

A Bizarre Game Of Chicken

Written by {ga=gdbenz}

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Varejao, Varejao ... wherefore art thou Varejao? This is nuts! There's no holdouts in the NBA! Which makes this stalemate with Andy and Sasha and the Cavs all the more confusing. In this excellent piece, Gary gives us the whole explanation on what's going on with Varejao and Pavlovic ... and says that Dan Gilbert is doing exactly what he should be doing here with the Cavs pair of holdouts.



The only thing really worth knowing about the holdouts of Cavaliers restricted free agents Sasha Pavlovic and Anderson Varejao is that it underscores why Dan Gilbert would be a far better owner for the Indians than the Cavaliers. Having to operate in a salary-cap constrained world is antithetical to the way guys like Gilbert would prefer to operate.

First, the back story. As most know already, Pavlovic and Varejao are, either coincidentally or in concert, holding out for contracts that the Cavaliers and GM Danny Ferry believe would give the team less financial flexibility down the road. Reportedly each is seeking approximately \$10 million a year for several years, a figure the Cavs have deemed too rich and too restricting to their ability to build a team worthy of being a legitimate multi-year contender for a NBA championship.

Though the NBA rules on this sort of thing can get fairly technical, the options each player had given their status were pretty limited, a fact that seems to have

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eluded both. Once the Cavs made each a one-year qualifying offer (by rule, qualifying offers are limited to one year), the restricted status of each was preserved, meaning that the Cavs could match any offer made by another team.

Of course, the two could have signed the qualifying offer, played the season and opted for unrestricted free agency next year. Apparently each preferred longer-term deals now that would shield them from the risk of injury or poor play and turned down the qualifying offers. In doing so, they boxed themselves even further into a corner, also a fact that seems to have eluded both.

At this point, the corner they now find themselves in is to lower their demands, find another team willing to pay them what they want, or hold out for their original price. There seems to be no sign of them lowering their demand and to this point no other team has jumped into the mix. Thus, they find themselves sitting in Europe somewhere unpaid and facing the specter of hard-bargaining by the Cavs down the road. But the key to all this is that so long as they sit out, they'll never lose their status as restricted free agents. It's hard to believe the market gets better for them the less they play, but hey, that's for their agents to convince them otherwise.

It may be that both overestimated the willingness of another team to pay them that kind of money and get a niche player in return. But knowing the mentality of player agents, more likely the two have been programmed to believe that the only reason no one else has come forward with a contract relates solely to the Cavs having the right to match it. Eventually, the two will learn that their agents are nuts.

If any other team wants either player, all they need to do is sign them to the kind of dollars they want (approximately \$10 million per season, 3-5 year deals). Assuming Ferry's stated reasons for not signing either is based on their demands, then there is no reason to believe he'd match such an offer. He wouldn't.

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This means, of course, that GMs across the league firmly don't believe that either is a \$10 million a year player, an ego-deflating reality that eventually will set in, even as the agents tell them otherwise. So the two are left to sit and stew in Europe or elsewhere while this gets sorted out, hoping against hope that the Cavs will tank so bad early this season that Ferry and Gilbert will be forced to meet their demands to appease the fans, even if that means hurting the franchise down the road.

But that's a sucker play for both Pavlovic and Varejao and if that's what they're relying on to break the logjam, then I hope they enjoy the winter weather in Europe or wherever else they may be hanging out for there is still more reality that they'll face.

Let's concede up front that the Cavs are a better team with them than without them. But is that really the issue? We already know that this team, even with the two, is not strong enough to win the NBA championship. That is not going to change just because they have new contracts. The Cavs did basically stand pat going into last season and while they did progress to the NBA finals, they did so out of a much weaker conference. In baseball terms, the NBA East is the National League and the NBA West is the American League. Nothing's changed on that score.

On the other hand, there is every real possibility that the team will eventually regress should the Cavs accede to their demands. Financial flexibility in the NBA isn't the same as financial flexibility in major league baseball. In the NBA, having too many role players under long-term, big money contracts that eat up your salary cap is the recipe for long-term mediocrity and frustration. Think New York Knicks.

In baseball, on the other hand, you can buy your way out of such problems if you are so inclined. It may be costly, but there is absolutely no reason for a major league baseball team to repeatedly flounder under large contracts to underperforming players. The absence of a salary cap always allows for a

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mulligan, several if need be. In basketball, once you get saddled with these contracts, it's an owner's, a GM's and the fans worst nightmare. Put it this way, you'd rather be stuck in a cart forever on the "It's a Small World" ride at Disney World than trying to fight your way out of NBA salary cap hell.

Which gets us back to Dan Gilbert. This absolutely has to eat at him in a way that no other owner of a Cleveland professional sports franchise could ever experience. So committed to excellence and possessing the ability and acumen to execute the steps needed to achieve it, Gilbert can only sit idly by while Ferry and the players' respective agents engage in this game of chicken.

Gilbert didn't get off on the right foot with Cavs fans when he took over because he initially seemed like a meddlesome basketball-player wannabe with neither the knowledge nor the experience to make the kinds of decisions he seemed to be making. But initial appearances can be deceiving. Since that rocky start Gilbert has defied the age-old bromide that you never get a second chance to make a first impression.

At this juncture, you'd be hard-pressed to find a better owner in Cleveland sports history, which is not as stunning as that may sound initially. The history of Cleveland sports is dotted with well-intentioned but undercapitalized owners. It's one of the main reasons, frankly, that this town has not enjoyed a championship in any major sport since 1964.

But Gilbert is different. What distinguishes him from his counterparts, Larry and Paul Dolan with the Indians and Randy Lerner with the Browns, is the fact that while the others possess some, he possesses all of the qualities necessary to actually bring a winner to Cleveland.

The Dolans are life-long Indians fans and value their franchise in only a way that someone with that kind of pedigree can, similar to Randy Lerner with the Browns. But the Dolans ultimately lack the funds they need to realize the full scope of their

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grand plans.

Lerner, as passionate as he is about the Browns generally, simply seems to lack the singularity of focus that someone like Robert Kraft in New England has. Money may never be an object to Lerner, but it's not the dividing line in football anyway. Ultimate success in your chosen endeavor has to consume your every waking moment and right now Lerner is a nice guy, rich billionaire with too varied of interests to devote his full time and efforts to ensuring that the Browns win a Super Bowl.

But Gilbert has both the money and the drive. Unfortunately, he exists in a league that, like the NFL, legislates against owner avarice through a salary cap. It simply doesn't suit his innate sense to spend what it takes to ensure success. The best thing that Gilbert really is doing right now is resisting the temptation to simply spend to solve an emerging short-term problem. Unlike most owners, he has the business acumen to recognize how a short-term fix can cause a long-term problem.

Hopefully, though, Cavs fans will remember this when the Cavs take their woeful preseason play onto the court for good starting this week. It won't be pretty, but Gilbert's not the problem. All he's done is to earn the trust that may require the team to take a half-step back to ensure a sea-change step forward. But as he's watching this unfold, hopefully he's keeping an eye on the Indians. If they're ever for sale, hopefully he'll make that purchase and never look back.