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Playoffs?!?! Fixing College Football

by Pete Rossi

This essay was submitted for the Society of Actuaries' Entrepreneurial Actuaries Section 2010 Papers Competition.

Executive Summary

Mega Issue: College football is broken and actuaries are going to fix it. The current system, the Bowl Championship Series (BCS), is entrenched in subjectivity, politicking and greed. The proposed solution allows the National Championship to be crowned on the field in an objective manner while increasing profits to the universities. Actuaries will use their communication, decision-making and organizational skills in developing this unbiased solution. The 'idea' itself adds the value to the firm and profession.

Introduction

Ah, Jim Mora. Coach Mora was speaking to the chances of some young quarterback named Peyton Manning leading the Indianapolis Colts to the playoffs. Years later we look back at the ol' coach's rant as NFL lore. But that's what makes sports so great—the champion is crowned on the field/court/mat. There are no questions and little debate. Well, all major sports except Division 1-A college football. Mega Issue: College Football Playoff System, the Holy Grail of organized sport debate.

Depending on who you ask, major college football does not have a 'playoff system.' Instead, something called the Bowl Championship Series (BCS) is used. The BCS uses a complicated numerical formula to

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match up the two top teams—essentially a two team 'playoff.' These two schools will play in the BCS National Championship game. The inequity in this current system is that all 120+ teams don't have a chance to compete for the championship. In fact, only about half the teams actually have a legitimate opportunity annually. The current system is subject to excessive subjectivity, politicking and greed.

The entrepreneurial approach can be used to rectify the current suboptimal situation in college football by eliminating the above issues. The ultimate solution will be one where the championship is decided in a fair and equitable manner, but done so on the field—a true playoff system.

The actuarial profession trains us well in the areas of decision making and organization. Arriving at an unbiased, optimal solution is a staple of the actuarial profession. Applying these to the BCS will generate an equitable system. In this case the 'idea' is where firm value is created (low cost, high benefit). When dealing with non-tangible things like 'ideas,' communication and organization are critical. A well-crafted solution from an actuarial firm is low-cost and effective.

Stakeholders with Their Associated Viewpoints

1. Fans/Alumni—To this group, college football and the universities are like motherhood and apple pie. Their school holds a special place in their hearts. They will cheer when the team is down five touchdowns. They will pack the Winnebagos and take the 500-mile trip to campus. They are the 12th man. They are Penn State. And all they want is for their team/school to have a fair chance at a National Championship.
2. Players—The players want to play for a National Championship. It's that simple. Perhaps some want to pad their stats in hopes that a large payday will eventually come their way. But in the here and now, they all want to be the outright champion among their peers.
3. University Administrators—Let's be realistic here: The schools are only in this game for the money, not for the players or the results. College football is a multi-billion-dollar-a-year industry. Traditions and big name schools bring in the money. For example, a marginal Michigan/Ohio State game is more desirable than an undefeated Boise State/Texas Christian matchup.

Criteria

- **Objective**—Pollsters and mathematical formulas aren't needed. The winner will be crowned on the field just as every individual game is decided.

- **Flexible**—The college football landscape is constantly changing, so any implemented system must be ready and willing to change along with it.
- **Maintain Tradition**—College football is defined by Michigan/Ohio State, Oregon/Oregon State, Notre Dame, Bowls.
- **Increase Profits**—The only way to achieve buy-in from the University Administrators would be if the new system is more lucrative than the current system.
- **Not Exploit the Student-Athletes**—The athletes are amateurs, and as such, do not receive compensation for performance. Any proposal cannot result in playing an exorbitant number of games.
- **Decrease Downtime at Season's End**—Typically, teams playing in BCS Bowls wait upwards of 30 to 40 days from their last game. This makes the quality of football exhibited on the field poor for many fans.
- **No Adverse Effects to the NFL**—The National Football League is the cash cow in the United States of America. When the Bowls, which are historically played on Jan. 1, fall on a regular season NFL Sunday, they are bumped to the following day.

Solution

The easiest way to construct an optimal solution is to start with the desired result and work backwards—analogueous to valuing a financial option. But it's easier to explain working from the beginning.

Let's break all 120+ teams into eight 16-team conferences with two divisions per conference. This will allow conferences steeped in tradition to persist. A school will be required to play all seven teams in its division and two others in its conference, along with two to three games out of its conference. This means that a team plays 11 to 12 regular season games, not different than the status quo. Conferences decide all tiebreakers for division winners. It's preferable to have conferences decide this rather than some external organization subjectively determine the top two teams overall.

The two division winners in each conference will play one another in a conference championship game. This will be followed by an eight-team playoff of all the conference champions. The schedule of these games will be held within the current timeline without adding to the length of the season. (Perhaps schedule the quarterfinals in December, with the semifinals and finals in January.) It also creates consolation games for those not playing for the National Championship as well as keeping the current Bowl structure intact. Sites for the playoff can be rotated among the traditional 'BCS Bowls' as a way to further spread the wealth.

This proposed playoff system will see the top two teams play a total of 16 games. Currently, the top teams play 14 games, with a 15th being discussed under the 'Plus One' approach, where an additional game would be played at season's end. Those teams who lose their conference championship game, or fail to win the division, will not play any additional games under the proposed system.

As proposed, college football playoffs would be far more lucrative than the current system. The revenue impact extends beyond the sponsorship of the proposed playoff structure. Currently, teams schedule 'cupcake' (easy) non-conference games since every game essentially counts. Well, under the proposed system, only those games in your conference will count. That frees up a school to play the big name for the big payday. One can argue that the BCS harmed the viability of the traditional non-conference game, which is rarely seen now.

Actuarial Firm Approach

Why now? Well, the iron is hot. This past summer, college football almost saw Armageddon—a large-scale conference restructuring. Alas, it didn't happen, but the game is at a tipping point. The hurdle has always been the big, traditional conferences. If everyone moves together a lucrative and objective playoff is inevitable.

This is where the skills of the entrepreneurial actuaries are needed. No firm alone can pick up the phone and schedule a meeting with the college football movers and shakers. But what we can do is meet with those schools that typically are on the outside looking in. We can present the above solution and help them fill out the eight 16-team conferences. We will identify the potential Pareto Improvements. When the dust settles, the framework for an effective, objective college football playoff will be in place.

Implementation of the proposal will not be an easy one. Realistically, widespread sweeping changes never are. But the cost to the firm is low—multiple meetings/briefings, travel expenses and opportunity costs. The benefit is substantial—the organization that fixed college football.' For an entrepreneur, there is no substitute for a well-designed plan/solution.

All sports enthusiasts love the playoffs. It's deeper than sports—it's basic evolutionary theory. Use any cliché you want: 'survival of the fittest,' 'win or go home,' 'do or die,' 'play like a champion today,' 'playoffs?!?!' Coach Jim Mora's rant has no direct relation to college football, yet has everything to do with the fairness and objectivity needed in college football.

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