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The Innovation Mindset in Action: Jerry Buss

by Vijay Govindarajan and Srikanth Srinivas | 11:00 AM July 9, 2013

Innovators think and do things differently in order to achieve extraordinary success. They are found not just in the world of business, although they do have strong leadership qualities and excellent business sense as a common core. Our research indicates that whether they are CEOs, senior executives, sports team owners, or film directors, game changers who stand head and shoulders above the rest share a common set of qualities that we call the innovation mindset.

In a series of blog posts, we'll introduce a few game changers and explore the common qualities that make them such effective innovators: they see and act on **opportunities**, use **“and” thinking** and **resourcefulness**, focus on **outcomes**, and act to **“expand the pie.”** Regardless of where they start, innovators persist till they successfully change the game.

Take, for example, Jerry Buss (http://en.wikipedia.org/wiki/Jerry_Buss) (1933-2013), the longtime LA Lakers owner who rose from an impoverished Depression-era childhood to the Basketball Hall of Fame and ultimately transformed the sport of basketball.

*Innovators connect the dots differently and see **opportunities** that others don't. They seize opportunities that others don't dare to.*

Buss launched his career in real estate with \$1,000 in 1959—a venture that proved lucrative. Twenty years later, he purchased the Lakers, the Los Angeles Kings, and the Forum sports arena. In 1979, the Lakers, like the NBA, were struggling (<http://www.hollywoodreporter.com/news/how-lakers-owner-jerry-buss-422207>) —even NBA playoff games aired after the event, outside primetime. There were plenty of sports enthusiasts for baseball and football, but basketball was a distant third.

Even under these challenging circumstances, instead of focusing on simply improving profitability, Buss saw a unique opportunity to build a team that would win the championships many times over. Even more importantly, Jerry Buss saw an opportunity to transform basketball from a sport into entertainment. He dubbed his team “Showtime,” inspired by the signature opening line each evening at the famous nightclub The Horn: “It’s showtime!” He had the backdrop of the perfect city to make his dream come true—LA and its entertainment industry. To quote Buss (http://espn.go.com/los-angeles/nba/story/_/id/8959319/los-angeles-lakers-owner-jerry-buss-had-vision-unlike-other), “My dream really was to have the Lakers and Los Angeles identified as one and the same. When you think New York, you think Yankees. I wanted that to be the case here as well. That when you think L.A., you think Lakers.”

Pat Riley, who coached four of Buss’ 10 title teams, said it best (<http://www.hollywoodreporter.com/news/how-lakers-owner-jerry-buss-422207>): “Jerry Buss was more than just an owner. He was one of the great innovators that any sport has ever encountered. He was a true visionary, and it was obvious with the Lakers in the ‘80s that ‘Showtime’ was more than just Magic Johnson and Kareem Abdul-Jabbar. It was really the vision of a man who saw something that connected with a community.” It is no exaggeration to say that Buss helped rescue the league from

its late-1970 malaise. When Jerry Buss passed away on February 18, 2013, NBA commissioner David Stern said, “The NBA has lost a visionary owner whose influence on our league is incalculable and will be felt for decades to come.”

Innovators break through to new levels with “and” thinking.

Buss aimed for great players and great entertainment—a new combination.

Buss recruited the best talent, starting with the charismatic point guard Magic Johnson, and provided his players with the best trainers and the best equipment. Buss aggressively invested in his players, creating a legendary line up of star players such as Kareem Abdul-Jabbar, Shaquille O’Neal, and Kobe Bryant, and coaches such as Pat Riley and Phil Jackson. After Magic Johnson’s second season with the Lakers, Buss gave him an unprecedented contract for \$25 million, then the largest contract for any athlete. “Anybody who makes an outlandish salary obviously attracts attention,” Buss explained (<http://www.nytimes.com/2013/02/19/sports/basketball/jerry-buss-longtime-lakers-owner-is-dead-at-80.html?pagewanted=all&r=0>). “That was what was behind my contract with Magic. I think it created a lot of attention for the Lakers.”

And Buss’s investment went beyond the parquet; when former Laker Walt Hazzard suffered a stroke in 1996, Buss kept Hazzard on the payroll, vowing that Hazzard would remain a Lakers employee for as long as Buss owned the team. “He stood by his word,” Hazzard’s son said (http://espn.go.com/los-angeles/nba/story/_/id/8959319/los-angeles-lakers-owner-jerry-buss-had-vision-unlike-other). “When my dad passed away [in 2011], he was still an employee of the Lakers and our family is eternally grateful.”

*Innovators use a mighty dose of **resourcefulness** to go through, over, under, and past obstacles. They leverage resources in groundbreaking ways to fulfill their big dreams.*

To achieve his vision of great entertainment, Buss was resourceful, leveraging local Hollywood talent: live music and the Laker Girls—a group of cheerleading dancers, initially including Paula Abdul (<http://www.hollywoodreporter.com/news/how-lakers-owner-jerry-buss-422207>). Courtside seats that were priced at \$15 when he bought the Lakers became the hottest tickets in Hollywood.

To recruit top basketball talent, Buss needed to raise more money. He was one of the first to sell naming rights; the Great Western Forum was the result of a major advertising agreement with Great Western Bank.

*Innovators focus on **outcomes**. They don’t get caught in the activity trap (http://en.wiktionary.org/wiki/activity_trap). They don’t perform activities for their own sake but see them as instruments to achieve outcomes. Given their obsession with outcomes, the results of their work are significant.*

Buss focused on outcomes—which, during his 30-year ownership, included 16 appearances in the finals and 10 NBA titles. In fact, the LA Lakers won the NBA Championship in Buss’s very first year of ownership. In addition, Lakers grew from \$16 million in value at the time he bought them, to \$1 billion by the end of his era.

*Innovators combine their resourcefulness and outcomes-focus to **expand the pie**, by effectively converting non-consumers into consumers. In the process they transform their industry, community, country, and sometimes even the world.*

In order to attract a crowd that would not normally attend a basketball game, he encouraged famous Hollywood stars to attend. Jack Nicholson has since become the face of the LA Lakers. Attendance and TV coverage skyrocketed; viewers wanted to see the stars on the front row just as much as they came to see Magic Johnson’s gravity-defying “no look passes” (<http://www.nba.com/history/legends/magic-johnson/index.html>) or Kareem Abdul-Jabbar’s “skyhooks.” (<http://sports.espn.go.com/nba/features/kareem>)

At a time when the major sporting events were shown on TV on pay-per-view basis, Buss co-founded Prime Ticket TV network (<http://www.foxnews.com/sports/2013/02/19/lakers-owner-jerry-buss-who-lived-hollywood-dream-while-leading-team-to-10/#ixzz2Y17gX0nZ>) and started showing the LA Lakers games free on basic cable, which further expanded viewership. Advertisers took notice and another revenue stream opened up. Buss used the additional revenues from the expanded pie to get even better talent and even better coaches, and even better equipment to train them, which in turn meant more championships and more crowds—quite a virtuous cycle.

“I’ve worked hard and been lucky,” Buss said (<http://articles.latimes.com/2013/feb/19/local/la-me-jerry-buss-20130219>). “With the combination of the two, I’ve accomplished everything I ever set out to do.” We all owe a big

thanks to Dr. Jerry Buss for the innovations that we now take for granted—he truly “changed the game.”
