

## **Make or Buy your Players – A National Study**

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Make vs Buy has long been a traditional business concept used in operations research. High labor costs present a significant investment risk found in Professional sports teams. Thus a closer examination of the athletic human resource talent identification process has now been placed at a premium. The purpose of this study was to investigate the decision making process involved in Make vs Buy as it applies a professional sports league (MLB). Baseball is the last free economy that does not have a salary cap. Baseball also has the most expansive labor identification system with multiple minor leagues (e.g. Triple A, Double A etc.) Subsequent talent salary expenditures have a direct bearing on profitability and success in differing sized markets. Results indicate a very linear relationship between expenditure and success (team record). Investment into large scale developmental costs may not be deemed appropriate. Alternative and more efficient remedies for large athletic developmental expenditures are provided. Recommendations for further research are provided.