The Curious Case of IPL

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Introduction

The Indian Premier League (IPL), as we all know is the crème de la crème of fast paced, riveting cricket action. Is IPL a boon or a bane? Is IPL actually, the Indian Premier League or an Indian Paisa League or an Indian Phaltu League? The debate will go on for decades, maybe without any clear conclusions coupled with mixed opinions and reviews. What has always fascinated me, with the IPL is the sense of curiosity attached to it, one never knows what to expect during those seven weeks of blink-and-you-miss-it cricket. However, since the third edition if IPL, the curiosity has shifted from the matches to the administration of the league itself!

History

The Indian Premier League, an initiative started by the Board of Control for Cricket in India (BCCI) in 2007, kicked off on April 18, 2008, with a glitzy opening ceremony in the IT capital of our country, Bangalore. It’s been more than five years since then, but very few of us would know that the IPL would not have started in the first place itself, had it not been for the efforts of Mr.Lalit Modi, the then pioneer in charge of this professional Twenty20 competition.

Mr. Lalit Modi is the heir apparent to an Rs.40 billion enterprise, dealing in textiles in Rajasthan, northwest India. He was always fascinated with cricket and wanted to do something substantial and sustainable for the promotion and nurturing of talent in our country. He approached the BCCI, with the unique proposition of organizing a league based Twenty20 competition in India, between its major cities. This idea was totally rejected by the BCCI, at first, citing that such a league would not work in India, ever, as it was an unchartered territory and that organizing such a league would run the BCCI into major losses. However, cricket experts and people close to the BCCI thought otherwise, as they were convinced this new league would bring about a revolution in cricket as a whole, and they tried to convince the cricketing body about the same, and in turn, they succeeded.

Now that Mr.Modi had got the formal approval of being able to organize this league, under the aegis of the BCCI, the next problematic step was to secure television
coverage for this event. Mr. Modi approached several TV broadcasting companies, but they all rejected it, stating that this event would not work in India due to reasons best known to them. Mr. Modi was disappointed and was almost going to give up, until he thought of meeting up people from Sony TV’s Set Max channel. He approached them with his proposition, they rejected it at first, like several other companies, but after never ending negotiations, they reluctantly agreed to broadcast the Indian Premier League for a period of 15 years.

The reason being: Set Max was already running into major losses, as their primetime shows were not garnering enough TRP’s as expected so they thought of giving the IPL coverage a try; if it turns out to be a loss, it would only add up to their existing misery, if it turns out to be a major hit, it would not only cover up their losses, but also give them unbelievable profits!

Now, as we all know, the IPL is 250 days away from its 6th edition, having already completed 5 glorious and successful ones before! The BCCI’s and Set Max’s decisions’ have been vindicated, coupled with Mr. Modi’s faith. I am 100% sure, Lalit Modi would not have dreamt of his baby growing up so fast and so big, in such little time, considering the amount of hardships he had to face, as mentioned above.

**Indian President League!**

As mentioned earlier, the IPL has grown from strength to strength, with the sixth edition on its way! However, these five editions have given rise to three different presidents. Lalit Modi, the founder, was at the helm for the first two seasons, replaced by Mr. Chirayu Amin, President of the Baroda Cricket Association in 2010, till 2011, finally giving way to the current president, Mr. Rajiv Shukla, Minister of State for parliamentary affairs, Govt.of India.

All the above mentioned presidents are distinctly different in their nature of working and functioning. Mr. Lalit Modi is a self-motivated personality who always wanted to stay in the limelight. Mr. Chirayu Amin is a quiet dedicated individual who prefers to stay in the background and go about his business. Mr. Rajiv Shukla, according to me, is a combination of Mr. Modi and Mr. Amin. Three varied styles, three different outputs for the IPL!

**The Creator & the Destroyer!**

It’s an irony, sometimes to realize that when an individual puts all his efforts in the innovation of a concept worth a million bucks, why and what makes the same individual ruin everything?! As mentioned earlier, Mr. Modi is the creator of the IPL, the man who revolutionized cricket in India, the man who could make it happen. What actually happened so drastically that the man, who was the face of Twenty20 cricket in India from 2008 right up to mid-2010, had to relocate to London?? Following are the various scams charged on Mr. Modi by the BCCI:

**Issue # 1:**

Scam number one as alleged by the BCCI is regarding media rights. BCCI alleges Modi duped Sony into believing that WSG Mauritius held rights for IPL. On basis of false claim
Modi ‘fooled’ Sony into agreeing to pay Rs 425 crores in facilitation fee, sent emails to Sony March 23rd 2009, asking the channel to deal with WSG, introduced clauses that if ‘facilitation fee not paid, Sony’s deal would be scrapped.

**Issue # 2:**
The second scam relates to Timeouts introduced by Modi in IPL2. In IPL 2, 600 seconds of extra time were introduced as strategic timeouts. Strangely for rest of world rights, contract did not include these 600 sec. BCCI alleges Modi caused loss of revenue worth crores to Board.

**Issue # 3:**
The third scam is the Advertisements within Balls scam. LalitModi introduced the idea of 150 seconds of ads within balls. Modi handed this without tender to Pioneer Digagsis run by former Sony chief KunalDasgupta. BCCI alleges Modi indulged in favoritism hurting Board’s interests.

**Issue # 4:**
The fourth scam is being called the Security van scam. IPL awards contract to Visual Impact headed by Ajay Verma. Contract is to supply 3 vans at Rs 5 crores. Contract further said 4 more vans to be provided over next 7 years. BCCI alleges Modi did not follow due process while awarding contract. BCCI alleges Modi hired IPL security vans at 3 times their market value.

The above mentioned details make you believe in the unbelievable: *The creator can also be the destroyer!*

Experts believe that total autonomy, ultimately prove to be dangerous and can ruin everything, almost.

**The IPL is not for all!**
The Indian Premier League has drawn millions of fans all across the globe to a new ‘breed’ of cricket. It has revolutionized the game itself! Right from its inception in 2008 till date, the IPL’s popularity over other rival leagues is beyond doubt and belief and even, comparison. It continues to grow in an astounded manner, in all respects/aspects.

However, there have been criticizers and cynics of this league, stating that it only patronizes and encourages Twenty20 cricket and not cricket as a whole. The ‘purists’ of the game, who believe Test cricket is the ideal format (which includes myself, too!) form the major chunk of ‘IPL no takers’. They say “The IPL does Test cricket no good”.

The IPL has also instilled the following thought process in the minds of today’s budding cricketer:

“If I start playing cricket to the best of my abilities, at least I will be able to play in the IPL”
"If I play IPL for at least a couple of seasons, I will easily earn or rake in approx. twenty to thirty lakhs, which is more than enough to sustain myself and also my family, to an extent, so there's no need to try for Test cricket".

The above mentioned thought process clearly explains us the importance coupled with the ‘drawback’ of the Indian Premier League, for today’s budding cricketer!

The IPL is not for all: so much is the importance of this line that even Mr. Chirayu Amin, the IPL boss from 2010 till early 2011, who was entrusted with the responsibility of saving the face of the IPL, decided to step down from the helm, after having taken over from the creator, Mr.Lalit Modi. The reason he stated was that he couldn’t handle the glamour and buzz about the IPL as a whole, with him being an individual who prefers to stay away from the limelight, predominantly. Colleagues close to Mr. Amin stated that the IPL was ‘too fast’ for him! The IPL needed an individual who had the right balance; who could take on the IPL itself, in came: Mr. Rajiv Shukla!

**Indian Paisa League/Indian Plummeting League:**

The IPL offers a total ₹25 crore in prize money.

- Champions: ₹10 crore
- Runner-up: ₹7.5 crore
- Third place: ₹3.75 crore
- Fourth place: ₹3.75 crore

The IPL is expected to bring the BCCI an income of approximately US$1.6 billion, over a period of five to ten years. All of these revenues are directed to a central pool, 40% of which will go to IPL itself, 54% to franchisees and 6% as prize money. The money will be distributed in these proportions until 2017, after which the share of IPL will be 50%, franchisees 45% and prize money 5%. The IPL signed up **Kingfisher Airlines** as the official umpire partner for the series in a ₹106 crore (US$19.19 million) (approximately £15 million) deal.

On 17 January 2008 it was announced that a consortium consisting of India’s **Sony Entertainment Television** network and Singapore-based **World Sport Group** secured the global broadcasting rights of the Indian Premier League. The record deal has duration of ten years at a cost of US $1.026 billion.

India’s biggest property developer **DLF** Group paid US$50 million to be the title sponsor of the tournament for 5 years from 2008 to 2012.

Other year sponsorship agreements include a deal with motorcycle maker **Hero Honda** worth $22.5-million, one with **PepsiCo** worth $12.5-million, and a deal with beer and airline conglomerate Kingfisher at $26.5-million.

The UK-based brand consultancy, Brand Finance, has valued the IPL at $4.13 billion (Rs 18,998 crore) in 2010. It was valued at US$2.01 billion in 2009 by the same consultancy.
8 Teams (franchises) and their respective valuations:

- Mumbai Indians: $79.13 m
- Chennai Super Kings: $75.58 m
- Kolkata Knight Riders: $57.57 m
- Royal Challengers Bangalore: $55.13 m
- Delhi Daredevils: $40.85 m
- Deccan Chargers: $38.76 m
- Kings 11 Punjab: $35.75 m
- Rajasthan Royals: $33.78 m

The IPL’s ‘new’ stuff:

The Indian Premier League introduced many firsts’ to the audiences:

1. A ‘strategic time out’: 2 breaks of 5 mins each, one during the 6-9 over stage and the other during the 13-16 over stage. The teams can actually benefit from the strategic time out feature. If a team is taking a rough patch, taking a time out is a wonderful option which may help the team to channelize their resources better and come back to perform much better than before.

2. The ‘MRF Blimp’: a balloon that floats over the stadium, a deal between MRF and IPL worth Rs.150 million per year. The Blimp covers the cricket matches from above and provides an aerial, staggering view of the entire cricket ground from above to the television audiences.

3. The ‘Spider Cam’: An aerial device that is suspended with the help of cables tied to the floodlight pillars, the spider cam is meant to enhance the television viewing experience for those who prefer watching the match in the comforts of their homes. The idea is to keep moving the camera continuously to cover all angles and capture every vital moment in the game, thereby making the live telecast of a match much more interesting.

The IPL gives birth!

The Indian Premier League’s popularity and mass appeal has resulted in the birth of various Twenty20 competitions across the globe:

1. Champions League T20: 12 of the best T20 sides from India, Pakistan, Srilanka, Australia, South Africa, England and West Indies compete with each other to be crowned the best T20 side in the world.

2. Big Bash: Australia’s very own T20 competition, featuring 6 of the best state T20 teams across the country, competing with each other to be crowned Australia’s top T20 side.
3. **SLPL**: Srilanka Premier League, featuring 7 of the best state teams across the country, competing with each other to be crowned Srilanka's top T20 side.

4. **BPL**: Bangladesh Premier League, featuring 6 of the best state T20 teams across the country, competing with each other to be crowned Bangladesh's top T20 side.

**Lessons for Business Managers:**

The Indian Premier League, in itself, points out the key learning's which the business managers of today can undertake, which are as follows:

1. To not be fearful to innovate or initiate a new business activity.
2. The willingness to take risks, keeping in mind a positive attitude that the risk will pay off.
3. It’s never too late to start something new or something different.
4. To ensure that you don’t ruin your hard earned innovation/idea, due to any particular reason; also to not just rest on our laurels and keep on upgrading and expanding/bettering your innovation/idea.
5. The world will only accept a business proposition, if it is unique and different from the rest, thereby making it sellable.

**Conclusion:**

The Indian Premier League has been an interesting cocktail of the *good* and the *bad*, the *high* and the *low*, the *new* and the *old*, different heads, plummeting numbers, rival births; all of this, with the game which we consider as a religion in our country, at the center.

To put it very simply, the IPL was, is and always will be about the 3 M's: **Money, Maximum and Modi**! A boon or a bane, is up to each of one us to decide, but to be honest, who cares! Keep the cricket flowing!

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