Scott O’Neil, CEO of the group that owns the NBA’s Philadelphia 76ers and several other sports properties, on why his office thrives even in the face of losing

Between 2013 and 2016 the NBA’s Philadelphia 76ers were one of the worst teams in the league. In 2014 they tied an NBA record with 24 consecutive losses. And two years later they beat that record losing 26 straight games. It was all part of a long term strategy to improve the franchise by getting better draft picks. And it necessitated a short term strategy of losing. Throughout, though, the 76er CEO Scott O’Neil says his front office remained upbeat. And the business side of the 76ers, things like the season ticket sales and sponsorships, actually improved.

O’Neil was recently named CEO of Harris Blitzer Sports & Entertainment or HBSE. A holding company that’s comprised of several sports properties including the 6ers, the New Jersey Devils and Crystal Palace of the English Premier League. O’Neil’s had a long career in sports management, including an earlier stint running the business side of the Knicks, the WNBA’s Liberty and the NHL’s Rangers as the president of Madison Square Garden sports. But as inherent as competition is to his work, O’Neill isn’t a win at all costs type, at least not anymore, and here we talk about why that’s been key to his success.

Scott, when you're leading an organization like a sports team, are there are ebbs and flows like there are in the locker room? And by that I mean like does the mood swing in the building with wins and losses? Can you feel that in the office?

The mood swing in my house-- you can feel that for sure.

[LAUGHTER]

I'll tell you a good story. I went home on one day. This is early on in my career. I was with the Knicks and Rangers. I'd go home. I was kind of grouchy after a loss. And my wife kind of grabbed me she's like, "What's the deal with you tonight?" And I said, "What's the deal? We lost by 20 points." She said, "I thought you were in rebuild mode." When I was there we were in rebuild mode in the Knicks and Rangers. So I have a little bit of experience with that.

And she said, "How many games do you think you are going lose this year?" I said, "I don't know. I have no idea." She's like, "Well, [INAUDIBLE] I said, "No. We don't intend on competing on an either team." She said, "What about the Liberty?" I'm like, "Yeah. We should be okay on the Liberty." She said, "About 100?" I said, "Yeah. I'm going lose about 100 games." She said, "So is your plan to be mad 100 nights a year?" Which was a really interesting insight.

So the office does go up and down with wins and losses in terms of emotion because most of us are feisty and competitive and want to win. I give myself the ride home. And everybody has their own ways to cope, but by time I pull into my driveway I'm happy and ready to go. What we've done differently in this office-- because we've had some pretty historic losings. I'm gonna say office. I'm sitting in Camden, New Jersey in our brand new, world class and incredible training complex. Which is literally the best training complex in the world. Which we just opened last year.

So speaking specifically of Philadelphia, we decided to create an environment that was going to be fun, uplifting and an incredible place to work despite the historic losing we were about to embark on. And that's what we created. I mean you
couldn't tell. People-- I had friends come in from all over the country from different sports organizations and they would laugh. They would say, "Why is everyone so happy here?" They said, "You guys shouldn't be this happy. You're really bad on the court."

And it actually-- Typically in our business the results are pretty directly correlated to the success on the court. And in our case they're inversely correlated. I mean our team continued to lose and our business continued to get dramatically better. Both in our season ticket base, which went from about 3,600 when we arrived to up to north of 14,000 right now, and our sponsorship base is up about five times since we got here four short years ago. So you're talking about like an exponential increase in revenue and success. And that can only be attributed to the incredible culture that we have here and of course the talented people that work here.

Yeah. Talk about that. I mean, I find that really interesting, how you build and maintain a winning culture in the face of a losing record.

First it starts with in understanding who we want to be. Identifying recruiting, developing and celebrating the best talent in the world. And then putting the pieces in place to make sure when that talent walks in the door they want to stay here. It's a really fun group to work with. I mean we're-- of our 500 some odd employees I'd say 420 of them are under 32. So we've got a heavy millennial base, which is a pretty fun group. They work hard, they're extremely ambitious, they demand access and they want to be celebrated and they want to have some fun.

Oh, and they want to give back. And so in this organization we each pledged 76 hours of service in the community. So we served over 30,000 hours into the market. The markets where we say live, work, play, and win. And I think that understanding that we are a millennial group here, understanding that we need to operate differently, really celebrating the fact that it's up to us every day when we come into work to have fun.

So it's been a pretty incredible ride. We're kind of littered with best place to work awards which we certainly celebrate and appreciate. But we're as equally celebrating a young 32-year-old that goes and gets a big job outside of our company or one of our young women here has a baby or one of our young couples here meet here and then get married. I mean it's all stuff that we-- or they lead the office in sales. We celebrate just about everything here. In terms of access you have-- our execs are as accessible as you can possibly imagine. And I think that it makes a real difference in the end.

Scott, one of the things that you've written about, it's something you've been a champion for-- and it's the need for mindfulness and balance in the workplace. I wonder is that born out of like something that you've struggled with personally? This sort of tension between the drive to win and the need for perspective?

I think everybody struggles with that. I mean maybe I struggle with it more than most. I can tell you as I've gotten older-- I have three young girls that I'm raising with my wife. 17, 14 and 11. Alexa, Kira and Eliza. They certainly provide quite a bit of perspective as does my wife. My faith is very important to me. That provides me an opportunity to reflect and listen and learn. And I've just gotten older and I've seen the path. I've run through the fire. I fought the battles. And so I certainly spend time every day meditating and thinking and reading and praying and planning much more than I did when I was younger. The organization is pretty hectic and my lifestyle is relatively chaotic. I could work 24 hours a day, seven days a week.

We talk quite a bit here though about mind, body, and soul and how at different stages of your life you're going to spend different amounts of time doing different things. And as a 22-year-old kid I could tell you I never left the office and worked all the time. As a 47-year-old man I wouldn't advocate that to anybody. And I have this general sense that the more you can find other things to do, to read, to do outside of the office, to coach your kids, take on a service project, to be involved in your
church, to volunteer with entrepreneurs I think the more creative you are and the more opportunity you'll have to bring that
talent and creativity back to your office and make you more efficient and more effective.

I think the days are going to be long gone when you're just sitting at your desk pounding and pounding and pounding away at
the same thing and then go home or go to bed and get up and do it again. Or at least that's not a world I want to live in. And
it's certainly not a world I would thrive in. So the organization has certainly taken the shape of yes, do we work hard? Yes. Do I
work an unfathomable amount of hours? I absolutely do. Am I on call 24 hours a day? Yes. That's part of the job.

But I can tell you that I find-- Listen, I coach my daughters in basketball. I wouldn't give that up for anything. So on Thursdays
I roll. I roll out of here. I just leave. And then if I have to come in on a Saturday night and work till midnight for a game of
of course I do that. That's part of the gig. But if my daughter has a school play and she's singing I'm there watching her. Hopefully
not singing along. That's not my strength. Nor is it my daughter's by the way.

[LAUGHTER]

Wait, which daughter are you coaching, Scott?

I've coached my youngest Eliza and my middle Kira.

Did it teach you how tough it is to be a coach? To put you in those shoes?

I tell you what, I had so many bad adventures. But I only had one where I was-- When my oldest was five, my first coaching, I
literally told the ref, I'm like, "Why don't you ref and let me coach?" He stopped the game and almost threw me out the gym and
I was cured after that. My wife-- The stares from my wife almost went through my soul from the stage she was sitting-- I'll never
forget it. And so since then I'm very intense on the sideline. It's all positive. All positive energy. So my goal is to get those girls
I've coached-- get the girls to love the game of basketball and get them to have fun
and come back the next year.

You know, Scott, I want to talk about something that you mentioned earlier about mind, body, and soul and how that's sort of
like an organizational value for you guys. Can you talk specifics? How do you instill that? Does that
mean retreats, does that
mean off site meetings? What does that look like in real terms?

I did move this call I think an hour earlier because we have a pre-game hoop run over on our training complex. So unfortunately
here though most of the guys I'm playing with are 25 years old, but it's really fun. So we do a lot of that type of thing. Each of
our leaders here is empowered to create a culture that they think fits and maps to their teams. I was just talking to one of
our young execs who I happened to run
into trick or treating who had his little 8-month-old daughter. And he was just talking about
how he had taken his team, for the first game of our Texas trip, out to Spin, which is a ping pong place. And how everybody
was going crazy during the game and how uplifting it was. And that stuff's great.

We have leadership and learning breakfasts where we come in and the execs sit with more of the younger staff and we talk
about life, love and the pursuit of happiness. We have so much opportunity to develop staff. We have like book clubs here. It's
really truly unbelievable. Do we have retreats? No. We call them go forwards because we say we don't retreat, which is kind of a
good line. The content is ours. And so we typically pick 12 VP level type execs that seem to be on the star path. And then we
run them through like an eight week, pretty intensive, here's how you develop a world class presentation and here's how you
move your peers.
And then we do it all ourselves in-house, which is pretty amazing to see the growth from the first day we start on our go forward prep to the time we deliver it. We have these incredible movie nights or movie days where we take people out of the office. We shut down the office about once a month and go have a service project. So we have a day of service coming up I think in three weeks. And that's an opportunity to literally-- some of it's just like literally beautification. Cleaning garbage. Other times we're mentoring kids. Other times we are going out and working with the Boys and Girls Club and refurbng a court.

I don't think there's one thing that creates the mind, body, and soul, but I can tell you that our executives live it. And I think our opportunity there, more than anything else, is that we, the leaders-- we have to be what we say we want to be. Talk is cheap and talk is easy, but from our perspective it's like we have to model the behavior we expect in this organization.

So you built this unique, thoughtful, workplace culture, right? And your company now, HBSE, is in expansion mode. As your organization gets wider, so to speak, how do you ensure that that culture that you've built and cultivated can grow with the organization?

Well, that's the hardest part. I think the good news is we have really candid dialogue about what the future might hold. And in very many cases we-- this organization, the talent, the people, the executives here are evolving as the organization grows because it looks very different today than it did four years ago. Some of those folks that were here four years ago are wonderful and talented and smart and diligent and committed, but they couldn't make the leap to an organization that looked and acted very differently two years later.

And so I think most organizations in heavy growth mode will go through that. And that's about, quite frankly, us and how we talk to each other and how we work and what our openness and willingness to change is. Unfortunately we don't have much of a choice. If we're going to grow this organization is going to evolve. And that's either going to happen with the execs and talent that's here or we're going to find, kind of a new group, and my vote and my preference and my inclination is that this group, given how talented and smart and hardworking they are, most of them will make the journey.

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