Interview with Florida Panthers CEO Rory Babich (wih transcript)

Rory Babich

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Welcome to Case in Point, produced by the University of Pennsylvania Law School. I’m your host, Steve Barnes. In this episode we’ll have a conversation with Rory Babich, President and CEO of the Florida Panthers National Hockey League Franchise, who will give us an inside look at what it means to lead a professional sports organization.

And he’ll be talking with us about what’s in store for the Florida Panthers and their fans this year. Thanks again for joining us, Rory. It’s wonderful to have you here on the program. So let’s just start things off by asking you, how are the Panthers doing this early part of the season?

Well, thanks first of all for inviting me to speak with you today. I’m pleased to be here. Panthers are off to a decent start. We started off the season playing really well, then we hit a little bit of a rough stretch on the west coast trip, but we rebounded with a win the other night and we feel really good about the way the team’s positioned, the way the team’s playing. We need a little bit more consistency. But we’re happy with the effort, and feel optimistic about the season.

Since we hosted him here for at least a season or two, seems like signing Jaromír Jágr was a pretty good idea.

He’s been an unbelievable addition to the team. He is truly not just a great hockey talent, but a rare and unique talent at that. He is in unbelievable shape, and he is the hardest worker on the team. And one can really see how he just changed the whole nature of the team, when we acquired him with the trade deadline last year. Obviously we signed him right after the season.

And he just elevates everyone’s play. He brings confidence to the other players. He leads by example. And he’s done a tremendous job. We have a lot of young players on the team, and he’s an important influence on those young players. And he really relishes that role. So he’s been a great addition.

Fantastic. So, people talk a lot about the front office in professional sports, major league sports. So can you talk a little bit please about how you as President and CEO, the ownership, and the General Manager of the team interact. What are your respective roles, and how do you work together to try to build a successful franchise?

Sure, and no two organizations are really the same in that respect. And culture as is often the case, set at the very top. So when new
ownership purchased the team in September 2013, one of their mandates was, we’re one organization. We don’t separate it out, hockey on one end, business on the other, and never the two shall meet. So we treat ourselves as one organization.

And I partner very closely with our General Manager, Dale Tallon who is one of the top if not the top GM in the game. He helped build the Chicago Blackhawks before joining the Panthers, and he’s doing a tremendous job putting together the Florida Panthers team.

So I partner very closely with Dale on the hockey side. Dale partners with me on the business side, provides a lot of input, share a lot of ideas on marketing and ticket sales and different things we can do to help grow the sport of hockey and help grow the team in Florida. And that all comes from the owner. The owner mandates that. We speak on a regular basis with the owner.

Obviously it could be on different things. But Vinnie Viola and his business partner Doug Cifu are owners and Doug will be on the phone with Dale virtually every day. And he regularly interacts and myself and we have an Executive Chairman, Peter Luukko, who we recently hired from the Philadelphia Flyers was where he was at for a number of years. He’s been a tremendous addition. Peter speaks with Doug and Vinnie on a regular basis. So we all work very closely together and treat it as one organization.

Steve Barnes: That’s great. And so, just to flesh that out a little bit. So, during the hockey season, you show up for work in the morning. What is your day like? What are some of the things you might be dealing with, the people you’ll be interacting with, to the extent that there is one, a typical day with the Panthers?

Rory Babich: Sure. And really hockey is, the business side, a 12-month a year job. In fact, a lot of the work is done in the off season, with season ticket sales, coming up with marketing plans, and all those programs. Once the season starts, obviously we’re very busy with a number of different things related to games.

And we’re also responsible for booking concerts and events for the arena. So we’re very busy with that as well. But over the course of any particular day, it’s working closely with the marketing people, working closely with the sales people, working closely with communications arena operations.

And the important thing is that everyone’s on the same page. We
work very hard at breaking down silos. A good example is when I first started, and we acquired Roberto Luongo and I was talking to different groups. And every group was planning their messaging around it.

And I realized it wasn’t a consistent theme. I said this is why it’s important that we need to have the groups interacting with one another and really deliver consistent messages. So it’s really interacting with all parts of the business, including HR, Legal, et cetera. Because it is one organization and we need to be running on a consistent message.

**Steve Barnes:** So that dovetails pretty nicely with my next question, which is what is your leadership style? I imagine it must be a very unique experience leading a professional sports franchise. So what do you emphasize? And especially dealing with sports, what emphasis do you put particularly on something like morale?

**Rory Babich:** Right. And it’s, I don’t adapt my leadership style by the industry in which I’m involved. I’ve been fortunately in my career to be involved in different roles, different industries. But I tend not to adapt my leadership style to the industry as much as trying to remain true to myself. If I try and act a different way, it’s going to come across as phony.

So I apply the same principles from a leadership perspective, in whatever I do. And ironically, it’s all based on a sports theme, which is, a very cooperative team approach on things. So it happens to fit in perfectly now that I am in the sports world, and the same things that we preach to our players we preach to the entire organization. But communication, cooperation, and a team effort is what we really push for.

And my style is, when I’m working with junior people, try and mentor and really encourage people to throw out ideas, communicate, and ask a lot of questions. With the senior people, it’s obviously giving them free rein to do their jobs and not micromanage.

In the first year not surprisingly, when I stepped into my role, a lot of it was very tightly run as we were resetting the business. And it as very hands on. But it’s always a balancing act. And it’s the same way with the team on the ice. The coach needs to set his system in place, but you also need to give the players the freedom to be creative and do their thing to be successful to get to the NHL.
*Steve Barnes:* Fantastic. So just baking up a little bit, could you talk a little bit please about your journey. You’re a very well known and successful lawyer, and now suddenly here you are in this studio and you're President and CEO of the Florida Panthers. Talk a little bit about how you got to where you are today, please.

*Rory Babich:* Sure. And obviously not a common career track. The track that I’ve taken. That being said, there’s a number of lawyers that step into leadership roles in a number of different industries. So, a law degree and working as a lawyer actually is one of the paths to becoming a business leader as well. in my particular situation, I didn’t set out to be president and CEO of an NHL team.

If you would have asked me five years ago if I could name a dream job, what would it be? Forget whether or not you’re on that track or anything. I would have said I’d love to run an NHL team. So ironically it’s worked out very well. but the path that got here really was not set with this as the endgame as much as I focused on my experience and skill set all along the way. And I never knew where it was going to lead.

But whatever job I had, I always focused on learning as much as I could. Really going beyond the narrow assignments that I was given and making sure I understood the context, the business objective. And it was asking a lot of questions and doing a lot on my own and making sure I understood the business.

And so basically what happened is after being involved in different roles and different businesses, and my position evolved from being an outside lawyer to moving in-house, becoming a general counsel. And then moving over to a business position where I was COO, responsible for running the day-to-day operation of a business. So those skill sets all the way just kept evolving.

And then right place at right time, I as doing consulting. The owners of the team at the time were looking to buy the team. They asked me, they knew I was interested in hockey. They knew I had experience in some turnaround situations. Asked me to consult with them on their acquisition, not with the intention of joining. It was really helping them with their acquisition, but as is often the case in life, one thing led to another.

And they asked me to join as their special advisor, which I did. And then our CEO at the time left for a great opportunity with another company, and they decided at that time they wanted someone from outside the sports world. They wanted someone to
apply different thinking. Someone who had seen different industries, someone who had been in turnaround situations.

So again, it was right time at the right place. And now we’ve added a lot to our management team. We’ve brought in very experienced sports and entertainment people, and we’ve built a very solid management team now.

*Steve Barnes:* Let’s back up a little bit further. Were you a fan of hockey growing up?

*Rory Babich:* Yes. I actually loved all sports. Hockey was one sport, though, that I did not play. I played all other sports growing up, but where I grew up in central Jersey, my friends and I, none of us played hockey. It wasn’t something that was commonly played then. But grew up as a Rangers fan and always followed the sport. And then as an adult, I really became addicted to the sport. And that’s the sport where I became a season ticket holder. Had season tickets with the Rangers for 20 years, and followed the sport very, very closely.

*Steve Barnes:* Fantastic. So, what are some of the unique challenges of being a CEO, particularly again dealing with the ownership on the one hand and you know, you’re management, right? And then the employees. What kind of balancing act is that like?

*Rory Babich:* And there’s actually, in the sports world, there’s a third category as is often the case in every industry where as a CEO one needs to step back and really determine who are the stakeholders. One has to keep employees happy. And motivated, is an important part.

One has to be responsive and communicative to ownership. In other situations, maybe it’s a board of directors. There’s public shareholders. So, there’s always a bunch of different stakeholders. The additional element in the sports world is the community and the fans. And that adds a whole new element to running a sports team.

Because at the end of the day, we’re nothing without our fans. And those fans support the team and are loyal to the jersey regardless of who ownership is, regardless of who management is. They’re loyal to the jersey, and we have a responsibility to those fans. So that adds another element to it.

But that’s why it’s important as CEO of the sports team. It’s really one of the first things I did having not run a sports team and having
not grown up in the sports world, is really just step back. I asked a lot of questions, made sure I understood what was going on. Asked for a lot of data. Applied things I learned from different industries, in studying this business. And then tried to take and figure out and tailor a strategy specific to this business in this location.

*Rory Babich:* Great. And what have community relations been like? I mean, what have been some of the successes you’ve felt the franchise has accomplished and maybe some of the challenges?

*Steve Barnes:* Sure, and the team has been around now for a little bit more than 20 years. In its early years it enjoyed a lot of success on the ice. Made it to the Stanley Cup finals and the arena was sold out every night. So we know that hockey can work in South Florida.

After those early years however, and now the team relocates in a great arena. It was built in the late ‘90’s in Broward County, in Sunrise, Florida. To me it’s one of the top arenas in the league. But the team has not enjoyed much success on the ice in the last 15 or so years.

And so, what’s happened is, because of that lack of success, the fans just have not really gotten behind the team, for understandable reasons. It doesn’t matter whether it’s in South Florida or in Chicago, Boston, when those teams hit some lean years it’s hard to keep the fan base when the team’s not enjoying success on the ice.

And so we’ve spent a lot of time and obviously with the owners’ encouragement, their money, signing a number of free agents, making a number of key trades. Getting Roberto Luongo, getting Jaromír Jágr. So we’ve made a number of key trades in those free agents to improve our team. It all starts with improving the product.

And we also focus on the character of the players. So one of the things I’d like to say is we have a very likeable team. We have a great group of guys. They’re very community focused and they’re very team focused, and when one goes to the arena and as a sports fan, obviously I was a sports fan long before I was involved. As a fan and you’re watching your team, you know when the guys are giving their effort. All right?

You’re making your choice, you’re spending your money, you’re making a decision where to spend your time. And when you go to the arena or the stadium or the ballpark, wherever you’re at, you want to be rewarded with that effort. And you can tell when the
players aren’t giving their effort. And our guys give it their all, every single night.

So it’s a very likable team, and an easy team to get behind. So that’s a big part of it. But then it’s also reaching out to the community, whether it’s through youth hockey, trying to introduce more kids to the game. Whether it’s appealing to parents. Now South Florida has a lot of people that are transplanted from the Midwest, from the North, from Canada. Europeans.

So there’s a number of people really who are familiar with hockey. And they may have their hometown teams, but with a strong team and having a team that people can identify with, we’ll get them as the Panthers, their second favorite team, and when their team comes in they’ll root for their team.

But every other night, they’ll be rooting for the Panthers. But, it really is establishing that brand and that connection, and that’s one of the things about sports. People who love sports are very passionate about their teams. And they want to be proud of their teams. And you measure pride in different ways. That includes by giving that effort every night on the ice.

But it’s also, what does the team mean for the community? What does the team do to the community? How does the team give back to the community? So that’s one of the things I talk about with the fans and the community. People have to be proud of their team. And it’s not, I often say it’s not just being in the community but being part of the community, and that’s a lot of what we’re focused on.

Steve Barnes: I do want to touch upon the branding and the giving back to the community in just a moment. But if you could please, given the fact that all the best coaches are in the stands, particularly people like me. How do you and the ownership, the GM, what are the deliberations and machinations that go into trying to put together a winning team, a playoff level team?

Rory Babich: And it’s interesting on the inside. Because like you said, I was coach and GM many nights as I sat in the stands watching the team and obviously critical when the team was losing and always thinking, and that’s one of the beauties of sports is that everyone’s an expert in it.

Which is one of the things that makes it fun and one of the things that makes people passionate about it. Being on the inside, it’s very
interesting. Seeing what goes in to making a team, and seeing all the challenges. I mean, if you look at building through a draft, which is a common way, in the NHL, you’re scouting kids 16, 17 years old. And not just looking at how they’re projected to develop physically, but really how they’re projected to develop mentally.

And it’s really trying to spend time with them. You interview them as part of the draft process, and really trying to understand how they’re going to develop. There’s a whole bunch of people with a world of talent who may not have the drive or ambition to maximize that talent. There’s others whose talent may be a little bit lacking at that point.

But, they haven’t matured fully yet. And you see things in them that are really going to help make them successful pro athletes. So we have a large scouting staff at the amateur level. Scout throughout North America and scout throughout Europe.

And the key part is, and that’s driven by the GM, what type of team do we want to put together. Is it a fast team? Is it a big team? Is it a combination? What types of players are we looking for? As we build a team, where are there holes? And not just where is there a hole this year. As we look at our roster, where do we see gaps in two, three years? Because really building through the draft is how one builds a core for the team.

As one builds through the draft, then is where you supplement with free agents and trades. And in many cases, you’re bringing in guys who add that missing piece, who add a part of the game that is missing from the current roster. But also importantly, since we do have a bunch of young guys as do teams building through the draft, people who can serve as good mentors and serve as role models for the players.

Particularly with a young team, it only takes one or two rotten eggs to spoil a locker room. On a team full of veterans, if there’s one player who doesn’t have a good attitude, it’s easy for the other veterans to get him in line. On a young team, one really needs to be careful with the character of the players. So it really is a combination.

We also have pro scouts that are observing all the teams. Our general manager speaks with the scouts on a regular basis. At the start of the season we’ll talk about what we’re looking for, and then there’ll be periodic meetings throughout the year. And
obviously as the draft approaches, more and more detailed meetings, getting ready for the draft.

*Steve Barnes:* And to what extent does the salary cap impact those deliberations and machinations and so forth? Especially this year, in the NFL. Part of the griping if you will is that for all the benefits of the salary cap there doesn’t seem to be much parity as certain teams go on unbeaten, at least at this part of the season.

*Rory Babich:* Right, right. Now the salary cap in the NHL has played a very important role in enabling teams to be competitive. Because it’s a hard cap. One can’t exceed it and then pay a luxury tax. So what it really does, is put teams on a more equal footing. And teams have to take into account.

We’ve seen teams that have been wildly successful in the past, that run into salary cap issues. Can’t resign their players. That gives other opportunities more of a chance to acquire some of those players. And so in this day and age, it’s not, it’s a great question. Because it’s not just evaluating talent, but it’s also how to manage the salary cap.

And it’s not just the salary cap for this year, but as we sign guys to longer term contracts, we may have guys, especially with the young team coming off their entry level contracts that we’re going to have to resign one, two, three years down the road. And we want to make sure that we don’t lock in too much salary right now that’s going to affect our maneuverability several years down the road.

*Steve Barnes:* And under the most recent collective bargaining agreement, that lasts, well, now it’s eight more years, is that correct?

*Rory Babich:* I believe that’s right. Yeah.

*Steve Barnes:* Great. So, let’s talk a little bit about some of the new rules this year for the NHL. Especially three on three overtime, which I think is just fantastic. But I’m curious what folks inside the building think of that rule.

*Rory Babich:* Yeah, and the NHL has been experimenting over the years. As you know it used to be games would end in a tie. After recently this century, they put in place the four and four overtime and then the shootout. And a lot of fans were critical or players were critical of the shootouts, and that’s no way to end a team game.

But if you’ve been at a game and watched a shootout, every single
person in the arena is on his or her feet watching it. It’s actually quite exciting. And obviously they didn’t do that in the playoffs where games are played to a finish. However what was happening was a number of games started going to the shootout.

So, the league and the rules committee looked at it and this year decided to move to three on three overtime. That’s reduced the number of games that go to a shootout, so it’s really decided in a team competition. And the energy in a three on three is just tremendous. They do nonstop action, and it’s –

_Steve Barnes_: A lot of breakaways.

_Rory Babich_: A lot of breakaways. And you could go down on a breakaway, and if you miss that net _____, comes off the boards, then the other team’s coming back on a breakaway. So it really adds a lot of excitement.

_Steve Barnes_: That’s great. So let’s, now let’s talk about some of the stuff that you’re doing as part of the community outreach. What particularly do you find exciting about some of the marketing or outreach efforts you’re involved in?

_Rory Babich_: Sure, and like any business, the owners bought it back in September 2013. So, it’s never an overnight plan. And all these things are a process that take place over time. Last year we were really resetting the business, doing a lot of different things with marketing, with our corporate partners and with our fans.

This year now, we’ve really ramped everything up. And as I mentioned, we’ve brought in some tremendous talent, starting with our executive chairman Peter Luukko, who has been incredibly successful and helps, really helps the franchise tremendously. We’ve brought in some new marketing people. We’ve increased our marketing budget tremendously.

And so we’ve really been trying a lot of different initiatives. Last year, for example, it was just a toehold. But we wanted to reach out. And we started broadcasting our games in Spanish language. And we were doing one game a month. It was like, let’s test the waters. Let’s start a reach out, and that’s in and of itself not a strategy for reaching out to the Hispanic market. But it does show that we’re thinking about it, it does show that we want to do it, and it was a good way to get introduced to the market.

This year, now, we’re broadcasting all of our home games in the
Spanish language. It’s simulcast on Fox Sports Florida in Spanish as well. Then there’s a number of other community outreaches, whether it’s on the charitable side with our foundation or from a marketing side.

So, there’s been, and we focus on, we’re located in Broward County. But we’re also convenient for Palm Beach County and for Miami-Dade County. So our marketing program actually runs through all three counties. And this year, again, as part of a broader outreach and increasing the brand name and brand recognition, even on radio now we broadcast all the way down to the Florida Keys as well.

Steve Barnes: Great. And just to step back a second, you’re talking about management and leadership and marketing and outreach. Full and fair disclosure, you are a graduate of Penn Law. But how and to what extent does being a lawyer help you in your job as CEO?

Rory Babich: Yes, it’s, being a lawyer, going to Penn Law, opened up an incredible number of doors for me. And no doubt about it. I can honestly sit here and say I would not be where I am today if not for going to Penn Law. All the decisions we make and everything we do, you know, lead down different paths.

And so, that all really started with my attending Penn Law. And I think the single biggest values law school teaches one, a certain way to think. It’s very analytical. It’s focused on the details. Now as CEO, one may say well, why do you have to focus on details? It’s a big picture strategy. But in order to get the big picture strategy, I’m a firm believer that you get to the point where you can focus on big picture strategy because you understand the details.

And then you have other people who you work with, and they then start to focus on the details. And you have confidence in them, that enables one to focus on the big picture. So I think it’s really the training on the thought process, that really is what led to opening up all these doors. And it’s the way I learned to look at issues, look at problems, and how I applied that in my every day professional life.

Steve Barnes: You mentioned the foundation. Could you talk a little bit about some of the efforts about which you’re particularly pleased or proud?
Steve Barnes: What advice do you have for students and others seeking to work in sports management at a high level?

Rory Babich: Right. And as is clear from my background, I did not take the traditional route to sports management. However, even early in my career and dating back to when I was just starting in law school and thinking of trying to become a sports agent. And I remember meeting with someone then and discussing how does one become a sports agent?

And the advice I received, and it’s something that I’ve followed to this day, the advice that I received was basically, there’s very few opportunities for sports agents. And even fewer for people that don’t have any experience as a lawyer and just coming out of law school.

And what he advised me was, make sure you focus on your skill sets and experience. You think you want to become an agent, become a corporate lawyer. Learn how to negotiate contracts. Learn how to do deals. Learn a certain way of thinking. And then, you can try and become a sports agent after that. And of course as often happens, one road leads to another and I never tried to circle back to become a sports agent as my career evolved in different ways.

But what I always did focus on was skill sets and experience. And
so, if someone wants to go into sports management, there’s different paths. There’s just no, as illustrated by me, there’s not just one path. If someone’s interested in sales, they can be working for a consumer company. Never lose sight of sports. Work on networking.

But if you look, Coca Cola, Pepsi, Ford, Lexus, all these companies have big sports marketing programs. So if one doesn’t get a job with a team, one can try and work with one of the big corporations and get into their sports marketing or just get into their marketing department and then try to make it over to sports marketing.

So, it’s important to think broadly. Think of the skill sets, and think of networking. And try to identify potential paths. Even if one doesn’t get a job in sports initially, that eventually could lead to sports. And in doing that, one never knows where it’s going to lead. I went from thinking I wanted to be a sports agent to living and working in Hong Kong, living and working in Tokyo, and doing all these different things that I never expected, never dreamed of. But it was really all just because I was trying to think broadly.

**Steve Barnes:** Fantastic. So this has been a great conversation. I want to thank you again, Rory, for joining us here on Case in Point.

**Rory Babich:** My pleasure.

**Steve Barnes:** And we look forward to having you join us for the next episode. Thanks so much.

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