together, and the coach in basketball—and the manager in baseball—whose job it is to use the players that he’s been provided, and then you have to have marketing. But it’s necessary to talk to these people, because it doesn’t do much good for the general manager to give the coach players he doesn’t want. But on the other hand, you can’t let the coach make the final decision on a roster because coaches tend to think about today and not tomorrow.

Kaizen: And you, as the owner, oversee the discussions between the coach and the general manager?



You taught the new Sports Ethics course last fall. How did it go?

It was a success on all counts. The students really seemed to enjoy the class discussions. Many of the students, athletes themselves, expressed to me how the class opened their eyes to issues in sports they had not previously thought about.

What issues did you cover?

We covered a wide range of issues including sportsmanship, performance-enhancing technologies, ethical issues in the economics of sports, and the ethics of being a fan.

Which issue was most popular with the students?

Some of the most active class discussions were on sportsmanship in lopsided victories and the issue of salary caps.

You're a philosopher—what's philosophical about sports?

I see sports as a microcosm of real life; the same philosophical issues that arise in other areas of life (how should I act?, how do I acquire knowledge and how do I apply it to my activities?) arise in sports. And because sports are a more condensed, stylized version of life, these issues take on a new clarity and allow us to have insights and make connections we otherwise might not have.

You'll be offering Sports Ethics again this fall. Will you cover any new issues?

Last time, we had to rush through some interesting issues. I want to be able to spend more time on those issues. In particular, I am planning on expanding our discussion of the ethics of winning and losing: Does losing humiliate? Is running up the score immoral? I also want to cover commercialization in sports with greater attention to its benefits and drawbacks.

Reinsdorf: Exactly. I'm the referee because there is a certain tension between the general manager and the coach, and the general manager and the manager. The coach and the manager, they want to win today; it's not in their nature to think long-term.

Kaizen: The team's roster evolved—Scottie Pippen, Bill Cartwright, Will Perdue, Steve Kerr, flamboyant rebounding specialist Dennis Rodman, B. J. Armstrong, Luc Longley, and others. How actively involved were you with putting together the team's roster each year?

Reinsdorf: I don't do that. If I could make rosters better than my general manager, then I have the wrong general manager. I like to know everything that's going on and I'm involved in the discussions, but when it comes to talent evaluation, I always let the general manager make the decision.

Kaizen: Within six years of your purchasing them, the Bulls began their spectacular run, winning six championships in the 1990s ('91-'93, '96-'98). In hindsight, the trades and draft choices seem brilliant, but how did it feel trying to weigh the factors and make the choices at the time?

the greatest player if we surrounded right people, then championship.

Reinsdorf: Well, we thought that we were building towards it. I don't know that we expected to win six championships. The only player that was on the team when I bought it that was still on the team when we won the first championship was Jordan. And then the only two players who were

on the fourth championship team that were on the third championship team were Pippen and Jordan. So we had to turn the people over. We thought we had the greatest player who ever lived, and if we surrounded him with the right people, then we could win a championship. But I don't think anybody ever thought about six championships.

Kaizen: Aside from Michael Jordan, was there anything else that you would identify during that spectacular run that was decisive to making it happen?

Reinsdorf: Well, first it was the hiring of Jerry Krause, and then it was Jerry Krause's hiring of Phil Jackson.

Kaizen: If you had to pick just one, which of the championship years of the 1990s is your favorite?

Reinsdorf: The first one. That was the most exciting and emotional because it was the first one that the Bulls had ever won. I think it was the 25th year of the franchise's existence.

Kaizen: You have a reputation for decisiveness and toughness. And you've dealt with some tough issues and characters—other team owners and league executives, players' unions, salary caps, viewpoint and personality conflicts within the team organizations, legal battles over broadcast revenue sharing, steroid use, and so on. Do the decisiveness and toughness come naturally to you, or did you have to develop them?

Reinsdorf: First of all, I don't think I'm that tough. Whatever I am, I guess, has come from observing other people along the way. As a lawyer I got to see an awful lot of different businessmen. You are the sum total of your experiences in life. I'm sure that I've evolved like everybody else.

CONTINUED ON PAGE 6



Mr. Reinsdorf celebrating with the Bulls

Kaizen: So it's a matter of observing and learning on the job what works and what doesn't work?

Reinsdorf: Yes.

Kaizen: Is sports business especially competitive compared, say, with real estate? For example, sports are competitive and business is competitive, but if you combine the two, the competitiveness and conflicts are intensified?

Reinsdorf: I don't like conflicts, but you have to deal with them. I really like to avoid conflicts whenever possible, but, unfortunately, in baseball we have a union that's headed by a guy who I think is neurotic, and it's very difficult to deal with him.

Kaizen: How do you deal psychologically with the difficult battles when they arise?

Reinsdorf: In any negotiation you want to understand what's important to the other side. You want to look for a common ground. I'm not interested in winning—I just want a fair result. So, if there's a way for the other guy to be happy and I'm happy ... The second best result is when you're both a little unhappy.

Kaizen: You also spearheaded the development of United Center (<http://www.unitedcenter.com/>), home of the Bulls and the Blackhawks, which opened in 1994, and U.S. Cellular Field (<http://whitesox.mlb.com/>), home of the White Sox, which opened in 1991?

Reinsdorf: Yes.

Kaizen: Your years in real estate development made you well experienced and positioned for those projects?

Reinsdorf: Yes, particularly the financial side.

Kaizen: Both the United Center and U.S. Cellular Field are state-of-the-art facilities. What are the major differences between this generation's stadia and the previous generation's?

Reinsdorf: Last generation's stadiums basically had seating bowls, and everybody came and sat outside. And now you have to have more. You have to recognize that you have different segments of fans: you have to have suites for the corporate people who want to entertain; you have to have areas for kids; you have to have areas for people who want something a little better than the ordinary seat, who can't afford the suites. You have to have as many different neighborhoods as you can, where people can have a good time.

Cellular Field have been economically viable without the use of government funds or tax breaks?

Reinsdorf: U.S. Cellular was 100 percent tax dollars and the United Center was zero tax dollars. The difference being that, in the case of the United Center, we were able to generate enough revenue from the suites. In an arena you can run your suites all the way around. In a ballpark you can only sell suites, really, down on the line; you really can't sell them in the outfield.

Kaizen: There are multiple revenue streams for sports franchises—multimedia rights, naming rights for the field, real estate values, and so forth. What percentage of the revenue is created by the suites?

I never worked a day in my life. Somebody said, "Find something you like to do, and you'll never have to work a day in your life." I love what I do.

Kaizen: How more important now are developing revenue streams such as luxury booths, higher-end concessions, corporate sponsorship, naming rights, multi-media broadcast rights, and so on?

Reinsdorf: You're looking for all the revenue streams you can find. Really, baseball is essentially a break-even business over a period of years.

Kaizen: What do you think of the controversies over the funding of sports venues, particularly the debates over how much or whether tax dollars should be used for them?

Reinsdorf: I think that's a different thing in every city.

Kaizen: Would the United Center or the U.S.

Reinsdorf: I don't know off the top of my head, but it's changed in the United Center. The suite revenue is what drove the financing, but over the years it evolved to where the suite revenue is less and the other revenue streams are higher. And then it changed in U.S. Cellular Field—suite revenues have gone down and other areas have gone up. In the United Center we've taken a bunch of suites out and put in a club. We're in the process of taking some other suites out and we're going to replace them with so-called "mini-suites" that have four to six seats instead of the typical sixteen.

Kaizen: In Chicago's bid for the 2016 Olympics, are the facilities of the United Center and U.S. Cellular Field part of the plan?

CEE Student Essay Contest Winners

The Center for Ethics and Entrepreneurship sponsored a contest for the best essays in the **Business and Economic Ethics** course (Philosophy 325) on the following topic: "Power corrupts, and absolute power corrupts absolutely"—True or False?

The essays were judged on the basis of their thoroughness, cohesiveness, and originality.

The two first-prize winners received \$300 each, and the three Honorable Mentions received \$100 each.

Congratulations to our five winners for their excellent work!

First Prize Co-winner:



Naomi Byars

First Prize Co-winner:



Jennifer LaSarre

Honorable Mention:



Kathreen Atkerson

Reinsdorf: The United Center, yes. But at this point nobody's approached us about U.S. Cellular.

Kaizen: After having made a lot of money, you could have retired and relaxed, but you have been consistently busy—often simultaneously running several operations and contributing to many more. Why have you worked so hard for so many years?

Reinsdorf: I never worked a day in my life. Somebody said, "Find something you like to do, and you'll never have to work a day in your life." I love what I do; I don't play golf. When George Burns was asked about retiring he said, "Retire to what?"

Kaizen: What time management skills have you developed to be able to do everything you want?

Reinsdorf: First of all, I have very, very good people working for me who take a lot of the pressure off me. I'm able to talk to people when something has to be done, and somebody else does it. I'm not the one usually that performs the tasks; I just identify the tasks and have somebody else do them. That saves an awful lot of my time. I tell people I divide my time 75% White Sox and 75% Bulls.

Kaizen: You have been greatly successful in sports business. Would you be as happy now if you were equally successful in business but not in the sports world?

Reinsdorf: I can't imagine I would have enjoyed whatever I was doing as much as I enjoy this, but who knows. You never know where life is going to take you.

Kaizen: What do you love most about sports?

Reinsdorf: The people in sports; mostly the owners.



Mr. Reinsdorf and Sox General Manager Ken Williams at U.S. Cellular Field

Kaizen: How would you characterize the sports owners, in contrast to people in other lines of work?

Reinsdorf: The funny thing is, in sports your competitors are your partners. You don't have that in other businesses. I guess I really enjoy the enthusiasm that team owners have for winning, as opposed to making money. Before I got into sports, when I was in the real estate business, I wanted to make as much money as I could, and if I were able to, I would like to drive my competitors out of business. And in sports your competitors are your partners—you need them.

Kaizen: One hears comparisons of sports to other parts of life—"Sport is like business," "Sport is like politics," "Sport is like war." Or, given the beauty of athletics—"Sport is like art." Do any of those ring most true to you?

Reinsdorf: It all sounds good.

Kaizen: Can playing sports as a youth teach many life lessons—about the connection between effort and success, temptations to cheat, facing competition, coming back from a big loss, leader-

ship, taking pride in one's accomplishments, and so on?

Reinsdorf: I think so. You've got to learn to lose. Most of the time in sports you lose. Only one team wins the World Series each year; 29 of them don't. It's important for kids to learn that not everything works out exactly the way you want it to work out.

Kaizen: Do you think sports could or should play a bigger role in the education of children for adult life?

Reinsdorf: Children look up to athletes. I'm not sure why they do—they look up to them too much. I know there's a responsibility for athletes to give back. We, as a team, our major stress in our civic activities is education. We do a lot with the Chicago public school system.

Kaizen: The CharitaBulls (<http://www.nba.com/bulls/community/charitabulls.html>) and the Bulls Scholars Program?

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Honorable Mention:



Seth Kryder

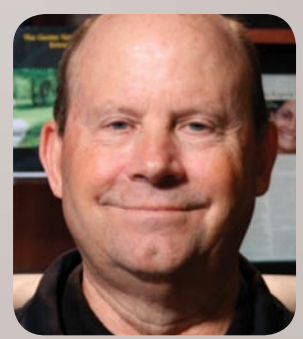
Honorable Mention:



Brittney Leach

CEE Course Grant: William Langston

Congratulations to Professor William Langston, who received a grant to develop an entrepreneurship unit in his *Organization and Administration of Physical Education and Sports Programs* course. This course provides teachers, coaches and sport managers with an overview of the skills needed to succeed in their chosen professions. Students explore the managerial, legal, ethical, and facility aspects of developing, teaching, administering, and managing sports programs.



William Langston

REINSDORF, CONTINUED

Reinsdorf: Right. The mayor's wife has this program called After School Matters ([http://www. afterschoolmatters.org/](http://www.afterschoolmatters.org/)) that we participate in. Also, we refurbished all the basketball courts and baseball fields in the park district. We introduced a Chicago school system reading program that's phonics-based called Direct Instruction. And we try to get athletes out in the schools to talk to the kids. So I think there's a responsibility to do it. I think it helps the kids when they hear from the athletes that you've got to keep your grades up, you've got to learn, when they talk about how hard it is to be a success in athletics. That's an important thing for schools.

Kaizen: In addition to wealth and experiencing the thrilling sports championships, you have received many honors for your accomplishments and contributions: the Order of Lincoln Award, recognition from the Cystic Fibrosis Foundation (<http://www.cff.org/>), the Trial Lawyers Club of Chicago, the National Jewish Sporting Hall of Fame (<http://www.jewishsports.org/>), an honorary degree in humane letters from Illinois College, to mention only a very few. How do those honors and awards add to your sense of satisfaction with how much you have accomplished in your life?

Reinsdorf: You know, awards don't mean anything to me. Believe me, I would turn them down

if I thought I wouldn't hurt people's feelings. I have no interest in the recognition.

Kaizen: To come back to sports business: Where do you see the biggest opportunities for the next generation of sports entrepreneurs?

Reinsdorf: The only thing I know about the Internet is what I don't know. I know we're in the early stages of it. It's just going to get bigger and bigger. I heard Bill Gates say that in the next five years there will be more new developments than in the last fifty years. But if I'm talking to somebody who wants to be an entrepreneur in sports, I'd tell them to go find another field other than owning teams. The Internet, yes. The Internet opens up tremendous possibilities.

Kaizen: And, in closing, what is the most important advice or encouragement that you would give to young people just starting out in their own careers?

Reinsdorf: The advice I would give to them is the same advice I would give to every young person



Michael Jordan and Mr. Reinsdorf

who is trying to make it in the business world, which is: You have to work very, very hard, be single-minded of purpose. You have to be totally honest—once you give your word, you have to keep it. If you promise to do something and then you later find out that it was a mistake, it's too late—you've got to keep your promise.

This interview was conducted for Kaizen by Stephen Hicks. To learn more about Jerry Reinsdorf, please visit http://www.nba.com/bulls/news/jerry_reinsdorf.html and <http://chicago.whitesox.com>.

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MORE INFORMATION ABOUT CEE AND ROCKFORD COLLEGE

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In the Next Issue:
**Steve Mariotti on
Entrepreneurship
and Education**



Kaizen (改善) is a Japanese term meaning "change for the better" or "continuous improvement." Kaizen has been applied worldwide as a method for improving the efficiency of all aspects of a business continuously through a cyclical process of standardizing operations, measuring their efficacy, evaluating the data, and innovating to improve performance. Kaizen is also used to eliminate wasteful effort and to humanize relationships within the workplace.