



Case Study Simulation

Southern Titans Cricket Club

Project: Title Chase

The IPL Business Bet to Rebuild a Franchise

Participant Case Sheet

This document contains the case story, business context, project details, assumptions, and modelling requirements only. It does not include the answer key, NPV, IRR, payback, or final recommendation.

Finance Domains Covered

Capital Budgeting | Sports Business Finance | Revenue Forecasting | Working Capital | Scenario Analysis | Sponsorship Economics

Prepared for financial modelling simulation and board-level decision analysis

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1. Executive Context

The Indian Premier League has evolved far beyond a cricket tournament. It has become a large sports-business ecosystem where franchises operate like media, entertainment, sponsorship, merchandising, content, and fan-experience companies.

An IPL franchise is not judged only by its performance on the points table. It is also evaluated by the strength of its sponsorship portfolio, stadium revenue, merchandise sales, digital fan engagement, player brand value, content monetization, and long-term franchise valuation.

A winning season can create a sharp increase in sponsor interest, ticket demand, jersey sales, digital audience growth, and brand collaborations. At the same time, poor team performance can reduce sponsor confidence, weaken fan excitement, block merchandise inventory, and force the franchise to spend more on rebuilding campaigns.

This makes IPL franchise management a powerful finance simulation. It combines emotion and numbers. Owners want trophies. Fans want star players. Sponsors want visibility. The finance team wants disciplined capital allocation. Every auction decision, campaign spend, and stadium upgrade must be justified through financial modelling.

Core Simulation Theme

Southern Titans Cricket Club must decide whether to approve a large four-year franchise revival plan. The plan looks exciting from a cricket and branding perspective, but the financial risk is high because revenue growth depends on team performance, fan engagement, sponsorship renewal, and merchandise demand.

2. Franchise Background

Southern Titans Cricket Club is a fictional IPL franchise based in South India. During its early years, the franchise was known for aggressive cricket, packed home matches, a loud regional fan base, and a strong connection with young audiences.

The team built its identity around fearless batting, local talent, high-energy music, affordable fan merchandise, and a strong home-ground atmosphere. Its team anthem became popular during match seasons, and the franchise was once considered one of the most exciting young teams in the league.

For several seasons, Southern Titans regularly fought for playoff qualification. The franchise attracted strong sponsors from consumer goods, fintech, mobile phones, beverages, automobiles, and regional retail brands. Match-day ticket demand was high, and team jerseys sold strongly across stadium counters and online platforms.

However, the last four seasons have changed the story. The team has failed to qualify for playoffs for three consecutive seasons. The batting order has been unstable, the bowling unit has struggled in death overs, and expensive overseas players have not delivered consistent performance.

Fan engagement has declined. Social media comments have become negative after auction failures. Stadium attendance has reduced for weaker matches. Merchandise sales have slowed. Several sponsors are asking whether the franchise still provides enough media value and emotional visibility to justify premium sponsorship rates.

The owners believe the franchise still has strong potential, but the brand needs a major revival. They want to rebuild the team, refresh the fan experience, and reposition Southern Titans as a title-contending franchise.

3. Strategic Problem

Southern Titans is facing a serious business challenge. The franchise still has history, fans, and regional identity, but poor cricket performance has started affecting commercial performance.

- Sponsorship revenue is growing slower than competitors.
- Premium sponsors are demanding stronger team visibility and digital engagement.



- Ticket occupancy has declined in selected home matches.
- Hospitality box sales are below potential.
- Merchandise sales are falling because the current jersey and fan kits feel outdated.
- Digital fan engagement is weaker than top franchises.
- Player salary cost remains high despite poor performance.
- The franchise valuation is not increasing at the expected pace.

The management believes a bold investment is required to restore excitement. The CFO is concerned that emotional spending on players, marketing, and stadium experience can become financially dangerous if the team does not perform.

Central Business Question

Should Southern Titans invest heavily in Project: Title Chase, or should the franchise follow a controlled revival strategy with lower risk?

4. Project Overview and Strategic Positioning

The proposed revival plan is called Project: Title Chase. It is a four-year sports business transformation program designed to rebuild both cricket performance and franchise value.

4.1 Cricket Objective

- Build a balanced squad capable of reaching playoffs.
- Strengthen batting depth, death bowling, finishing ability, and spin options.
- Improve player fitness, injury prevention, and data-driven match preparation.
- Create a structured talent pipeline through domestic scouting and academy development.

4.2 Business Objective

- Increase sponsorship revenue and renewal value.
- Improve match-day ticket and hospitality revenue.
- Rebuild fan excitement and stadium attendance.
- Relaunch merchandise with higher-margin products.
- Build a digital fan platform to create recurring fan engagement.
- Increase licensing, content, and brand collaboration revenue.
- Improve long-term franchise valuation.

The project is positioned as a full franchise reset. It is not only about buying players. It is about rebuilding the sports business model around performance, entertainment, fan loyalty, and monetization.

5. Year 0 Investment Structure

Project: Title Chase requires a major upfront investment before the next IPL season begins. The management estimates total Year 0 investment at Rs. 220 crore.

Investment Component	Amount
Player auction and squad rebuild	Rs. 140 crore
Coaching, analytics, and performance team	Rs. 20 crore
Stadium fan experience upgrade	Rs. 30 crore
Digital fan platform and content studio	Rs. 20 crore
Merchandise relaunch	Rs. 12 crore
Brand relaunch and marketing campaign	Rs. 18 crore
Grassroots cricket academy program	Rs. 10 crore
Initial working capital buffer	Rs. 10 crore
Total Initial Investment	Rs. 220 crore



5.1 Player Auction and Squad Rebuild

The largest part of the project is the squad rebuild. The cricket operations team wants to acquire high-impact players who can immediately improve performance and restore fan confidence.

Player Investment Area	Amount
Marquee Indian batsman	Rs. 42 crore
International all-rounder	Rs. 28 crore
Death-over specialist fast bowler	Rs. 22 crore
Wicketkeeper-finisher	Rs. 18 crore
Spin bowling specialist	Rs. 10 crore
Uncapped Indian talent pool	Rs. 12 crore
Backup squad strengthening	Rs. 8 crore
Total Player Auction Investment	Rs. 140 crore

The cricket operations team argues that without a strong squad, the franchise cannot rebuild fan excitement or sponsorship value. The CFO argues that player spending must be linked to measurable revenue outcomes and performance milestones.

5.2 Coaching, Analytics, and Performance Team

Southern Titans plans to build a high-performance cricket unit that combines coaching experience with data analytics, fitness science, and player psychology.

- Head coach, batting coach, bowling coach, and fielding coach.
- Data analytics team for auction strategy, opposition analysis, and match simulation.
- Fitness and injury prevention unit to reduce player availability risk.
- Sports psychology support for pressure management and player development.

5.3 Stadium Fan Experience Upgrade

The franchise wants to make every home match feel like a premium entertainment event. The stadium upgrade is designed to improve attendance, ticket pricing, sponsor visibility, and hospitality revenue.

- Fan zones with games, sponsor activations, food courts, and pre-match entertainment.
- Premium hospitality boxes for corporate clients and high-value sponsors.
- LED sponsor screens and digital branding spaces.
- Family seating areas and improved match-day access systems.
- Music, match-day contests, and live entertainment to increase fan experience value.

5.4 Digital Fan Platform and Content Studio

The franchise plans to launch a digital fan app and content studio to convert fan attention into measurable revenue. The app will be used to deepen engagement beyond match days.

- Ticket booking and seat upgrade options.
- Merchandise store and limited edition drops.
- Fan loyalty points and membership tiers.
- Behind-the-scenes videos and player interviews.
- Fan polls, contests, and prediction games.
- Sponsor offers, digital coupons, and CRM-based campaigns.



5.5 Merchandise Relaunch

Southern Titans wants to relaunch its merchandise with a premium sportswear identity. The team plans to move beyond basic jerseys and create fan products that can be sold online, at stadiums, and through retail collaborations.

- Match jerseys, training jerseys, caps, and flags.
- Kids jerseys and family fan kits.
- Limited edition player jerseys.
- Signed collectibles and premium fan boxes.
- Corporate gifting merchandise for sponsor partners.

5.6 Brand Relaunch Campaign

The relaunch campaign will be built around the theme Roar Again. The campaign will introduce the new squad, new jersey, new anthem, and fan revival message.

- Launch film and player reveal videos.
- Regional language digital campaigns.
- College and fan community activations.
- Influencer collaborations and sports creator content.
- Outdoor branding in key home markets.
- Sponsor-integrated fan events and roadshows.

6. Revenue Model

Southern Titans earns revenue from multiple sources. Each revenue stream behaves differently and must be modelled separately.

6.1 Revenue Streams

- Broadcasting and central revenue share: League-level media and sponsorship distribution received by the franchise.
- Team sponsorship revenue: Title sponsor, jersey sponsors, helmet sponsor, sleeve sponsor, training kit sponsor, and official partners.
- Ticket and match-day revenue: Regular tickets, premium seating, corporate boxes, food and beverage share, parking, and fan zone income.
- Merchandise revenue: Jerseys, caps, fan kits, collectibles, kids products, and online merchandise sales.
- Digital platform revenue: Paid memberships, sponsor offers, digital collectibles, fan data partnerships, content monetization, and app-based sales.
- Licensing and collaborations: Co-branded products, retail partnerships, gaming tie-ups, beverage/snack collaborations, and regional brand campaigns.
- Academy and grassroots revenue: Paid coaching programs, school tournaments, summer camps, talent programs, and corporate cricket events.

6.2 Base Case Revenue Forecast

The base case assumes gradual improvement in team performance and business value. The team misses playoffs narrowly in Year 1, competes strongly in Year 2, qualifies in Year 3, and becomes a title contender in Year 4.

Revenue Stream	Year 1	Year 2	Year 3	Year 4
Broadcasting and central share	Rs. 125 cr	Rs. 132 cr	Rs. 140 cr	Rs. 148 cr
Team sponsorship revenue	Rs. 105 cr	Rs. 135 cr	Rs. 170 cr	Rs. 210 cr
Ticket and match-day revenue	Rs. 48 cr	Rs. 65 cr	Rs. 82 cr	Rs. 105 cr
Merchandise revenue	Rs. 22 cr	Rs. 36 cr	Rs. 55 cr	Rs. 78 cr
Digital platform revenue	Rs. 8 cr	Rs. 18 cr	Rs. 32 cr	Rs. 50 cr
Licensing and collaborations	Rs. 10 cr	Rs. 18 cr	Rs. 30 cr	Rs. 46 cr
Academy and grassroots revenue	Rs. 4 cr	Rs. 7 cr	Rs. 11 cr	Rs. 16 cr



Total Revenue	Rs. 322 cr	Rs. 411 cr	Rs. 520 cr	Rs. 653 cr
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6.3 Revenue Story by Year

Year 1 is the rebuild season. The team relaunches its brand and starts improving performance, but the financial upside remains limited because sponsors and fans wait to see actual results.

Year 2 is the fan recovery season. If the team plays competitive cricket, stadium attendance and sponsor interest improve. The marquee player becomes central to merchandise and content campaigns.

Year 3 is the playoff season. Qualification for playoffs improves brand visibility, sponsor renewal rates, merchandise demand, and digital platform usage.

Year 4 is the title contender season. If the team becomes a serious title contender, Southern Titans can command higher sponsorship pricing, stronger ticket rates, better hospitality sales, and improved terminal franchise value.

7. Operating Cost Structure

The project requires high recurring operating costs. The major cost heads are player salaries, support staff, match operations, marketing, merchandise production, digital platform operations, stadium events, academy operations, and corporate administration.

Cost Head	Year 1	Year 2	Year 3	Year 4
Player salaries and bonuses	Rs. 165 cr	Rs. 178 cr	Rs. 195 cr	Rs. 215 cr
Coaching and support staff	Rs. 25 cr	Rs. 28 cr	Rs. 32 cr	Rs. 36 cr
Match operations and logistics	Rs. 42 cr	Rs. 48 cr	Rs. 55 cr	Rs. 63 cr
Marketing and fan engagement	Rs. 42 cr	Rs. 50 cr	Rs. 60 cr	Rs. 72 cr
Merchandise production cost	Rs. 11 cr	Rs. 18 cr	Rs. 27 cr	Rs. 38 cr
Digital platform operations	Rs. 8 cr	Rs. 12 cr	Rs. 17 cr	Rs. 24 cr
Stadium event and hospitality cost	Rs. 22 cr	Rs. 30 cr	Rs. 40 cr	Rs. 52 cr
Academy operations	Rs. 6 cr	Rs. 9 cr	Rs. 13 cr	Rs. 18 cr
Corporate and administration	Rs. 20 cr	Rs. 24 cr	Rs. 29 cr	Rs. 35 cr
Total Operating Cost	Rs. 341 cr	Rs. 397 cr	Rs. 468 cr	Rs. 553 cr

The operating cost structure creates pressure in the early years. Player salaries and marketing expenses rise immediately, but revenue growth depends on team performance and sponsor response. This creates a timing gap between cash outflow and commercial upside.

8. Working Capital, Depreciation, Tax, and Terminal Value Assumptions

8.1 Depreciation and Amortization Assumptions

For modelling purposes, the following project assets are treated as depreciable or amortizable over four years.

Asset Category	Amount
Stadium fan experience upgrade	Rs. 30 crore
Digital fan platform and content studio	Rs. 20 crore
Merchandise setup	Rs. 12 crore
Brand relaunch assets	Rs. 8 crore
Academy infrastructure	Rs. 10 crore
Performance analytics systems	Rs. 10 crore
Total Depreciable / Amortizable Asset Base	Rs. 90 crore

Useful life is assumed to be four years. The modelling team must calculate annual depreciation or amortization using the straight-line method.



8.2 Working Capital Assumptions

The franchise requires working capital because sponsorship payments are received in milestones, merchandise inventory is produced before sale, vendors require advances, and match-day settlements happen after events.

Year	Working Capital Requirement
Year 0	Rs. 10 crore
Year 1	Rs. 18 crore
Year 2	Rs. 28 crore
Year 3	Rs. 40 crore
Year 4	Rs. 55 crore

At the end of Year 4, 70% of working capital is expected to be recovered.

8.3 Tax and Discount Rate Assumptions

Assumption	Value
Corporate tax rate	30%
Discount rate / WACC	14%
Project life	4 years
Working capital recovery	70% of Year 4 working capital
Terminal brand value estimate	Rs. 140 crore

The discount rate is higher than a normal low-risk project because sports franchise revenue depends on team performance, player availability, fan sentiment, sponsor renewal, and brand value volatility.

9. Financial Modelling Requirements

The modelling team must build a full four-year Excel model using the assumptions provided in this case. The model must be dynamic so that changes in revenue, cost, investment, working capital, and discount rate automatically flow into the final decision metrics.

9.1 Required Model Schedules

1. Assumptions sheet
2. Investment schedule
3. Revenue forecast by stream
4. Operating cost schedule
5. EBITDA calculation
6. Depreciation and amortization schedule
7. EBIT and tax schedule
8. Operating cash flow calculation
9. Working capital schedule
10. Free cash flow model
11. NPV and IRR calculation
12. Payback period calculation
13. Break-even analysis
14. Scenario analysis
15. Sensitivity analysis
16. Final dashboard and recommendation page



9.2 Key Financial Outputs Required

- Year-wise revenue by stream.
- Year-wise operating cost by category.
- EBITDA for each year.
- EBIT and tax calculation.
- Operating cash flow.
- Incremental working capital.
- Free cash flow.
- NPV at 14% discount rate.
- IRR of the project.
- Payback period.
- Break-even revenue requirement.
- Scenario comparison.
- Sensitivity summary.
- Final decision: Approve, Modify, Delay, or Reject.

10. Scenario and Sensitivity Requirements

The Board does not want a single forecast. The modelling team must evaluate multiple business outcomes because IPL franchise performance is highly uncertain.

10.1 Conservative Scenario

In the conservative scenario, the team fails to qualify for playoffs again. The marquee player underperforms, the fast bowler faces injury issues, sponsors do not upgrade contracts, fan sentiment remains weak, and merchandise inventory moves slowly.

Year	Revenue Forecast	Performance Story
Year 1	Rs. 285 crore	Rebuild campaign receives attention, but team results remain weak.
Year 2	Rs. 320 crore	Sponsors continue but avoid premium renewals.
Year 3	Rs. 355 crore	Ticket revenue improves only slightly.
Year 4	Rs. 390 crore	Brand recovery remains limited.

10.2 Base Scenario

In the base scenario, the team improves gradually. Fan confidence returns slowly, sponsors renew at better rates, and the digital platform begins to generate measurable engagement. This scenario uses the detailed revenue and cost tables provided earlier in the case.

10.3 Optimistic Scenario

In the optimistic scenario, the marquee player becomes the face of the franchise, the team qualifies for playoffs early, sponsor interest rises sharply, merchandise sales accelerate, and the digital fan app becomes a strong engagement platform.

Year	Revenue Forecast	Performance Story
Year 1	Rs. 360 crore	Strong fan revival and better league performance.
Year 2	Rs. 500 crore	Playoff qualification drives sponsor renewal.
Year 3	Rs. 680 crore	Finals appearance creates strong brand momentum.
Year 4	Rs. 850 crore	Title contender positioning lifts franchise value.



10.4 Sensitivity Tests Required

- Player auction cost increases or decreases by Rs. 30 crore.
- Sponsorship revenue is 10% lower than base case.
- Sponsorship revenue is 20% higher than base case.
- Merchandise sales are 40% lower than expected.
- Digital platform revenue reaches only 50% of target.
- Terminal brand value is reduced from Rs. 140 crore to Rs. 90 crore.
- Discount rate increases from 14% to 16%.
- Working capital recovery falls from 70% to 50%.

11. Management Conflict

The leadership team is divided on Project: Title Chase.

Stakeholder	Position
Franchise Owner	Wants a bold revival to increase brand value and restore fan pride.
CEO	Believes the project is necessary because the franchise cannot remain mediocre.
CFO	Worries that the investment is too high and depends heavily on uncertain performance.
Cricket Operations Head	Argues that strong player investment is essential for playoff qualification.
Marketing Head	Wants a large campaign to emotionally reconnect with fans.
Commercial Head	Believes sponsors will pay more only if performance and digital visibility improve.
Merchandise Manager	Wants a premium merchandise relaunch but fears dead stock if the team performs poorly.
Digital Product Head	Believes the fan app can become a long-term revenue engine if launched before the season.

The Board wants the final recommendation to be based on financial discipline. The final report must clearly show whether Project: Title Chase creates value, destroys value, or needs modification before approval.

12. Final Decision Questions

1. Should Southern Titans approve the full Rs. 220 crore Project: Title Chase investment?
2. Which revenue stream is most important for project success?
3. How much does player auction spending affect project viability?
4. Can sponsorship growth justify the investment?
5. What happens if the team fails to qualify for playoffs?
6. How should the franchise manage merchandise inventory risk?
7. Should stadium upgrades be completed immediately or phased over multiple years?
8. Is the digital fan platform a cost centre or a future revenue engine?
9. How sensitive is the project to terminal franchise value?
10. Should the Board approve, modify, delay, or reject the project?

13. Final Simulation Challenge

Southern Titans Cricket Club is standing at a turning point. The franchise can continue operating with moderate performance and declining fan excitement, or it can invest aggressively to rebuild team performance, fan loyalty, sponsor value, and long-term franchise valuation.

But sports business is risky. A star player does not guarantee wins. A large auction does not guarantee playoffs. A viral campaign does not guarantee ticket sales. A fan app does not guarantee monetization. Merchandise can become dead stock if performance disappoints.



The final decision must balance passion with financial discipline.

Board Decision Required

Using the financial model, decide whether Southern Titans should Approve, Modify, Delay, or Reject Project: Title Chase.