

How Small-Market Sports Teams Use “The Draft” to Compete and Prosper

Aditya Dubey
hiadityadubey@gmail.com

ABSTRACT

Since the American League and National League merged in 1876 to form modern Major League Baseball (MLB), large-market teams have dominated. From 1920 to 1969, the New York Yankees had the largest payroll every season and won 20 World Series. No small-market team reached 10, but the Oakland Athletics and Cincinnati Reds have multiple. How are these teams able to compete with larger markets like the Yankees?

As they won World Series, Yankees’ investors created the Basketball Association of America, predecessor to the National Basketball Association (NBA), and similar to the MLB, large markets like the Boston Celtics and Los Angeles Lakers dominated, winning 35 titles, yet small-markets like the San Antonio Spurs and the Detroit Pistons boast multiple titles themselves.

There exists many commonalities between these successes, with the Oakland Athletics and Cincinnati Reds of the MLB and the Spurs and Detroit Pistons of the NBA all possessing stable front offices, pioneered sports analytics, and used the draft to find cornerstone pieces integral to decades of success across different eras.

Among these teams, the Spurs possess the most success, led by players they drafted. Their success raises the question: Is the Spurs’ success achieved through good fortune or a skillful approach? More broadly, are there specific criteria that separate small-market successes from failures? This study endeavors to answer these questions by analyzing numerous small-market case studies, while including a history of the draft, defining small-market success and player evaluation methods, and suggesting some improvements to grow competitive balance.

INTRODUCTION

One of the most enduring challenges in all sports leagues is the divide between large-market and small-market teams. In leagues such as the National Basketball Association (NBA) and Major League

May 2026
Vol 7. No 1.

Baseball (MLB), large markets such as New York and Los Angeles continuously dominate through their superior financial resources, larger fan bases, and ability to attract and retain talent, which they gain by possessing large influxes of revenue through incentivizing investments. Large markets are often also hubs of higher education, with inhabitants often possessing college-level education, increasing income and tax revenue, enabling greater financial resources for sports teams in these cities (Smith et al., 2020). On the other hand, teams in smaller markets, such as Charlotte, Oklahoma City, Oakland, and Cincinnati, have struggled to replicate the same success of teams like the Boston Celtics and New York Yankees because they possess less financial resources necessary to match the payroll, branding, and overall appeal compared to larger market teams (Bhattacharya, 2025). There have been, however, many small-market teams that have created eras of success, raising the question of how they managed to stay competitive in leagues often dominated by larger markets.

Large-market dominance is well-documented throughout the history of both the NBA and the MLB. In the MLB, the New York Yankees have won 27 World Series, more than twice the number of the St. Louis Cardinals, who possess the second-most with 11. The Yankees’ were most dominant from 1920 to 1969, where they won 20, or 40%, of the World Series played. On the other hand, in the NBA, the four teams with the most championships all play in big markets: Los Angeles, Boston, San Francisco, and Chicago. Regardless, MLB teams, such as the Oakland Athletics and Cincinnati Reds, winners of four and five World Series respectively, and NBA teams, the San Antonio Spurs and Detroit Pistons, winners of five and three championships respectively, show that effective drafting and player development can be established without large finances (Fischer, 2021; Lewis, 2004; Malloy, 2025).

Past research indicates that scholars and analysts unequivocally agree that the monetary gap between small and large market teams is prevalent, but there is a wide range of opinions on how reconcilable the gap truly is (Bhattacharya, 2025; Rymer, 2018; Tamayo, 2024). Some researchers believe the current system provides no sustainable option for small-market teams; as such, small-market teams are forced to “tank,” or create a weak roster to lose many games and secure high choices in next year's draft, hoping to land a superstar that will alter the franchise (Tamayo, 2024; Tuck & Whitten, 2013). Others argue that, although it is more difficult for small-market teams to succeed against their larger counterparts, the NBA and MLB provide resources to *support* small-market teams, and any team with a stable front office investing resources to develop scouting personnel, player development facilities, and creating an inviting culture can succeed and compete against larger teams (Hager, 2008; Malloy, 2025).

This study builds on research surrounding competitive balance in the NBA and MLB and methods for small-market success mentioned above while focusing on specific criteria, such as usage of the draft, front office stability, and investment in analytics, as a pathway for small-market success; through specific case studies of successful small-market teams, such as the Oakland Athletics in the MLB and the San Antonio Spurs in the NBA, this study seeks to determine whether small-market success is *primarily due to chance or large market failures*, or due to *small-market effectiveness*. Furthermore, this study aims to find the effect that the differing team structures, salary caps, and player development methods in the two leagues in question affects how *small-market teams in each league approach the draft*, and *whether one league is superior* in maintaining competitive balance between teams of different financial levels.

By achieving these objectives, this research aims to promote a deeper understanding of the draft and its effect on the competitive balance of the NBA and the MLB, as well as methods to improve its ability to maintain a league where *all teams can find success*. By analyzing certain factors, both historical and structural, that affect small-market success, this researcher hopes to *create a discussion on the intentionality of small-market success and whether adjustments need to be made* to the leagues in question to better support small-market cities, teams, and organizations.

BACKGROUND

The NBA and MLB drafts are annual events in which teams select eligible collegiate or international players to play professional basketball or baseball. These drafts provide a crucial mechanism for teams to acquire young talent and build for the future. Historically, small-market teams in both leagues have often struggled to compete with larger-market teams due to a lack of resources, such as less ticket revenue, advertising potential, and smaller fan bases (Bhattacharya, 2025). From the 30 current MLB markets, small-markets have won 42 out of 120 World Series, a meager 35% of World Series, while in the NBA, teams in the bottom 50% of net worth have won only 13 out of 78 NBA championships, an even lesser 16.7% (Iyer, 2020).

This study defines the top 15 most valued teams in each league as “large markets,” while the bottom 15 represent the “small-markets.” When referencing economic numbers with no further context provided, “large market” and “small-market” refer to the average revenue of these teams. In both leagues, these teams often have a smaller revenue base, making it difficult for them to *afford the salaries* of top players as they have smaller fan bases, leading to less revenue from ticket sales and merchandise and resulting in a disparity in the *quality* of teams, with many small-market teams finishing at the bottom of the standings. Comparing the Minnesota Timberwolves, which represent the 6.245 million inhabitants of Minnesota, with the New York Knicks, which have fanbases throughout New York and its 20 million residents, showcases this gap (Fischer, 2021). Because of this, the Knicks, during the 2024-25 season, charged \$195 per ticket, but the Timberwolves could only charge \$42 per ticket, leading to the Timberwolves being valued at \$247 million, one-fifth of the Knicks’ \$1.02 billion valuation (Bhattacharya, 2025). The valuation gap implies sponsors prefer partnering with large-market teams, such as the Knicks, rather than smaller teams, such as the Timberwolves, explaining the Los Angeles Lakers’ \$100 million deal with South Korean food brand Bibigo while the Oklahoma City Thunder, the 2025 champions, only received a \$10 million deal with Love’s Travel Stops & Country Stores, a regional retail chain (Bhattacharya, 2025).

The NBA and MLB drafts also provide an opportunity for smaller-market teams that cannot afford star players in free agency to acquire future stars without competition from larger teams, allowing smaller teams to sign players to longer contracts at a young age, retaining them at a lower price at their physical peak (Fischer, 2021; Lewis, 2004). In recent years, the NBA and MLB added systems that affect the drafting process and help small-market teams compete with larger-market teams through either limiting the money that large-market teams could spend or by providing small-market teams with additional draft

picks; these rules include the *lottery system* and the *salary cap* (Fischer, 2021; NBA Players Association, 2023).

First, the lottery system in the NBA and MLB creates more opportunity for teams with poor records (winning percentages) to acquire talent in the draft, which is particularly beneficial for small-market teams (Favale, 2014b; Schmidt, 2024). Since lottery selections are purely based on records, small-market NBA teams are treated the same as large-markets in the chance to acquire upcoming young talent. Overall, the lottery system benefits small-market teams by granting those teams an opportunity to acquire top talent and build a competitive team despite their limited resources, whether it be through drafting a player with that pick or trading that pick for equal compensation, which only applies in the NBA.

Second, the salary cap limits team spending on players’ salaries so teams, especially large-market teams, cannot exploit their superior finances, preventing those with larger revenues from outspending smaller-market teams. Both leagues have a *soft cap*, so there are exceptions where teams can exceed the salary cap, like re-signing players who have been with the same team for a certain length, in contrast to leagues with a *hard cap*, where teams can never spend above the salary cap (Cushman, 2024; Lewis, 2004). Additionally, in the NBA, teams that exceed the salary cap are subject to the *luxury tax*, which consist of additional payments that must be made to the league (Fischer, 2021); in the MLB, teams are subject to the luxury tax when they exceed a certain cap threshold that increases slightly every year. This helps limit excessive large-market spending, in turn lessening the spending gap between large and small-market teams. The most recent and greatest luxury tax payment came from the 2025-2026 Los Angeles Dodgers, whose 413.6 million dollar payroll was significantly above the \$244 million MLB threshold, forcing them to pay \$169.4 million dollars in the luxury tax (Blum, 2025). In the MLB, there is no salary cap; the MLB only implements a luxury tax, meaning teams are allowed to exceed the cap, but doing so would lead to significant taxes on their payroll and other losses, such as being ineligible for revenue-sharing profits (Cushman, 2024; Lewis, 2004).

After being drafted, the developmental process for a young athlete widely differs between the NBA and MLB, but there are some general similarities and differences between the two leagues, and in the NBA, this developmental process typically begins with high school basketball, where top players are identified and scouted by college coaches. Usually, the best players will go on to play in college, where NBA teams will continue to scout them (Baumann, 2023). After college, most of the top players will enter the NBA Draft, where teams will select them to play professionally in the NBA’s developmental league, the G League, where they can gain experience playing against professional competition before being promoted to the NBA team (Babcock, 2025). Other players, typically the players selected with the top-three picks of the draft, start directly at the NBA level due to their ability to play at a high level immediately, and teams want to train their top prospects against pro-level competition as quickly as possible (Fischer, 2021).

In the MLB, the developmental process typically begins with high school baseball, where college coaches or MLB teams identify and scout top players; some players will go on to play in college, where MLB teams continue to scout them (Comeaux, 2013; Hannaford, 2025). After high school or college, the top players would enter the MLB Draft, where those same teams would draft them and send them to play

professionally in the minor leagues, where they could gain experience playing against professional competition before being sent to an MLB team (Lewis, 2004).

In summary, an important distinction between the two leagues is the age at which players generally enter the league; in the NBA, players are typically drafted out of college or as international players who are at least 19 years old, but, players in the MLB can be drafted out of high school, college, or as international players, and are usually 18-21 years old. Additionally, the minor league system in MLB is more extensive than the G-League in the NBA, providing more opportunities for players to develop before they reach the major league. Therefore, the MLB’s lower age threshold and longer development path provide small-market MLB franchises a longer timeline to develop talent internally before needing to compete in free agency against larger teams, making it sensible for them to invest in both initial scouting pre-draft as well as developmental academies and coaches (Babcock, 2025). On the other hand, the NBA’s older entry age and shorter development means that each draft pick should be treated as a high-stakes opportunity to not only acquire future talent, but also immediate contributors, meaning NBA teams should be fully investing in scouting, especially international scouting (Baumann, 2023).

METHODOLOGY

This study aims to discover the intentionality between *small-market success* and *draft-focused team-building approaches* through various case studies across both the NBA and MLB. Since their inferior finances require almost all small-market teams to give importance to the draft, the one variance between the teams is the tools they utilize to evaluate draft prospects and the strategies they utilize to gain their desired prospects. Therefore, the study intends to analyze *specific prospect evaluation tactics utilized by all teams* to discover distinctions in the usage and implementation of these evaluation tactics between small and large-market teams, evaluating specific case studies in an attempt to discover possible trends between specific pre-draft strategies and small-market success to prove a connection between draft-focused team building and both short and long term small-market success.

While large-market and small-market teams might progress in similar ways throughout their developmental histories, there are distinct criteria that distinguish small-market success within systems in which large-market teams tend to dominate. One important criteria of small-market success is analytical investment. Since large-markets have little financial flexibility, they not only need to consistently gain key players, but they need to gain them for cheap, so they not only need to evaluate a player's potential, but how underrated he is and how cheaply they can acquire him. Small markets must be practical and thorough in their investment, which requires hard data like analytics and other prospect evaluation methods that can easily quantify a prospect and compare them with others, leading to more precise scouting reports which lead to success in the draft. Another important criteria is front office stability. Many of the best small-market organizations are known for having recognizable owners, GM’s, and coaches, that work together over many years to create a strong identity and values that can support winning and entice free agents even without the fame and amenities that large-markets have in their city. Finally, the last criteria that will be analyzed is the usage of the draft in roster construction. The combination of the evaluation on all three of these metrics is how this study plans to describe

small-market case studies as *successes* or *failures* and analyze to discover a possible connection between small-market success and franchise building through the draft.

In order to best infer conclusions that represent the nature of most small-market teams, the study chose a wide group of small-market teams to utilize as case study. For the NBA, the San Antonio Spurs were chosen as the model franchise for long-term success across many eras, while the Sacramento Kings were chosen to represent a small-market team with constant instability and little success despite fielding teams with great potential. For the MLB, the Oakland Athletics were chosen to represent a successful small-market team notable for their analytics-based roster construction, while the Miami Marlins were chosen as a small-market team with a history of turmoil and little success. Each case study consists of an analysis on the approaches of each of the team, highlighting key similarities and differences between roster approaches, and describing the specific tactics utilized by each team that led to their success or failure, with specific examples to illustrate and support each claim. In the end, it will become apparent whether noticeable differences exist that separate small-market successes, such as the Spurs and Athletics, from ones with less success, such as the Kings and Marlins, where the draft can directly be connected to success, or whether not enough similarities can be drawn from the examples to prove specific criterion as a necessary basis for small-market success.

DEFINING SMALL-MARKET SUCCESS

Before analyzing how small-market teams use the draft and other criteria to compete, one must delve into what a small-market team is trying to achieve year-by-year since large-market teams, such as the Los Angeles Lakers and the Boston Red Sox, may be able to *spend their way* to consistently make the playoffs every year. The question then becomes: What would be considered *success* for a small-market team in the short-term *and* the long-term? It is important to highlight these differences before analyzing the case studies, as large-market success that equates more to a general fan's perspective of success differs from the small-market success criteria, which will be used to evaluate the case studies later on and better draw conclusions between success and the draft.

While the main objective for all teams *should* be to win a championship, more realistic goals for a small-market team in the NBA and MLB would be advancement to the playoffs and building a strong roster through drafting top-level talent and player development (Birchmore, 2021). Long-term success would be consistently competing for championships, gaining a loyal fan base, and developing a financial model that allows for retention and attraction of top talent through astute player development, free agent signings, and trades, allowing for constant revenue and opportunities for permanent growth (Zhang, 2023). Small-market teams also achieve this through social media, attempting to appeal to different audiences to gain generational loyalty, which diversifies revenue, increases consumer involvement, and provides outlets for capital gains, such as the building of a new stadium and, for the most successful teams, international expansion (Zhang, 2023). Additionally, long-term success could also involve building a new stadium or renovating an existing one to provide a more profitable revenue stream and improve the fan experience by adding more seats for people to buy, creating more luxurious seats, or making visual improvements to add/increase prices for the seats and other attractions (Birchmore, 2021; Flight &

Mitchell, 2025). The San Antonio Spurs dynasty from the late 1990s to the early 2010s best exemplifies the achievement of these goals. First, the Spurs developed their core by drafting David Robinson and Tim Duncan with the first pick in 1987 and 1991 respectively. Then, the Spurs hired coach Gregg Popovich to create a style of play that they could find success with, allowing executive R.C. Buford to recruit players that fit that style. Complementing Duncan and Robinson’s skills near the hoop by signing perimeter shooters for cheap deals, such as Steve Kerr, led to a championship in 1999, but the Spurs did not bask in their win; they utilized the aging Robinson and veteran Chip Engellrend as mentors to younger players, such as Tony Parker whom the Spurs drafted with the #28 pick in 2001, and Manu Ginobili, whom the Spurs drafted with the second to last pick in 1999 (Kroichick, 2023). Such a focus on development created a mantra that would resonate with the franchise even after Robinson and Engellrend retired and led to veterans, like Robert Horry and Bruce Bowen joining San Antonio despite being offered more money elsewhere. Having seamlessly transitioned from the “Twin Towers” era to the Duncan-Parker-Ginobili era, the Spurs won championships in 2003, 2005, and 2007 (Solomon, 2018). In 2011, the Spurs identified Kawhi Leonard as a key target and aggressively pursued him in the draft. Leonard would eventually lead San Antonio to a title in 2014, replacing the aging Ginobili. The championship displayed the Spurs’ elite drafting and scouting, player development, and strong culture that created championship teams from 1999 to 2014 all built around Tim Duncan (Staub, 2019; Trinh, 2025).

Large-market teams in the NBA and MLB often have a different set of expectations and advantages compared to small-market teams. For a large-market team, short-term success is defined by winning championships and consistently competing in the playoffs because large-market teams typically have more resources to acquire top talent through free agency or trades, therefore having a higher probability of winning more games and a successful season (Alam & Brown, 2024). For example, during the offseason before the 2016-17 NBA season, the Golden State Warriors knew it had a strong core of guards Stephen Curry and Klay Thompson and forward Draymond Green (Kroichick, 2023). That core had already won a title in 2015, but the Warriors, wanting to fully commit, used the money it gained from being based in San Francisco to not only sign all three of those players to extensions for large amounts of money, but also to sign former Most Valuable Player (MVP) Kevin Durant to join the squad. With its extensive amount of capital, the Warriors were able to pay for the contracts of all four of their key players, allowing them to win back-to-back championships in 2017 and 2018 because of it (Spotrac, 2026).

There are many similarities between the Warriors and the Spurs: much of the core of both teams was acquired through the draft. After developing the core, however, the Warriors were able to fully invest for success by adding Kevin Durant, who won NBA Finals MVP in 2017 and 2018, on a large contract the Spurs would be unable to afford. Instead of attempting to create a dynasty, the Warriors were pushed by large market expectations that success needed to be constant, leading to vast amounts of spending that led to success largely dying out in eight years from 2014 to 2022; that being said, the Warriors did win four NBA championships in that span. The Spurs, on the other hand, did not have the finances to add a player of Kevin Durant’s caliber while still being able to maintain competitive teams for even a couple of years, instead, they had to focus on creating longevity with their core instead of investing for the short-term. Although the Warriors kept the team largely the same from year to year, the Spurs often had to change their supporting players as they received larger contracts from elsewhere, and continued-meticulous

May 2026
Vol 7. No 1.

drafting was required even after the building of their core to fill out roster spots since new player contracts were cheaper. While the Spurs-era lasted almost two decades from 1999 to 2014, the team only won one more championship compared to the Warriors, however, it was able to create a culture of consistent success that allowed for greater brand deals and TV streaming rights, something the Warriors inherently gained from being in California, achieving permanent financial growth described previously as “long-term success”.

Another key example that showcases long-term small-market success is the Chicago Bulls in the early 1990s. Although the Chicago Bulls operated in one of the biggest cities in America, before Michael Jordan’s arrival, the Bulls had struggled financially since the late 1970s because of its owner’s indifference to the team and lack of success (*Michael Jordan, “The Last Dance” and B2B Marketing Tactics*, 2020). Because of this, they operated with limited finances and opportunity for growth similar to a small-market, yet, as they realized their large-market potential with their success in the 1990s, they invested in similar facets that small-markets aim to invest in, proving the definition of long-term success defined previously.

With Jordan’s arrival in the 1984 NBA Draft, the franchise inspired hope in the city, and more people attended Bulls games just to watch Jordan play, facilitating the team to raise ticket prices and sell more merchandise. The franchise knew, however, that it could expand influence farther than Chicago through advertising Jordan, promoting Jordan’s shoe deal with Nike (which had the Bulls logo on it) and launching the Bulls as an internationally-renowned team, with fans of Jordan from around the world now supporting the Bulls (*Michael Jordan, “The Last Dance” and B2B Marketing Tactics*, 2020). Because of these elements, although many would consider the 90s Bulls as one of the greatest teams because of their basketball-related achievements, the period should also be remembered for elevating the Chicago Bulls into international stardom and gaining them fans from around the world (*Michael Jordan, “The Last Dance” and B2B Marketing Tactics*, 2020).

Therefore, while the specific benchmarks for success may be different, both large-market and small-market teams in the NBA and MLB strive to build a winning team, establish a strong brand and fan base, and achieve financial stability. On the other hand, small-market teams have expectations of success that are lower than those of larger market teams, so teams like the Boston Celtics and New York Yankees could feel disappointed in only advancing to their respective championships, while the Charlotte Hornets and Milwaukee Brewers may feel successful in simply qualifying for the postseason. In an interview with the New York Times, Brewers’ owner Mark Attanasio described how he and ownership generally felt successful consistently making the playoffs, stating, “We used to talk about, ‘Well, does that minimize our chance to get to the World Series?’ One side is you just have to get to the playoffs and then it’s a random outcome” (Kepner, 2023).

These examples all illustrate that small-market success is *fundamentally different* from large-market; while large markets, such as the Golden State Warriors from 2014 to 2022 and Chicago Bulls from 1991 to 1998, can quickly retool rosters and switch from rebuilding to contending within years, small-markets, such as the San Antonio Spurs from 1999 to 2014, must maintain more patience and attempt to create sustained periods of success over singular years of great success, focusing on creating lasting personnel

May 2026
Vol 7. No 1.

and player development, recruitment, and scouting facilities that can sustain. Through this, these teams will gain consistent fan turnout, showcasing consistency that will attract investor revenue and brand deals that will allow them to seamlessly transition from era to era, mitigating the revenue gap between the franchise and larger markets.

HOW TEAMS IN THE NBA AND MLB EVALUATE DRAFT PROSPECTS

As mentioned in the background section, NBA and MLB small-market teams use the draft as their main tool to build a competitive roster to procure superstars at relatively cheap contracts for longer durations of time, leading to more on-field success and increased revenue from off-field marketing. In order to understand the effects of primarily using the draft to contend, it is important to understand how teams try to successfully draft top-level talent.

In the NBA and MLB, teams use a variety of tactics to draft the best player, including:

- *Analytics*: Using advanced statistics and data analysis to evaluate player performance and project their future potential
- *Combine Testing/Showcases*: Using the NBA draft combine to measure physical attributes, such as height, weight, wingspan, and agility, as well as attending player showcases to evaluate draft prospects in person and against other top talent
- *Interviews*: Conducting interviews with draft prospects to get to know their personality, “basketball IQ,” and character
- *Mock Drafts*: Using mock drafts to simulate different draft scenarios and assess how different prospects would fit with their current roster
- *Scouting*: Sending scouts to watch high school, college, amateur, and international games to assess the potential of draft prospects
- *Signability* (MLB, excluding NBA): Considering a player’s “signability,” or the likelihood that they will sign with the team if drafted (Babcock, 2025; Baumann, 2023)
- *Trades*: Using trades to change the draft order to be able to gain the player they want

Ultimately, the success of a draft strategy depends on a team’s ability to correctly evaluate player potential. While there is no guarantee that a drafted player will become a *star*, teams use these tactics to maximize their chances of finding the best talent.

Analytics involve the use of *data and statistical analysis* to evaluate player performance and project their future potential. In the NBA, teams use analytics to evaluate player performance, using advanced statistics such as Player Efficiency Rating (PER), win shares, and box plus/minus, to measure a player’s overall impact and analyze specific skills; this information is used to evaluate a player’s potential and determine their fit with the team (Foster et al., 2021; Lewis, 2004). In the MLB, teams utilize analytics for a similar purpose, using metrics such as Wins Above Replacement (WAR), weighted on-base average (wOBA), and fielding independent pitching (FIP), to measure a player’s overall impact on the game (Lewis, 2004). General Manager (GM) Billy Beane’s *Moneyball* Oakland Athletics of the MLB, a small-market team, were the first to utilize advanced statistics, growing the impact of statistics on both basketball and

baseball (Lewis, 2004). More recently, the Houston Astros are widely known for having used analytics, such as collecting and analyzing stats like OBP and slugging percentage for their players and their opponents, to help power their 2017 and 2022 World Series wins (Zou, 2018); the Astros also used advanced scouting reports, which provided detailed information on opposing teams and players; biomechanical data, allowing them to analyze a player's physical movements and adjust their technique; and a system called “Ground Control,” which tracked statistics in-game and made adjustments in real-time (Lewis, 2004; Zou, 2018).

In the early 1990s, the Oakland Athletics hired General Manager Billy Beane to revitalize the team after decades of mediocrity. Beane realized early on that small-markets, unable to gain access to many free agents, needed to take greater advantage of the draft, the only way where they could gain quality players for long-term, cheap deals. His strategies to increase successful drafting developed into the modern day tools used in scouting (Lewis, 2004). Scouting is a crucial part of the draft process in both the NBA and MLB, in which scouts evaluate potential prospects by watching them in-person or through video gameplay or highlights. In the NBA, scouts attend college and international games to assess draft prospects through physical attributes such as height, weight, speed, agility, and wingspan, and also notice technical attributes such as defense, shooting, finishing, and rebounding (Fischer, 2021); if they saw gameplay, scouts may also identify intangibles such as coachability, leadership, and grit (Fischer, 2021). In the MLB, scouts attend high school, college, and amateur games to evaluate much of the same, but focused on baseball attributes; in this case, physical attributes such as speed, strength, and arm strength; technical abilities such as bat speed, fielding, catching, and hand-eye coordination; and intangibles such as coachability, grit, leadership, and composure are tracked and noted (Lewis, 2004). Unlike larger markets, the direction of a small-market team is almost entirely dedicated to the draft, and, as such, Beane pioneered not only great investment into developing scouts and scouting departments but also *combined analytics with scouting* to better evaluate individual players (Lewis, 2004). Beane's belief in identifying specific niches of players and prioritizing proven production over pure potential has evolved into the mantra for small-markets, who have little margin for error and are entirely built on the cheap contracts from the draft. For example, Beane prioritized Ohio State outfielder Nick Swisher for his consistent production across many years of college; other scouts labeled him too old and complained he had little flair, but Beane admired that proven, consistent production, leading to his great success (Lewis, 2004). Unlike the A's and small-markets, larger teams usually gain their core from free agency, where they can use their financial superiority to acquire talent, and use the draft to build around that core. They also have a larger margin for error, allowing them to focus on broadly analyzing many prospects and buying into potential with the high reward possibilities, unlike small-markets which focus on making sure each individual player is properly analyzed so that risk can be minimized (Favale, 2014b).

In the MLB, players can “declare” for the draft, which means that they announce that they will be part of the draft, but, after getting drafted, can choose not to sign with a team. Due to this, MLB teams also have to account for signability issues when scouting because they cannot afford to waste draft picks on players who do not sign with the team. This mostly affects small-market because of their lessened revenue to offer to the prospect, and also because they may not appeal to prospects because of a lack of wealth or a lack of secondary hobbies athletes want to be part of, such as fashion or music (Michael, 2019); if a prospect chooses not to sign with a team, they will return to college (or sign with a college if they are a high school player) and declare for the draft the next year, hoping to land with a better team (Lewis, May 2026

Vol 7. No 1.

2004). With small-market teams dependent on the draft for talent, a top prospect refusing to sign can be detrimental for years to come, and small-markets do not have the flexibility to offer significantly more money. The Pittsburgh Pirates, for example, have been one of the most unsuccessful teams in MLB history, with the 3rd most losses in MLB history, and one of the root causes is the amount of unsigned talent they possess, having lost 262 Wins Above Replacement (WAR) in unsigned talent, the most in the MLB. Signability issues hardly exist for larger markets, who can afford to negotiate and offer more money to draft prospects, and even if a deal falls through, they still have the money to replace the player and can afford for them to leave.

In the NBA, teams can trade draft picks they own to other teams for players or their picks, which they can either keep or trade again; such decisions largely differ between small and large market teams, as most small-market teams keep their picks, while most large-market teams trade them for star players (Chiappone, 2025). Picks can also be *protected* when the trading team is returned the pick if it falls into a specific part of the draft. When a pick is protected, it means that it may return to the team that traded it if it falls within a specific, predetermined range of the draft. For example, a pick that is top-five protected would return to its original team if it landed in the top five of the draft lottery. If it does not, the receiving team will keep it. Most traded picks are unprotected, where the receiving team always keeps unless they trade it themselves, which is why small-market teams are usually only trading picks when they are acquiring a *star player* for a large quantity of picks (Kram, 2022). This has become more common over the years due to more NBA-ready players coming into drafts in bunches (Kram, 2022).

The MLB does not permit pick trading, but this is an active debate among team owners every year (McDonald, 2024). With the growth of the salary cap and player mobility increases, teams with superstars want to quickly acquire another superstar and create “superteams” in order to maximize their short title window, similar to the Warriors acquiring Kevin Durant (Burchardt, 2022). Small-market teams, still unable to afford that, became facilitators, trading superstar players to larger-market teams wanting to contend for future numerous draft picks, allowing them to gain many new potential superstars on rookie contracts (McMahon, 2025). One of the current highest-winning-percentage teams in the NBA, the title holders Oklahoma City Thunder, created its entire core through one of these trades (McMahon, 2025). With the Los Angeles Clippers wanting to gain a supporting star to Kawhi Leonard, it acquired Paul George from the Thunder in exchange for rising star Shai Gilgeous-Alexander, Danilo Gallinari, five first round picks, and two first round pick swaps (McMahon, 2025). Gilgeous-Alexander would become an MVP winner and those five first round picks became core players for the Thunder like Jalen Williams and Chet Holmgren, and, most importantly, they would all be on rookie contracts, allowing the Thunder flexibility to sign role players in free agency (McMahon, 2025). On the other hand, the Clippers, while it had success, did not collaborate well as a team and no real championship opportunities arose; George is no longer with the team.

Overall, the pre-draft process highlights that, although scouts in the NBA and MLB extensively analyze prospects through both data and observation, the draft is still an uncertainty in providing high-quality players for the small-market teams that need them. As such, small-markets must invest in the scouting department, as they require not only the ability to analyze the best prospects in a given class and minimize uncertainty. Both leagues provide cheap rookie deals that can last for many years, and small-market teams

May 2026
Vol 7. No 1.

must take advantage of that to gain as many quality players from the draft on these rookie deals. As such, small-market success *needs* to be *through* the draft, with a focus on developing the quality of scouting through the growth of statistical analysis.

SMALL-MARKET SUCCESSES AND FAILURES

This analysis of the tools that small-market teams can use to succeed highlights the ways and possible strategies small-market teams can approach in order to achieve both short-term and long-term success. Still, in order to fully grasp how small-market teams can achieve success, it is necessary to discuss case studies of successful and unsuccessful small-market teams to discover common themes between how these teams utilized the draft and their ability to succeed in their respective leagues.

The San Antonio Spurs, a small-market NBA team based in San Antonio, Texas, are considered the most successful small-market team in the NBA, having won five NBA championships and having made the playoffs in 22 consecutive seasons until 2022, the longest playoff streak in the modern era. The Spurs’ success can be attributed to their ability to develop talent gained from the draft, as the Spurs have consistently made smart draft picks and have a reputation for finding talented players later in the draft, selecting players like Manu Ginobili (drafted 57th overall in 1999), Tony Parker (28th overall in 2001), and Kawhi Leonard (15th overall in 2011). All of these players, who were not heralded prospects coming into the draft, instantly became key contributors for the Spurs and grew into perennial All-Stars, becoming instrumental in the team's ability to transition from their success with David Robinson and Tim Duncan in the 1990s to support Duncan in the 2000s and win four NBA championships in the 2000s (Bhargava, 2024; Staub, 2019; Trinh, 2025).

In addition to the Spurs’ success in the draft, this team has also been adept at developing players who were not highly regarded prospects, like Danny Green, who multiple teams cut before he found a home in San Antonio and who became an integral player on the team's championship squads (Johnson, 2013). The Spurs have also made many beneficial trades and signed free agents who work within their system, such as Bruce Bowen in 2001 and Robert Horry in 2003, and have even been able to attract players who value team success over individual accolades, which has helped build a culture of selflessness and teamwork (Staub, 2019; Trinh, 2025). Other factors in the Spurs' success have been stability and consistency, as the team has had the same head coach, Gregg Popovich, for over 25 years, allowing Popovich to build a culture of accountability, hard work, and excellence (Staub, 2019; Trinh, 2025). The Spurs stable front office, led by R.C. Buford, was able to identify and acquire the right talent to fit within the team's system through his focus on lasting team culture over temporary success on the court; Buford, first being appointed to the position of Spurs general manager in 2002, trusted head coach Gregg Popovich because he believed in the “Spurs culture” that Popovich wanted to build, and his unrelenting trust in him allowed Popovich to take his time in creating a culture of work, perseverance, and grit without having to worry about immediate results or job security (Staub, 2019). In return, Popovich gave full commitment to acquiring the players that Buford wanted to bring in, allowing him to focus on bringing players that fit into the Spurs system, like Danny Green and Bruce Bowen, in contrast with other managers trying to bring players that would force an adjustment of the system (Staub, 2019). To do this, Buford invested both time and capital in creating an elite scouting and development staff, expanding his scouting into new territories in Europe and Asia, gaining the Spurs outlets to new prospects that other teams were ignoring

(Staub, 2019). The diversity of cultures these prospects provided amalgamated into the “Spurs culture” of Popovich, creating an everlasting but constantly evolving product that would lead to 17 successful years for Buford as Spurs GM and two NBA Executive of the Year awards (Staub, 2019; Trinh, 2025). Overall, the Spurs' success in the draft and the ability to develop and acquire talented players has been a key factor in their sustained success over the past few decades; they have been able to build a culture of excellence and teamwork that has helped them consistently compete for championships, despite their small-market status (Amar, 2015; Birchmore, 2021; Fischer, 2021; Staub, 2019).

In the MLB, the Oakland Athletics, or Oakland A's, are a small-market team reputed for consistently remaining competitive while operating with one of the lowest payrolls in the league. Since their first World Series win in 1972, the A's have pioneered a data-driven method of roster construction that allows them to consistently maintain a low budget of around 40 million dollars while competing against wealthier, large-market teams; they achieve this through constant investment and adaptation of data analytics in scouting and analyzing players, and their focus on analytics benefits their shrewd trading, bringing in younger players for aging stars, allowing the Athletics to seamlessly remain competitive from era to era without many unsuccessful years or spending. The strong focus on advanced statistics to find undervalued players allows the A's to create competitive teams without having to spend on high-profile free agents (Lewis, 2004; Wei, 2019). For example, in 2008, the A's traded for relatively unknown third baseman Josh Donaldson with the Chicago Cubs; the A's realized Donaldson was not receiving the playing time necessary to grow his skills, and, by giving him such with little pressure to perform, the A's developed him into the 2015 American League MVP and a key player in their success during that time. Another integral factor in the A's success has been their willingness to trade away stars for role players that help fill gaps in the team, such as them trading their rising star outfielder Yoenis Cespedes in 2014 to the Boston Red Sox for the reliable veteran pitcher Jon Lester to bolster their pitching for an eventual playoff run.

In recent years, the A's have continued to find success by developing young players and making smart trades. The team has a strong farm system and has been able to develop many successful players in recent years, including third baseman Matt Chapman and pitcher Sean Manaea. It has also made several successful trades, including acquiring pitcher Mike Fiers in a trade with the Detroit Tigers in 2018. Overall, the A's success can be attributed to their pioneering approach to building a competitive team, their focus on developing undervalued players, and their willingness to make bold but calculated trades and decisions to strengthen the roster overall. Despite having one of the lowest payrolls in the league, the A's have consistently been a playoff contender and have found ways to compete with some of the largest-market teams in the league (Lewis, 2004; Wei, 2019).

Conversely, the Miami Marlins are a small-market MLB team that has struggled to compete despite fielding competitive teams. Throughout their history, the Marlins have attempted different combinations of managers, GMs, and owners, yet they all failed to provide much success to the team, showcased by the Marlins' two playoff appearances since 2003. The Marlins' constant failures can be ascribed to ill-advised signings and trades through a lack of scouting and analytics development, as well as the tumultuous management changes that lead to little clarity and financial stability necessary for success (Rosenthal, 2025). One of the major causes of the Marlins' financial struggles was a group led by Derek Jeter and

May 2026
Vol 7. No 1.

Bruce Sherman recently purchasing them, with the sale being heavily leveraged, leading to over 400 million dollars in debt for the new ownership group (Blum & Reynolds, 2017). The city of Miami also recently financed a new stadium for the Marlins for around 100 million dollars of credit, with the rest financed by taxpayers, leading to a controversial 3 billion dollars worth of taxes on the residents of Miami, growing contempt for the Marlins organization (Lewis, 2024). In terms of poor baseball decisions, one of the most infamous examples was the trade of superstar Giancarlo Stanton to the New York Yankees in 2017. Although he was the reigning NL MVP, Stanton was traded for only three relatively unknown prospects and was widely criticized by fans and analysts, as the Marlins did not receive compensation worthy of Stanton and displayed more of a concern with cutting payroll than building a competitive team, demotivating Marlins fans and lessening fan involvement with the club (Vareldzis, 2019). The Stanton trade represents one of many examples that showcase how the Marlins’ poor financial stability created little front office stability and momentum, building turmoil within the organization that led to rapid roster deconstruction and little investment on permanent departments boosting scouting or analytics, leading to little periods of success and eras of minimal success.

The Marlins have also struggled to attract top talent due to their low payroll and lack of success, making it difficult for them to compete with larger-market teams for top free agents (Schoenfield, 2012). Additionally, the team has consistently dismantled rosters after brief periods of success, making it difficult to foster long-term success (Connon, 2024; Schoenfield, 2012). For example, the Marlins signed outfielder Wei-Yin Chen to an \$80 million contract in 2016; Chen had a history of success, but issues about his left shoulder made him a risky asset. Regardless, the Marlins decided to give him a contract generally considered an overpay, and, due to problems with his left elbow, Chen struggled in his two seasons with the Marlins, eventually having his contract waived by the franchise. Fans and analysts now view the signing of Chen as a desperate move by the Marlins to try to compete despite a limited budget (McPherson, 2019). Overall, the Marlins' lack of success can be attributed to financial constraints, poor decision-making, and a lack of long-term planning; the team has struggled to build a competitive team has led to a lack of success on the field and frustration among the team's fan base (Vareldzis, 2019).

Much like the Marlins in the MLB, the NBA’s Sacramento Kings are also a small-market team with minimal success. Three factors have led to Sacramento’s lack of success: draft failures, front office instability, and poor trading (Fischer, 2021; Simmons, 2011). The most notable issues for the Kings have been their struggles with the draft, as they have struggled to gain talent despite possessing thirteen lottery picks in the NBA Draft since 2010. For example, the Kings drafted Tyreke Evans with the 4th overall pick in 2009, and, while he won Rookie of the Year, the team did not develop him and played him out-of-position, leading to his ousting not long after. Later, in 2012, the Kings drafted Thomas Robinson with the 5th pick, but he seemed unfit for the NBA game, leading to him receiving little gametime and his trade only one season later. Another issue for the Kings has been their struggles in making effective trades. In 2013, the team traded away franchise superstar DeMarcus Cousins for Buddy Hield, a first-round pick, and other irrelevant players (Favale, 2014a). While Hield was a consistent contributor for the Kings, he and the team have been able to replace Cousins' production on the court (Fischer, 2021). In addition, the Kings have made some questionable free agent signings, such as the one of Rajon Rondo in 2015, who had a tumultuous season with the team before leaving in free agency. The Kings have also struggled with instability in the front office and coaching staff, having gone through five general

May 2026
Vol 7. No 1.

managers and nine head coaches since the 2010 season, making it difficult to establish a vision for the team (Fischer, 2021; Simmons, 2011). Overall, the Kings' struggles through poor drafting, questionable trades, and instability in management and coaching, has led to minimal franchise success, despite rostering many talented stars like DeMarcus Cousins.

Taken collectively, these case studies showcase that financial constraints can be compensated through a ruthless, strategic usage of the limited financial resources and the non-financial resources a franchise possesses. The San Antonio Spurs showcase that, besides finances, a strong, committed front office with clear agreement and unity between coach and GM can help create a culture that can grow unheralded prospects into All-Stars and provide an incentive for players in free agency against the money that large-markets can offer (Bhargava, 2024; Staub, 2019; Trinh, 2025). On the other hand, the Sacramento Kings showcase the faults of an unstable front office, showing how the inability to create a centralized vision can rid franchises of generational talents like DeMarcus Cousins (Fischer, 2021). In the MLB, the Oakland Athletics showcase the shrewd investment of money required for small-market clubs, using their limited finances to create an elite analytics and scouting department that bolsters their position against larger teams, allowing them to gain access to information and resources that can lead to efficient bargaining for free agents and smart trading to compensate for a lack of spending (Lewis, 2004; Wei, 2019). *This precision is required*; clubs may falter like the Miami Marlins, whose inefficient spending and lack of investment in permanent development, such as scouting or analytics, have led to wasted talent, fatuous free agent signings, and inefficient trading (Vareldzis, 2019).

POSSIBLE IMPROVEMENTS

While some small-market teams have found ways to prosper in the NBA and MLB through achieving the criteria for success, even these teams are unable to match the achievements that large-market teams have achieved. Yet there are many ways that the gap between large and small-market teams could hypothetically close, such as a *loan program*, *small-market tax credit*, an *expansion draft*, and a “*franchise-player exception*.”

Loan Program

One major issue that the wealth gap causes in the NBA and MLB is the appeal to players, as large-markets provide players with greater financial incentives, more amenities in the city, and greater publicity and branding. In order to offset the lack of free agents that small-market teams receive interest from, the NBA and MLB could create a loan program for small-market teams. This would allow small-market teams to *borrow* players from other teams in the league. The loan program would be limited to players who do not receive much playing time on their current team or who are in the minor leagues, which would provide small-market teams a way to acquire talent without having to pay much for it. The loan program could also provide an opportunity for younger players to gain more playing time and develop their skills. For example, teams like the Sacramento Kings would not be punished as much for missing out on quality talent in the draft because they could still gain that talent temporarily from other teams, allowing them to at least stay competitive and navigate through the future, since the draft inherently has an aspect of luck involved. The main negative aspect of the loan program, however, is how it could disrupt a player's development, as the playing time and coaching styles can widely differ between

May 2026

Vol 7. No 1.

different teams in the NBA and MLB, and players may not be able to grow if they have to adapt to different systems early in their career (*Does World Basketball Need a Soccer-Style Transfer System?*, 2018).

Small-Market Tax Credit

The NBA and MLB could also attempt to directly address the wealth gap through the creation of a *small-market tax credit* for teams that operate in small-markets based on the team's revenue and payroll. This would provide a financial incentive for small-market teams to invest in their team and try to compete with large-market teams, and the tax credit could be used to offset payroll taxes or other expenses associated with running a professional sports team. With the tax, teams, such as the Miami Marlins, could still gain a semblance of financial stability, allowing them to build a stable and strong front office that could provide the team some clarity and perhaps develop an identity similar to the Oakland Athletics. The tax could, however, lead to teams *manipulating* their revenue to qualify for the tax, using similar tactics that MLB owners use to gain larger funds from revenue sharing, which would increase imbalance in the competitiveness of the leagues (Faturechi et al., 2023). The tax could also develop disinterest in teams focusing on player development if the cap is too high, which would decrease the influx of talent in the leagues.

Expansion Draft

There is, however, reason to believe that franchises in decades of mediocrity, such as the Miami Marlins and Sacramento Kings, might require more support to reach competitive levels, and therefore more drastic measures would be needed to quickly reset those organizations. An *expansion draft*, specifically for small-market teams, would be enabled to acquire talent from other teams in the league and could be implemented so that teams could “protect” a certain number of players from being drafted; teams that were drafting could pick any players that were not protected, and this would give small-market teams a better chance to acquire top talent and compete with large-market teams. One weakness of the expansion draft is that, due to the large influx of new players, it would be difficult to develop “team chemistry” and could lead to an overall disharmony between players, hurting a team's chances for success (Burchardt, 2022). Also, being theoretical, the expansion draft may not actually assist small-market teams, as the amount of protection teams are provided may restrict the number of quality players. The expansion draft could also scare teams into thinking that they will lose their star players in a year or two, and so teams could prioritize established players over spending time developing young ones, leading to a dilution of the talent level in both leagues (Beck, 2025).

Salary Cap and Franchise-Player Exception

The MLB could try to implement a *salary cap* that the NBA, a league which has fostered the rise and development of winning cultures of the Spurs and current dominance of the Thunder, has employed that limits the amount of money a team can spend on player salaries, which would cap player investment from all teams, helping to narrow the spending gap between small and large markets. This could help level the competitive balance between small-market and large-market teams by limiting the amount of money

large-market teams can spend on player salaries so that small-market teams would have a better chance to sign top talent, also preventing large-market teams from dominating the league and creating a more competitive balance (Augustin, 2009; Choi, 2025). Since the NBA has a salary cap already, the league could attempt to create a *franchise-player exception* specifically for small-market teams that works similarly to *bird rights* already implemented in the league. With this exception, teams such as the Sacramento Kings would be able to offer a deal to players like DeMarcus Cousins that other teams, even large market ones, could not match, helping them to incentivize homegrown talent to stay (Loung, 2022). Much like “bird rights,” small-market teams would be able to sign one additional player to a contract that exceeds the salary cap for an even longer length than the current bird rights provide. The exception would be limited to players who played for the team for a certain number of years or whom the team drafted, and it would provide small-market teams the ability to keep their star players and prevent them from being lured away by large-market teams (Loung, 2022). Within the NBA, the franchise-player exception also allows teams to sign players for many more years than a typical contract for a player on bird rights, which is five years; as such, the exception could be for 6-8 years, which would be mutually beneficial for both the player and the team as the team gets a superstar for more years and the player gains financial security over a longer period of time. The franchise-player exception, however, has its flaws, as a player on a franchise-player exception that does not perform as expected during his contract will cause the team to face a larger financial burden over a longer period of time (Augustin, 2009; Choi, 2025).

Conclusion to Improvements

In conclusion, throughout the history of the league, the NBA and MLB have seen an increasing gap between the wealth of the largest teams and the smallest teams, creating a clear gap between the ability of those smaller markets to succeed. In order to support these teams, the NBA and MLB must focus on either ameliorating the growing wealth gap with the small-market tax credit or salary cap, which would incentivize small-market teams like the Sacramento Kings or Miami Marlins to retain their core and create organizational stability for success; providing small-market teams with the ability to acquire talent at the level of larger markets using either the loan program or expansion draft, which would allow small-markets unable to gain quality players through the draft like the Sacramento Kings or Miami Marlins to still have access to upcoming young talent and incentivize them to invest in player personnel and analytics; or provide small-markets the ability retain homegrown talent at a higher rate than larger market teams using the franchise-player exception, which would allow teams like the Kings to not only gain the finances to sign players like DeMarcus Cousins for years, but also incentivize players like Cousins to sign with these small-market teams. Through such improvements, the NBA and MLB would encourage small-market short term success by incentivizing teams with money to spend on permanent improvements, such as investment in scouting personnel or analytics departments, while enabling them to build and roster a core group of players that will lead to consistent success and build a connection with the fans that will lead to consistent ticket sales and TV viewership. In turn, these methods incentivize long-term success by allowing teams to grow their identity and branding across many different eras, expanding fans internationally, which allows for great advertising and better TV deals and social media influence, leading to greater revenue streams and eventually the ability to win a championship.

CONCLUSION

Since the 1800s, the MLB and NBA have created leagues dominated by wealth and monetary influence, and while money is one of the largest indicators of success, small-market success in both leagues is proven to be *intentional*. Although it has been shown how wealth gaps are utilized to minimize competitive balance, mechanisms such as lottery tax, lottery system, and salary cap provide small-market teams with the outlets to invest in for future success, especially through the draft, which this study set out to understand was methodical and intentional or mostly coincidental (Bhattacharya, 2025; Fischer, 2021; Rymer, 2018; Tamayo, 2024).

In order to analyze small-market successes and failures, success and failure first had to be defined. After analyzing background information, small-market success was best defined through continuous, long-term achievement that can help build interest, create continuity and culture, and provide stable sources of revenue, which can be achieved through player development, stability in the front office, sustaining success, and consistent financial growth (Birchmore, 2021; Flight & Mitchell, 2025; Zhang, 2023). To identify disparities in drafting strategy between small and large markets, the study focused on specific examination strategies—scouting, analytics, combine testing/showcases, interview, mock drafts, trades, and signability—which showcased that small-market teams focused more on analytics-based prospect evaluation that focused on identifying specific quality prospects with high floors instead of broad reports of many prospects, while larger markets tended to focus on trying to find hidden potential and were riskier throughout their draft approach (Babcock, 2025; Baumann, 2023; Lewis, 2004; Zou, 2018). Then, examples of these successful small-market teams, such as the San Antonio Spurs of the NBA and Oakland Athletics of the MLB, displayed innovative investments in scouting and statistics, which, paired with a stable front office and shrewd trades, led to consistent success across multiple eras (Bhargava, 2024; Lewis, 2004; McCullough, 2025; Staub, 2019; Thompson, 2012; Trinh, 2025; Wei, 2019). On the other hand, examples, such as the Miami Marlins (MLB) and Sacramento Kings (NBA) demonstrate a lack of player or staff commitment and hasty decision-making that undermined potential talents (Blum & Reynolds, 2023; Connon, 2024; Fischer, 2021; Rosenthal, 2025; Schoenfield, 2012; Simmons, 2011).

Overall, these small-market successes and failures showcase a noticeable trend amongst teams with consistent performance, stable front offices, and draft-based team building and consistent short and long-term success. These small-market case-studies prompt necessary change to improve the competitive balance in both leagues, either through more radical reforms such as an expansion draft that directly weakens larger markets and temporarily helps smaller markets, or more proven reforms from other sports, such as the loan program adopted from professional soccer or the salary cap utilized in the NBA (Augustin, 2009; Choi, 2025; *Does World Basketball Need a Soccer-Style Transfer System?*, 2018). The literature in the field supports the conclusion that, while the draft-based growth still has an aspect of chance, small-market success is primarily the product of intentional decision making and proper investment that builds franchises financially and competitively, and, although such success has proven to be feasible, the growing disparity between even some of the best small-market teams and large-market teams showcases the need for the NBA and MLB to adopt new changes to better balance the league.

REFERENCES

- Alam, A., & Brown, K. (2024, November 12). Behind the diamond: How big MLB payrolls affect postseason success. *Cronkite News*.
<https://cronkitenews.azpbs.org/2024/11/12/big-mlb-payrolls-affect-postseason-success/>
- Amar, A. (2015, July 26). Do Small Market teams really build through the NBA Draft? SLC Dunk.
<https://www.slcdunk.com/research-statistics-analytics/2015/7/26/9041255/nba-free-agency-2015-nba-draft-spurs-kings-thunder-jazz-hornets-pacers-pelicans-bucks-magic>
- Augustin, P. (2018, June 6). Understanding the NBA Salary Cap: It Is Rocket Science. *Bleacher Report*.
<https://bleacherreport.com/articles/224051-understanding-the-nba-salary-cap-it-is-rocket-science>
- Babcock, M. (2025, May 17). 2025 NBA Draft: Inside the first steps of the Pre-Draft process. *Babcock Hoops*.
<https://www.babcockhoops.com/post/2025nbadraft-insidethefirststepsofthepre-draftprocess>
- Baumann, M. (2023, June 26). You know, for kids: finding meaning in the MLB draft combine. *FanGraphs Baseball*.
<https://blogs.fangraphs.com/you-know-for-kids-finding-meaning-in-the-mlb-draft-combine/>
- Beck, H. (2025, February 18). Are we sure NBA expansion is a good idea? *The Ringer*.
<https://www.theringer.com/2025/02/18/nba/nba-expansion-teams-las-vegas-seattle-adam-silver-future>
- Bhargava, Y. (2024, July 13). “He is going to be one hell of a player” – Larry Bird knew his decision to let go of Kawhi Leonard would hurt the Pacers. *Basketball Network*.
<https://www.basketballnetwork.net/old-school/larry-bird-knew-his-decision-to-let-go-of-kawhi-leonard-would-hurt-the-pacers>
- Bhattacharya, P. (2025, April 24). NBA’s Great Divide—How Small-Market Teams Stay in the Game. *EssentiallySports*.
<https://www.essentiallysports.com/flagship-think-tank-news-nba-s-great-divide-how-small-market-teams-stay-in-the-game/>
- Birchmore, E. (2021, August 22). Charlotte Hornets: Blueprint for small-market success. *Swarm and Sting*. <https://swarmandsting.com/2021/08/22/charlotte-hornets-blueprint-small-market-success/>
- Blum, R. (2025, December 20). Dodgers to pay record \$169 million luxury tax after winning 2nd straight World Series. *Associated Press*.
<https://apnews.com/article/luxury-tax-dodgers-mets-d9c6f0a1da64626612886dd977e9ddf6>
- Blum, R., & Reynolds, T. (2017, September 28). Jeter 4 percent stake in Marlins, who will have \$400M debt. *The Seattle Times*.
[https://www.seattletimes.com/sports/jeter-4-percent-stake-in-marlins-who-will-have-400m-debt/#:~:text=NEW%20YORK%20\(AP\)%20%E2%80%94%20Derek.knew%20it%20from%20Day%20One.%E2%80%9D](https://www.seattletimes.com/sports/jeter-4-percent-stake-in-marlins-who-will-have-400m-debt/#:~:text=NEW%20YORK%20(AP)%20%E2%80%94%20Derek.knew%20it%20from%20Day%20One.%E2%80%9D)
- Burchardt, D. (2022, August 16). Stars make a splash, but continuity is king in the NBA. *The Ringer*.
<https://www.theringer.com/2022/08/16/nba/nba-trades-kevin-durant-roster-continuity>
- Chiappone, D. (2025, June 19). Are NBA Teams Trading First-Round Draft Picks More Than Ever? *The Lead*. <https://theleadsm.com/nba-teams-trading-first-round-picks/>
- Choi, D. (2025). Should MLB implement a salary cap, and what would it look like if it did? *International Journal for Multidisciplinary Research*, 7(5). <https://doi.org/10.36948/ijfmr.2025.v07i05.57349>

- Comeaux, E. (2013). “Quick pitch: MLB talent evaluators – Understanding the Professional Baseball Scouting Process and Grading Scheme.” *Inside Pitch Magazine* (Winter, 2013).
https://www.abca.org/magazine/magazine/2013-1-Winter/Quick_Pitch_MLB_Talent_Evaluators.aspx
- Connon, S. (2024, December 24). A complete timeline of the Miami Marlins’ embarrassing roster teardown. *Fastball on Sports Illustrated*.
<https://www.si.com/fannation/mlb/fastball/news/a-complete-timeline-of-the-miami-marlins-embarrassing-roster-teardown-jesus-luzardo-jake-burger-luis-arraez-jazz-chisholm-jr-tanner-scott-trevor-rogers-bryan-de-la-cruz-josh-bell-jorge-soler-01jfw66t8jh>
- Cui, Y., Liu, F., Bao, D., Liu, H., Zhang, S., & Gómez, M. (2019). “Key anthropometric and physical determinants for different playing positions during National Basketball Association Draft Combine Test.” *Frontiers in Psychology*, 10, 2359. <https://doi.org/10.3389/fpsyg.2019.02359>
- Cushman, C. (2024). Salary Caps in Sports: Overview. *EBSCO*.
<https://www.ebsco.com/research-starters/sports-and-leisure/salary-caps-sports-overview>
- Does World Basketball Need a Soccer-Style Transfer System?* (2018, June 11). *Bleacher Report*.
<https://bleacherreport.com/articles/40340-does-world-basketball-need-a-soccer-style-transfer-system>
- Faturechi, R., Elliott, J., & Simani, E. (2023, December 20). The Billionaire Playbook: How sports owners use their teams to avoid millions in taxes. *ProPublica*.
<https://www.propublica.org/article/the-billionaire-playbook-how-sports-owners-use-their-teams-to-avoid-millions-in-taxes>
- Favale, D. (2014a, January 9). The Case for DeMarcus Cousins as the Best Center in the NBA. *Bleacher Report*.
<https://bleacherreport.com/articles/1917889-the-case-for-demarcus-cousins-as-the-best-center-in-the-nba>
- Favale, D. (2014b, June 18). Why the NBA Draft Is so Important to Small-Market Teams. *Bleacher Report*.
<https://bleacherreport.com/articles/2100725-why-the-nba-draft-is-so-important-to-small-market-teams?scrllybrkr=68677d57>
- Fischer, J. (2021). *Built to Lose: How the NBA’s Tanking Era Changed the League Forever*. Triumph Books, Chicago.
- Flight, R., & Mitchell, M. (2025). The novelty of new stadiums: Evidence from 40 years in Major League Baseball. *The Sport Journal*.
<https://thesportjournal.org/article/the-novelty-of-new-stadiums-evidence-from-40-years-in-major-league-baseball/>
- Foster, G., O’Reilly, N., & Naidu, Z. (2021). “Playing-Side Analytics in team sports: Multiple directions, opportunities, and challenges.” *Frontiers in Sports and Active Living*, 3, 671601.
<https://doi.org/10.3389/fspor.2021.671601>
- Hager, J. (2008). “Succeeding in Major League Baseball in a Small Market: A case study on Cincinnati, Minnesota, and Oakland.” *Bryant Digital Repository*.
https://digitalcommons.bryant.edu/cgi/viewcontent.cgi?article=1004&context=honors_finance
- Hannaford, M. (2025, May 28). Here’s what MLB scouts actually look for (It’s not what you think) [Video]. *YouTube*. <https://www.youtube.com/watch?v=8uIUWPsCFHo>

May 2026

Vol 7. No 1.

- Iyer, K. (2020, December 4). The NBA’s parity dilemma. *The Daily Campus*.
<https://dailycampus.com/2020/12/04/the-nbas-parity-dilemma/>
- Johnson, P. (2013, June 12). One of the Spurs players who helped beat the Heat last night begged to stay on the team in 2010. *Business Insider*.
<https://www.businessinsider.com/danny-green-begged-to-stay-spurs-in-2010-2013-6>
- Kepner, T. (2023, October 3). The Brewers embody sustained success in a small market. Can they finally ace the October test? *The Athletic*.
<https://www.nytimes.com/athletic/4918707/2023/10/02/milwaukee-brewers-success-mark-attanasio-playoffs/>
- Kram, Z. (2022, September 2). NBA trade analysis: Small-Market teams paying big prices to go all in. *The Ringer*.
<https://www.theringer.com/nba/2022/9/1/23333842/small-market-teams-are-paying-big-prices-to-go-all-in>
- Kroichick, R. (2023, January 12). How Steve Kerr’s last dance as a player shaped his run as Warriors coach. *San Francisco Chronicle*.
<https://www.sfchronicle.com/sports/warriors/article/steve-kerr-spurs-nba-17711599.php>
- LaSota, M. (2025, June 26). Why NBA teams bet on intangibles in the draft. *Forbes*.
<https://www.forbes.com/sites/marklasota/2025/06/26/character-picks-why-nba-teams-bet-on-intangibles-in-the-draft/>
- Lewis, M. (2004). *Moneyball: The Art of Winning an Unfair Game*. Turtleback Books, Logan.
- Lewis, M. (2024, July 31). Debt payment concerns echo from baseball stadium debacle. *Miami Today*.
<https://www.miamitodaynews.com/2024/07/30/debt-payment-concerns-echo-from-baseball-stadium-debacle/>
- Loung, S. (2022, June 28). NBA Free Agency FAQ: Salary cap, Bird rights, moratorium and more. *Sportsnet.ca*.
<https://www.sportsnet.ca/nba/article/nba-free-agency-faq-salary-cap-bird-rights-moratorium-and-more/>
- Malloy, G. (2025, June 27). Small market NBA teams win more with less. *Forbes*.
<https://www.forbes.com/sites/giovannimalloy/2025/06/26/small-market-nba-teams-win-more-with-less/>
- McCullough, A. (2025, April 28). As the \$476 million Dodgers face the \$69 million Marlins, MLB’s payroll gap has never been wider. *The Athletic*.
<https://www.nytimes.com/athletic/6305448/2025/04/28/dodgers-marlins-mlb-record-payroll-gap/>
- McMahon, T. (2025, November 12). How the young Thunder are building a dynasty in OKC. *ESPN*.
https://www.espn.com/nba/story/_/id/46932185/how-young-thunder-building-dynasty-okc
- Michael, J. (2019, July 17). Is there any hope for small-market teams like the Pacers when it comes to NBA free agency? *The Indianapolis Star*.
<https://eu.indystar.com/story/sports/nba/pacers/2019/07/15/nba-free-agency-how-small-market-teams-like-pacers-can-compete/1721979001/>
- Michael Jordan, “The Last Dance” and B2B Marketing Tactics. (2020, June 9).
<https://gobraithwaite.com/thinking/michael-jordan-the-last-dance-and-b2b-marketing-tactics/>
- McDonald, D. (2024, July 16). Rob Manfred hints at changes to rules on trading draft picks. *MLB Trade Rumors*.

May 2026

Vol 7. No 1.

- <https://www.mlbtraderumors.com/2024/07/rob-manfred-hints-at-changes-to-rules-on-trading-draft-picks.html>
- McPherson, J. (2019, November 21). Why the Miami Marlins decided to designate Wei-Yin Chen for assignment. *The Miami Herald*.
<https://www.miamiherald.com/sports/mlb/miami-marlins/article237604314.html>
- Rosenthal, K. (2025, March 18). Once again, the Marlins’ lack of spending risks grievance from the players union. *The Athletic*.
<https://www.nytimes.com/athletic/6211601/2025/03/18/miami-marlins-spending-payroll-luxury-tax/>
- Rymer, Z. (2018, June 7). *Is the Massive Gap Between Big-Market vs. Small-Market MLB Teams Leveling Out?*
<https://bleacherreport.com/articles/1543908-is-the-massive-gap-between-big-market-vs-small-market-mlb-teams-leveling-out>
- NBA Players Association. (2023). *Collective Bargaining Agreement*.
<https://imgix.cosmicjs.com/25da5eb0-15eb-11ee-b5b3-fbd321202bdf-Final-2023-NBA-Collective-Bargaining-Agreement-6-28-23.pdf>
- Schmidt, M. (2024). “On the Incentive Structure of Tournaments: Evidence from the National Basketball Association’s Draft Lottery.” *Eastern Economic Journal*, 50, 400-429. <https://rdocu.be/eB97q>
- Schoenfeld, D. (2012, November 15). Miami Marlins trade fallout: Smart or tragic? *ESPN.com*.
https://www.espn.com/blog/sweetspot/post/_/id/30819/marlins
- Simmons, B. (2011, April 26). Kings checkmated by money, luck. *ESPN.com*.
<https://www.espn.com/espn/page2/story?sportCat=nba&page=simmons%2F110425>
- Smith, J., Goodman, J., & Hurwitz, M. (2020). “The economic impact of access to public four-year colleges.” *National Bureau of Economic Research*. Working Paper 27117.
<https://doi.org/10.3386/w27177>
- Spotrac. (2026). *2017-18 Golden State Warriors Cap Table*. spotrac.com.
https://www.spotrac.com/nba/golden-state-warriors/cap/_/year/2017
- Solomon, D. (2018, August 27). With Manu Ginobili’s retirement, it’s the end of an era for the Spurs. *Texas Monthly*.
<https://www.texasmonthly.com/arts-entertainment/manu-ginobilis-retirement-end-era-spurs/>
- Staub, D. (2019). The lone coyote of the National Basketball Association: A case study on the organization culture of the San Antonio Spurs. *DigitalCommons@CalPoly*.
<https://digitalcommons.calpoly.edu/expindsp/2/>
- Tamayo, E. (2024, October 3). Examining market size and team performance: Major League Baseball (MLB). *Exploratio Journal*.
<https://exploratiojournal.com/examining-market-size-and-team-performance-major-league-baseball-mlb/>
- Thompson, K. (2012). Ten years later: the A’s are back. *MLB.com*.
[https://www.mlb.com/news/ten-years-later-the-as-are-back/c-37848808#:~:text=Similarities:,BA%20%2D%20.242%20\(4th\)](https://www.mlb.com/news/ten-years-later-the-as-are-back/c-37848808#:~:text=Similarities:,BA%20%2D%20.242%20(4th))
- Trinh, S. (2025, July 7). The Spurs’ way: revisiting the dynasty. *Pounding the Rock*.
<https://www.poundingtherock.com/2025/7/7/24463417/the-spurs-way-revisiting-the-dynasty>

- Vareldzis, M. (2019, May 5). Why the Miami Marlins will never get to prominence again. *Call to the Pen*. <https://calltothepen.com/2019/05/05/why-the-miami-marlins-will-never-get-to-prominence-again/>
- Wei, S. (2019, October 31). New-Age moneyball: Breaking down how two low-budget teams made the American League wild card game. *Sports Analytics Group Berkeley*. <https://sportsanalytics.studentorg.berkeley.edu/articles/new-age-moneyball.html>
- Zhang, Z. (2023). Marketing psychology in sports branding: A case study of EPL, Li-Ning and Peak. *Highlights in Business, Economics and Management*, 5, 400-409. [10.54097/hbem.v5i.5112](https://www.researchgate.net/publication/369875074_Marketing_Psychology_in_Sports_Branding_A_Case_Study_of_EPL_Li-Ning_and_Peak). https://www.researchgate.net/publication/369875074_Marketing_Psychology_in_Sports_Branding_A_Case_Study_of_EPL_Li-Ning_and_Peak
- Zou, L. (2018, March 29). Astros GM explains how Houston used big data to win the World Series. *The Wharton School, University of Pennsylvania*. <https://www.wharton.upenn.edu/story/astros-gm-jeff-luhnow-explains-data-analytics-helped-houston-win-world-series/>