BUSINESS NEWS LESSONS

What sport can teach us about business

one stop english

1 Warmer

1. What sport do you enjoy watching? Who are iconic figures in these sport?
2. Read the quotes. Do you agree with them? Why (not)?

   'Business is the ultimate sport. In business, as in sport. The one thing you can control is effort.' – Mark Cuban

   'Unlike sport, in business the win-win is the best possible score.' – Rasheed Ogunlaru

3. What do you think sport can teach us about business?

2 Key words

a. Write the words from the box next to the definitions below. Check your answers and your understanding of the words by using the same word to complete the example sentence immediately after each definition. Then read the complete article to see how each of the key words is used in context (the words are sometimes in a slightly different form).

bias	edge	geek out	optimal	quantified	constrained
dilemma	foundation	metrics	optimise	tactics	raise (a few) eyebrows

1. to be very enthusiastic about something you know a lot about and are interested in but that others might find dull _____

   I am an economics professor, so I get paid to _____about economics, my favourite topic.

2. meaning the amount or number of something is measured _____

   Not all human processes can be _____. Some psychological studies are based on qualitative data.

3. a set of numbers that provide information about a particular activity _____

   We use _____ like cost per lead (CPL) and customer acquisition cost (CAC) to inform our strategy.

4. an advantage over others _____

   Rue has lived in Asia and speaks four languages, so she has an _____ over the other candidates.

Intermediate

5. forced and unnatural _____

   His words were reassuring, but his voice sounded _____.

6. a fact or idea that something is based on _____

   The _____ of social studies originated in Great Britain in the early nineteenth century.

7. the most likely to bring success or advantage _____

   We are reevaluating our manufacturing process to make _____ use of our resources.

8. a planned way of doing or dealing with something _____

   We are going to change our _____ and gradually move our efforts to content marketing.

9. to cause shock or surprise _____

   The fact that the CEO was spotted at their rival's charity event _____.

10. supporting or opposing a person or thing unfairly because you allow personal opinions to influence you _____

    You can take an online test to learn more about your own unconscious _____.

11. a situation in which a difficult choice has to be made between two very different options _____

    They found themselves in a _____, and it seemed like there was no correct choice.

12. to make as good as possible _____

    We need to _____ our app for mobile users.

Intermediate

What geeks can learn from sport

IT'S BEEN A VINTAGE SUMMER FOR SOCIAL SCIENTISTS INTERESTED IN HOW INDIVIDUALS AND TEAMS CAN PERFORM

TIM HARFORD

1 For those of us who love sport, the Euros followed by the Olympics have given us a vintage summer. For those of us who love geeking out over data, even more so — because sport, like life itself, is ever more quantified, a world in which metrics are thoroughly analysed in the hope of finding an edge.

2 But while high-performance sport is hoping to learn from the geeks, there is also the possibility that the geeks may learn from sport. Sport is far more constrained than life, which helps social scientists looking for clear, sharp answers to vexing questions about how individuals and teams behave.

3 The economist Ignacio Palacios-Huerta has been making this argument for many years, and recently published a working paper titled "The Beautiful Dataset", surveying a wide landscape of economic topics that have been addressed using data from sport.

4 For example, professional golfers are less accurate when trying to make birdies and eagles (better than the par score) than when trying to avoid bogeys (worse than par). This is an example of "loss aversion": golfers, like us, seem to hate losses more than they like gains. Another example is whether a free market tends to reduce unfair discrimination. It might, in theory: after all, refusing to hire good people on the basis of race or gender is not only repugnant, but an expensive vice. But in practice? Hard to say.

5 The history of baseball offers a clue: after 1947, major league teams were permitted to hire Black players. Many managers disdained that idea. Those who were more open-minded could hire good Black players cheaply, and gain an advantage in the league. Did they? The answer, according to a 1974 study: yes . . . but with outrageous slowness.

6 The penalty kick in football is a great example of the stark simplicity of some sporting situations. Most strikers will have a stronger side, but to favour it too much is to become predictable. The striker might aim for the weaker side instead. So should the striker aim left, or right? And since the keeper has to guess which way to dive, which way should they go?

7 The situation, argues Palacios-Huerta, is perfect for testing a foundation of game theory: the Minimax theorem, proved by the brilliant mathematician John von Neumann in 1928. After looking at hundreds, and then thousands, of penalty kicks, Palacios-Huerta concluded that both strikers and goalkeepers play in accordance with the optimal game theoretic strategy, perfectly balancing the advantage of unpredictability and the advantage of favouring the stronger side.

8 When I previously wrote about this research, I quipped that top football professionals were also "superb economists", suggesting that players intuitively optimised their tactics. But there may be nothing intuitive about it; teams can — if they wish — easily analyse such questions and advise star players accordingly. (Recall the England goalkeeper Jordan Pickford, who faced a penalty shootout with Switzerland. He was armed with a water bottle listing every opposing player and the best guess for how to save their shots.) Teams who neglect their data lose out.

9 So while Palacios-Huerta is justified in his proud claim that "these findings represent the first time that both implications of von Neumann's Minimax theorem are supported under natural conditions", the word "natural" might raise an eyebrow. Players are making optimal choices, yes — when supported by backroom teams. One might wonder whether there is any broader lesson.

10 Indeed, there is a question mark over whether top football players really do optimise. A study by researchers including Michael Bar-Eli and Ilana Ritov found that goalkeepers, contrary to game theory, demonstrate a predictable bias in the way they respond to penalty kicks: the action bias.

Continued on next page

11 To understand what that bias is, consider what I left out of my earlier analysis of whether a keeper or a striker should go right, or left. There is another alternative for each. The keeper could stand still, while the striker could cheekily chip the ball down the middle of the goal — the "Panenka" penalty named after the Czech Antonín Panenka, who won the Euro 1976 final with the audacious technique.

12 The problem is that, as a striker, if you try the Panenka and the keeper stays still, you'll look like an idiot. The goalkeeper faces a similar dilemma. Bar-Eli, Ritov and their colleagues find that goalkeepers would do better if they stood still more often rather than diving for the sake of looking keen.

13 Even the starkest of situations, the football penalty, is more complex to model than it might seem. Is it better to assume that each player has two options, or three? Is their aim to win the game, or to avoid embarrassment?

14 Perhaps the lesson here is not that professional players optimise, or fail to, but that sport is less clear-cut than it appears. As the statistician George Box was fond of saying, all models are wrong, but some are useful. A game theorist might well be able to give good advice to a team preparing for a penalty shootout, but it is too much to expect them to analyse every detail of the situation on the pitch.

15 One of the many pleasures of professional sport is that it offers us much of what makes life interesting, but in a purer, more concentrated dose. That is its attraction to economists too. But let's not fool ourselves. Sport may be simpler than life, but that's not saying much.

Tim Harford's children's book, 'The Truth Detective' (Wren & Rook), is now available

Intermediate

3 Understanding the article

a. Select all the statements that are true. Correct the statements that are false.

1. By studying sport, scientists hope to learn how individuals and teams behave.
2. Palacios-Huerta explores data from the business world in his recently published working paper 'The Beautiful Dataset'.
3. Golf is an excellent illustration of loss aversion, which means people hate losses more than they like gains.
4. Baseball is a great example of how a free market very quickly reduced unfair discrimination.
5. The Minimax theorem was first put forward by Palacios-Huerta.
6. The author had once said that top football players were superb economists because they intuitively optimised their tactics.
7. Football penalty kicks illustrate action bias, which is when a person prefers not to take action in a difficult situation.
8. The author thinks that even sport is sometimes too complex for all decisions to be informed by data.

4 Business language – idiomatic language / collocations

a. Match these words to form collocations from the article. Then find them in the article to read them in context.

1.	analyse	an advantage
2.	make	an argument / optimal choices
3.	reduce	a dilemma
4.	gain	data / every detail / metrics
5.	optimise	embarrassment
6.	face	unfair discrimination
7.	avoid	(your) tactics

Intermediate

b. Complete the sentences with phrases from the previous activity.

1. Companies trying to recruit the best talent can _____ by offering good benefits.
2. Data suggests that training programmes do little to _____ and bias in the workplace.
3. Now that the numbers are in, we need to _____ before we can make any conclusions.
4. It is important to learn more about local customs and culture before traveling to _____.
5. Our current strategy isn't working very well, so the aim of this meeting is to discuss how we can _____.
6. I would like to _____ for sport as the best team building tool.
7. They are _____: if they raise prices, sales might drop; but if they don't, they won't make a profit.

5 Discussion

a. Discuss these ideas from the article and give reasons for your opinions.

- Sport can teach us about life and business.
- In life, most people hate losses more than they like gains.
- A free market reduces unfair discrimination.
- All teams should analyse available data.
- Sport is too complex to really learn from.

6 Wider business theme – game theory presentation: what sport can teach us about business

a. Which theory derived from sport has a clear business application? Choose one of the theories you read about, or research another. Prepare a short presentation on how the theory is applicable to a real business situation. Support your ideas with examples and try to enrich your presentation with quotes about sport and business.

Here is a suggested structure for your presentation:

- Introduce the theory
- Describe the business situation in which the theory can be applied
- Give examples / data
- Conclude

Useful language

Today I am going to talk about …
I believe that … is a great example of …
While players … in … (sport), in business, …
The data suggest that …
First, … Next, … Finally, …
In conclusion, … would be an excellent tactic when …
To quote … (who) on (topic), …

Intermediate