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The mouse that roared

By **Bill King**, Senior Writer

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Our story begins with one word, repeated so many times that Mike Levy cannot recall an accurate tally.

No.

No. No. No. No. No.

He heard it from at least 20 friends and business associates. From more than 100 venture capital firms, which was all that he could find. From about a dozen “can’t miss” contacts on Wall Street.

The human memory is a haphazard caretaker. Most of us recall the early days of the Internet and the dot-coms as a time when money rained from the sky. But at the beginning of 1994, when Levy was out looking for \$2 million to start the Fort Lauderdale, Fla., company that he would call SportsLine USA, he couldn’t find a taker.

Levy’s idea was for a service that would deliver sports coverage and stats via computer. Few had seen, or even understood, the Internet at this point, but there were several online services that delivered information to home computers for an hourly, monthly or annual fee. Prodigy, Compuserve and America Online were the leaders, combining for about 4 million subscribers. Levy pitched his service as Prodigy for sports.

His needs seemed modest enough: 20 investors at \$100,000 each. Commingled with \$200,000 of his own, that would provide enough to develop software, hire a staff and start selling.

But nobody bit. Nobody would put even \$100,000 into a company that would later raise \$332 million from investors in one dizzying, 16-month span beginning in November 1997.

“Pretty amazing when you look back at it,” said Levy, now 61 and drilling for funding for yet another new company. “It seemed like I was on CNBC every month there for a while. It was a pretty incredible time.

“But at the beginning? At the beginning I was turned down by everybody I could find.”

Sports becomes a player

Considering the place of seafaring men in the annals of exploration, it is fitting that the first Web site

launched by a U.S. sports franchise belonged to the Seattle Mariners, who unveiled www.mariners.org on Nov. 30, 1994. The Portland Trail Blazers followed soon after.

Mariners and Trail Blazers. How apropos.

Trying to list the ways in which the World Wide Web has changed the world, and the business done around it, would be like counting grains of sand in the Sahara. You could start, but to what end?

Telling the story of its beginning, at least with regard to the business of sports in North America, is less daunting.

There are those first team sites, located not coincidentally in Seattle and Portland, cradles of techie culture. There are the launches of the sites for the five major leagues: NFL, NBA, NHL, NASCAR and Major League Baseball. There are the two huge mass media sites: SportsLine and ESPN.com.

All of those have traceable histories, and some are rich with lore.

This is the story of their beginnings.

ESPNet Sportszone launched rather loudly on April 1, 1995, with a grand unveiling at the Final Four in Seattle, where the sports leader's partner in the deal, Starwave Corp., was based.

The next 60 days saw the launch of sites by the NFL, MLB and the NHL, as well as SportsLine. The NBA and Sports Illustrated had Web outposts by the end of the year. NASCAR.com went up the following February, before the Daytona 500.

The launches were historic but they were more the middle of the beginning, really.

At the beginning, there was Satchel.

Satchel makes its pitch

When Paul Allen, co-founder of Microsoft and author of an empirewide manifesto titled "Wired World," tapped Mike Slade to run the embryonic, multimedia content company called Starwave in 1993, he gave him an overarching charge: Take my money and put it where everyone will be when the world is wired. He told Slade to assume that all the connections will be high speed. And not to worry about the when.

Allen wanted Starwave to create the content that people would desire. The discussion of platforms — CD-ROM, interactive TV, online, whatever — could come later.

To their first brainstorming session with Allen, Slade brought eight ideas. The first stemmed from a job he had while in college. Back then, he wanted to be a sportswriter. Working at the local

The Pioneers



Levy is shown in his Florida office in 1995 as he geared up for SportsLine's launch.

 **Mike Levy**

Then: Founder and CEO, SportsLine USA

Now: Out raising money for his next venture, the specifics of which he declined to reveal. Levy left SportsLine after Viacom completed its acquisition of the company at the end of 2004.

Screen grab: "I thought that we had a real chance to win the battle. I knew we could put a good product out there. It was just a question of making sure we had enough money to survive, because there were a lot of questions and nobody knew what the answers were. Other than the graphics being different, the site was similar to what's there today — except that everything worked a lot slower."

newspaper in the fall of his senior year, Slade would spend hours combing the Associated Press wire for stories and scores.

After graduating in 1979, however, Slade changed his mind about sportswriting. He pursued an MBA at Stanford and landed a job at Microsoft. But he never forgot those nights reading the sports wire, unencumbered by the limits of a sports section's page count.

"I always wanted to do that again," Slade said. "Everybody should like what I like, right? Of all the things that I could be a proxy for consumer taste on, being a sports fan is one.

"That was our first idea. We had a bunch of others. But of course the first idea was the best idea. Never fails. Off we went to do things with it."

Trouble was, they still hadn't come to terms with a platform. They created a few titles on CD-ROM. That's the path down which most of the sports world was headed. All the leagues were licensing discs that included stats, video and audio that could be updated online, through dial-up modems. They built a few prototypes for an online site that would be delivered via interactive TV. None of it seemed to lead anywhere.

For about nine months, Slade and a staff of almost 100 tweaked and tuned this thing that would deliver a sports wire feed, supplemented and complemented by original content, to home computers. They started negotiating with ESPN about branding it. But they couldn't figure out how to get "it" to sports fans.

"We were all dressed up," Slade said, "with no place to go."

Frustrated by the holdup, one engineer finally suggested that they put the product on the Internet. More specifically, on the World Wide Web. Slade knew the Web, knew it cold. He had been vice president of marketing for NeXT computers, the company Steve Jobs started after leaving Apple in 1985. The Web was created on a NeXT machine.

Slade did not think the Web was the answer. It was "nerdy," Slade thought, and would never catch on beyond the scientists who used it to share their work. It wasn't going to be a business. And it certainly wasn't going to be a business until more people had high-speed connections.

The engineer insisted they should do it anyway. Lacking a better plan of his own, Slade took the idea to Allen.

"I went to Paul and said, 'We're going to build this thing on the World Wide Web, because we don't know what else to do,'" Slade



PROFESSIONAL BOWLERS ASSOCIATION

Mike Slade

Then: CEO of Starwave, the Paul Allen company that set the multimedia standard for Web development, launching and operating ESPN.com, NBA.com, NFL.com and NASCAR.com

Now: Co-owner of Second Avenue Partners, a venture capital firm that funds mostly Internet startups, including FanNation, which was recently acquired by Sports Illustrated, and Newsvine, recently bought by MSNBC

Screen grab: "Starwave was a very passion-driven organization. We were young and innocent. We had no idea what the right business model was. Our usage would double overnight, and we'd be like — 'Whoa. Gotta buy another server. Hope we sell some ads. What should we price 'em at?' Because no one knew. In almost everything you dealt with, nobody knew."



Kirschner is shown in 2000, after she had left the NFL to become CEO of

said, recounting the dialogue. "He goes, 'What's the business model?' I go, 'I have no idea.' He goes, 'OK.'"

Slade chuckles about the unlikely exchange.

"I'm not making this up."

On Nov. 1, Starwave launched a prototype, which it called Satchel. Geoff Reiss, then Starwave's vice president of sports publishing, suggested the name after he found out that Slade shared a birthday with Satchel Paige. "The only two people born on my birthday were Satchel Paige and Ringo Starr," Slade said. "And we weren't going to call in Ringo."

By the time Satchel launched, Slade was deep into conversations with ESPN, which in April of the following year would come out of a one-year deal that tied its brand exclusively to the Prodigy online service. He knew that success on the Web would require the connection to an established media company that could put it in front of sports fans.

"Satchel wasn't that different from what ESPN.com is today, actually," Slade said. "It was just a little thinner. Satchel Sports looked a little different. But it's the same damned thing."

Setting sail in Seattle

While Slade was busy arranging the marriage to ESPN from Starwave's Bellevue, Wash., offices, a 31-year-old accountant was making history eight miles to the west.

Kevin Mason's primary role with the Seattle Mariners was as a financial analyst, crafting budgets and forecasts. The way the franchise was structured, the finance department also was responsible for office space, the phone system and the computers. So when one of the team's minority shareholders started asking what the Mariners planned to do about this Internet thing that had the Seattle tech community buzzing, the question landed with Mason's boss, Brian Beggs. Beggs assigned Mason to look into it.

Mason didn't find much, at least not much that was up and running. But it was Seattle, and ideas were percolating.

"Brian said, 'I'll give you 10,000 bucks for the whole year,'" Mason recalls. "See what you can do."

Mason hooked up with a company that agreed to provide a server at no charge, in exchange for publicity. He found a designer that would build the site within his budgetary constraints, again, so long as it could tout itself as the builder. He

Fathom.com, a site that offers online college courses.



Ann Kirschner

Then: Vice president of programming and media development, NFL Enterprises, where she headed the launch of NFLhome.com, and then NFL.com

Now: Dean of the Macaulay Honors College, City University of New York

Screen grab: "I can't think of anything in my life that went from being so mysterious and geeky to being the stuff of everyday life. The Internet, it was so hard to explain to people how exciting this was and how you thought it might change the world. And it's so nice to be right. It's really nice to be right."



MITCHELL REIBEL



Dick Glover

Then: Senior vice president of ESPN Enterprises, which included the network's emerging online ventures. The unit's first hire, he negotiated the landmark deal with Starwave.

Now: CEO, FunnyorDie.com. Still competing in rotisserie baseball and fantasy football leagues with Mike Slade and two other former ESPN/Starwave cohorts, Geoff Reiss and Tom Hagopian.

Screen grab: "For me, personally, it was one of the best things I've ever

got bandwidth on the cheap.

“People were willing to do things for free just to be a partner,” Mason said. “If they hadn’t been, we couldn’t have gotten it done.”

Inside the Mariners’ offices, Mason’s project inspired little curiosity. The public relations department saw some value and pitched in, providing content when Mason asked for it. But, mostly, Mason was met by apathy. He could explain ways they could use the site to promote the franchise, spreading content across the Northwest and even worldwide. But he hadn’t a clue how to make money from it.

“Most of the time that I was working on [the project], everyone wanted to poke and prod and make fun,” Mason said. “It was so outside of everything else that had ever been before that people just didn’t get it.”

The Mariners launched their site on Nov. 30, 1994, under the URL www.mariners.org, missing out on the preferred dot-com suffix because it was taken by either a seafaring museum or a medical supply company, depending on whose version of the story you choose to accept.

While modest by today’s standards, it included most of the necessities: a schedule, ticket prices, a merchandise catalog, player photos, and even some audio clips. There were hints that it one day could be used to sell tickets and broadcast games.

In fact, the Mariners became the first team to broadcast live on the Web when, in September of the following year, they streamed the radio feed from two games against the Yankees. There was some discussion about whether it conflicted with traditional broadcast rights — foreshadowing a debate that would grow fierce with time — but the forces of stagnation within the team and league offices were calmed by the realization that no more than 400 people could listen at once. Plus, Real Audio founder Rob Glaser owned a small stake in the Mariners. That didn’t hurt, either.

Mariners.org attracted enough acclaim that, with a full season on the Web under his belt, Mason was invited to keynote a tech conference in Chicago. Mason was to speak while positioned in front of a large screen, which would display the Mariners’ site.

Mason gave the speech, but without the backdrop. They couldn’t get a clear phone connection. The Mariners’ site wouldn’t load.

“It was all so new at that time,” said Mason, who left the team in 1997 and now shares an accounting firm with a partner. “Having a Web site — it was like we adopted an alien.”

Lead or fall in line?

The man who served as the Trail Blazers’ director of information technology from 1995 to 2000, John Walker, recalls that the Mariners had their Web site up before he put the Blazers’ site up. But not by much. A week. Two, maybe? May have only been a few days. It was hard to say, since Walker never set a launch date.

Unlike the Mariners, who had to line up Web builders and server space, the Blazers were owned by a tech magnate, Allen. A Web site was but one piece of Allen’s grand vision of a wired sports world, the centerpiece of which was the team’s new arena, the Rose Garden, which also included interactive kiosks, Internet-

done. Every afternoon when we were out (at Starwave’s Seattle offices), we’d have these pickup basketball games that were incredibly competitive. They had ultimate Frisbee games that were unbelievably competitive. They put together a track team; unbelievably competitive. ... It really was an amazing time.”

enabled suites and a mind-blowing computer system that synchronized the building's many bells and whistles.

All of it was coming together at once.

"I doubt I even bought doughnuts for the guys [when they launched]," said Walker, who now teaches Web development and other tech skills at a Portland high school. "We knew it was the seminal piece of work that we were going to build a great deal of the Blazers' fan connection off of. So we were excited about getting it going. But we also knew that everything we could ever think of was going to go on top of this platform. Turning the switch on was just a start."

The Blazers' first URL was www.blazers.com, "which, unfortunately, we didn't own," Walker said. The NBA owned Blazers.com, Walker said, and intended on holding it for an all-encompassing league site that it planned. Rather than shut down entirely, the Blazers created www.ripcity.com, named after a catchphrase coined by their play-by-play announcer.

It was one of many clashes between the team and league.

"We were a little bit of the lone wolf," said Marshall Glickman, the former president of the Blazers, who now owns the Boston-based consultancy G2 Strategic. "We didn't have a lot of patience to put on the brakes and wait for everybody else."

Glickman, who was a league executive before taking over the Blazers, often found himself torn between Allen's expectation that the franchise lead the way in technology and the league's insistence that it fall in line with the other 26 teams when it came to online media, which it viewed as global, not local.

"Sitting where I was, I had a mixed view," Glickman said. "I wanted to push forward on everything, but I also wanted to be respectful of the basic principle of the league. I think my ownership didn't buy into that as much as I did."

The spats often stemmed from disagreements that evaded existing league rules, which couldn't have contemplated new media. The team conceded early on that it couldn't stream games without league approval. But what about news conferences? Walker said the NBA threw a fit the first time he put up audio from one of those.

Often, the Blazers opted to seek forgiveness rather than ask permission. Eventually, the league tired of giving either. In March, the NBA pulled the plug on the team's Web operation, saying it exceeded territorial restrictions. Allen went along peaceably.

Détente was inevitable, not only because the league indeed controlled the rights, but also because Allen had a larger deal in play. If there was going to be an NBA.com, he wanted Starwave to operate it.

ESPN makes its move

When Dick Glover signed on in November 1992, as the first employee of ESPN Enterprises, the network's CEO, Steve Bornstein, charged him with building the company beyond its television roots.

They knew that what they called "computer-delivered information" was going to be important. Prodigy, CompuServe and America Online were gaining momentum. The emergence of the CD-ROM promised to turn the home computer into home entertainment.

Glover set out to decipher what all this would mean for ESPN. A month after taking the job, he visited Mark

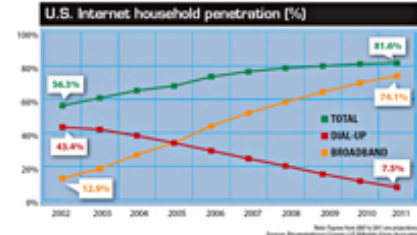
Andreessen, a recent University of Illinois grad who had invented the Web's first user-friendly browser. He would soon co-found his own company, Netscape.

Glover also made a trip to Seattle to see what Microsoft was up to. While there, he got turned onto Starwave, which at that point was fiddling with CD-ROM production. The demo was an interactive Trail Blazers yearbook.

For years, Bornstein would point to that trip as a seminal moment in ESPN's cracking of the Web business. "Glover, you were the only guy who knew how to make money on the Internet," Bornstein often would say. "Because it was Paul Allen's money."

They'd get plenty of it later. But at that point, Allen, Slade and Starwave hadn't found their way online. To get there, ESPN had to hook up with one of the dial-up services. In April 1994, the network signed a one-year deal as the exclusive sports provider for the largest of them, Prodigy. In reality, it was a licensing deal. Prodigy would put the ESPN brand on its sports bulletin boards. Dick Vitale and other network personalities would post occasionally. ESPN would get about \$2 million, with no risk and little work involved.

U.S. Internet household penetration (%)



It was a beginning, but ESPN envisioned more. Even as ESPN launched on Prodigy, Glover kept talking to Slade. He liked what Starwave was doing with Satchel. He wasn't sure how to make a viable business out of the Web, but if Starwave could match Prodigy's terms, they'd go there.

Negotiating for the better part of a year, they crafted a deal that would be a model for many dot-com ventures. Starwave would guarantee a rights fee — in this case, \$2.5 million a year for five years — against splits of revenue from advertising, merchandise and premium content, such as fantasy leagues.

Allen didn't like the idea of absorbing all the risk, but Slade sold him on it.

In retrospect, it didn't take long for ESPN and Starwave to agree to marry. It was the prenup that took months. Each side needed to be protected in the event that they chose to part after the five years. Starwave wanted to call the site Sportszone, so that it would own something more than servers and an engineering staff if ESPN took its name back. ESPN obviously needed ESPN in the name, and it thought it made sense to bring ESPN over from Prodigy.

The compromise: espn.sportszone.com.

"Potentially the worst name in history," Glover chuckles now.

ESPN thought it was giving back a lot for the \$2.5 million annually. Along with its recognizable name, it would provide writing by its analysts, along with audio and video once the medium caught on. It also pledged ubiquitous promotion on its air, including placement of the ESPN Sportszone name on the crawl that it would run at the 28- and 58-minute marks of every hour.

Glover presented a rate card that showed Starwave was getting most of its money back in advertising on ESPN. In the deal analysis, Allen valued that as zero. "I have no idea what this is worth," he told Slade. Few did.

"Turns out it was worth everything," Slade said. "The first people to run a crawl of a Web site that you were supposed to go to was us and ESPN."

They made their debut on April 1 with an event at the Final Four in Seattle. Digger Phelps chatted up Allen at the launch party. Starwave gave out 15,000 browser discs at an ESPN booth at the convention center.

Starwave never turned a profit on ESPN during the five years of the deal, but it became the bridge toward a larger relationship with Disney, which eventually bought Starwave. Along the way, the two companies charted a course for dot-com success.

It didn't always proceed smoothly.

The first time ESPN tried to sell advertising space on the site, the pitch tanked. Glover went to companies offering six charter sponsorship positions for \$1 million each. For that, they'd get ... well, to be honest, Glover hadn't a clue. But they'd get a seat at the table as ESPN and Starwave figured it out, and the chance to remain there forever if they so chose.

"We were laughed out of the room," Glover said. "Here, most people haven't even heard of the Internet. And we wanted \$1 million. Needless to say, we didn't even get close to a sale."

They did finally sell what some say was the first sponsorship deal on the Internet, to Gatorade, for \$25,000. "And that was huge," Glover said.

With the sports ubersite launched, Starwave and ESPN had a template in place. They would pay to develop and operate sports sites, in exchange for a cut of the revenue they brought in. They offered the same deal to each of the four major leagues and to NASCAR.

"Our strategy was to get out ahead," Slade said. "And run like hell."

The NFL kicks off

Ann Kirschner was one month out of her first major project as an executive at the NFL, the launch of the Sunday Ticket satellite TV package in September 1994, when she accepted the invitation of a friend to listen to former MTV video jock Adam Curry preach the virtues of the World Wide Web.

She had been online before; sampled Prodigy and Compuserve and remembered all the other forms of emerging media that were supposed to change the world. So she was skeptical. Curry showed her the first Internet browser she'd ever seen, Mosaic.

"When I saw that, I thought, jeez, this is it," Kirschner says now. "This is really what we've all been waiting for."

She went back to the NFL offices and corralled then-Commissioner Paul Tagliabue and the league president, Neal Austrian.

"I think this is going to be big," Kirschner told them excitedly. Years later, she chuckles at the assertion. But, considering that the NFL had only recently gotten teams to progress past using the mailman to deliver press releases, it needed to be said. Tagliabue might have ignored her completely had she not punctuated her declaration with the prediction that the Web would appeal to "young fans."

"I'm not sure that anybody really knew what I was talking about," Kirschner said. "But the words 'young fans' really perked up their ears. So they sort of patted me on the head and said, 'Yeah, yeah, yeah. What do you need?'"

Run for the money: Global Internet advertising (millions)



They gave her a few bodies and a few more dollars. Kirschner hired a small Seattle Web-building firm called Free Range and they went to work on having a site up in time for the draft in April. Kirschner and her staff would do the bulk of the work themselves.

It wasn't long before they hit their first hurdle. When they tried to register www.NFL.com, they found it was taken. Standard fare. But this one gets better. It was taken by a Chicago podiatrist who used it as an acronym.

No Foot Loss.

Eventually, the league would coax the good doctor off its preferred URL with the offer of a couple of choice Bears seats and what Kirschner terms a "very small amount of money; not enough to pay the tax on a decent URL these days." But, it would have to come up with a different name under which to launch. They chose www.nflhome.com.

They went up with the site in advance of the draft and then made it their first big online event, the signature of which would be a chat with Tagliabue. Since the league was the first onto the Web, it stands to reason that Tagliabue's chat was the first in U.S. sports.

The historic, first question ever asked of a commissioner in a chat room: "Why do the Jets suck?"

The chat forged ahead and the league deemed the experiment a success. It decided to keep the site in-house for the following season, building out basic content such as schedules, stats and rosters, and continuing with weekly chats.

Free Range, the Web-building company that managed the site, would rely on individual teams for much of the information it posted. At the beginning, it was hit or miss.

"A team would say, 'This guy in the corner of the office knows a little bit about the Internet, give him the files,'" said Todd Tibbetts, a Seattle-based Internet consultant who then was creative director of Free Range. "There weren't Internet jobs. It was just whoever was the geek in the office."

It wasn't a priority for many teams. And it wasn't on the radar of many owners.

Kirschner remembers Giants owner Bob Tisch asking her to his office to give him an Internet lesson. And Jerry Jones asking about "streaking video." That level of interest, and understanding, increased exponentially for many of the owners as it became clear to them that the Web could be a profit center.

After a year of going it alone, the league opted to sign its Internet rights over to a Web company that would develop the site and guarantee a profit.

"We were making a lot of progress," Kirschner said. "But the truth is, the NFL really wasn't in the forefront of digital exploration.

"And that was when we met the Starwave guys."

The race is on

Less than two weeks after the NFL put up its first draft site, Major League Baseball opened its Web outpost, which initially was housed at the Web site of MCI, a sponsor that was better known for providing long-distance phone service. It took only a few days for MLB to get the www.majorleaguebaseball.com URL up and working, but initially fans were asked to navigate there through www.InternetMCI.com.

By now, you may have noticed that the importance of a URL was lost on many in the early days.

Michael Bernstein got it, though. He was director of business development at MLB when the league decided that it needed a Web site and assigned the task to him. Like many of his counterparts, he started by trying to register the preferable URL, in this case MLB.com, only to find it was taken by Morgan, Lewis and Bockius, a law firm with offices across the globe.

Bernstein thought the URL important enough to take a run at acquiring it. And he thought he might have an in. He had gone to school with a young lawyer there, Rob Manfred. Years later, MLB would hire Manfred to oversee labor relations, a position he still holds. But then, his allegiance was to a different MLB.

No, he told Bernstein, the firm would not be giving up the URL. Bernstein reported back to his bosses, hoping they'd want to push for it.

"But nobody fought for it," said Bernstein, who spent eight years at the league before leaving in 1997 for a company that was putting video online. "The real point is there wasn't a lot of management support for the logic of acquiring mlb.com, and how important that might be to what we were trying to do at the Web site."

As an alternative, they opted to give the Web site a catchy name: MLB@Bat. But it wasn't really MLB's Web address. You couldn't get anywhere by typing it in. "It was absurd," Bernstein said.

Still, MLB had a site that offered most of the same features as the NFL's site. There were schedules and photos. The launch was headlined by a chat with a Mets rookie pitcher, Jason Isringhausen. As the season progressed, they would build the site out to include stats, news and notes, and box scores, but they'd also stick fast to an edict against posting them until the morning after the game.


While baseball has emerged as the leader in consolidating its Web content, at that time its leaders were waffling between not caring and worrying that it might compromise the value of the TV and radio contracts that paid the bills.

"Frankly, Major League Baseball didn't get it in the early days," said Bernstein, now the CMO of the nation's largest nonprofit home health-care agency. "To their credit, they do now. Major League Baseball doesn't lag behind any league any more. But back in my day, it was all a big question."

Ed Desser wasn't going to get stuck with NBAhomecourt.com, or


Turnkey Sports Poll

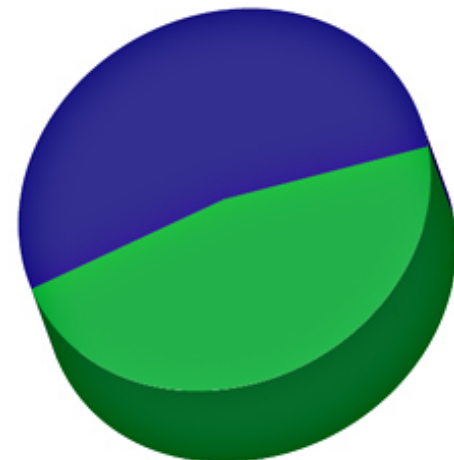
The following are results of the Turnkey Sports Poll taken in February. The survey covered more than 800 senior-level sports industry executives spanning professional and college sports.

 **On average, how much time do you typically spend online each day?**



1 to less than 3 hours	46.64%
30 to 59 minutes	20.18%
3 to less than 5 hours	13.90%
5 hours or more	13.00%
Less than 30 minutes	6.28%

 **Would you consider yourself to be an "early adopter" when it comes to technology? Are you quick to learn and try the latest technology features and offerings online?**



No 53.36%

any other compromised permutation, as a Web address. He had no idea what the league would do with www.nba.com when he registered the URL midway through 1993. It would be a full two years before the NBA would make its way online. But he read a story about this thing, the Web, and it seemed like owning your name, as it related to it, would be a good idea.

“That’s my earliest recollection of the Internet,” said Desser, who at that time was president of NBA television and leader of a league task force assigned to multimedia. “I didn’t know what was required to [register NBA.com]. I really didn’t have any clear vision of how or if we would use it. On a lark, I said, why don’t we do whatever we have to do?”

The lark paid off. When the NBA launched its site at the opening of the ’95 season, it did so as www.NBA.com.

It was the first of its kind, in that it was the first of the leagues to pool the Internet rights of all its teams, creating a league site that would serve as a hub for team pages; not just linking to them and sending traffic back and forth, as the NFL did, but producing the bulk of the content for them.

It also was the first of the leagues to sign on with Starwave. NASCAR and the NFL would follow in 1996.

“There was an interest because of Paul Allen’s involvement — and also a comfort level,” Desser said. “If we were going to be out on the bleeding edge, it would be good to do it with people who understood sports, understood media, and understood technology. That was a very appealing triumvirate.”

Paul Allen’s money. ESPN’s name. Leagues falling in behind them.

And yet, watching all this come together from his own fledgling company’s offices in Fort Lauderdale — almost as bizarre a setting for an Internet company as Bristol, Conn., was for a TV network — Mike Levy remained convinced he could compete.

Who will pay for it?

When his company had little else to speak of, Levy had a deal in place with Joe Namath to endorse its product.

In exchange for a stake in the company, Namath would help market SportsLine, but only on the condition that Levy could prove its viability by rounding up \$2 million from other investors. Namath’s agent, Jimmy Walsh, provided a list of friends who might be willing to back him.

In August 1994, Levy and Walsh went to New York together. They lined up seven meetings. Lugging a 22-pound Toshiba laptop loaded with the SportsLine prototype, Levy pitched his idea. The first six prospects

Yes 46.64%



Knowing what you know today, if you could purchase stock in one of the Web site companies below the year that it was founded, which one would you choose?



Google 76.23%

Yahoo! 5.38%

YouTube 4.93%

Amazon 4.04%

eBay 4.04%

None of the above 3.14%

MySpace 1.35%

AOL 0.90%

Source: Turnkey Sports & Entertainment in conjunction with SportsBusiness Journal. Turnkey Intelligence specializes in research, measurement and lead generation for brands and properties. Visit www.turnkeyse.com.

said no. They met the seventh, the owner of a plastics company that made artificial Christmas trees, for dinner.

“Turns out that this guy didn’t know anything about sports,” Levy remembers. “We finished dinner, and I wrote the meeting off to be another waste.”

The next morning, Walsh called with good news. That last investor wanted in. But not at \$100,000. He’d do it only if he could take the full, \$2 million stake.

Levy had his funding. He could tune his business plan and start hiring.

He started by looking for a chief technology officer, landing on a candidate from Apple, Tom Eastwood, who had a background building online services for banks and credit card issuers. Levy hired Eastwood in November of 1994. Two months later, they were on a plane to Seattle for meetings with executives from Netscape, which had just released the first version of the Navigator browser.

They found common ground and agreed to work together. The Netscape executives also put Levy in touch with the venture capital firm they dealt with, Kleiner Perkins Caufield and Byers. The firm had turned Levy down once, but would reconsider. They thought what Starwave was working on looked promising, but Allen wasn’t taking on outside investors.

“We were the next best thing,” Levy said, “so they got in with us.”

The venture capital firm put \$3 million into SportsLine, running Levy’s funding to \$5 million.

On June 1, 1995, a couple of months after ESPN Net Sportszone launched, Levy sent up a beta version of SportsLine, offering users a chance to win a football autographed by Namath if they signed up for a free trial. Levy’s business plan called for the bulk of the site’s content to be restricted to members who would pay \$4.99 month. SportsLine would start charging on Aug. 15, the day of their full launch, which they celebrated with an event in the main ballroom at the Waldorf Astoria, with Bob Costas as master of ceremonies.

Giving away one ball a day for 75 days, SportsLine had signed up more than 50,000 users.

“And almost every one of those 50,000 people who had signed up to win free footballs disappeared when we tried to get them to pay,” Levy said. “We thought \$5 a month would work. Obviously, it didn’t.”

SportsLine’s pay service included Baseball Live, a simulcast of MLB games. It was the first of its kind. Levy planned a similar rollout for a Football Live product once the NFL season started.

The week before the season opener, SportsLine got word that its data provider, Stats Inc., would not provide the feed because the NFL had threatened to sue them if they did. The NFL also promised to sue SportsLine if it produced the simulcast.

“So, of course, we said screw this,” Levy said. “We got a bunch of guys in front of computer screens and created everything in real time and we ran Football Live that Sunday. On Monday, we got sued by the NFL.”

Over the next six months they worked out the dispute. But things were touch and go at SportsLine. Its funding was thin. The site’s content was solid, but it generated only \$52,000 in revenue in its first year. The fee model didn’t work and advertisers weren’t spending much online yet.

“We found ourselves running out of money,” Levy said. “We would have been down to zero by the end of the year.”

Levy asked Kleiner Perkins for more funding. They sent a partner, Doug Mackenzie, to review the business. His initial recommendation was that SportsLine scale back its content and become a search engine for sports. Levy was crestfallen.

Mackenzie was a 49ers fan, and the team was in town that weekend to play the Dolphins. Levy took him to the game and continued his pitch. The Niners won. Mackenzie was in a jovial mood. Levy persuaded him to reconsider. Kleiner Perkins loaned SportsLine \$1.5 million to keep the company afloat while Levy pursued more investors. In February, he raised \$11 million.

SportsLine was on its way. But Levy knew it had little chance of surviving against Starwave without a media partner. Levy negotiated with Fox, and in June News Corp. offered to buy half of SportsLine and brand the site as FoxSports.com.

Realizing he'd eventually be left without a company under those terms, Levy turned down the offer.

On the day before Thanksgiving, Levy and his head of sales, Mark Mariani, traveled to New York to talk about partnerships with NBC and then CBS.

At CBS, they met with Sean McManus, who'd recently been named president of sports after coming over from IMG. Exploring a deal with SportsLine was high on his to-do list. He was willing to marry brand names similarly to the way ESPN and Starwave had, delivering the TV promotion SportsLine needed in exchange for a 22 percent stake in the company. SportsLine became CBS SportsLine.

Three years after driving through that first avalanche of no's, Levy landed the yes that would ensure his company's future, or at least give it a fighting chance. SportsLine became CBS SportsLine.

"He [Levy] doesn't get as much credit as he deserves," said Glover, who can see clearly now from his seat as CEO of one of today's white-hot Internet properties, Will Ferrell's FunnyorDie.com "He did buck some really big odds. I'm both realistic enough and humble enough to know that at ESPN, we had some huge advantages. He had no such leg up."

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Joe Namath joins Levy, Sean McManus and Peter Lund (left to right) in 1997. It was McManus, fresh in his job as president of CBS Sports, who agreed to partner the network with the upstart Web site in exchange for a 22 percent stake in the company.

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