

# Football and Management

Comparisons between  
Sport and Enterprise

Sten Söderman



# Football and Management

*Also authored by Sten Söderman*

INDUSTRIAL LOCATION PLANNING

*Also edited by Sten Söderman*

EMERGING MULTIPLICITY: Integration and Responsiveness in Asian Business Development

MANAGE YOUR BUSINESS ABROAD: A Focus on Subsidiaries

*Also edited by Sten Söderman and Harald Dolles*

DEVELOPING INTERNATIONAL SPORT

EVALUATING AND MEASURING: Applying a Management Perspective on Sports

HANDBOOK OF RESEARCH ON SPORT AND BUSINESS

MANAGING SPORT: Governance and Performance

MEGA-SPORTING EVENTS IN ASIA: Impacts on Business, Society and Management

SPORT AS A BUSINESS: International, Professional and Commercial Aspects

# **Football and Management**

## **Comparisons between Sport and Enterprise**

Sten Söderman

*Stockholm University School of Business, Sweden*

palgrave  
macmillan



© Sten Söderman 2013

Softcover reprint of the hardcover 1st edition 2013 978-0-230-39117-8

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No portion of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The author has asserted his right to be identified as the author of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2013 by  
PALGRAVE MACMILLAN

Palgrave Macmillan in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN 978-1-349-35150-3      ISBN 978-0-230-39118-5 (eBook)  
DOI 10.1057/9780230391185

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

A catalog record for this book is available from the Library of Congress.

10	9	8	7	6	5	4	3	2	1
22	21	20	19	18	17	16	15	14	13

# Contents

<i>List of Tables</i>	viii
<i>List of Figures</i>	ix
<i>Preface</i>	xi
<i>Acknowledgements</i>	xii
<b>1 Football's similarities and differences compared with other industries</b>	<b>1</b>
Company management can teach football and vice versa	1
Experiences in society, in the business community and in the football arena	10
Differences in the three divided 'industries'	15
Researched and less researched knowledge areas	17
To be a club manager	21
The configuration of the book	22
<b>2 Six propositions as a frame of reference</b>	<b>26</b>
A successful playing style requires good football leadership, described through a four-field model	27
Proposition 4: methodology is superior to a 'fad'	36
Propositon 5: good business management can teach football to improve (B to F – Business to Football)	40
Proposition 6: certain components in football can successfully be applied to the business (F to B – Football to Business)	41
<b>3 Market – atmosphere on and off the pitch</b>	<b>43</b>
The market mood	46
Involving the customer: co-production	48
Segmentation of supporters	50
Three approaches to customer orientation	53
Market orientation should be customer focused	54
The main customers and marketing in general	57
Some practical approaches	59
Lifestyle – today's and tomorrow's customers	61
Communications with opinion formers	63
Conclusions and some thoughts on the future of stadium audiences	65

<b>4</b>	<b>The game is the product</b>	<b>69</b>
	Introduction to the game	69
	Administration versus Science	71
	Player and coach are the products	74
	Club, coach, owner and stadium	76
	Business development, strategy, tactics and playing style	79
	Choosing the right people with the right mindset	83
	More on management	87
	Can football learn from industry – selecting the right successor in the right phase?	89
	The death of soccer or controlling players' salaries	91
	Conclusions on how all this affects the football reality	93
<b>5</b>	<b>Product development and training</b>	<b>100</b>
	Introduction	100
	The three phases: to recruit, to develop and retain and to get rid of or wind up	102
	The need to train	107
	Exercise off the field	109
	Developing courageous leaders off the field	109
	Some examples of education	110
	Product development and training	114
	Some training styles in football	114
	Rapid product development	116
	Develop either customers or products	120
	Six concluding examples	125
<b>6</b>	<b>Management challenges in football</b>	<b>130</b>
	Introduction to management and organization	130
	The four models of management	136
	Choosing an organizational solution	152
	Leaders and potential leaders	159
	Measurement and control	162
	Four archetypes and three kinds of football clubs	167
<b>7</b>	<b>Management of four challenges</b>	<b>170</b>
	Database and information processing	171
	Branding and sponsoring	184
	About benchmarking	199
	Insourcing and outsourcing	210
	Summary	222

<b>8 Lessons and messages</b>	<b>224</b>
Football and business: lookalikes or not?	224
From value chain to value clusters	228
Value cluster as an intellectual approach	230
Europe United and IFK Sweden	233
Two real football clubs: a power shift in European football	238
Football metaphor: on the pitch and off the pitch	241
Cross-learning: Proposition 5 (B to F, Business to Football) and Proposition 6 (F to B, Football to Business)	243
Contributions and continued development of knowledge	244
<i>Notes</i>	251
<i>Bibliography</i>	258
<i>Index</i>	273



# List of Tables

1.1	Differences between products, services and the experience industry	16
2.1	The four-field framework	28
2.2	The football world and the corporate world: some analogies	41
7.1	Strength and value: the most valuable football brands (the hype clubs) in Europe, arranged according to various attributes	191
7.2	The most valuable football brands in Europe	191
7.3	Key concepts in support of Proposition 5 (B to F, Business to Football)	222
8.1	Manchester United and Malmö FF: some figures	239
8.2	Revenue breakdown for the top ten European Leagues 2006–2007	240
8.3	Systematic lessons	247
8.4	Messages: Proposition 5 (B to F, Business to Football)	250

# List of Figures

1.1	Pharma vs Biotech	5
1.2	Europe-wide financial results	22
2.1	Proposition 4: methodology is superior to a fad	37
2.2	Some concepts around language development	38
3.1	The acquisition of new customers	46
3.2	Customer evaluation and research	56
3.3	Sequential business–customer relationships	60
3.4	The relationship between companies and customers as a simultaneous and interactive process	61
3.5	Early adopters–opinion leaders	64
3.6	Opinion leaders are supported by the ‘confirmed’: a market takes shape	64
3.7	The market is growing in earnest with the help of ‘laggards’	64
4.1	Three business models	72
4.2	Some product concept elements	79
4.3	Strength of experience is a function of uncertainty	80
5.1	Many loyalties	106
5.2	Learning online and offline	111
5.3	Intellectual and physical education	112
5.4	Introduction of a new strategy or mechanism	113
5.5	Develop new customers or new products	120
5.6	Find the project of your own company	121
5.7	Product/market window: based on competence	122
6.1	The four-field framework with a focus on the Management square	131
6.2	The four-field matrix	131
6.3	Football’s four-field model in relation to business archetypes	140

6.4	Football is mission driven: the four-field model in relation to business archetypes	141
6.5	Football is scenario driven: the four-field model in relation to business archetypes	143
6.6	Football is structure driven: the four-field model in relation to business archetypes	149
6.7	Football is control driven: the four-field model in relation to business archetypes	152
6.8	Functional organization	155
6.9	The initial lineup of the Swedish team at the World Cup 1994	157
6.10	The left flank was weak	158
6.11	After the change in the lineup in 1994	158
6.12	Four business archetypes and three kinds of football clubs: an outline	168
7.1	Database work in three phases	175
7.2	Football's four-field framework	177
7.3	Two aspects of positioning by attribute	190
7.4	The brand's three facets	195
7.5	Benchmarking strategies	203
7.6	Bench window 'diagnosis'	207
7.7	Reliability test methods	208
7.8	The purchase of a player contains different meanings	215
7.9	Risk/benefit assessments related to insourcing/outsourcing	216
7.10	The theory of a successful playing style requiring good football management ('thought style') described in a four-field model	220
8.1	The interface between Science and Administration	225
8.2	The business idea supported by industry logic	227
8.3	Leaders have many opportunities	230
8.4	Industrial cluster: the paper/cardboard industry	232
8.5	The revenues of Malmö FF and Manchester United in 2010	239
8.6	The power shift in European football	240

# Preface

This book is about management in the world of sports, and especially football. There is a strong need for effective management and marketing of football clubs in an international and commercialized world.

In 2002 I published *Business Development with Examples from H&M, IKEA, ABB and Volvo* (Affärsutveckling med exempel från H&M, IKEA, ABB och Volvo). This book was based on lessons learnt – on what constitutes good and bad management – from fifteen years of working as a consultant at SIAR (Scandinavian Institutes of Administrative Research) and Indevo as well as a few years with Cap Gemini. After many years of research and consulting in international enterprises, ten years ago I switched my focus to sport as a true example of global business.

In addition to my experience as a promising young footballer, followed by my discovery of the strong driving forces to commercialize football, I saw the need for effective management and marketing of football clubs. I realized that the professionalization of football was closely interrelated with internationalization. This was obvious as Sweden's best football clubs were still local whereas the British clubs had become well known throughout the world.

This book provides a conceptual guide to how the business of football works. Typical football books focus on the private lives of football players and rumors about teams and transfers. I reflect on my practical, football-related, experiences spanning many years through theoretical models and frameworks.

The aim of this book is not only to describe and explain how football clubs actually operate but also to highlight the best practices within profit-driven corporations that can be adopted by football clubs in order to operate in a better way. In certain situations, football is used as a role model while in other situations a conventional business model is used. First and foremost, what are the dynamics of different football leagues and other contexts through which football can learn from business? Second, what can business learn from football? And how can business implement these practises? By articulating a basic framework using the differences between football in Scandinavia and in England, this book aims to present answers easily applicable in the workplace.

STEN SÖDERMAN

# Acknowledgements

A book like this is not an easy undertaking. A number of people have in one way or another made sacrifices to allow this book to come to realization. Inspiration has come from academic as well as practical sources via organizations and individuals.

I would like to thank all those who have contributed: first my sport research collaborator during the last ten years, Harald Dolles, with whom I have prepared and carried through many professional and sport academic seminars and conferences and also published books and articles; Berndt Karsten, my intellectual sparring partner for thirty years and a long-standing colleague in the consultancy business – his intelligent and constructive comments on the final manuscript were indispensable; Bosse Lundquist, who knows how to manage a football club and enable its top team to capture championships in Sweden – I would like to thank Bosse for his constant support and enlightened comments and for always making himself available to answer my sometimes unclear questions.

I would also like to thank Fahad Zahid for his insightful comments on the logic of football and his endless patience; Lars-Christer Olsson, former CEO of UEFA, with whom I have had many inspiring discussions and collaborations on the organization of football at various levels; Anna Fyrberg and Georg Krentzel, for many years of discussions and for their valuable comments on the final manuscript, and Victor Aichagui, for his struggle with the reference list.

I also thank Hallgeir Gammelsaeter and James Santomier as well as other colleagues at the Stockholm University School of Business, especially Tor Brunzell, Bino Catasus, Robert Demir, Fredrik Ribbing and Anita Radon. Many thanks also to the staff at Luxembourg Business Academy, Luxembourg University, especially Massimo Sabbatucci, Tracy Urdiales and, not least, Benjamin Ledran. The Swedish National Centre for Research in Sports (CIF) has partly contributed financially to the research behind this book.

Olle Stenström knows much about the insider life and feelings of a team. He merits my special thanks for our lifelong discussions while watching games together, either live or in front of his television screen.

This book will in some small way also serve as an acknowledgment to all those who have not been mentioned here. I would like to express my

appreciation to Virginia Thorp and Keri Dickens of Palgrave Macmillan, who have gently guided me through the last months of bringing the project to completion. I am very grateful for their professionalism and responsiveness.

Finally, thanks to Agneta, my wife, partner and most severe critic as well as supporter.

STEN SÖDERMAN

# 1

## Football's similarities and differences compared with other industries

### **Company management can teach football and vice versa**

Sport, especially football, is the favorite leisure activity for a large number of people in Europe. This has turned the sports industry into an increasingly important economic industry. Despite the challenging global economic environment, the European football market grew to €15.7 billion in 2008–09 (Deloitte and Touche, 2010). The growing commercialization of sport calls for a professionalization of the football clubs. Due to this development and increasing competitiveness in the national leagues of football clubs, demand for the efficient use of resources within a football club is becoming increasingly relevant.

The aim of this book is to describe and explain how organizations such as football clubs actually operate. Moreover, this book will highlight the best practises within profit-driven corporations, which can be learned and adopted by football clubs to enable them to operate in a better manner. In certain contexts, football is used as a role model while in other situations a conventional business model is used. First and foremost, what are the dynamics of different football leagues and other contexts in which football can learn from business? Second, what can business learn from football? And how can business implement these practises? This book articulates a basic framework using the differences between football in Scandinavia and in England. The book aims to present models that are easily applicable in the working place.

This book explains the process of managing uncertainty based on match performance and economic consequences, or 'winning or profit making' as stated by Stewart and Smith (2010). The highest cost component in football is player salaries, which vary due to player performance and agents' activities. Therefore, many club managers dream of controlling

exactly which players they have on the squad: a set of human beings that they would like to orchestrate like a conductor 'manages' music. A good orchestra is a reflection of the way in which players with different backgrounds can coordinate and perform together to deliver beautiful music. A system of combining people of diverse characters with diverse skills is what a football coach also is searching for. This is as valid for footballers as for professional musicians.

Zlatan Ibrahimović was one of the highest paid footballers in the world during the first decade of 2000. His parents had left the Balkan region and moved to Malmö in Sweden, where as a boy he played for Malmö FF and later, in 1999, became a professional at only 18 years of age (Ibrahimović and Lagercrantz, 2011). Since the summer of 2012 he plays for Paris Saint-Germain having left Milan AC. He is also the captain of the Swedish national team. Wayne Mark Rooney (Rooney, 2006), another fan favorite from a working-class area, born in 1985, is an English footballer who plays as a striker for Premier League club Manchester United and the England national team. Rooney turned professional at the age of seventeen. Both these players have a strong commitment towards excellence in their sports.

To live off one's hobby is many a person's dream. Many aspiring young men succeeded in becoming professional footballers in foreign clubs, beginning in the 1950s, though decades later in Sweden. However, the amateur sport idea historically was, and still is, strong in Sweden as in most other European countries. Football began in England during the 1860s, and with its increasing popularity, the players became professional in limited companies and thus created the professional sport-business industry we have today. Although professional sport has been in the UK for over a century, it has generally attracted little academic interest beyond social historians. This has changed very noticeably as professional sport has moved from a long-standing and fairly steady state of professional play to a rapidly evolving process of large-scale 'commercialisation' (Beech and Chadwick, 2004). The rapid changes and succeeding requirement to adapt due to the strong inter-linkages between professionalization, internationalization and commercialization, imply challenges for all actors in the football industry.

Many talented players do not change clubs since loyalty with teammates is stronger than the chance to develop in other more professional environments. The means to conduct trade by selling and purchasing players is a fairly recent phenomenon in the majority of football clubs. In 2012, the total number of football players in England was more than 4 million (registered and unregistered). In Sweden, the number of registered



and unregistered players is about 1 million (Svenska Fotbollsförbundet, 2010; FIFA 2012a). In England, there are 4,000 professional football players (*The Guardian*, 2010) and in Sweden about 500.<sup>1</sup> FIFA's investments in the worldwide development of football have not only enhanced match attendances and TV audiences, but also, according to the latest statistics, increased the number of people around the globe actually playing the game. There are 265 million male and female players in addition to five million referees and officials, comprising a grand total of 270 million people – or 4 percent of the world's population – who are actively involved in the game of football. These are the impressive findings of the 2006 *Big Count*, a FIFA survey of its 207 member associations which, after being conducted for the first time in 2000, was repeated last year under the same conditions and offers an interesting insight into the development of football worldwide (FIFA 2012b).

In conjunction with widespread media coverage, certain players like Zlatan and Rooney became not only well-known throughout Europe but also became idols with fans all over the world. International tournaments became marketplaces and in a similar way to beauty contests. In Sweden the buying and selling of players became commonplace after the 1948 Olympics, when Gunnar Nordahl was noticed and moved to Italy (Inside Futbol, 2009). At this point, football clubs had already developed the business model of buying and selling players alongside a range of activities that broadened revenue streams. With the passage of time, football became a business with a big degree of commercialization in most European countries, including Sweden. Zlatan, for example, developed his professional skill by transferring to better and better clubs in different countries. In his book (2011: 350-351) Ibrahimović writes from his last days in Inter Milan justifying his intention to change clubs (here illustrated by a number of excerpts in an unauthorized translation from the Swedish text):

the newspapers had during a whole week written that I was going to leave Italy and test something new ... I was fighting but did not manage to get away with the ball. In similar situations the supporters had applauded but not now. There were boos and whistles from the Ultra fans. We the players are working down here on the pitch, we are leaders of the league and you behave like this ... There was an open conflict between the biggest star in Inter and the fans. We dominated and won two to zero. When I walked out from the pitch I heard that some leaders from the Ultras were waiting for me in the dressing room. I do not know how they had managed to come that

far and close to the players. Down in the culverts there were 7–8 big boys not of the very polite kind who would say ‘Excuse us but can we exchange some words ...’ No, these were types from home old streets in Malmö: men full of aggression and everyone around me became nervous. I was also very stressed, but thought that I could not be a coward. A boy from my kind of street cannot retreat. I said: Is there somebody who has a problem up there on the grand stand? Yes, many of us are angry ... they started. Well okay ask them to come down to the pitch and we will solve this one to one ... However, the discussion continued, the fans requested a new meeting. But why and what can I win by that? The fans are loyal to their club, which is nice. But I as a footballer with a short career must look after my own interest. A player can and must change his club and the fans are familiar with that. I asked the fans to excuse themselves on their home site but nothing happened.

The FIFA World Cup hosted by Sweden in 1958 was a breakthrough for television and acted as the dominant phenomenon behind the *indirect experience*. From a broader perspective, the business of football like many other industries has many distinctive features.

Despite its exponential growth, professional sport is often characterized as being corporately inferior to other industries, with examples of sophisticated practise found only in isolated cases of effective management (Richelieu and Boulaire, 2005). This characterization is potentially due to the lack of an effective management model for professional sport clubs (Fort 2006; Nadeau and O’Reilly, 2006; Alexander and Kern, 2004).

We will compare football with life sciences which, in a simple classification includes ‘pharmaceutical companies’ that mainly produce blockbuster medicines with smaller research-oriented ‘biotech firms’. There are many similarities. A life science research project is like an immature football player. Biotech projects are sold and bought by venture capital firms and similarly other business actors like football players are sold and bought. Some science projects fail just as some players never manage to perform at the top level. (See Figure 1.1.)

Competence development is one key element in all service or entertainment industries. Football and life sciences are struggling with a similar problem, i.e. to develop excellence on the pitch and in science to enable new discoveries and drugs. The common thing is to develop excellence in marketing in order to sell these matches in the same way as the drugs. But there is a third competence, needed to coordinate the

### WHAT DISTINGUISHES PHARMA

**R&D volume:** top position for Pharma and Biotech in 2009 with 19% of the R&D spending among the world's top 1400 companies (€ 78 billion). High RD spending is engine of growth (Lisbon Agenda), but

#### **R&D does not translate well into success**

- ✓ 50% of RD spent on products that never reach the market.
- ✓ Only 30% of products that reach the market will generate a positive ROI

#### **Length of time to market**

- ✓ Additional cost pressure (from \$54m in 1976 to \$802m in 2000)
- ✓ Commercial exploitation times shortens (patent expiry)

**Regulation and public scrutiny**(approval times, lawsuits, legal framework, etc.)

**End-user ≠ Customer ≠ Payor** (adds layers of complexity and thereby costs, a.o.)

Figure 1.1 Pharma vs Biotech<sup>2</sup>

scientific and the managerial processes. The same is true in football: to develop excellence in playing style, i.e. activities 'on the pitch' and in management endeavors 'off the pitch', here called 'thought style'. Another example revealed by Zlatan concerns his switch from Ajax to Juventus. The administration in Juventus, through their strong man Mr Luciano Moggi, had agreed with the management in Ajax to buy Zlatan for €16 million, but Luciano Moggi refused due to the argument that their stars 'Trézéguet and Zlatan could not play together. Their playing styles are so different'. The Juventus coach, Fabio Capello, became furious and shouted that Moggi should make sure that Zlatan would join the club, continuing, 'What is happening on the pitch is my problem.' This illustrates what can happen when the interface between 'management' and 'science/coaching' is not functioning.

Businesses all over the world face constant competition. For business leaders it is a question of survival and about winning over customers from the competition. A football match is played out over 90 minutes and involves only two teams of eleven players. The actual duration of a game is just a tiny part of the total time that is spent by a football team in terms of practise, and developing skill and playing style. Nevertheless, it is this 90 minutes – the actual playing time, when the ball is in motion, and often only up to 45–60 minutes, that matter most (Soccer by Numbers, 2011). Many more than just eleven players prepare for what happens on the field. Media coverage of athletes and leaders in sport means that they must have a clearer grasp of their own abilities

and direction than if they were employees within the corporate world where much more is classified and veiled in secrecy, as shown in 2002 with events at Enron and WorldCom, and later in the Madoff case. The advantage with a football match is that performances can be measured out in the open. The winner is clear to all. The outcome is precise and performance is illustrated by the results – whereas the balance sheet that illustrates success in the corporate world is only published annually. It is thus critical to acquire and maintain competence and skill to manage a football club professionally both on and off the field. A growing threat to sustained competence is the agents. Although agents support their own players, they are ‘the danger’ because they do not necessarily support the club or the team. They are driven only by the potential bonus when managing a club transfer. Zlatan divulges that his agent Mino Raiola is his closest friend. The agents often have a conflict of interest with the clubs and are viewed by many club managers as the enemy.<sup>3</sup>

The strongest driving force in football, overall, is television, primarily because the Premier League creates so much money to be redistributed to its top twenty clubs. There is another serious and growing split in opinion between nations on who handle the problems that are emerging around sport, such as doping, corruption, match-fixing, betting and ambush marketing. In Northern Europe, the sport organizations claim it is their problem to deal with, while in Southern Europe the issues are seen as a problem for governmental institutions.

### **A note on football as a model for business**

It is important to ask what lessons the world of sport can provide to business leaders, in addition to football’s obvious and measurable performance indicators. This question is implicit in the six imperatives listed below. Football has its own characteristics through its system of rules; there are numerous ways to prepare and to play games that can provide creative inspiration for business development entrepreneurs.

An example of a business takeaway from football could be the assessment of the player’s/employee’s performances. A right-winger who lets his opponents easily pass is rapidly considered ‘useless’ and will be exchanged. Football provides definite results that highlight the performance of the team as witnessed by the spectators. The outcome of the game also gives a clear signal as to how the team (which could be the company) has performed.

*The first imperative:* the reward system should be directly related to performance;

*The second imperative:* ensure immediate response and decision-making;

*The third imperative:* nurture your fan base;

*The fourth imperative:* learn from the supreme organizer of symbiotic third party interest;

*The fifth imperative:* make it a rule to scout for young, talented managers; and

*The sixth imperative:* ensure genuine and virtual internationalization.

These six imperatives are later shown to support Proposition 6 in Chapter 2: some components in football can successfully be applied to business.

But there are many other aspects to take into consideration in an analogy between football and business. For example: The *ownership* of football clubs: a current case being the takeover of Manchester United Football Club by Malcolm Glazer during 2005; this development dismayed the club's fans. Glazer later needed money, like many other club owners and the club (in February 2012) received permission to float on the Singapore Stock Exchange (*The Guardian*, 2011). In July 2012 the owners changed and moved to seek a NYSE listing (*Financial Times*, 2012). Mr Glazer, like the American owners of Liverpool, is experienced in sport management.

*Television* channels behind the indirect experience, should not own football clubs. This is one aspect that poses a very important question for the British government. *Players* may change clubs: this aspect has sparked debates everywhere, especially after the Bosman Ruling which meant that a player whose contract is expired could go to a club abroad without the previous club receiving any compensation. *Referees* are issued instructions by UEFA and FIFA. These instructions imply that the number of penalties should decrease in order to ensure that the playing time is more enjoyable on the television, with its millions of viewers. (There is a notable case of corruption in Germany during January 2005 and in Italy at Juventus in 2006.) A few years ago referees were accused of cheating, especially in the Italian football league. Cheating was evident as some football clubs got favorable decisions in every game they played. Corruption accusations were also aimed at the board members of certain Italian clubs in 2006 as well as in 2012. As in corporations, an ethical approach is important.

An important question for many business leaders and managers alike lies in how a team is created. Answers can be found and lessons can be drawn from coaches such as Sven Göran 'Svennis' Eriksson, a successful coach who has claimed seven gold cups with five clubs in three countries. Despite these successes, Eriksson did not manage to win the

World Cup for which he faced tremendous criticism from the British press in June 2006, after losing a vital game to Portugal on penalties. Eriksson's 'internationalization' started when IFK Gothenburg unexpectedly won a UEFA Cup title that propelled him to center stage. Years later he became a coach for Lazio in the Italian 'serie A' and was also called 'The Emperor of Rome'. In 2001 Eriksson became coach for the English national team, which motivated a great deal of media interest. In 2002 a book was published comparing Swedish management style and Swedish football successes (Birkenshaw and Crainer, 2002). Then in 2008 Eriksson took over the Mexican national team, followed by Notts County. However, the Middle East owner wanted immediate results, which led to Eriksson's departure and his new role as coach of the national team of the Ivory Coast and then Leicester City. At present (April 2012) Svennis is not coaching any team. The two driving forces and concepts developed by Eriksson consisted of 'the core knowledge' and 'innovative playing systems'. He could then develop the team in two directions. In the same way a company could grow via core knowledge and via new innovative products; Eriksson's unique ability to move forward and tighten play is a result of his knowledge and dexterity in identifying the best characteristics of each player. His ability lies in listening and getting to know and understand his players. When British journalists in February 2001 asked him, 'if he believed that he could provide something for English football?', he replied calmly, 'Tord Grip', referring to his assistant coach.

A dexterous business leader drives the business and adjusts the organization in a way that can be compared with the way that the very best coaches deal with their teams. It is not abnormal for good business leaders to surround themselves with skilled counselors. Mutual understanding between leaders and associates is rare and extremely beneficial. This can be compared with Sven-Göran Eriksson's contact and dependence on Tord Grip. But the dissatisfaction with the national team's performances highlighted by the British press focused on Eriksson as the players' man. He was very simply forced to step down as coach because in the media—he was too closely linked to the players, with subsequent slimmed-down integrity. Certain sports journalists who are influential in football could provide interesting and relevant information if analyzed, but is out of the scope of this research.

The Swedish national football team had dual captains, Lars and Tommy (Lars Lagerbäck and Tommy Soderberg), before and during the FIFA World Cup 2002 and the World Cup 2006 and Lars and Roland (Lars Lagerbäck and Roland Andersson) during the 2008 European Cup, which

can be seen as a prominent example of the Swedish management model. Management researchers such as Peter Drucker and Rosemary Stewart have in several works provided distinct definitions of good management, but research on 'management pairs' is scarce in this literature.

This study concerns methods and 'playing styles' during a game as well as before and after the game. The actual playing time as well as the field (space) are thus central elements. These can be compared with company styles that more or less affect business ideas. Since companies achieve high effectiveness through planned business management and domination in a market segment, they are strained just like football clubs, which strive to protect and preserve their territories. But how is a business idea protected and preserved? According to Richard Normann (1975) there are mainly two methods used by companies for this purpose. One is a gradual refining of the business idea and the other an impact on the power relations around the territory. This might imply mergers and acquisitions where new businesses are established; this demonstrates one 'style' adopted by the companies. Requirements from shareholders on fast integrations and profitability improvements consistently challenge the original activity's business concept and thereby impact the power relationship between owners and management. But there often are no or few sole owners in European football, with the exception of England. An overly critical view of the business leader on the other hand makes it more difficult for the necessary implementation of the business idea. A revised company style is the metaphor. Football clubs can also be analyzed based on this framework.

The beauty or advantage of the 'relegation model' dominating Europe, as opposed to the US franchise model, is well illustrated in a corresponding metaphor based on the playing style illustrated by the Stockholm football team, Hammarby (whose performance dipped in 2002 after winning the league, Allsvenskan, in 2001). After the success of 2001 when coach, Sören Cratz, had achieved an impossible dream for the fans, Cratz's recipe for success involved handing the ball off to two tall goal-getters, but this recipe was not followed by the newly installed coach, Linderöth. The current players could not cope with the new playing style despite intensive coaching. Similarly, within the corporate world, relationship building takes time. Linderöth realized that Cratz's style was necessary because he did not have better players. But Linderöth required the owners to buy new, better players, which suited his playing style. He cautiously approached the owners in order to persuade them to buy new players. However, the club's finance did not allow for the intended playing style and Hammarby started spiraling downward in

the league system. In the autumn of 2011 the club was struggling to stay in Superettan, i.e. the second division. The playing style had changed several times with every new coach and a big rotation of players. The failing economy forced the club to sell a growing player and the playing style had to be changed.

### **A note on business as a model for football**

I have identified four private corporations all known for 'doing the right things and doing them right'. These are ABB, H&M, IKEA and Volvo. These four organizations are ideals for effective organizations in the Swedish-English football landscape. In Chapters 7 and 8 these companies are studied more closely.

Governance in football today is not led by one vision, but several, which is a problem according to Gammelsaeter and Senaux (2011). Football has developed from the disorganized play of the late nineteenth century to today's play – and the formation of associations, developments, refinements and the impact of power relationships. In the year 2012, for example, Arsenal, Tottenham Hotspur and Borussia Dortmund are limited companies that act as regulators driving other values. The importance of the institutional force increases quickly through the intervention on the part of the British parliament and, in addition, the EU Commission.

Previously, amateur and hobby-oriented football clubs have in many cases been transformed into profit-driven entertainment, or experience companies, with top managers from the business community performing the role of the chairman. For example, Djurgårdens's former chairman was Bosse Lundquist, a former president for several big companies who managed to make his team Swedish champions three times during the 2000s. The majority of chief operating officers fail because they do not understand the supply chain in football or the constellation, i.e. the partnering and value creation characteristics, in sport (Normann, 2001). The lifetime of a chairman of a football club in Scandinavia is around four years, the average term of a sport director or CEO is two years, and a coach only one year (Gammelsaeter, 2012). This is similar to the bio-tech sector where scientific leaders like chief science officers (CSO) frequently are relieved of their services on short notice.

### **Experiences in society, in the business community and in the football arena**

Are we living in an 'experience society'? A good experience requires effective entertainment and often results in management paradoxes.



One such difficult professional dilemma is team building. This is closely linked to generating revenues or spending more for lining up the best team. Numerous English clubs have already experienced this through clubs uniting in additional revenue-producing streams. It includes those teams that, for example, took a well-known Chinese player from a Chinese market. This development led to potential television deals that facilitated publicity purchases. If Xie Wen plays from the start then beer producer Tsi Tong pays £30 million to the club (or to the media company who later transfers the money to the club) because so many Chinese people will watch the game as long as Xie is playing. This in turn becomes the coach's dilemma as he perhaps does not plan for Xie to play the whole game. Another dilemma faced by the club is whether the team will use its offensive or defensive playing systems, the offensive for the delight of the supporters; defensive in order to avoid losses.

An example of commercialization is the revenue dependency of the sponsor agreement linked to the media agreement. A football club enjoys competitive advantage when it is implementing a value-creating strategy combining bundles of valuable club resources (value captures) recognized and accepted by the customer. Those strategies require a particular club-specific mix between the different 'products' a club might offer to its customer groups (Dolles and Soderman, 2012).

The service society requires a tangible product combined with a certain set of services to be successful (Normann, 2001). This service stage has become so rooted and so prevalent that in many instances it is becoming commoditized. In order to differentiate themselves, many companies are moving beyond services into 'experiences' or 'entertainment' (Holbrook, 1996; Levitt, 1983; Wolf, 1999). The concept of entertainment is closely related to experienced value, which can be defined as 'an interactive relativistic preference experience' (Holbrook 1996: 138). A lot of research is carried out in the area of value and perceived value as showcased above.

During the mid 1980s Richard Normann wrote his *Service Management* book, in which he pointed out that in the most developed nations, the fundamental economic structure had been changed so that two-thirds of the GNP was related neither to agricultural nor to industrial activities but to 'services'. Trends and curves can be deceptive both in regard to their historical interpretation and future development. Normann meant that much was the result of an accounting trick. When a woman sends her children to a nursery in order to pursue work in a big cleaning company (that perhaps cleans the nursery) the statistics point towards an increased activity. But what has happened only shows certain activities that were previously carried out outside the economy but now become

visible in the statistics. It is this experience which shows a certain reorganization of the services rendered rather than the creation of new services, like a hot dog vendor who used to sell hot dogs only at Solna Center and was then offered to render the same services at AIK's home field, Råsunda Stadium. Here the 'experience industry' is encompassing all activities within the arena area. Moreover, the growth of the service and the 'experience sector' to a large extent is made possible by an increased effectiveness in the 'production sector' (in the context of a product-based economy, not a service-based economy). Telecommunication and the Internet have provided technical solutions like fiber optics and other material technologies in a very short period of time. Another development signals the interaction between production and service. Dealers experience hard competition especially from web-based concepts. For example, the American bookseller Barnes & Noble, and even the Swedish Akademibokhandeln, offer a distinct service with a grasp on 'experience', such as author appearances and signings within their book shops to steer customers away from the dominant web-based Amazon.

In the 2000s, it was said that the American economy was 80–90 percent service oriented. Within the service sector, sport is about 1 percent and other experience industries, such as tourism, account for between 3 and 10 percent in most countries according to the general assessment.

### **'Industrialization' of services and distribution of scale**

#### *Economies of scale*

There has been a trend to consider service/experience and service production/experience among 'traditional' activities. Such practices have, however, substantially promoted what 'big management' and 'big organization' can offer – i.e. economies of scale. But the latter position has changed (Normann, 2001).

A number of services have flourished in large companies over an extended period of time, for example, in the transport sector (which has been a natural development on the grounds of the need for a geographic network and large investments in materials), banks and insurance companies (which in itself is based on the law of large numbers). But recently, the latter's role as the origin of large companies has been cut in half by simple, traditional services, such as restaurant and hotel businesses, cleaning companies and security companies. The big business advantages do not clearly lie herein, for example, a cleaning operation is not automatically at such an advantage as a big operation since one of the 50,000 cleaners can only be at one place at a time. Each must put themselves out on the field, one by one, in order to produce the

services. What are the benefits that companies achieve through engaging in economies of scale?

The answer to this question is not simple – it must be formulated with the aid of many different measures. We earlier mentioned new innovative approaches to what service companies produce, but how it happens is only a part of the answer. Advantages of scale operate within company management, organization and knowledge as well as within a very abstract factor like a football team's 'culture' and its understanding about this and a creative attitude to it. These factors have made the existence of phenomena such as McDonald's, Club Med and Manchester United possible.

### *Economies of scope*

This means a kind of advantage of scale in two ways. First, by having high quantities in production or distribution in order to reduce the cost per unit. And second, with different activities the similarities lie in repetition of the event: several games in different places against different opponents. This mechanism is an explanation why football clubs such as Chelsea, Real Madrid and Juventus, and media companies such as KirshMedia (which crashed) and Bertelsman have televising rights and contracts from UEFA and FIFA or national football associations and have grown exponentially. The media offers a football experience in an *indirect* way. It happens first through watching the game televised as pay TV. But technology, which has been spurred by the media's development in production, has made possible several other types of experiences.

### **What is the 'experience industry'?**

Many economists have asserted over a long period of time that production and consumption coincide with each other. On the other hand, the uncertainty visible in the outcome of the experience has attracted less attention by itself. Three typical cases can be distinguished:

#### **Typical case 1: theater as the case**

The audience is aware of the outcome and knows who survives until the end. Shakespeare's plays and other prominent plays are well documented. The plot is the same from time to time although the productions can vary a lot in scenery, timing etc. The quality of the experience (product or service quality) lies in the actors' performance and interpretation. The audience, which often constitutes a homogeneous segment, is passive and sits placidly in their seats. This leads to 'similar' experiences.

**Typical case 2: the pop concert**

The audience knows the approximate result in advance. The musicians play well-known songs from their recordings but often also present something new. The audience can either dance near the stage or sit in assigned seats. The experiences are somewhat varied but also here the audience constitute a selected segment.

**Typical case 3: the football match**

The results are not known in advance. The teams choose various tactics and playing styles depending on the opponent, on individual player's moods and their position on the field. In critical situations 'the dread to lose is stronger than the will to win'.<sup>4</sup> The spectators' attitude about whether they are watching a 'good game' varies drastically between the segments.

Football constitutes a part of the 'sports business', which in turn is a part of the experience sector. In Sweden this sector is comprised of the media, sport and entertainment, which combined together, have a turnover of 40 to 50 billion SEK (€4.5–5.9 billion) and also include Bingo, Lotto and ATG along with music and tourism. The creative sector of the UK – is more limited in scale and cannot be compared with Sweden's experience sector – which is comprised of thirteen industry sectors: advertising, architecture, publishing, radio and TV, design, film, music, software and computer services, computer games, designer fashion, crafts, performing arts and the arts and antique market, all of which generate more than €4.7 billion annually (Mail Online, 2007).

The entire 'experience' or 'performance' industry is made up of several actors and it is not uncommon that events in different categories are sponsored or paid for by a second or third party. Concerts, golf and tennis are often sponsored. One 'sector' consists of a group of companies that have certain similarities. Michael Wolf summarizes this pattern in one of the few studies in the industry, illustrated in the book *Entertainment Economy*. But the boundaries are unclear. It is high time for several sports at the high performance level to realize that they are part of an 'industry' and therefore must operate according to the same standards practiced by the rest of the business community (Wolf, 1999).

The modern role of football in 'society' has developed very differently in different countries. For example, football is associated with nonprofit associations in Sweden and the excitement around it is related to the

sport as an elite practice. It is seen as an industry in Italy and constitutes the country's third biggest sector. It used to be seen as merely a game in Africa until the time South Africa got nominated to host the FIFA World Cup in 2010. After South Africa's nomination the popularity of the sport increased manifold and made many realize the economic benefits that football encompasses.

Can the management of 'experience' companies be differentiated from the management of service and production companies? There are many factors that are obviously similar. A clear difference is a 'product' that cannot be stored and is difficult to 'demonstrate' or 'transfer ownership' of. Many researchers including Normann have characterized the service sector (Normann, 1984). Most services concern 'documents and interactions'. To control and direct the teamwork between people requires specialist knowledge and skills. One of the first to raise the question about service and its importance in 'experiences' was the American author Theodore Levitt: 'It does not always fit to make a clear distinction between production and consumption of a service since they in theory happen concurrently and at the same place' (Levitt, 1972). The production occurs as Levitt illustrates on the field; on the football field.

A significant feature of football is that it is about 'winning' and this focus is transferred to the supporters through emotions. After a loss the supporters (the businesses customers) become depressed. These emotions are probably difficult to find in McDonald's customers, irrespective of the offerings by the restaurant. Fan experiences are strongest 'direct' in the arena, but it is the 'indirect' type of experience that grows strongest. The Sweden versus England game was seen by 52,000 *direct* viewers present at the Köln stadium on 22 June 2006, while 56 million people in Europe had an *indirect* experience as viewers of a televised broadcast. In Asia, an unknown number saw the game on television whereas many more experienced the game *indirectly* via their mobile phones or computers.

## Differences in the three divided 'industries'

Table 1.1 is based on an adaptation of Normann's outline in *Service Management* (2001), along with Wolf (1999) and Pine and Gilmore (1999). Production is here seen as more concrete 'products', such as drugs. Service is, for example, the activity of research to develop new drugs, which is what many biotech companies are doing.

*Table 1.1* Differences between products, services and the experience industry

<b>Production</b>	<b>Service</b>	<b>The 'experience' industry</b>
The product is tangible and 'concrete'	Service is immaterial	Both 'concrete' and 'abstract' concepts exist. There are 'real goods' and 'feel goods'
Ownership is transferred when a purchase occurs	There is no transfer of ownership	Simple products such as records and sweaters to broadcasting rights are often based on complex contracts composed by many companies which are not used to juridical procedure
Can be demonstrated before the purchase	Can normally not be demonstrated (does not exist before the purchase)	The brand is the guarantee and a subjective experience predisposes behavior (football fans seldom change minds)
Can be stored by vendors and consumers	Cannot be stored	Videos and televised productions are stored Memories can be stored but vary individually
Production is preceded by consumption	Production and consumption principally coincide in time	The arena means a lot. Good planning, management and result follow-up precede well-played games
Production, sale and consumption in different places	Production, consumption and often also presales at the same place	Handling of 'the time' and 'the place' is entirely decided for long-term success
Can be transported	Cannot be transported (but 'the producer' can often be transported)	The product, i.e. the game, is transported (extension) direct via television, the personal experience can be stored and follows with in the individual experience through his/her mind
The vendor produces	The consumer/ the customer participates directly in the production	Many channels and different actors experience a different host, i.e. multiple market segments
Indirect contact is possible between companies and customers	Direct contact is often necessary	Many middlemen hamper consequence analyses (Kirsch media bankruptcy with consequences for FIFA)
Active in the balance sheet, where periodic writing off for value reduction is possible	Services booked reported usually as costs.	Unclear rules in the individual case and different practices in different countries

*(continued)*

Table 1.1 Continued

Production	Service	The 'experience' industry
Can be resold	Cannot be resold.	The direct experience cannot be resold. But many contracts and options can be resold
Products can be patented	Service can easily be copied but social innovations are more difficult to copy	Different countries' jurisdictions make internationalization challenging. Many agreements with options and divided conditions
Stable group in place and permanent business park offices with full-time employees	Unstable group employees and part time employees	Temporary employees, volunteers, competent leaders and specialists

## Researched and less researched knowledge areas

There is extensive literature on football. The management of sport is big business and one that is drawing increased attention within academia. Although there are practitioner publications and textbooks regarding sport management and football, there are currently not many business journals dedicated to this growing area of interest despite the fact that according to the United Nations' estimates, globally, sport is worth around 3 percent of GDP. For a number of years there has been a clear ambition in the EU to include its influence and control over sports. The EU will therefore allocate billions of Euros to sport in order to promote health and social inclusion and to acknowledge the contributions that sport makes to the EU both economically and commercially (Amnyos and Eurostrategies, 2010).<sup>5</sup>

The following conclusion can be drawn. The requirements placed upon leaders in football are shaped by several special interest groups which wield considerable power.

The literature, however, exposes for the most part concerns over the study of football's history, its heroes as well as its hooligans. There are details about famous personalities but few perform systematic analyses of the sport in a dispassionate way (Szymanski and Kuypers, 1999). Examples of more narrative descriptions concerning football's history and its heroes are typified by sociologist Desmond Morris' *The Soccer Tribe* (Morris, 1981). There are a number of biographies available,

such as those written about the French player, coach and later UEFA president, Michel Platini; the German player, Franz Beckenbauer; the Dutchman, Johan Cruyff; the Brazilian, Pélé; the French national team player, Marcel Desailly; and the Swedish President of UEFA, Lennart Johansson. Additionally Giulianotti *et al.* have written about football 'hooligans' in their book *Football, Violence and Social Identity* (1994).

Within this area of more systematic analyses, the following perspectives can be identified. First, study from an *actors's point of view* can be divided into actors such as the 'club', the 'fan', the 'player' and the 'coach', who experience the sport. This research is seldom from the viewpoint of the person responsible for the club's finances.

'*The club*' approaches football from the association's perspective, for example, as an investment and/or a brand-building opportunity. *Winners and Losers: The Business Strategy of Football* (Szymanski and Kuypers, 1999), presents a cost revenue perspective with reference to British clubs. A common problem at the turn of the century was how and why corporatization should shift from the club to the public eye. Other experience- and service-oriented activities like dance, musical and theater company corporatization and the enhanced outreach of television dramatically accelerated this development. Rupert Murdoch, owner of broadcasting company Sky, was once prevented from buying Manchester United's controlling interest since single-owner domination had become too prevalent. This situation in England began to resemble a monopoly and the competition authority (the regulator) intervened, in what became a milestone in football's development. The modern characteristics of the sector were defined and football began to 'welcome' commercial reality. During the spring of 2005 an American businessman, Malcolm Glazer, bought the controlling interest in Manchester United. Chelsea, Aston Villa and other clubs also have foreign owners.

The '*fans*' are a part of the market and they create, in the best cases, a positive feeling surrounding the club. They have, though often ill-founded, a strong opinion on who may own the club. Research about hooligans exists in an array of books with an anthropological basis (an 'observer participant' approach). There is some scientific research that has tried to group fans according to their behavior, but the empirical basis is often thin. Examples include Hunt *et al.*'s (1999) classification of supporters in five groups: *temporary, local, devoted, fanatical and dysfunctional*.

This book is about the four main categories: Fans/market; Players/operation; Coaches/preparation; and Manager/coordination. The



'Manager', as I go on to show, the principal actor, but the role of the chairman, and the coach are also analyzed.

The '*player*' searches for personal satisfaction through the team to achieve professional success. It can also mean the maximization of short-term and/or long-term life income. These participant positions are not the focus of this study. McCormack (1986) illustrates why middlemen (as agents) represent the player. The player's physical health, and likewise the doctor's role, dominated during the 1980s, as seen during the first world congress about 'Science and Football' in Liverpool, 1987 (Reilly, 1988).

Individual players' rights and their relationship to clubs were realized via the Belgian football player Jean-Marc Bosman who raised the question to the owners when he wanted to change clubs. This signified that by changing employers it became clear to everyone that football was a trade instead of strictly a hobby. The Bosman case became the EU's first and biggest case, until 2002, impacting on the football sector's rules. The Bosman judgment's effect on football has initiated several articles, such as Simmons (1997).

The '*coach's*' role has become special in Sweden through Sven-Göran Eriksson who trained the English national team from 2001 to 2006. The autobiographies of Alex Ferguson and Arsène Wenger are not admittedly research reports, but descriptions of the mechanisms evident in modern football (Ferguson, 2002; Palmer, 2002). Swedish research initiatives, which without exception have a pedagogical outlook, are particularly focused on this perspective.

The '*referee*' as an important participant has not been especially well studied. However, institutional theory, which was formulated by the Nobel Prize winner Douglass North (1990) might be a starting point to compare a referee with an agent based on the transaction cost theory. Other researchers have identified the degrees to which a referee is influenced by the audience.<sup>6</sup> Is the price of a share on the stock exchange a metaphor for football's referees? Fair play has engaged many thinkers through the years. Two fair playing teams need, per definition, no referee. Winning prizes complicates or makes this situation impossible. In most countries, the sport's moral questions are discussed, such as the increase in cheating through 'filming' on the field and with anabolic steroids off the field. The system of regulation from a legal perspective as to the company composition, i.e. associations, foundations, etc., has also been studied.

*Society* has multiple roles for football, though the sport started neither as a 'business' nor 'something' to live on. It was originally only about

'ball games' that would breed good character along with discipline and camaraderie. The origins of 'Association Football' can be traced back to the British public school system. Early Victorian school principals and headmasters during the eighteenth and nineteenth centuries stimulated the development of team sports as training and preparation for the future leaders of the British empire (Trevelyan, 1942). Each school developed its own version of playing football. As players from one school competed with their counterparts from other schools it was noted that the playing rules varied. Thus a movement ensued for these schoolboys that laid the foundation the Football Association in 1863, which constituted the beginning of modern football. School principles developed amateur leagues. To be an amateur was at that time equivalent to being a gentleman, i.e. to play for the game's sake and not for personal winnings, a virtue seemingly still prevailing in UK.<sup>7</sup> It was with competition that only some years later the first professional players emerged, and playing became a performance during the latter part of the nineteenth century as awareness of the sport grew. To pay players and to thereby accept professionalism was established as a rule in England over future decades. This was, to many, a sad transition for football from its beginnings as a gentleman's hobby for the trained elite.

But opinion shifted quickly and football developed as a 'social drama' or a 'social structure'. This outlook was illustrated by the two French sociologists, Duret and Trabal, in their book *Le sports et ses affaires* (2001). On the one hand, sport can be seen as a drug in a violent world where people need escapism. On the other hand, society views sport as a symbolic drama about moral conditions and rights in democracy – a system for marginalization and alienation.

The third societal perspective of football in this context is an 'expression of nationalism' and can be illustrated through international matches (Miller, 1995). Sweden and Denmark have, for example, a historically guaranteed tense relationship which for some decades was reflected in the excitement surrounding annual international matches between the red-white and the yellow-blue kits. The World Cup is however the strongest complete expression of nationalism. At the same time, football's form is associated with many creative developments in modern civilizations. Many researchers around the world focus on the study of nationalism as a general explanation of 'individual' and different organizations' behavior. An illustration of this kind of work in relation to football is found in Franklin Foers' *How Soccer Explains the World* (2005).

A professional football club always plays in a league. The importance of succeeding in the league is stressed. Belonging to a league will later be concluded to be more important than management!

In the Swedish league clubs are experiencing the 'glass ceiling' effect. It does not matter how well they play and win, and how much they are cost cutting, or how much they develop innovative revenue-generating models. Is this because Sweden's leagues are not as mature? They don't have as much money or fanfare?

## **To be a club manager**

Can geniuses be led? Artistry is the starting point.<sup>8</sup> Highly talented individuals are difficult to govern but someone must motivate them to come together; for example, how does a violin virtuoso enter an orchestra? How will the orchestra be led as a group? Leadership is only required once there is a group. Compare track and field's training (different skill areas) with wrestling training (equal rules but different classes) with baseball (different positions in the team with different roles and different competences) with football, where everyone should play in all positions on the team with the exception of the goalkeeper. Yet a goalkeeper should be able to shoot penalties.

In his theatre play 'Damn to be a theater director' the Swedish novelist August Blanche comments on managing a theater. He reflects on how professional activity must be governed with caution. During the nineteenth century management of a theater was confined to one man. The management requirements for a theater director have since then significantly increased. They must possess the abilities of a leader, a psychologist, a tactician, a refined and cultivated person knowledgeable in Western dramatic literature etc. They will develop the ensemble and confront new challenges. The theater director must be a devil, it is sometimes said, a god or a devil. But he must look after his interests. The devil must keep all in order while remaining outwardly happy, without becoming enraged by players in the troupe who repeatedly ask to be in the theater (nobody wants to sit on the bench during games). How will he cope with the balance? It is a balance between winning games, appeasing players and satisfying audiences in order to keep the cash register filled. How easy it is to detect mistakes, if a violin player within a symphony misses his entry or within tourism if a valuable image of a destination is no longer in place. Within football: a failed penalty is markedly noticeable on a football field. But the customers/audience seldom or never sees poor choices by managers in the business world.

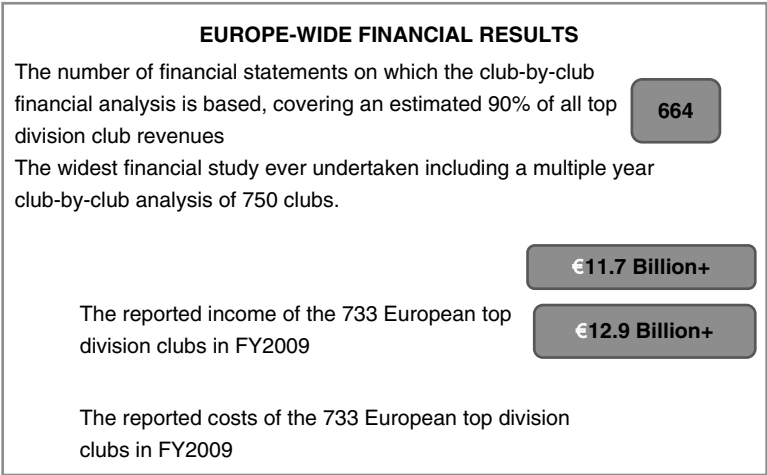
The special aura around football is very visible, but seems to be less studied. Another research area is how teams, such as Real Madrid, succeeded in acquiring four world stars during the summer of 2005 from Brazil (Ronaldo), Spain (Raoul), Portugal (Figo) and England (Beckham).

The visible aura around their performance is so clear that their success can be directly measured. Four players, among a number of international stars, who are used to playing among their respective nation's eleven, often succeed in the context of another playing style. Loyalty in this context is proportional with the salary given to a player by the club.

The frame of reference for this book is *The 90 Minute Managers: Lessons from the Sharp End of Management* by David Bolchover and Chris Brady (2002) and Sue Bridgewater on *Football Management* (2010). Finally, there are three managers, or three principal actors, who comprise managers in our typical football club: the chairman, the sport director and the coach. In the UK, the sport director and the coach often are the same person (for example Ferguson and Wenger). In Sweden, it is always at least two different people in the top clubs.

**The configuration of the book**

Football teams invest differently. Many top European clubs have led themselves into economic disasters.<sup>9</sup> The reported income of the 733 European top division clubs in FY2009 was €11.7 billion, while the reported aggregated costs of these 733 top clubs amounted to €12.9 billion. (See Figure 1.2.)



*Figure 1.2* Europe-wide financial results  
*Source:* UEFA, 2010c.

Some football clubs develop goals and clear strategies that enable them to succeed. Other clubs might not necessarily function in this way. Normally teams possess a history, structure, symbols and culture. Just as a company has departments with different methods and techniques (some of them I refer to as 'fads'), which are used to reach an objective, the strategies for different football clubs also vary. Within the corporate world, management compares itself with other companies by a practice called 'benchmarking' (see Chapter 7 in this book), or may also improve itself by 'outsourcing' (Chapter 7) its research and development or its production. An analogy with a football team can be expressed by the team comparing its team development with its opponents'; and by outsourcing more trivial work to diversify the revenue stream, i.e. product development of club paraphernalia.

This book benchmarks companies against football clubs, expressed in the phrase 'Business to Football' and vice versa, a technique that is not new to this type of research (see Smith and Stewart (2010); Söderman (2012)). However, there is no distinguished extensive knowledge area in this regard.

Playing style encompasses the way in which a football team plays against its opponents at a particular point in time, for example, Inter Milan is a very defensive team and Barcelona is a very offensive team. The term 'playing style' as I use it defines how football matches are played, and 'company style' defines how a company carries out its activities. At the end of the book we will validate the emerging theories against two football cases and four companies. In Chapter 2 a number of separate examples will be illustrated together with football case studies, which will be analyzed with my six propositions in mind.

The elaboration of similarities and differences is structured around conceptual statements, called Propositions, altogether six of them. Propositions 1, 2 and 3 constitute the main starting points for this book as well as other theses including: *the market, the product, development in production and management*. These generic economic terms, pursuant to the book's aim, have been necessary as a complement to the football terms – *the atmosphere, the playing and training*. In order to illustrate the four-field model in Chapter 2, a number of examples in the upcoming chapters will be presented. In the end, two fictitious club cases, *Europe United* and *IFK Sweden* are illustrated. Proposition 4 means that football, like business, should be organized and managed in a methodological way. Proposition 5 is 'B to F' (Business to Football) and number 6 'F to B' (Football to Business) inspired the metaphorical phenomena. The book contains the six Propositions, which will be further elaborated in the

coming chapter, that have been used in order to create associations and concrete ideas around 'enterprise' and 'football'.

Finally the Propositions will be used to illustrate how four well known commercial companies IKEA, H&M, Volvo and ABB act and operate, utilizing our joint frame of reference (Söderman, 2002). The way in which the four companies 'play' actually demonstrates their thought processes: ABBs businesses are synonymous with local and national provisions. Volvo has a narrow niche of customers in different countries. The strategy for these two companies is to find the advantages of globalization. IKEA and H&M have one minimal degree of local adaptation at the forefront because the determining factors are not as important as the end consumer. When it comes to development in production, H&M acts extremely fast. Design and development occur inside the company and most products are displayed for an average of ten days in the shops. IKEA carries all design and development in-house, but also collaborates with sub-suppliers in a strategic way. Volvo's business focuses on sourcing and permanent efficiency improvement, i.e. to always reduce its own production and to develop sub-suppliers. This example of the Toyota-syndrome is clear as sub-supplier factories are located geographically near Volvo's own assembly plants. What can football learn from these and other examples from industry? How should football clubs be operated and and managed? Which methods are appropriate in the light of that aim? Possible future directives and recommendations will be presented (Prahalad and Hamel, 1996). Effective service companies are often based on social innovations according to Richard Normann. The experience industry's success logic focuses on handling 'time and space'.

After this summary of identified perspectives, problems and approaches (including references), the question is how will this work be disseminated? It requires a platform that is comprised of the abovementioned six Propositions that constitute the basis of analysis that will take place in the following chapters of the book.

Football transforms into 'big business' where the owners' role rapidly increases in line with the coach's role, and sometimes the dismissal and hiring of new coaches according to new methods or 'fads', seldom succeeds. Two dimensions are important for business economics. This applies also for football, as it transcends history and geography. Culture and playing know-how grows within a country but also within a club, and this takes time. Generally within business development, production and service happen all together or at least close together at a given time. The 'experience industry' is more situation specific. Something

happens at a special place (Wembley, Madison Square Garden or Råsunda stadium) during a special event (derby game between AIK and Djurgården) or during a special period (the Olympic Games in Athens, Beijing or London). The setting is quickly seen to increase in value, as it is one 'arena' associated with successful events (another example would be Stockholm Stadium during the Olympic Games in 1912), and evolves into a location where business activity can be organized separately from the field where the game is played and/or training occurs. One *event* is an event delineated in time and in space that can be organized according to the will of the organizer. The audience should however have a meaningful experience at this event so that the location is booked again without additional marketing (which always drains resources). The knowledge of the actual experience is limited and society's knowledge fails to apply. But the aspiration to acquire new knowledge is very high in many countries, including Sweden. To associate a team with an arena is one co-operative position. To associate a team with a company is done through jersey publicity, as seen by Manchester United and Vodafone (which United abandoned in 2006). Arsenal abandoned its old established arena, Highbury, for a newly built stadium called 'Emirates', a decision that without doubt agitated many fans; however fans are able to accept that the club owners see other advantages. AIK has strongly been associated with Åbro, a beer brand, which led to considerable beer sales, which from a moral point of view (alcohol and sport) can be questioned. AIKs home arena is, from 2013, to be the new national stadium.

Is it possible to learn business economics through systematic theories including biotech models, concepts integrated and illustrated through examples taken from the special case of football within the service industry? Making this possible is the overall aspiration for this book. Criteria for choices of method and approach were based on creating a textbook for masters students in general business economics with a number of football examples. The book will hopefully also stimulate managers of football clubs to test the lessons learned in their own arenas.

# 2

## Six propositions as a frame of reference

A frame of reference is usually constituted by a series of established theories. Stating criteria for choices in a frame of reference can eventually lead to the revelation of the research problem. In this case, information has been formulated in order to write for reflective practitioners as well as provide a textbook for masters students. Thus the requirement is greater to create concepts than the need is to identify the research on which the fundamental basis for further analysis is built. Here, the framework resembles a set of ideas, rules or beliefs on which decisions are based.<sup>1</sup> Yet another keyphrase is *modus operandi*, or *the way of doing something that is typical of a particular person or group*.

In this book, we will also identify and describe single business concepts, 'playing styles' that can be expressed and translated in the concept module and lead to the lessons learned within the football world that can be applied to other sectors. On the whole, there is a focus on benchmarking, on ideals and prototypes implying learning possibilities and higher achievements.

The frame of reference consists of six Propositions. The first three Propositions refer to the need for and use of systematic work within football (compared with science in biotech) as well as on the management level. 'Methods' are assumed to be far superior to 'fads' constituting the fourth Proposition, meaning the use of an alternative and situation-specific frame of reference in order to analyze both a football club's playing style and its administration. The most important Proposition in this book is the fifth, which focuses on good management within sectors other than football that can educate the football industry, summarized as 'B to F' (as in Business to Football). Good models within business are referred to here as 'thought styles'. The sixth Proposition is



the parallel case in which football can teach business ('F to B'), which is presented in some of the forthcoming chapters.

Two analogies will be specifically based on the discussion in Chapter 1. The first analogy is that within football, the goal is to win a game, which is comparable to business, where the goal is to surpass the weekly budget; to win the league is to outperform your competition. The second analogy referenced is to make money in 'football' (F) as an owner of a club which is comparable to a 'business' (B) generating value for the shareholders.

One implication from Chapter 1 is that service is not entertainment. Elite sport, however, becomes entertainment due to the need of sponsorship money, and sponsorship money is linked to advertising, media and final consumers. A big difference is that showbusiness, comprising sport/entertainment, is intensively individual-oriented (stars, gossip and money), while health care, cleaning, monitoring, transport and finance administration are entirely nonpersonified services. This is reflected dramatically in the way money is earned. Without star footballers like Rooney, Zlatan, Messi, Ronaldo, Kaka and Beckham, any football team will struggle for its reputation, branding and good results on the field.

### **A successful playing style requires good football leadership, described through a four-field model**

The four-field model (see Table 2.1) is based on two dimensions: the time-related dimension and the spatial dimension was inspired from Söderman 2004. Time-related dimensions are: during the game and between the games. Spatial dimensions are: on the arena field and off the field. The first Proposition is illustrated in a table with four fields describing what occurs during games and between games. The four-field model serves as a frame of reference for analysis and drawing conclusions. The mock-up consists of four fields. In each one of these fields special activities occur:

Square 1. Outside/during the game;

Square 2. Outside/during the game, i.e. which is most often associated with football;

Square 3. Time on the field/between games;

Square 4. Off the field/between games.

For each one of the four squares, various typical activities and issues can be categorized. For example, during the game, on the field playing

Table 2.1 The four-field framework

	Off the field stable business ideas/strategy	On the field 'operational excellence', "the moment of truth"
	'To do the right things'	'To do things correctly'
During games	<ol style="list-style-type: none"><li>1. Atmosphere<ul style="list-style-type: none"><li>• Mood in the stadium the fans and the audience</li><li>• Journalists, photographers, TV, music</li><li>• The stadium as a facility</li><li>• VIP-lounge</li></ul></li></ol>	<ol style="list-style-type: none"><li>2. Match<ul style="list-style-type: none"><li>• The game is the visible activity, performed by the players, referees, coaches and assistants</li><li>• Incidents, penalties, player switches, etc.</li></ul></li></ol>
Between games	<ol style="list-style-type: none"><li>4. Management<ul style="list-style-type: none"><li>• Based on strategy</li><li>• Competitor analysis</li><li>• Marketing</li><li>• Product development</li><li>• Acquisitions</li><li>• Organizational and leadership development</li><li>• Financial competence</li></ul></li></ol>	<ol style="list-style-type: none"><li>3. Coaching<ul style="list-style-type: none"><li>• The players practice as a team or individually</li><li>• Developing and training of tactics and playing styles</li><li>• Flexibility</li><li>• Team spirit, cooperation and integration</li></ul></li></ol>

styles and the players' performances are identified, i.e. have they played 'good football'? One common conceptual approach from the business environment is the PIMS (Profit Impact of Market Strategy) model that differentiates between 'doing the right things', i.e. applying a smart strategy', and 'doing the things right', i.e. practising operational excellence (Buzzell and Gale, 1987). According to this, 'doing the right things' explains 80 percent and 'doing the things right' only 20 percent of overall business performance. Off the field, the audience is connected to the arena. 'To do the right things', also called 'thought styles', is expressed as a genuine strategy; here it is synonymous with mapping its business idea.

An alternative conceptual theory was introduced during the 1970s by Eric Rhenman, the founder of SIAR (Scandinavian Institutes of Administrative Research). SIAR was built on two principles: the first being 'the mode of operation'. This means that all parts within a company need to support each other. Second, the relationship between the business environment and the company mode of operation needs to be harmonious. A number of researchers have later built theories on these theses, for example Henk Volberda on 'evolution' and Bartlett and

Ghoshal on 'the strategy of fitness'. There are furthermore a number of strategic models around the club as a strategic entity (Bartlett and Ghoshal, 2002; Volberda and Lewin, 2003; Söderman, 2002; Söderman and Lundquist, 2007).

### 1. DURING/OUTSIDE 'ATMOSPHERE'

The atmosphere in the stadium is based on many factors. The audience who has paid in order to enjoy entertainment, to see their own team win or to see their favorite football star score goals, plays a very crucial role. This is the *direct experience*. The expectations are different and take on very different expressions. Every time the referee wants to show a red card in a World Cup final his decisions are confirmed and questioned by billions of television viewers around the world and an indirect experience is created. Many spectators on the field or at home in front of the television have opinions about the decisions without experiencing them at first hand and without having the ability to 'explain', 'predict' or 'prescribe' the verdicts. Marketing of an event must be successful in reaching the captive audience desires. Logos and brands are the signs, the remembrance of which determines the drivers of the market.

The stadium as a facility is understandably important. Collaboration between different experiences creates the desired atmosphere. This includes sales of refreshments (hot dogs, beer), memorabilia (souvenirs, merchandize), etc. It creates a feeling of success on the television so that everyone who watches is also satisfied. The presence of many fully attentive fans at the stadium creates a domino effect and, paradoxically, encourages people to watch the game from home or follow the score on a mobile phone. This is a paradox that clubs must confront.

Other types of peripheral activities around the game are, for example, VIP-boxes with pre-bought, premium consumption, player 'meet and greets' before and after the game for fans, or even retired players acting as the club's spokespersons – sharing inside, little-known information about the team and stadium for fans who have purchased special bundled tickets. Big video displays around the arena show videos from earlier games with comments, approximately thirty minutes before and after the game starts. This can be seen as integration with the media. The Federation of Swedish Football had taken over the ownership of television cameras at the Råsunda stadium in order to ensure the safe ownership of live broadcasts and to govern later telecasts. Music via big loud speaker systems (during the 1950s and 60s there was an AIK orchestra) is directed towards a younger audience. Other elements are the players who come onto the field in order to warm up; during the

presentation of players, each holds the hand of a youngster. Another activity, however, not common in Sweden during the game, is dancing. Cheer leaders performed in front of 36,000 Swedes before Sweden's game against Paraguay at the Olympic Stadium in Berlin during the summer of 2006.

## 2. DURING/ON 'MATCH'

In this window exposure occurs. It is vital to have the best team on the field, and that none of the key players are injured or are sitting on the bench. It means a manager needs to have the first team in top physical condition and that all players perform at their best. All players on the field will be aware of the tactics and playing style for just that one game. The trainer/coach has a very serious responsibility in terms of selecting the right members for a team to win the particular game they are playing and to dare to be held accountable for any negative consequences, as described by Collins in his book about what distinguishes successful companies (2001). An ideal player is ready to play at their best and is committed to ensuring that the team, despite sometimes being scared, does not dare to underperform. Coaches confront and expel weak links/players from the team not always because of individual attitudes but sometimes because of their inability to perform efficiently and effectively as a unit. Discipline and adherence to the style of play and training instructions is extremely important as the team members need to play in the right manner and demonstrate respect in their performance. Who will take the free kicks from just outside the goal area from the right? Who will shoot the penalty kick from the spot if the need arises? There are many facets of a playing style. The players will be prepared for most of it and are trained for special situations.<sup>2</sup> The captain's role in different situations will be determined. For example, what was David Beckham's role as the new captain for the British national team during 2001 and up until his exit against Portugal in July 2006 and returning some years later but not as captain? Or the role of the twenty-three year-old Cesc Fabregas, captain of Arsenal when he led his team to a 3–1 win over the preceding year's champion, Chelsea, in 2010? Fabregas has 'a vision that is almost a sixth sense. He reads the game so smartly, so intelligently, so quickly that he makes the decisive pass quicker than most players can see it' (Hughes, 2010b). Fabregas later (autumn 2011) played for Barcelona. This switch was most probably preceded by an intensive analysis between Barcelona's owner (the Spanish investment group), the Arsenal manager, Arsène Wenger (aiming for a happy player), and Wenger's CEO (responsible for the budget).

The good style that the team presents is based on individual work. The player will not challenge or antagonize the referees. The quarter finals and semi-finals of the World Cup 2006 were dominated by the fear of losing, not the will to win.<sup>3</sup> To play entertaining football and to deliver a fun playing style is only for the losers, as one top coach has expressed cynically. Certain teams are actually amusing to watch, irrespective of results. The national teams of Holland, Portugal and Russia gave entertaining performances during the European Cup 2008. A team's character often plays a big role. Sir Stanley Matthews was a gentleman on the right track and came to personify British football during the post-war era. Maradona's performance on the field was magnificent and produced an entire generation of Argentinians in many of the world's top leagues. However, Maradona's behavior off the field destroyed his style.

Good referees or bad referees have an impact on the game just like coaches. Wenger, who was the coach for Arsenal from the end of the 1990s, was suspended during the autumn of 2000 from being on the field during games because of inappropriate behavior against referees (Palmer, 2002; Roux, 2006). The photographers who are placed behind players in goal scoring position also understand the important role their pictures will later have in the media. One case that has attracted attention, is that of Zidane, who head-butted Materazzi during the World Cup final 2006. The entertainment business has created a lot of hype around the big games since the 2000s. The media dominates and tries to succeed also, in the case of Rupert Murdoch, in taking over teams themselves. Another example is Silvio Berlusconi acquiring AC Milan. This is important for many clubs where the economic equation means that television accounts for a large part of a club's revenues, and is something that they cannot simply influence, since the distribution of is agreed based on a standard formula.<sup>4</sup> The bankruptcy of media companies, one such example being the German-based Kirsch, hit many European clubs some years ago, indicating there are always risks.

### 3. BETWEEN/ON 'COACHING'

Successful companies are eager to improve and multiply their offerings. Likewise, even in sports like football, service activities need to be improved. Activities on the field after and before the games are focused foremost on training. It is necessary for coaches to create confidence in their ability, which means to convince players of their training techniques' validity. Coaches also need to create confidence among players based on their belief in each other as a team.

Here I formulate this because the business idea or company style's viability is dependent on the tasks carried out by employees as a whole. Like, for example, SAS's Jan Carlzon's (1989) educational vision; it also applies to the players playing together in the form of a team. There must be a link between the business idea off the field and operational excellence on the field.

The risk of deviation from the business idea through over-focusing on operational excellence creates a threat to be dealt with by competent company management and by football trainers alike. A coach trains for certain moments. For example, if a certain player needs to kick penalties, between games the coach gives the player the chance to improve operationally, thus the player is ready if the need for a penalty actually occurs during the game. As inferior players become nervous and fail to score during the game, a solution might be to refocus training on a strong defense and its ability to enable the midfielders to attack and the strikers to score. It is in this case that more fruitful training activities are in congruence with the business idea or playing style and thereby reflect better football leadership ambitions.

In order to reach results it is essential that the club recruit highly skilled players. To create a methodology for how players will be recruited and replaced when they transfer is a club's, and likewise a company's, most important task. Collins describes in his book *Good to Great* (2001) how successful companies first recruit the best personnel, and then form a strategy for the company; 'First who, then what'. Similarly a club chooses playing systems after the assembly of players has been recruited. A disadvantage of this practice is that in certain cases where the club has a big turnover of players then the playing systems shift often, which does not create longevity, consistency or security within the association. A playing system takes a certain time to implement, and then each player must be educated in order to understand their role. Substandard recruitment can be devastating, as a person who, either in the business community or in a football club, has the wrong attitude can strongly influence the work climate and thereby performances on the field.

In football recruitment, a basic rule is to 'build from the back', i.e. from a strong defense. Without a well-organized plan war games are seldom won. Individual players' dexterity can count, but if these specific players are not available then a well-functioning machine must be created. All players must take full responsibility for their roles in such a playing style. Among the different operational company styles in the world's enterprises, the Japanese companies are best known for genuine know-how among their employees and this acts as a good parallel (Redding, 2005).

'Flexibility' means to strive after operational excellence and in management it often means to be present in the niche markets, to have fast decision-making processes and to take advantage of market changes, i.e. to have a realistic view of the world. It is this combination of abilities that is both difficult and necessary to attain. The operational excellence which will be exercised by the coach will be trained in the specific area, for example, practicing corner kicks and/or strong conditioning through interval training.

A too backward view of excellence can mean maintaining a business concept in which there is actually a need to re-evaluate the validity of the current concept. For example, a company that works with a supply chain, however volatile, creates conditions for operational excellence and at the same time works with a strong business idea that is sustainable. There is a combination of abilities, together with successful concepts that are sustainable and at the same time flexible in terms of execution.

#### 4. OUTSIDE/BETWEEN 'MANAGEMENT'

It should be stressed that *strategic* work leads to the achievement of objectives. If the PIMS principle is valid the work outside the pitch (off the field) will account for a club's winning streak to 80 percent. Which playing styles (on the field) lead to winning games and eventually the winning of the league? To hold onto the ball within the team can be an excellent style in a competitive environment; another approach is to kick and run. This was a way to characterize the highest English Leagues' playing styles a few years back (and also Hammarby's during Cratz's management). Fulham, one of the teams that decided to 'hold the ball within the team', needed to have players that were capable of performing this task. Recently, Liverpool who won many tournaments and in particular the UEFA Cup in 2001 and the Champion's League later on, developed the art of holding the ball within the team with the aid of short pass playing. In earlier years in Europe, Manchester United arguably embodied this art the best. This playing style requires players who are already masters of the game, players who believe in themselves or who believe they can learn its characteristics from those around them. The club owner's manager or CEO must then collaborate efficiently with the trainer. The manager or CEO must assure that the coach's planned tactics will be implemented during the individual game. Short pass teams like Barcelona (Champion's League winner 2009 and 2011) have developed many players within their own academy like Messi, Xavi and Iniesta. However, the club's finances seem to have been strained, so in autumn 2010 they had to sell Zlatan Ibrahimović, claiming that he was

not aligned with the prevailing playing style. This move might have been a decisive strategy (arising from the club's financial strain) and an example of a lack of coordination between 'management' and 'science' rather than a move to maintain a harmonious playing style.

Which specific drills have been practiced in advance? Has the opponent been studied? Which strengths and weaknesses are evident? Which qualities are characterized in the competitor analysis? To compare one team with another, to count the number of corners, free kicks and penalties, is an expression similar to 'benchmarking'. On the field, the play is visible in form of the game; but it is off the field where the important decisions are made.

Football management today requires, as in a theater or opera, a skill in handling artists. There is skill required in handling the media; the reputation of football is built on exposure, as it is a big part of the business. 'Ordinary' companies in the business community face much simpler situations. For example H&M, the international garment retailer, let their shops and products 'do all the talking'. Moreover, companies like H&M do not need to train or practice for the public eye, which professional football clubs do, but H&M's employees learn and, hopefully, improve their skills, via external training.

The four-field model is an illustration that shows differences between football and management. The play on the field is carried out by the players with the coach alongside the auxiliary players on the sidelines of the field, and those who perform well are retained and those who are not consistent after training are taken off the team. The coach nowadays has been appointed by the club's ownership, which no longer sits on the edge of the sidelines. Previously, the coach and the club leader used to sit on the sidelines since they were the same person (still often the case in amateur clubs).

Yet another factor is the organizational leadership. How is the coach chosen, as well as other leaders such as the team captain? How are the club doctors, masseurs and cooks appointed? And how experienced are all these people in their specific roles?

Other management questions point towards how junior and youth activity such as youth leagues are managed? This area can be summarized as a club's 'product development' activity. Regarding product development activities, commercial questions arise, such as which players are used in games and how many players can and will be developed. The players on the field are directed by various forces that aim to enable



them to reach objectives and also to launch new playing styles. This is something comparable with new development in production or distribution. Modern clubs have search systems, scouting, and networks in order to find talent, a part of which often focuses on football academies.

Players, or their agents, give interviews to the media, which in fact is marketing. The management negotiates with television producers and other media about contracts. Another type of marketing is to renovate stadiums and find sponsors that complement a TV contract, this is also important in a modern club. To deal with the financing, management of the accounts needs to obtain investments, which require economic competence. Which players does the club want to acquire and what does the purchase list look like?

The governance model, i.e. 'owner management', is another important element. The Swedish sport movement and its clubs have often been active in business communities with enthusiastic volunteers by using managers without professional management experience.

But many football clubs around the world with their unique cultures act as family businesses. The challenge occurs, most often in the USA, when the club grows and is listed on the stock exchange. Another observable development in Europe is the attempt to seek partners from other sports. This trend seems to have been started by the American owners of Manchester United and the New York Yankees. The Baseball Corporation and the British football team have worked in cooperation. Manchester United and others large clubs have, moreover, several foreign sponsorship partners.

### **Summary of the four-field matrix**

The message is simple: if the team does not prepare itself for the match (square 2) then success will be random. In this work, all three squares (1), (3) and (4) act as deciding factors for the final success in square (2). If companies do not make preparations 'in order to deliver value, a product or a service', the delivery will fail and the customer will disappear. Poor practice between games can make it difficult to compete when it comes to the real game; as the saying goes, 'To fail to prepare is to prepare to fail'. You have often lost the game before the referee blows the first whistle. Square (4) thus constitutes an acknowledgment of what needs to be done in advance. The three other squares, however, can be seen as engines for everything. Football management quality can be benchmarked against other types of companies by analyzing practices in each of the squares of the four-field model.

1 Atmosphere	2 Match
4 Management	3 Coaching

Following the reasoning above, this book formulates the first three Propositions of its framework:

**Proposition 1: market – atmosphere**

Square (4) is where the decisions about ‘doing the right things’ are determined, and the quality of these decisions will ultimately explain most of the tentative future success. The effects of the managerial activity in square (4) will directly affect the quality of the ‘supporting and preparation’ activities, taking place in squares (1) and (3). This proposition deals with the effects of managerial impact on square (1).

**Proposition 2: the game is the product**

The aggregated consequences of activities in squares (4), (1) and (3) will decisively influence the team playing the game, in the field, over ninety dramatic minutes, square (2). The outcome will not be random, it will be explained by the actual professional planning and execution of preparatory and supporting activities.

**Proposition 3: product development and training**

The effects of managerial activity in square (4) will also directly affect the quality of the ‘supporting and preparation’ activities, taking place in square (3). These mostly include elements of ‘doing the things right’. This Proposition deals with the effects of managerial impact on square (3).

**Proposition 4: methodology is superior to a ‘fad’ (Figure 2.1)**

The business idea, as an idiom for the long-term methodology of making money, needs to include the aspiration of ‘operational excellence’. A goal for a football team can be to win the Champion’s League or the UEFA Cup. In order to succeed, the club must be operationally effective. It must possess good ‘operational excellence’ synonymous with making the correct balance between short-term and long-term outlooks.

But alone, a short-term outlook is often synonymous with ‘operational excellence’, which can create ‘fads’ instead of ‘methodology’. By ‘fad’ we mean a generic, poorly proven solution-to-all-problems type of approach, that typically lives a short and fashion-related lifecycle, before being dumped as obsolete and useless.

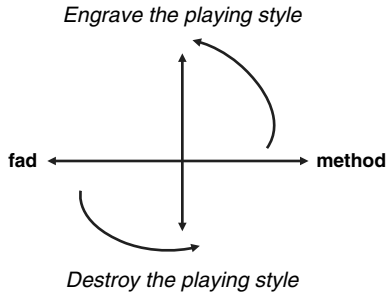


Figure 2.1 Proposition 4: methodology is superior to a fad

The long-term outlook has been the strength of many football clubs. Manchester United is an early example. The club had a very long period of advanced planning when it came to choosing a successor to Sir Alex (who however is still coach as of August 2012, even though he is called 'manager' in the UK). The stable business idea at Manchester is balanced against the requirements of operational excellence.

How is a business idea gradually refined in the struggle against the power of habit and against nonsensical methods? It is not unusual to have bad results when approaching the end of a season, and this might lead to the elimination of the coach in the hope that the decision may instantly improve the performance on the field. The new coach then, without exception, departs from the existing playing style (called 'method') and attempts to implement 'unserious methods' here labeled 'fads'.

It is not uncommon for new concepts to be merely old methods dressed up in meaningless, fancy jargon. Such an example is shown here from *Dagens Industri* the Swedish business daily:

Are you tired of hearing expressions such as synergy effect, brand positioning, shining analysis, paradigm change, information super-highway or ecological sustainability? Then you are not alone. It's called corporate bullshit in English. Corporate high-sounding empty phrases given a Swedish translation. Industrial leaders, organization consultants and journalists contribute to the destruction of language through disseminating meaningless rubbish.<sup>5</sup>

But the fact remains that we live in a faster world where the increased flow of information creates uncertainty about what situations mean and how they should be interpreted. In such situations, language is a very important expression of different phenomena and mechanisms. It paves

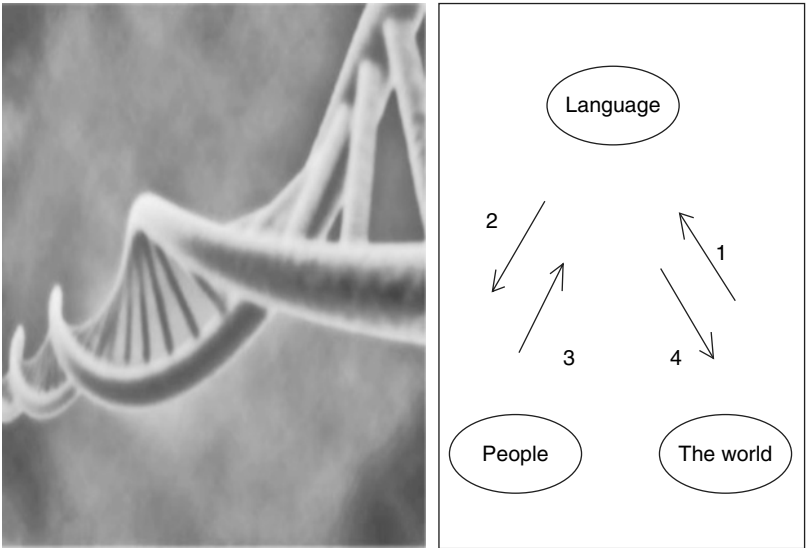


Figure 2.2 Some concepts around language development

the way in which structures are composed for understanding information and establishing communication. The right-hand side of Figure 2.2 presents a sequence showing how the ‘world’ is understood by a human being (could be a football trainer) who creates an expression, perhaps several words, constituting a ‘language’ which influences the ‘people’ (1 to 2 to 3) who rebuild the language.

The illustration on the left is from the biotech world where the language of genomes is shown, a language understood by the scientist in his or her environment.

Management, therefore, according to this outlook or point of view, becomes more often a question about developing and using concepts and words with which leaders communicate with their employees, collaborative partners and their customers. The need to communicate on an often highly abstract level is a requirement in order for management in practise to govern the activity against agreed objectives. Therefore, ‘fads’ or concepts become necessary aids so that complicated messages will become understandable and communication will function. In situations of pressure (during a ninety-minute football match) with language confusion (players from different parts of the world) this requirement becomes ever more important.

José Mourinho is called 'the special one' in the British media and is at present (August 2012) a well-known coach at Real Madrid. He develops a specific relationship with every player after having studied him in the greatest detail. This has been possible because Mourinho was, and is, extremely talented in languages. He was recruited by Bobby Robson (a former coach of the English national team) then coach of Sporting Clube de Portugal, as a translator, but quickly showed that he could analyze competitors better than anybody else. Robson taught him a lot more and Mourinho became a coach. After only two years as a coach for Porto he won the Champion's League and his career path was wide open. Mourinho did not only understand data, but also tactics and psychology. He learned Italian in three weeks and moved to Italy where he met Zlatan at Inter Milan (Ibrahimović and Lagercrantz, 2011). His 'language' with players (the people: see Figure 2.2) was equal to a one-to-one relationship with an individual and specific connection as a consequence of a large number of SMS and mails exchanged, this is an analogy for the intensity of communication between Mourinho and players; he was like a manipulator. Language was a platform when he instructed his players. It not only created a loyalty (or rather many loyalties), but also a deep understanding of the competitors' playing style.

These tools, concepts and methods that build on strong theories and are worked through should be well known by industrial leaders with aspirations to carry out good management. This is not the case, however, because academics have not developed theories that will always be sufficiently applicable in real business life. It is also possible that these academics never come into contact with company managers that would apply these theories. Consultants and consumers are often closer to a CEO, since a company, rather than academics, must make the concepts in order for them to reach the management. Thus, the academics become entirely overshadowed by other groups that stand more in the center of events. Therefore, they must organize themselves in one or another way in order to better reach a closer relationship with company management.

Clichés and slogans utilize expressions in all contexts: 'We had luck with the weather', 'It is necessary to work as a team', 'We are all important for the organization' or similar. Within football, clichés are used such as 'The ball is round', 'Anything can happen', 'A game is made up of ninety minutes', 'It works to keep the ball within the team' and others. But the truth is that many trivial expressions hide a series of critical methodological theses. This book is about the re-learning of business administration so that it can become a crucial linguistic model, easy to understand for students, business people and football leaders.

### **Proposition 5: good business management can teach football to improve (B to F – Business to Football)**

What can be learned and transferred from Business to Football? The logo is created and seen engrained onto the field, but the owners of it are on the outside. Management is composed of three activities: first, the insight building; second the (long-term) planning, both taking place mostly in square (4) of the four-field model; and, third, execution, taking place in square (1) during the match and square (3) between the matches. The owner, or those representing the ownership, must in their management practice protect the artists in the symphony orchestra, in the theater and likewise protect the artists of the football game, while performing in square (2).

Training and preparation are the basis for professional performances on the field during the game. An example of this is Hammarby's coach, Linderöth, who wanted to change the game with short kicks to the goal. Earlier it was 'long balls on Markstedt' (the name of a footballer). Linderöth ended tenure as a coach in November 2006. The experience shows that one coach cannot go ahead too fast. Entirely new players may be found in order to effectively execute a new playing style, precisely as in the corporate world. Here CEO's do not often take up the new strategy but count on the same personnel who will develop a clear strategy. New strategies often fail, but thorough analyses of the reasons for failure are seldom performed.

Between games both individual training and team training must be implemented. In football, it includes knowing the team's formations and coming up with an adjustable playing style. In business and in football, it applies to play adjusted according to capabilities and current conditions, and the need to be constructive to overcome 'self-destructiveness'. The balance between short and long outlooks should encourage creativity.

One management tool, based on benchmark thinking, which has been frequently used, is 'balanced scorecard'. The English expression makes a much stronger impact than the respective Swedish translation, which has arisen as a consequence of the media, consultants, entrepreneurs and some academics getting hooked on the general trend. But by itself, the concept rests undoubtedly on a scientific basis as described by Robert Kaplan, professor at Harvard Business School and Ray Norton in 1992 and 1993. They followed up their findings with a book (Kaplan and Norton, 1996), which demonstrated the method's merits in theory as well as in practice. Maybe a balanced score-card for each of the

four squares in the four-field model could be developed and rationally applied?

**Proposition 6: certain components in football can successfully be applied to the business (F to B – Football to Business)**

Allegories, for example, picture illustrations of abstract concepts, can serve pedagogical aims. Tactics for the field, running a sports club, owning and introducing it on the stock exchange seem to have become an important societal phenomenon, depicted in Table 2.2 below, where a comparison between football and companies is made.

Company development and management can be compared with football, but a systematic study where football lessons and management are at the center has not previously been implemented to this extent. When and how does one know if a company is in its proper shape, prepared and ready to do its best? It is difficult and perhaps impossible to know. But knowledge within the area has been applied in several directions where certain properties within the sports world are applicable to the management development area; specifically, making businesses grow is similar to winning games, according to football obsessed businessmen.

But nevertheless the question remains as to how big the distance is between businesses and football. One considerable difference is that football has seventeen rules (Morris, 1981, Chapter 4), while international businesses have appreciably more. Company management works

*Table 2.2 The football world and the corporate world: some analogies*

Football in four fields	The business sector's example
1. Emotional engagement of fans and spectators during the game in order to create a good atmosphere	Infrastructure, staff support, different functions and different tasks, branding, sales promotion, customer satisfaction, stakeholder relations
2. Football is comprised of the game and the play in which the goal is to score balls in the opponent's goal	Outperform your competition
3. Training off and on the field in preparation to gain superior playing skills	Training, coaching, career planning, hiring, organizing, rewarding, mentoring, product and market development
4. Management, short term and long term	Insightful strategic management, operational excellence

normally for 'strategic objectives', with questions and answers for 'what', 'where' and 'how' which act as a means to reach the objectives. The main questions studied refer to a football team's playing style and the reply to 'what' and 'how' to handle a ball (a so-called 'bundle') in which objectives and means are placed together.

To deviate from the overruling business idea because of too great a focus on operational excellence constitutes a fast-growing threat. A demonstration of the strength and the weakness in this assertion can be achieved in the metaphor 'Football is the game of greenfield chess.'



# 3

## Market – atmosphere on and off the pitch

This chapter will focus on *during the match, off the field*. It is about various aspects of markets and marketing and on their interdependency with management. It also focuses on the managerial control of marketing.

Marketing is necessary, but to do the ‘right things’, it is important to first understand the market. Technology has advanced recently and created a new landscape in football. Fans, along with athletes and sport organizations worldwide, can now directly correspond and interact using social media. For example, fans are empowered to participate on sport-specific organization or team wikis, homepages, blogs, micro-blogs, pictures, podcasts, video sites, Twitter, Facebook, iTunes, etc. (Santomier and Hogan, 2012). Soon it may be possible for fans to use tele-immersion technologies to insert themselves into sporting events on their HD/3D TVs or mobile devices, and with assistance from empathetic social media now being developed, fans may actually impact football or other sports. In addition, many sport enterprises such as Nike, Adidas and Prince, are using content-based social media in an effort to directly engage customers, build brand communities, build long-term customer relationships, and market products. Definitively, as Dolles and Söderman (2011a: 4) point out:

the proliferation of information technology has made it possible to serve the needs of fans all over the world. Fans can consume and produce simultaneously, often called co-production (or co-creation) by marketing scholars. This is sometimes also called ‘presume’. With technology expanding the reach of sport all over the world, the opportunities for the promotion of sport, and the benefits for sport and its partners, are significant.

Thus, Web 2.0 and social media are making it possible for millions of sport fans to get involved as consumers – they may eventually become ‘prosumers’ – people who consume and produce at the same time.

**Proposition 1:** In the four-field model in Chapter 2, square (4) is where the decisions about ‘doing the right things’ are determined, and the quality of these decisions will ultimately explain most of the tentative future success. In this process, market and management are closely interrelated.

1 Atmosphere/market	2 Match/game
4 Management	3 Coaching/training

In this chapter, **Proposition 1** – linking the upper left square (‘market’) and the lower left square (‘management’) will be further developed. This part of the model ‘fuels’ the club. It is within this square that ‘the market respondents are primarily ‘active’. This part represents the economic conditions of the club. Without a well thought out strategy for generating money, the club will not survive. Promotions are created to enhance the audience as much as possible. Even contacts with sponsors and media, and the establishment of the agreements are included here. To create a sustainable flow of money based on marketing activities on the field as well as off the field is not easy, but critical for survival of the club.

The marketing manager’s activities include creating a good atmosphere and ambience. A good atmosphere is vital to keep the sport attractive, which in turn leads primarily to increased match-day revenues.

Soccer generates loyalty, and sentiments that vary from mild amusement to acts of violence. The sport provides an artificial theater of emotions. With no universal or legal agreed-upon meaning, the game becomes a receptacle for identities, filled with importance. With the passage of time, creating a good atmosphere in the stadium has gained greater importance. Ordinary people often associate a good atmosphere with supporters on the short sides (‘the claque’<sup>1</sup>). This concept of standing up in the cheapest tickets paved the way for loyal supporters to get together, cheer, sing and wave their scarves. When arriving on the field the players were introduced to the spectators in a coordinated way. The loyal fans reciprocate their emotions for the club by co-creating value (Fyrberg-Yngfalk, 2011) by throwing confetti, waving large flags, pulling up giant posters which cover almost the entire grandstand and displaying

great mosaic tiles that depict an image that is associated with the football club. This is now called the ‘Tifo’, which comes from the Italian word ‘Tifosi’, signifying a ‘group of supporters’, and was created by the fans of Torino’s club. In short, it can be said that the atmosphere among these supporter is typically loud with concerted singing. This successive emergence of atmosphere is an ‘iterization’, which is an interplay between actors on and off the field.

Everything on the scene that enhances the overall experience for the audience and contributes to a good mood can be termed as the *direct* experience. This can include everything from well-maintained toilets to food and beverage kiosks where supporters can eat and drink. Other types of ancillary activities can be seen in the form of VIP boxes, where sponsors and other dignitaries can enjoy the game in peace and quietness. Large video screens showing images from previous matches along with live updates of games being played in other stadiums create a positive effect. The club anthem can also be played before the game and during half time to bolster the morale of the supporters.

But there are many different types of consumers and they often are difficult to capture. The nature of football, or professional team sport in general, and its dependency on uncertainty complicates the analysis. Every individual sports consumer has his/her own thoughts, experiences, and expectations of the game or events around the match – a ‘something else’ associated with the football experience. There are even two more layers to consider, as – first, sports consumers might want different product offerings at different times under different circumstances. Second, it is not only one product, service or entertainment that is offered in professional team sports that could be termed as the competitive scope of a football club (this will become obvious later in the book). It is therefore the management’s task to evaluate, change, bundle and utilize the club’s resources (value captures), or as Hansen, Perry and Reese (2004: 1280) conclude: ‘what a firm does with its resources is at least as important as which resources it possesses’.

Proposition 1 means to manage the market or to be managed by the market. But a market needs a product. In this book the product is defined as the match, which will be further discussed in Chapter 4.

Football is not the single product, service or entertainment that football clubs offer. They offer a football package – so what is the product? We can consider the following possible ‘offerings’, termed ‘value captures’:

- (a) team;
- (b) sporting competitions;

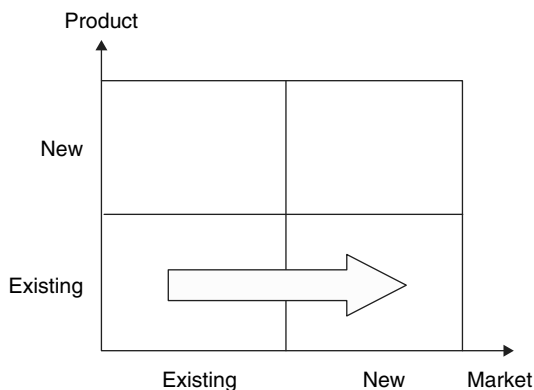


Figure 3.1 The acquisition of new customers

- (c) club;
- (d) players;
- (e) football services;
- (f) event, facilities and arena;
- (g) merchandise; and
- (h) other commercial activities.

The arrows in Figure 3.1 indicate that all value offerings are interlinked and might also be considered as bundles of a club's value captures (Dolles and Söderman, 2012: chapter 20).

## The market mood

The market is paramount. Theodore Levitt's classic expression, that business is how to get and keep a customer, shows the importance of market orientation.<sup>2</sup> This also applies to football, which has to be played in such a way that the audience is satisfied. This is critical for the success of a football team on the field and also for their status as a company in the market.

Thus it is essential for any football club to keep its customers satisfied; both at the stadium and at home in front of the television screen. Some teams play with an exculpatory and open style. This style of play is synonymous with the Dutch national team. A similar playing style was performed by the football club Hammarby in southern Stockholm. Their team is associated with a truly entertaining playing style since

its big star Nacka Skoglund launched a completely new approach to control the ball in his time (Hammarby Football Club, 2008).

Optimum results are not always audience or customer driven. Sir Alex Ferguson illustrates what can happen to a team, or indeed a business, when the team/company does its utmost to satisfy customers or audience:

Nothing contributes more to the greatness of Manchester United than the passion of our supporters. All of us employed by United feel a responsibility to the fans and sometimes that sense of obligation can be a trap for the players. The urgings of the crowd can encourage a cavalry charge when a more patient approach is needed. That was a major part of our problem on 7 April 1999 when Juventus repeatedly ripped us open in the first half. Our basic tactics were quite simple. We were meant to play with three in midfield at all times, with Beckham or Giggs out wide to give us prospects of penetrating the Juve back four and stretching their midfield. When one of the wide men was attacking, the other was supposed to tuck into the middle of the park and link up protectively with Roy Keane and Paul Scholes. But, intoxicated by the atmosphere of a classic European occasion at Old Trafford, Beckham and Giggs simultaneously pushed too forward, leaving Roy and Paul to struggle against three of the most effective midfielders in the world, Didier Deschamps, Edgar Davids and Zinedine Zidane. (Ferguson, 2002: 424–5)

Another orientation towards customers, and therefore towards the market, is the special benefit some spectators may expect before kick-off when any of the players show a select group of audience members around the famous arena. For instance, David Seaman, former football goalkeeper for Arsenal and England's national team; is a highly acclaimed presenter of Highbury (Arsenal's former home ground in central London). Among the Swedish clubs, AIK is probably the most dependent on their supporter's club Black Army for their loyalty, willingness to purchase tickets, and support the team during away games (with the exception of some fans who misbehave). However, the misbehaving fans should be kept in check to ensure that they don't scare away the regular audience. To create different values for the audience, some of which could be negative, is the responsibility of the market manager. It requires a genuine understanding of the different customer segments and their relation to maintain the sphere of 'economic offerings'.

Today, in both business and football, the customer is the king; therefore the thesis that strong competition always goes hand in hand with a strong customer interest is definitely true under most circumstances. The fast growing IT industry proves an example of a business not listening to the customer. One representative confesses: 'Computer companies had been too ready to ship the complexity to the customer, making them feel seriously inadequate if they cannot manage it.'

### **Customer-oriented companies**

A traditional way to structure a company is by using Porter's classification of 'cost leadership'. But in today's environment changes occur rapidly as industries shift and the business mix seems to be based on current classifications of the industry or uncertainty in the environment. Companies that adapt to the changes in the environment tend to adopt a more customer-oriented approach. As all businesses depend on satisfying their customers' needs, all companies should consider themselves customer-oriented. But companies can be customized to a greater or lesser extent in various ways, such as those associated with brand strategies and product development, as long as the overruling principle remains the same: address the customer first. Companies like Harley Davidson, Google and Apple could serve as role models for many football clubs in this respect.

Later in the book, Chapter 5 addresses 'training' and 'playing styles' while Chapter 7 focuses on 'branding', 'trademarks' and 'new products', all of which form the basis of customer orientation. Market orientation usually means having more detailed contact with customers, which in turn enhances product development as it consolidates the number of new and revised products or services that a company pursues to satisfy its customers. Branding is carried out to create stronger relationships with customers and gain traction. This often develops opposition for those companies who also have similar products but have not yet been able to strengthen their brand. Brand leaders are therefore trying to introduce moderate changes, and preferably within the framework of existing brands and/or product lines. They fear that otherwise the existing values of the brands may collapse. New developers may have difficulty finding time and a place of production in their own factory.

### **Involving the customer: co-production**

Co-production is a rapidly emerging phenomenon (see one of the first books in this research area, Prahalad and Ramaswamy, 2004). IKEA long ago launched and perfected the concept of co-production. Activating

passive customers is always profitable (Prahalad and Ramaswamy, 2000). Volvo and many other large companies involve customers in their quest to increase customer loyalty and ultimately bring down the 'marketing cost'.

It seems that football has a lot to learn from such companies because corporations have had to focus on being customer-oriented because they are acting within a market economy. Football, by contrast, has lived in a fairly protected environment in which government grants have made a customer focus not as necessary for financial survival. In Sweden and Norway, clubs are less customer-oriented than the English top clubs, who now have the same financial conditions as for-profit companies. Usually the information sent out to members of the Swedish clubs is insufficient, thus making the best way to obtain information through active involvement in the supporter clubs.

The 'match', in the context of this framework, is the primary product and the audience acts as the customer. The enhanced mood of the audience gives way to customer involvement, which carries significant importance in football. In this way football is very special because production and consumption normally occur simultaneously. However, owners of football clubs must realize that some markets require long-term strategies for reaping benefits.

Alex Ferguson illustrates the idea behind the importance of engaging the customer/supporter of a football team:

Consolidation rather than success was the theme of our 1975–76 season in the First Division. We were challenging for leadership for a while but had to settle for fifth position in the end. What mattered more was that we were rousing the population of Paisley from years of apathy towards football ... my energy was constantly recharged by the entire community's response to the happenings at Love Street. In our eagerness to spread the message, we started our own newspaper and then an electrician at the ground, Freddie Douglas, had the idea that he and I should go round the town in his van and address the potential supporters through a loudspeaker. I was gaining a reputation for innovative management but to me it was simply a case of being willing to try anything that might make the club more successful. At least, as canvassers, we were better received than election candidates. I have to confess that Freddie did most of the hailing, but I was good at waving. (Ferguson, 2002: 149)

Holland's top team Ajax, is a football club that is very customer-oriented. Ajax listens to the wishes of the fans preceding the match, and

during half time by entertaining the crowd with artists and match highlights on the big screen.<sup>3</sup> In anticipation of the real product, the match, the audience is much more comfortable and the waiting becomes more pleasant.

Companies, as well as football clubs, like to acquire new customers while maintaining the old ones. It requires an understanding of customer loyalty. Methods to measure customer loyalty are normally not so structured but at the same time carry a lot of importance. Typically, customers respond to questions about hypothetical situations. But to really benefit from the responses, companies must also be able to validate them. It is important to not only know what people say but also to find out how they actually act. It is critical for a company to invest in maintaining and developing the right kind of customers.

## Segmentation of supporters

In the Swedish clubs the marketing departments are small, while in the British clubs they are bigger. An important rule of marketing is to perform segmentation. In Sweden's top clubs there are normally two to ten people primarily working with the acquisition of sponsors. These people are focused on formulating sponsorship concepts, including bundling various offerings and managing the public appearances of the players (see Olsson, 2008, a study of Swedish top-league teams Allsvenskan). Generally, the coaches are not very enthusiastic about such off the pitch activities. They want the players to be focused on training and on preparations before the matches. The clubs with such sponsors have a clear ambition to match their customers with the consumers/fans of their customers/fans. At the top level, there should ideally be an alignment between the missions of the sponsor and the club. This is not easy to reach if it has never been done. An important marketing rule – referring to **Proposition 1**: a strong relationship between squares (1) and (4) ensures better performance on the pitch, and therefore segmenting the market is essential. The market should be classified in such a manner that each segment reacts in a similar way when the club or the firm applies a marketing push. Segmentation requires splitting and dividing the customers in different categories so that each segment responds equally to the company or the club in different ways according to the marketing activities. In order to divide customers into similar groups, Shank (2008) suggests investigating this by examining six overlapping variables: demographics, socio-economic conditions, psychographics, geographics, behavioral indicators, and needs.



There are many classifications. Which services are critical for the club? Behavior is the most important variable for marketers of football. It implies how many games a fan has watched and how loyal is a fan to the club. Football differs here from ordinary companies, in the sense that there is a much higher loyalty to the club than there is to a company's products. To understand this behavior it is important to view psychographic indicators like lifestyle, personality, activities, interests and opinions. For example, a fan probably spends more time and money on football if he believes that football is more important in life than the family. Of course, it is also interesting to examine indicators like age, gender, income, employment and geographic affinities.

In 1981, Desmond Morris, divided football fans into seventeen different groups (Morris, 1981). However, I divide the supporters into four different groups and show how to reach them effectively through various marketing activities.

### Temporary supporters

It is common for the supporters in this category not to watch live games. However, there are differences in this segment in terms of loyalty to the club, which means that this group can be further bifurcated. The *temporal supporters* are not classified as 'supporters'. Their interest in football is very limited (perhaps they go to a single game over a few years), which is the main factor that distinguishes this type of supporter from other groups. Special star players, a big game or a special promotion can attract this type of supporters to a club (Hunt, Bristol, Bashaw, 1999; Tapp and Clowes, 2002). Similarly, the *carefree supporters* are also not loyal to a particular club; they watch a random game, which means that they view matches that do not involve a particular club. For them, football is just something that competes with other types of activities with most of these supporters not knowing when the next home game is played (Tapp and Clowes, 2002).

From a marketing perspective, 'timing' is important for attracting these supporters. Since they do not know when the matches are played, this group needs information to be communicated, preferably with the additional 'pull' of a special type of match that could capture their interest. Making games for entertainment with a variety of peripheral activities can also improve the attractiveness of these supporters. Finally, audiences have a high impact as spectators create a great atmosphere and entertainment in itself, which is especially important for this group. So if the club knows that there will be a lot of people watching a match, this should be communicated, since occasional supporters often decide at the last minute.

### **Local supporters**

A football club's geographical affinities are important for several different types of fans but the local fans are special because they are limited in numbers geographically. This means that if local supporters move away from the city where the club is located then the interest of the support is reduced. Supporters' interest is thus explained by geography, and to be a 'supporter' is to be more on the periphery of their self-image (Hunt, Bristol and Bashaw, 1999), and to be viewed as a 'supporter' is at the periphery of their self-image.

An interactive website plays a very important role as marketing activities are linked to it and it also provides a platform through which the club (players and managers) can interact with the local community. This can be done by involving the players in various community activities. Different messages should also be sent out to reinforce and remind fans that they have a 'share' in the team. A long-term objective should be to convert these supporters into devoted fans (*ibid.*).

### **Devoted fans**

The devoted fans were most likely temporary or local fans at first, but they are now unhindered by time or geography. These fans see it as part of their self-image of being 'supporters' of a club, so they do not abandon the club even if the team does not win matches. But unlike the more fanatical fans, football is not a high priority in their lives (*ibid.*).

These fans seek more information about the club, players and football as a whole. The marketers should provide detailed information to this segment (*ibid.*). Usage of the web and social networks is very important to reach out to these fans. It is also possible to transmit information over the mobile phone and the club's own television/radio stations. Good relations with the press are also important so that fans can often read about the club.

### **Fanatical supporters**

The fanatical supporters spend the most money and time of all fan groups in football. Their self-image is strongly influenced by being 'supporters'. For some it goes even so far that it becomes the most important thing in life (Tapp and Clowes, 2002). Furthermore, they are extremely loyal to the club and always watch games with club paraphernalia. This loyalty often manifests itself in families, who continue to support their team for several generations.

'Merchandising' in particular should be marketed to these fans. Furthermore, they seek, if possible, even more information on the club than

the dedicated fans, which makes them especially interested in mobile services. Finally, the fanatical supporters can largely be involved in creating a good atmosphere inside and outside the stadium, which attracts audiences from all groups. However, it is also this group that it is most likely to engage in hooliganism. If this happens the club marketers should strongly demonstrate that the club does not accept such behavior, because it creates negative publicity and distracts other supporters.<sup>4</sup>

### Three approaches to customer orientation

It is not enough for a company to know that customers are satisfied. Studies show that there are different degrees of satisfaction and that they play a major role in the continued consumption of a customer.

*Customers who feel very satisfied* with their previous purchases consume more of the same product/service from the same company. Customers that are very happy evolve with the passage of time and *generate large profits* for the company (Carr, 1999).

*Customer orientation means impersonation.* Range Rover has used various methods to differentiate itself from competitors. Instead of building on Henry Ford's traditional model with key retailers, Range Rover established small satellite distributors; each with a limited number of models. Showrooms are designed by Frank Lloyd Wright's Adirondack House with a fireplace and comfortable sofas. Each distributor sells not only cars but also accessories. Range Rover has created a highly personalized environment for truly individual transactions. The result is that one of the worst automotive sales stories made a U-turn to success. Why? Because the orientation of the mini-dealer takes the latent impersonation that exists in almost every product and makes it real. Buying an expensive car is not the same as buying a new dishwasher or other consumer products. It is very important and requires completely different surroundings. Buying a Range Rover may not be the same as buying a Lexus, but Range Rover focuses on tailored sale premises and in this way they create a singular distinguished car purchase experience for the customer (Wacker and Taylor, 2000). The Rover Company was wound up and its brand bought by Indian conglomerate Tata (Hardigree, 2008).

*Customer orientation also emphasizes TTM (time to market).* During 1993–1994 Joanna Mildner-Wos led an administrative team of seven people from both the management and administrative positions within the company Adtranz. Her leadership infused teamwork that dramatically improved the production process. The change, which sounded simple, resulted in shortening the time between ordering and delivery. But what

seemed like a simple change resulted in an analysis that led to a wide range of issues:

Is it necessary for the manager to scrutinize every order? Is it necessary for her or him to sign it? How is production organized? How well is the supply chain performing? What is the most natural flow of materials from supplier to customer? Are the staff working in teams or individually? Is it possible to outsource certain parts of the production? Is all the machinery necessary? Would new machines would be able to defeat the bottleneck in production?

By examining each step critically and deciding what suits or hampers the process, the company came up with a rationalization program. Although the fundamental change is several years old, it is still important to try to see where the bottlenecks are and how the company can overcome them. This development is a continuous process (McClenahan, Fletcher and Gee, 1997). Football clubs should also identify those factors that are suitable for their processes and those which hamper their processes in order to clearly streamline their activities.

A key difference between small and big football clubs is their ability to change and align themselves with customers and their preferences. This involves taking new marketing and customer interaction measures at a rapid pace. It's hard to imagine that there were any football clubs with websites fifteen years ago. However, there are and have always been trendsetters who are pioneers in what they do and competitors try to replicate similar strategies to achieve success. Whether it is a small or a big football club, the most important driver is the pro-activeness of the management, i.e. how open the management is towards embracing new ideas and methods to reach out to their fans and supporters. If the management is risk averse it will never adopt any new technique to promote the club, whereas a management that is open to new ideas and embraces innovation might adopt a new method, like using mobile applications and live chatting sessions to communicate with fans. Thus, customer orientation is linked with the behavior of the management. Risk averse behavior ensures there is no change while an open innovative behavior reaps good results regularly.

## **Market orientation should be customer focused**

How is it possible for football clubs to be more commercial? Do they need to be better on the pitch, score more goals or acquire better players? Raising the expenditure for player acquisition is not the only way of increasing a squad's potential. The club's activities on the transfer market

must not be overlooked. Swedish clubs with low revenue-generation abilities have to look to the sale of recently developed players, similar to the way in which the biotech venture capital firms look to their portfolio of nearly developed projects. The basic driver is similar in all businesses: the net transfer activity shows the difference between the expenses made to sign players and the payments received for players leaving the club. Transfer fees are heavily dependent on the remaining duration of the contract. The lower the duration of the contract, the higher a player's negotiating power when it comes to fixing his wages. Therefore it is even more essential to consider the net transfer activity as an input factor, as it weakens the effect of negotiating power. Taking the net transfer activity into account, the club's means to increase its potential are well represented.<sup>5</sup>

A major concern is that market orientation is often perceived to be synonymous with customer orientation. In fact, at times customers are focused on stopping ancillary products, such as in cases where the customer asks for completely different products/solutions.

In football there is a danger in focusing too much on the occasional visits of the 'usual audience' at the expense of the most loyal supporters and, thus, a risk of spending more money per match. This scenario, while seemingly an appropriate strategy to increase the club's fan base, can in the long term reduce the club's legitimacy and public revenues as it can potentially alienate the club's main revenue driver: the fanatical supporters. In football, as in other industries, emphasis should be on the core customers.

But if a company has customers in Asia with whom it can easily get in touch, customer orientation can be a successful solution. For example, Manchester United football club has succeeded in internationalizing its brand on television, and the club in the second half of the 1990s has become very famous. But because the club did not consider themselves to have sufficient knowledge of internationalization, they opted to sell franchise rights.

It is essential for a football club to balance market and customer orientation. The management of a football club has to create synergy between the activities occurring in the market, or the market trends, and at the same time align themselves with the expectations of the customers. As mentioned previously there are many situations in which the market orientation might not be aligned with the customer focus. FC Barcelona has always resisted shirt sponsors, and since the club is owned by its members, focusing on football took precedence over commercialization. However, situations change and with the passage of time the debts

started piling up. Sponsorship is a good method to boost revenue, and therefore a solution had to be devised. Selling home-grown star players like Messi, Iniesta, Pique, Busquets or Valdes would have caused turmoil for the club, so for this reason the club turned to finding the right sponsor whose brand values matched those of the club. Eventually, Barcelona agreed to sign a sponsorship deal with Qatar Foundation and through this deal both the entities agreed to promote various projects and programs aimed at youth development.

Through the above mentioned example, FC Barcelona managed to solve its financial problem in an amicable way and mediate the reactions of the fans and members by participating in a social cause which was aligned with the values of the club.

Entrepreneurs and club owners who want to sell their products successfully first seek knowledge about their customers and then market the products accordingly. Customer evaluation should be built into the entire organization through systematic research and business intelligence. Such ‘research’ can be carried out by the company itself and/or in collaboration with experts.<sup>6</sup> Probable advantages and disadvantages are summarized in Figure 3.2.

Both Ford and Volvo do follow-ups of customer loyalty. They make use of questionnaires and direct interviews with their customers to investigate further whether the customer bought a new Volvo or Ford a few years later. For football clubs, the easiest way to obtain information is to research into the record of the season ticket holders. But because this group is not representative of the entire client group, it is also important

		Pros	Cons
'Research'	Company only	Knowledge	No new modern techniques
	Company and experts	Effective learning	Struggle for prestige
	External experts only	Honest answers	No organizational learning

Figure 3.2 Customer evaluation and research

to research not only the regular audiences but also those fans who do not go to as many matches, yet who retain a latent interest in the club. A thorough analysis must then be conducted on the collected material to conduct for strategic decisions.

In football clubs, databases play a very important role. Through their membership base football clubs can easily analyze large amounts of data in order to segment their customers by age, location, profession and their preferences. Football clubs engage in research every year, ranging from choosing the design and color of the jerseys to developing new merchandise. The clubs closely follow the results of market research based on customers' preferences. In this way, they articulate new business ideas and implement them. Arsenal offers a credit card to its customers and the benefits are twofold, i.e. first, the customer stays loyal to Arsenal and second, handsome revenues are generated for the club every time the customer makes a purchase from the credit card.<sup>7</sup> Surely, Arsenal management didn't approve this scheme without thoroughly researching the preferences of their fans?

## The main customers and marketing in general

By analyzing the major customers we can find out what other options that customer has if their company fails to deliver in accordance with their needs. Normally if customers do not find a product or service aligned with their standards or interests they tend to change providers. Below you will find some points relevant to customer surveys and also some important issues to be considered regarding marketing in general.

### Carry out market research

By following and studying it is possible to find out what customers think of *the company*. The main thing is that the facts should be presented in an effective manner that provides the organization a clear perceptual map of the customer. On average, a Swedish company spends up to 3 percent of its resources on research and market studies. But each company should set a limit on what it thinks is a *reasonable amount* or a moderate proportion to dedicate towards *customer inquiries*.

Customer surveys usually involve the whole company, including production and product development. When the *leader of the company* takes the initiative and *participates in briefings* for customer surveys, he or she is leading the company towards being a totally customer driven organization. The example from Volvo below is from the 1990s but illustrates a valid underlying principle.

Simple customer surveys can be conducted with average values and attitude studies. It is enough because the customers' problems are generally simple. This should not be seen as *an excuse* just for the group management to think that they need to conduct a customer survey annually. Customers' views reflected in customer surveys control the way the managers and leaders of a company work. Are you also sure that these *views are in harmony* with the sellers, the market drivers, opinions and arguments?

**Volvo: targeted marketing**

'Think globally, act locally' were Volvo's watchwords in early 1996 when it chose a group of one million people as its primary audience. Volvo's potential client group was not chosen because they did not have a particular address, or even nationality. They were not chosen on the basis of gender, age, race, religion or sexual orientation. The only reason they were singled out as particularly interesting was that they had a common interest. They could potentially buy a bit more expensive recognized safe car manufactured in Sweden. Thus, the company started searching for the right prospects for its new range of cars (the Volvo S-80). By being sure about its potential customers, Volvo focused on them and wisely targeted its advertising and promotional activities.

**Maintain nonactive customers**

American studies show that customers who leave an old customer-supplier relationship usually do so because of a lack of interest from the supplier, not because of bad service, poor quality or wrong price. Therefore, many companies have a real *customer care* department that is focused on those customers who may not be totally active. They may even have a budget to maintain the former clients and may allocate additional resources for *maintaining noncustomers*.

With today's technology it is also possible to make contacts with people with similar interests *without* necessarily having to be in the same *geographic location* as them; for example, social media. Shopping, conversation and even surgery can be done remotely. An opportunity to connect with the outside world means that demands can be addressed remotely. Identical items are found in homes all over the world. They may be



categorized into different brands, qualities and prices but the features are basically the same.

### **Evaluate the marketing budget**

It is claimed that about half of what a company spends on advertising is wasted money (Keyes, 2006). The only problem is finding out which half it is.<sup>8</sup> Moreover, today *marketing is fragmented* between public relations, market analysis, pricing, brand development and many other specialty areas. Using different types of tools can enable a company to get a better grip on its own marketing budget. In essence, it is important to:

- find out what activity is providing results and why;
- deliver the objective facts which management requires;
- analyze why marketing really pays off in the beginning;
- develop new marketing techniques to achieve even better results.

For management it is important to put a finger on the problem and identify the areas where it is most important to focus, analyze, evaluate the performance and refocus the entire company's marketing strategies (Ferris *et al.*, 2006).

### **Find the connection between marketing and selling power**

Sometimes it is necessary to follow the approach of the manuals in order to initiate an operation. Thereafter, the behavior is studied which leads to the formulation of the theories and hypotheses. It is therefore important to find the right *interplay between marketing and selling power*.

### **Establish a pricing strategy**

Pricing is extremely important for fending off the competition. If the *pricing strategy* is well thought out, it means that the company was able to find out how customer loyalty is affected in terms of different segments and different types of possible price increases and reductions.

### **Some practical approaches**

Customer evaluation studies can sometimes serve to configure the pay and reward models for dealers and individual sellers. Expressions such as 'customer is king', 'ear to the ground', 'understanding your customers', 'customer driven organizations', 'total quality' and 'Total Quality Management' are often more or less supported and understood at different

levels within a company. The ‘customer as co-producer’ may be associated with some ‘fads’ and/or methods:

- ‘Concurrent engineering’ is a concept that ensures that new products reach the market quickly. It involves all functional business and often also suppliers and customers as the parallel development assistant.
- ‘Service excellence’ puts emphasis on the staff’s efforts as a necessary condition for a customer to feel satisfied. The goal is to meet or even exceed a customer’s needs, increase employee productivity and efficiency, outsmart the competition, charge leader prices and increase market share or profit margins.
- SLA (Service Level Analysis) is a methodology to help organizations to rationally evaluate the value of their service, seen from both a customer and supplier perspective. The idea is that an efficient service creates greater value for shareholders and facilitates the entire work of the organization. The method focuses on services rather than users’ documents and assesses service needs along with perceived service value.

All these methods are part of the effort to increase customer satisfaction and thereby create greater loyalty. It is an important process because it eventually leads to a reduction in ‘market push’ costs. When customers and producers are more closely connected with each other then a reduction in administrative costs also occurs. This fact is illustrated in Figure 3.3.

If the communication between the company and its customers is carried out in the usual way, according to the value chain, integrating large parts of the two organizations could lead to gains for both entities (Wikstrom, 1996). It is not just about creating value for customers, as it becomes a question of creating value with customers. In this instance, ‘business’ has probably something to learn from ‘football’.

Allowing the customer to be involved in this process is also an approach that is aligned with the general development of the society.

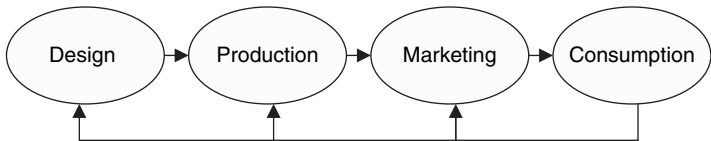


Figure 3.3 Sequential business–customer relationships

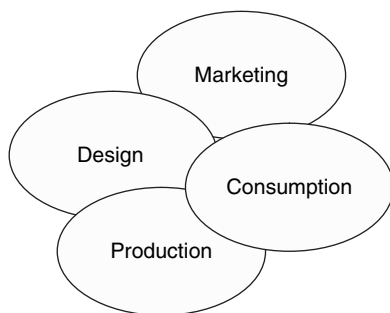


Figure 3.4 The relationship between companies and customers as a simultaneous and interactive process

Today, consumers are not necessarily looking to satisfy immediate needs. Instead, they are associating themselves with brands; they choose to consume with it the conscious purpose of creating a lifestyle, an attractive personality and a healthy environment. The choice, as mentioned earlier, to raise their status, receives some form of return on the basis of principles (Firat and Venkatesh, 1995). The relationship between companies and customers as illustrated above in Figure 3.4 appears to be most developed in football since the production of the game is done by a simultaneous and interactive process between audience and players.

### **Lifestyle – today's and tomorrow's customers**

'You should never take emotions out of sport. But neither should you act in a way that raises them towards the boiling point', Mark Hughes the coach of Manchester City said after an incident when two players had bumped into each other.<sup>9</sup> Since it is important for today's customers to develop a lifestyle we shall therefore closely examine contemporary lifestyle factors; time, the media, change and information management in this section. An address list or a mailing list and age are factors that remain constant. But how one views the current conditions, how the individual chooses among different sources of information, the manner in which one perceives the change – all of these influential factors are fluid and individualistic (Wacker and Taylor, 2000).

The old determinants concerning lifestyles of current and future customers have the advantage of being real. When the environment changes and affects human behavior it in turn leads to changes in consumption patterns. This process carries a high degree of predictability.

For example, when the income of a household increases from US\$200,000 to US\$300,000 per year it also signals an increase in consumption. Fifty-year-olds prefer what the thirty-year-olds have rejected. It is not always easy to figure out these patterns, but they repeat themselves. There is loyalty: to family, work, age group and also to the lifestyle. Everything works as long as the changes occur slowly and constantly, because loyalty is a function of slow acceleration and low-speed change. As rapid change occurs, loyalties also get affected and it is extremely difficult to predict the patterns.<sup>10</sup>

One factor that has changed the personal orientation towards the use of time is the attitude towards death. As baby boomers get old, it becomes extremely important for marketers and producers to be aware of people's orientation towards the use of time. For example, young people today change jobs more frequently than before, and work for many is simply 'mandatory' in order to have fun in their free time. A second, and much more important factor relates to the personal orientation toward the media. People choose to embrace information that reinforces their own beliefs, or they can revel in all the various information flows in the media noise (Strannegård, 2002). The path they choose will inevitably affect their world view. In an era where we are constantly bombarded by new information, it becomes important to determine what is essential – this is very important in football as it creates discussion, interest and the potential outcome. Equally central to people's individual attitudes and behavior toward the media is the opportunity and the ability to manipulate the media. Further development of the individual's attitudes to change becomes very significant in a period characterized by acceleration. It becomes a personal choice and a lifestyle matter if you agree to be involved in a particular situation, swimming with the stream, against the stream or just watching from the sideline. Here the opinion leaders play an important role. Finally, it is also important to note that the 80s generation, and even younger people, have a need for mobile phones. They have never lived without things like answering machines, pagers and cell phones. Like life itself, the new lifestyle factors are based on situations. None of these factors are based on loyalty, because the future is not based on loyalty. In a world of ever-impending changes no computer can last forever, and little or no relationship is binding. It appears that the two main predictions for what will bring success in the workplace of the future is the ability to 'multiply yourself', a constant recreation depending on what the situation requires. This has been called 'philosophical capacity' – the ability to adapt instantly to many different types of relationships and to move freely between different cultures.

Situation-specific lifestyles are also defined in the market in the manner described above. The producer must adapt the product for the situation aligned with consumer needs: transactions must be tailored to specific situations.

## **Communications with opinion formers**

We learned previously that opinion leaders can have a major impact on people's lifestyles. What distinguishes public opinion leaders from ordinary people is that they are actively looking for a lot of information, which is processed and passed on to others. The leaders want to be different and the mass audience consciously, or unconsciously, makes the purchase decisions.

It is not unusual that better-known football journalists or newspapers in the UK and in Sweden start campaigns directed against some football actors. For example, during the qualification rounds before the World Cup in South Africa 2010 when the Swedish national team failed to qualify, suddenly the entire Swedish population wanted the coach Lars Lagerbäck to be fired, despite his very successful coaching over a decade when he managed to bring the national team to qualification and to big tournaments.<sup>11</sup>

Within each market, these smaller target markets with opinion leaders influence other individuals in the larger market. The communication process here is complex, multi-staged and multi-directional, as opinion leaders are talking to each other and with their followers. Successors in turn are also talking with each other and eventually provide feedback to opinion leaders. The difficulty here is to get the leaders to maintain their interest in a trademark such as a football club, when the majority begins to use the same products. For when the opinion-leaders stop buying, products sales drop.<sup>12</sup> It may appear that the football clubs as 'product' are better protected than ordinary companies because they have a higher loyalty among many customers. But if football clubs and companies are to maintain their credibility, they need to communicate specifically with these opinion leaders (e.g. through events/internet/advertising/sponsorship) and also communicate with the masses through other media channels. The messages can be different to suit both groups.

## **The case of the microwave or the iPad**

We will here illustrate how easily a now well-known product such as a microwave oven, has been identified by opinion leaders. The first customers that seek a product, such as microwave ovens, are open to new

kitchen equipment in general. They are willing to try something new, and are inclined to pursue new technologies. These initial buyers are called ‘early adopters’, or ‘opinion leaders’ and they are denoted by ‘O’ in Figure 3.5 below. Figures 3.6 and 3.7 sum up Lazarsfeld’s theory in which the entire marketplace is represented.<sup>13</sup> Notice how opinion leaders are irregularly scattered over the landscape.

It is obvious that the opinion leaders alone are not enough to develop the entire market, as they are numerically too few but are also very

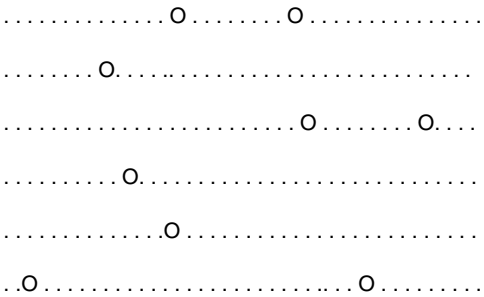


Figure 3.5 Early adopters—opinion leaders

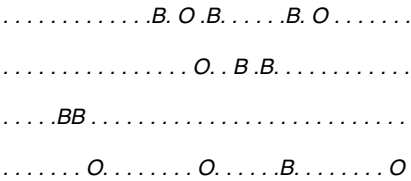


Figure 3.6 Opinion leaders are supported by the ‘confirmed’: a market takes shape

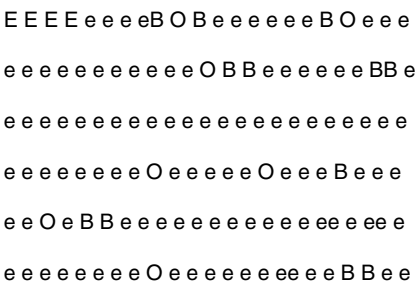


Figure 3.7 The market is growing in earnest with the help of ‘laggards’

demanding. They require a lot of information and are too eager to be first with the latest news. Satisfying this type of customer alone would lead to the creation of a resource but without hope of a reasonable return.

But they can, as the name suggests, work to bring other customers onto the same track as them. It is their word and discretion, their interpersonal communications, their e-mails, blogs and tweets that set an example. Their way of looking at and dealing with any product is the argument that affects a second group to embrace the phenomenon itself. This second group is called the 'confirmed' and is designated with 'B' in Figure 3.6.

Normally, opinion leaders know very well that they set the standards for other people. By setting the conditions for market building they are actually strengthening their own ego. Once the confirmed group gathers around opinion leaders then the market begins to take shape. In recent years, sport also seems to have embraced this approach. For example, the Swedish football clubs have a 'celebrity happenings' event in which celebrities act as opinion leaders for 'noncelebrities'.

Then the final stage of market development begins – the overall adoption. Opinion leaders are attracting 'confirmed' groups and these in turn begin to attract another group. This last group are the 'laggards' as mentioned in Figure 3.7. High technology exists in this mode, part of every person's property, and the product has a rapidly growing market to take care of.

The development may at first glance seem orderly and structured. But it is important to remember that the underlying mechanisms behind this scheme are chaotic, complex and unpredictable. It is possible to predict that 60 percent of the population will own a microwave oven ten years after its introduction in the market, depending on the social forces driving people to spend less time in the kitchen. However, it is not possible to predict with any certainty which those 60 percent of people are. It is determined only after a person goes out of the shop with a box under their arm. It is virtually impossible to make the forecasts which are so very important for manufacturers and marketers (Wacker and Taylor, 2000). The iPad's future must have been difficult to foresee but diffusion models like, the one used for the microwave, are still useful.

## **Conclusions and some thoughts on the future of stadium audiences**

Most companies realize that it is important to understand their customers if they want to overtake the competition. This is something that

football clubs should also absorb and, thus, carry out detailed studies on the audience and supporters. After that, the market can be segmented and marketing activities can be deployed where they are most effective. Enterprises can learn from the world of football; beginning with the audience's perspective, they can try to create the same feeling for the company that the audience has for their favorite team. The challenge is to create strong customer loyalty. This is a deep issue to study and a focus on people's emotions is required. Those who succeed will achieve a significantly higher competitiveness in the future.

A club that successfully attracts fans and audiences for their games eventually succeeds in attracting more supporters and spectators. More supporters and an enthusiastic audience enhance the quality and entertainment value of the match. If a home team wins more often it creates a larger audience with a good mood, which in turn attracts more people to the games and enhances the audience volume. It also makes it easier for websites to create a 'buzz' around the club to make it more attractive to prospective supporters. Here, multipliers have a big impact. Furthermore, a great club with many supporters finds it easier to attract sponsors, has more sales from merchandising, and becomes more attractive to the lucrative television market. This is important because, for many clubs, the revenue streams from television are much larger than the box office hits (Juventus is the box office, for example, with only 10 percent of total turnover) (Deloitte, 2004). This may be interesting from an audience perspective, if broadcasting companies advance into the football market and it becomes expensive to watch football.

In England the average audience decreased in the mid-90s after the BBC and Sky Sports together showed premiership matches on television. The clubs did not suffer huge financial losses despite lower ticket sales, which were balanced by media rights. However, it was interesting to see that the average audience for the traditional weekend matches was not reduced. Instead, it was the late weekday matches, which lost over 15 percent of the audience (Baimbridge, Cameron and Dawson, 1996). In Sweden, Canal + took over the broadcasting rights for the Allsvenskan. But the TV companies decided when games were to be broadcasted, and this may have had an impact on the audience averages. Matches late on weekday evenings are, of course, difficult for the away fans to visit. What happens when fans begin to perceive that their Sunday ritual has become a commodity? Maybe fans will then become 'real' consumers, and as such, they can easily switch to new products. Because if football becomes a commodity, it will experience a lifecycle, just like all other products (Croci and Ammirante, 1999).



The Italian football league is an indicator of where we might be headed if the *audience* and the *direct experience* are not taken into account. Broadcasters are becoming aware that Italian clubs' high ticket prices have had an effect. Attendance has fallen dramatically in recent years and in a country where football is said to be bigger than religion, this is remarkable. Supporters across the country rage about the high ticket prices and the broadcaster Sky is singled out as a scapegoat in sarcastic messages displayed on banners in stadiums. Another dilemma is that it is very difficult to watch live games because the majority of the audience is hardcore and violent. The general mood has changed and this, in turn, has a direct effect on the audience.

The message is: small audiences have a *direct experience*, which leads to a lower *indirect experience* (because there are fewer spectators in the stands). This has as a domino effect and there is less interest from advertisers and sponsors, which leads to less interest from the media to broadcast the match.

This chapter has been concerned with square (1) in the four-field model that I proposed in Chapter 2, *During the match/off the field*. All the football clubs, regardless of their size, have one common similarity: a loyal fan base. The fans support their respective clubs regardless of the outcome of games or club standings. The loyalty of a fan towards a particular club runs deep and, in many cases, is the result of family association. For example, if a particular family in England supports Arsenal, the next generation of that family will also support Arsenal. Fanatic fans constitute a huge asset. 'Our customers are our fans and they distribute our message' is an argument seldom heard in the business boardroom. IKEA is one exception with its claim, 'For the wise and not for the rich.' Football clubs have created strong emotional relations because they nurture their fan bases. Who is a fan of a compressor from Atlas Copco or a marine diesel engine produced by Wärtsilä? How can their fans be identified? There are very few corporations that have managed to create a fan universe. An excellent exception is Apple who is really able to claim many Apple-fans in their community.

Bigger sports generate bigger emotions. The audiences in the soccer arena are huge. But with crowd participation we would in huge American venues at American football games attracting around 80,000 people. Few, very few, go to a game and quietly and objectively scrutinize the happenings on the pitch. The audience is biased and the collective context increases the degree of emotion. So what is the secret formula that ensures fans remain loyal and continue to support their respective club rather than switching loyalties? The answers are rather simple: a strong

brand image linked with the performance of a club and a history of winning titles.



Advancement in technology has opened up new avenues for marketing. For example, the website of a football club plays a vital role in relaying important information to the fans. Football clubs use their website as a tool for communicating club standings and statistics about top performing players. Some leagues such as the English Premier League also provide consumers with the opportunity to purchase merchandize online, engage in discussions and access broadcasts (Beech, Chadwick and Tapp, 2000). Consequently, strong bonds with fans are created due to these technological advancements. This is an argument in support of Proposition 1. In sports it is 'direct' messages that matter while in business it is the partial branding that counts.

It is critical for a company's success that they develop and maintain good relations with customers. This also applies to football clubs. In this chapter we have identified four segments – temporary, local, dedicated and fanatical supporters – that could facilitate a club's own segmentation. Furthermore, it is also important to understand customers' lifestyles and communication with opinion leaders can facilitate marketing.

# 4

## The game is the product

Proposition 2 will discuss, how managerial efforts, off the field, between the matches, can and will affect the outcome of the game, 'During the match/on the field'. The match is the product, which is delivered by individuals that have to be well integrated to beat the competing team. Normally, a well thought through playing style, a good culture and a positive attitude are necessary elements to secure success. Without an advanced understanding of the conceptual 'scientific' framework and its practical implication the team will not win.

1 Atmosphere	2 Match 
4 Management 	3 Coaching

### Introduction to the game

Assuming that there are two different types of activities, the activity on the pitch (Science) – 'do things right' – and the activity off the pitch (Administration) 'doing the right things', then it is the players on the pitch that produce the 'physical service' (Science), while off the pitch it is the Administration that produces the 'intellectual service'. On the pitch the team is performing a 'playing style' and off the pitch the Administration performs a 'thought style'. The interface between these activities presents the challenge to success for football clubs. 'Science' shall have the ultimate power.

The 'match' is an event (see (f) in Chapter 3's value captures), which means many different things. How will the game be perceived by the spectators and provide the right mood? The experiences are unique and very varied in football. A new Volvo car owner is satisfied in a different

way to the neighbor who is experiencing their fifth Volvo car purchase. Different users have different views of the new power plants supplied by ABB. The experience can certainly be perceived in different ways. It is important to note that while experience is created (it must be produced and delivered), the players of a football club prepare and develop their products and services.

It is not obvious what the status of a product is within the 'entertainment' sphere because different types of products and services are consumed simultaneously and their parts are difficult to discern as they are entangled and embedded with each other. The experiences of individual consumers vary. Psychologists believe that the five senses – sight, hearing, taste, smell and touch – are important variables for describing and explaining experiences. The big worry is that no systematic attempt to operationalize the variables and to validate the measurements has been made.

A soccer club sells its product: the 'match'. For many, the perception of the product is constantly changing, i.e. the perception of a fan is different before, during and after the match. What should marketers prioritize? In this book, the product is often just 'match' or the game. But even the players' dribbling is typical of the 'entertainment economy'. This chapter is therefore based more on description, variation, and providing relevant examples, rather than prediction and prescription.

In chapter 1.3 we discussed the different characteristics of three separate 'industries':

1. **Production:** this type of activity concerns the manufacturing of tangible products, which can be stored or made to order. Examples also may include service contracts or warranties stipulating that the delivered product performs according to given specifications, for instance, a mobile phone and its warranty. One tangible element in soccer is the arena/stadium (value capture (f)).
2. **Service:** this type of activity is generated and delivered simultaneously like cleaning, education and legal services. The quality of service is important and can often be analyzed as a series of events, which strengthen or weaken the reputation, the Brand.
3. **The experience industry:** this type of activity provides an adventure, an 'experience', which is characterized by the bounce/oscillation between the provider and recipient. For example. when a football player dribbles off an opponent, he hears the audience (or recipient of service) scream with joy. The player becomes bolder and tries the next time to dribble away two or three opponents and the crowd screams even more. This is a typical example of 'experience oscillation'.

There are two intertwined phases in all matches. One is when 'the ball is in play, namely the ball is rolling'. The second phase is when the event unfolds and the game is broken off. Statistically, the ball is in play or moving on average for about 45–60 minutes of the match. The second phase has become more important recently and focuses on the preparation of 'permanent or fixed situations'. These permanent situations are five in number: penalty, free kick, corner, throw-in and kick-off. If the ball lands between the poles, the audience will react immediately. The company can use the metaphor 'We have a penalty' to demonstrate their temporary advantage. These benefits are then mobilized with the help of the best player on the field who is most likely to get the ball into the goal. During the FIFA World Cup and in other major championship games, the final decisions often take place via the penalty kicks. There is immense pressure on the nerves of the penalty taker, but goalkeepers undergo even greater pressure. The principles are the same regarding 'free kicks', which can be taken from various sections of the field. Different players possess different skills. Some are good at shooting while others are experts in 'swinging' the ball away from the goalkeeper in different directions. The coach, the captain and team members know who is the most capable at a certain point on the pitch for their own team. Kim Källström (a Swedish midfielder) missed late penalties in the first match of the World Cup qualifiers during 2009, when Sweden lost against Denmark. The Swedish coach at that time, Lars Lagerbäck received a lot of criticism for appointing (or accepting) Källström as penalty taker given the fact that Zlatan was primed to be the penalty executer. Football requires considerable knowledge of players' abilities and a lot of training to put into practice special skills for all players to execute their roles in each of the different kicks. The team (value capture (a)) must function well.

In addition, there are free kicks and corner throws. But the free kick near the penalty area is often most critical. Today about 30 percent of all goals are preceded by and are the result of 'set pieces' from fixed situations.

## **Administration versus Science**

Administration in this framework is the combination of square (1) and square (4) in the four-field model. While Science, which takes place on the field, includes square (2) – Match and (3) Coaching. We earlier defined the football package, which is framed differently depending on who is viewing the match. As such, 'Football is not one single product, service or entertainment that a football club offers. We can consider

the following possible ‘offerings’, termed ‘value captures’: (a) team; (b) sporting competitions; (c) club; (d) players; (e) football services; (f) event, facilities and arena; (g) merchandise, and (h) other commercial activities (Dolles and Söderman, 2012)’. The arrows in Figure 4.1 indicate that all value offerings are interlinked and might also be considered as bundles of a club’s value captures.

But square (4), Management, will also imply three different business models in our framework. We will use the terminology of the value capture approach as shown in Figure 4.1.

Each team should have a *methodology of play*. While companies have methodologies, often referred to as strategies, business can also be said to have a style of play. Corporate style and strategy are business concepts. All these are summarized in the word ‘playing style’ in football.

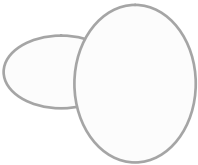
A business model is a plan (*ex ante*) and can be strengthened by adapting to the environment (*ex post*), but also by identifying actions

**Football Core – F Core:** the product can be the match produced by players and a team that constitutes the ‘software’



Players could be team (a), player (d) and the competitor could be other football teams.

**Business Core – B Core:** the more extended product such as the players, the team, the stadium (f), and retail (g) and (h).



**Contextual Core – C Core:** the club in the league extended core/conditional (b).

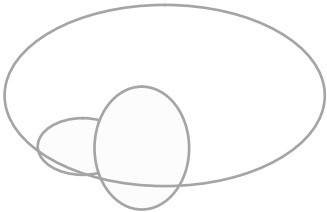


Figure 4.1    Three business models

and areas of improvement, such as branding methods, which will be discussed later in Chapter 7. Playing style is what is seen on the pitch. Which game system do the clubs use at the start of the match? Most clubs try to maintain their normal playing style during the home games, which links team (a) and stadium (f). Other clubs use a more defensive playing style during away games, however, by and large, the playing systems that clubs employ are dependent on the opponent. The most common team formation in the league games and probably in Europe in general is called the four-four-two (four defenders, four midfielders and two forwards). Customers believe that the team will play more enjoyable football by following this so-called 'Ajax model' (alluding to the Dutch club). The Swedish top team Djurgårdens (three times champion during the 2000s) switched from four-four-two to this new playing style. If the game system used by a club is successful; improvement in the results can be seen by the club's league table position. A club has to keep changing its formation to consistently win games and sometimes clubs change formations in every game played in the league to adapt to the different situations. During the 2004 season, AIK seemed to have this problem. Club management wanted the team to play in a four-three-three formation, but Richard Money who was the coach at the start of the season resigned because he was more acquainted with the four-four-two playing style and did not believe in using the four-three-three formation. New coach Patrick Englund tried to lead the team, but had problems getting players to perform consistently in the new systems. From Englund's point of view, this was a 'fad' a style that he did not believe in; he wanted to follow *his* 'method'. At last Englund modified the team back to four-four-two, which did not help much because the team was eliminated from the Allsvenskan. No need for further evidence of the same mechanism.

A footballer is often said to handle the following four methods:

1. running and challenging the opponent at every point;
2. running in order to mark the opponents;
3. running to maintain the formation of the team;
4. passing the ball.

The first three methods require physical strength and endurance, while the fourth method requires player intelligence. Being able to 'handle the ball' and to 'be mobile' are two key abilities.

The corporate world does not give its employees nearly as much attention as top footballers. Moody and other evaluating authorities evaluate

both companies and nations, while FIFA evaluates and classifies both football teams and national squads.

## **Player and coach are the products**

One can discuss game ideas and styles of play forever, but it's imperative for a football team to have good players individually, too.

Wayne Rooney and Alex Ferguson have had differences on several occasions. On one occasion in 2010, Wayne Rooney's agent informed Manchester United that he intended to quit the team and this incident happened because of an argument over an ankle injury. Ferguson insisted that he had never had an argument with Rooney and that he had suffered an ankle injury against Rangers in September. Rooney denied having an ankle injury. Finally the club managed to retain Rooney after re-negotiating his contract and in a dramatic turn of events Rooney signed a new contract with United for another five years.<sup>1</sup>

On another occasion during 2011, Wayne Rooney was dropped from the United team playing against Blackburn Rovers after he partied on New Year's Eve. The reason for this action according to the manager was that he performed badly in training after a night out. Rooney was not too happy with the decision of the manager; however, this time there was no direct conflict (Nsubuga, 2012).

The upper right square in the four-field model, 'during the match', refers to the exposure of the 'product'. Everything that happens in the other three squares influences the outcome of this square. Does the manager, team manager or the owner have a coach who can create a winning team? Have they bought the right players? Have you marketed the game properly so that there are many fans in the stands who support the team? If the club has handled the other three squares correctly then the team should walk out to the field and win games. The evidence suggests good 'stage setting', or what Karl Weick calls 'enactment', which is expected to lead to an event and various good experiences.<sup>2</sup>

The relationship between a player and the coach is critical in all top teams. Zlatan's relationship with Pep Guardiola is well known, and its deterioration was carefully documented in Zlatan's book (2011). Many incidents between Rooney and coach Ferguson are also indicated in the British media.

In this initial situation when Zlatan started to play for Inter, he soon realized that players from different nations stuck together during the training and in the dressing room. He approached the owner Moratti, who had complete authority over the team, and asked for a change in order to enable the creation of a winning team. Zlatan remembered his



home town Malmö and Rosengård, which served as a model for different nationalities – the Yugoslavians, the Turks, Arabs and the Somalians – to gather in one joint group. He also saw it in Ajax and in Juventus that when a team comes together, sits and dresses together, then the team performs better. In Inter it was the opposite since the Brazilians were sitting together in one corner, the Argentinians in another corner and the rest in the middle (here illustrated by a number of excerpts in an unauthorized translation from the Swedish text):

It was so superficial and lousy. It was primitive. They played football together but they lived in different worlds ... This drove me crazy ... I realized immediately that if we wanted to win the league then there must be a change ... What importance does it have with whom you have lunch? Believe me, it does play a very critical role. It affects the team morale. If you do not go and walk together off the pitch then you will notice it on the quality of the game ... It simply affects the motivation and team feeling ... In football these are small things and narrow margins which play a role. My first big challenge was to change the existing situation and it was not enough only to talk ... But the players did not change ... I went up to Moratti and told him that we must change these groupings ... Moratti had not understood how bad it was ... We shall be like one family, had always been a motto of his. ... He understood my reasoning and he went to the players and gave a speech ... Everybody glanced at me certainly. But the effect was positive. I went around and talked with everybody and we became step by step more integrated while we talked more and more with each other. (Ibrahimović and Lagercrantz, 2011)

Players are sometimes over utilized, like race horses owned by investors who only look to short-term profit. Another case from Zlatan's inside story is about how he views player exploitation. A footballer on his level is like an orange. The leaders – coaches and sport directors – squeeze out as much as possible from all of the players, even if they are injured. It was during Zlatan's time with Inter when Roberto Mancini was the coach and Inter was leading the league, but during the last matches Inter began losing points against rather weak teams. Inter played badly against Reggina but had to win. Zlatan had been on the bench for several matches and the Inter team had lost their morale. Zlatan was asked to play despite his injury and felt

hurting in my knee but I felt that the knee did not belong to me. The coach was massaging my legs. The leadership tries to squeeze

all liquids out of a top player until it is time to sell him ... It sounds brutal but that the way it is; it is a part of the game. The club owns us and we are not there to build up our health but to win the next match. (*Ibid.*)

He continues writing, saying that the doctors do not even know what position to take, since they are an element of the team and have a conflict of interest. 'The pressure is so big and often you want to play and not think of the consequences. Whom shall you listen to? The coach, the doctor or to yourself? This is like roulette you will bet and hope that you do not lose it all by not playing during the whole season' (*ibid.*).

To be successful in this case, it is essential that the amount of interest from sponsors and audience increases, which in turn generates money for the club. In the business world it can be stated that if the product is good then it will sell more. To replicate this statement in the case of a football club; it has to have the best team on the pitch (coach sensitivity is crucial here) and none of the key players should be injured. The form must also be good for the team to play winning football. All players on the pitch will possess tactics for the match and they should be trained on the right things. However, if a club does not win matches despite having the best players then it has to replace the coach with a new one or make minute changes in the squad to improve the team.

Following the initial discussions, we see that a definition of football as a product is not quite as easy to characterize. In this chapter however, the product is equal to the match. But the 'game' signifies several things. First, from a consumer's perspective it is an *individual experience*. Second, from a producer's perspective it is equal to *production*. Furthermore, the nature of the industry demands provision of *services* and to provide good services, which requires not only good *people*, but also a tactful *leadership style*.

## **Club, coach, owner and stadium**

Continuing Zlatan's story, Zlatan's desire to leave Juventus created a difficult situation in Italian football. Zlatan wanted to find another team since his team had been relegated and since the club's sport director Moggi had been put in jail. Zlatan wanted to play for Milan but they were focused on the Brazilian striker Kaka and Zlatan therefore preferred to move to Inter Milan.

But the negotiations were tough. Zlatan talked with Milan but only used Milan as leverage (*ibid.*). The agent's role in such a situation is

well known, as his job is to create an awkward situation for the buyer (I illustrate this with a number of excerpts in an unauthorized translation from the Swedish text.)

Mino, Zlatan's agent, phoned the owner of Inter Milan, Mr. Moratti, telling him that Zlatan was having a late dinner with Berlusconi at restaurant Giannino. Moratti then sent his sport director, Mr. Marco Branca, to the Zlatan's flat where Mino and Zlatan were residing. Mino's approach was to always get a push on the other party. 'That made the other party softened ...' It was always sums and telephone discussions around Mino, Zlatan remembers. Branca said to Zlatan 'Do you accept?' Zlatan checked with Mino who said 'Yes'. Branca was happy and immediately phoned Moratti and informed that Zlatan had accepted the Inter offer. (*Ibid.*)

The buying and selling of players can also cause problems on the field as well, as was the case for Nicolas Anelka when he played for Arsenal in England. He refused to play unless he was sold at the price the selling club wanted. Fans and sports pundits alike watched a power struggle between Wenger and Anelka, two Frenchmen in the British club. Wenger was disappointed with Anelka and punished him by not letting him play. With Anelka's departure Wenger did not want to lose twice – first because he lost a good player and must incorporate the style of play and tactics of another, and second because he lost money for the owner (*The Economist* print edition, 1999). A player can be compared to and be seen as a product – purchase-decision-making and sell-hold decisions.

Creating loyalty in Inter was possible since Zlatan was in direct contact with the owner Moratti. In Barcelona there is no distinct owner – the club is 'owned' by the club members – but the old chairman, Joan Laporta, who bought Zlatan and was responsible for the finances lost his position as chairman in the board of directors. The incoming successor experienced a strong negative balance sheet and his only tool was to decrease his cost side, which he did by forcing Guardiola to get rid of Ibrahimović. His method was the classic one in the football industry: place him on the bench and he will soon leave.

The relationship between a player and his coach is very important for some players; for example Zlatan writes in his book: 'the discussions never concerned my play, but always my style and me as a person, which created a catastrophic mood in the team. Was it something that I had done or said? I had mainly kept quiet and did not find any reason to be treated like that' (Ibrahimović and Lagercrantz, 2011). Zlatan

had scored five to six goals, but Guardiola did not react at all and did not give any feedback, always remaining silent. Guardiola was going to sabotage Barcelona's biggest investment in their history and the management became nervous.<sup>3</sup> Barcelona was approaching the Champion's League. Zlatan had a feeling that he would be kept out of the starting squad. In this unauthorized translation, Zlatan writes:

I did not get any directives before the match ... I had to think ways of what to do. I missed a few chances in the first half and I would be replaced in the interval. But I could continue and I scored twice and when we had two to zero then he took me out and in the last minutes Arsenal scored twice ... Nothing became better after that ... When I entered a room Guardiola went out ... Nobody understood what was going on. Perhaps he was afraid of losing his authority. I guess there are coaches who are excellent bosses but they cannot handle strong personalities. The way to manage is to freeze out such persons, such coaches are cowardly. (*Ibid.*)

The relationship between the coach and the owner might put the CEO in a squeezed situation.

What about a situation where the coach asks the owner for a new player or a substitute. Arsene Wenger has a strong voice, like Ferguson, but what is the rule? This instance can be compared to ABB, where plant management may want one extra robot for their factory, but who makes the decision? Or H&M, who is looking for another (sub) supplier; who takes the initiative and who decides? In football it is clear who decides:

A group of sweaty players sitting in the dressing room after playing ninety minutes of aggressive football led their team to victory. The trainer is satisfied with the two goals scored and with the players who, after many hours of training, finally managed to score through free kicks. The team starts to win games. When the coach thinks back to the team he took over eighteen months ago, he saw a very uncooperative crowd. Today, all the parts are blended into a whole. Some movement patterns must still be trained for the next game and movement must be improved for the team. In this way the team will have a chance to win the league, and are on the right track.

But playing styles affect the activities that occur off the field, between games differently. If a team loses game after game, the improvements can be made in the playing style, i.e. in core competencies or in the weekly training (Chapter 5), or in organizational design, the existing style and culture (Chapter 6). A company that changes an existing business or

develops a new business (like buying a series of expensive players/getting a new set of top employees or building a new arena/acquiring a new factory) consciously or unconsciously uses a concept to attempt to successfully implement a management concept. At this stage considerations like the different organizational arrangements of the management are required.

According to Steve Jobs' philosophy on 'whole product theory' you cannot successfully develop a technology product – a product that works well and lives up to expectations – unless the company that created the hardware also creates software (Elliot and Simon, 2011). I came to call his stance the 'whole product theory'. Similarly in football, the stadiums can be viewed as hardware and they can be linked to the software, which is in the form of games. Home stadiums are the homes of fan communities and groups of supporters.

### Business development, strategy, tactics and playing style

This book's message is that 90–95 percent of the entire implementation is composed of two major management activities. The two major activities include 'on-field' activities that occur during the matches, and 'off the field' activities that take place between matches. The activities organized and carried out between matches require an outside perspective and have additional factors that are critical to success on the pitch. Therefore, the four-field framework includes a square 'off the field/between matches' activities, i.e. square (4), called 'Management'. But football is a complex activity because it is 'Janus faced'. On one end it is 'production-driven', as discussed in this chapter, and on the other hand it is 'consumer driven', as discussed in the previous chapter. Figure 4.2 shows the 'stage setting', i.e. a match is started and played. It is an 'event' in which players are participating on the pitch. Along the sidelines are the players, coaches and the referees. They watch the match, they are 'consumers' and

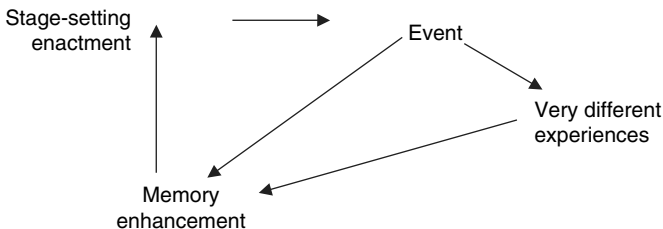


Figure 4.2 Some product concept elements

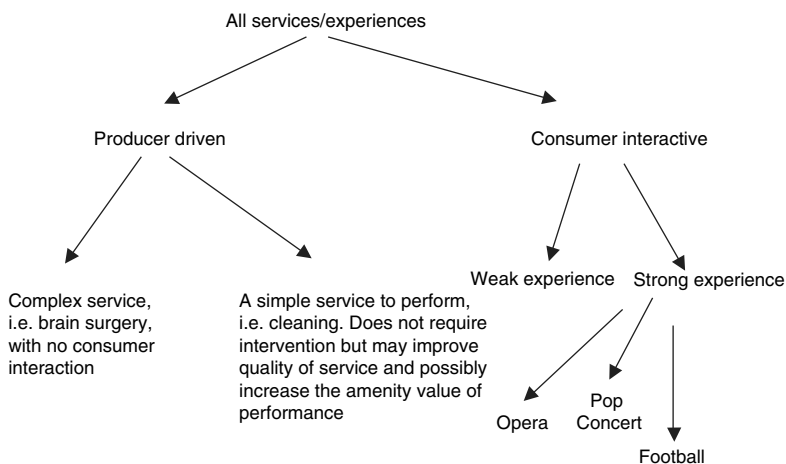


Figure 4.3 Strength of experience is a function of uncertainty

among them will be a variety of experiences, some weak, some strong. An attempt at modeling this situation is shown in Figure 4.3.

Furthermore, football with all its functions is similar to a service, and as a service it is produced and consumed simultaneously. But because the experience is special in football, it differs from traditional services. These services and experiences are outlined in the figure below. Producer-driven services are characterized by low interactivity, while the other kind of service is consumer interactive.

Football means that consumers must be active and contribute to the product itself. There is a strong element of uncertainty involved in football, where you never really know how a match will end. Football is also very special in the sense that every individual has different experiences and expectations of the match. These factors make football fascinating to so many people around the world.

If we return to the producer's perspective; the production requires a leader because the production system consists of people who must be controlled. Alex Ferguson summarizes the relationship between the coach, who in England is often called 'manager', and football in the following manner:

Nothing a manager does can guarantee greatness for a football club. But backing off from doing what he knows is necessary can make failure certain. There is little hope for anybody in my line of work

who tries to avoid taking action that will make his life uncomfortable. Whether it is replacing a popular player who is no longer fulfilling the requirements of his team or challenging boardroom policies that are blocking the road to success. (Ferguson, 2002: 409)

But why use a comparison between business and football? Team sports conditions are often similar to those within a company, with the difference that a football team can be less rigid and inflexible. A football team is not completely determined by its structure. It is easy to experiment with new lineups and respond to unexpected shifts in the opponents tactics. Unexpected shifts in the rules, when the referee is too hard or uneven, are also factors that influence a match, and this has its counterpart in business.

During the ninety minutes of a match, a football team knows if it has won or lost (Szymanski and Kuypers, 1999).<sup>4</sup> Match training is necessary to test players and lineups. Similarly, it is necessary to test new interventions against the market. Just as companies choose various ways to grow, a football team runs the ball in different ways to find a winning combination and captivate the audience. Beautiful football is based on adherence, assault and unexpected twists. Should a team smash its opponents' playing style and rhythm in a way that corresponds to business development and competitive strategy or should they play by their own terms by using the 'resource-based strategy'?

A business – one that does not require product development – can or should be sold, or a business area that is invested in might become the focus and base for the whole affair.

A share – the whole company listing – has a market value. If a player is bought or sold, his price is an expression of team's performance.

What can be learned from 'governance'? Who decides and when? In a professional football team, an owner's agent is active and operational. Purchases and sales of expensive footballers require constant involvement. A coach builds the team and formulates tactics and goals.

A common style of play is based precisely on 'exploiting opponents' weaknesses'.

This reasoning suggests the use of the competitors' 'weaknesses'. In football, you use this method to score the goal; in business to focus on competitors' weaknesses means to gain customers and market share.

Success in football just like business is synonymous with the 'playing resources'. National teams such as Germany, Italy, France and England have very different access to resources than, for example, Sweden, Finland

and Denmark. The 'business organization' is equal to the 'football club'. Football is also a competitive sport in which the law corresponds to the sales companies. The strategy can be seen as a 'corporate strategy', namely by focusing on what the starting point is for management. Business strategies consistently call this 'business development'. Alternatively speaking, use 'strategy' first and then 'tactics', and this equals 'business development'.

The logic of this latter approach is as Mintzberg puts it in his article in *Harvard Business Review*, 'tactics shape strategy' (Mintzberg, 1994). Alex Ferguson believes this partially by asserting that 'Tactics are all very well if they are successful' (Ferguson, 2002). The former French national team manager, Platini, since 2007 chairman of UEFA, often said that he would never dream of giving the national team players advice on how they would play. Perhaps Platini's style several years later had laid the foundations of the French squad's basic style: a very strong business/people profile (Platini, 1987).

A new type of weakness that surfaced during the World Cup final in 2006, however, became evident when the Italian player Materazzi insulted Zidane by referring to the latter's mother and sister and (probably) their Algerian origin. Zidane became enraged, lost control, and head butted Materazzi in the stomach and was sent off.<sup>5</sup> The French team not only lost its captain but also the match a few minutes later.

A playing style requires movement and knowledge of your own and the opponents' movements. In football, movement is very important. Teams having players with high mobility create the space to act and produce more opportunities. This leads to good football, something that perhaps is synonymous with the Brazilian national team. Experiences from the business world reveal that football is flexible in terms of production, and rotation among the staff is also a success factor. Additionally, it is important for teams to know where there are risks or opportunities; then accordingly the team puts itself in the right position to create opportunities. It is important to prevent the opponents, especially Brazil's Neymar, from gaining momentum that can be dangerous. Similarly, in the business world, we must not let the competitors grow and build up momentum. In that scenario, other companies will be seen as 'followers'.

Common wisdom states that the first customers and delivery packages have a strong impact on the future business development and direction. This direction should be assessed in the long term. Product development cannot be distinguished from market trends when markets evolve as the product evolves and adapts. Core competencies,



namely the existing skills and competencies, must also evolve with the industry and the growth of the business. In football, it means that the first playing style carves out the style for the next matches.

Most businesses start with a 'strategy' that is being expanded and put on paper in the form of a business plan. This plan usually includes a business model and defined objectives. The revenues and costs that will arise over the next six months to two years are calculated. A related example comes from the 2002 World Cup and one of its hosts, the Korean squad, who were very well prepared for the tournament.

The Koreans played forceful and attacking football. The players played in a three-four-three formation and made many long runs. Forwards also compared with and acted as first line of defence. Their style was to disturb the opponents at the front; it took a lot of hard work and required very good physical condition. Being in very good condition can be linked to good liquidity or solvency in the corporate world, where it is important to have a sufficient amount of capital in reserve for survival. For example, during the early years of the IT industry, many companies acquired others and took a huge loss on their balance sheets in the short term. Success required money in order to survive the wait for better days and profits. Thus, companies need to hone themselves in a manner just as football teams exploit good conditions for success.

Although the Korean team won many games it still struggled as a collective unit and, as such, the importance of individual players' actions cannot be easily dismissed. Guus Hiddink, the Korean coach, made a similar performance later by also bringing the Russian national team to the semi-finals of the European Championship 2008 with similar, fast, forward play. Likewise, in the company, the individual employee's behavior towards customers is quite important as more and more businesses are based on services and interactive services, not the ingenious product or company marketing skills. The staff side is associated with vision or mechanism, which underpins the strategy and should not be perceived as disparaging. On the contrary, it is for entrepreneurs, business architects or employee-based businesses, working day and night to turn vision into reality.

## **Choosing the right people with the right mindset**

An often discussed issue is how great players become, or fail to become, great managers. Bolchover and Brady (2002: 30–1) refer to the legendary Stanley Matthews who eventually retired from football and had a short-lived job as manager of Port Vale, the club he had first played for.

One player observed that when he was unable to perform a particular technique, Matthews would step in and demonstrate, perfectly, the required technique. 'That is what I want. Now you do it', he would demand. He simply could not understand or empathize with the plight of less talented individuals. Perhaps such professionals have the right mindset, but lack ability or necessary pedagogical competences.

It is very important to have the right people at the right place even in football, as players produce the service/game. Choosing the right people is a matter of 'mind set' (Gosling and Mintzberg, 2003). It is a question of how the 'manager' leads the team and further details are mentioned in Chapter 6. But this reasoning is also suitable when the 'product', which is the 'match', is best represented by the player. A player who performs well is always desirable. An old Chinese saying of Lao-Tzu, 'Knowing others is intelligence; knowing yourself is true wisdom' fits this reasoning perfectly.

External successions are generally prescribed as a remedy for company difficulties. When drastic changes are required an external manager appears more promising because he or she is not bound by old policies and the implicit contracts of the firm. An external succession can enrich the company with what it needs most – new perspective, fresh ideas and decisive actions. However, when radical change is required, even suitable external alternatives are difficult to find. There are many examples of football clubs and business entities facing management problems. The normal practice is to replace the existing manager(s) with new ones in order to benefit from a new perspective and revitalize the employees. In 2003, FC Barcelona was facing turbulent times; the club was not performing well and the management was unpopular. Since its members own the club, elections were held and a new club president, Joan Laporta, was given the responsibility of getting the team back to winning ways. Laporta hired Frank Rijkaard who was a legendary player, but had limited coaching experience. The new coach immediately started rebuilding the team by getting new players both from the club's youth system and from outside (Soriano, 2011: 94–115). After a poor run of initial results the fans were skeptical about Rijkaard's management acumen. However, after a while the club went back to its winning ways and Rijkaard became extremely popular among the fans.

Similarly, IBM hired a total outsider, Lou Gerstner, during April 1993. Gerstner was a nontechnical person who was the chief executive of RJR Nabisco prior to joining IBM. During this time, IBM was facing financial difficulties and Gerstner wanted to make the company profitable again. He cut billions in expenses and raised capital by selling assets.

He mentions that 'very few people knew how close the firm was to running out of cash'. He halted the plan to break up the company into different operating units. The purpose of this decision was to deliver top to bottom technology solutions ranging from hardware to services and software. He had decided that the entire IBM was greater than the sum of its parts. He witnessed many divisions competing against each other internally and in the field. Gerstner and his advisors decided to align the employee compensation to the whole company rather than the one division the employee worked on. This action prompted the employees to cooperate on better levels for mutual benefit (DiCarlo, 2002).

According to many authors, it makes a big difference if an employee has worked for businesses in the 'electronic elite' or not. The traditional 'mind set' of working in ordinary companies, where the show is dominated by the governance approach, views an enterprise as a battleground. The electronic elite team is instead 'ecosystem influenced' (Scammell, 2004). Some people simply see the world differently, more as a harmonious system than as an arena of struggle for victory. This would therefore be a criterion or a characteristic that is important when you are in the process of selecting employees. Companies need to make sure that they select the type of person whose *mind set* they believe would work best in their own company. It is the industry that decides and football is the industry of the clubs.

When a coach is looking for the best players for each position in the lineup, it may interfere with assembling a successful team as a whole. Tommy Svensson, the former national coach of the Swedish team that won the bronze medal in the World Cup in 1994, realized that Sweden could only perform well on a collectivist team spirit. It was Tomas Brolin who dared violate the coach's power and communicate the view of the players.

Furthermore, Sven-Göran Eriksson as the new manager of a major project, which was to take the English national team through World Cup qualifying matches, began with the help of his colleague, Tord Grip, to recruit players with different abilities required for the organization. By talking to managers about players in the Premier League, Eriksson had an idea of how the players acted as resources in the current situation. Like a 'headhunter', Eriksson was looking right at the best in the industry without threatening the existing code of conduct. This course differs from traditional 'headhunting' among businesses; the company may lose the skillful resources it trained, which is comparable to football clubs trading players. Eriksson's choice fell on a mix of highly experienced mentors/players and fresh new talent. As Manchester United is one

of the Premier League's better teams, it was also no surprise that most players were identified from its first squad. But even players from less successful teams were picked up, including a then thirty-one-year-old defender, Chris Powell, from Charlton. Powell, a previously unknown player, was a success, a good grade on Eriksson's ability for successful talent identification. Peter Crouch and Aaron Lennon were two unknown players who came to play prominent roles during the World Cup in Germany; this was typical Eriksson management style.

Finding promising or complete players/co-workers and to manage them is an art in both football and business world. Steve Jobs, CEO and founder of Apple, said before his death that it took him half of his life to realize the importance of talented employees:

The number of people I get to interact with in this company is probably about 50 on a regular basis. Maybe 100. And one of the things that I've always felt is that most things in life, if you get something twice as good as average you're doing phenomenally well. Usually the best is about 30% better than average. Two to one's a big delta. But what became really clear to me in my work life was that, for instance, [Steve] Woz[niak] was 25 to 50 times better than average. And I found that there were these incredibly great people at doing certain things, and you couldn't replace one of these people with 50 average people. They could just do stuff that no number of average people could do. So what I learned early on was that if you could assemble a team of these very high-performance people, extremely talented people, a few things happen: number one, unlike what you'd think, they actually all got along with each other. This whole *prima donna* thing turned out to be a myth with the very best people. Secondly, small and medium-sized teams of these people could accomplish extraordinary things and run circles around large teams of normal people. And so I have spent my work life trying to find and recruit and retain and work with these kinds of people. My #1 job here at Apple is to make sure that the top 100 people are A+ players. And everything else will take care of itself. If the top 50 people are right, it just cascades down throughout the whole organization. (Krantz, 1999)

A very hard working and talented person assembles small Mac screens fifty times faster than other employees. But the likelihood that such a person comes with brilliant ideas that drive the organization forward is also greater, and therefore such a person is much more valuable to the company.

Steve Jobs reveals that the top 25 percent of his working time is taken up by pure recruitment. This is not an unusual claim for US corporate leaders. The head of the Gillette consumer division admits that he dedicated 40 percent of his time in scouting talent. Computer company EMC's CEO dedicates 30 percent time to scouting talent. The problem is that Human Resources departments typically identify potential employees to fill specific job specifications, instead of doing the contrary: finding good people to fill in and form the right places. Globally, companies need to be able to exploit every talented person's true qualities for the right position. The football world had this problem earlier, but it was solved by the introduction of the 'libero' role. Players who have difficulty adapting to a specific location in the game system through this role can find an outlet for their creativity and skill, such as Ronaldinho, who was playing in his term at FC Barcelona. Perhaps businesses could learn something here by introducing such a 'libero' role for some exceptional people in the company. In this way skills can be taken advantage of, which would otherwise be lost because there are no suitable fixed positions within the company.

## **More on management**

### **Coaches and sport directors**

Core competence and ability are the key words in business and football. Some claim that Swedish management is more democratic and transparent than average, which creates a more motivated staff. Few academics have tried to characterize Swedish management style, like Julian Birkenshaw (at the London School of Business) on Nordic style and Nordic school of service. Leaders are coached by placing them at the equivalent of ice hockey farm clubs or in minor league affiliates. Experienced people can train themselves to make more functional analysis and take multi-functional decisions by working in small businesses. Large companies should have a cluster of smaller companies in which future leaders could train themselves, just as in sport. Nokia and HP are known for their hundreds of 'born globals' (Vapola, Tossavainen and Gabrielsson, 2006). But in practise, this is not the common situation even in large companies such as ABB and Volvo.

Another question is, 'How do you organize a manager's life in view of his own future?' Peter Drucker argued that, first, the individual must take more responsibility for his or her own future and not rely on the employer as before. The probability that large corporations remain intact in ten years' time is lower than the probability that they are fragmented.

Titles mean nothing; education is also no guarantee for a successful career. Entrepreneurs are often 'monomaniacs', while managers combine resources and can 'smell' business opportunities and effectively plan activities.

Furthermore, the number of executive directors in foreign markets is the key factor for a company's success, just like foreign players today are key factors for successful football teams. The development of global leaders must be an integral part of the company's long-term planning and thought styles (Söderman, 2002). Leaders' whose responsibilities cut across national borders are therefore important for the future (Franck and Kashani, 1999). As companies become global leaders they need to understand global business, operating effectively across cultural boundaries, and to balance the organization's integration with the response to local demand (Pucik, 1998). This means to take conscious steps to develop global-thinking future leaders who are experienced in introducing and pushing through competitive thought styles.

Developing leaders for this century requires a long-term approach; a truly integrated system of mechanisms that handle and provide the selection, training, overseas support, appropriate assessment and feedback, appropriate compensation packages, correct wage determination system and a well thought out process for repatriation. There is a very big gap between the facts and the desired results.

### **The only definition of a leader is somebody who has followers**

A good coach will take care of the players. For example, the Swedish soccer player Per Zetterberg at the age of seventeen moved to Belgium to play professional football. For two consecutive years he was elected Belgium's best player. One condition was that the young man was staying with deputy 'parents' who spoke a completely foreign language to him, but who were able to serve as his 'activity platform'. He learned quickly and developed a great loyalty to his club hosts. Per Zetterberg can be said to be a key person with the right attitude; a person who is worth investing in. It is said (June 2012) that the world player, Lionel Messi, at the age of twenty-four is residing with his mother and father in Barcelona.

Key individuals' dominant perception of the company's strategic position can be crucial to the creation of strong measures in order to influence organizational structures and control systems. But how is it possible to maintain the positive perception in front of key persons? Leadership is gaining acceptance by the employees and it develops as a dialogue.

A top management official said about the CEO of ABB: 'It was often I who spat ideas and he [Percy Barnevik] who evaluated them. His own

ideas and arguments were not very revolutionary. His strength was to analyze other those of other people.<sup>16</sup>

The common set of characteristics that key people possess, in addition to the ability to select employees, can be summarized as follows:

- they know their customers;
- they can balance customer value against resource input;
- they can understand their business and are able to control it;
- they are people who can maintain steady and rapid learning;
- they are able to spot business opportunities and are bold enough to take risks.

### **Measurement of the leader's performance**

The key is to properly evaluate the leader's performance. But is it possible to evaluate individuals in the same way as performance is measured in general (Eccles, Nohria and Berkley, 1992)? The creativity and motivation skills of a good leader are difficult to measure. A person who demonstrates unique qualities as a leader is Sven-Göran Eriksson. He introduced a new culture as football coach and proved extremely good at extracting the best performance from each player. This ability made it possible for Eriksson to create a team of superstars such as Salas, Veron and Mancini in Lazio. By highlighting each player's best aspects Eriksson created confidence among the players, not only in his abilities as a coach, but also among the players regarding their abilities. (Many British sports journalists perceived Eriksson very differently over the last few years as a coach of the English national squad. This is a manifestation of the exaggerated expectations on the English team, which may be understood in light of the football rules that were formulated in England during the second half of the 1800s.)

Another interesting trainer with his own ideas is, as already mentioned, Arsenal's Arsène Wenger. His main features was to create added value despite limited financial resources (Arsenal has a very strict salary system). He bought several players relatively cheaply and converted them into world-class players. Examples include Viera, Petit, Kanu, Ljungberg, Silvinho, Henry and Fabregas (Davies, 2000).

### **Can football learn from industry – selecting the right successor in the right phase?**

Proposition 5 states that good business management has something to teach football. But what is the advice in the situation when Mr Ferguson

of Manchester United resigns or is forced to step down? Should the Glazer family listen to the players, the fans or seek other counsel?

'When the big chair is vacant' it often poses critical problems. Service and entertainment are interaction-based businesses where people are the central focus. Having to go outside the enterprise to obtain a replacement for a top manager is perceived by many as a serious defeat.

It is not a good idea to appoint a crown princess/prince before the CEO herself/himself has left. The manager that makes it easily transforms into 'a lame duck'. A CEO at a major European bank recently had a problem when the time of his retirement came and his successor had to be chosen from a group of people all just under sixty years of age. Choosing one of them would mean that those who were not elected either would choose to leave the bank or serve their time until retirement without any inspiration. This is a dilemma that should have been anticipated earlier.

The legendary CEO, Roberto Goizueta, who led Coca-Cola for sixteen years, died before he appointed his successor, finance director, Mr Ivester. The latter predicted an annual volume growth of between 7 and 8 per cent and a rise in earnings of 15 to 20 percent. When Coca-Cola did not perform as anticipated, Mr Ivester had no antidote and shareholders got tired. He was soon thereafter replaced by Mr Daft, who had a leadership style that was completely different from his predecessor. Relaxed and fun loving, Daft showed evidence of determination when after six weeks he launched a plan to lay off 6,000 employees, accounting for nearly 20 percent of the workforce. In addition, he wrote down the bottling assets in Russia, the Baltic states and Japan with more than US\$6 billion. This led to the world's most famous brand company producing its first negative quarter in a decade (*Financial Times*, 2000).

An old lesson is, thus, that a top manager should not appoint his successor. Mr Ivester is not the only example of the failure of such a procedure. It was decided not to prolong Ulf Christer Nilsson's mandate as CEO of telecoms company, Ericsson, long before the shareholders pressed Lars Rahmqvist, who ousted Nilsson, to change leaders. A similar trend was also seen in ABB when Barnevik chose Lindahl. After that, the Swedish period as the head of the ABB organization was over.

### **How to fire managers who do not fit**

In sport, typically, volunteers are difficult to manage, but even more difficult to get rid of. Business leaders must always be provided with a time frame to deliver results and to succeed. Ulf Christer Nilsson was given less than three years as manager, which MIT's Rakesh Khurana claims



is average. But a honeymoon period of two to three years is typically followed by an equally long period of dangers. Can a manager tackle this difficult stretch of time, however well placed he is? The longer an underperforming CEO manages to retain his position, the more likely it is that he will be abruptly dismissed (*The Economist*, 1999). In the case of football, managers have less time to deliver. Comparatively, it can be said that a Premier League level manager has a fixed period of an average of thirty-nine months and the FTSE 100 CEOs have around forty-five months. Bridgewater reports (2010) that the average tenure for managers in the FA Premier League is reported to have decreased from about three years in 1992–1993 to less than one-and-a-half years in 2007–8. These are observations supported by Gammelsaeter, who claims that a chairman in a top Norwegian football club keeps his job about four years, a sport director about two years and the coach for only one year (Bolchover and Brady, 2002; Gammelsaeter, 2012).<sup>7</sup>

In football, it is often debated whether to sack the coach when things are going badly for the team. Although this is less common in Sweden compared to countries like England, it so happens that any coach each season may be dismissed. But research has shown that it appears to be a good idea, at least not in the short term, not to sack the coach during the season. On the contrary, a study of changing trends in the English leagues from 1973 to 2000 showed that the team that did not change coaches during the season performed more favorably during a three month period when compared with those who switched coaches. It was interesting that the results were similar in both cases where the coaches resigned voluntarily or were sacked (Dobson and Goddard, 2002). Similar results were revealed in an analysis of 12 years in the highest Dutch league, where the results indicated that when the coach had to stay for the remainder of the season, he had performed slightly better than his successor. Thus, there will be no ‘shock effect’ when a coach is sacked. Instead, it seems like sacking a coach during the season is an inefficient, ineffective and a costly way to use the coach as a scapegoat, and thereby to satisfy certain interest groups (Bruinshoofd and ter Weel, 2003).

## **The death of soccer or controlling players’ salaries**

The interdependence between ‘match’ and ‘management’ can easily be illustrated through player salaries. In the USA, franchise sports, primarily in basketball, salary caps have been introduced, but are not functioning very well. The management’s real problem boils down to how to get the economic equation in balance. A striking feature of football in Europe

and typically at Premier League level is the match day revenues. This affects the behavior of the management immediately. Rich UK clubs with up to forty well paid players on the salary list are under strong pressure to perform well. Poor Swedish clubs who do not have large revenues still feel pressure even if the amount of salaried players is not more than twenty. Pay–performance relationship is closer in the European soccer leagues than in the US Major Leagues according to Frick (2012: 3).

In the case of professional athletes an important source of uncertainty is just how productive the players will turn out to be. Another source of uncertainty for the players is the errors made by their head coaches in assessing performance, particularly in situations where precise measurement is either too costly or even impossible (*ibid.*) The constraint faced by professional teams in soccer, basketball, baseball, football and hockey is constant across clubs and is time invariant (if rule changes occur, all the clubs are affected in the same way). Moreover, the teams are identical in many ways: they produce an identical output, use the same units of skills, compete under the same rules, employ the same production function and share a common technology. More specifically, it is player quality on the one hand and the quality of managers and head coaches on the other that is crucial for the clubs' performance. First, the degree of interaction among player skills determines the nature of the production function. Since the production technology is not in addition, but complementary to input, the individual player's contribution to output (wins and/or revenues) cannot be measured accurately even though his 'productivity' (scoring and defensive behavior) can be easily assessed. Second, managers and head coaches share the responsibility for the coordination of player skills and the transformation of these into outputs. In the classical principal agent model, the principal (management) observes the output of the agent (the player) precisely, but cannot tell to what extent that output reflects effort (which reduces player utility) and random factors (which do not directly affect the player's utility). The question, whether and to what extent expenditures on playing talent – as measured by team wage bills – translate into playing success, is perhaps the one that has received most attention in the literature on the economics of professional team sports (Frick, 2012).<sup>8</sup> Players, coaches and managers do their job and entertain; the coach trains the squad and guides them during the matches, while the audiences are involved in the joint co-production process.

A recent topic was the pay and salary condition, referred to as the *corporate pay differentials*, which of course is a special problem because of globalization. Should there be a maximum wage, that is, a minimum

gap/distance between the top and bottom of the business pyramid? What about stocks, options and bonuses? During the winter of 1998, UK-listed companies worked with a simple and clear perception that no stock options nor any other long-term incentive benefits or incentive package would be offered. In the USA, the system of '*pay-specialists*' prevails. There is a reward package prevalent in the American business culture, and if you have a capable American at a key post then you must always pay for it. In March 1998, a debate was started in the Swedish press regarding the Pharmacia-Upjohn's CEO, Fred Hassan, and the pay conditions set by the Swedish government (which was the dominant owner), a phenomenon that will occur more frequently in the future. A Labor government, representing the second largest shareholder in one of the world's largest pharmaceutical companies, will find it difficult in front of voting citizens to defend Hassan's pay in millions and parachute agreements in US\$100 millions, as in line with their other policies. Whether Hassan may have had a similar agreement as his salary was market-based is just one of the key challenges the government needs to explain to the press and the public.

But what kind of skills are you looking for? Juan Rada, former president of IMI in Geneva and at IMD in Lausanne, argues that it is actually just about social vocational and technical skills, i.e. professional competence and management skills. Even Jan Carlzon, SAS chief over many eventful years, writes in his book *Riv pyramiderna* (1983) ('Tear down the pyramids'), that there is too much talk about social skills. Competence is the key word. But there is no universally accepted definition of this important phenomenon (Prahalad and Hamel, 1996). Where *Capability* means talent and ability, *Competence* in this book actually means knowledge or skill that you can use directly.

A new employee shall be construed to fit into the company's industry position and style in the same way as a new player in a football team should fit. The two Stockholm clubs AIK and Djurgården are very different. Djurgården's football team for decades was associated with tough players and the team was likened to 'iron stoves'. AIK's players on the other hand are called 'Tuxedo players' as they were very elegant and totally different from Djurgården's square players. Even though the playing styles are not that different any more, the label is still there.

## Conclusions on how all this affects the football reality

Players, coaches and managers are important to the football product and production. However, it should be noted that SIAR's founder, Eric

Rhenman, almost always spoke of an actor-oriented approach (Rhenman and Normann, 2001). This means that there can be a slew of different actors, including a person, president or management team, a board of directors or an individual owner, a professional, a part of the country or even a whole country. There are often dominant ideas or beliefs that govern their conduct, impact and learning.

### **Interface production – market**

All three big Stockholm clubs have won the Allsvenskan at least once during the last eleven years. Hammarby's rise and fall was maybe the most spectacular of them all. Knowing their customers was always essential for Hammarby in order to satisfy their audience at Söderstadion (South Stadium). The audience expects extraordinary improvisational skills from the players. The images of Nacka Skoglund and the Olsson brothers who, in the old days, made the fans excited in the stands are still there. As mentioned before, Rolf Zetterlund, for a period coach of Hammarby, built a winning team from scratch. He won with second rate players and he turned second rate players into first rate players. A very well-organized game was established and Hammarby began winning games consistently after a long wait. But there came a turning point when the old style of playing took over. The way of working off the pitch and on the pitch was not in line with the fundamental 'team values' anymore. Other teams took over and Zetterlund got replaced. Later, however, Soren Cratz built a better team and won the Swedish championship in 2001. Similarly, the British coach, Stuart Baxter, was introduced in AIK during the 1990s and he was accepted because of a successful playing method.

Intellectual capital and the inherited assets are stimulated by the legends. In football, for example, Gunnar Nordahl's success in Degerfors lives on as a model for contemporary players in this club.<sup>9</sup> The intellectual capital of the football clubs is associated with many such recollections.

Just as a football coach must take chances in developing the team (see (a) in value captures, Chapter 3) you need a CEO in order for a company to take risks in product development. A CEO's view on this issue is one of the most important factors for long-term business success (Kiernan, 1997). This does not mean that all the world's CEOs are thinking about how and when the next product has to be developed and launched. Developing new products is a costly and often risky process that in the short term dilutes a company's performance. This does not support top management's bonuses in shares or options. Yet it is crucial that the company dares to invest long term and take risks for the company's best

interests. It is important that he knows his customers and that he dares to bring out the best in each player.

### **The football setting**

Footballers ((d) in the value capture model) work best in distinctive contexts. See, for example, Per Zetterberg and his view of his role in Anderlecht and the Swedish national team. He later moved to Greece and then back to Belgium, and he is grateful for what the clubs (c) have done for him.

In the business context, one could imagine that the super talents are identified, developed and retained or sold. Patrick Viera, a French star professional born in 1973, has played for more than ten clubs during his years as a footballer between 2000 until his retirement in 2011.

The telecoms company Ericsson has identified and developed leaders in the same way as ABB, but these companies have not been able to manage their talent retention completely. Today individuals are increasingly tied to the employer through option agreements and the like. If a manager chooses to leave his position today, the company not only loses potential revenues but also a good human resource. It is, however, hard to make the claim that a huge company will definitely lose revenue in the short term. It may increase it as well. In the future Human Resource managers are becoming increasingly important people, with their more offensive roles within companies. The issue of insourcing and outsourcing, resembling the mechanism of buying and selling players in football, is further discussed in Chapter 7.

Every individual has to think and act based on his/her map of cognitive structure. Maps give meaning to events and leadership can be based on professional competence. But professional competence is no guarantee of good leadership. Many managers have been promoted and given more responsibilities because they did an excellent job in a specific area of expertise. But only a few of them manage to grow with the tasks. The important thing is to play all the roles and be flexible in all contexts.

Many managers are working amongst the rank and file and backed by the employees. Many managers are promoted from within, as such, and a greater importance is put on employees' working alongside one another in all aspects of production, so that when employees rise within an organization, they have a better understanding and appreciation for the process as well as relations with the workforce. Japan attaches great importance to such assistance. It specifies that a person cannot become president if he/she not been head of the largest production unit in terms of number of employees. Such a background provides necessary support that can shoot a good person up to higher positions. It is not enough to have

support only from the staff. To become a successful manager, a person must have the ability to work both upwards and downwards.

Individual capacity should therefore be combined with an ability to work as part of the team. It is evident, not least among football players who have to deal with individual moves, as well as subordination to the team's skill and rhythm. This skill requires extensive training. Some players are lazy and others do not need as much training to be on top. Regardless of the basic conditions it is the training between matches, which lays the foundation for success on the pitch. Many businesses find themselves in a situation where they need continuous training regardless of how well trained their staff are. This setting is often associated with management's attitude. Education and training costs money and requires time. It may seem a risky activity, but properly designed training is still necessary for a company to develop and be competitive.

Here is, for example, what the successful manager of Manchester United, Alex Ferguson, writes in his biography about the French professional player Eric Cantona's influence on the team and his approach to training:

On Saturday morning about 9.30, Brian Kidd came to my bedroom to tell me that Eric wanted to train. My Scottish suspicious nature made me ask myself why, but I told Kidd to let him get on with it and I remembered something Gerard Houllier had said to me about Cantona: He likes to train and also he needs to train hard. If that was the case he had come to the right club. As his team-mates were vanishing from the pitch at the Cliff, he approached me and asked if he could have the assistance of two players. What for? I asked. To practice, he replied. That took me aback. It was not exactly a standard request. I was naturally delighted to accede to Eric's wishes and quickly provided him with two players. Meanwhile, the players who had gone indoors at the Cliff were realizing that Cantona had not come back and not before long the tom-toms had told them why. At the end of the training that day, several of them hung around to join in the practice with Eric and it is now an integral part of our regime. Many people have justifiably acclaimed Cantona as a catalyst who had a crucial impact on our success while he was with the club but nothing he did in matches meant more than the way he opened my eyes to the indispensability of practice. (Ferguson, 2002: 327–8)

Practise makes players, and this is further elaborated in Chapter 5. Earlier literature has not developed the idea of delivering and consuming

a football 'product'. This recognizes that the product is a match or game. The game is created by the players who make up the team. The team is organized by one (or more) training sessions with the training needs of other players being satisfied if it is consistent with the owner's idea of the squad's scale and character. Moreover, to determine whether the financial ambitions (thought styles) are in line with the coach's purchasing needs (to create the desired playing styles) a number of different definitions and typologies of matches will be presented later in this book.

A coach needs to provide immediate responses and be a source of decision-making (Söderman, 2012). A team is very sensitive to changes. Suppose the competing team scores after twenty-five seconds or the 'libero' or another key player gets a red card directly, or the coach is sent up to the grandstand. Is instant adversity in football normally met with action? Obviously good teams have well-exercised alternative actions and playing models are implemented rapidly.

To replace a player during the match is a coach's crucial task, the coach being the sole actor with that power. But his decision is based on the playing styles well understood by all the players. One player or two players get a red card and the team reorganizes because they have limited resources. Or the competing team may start with a playing style, a strategic task (for example, a forceful forechecking) not known or not expected by the other team. Adaptation is essential. A new design is necessary and the team members are used to that. Anything can happen because the coach has prepared them for that. As there is a lot of uncertainty the reactions must be instant; the process is dynamic. Many corporations can learn from a well-trained team how to adapt their strategy as a reaction to a competitor's unexpected move.

Another dynamic example is the 'domino effect'. A well-played game is offered to the audience, i.e. an attractive entertainment, like a nice defense or an attack playing style that is appreciated. Sponsors discover such attention and a chain effect emerges. Other stakeholders might be interested and a sequence of actions occurs. This sequence can be foreseen, a scenario is formed, a package is constructed and a bundle is experienced.

A third football example: a match constitutes a massive event often attracting millions of spectators around the globe. On average, a Premier League Club has approximately thirty match days in one year (Computer Association, 2008). During this time frame, clubs must take measures to ensure profitability. Immediate response focuses on resource utilization and current allocations, which are two key strategies. If a football club

is playing in a prestigious competition such as the UEFA Champions League and it gets drawn to compete against another prominent club, several factors come into play. The football clubs reach out to their fans for support, which generates new sponsorship deals for this particular game. In addition, football organizations rely on advertising and social networking to ensure a sell-out crowd. All these activities require adequate planning and efficient resource utilization.

Fourth, this immediate responsive decision, seen as a resource allocation and utilization, is not only limited to the level of a football club, but it can also be the prerogative of the Football Association of a particular country. Professional football in England and Wales faced declining attendance and shrinking revenues approximately fifteen years ago. The football authorities solved this problem by creating a brand for top performing clubs called the Premier League. The clubs were told to improve the seating arrangements in their respective stadiums and a contract was made with a television network to air the Premier League games. As a result of these actions, there was a massive turnaround for the clubs, which skyrocketed attendances and resulted in a massive increase in profit.<sup>10</sup> Consequently, player wages and mobility, the commercial capacity of a player, also increased. Clubs focused on selling merchandise, i.e., club shirts, memorabilia and other accessories through their own branded outlets (Needle, 2010).<sup>11</sup>

Why is this agility typical of football? There is a trait to respond immediately based on two conditions. On one side the characteristics of the 'game' (admittedly peculiar to all team competitions) is to win based on the contender's actions. That is contagious in the whole club's style. The second trait is the ninety minutes rule. Everybody is trying to react quickly and in time.

In business, a mistake is not always treated with speed. There is no hurry, no time urgency, no ninety-minutes limit after which the match is over. A business seldom reorganizes its resources in a rapid way. Bad situations are simply accepted. When a management suddenly realizes that a significant reduction of staff has to be carried through then the consequence is a serious loss of good employees, but also a display of bad management. No scenario was dealt with in advance. A company such as this has rather waited until the succeeding quarterly report, seldom black box thinking (Rosenberg, 1982). Lessons are learnt on foot by developing alternative scenarios or virtuous circles and foreseeing adaptations in resource utilizations.

The business world can use resource utilization in a similar fashion. For example, unique events, conferences and trade shows will give businesses



an opportunity to continuously learn more about their customers' preferences, buying behavior and feedback (market research rather than resource allocation). Businesses and consumers participating in events also create a check and balance mechanism for businesses so that they can continuously improve their products/services.

On the recruitment of a player, a club makes a thorough scouting of his attributes, such as, speed, stamina, game understanding and leadership skills. Upon acquisition of a player there is usually a rapid judgment about whether the player was a good buy or not. Success or failure can be immediately observed. Similarly, football learns from industry leaders on the subject of appointments. Football clubs today are often comprised of former players at various positions, however, nothing says that a good player will make a good marketer. Nepotism or cronyism can be clearly seen in football. A successful manager must have qualities such as vision and holistic thinking, in addition to knowledge of football tactics. Managers can represent football expertise, and the manager is a unifying factor. But still there are problems and nonalignments between 'Administration' and 'Science'.

# 5

## Product development and training

Proposition 3 explains the processes related to ‘Between games/on the field’. The effects of the managerial activity in square (4) of the four-field model in Chapter 2 will directly affect the quality of the coaching activities, taking place in square (3). These mostly include elements of ‘doing the things right’. The game and training are linked in many ways. Developing approaches to recruit the best candidates for training and how to develop players are very important. Businesses can learn from football and also be taught good practises.

### Introduction

In this chapter we will address Proposition 3: the interdependence between squares (3) and (4). Players like Ronaldo or Rooney are role models for millions of football fans around the world. They are the most dominating and critical individuals in the club. Management represented in square (4) is seldom visible. Irrespective of their physical visibility, their decisions are quite visible and important, for example, decisions to buy and sell players.

1 Atmosphere	2 Match
4 Management ←	3 Coaching →

We have earlier concluded that the product in the football industry is the ‘match’ produced by players, while the entire team could be compared to a ‘software’ or Football core – F Core. Or put differently, the more extended product – called Business core – B Core – in Chapter 4,

consists of the players, team, stadium and retail offerings (implying own merchandizing outlets) including things like restaurants. Fans can even interact with players after the match before heading home. This is a complete experience also known as the additive approach (Vuorinen, Järvinen and Lehtinen, 1998).

Likewise, a third possible product definition is a club playing in the league that can be compared to an extended core. Premiere League (PL) with Manchester United related to Allsvenskan with Malmö FF. Some audiences prefer to watch a certain type of league rather than concentrating on a single team.

For the past few years, the phenomenon of Sky media has constituted a big revenue stream for the top British football teams. This source of earnings is seen as important asset by the British clubs as it constitutes about 30–40 percent of the club's total income. Therefore, it seems vital for the success of a British football club to have a beautiful playing style characterized by *cooperation* and creating a sense of community, since so much of their revenue is derived from indirect audiences all over the world via large screen television. In Sweden there is an opposite situation – no Sky Sports and no high media revenues (about 5–8 per cent only) – which yields little sense of community. This may be because the competitive driving forces are higher, strangely enough among the top clubs in Sweden. They do not have such a valuable joint asset money stream. Sky Sports generates a dominant revenue stream that is bigger than UEFA PL and therefore bigger than Bundesliga, than Liga A and Liga 1. In Scandinavia, the leagues do not have a common huge media platform and can be assumed to fight more for every score to win and therefore view their games with a stronger *competition*.

We discussed Eric Cantona's ambitious training with Ferguson in the previous chapter. To succeed in football, a well considered training procedure and method is required. Good players and good teams therefore often have a special approach to training. A similar approach is frequently lacking in many companies. Thus, Proposition 6 on F to B (Football to Business) is discussed in this chapter.

It is a fact that many well-trained players and teams have lost games to inferior teams. It may seem unfair, but this issue has been examined in systematic research. Roland Loy (2009),<sup>1</sup> a German soccer professor, argues that about half of all goals are explained by random factors such as the referee making a mistake or someone missing the ball or the ball hitting the knee of the player and a foul is given.<sup>2</sup> Perhaps, after all, Friedrich Nietzsche's words of wisdom 'No victor believes in chance' are wrong! Another writer presenting similar conclusions, who is not likely

to be wrong, is Ferran Soriano, the former vice-president of Barcelona FC. His book *Goal – The Ball Doesn't Go In By Chance* (2012), illustrates that skill and competence are the reasons for the success of that club.

This chapter explains how training is developed and implemented. 'Core competence' and the skills of various individuals are discussed further and this chapter describes what the role of the coach is, the player's ambition to train and his/her thought styles, and how the club acquires players. In addition, this chapter includes many illustrations depicting how business can learn from football. A strong support for Proposition 6 is presented.

Football is a service and service is mainly about humans or individuals. Richard Normann advocates that 'people businesses' are about three phases from the management's point of view: to recruit, to develop and, retain and finally to get rid of or wind up (Normann, 2001).

### **The three phases: to recruit, to develop and retain and to get rid of or wind up**

The match on the pitch is monitored by the coach. The coach recruits the players but never from scratch. There is a legacy, since there are existing players and there is an existing playing style. The coach is recruited by the CEO or the board of directors. And the board of directors is recruited/selected by the club members in most clubs in Europe. In a few cases there are shareholders, e.g. in the UK. The business model is crafted and executed by the CEO, often called the sport director. The training or coaching is organized by the coach.

#### **To recruit players – the first phase**

Most top clubs have their own talent scouts and network to search for new recruits. But in the following description we see the situation from a player's point of view. Zlatan Ibrahimović switched clubs from Malmö to Ajax, but he was afterwards very annoyed, as can be seen in his book (2011: 132–3). His monthly salary now became 160 thousand SEK (about €20,000), but Malmö FF received 85 million SEK (€10 million). Zlatan writes that initially he was happy, as his salary had increased by four times, but added that that he did not know whether this was the market's salary for him. He did not really understand that the main topic for Hasse Borg (who at that time was the agent for Zlatan and the representative for Malmö) was not interested in maximizing Zlatan's salary but in agreeing on a low salary to enable a high transfer sum. 'I was utilized in the strategic game when I saw that the price for me was

85 million Swedish crowns (the highest sum any player from Scandinavia been bought for). But I learned later that I had the lowest monthly salary on the Ajax team.'

Later this player tried to find an agent in Holland. He eventually found Mino Raiola who became his agent. But before that Zlatan had asked his friend Maxwell to find an agent who could help him away from Ajax. Mino Raiola possessed a tough behavioral style. He came from southern Italy, was self-made like Zlatan (Ibrahimović and Lagercrantz, 2011: 168–9). During the first meeting Raiola showed the scoring statistics on some players: Christian Vieri (twenty-seven matches, twenty-four goals), Filippo Inzaghi (twenty-five matches, twenty goals), David Trézéguet (twenty-four matches, twenty goals) and last Zlatan Ibrahimović (twenty-five matches, five goals). Raiola is recorded as saying, 'Do you think that I can sell you with these statistics?'

'You think that you are hefty guy do you? You think that you impress on me with your watch, your suit and your Porsche? Do you want to be the best player in the world or the one getting most money to be able to glide around and show off such things?'

'I will work with you,' Zlatan replied.

Raiola answered, 'Then you must do as I say. You shall sell your watches, your cars and start training three times as much because your statistics are rubbish.' (*Ibid.*: 199–200)

In modern business firms the Human Resources department takes the role of a 'business developer' and does not engage in a 'support function'. The developer function is, according to Dave Ulrich, ideally divided into four roles: as a business partner, as a change agent, as an administrative expert and as the voice of the employees versus the management (Ulrich, 2012).

Normally in other companies big and small there are HR departments that are responsible for ensuring that the organization has the right type of people and the right competences. They strive to build a culture so that everybody is moving in the right direction; they are responsible for a comprehensive and fair compensation system being in place and, finally, the HR department will assist in constructing a strong leadership.

But there are seldom any HR persons or HR departments in football. These organizations are simply too small, according to a study by Moore and Levermoore (2012).

Zlatan wanted to be the best and also play on the best team. A parallel can be made to business where young talents express their wishes

when entering the labor market. During the mid 1980s, most Swedish students wanted to start their careers at prestigious companies like Volvo and SKF. Then came a period when SAS and IKEA topped the list. In 2006 the following two options were very popular: (1) McKinsey, Accenture (formerly Andersen Consulting) or capital investment; (2) starting your own business or working in a small, happy web-based company. These options were unimaginable just fifteen years earlier.

### **To develop and retain players – the second phase**

This section contains ten corollary examples of the next phase:

1. *A-players want A-players.* Steve Jobs wanted to hire A-players because they take in A-players (Elliot and Simon, 2011). B-players take in B-players, C-players and D-players take in C- and D-players. But in football it is more difficult since a team needs an A-player when the criteria is to score. Another A-player is the 'libero' and the goalkeeper is also an A-player. How can an A-player suggest another A-player? Surely because he or she has earlier experience from him or her playing on another team.
2. *To develop people.* It is a problem for companies and for teams to deal with too many new employees/players. IKEA's former chief, Anders Moberg, emphasized that hiring many new employees at the same time was likely to cause problems regardless of whether they were talented or not since it is essential to stick to the original business idea of keeping prices low (playing style). The new employees must understand the business model or the playing style. It is too easy to slip and find new audiences in new, higher price ranges. In 1998, IKEA's operations made \$56 billion in sales, an annual growth of 20 percent and about 40,000 employees of whom 40 percent had worked for the company for less than two years. Today, both turnover and number of employees have doubled several times. Communicating culture thus becomes vitally important, but also a great challenge. This is the leaders' task.
3. *Read poetry.* A third dimension of developing people is about a problem with leadership training. It is nonsense, despite the existence of numerous programs and courses. All individuals have their own way of perceiving and learning leadership. To read novels, to read poetry, to see films and theatre, listen to opera, and react, copy and learn are the unbeatable methods to gain insights in leadership. Training in classrooms is functional but inferior to the approach of

reading and listening. This dimension does not include the 'Science' side of football but probably the 'Administration' side.

4. *Development is hindered by a coach with a leadership style that does not promote the development of some players.* Zlatan, still in Ajax, wanted to go on to develop and be understood as a player. It was initially a bad time for Zlatan. 'He is only a dribbler who danced out in Europe' is what the journalists were saying. The fans booed him and nothing happened. His motivation level went down and he ended up on the substitutes' bench. 'The coach Co Adrianse had a sort of dictatorship style, no smile, no gleam in his eye' (Ibrahimović and Lagercrantz 2011: 169). Then a change came and there was a new coach Ronald Koeman. Koeman brought Ruud Krol on board and Zlatan realized directly that they understood him better and he became hopeful of change.
5. *Development must be linked to getting players to feel comfortable in the situation.* After finding the right people it is also extremely important to retain them. How does this work in football? It's more about comradery, about 'the individual in the community' and the settlement of issues than about stock options and high salaries. But this applies to certain players only. Other players (or rather their agents) are looking to maximize their earnings and their transfer fees and calculate their lifetime income, during their (approximately) fifteen active years, which might be enough for life. However, common to all players as well as for employees in enterprises, it is important that they get a chance to develop themselves and meet new challenges.
6. *Own development.* But who has the responsibility to develop an employee or a player? Among other things, Drucker points out that good leaders take responsibility for their own development. A talented footballer can also be a good coach but a good team is required. A good accountant with significant management experience might consider opening his own firm after a while especially if he feels that he is not properly paid. This is, in fact, similar to a footballer changing football clubs. People who envision personal development also create opportunities to move forward professionally.
7. *Outsourcing to develop better.* Guidetti, a young Swedish player who used to play for Manchester City said that he learned a lot while there, but did not get a permanent place in the start-up squad. At present (June 2012) he is 'outsourced' and is now playing for Feyenoord. Goran Lindahl – former CEO of ABB – states that there are two ways to retain the best talent: the first being to provide them with real challenges and offer substantial participation. For example, Arsenal and

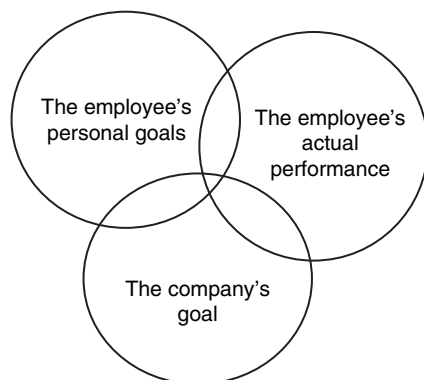


Figure 5.1 Many loyalties

their manager Wenger give young talents a chance to play top football and they reap the benefits of challenging players' development. The second is to test the employee by challenging his case and asking him or her to challenge the company's goals.

8. *Which players will be selected by the coach for development.* The attitude of players is everything according to the Swedish national coach, Hamrén. Thus, it is natural to recognize the most common conceptual apparatus in the field, illustrated through three concepts in Figure 5.1 that should be in deep harmony. The figure can be translated to the world of football and is valid for football teams. The player's own goal, the goal of the team and the player's actual performance should be aligned.
9. *Comparing with biotech industry.* A biotech project financed by a venture capital firm is expected to grow a lot in the coming years and might create several patents (a player will produce several goals) and at the end produce a large amount of money when finally developed. The project is sold – once or several times before – to another venture capital firm (another football club) and this is how the continuity is maintained.
10. *Forward by a system of sanctions.* In April 2000, AIK suspended Pontus Kåmark for a week. Management made this decision due to the lack of discipline showed by the player. Stuart Baxter, the coach of AIK during that period said that the decision was taken in view of the club's integrity. AIK's captain said in a radio interview after a match: 'We support the suspension completely. Kåmark has posed problems for a long time. The situation has been hard



since last winter. It is not because of one incident Kåmark been suspended. If Pontus is not satisfied with himself, he is not good for us. But a positive and forward-Pontus is a wonderful guy.' Even in football it is necessary for a player's goals, performance and attitude to match the team's goals. Ideally, there are situations when the employee or football player himself understands that the personal objectives are not consistent with the company or team.

### **To get rid of or wind up or to terminate the relation – the third phase**

The period of time after a career has ended is often the problem; few have forgotten Nacka Skoglund's tragic end. It is not entirely uncommon for football players at the elite level to remain in the football industry as a trainer, agent, commentator, expert or with a similar post-playing career. Klas Ingesson, former Italian football club Lecce's player, for example, helps his agency with advice for young players: 'When you come out in professional life, it is important to have someone you can call around the clock to get support, something agents do not always have time for. I have been with the porridge and should therefore be able to help with the football bit.' Most athletes also seem to have entrepreneurial ambitions which, in combination with reprocessed international contacts and perhaps leadership skills as captains, leads to the establishment of import and export activities. The former ice hockey player, Börje Salming, runs his own clothing brand, so do former footballers like Tomas Brodin and Martin Dahlin. Another long-term engagement is to bridge experience with active work as demonstrated by Zinedine Zidane when in 2004 he signed an eleven-year contract with Danone, the French multinational dairy/beverage company. Zidane works as an 'ambassador' in various projects relating to children and adolescents.<sup>3</sup>

### **The need to train**

An opponent defender misses the striker and there are only five meters left to move the ball. The striker must decide whether to shoot at goal or try to dribble off and beat the goalkeeper. Of course you do not have time to think and take a carefully considered decision in such a situation. This requires a basic instinct that will inform a good decision, followed by the instinct being replaced by preparation and training. On the field the same situation is repeated again and again. If the arrangement and implementation of training is effective then it will have a positive impact on the game. Once the team has rehearsed the right

situations enough times it will result in success on the pitch. These types of situations also exist in the business world. When negotiations are under way, money can be lost if the representatives are not properly prepared. Many football clubs are managed poorly as a result of bankruptcy or relegation to lower divisions (as in 2006, Örebro, Sweden and Juventus in Italy). In order to become coach at the first division a training license is required in both England and Sweden.<sup>4</sup> However there are no licenses for managing a football club.

The game and training are linked in several ways. David Beckham's fitness regime and ambition are described below and Cantona's case was reported in the previous chapter by Alex Ferguson. In Sweden, Hakan Mild is a very popular player off the pitch due to his positive attitude towards training. Mild became a very good partner for IFK Göteborg management, coaches and sports managers. He created a training culture which was widely accepted in the squad. Alex Ferguson stresses the importance of training and believes rehearsal is crucial for success:

Good coaching relies on repetition. Forget all the nonsense about altering training programs to keep players happy. The argument that they must be stimulated by constant variety may come across as progressive and enlightened but it is a dangerous evasion of priorities. In any physical activity, effective practice requires repeated execution of the skill involved. Why do you think the greatest Golfers who ever lived have devoted endless hours to striking the same shots over and over again? Yes, I know golf, where the ball always sits still to be struck, is so different from football that technical comparisons are foolish. But the link is the need to concentrate on refining technique to the point where difficult skills become a matter of habit. When footballers complain about the dullness of repetitive passing exercises it is usually not the monotony they resent but the hard work. David Beckham is Britain's finest striker of football not because of God-given talent but because he practices with a relentless application that the vast majority of less gifted players would not contemplate. Practice may not make you perfect but it will definitely respectively make you better and any player working with me on the training ground will hear me preach the virtues of repetition – repeatedly. (Ferguson, 2002: 137)

The English term 'training' used in this book has two aspects. It focuses on the effect of 'training' in football and the effect of 'training' on business and management situations. Is it worth spending money on training? What is more viable: individual training, packaged courses

or internal company-specific courses? It is difficult to answer these questions.

### **Exercise off the field**

Bengt Johansson, former coach of the Swedish handball squad, practiced a special technique where the players were heavily trained for difficult tournaments. The team usually experienced different types of cultural visits to foreign places. Johansson's idea was a completely different type of activity, akin to 'reading poetry'. Players would get to know each other off the field and begin to see each other through a different lens. The idea was that the players could interact and discuss things other than handball. To avoid the personal tension that can stress players during the games, a change of scenery would enable them to respect each other as individuals. Consequently, the team performs better as a unit, i.e. with a consequent exploitation of synergies and benefits. This situation is similar to the one facing a company that is preparing for upcoming battles to win contracts. In the case of the handball squad everything is well planned in advance, there is no lost time when the players have nothing to do. Johansson's preparation was meticulous. His tactics were described in a 'book' about 100 different styles of play, and he encouraged new players in the squad to read and learn from it. In fact, the older players who had played for a long period in the national handball team also wrote down their own special styles and the sequence of the game. This information gave a sense of superiority and security which was essential for the newer players to succeed. Within Swedish football and other sports there is much talk about the importance of building 'team spirit'. Perhaps it could be the Swedish model of football (Gammelsaeter *et al.*, 2011)!

### **Developing courageous leaders off the field**

Dutchman Guus Hiddink was the coach of the South Korean national team during the 2002 World Cup. He stressed that his main task just before important matches was to spread peace and teach players to enjoy the moment on the pitch. He introduced the same recipe at the next World Cup as the leader of the Australian national team. Analyzing this philosophy in a business context, it seems that there is a mantra in many companies where employees are also told to 'relax' and not strain themselves prior to important meetings. This may be the leader's main task off the field. Many prominent business schools use this philosophy to create more courageous and competent managers.

Ole Fogh Kirkeby is a lecturer at the Department of Leadership, Policy and Philosophy at Copenhagen Business School, and he believes that a leader, no matter what level he or she is on, must rest on a firm foundation of ethical values, precisely because personal courage becomes an increasingly important characteristic of good managers (Mintzberg, 2004). Today's leaders must not only demonstrate a good economic performance, but also need to be able to inspire their employees, empower their creativity, be more environmentally aware and ensure that their company and its products have a positive image. As Ole Fogh Kirkeby puts it, 'Similarly the middle managers can benefit greatly from a philosophical basis, because it makes it easier for them to stand for continuity.' To describe how a good leader should serve, Ole Fogh Kirkeby (2008) used six basic virtues of classical philosophy:

*Eubuli*: a sense of responsibility for the company, but also the wider community, in relation to sustainable development.

*Euphoria*: enthusiasm and the courage to stick to an ideas.

*Hypomone*: active patience and the ability to wait for the right moment.

*Prolepsis*: the ability to benefit from past experiences.

*Maieutics*: the ability to pick out the best in every employee and get the employees to stand on their own ideas.

*Epibole*: the courage to dare to trust your intuition, take chances and act quickly.

These same six virtues also apply to the skilled soccer leader regardless of his/her position as managing director, marketing manager or coach (Svensson, 1998).

## Some examples of education

Distance learning provides a solution for companies who intend to train their employees at a lower cost. It could for example mean that staff may have access to recorded video courses which the US Post Office, among others, made use of when their budgets were drastically reduced. But distance can also be overcome via the Internet, CD-ROMs, telephone and fax. In the multimedia age, the possibilities are endless. Bengt Johansson made use of videotapes for analysis of the team and its opponents.

The American Public Broadcasting Service (PBS), is one of the companies which opted to invest in various types of training after their state funds were drawn down and they had to become more self-sufficient.<sup>5</sup>

For even if the quality of education is likely to be somewhat lower, there is a strong interest among companies to invest in this type of training. With the help of the pre-recorded programs, they can have access to well-known lecturers whose services would have otherwise cost considerably more.

The obstacles to distance learning lie in both education's own limitations and in attitudes in the business sector. To train staff in new ways requires new ways of thinking and many still feel safest with the usual classroom courses (see Figure 5.2). Distance learning has the disadvantage that there is little opportunity for ongoing contact between students and teachers and hence there is no possibility to have direct face-to-face feedback (apart from via video conference). Another difficulty in this type of training is the lack of contact between the participants themselves. But with the help of new technology and the increasing demand for tailored distance learning courses there are still many advantages, especially if the providers of education inside the company choose to work with established colleges and universities. But football training in general can be said to be superior to the training/education provided by majority of the companies (*Financial Times*, 1980). The training methods of football clubs are more superior as they are carried out consistently on a daily basis.

Furthermore the Internet has influenced and facilitated training and development on a global basis. Distance learning grows and renews itself in the form of e-learning. Traditional universities have a monopoly, in most parts of Europe, and do not seem to be guided primarily by what clients/students are willing and able to learn. But universities are still role models for business. As companies grow their leadership philosophies also evolve. General Electric's John F. Welch Leadership Center at Crotonville works to enhance leadership values in and outside the company (Ghoshal and Bartlett, 1999).

	Tutorial	Teacher led
Online	Web-based learning	Virtual classroom
Offline	Computer-based learning	Traditional classroom

Figure 5.2 Learning online and offline

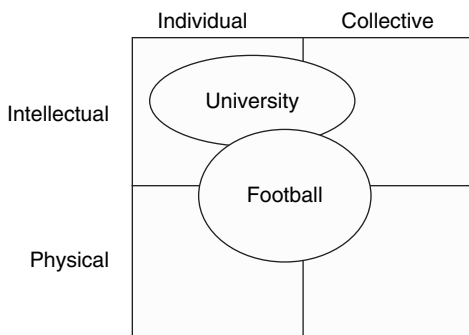


Figure 5.3 Intellectual and physical education

Companies and universities also have left the traditional teacher–classroom model. Rather, they work in several dimensions.

Education via the Internet or e-learning is expanding in the Swedish business environment. Conferences like Corporate University Week are a prominent example (2012). The possibilities are also big in football as computer simulated games can be used by a football player or a coach. A host of computer-based football games exist in the market today. In business, the training is aligned with the relevant areas of expertise and business games are also carried out to enhance the existing skills of the personnel. The differences between a football team’s training and the training of a university student are expressed in Figure 5.3. Perhaps there is something in this training that companies might also find useful for their education.

Especially in the case of the team composition approach, companies have a lot to learn from the world of sport. ‘We have fun together, enjoy and learn from each other’, reported a table tennis squad for the European Championships in April 2000. To win in a sport requires more than talent. Hard-working artists still have fun and that is how we should look at business. All the players in a team must perform their duties on the field and off the field (*The Swedish Daily News*, 2001). Two important, but not always high profile, aspects of the training are ‘engagement’ and ‘implementation’.

### **Engagement: exercise greater involvement of employees**

Successful businesses depend on dedicated staff, and as the need for trained staff increases, companies should focus on creating an environment that encourages employees to develop, both in their professional capacity and at a more personal level. Companies should take meaningful

steps to make employees more useful and to create a more productive environment in the workplace. A study by Professor David Levine of the University of California, Berkeley, has a number of suggestions on how companies can work to ensure a continued good supply of skilled and committed workforce (Ichniowski *et al.*, 1996). Among other things, he believes that it is necessary for employers to look outside their own area of work and arrange measures to make life easier for employees, such as good day-care places and cooperation between schools and businesses (Handel and Levine, 2004). By setting up facilities for the employees and investing in their lifelong learning, the companies are rewarded in the form of increased productivity and loyalty. This is common in football. The career of a professional football player is perhaps only one-third of career in other careers. Therefore, to foresee this and to train for the transition from professional football to another lifestyle might be challenging. In some unfortunate cases, such as Nacka Skoglund and George Best, this transition has ended in misery and death.

### **Implementation: implement strategies or mechanisms in training**

The introduction of a strategy or mechanism is largely a question of a change process. To make it work in practice requires both an understanding and acceptance among employees. Figure 5.4 shows an illustration of gradual development.

But customers may need training and help towards the acceptance of a new type of product or a new method of sale. For example, when IKEA started selling it enlisted the help of ads and other types of campaigns to 'educate' customers about the IKEA concept, which was based on a high degree of self-service. It proved effective and now IKEA is an accepted and valued brand. The same process might be necessary for other types of companies to promote their selling techniques. Internet trading has,

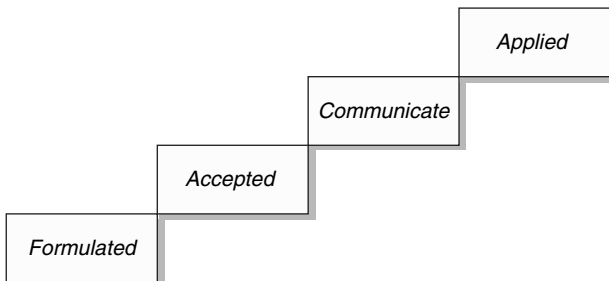


Figure 5.4 Introduction of a new strategy or mechanism

so far, failed to gain full acceptance because consumers are not yet fully accustomed to virtual shopping. Most sports portals on the Internet have been struggling over the years because fans have never seen the allure of shopping online. But with time, information and training this philosophy can certainly be incorporated into people's buying patterns. You have to visit the match arena the first time to understand the experience of becoming a fan. Such a joint feeling cannot be described intellectually. Nowadays there are more and more sport sites on the Internet and customers are increasingly shopping online (Plambeck, 2010).

## **Product development and training**

This includes the activities that occur before the match and after the match on the pitch, and related training/product development. In a comparison with the business world it can be argued that, at this point, the 'production manager' is visible. In the world of football, the 'production manager' is called the trainer or coach.

The coach analyzes the team's opponents and practices the tactics to be used for defeating them. He identifies successful moves, mistakes made, and areas for improvement from the previous matches and tries to implement a new set of tactics based on his analysis. The coach inspires players to use their maximum potential and infuses confidence in them. Furthermore, he also creates an atmosphere of trust and coordination through which players trust each other. Within this box competitive analysis is also included, which identifies the next opponent's strengths and weaknesses.

A basic rule in football is to possess a strong defense. Without a well-organized defense it is not easy to win games. Many teams want to play attacking football to attract the audience. Balancing attack and defense is difficult. An overly aggressive team can allow too many goals and a very defensive team can make too few moves forward. To ensure efficiency, a wise investment in players and leaders who can handle their respective roles is required. There are a lot of good defensive and offensive players, but it is also important to find and develop a coach who can coordinate this team of individuals and get the most out of these players. The coach is focused on training that is important for the creation of the 'team', which in fact consists of a bunch of individuals.

## **Some training styles in football**

Football is all about putting the ball into the opposition's goal. It may seem simple, but it is nevertheless a well-practiced mechanism that



should also work in very tight situations. Sometimes a player is not fit enough to perform in a match no matter how well positioned he is to kick the ball straight into the opposing team's goal. Opportunities and chances are created throughout the ninety minutes of playing time. In many instances the forwards make a great run to grab the ball in front of the defenders and reach the lonely goalkeeper. For a few seconds when a team's forward player is in this position it can be compared to the monopolistic situation of a business in its market niche.

A common style of play is to send the ball into the opposing team's defense. At precisely the right moment the forwards run past the defenders (without breaking the offside rule) so that they can reach a position that will give them the upper hand. For example, Zinedine Zidane passes the ball to Thierry Henry in a forward position who takes advantage of the situation and scores. Professional football is all about reading or interpreting the game and every player in the team knows what will happen in different types of situations. The players always need to be vigilant during the game and to know where their team mates will be positioned. This also requires a strong intuitive game to be developed such as that played by David Beckham. Metaphorically, this means that in business you instinctively know which quote requests you have to answer. You should not need to consult a set of rules, you will feel in the spinal cord what the chances are of getting the order that you want, just as in football a player knows how to get the ball where he wants.

### **Top form**

All this information sounds quite simple but it requires a lot of training for the team to coordinate properly during the games. The former Norwegian national team player and coach 'Drillo' Olsen developed this 'product' or 'style' very effectively during the 1998 World Cup in France. The Norwegians won many matches through effective passing. The game was perceived as boring, but it was effective and perhaps the only way to have a chance against very technically talented rivals.

Dr Roland Loy, a German football researcher says: 'Only 30% of all goals come on fixed positions, which I mean corners, free kicks, penalties, kick-offs and throw-ins. Most of the goals are combinations of these'.<sup>6</sup>

A classic example of a 'long ball into the goal area' in the world of business is the Video Cassette Recorder (VCR). An early version of this already existed in the 1950s. The playing time was thirty minutes and the machine was large and unwieldy. The entrepreneur who ran the idea, however, decided that a maximum price should be set and the technology should enable two to three hours of playtime. This evolution took

twenty years to master. Then two standards evolved, i.e. Betamax and VHS by JVC. VHS however became obsolete with the arrival of Compact Disc (CD) and Digital Video Disc (DVD).

Losec, one of the all-time most profitable prescription drugs, had its production shut down four times in total before it took off. The entrepreneur Ivan Östholm, at the Swedish pharmaceutical company Astra, continued to work on it. It took many years but the product was eventually to contribute to the Astra's greatness and it achieved a 'temporary' monopoly that lasted quite a while.

The most important feature for all businesses around the world is to develop products in a broad sense. Without this broad perspective products die sooner or later. But that does not mean that the company must do everything itself, inventions can of course be bought from outside. Just like mature playmakers can be bought from other clubs.

## **Rapid product development**

One of the industries that is extremely dependent on constant renewal is the fashion industry and one of the giants in the industry is Giorgio Armani. His greatest achievement is being viewed as the least fashionable of all the 'fashion designers'. He has been called the 'Master of the cool classic' and one of the classic styles he has developed has been called 'greige', i.e. a mixture of grey and beige (*Financial Times*, 1997).

Giorgio Armani dropped out of his medical studies and worked with his old friend, Sergio Galeotti. When Galeotti died in 1984, Armani had to run the company alone. Since its inception in 1975, the firm has increased its turnover to billions of dollars. In 2010, Giorgio Armani Group achieved turnover of more than €6 billion, with net profit rising 80 per cent over 2009, to €161 million.<sup>7</sup> In 1998, Armani took control of the company's finances and also a maze of brands. Each brand is intended for a very specific niche in the market. Stability and an elaborate design are probably the strongest aspects, i.e. assets, of the Armani style. However, at the age of seventy-seven Armani is concerned whether the brands will survive him. Christian Dior's hourglass silhouette of the 'New Look' or Coco Chanel's coarse woollen cloth is are much clearer brands and have, therefore, possibly had a better chance of surviving their founders. Armani products' noble virtues in terms of a 'greige' palette may find this more difficult.

In 1997, Armani was the most profitable company in Italy and it is an example of a company that constantly succeeded in bringing new products to market (*Financial Times*, 1999). Despite their great successes,

however, Armani, as well as the other companies in the fashion industry, is dependent on general economic development. The Asian crisis of 1997 struck many fashion companies hard (*Financial Times*, 1998b and 1998f). A fashion company that has experienced both a declining economy and other setbacks is the house of Versace. But despite the assassination of the founder, Gianni Versace, the family is still optimistic about the future. In the spring of 1998, the company thought about going public to raise additional capital for expansion (*Financial Times*, 1998g). Presently, Donatella Versace is the vice president of the board and creative director of the Versace Group. She inherited this role after her brother Gianni's death in 1997. She used to work for her brother as a designer and stylist. Now she has successfully managed to not only retain the creativity associated with Versace but has also expanded the brand. The Versace Group has approximately 100 boutiques worldwide (Versace Group, 2012).

Diesel also experienced growth during 1998 (*Financial Times*, 1998a). The company, which started in Bassano Del Grappa in northern Italy, had in 1998 thirty of its own stores in London and New York and by 2008 this had grown to 320 stores in eighty different countries. The owner Renzo Rosso produced his first self-designed pair of jeans at the age of sixteen on his mother's sewing machine. According to Russo, 'The secret is to carefully select the accessories, in order to create an individual style and to perfectly fit all occasions.' Diesel heavily relies on the Internet to promote the Diesel brand (Ewart, 2008). In 2009, Diesel had a turnover of more than €1.3 billion. Rosso says, 'We let people customize their experience. Like our new "How to Be Stupid" campaign. The broad strategy on Web is to focus 80 percent on the brand and 20 percent on marketing. To us, our visitors are intellectuals who know what they are looking for. We always keep that in mind' (Surendar and Saumya, 2010).

Football clubs that have become public limited companies must also obtain working capital for growth. However, the growth is seldom rapid. One way is to gain fans in other countries, which is a strategy employed mainly by top-flight British football clubs who have put up their own retail outlets selling branded club merchandize. For example, a resident of Tokyo can purchase not only branded football club merchandize but also memberships. But football is different from the large multinational companies and often there is a difference in terms of the depth in the product lines and organizational structure.

### **Shorter sales cycle increase the demand for efficient logistics**

The dilemma for the manufacturer is to launch new products when the old ones have been sold, at the very right moment. The problem with

different products is that they have longer sales cycles in different parts of the world and the manufacturer has to take this fact into account. Today, fashion is a global product and is often launched everywhere simultaneously. The automotive sector is subsidizing national import companies; in this way the country's car dealers make room for next year's models. The fashion industry works in the same way. When the collection exceeds the number of units from one to two or even more, then each year there are enormous demands for fast and efficient logistics.

In the past, Volvo introduced a new passenger car model every ten to twenty years. Within the fashion industry there were spring and autumn collections. Now with shortened product lifecycles, clothing collections and car models replace each other at an accelerating rate. The internal energy and creativity is extremely strong in Armani, Diesel and H&M. With reference to the language scheme presented earlier, the companies have to adapt to market needs but also find a relatively rapid pace of new product development. A company that has increased the pace when it comes to introducing new products is razor manufacturer Gillette. In the past Gillette introduced a new model every nine years. But now the company has embraced the motto: 'In the world of fast-moving consumer goods, innovation has long been recognized as one way of staying ahead of competitors.' Coleman Mockler worked as CEO of Gillette from 1975 to 1991. During Mockler's tenure Gillette survived two hostile takeover bids. From 1975 to 1977, Mockler replaced thirty-eight of the top fifty executives in Gillette.

He presented a business plan to the board that focused on switching away from the disposable razor market towards providing high quality shaving experience to users at higher prices. During his tenure, the R&D team produced Sensor, Sensor for Women and the Mach 3. From 1986 to 1996, Gillette stock outperformed the stock market average by a factor of seven (Denning, Dunham and Brown, 2010). The frequency with which a new game system is developed in football has not been systematically studied, but should be investigated. But as previously noted, in football the playing style cannot be changed multiple times in one season.

### **H&M – Sweden's rapid new product developers**

Rapid product development creates problems for transportation, handling and stocks. From a Swedish point of view, H&M (Hennes & Mauritz) is the great new product developer. With ten-day intervals between new collections, they face rapid product maturity. This in turn

drives up new, more modern products that are launched with great precision with the help of very well developed, fast and secure logistics. 'Multi-level pegging'; the phrase sounds like a fad but is probably a good method to refine a business idea and it characterizes H&M's whole delivery system. Later it became known as 'call-off' loading system. The term implies that H&M is able to automatically identify all the requirements of a given component along the value chain up to the absolute end use per single item, per customer or per contract number is calculated.

This is an important aspect for a company when it is working in a market which is characterized by fads and uneven demand; in many instances changes may be required at the very last minute. The control of stock and other types of product management must thus be accomplished. H&M introduces new product lines every day and no goods will remain in the shops for more than a month. H&M's design philosophy encourages its customers to visit the stores more frequently and also to make purchase decisions instantly (*The Economist* print edition, 1998). Quick decisions are also required from the coach especially during the match. Product development here consist of new players who enter the field and improve the game/product if deemed necessary. This is a phenomenon that gained attention recently when talking about a changed 'image match'. Here is thus a continuous and simultaneous movement between the product and product development. With reference to Proposition 4, a team coach perhaps needs both a strict 'method' as well as 'fads'.

### **Creating a need and satisfying it**

Piz Buin's twenty-four different sun creams, all with 'science-based protective factors' is one such example of the strategy of creating a need and meeting it. This phenomenon is particularly prominent in the software industry. Microsoft's 'versioning' approach is extremely strong. By constantly launching new versions of software, customers are constantly tempted to make purchase decisions. In order to avoid the imbalance with other users, the customer is required to update more often than really necessary to meet their own needs.

Modern football clubs are constantly looking to identify new niches with new needs. A long time ago military personnel and young people had a lower price access to special galleries. Later, families and fans had access to special stands at discounted rates. Nowadays the 'executive lounge' concept is rapidly growing in the new stadiums being built in Sweden following the example of Elfsborg arena in Borås.

## Develop either customers or products

The challenge is to build the strongest platform. The choice is basically between the development of new customers (over existing products) or new products (for existing customers) and thus build on an existing customer or product base.

Football started to develop a new 'product' by offering added value in the context of the match in the form of entertainment. In this way, football has reached a new set of customers for its core product: the match.

A broad range of products caters to a wide variety of customers. With this broad definition, a new technology, a new channel or a new service becomes an integral part of the new product. Many companies focus entirely on the development of new products. 3M, for example, is investing US\$12 billion a year on the development of new products (*Financial Times*, 1998e). Today, R&D is an integral part of 3M's activities. Research, development and related expenses amounted to \$1.4 billion in 2010, \$1,293 billion in 2009 and \$1.4 billion in 2008.<sup>8</sup>

### New products and/or new markets (Figure 5.5)

An important question is how much a company should invest in developing new products? A seed-funded company or a start-up is often based on innovative ideas, therefore it must succeed. The problem is that the invention seems to be the most crucial element in the minds of Swedish people while, for example, in Japan the usefulness of products is crucial. In football today, forcing UEFA member clubs to invest in their own player development is a condition of playing in the Champions League.

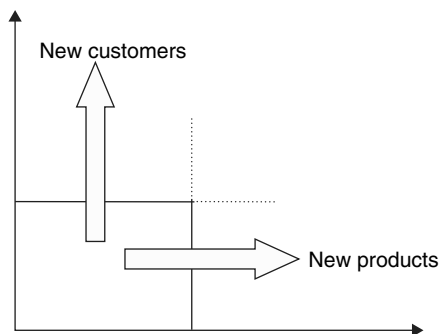


Figure 5.5 Develop new customers or new products

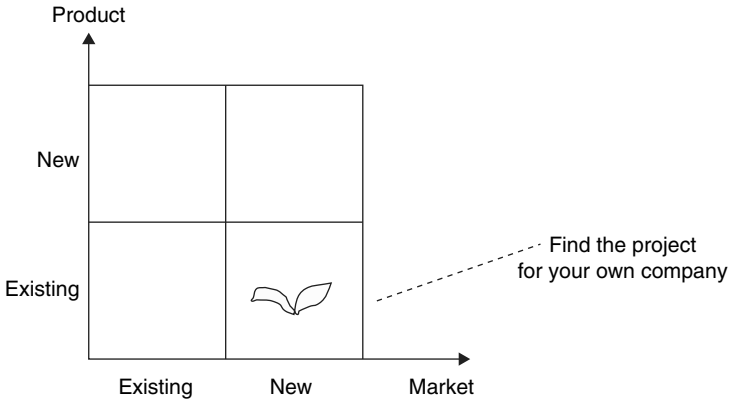


Figure 5.6 Find the project of your own company

An example of a daring combination of concurrent new product development and new customization, which proved very successful, is the German factory owner Karl Hahn. Hahn set up a dynamite and explosives factory. But after a development process, he instead went on to produce completely different products for a completely different market. The machines in the factory turned out very well suited for the manufacture of tampons. The company began production in earnest until after World War II, when demand for ammunition decreased. Under the name 'ob' the company achieved huge success and the brand is currently one of the best selling.

An example of new products and customers, as illustrated in Igor Ansoff's product/market window, is given in Figure 5.6. When a company has found an opportunity to develop in a new area then it has to balance the 'risk it will be copied' with the need to 'find new business ideas' to create a new business base to stand on.

Once you have found the 'idea' ('project' in the biotech industry) then position it in your product/market window. Companies should make use of the consolidation box (existing product/market), build a new product and bring new customers to the company, as illustrated in Figure 5.7. This should be the starting point for every CEO of a sport or football club when they are seeking the election of a new coach. Most of the Swedish elite clubs probably have an articulated strategy and a playing style idea, leaving only the question of how much the strategy will be adjusted, how competence is developed, and who is responsible.

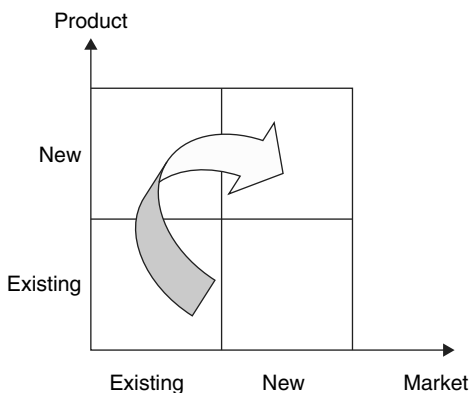


Figure 5.7 Product/market window: based on competence

### To develop yourself or not: the example of IKEA

In order to break into the furniture market in Sweden, IKEA had to find a definite niche. It was sluggish in the beginning and it took a lot of hard work and at times was almost unimaginably hard. Sometimes Ingvar Kamprad and his colleagues stayed awake all night:

We came up with various tricks to stay awake. A good way was to sit with the feet in cool water at three or four at night. Then we went home to Sven-Göte Hansson, who had a room on the other side of the railway station in Älmhult, and ate a lot of soft-boiled eggs and other things that were good to stay awake. (Björk, 1998: 99)

But it was during this time of hard work and many late nights in the 1950s that Älmhult city laid the foundations for what would become IKEA's unique concept. IKEA began to develop its own catalog, and own furniture models which were entirely new in the marketplace. The idea of low price furniture in flat packages developed within IKEA. IKEA chose to invest in its own product development and the ruling was perhaps that it would be difficult for the furniture trade to boycott IKEA if it sold proprietary furniture that could not be got anywhere else. It would also make it harder to accuse IKEA of predatory pricing (*ibid.*: 99).

In football, it is said to be cheaper to develop players in-house than to buy expensive ready-made players. There are many examples of clubs such as AS Roma and Barcelona, which have experienced tremendous success creating talent in-house with their youth development



academies. The whole Swedish model is based on a well-organized system of identification, selection and cooperation between small and big clubs. Gammelsaeter, Storm and Söderman (2011) summarize this in the following way: 'Whereas the tension between commercial top football and voluntary grassroots is ever present, there is also a widespread understanding that these small countries (Sweden, Denmark and Norway) cannot produce international players without organizations that can secure a rich supply of talent' (Gammelsaeter, Storm and Söderman, 2011: 77).

Looking at the biotech industry's experiences, no clear picture appears. A project can suddenly evolve even though its infancy did not look promising. To buy expensive players in order to improve the league position is a myth according to Professor Szymanski at Cass Business School in London: 'The amount that a club spends on transfers bears little relation to its success on the pitch ... the spending of 40 English clubs 1978 and 1997 found that clubs' outlay on transfers explained only 16% of their total variation in the league position. By contrast, their spending on salaries explained 92% of that variation' (Kuper, 2009b).

To determine whether the product development should be done in-house or not is a question that may have varying answers depending on the company's market opportunities. One problem that can arise if companies buy product development services is that there is a gap between ideas and actual implementation.

Norwegian football is good at 'actual implementation' as they are as aggressive in attack. However, they do not have solid defensive systems like Swedish football. The tradition among Swedish coaches differs somewhat from other nations. Perhaps the Swedish coaches looked forward to moments leading up to scoring opportunities instead of focusing on exercises for enhanced passing (*The Swedish Daily News*, 2001). Product development in football terms means that the same players who are defenders should also be able to score. A common complaint against the Swedish national team during Euro 2008 was that Swedish midfielders did not dare to move out to the edges. They were simply not fast or technical enough to run back and get ready for defensive duties. At present (in 2012) national coach Hamrén is experimenting with alternative playing styles.

### **New-product driven means more service**

Since the mid-1990s, General Electric (GE) set new standards by focusing more and more on maintaining medical equipment and servicing jet engines. In 1995, the company earned US\$8 billion in revenues

through these services. In 2000, GE generated US\$17 billion out of a total of US\$100 billion in revenues from the provision of services and in 2012 its revenues amounted to US\$147.3 billion (General Electric, 2012).

As machines and components become more like commodities competition becomes the driver for ingenious service concepts, which in turn allow the product features to be chiseled in a better manner. But this change is not always smooth. Goran Lindahl, former CEO of ABB, reported that during the past ten years the company only had about a 10 percent increase in its share of services. Service today amounts to approximately 25 percent of total sales. Service culture is after all more difficult to squeeze into ABB's European work climate than it is in US companies. In the USA it is easier to find employees with an entrepreneurial spirit who are willing to take on maintenance tasks (Financial Times, 1999b).

### **The importance of product development**

Between 1990 and 1992 two of Europe's largest telecom companies, Nokia and Ericsson, worked on dominating the GSM networks market in Europe. However, there were several other actors, for example, Nortel, Alcatel and Siemens. Everyone was cautious, and while they were all equal in terms of capabilities, two Scandinavian players developed new products with such a speed that the others could not match it. Someone once said that it is better to risk a false start than not getting started at all. It is a question of discounting anything that does not exist.

It is easy to 'discontinue' any kind of project. On the other hand, a good situation is created when a person comes with one really good idea so that a temporary task force leader can be appointed and a team created around the idea provider. The key is to work continuously on refining the idea and implementing it. Innovators have the passion and possess the genuine ideas that are the fruit of years of thinking. Thus, it is extremely important to keep these experiences in-house. Vodafone faced this situation in the 1990s and they have also succeeded. But it is all about speed; 'It's not the great who hit the little but the fast that beats the slow.'

Finally, in the telecom industry you cannot compete with inferior technological infrastructure. There is some evidence (PIMS research, see Chapter 2) that over-investment in new machinery and technology drives down profitability. The challenge therefore is to separate the two situations and differentiate between when technology is the key factor for success and when the operative efficiency of the existing technology

framework should be judged sufficient. Only when an innovation is introduced in the market does the situation become interesting. If in the long run an innovation does not deliver what it promised then further investments should not be made.

The IT boom in the Nordic countries has attracted the attention of venture capitalists, while the football industry in Europe has been very quick to learn from the American franchises in basketball, American football and ice hockey in implementing web 2.0 development. Web 3.0, more commonly known as 'semantic web', consists of two key components. It is a combination of common formats for integration and data drawn from diverse sources, whereas originally the web mainly concentrated on the interchange of documents.

## Six concluding examples

Training and education is an important area and is rich in different aspects. This section ends with an additional six examples that reinforce the variability and thereby the vital need for further research, hopefully, revealed through the identification of *best practises*.

### Basic education and training is acquired in universities and colleges

'Executive' training was offered earlier by the universities or institutions with close links to the in-house training departments of large companies. Today there are many offerings that are delivered to both individual educators and organizations. The nature of the training has changed a lot since the 1990s. *Class Packages are now supplemented with company-specific courses, and with 'consortium arrangements'*, a bundled wholesale price package. Such training is offered also in the national football associations. In Sweden, the problem is that very few clubs possess advanced management training. A study of the championship teams in 2007 revealed that only three of sixteen sport managers had a degree in business administration in Sweden. In Norway, twelve of the sixteen coaches had a relevant degree. However, in both countries no football specific management training was offered by the national football federations (Olsson, 2008).

### Education and training is an organized way to provide strong and clear feedback on the employee's own role

INSEAD possesses over fifty years of experience in international management education (INSEAD, 2012). A deeper insight into INSEAD's

motivation and how the organization works is gained during and after training. But what are the limits and how much can be learned? Programming players *without* losing creativity is crucial. A trainer should in the future be able to learn six to eight strategies and three to four counter-strategies, but this is pure conjecture. Today there is no team in the whole world that could handle this. The reality seems to be that a coach has only one clear strategy per club. Is this wrong on the part of the coach or are the players unable to handle more? Our belief is that this needs to change in the future. Footballers must learn to think and to practice at least two or three game types and players must be able to switch between these during the match. War games teach armies to quickly regroup and shift tactics. This method should be replicated within football teams as well.

### **Successful organizations create good leaders**

In some large companies, account managers lead by example and lead trainings. Prominent examples include Ericsson and ABB in Sweden and there are many other examples in the UK. Some companies prefer to save by not engaging in external courses and in these cases the best leaders themselves assume the responsibilities of a trainer. This happens in football all the time (Tichy, 2002). Pepsi-Cola's newly appointed chief, Enrico, was a frequent lecturer. Nordic clubs tend to appoint head coaches from England and the continent so that they can teach new approaches to youth coaches.

### **Add value to a level at least equal to the cost of the company's overall gross costs**

In theory and from a microeconomic perspective this is important. One may draw the conclusion that training should take place at a level equal to and preferably above the costs incurred by society in the form of unemployment benefits and so on. Downsizing is bad because it impedes scoring opportunities and gradual adjustment (*Financial Times*, 1998c). and the number and cost of players in a professional football team is simple. Each player has a price. The market mechanism in football is next to perfect, but does not suit all football clubs, particularly in terms of youth development. These players might leave the club at some point; however, the club receives cash as a way to collect a return on their investment in player capital. This is the same as a good biotech firm developing projects that are sold even if not final and matured.

### **To change jobs ten times during one's professional career will become commonplace in the future**

This is the life for many top footballers. Already today, it's no big deal for Korean workers to move from the textile industry, via the electronics industry to the automotive sector. As Korea and other rapidly growing 'tigers' are accustomed to rapid changes they will obviously be well prepared for the rapid adaptation needed in the future. Employees must understand and accept these global conditions. However, the situation is not the same in countries like France where many workers react to the environmental changes in a negative way for businesses, through strikes and other protests. Perhaps football, with its international character, can be a good model for business in this respect.

### **Make it a rule to search for young, talented managers**

This is further support for Proposition 6. It is expensive to purchase good, established, talented players that as short-term investments. Extreme action is generally cheaper, but long-term development of football academies, networking with smaller local clubs or developing farmer clubs eventually yields a more positive outcome. Such investments take between two to eight years before they are ready for harvest. To buy expensive players is to buy good players since there normally is a clear causality in this type of 'product'. Sport organizations have to pay wages to players and need to invest in the development of talent to achieve winning performances and also to keep the public interested in the club and willing to pay for its product (Szymanski and Kuypers, 1999).

A football *match* constitutes the specific lessons learnt from football and requires a higher level of interdependence between actors. All eleven players on the pitch have to be fully aware of each other's playing styles in order to put up a perfect performance. Every player has a role that is a part of the game plan; if one part is not executed effectively (this relates to management) then the objective cannot be achieved. Football relies heavily on knowledge about the team's strengths and weaknesses, its playing styles, and analysis of its past performances. In addition to the importance of teamwork, football teams must also take into consideration how a variety of playing styles will work against the opponent.

Every team and its playing style is different, therefore one single strategy can never translate into continuous success. Diverse strategic works require a solid knowledge and skill base. Football clubs try to thoroughly

research the environment (the pitch/playing conditions/weather), the competitors (playing style, squad strength/weakness), importance of the competition and other factors.

There is an interface between the coach who experiences the playing style and the need for buying (and selling) players and the investor who takes the investment decision represented by the sport manager and/or chairman or the board of directors.

This imperative is linked to square (3) in the four-field model: *Coaching*. In the football world 'potential' carries a lot of importance and not just the strong value of the club brand. Young talent is provided an opportunity to demonstrate their skills. A prominent example is the young Argentinian Lionel Messi who is currently the highest paid footballer in the world, but still is the youngest in terms of age. Messi earned around \$45 million in 2009 and surpassed David Beckham as the world's highest paid footballer.<sup>9</sup>

Football clubs are always on the lookout for young players with great potential. Behind the scenes player scouting takes place; the clubs have numerous scouts in different parts of the world who inform the coaches. However, the model of FC Barcelona is totally different. It has its own successful production line of world-class players. Instead of using the cash to buy star players, Barcelona produces these stars in-house. In 2009, Barcelona won all six competitions it participated in and seven of the team members in that squad were products of its youth football academy 'La Masia'. Lionel Messi is a product of La Masia (Draper, 2010). The Manchester United team that won the 1999 Champions League had five players from the youth team, i.e. Gary Neville, Nicky Butt, Paul Scholes, David Beckham and Ryan Giggs. Now Manchester United tries to recruit players from all over the world rather than just England. Similarly Arsenal coach, Arsene Wenger, is constantly on the lookout for younger players for the first squad.

Consulting firms like McKinsey and Accenture are known for recruiting the best young talents directly from the universities, but with no guarantee that these young talents want to stay in their firms. Procter & Gamble however are known for offering attractive programs to retain their potentials. Many football players keep a life-long relationship with their first club. Zlatan Ibrahimović got his basic football education in Malmö FF. This club is often referred to by Zlatan when he is interviewed. Malmö FF also gets a slight share of every transfer in Zlatan's career.

In football, the product is mainly the 'game' played out on the pitch. The product is closely linked with the football 'training', i.e. corporate

training and audiences who are, in fact, the customers who constitute the market. There is thus, as expressed in Proposition 3, a strong interdependence between square (4) *Management* and square (3) *Coaching*. Proposition 6, Football to Business (F to B) shows what football can teach business in terms of on the field training. This is a daily and transparent activity which should inspire many business sectors.

# 6

## Management challenges in football

Management here means to pull together the three initial propositions. The most important square in the four-field framework in Chapter 2 is the bottom left quadrant. Four basic drivers characterize four ideal organization archetypes: Mission driven, Scenario driven, Structure driven and Control driven. The business sector, including four models of management are linked with the squares in this chapter. In football, 'Administration' or 'Commerce', constitute the two squares on the left, as earlier explained. They seem to be more associated with Mission and Scenario and less with Structure and Control. The Coaching side (or the Science side) including the match plus training square, on the other side, are dominated by the Coach and more driven by Structure and Control.

### **Introduction to management and organization**

Good management in the business sector can teach football to improve its operations. This is the basis of this chapter and the focus of Proposition 5. Chapter 4 presented the 'football product' in which the perspective of the market acted as a driver to influence the quality of the football game. Thereafter, Chapter 5 analyzed the football game as a product and investigated the linkage between core capabilities and competencies. The football mechanisms in these two chapters included innovative features, which were inserted and employed for a better clarity and understanding of the market dynamics. In this chapter, 'management' is discussed, and in Figures 6.1 and 6.2 the activity matrix highlights 'management' in the bottom left quadrant.

In this book, the term 'management' is linked to three aspects, i.e. production (behind the product), marketing (which is associated with



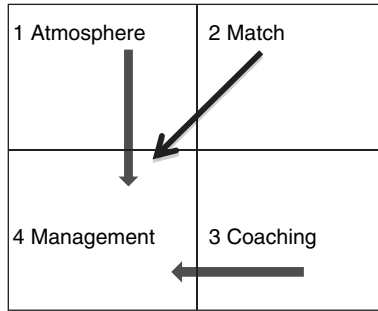


Figure 6.1 The four-field framework with a focus on the Management square



Figure 6.2 The four-field matrix

the market), and the product (based on core capabilities and skills) manifested in the recruitment and training.

Within this matrix we can claim that the ‘club’s brain’ provides guidelines and objectives, both in the economic and sporting perspectives. In comparison with the business world, we can deduce that within this matrix the CEO and the board decide how the activities are organized. This matrix also deals with the financial management of the club as well as with the governance of the club’s activities. Owner control is an important contextual factor and some Swedish football clubs have grown from nonprofit service businesses into bigger clubs with demands for advanced management. These clubs at the top level also exercise great responsibility while reporting investment calculations. It is this part of the club that provides a basis for assessing the availability of financial resources for the trainer (and others) in order to be able to buy new players or to sell existing players from the squad. These activities can be termed as management’s strategy and governance of the club.

There is limited research on what really characterizes good football organization and management (Bridgewater, 2010). The purpose of this chapter is primarily to create a conceptual apparatus around the management of 'business' leadership in the business world and find connections with the management of football clubs. Therefore, this chapter will focus on the bottom left quadrant termed 'Management'. The limited literature existing on football administration (see Chadwick, 2009; Bridgewater, 2010; Soriano, 2011) only mentions management in connection with ownership in generic terms and does not highlight the innovative aspects. In order to have a more in-depth analysis, this chapter takes on another starting point. The chapter is structured in order to identify four types of companies with a distinctive leadership style and the terms related to these four archetypes. With the help of this categorization, a new pragmatic approach is taken by analyzing football and guiding the leaders of the football clubs. Business concepts are discussed and these concepts are later tested to verify their application in the football world.

Sweden has few true pioneers in football and even less research as to the reasons why this is so. What is the country's most innovative club? And how does that club's approach differ from its rivals? Why is there such limited innovation in Swedish football? Why are not best practices and corporate experiences related to sport management? These new questions could be answered if we look into the contextual situation. Sweden's top football league, Allsvenskan has several drawbacks in relation to other leagues (see JKL, 2010) and yet no action has been taken to change the status quo and adopt a more innovative model.

There are two distinct environmental factors present in football, i.e. 'To Manage' and 'To Succeed'. It is a zero sum game – like in many team sports – where only one team can impose its superiority by reaching the top spot in the league, whereby relegating the other teams with lower points to lower divisions.

Management usually involves questions about operational decisions, strategic decisions and the leadership competence, but also many questions relating to those characteristics that are considered positive, the role of agents, and the nature of contracts. These questions are difficult to answer as the relevant data is inaccessible. Second, an important issue that has not been investigated is the role of ownership in a club's performance. The Swedish National Sports Federation has a rule that a club must take at least 51 percent of the equity of the club. It is a rule that allegedly impedes the efficiency of Swedish top club management and their international performances. Mainly, the issue in Sweden has been

the lack of investment and ownership in itself. An investor is used to and wants control of his investment; as such, to not be able to have full control of the ownership of a club remains a big drawback to outside investors in Swedish clubs (Gammelsaeter *et al.*, 2011). Sport as a business is not recognized in Sweden, unlike other major countries in the football world, such as England.<sup>1</sup>

But the picture is not this simple. The two big Spanish clubs, FC Barcelona and Real Madrid, are 'owned' and ultimately controlled by the members. They are truly professional (sometimes the financial results might show losses which give rise to some doubts), both at the Administrative/Commerce side and on the Science/Coaching side.

This chapter discusses the four archetypes and firms will be classified into four different types of companies. They are labeled: 'Mission driven', 'Scenario driven', 'Structure driven' and 'Control driven'. After the description of these business types, the features of the football clubs, which are much smaller with their own characteristics, are described.

Business is actually taking the journey that football took many years ago. It is the journey towards the ultimate realization of the importance of the manager. The realization occurs because performance in business at all levels is gradually becoming more open to the scrutiny and careful analysis that has always been present in football. On a football team, a good manager is easy to identify because his team consistently achieves positive results. In a large company, good managers sometimes are lost in the fog of corporate politics and bureaucracy.

### Club decisions and the owner

What types of decisions are taken by the manager of a company and what kinds of decisions are made by the manager of the football club? These questions will be answered in this chapter. Emphasis will be on the meaning of 'organizing'. An important difference distinguishing company management from football management is that the majority of companies have a visible leader who is usually their main representative and the 'front of house figure', whereas in football the manager is often unknown, at least for the audience, and she or he plays more of a 'backstage' role.<sup>2</sup>

The important decisions in business are usually divided into strategic and operational contexts, based on the PIMS framework, as was stated in Chapter 2. Buying players is a critical issue, therefore it requires a strategic insight in terms of investment both for small and large clubs. The choice between 'developing' or 'buying' players can be a matter of life or death for a football club, and thus requires a strategic decision.

It can be a very long process for a club. However, this process is cyclical and also dependent on economic activity. During the recession, for example, in January 2010 when the European transfer window opened; very few players were bought by clubs and this shows that even football suffers from the effects of economic turmoil (Kuper, 2010).

*Developing and nurturing youth activities* requires considerable amount of time. There are also troublesome teething problems in developing talent to its full potential. Marketing of clubs is the easiest way to accomplish positive results, yet the audience's satisfaction with the performance of the club is also equally important. Ticketing and sponsors' respective roles are now the main sources of revenue in football. To sponsor the transfer market is important for both business and football. In Chapter 7 the phenomenon of 'brands' is discussed and we conclude that top football is a business that is highly dependent on the brand image. Football is an old phenomenon that started in 1800 and it has taken the shape of a 'business' quite recently even if the players have been professional since long (Beech and Chadwick, 2004).<sup>3</sup> The extraordinary aspect of football is that in comparison with other sports the exposure and fame is far greater and this in turn generates income or economic value. The club's brand or name is therefore known and potential partners exploit this feature. Selection of a co-sponsor in sport is often a strategic question.

Furthermore, there is the *ownership problem* associated with the management, which has the ability to 'trade' players to an uncompromising extent. In the USA one sport can inspire others. As depicted in the book and the film, *Moneyball*, new innovative approaches serve as a core competence within which skills and scores as well as the balance between a player's performance, their potential targets, their ability to cooperate with other players or coaches is extremely critical (Kuper, 2009a). As Simon Kuper explains, Chelsea's performance manager, Mike Forde, has discovered that large statistical numbers are important and used in an entirely different way from baseball in the USA. In this European football has a lot to learn. Swedish football is still dominated by the corporate approach with a high valuation of individual free will with skill not being the only success criterion. This is clearly expressed when a corporation is not allowed to hold a club under the so-called 51–49 rule.

The manager's role is very difficult due to the strong influence of the football club's owners in Sweden. There is also a strong 'meta-management' by the Swedish Football Association, which has great power, just as in the old corporate system. The players' role has also been strong because

their own agents act as an intermediary between the team management and themselves. Their position is strengthened even after the Bosman ruling. Resale clauses in contracts, as in the cases of the two 'Swedish' players, Peter Ijeh and Soren Larsen, impairs the activity of smaller clubs, who have to 'beg' the player while the player chooses freely.

Club presidents and sports managers are simply squeezed between the '*meta-management*' and 'player'. The French clubs, which were often owned or dominated by the municipalities, did not have the strength to resist offers to buy their players by foreign managers with clear objectives and methods. Why are the big French clubs still considerably larger than the Swedish clubs? For example, sales of Lyon's players (known as Olympique Lyonnais), seven times champions from 2002 to 2008, are worth 930 million SEK (about €90 million). This pales in comparison to the 20–100 million SEK (about €2–€11 million) that the top Swedish clubs received in sales in 2002. A marked increase is reported later by IFK Göteborg, in 2011 its turnover was 101.8 million SEK (about €17 million), which by international standards, even in comparison with the greater Norwegian clubs, is quite small (IFK Göteborg, 2011).

A similar situation exists in Sweden. Who owns IFK Göteborg? How is it that Hammarby and Djurgården, two Stockholm clubs that did not perform well in previous years (during the 80s and 90s), suddenly are a part of the top teams year after year in the mid-2000s? Both clubs have demonstrably worked through their management and ownership, and thus developed a great game on the pitch. But since the mid-2000s they have lost momentum. There is no performance sustainability.

### **Playing style and different demands for skills**

Despite a lot of research it is still not clear what form of organization leads to success. Many researchers agree that it must be an established strategy first and, after this, the organization formulates the organizational structure. A direct concern is that there is reliance on three quite traditional fundamental strategies. First, the manager of an organization, such as a football club, makes use of a 'portfolio approach', namely a desire to buy an arena (in England, not in Sweden) or to sell/buy players. Second, a business unit develops a business concept. For a football team it is a playing style, which has been presented and understood by the players who were trained during several exercise workouts. Third, there is a functional approach or a market strategy designed to gain customers and create a good atmosphere. These three strategies have to be 'coherent'.

The simplest football organization is split into attackers, defenders, reserve players and support staff. Players can be divided into those on

the pitch, those sitting on the bench and those who are not allowed to play due to suspensions. Looking at the governance, Swedish elite clubs often have a president who is financially responsible to the board. He or she is often called 'sports director' as well. The interaction between the coach, his assistants and sporting director is important. The stress significantly increases when there are multiple losses and the club is threatened with relegation to the lower league. There should be coherence between the different team members and an overall commitment from the club to success.

## **The four models of management**

Four models from the business sector are presented. These models will be compared with football clubs:

1. Mission driven
2. Scenario driven
3. Structure driven
4. Control driven

The organization of the team lineup is an activity performed by the coach alone without interference from anybody from the Administration. Organizing in the business sector requires a completely different approach, in which numerous activities are performed at several different levels. A 'mental landscape' is created by the leader or the manager, which is characterized by a set of dominant frameworks as Normann (2001) describes it or, in the words of Kets de Vries and Miller (1985), the 'World view of the top executives'. Figure 6.1 expresses these three propositions, which are related to football management and interconnectivity.

This chapter presents four archetypes of management. These models are based on examination of business theories. The core belief is that the leader/manager can be assigned to one of these four models (which may also be called the mental landscape). The development of this framework is done with a sidelong look at the football industry.

A fundamental idea in business administration is that a strategy can be compared with a means-to-an-end approach. This means that every organization should have a purpose, a mission or dream. This goal or mission is achieved, reached or implemented through the 'means'. A 'means' is defined here as a process developed during the three stages: alternative futures, organizations and implementation activities. The type and speed of these stages depends on competition, industry maturation

and consolidation. A big difference exists when a relatively new industry is compared to a mature industry, such as cars, steel, cement and telecommunications industries. A new industry is unstructured and fragmented, whereas a mature industry is established and consolidated. New industries face genuine uncertainty, whereas mature industries' results are more predictable. However, with established industries there is also a strong *control* culture, with a monopoly or oligopoly as the prevalent form of competition. This section presents four archetypes and each one is characterized in terms of maturity, form of ownership and management and organization.

### Archetype 1: mission driven

Ingvar Kamprad is undoubtedly driven by a strong *mission* oriented focus. After he founded IKEA, he wanted to break the traditional pattern of furniture design and distribution. The owner of the retail chain Lidl, Dieter Schwarz, also seemed inclined to break traditions in food distribution. This also applies to Richard Branson, founder of the Virgin group, with his idea of cheap air travel. These powerful individuals seem to be more driven to achieve their mission and less driven to make money as such. Other examples include the flow of free information to all by using voice chat through Yahoo, Google or Skype. The founders of these companies believed that it is better to voice chat than to use the telephone for making calls. The mission of these enthusiasts was larger than life and was targeted at the masses. If the organization is mission-oriented and works towards the common well-being of the masses, then it is in fact creating a melody or music which is understood by everyone.

Mission-driven organizations possess strong normative beliefs and entrepreneurial traits (Mintzberg *et al.*, 1998). A comprehensive plan needs to take multiple, often complex systems that must interact. A management, or metadata management, like the European Court of Justice's decision on the Bosman ruling has had the desired effect, but also some unwanted side effects. (One example is when a player has agreed with his next club to play but no agreement is signed then the old club does not get any contribution because the player has the right to change club for free.) With large finance houses designed to grow only structurally through mergers, participation in 20 percent of the world's 100 largest mergers are examples of a mission-driven mindset. Even in football there are examples of missionary thinking. It can be seen in Japan's leading J-League and the US soccer league; without a base in a strong and long tradition of designing systems that will make soccer popular, Japan has

needed a strong devotion to a mission in order to create a successful new sports league (Dolles and Söderman, 2011b).

### **Archetype 2: scenario driven**

A number of years ago the leadership of telecoms company Ericsson realized that there was a great deal of uncertainty about the future of the company and of the industry. A major project was carried out within Ericsson to illustrate this uncertainty and explanations were sought through rapid technology development. Scenario-driven organizations exist in the environment, mostly related to Africa or in partnership with the Chinese (for example, Volvo and Geely). We find traces of this in the IT and biotechnology sectors. In these organizations there are a finite amount of visionary leaders (like Steve Jobs) who are concerned about the future. They think that the management must be focused on specific scenarios, which eventually guides an entire organization to be scenario driven rather than adhering to a future vision. How is it possible to get out of the traditional business mindset? What should we really invest in?

### **Archetype 3: structure driven**

When the 'target' is determined and the future is established for the organization then a *structure* is needed. If the organization creates bold enough targets there may be multiple profit centers and a portfolio approach is established. Each unit will make money, i.e. by optimizing and streamlining their operations. Large mandates are given to the various sub-tasks, which are often, but not always, supportive activities. Volvo Construction Equipment will maximize their business and in turn Volvo trucks will also prosper. There are large companies in the world with global 'investment centers' with the highest possible decentralization, all in order to exploit economies of scale, but also to gain market positions. Nokia Siemens Networks (NSN) is a prominent example of this type of business. This third type represents a traditional view, that the organization is the focal point. What kind of support can be provided to the business? Researchers around the world are now focused on the rapidly increasing global competition faced by the largest firms and the ability of the individual units to make money. They question their management approaches, which leads to new questions about organizational structures and systems to manage worldwide operations. The organizational capability is the next battle arena according to Bartlett and Ghoshal (1998).

In the Premier League players know that they all have to perform to win games and together with their opponents, they must entertain,



co-creating value in order to please the world's soccer fans. They all are dependent on money derived from the broadcasts of Sky Sports.

#### **Archetype 4: control driven**

This archetype includes companies that drive share prices, have global subsidiaries and divisions on a global scale. All are mature, established, consolidated and predictable industries, such as steel, cement, automotive and telecommunications. Functions such as purchasing, IT, R&D and Shared Services are carried out centrally to maximize economies of scale.

But football is also present here, especially on the pitch. The *control* view is very decisive in the Coaching and Science aspects of football, as both the training and the leadership of the coach requires a control-oriented structure. A control model expresses belief in the system's decision-financial-accounting system, as a de facto rigid system with traditional authoritarian thinking. This can be done by military orders, but is rewarding when employees respect each other and know who the leader is. On the other hand, a leader's actions and decisions also affect the behavior of the subordinates or employees. The instruction of the coach is a reflection of control.

In football management two dimensions are crucial. These are the *temporal dimension* and the *degree of complexity*. We will continue to present and develop these four ways to run a company, just as a CEO or the club administrator sometimes moves between the four types, and sometimes has a primary focus on one archetype. A new coach will ideally resort to refining an existing playing style. Hence, an almost ideal combination of long- and short-term practices arise when the new coach's refinements support the existing playing style.

A club often has two conflicting objectives. This applies both to management of the financial assets of the team and to the demonstration of success on the pitch. A third objective is sometimes to increase its reputation or brand value, primarily through economic and sporting achievements. In either case, short-term activities are maximized in order to achieve and secure the long-term objectives. A four-field matrix below (Figure 6.3) shows the four situations and the questions that arise relating to the common and the conflict-charged performances.

How should clubs be organized to manage the inherent conflicts? This is an example of 'Science', which is control driven. The integration between Science and the Commercial activities has to be handled skillfully.

	Many factors: holistic	One factor
Short term	Structure driven	Control driven
Long term	Mission driven	Scenario driven

Figure 6.3 Football's four-field model in relation to business archetypes

### **Mission driven (Figure 6.4)**

Multifaceted and long term are the characteristics epitomizing this hypothetical type. This first archetype is helpful in understanding tomorrow's business models as it contains a willingness to see the 'big picture'. How will the industry look tomorrow? How can we train better players or become better actors? It is usually claimed that the ideal entrepreneur has a strong belief in his/her self and completely trusts his/her intuition. The important thing is *not* to investigate the future, as is the case in the 'scenario-driven image'. In a mission-driven organization, management works as part of a large dynamic system. The company is a part of an industry, which in turn is a part of the global system. In the industry, there are relationships between actors, in other words, a certain logical order that a company must understand. In contrast, at various levels these organizations also possess uniqueness in terms of experience in handling different situations. A mission-driven organization is thus characterized by two aspects: first that the prime actor believes he has a superior understanding of the various systems and organizational contexts surrounding the firm. Second, he is aware of the interpretation of what the situation could be; how it may be employed and changed. The corporatization of the Swedish football system is an indication that some clubs regard themselves as belonging to other larger systems. This can be seen as a mission-driven activity, if not yet a global activity. Among other things, the media company Modern Times Group (MTG) of the Stenbeck Group previously purchased shares of 7 million SEK in a high-risk company named Djurgården Fotboll AB, or 17 percent of the total capital and 10 percent of the vote. Hans-Holger Albrecht, president and CEO of MTG is quoted as saying, 'We are now taking the next step by acquiring a substantial portion of Djurgården Fotboll. This means we can also offer content, services, and merchandising for all the football fans who support one of Sweden's most renowned clubs' (MTG, 2001). In addition to Djurgården Fotboll AB, the company hoped to get the option of buying or leasing the Stockholm Olympic Stadium, which

	Many factors: holistic	One factor
Short term	Structure driven	Control driven
Long term	<b>Mission driven</b>	Scenario driven

*Figure 6.4* Football is mission driven: the four-field model in relation to business archetypes

is owned by the city of Stockholm. A club that owns the stadium can shape it according to its needs. MTG knew that the stadium could be used for more than football games, for example, MTG had interests in the major events market through its Nordic Artists company. MTG was taking a holistic approach.

England probably represents the ideal model, in which several clubs yield much higher match day revenues than their competitors' elsewhere in Europe because they own the stadium and can design promotions according to their needs (Deloitte, 2004). But one does not need to go far to find a club that has succeeded in its effort in this area. FC Copenhagen has recently purchased the home stadium 'Parken', which now generates revenue in the form of concerts and through the sale of food, beer and other things. This model was successful until 2009 when problems arose.

It may already be revealed that a reason why 'good management' is better within companies in relation to football is because of the quality of 'corporate governance' – still poor in football. Sweden is in fact exercising one of the last bastions of the 'popular movement' (folk rörelser) by maintaining confidentiality, not revealing the owners of the clubs, and only recognizing owners as private parties. In Italy and in England it is usually public knowledge who owns the club. In Sweden, this is not the case. So it poses the question: will football be treated as a business or merely as a sport on a national level?

*Genuine management challenges with mergers and internationalization requires a missionary vision*

European football teams have a local fan base that supports their team within each region. To merge and internationalize is considered be unusual. A few big clubs like Manchester United, Liverpool, Chelsea, Real Madrid and Barcelona do summer tours in Asia and the USA with the aim to recruit fans and to strengthen their respective brands. This is not

a common practise in the 'business sector'. Refrigerator manufacturer Whirlpool is driven by its product quality. Its CEO, David Whitwam, argued in the 1990s that for him there was only one way to survive, and that was to globalize. Cost and quality are two primary tools which a brand entering a new, global market has at its disposal, with an ever-shrinking margin seen as the price of the increased market share. When Whitwam took office in 1987, he saw no way out of this problem and continued to struggle in the USA with lower earning prospects as a result. Two years later he bought the dominant European consumer goods giant Philips for \$1 billion. Whitwam was then able to substitute the purchase of Philips through traditional cost cutting and operational changes.

*Other examples of the mission-driven approach: H&M, ABB and IKEA*

It is critical for businesses to identify and develop good suppliers who understand that delivering on time with the best quality is vital for mutual success. This is certainly a key ingredient in the business logic for H&M. The flows and logistics must operate in both the provider system and in the store system.

To install a power station in a remote and inaccessible place is demanding. How does the workforce behave during shifts and at play? These are crucial issues for a company like ABB. Purchases of material and equipment for the construction of power stations are important for ABB to ensure viability and to maintain an effective and sustainable project organization.

The establishment of department stores, after careful analysis of buying patterns and purchasing power, including perceived consumer values, are, and will remain, important for IKEA. Stores need the right kind of employees in order to successfully build the organization. Collins (2001) has a contrary view, emphasizing 'First who, then what'. In a country like China, where low-cost furniture is a lesser known product, IKEA has not only managed to develop the customers, but also to create a need for the products. Interior decorating according to Scandinavian taste is especially challenging in the Chinese market. Only IKEA has managed to enter this market on a large scale and with a professional organization based on Swedish values and genuine Swedish culture. IKEA, H&M and ABB have established themselves as mission-driven companies, but the development has gradually driven IKEA and H&M to become 'control driven' firms belonging to archetype (4) in the framework.

### *The automotive industry*

To be truly successful you have to build on what is unique. This is especially true in the highly competitive automotive market. These companies are not only mission driven in their need to design excellent products, but also in their need to continuously innovate their organizational structures. The company must ensure that the organization possesses a wide scope. When Daimler-Chrysler merged positive effects were created in terms of economies of scale and the combined company achieved an even greater benefit from its extended global reach and strong brand recognition. But competition from non-American brands as well as cost pressure in both production and distribution created a very difficult situation for all three major American car companies.

*Football faces a series of crossroads in which design vision is critical for the immediate future.* Football clubs, even in Sweden, are becoming corporatized, and football itself is transforming into a phenomenon so much bigger than the sport itself. Today football is a business, where the target setting and the designing of the activities must take new directions. Since football is considered entertaining, it is an important part of the entertainment industry. Films such as *Bend it like Beckham*, *Shaolin Soccer* and *Goal* are proof of the attraction of football and its entertainment value. Manchester United FC has also previously had its own stage play in London's West End, in which Alex Ferguson performs as himself at the premiere.

### **Scenario driven (Figure 6.5)**

Many people suffer from far too much non-information rather than "information overload", is an often heard comment.

This archetype is characterized as having features that are far less complex: it occupies the 'one factor' and long term position in the four-field grid. How does a team score the most goals? Football requires

	Many factors: holistic	One factor
Short term	Structure driven	Control driven
Long term	Mission driven	<b>Scenario driven</b>

*Figure 6.5* Football is scenario driven: the four-field model in relation to business archetypes

players who can create an optimal combination and the coach needs to evaluate the opposing team's strengths and weaknesses. The coach also needs to look after all possible scenarios, that may arise during the game and plan accordingly. The manager as coach needs to figure out the worst possible scenario and plan accordingly. It is important to evaluate the different plans and develop a strategy that best meets the various scenarios and have a B plan in case the chosen scenarios fail. Football teams do not usually think beyond the next game and the prospects of winning. This is an example of an extreme scenario approach.

When scenarios are managed properly – whether they are in a private or a public context, or whether they are made of Keynesian or the so-called 'monetarism lard' – they will yield the best results.

### *Shell's 'show and tell'*

In addition to military operators, it is primarily the British-Dutch oil company Shell that is most associated with working on scenarios. Shell used their advanced technology during the first oil shock in 1973. Shortly thereafter, 'strategic management' gained prominence and the reliance on scenario-building decreased rapidly. In recent years, especially since the late 90s, scenarios have come into vogue again. Shell values, above all else, 'predictions, order and stability'. It is said that Shell has always had a preponderance of technical skills at the expense of commercial insight. This could possibly be the reason why in 2005 the leadership unexpectedly made other assessments of their assets, creating turbulence in the stock market and several hurdles to pipeline replacement. Shell's previous model, scenario-building, aimed at making presentations to line managers, also known as 'show and tell'.

### *Purpose of the scenarios*

Today, we witness rapid product changes, changes in factor costs as well as emerging industrial structures and boundaries. The companies simply do not know who their future competitors will be. Future partners and prospective customers are too uncertain about different aspects and lack the research orientation for reliable predictions.

The scenario-driven approach to business relies on three distinct elements:

1. the calculation of the most probable future or outcome;
2. the creation of a linguistic framework;
3. force the top management to interrogate the relevance of their assumptions.

The German electronics giant Siemens designed a series of scenarios in its formation of a telecom coalition called The Alliance in 1996, with the aim of developing exchanges for broadband communications. The scenarios examined the impact of the Internet on a large category of customers, namely the traditional telephone companies. The cellular component was eventually sold to a Taiwanese competitor.

Skeptics argue that this kind of future-oriented thinking, or scenario formulation, should be carried out on a regular basis. But scenario planning is something entirely different, namely a process. In the case of Siemens, this forced the management to take two different directions and nail each other's underlying assumptions to advocate their own ideas. This is perhaps the only way to examine the validity of a concept that is based on a strategic alliance relationship. Senior managers relied simply on mental models and assumptions that helped them to the positions where they are right now. This is particularly important in industries such as telecommunications, IT and media, because the assumptions from past experience are not always applicable. Scenarios are the only possible method to validate the interaction concept.

Managers and consultants need to learn from football because the foundation of football operations – the basis for its popularity and success – lies precisely in the uncertainty about which team will win the match. As soon as the games become predictable the interest in the product, 'the match', is reduced. It is a reminder that the business logic of sport as a business is carried in its ability to deliver and sell 'uncertainty'.

The purpose of creating a linguistic framework is not to generate predictions, but to create a language structure in which future events can be fitted into and given importance. A company and its employees react notably faster on one, several, or all events which have occurred in the scenario. 'They can remember the future' as De Geus puts it (De Geus and Senge, 1997).

Will football manage itself or will politicians and parliament interfere? Less preferable future scenarios are, for example, the EU Commission beginning to regulate revenue streams for the clubs, or, state grants completely disappearing, which is possible if the EU begin to consider 'meta-management' of the media. If television companies add small amounts of money and/or allocate funds to the league and/or 'football fever' recedes after the World Cup or a similar high profile event, then steps must be taken to avoid EU intervention.

### **Structure driven**

Ambrose Bierce (1842–1914) defined 'corporation' as 'An ingenious device for obtaining individual profit without individual responsibility'

(Monks and Minow, 2011:6). The other half of a club (on the right hand side of the four-field matrix) – the ‘coach’ and the ‘players’ (also called ‘Science’) – has to be structure-driven and control-driven. This is a strong normative statement. Many football clubs are often focused on the fact that they have to qualify for the European leagues, and thereby achieve increased revenues. But this does not always happen. One major reason is that the ‘mission driven’ approach does not always work. The entrepreneur’s performance on the ‘big picture’ is not always a driving factor. However, the focus of a club, just like a business, reflects what it wants to achieve and progresses with a steady development of the organizational design. On the other hand, an institutional solution that is incorrectly formulated (such as ‘ingenious device’) disrupts everything that is already in place to locate the ingenious in an otherwise good business.

Historically, it is said that the organization or structure shall be designed to support the business and each unit is going to generate revenues. This cherished notion has received more support than most of the other management principles. A business also needs to be supported by a carefully designed control system, which will be addressed in the section on ‘control driven’ approaches.

In an analysis of structure-driven organizations, it is necessary to explore the ways in which contemporary English professional football clubs might be regarded as being infused with small and medium-sized enterprises (SME) and applies findings that relate to mainstream SMEs’ examination of industry. Moore and Levermore (2012) argue that there are two ways in which *the majority of* English professional football clubs can currently be regarded as being SMEs. The first is a quantitative measure that can be applied to the majority of professional clubs – relating to the number of employees and annual turnover. The second relates to research-generated qualitative data that illustrates that entrenched SME mentalities and organizational characteristics are being witnessed in a variety of ways in professional English football clubs. English football clubs are like the Swedish in that they are predominantly small and medium-sized enterprises based on annual turnover and number of employees. Using figures from the FAME database for the 2007/2008 seasons, only thirteen of ninety-two fully professional English football clubs (Arsenal, Aston Villa, Everton, Fulham, Liverpool, Manchester City, Manchester United, Middlesbrough, Newcastle United, Portsmouth, Reading, Sunderland and West Ham United) employed more than 250 employees and had an annual turnover greater than €50 million.<sup>4</sup>



The results from the study of Moore and Levermore (2012) are summarized below:

*Short-term:* according to Moore and Levermore the mentality of 'short-termism' dominates the culture of mainstream SMEs. They are associated with having rapid planning horizons and tend to be focused upon immediate issues rather than those in the medium and long term. Short termism has been especially evidenced in the areas of finance and HR among football clubs studied by Moore and Levermore.

*Reactionary:* decision-making in SMEs is often geared towards dealing with immediate operational matters rather than considering longer-term strategic issues. This characteristic is particularly relevant to the football industry. Football club management, even chairman's responses to emerging issues and problems are characterized as being reactionary, unplanned and *ad hoc* in nature, akin to the Chinese way of management.

*A further conclusion* from the data of Moore and Levermore (2012) is that a relatively small number of clubs can no longer technically be classified as SMEs according to the EU definition. It is argued below that the English professional football industry continues to be dominated by a small business mentality and given that the transition from SME status has only occurred very recently, even the largest of clubs continue to display SME characteristics. This is especially true in the following areas outlined in the framework developed by reviewing the SME literature.

*Low salaries on the administration side of the club:* the data gathered persistently highlights the finding that clubs struggle to strike a balance between allocating resources between playing and nonplaying activities. Unsurprisingly, playing success is still the primary objective and consequently resources are concentrated 'on the pitch'. When faced with pursuing short-term playing success or investing in the long-term development of a sustainable organization, clubs opt for the former and an area such as HR is neglected. As a consequence (in all the clubs studied), administrative activities are often underdeveloped. Resource constraints limit the ability of clubs to pay salaries that are commensurate to those available outside the industry. Clubs offer low salaries and hope that prospective employees will accept them in return for the opportunity to work in the industry.

*Sole source of power:* with respect to management style, it is argued that SME managers are inclined to display authoritarian characteristics. In this

situation, authoritarian managers have a tendency to be the sole source of power and influence within an organization, and all interactions are channeled via them. Decision-making, control of rewards, punishments, the coordination of work tasks and relationships are the sole responsibility of the manager. Rewards and incentives can be subject to management prerogative and discretion.

*On off factors:* these signal the allocation of a high proportion of resources in the short term, and in most instances, this is at the expense of a longer-term perspective. For example, medium- to long-term human resources planning is severely affected by failure on the pitch. Coaches, players and those in senior administrative positions within football clubs (CEOs, managers, etc.) are most likely to have their contracts terminated if results are poor. Planning beyond the short term is extremely difficult if those in key positions do not have security of tenure. For instance, coaches may pursue success by 'buying in' expensive, tried and tested players, rather than by focusing upon the development of young players. This is an understandable strategy, but it is potentially costly and if repeated by a number of coaches in quick succession may severely impede the future financial performance of a club. Similarly, instability at the board and senior management level leads to fragmented and inconsistent decision making which is not conducive to effective medium- to long-term planning.

*Uneven distribution of finances:* this is a problematical resource issue for HR managers working within football clubs compared to their counterparts working in archetypal SMEs. An HR manager in a Premier League club emphasized the divide between resource allocation for playing and nonplaying activities. He explained the difficulties of managing two distinct groups of employees, those involved on the playing side and those not. He commented, 'Staff ask for a pay rise and often we have to say, "Sorry, the budget is a bit tight," then they say, "But you've just given him [a player] £10,000 a week extra!"' Everyone sees the money that surrounds the players and thinks it should be around for the non-players as well, but that isn't going to happen' (*ibid.*).

*Owner-board-management agencies:* the agency theory view of corporate governance, which depicts a distinct chain of command comprising of three levels – the principal (owner), the intermediate (board of directors) and the agent (top management) – does not apply to many SMEs. This is because levels of command are often amalgamated and consequently one individual, or a small number of individuals, adopts the key functions and roles associated with each level.

*No separate ownership:* the term for this is 'owner manager'. In practise, this may mean that 'owner managers' rely upon their own experience and intuition to inform decisions rather than engaging with others at board and managerial level. Therefore, difficulty sometimes arises in separating ownership and control; as a consequence, decision-making problems occur because SME owner/managers adopt a 'hands on' approach and become heavily involved in every aspect of the business.

Clearly, such an owner regards himself as being the principal source of power and influence within the club. His/her sphere of control is far reaching and extends to involvement in Human Resource Management (HRM) issues.

In terms of the chairman/owner's day to day involvement, the club's finance director commented: 'It's is not beyond the Chairman put a picture up in the office! I think that he has even got involved in a little bit of stocktaking. He'll quite often come and empty our shredder! Even when he goes on holiday he'll make it clear to everyone that we can ring him ... he's always got the club in the back of his mind' (*ibid.*)

The many factors and the short-term characteristics are illustrated in Figure 6.6.

	Many factors: holistic	One factor
Short term	<b>Structure driven</b>	Control driven
Long term	Mission driven	Scenario driven

Figure 6.6 Football is structure driven: the four-field model in relation to business archetypes

### Control driven

The control driven model, expressed above, indicates a belief in the system's decision-oriented financial accounting aspects, as a system of traditional authoritarian thinking. This can be done by purely giving orders, but also when employees respect each other and know who the leader is. When the employees know their leader then this factor

affects their behavior. Ingvar Kamprad is the key leader in IKEA and all employees know the way he thinks and works, which in turn is reflected in their own performance and work ethic.

### *The urge to control in Sweden*

In the football industry, owner managers not only have to deal with the day-to-day product, market, employee, growth, marketing and training issues that affect all managers, but they also have to manage and negotiate a complex set of social and emotional relationships that are outlined in the framework established by Moore and Levermore above.

Furthermore, practises are dominated by social relationships at the expense of sound financial decision-making. Lending decisions are not always based upon sound, formal business principles; other factors such as social and historical informal relationships have a dominant influence (e.g. 'the old school tie' network). An example of the informal approach to financial matters is highlighted by a senior profile in English professional football as he describes how a visit from the club auditor was handled. The first part of the meeting involves the football club representative answering technical questions regarding the end of year accounts and then the club chairman and the auditor adjourn for drinks followed by a prolonged 'business lunch'.

The inferior quality of resources results in high turnover. This is counterproductive and results in a high staff turnover and a haemorrhage of well-qualified people from the industry. Smaller clubs often rely upon inappropriately qualified and inexperienced individuals. This is especially true in specialized activities such as marketing. These quotes and comments below are gathered from different sources (Moore and Levermore, 2012; JKL, 2010; Olsson, 2008). For instance, a marketing manager of a large London-based club commented that, 'I think when you start working in the football club, you realize it's very much hands to the pump ... because the resource is relatively limited in terms of staff numbers.' A further theme – expressed persistently in the data gathered, is that even HR managers at large clubs are slow to update important HR records regularly because of their high workload; 'Every day there are enquiries and queries; I have to deal with all of this without administrative support. I have to ensure that staff files are kept up to date – I cringe at that one because they never are!'

*Intuitive approaches* are rarely successful. In most of the football clubs around the world owners tend to influence the management or bend them towards decisions that they perceive are correct. Most of the times these decisions back fire, as in the case of English Premier League club

Chelsea; the billionaire owner Roman Abramovich hired the Portuguese coach Andre Villas Boas in 2011 but had to dismiss him after approximately eight months due to lack luster performances. Villas Boas was previously working for Porto where he won the Portuguese League and the UEFA Europa League. Chelsea badly needed a capable manager and paid additional money for requiring Villas Boas to resign with immediate effect (Fraser, 2011). It can be easily deduced that this decision was purely intuitive and the normal protocols were not followed in order to recruit a manager who ensures positive results in the long run.

*Bad financial management from hand to mouth.* As research into the history of football clubs demonstrate, financial management within football clubs has long been characterized as being blighted by resource constraints. Minimal levels of solvency were acceptable in the pursuit of playing success and reliance upon bank loans and overdrafts (i.e. working capital) resulted in a 'hand to mouth' existence. Although financial management has in many ways progressed significantly, there are still many examples of resource constraints and underdevelopment.

Similarly, short termism is also evident in football club HR practices. For example, longer-term strategic activities such as *HR planning* are rarely in evidence. Indeed even at the highest levels, HR practices do not extend much beyond what is required for the day-to-day running of the organization. For example, when asked about HR strategy, an official commented 'There isn't any ... there are no strategies and there is no strategic plan.' Similarly, another north-west based Premiership football club's HR manager explained that, after working in the club for three years, he had only recently formulated a twelve month HR plan and he could not contemplate planning over a three-, five- or ten-year period.

*Success on the pitch.* The imperative to achieve success on the pitch forces clubs to focus upon the short term rather than the medium and long term. Despite attempts by clubs at all levels to protect themselves from a bad run of results, the fact remains that even the largest clubs remain vulnerable. Although the problem is more severe for clubs outside the first (Premier League) tier, in which revenue streams are much more dependent on walk-up match day income and are very quickly affected by poor playing performance, all clubs are required to produce positive results.

### *UK similar to Sweden in terms of control and management*

As Moore and Levermore's framework highlighted, archetypal SMEs tend to focus on control in ownership and management practice. The data gathered highlighted that in English professional football clubs, it

	Many factors: holistic	One factor
Short term	Structure driven	<b>Control driven</b>
Long term	Mission driven	Scenario driven

Figure 6.7 Football is control driven: the four-field model in relation to business archetypes

is not uncommon to have one or a small number of shareholders, and they tend to exert control over the organization.

*Top-down decision making* is still evident. Real Madrid spent millions of dollars buying players due to the top-down decision-making of Florentino Perez, the club's chairman. The talented midfielder Claude Makalele wanted to be compensated in a decent manner like his team mates Zinedine Zidane, Figo and Ronaldo. However, Perez always wanted to pay the attacking players more money than the midfielders or defenders because they were more popular and sold more shirts. Ultimately, Makalele was sold to Chelsea after which Perez stated, 'He wasn't a header of the ball and he rarely passed the ball more than three meters.' He went on to say, 'Younger players will arrive who will cause Makelele to be forgotten' (Stevens, 2003).

By enforcing their decision-making controls over the entire management, the majority of football clubs are still run in a hierarchal fashion. However, there are a few clubs that tend to change and modify their management practices with the passage of time.

Furthermore, owners and directors regularly become involved in the day-to-day running of their clubs. Four interviewees, representing all levels of football clubs, indicated this. This is short-term management and focuses on one (or a few) performance factors, as illustrated in Figure 6.7.

These accounts show that some elements of the chairman's management style mirror those of many SME owner/managers. He/she is the central focus of power, control and influence within the organization.

## Choosing an organizational solution

Lars Lagerbäck, the Swedish national team coach, said in the context of Sweden's failure at Euro 2000 that the team was not fully free from the denial of systematic thinking that has been an impediment in the

European Championship. He expressed the same view to the press six years later in Germany and, again, two years later, at the 2008 European Championship in Austria! Tommy Söderberg, another national coach, found in 2002 that the individual skill prevails in Europe. This shows clearly that there is no *one* organization or team roster designed to support the 'business' or the game, i.e. the individual player's production of the product, which is the 'match'. The core competence should be the starting point of 'organization'. According to Collins (2001), it is necessary to first select the best players you can get and then select the game plan. However, it is probably the case that football players are more volatile than employees in other industries. Therefore, it may be necessary to do the opposite, namely, first select the game plan and then systematically pick the players that fit into the system. Djurgarden, for example, selected the four-three-three model (until 2007). In addition, there are two players available for each position, to incite competition among team mates to get the position in the team. However, this technique also prepares the team in the event that a player is sold during the next transfer window. National teams and the big clubs can probably make use of Collins' view, which structures the resources by first focusing on assembling the right team and then making that team perform according to a well thought out strategy.

A new or revised business plan can be executed with the right type of organization. The form can thus accelerate the implementation of the deal. The traditional forms of organization – functional organization, divisional, matrix and project – are supplemented by others. The new economy is dynamically changing conditions. Alfred Chandler's thesis originated in business, that 'structure follows strategy', rather leads to the antithesis (Chandler 1962). Competence governs organizational development and project management, i.e. the strategy through which a company invests in its customers and products. Furthermore, it is also a result of the skills that the company's founders possess.

Changing the existing composition of the team can make it difficult to accommodate a new player who has been recently purchased. The ideal method would be to structure the team's composition as a strategy based on players' skills. Today's players possess different skills and since availability is not guaranteed due to injuries, this situation presents a lot of obstacles to future decision-making.

As a business grows, the founders need to take advice from their surroundings and understand what role they should play in the future. The creative entrepreneurs who created a stable platform with cash flow, equity and sustainable profitability may have to be replaced with

other people who can continue running the company. It may seem ungrateful, but it is important to the company that it is headed in each phase by the right people. Bill Gates, for example, was not alone in the formation of Microsoft; Eric Rhenman was one of four people behind SIAR and so on. The leaders got replaced but the companies continue to live on.

### **Everyone must know the tactics**

Consultants are often asked the simple question: 'What form of organization would best serve my business ambitions of today and tomorrow?' Another frequently asked question is: 'What strategic objectives should I formulate for my business?' If, as these questions imply, a strategy is lacking, it is difficult to know what to do. This applies both on and off the field. Playing football without a long-term goal can work for a few matches, but in the end it leads to failure as the players do not know how to act on the pitch. Likewise, it is difficult for members of the football organization to act effectively in the absence of strategic objectives. Furthermore, not every team plays with the same tactics or strategy against each of their opponents. Players need options to achieve a flexible game. It is therefore particularly important that each player knows the current regime, i.e. playing style, during the match and the players are flexible and receptive to different approaches. As stated above, this may in practice be difficult to implement because the players have fairly limited room for movement in the lineup positions.

Under the heading organizational design, we can distinguish between two different types of organization: functional organization and new business development organization.

### **Functional organization**

The traditional function-based organization is composed of various section leaders, each having functional skills. Each leader must coordinate their activities and thought styles with the other section leaders to take responsibility for the whole business. The CEO is often the person who best understands the entire business concept. This encourages the fast development of his skills as a manager. The difficulty may arise if, within the established business there is a significant structural change which only the CEO perceives, and/or if competitors develop new business ideas. Between the CEO and/or senior managers there can be conflict about the company's development and direction as both consider themselves responsible for the company's future growth.



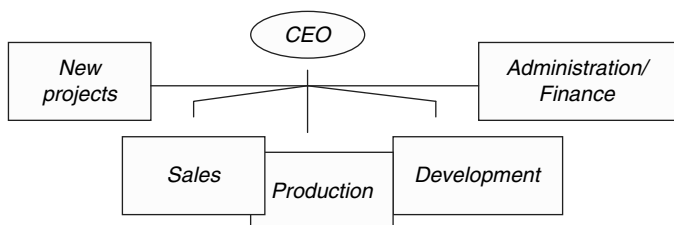


Figure 6.8 Functional organization

An example of a classic functional organization is depicted in Figure 6.8.

Functional organization can also be seen as the traditional type of organization for football clubs with marketing, a sports manager, a coach and a treasurer. However, it might be interesting to see the football team as an organization in itself. Football's equivalent of corporate functioning organization could then be as follows:

*The football team is the company*

'Defense' is the company's strategic department

'Midfielder' is the company's tactical department

'Striker/forward' is the company's operational department

The former coach of Ajax, Johan Cruyff, always envisioned four-three-three as the ideal system on the assumption that the midfield was the team's most important link. The company would then rate the tactical department to be the most important. In a football game, the attack begins from the defense, the company's strategic department. But mostly it is midfielders (the company's tactical ability) who decide who gets the chance to score. Three men in attack require very strong midfield players who can handle both the defensive role and the ability to support strikers with good services.

### **New business development organization**

There are some different proven organizational solutions that can be exploited in order to promote business development. The term 'solution' is unusually appropriate, because it is really necessary to find a solution that addresses all the important factors that apply in the case.

For all organizational solutions of business development are in the sensitive initial stage, it is necessary that the organizational needs are

shielded and protected from ongoing operations. Business development is, by its nature, a contrast to the ordinary course of business; the former seeks innovative solutions, the latter to conserve and manage the existing ones. As operations are quantitatively dominant in the enterprise they often stifle success in comparison to innovation. Young soccer players acquire agents who take care of them, engage them with employer/clubs, and are responsible for the development of the player through attractive contracts. Management contracts do not seem to occur in the world of football. A company could hire the expertise of a number of trainers. But football players' agents and contracts are growing rapidly for the simple reason that player salaries are growing, and this happens because the clubs can afford to pay them from the revenues they have secured from television and sponsors. This is the logic. But the whole model is based on success on the pitch. If a club loses or gets relegated to the lower division, as happened with Juventus before the fall of 2006 when the club collapsed due to bribery and match fixing, the way back is a long and tough climb. Shares declined, Zlatan left the club, and many shareholders lost money. The revival since that time has been remarkable and the team managed to take the league trophy in the spring of 2012.

### **Attitudes, concepts and authority**

Is there a specific organizational solution for good business development to grow exponentially? The observations in this book suggest that a positive attitude towards innovation and change within the company along with a willingness to satisfy customer needs is necessary but not sufficient for successful business development. The organization controls the learning that affects attitudes and develops concepts. Organization is more important than attitude and concepts. But in an organization like IKEA empirical data suggests that both the attitudes and concepts dominate. Therefore, the organizational form is not as important in this business. This is, rather, an example of the control drive in which a global optimization of results is based on centralized design, logistics and purchasing.

### **A comparison with football**

In certain business situations, industries and even on some sports teams, there is limited dependence between the players and therefore almost no interaction while training.

In the section on getting a team's synergy from the 'Science' we have seen that the sum of the individual players' performance is often less than the team's overall performance. We also saw that Tommy Svensson

was not afraid to seek new synergies by changing the lineup during the World Cup tournament. The analogy of functional organization and the roster has been used, but the team roster may also be considered as a flat organization; as players and coaches are on the same level. What changes did Svensson carry out?

Svensson's reasoning about change in the initial lineup was probably based on the following analysis. Sweden's 2–2 result against Cameroon was not promising. Tommy Svensson tried to understand why the team's various parts did not work well. The players in starting lineup in Figure 6.9 point to the team's weakness on the left side (Figure 6.10); a team is only as strong as its weakest link. Ljung was mostly alone as a defender because Blomqvist (who was inexperienced at that time) was too eager to attack. The cooperation between Blomqvist and Thern was flawed. The team's right flank was strong, while the left flank was weak. Svensson also realized that Brolin could not live up to his full potential as a forward and goal scorer.

In Figure 6.11 we can see that Blomqvist is no longer in the lineup. Brolin has replaced Ingesson at right midfield, while Ingesson plays instead on the left midfield. Kenneth Anderson made a brilliant debut in the tournament, scoring a goal and also working very well with Dahlin, chiefly because the defender and midfielder knew that Kenneth Andersson was superb in aerial combat. The central defenders, Patrik Andersson and Joachim Björklund knew each other well and had worked well together throughout the World Cup tournament.

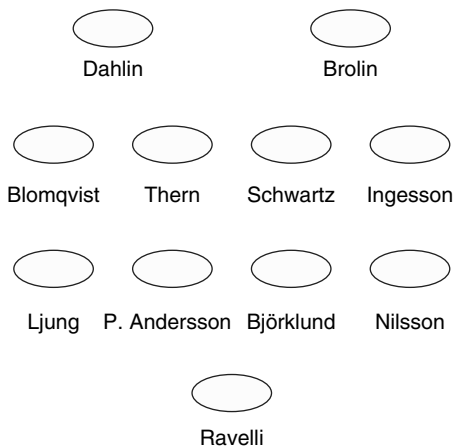


Figure 6.9 The initial lineup of the Swedish team at the World Cup 1994

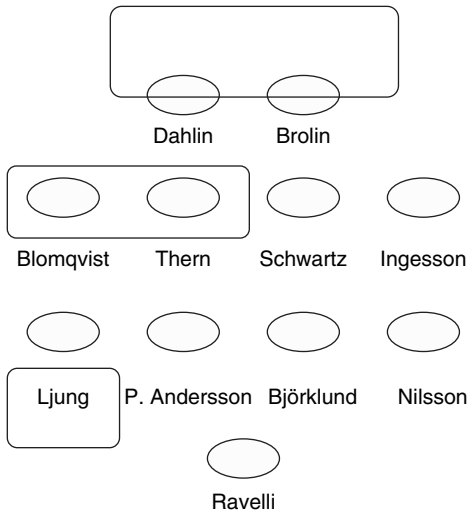


Figure 6.10 The left flank was weak

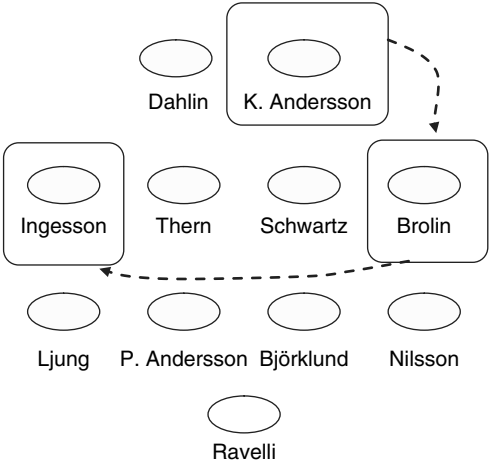


Figure 6.11 After the change in the lineup in 1994

A team, like a company, like a social system is extremely complex because the employees (players) are both rational and emotional, which makes them often unpredictable in their actions. Perhaps Blomqvist developed his personal goals (see Figure 5.1) during the tournament?

Perhaps Blomqvist was nervous? Or, was Blomqvist badly positioned in comparison to Thern? There are obviously no clear answers or truths, but to identify the problem and respond to players 'or employees' feedback is an important aspect of management. While viewing parts of the team Svensson did not forget the big picture. He probably thought about how the team could play to its advantage. If Svensson had studied every single piece/players he could have ended with Brolin on the bench. But then Sweden would certainly not have gained the World Championship bronze.

## Leaders and potential leaders

Developing leaders for the twenty-first century requires a long-term approach, an integrated system of mechanisms that will manage the selection, training, overseas support, appropriate evaluation/feedback, appropriate compensation packages, correct wage determination system and a deliberate process of repatriation. Unfortunately, the gap is huge between the requirements for these mechanisms and what is done practically.

In football, Manchester United's coach, Alex Ferguson, is responsible for everything from the academy to the transfer market policy and tactics. He has held the position since November 1986 and even though he will be seventy-one years old in December 2012, his thirst for trophies is not yet slaked, writes Rob Hughes in the *International Herald Tribune* (Hughes, 2010b). At the age of seventy Luis Aragones, Spain's coach and mastermind behind their European Championship campaign in summer 2008, infused a very creative and attacking style of football. Leaders 'off the pitch' can obviously be a little older!

Klinsmann tried to modernize the club and encourage the players to help themselves more. He had to quit five games before the end of the Bundesliga in April 2008 and was replaced by Jupp Heynckes and later by van Gaal. Quite apart from its stature and the financial backing, Germany is unique in comparison with world football as it is run by its former stars: Franz Beckenbauer, Karl-Heinz Rummenigge and Uli Hoeness. When these three gurus bless you with their presence, the club is in highflying mode. But when these three panic, then it means that the coach or the manager has to go.

As the saying goes, 'The only definition of a leader is somebody who has followers' (Drucker, 1999). A good leader conveys the business concept and the vision that will create energy and participation. In this sense there is not much difference between a company like IKEA and the world of sport. Leadership skills apply to both activities because both

need to motivate employees to great achievements. Anders Moberg in IKEA saw that management was moving away from an authoritarian coach style. The rule is to challenge the employees up and down the organization and to infuse trust.

The ability to identify and select key team members is generally considered the single most important characteristics of a leader. Additional important features include:

- The ability to balance customer value and resource commitment.
- A genuine understanding of the business model and control over resources.
- The ability to maintain steady and rapid learning.
- The identification of opportunities and the ability to take controlled risks.

### **Measurement of the leader's performance**

The key is to accurately assess a leader's performance. But is it possible to evaluate individuals in the same way that performance is measured in general? Measuring the problem is extremely difficult. How is it possible to measure the performance of Maradona or Zlatan? By counting their goals? Many agree that robust indications, such as the number of goals scored, should apply. But creativity and the motivational skills of a good leader are difficult to measure. One individual who has demonstrated unique qualities as a leader is Sven-Göran Eriksson. He introduced a new culture as football coach and proved extraordinarily effective at highlighting the best in each player. This ability made it possible for Eriksson to create a team of superstars in Lazio such as Salas, Veron and Mancini. By highlighting each player's best attributes, Eriksson created confidence in the players who trusted him as a coach and, in this way, he also built up a trust between the players on the team.

Another interesting trainer with his own game ideas is Arsenal's Arsene Wenger. He has the ability to create added value, which is another key feature of a good coach, no matter which league they belong to and whatever the financial resources are. Just remember that he bought several players relatively cheaply and then turned them into coveted players for Arsenal and other clubs; world class players such as including Vieira, Petit, Kanu, Ljungberg, Silvinho, Henry and Fabregas.

### **Discontinuing the work of managers who do not fit**

Business leaders must always strive to succeed within a specific time frame. However, a honeymoon period of two to three years is followed

usually by an equivalent 'dangerous' period of time. Can a manager navigate through this difficult start-up period? The longer a CEO manages to retain his post the less likely he or she is to be deposed. When it comes to football managers they seem to have less time to succeed than managers in the business sector. Comparatively, a Premiership manager has an average fixed period of employment of thirty-nine months, whereas FTSE 100 CEOs hold on to their positions for around forty-five months.

The Swedish model in business (see Sinani *et al.*, 2008) is often said to be the board of the 'nonexecutives' who meet in order to evaluate their president, and this model has become increasingly common in the Anglican context. The board encourages the vice president to align the interests of Chief Executive and shareholders with shares or (less good) share options. There is a pyramid effect here: weak boards allow obviously mediocre managers to choose less skilled employees. Replacing average managers and bringing in entirely new, more capable individuals, is always a much better solution.

In football there is often a wide debate about sacking the coach when things are going badly for the team. This is not as common in Sweden as in countries like England, where some managers seem to be dismissed on the basis of their performance every season. But research has shown that it appears not to be a good idea – at least not in the short term – to kick out the coach mid-season. Among other things, an examination of the English leagues from 1973 to 2000 shows that the teams that changed coaches during the season underperformed during a three month period when compared with those who did not change coaches (Bridgewater, 2010). Interestingly, the results were similar in both cases where the coach resigned voluntarily. The study also shows that it seems that the law is a bad way to end a relationship and begin a recovery, whether it involves a change of coach or not. Similar results showed a study of a period of twelve years in the highest Dutch league. The results showed, in general, that if the coach had stayed, his performance would have been slightly better than his successor. Thus, there is no 'shock effect' from ejecting a trainer. One reason for the perceived dearth of English management talent both in football and in business might be precisely the manner in which English managers tend to over-elaborate when trying to communicate. The early success of the England manager, Sven-Göran Eriksson led to calls from the Confederation of British Industries (CBI) and Institute of Directors to emulate his ostensibly intelligent approach to management. Swedish management style exhibits a curious mix of politeness and straightforwardness, unlike the British system of

talking around issues. Jim Collins (2001) in his book *Good to Great* calls this 'quite leadership'. But the equally volatile Ferguson has been just as successful with his style as Eriksson has with his (Bolchover and Brady, 2002: 261–2).

A new employee must understand how to fit into the company's business situation and style in the same way as a new player in a football team should fit. The two Stockholm clubs AIK and Djurgården are very different. Djurgårdens football team has been associated with a hard line for decades, producing tough players like Tjalle Mild and Sigvard Parling. AIK players like Putte Kock and Kurt Hamrin played with an elegant style, very different from the Djurgården approach.

## Measurement and control

Professional measurement and control of operations are commonplace in global organizations trading on the stock exchange. The environment is mature, established and predictable. It's about performance optimization of the whole operation.

To be directly controlled and micromanaged is typically something an unskilled employee may tolerate, especially one with many years of experience. There is, however, a traditional tension between managers and intellectuals who do not want to be managed. The control of a football team or a company is of course dependent on the organizational design. Various forms and different lineups support different control systems. Sometimes it is more the case that the system drives performance rather than individual employees or players are driving the system. An example is found in the football world where Henrik Larsson, during a period in his career, scooped goals for Celtic in Scotland, but had obvious problems with his role in the Swedish national team. Henrik said during a World Cup qualifier against Macedonia (which Sweden won 1-0), in which there was only one forward: 'It was not easy for me. I was intermittently isolated.' Henrik still thought – which was often described in the daily newspapers during these years – it was too early to reject the new gaming system and return to play with two forwards. 'We can debate this forever, but now we have decided to try to play like this and then we do it,' he said. Henrik, noting the big difference between Celtic and the national team stated, 'I train with the others in the Celtic every day, while only playing with the squad now and then. In Celtic, I get a lot of ball.'

Lars Lagerbäck, the coach of the Swedish national team, admits that Henrik (Henke) Larsson Henke, had a difficult task since he ran and



worked and did not receive passes or support. The Swedish national team's game plan is not designed for players like Henke. Henke did not play poorly, but the design and control of the lineup were responsible. The gaming system cannot possibly be designed to suit all players. This is a textbook case of how the system rather than the individual runs the game.

Sometimes, no formal organization or organizational plans are effective because employees are working on a case-to-case basis. This may be due to two things: 'extraordinarily poor management' or an 'extremely fast-paced environment'. Limited control is ideal. Control systems in business quickly took over senior management concepts in the global companies in the late 1990s. These information technology systems were referred to as Enterprise Resource Planning (ERP), but for many they became disruptive. Current fads in management include, for example, the 'balanced scorecard' (Kaplan and Norton, 1992) as well as the previously popular 'management by objectives'.

Alex Ferguson arrived at Manchester United from Aberdeen in Scotland in 1986 and, as observed from many of his quotations above, had time to build a club from scratch. Among other things, he started a youth program, where some of the today's top players, such as David Beckham and Wayne Rooney, matriculated.

### **Football is controlled, but is it by management?**

Control is everything in management and 'the only thing that gives you control is time, and the only things that buys you time is success', says Alex Ferguson (Ferguson, 2002). He continues:

You got to find a way to affect people's lives through motivation. But you have to have players WHO can be motivated. Some people can just melt under the pressure ... You could say that I was a hands-on boss. Somebody HAD to ask. Most of the directors were visible only on match days and at least one of them, John Corson, seemed to absorb much while he was there. 'Which one is Tony Fitzpatrick?', he once asked me, two years after I begged Tony to be installed as the captain of the team. (*Ibid.*: 153)

### **Corporate governance is the common corporate control model**

It may be a bold generalization to say that, for some years, the business sector has been used to decentralize responsibility and decision-making mandates, which has led to better results in several respects. Getting good results requires coordination in the form of joint governance. This is a

form of control that usually consists of a series of bold economic targets. For the group to have some economic leverage it requires targets and mechanisms that make it possible to achieve something more than what the individual units one by one could manage. Portfolio management in the football industry is just such an example and this is what some Danish clubs (that have diversified into property, investment and the experience industries) and UK clubs practise. But the regulations from UEFA and FIFA are strict and control-oriented, leading to constant tensions between them and the mega/hype clubs. See also Figure 8.6 on the power shift in European football.

Many CEOs in the industry now like to restrict their command and control to the kind of leadership that characterizes an investment fund or diversified conglomerate. Ideally, a small team in a large corporation with fifty people is involved for years in managing external relations, buying and selling business units and communicating with shareholders. The importance of economic governance is especially prominent when it comes to achieving an effect, or actually a 'follow up', which is not so narrow that it does not work for the benefit of the group's best interests.

How is value created in a club and what kind of values are there? The audience appreciates excitement initiated by events on the field, witnessing the match. Early reviews of the concept of 'Balanced scorecard' (BSC) were launched in the *Harvard Business Review* in the first issue of 1992 by Professors Kaplan and Norton. By seeing the company from four important perspectives, the company can be focused on a few critical ratios in core target areas. In other words, BSC forces the company to manage and monitor the daily activities that affect future development. BSC is based on three time dimensions: yesterday, today and tomorrow. What is being done today will provide readable financial results until tomorrow. As such, the focus is broadened and it becomes relevant to continuously monitor nonfinancial indicators (Kaplan and Norton, 1993, 1996).

### **Key performance indicators relating to governance**

Despite all the buzzwords and all the rhetoric, the balance sheet economy is based on an inevitable truth that without sufficient capital a company cannot survive. Without cash any company is simply incomplete no matter how many good theories they have for governance.

There are two ways to control employees: by reward or by punishment. In the past, a variety of ways to reward employees through various incentive schemes have been discussed. But management may be associated with several additional aspects. An important management

issue is the degree to which the 'controller' adds to the details of how the goal shall be achieved. Another important question is whether management should be directed against a person or a group. 'Core groups' may lead to cooperation, perhaps by creating a team spirit that has been lacking, and often the result is an increase in overall performance. Performance pay exists in football!

Collectivism among individual players sometimes can 'mask' a player's way through a match, which is an argument to introduce group performance rewards in football. This has become particularly evident in the last ten years as professional players rotate between the top teams of mega clubs, thus preventing individual players from becoming 'one of the team' because the contract is too short. This compares with the high staff turnover of IT companies, which resulted in a lack of experience when the IT companies' most valuable resources were lost to competitors. To increase employee (players') loyalty, companies now offer stock options, which is a form of group achievement award. Maybe this could be the club's approach to creating loyalty in the future?

So what is the key performance indicator in the management of player-loyalty or the price of the player? Loyalty has a price. It becomes obvious, especially when loyal managers in established businesses suddenly leave their positions because of the promise of shares or options in other companies. A similar development has prevailed, and still does, in the football world. A club is often held together by friendship and faith in the neighborhood or district and could develop teams that advance far up the table systems. But this invariably ended with a disaster for those who stayed. The phenomenon is not unique to either clubs or businesses.

'What you cannot measure you cannot manage' is said to have been the main thesis of Ken Olsen, the founder of Digital Equipment. For most companies, key results are too short, too stiff or used more as pointers and troubleshooters than as a way to motivate. Archaic dimensions, measurements and ratios should have been replaced by more dynamic systems, leading to continuous improvement in customer appreciation and flexibility and productivity.

### **Management by metrics**

Peter Drucker (1999) has formulated two basic claims about performance measurement. First, he says, there are very few factors that are important for organizations to measure. Second, it is very important to precisely measure the weakest area of management. These observations are supported by numerous empirical studies. Examples of such empirical

studies can be summarized in four conclusions regarding relevant measurements and benchmarks:

1. The measurements must be linked to the operational and overall objectives. Departments and functions need to know how they contribute, each one individually and collectively, to the overall compliance rate. The operational and over-ruling targets should be communicated and understood even better in smaller firms and in a football team, where the distance between those who formulate the objectives and execute them, the players/ staff, is smaller.
2. The system must integrate with key financial and nonfinancial information in a way that is useful for operational managers. The management and other staff must have accurate information at the right time to make the best decisions.
3. The real value of the system lies in its ability to focus all the commercial activities of clients and customers.
4. Finally, we often hear that leaders complain that they receive too few reports although in general they receive long or wordy reports. They need to review both the number of reports and how they are distributed.

### **How to develop measuring systems?**

In football, results are tested on the pitch. However, the results of the match are only one piece of the overall results. The measurement of consumer satisfaction takes place from the stands to the living rooms. It all depends on whether the training was successful or how the mood was in the stands or at home in front of the TV when the match was watched. Many companies realize that they need to replace the existing measurement systems with new ones. Below is a simple method that illustrates how companies should implement measurement systems. This demonstrates how metrics can be both a catalyst for improvement and a strong medium for successful management.

These practises are developing features that not all managers and leaders agree upon. These practices have been developed due to a questioning of the traditional indicators and measurement that has not always led to beneficial effects. Which of these methods are 'fads' that are not scientifically proven? Which ones are useful because they enhance the long-term goal or a business idea?

All these methods and fads in business can be applied in many contexts in football. Finally, there is another easy measurement system,

which is designed for the individual transaction relating to football. So what is the easiest method of measurement? Identification and explanation of the origin and succeeding growth pattern. Is player celebrity status greater in smaller, community based teams? Or does it come from being discovered in the youth academy or having the luck to be sold to a mega team? Creating celebrity players from grassroots beginnings is crucial to the success of management.

In Sweden, sport has historically played a crucial role in the smaller towns in ways that create an identity. Take for example the Swedish communities Degerfors and Oskarshamn which are dominated by one major employer and have a regional anchorage. These smaller Swedish communities have teams that are dominated by one major sponsoring company, which enables the team to maintain a strong local flavor. Although these teams lack big sponsors and widespread national appeal, in the smaller community they have stronger connection and a shared identity with the team. As such, players in smaller, community teams have the opportunity to be stars, or celebrity players, whereas in big city teams, they might not have the same celebrity status.

### **Four archetypes and three kinds of football clubs**

The lessons learned from Chapters 3, 4 and 5 are that firms can learn from football's constant interaction between the 'product' and 'product development' squares in the four-field model. This interaction takes place simultaneously in relation to the coach who replaces players during the match in order to increase product value. This product is of a qualitative nature. There is also an interaction of a more financial nature between the squares 'management' and 'product development' that consists of investments in newly purchased players, which in turn affects the quality of the team's performance in the market. Businesses are also helped by the study of football's interaction with the 'market'. The football 'product' – the match – is created in part with the audience, which is co-producer of the game's atmosphere. Football may be an immediate reversal of the change in the 'product' quality where customer satisfaction is strengthened.

There are many ways to compare football with the business world's four archetypes. Swedish and foreign football clubs have different business models: hype clubs or mega clubs, like Real Madrid, provide the entertainment in the major leagues, yet mega clubs are absent in Sweden. In addition, it is possible to discern some new club categories

in Europe, which perhaps is the beginning of an entirely new structure for traditional clubs (see Figure 6.12).

**Hype-model:** the 3–5 top clubs in each of the leagues in England, Spain, Italy, Germany and Portugal, and to some extent France and Holland, are the ones that usually recur at the top year after year. These mega clubs have to win and manage ‘short term’ because there is a ‘hype’ surrounding them.

**Regional anchorage:** this type of club with strong local roots is capable of absorbing all local support for a team such as Kalmar or Helsingborg. The biggest competitor is hockey with its strong sponsorship income and well-integrated relationships with club managers.

**Youth academies:** clubs with strong youth activities without substantial resources make their way to the top division, for example, Swedish BP Brommapojkarna and Hacken. The clubs have, in the ‘long term’, managed their economies through strong youth activities. They develop players from the boys team and then sell these players as semi-finished products, like they do in the biotech industry. Ticket sales are low and sponsor activities are undeveloped. The French club Metz had for many years one of the three strongest youth high schools, with players like Platini who played for many years in France and later in Italy. He subsequently became the French national team coach and later the UEFA chief. Metz has also brought on another famous player Robert Pires who after playing in France later played in Spain. But today (2012), Metz is facing difficulties in qualifying for a position in French Ligue 1.

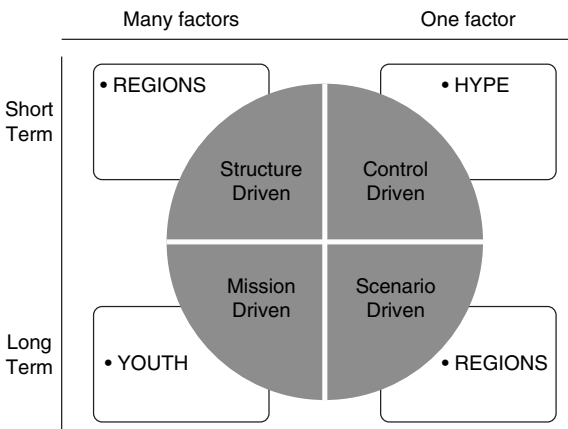


Figure 6.12 Four business archetypes and three kinds of football clubs: an outline

## **The football club as a management object**

This analysis of football using the four-square matrix with its short/long term and one factor/many factors, allows many football clubs to be compared with the four business archetypes identified earlier.

This chapter demonstrates the importance of the organizational design for a company and thus also for a football club. Football's chief lesson from business is how management is conducted in the business world. Today football seems to be focused mainly at the scenario level. The regulating bodies however are trying to update the Administration side – squares (1) and (4) – of football clubs and thereby execute control. Good managers within the company move between the four perspectives with a strong sense of the archetype that applies to their organization: 'mission', 'scenario', 'structure' or 'control'. The ideal scenario for management is to consider all four archetypes in both business and football. A careful analysis of the company/club in comparison with the best practices prevalent in the four archetypes will provide enough flexibility to adapt to change. This awareness should be more specifically developed in football clubs' management.

Thus, the book's introductory chapter laid the foundation for the thesis that leaders of football and leaders of business can learn from each other. In Chapter 7 we will focus on information technology, trademarks/branding, benchmarking and sourcing, and how they pertain to both business and football.

# 7

## Management of four challenges

This chapter emphasizes the four key areas in which football can learn from the business sector in the field of management. What follows is based on Proposition 5, which includes: databases and information processing, branding, benchmarking, and insourcing/outsourcing.

There is not enough literature concerning this perspective because the dominating ideas seem to be proposed the other way around, i.e. from Football to Business. However, Bridgewater (2010) discusses B–F (Business to Football) as well as F–B (Football to Business). Despite the changing face of sport over the last ten to twenty years, along with the severe, and sometimes fundamental, weaknesses contained in Stewart and Smith's (1999) model of sport's special features, some of their broad conclusions are worth revisiting, which the authors themselves do in their 2010 article (Stewart and Smith, 2010).

This book's approach to 'special features' focuses on four key areas, which are introduced below. The 'product' of football is the match – created jointly with the audience. The audience acts as the co-producer of the match 'atmosphere' (Vargo and Lusch, 2004). In football there might be an immediate reversal or change in the 'product' quality which will affect customer satisfaction.

In this chapter, four tools will be described and applied that constitute the special features. The aim is to trace areas where football may have something important to learn from the business world and where both the Administration ('thought style') of a club and the 'playing style' (Science) can contribute to creating value.

We start with two important keywords from the beginning of this century in the world's diverse business circles: 'IT' (information technology) and 'Brand'.<sup>1</sup> For business in general the IT issues are important,



while in football the brand is important. These are challenging claims, but this chapter will provide logical justifications. A 'brand' is used as a trademark or a symbol, which helps in identifying the vendor's product or service, in reducing its uncertainty and distinguishing it in comparison with competitors. Benchmarking and in-/outsourcing constitute the two remaining tools.

In the past, a match could be experienced in many contexts. The value chain concept is a dominant method of analysis. This value chain, described earlier, is useful because it indicates that in a functional system, flow and time are leading factors. But a major drawback to its usefulness in football and other service industries is that the starting point is the beginning of the flow. The 'experience' industry, meaning sport as a business, focuses on the final part of the chain, whereas the value cluster concept covers our broader view and is more useful.

## **Database and information processing**

The database of the social portal Facebook is growing rapidly, with over 1.4 billion social media users presently, accounting for one of the biggest databases in the world (Good, 2011). However, companies collecting peoples' phone numbers, addresses and other relevant information is not new territory, but has been a widely adopted practise amongst business, particularly business with highly standardized procedures. IKEA's founder Ingvar Kamprad is one of the pioneers in the usage of databases; he contributed to the development of data distribution just a little more than his competitors and made good business out of his insights. During his studies between 1943 and 1945 at the Gothenburg Business Institute, he was inspired by a professor of economics, Ivar Sundborn, to consider how the distribution of data could be made more efficient. After his studies in Gothenburg, Ingvar Kamprad worked at a company involved in prefabricated wooden houses. He worked on the addresses at the information department, but devoted more thought and attention to his own start-up ideas. Among other things, he managed to get control over the mail delivery lists. With a margin of few cents per binder, Kamprad eventually earned more with this line of business than what he was paid in salary from his employer. This side business grew and Kamprad's mailing lists became increasingly important. Kamprad's business started as a few bundles of flyers and then developed into a pure mail order business. And according to IKEA's history, in 1947 IKEA was purely a mail order business (Björk, 1998).

### **The database as a breeding ground for genuine business**

Databases do not consist solely of numbers and simple words, organized alphabetically, but often much more. ABB, for example, makes good use of databases to understand the volatile demand for electricity. The company has a solid history of identifying various factors and their relationships to electricity consumption.

In addition to in-house customer databases, companies may also contact other companies whose business is to sell large databases. One example is American Business Information (ABI), a US company that takes advantage of telephone directories, annual reports, company records, newsletters and trade journals to collect data about millions of companies. A Scandinavian example of this type of business is Impentab, which, since its inception in 1998, has collected a database of information on 80 million companies in 110 countries (Ronge, 1998). But there are also other, noncommercial databases, which can have significant effects in different contexts. The prestigious French Business School INSEAD, has one such database, with a record of all MBA alumni since the '60s, while Chalmers and KTH (two technical universities in Sweden) have alumni books containing information on addresses, current employers and other details of graduates. The underlying purpose is, and always has been, to strengthen loyalty to the school and, at the same time, maintain contact with successful alumni who might financially sponsor the school's development. The long-term justification for pursuing such databases is obvious and far-reaching: a larger network equates to access to more potential resources. In football, however, databases of this type seem to be rare or nonexistent, yet given the potential to reach new audiences, isn't the need for databases justified in football? One club that is pursuing similar access to large databases to expand their market is the Spanish club Villareal, which announced its ambition to cooperate with partners in China. The club presents an extensive approach, including a Chinese network that features sponsors as a 'strategic alliance' (Villa Real China, 2012).

But a team's primary database should, as an alternative approach, be created by the team's goalkeeper who can survey the entire football field and has the ability to read the game (*Offside*, 2009). In a way, it is the goalkeeper – especially if he is the captain – who is the equivalent of a corporate CEO. The CEO and the goalkeeper may clear up the situation when the company or the team's other capabilities have not been able to keep competitors at a distance.

Many of the people interviewed for this book have made use of databases, as is the case with 'Bengan' Johansson, the handball super coach who, at least in Sweden, designed the first handbooks on handball tactics

(he is famous for his 100 recipes/tactics written partly by the players) and then created computer-based tables for match analysis. Almost all the top Swedish football teams videotape, edit and analyze films with the players, or alternatively, allow the coach to first analyze and then present the results to the players. Databases do not disappear after usage or consumption.

Examining the overall consequence of IT, strong centralization means that in a typical nonScandinavian style of leadership, the individual manager gets control of the business through knowledge dominance, and thus draws upon himself a heavy responsibility and a mandate that often leads him to be the 'king' of the company. Databases of a more explicit nature point towards more decentralized operations in all industries. Explicit information is available through the Internet and it can be used by many different people within a company. Therefore, it can now be more effective to pursue several 'kings' in a field. Shared responsibility and more transparency are here assumed to facilitate implementation of strategies.

Customer Relationship Management (CRM) and Product Data Management (PDM) (Wikipedia, 2010a) are fast-growing approaches that link the available data sources into one product.

In the early 1970s General Electric contracted some Harvard scientists to study the interaction between different strategies and subsequent performance (Buzzell and Gale, 1987). This led to the formation of the PIMS database (Profit Impact of Market Strategy) already mentioned in Chapter 2 (Wikipedia, 2010b). The possible causal relationships between a number of factors such as market structure, competitive position and strategy/tactics on the one hand and 'performance' on the other hand were statistically quantified and calculated. The three single strongest factors explaining good performance were: (1) the customer perceived quality of the product/service; (2) the relative size of market share; and (3) the relative, low, capital expenditure. These relationships have not been identified in any studies related to football, which would describe the three main factors that explain performance/success ('strategy and performance').<sup>2</sup>

A customer database, in its simplest form, is a collection of information about customers, prospects and possible sales channels. A database, however, is only as good as the data or information it contains (Wang and Jackson, 1993). Volvo Cars is one of the companies that have emphasized the use of databases of various kinds. This is the critical success factor for all Volvo's European business, claimed by its president in 1998, Hans Olov Olsson, who in 2012 is at Geely.<sup>3</sup>

With the help of databases, companies can exercise transparency at a whole new level (Nolan, 1973). Costs can be identified, systematized and sometimes explained. Purchase prices can be specified while costs are allocated to products, vendors or categories. Developments during the 2000s have displayed the dramatic emergence of a number of new social media databases such as Facebook, YouTube and LinkedIn. The increase is at such a rapid rate, that every single hour there are downloads from Youtube amounting to ten years of playing time (Elliott, 2011).

It is unlikely that a style of football could be explicitly driven by information technology and databases. But the modern clubs in England, Italy, France, Spain, Sweden and Norway analyze their playing styles with the help of IT-based tools and more often with the help of video, as was the case during Euro 2004.<sup>4</sup> Drillo Olsen, a Norwegian national team coach, identified those situations that preceded an actual goal and calculated the exact time that elapsed in the entire process. Furthermore, he identified the activities that players from various countries practiced, and measured the time that each of these activities lasted. Olsen concluded that after five or six activities (e.g. passing the ball), the probability of scoring a goal at the end of the process clearly decreased. If only two or three hits were allowed, it was more likely to result in a goal scoring opportunity. Adhering to a system of scientific analysis was something that the Norwegian national team employed successfully for several years in the 90s, and led to Norway qualifying for the World Cup twice.

Database design methodology has three main phases: Conceptual database design, Logical database design, and Physical database design (University College Cork, 2008). See Figure 7.1.

This principal image of database management also demonstrates what information technology has contributed in terms of marketing, i.e. moving from mass marketing to group- or relationship-focused marketing in today's increasingly individualistic world. In short, mass marketing requires a simple address list while individual marketing is usually based on very differentiated and detailed data about customers.

### **Metadata-information about information**

Several industries focus only on information management, like for example, banks that collect and coordinate data. Most banks have a variety of databases, which sometimes need to be coordinated. This can make data warehousing architecture unwieldy.<sup>5</sup> Since the need and ability to organize complex information from different sources is becoming more and more important, this may also be known as metadata, i.e. information

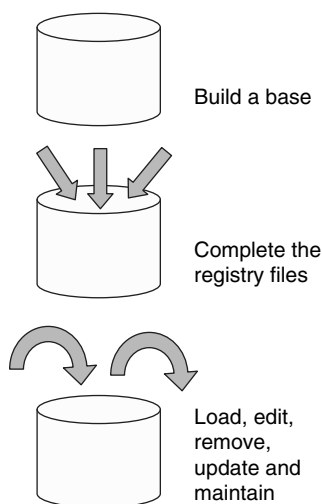


Figure 7.1 Database work in three phases

about information; more attention to detail. In spite of the risk that such metadata is important and necessary, it is often fragmented across the organization. Of course, this information is perceived by some users as incomplete or difficult to find. It is often recreated for each new application. Large enterprises often have many databases. Today there is rarely a consistent pattern and a clear structure for how metadata should be handled. How can this tool be used in football? Our four-field model in Chapter 2 could be used in this scenario, where such data and databases that are related to 'atmosphere' shall be governed by one kind of metadata, while other metadata are applied to control the 'training'.

At the same time, no information has value unless it can be provided in the form of a desired structure in order to be properly understood. In order to find, understand and interpret the information correctly, there must be some kind of coordination within an organization. There will be important and large projects for the future to create structure in large organizations and their often disorderly, data warehouses (*Financial Times*, 1999c). But even the ability to store information is no guarantee that it will be accessible and useful in the future. Some data may be lost because the software no longer exists or because it has become outdated (Stepanek, 1998).

During the mid-1990s, a number of popular computer-based 'management tools', such as ERP (Enterprise Resource Planning), CRM (Customer

Relationship Management) and SCM (Supply Chain Management), were developed. All these tools help in enabling an organization to store and efficiently access reliable information known as 'true data'. Master Data Management (MDM) is another important development in the area of data management. The development of MDM was rapid and the aim is now to consolidate data at the organizational level in a way that it supports decision-making. In 2012, it is still difficult to assess whether MDM is a 'fad' or will be an enduring concept.

Most databases are of course available online, therefore making it possible to integrate a company's databases with other public databases. 'Extranet' is a private network that uses internet protocols and public telecommunications.

### **The key is to analyze**

The genuine purpose of the 'customer database' is to acquire and retain customers. This base is part of the metadata 'mood'. As competition intensifies, it becomes increasingly important to have close contact with the customer base. Only by building large databases of current and potential customers it is possible to analyze, predict and categorize a company's own business and customers. This applies to both business and football. The more a company knows about its customers and the customers' needs, the more it can take suitable steps to meet customer requirements, and thus remain ahead of competition. The ultimate goal of every business should be to treat their customers as strategic assets. But to get there one must have information in an easily accessible manner. The legal aspects of data collecting do not favor customer bases. Individuals should have access to structured databases with good analytical ability (*Financial Times*, 1998d), which is why Google has become a popular source for the average individual.

### **An example from football**

Swedish football has previously made use of databases to determine membership support, and as the revenues from audience involvement increase, the usage of databases is gaining significance. As government grants decrease, the information about members and supporters becomes all the more valuable. A well-developed database is also a good basis for effective benchmarking, which is addressed later in this chapter.

Many football clubs have databases through which the opponents are analyzed before the matches. A similar example from the world of football comes from the English Division 2 team, Stockport County, a club

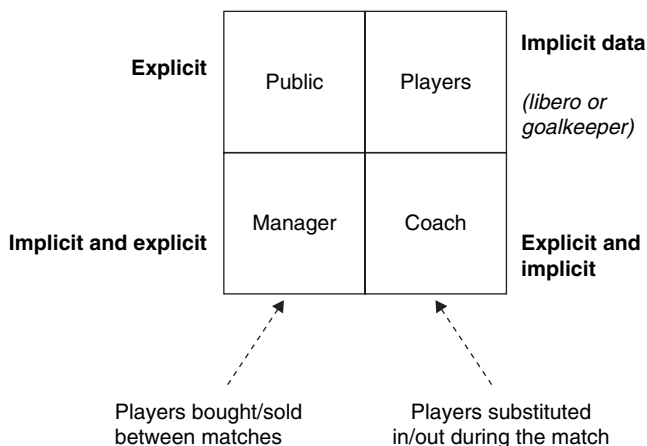


Figure 7.2 Football's four-field framework

that has an informative website that would make many premier league clubs envious. However, the club had for some time 'locked' the website so that only those visitors who registered information about themselves could access the links and read the articles (Stockport County FC, 2012). In this way, the club managed to create a large database of their fans, which interestingly also included fans from China. More details will be discussed later in the section titled 'brands'.

In the football world, wise decisions are based on the data collected and organized adequately. This data must then be processed to form the basis for decisions. Our four-field framework (Figure 7.2) shows an overview of the four principal actors/decision makers. For example, the player is acting based on implicit data, while the supporters' club in the first place is an explicit member list.

### Superior 'playing style'

Superior 'style' in 'database updating' is a tactic, implicitly and explicitly based on a superior way of gathering primary data, organizing data, then updating the data and finally to download and interpret the data. Ironically, most of the decisions are made on instinct, and are characterized by 'bounded rationality' (March and Simon, 1958). Therefore, making decisions in line with the information presented through the databases is a major challenge. Fast growing technology enables users to smartly process data and thereby create new opportunities.

The updates can be performed at regular intervals, at irregular times or in real time.

### **Processing of data**

In the digital world, a lot of information can fit in a small space. In the past, the information was recorded in analog mode and took significantly more time to download and access. IM, or 'Information management' is an area that is relevant within the top management of most businesses. In football, the application of information technology in management is usually modest.

### **The digitizing rate and the business model**

Theodore Levitt reported in 1983, in his now famous article on the globalization of markets, that technology decides everything, but still, few people know anything about technology (Levitt, 1983). Information technology increasingly seems to influence most people's lives. From history we know that technology development rolls on as it always has. It is hard enough to develop business models that will become a conscious business as technology creates new opportunities. It is important for the developer of a business model to be aware of technology development and have good command over it to create opportunities for the future. Empirical studies show that information technology explains up to 30 percent of productivity improvements across all industries (Red Herring, 2001). Others argue that this factor determines the ability to 'manage the future'.

Football clubs have tried to develop web platforms to market their services. This does not always succeed where expertise is missing in all the appropriate dimensions that need to be included. The services are simply so different, and their needs differ considerably depending on the target: spectator categories, fans, players, sponsors, media, etc. It is necessary to remember Stewart and Smith's (1999, 2010) *special features* of sport.

### **Knowledge management**

'Knowledge management' (KM), since the 1990s has referred to the English name of a stream of ideas that Thomas Davenport and Prusak presented in their book (2000), summarized in seven points as follows:

1. Use the company's collective knowledge to create market value by empowering existing knowledge and taking advantage of new knowledge.



2. Regard 'Knowledge management' as an integrated system by ensuring that KM is an element of the strategy, the structure and process.
3. Share knowledge and information: the key to successful knowledge management is personnel-based.
4. Optimize the human networks role in KM by identifying who knows what and who else should know.
5. Implement KM as a process.
6. Use technology to ensure that KM drives technology and not vice versa.
7. Keep up with the pace at the top by avoiding softening elements in KM.

In its simplest form KM enables a company to avoid reinventing the wheel, or to avoid the same mistakes over and over again. Knowledge management is not a new invention even if it has received increased attention in recent years. Knowledge management has been studied by philosophers and practiced for thousands of years, but it has always been heavily dependent on available technology. From the very first articles of clay which had written messages on them in 3000 years BC to today's fast computer records, man has tried to keep track of large amounts of facts in order to get an overview of their reality.

Some of the most influential writers on the topic of KM include Karl Erik Sveiby (Sveiby and Risling, 1986; Sveiby, 1997), Ikujiro Nonaka and Hirotaka Takeuchi. These theorists have placed great emphasis on IT and its opportunities in the field, despite new technologies offering enormous development challenges. With new advancement in useful software for KM, such as Lotus Notes, new computational options to store and exchange information are possible and offer real progress for KM. Today's KM is not so much about organizing facts but rather transforming the entire business culture. With control over collective knowledge, a company can increase its competitiveness and thus prove Sir Francis Bacon's statement, that knowledge is a means to power, viable once again (*Financial Times*, 1999a).

Knowledge management in football may contain many different dimensions such as the coach who listens to the players and the players who listen to each other. This can create greater levels of mutual understanding and generate new ideas while facilitating an analysis of how the team is performing together as a unit. Such 'digitized analytics' only makes sense if there are overlaps in peoples' mindsets – if people share a common experience of causes and effects but have not yet elaborated on these as a team, or 'community of practise'. This argument is well

justified in both the corporate world as well as the world of sports, e.g. through claims such as 'This is how we do things around here', 'This is our playing style', or even hostility against other playing styles or practises in terms of 'Not-invented-here-no-good!' (NIH).

Two illustrations of mindsets in the European football circles will be cited: Franz Beckenbauer, the German football icon along with his German colleagues and coaches, developed the 'libero style'. This means that the team uses a 'balance-player', the 'libero', who stands at the back and collects the experiences of their team and the opposing team. The libero has the necessary permission to move forward. The requirements for the libero are extremely high, as a great deal of imagination and vision must be used since he must be properly located at any given time, and so continuously able to 'read' the game. He develops a mental capability implying a 'database' for the purpose, as the game can then be developed based not only on existing but also real-time acquired information.

Alex Ferguson writes about data management as follows: 'I was also trying to add imagination to my coaching, emphasizing the need for players to have a picture in their minds, to visualize how they could have a creative impact on the shifting pattern of a game' (Ferguson, 2002: 151). The players would then have a kind of virtual database from which they could pick up a scenario, a picture of how they would respond to the newly emerging situation.

### **The new data miners**

Many companies use 'data-mining' technology to exploit the customer's past behavior to predict their future purchasing patterns. Online, Amazon analyzes the data to recommend other books to people who bought a particular book depending on their choice of author, genre or popularity. When a customer returns to Amazon, he or she has new recommendations based on his/her previous book orders. This technique is called 'collaborative filtering' and despite its shortcomings, it works well for companies with many products and many customers.

The hope among many of those who choose to use techniques like this is that much of the work that previously was based on guesswork and uncertain projections will disappear and be replaced by the customer's own data, listing the activities/products/services they are interested in. Furthermore, these techniques could reduce the cost of misdirected advertising and increase the chances for companies to really find their way to potential customers. An obstacle on the path towards full use of 'data mining' is the cost for older companies to convert their databases

so that information is made available in real time. Nevertheless, newcomers to the market have a real advantage. The new company has the advantage of a new database and new technologies, but it is offset by the value of the information that an older company has had time to accumulate about their customers over a long time.

In the future, both the appearance of web pages and the price of the goods sold will change according to the customer profile. Prices may vary according to how loyal customers are and the look can be specially targeted to customers with different interests and wishes so that they may see different versions of the page. There is also some risk with too many differentiated messages. Instead of attracting customers, the increasing registration and control are perceived as intrusive and customers may choose to look away from sites that are too control oriented (Ryan, 1999). In football, few clubs have consciously tried KM as a management tool, despite its many promising features.

### **Websites and e-commerce offerings create opportunities for football clubs**

A site needs traffic, which is of primary importance on the Internet. The world today has a growing population of around 7 billion people, of which 2 billion are Internet users and 5 billion are mobile subscribers, meaning that 80 percent of our global population makes use of Internet and mobile services (International Telecommunications Union, 2011).

Moreover, different kinds of newsletters make it possible for clubs to communicate directly with the fans who register through their email addresses. Fans often get the opportunity to discuss a game via chat forums on the clubs' websites. But the fans not only get information through the club's official website, but perhaps the greatest communication takes place between supporters of various fan-sites and their chat forums.

The team's website also provides opportunities for additional sales, often through e-commerce. It is, above all, the English clubs that have invested effort and capital in developing and nurturing e-commerce capabilities. Most clubs, even small ones, do not just sell different kinds of club supplies, but also credit cards, various mobile phone services, subscriptions to web, TV, radio and more. The big clubs may also offer their fans gifts from their sponsors, which are often, interesting enough, mobile phone operators. Again, it is Manchester United (which also has its own television channel and a monthly magazine) that has driven the development one step further. The club through its website promotes a number of different kinds of financial services, loans, insurance and

investment advisory services. Increasingly, information is obtained and decisions are taken over the phone, which is an excellent advertisement forum for this type of service given that the club has over 50 million fans worldwide (Hollensen, 2007).

A few years ago it was widely perceived that the Internet would constitute a veritable bloodbath for traditional advertising channels such as television, newspapers and magazines. However, this has not been realized, despite the industry's concerns. After falling sharply during 2000–2002, advertising on the Internet once again increased and accounted in 2006 for 4.3 percent of the total advertising market in the USA and 2.2 percent in Sweden. Although the percentages might seem small, the actual transactions are in billions.<sup>6</sup> Given that car manufacturers like Ford during 2004 spent 10 percent of their advertising budgets online, online advertising should offer significant opportunities for football clubs on popular websites. Millions of unique visitors attract advertisers. But advertising seems to be conducted here mainly, sometimes exclusively, by the club's sponsors. Hosting a popular football website is a means to attract and get more sponsors, but if players from other industries are willing to advertise, this should be utilized (Cornwell, 2008). There is a strong belief that advertising in a global perspective is decreasing in importance and the sponsor method is increasing.

In the publishing industry, classic book publishers such as Barnes & Noble, have had major problems with finding appropriate paths for success in new media and new business. Electronic books are such a business that offers a new media and business opportunity, as well as intranet-based training. Attempts to combine the old concept with new technologies have highlighted a new path for growth. Many established truths and insights are challenged through this development. Knowledge is required, although the examples above show that the costs must be related to customer value. This is an important insight that many educators will face in the future.

A second example is about emerging media and how to use its own internal network. This multimedia-based training program was developed for the Swedish government with the aim of training sales staff in customer management. The video recordings of real situations turned out to be a good tool to understand what kind of situations could occur in reality.

These cases show that each organization will get more out of their market and might achieve good distribution of their messages through their own internal network. Football clubs also need to find similar ways, for example, to sell season tickets through the Internet and to ask customers

what they want from the club. There is a tremendous amount of knowledge and experience that football clubs could learn from companies in this respect. Top Swedish clubs should consult the best practices adopted by prominent English clubs.<sup>7</sup>

### **Segmenting customers is critical to the unique business model**

In 1973 Nolan wrote an article in the *Harvard Business Review* on information technology's role in the development of management. He also described Electronic Data Processing (EDP), as it was then named as a driving force influencing companies towards a database orientation and a focus on information (Nolan, 1973).

Technological changes in recent years have created unprecedented opportunities for successful communication and marketing. It has now become possible for companies and clubs to identify and understand their customers better than ever before. And it's time to start using these skills in management. There are opportunities to meet the increasing individualization of the market and talk directly to each customer. Still, this level of communication and interaction with customers has not been achieved in football. But the road towards it goes through communication with small groups, knowledge of customers' lifestyles and more personal-oriented messages. Some astonishing figures have been reported, showing the magnitude of communication: 200,000 SMS messages are being sent every second. But the use of social media differs between countries greatly. For example, nearly 80 percent of all Mexican companies use social media, while the average in EU firms is only 31 percent.<sup>8</sup> This has implications on the future portfolio of sponsors for non-EU football clubs.

### **Customer and product profitability**

Is that customer profitable: is this a critical issue in the choice of method? A large shipping company was losing money and the management suspected that it was due to its largest customer. The largest customer was an internationally renowned hardware and software manufacturer that accounted for 10 percent of sales. The shipping firm had over the years built up a very close relationship with the customer, and often had to give-in to price negotiations. After an application of activity-based costing (ABC), a long-standing cost analysis, it was revealed that this account was not profitable. The supplier was forced to incur direct and indirect costs equal to US\$150 for every order worth US\$100. It shocked the management and they debated two different responses: some members wanted to raise the price so that costs incurred by the

company were equal to serving the customer, while others preferred an interruption of the customer relationship. Neither proposal appeared to be a happy alternative. It was determined that in order to save US\$10 million, the company would have to give up future sales worth US\$90 million (Wiatr, 1993). The obvious approach to solve the problem eventually was a joint effort to reengineer the value chain processes for savings identification and overall cost reduction.

This shows the strength in, but also the dilemma of, using the ABC method as an instrument of financial management. It spreads the costs correctly, but the method does not account for embedded value or productivity of the entire activity. In response to this problem, another concept known as activity-based management (ABM) was developed in the 1990s. In ABM every activity is tested. If the activity does not increase the value of the product or service delivery then it is changed or removed altogether. If the tasks contribute towards increase in value, then it is tested through external benchmarking and comparisons are made with similar activities in other parts of the same company. Conducting this analysis is very hard for a football club with no or limited capability for this analysis. But this analysis can and should be used in football.

## **Branding and sponsoring**

It is expensive to conduct research and product development. One way to prolong the product lifecycle is the loading of the brand, which is not easy. A well-known brand will be easier to market if the charge is positive and, conversely, negative charges increases the cost of marketing and sales. Sponsoring is a fast and emerging way to grow the brand.

With its increasing popularity globally, many football clubs have developed loyal fan bases and even stronger brands than companies who have been in business for decades. Despite this fact, most clubs do not fully utilize their brand equity and limit their vision to shirt advertising (Aaker, 1996; Keller, 1998).

Traditionally, brands are associated with consumer products, with the conventional example of Coca-Cola, being the world's most valuable brand. But it should be noted that companies behind the Scania trucks, Sandvik mining equipment and other large industrial companies, are investing in branding. The brand is symbolized partly by a logotype, a trademark of letters and sometimes a symbol. Volvo is probably Sweden's most famous brand, which is now split between the heavy vehicle producer Volvo AB and Volvo Cars AB, the car operation owned by the

Chinese Geely group. Many Swedes probably disliked this split but the truth is that brands have no eternal life. Many brands in the luxury segments such as the fashion industry disappeared in the Asian crisis during the early 1990s, while football seems to have not been significantly affected by the economic cycles (*Financial Times*, 1998h; Harris, 2009).

### Brand theory

The term 'trademark' can be interpreted in many different ways. An important distinction is to separate the brand from the company name; the name is a necessity, but not a sufficient condition for a brand. In other words, a brand is a symbol of something that makes us recognize the product or service (names, symbols, for example) and of the associations that we get when we come in contact with the product or service (Hakansson and Wahlund, 1996). Olympic Lyon possesses a strong brand image in France and Europe. This club has franchised its brand both at cafés and hairdressers. However, probably the most well-known and ubiquitous brand-sponsor relationship is that of basketball legend Michael Jordan and Nike, which has resulted in Nike being one of the most, if not the most, popular shoe brands in the world (Andrews, 2001).

In the 1980s, the term 'brand equity' became one of the most important and central concepts in marketing. However, some confusion remained about what brand equity really means as there were many different definitions of the term. Most theorists agree that brand equity consists of the marketing impact that can only be attributed to the brand. This means that the result of a marketing campaign will be different for a specific product or service depending on the type of brand (Keller, 1998). The brand equity capital shows the proportion of a firm's total equity that can be traced to the brand, its name and its symbols (Aperia, 2001). It is furthermore concluded that brand equity consists of five pillars: brand loyalty, brand awareness, perceived quality, brand associations and other brand assets (e.g. protected trademarks and patents) (Aaker, 1991).

While interest in brands today is large, only a few companies and football clubs can explain what their brand fundamentally stands for and what gives the brand its identity. This lack of awareness may be explained by the fact that the brand is still often seen as a tactical tool rather than a strategic resource (Melin, 1999). The important thing to understand in this context is that identity is not the same as image. Identity includes the signals the brand sends out, while the image is associated with the perception of the customer regarding the brand (Uggla, 2001).

By looking at the brand from an internal perspective, brand-building begins with a strategy and integrated vision in which brand identity is

the central concept. The brand identity gives structure to understand the brand's overall context and through this connection a company determines the brand restrictions on the positioning and expression, including those that preserve its individuality and perseverance (Kapferer, 1997).

Building a core identity for a brand includes an emphasis on creating an attractive image of the product/service, composed of relevant factors related to its physical attributes and personality. The physical attributes come into play when customers first think of the brand, while personality is the character that the brand displays or practices. It is important that the brand identity reflects the values consumers associate with it. To build a strong brand identity it is also important to create strong bonds between the branded product and the consumer: e.g. to be part of a football club as a supporter. One way to create strong bonds is by creating strong relationships between brand and consumers. Another way is through the culture shaped by the company behind the product, including the organizational norms and values (*ibid.*). A third way is to promote the relation between the fan/consumer and the sponsor brand is the 'symbiotic third party', the football club.

Another change that has occurred in recent years is that it has become increasingly important to understand a brand's promise or contract. The traditional brand contract is now less relevant here: one brand = product = a promise. Instead, there has been a shift to: a brand = promise = multiple products. This means that when companies choose to go into new areas, they do so more often with their existing brands rather than creating new ones (Aperia, 2001). This is often called 'brand extension'.

### **Brand latency, customer loyalty, one-to-one marketing and CRM**

Brand latency and customer loyalty are two important areas at a time when competition and customer power are continuously increasing. Brand latency means that a brand has the power to maintain a market well into the future based solely on its own strength and endurance. This applies, for example, with Coca-Cola. The brand Coca-Cola itself is far more valuable than the entire company's assets, precisely because the brand is more than just a name. Coca-Cola has established itself so clearly that it seems to stand for something more than just a beverage. And this notion also holds true for most of the really successful companies. They have a value that goes beyond rational explanation. Likewise, the football club, Hammarby, as a brand stands for something more than its 'product' which is the 'match'.

Previous players also play a positive role in branding. But as the player turnover increases, this identification factor is of less value for the



audience and supporters who are brand builders. Clubs like these obviously benefit when its supporters are 'born' into the club. Since culture is shaped by the interaction between people, this tends to culturally influence the brand, just like Coca-Cola works actively with lifestyle concepts from American culture. As the US population consists largely of the world's different nationalities, they therefore contribute to the multi-faceted culture of Coca-Cola's success worldwide.

Just like Hammarby, there are clubs whose trademarks are historically rooted in a region (in this case southern Stockholm) and perhaps also in specific population groups. Barcelona, for example, represents an area of Catalonia, which had previously been an independent state, making the fight against the central government in Madrid prominent. In addition, the club has a strong foothold in the working class. In other countries there is a similar link between the regions, people and teams. In Rome, for example, Roma is widely associated as a working man's team, while Lazio fans predominantly come from the middle class; and in Scotland, Glaswegian Protestants feel loyal to the Rangers club, while the Catholics are associated with Celtic.

In branding dynamics there is constant interaction between the 'market' and 'product'. The power of a brand is not enough to live on in the long run. A strong brand needs to be combined with customer loyalty. A company can only achieve customer loyalty in return by being loyal to its customers (Wacker and Taylor, 2000).

An extension of customer loyalty is one-to-one marketing, which as a method or fad has become increasingly relevant. In today's more and more individualized society, macro-economic laws no longer apply. Similarly, predictions about customers and their behavior are increasingly difficult to make. You have to adapt to the changing conditions and examine the individual customer rather than an entire market. One-to-one marketing is one such step that focuses on individuals instead of mass mailing, and with today's digital technology, it can be implemented cost-effectively. For example, by linking different types of store cards to databases you can create records of an infinite number of individual buying patterns.

Furthermore, CRM (Customer Relationship Management) is also a fad that seems to have flourished in most major consulting companies since the late 1990s.<sup>9</sup> Is it really true that the method's efficiency is superior to a fad, as mentioned in Proposition 4? Relationship marketing is in itself nothing new. Both Lars-Gunnar Mattsson and Evert Gummesson, two Swedish marketing professors, have presented ideas on relationship marketing and strong arguments for network theory in the past.<sup>10</sup>

But with the new support that ICT can bring, companies have now the possibility to use large amounts of diverse customer information to know and reach more buyers. Because of this development CRM has received a boost. This means that the concept can be considered a 'fad' but it is on the way to becoming a 'method'.

The discussion about the evaluation of brand equity should be referred to, according to Strobel and Woratschek (2012: chapter 26) through two main issues:

1. One should always differentiate between brand equity and brand strength. Although this separation is not entirely persevered in literature and the expression brand equity dominates the discussion, there is a common understanding of the existence of both finance-oriented and customer-based brand equity.
2. Based on that first conclusion, one should distinguish between the three main models of brand evaluation: finance-oriented models, customer-oriented models and integrative models. With reference to those two main issues it can be summarized that the evaluation of brand equity is one of the most discussed and important management topics. This development has also become more and more apparent in sport business. Due to several reasons it is extremely important for sport organizations to evaluate both brand strength and brand equity. This is also practically proven by the increasing numbers of evaluations conducted in several sports. By following that discussion, one should keep in mind that finance-oriented models usually ignore the influence of different stakeholders, especially the sport spectators' perspective. In that case, psychological variables like fan loyalty or image are completely out of scope. Customer-oriented models include on the other side those psychological variables, but ignore more or less financial figures. These two perspectives are combined in integrative models that measure brand equity by scoring models where the weights of key brand drivers are subjectively determined. This is the reason why the results of different brand evaluations of one and the same brand usually differ extremely. Therefore, it is important to differentiate brand strength and brand equity.

### **Football clubs as brands**

Some football clubs have recently realized that they have strong brands and are now trying to capitalize on this (Richelieu, Söderman and Pons, 2007). But do club directors really know why and how they benefit from

having a strong brand equity? To understand this we can look more specifically on the associations that mark this trend. Furthermore, we can divide a brand's association into three parts: *attributes*, *advantages* and *attitudes*. A club's *attributes* are very important and consist of: events and issues like success, coach, star players, management, design of the brand, product, production (entertainment) and tradition. The brand's *advantage* has to do with how the fans give meaning and value to their club membership and includes: identification, nostalgia, pride of the city/location, escapism and acceptance by the groups. Finally, *attitudes* point towards the psychological significance and value that a person associates with the club, and includes knowledge, importance and influence. All these dimensions of a club's associations have been found by researchers to have significance for the strengthening of a brand, although some have been shown to have more significance than others. There is an abundance of research that has shown that success leads to benefits, beyond increased ticket sales, and increased team attractiveness, but can also reduce the negative associations (Gladden and Funk, 2002).

Furthermore, from a theoretical perspective, the image of a football club creates social representation and a high emotional content. Viewing the image in this way allows us to focus on the emotional impact of the social experience and the symbolic significance of the specific images. In addition, supporters are trying to determine identity through the emotional 'strain effects', i.e. which means that the clubs who can understand the symbolic structure and the collective identity of a supporters group find it easier to achieve this objective with their marketing. Juventus is a club that can make use of its image and positioning strategies to reach their strategic objectives and strengthen its position. But the club must be able to handle both the symbolic and (as shown in Figure 7.3) the functional dimensions to strengthen its competitive advantage. Positioning is highly linked to the image, which of course must be attractive and distinctive (Ferrand and Pages, 1999).

The value of a brand is driven by how much revenue it will generate. Of course, it becomes important for a club to have many supporters when there is greater potential for revenue. The consultancy FutureBrand has examined football fans around the world to determine the factors behind team selection. Their survey showed that fans choose teams when they are young and that the choice is primarily based on three factors: the influence of family and friends, the influence of the star player on the team, and where the team is from. Surprisingly enough, the team's success factors (winning titles) lie in fourth place, well after the first three factors. This may mean that the absence of success in the

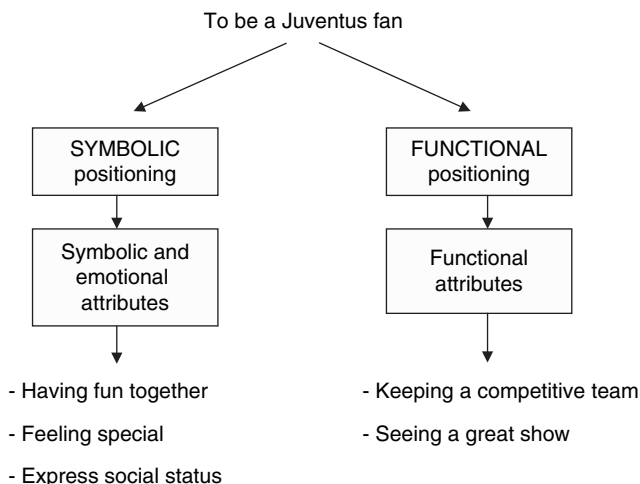


Figure 7.3 Two aspects of positioning by attribute

short term, leads to reduced revenue, but it does not necessarily mean that the existing fan base decreases (FutureBrand, 2004).

FutureBrand has also compiled lists of the most valuable football brands in Europe, the hype clubs. Factors that counted the number of supporters, spectators at matches, revenue, number of people locally and regionally, star players and the team's success on the pitch today/in the past. A football brand's success depends on how much revenue it generates today and how it ensures income for the future. Furthermore, the strength of the brand lies in its vast potential to earn revenues in the future. The brand-related revenue refers to the extent to which the management of a football club succeeds in exploiting the brand through activities such as merchandising and television rights (*ibid.*). As emphasized by Strobel and Woratschek (2012), it is extremely important for sport organizations to evaluate both brand strength and brand equity.

We see here that the clubs are evaluated for both strength and value, although the order varies quite a lot. Again we see that Manchester United seems to be the champion of the football pitch, because it can best capitalize on its brand.<sup>11</sup> The clubs listed in Table 7.1 demonstrate their consistency in terms of maintaining and improving brand image. Manchester United, Real Madrid and Bayern Munich have all managed to be consistent. During the Galacticos era, Real Madrid managed to sell record amounts of merchandise and recovered massively on the financial side. Bayern Munich has been very consistent with its branding and has

**Table 7.1** Strength and value: the most valuable football brands (the hype clubs) in Europe, arranged according to various attributes

Brand Value		Brand Strength		Brand related income 2002/2003
1. Manchester United	€288m	1. Real Madrid		1. Manchester United
2. Real Madrid	€278m	2. Barcelona		2. Juventus
3. AC Milan	€197m	3. Manchester United		3. AC Milan
4. Bayern München	€149m	4. AC Milan		4. Real Madrid
5. Barcelona	€141m	5. Bayern München		5. Bayern München
6. Juventus	€131m	6. Arsenal		6. Inter Milan
7. Arsenal	€111m	7. Borussia Dortmund		7. Arsenal
8. Inter Milan	€97m	8. Juventus		8. Liverpool
9. Borussia Dortmund	€85m	9. Inter Milan		9. Newcastle United
10. Liverpool	€84m	10. Chelsea		10. Chelsea
11. Chelsea	€80m	11. Liverpool		11. AS Roma

Source: FutureBrand (2004).

**Table 7.2** The most valuable football brands in Europe

Football Club	Rank 2002/2003	Brand value 2002/2003 (million €)	Rank 2009	Brand value 2009 (million €)	Rank 2010	Brand value 2010 (million €)
Manchester United	1	288	1	395	2	448
Real Madrid	2	278	2	360	1	463
AC Milan	3	197	7	185	7	200
Bayern München	4	149	4	296	4	361
FC Barcelona	5	141	3	319	3	434
Juventus	6	131	10	112	10	152
Arsenal	7	111	5	241	5	258
Inter Milan	8	97	9	120	8	192
Borussia Dortmund	9	85	–	–	–	–
Liverpool	10	84	8	163	9	169
Chelsea	11	80	6	216	6	240

Source: FutureBrand (2004) *FutureBrand and Brand Finance Report* (2010).

managed to retain fourth position. An interesting aspect to note among the top brands is that Barcelona, although ranking high in both brand strength and value, fails to rank in the revenue list (i.e. brand-related income) in Table 7.2. For example, the club is the only one on the list

not to have a shirt sponsor. Instead the club has UNICEF's logo on its shorts and pays for it. Perhaps this is clever marketing? In December 2010, however, the club signed a contract with the sponsor, Qatar Foundation, which deems Barcelona the 'The Indisputable leader in world football', meaning that Barcelona, after being financially strained is now (2012) able to earn €150 million.<sup>12</sup> Clubs such as Liverpool, Manchester United and Real Madrid also make roughly €30 million per year on shirts advertising. Compare this amount to the Allsvenskan with its average annual turnover of 100 million SEK, or €10 million per Swedish club!

### **Manchester United's brand**

Manchester United has a long and successful history that has attracted many supporters. In the 1950s, the club created massive interest in the young and talented 'Busby Babes', which was based on a youth talent development program (Szymanski, 1998), particularly after the fatal plane crash in 1958 that killed eight players in the squad. In 1968, the club won the European Cup for the first time and attracted star players such as Bobby Charlton and George Best. In the 1970s and 1980s, the team did not win any titles, but despite this, they attracted the most supporters in England because of the club's history (*ibid.*). After the club's strong success in the 1990s with star players like Eric Cantona and David Beckham, it also became very popular overseas. Today, the club has approximately 20–50 million supporters worldwide, including about 30 million in Asia (Hollensen, 2007). It can be assumed that the British teams – with Sky media as an amplifier – buy Asian players, often for marketing purposes.

### **Real Madrid's brand**

Real Madrid is probably the most glamorous club in the world, and has been strengthened by the acquisition of star players like Ronaldo, Figo, Zidane, together with the fashion icon, David Beckham. The acquisition of Beckham was probably also in line with the club's investments in Asia, where Beckham is very popular. Among other things, there were large movements of supporters from Manchester United to Madrid in the fashion-crazed Japan (Mortimer, 2004). Beckham later left the club for the United States. These bold ventures did not give desired results for Real Madrid and the president, Perez, was dismissed as chairman. However, Perez came back two years later as chairman with a promise of a new lineup of famous players. In the summer of 2009 Cristiano Ronaldo was purchased from Manchester United, Ricardo Kaka from AC

Milan and Karim Benzema from Olympique Lyon for record sums. But the brand's strength is also gathered from the club's success in Europe, which is reflected in the distinction of 'Best Club in the 1900s' by FIFA. But despite the strength of the brand, the club could not capitalize on this aspect fully until 2004 (FutureBrand, 2004). Revenue-wise in that year it was only fourth in Europe and significantly behind Manchester United. Improvements were needed in better marketing and merchandising of the team's star player (Deloitte, 2004). But the club must also remember that the star's impact on the team will decrease if they do not start winning on the field again. The management clearly had this in mind for future acquisitions and was also looking to invest in such aggressive strikers to increase the amount of goals by the club. The spring of 2008 was a very successful year for the club.

**The club is used to refine the players and to commercialize a brand**

The Italian football club Milan during the 1990s acquired many of players who stayed shorter periods than they envisioned. A prominent example is that of the Swedish players Jesper Blomqvist and Andreas Andersson. It appears that the commercial club owners actively used the club's reputation and brand strength to buy many more promising young players than they actually needed for their squad. They tried everything to test them on the pitch and then kept only the very best. Others were often sold at a much higher price than what the club had paid for them. The players developed, but above all, their legitimacy was increased by having played for a prestigious club. Players are upset by the transfer fee they receive when they move to another club. The challenge lies in the uncertainty created among the players and the built-in competition for a spot on the team. Hence, there is an interplay between 'market' and 'product development'.

**Developing the brand globally**

Stewart and Smith (2010) contributed to brand research by deducing that special features for sport include the fusion of loyalty, identification and irrational optimism. Another feature, common to all the clubs that have the strongest brands is their ability to attract supporters worldwide. Asia, Latin America and the USA are the new markets for European top clubs. To reach these markets clubs are touring these areas. Celtic

football club played with nine different clubs on its trip to the United States in 2004 (Saparito, 2004). Real Madrid's tour of Asia in 2003 is an example of such attempts to engage new markets and led to a mass hysteria, mainly because of the newly purchased Beckham. But the short-termism is still dominating in international marketing.<sup>13</sup> The clubs can do more to create a sustainable brand by working with their fans, with their history and with their sponsors. This is true for the British clubs as well as for the Swedish clubs.

Interestingly, sponsors are also looking for clubs that are strong in markets away from their home countries. The idea is in this way clubs can build credibility and awareness around themselves, thus a kind of inverse/double sponsorship. For example, Budweiser chose Manchester United as the official beer sponsor because Manchester's global brand image pairs well with Budweiser's availability in over 80 countries (Hollensen, 2004). Another example is Chelsea, which after the loss of its main sponsor, Singapore Airlines, to Arsenal, were specifically looking for cooperation with a major consumer brand that could take the club to an international audience (Mortimer, 2004). But businesses also need to be clear on these collaborations. For example, Everton's shirt sponsor Chang beer seem to have no direct intent to sell in Europe without the use of the Premier League's profile to build knowledge in Asia, perhaps primarily in China. Often associated with Asian sponsors is the purchase of players from the Asian country that is sponsoring. Such dominant economic reasons create worries for the coach regarding team selection for a match.

But it's not just the big clubs that invest in the international markets, the English Division Two club, Stockport County, only has a turnover of US\$8.5 million (about €6 million), which is around 70 MSEK in 2007 (compared to a big Premier League club), but nonetheless it is betting big on the Chinese market. The club is so small that they may be happy if they have 6,500 spectators at home games. In China, however, they play for 25,000 in the stands and are very popular in certain areas of the country. But the club has had to fight hard to get there. Among other issues, the team's international marketing manager made nineteen trips in three years to China. But these visits have paid off. The club earns 10 percent of its revenues from there (Spencer, 2004).

The key question is how far the global idea can be extended? This applies to both businesses and football clubs. Global marketing implies that all three facets shown in Figure 7.4 should be conceptualized and distributed across the world (*Financial Times*, 2010b).



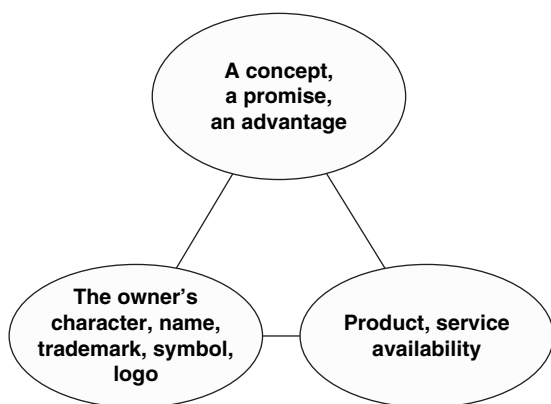


Figure 7.4 The brand's three facets

### Brand analysis is very difficult

Many ad agencies struggle to keep up with the accelerating pace of development. It is important to have the agencies involved, but they must realize how they can contribute. The companies would like to see cooperation with agencies that begin at this level, but unfortunately, too many companies fall back into old behaviors and a call for a change of a agency. This can happen successfully only when the brand platform is already in place (Waldenström, 1999).

While design firms have grown and matured into its own industry, and clients have already learned to see the differences between design and advertising agencies, some ad agencies still have difficulty to draw a line between themselves and design agencies. How will these agencies attempt to increase the creative content in developing the brand platform?

Some agencies are investing in a function that focuses on a structured way to collect and document the knowledge of the client's consumers and competitors by using so-called 'planners'. The aim is to give creators a better position in developing ideas. It has previously been difficult to get clients to pay for a planning function in Swedish advertising agencies, but now a change is occurring. Other agencies choose to create separate policy units. But separate consulting firms owned by advertising agencies may often have problems with their credibility with clients other than those who are customers of the parent agency.

Finally, the brand specialists have to adopt a technical, academic or legal direction, often lacking the ability to generate ideas when a brand's

core values can be well expressed in words, pictures and documents. It is precisely the ability to create the emotional charge in a desirable manner that is actionable in the implementation phase. The challenge for the commercial developer is in part to nurture and develop the brand. To preserve and develop the brand means to exclude product development that is contrary to what the brand connotes.

A brand platform is often the basis for many other corporate strategies. This also applies to some successful football clubs. But to succeed with a superior brand or style of play, companies/football clubs need to understand their identity to be able to position themselves and create an attractive and distinctive image in the customers'/fans' consciousness. Furthermore, for a strong brand it is easier to attract new customers/supporters who are central to the movement to develop and bring in new revenue streams. New opportunities are also created by the core brand that can be used to make brand extensions in the form of new services and products, as well as making it easier to export the brand to new markets.

### **A brand is mainly created on real performance but can be multiplied by sponsors**

While sponsorship should have an elevated status in advertising and marketing, it must reckon with the traditional views of the promotional mix as stated by Cornwell (2008: 50–1):

Given the discussion regarding the similarities between sponsorship and other indirect approaches, and given the need for a term that is flexible for use into the future, the new element should be described with a term such as indirect marketing. At this time, spending on sponsorship dominates indirect marketing budgets, but other areas, particularly brand placements, are expanding rapidly.

### **Symbiotic logics: some empirical observations**

The fourth imperative (see Chapter 1) is: learn from the supreme organizer of symbiotic third-party interest. This serves an argument for Proposition 6. This imperative refers strongly to the four-field model's square (4), Planning and Management, but behind that is square (1), Atmosphere and revenue generation. You may claim that football, compared to other sports, has *demonstrated a better way to cooperate*. There is a third-party interest that is given the role to make the principal outlays. The sponsors pay the cost. The fans do not fly Emirates, the tourists do. Typical sponsor industries are beverages, telecommunications, clothing,

finance (credit cards), who make the heavy marketing investments. Open source (Linux), Google and Facebook are intermediaries. Their task is to find firms willing to pay for a banner. Football clubs have access to millions of customers and their management utilizes this in a clever way.

These 'symbioticians' exploit their knowledge about cause-effect relationships and feed sponsorships. Activities are initiated and more beneficiaries are teaming up. Shoes and shirts sales are going up. These activities boost sales. The display of new articles acts like new fashion styles. A player is only dressed up once with a specific shirt, an instant approach. One industry is stimulating another start-up in a clustering style. Competence is developed and new partnerships emerge. The top team in Sweden, Elfsborg, has chosen a 'symbiotic strategy', inviting about 600 sponsors, mainly small- and medium-sized enterprises (SMEs), who meet before each match and share business experiences and potential growth ideas in that region, with a lot emphasis is on networking as well as partnering.

To balance the offerings, sport organizations also offer a range of supplementary products and services, i.e. merchandise and hospitality that can be more easily controlled for quality. Sport leagues work symbiotically as they rely on the cooperation of teams and collective agreements in areas such as: salary ceilings, player recruitment and drafting, admission pricing, game scheduling, income-redistributions and broadcasting arrangements to enhance marketing and licensing opportunities (Smith and Stewart, 2010).

European football has acted as a catalyst for reviving and expanding not only media and tourism, but also other industries. Football has accelerated micro-marketing. A few years ago a specific athletic shoe was very hard to differentiate from other athletic shoes in the mass market. But today, the story is different; top athletic shoe brands such as Adidas, Nike, Reebok and Puma compete with each other on unique selling points like comfort, accuracy and performance. Nike is the leader among the apparel brands because it transformed itself on time. Nike's chief executive, Mark G. Parker, reorganized Nike after taking over the top position in 2006. He divided the company into different divisions on the basis of sport, i.e. golf, football, soccer, tennis, basketball, baseball, etc. (Burke, 2011). Nike spent approximately US\$582 million to purchase Umbro, the Manchester-based soccer shoes and apparel company (*ibid.*). It has also sponsored many national and club based football teams throughout the world.

Another example of symbiotic development exists in the telecommunication industry. Telecommunication companies from different parts

of the world are pitching into European football sponsorship. In the past, Vodafone sponsored the shirt for Manchester United. Now, many telecom companies sponsor football clubs in order to gain access to their loyal supporters. A different approach to sponsorship was adopted by telecom companies based in Saudi Arabia and Dubai. Instead of venturing into their own geographical territories these companies decided to make optimum use of global popularity of the dominant football clubs. Saudi Telecom Company (STC) sponsors clubs such as Real Madrid and Manchester United (Real Madrid, 2011; Manchester United, 2011). Similarly, Etisalat, the largest telecom company in Dubai, is the regional sponsor of FC Barcelona (Barcelona Football Club, 2011). There is a large fan base for European football in the Middle East and UAE. Due to the immense viewership, telecom companies from different parts of the world are sponsoring football clubs to attract new customers and to get closer to their existing customers. Television channels generate massive sponsorship revenues on match days before, during and after the game. Vodafone, then AIG followed by Aon are the three recent shirt sponsors of Manchester United. This is a classic sponsor model. Other sports linked to business examples are Volvo Ocean Race and the fashion houses. However, in business there are few innovative symbiotic models. The challenge for the sport is to choose the most suitable and most harmonizing sponsor. Football is for the masses, while sailing and golf are for the exclusive consumer groups.

### **More knowledge is desired: some normative arguments**

My thesis up till now is that despite several successful branding practises in football, there is much to learn from the corporate world. But this book also asks, what can business leaders learn from sport, as we express it 'F to B'?

1. Bettina Cornwell presents a detailed research agenda focusing on nine issues (Cornwell, 2008: 50–1): Three of these are quoted below:
  - (a) Advertising has been shown to influence consumer memory for past product experience. Such consumer recall could certainly be applied to sponsorship. A simple extension would examine the potential of sponsorship to elevate recall of past brand experience.
  - (b) One of the most needed areas of research concerns spending that occurs in addition to the sponsorship contract. This spending typically results from efforts to build awareness of the link between the brand and event through advertising and promotion.

(c) The term 'sponsorship-linked marketing' as the orchestration and implementation of marketing activities for the purpose of building and communicating an association a link to a sponsorship was coined to reflect the required coordination of interacting employees, audiences, volunteers, events, activities, sales promotions, merchandise, cosponsors and media.

2. Look for partners, develop networks and be open for contacts. Think in complementary terms. Nokia met Microsoft and now some of Nokia's phones run Windows operating system. How can businesses foresee future patterns and networks and emulate the practises in football?
3. Another industry that has sought to leverage European football's rising popularity, is the car manufacturing industry. Audi has sponsored numerous football clubs. Volkswagen intends to boost its sales in the USA, therefore it has sponsored Major League Soccer (MLS) (Tripp, 2009; MLS, 2011).
4. European football has created a symbiotic environment in which a win-win situation persists for both the clubs and the sponsors. The clubs enhance their profitability and revenues while the sponsors get the incentive of tapping into the club's loyal fan base. Businesses can learn from this situation by joining hands with other industries to create new opportunities for their customers and also generate added revenues.
5. Schlesinger (2012) proposes that:

Future studies should also attach more importance to other moderating factors of sponsorship effects (e.g. sponsorship level, prominence of sponsors, duration or history of the commitment between sponsor and club). In this way, the influences of fan identity in relation to the different kinds of sponsoring activities could be investigated. Based on this, companies can decide more accurately to which extent sponsorship is an effective communication tool for them. In this context comparative studies about single sponsorships of several sports clubs – as well as comparisons within different sport disciplines – would be of interest in this field of research in order to detect possible correlations or differences.

## **About benchmarking**

Did you know that Jean-Paul Sartre was crazy about football? He claimed that everything was complicated due to the presence of the opposite

team. Football can be seen as a two-faced game: one team will win the match and the other team will lose. In football, a team might win three points, lose three points or just manage one point with a draw. The other face is economic: this is a plus sum model. Both teams can play a beautiful game with the audience queuing up and sponsors willing to pay, making both teams winners 'off the pitch'. Typical examples are the derby matches, such as Il Scuditto Inter vs Milan, Stockholm derby AIK and Djurgården, El Clásico between Barcelona and Real Madrid, Manchester derby between Manchester United and Manchester City and Merseyside derby between Liverpool and Everton.

The concept of benchmarking is used in the corporate world (the term is said to be rooted in the high water mark and the bench 'as a reference point for water level measurement and indication'). This is a challenge and refers to the systematic comparison between competitors in order to reveal the differences and define the best practices which lead to win-win solutions. Do football clubs benchmark? To analyze the other team's tactics is one thing, but a team's supporters want their team to play a game that highlights their characteristics. For example, AIK players ('smokinglirare' in Swedish) are perceived as elegant and agile. Football clubs seem to be ill equipped for bench learning while businesses perform well ahead.<sup>14</sup> This is a claim that is difficult to explicitly prove. Players are always looking for new ways to learn a 'spin' and to be equally adept with both feet while playing. Andrei Arshavin (outsourced to Russia during spring 2012) can be compared with Robin van Persie, both good players at Arsenal (2011). An example of benchmarking is Arshavin's use of both feet while van Persie successfully uses one foot.

Football does benchmarking, but is it done the right way? Is there a risk that benchmarking tightens the playing style? If imitation (an alternative word for 'learning') happens, is this leading to better or poorer quality? We can, as usual, consider the Administration aspect as well as the Science aspect. Football has a massive exposure value in terms of the media volume. Millions of football fans watch television and read the sports section of the newspapers, which in no way is congruent with the actual value in the global development of football. In addition, there is a constant comparison between the teams, players and clubs in football. These sporting comparisons are seemingly standard and the need for some kind of systematic frame of reference arises.

The players need to be fresh and in excellent form. Sometimes the audience and television viewers expect too much and 'irrational optimism' occurs. This may be because the player is constantly being compared

to other players on the benches. Lesser known players can suddenly enter the field and there is little or no information about players' form. The coach builds his constant evaluations and comparisons on another model. In addition to the historical performance (which he shares with the television viewer or newspaper analysis through the media) he knows the individual player's performance during the training days before and even during the matchday. Furthermore, selection is also based on the trainer's criteria for the opposing team's form and likely tactics, as it appears before the match. The selection is also based on the players' attitude, and the coach's views on the player possible misconduct.

If during the match the coach quickly realizes that the opponent is adopting a different style, adjustments should be made quickly. This is the single most important measure that makes coaches in general perform much better than an average CEO. The coach has a different and clear perception of what will happen over the next ninety minutes, compared to what an ordinary boss can normally predict (but not always) for the next few months. The important thing for a coach is to plan for different outcomes. Will his goalkeeper be sent off when the score is 0-1? What should he do in this situation? Such situations are well foreseen by the best coaches and they will trigger the correct actions.

### **Benchmarking as a theory**

There are two approaches to better performance that have been seen over the last decade: benchmarking and organizational learning. The two concepts are obviously related to each other in the sense that benchmarking is an effective way to initiate learning, which in turn provides the basis for innovation and success. The discussion on learning is difficult to maintain when it becomes general and imprecise, but ambitious research efforts worldwide are trying to create further insights. Benchmarking, of course, forces the organization to define the parameters of efficiency, which in turn lays the foundation for powerful education as a basis for improvement. By using benchmarking to organize learning, which is what we call 'bench learning', the discussion is shaped in a logical way as an efficiency concept (Camp, 1989, 1995, 1998).

Benchmarking and bench learning provide comparisons with similar activities and generate changes for better performance. Football as a sport has a performance-oriented character, based on comparison. The outcome of the struggle will always be decided after ninety minutes of play. But in this time span, there are many opportunities to compare the styles of play with each other. The TV channels provide ample statistics about ball possession, shots on target, number of corners, fouls committed, offsides, etc.

But a touch of bench learning seemed necessary when the Dutch system of total football was adopted, and this resulted in the whole team attacking and the whole team defending – really something new when it was launched in the 1970s. It was a surprise for the opponents, who did not know how to respond to this new style. Should they choose to do the same as the Dutch or should they go their own way? Maybe in this aspect ‘business’ can learn something from the world of ‘football’. Within the various business sectors the impact of competitors on the business model (and need of learning) is often underestimated.

Whatever the comparison base, ‘benchmarking’ is important. ‘Bench learning’ is a systematized term, developed and operationalized by the Swedish management consultant Bengt Karlöf (Karlof and Ostblom, 1993). Information technology has made it possible to access information about the company’s internal situation in recent times. One way to adapt to change is to try and be at least as effective as the ‘standard’, here defined as the best in that specific industry. Meanwhile, competition and the business community’s ambition to increase the flexibility of a company requires new methods. Benchmarking has been a successful method in its simplicity because it draws on the employees’ racing pleasure – you should at least not be second to your competitor.

### **Processes are measured**

Benchmarking (see Figure 7.5) can also be described as a way for different companies to exchange experiences, to identify and utilize best practices in the industry. But that does not mean that the benchmark comparisons are the same as competitor analyses. Instead, it is meant to compare and improve processes rather than products, prices and market shares. Benchmarking goes deeper and is aimed at understanding what lies beneath, such as shorter lead times, better service, lower purchase prices or higher inventory turnover.

However, it is important to first conduct an *internal* benchmarking analysis to generate a framework that the company can employ when it examines the external ‘best practices’. In addition, internal benchmarking also leads to improvements in itself, when processes are compared in a similar environment (Reider, 2000).

For *external* benchmarking, it is also possible to examine a wider perspective rather than just the direct competitors. To look at the specific industry as a whole is to go one step further in benchmarking. By then, trends, innovations and new ideas, which football coaches often practise to enable the team to keep up with the competition, might not lead to



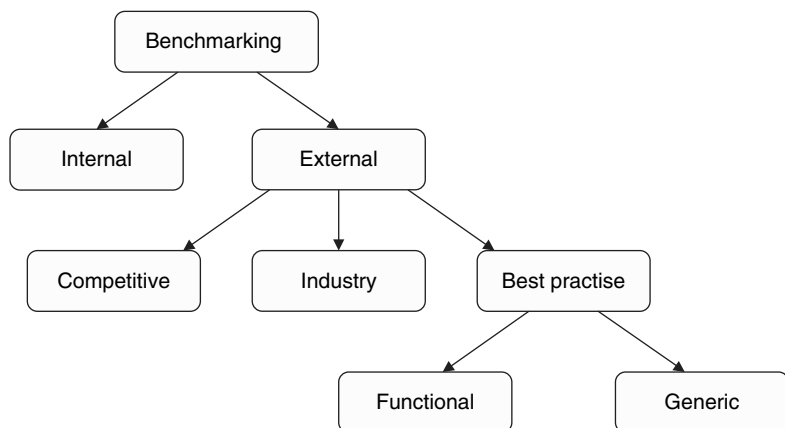


Figure 7.5 Benchmarking strategies

any direct revolutionary competitive advantage, but may help establish better performance criteria. Stewart and Smith (2010) use similar arguments and talk about ‘using technology to manage supply’. Finally, maximum advantage of benchmarking can be obtained when a company looks across multiple industries to find ‘best practises’, for example, a particular process or function. This is based on the mindset that one can learn from all types of industries and organizations. Then, of course, leadership is sufficiently innovative that it can implement the new thinking within the organization (Reider, 2000).

Applied in the world of football, these strategies are:

*Benchmarking:* match analysis, team analysis, videotapes and footage of competitors, analysis/synthesis for players.

*Internal:* analyzing the playing style, building scenarios for free kicks, penalties, set pieces, red cards, attack and defense. Studying the brand and creating new strategies to enhance the brand and club operations. Negotiations with the players and scouts and agents. Building youth talent.

*External:* studying the competitor club’s practices, brand values, fan base, communication strategies, player profiles. Researching market trends, customer preferences and obtaining market feedback, interaction with the media.

*Competitive:* pre-match preparations, on the pitch strategies, analyzing the competition.

*Industry:* focus on industry best practises and research.

*Best practices:* focus on what best practises are and how they can be applied to the team. Best practises related to playing style, branding, PR and merchandizing and facility and HR management.

*Functional:* focus on best practises related to the way the club is run on a daily basis. Who are the people that work in a club, what processes do they follow and how can these processes be improved to gain better profitability and efficiency?

*Generic:* focus on best practices related to a general level, i.e. the established norms like pre- and post-match press conferences, website development, merchandizing, facility management.

At the forefront of benchmarking was Rank Xerox, who coined the term in late 1970s. Together with Digital Equipment, Boeing and Motorola it formed a network, sanctioned by senior management, to facilitate comparisons (Wikipedia, 2004).<sup>15</sup> The reason was that US companies suspected that they had much higher production costs than their competitors in Japan. The network came to have great importance for the companies involved. Digital, for example, used the benchmarking method to improve approximately 250 different processes. The comparison with other firms led to improvements that were previously considered as impossible, sometimes even in a single meeting.

The American benchmarking literature from the early 1990s often invited users to compare themselves with the best companies in the market. But of course it is unrealistic for small and medium-sized businesses or strong niche businesses. It is much easier to find their role models in firms that are closer in terms of size and industry, or companies that have proved effective for a part in production that the company is particularly dependent on development. The very foundation of benchmarking involves a mutual exchange. You have to be willing to share your own knowledge and experience of management in order to take advantage from others.

Basically, the most successful practices of benchmarking lie in the launch of 'chains', such as department stores, restaurants, fashion stores and optician chains, where operations are similar to each other, without any direct competition. However, other organizational arrangements like consortia of companies of similar type, but from different industries, are also set up. Such comparisons are, of course, the only thing that is easy to organize, as companies in the same industry tend to compete and thus are difficult to arrange collaborations with, not least because of the formal non-competition.

The rapidly increasing criticism of benchmarking lies in the expectations of technology, which have become excessive. Genuinely innovative companies such as 3M and IKEA are the furthest in their respective industries and have no peers to benchmark themselves against. For genuine innovators benchmarking should be used only for certain functions and to gain control of those that can match the competition. It can also be used by the management of other companies to show clearly that even well-benchmarked companies will never be better than second best (Camp, 1989, 1995, 1998).

### **The disadvantages of benchmarking**

The 'Thousand brothers syndrome' implies that competing predators in an isolated environment remain malnourished. Imagine a lake with a thousand perches. Each of them develops a way to feed which actually implies uniformity. No one will be big enough to devour the other, but the conditions are the same for all. Detractors to benchmarking make this comparison: if firms seek to learn from the best to become better, they will still *not* be better than average. A company has to be unique and different in order to be successful and it can never achieve success through this method. Those who will benefit from the benchmarking of business are significantly worse than average and perceive it as a great boost to be read in conjunction with the competition. Unique companies like IKEA have little to learn from competitors. Therefore, they have begun to require a substantial charge for inclusion in comparisons. Thus, it is important to distinguish between the measurements of the activity itself. As a trainer in a small country like Sweden, if you look for comparisons with leaders in a Premier League club in England or Spain you will find that in the larger countries there are massive differences in terms of both training and marketing.

Just as in the business world, in the world of sport, athletes find it hard to be unique and become the best if they do not go their own way. For example, the ambitious Swedish world champion and Olympic champion in cross-country skiing, Gunde Svan, he explained in an interview how he tried on 20,000 pairs of skis before he was satisfied (*Svenska Dagbladet*, 1998). Others may have thought he was insane, but his success proved that he had made the right decision. However, the decisions must be aligned with the benchmark approach seen in light of Svan's three maxims: (1) it is important to go your own way if you want to go any further than the others; (2) the winner has a plan of action while the loser has an excuse; (3) nothing is impossible, there are just different levels of difficulty.

Furthermore, benchmarking is a thermometer without a scale. With the help of technology it is possible to determine whether the enterprise has made the world's cheapest product. But does this enable the company to make money? It is uncertain.

### **Quick learners or copy cats?**

The Japanese have sometimes been accused of being 'copy cats'. After World War II, they learned to capture and implement (mainly) American technology in their own market. Comparisons with European countries became important. For Japan, benchmarking is natural and necessary. To conduct comparisons with the better and the best is the aspect through which improvements are identified and implemented based on ideal models. The day you claim that you are the best there is suddenly no one else to compare with; vision and operational focus are no longer obvious. Thus, benchmarking is an excellent method for those who want to continue upwards, but have no desire to claim the first place. But how is benchmarking prevalent in football? A sports commentator at the World Cup semi-finals in 2002 said: 'The Germans play good man to man football in which players are physically "slavishly" close to their divisional opponents'. That is, they show reactive behavior.

In the business world, companies do not face each other as clear competitors. The number of niches and specific industries is so great. However, market followers can be compared, as they are easier to spot since they mimic the large company's products to gain market share. But yes, there are also one-to-one rivalries among the businesses, for example, when two competitive sellers exist within a district. But the number of rules is big and methods and fads numerous. This makes effective comparisons to football, with its seventeen rules less easy.

### **From diagnosis to therapy**

Learning from others while maintaining uniqueness is a significant challenge and a paradox in terms of benchmarking. To find comparable features is of course difficult when genuine innovation is assessed. But some more fundamental properties, such as sales per employee, can still be used for comparisons. With the second critical dimension, it is often possible to measure the right actions, to create comparability and objectivity, reliability and validity, referred to as 'measurement capability'. H&M (as shown in Figure 7.6) was the model for Lindex when it entered the German market.

The benchmark windows prove to be a useful tool for conducting comparisons between companies setting up operations in different markets. Benchmark windows 'therapy', however, is not as easy (*Affärsvärden*, 1997).

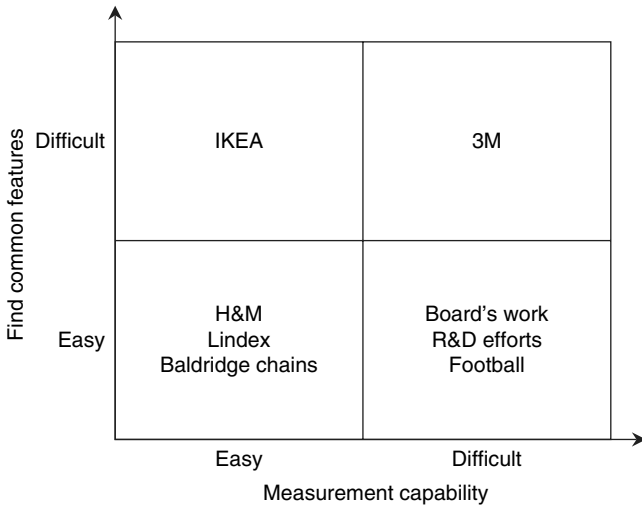


Figure 7.6 Bench window 'diagnosis'

### 'Corporate governance' heading towards ownership concept development

To measure and compare board members is a special kind of benchmarking. Swedish capital investors have demonstrated their ownership concept, an idea that must be transformed into action through an active board (Carlsson, 2001). Assessing the value of board members is a challenge, but it is not impossible. To begin with, people do not like to be measured, especially professional people. The risk lies in the fact that the gaps in their knowledge or skills might be discovered (Garratt, 2003). Bob Garratt, British professional board member, believes that comparisons and measurements of board members is a necessity. There can be no question of interviews, psychological testing, use of valuations/development centers or graphological tests, which are common in France and Switzerland. Even astrological tests have been used. Dr Mike Smith of the UMIST shows different validating coefficients obtained through different testing methods, see Figure 7.7.

Ownership and management roles for professional teams are obviously the most developed in the USA, with its series of sports like basketball, baseball and American football. The owners/management of football clubs in Europe have also recently started to receive more attention in literature and in the media because of football's growing financial importance. For example, the IPOs of English clubs increased focus on corporate governance issues. This applies especially when there

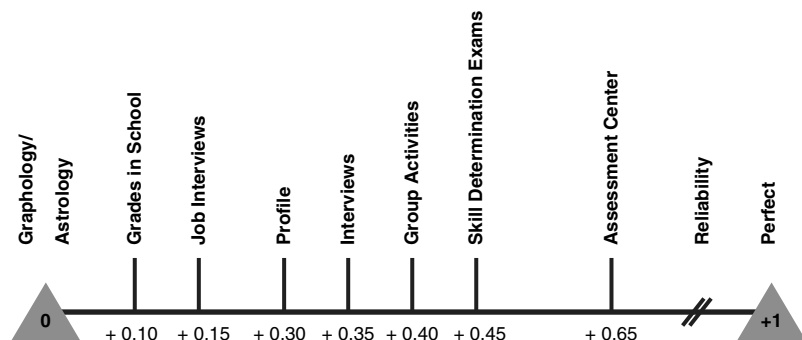


Figure 7.7 Reliability test methods

are controversial attempt for takeovers, like Rupert Murdoch's failed attempt to buy Manchester United, and when foreigners are buying clubs like Chelsea (Michie, 2000; *The Economist* print edition, 2004). Furthermore, ownership is controversial in Italy because of its strong links to the media, big businesses and politicians (*The Economist* print edition, 1998). The question is whether differences in the form of ownership can have a decisive impact on competition? For example, it is noted that the English clubs, because of their responsibility towards their shareholders, cannot pay the hefty transfer fees like some of the big clubs in Italy and Spain, which are owned or controlled by very wealthy individuals.

Researchers have also investigated many English clubs and identified the need to improve their corporate governance, financial planning, risk assessment and legal advice provision (Hamil *et al.*, 2004); such basic functions are necessary to operate a successful business.

### Can a football stadium work like Sears?

In a multi-product environment, department store chains like Sears try to exploit situation-specific lifestyles. People want to feel unique; they want a store with a design that fits their specific needs both in terms of taste and time. How can a shopping experience that fits the future be created? One way is to create a kiosk in front of the regular store, where shoppers can contact the staff advisor who accompanies you into the store and helps out. Purchasing decisions will to some extent be driven by the adviser's background and values, and his/her perception of the buyer's way of choosing. Mass shopping seems to be about to become as fossilized as mass marketing. In order to build customer loyalty in a multi-product environment, companies need to be structured and different each time a customer steps into the shop.

To benchmark the whole concept of a football stadium is a real challenge. Even if a football game by nature is unique because of its unpredictability, the organizer should provide spectators with additional unique experiences. Is value created when you offer a lonely spectator a personal, knowledgeable discussion partner in the stands? Or why not offer spectators the opportunity to sit among the unfit players in the stands? By creating such unique experiences customer loyalty not only increases but new viewers might also be attracted to the stadium.

Hellau and Desbordes (2012) state that:

French professional sport is moving into the era of sport as an event, by viewing the stadium as a lever for development. It is remarkable to find that the clubs are destined over the long-term to become the owners and managers of their own stadiums, though with support from the State and local governments. The legitimacy of such support is becoming clear, since this concept of the stadium as a public good already exists in Europe and in North America. More broadly, however, it is perhaps the organizational model of sport in France that is being asked to change. It should be remembered that the State is involved in sport through economic and legal regulation, and stands as the guarantor of the interdependence between amateur and professional sport. In fact, now that they are authorized, if they choose, to finance the facilities associated with stadiums, local governments whose budgets are not inexhaustible will be forced to make a choice. As long as they provide 76% of the financing in France, should we not fear that choices will be made in favour of facilities intended for professional sport, to the detriment of sport for all?

### **To bench with oneself is common**

IKEA has a saying that liquidity must be at least 12 percent of sales. As such, 1977 proved to be an intense period for IKEA as Ingvar Kamprad decided to halt the company's rapid expansion because the company's cash flow did not meet the 12 percent mandate. Despite many voices which were raised within the company, that it would compromise the rules the company followed, Ingvar Kamprad upheld the decision. And further expansion had to wait until cash accounts were refilled (Björk, 1998). Kamprad's unique vision for IKEA was compared in various respects with smaller shops because he insisted that companies undergoing rapid growth in size can suffer from excessive bureaucracy. The case illustrates how Ingvar Kamprad's Sencello compared with IKEA and how it influenced IKEA in city business. Sencello was a company that Ingvar Kamprad founded 1956. The company evolved into a dozen stores in

urban locations and initially sold beds and bedding. Kamprad felt that this company had a feel for demand and moods even in urban centers. But there was another point in having a parallel chain of outlets as Ingvar Kamprad explains:

Sencello chain is our window to the traditional furniture stores, but also our reinsurance against any form of megalomania. Whenever we are in large numbers and the rational operations address issues with financial implications then the Sencello brand asked questions. When our computers began to get increasingly costly then scaling was a negative decision on Sencello and we developed a number of cheaper routines manually. It got us to sober up. (Björk, 1998: 105)

Comparing the training in football with the actual game is a difficult task. Some clubs are training very hard before every match and the coach reveals the lineup just prior to the start of the game. The reason is that the training is the best choice of instrument. The player showing the best form hours before kick-off will be asked to play. Benchmarking is both time consuming as well as difficult. Managers are now assisted by benchmark technology for the preparation and decision-taking for player selection for a particular game.

## **Insourcing and outsourcing**

Companies have gone beyond football clubs in terms of benchmarking and sourcing. Benchmarking is about comparison with similar activities and a change in activities that can be exploited for better performance. The term can also be described as a way for different companies to exchange experiences and utilize best practices in and outside the industry in terms of processes. The manufacturing industry always faced the basic strategic choice of 'make' or 'buy'. To develop a football academy corresponds to 'make'. To acquire a player means to 'buy'. These two basic operations could probably be analyzed even deeper in benchmarking terms.

In football, insourcing and outsourcing is all about the football operation, its composition and its design. What should you do yourself? What should the club let others take care of in order to achieve the overall direction that they really pursue as part of the 'playing style'? In football, it is not just about how 'to change and replace the right players during the game', the so-called 'right changing principle'. The longer-term decision planning, buying, selling, borrowing or lending of players is



equally important. Of course there are also insourcing and outsourcing concepts practiced currently by the clubs on the 'Administration' side (part of the four-field model) that rent out their facilities for conferences, and for those that outsource their merchandising to a third party. The biotech industry as a whole can be seen as an outsourced Research and Development function of the pharmaceutical industry, as earlier explained.

Furthermore, clubs investing in youth programs, instead of having the best senior team, also implies that they have chosen rather to act as 'football schools' for the larger clubs. For example, Brommapojkarna (BP) is an example of a 'youth academy', serving other clubs. For a long time it has been a recruitment and development team for talent associated with AIK. In the late 1990s, BP also developed a sourcing and cooperation agreement with Manchester United. AIK, in turn, created a partnership with a club from Superettan (the second Swedish division), Café Opera some years ago. Also, Djurgården had collaboration with a former top club Åtvidaberg for some years. The results of these kinds of collaborations can be cost effective and successful, and can enable the club to focus on their core businesses, which is the senior team. However, it need not be so because all types of partnerships contain elements of risk. There can also be problems if the club loses the sense of developing talent for top players, as this skill is also needed for the first squad. This is something that AIK seemed to have forgotten during a period some years back. Many talented players did not seem to be comfortable at AIK and chose instead to play for others, eventually becoming stars in their new clubs and even in a few cases qualifying for the national squad. But positive activities seem to have taken place in AIK from 2005 onwards with the league and cup victories in 2009. The farm clubs of the National Hockey League is an illustrative example in sports.

### **Is it right to use the 'booty principle'?**

To replace a talented, fresh player with another player more suitable for the very situation is a very difficult decision. It is your own and your opponent's playing style that constitutes the current development situation.

Sub-contractors have long existed more or less within all businesses sectors. Volvo and the automotive industry had for decades specialized in the critical points in car manufacturing, design and workmanship, while other operations were outsourced to subcontractors. IKEA and H&M built their business on a model in which others did the manufacturing and production.

Since the 1990s many of the top European clubs lease their stadium and insource their operations. Buildings and monuments have always been necessary and have become important symbols, such the Eiffel Tower in Paris for the tourism. A football customer can be compared to a kind of a tourist, for whom all the travel agencies that specialize in football trips understand they must depict the stadiums in their brochures.

Despite focusing on developing young players, Manchester United has also bought players in recent years. Are they more capable at youth development or alternatively are they more skillful at buying and selling players? The analogy to business is clear: some companies are adept at acquisitions and the effective integration of others' actions, while others are not able to select right business or manage cultural or systemic convergence. Of course it is important that the expertise of the club management depends on the players' score, the club's actual style of play that provides entertainment to the fans and understands how integration should be done. A club like Manchester United also needs to think about what it costs to develop a talent into a fully fledged professional and compare this to the cost of buying a 'complete' player. These questions are closely related to industrial enterprises' classic 'make' or 'buy' problem.

Swedish clubs appear to have inadequate procedures in place to manage player acquisitions. Someone with good foreign contacts often works on a consultancy basis as whistle-blower and advisor to the club. This mechanism also provides a recruiting base. Well-managed companies always handle acquisitions at the executive level. An unclear issue is the degree to which Swedish clubs scrutinize other clubs' management and learn from them. Bench learning should be a key activity for the football industry. Of course, it is unproven whether some clubs learn faster than others. Since the purchase of expensive players is a rapidly growing industry, in the same way as the purchase of expensive machinery, it becomes equally important in both cases that the resources must be utilized optimally. If the club cannot guarantee full occupancy then what is it going to do with the players? If this is the case then the coach might also be replaced, which almost always leads to a change of style that can result in certain types of players not fitting in and some others which may be missing. Sven-Göran Eriksson is a skilled coach with a deep insight into these issues. As the British national coach, he chose for his first match only players from the most successful clubs like Arsenal, Chelsea, Liverpool and Manchester United. The purpose of this was to enable players to play their own game.

Unfortunately, many clubs take short-term decisions (see Chapter 6). AIK bought Argentinian players, who did not initially perform properly

because it takes time for players to 'adapt into' the team and its playing style. Kalmar worked on its players for a long period of time (at least with the coach in 2012, 'Nanne' Bergstrand) and had successful results. AIK brought in several players and took a chance in the short term for some years. Success came in 2009 with the league victory, a gold cup and, at that time, the Argentinian player Obole, who had been recently incorporated into the team. But Simon Kuper wrote: 'Ajax Amsterdam's general director recently tallied his club's transfers, and came up with this estimate: only 8.3% of the footballers Ajax had bought in the past decade had succeeded. Ajax's Dutch rivals, he said, had done even worse' (*Financial Times*, 2010b). Zlatan Ibrahimović is such an good example with reference to Ajax and adaptation. He had problems feeling comfortable, mainly because of his youth and lack of experience living abroad.

### On definitions

If a company starts to move in the market and it fails to retain a proprietary production system, there are two possible avenues of development: insourcing or outsourcing.

To outsource, i.e. outsourcing parts of the production in order to buy back the products or services on favorable terms, is controversial and can evoke emotion. In many parts of the world outsourcing is considered to be an expression for cutting staff, while others view it as an effective approach, perhaps the only way to concentrate on core activities and thus delegate the less important parts of the company to other companies. For example, during a certain period of time the Swedish company Mölnlycke Health Care (MHC) was a secondary business within the large Mölnlycke consumer business. MHC was later outsourced and sold. Another example is IKEA, which from the beginning had outsourced its manufacturing. But IKEA never let their product development and retail go into other hands, because these are two components in their core style of play. The most complete comprehensive outsourcing processes can be found internationally in the IT sector (IBM), and in sophisticated automotive supply chains.

If 'outsourcing' is considered defensive, its mirror image, 'insourcing', in contrast, is characterized as aggressive business development. For example, if a capital goods-selling company wants to streamline its management leasing contracts, then it means that a financial company can provide an offer that involves volume growth and effective management. Analogously, should a football club insource the narrow expertise of player buying and does it link to the different styles of play that the

club could play? This core competence can be substituted with agents who, for insourcing purposes, go around and scout for talent.

Insourcing and outsourcing were common concepts in electronics and engineering industries in the late 1990s. The specialization has gone so far that large multinational firms are barely able to control basic production at a distance, or they have high labor costs when production is carried out in their own country.

### *Outsourcing*

In industry, there are basically nine reasons to outsource, though sometimes it is simply the culture within the company or outsourcing happens because it is impossible to develop a new product within the company (for example, this may be the case for pharmaceutical firms) (*Financial Times*, 2010b):

- a scarcity of capital;
- a lack of knowledge makes 'in-house' expertise expensive;
- to maintain flexibility, particularly when many products are launched and when production volume volatility is rapid and large;
- to utilize capacity and capacity shortages – chemical companies and other process industries must reach a certain minimum size, if not then the work is outsourced;
- to maintain economies of scale at the supplier side when, for example, a PC manufacturer puts out a certain part for a subcontractor that also manages to get the other PC manufacturers to put out the same details by themselves;
- to encourage transportation fleets to develop and sell services cheaper;
- to focus on resources, mainly in terms of management;
- to postpone high-risk products;
- to maintain momentum in emerging entrepreneurial companies (small-scale advantage).

Two disadvantages of outsourcing, with particular reference to football, are:

**Loss of knowledge:** traditional outsourcing was the forte of the Americans until the 1980s and later the Asian manufacturers emerged as tough rivals. Another example is the Swedish Ericsson Group of companies who outsourced large parts of the production value adding chain to Flextronics that later in the year 2000–2 closed down with great loss of expertise in the production issues as a result.<sup>16</sup>

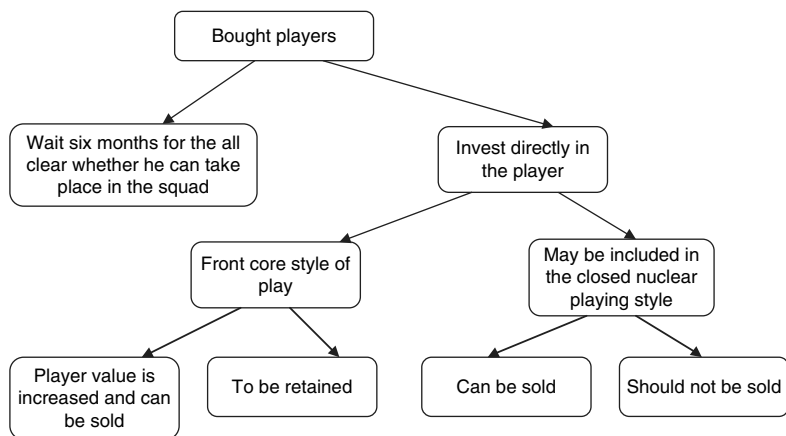


Figure 7.8 The purchase of a player contains different meanings

**Transaction costs:** the time and resources spent to clarify the contract and expectations become too burdensome (North, 1991). IT outsourcing is carried out typically by the IT provider who must adjust its role to the company and its suppliers.

It is difficult to calculate risk and efficiency related to insourcing and outsourcing. Unfortunately, many companies seem to take it as an excuse to do nothing or as a way to only produce limited future prediction reports. Football clubs have a similar experience, although this is not termed outsourcing. An open core style of play means that players can and will be processed (can be sold if the price is high), while a 'mature' player is fully developed and can be sold or retained. Figure 7.8 indicates a normative list of decisions.

Outsourcing can be based on several different models when applied in football. A theoretical model is presented below based on the specification of five kinds of skills-taking Arsenal as an example – followed by Figure 7.9, a 'risk-efficiency' diagram:

- 'Distinctive competence' is the most important and critical skill in an organization with high efficiency. Examples are Arsenal's forwards, scoring many goals in the match against Porto (result 5–0) on 9 March 2010 in the Champion's League.
- 'Substantial skills' are key activities of the organization to function. Cooperation between the coach, Arsène Wenger, and the owners who contribute funds to buy players.

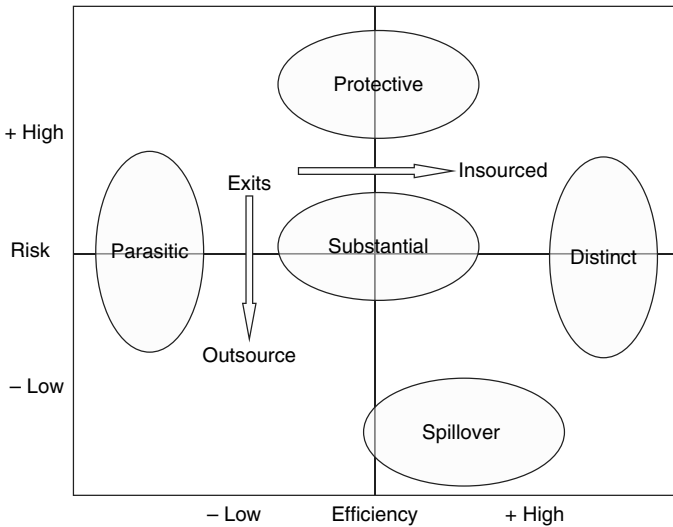


Figure 7.9 Risk/benefit assessments related to insourcing/outsourcing

- ‘Spill-over competence’ is low risk and can lead to higher efficiency because it allows a company to generate profits in related activities, thanks to its distinctive competence. Arsenal can sell advertising space at Emirates Stadium in London and also merchandising material.
- ‘Protective jurisdiction’ is a kind of expertise that is related to those activities that expose a significant risk if not handled properly. An example of this is the way Arsenal’s coach tries to rest key players in the team during an easy match.
- ‘Parasitic competence’ is really the incompetence that leads to activities that consume organizational resources. They are often a legacy of past decisions, or sectorial approach. An example would be a phalanx of thugs from the Arsenal supporters club who disgraced the club’s image during matches.

### *Insourcing*

The second development path is insourcing. Automobile manufacturing is often associated with the purchase, which in turn is associated with ‘supply chain management’. Various forms of full cost analysis have dominated the business world, while marginal and opportunity costs are an obvious basis for the social tax (Frenckner, 1998). Margin-related thinking was needed primarily for short-term optimization of the costing as well as for certain product and method selection. Efforts to meet the total

costs could be in the form of standard calculations, which lead to a kind of long-term competitive cost of stabilizing the cartel. Such calculations could also make it easier to satisfy requirements for a stable total cost of decentralized operations. It is important to know precisely when the distribution of costs actually reflects responsibility and when it was guided by other motives, such as product or service viability. Top management has always preferred to conduct the costing itself, while middle management consultants and theorists often preferred the contribution effect.

In order to develop football professionally and to score goals, the management sometimes overlooks other playing qualities. From an economic viewpoint, there are players who may no longer add much to the team in terms of goals, but their experience, stability and strength of character plays a major part, silently, for the team's success. Krister Nordin (AIK) and Hakan Mild (IFK Göteborg) are such players. They are hard workers who take the responsibility and 'push' the team. Another interesting example is that a former Barcelona coach, Frank Rijkaard, in a television interview said that Henrik Larsson contributed a lot to the mood in the squad with his attitude and professionalism in the locker room. Thus, a former striker was still important to the team.

In practise, it seems obvious that the businesses must determine their direction. But should everyone take responsibility? Frank Rijkaard 'insourced' Henrik Larsson during a short period when Barcelona needed somebody pushing the team. If a new product is expected to bear the same costs as a developed, mature, profitable and well-known product then what are the implications? A marginal effect seems natural in this context. A contrary argument could perhaps be in football. What is the marginal cost of replacing an old, experienced player with a new unproven player?

### **Extended core: improve or expand the business idea**

There are cases where the company would really like to retain production and redesign the 'extended core'. ABB Robotics for example used this method to cheapen and streamline the production of chocolate producer Cloetta. Insourcing and outsourcing are natural elements for the adjustment of the 'extended core' effect. We must distinguish between two types of adjustments:

*Structural adjustment* based on the value chain. It is natural to review the cost drivers, procurement structures and overhead costs that are based on economies of scale in administration.

*Artistry adjustment* meaning to revise the business idea.

The decisions about which parts of the production need to be managed internally and what should be brought in from outside can be crucial. If the results of the evaluations imply that the company would buy the additional products or services, the question is how the changes should be made. And the answer is often to do less yourself, to 'make less' and to 'buy more'. However, a business entity must try to buy larger volumes from fewer suppliers. These decisions are often referred to as 'strategic sourcing' and they are often based on the expectation that 5 to 15 percent of the total purchase value can be saved. The cost of purchase is usually up to 75–80 percent in trading activities and usually more than 40 percent in engineering. When revenues are difficult to influence and customer shortage dominates then costs must be adjusted accordingly. This adaptation often focuses on the purchase. The purchasing efficiency of several different items is also affected by issues as merchantability affecting in the income statement and by size of stocks and interest charges in the balance sheet.

Buying effectively is a strategic issue for most companies (which is also very much the same for clubs in terms of buying players and sales merchandise). Supplies and inventories are often no longer problematic. The numbers of potential vendors or service providers are usually large and the products are equivalent, so the buyer can concentrate on the discussion of price, delivery conditions and perhaps the payment terms.

### **Home sourcing**

In Sweden, the focus during the financial crisis in 1992 was primarily on supply structures and not on growth. The crisis in Asia, years later, meant that many European and American companies withdrew staff. On the other hand, buying from Asia was cheaper than before and more types of products could be offered at better prices from Asia. Thus, the Asian market had the opportunity to change their production apparatus. This was an interesting test of their flexibility and therefore a challenge also for the western corporations.

'Home sourcing' means that companies with a history of having factories in other countries move them to the parent nation. Several examples illustrate this. The elevator manufacturer, Kone, closed its factory just outside Liège in spring 1998, Renault closed down its factory in Vilvoorde in 1993 and moved production, even though at that time the factory was the most effective in the Renault system. Similarly, Volvo truck was abandoned to pull back production to Sweden. Between 1998 and 2000,



things were moving positively economically, which Volvo claims to have predicted. Reasons for the 'sourcing' were shifting constantly. Technological reasons can cause the economies of scale, which can be exploited only if a certain size is reached, etc. A notable case in football during the spring of 2010 involved the rumors that Cesc Fabregas might join Barcelona. This Spanish player trained in Barcelona's youth system, but was purchased at sixteen years of age by Arsène Wenger for Arsenal. After the first quarter final match of the Champions League between Arsenal and Barcelona, the press speculated that the now twenty-two-year-old Spaniard would return to his home club because Barcelona showed great interest in repatriating him for his skills and spirit, which did in fact happen during the summer of 2011 (Hughes, 2010a).

Volvo Construction Equipment was a regionally focused organization with different producers for each region. The goal was to become a truly global and customer-focused organization. To do so, would require Volvo to not only change the organization of its production apparatus, but also the mindset of the organization as a whole. Outsourcing is an important part of such a change, but Volvo seems to want to be different. Volvo's traditional view has been that the company could lose something that it does not own. The company also seems to have been afraid of becoming too dependent on any outside producer.

IKEA on the other hand, derives up to 25 percent of its purchases from the Nordic countries and also develops the top 50 percent of its products from suppliers in Asia. In 1990, IKEA bought products to a volume equaling 50 percent of the entire Swedish furniture production.<sup>17</sup> A key purpose of adding so much of the production outside the organization is that IKEA does not want to focus on production, but instead chooses to focus on sales. In 2000, IKEA had a network of approximately 2,400 suppliers worldwide (Björk, 1998). As of 2012, IKEA has reduced that number to 1,075 suppliers in 55 countries.<sup>18</sup>

IKEA also places very high demands on its suppliers in terms of cost effectiveness. The basic philosophy is that the company, due to their large orders, gives their suppliers a base delivery that will give providers coverage for direct costs. Their possible profits may be charged from other stakeholders (*ibid.*).

### The Japanese model

For large businesses to communicate with subcontractors is not only time consuming, but also a costly challenge. To avoid this problem,

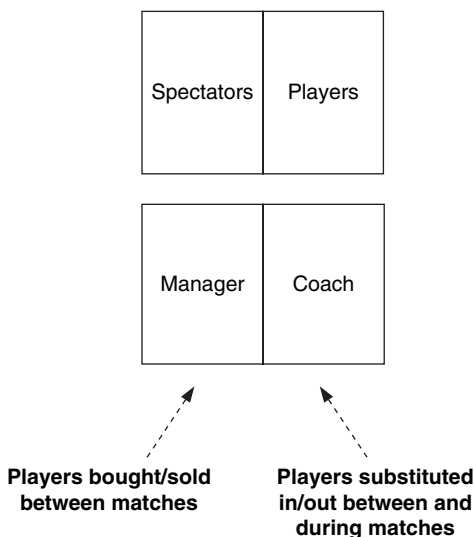


Figure 7.10 The theory of a successful playing style requiring good football management ('thought style') described in a four-field model

the Japanese car companies have chosen to divide their subcontractors into primary producers, namely those who are closest to their own company in the value chain and other, secondary suppliers. The buying companies also have different priorities put on their primary suppliers. Smart suppliers have adequate control of their clients and choose only a close cooperation with the really profitable and valuable long-term buyers.

Successful business relationships are thus based on a proper balance between the provider's technical ability, customer's willingness to share information and the strategic requirements of both the companies (Kamath and Liker, 1994). Smart companies prefer to work closely with suppliers who possess a truly well-developed technology, sophisticated management and have international research. As a manager at Toyota puts it: 'One more supplier on the list is more work. Unless the supplier has value, why do it? It is the integration of the technology of the supplier that is the basis of the long-term relationship' (*ibid.*).

Buying a new player or replacing a player on the field (see Figure 7.10) leads to more tasks as it interferes with game system/lineup. In-depth information is required to avoid unnecessary extra work by selecting a player whose technicality or personality does not fit the team. Hammarby

had a very thin squad when they won the national championships in 2001. Remarkably few injuries caused the team to play with the normal lineup of about fourteen players, without 'interference' in the starting lineup, which meant that the team was very well coordinated.

Finally, once again Manchester United proves to be an example of creative 'business development', as is the case with their insourcing and outsourcing as well as brand building. In 2004 the club bought an eighteen-year-old talented Chinese player, who was not scheduled to play in the team until 2007. Until then he was on loan to Royal Antwerp (Dugid, 2004). In this way, United 'reduced' the risk of their investment by leasing out the player and at the same time avoided the costs of player development. This is similar to the risk management techniques that biotech companies employ on projects halfway through research and 'not yet molecules'. The project might be landed at another venture capital firm. Thus, this unproven Chinese player might be outsourced to another club until Manchester United takes him home to Manchester when he is fully developed or sells him to another wealthy club. A similar situation occurs in a biotech context when the venture capital firm sells the biotech firm's readily developed drug to the pharmaceutical company that can pay the most. The fact that the player is Chinese is probably no coincidence when the team is investing heavily in marketing themselves in football-mad China.

## **Synthesis**

Insourcing and outsourcing is all about the shop/football composition and design and obviously a complete focus has to be selected. Outsourcing implies contracting parts of the production to other firms in order to buy back the products or services on favorable terms. In this way the company/club can concentrate on their core business. If outsourcing is considered as defensive, its mirror image insourcing, in contrast, is characterized by aggressive business development. In football it is not just about the 'right booty principle', but emphasis is also on the longer-term planning decisions such as buying and selling or loans and lending of players, hire of venues and outsourcing merchandising to third parties. Here it is important that the club is focused on what it is good at, such as the development of players and it can let other companies take care of matters which it has less knowledge about, such as merchandising.

Table 7.3 supports Proposition 5: 'Good management practices in the business world can be replicated in the football world to be better on and off the field', as summarized in key areas around B to F.

Table 7.3 Key concepts in support of Proposition 5 (B to F, Business to Football)

Database and data processing	Branding and sponsoring	Benchmarking	Insourcing and outsourcing
Databases	Brand	Bench learning	Purchase
IT systems	Football clubs	Tight way of playing	Outsourcing
Customer and product profitability	Design	Measurement effect	Insourcing

Summary

Information Technology and branding are two important concepts for football clubs, which largely govern many corporate strategy decisions. But to make good management decisions requires data in an organized form. The genuine purpose of a database is to acquire and retain customers/supporters as well as to assist in creating an entirely new kind of transparency. As the competition gets tougher, it becomes more and more important to have close contact with passionate customers/supporters in order to acquire their knowledge. Only by building large databases on current and potential customers/supporters, is it possible for companies/clubs to analyze, predict and categorize their behaviors and businesses. The databases are also important for companies in terms of strategy and acquisitions. Similarly databases play an integral role for the football clubs when it comes to the selection of gaming systems and buying new players.

ICT (Information Communication Technology) has made it possible for companies and football clubs to communicate and make money in ways that were never possible before. Among other things, there are now opportunities to meet the increasing individualization of the market and talk directly to each customer. It is essential that the whole development be based on well-considered business architecture.

A brand and a trademark is anything that identifies the vendor's product or service and distinguishes it from competitors. This means that a well known and strong brand will be easier to market, sell, expand and move into new markets. But the power of a brand is not enough to live on in the long run, which implies that the company/club must in turn be loyal to customers/supporters to retain their loyalty. In this chapter, factors that create a strong football brand and insight into how databases can be utilized by football clubs have been elaborated.

Sport is about treating uncertainty, however one thing is certain: the winning team will eventually be clear. Football has a few basic rules,

and the comparisons between contenders are measured with the help of well-accepted benchmarking practices. Finally, the production of a match as well as the administration of the club requires efficiency and organizational skill. Splitting up the processes is also possible because the parts can be separated, controlled and managed, often thanks to Information Technology devices. Such de-compositions are here referred to as insourcing and outsourcing. All four of these tools have various applicability, with some looking promising, while other appear less convincing, and therefore have the character of a 'fad'.

# 8

## Lessons and messages

### Football and business: lookalikes or not?

Despite exponential growth, professional sport is often characterized as being, in business terms, inferior to other industries, with examples of sophisticated practice found only in isolated cases of effective management. This characterization is potentially due to the lack of an effective management model for professional sport clubs and organizations. In response, some research adopts a portfolio theory as the basis for developing a professional sport club management model, i.e. it considers the club to be a portfolio of assets (O'Reilly, 2012).

The value chain model, according to Porter, is a useful tool for management. But there is a risk in using it in a serious analysis, since it is a rather mundane tool. The value chain can be excellent in many activities of a one-dimensional character, as is the case, for example, with the paperboard business, where the success factors highlight the economies of scale in production and logistics. The value chain helps to clear the crossroads. These value chains can be shared by others in the competitive environment. The general principles suggest that the key success factors are generally equal and common to that specific industry. This implies general business logic, or a specific series of key factors that characterize a particular industry segment. Anyone who has developed a feasible version of a business concept matching this specific logic, has a chance of making money.

### Football

In *football*, key success factors tend to vary between countries, between the elite and amateur levels, between hype clubs, between regions, etc.

There are only a few clubs that are making money in the business as football is arguably not even 'business' at all. Despite differences in the operating environment, there are common factors that explain relative success. These factors imply the simple truth that combines the right approaches on the field/off the field (for the vertical alignment see Figure 8.1) and during the match/between matches (see the four-field model). This trivial expression that stimulates a vicious circle means that a winning team will draw audiences, generating growing revenues, which in turn can be invested in the best players and coaches, thereby improving the capacity of the stadium, structured marketing promotions and the most skilled leaders. And when the team becomes more skillful it will win more often. Earlier in this book a football coach is mentioned as the equivalent to a CSO (chief scientific officer). A coach should have 100 percent power just like the CSO. There are many examples of business plans that have been changed by the 'Administration', which later the CSO has had to accept. This has led to failures and big losses.

A 'fad' in football can be compared to the situation faced by a biotech scientist and start-up entrepreneur, when a venture capital firm is evaluating his business plan. If they accept only part of the plan, even if it is the major part of the plan – and not the plan in its entirety – then there is a danger. Ideally the 'Venture Capital people' shall accept the Scientists' plan as a whole. When scientists have to change the plans things are more likely to go wrong. If the Administration (Commercial) in football is forcing the coach to change his team or playing style, then the risk of failure is great. We call it a 'fad type' of playing style. Not a 'method' playing style. However, there is always a financial restriction

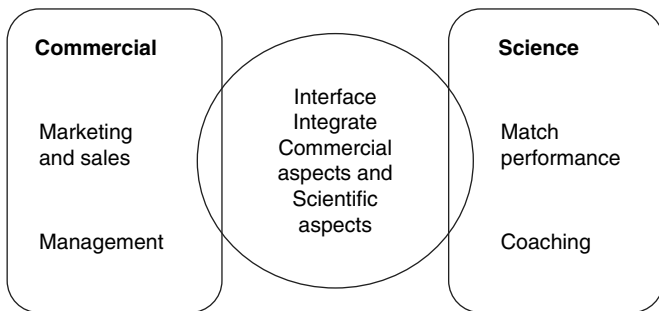


Figure 8.1 The interface between Science and Administration

which Administration has to communicate well in advance through its 'interface' with Science.

Football is unlike any other activity in terms of its global scale and potential for commercialization. A quick look at the football situation in Sweden indicates that the top clubs do not grow, which is confirmed in the 'Allsvenskan report' by Lars-Christer Olsson (2008). In Sweden football clubs seem to hit a 'glass ceiling'. It does not matter how good a club is; the league is the limit. What can be done to rectify this? Is there a league that has done it? We do not know. It is different in the USA with less governance and a lot of cooperation across the American franchise leagues, and also in the British Premier League with its common/joint Sky media source. Club managers in Sweden are tied to a league with little maneuverability. Keeping top performing players in the home league is the key, according to many respondents (*ibid.*), but how can this be possible? Primarily, the agents are stimulating the movement of the players as well as influencing the media in order to reap higher price tags for their players abroad. The club managers seem to have lost control of co-creation situations.

By analyzing your business using the four-field model explained in Chapter 2 of this book, structure and transparency can be created from chaos. During a match, 'what' and 'how' are intertwined; therefore the means and objectives are bundled. Each of many playing styles, when they are deliberately chosen, corresponds to an operational excellence. But there is always a risk in retaining a winning team for too long, possibly because of the locked level of 'excellence'. But the team formation may not be optimum one if the competitors have switched tactics.

## **Business**

The *business* world should remember not only to address the 'what' of a strategic goal, but also the 'how'. Here lies the risk of an excessively static view of business dealings that aggregates the discovery of the necessary adaptation for a refinement of a business idea. As discussed throughout the book, the football match is the product, yet, unlike many products in the business world, created through an intricate value chain, football's production is visibly localized in time and space. Value creation is continuous and linear, with interaction between the fans in the grandstand and the players on the pitch. Between the matches, teams are preparing for the next game and other activities in the form of integration, training, media gossip, development and marketing of



accessories, negotiation related to player acquisition, creating excitement prior to the next game, etc.

Various football clubs perform in different ways. Some clubs start by formulating financial objectives, like profit/return on investment (ROI) or operative goals, like winning/field success, and then formulate clear strategies and a strong, explicit mission. Some other teams ignore this and 'just work on' with the games as they are scheduled. Typically, every team has a story and, as a result, a structure is developed, symbols are established and a real 'culture' is nurtured, just like in a company. Different methods are used to achieve the goal, i.e. the strategy takes many forms. In the business world, leadership tends to vary at many levels, depending on personal leadership styles. Businesses tend to compare themselves with (i.e. benchmark with) other companies or gain efficiency advantages by insourcing/outsourcing selected functions. Football teams may similarly delegate certain work by outsourcing development of the youth activities to another club. In doing so, the value chain can be helpful in the analysis.

We're going to deepen the analysis by using Eric Rhenman's business concept theory which – as mentioned earlier – is based on two principles: first, the internal organization's synchronized mode of operation. This means that all components (*marketing, production, organization and management*) within a company are harmoniously supporting each other. The second principle is that this deliberate mode of operation is explicitly aligned to market needs, thus creating a real competitive advantage (*better/cheaper products/services*) by satisfying customers more efficiently than its competitors (see Figure 8.2).

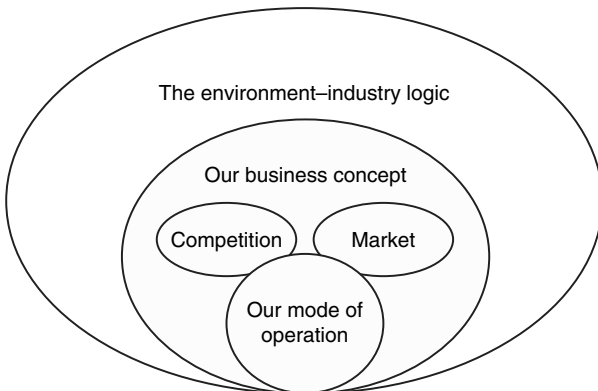


Figure 8.2 The business idea supported by industry logic

Suppose that in football there are only two ways to win. It means that one team plays the world's most boring games. No heroes, no virtuosos. You ignore the atmosphere and only focus on securing a desirable outcome to the match (the team does not even always have to be victorious). The alternative way implies that you believe in and actually develop a really creative game that captivates an audience. Euphoria in the stands inspires the players to surpass themselves, and then strategies, or reliance on methods, in various combinations expresses the team's style.

Flexibility is a key success factor, ensuring that a business does not get caught in its plans and strategy, but focuses on education and development so that the business model is strengthened or refined. Flexibility means striving for operational excellence, to be close to markets where the company is operating, to allow for quick decisions and to perceive the reality of change. Here, the four-field model is very helpful. Every event that happens in and between games, on and off the pitch, be it explicit or de facto, supports the others in harmony.

Similarly, working with a business value chain provides operational excellence while durable and strong business ideas with the combination of different elements creates a winning formula that is both sustainable and flexible in terms of execution.

## **From value chain to value clusters**

Where will Volvo produce tomorrow's cars? (Will the new owner, Geely, build more Volvo factories in China?) Should IKEA launch their own factories now that the delivery volumes have become so large and there simply are not enough suppliers who can meet that demand? ABB's production costs are too high and so ABB is gradually transforming into a service company. Is this possible with the same staff? Is there an upper limit for H&M's rate of supply chain innovation? Is it possible to retain the rapid product renewal as the number of stores is rapidly increasing?

A concern for many managers is the utilization of e-commerce and the threats and opportunities surrounding the impact of 'wireless data' in the future. Uncertainty about information technology depends on many factors. Two waves occurred between 1970 and 1990. Wave one: Toyota's vehicle production was based on a measurable flow, a smooth process from idea to finished vehicles. Wave two: in the 1980s, the focus

grew on 'time to market'. This trend was also reinforced by the Japanese car manufacturer's ability to move more quickly than anyone thought possible and to develop a completely new vehicle concept. These two waves together contributed to the value chain concept, which has been exploited in a variety of ways throughout the world during the last forty years and explains the emergence of many new management concepts.

Ambient rapid change and industry positioning leads to critical questions about what is, and what should be, the core business of a company. Second, these findings create the need to reduce or expand capacity. And with these findings important decisions about labor allocation, insourcing and outsourcing follow. Third, do companies often try to construct and decompose their original value? In this regard, *information service* in the broadest sense has a critical new role.

Figure 8.3 overleaf shows the complexity that industrial leaders can and, in some cases, must be able to manage in order to succeed. The change in these factors, of course, means that the dynamics of image building forecasts are difficult to trust. During the first years of 2000 and the technology dot.com boom, the development role seems to have been the most difficult to predict and prescribe.

Within football the most traditional aspect is related to operating the team, and like the theater and music business, it is all about managing actors and players. Putting together a team or an ensemble or an orchestra is a similar challenge for the coach, the director or conductor. This type of management, related to training or preparation for a 'performance' or appearance, is described in Chapter 5. The second type of management – described in Chapter 6 – is related to the management of the whole club, including the team and other ancillary activities in the portfolio.

The core of a club's business is to create added value for the customer which is greater than the cost of creating this value. The customer's perceived added value is subjective and difficult to measure, while the cost of creating added value is objective and relatively easy to measure. The yield of the new business is not just delayed. It must also be based on an understanding of the needs that must be satisfied in the future. Customers must be developed and maintained. The same challenge prevails in the management of a business enterprise, you must first dare to invest in product development, marketing and delivery capability, before plans and estimates can be confirmed as being adequate.

A core business from its emergence until it is crafted is of course a very important process in a company's life. A value chain or a more complex

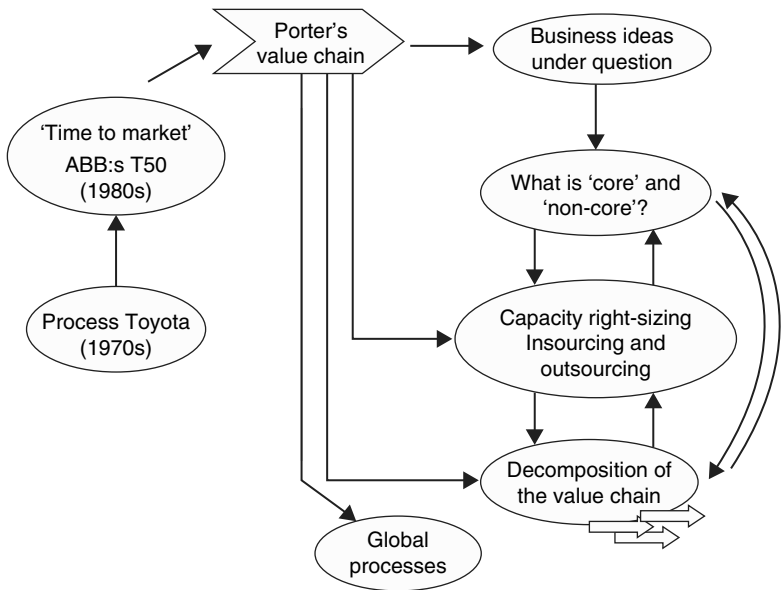


Figure 8.3 Leaders have many opportunities

value cluster are good tools to use in such an analysis and are used often. It is probably the most widely used method in the large American-inspired management consulting firms, for example, McKinsey, Bain, BCG, AT Kearney and Cap Gemini.

### Value cluster as an intellectual approach

The value chain is primarily an educational means of expression that allows the calculation of scale or scope with related advantages and disadvantages, in different phases and in different functions within a company. The key is *scale* or *scope*. But there is something more which is the 'Harmonized system' (Porter, 1996). A harmonized system means that multiple factors interact with each other, thereby matching a demand in the marketplace in a superior manner. The strength of the value chain as a 'benchmarking' tool for business analysis was stressed in Chapter 3.

We need the help of a business analysis to understand what the 'core competence' is. Then one can, at best, clarify what is worth keeping within the company and what should be outsourced to subcontractors.

With the value cluster analysis it is possible to pinpoint the activities that are not feasible for making money. For example, running twenty different paper grades on one giant paper machine with 60 percent capacity utilization, or importing 800 different kinds of cheese to be stored in-house, if the company only has a 20 percent market share. Or buying the eleven best football players in the world, assembling them into a team and hoping for success! A variety of anomalies can be detected and here the value cluster is an indispensable tool. But why a company makes money in different circumstances is something far more complex and almost impossible to describe in a one-dimensional time/flow diagram.

A business built by actors who represent different knowledge and skills creates dynamics that lead to good outputs and sometimes depict a vicious circle. Normally, there are only between three and five people who genuinely understand the business idea. Other loyal employees are usually carriers of the business culture (Normann, 1977).

In periods of generational change when managing a company, a great strain is often experienced in the process of transition. IKEA, for example, will probably face such challenges when Ingvar Kamprad eventually leaves the scene, while H&M has apparently managed to smoothly switch over from father to son. ABB's Percy Barnevik created a completely revised business idea through his successor, Goran Lindahl. For Volvo, real changes occurred when two Volvo groups were created, both focusing on the transportation business. Volvo Cars' first owner was the American Ford Motor Company which was then acquired by Geely of China. The Volvo Group AB, with headquarters still in Göteborg, now shares the strong brand with the Chinese! To maintain a high brand value for Volvo when it is split into two totally different product groups is a great challenge. In all these crucial transformation processes, the value cluster analysis will prove helpful to those who need to *understand* the change parameters.

### How do you score?

Skills and luck contribute to handling the ball on a grass field. To get the ball into the opponent's goal is the sign of success. But how can a business company play in a way that it enables it to win? You have to agree on ground rules for the deal or agree on the starting points for both the individual match and the long-term. One basic idea would be that the a core group of leaders are the key to success. But one of that group must be the key person. The core group is in agreement and they are right up to 90 percent of the time, which is more important than one of the group being 100 percent right. A football team is not

created out of ten Messi's. The 'balance players' are important and the importance of this type of player in all sorts of groups cannot be overemphasized; they are the integrators. They are working in midfield with their main responsibility at the back, but they are prepared to move forward. Successful examples of balanced mid-fielders in football are players such as Schwartz, Makela, Deschaps, Dunga, Gattuso and Beckenbauer.

One of the aims of this book is to stimulate an unconventional way of thinking, i.e. to build on the analysis and the feeling of a good balance. A good result is not guaranteed just because the world's best musicians gather and play a symphony. An orchestra is like an industrial cluster and is similar to a football team. There must be many different types and capabilities of interaction between all persons.

An industrial cluster illustrates an industry logic (as in Figure 8.4) and focuses on a multi-dimensional industry understanding by defining how investments in manufacturing, product development, marketing and strategic management are combined for the benefit of the customer and ultimately the shareholders. Using a co-production approach, value is not created in a systematic chain, which suggests that producers provide value and consumers/users use up the provided value. Rather, value is interactional and co-created by producers, consumers and other stakeholders.

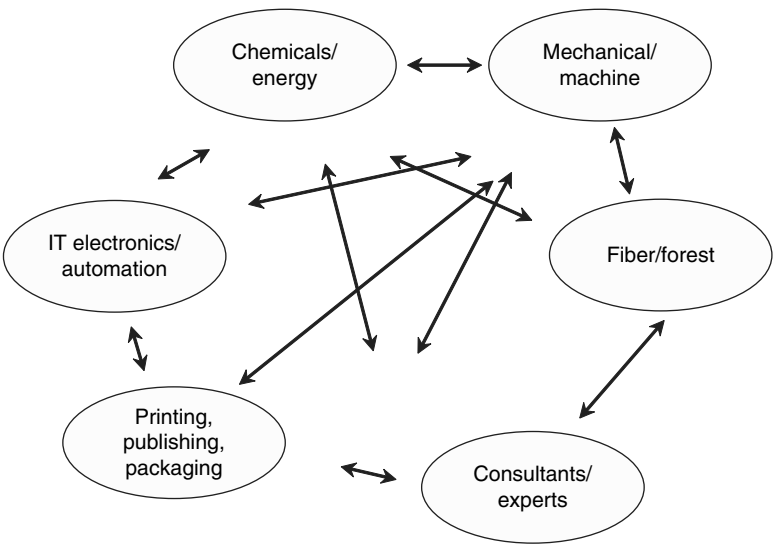


Figure 8.4 Industrial cluster: the paper/cardboard industry

Behind the success of a world-renowned symphony orchestra is the hard working and talented conductor, co-creating music in a cluster of producers and consumers. For football it is a coach, a chief scientific officer. He/she has other talents than the professional musician. But also for tomorrow's football clubs, the legends on the pitch are a necessary element, but are not always a sufficient condition for success in themselves.

## Europe United and IFK Sweden

In this chapter, two fictional football clubs are described and analyzed with the help of our four-field model. The four squares that we have analyzed in depth define: market, product, product development and management. In light of these traditional business terms and objectives of this book, it has proved fruitful to translate them into football terms: the atmosphere, match, training and club management. To exemplify and elaborate on the four-field model we use two fictitious clubs: Europe United and IFK Sweden. In summary, we have finally formulated a number of practical lessons, which the leaders of football clubs can use in their own activities, based on associations and practical ideas on 'entrepreneurship' and 'football'.

### Europe United

Europe United is a fictional club, but the examples and ideas brought together here have been presented throughout the book's earlier chapters. Europe United is a hype club, traded on the stock exchange with a market capitalization of US\$1 billion and with an annual turnover of over US\$400 million, excluding transfers. The club collects 36 percent of revenues on match day; media activities constitute 35 percent and other commercial activities amount to 29 percent of the revenues (sponsorship and merchandising, etc.). The club makes the Champions League play-offs almost every year.

#### *The market/mood*

Europe United's home stadium accommodates 70,000 visitors. Thanks to its large fan base, the club has a high average audience with an occupancy rate of around 80 percent. The club also owns the arena, which enables it to fully capitalize on all the associated benefits. Major revenues come, in particular, from match day ticketing, refreshments, arranging concerts and conferences. Ownership of the stadium also means that the club can design it according to its supporters' needs. Cooperation with

the supporters' clubs is also healthy resulting in high fan participation and good atmosphere in the stands.

Europe United has one of the strongest brands in the world of football and possesses an estimated twenty million supporters worldwide, half of which reside in Asia. This platform has developed over many years of hard work with marketing and consistent success on the pitch by the team. The club is also investing heavily in understanding its customers/supporters and conducts regular surveys on the scene and on its website. This has enabled the club to segment its supporters into different groups and provide more targeted marketing and promotions. In addition, each summer the club goes on various tours around the world to market themselves in order to maintain a close contact with existing supporters. The club's management ensures that each year the team goes to Asia in order to play friendship matches and interact with the huge fan base there. They have a well developed and informative website, available in several languages, as a way to keep in touch with their foreign supporters.

Due to its strong brand image, its large fan base and the success of their 'thought styles' including international partnerships, the club has no difficulty in finding major sponsors. But the club also actively seeks sponsors to help the club in various new endeavors and markets. For example, they have recently negotiated their way to a sponsorship contract of 300 million Euros over four years with Asia's largest mobile operator. But money is only a partial benefit. The operator is also helping the club accumulate various mobile services, such as video clips to help stay connected with supporters and to help with the launch of the European United in Asia. The biggest sponsorship contract will be with an airline and is estimated at US\$1.1 billion over a ten-year period. This was part of the strategy a few years ago when the club needed to expand and renovate their home arena. In addition to this, the airline is also the club's main shirt sponsor. The shirt contains the arena name, which is also the lead sponsor's name.

### *Product/match*

Europe United's aim is to have not only high audience ratings, but a winning style of play. The game system used by the club is 3-5-2, where attacks are conducted from the wings or through the team's big star who has a free role below the attackers.

The club has had the same coach for years, which has contributed to the continuity, consistency and stability of the team. The team's core consists



of experienced players who have performed at the top for several years. These experienced players complement and teach their younger and less experienced team mates. Over the years Europe United has held a number of star players who have charmed the audience with their artistry. But the club is also known for having hard-working prolific players. In recent years, a player was also sold to them from Asia. These Asian players might not have succeeded from a winning-the-game point of view, but they have helped bolster the popularity of the club in the players' home countries.

#### *Product development/training*

Europe United has no large youth section, but relies in part on a large network of smaller clubs in the region at home and abroad, which can provide the club with the best talent. However, the club conducts a football academy for sixteen-year-olds and upwards. Through this academy the club has managed to bring many players to the first squad. The club prefers to see that players are picked from the academy, but with its large cash reserves it is also capable of buying talent from other clubs. To help the club in finding talent they employ about twenty talent scouts. It rarely happens that the club purchases mature world players because it becomes difficult to defend the investment of such large monetary amounts to shareholders. Furthermore, players are insourced and outsourced, depending on how the current team is playing, how many players have suffered injuries and what the upcoming match schedule looks like.

Matches and training sessions are also analyzed continuously to constantly improve the team. Here, among other methods, computer-based analysis is used to streamline and enable changes in the gaming system. Of course, primary competitors are also analyzed and benchmarked thoroughly.

#### *Management/club management*

Management is Europe United's strength, as the club is run as a for-profit company where key personnel are recruited from the business world. It is the strong organization of the club that has enabled both the sporting (the 'Scientific') and the business ('Administration') sections to develop into what they are today. In this way the management supports all the other squares of the model.

Management's goal is to deliver profit regardless of the team's actual performance. Therefore, there is a big cost-awareness culture in the organization. Among other things, player salaries never exceed 50 percent

of revenues. This differs from many of the team's closest competitors who operate at a loss every year due to high player salaries and expensive, unsuccessful player purchases.

Revenue from television rights has become a big part of the club's total revenues in the last fifteen years. However, Europe United does not negotiate directly with the broadcasters, but receives a share of the league's multi-billion dollar contracts. For quite some time, the club was trying to push the league so that they would be allowed to offer personal contracts since the club represents a major attraction and therefore could acquire more income through television rights. But the club has also started its own television channel that shows historical appearances, interviews, etc. (where programs/viewing slots have been sold to other companies) to capitalize on the great interest in the club and also provide added value to the fans.

Europe United also spends a lot of money on merchandising. Although most of the merchandising is outsourced, the club still has managed to launch a comprehensive e-commerce campaign. The website also sells other services such as mobile phone connections and various banking services. Furthermore, the club has had its shoe and apparel sponsor increase the number of its shops in order to maximize sales and marketing of products linked to the club.

## **IFK Sweden**

IFK Sweden has a turnover of US\$15 million; 52 percent of revenues are collected on match day, media revenues total 10 percent; sponsorship and merchandising account for 28 percent and others 10 percent. It is a *regional anchorage* type of club.

### *The market/mood*

IFK Sweden's home stadium has a capacity of 15,000 seats and occupancy is about 55 percent. Since the stadium is often only half full the atmosphere is patchy, only positive now and then. There is also another arena in use, but it is quite old and worn and thus not compatible with international standards. It is also a combined track and field stadium, which means that the athletics track (especially on the short side) reduces the visitors' proximity to and interaction with the game. Thus, the atmosphere in the stands is not fully exploited. The club would prefer to renovate the stadium and make it more audience friendly, but the municipality and the owners have refused. As the club does not own the stadium it is also missing opportunities to make money on sales of

refreshments and leasing income from other events, like concerts and conferences.

The club has the biggest fan base in the country. The number of fans is not known since there haven't been any studies on this subject. Although it is believed that the club's 7,000 members are only a small fraction of all the supporters. Moreover, the club knows very little about their fans and what they think and feel about the club and its offerings. The website is also relatively modest, which means that many supporters prefer to look at dedicated fan-pages that are better designed. This means that the club loses much of the communication sources that might prove to be relevant for their fans. However, IFK Sweden's collaboration across the supporters' club and TIFO group seems to be successful in increasing the audience section. But the board and management need to listen more carefully to supporters' groups. Ironically, members of the board have completely opposed views in many issues. What are the priorities? Today, trying to compromise and meet all the different preferences based on mood, revenue streams, etc. but they are less clear on tomorrow's direction. Compare this to Europe United, which has the money to make clear priorities.

The club has about twenty-five sponsors; most are relatively small and provide relatively small revenues. The club would really like to reduce the number and instead have a few bigger sponsors, but international exposure and the fan base is presently too small for this option. The club however, has recently started to develop alternative options to be offered to sponsors.

### *Product/match*

The team plays in the traditional 4-4-2 layout that has long been successful for the club. But this success has also created problems. Several key players have left the team for foreign clubs with greater brand recognition. IFK Sweden has also changed coaches frequently in recent years, which seems to suggest that not many coaches have been successful with the club. It currently finds itself in the middle of the table.

### *Product development/training*

IFK Sweden has established partnerships with some other clubs in the surrounding region that provide the club with young talents. The strongest partnership is with a club in the underlying division, which has become something of a 'sister club' to IFK Sweden. Many of the team's players have been developed on a junior level by this sister club.

In addition, the club also has a large youth section, which at certain times relies on volunteer workers as training staff. Several good players have been developed, but had to be sold to international teams, mainly in Holland, when the total revenues were not sufficient to cover operating costs. With regard to the purchase of mature players, the club does not offer higher salaries and relies on recruiting nationally, or on scouting for lesser-known foreign players.

IFK Sweden's own matches are continuously evaluated and the performances are controlled to some extent in order to redesign the training. Further study and analysis is also carried out on competitors, but no computer-based analysis is conducted.

#### *Management/club management*

IFK Sweden's management needs to be more professional, but 'club spirit' has not completely disappeared from the club. This means that some positions are still held by less experienced people in terms of management and marketing, people who either have been previous players of the club or have long been active in community activities. The (big potential) owners of the club do not want to invest or to develop the club since the club members at the annual assembly are the final decision-makers. Lack of interest in changing the Swedish 51–49 ownership rule has prevented a series of economic reforms in recent years (Gammelseater *et al.*, 2011).

If we compare the revenue flows of the different teams, we note that IFK Sweden is much more dependent on public revenue than Europe United. It is further warranted that the media income is much lower, which is natural when IFK operates in a league backed by a much smaller market than United.

### **Two real football clubs: a power shift in European football**

In addition to the two fictitious cases mentioned earlier, we will now review two real club cases, Manchester United, the home club of Wayne Rooney, and Malmö FF former club of Zlatan Ibrahimović.

Comparisons between the revenue sources of Malmö FF and Manchester United are shown in Figure 8.5 and Table 8.1.

Here we can see that the earnings of Malmö FF are meager in comparison with Manchester United. Evident from this revenue comparison is that the popularity of the league is important as it drives match day,

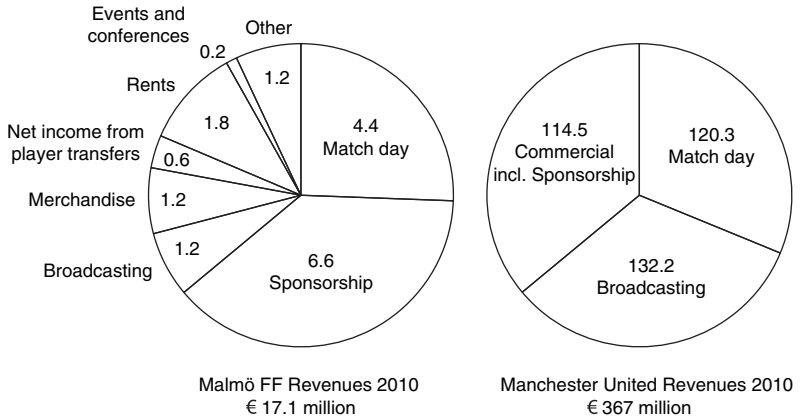


Figure 8.5 The revenue of Malmö FF and Manchester United in 2010  
Sources: Höjden (2011) and Transfer Markt (2012).

Table 8.1 Manchester United and Malmö FF: some figures

Source of revenue (millions of Euros)	Malmo FF (millions of Euros)	Manchester United (millions of Euros)
Match day	4.4	120.3
Broadcasting	1.2	132.2
Commercial	6.6	114.5
Total	12.2	367

Sources: Höjden (2011) and Transfer Markt (2012).

broadcasting and commercial revenues. The Swedish league is not popular in comparison with the Premier League in England. Did the Swedish FA manage to attract star players, media companies, apparel manufacturers and incentivize club ownership and taxes on player salaries? This comparison shows that the Swedish FA has a lot of catching up in order to be on par with the Premier League. Similarly, at the club level, players performance on the pitch, brand image, stadium and facilities, sponsors and broadcasting deals matter a lot. (For reference: Sweden ranks only number ten in terms of annual revenues of the top National Football League across European countries.)

The hype clubs in the big leagues differ much in size from other clubs. England is top and Sweden is bottom of the ranking, as we can see in

Table 8.2 Revenue breakdown for the top ten European Leagues 2006–2007

	Total (in million Euro)	Match day %	Broadcast %	Sponsorship %	Other %
England*	2 273	35	39	26	–
Germany	1 379	22	35	26	17
Spain*	1 326	26	42	32	–
Italy	1 163	13	63	12	12
France	972	14	58	18	10
Netherlands	398	30	17	40	13
Scotland*	259	50	21	29	–
Portugal	239	33	19	13	35
Austria	151	13	9	60	18
Sweden	87	30	28	32	10

\* Sponsorship and other commercial combined.

Source: FATF–GAFI, 2009.

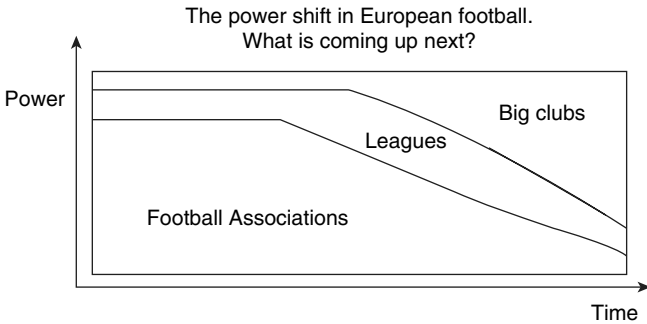


Figure 8.6 The power shift in European football

Table 8.2 above. An example of the environmental logic in football in Europe is shown in Figure 8.6.

The power shift figure demonstrates that in the future, the big clubs will most probably grow while the Football Associations will lose size and power. This expectation should incite clubs to reformulate their strategy. If the business leader of a small firm foresees similar changes in his/her industry then at least two strategies emerge should in that leader's head. The manager of a small football club should probably start being worried about media revenues and sponsor money would diminish. The small business manager and the sport director of a small club should focus on a special niche. The second obvious strategy for

survival is to merge with a bigger or a small club or to find a strategic partner. Otherwise the club will never reach the big revenue 'pots'.

### **Football metaphor: on the pitch and off the pitch**

Football is an entertaining sport which is based on only seventeen rules. The sport is growing worldwide and although it is universal in its rules, it is played in different ways in different parts of the world. Of course, it is not reasonable to think that management is also built only on a small set of rules.

#### **Football (on the pitch) as an analogy for business**

1. Playing style: the risk is that someone perceives that only one playing style can lead to success, or a club may have only one style affiliation. Does the club think about styles and models and their different purposes?
2. Related industries: which industries are suitable for which types of business ideas; for which football cultures and for which playing styles? These are reasonable questions for the management of any business or football club.
3. Fads: how do fads affect the business ideas? What we know from the so called 'sedimentation principle' is that fads affect each other. However, no further conclusions can be drawn from this study. It is precisely the role of management to analyze offered fads (often from external consultants or coaches) and predict their impact on the actual and potential thought or playing styles.
4. Rules: on the pitch, the game rules are the same, whether it is a world cup final in Brazil or a boys' team match in Slovenia, however, the players' strength, the ability of referees and audience impact the game in different ways. The way of playing is slightly different around the world, but the dream of playing professionally crosses the mind of young children everywhere. Role models and motivators are vital for the sport's survival and development. Maybe seventeen rules are an ideal (though not an impossible thought) for businesses in their goals to grow and become globalized.

#### **Football (off the pitch) as an analogy for business**

1. Choosing the players: forming teams has been a logical and simple way to describe and explain management development in Chapters 3, 4 and 5. Synergy, in terms of ambition, is the key, but having an understanding of the interdependences between the squares in the

four-field framework is a condition. To identify players who can play together is very important. To create momentum in sport so that the match is won and to create a coherent group in the workplace who can outperform rivals is basically the same challenge.

2. Core competencies: building on the precise playing style which a team masters is important because then the core competencies are identified and measured and the entire club organization is formed.
3. Create links: how can changes in playing styles be linked to the different levels of activities off the field, between games?
4. Practise: with hindsight it is clear that some teams, for example, Holland at Euro 2000 and England at the World Cup 2006, should have trained more on penalty kicks. That's why it is necessary to practice a playing style that is not always in line with the activities that take place off the field.
5. Adapt: if somebody redefines the industry logic and if that means new benchmarks, then it may be difficult to maintain the original business idea and as a consequence determine what playing style needs to be trained. New rules have been required, for example, by TV companies in the USA, to make matches more 'TV broadcast advertising friendly' for the audience.
6. Benchmark: if a typical benchmark is in use then it can be compared with a moving reference point in the case of football. The consistent focus is on competitors, i.e. the opposing team, and this in itself is an important element in the football metaphor.
7. Know why you are winning: if the team is winning match after match, there is a tendency not to change the lineup or change the training regimen. It's the same as in business life. In both cases, you get in trouble once you start losing. If you did not know why you won then you do not know what to change when things start going wrong. Thus, it is recommended to continuously test minor improvements and exercise targeted experiments. It is easier to change the training/education than to completely change the entire strategy or organization.
8. Rules: the football analogy can be seen in different ways. Rules of the game can be compared with business legislation and the rules of society, of which there are many. The brand around a football team and a company is not much different now that football has become transparent and is often acting as an economic unit. Most large companies are listed on the stock market and football development has caught up with business in this respect. Football shares are sensitive to direct results and probably more volatile than other types of



shares. The activities on the pitch are of course reproduced in every detail and are extremely well-known through television and other media. That is what will shape the viewers' mind sets. But the rule is still skillful preparations between matches!

### **Cross-learning: Proposition 5 (B to F, Business to Football) and Proposition 6 (F to B, Football to Business)**

European football is a truly global phenomenon with significant contributions from different sources paving the way for the sport to reach millions of homes worldwide. The desire of the football clubs to hire the best international talent, close lucrative television broadcasting deals, design highly interactive websites, establish merchandizing outlets, and appoint diverse management teams consisting of team members from different countries and organize a variety of competitions, has boosted the global outreach of the sport.

Football enjoys the status of a global sport as players come from different countries and continents to play in Europe, USA, Australia, Asia and the Middle East. Football clubs have played a significant role in nurturing diversity by attracting talent from different parts of the world. Manchester United recently (autumn 2011) hired striker Javier Hernandez from Mexico. His impact on the overall performance of the club has been spectacular with eighteen goals to his name since the end of the spring 2011 (Ogden, 2011).

The sport knows no boundaries as merchandizing deals are struck across borders. What connection does German sports goods manufacturer Adidas have with a football club in Spain, i.e. Real Madrid? It is obvious that a win-win situation exists for both the sports club and the sponsor. The club enjoys a very loyal fan base around the world, which in turn helps the sponsor in selling its products on a global basis.

The match day viewership is also very diverse; the UEFA Champions League final between Manchester United and FC Barcelona in 2009 drew an attendance of 109 million viewers across the globe, which is three million more spectators than the Super Bowl between Pittsburgh Steelers and Arizona Cardinals (BBC Sport, 2010).

Compared to the other sporting leagues based in the USA, growth of the Major League Soccer (MLS) is relatively nascent. However, this fact did not stop investors from funneling significant amounts of capital into the development and growth of the sport. In 2007, LA Galaxy (a team from the MLS) created excitement by signing David Beckham from Real Madrid for five years at a sum of US\$250 million (Sports Illustrated, 2007).

MLS is constantly trying to get out of the shadow of failure cast by North American Soccer League (NASL), which began in 1968 but closed down in 1984 (Francis, 2010).

Businesses can learn from the combination of various methods used by football clubs to conduct branding efforts, and this results in a truly global following.

Actually it is wrong to say football clubs 'use' various methods for branding. Rather we can 'compare' the reality of the game with the two fictitious club types in European football (Europe United and IFK Sweden). 'To do the right things' (see Table 2.1) is based on two components: a business idea with contextual analysis, and game preparation with opponent analysis. But it is speed and mobility, as well as the emotional state that determines how the game will end. The operational excellence is about 'doing things correctly': the captain's performance and leadership on the pitch, the players' ability to take orders and the flexibility to change their familiar game play creates the final result. In short, how well the team plays on the pitch in each match really matters.

Preparation is also very important. How has the training been conducted? How have the team coaches' elections been run and how is the coach controlled? What is planned for player purchases from other clubs? In the world of sports, one can learn from the example of AC Milan who bought finished or nearly finished players (e.g. Jesper Blomqvist and Anders Anderson (Wikipedia, 2012)), only to sell them on to other clubs for a much higher price. Either because they really performed better or the AC Milan name reinforced the players' brand. What is the relationship with other former clubs and how do youth activities work? There are many lessons to be learned by Swedish nonprofit sports in terms of future organizational design.

Table 8.3 (pp. 247–9) provides a general, comprehensive comparison between football and the corporate world based on practical observations with a focus on the leadership function. What are the differences and similarities in the conditions for good, results-oriented leadership?

Table 8.4 (p. 250) provides a summary of the most important lessons that a club management could benefit from, drawing on the experience of leadership in business (Proposition 5).

## **Contributions and continued development of knowledge**

ABB's brand-building is worth all the positive attention it receives and certainly lives up to the idea that its management has formulated: 'It's the kind of solution only a team of dedicated individuals with

multi-cultural perspectives, multi-disciplinary expertise and global/local orientation working together could create a successful business development' (ABB, 1998).

ABB's philosophy (from 1997) reflects most of what is conveyed in this book. Collaboration requires the involvement of a lot of people, but with an elaborate base, good mechanisms and the right tools in order for management to implement a successful business.

### **Suggestions for future research themes**

It is contended that deductive and/or inductive thinking is necessary but not sufficient for this rapidly changing world and suggests the addition of abductive thinking – integrative or design thinking – that builds its own way of understanding of what's going on and then goes on to develop ways to address the sport problem. The abductive thinking stance involves merging models or creating new models to creatively develop new options for solving problems, addressing issues or creating opportunity. The webifying of the world ushers in the need for changes in the way that research is conducted. Innovative ideas continuously emerge for collecting data using interactive media and for sparking new ideas for 'what might be'.

Combining methods and methodologies (e.g. textual with visual, qualitative with quantitative), cross-disciplinary research, responding to changing research landscapes (e.g. enhanced Information and Communication Technology capacities), new ethical challenges and guidelines) is essential. These categories could be adapted and applied to any of the social media platforms (Twitter, Facebook, YouTube, etc.) using specific digital technologies (Internet, mobile, etc.) for sport business research in social media. Those interested in applying social media research to sport business would find it to be a very worthwhile reference that could stimulate a number of ideas for research. An example of innovative research methodology (for scholars and marketing practitioners) could be simulated through the usage of social media in an integrative, cross-organizational (i.e., university business schools, sport business, research companies, etc.) format.

- In the future, studies should focus on developing empirical research to verify or refute this book's key messages: a four-field validity of functional assessment tools.
- The four squares of the four-field matrix could form a basis for a systematic review of the 'back-up' theories that exist. The six Propositions

could be operationalized, broken down and formulated as questions. These issues could then be matched against the large body of secondary material, in the form of essays, theses, articles and online material.

- A primary data approach would be interesting. For that purpose the CEO, and one or two senior managers could participate in a focused/detailed interview with reference to Tables 8.3 and 8.4. The idea would be to elaborate on the two 'business columns' in the tables.
- To identify management tools, classify them according to their scientific roots and try to define and anticipate the needs of fads in the future is another interesting theme.

Imagine that you have eleven men on your team and suddenly you discover that the opposing team has thirteen men on the pitch. Not only that, the opponents have started using their hands. Your frustration grows. The same is true with globalization. Entrepreneurs who conduct business globally will always find that there is no fair play. In football everybody is familiar with the seventeen rules and everybody respects them.

An experienced businessman who acted as a chairman for a club that won the Allsvenskan championship three times in the 2000s expressed the view that:

it is more difficult to manage a football club with a turnover of 15 million Euros than a business corporation of 12 billion Euros. In the football case there is such a huge number of decisions to prepare and take and as soon as it seems difficult for the management then the board tends to jump in and the chairman dives in...Swedish club management does not sell players...agents do...In football you cannot control all your resources. In business you can at least defend your resources ... Players just disappear.

Table 8.3 Systematic lessons

The business world	The football world	Reflection
An infinite number of 'rules' that are constantly shifting	Seventeen rules that rarely change	Rules are one thing, leadership is about people! There is a high level of difficulty in managing a football club, as Alex Ferguson for Manchester United knows. Skilled players are often artists: stubborn, inflexible and injured
In business, the start is well known, but not always the end	A game has a beginning and an end	Some beginning and end must always be anticipated in any management situation
The course of events in business are fixed term only in the context of 'projects', like 'building a house'. The rest of the activities last forever and are changing with the passage of time	In the majority of cases the match lasts only ninety minutes.	Search constantly to place operations, tactics and strategy in time schedules
Business ideas start usually with a few employees who eventually grow to several thousand	The resource base is fixed at eleven players on the pitch	Modularize the 'eleven men act'. Consider the option of buying, renting, lending, selling and trading resources
Clear organizational structure and clearly defined responsibilities within the board, with specific performance targets	The squad is divided into those who will play in the starting lineup, those sitting on the bench and those who may not participate because they are injured, unfit or have been penalized. There are also players who are in the process of being sold or insourced instantly by the club	Precisely specify the 'squad' and give each member clearly defined roles and accountabilities that everyone knows. Remember that the organizational structure governs the 'team' learning

(continued)

Table 8.3 (Continued)

The business world	The football world	Reflection
There is a distinction between line and staff, internal and external resources	There is one coach who selects the team and defines the tactics	Reconcile the two specific activities (training and match) and establish 'playing styles'. In the business world talk about 'value-based management'. Everything is controlled collectively, regardless of the position
Leaders/employees are appointed continuously at different levels in large enterprises	The board appoints the coach and introduces him to the team	The governance body (board of directors) should be consistent and both 'select' the coach, prepare the nomination and act in case of layoffs/liabilities. These must go hand in hand
'Learning by doing' and 'Earning-while-learning' are common terms	The team undergoes the training and plays the matches	Select and design training/tactics just as carefully in order to prepare for a match. Similar to preparations before a key meeting or the board presentation
Are the processes simultaneous? ('Sell, manufacture, develop, collect and pay')	Is there harmony among the activities on the field and off the field?	The dramatic element creates the interactive audience in football and is hidden in commercial negotiations, but equally intense in both
Customers' influence on other customers is recorded only to a limited extent, 'Customer satisfaction' is the goal which is perhaps even more important for success	Playing the match creates the atmosphere among the spectators and affects the mood of the TV audience, which stimulates sales of other products and services	The risk of 'cannibalizing', i.e. increased television dominance reduces the audience's presence and weakens the 'atmosphere' and thus total income

Product or service is apparent	The 'game on the pitch' is visible	The 'game' is a consequence of 'strategy', as well as product and service
There are four common core processes: from supply to demand, from order to delivery, from delivery to payment and from start to scrapping	Four key processes are: 'game', 'atmosphere', 'training' and 'management'. These four processes characterize football. Each of these is explained above	The team should separate the match you just want to win from the UEFA Champions League trophy to be won. Sometimes you must give up a single contract, to avoid eroding your business focus
The user interface is exposed all the time and a few times per year for performance reporting	The team is exposed all the time, but is the most intense 'during the match'. Football is a show that every team puts on for its fans	Be more open, but accept that there may be trade secrets in football the same way as in business

---

*Table 8.4* Messages: Proposition 5 (B to F, Business to Football)

Business	Football	Lessons (B to F)
<b>The market</b> Quality of customer base 'Brand value' It should be simple, safe, economical and fun to buy the product or service	<b>The atmosphere</b> Football fans like good entertainment Fans are proud to openly display their affection for a particular team/player The clubs should provide accessible, affordable tickets, innovative gadgets, safety and comfort in the stands	<b>The message</b> Professional approach: <ul style="list-style-type: none"> <li>• TQM approach, defined processes</li> <li>• continuous improvement</li> <li>• regular surveys of customer satisfaction</li> <li>• right steering reward system for marketing management</li> <li>• media relations are handled by professionals</li> </ul>
<b>Product</b> Supply quality and cost Excellent value for the customer	<b>Match</b> Will the team win? Individual heroes shine, to everyone's delight	<b>Message</b> The team manager's ability to 'read' the challenge before each match is as critical as the production manager achieving volume and quality
<b>Product development</b> Innovation IPR Risk management	<b>Coaching/Training</b> Buying and developing the right players Creating your own playing style Building team spirit and loyalty	<b>Message</b> Professional approach: <ul style="list-style-type: none"> <li>• investment calculations</li> <li>• project management</li> <li>• adequate remuneration models</li> </ul>
<b>Management</b> Define activities from the start to finish: <ul style="list-style-type: none"> <li>• market leader</li> <li>• high customer perceived quality</li> <li>• lowest capital employed</li> <li>• leadership, the selection of employees</li> </ul>	<b>Club management</b> <ul style="list-style-type: none"> <li>• Formulate and communicate clear goals and strategies</li> <li>• Integrate the club management, team managers, teams and staff with the club spirit</li> <li>• Develop skills to understand and manage the whole operation</li> </ul>	<b>Message</b> Organize professionally, with clear responsibilities and performance expectations: <ul style="list-style-type: none"> <li>• meeting</li> <li>• board</li> <li>• president</li> <li>• business managers</li> <li>• finance, accounting and management</li> </ul>



# Notes

## 1 Football's similarities and differences compared with other industries

1. The number of professional football players in Sweden is not available. The only information available is the number of licensed players which is 299,855 (over fifteen years of age), of which 77,661 are women [2010]. See <http://svenskfotboll.se/in-english/> (accessed 2012-02-20).
2. From a presentation made by Patricia Luchetta, 10 February 2012, at LBA, Luxembourg University.
3. Agents are sometimes an important part of reducing transaction costs, in the sense of Coase's theorem. See Coase (1981). Many agents are viewed positively by the club. There are definitively two sides to this picture. They can be both greedy and sympathetic/passionate about the sport.
4. In *Dagen Nyheter*, 4 July 2006, Johan Esk writes, 'football's future stands on playing' before the semi-final games in the World Cup in Germany the summer of 2006.
5. The benefits of such a vision are clear. From previous research we can infer that the consequences would include an increase in the quality of life and a decrease in illnesses and deaths (WHO, 2006); physical inactivity alone is causing 10 percent of deaths in Europe. Further, such an increase in citizens' physical activity level would expand the economy related to the sport sector with approximately €50 billion alone in household spending.
6. In North (1991) a metaphor could be that a football referee is like an agent: 'The growth of long distance trade (i.e. football teams) poses two distinct transaction problems. One is a classical problem of agency which historically was met by use of kin in long distance trade' (pp. 99–100). North again: 'The development of "geographical specialization" and "standardized transactions" can be compared with the roles played by a football referee, he/she is specialist on the pitch and us using standardized rules.' See also Sutter and Kocher (2004); Nevill, Balmer and William (2002).
7. In her Christmas television broadcast 2010, the Queen praised sport's ability to teach fundamental life skills, saying that 'values such as honesty, respect for others and a sense of community are all fostered on the playing field.' (*The Star*, 25 December 2010) <http://www.thestar.co.uk/news/queen-s-speech-sport-praised-in-christmas-message-watch-video-1-2972179> (accessed 26-4-12).
8. Is a player an artist or a worker? Is it a profession or an art? For sure there are some outstanding talents, but most players are both ... artist and worker, though it depends on the perspective.
9. One of the most well-known cases is the German Borussia Dortmund (BVB) which was nearly ruined after a series of catastrophic incidents. The club had won the German league twice and the Champion's League title during the 1990s. But some bad management decisions became an economic drawback after the former CEO had invested about €19 million (170 million SEK) in

the player Amoroso who immediately was badly hurt, and about €78 million (700 million SEK) in Westfalen Stadium (BVBs home arena). The stadium was later sold and leased back. This was necessary despite the fact that an IPO was carried through in the meantime. The downturn in the share price was another consequence of this bad management.

## 2 Six propositions as a frame of reference

1. Definition of 'Framework', *Longman Dictionary of Contemporary English*, Pearson Education Limited, 2003. In the text following the four-field framework is just called the four-field model or window.
2. The four types of permanent situational are thus: corners, free kicks, penalty kicks and throw-ins.
3. Article in *Dagens Nyheter* by Johan Esk, 4 July 2006, 'Football's future stands on playing'.
4. This differs by country. In Spain and Italy it is individually negotiated by the clubs, while in England, Germany it is negotiated by the league and distributed by a fixed formula.
5. Borje Isaksson, 'How do you do with empty phrases', *Dagens Industri*, 23 June 1998.

## 3 Market – atmosphere on and off the pitch

1. In Sweden the supporters standing at the end sides of the turf often is labeled 'klacken'. A claque (French for 'clapping') was an organized body of professional applauders in French theatres and opera houses who were paid by the performer(s) to create the illusion of an increased level of approval by the audience. Encyclopædia Britannica (2010) (accessed 2012-04-30) [http://en.wikisource.org/wiki/1911\\_Encyclop%C3%A6dia\\_Britannica/Claque](http://en.wikisource.org/wiki/1911_Encyclop%C3%A6dia_Britannica/Claque) (accessed 2012-09-11).
2. Theododore Levitt is one of America's most famous marketing professors, and has had many articles published in *Harvard Business Review*.
3. See Ajax AFC, <http://English.ajax.nl> (accessed 2012-04-30).
4. One question not answered here is about the way in which football has developed in such a way over the last two decades that there are different levels of fans/clubs, and that individuals are fans of several clubs in different leagues. Much of this seems due to two possible trends: the internationalization of clubs and the culturalization of the sport (i.e. football becoming part of fine culture).
5. The role of transfers are different for different types of clubs, while for smaller clubs it is mainly a means of income, for the leading clubs, signing a good player is a means to an income, e.g. Real Madrid signing Ronaldo when Perez tells about a signage like this will pay itself. Perez (2009) *Ronaldo transfer*.
6. But at the end the club looks for customers or fans for a club. Is it about meeting customer needs or enlarging income opportunities. It differs by segment. Possibly it is less about collaborating with experts. Customers' needs and income opportunities go hand in hand. The questions and objectives vary with the clubs and their financial conditions.

7. Arsenal Football Club (2012). *The Arsenal Credit Card*. Retrieved 2012-02-12, from Arsenal official website: [http://apply.mbn.co.uk/UKNeoCCapp/entry?sc=82afcrwgs\\_ost&mc=ECO-UK-33333-12670](http://apply.mbn.co.uk/UKNeoCCapp/entry?sc=82afcrwgs_ost&mc=ECO-UK-33333-12670).
8. 'Half the money I spend on advertising is wasted; the trouble is I don't know which half', is a classic statement on advertising, credited to both John Wanamaker (1838–1922) and Lord Leverhulme (1851–1925). The saying is recorded in print from at least 1919.
9. 'Stamping is a sorry sight and an apology wouldn't go amiss', article by David Lacey in *The Guardian*, 14 September 2009.
10. A simple example would be a cell phone, how rapidly are new models being introduced? Technology and rapid product development has impacted loyalties.
11. Is that not true that in every country the number of coaches equals the population size? What is perhaps specific to Sweden, and more so in the UK, is the strong influence of press and how the press can initiate almost a one-directional persecution of people. Obviously it also happens in other countries, but it seems that in countries like Germany, Austria, Spain, Italy there is a press with a greater diversity of opinion.
12. Opinion leaders surely have been crucial in putting football into the fine cultural space.
13. Retrieved 2012-08-04, from [http://en.wikipedia.org/wiki/Paul\\_Lazarsfeld](http://en.wikipedia.org/wiki/Paul_Lazarsfeld).

## 4 The game is the product

1. Mail Online (2010-10-19). 'Shocked Sir Alex Ferguson admits Wayne Rooney wants to quit Manchester United'. Retrieved 2012-02-28 from DailyMail.co.uk: <http://www.dailymail.co.uk/sport/football/article-1321866/Wayne-Rooney-wants-quit-Manchester-United-confirms-Sir-Alex-Ferguson.html#ixzz1oRtTW9Ec>.
2. Karl Weick a well-known organizational theorist, see e.g. [http://en.wikipedia.org/wiki/Karl\\_E.\\_Weick](http://en.wikipedia.org/wiki/Karl_E._Weick) (accessed 2012-05-09).
3. There has been a lot of speculation and little clarity about the Zlatan-Pep Guardiola relationship. Was it really Guardiola's decision or an order from management? It seems that Guardiola gave exactly the same treatment to Bojan Krkic. The newspapers indicate that it was more a problem of playing style; Messi wanted to change position to become a 'false' 9, which did not work with Ibrahimović's position; and Ibra did not adapt well to that. In hindsight Guardiola was not too wrong; Barcelona did splendidly without Ibra, and Bojan and Pedro seemed to fit better together with Messi.
4. In line with the professionalization of players who are bought/sold like commodities, here is the similarity with business. A football player at Arsenal, Leeds, Lazio, Marseille, Real Madrid or AIK is an investment that is expected to be profitable. Szymansky and Kuypers, two British scientists, have summed up football's hypothetical audience influx, clubs' profitability and other factors. As the media, including television, takes over football broadcasts, there will be new considerations surrounding the ownership of clubs and entertainment rights of interest to Rupert Murdoch and others.

5. Zidane: 'Materazzi insulted my mother and sister'. (2006-07-12). Retrieved 2006-09-01, from SoccerNet ESPN: <http://soccernet.espn.go.com/news/story?id=373767&cc=5739>.
6. Arnér speaking about Percy Barnevik in Hague and Pettersson (1998).
7. Gammelsaeter writes: 'Professional sport teams. When teams perform below expectations the fate of the head coach is very often put on the agenda, by the media, fans, and eventually the board of directors, and there are indications that the frequency by which managers are sacked increases. In English soccer, for instance, the average tenure for managers in the FA Premier League is reported to have decreased from about 3 years in 1992–3 to less than 1½ year in 2007–8 (Bridgewater, 2010), and in the Spanish premier soccer league which contains 20 teams the frequency was even higher, at least in the two seasons of 2002–3 and 2003–4 when 20 involuntary and 2 voluntary changes were reported (Tena and Forrest, 2007). The high turnover rate in professional soccer is corroborated in a fresh UEFA benchmarking report which revealed that 53 percent of the head coaches in the European top leagues had held their position for less than a year at the time the clubs were licensed (UEFA, 2012).'
8. Frick writes: 'Recent empirical studies indeed suggest that the pay-performance relationship is closer in the European soccer leagues than in the US Major Leagues (including baseball, basketball, football and hockey). Since it is unlikely that managers of US teams make more mistakes when evaluating talent than their European counterparts, only the latter of the two explanations remains: While the US leagues all have a highly regulated labor market (drafts, salary caps and floors, roster restrictions, etc) restricting player mobility for most of their careers, players in Europe enjoy freedom of movement with few – if any – restrictions in place.'
9. See for example 'Grenoli' by Eva af Geijerstam Bonnierpocket (1998) and Chapter 2 in Liedholm (1984).
10. Between 1992 and 2008 the aggregate growth in turnover of clubs in the Premier League (PL) and the Championship Football League (FL) was on average 16 percent and 12 percent per annum. See Deloitte (2009). However, during the same period, the ninety-two clubs in the PL and FL have, on aggregate, consistently failed to achieve pre-tax profits. There has not been a single year since the formation of the PL that pre-tax profits have been achieved and not one single year since the formation of the PL that the twenty member clubs in any one season have made collective pre-tax profits. This illustrates a high competition level and also that owners have been willing to sustain these losses. But some clubs seem to be profitable year after year, e.g. Manchester United (see Walters and Hamil (2012)).
11. Liverpool is not a small football club but Fernando Torres found a better deal at Chelsea (better money and a better shot at winning trophies). For further information consult: <http://www.mirrorfootball.co.uk/news/Fernando-Torres-passes-Chelsea-medical-ahead-of-50m-move-article686799.html>; by J. Cros (accessed 2011-01-31).

## 5 Product development and training

1. Roland Loy is a disciple of the 'football professor', Dettmar Cramer, and was sporting advisor to Franz Beckenbauer when he coached Olympique

Marseille. Loy has set up a database and is now technical advisor to the ZDF sports desk. In recent years he has analyzed more than 3,000 football matches and the results are published in the two-volume opus 'Tactics analysis in soccer', so the man knows whereof he speaks. See <http://www.spiegel.de/spiegel/print/d-9080754.html>, by: Loy (1996). Also Loy (2009) and Biermann (2007) (all accessed 201-03-10).

2. From *Der Spiegel* quoted in DN, 2 July 2006, p. 7, Sports Sunday reportage.
3. Zidane now devotes his time and name to causes dedicated to the welfare of children. As official sponsor, he promotes the European Leucodystrophies Association (ELA) and has joined Danone in a worldwide partnership to support children's causes. Since 2001 he has been a UN Goodwill Ambassador for development, taking part in a Match against Poverty whose proceeds finance initiatives in this area. In 2006 he joined Franck Riboud and Muhammad Yunus to inaugurate the first Grameen Danone Foods factory. See <http://www.danone.com/en/news/focus/world-wetlands-day.html> (accessed 2012-03-10).
4. The regulations are to be found at <http://www.thefa.com/GetIntoFootball/FALearning/FALearningPages/local-courses.aspx>; [http://www.thefa.com/GetIntoFootball/FALearning/FALearningPages/~/\\_media/Files/PDF/Get%20into%20Football/FA\\_Learning\\_YouthModule2/CoachingPathwayNov2011.ashx/CoachingPathwayNov2011.pdf](http://www.thefa.com/GetIntoFootball/FALearning/FALearningPages/~/_media/Files/PDF/Get%20into%20Football/FA_Learning_YouthModule2/CoachingPathwayNov2011.ashx/CoachingPathwayNov2011.pdf) (The Football Association, 2010 and 2011 respectively); and in [http://news.bbc.co.uk/sport2/hi/football/get\\_involved/4653599.stm](http://news.bbc.co.uk/sport2/hi/football/get_involved/4653599.stm). By BBC Sport Football (2005) (all accessed 2012-03-10).
5. See <http://www.pbs.org/about/careers/working-at-pbs/> (accessed 2012-03-13).
6. Biermann (2007); *Der Tagespiel*, quoted in DN, 2 July 2006, Sports Sunday reportage, p. 7.
7. Armani Corporate Press Release. From: [emporioarmani.com](http://emporioarmani.com): <http://experience.emporioarmani.com/pressRelease/pressDetail?prid=46&year=2010&language=EN> (accessed 2012-03-13).
8. United States Securities and Exchange Commission (2010), 3M form 10-K, [http://www.sec.gov/Archives/edgar/data/66740/000110465911007845/a11-2060\\_110k.htm](http://www.sec.gov/Archives/edgar/data/66740/000110465911007845/a11-2060_110k.htm) (accessed 2012-03-13).
9. Daily Mail (2010), online version: 'David Beckham toppled by Lionel Messi as Barcelona star leads football earner charts on £570,000 a week', <http://www.dailymail.co.uk/sport/football/article-1260076/David-Beckham-toppled-Lionel-Messi-Barcelona-star-tops-football-earner-charts-570-000-week.html> (accessed January 2011).

## 6 Management challenges in football

1. Also in a country like Austria ownership is allowed. The league has always been considered better than the Swedish, but is constantly trailing more and more, although there are some investors and investments, e.g. Red Bull, who bought Salzburg. The club is the usual contender for top position in the league, but it has not had success in Europe.
2. During spring 2012, e.g. Hoeness/Beckenbauer (Bayern München); Laporta/Rosell/Nuñez (Barcelona), Perez (Real Madrid).
3. We are talking in general. The bigger clubs get most of the broadcasting money from participating in the final stages of big tournaments while the smaller ones rely more on sponsors and ticketing.

4. FAME is an electronic database which provides information on over 7 million UK public and private companies. Available data includes company contact details, business activities, annual accounts and financial ratios, staff numbers, holding, subsidiaries and details of directors and shareholdings.

## 7 Management of four challenges

1. IT is known in this context. But it should be mentioned that more and more frequently ICT has replaced the concept of IT, i.e. 'information' and 'communication' that is telecom technology.
2. Scientists at Vrije University in Brussels are working with the concept of 'sports system' which means identification of a number of possible factors that may co-vary with sporting success, e.g. V. De Bosscher *et al.* (2010).
3. The same Hans Olov Olsson is vice CEO at Chinese car manufacturer Geely, i.e. the purchaser of Volvo cars from the seller, Ford Motor Company.
4. An investigation initiated by the Elitserien Association in spring 2008 showed that about half of the Premier Division clubs used movies and video to analyze rival teams playing styles. See Olsson (2008).
5. Datawarehousing, <http://www.google.com/search?q=unwieldy&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a> (accessed 2012-03-17).
6. The US figures are from *Business Week* 2004-11-22. According to the US consulting firm eMarketer, Internet advertising reached \$9,300,000 in 2004, of which 5.4 percent is pure brand advertisements. The Swedish figures are from IRM (Institute of Advertising and Media Statistics), from 2003.
7. Lessons from German clubs which are probably financially healthier and have giant fan bases should also be considered as well as lessons learned from leagues on the same level or from second tier English clubs. Challenges for clubs differ so much depending on their tier, so the question is not about benchmarking itself, but about what is the relevant benchmark? I am basically trying to compare the nascent Swedish football scene with the growth-oriented English one.
8. For Mexico read slide 4 of the pdf below: <http://www.slideshare.net/akmohr/bmlatinamericasocialmediastudyeng-101013083535phpapp01> (accessed 2012-03-15), from: Burston Marsteller (2011). European companies focused primarily on social media to communicate with potential clients (31 percent) and current clients (25 percent). See <http://www.worldcomprgroupemea.com/social-media/corporate-social-media-spend-to-increase-among-b2b-companies-globally-according-to-worldcom-survey/> (accessed 2012-03-13).
9. See for example 'Ledande CRM-system som sätter kunden i centrum' (Leading CRM-system putting the customer in the center), *Svenska Dagbladet*, 13 February 2000.
10. Professor Lars-Gunnar Mattsson at Stockholm School of Economics (Handelshögskolan i Stockholm) and Professor Evert Gummesson at School of Business, Stockholm University.
11. As an anecdote, the Scottish football clubs, Celtic and Rangers, were apparently among the richest football clubs at the beginning of the last century, when the economic model was driven by match day ticket sales and the local fan base.

12. BBC Sport (2010-10-12), 'Barcelona and Qatar Foundation agree 125 million pound shirt deal', <http://news.bbc.co.uk/sport2/hi/football/europe/9276343.stm> (accessed 2012-03-13). Following a deal struck between FC Barcelona and Qatar Sports Investment (QSI) in December 2010, QF was nominated to be the beneficiary of this agreement, which will run for five-and-a-half years until 2016, through the placing of its name on FC Barcelona's team shirts and training wear. Qatar Foundation (2010) (accessed 2012-03-13). However, Soriano (2011), p. 69, says Barcelona receives €30 million per season.
13. But even if their brand management is relatively weak, they do in fact have much stronger and longer lasting brands than most companies. Even if not planned as such, the brand strength is incredible.
14. See <http://www.google.com/#hl=sv&source=hp&q=benchlearning&lr=&aq=0&oq=benchle&fp=f4ba4e59e8ead4c7> (accessed 2010-03-08).
15. One of the first IT companies, Digital Equipment, was purchased by Compaq in 1989.
16. See their homepage <http://www.flextronics.se/jobs/code/jobs/default.asp?desc=location&countryid=6> (accessed 2010-03-09).
17. Anders Moberg, CEO of IKEA speaking at Göteborg School of Business, Economics and Law, 14 November 1998.
18. IKEA has 1,075 suppliers in fifty-five countries worldwide that partner with IKEA to manufacture exclusively designed home furnishings. IKEA strives for long-term cooperation with suppliers to secure the most suitable raw materials in large volumes globally, ensuring low prices for customers and minimal impact on the environment. See IKEA (2011).

# Bibliography

- Aaker, D. A. (1991). *Managing Brand Equity: Capitalizing on the Value of a Brand Name*. New York: Free Press.
- Aaker, D. A. (1996). *Building Strong Brands*. New York: The Free Press.
- ABB (1998). *Annual Report 1997*. Zurich.
- af Geijerstam, E. (1998). *Grenoli. Ett fotbollsäventyr*. Stockholm: Bonnier pocket.
- Affärsvärlden (1997). 'Analysis: Lindex is following' ('Analys: Lindex följer efter'), *Affärsvärlden*, 5 July.
- Ajax AFC (2012). *AFC Ajax*. Available at: <http://English.ajax.nl> (accessed 30 04 2012).
- Alexander, D. & Kern, W. (2004). 'The economic determinants of professional sport franchise values', *Journal of Sports Economics*, 5(1), pp. 51–66.
- Amnyos and Eurostrategies (2010). *Amnyos and Eurostrategies 2010*. Available at: [http://www.isca-web.org/files/ISCA\\_Europe/ISCA%20Europe%20position.pdf](http://www.isca-web.org/files/ISCA_Europe/ISCA%20Europe%20position.pdf) (accessed 23 02 2012).
- Andrews, D. L. (2001). *Michael Jordan, Inc: Corporate Sport, Media Culture, and Late Modern America*. Albany: State University of New York Press.
- Aperia, T. (2001). *Brand Relationship Management: The Branding Process*. (Doctoral dissertation), Stockholm: Stockholm University: School of Business.
- Arsenal FC (2012). *The Arsenal Credit Card*. Available at: [https://apply.mbna.co.uk/UKNeoCCapp/entry?sc=82afcrwgs\\_ost&mc=ECO-UK-33333-12670](https://apply.mbna.co.uk/UKNeoCCapp/entry?sc=82afcrwgs_ost&mc=ECO-UK-33333-12670) (accessed 12 02 2012).
- Arvidsson, G. and Lind, R. (1991). *Management Function of Companies and Public Sector*. Stockholm: SNS förlag.
- Audas, R., Dobson, S. and Goddard, J. (2002). 'The impact of managerial change on team performance in professional sports', *Journal of Economics & Business*, 54(6), pp. 633–50.
- Baimbridge, M., Cameron, S. and Dawson, P. (1996). 'Satellite television and the demand for football: a whole new ball game?', *Scottish Journal of Political Economy*, 43(3), pp. 317–33.
- Bain & Company (1995). *A Survey of 787 Companies Around the World*. Boston, MA: Bain & Company.
- Barcelona Football Club (2011). *Official Sponsors*. Available at: <http://fcbarcelona.com/web/english/empresa/patrocini/patrocini.html> (accessed 03 2011).
- Bartlett, C. A. and Ghoshal, S. (1998). *Managing Across Borders: The Transnational Solution*. Boston, MA: Harvard Business School Press.
- Bartlett, C. and Ghoshal, S. (2002). *Managing Across Borders: The Transnational Solution*. Boston, MA: Harvard Business Press.
- BBC Sport (2005). *Want to be a football coach?* Available at: BBC Sport [http://news.bbc.co.uk/sport2/hi/football/get\\_involved/4653599.stm](http://news.bbc.co.uk/sport2/hi/football/get_involved/4653599.stm) (accessed 10 03 2012).
- BBC Sport (2010a). *Champions League final tops Super Bowl for TV market*. Available at: <http://news.bbc.co.uk/sport2/hi/football/europe/8490351.stm> (accessed 17 03 2010).



- BBC Sport (2010b). *BBC Sport Football*. Available at: <http://news.bbc.co.uk/sport2/hi/football/europe/9276343.stm> (accessed 12 03 2012).
- Beech, J. and Chadwick, S. (eds) (2004). *The Business of Sport Management*. Harlow: Pearson Education.
- Beech, J., Chadwick, S. and Tapp, A. (2000). 'Surfing in the premier league: key issues for football club marketers using the internet', *Managing Leisure*, 5(2), pp. 51–64.
- Biermann, C. (2007). *Viele Rätsel, wenig Wissen*. Available at: <http://www.spiegel.de/sport/fussball/0,1518,494638,00.html> (accessed 10 03 2012).
- Birkinshaw, J. and Crainer, S. (2002). *Leadership the Sven Göran Eriksson Way: How to Turn your Team into Winners*. London: Capstone Publishing.
- Björk, S. 1998. *IKEA – entreprenören – affärsidén – kulturen*. Stockholm: Telegram Bokförlag.
- Bolchover, D. and Brady, C. (2002). *The 90 minute Managers: Lessons from the Sharp End of Management*. Harlow: Pearson Education.
- Bridgewater, S. (2010). *Football Management*. Basingstoke and New York: Palgrave Macmillan.
- Bruinshoofd, A. and ter Weel, B. (2003). 'Manager to go? Performance dips reconsidered with evidence from Dutch football', *European Journal of Operational Research*, 148(2), pp. 233–46.
- Burke, M. (2011). *Cover story: On the run*. Available at: <http://www.forbes.com/forbes/2008/0211/082.html> (accessed 04 03 2011).
- Burston Marsteller (2011). *Latin America Corporate Social Media Study 2010*. Available at: <http://www.slideshare.net/akmohr/bmlatinamericasocialmediastudyeng-101013083535phpapp01> (accessed 15 03 2012).
- Buzzell, R. and Gale, B. (1987). *The PIMS Principles: Linking Strategy to Performance*. New York: Free Press.
- Camp, R. (1989). *Benchmarking – The Search for Industry Best Practises that Leads to Superior Performance*. Milwaukee, WI: Quality Press.
- Camp, R. (1995). *Business Process Benchmarking – Finding and Implementing Best Practises*. Milwaukee, WI: Quality Press.
- Camp, R. (1998). *Global Cases in Benchmarking*. Milwaukee, WI: Quality Press.
- Carlsson, R. (2001). *Ownership and Value Creation: Strategic Corporate Governance in the New Economy*. New York: John Wiley.
- Carlzon, J. (1983). *Tear Down the Pyramids! A Book about the New Manager and Leader*. Stockholm: Bonnier.
- Carlzon, J. (1985). *Tear Down the Pyramids*. Stockholm: Bonnier.
- Carlzon, J. (1989). *Moments of Truth, New Strategies for Today's Customer Driven Economy*. New York: Harper & Row.
- Carr, N. G. (1999). 'Marketing: the economics of customer satisfaction', *Harvard Business Review*, 77(2), pp. 15–18.
- Chadwick, S. 2009. From outside lane to inside track: sport management research in the twenty-first century. *Management Decision*, Volume 47, pp. 191–203.
- Chandler, A. D. Jr. (1962). *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*. Cambridge, MA: MIT Press.
- Coase, R. H. (1981). 'The Coase theorem and the empty core: a comment', *Journal of Law and Economics*, 24, pp. 183–7.
- Collins, J. (2001). *Good to Great*. London: Random House Business's Books.

- Computer Association (2008). *Technology brief: managing IT systems availability across multiple platforms and locations*. Available at: <http://www.arcservice.com/publish/a/c/1/%7Bac18a7b7-9468-4161-9912-b1f80639e1d6%7Darsenal-technical-brief.pdf> (accessed 01 03 2011).
- Cornwell, T. B. (2008). 'State of art and science in sponsorship-linked marketing', *Journal of Advertising*, 37(3), pp. 41–55
- Corporate University Week 2012 (2012). *IQPC's 14th Annual Corporate University Week: aligning learning and development with corporate goals*. Available at: <http://www.cuweek.com/Event.aspx?id=510676> (accessed 13 03 2012).
- Croci, O. and Ammirante, J. (1999). 'Soccer in the age of globalization', *Peace Review*, 11(4), pp. 499–504.
- Cros, J. (2011). *Mirror football*. Available at: <http://www.mirrorfootball.co.uk/news/Fernando-Torres-passes-Chelsea-medical-ahead-of-50m-move-article686799.html> (accessed 12 02 2012).
- Danone (2008). *First board meeting of the French Risk Mutual Fund (FCPR) danone communities*. Available at: <http://www.danone.com/en/news/focus/world-wetlands-day.html> (accessed 10-3-12).
- Davenport, T. H. (1994). 'Saving ITs Soul: human-centered information management', *Harvard Business Review*, March–April, 72(2), pp. 119–131.
- Davenport, T. H. (2006). 'Competing on analytics', *Harvard Business Review*, January–February, 84(1), pp. 99–107.
- Davenport, T. and Prusak, L. (2000). *Working Knowledge*. Boston, MA: Harvard Business Press.
- Davies, H. (2000). *I have a guilty secret: I think Arsenal's boss is great*. Available at: <http://www.newstatesman.com/node/138967> (accessed 01 12 2000).
- De Bosscher, V., Shibli, S., van Bottenburg, M., DeKnop, P. and Truyens, J. (2010). 'Developing a methodology for comparing the elite sport systems and policies of nations: a mixed research methods approach', *Journal of Sport Management*, 24(5), pp. 567–600.
- De Geus, A. and Senge, P. (1997). *Living Company: Habits for Survival in a Turbulent Business Environment*. Boston, MA: Harvard Business Press.
- Deloitte & Touche (2010) (2008–2010). *Annual Review of Football Finance*, Manchester: Deloitte & Touche.
- Deloitte (2004). *The Deloitte Football Rich List*. Available at: [www.deloitte.com/view/en\\_MK/mk/services/0713eb219310e110VgnVCM100000ba42f00aRCRD.htm](http://www.deloitte.com/view/en_MK/mk/services/0713eb219310e110VgnVCM100000ba42f00aRCRD.htm) (accessed 01 08 2004).
- Deloitte (2009). *Football money league 2009: falling pound affects big English clubs*. Available at: <http://www.mynewsdesk.com/se/pressroom/deloitte/pressrelease/view/deloitte-football-money-league-2009-sjunkande-pund-drabbar-engelska-storklubbar-na-271770r> (accessed 07 03 2010).
- Denning, P., Dunham, R. and Brown, J. (2010). *The Innovator's Way: Essential Practises for Successful Innovation*. Cumberland: MIT Press.
- Der Spiegel (2006). Der Spiegel quoted in *Dagens Nyheter*. *Dagens Nyheter – Sport Sunday reportage*, 07 July.
- DiCarlo, L. (2002). *How Lou Gerstner got IBM to dance*. Available at: [http://www.forbes.com/2002/11/11/cx\\_id\\_1112gerstner.html](http://www.forbes.com/2002/11/11/cx_id_1112gerstner.html) (accessed 20 04 2011).
- Dobson, R. and Goddard J. (2002). 'The impact of managerial change on team performance in professional sports', *Journal of Economics and Business*, 54(6), pp. 633–650.

- Dolles, H. and Söderman, S. (2011a). Introduction. In H. Dolles and S. Söderman (eds), *Sport as a Business: International, Professional and Commercial Aspects*. Basingstoke: Palgrave Macmillan, pp. 1–12.
- Dolles, H. and Söderman, S. (2011b). 'Learning from success: Implementing a professional football league in Japan'. In H. Dolles and S. Söderman (eds), *Sport as Business: International, Professional and Commercial Aspects*. Basingstoke: Palgrave Macmillan.
- Dolles, H. and Söderman, S. (2012, in press). 'The network of value captures in football club management: A framework to develop and analyze competitive advantage in professional team sports'. In S. Söderman and H. Dolles (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar.
- Doyle, M. (2012). *Juventus vs Manchester United, Inter vs Arsenal – the top five Champions League clashes between England and Italy*. Available at: <http://www.goal.com/en/news/1717/editorial/2012/02/15/2805672/juventus-vs-manchester-united-inter-vs-arsenal-the-top-five%20accessed%201-3-12> (accessed 01 03 2012).
- Draper, R. (2010). *A league of their own: inside FC Barcelona's football academy, churning out future Messis for free*. Available at: <http://www.dailymail.co.uk/home/moslive/article-1265747/Inside-FC-Barcelonas-football-academy-churning-future-Messis-free.html> (accessed 01 01 2011).
- Drucker, P. F. (1954). *The practice of management*. Available at: <http://www.questia.com/PM.qst?a=o&d=55843924> accessed 10-3-12 (accessed 10 03 2012).
- Drucker, P. F. (1999). *Management Challenges for the 21st Century*. Oxford: Butterworth-Heinemann.
- Dugid, S. (2004). 'Trading on the global football commodity market', *Media: Asia's Media and Marketing Newspaper*, 07 May, p. 21.
- Duret, P. and Trabal, P. (2001). *Le sport et ses affaires*. Paris: Métailié.
- Eccles, R. G., Nohria, N. and Berkley, J. D. (1992). *Beyond the Hype: Rediscovering the Essence of Management*. Boston, MA: Harvard Business School Press.
- Elliot, J. and Simon, W. L. (2011). *The Steve Jobs Way – iLeadership for a New Generation*. New York: Vanguard Press.
- Elliott, A.-M. (2011). *10 fascinating YouTube facts that may surprise you*. Available at: <http://mashable.com/2011/02/19/youtube-facts/> (accessed 12 02 2012).
- Esk, J. (2006). 'Football's future stands on playing', *Dagens Nyheter*, 04 July.
- ESPN (2006). *Zidane: Materazzi insulted my mother and sister*. Available at: <http://soccernet.espn.go.com/news/story?id=373767&cc=5739> (accessed 01 09 2006).
- Ewart, P. (2008). *A design for life*. Available at: <http://www.paulewart.com/wp-content/uploads/A-Design-For-Life.pdf> (accessed 13 03 2012).
- FATF–GAFI (2009). *Money Laundering through the Football Sector*, Paris: s.n.
- Faucon, B. and Swartz, S. (2009). 'Africa pressures China's oil deals', *Wall Street Journal*, 30 Sept.
- Ferguson, A. (2002). *Managing My Life*. 2nd updated edition. London: Hodder & Stoughton.
- Ferrand, A. and Pages, M. (1999). 'Image management in sport organizations: the Creation of value', *European Journal of Marketing*, 33(3), pp. 387–401.
- Ferris, P. W., Bendle, N. T., Pfeifer, P. E. and Reibstein, D. J. (2006). *Marketing Metrics: 50+Metrics Every Executive Should Master*. Upper Saddle River, NJ: Pearson Prentice Hall.
- FIFA (2012a). *Big Count*. Available at: <http://www.fifa.com/worldfootball/bigcount/allplayers.html> (accessed 12 02 2012).

- FIFA (2012b) *Big Count*. Available at: <http://www.fifa.com/worldfootball/bigcount/index.html> (accessed 12 02 2012).
- Financial Times* (1980). 'Tuning in to teaching on television'. 08 March.
- Financial Times* (1997). 'Armani, Giorgio: The Monday Profile'. 25 August.
- Financial Times* (1998a). 'Diesel may go public to fund expansion'. 29 July.
- Financial Times* (1998b). 'Italian designers face hard times'. 27 February.
- Financial Times* (1998c). 'Navigating uncharted water'. 12 December.
- Financial Times* (1998d). 'The power of the well managed data base', *Mastering Marketing*.
- Financial Times* (1998e). 'Top man in sticky situations'. 07 September.
- Financial Times* (1998f). 'Versace family is clothed in optimism'. 06 March.
- Financial Times* (1998g). 'Versace plans public offering in summer 1999'. 26 February.
- Financial Times* (1998h). 'Life's brittle luxuries'. 18 July.
- Financial Times* (1999a). 'From the ancient Greeks to modern databases'. 28 April.
- Financial Times* (1999b). 'At your service'. 12 May.
- Financial Times* (1999c). 'Filling in the IT roadmap'. 03 March.
- Financial Times* (1999d). 'How to spend it'. 15 June.
- Financial Times* (2000). 'A lot of bottle'. 29 January.
- Financial Times* (2010a). *Financial Times Mastering Global Business*, 01, pp. 12–13.
- Financial Times* (2012). 'Man Utd's bullishness masks its uncertainty' 5 July.
- Firat, A. F. and Venkatesh, A. (1995). 'Liberatory postmodernism and the re-enchantment of consumption', *Journal of Consumer Research*, 22(3), pp. 239–267.
- Foer, F. (2005). *How Soccer Explains the World*. New York: Harper Perennial.
- Fogh Kirkeby, O. (2008). *The Virtue of Leadership*. Copenhagen: Copenhagen Business School Press.
- Forbes.com (2012). *The world's billionaires*. Available at: Giorgio Armani. <http://www.forbes.com/profile/giorgio-armani/> (accessed 12 03 2012).
- Fort, R. (2006). 'The value of Major League Baseball ownership', *International Journal of Sport Finance*, 1(1), pp. 9–20.
- Francis, J. (2010). 'Learning from failure: is Major League Soccer repeating the mistakes of the North American Soccer League?', *Group Organization Management*, 12 October, 35(5), pp. 542–571.
- Franck, J. and Kashani, K. (1999). 'Rise of the cross-national manager', *Financial Times Mastering Management Review* 12, 10(7), p. 8.
- Fraser, P. (2011). *Chelsea close on Villas-Boas: compensation, understood to be £13.2 million, paid to Porto*. Available at: [http://www.skysports.com/story/0,19528,11668\\_6999591,00.html](http://www.skysports.com/story/0,19528,11668_6999591,00.html) (accessed 26 03 2012).
- Freeman, E. (1984). *Strategic Management: A Stakeholder Approach*. Boston, MA: Pitman.
- Frenckner, P. (1998). 'Cost-benefit analysis at HHS and EFI. How it began'. In Peter Jennergren (ed.), *Studies of Cost-Benefit Analysis*. Norstedts: EFI.
- Frick, B. (2012, in press). 'Panel econometrics in sports economics research In S. Söderman and H. Dolles (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar.
- FutureBrand (2004). *The Most Valuable Football Brands in Europe: The 2004 Report*. London: FutureBrand.
- Fyrberg-Yngfalk, A. (2011). *Co-Creating Value: Reframing Interactions in Service Consumption*. (Doctoral dissertation). Stockholm University.

- Gammelsaeter, H. (2012). *Leader Succession And Effectiveness In Team Sport. What Do We Really Know About Leadership In Professional Sport?*. Paper submitted to EURAM, 6–8 June, Rotterdam.
- Gammelsaeter, H. and Senaux, B. (2011) (eds) *The Organisation and Governance of Top Football Across Europe*. London: Routledge.
- Gammelsaeter, H., Storm, R. and Söderman, S. (2011). 'Diverging Scandinavian approaches to professional football'. In H. Gammelsaeter and B. Senaux (eds), *The Organisation and Governance of Top Football Across Europe. An Institutional Perspective*. New York: Routledge, pp. 77–92.
- Garratt, B. (2003). *The Fish Rots from the Head*. London: Profile Books.
- General Electric (GE) (2012). *GE 4th quarter and total year 2011 earnings webcast*. Available at: [http://www.ge.com/investors/events/event\\_id01202012.html](http://www.ge.com/investors/events/event_id01202012.html) (accessed 13 03 2012).
- Ghoshal, S. (2002). *Managing Across Borders: The Transnational Solution*. Boston, MA: Harvard Business Press.
- Ghoshal, S. and Bartlett, C. (1999). *The Individualized Corporation: A Fundamentally New Approach to Management*. London: Harper Business.
- Giorgio Armani S.p.a (2010). *Corporate press release*. Available at: <http://experience.emporioarmani.com/pressRelease/pressDetail?prid=46&year=2010&language=EN> (accessed 13 03 2012).
- Giulianotti, R., Bonney, N. and Hepworth, M. (1994). *Football, Violence and Social Identity*. London: Routledge.
- Gladden, J. M. and Funk, D. C. (2002). 'Developing an understanding of brand associations in team sports – empirical evidence from consumers of professional sports', *Journal of Sport Management*, 16, pp. 54–81.
- Good, J. (2011). *We are recording more stories than ever from social media users*. Available at: <http://1000memories.com/blog/118-recording-more-stories-the-history-of-everyone> (accessed 12 02 2012).
- Google.com (2012). *Datawarehousing*. Available at: <http://www.google.com/search?q=unwieldy&ie=utf-8&oe=utf-8&aq=t&rls=org.mozilla:en-US:official&client=firefox-a> (accessed 17 03 2012).
- Gosling, J. and Mintzberg, H. (2003). 'The five minds of the a manager', *Harvard Business Review*, 11, pp. 54–63.
- Gray, A. (2010). *David Beckham toppled by Lionel Messi as Barcelona star leads football earner charts on £570,000 a week*. Available at: <http://www.dailymail.co.uk/sport/football/article-1260076/David-Beckham-toppled-Lionel-Messi-Barcelona-star-tops-football-earner-charts-570-000-week.html> (accessed 01 2011).
- Hague, M. and Pettersson, B. (1998). *Percy Barnevik: Makten, Myten, Manniskan*. Stockholm: Ekerlids Förlag.
- Hakansson, P. and Wahlund, R. (1996). *Trade Marks – From Theory to Practice (Varumärken från teori till praktik) (Research report)*. Stockholm: Stockholm School of Economics.
- Hamil, S., Michie, J. and Oughton, C. (2004). 'The corporate governance of professional football clubs', *Corporate Governance*, 4(2), pp. 44–51.
- Hammarby Football Club (2008). *Hammarby football club history*. Available at: <http://www.hammarbyfotboll.se/Page.aspx?id=6d6d98b1-c489-4c9b-80c9-284c723f6cc6> (accessed 10 1 2008).
- Handel, M. J. and Levine, D. I. (2004). Editors' introduction. 'The effects of new work practices on workers', *Industrial Relations: A Journal of Economy and Society*, 43, pp. 1–43.

- Hansen, M. H., Perry, L. T. and Reese, C. S. (2004). 'A Bayesian operationalization of the resource-based view', *Strategic Management Journal*, 25(13), pp. 1279–95.
- Hardigree, M. (2008). *Jalopnik industry news*. Available at: <http://jalopnik.com/373621/tata-now-owns-jaguar-land-rover-rover-daimler-and-lanchester> (accessed 30 04 2012).
- Harris, N. (2009). *So, is football recession proof?*. [Online] Available at: <http://www.independent.co.uk/sport/football/news-and-comment/nick-harris-so-is-football-recessionproof-1569578.html> (accessed 11 03 2011).
- Hellau, B. and Desbordes, M. (2012, in press). 'Why they don't have great football stadiums, how they will'. In S. Söderman and H. Dolles (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar.
- Hobza, V. and Dohnal, T. (2011). 'European union: employment driven by sport, Faculty of Sport, University of Ljubljana', *Kinesiologia Slovenica*, 17(1), pp. 76–87.
- Holbrook, M. B. (1996). 'Customer value, a framework for analysis and research', *Advances in Consumer Research*, 23, pp. 138–42.
- Hollensen, S. (2004). *Global Marketing – A Decision-Oriented Approach*. 3rd edn. Essex: Prentice Hall.
- Hollensen, S. (2007). *Global Marketing: A Decision-Oriented Approach*. 4th edn. Harlow: Prentice Hall.
- Hughes, R. (2010a). *The center of attention, now sidelined*. Available at: <http://www.nytimes.com/2010/04/02/sports/soccer/02iht-SOCCER.html?pagewanted=all> (accessed 15 03 2012).
- Hughes, R. (2010b). 'A veteran with time on his side', *International Herald Tribune*, 29 December.
- Hunt, A. K., Bristol, R. and Bashaw, E. (1999). 'A conceptual approach to classifying sports fans', *Journal of Services Marketing*, 13(6), pp. 439–52.
- Höjdén, C. (2011). *Swedish Club Football – Will it ever Challenge at Top Level in Europe Again?* (Doctoral dissertation). Dublin: Dublin Business School.
- Ibrahimović, Z. and Lagercrantz, D. (2011). *Jag är Zlatan Ibrahimović, (I am Zlatan)*. Stockholm: Albert Bonniers Förlag.
- Ichniewski, C., Kochan, T. A., Levine, D. I., Olson, C. and Strauss, G. (1996). 'What works at work: overview and assessment', *Industrial Relations: A Journal of Economy and Society*, 35(3), pp. 299–333.
- IFK Göteborg (2011). *Management report 2011 (Verksamhetsberättelse 2011)*. Available at: <http://www.ifkgoteborg.se/Documents/PDF/Verksamhetsberattelser/2011-1.pdf> (accessed 26 04 2012).
- IKEA (2011). *Global At-A-Glance: Fact Sheet*.
- INSEAD (2012). *Who we are: the business school for the world*. Available at: [http://about.insead.edu/who\\_we\\_are/index.cfm](http://about.insead.edu/who_we_are/index.cfm) (accessed 13 03 2012).
- InsideFutbol (2009). *Inside Futbol*. Available at: [www.insidefutbol.com/2010/11/17/ac-milan-owe-huge-debt-to-swedish-trio-gre-no-li/32897](http://www.insidefutbol.com/2010/11/17/ac-milan-owe-huge-debt-to-swedish-trio-gre-no-li/32897) (accessed 15 01 2009).
- International Telecommunication Union (2011). 'Increased competition has helped bring ICT access to billions', *ITU Statshot*, 1(5), Available at: <http://www.itu.int/net/pressoffice/stats/2011/01/index.aspx> (accessed 25 4 12).
- Isaksson, B. (1998). 'How do you do with empty phrases', *Dagens Industri*, 23 June.
- ISCA Europe (2010). *Working Towards Evidence Based Policies for Grass-Root Sport in Europe*, s.n.
- Jansson, H. and Söderman, S. (2012, in press). 'Proposing a relationship theory for sport clubs'. In S. Söderman and H. Dolles (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar.

- JKL (2010). *SEV Report on Swedish football's future challenges (Rapport om svensk fotbolls framtidsfrågor)*. Presented 27 August 2010, Stockholm: SEV Elitserieföreningen.
- Joachimsthaler, E. and Aaker, D. A. (1997). 'Building brands without mass media', *Harvard Business Review*, 01-02, 75(1), pp. 39–50.
- Kamath, R. R. and Liker, J. K. (1994). 'A second look at Japanese product development', *Harvard Business Review*, November–December, 72(6), pp. 154–70.
- Kapferer, J. N. (1997). *Strategic Brand Management – Creating and Sustaining Brand Equity Long Term*. London: Kogan Page Limited.
- Kaplan, R. S. and Norton, D. P. (1992). 'The balanced scorecard – measures that drive performance', *Harvard Business Review*, January–February, 70(1), pp. 71–9.
- Kaplan, R. S. and Norton, D. (1993). 'Putting the balanced scorecard to work', *Harvard Business Review*, September–October, 71(5), pp. 134–47.
- Kaplan, R. S. and Norton, D. P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Boston, MA: Harvard Business School Press.
- Karlof, B. and Ostblom, S. (1993). *Benchmarking: A Signpost to Excellence in Quality and Productivity*. Chichester: John Wiley & Sons.
- Keller, K. L. (1998). *Strategic Brand Management*. Englewood Cliffs, NJ: Prentice Hall.
- Kets de Vries, M. F. R. and Miller, D. (1985). 'Narcissism and leadership: an object relations perspective', *Human Relations*, 38(6), pp. 583–601.
- Keyes, R. (2006). *The Quote Verifier*. New York: St Martin's Press.
- Kiernan, M. J. (1997). *Get Innovative or Get Dead! Building Competitive Companies for the 21st-Century Business*. New York: Random House Business Books.
- Kim, C. W. and Mauborgne, R. A. (1997). 'Fair process: managing in the knowledge economy', *Harvard Business Review*, 07-08, 75(4), pp. 65–75.
- Krantz, M. (1999). *Steve Jobs at 44*. Available at: <http://www.time.com/time/printout/0,8816,32207,00.html> (accessed 12 02 2012).
- Kuper, S. (2009a). 'How baseball's love of statistics is taking over football', *Financial Times*, 21–22 November.
- Kuper, S. (2009b). *Investment that only adds up in football's irrational market*. Available at: <http://www.ft.com/intl/cms/s/0/1aec437c-56e9-11de-9a1c-00144feabdc0.html#axzz1ulglSD6y> (accessed 13 03 2012).
- Kuper, S. (2010). *Why football clubs no longer flock to the January sales*. Available at: <http://www.ft.com/intl/cms/s/2/f21a71a8-128b-11df-a611-00144feab49a.html#axzz1luxDXPPHV> (accessed 10 06 2010).
- Lacey, D. (2009). *Stamping is a sorry sight and an apology wouldn't go amiss*. Available at: <http://www.guardian.co.uk/football/blog/2009/sep/19/football-misdemeanours-diving-violent-conduct> (accessed 30 04 2012).
- Levitt, T. (1972). 'Production line approach', *Harvard Business Review*, September–October, pp. 41–52.
- Levitt, T. (1983). 'The globalization of markets', *Harvard Business Review*, 61(3), pp. 92–103.
- Liedholm, N. (1984). *Soccer, Stars and Wine*. Stockholm: Askelin & Hägglund.
- Lin, J. T., Liang, X. J. and Wan, V. (2001). *Telecommunications in China: Development and Prospects*. New York: Nova Science Publishers.
- Lorsch, J. W. and Khurana, R. (1999). 'Changing leaders: the board's role in CEO succession', *Harvard Business Review*, 77 (5–6), pp. 96–106.
- Loy, R. (1996). 'Mythischer fussball, viele Rätsel, wenig Wissen', *Dier Spiegel*, 12 August, Volume 33, pp. 175–6.

- Loy, R. (2009). *Fußball-Weisheiten sind Unsinn*. Available at: <http://www.rp-online.de/sport/fussball/fussball-weisheiten-sind-unsinn-1.1639471> (accessed 10 03 2012).
- Luchetta, P. (2012). *Presentation at LBA Luxembourg University*. Luxembourg: s.n.
- Lyberg, L. and Ingeholm, D. (2002). *Styrning i mål – Det balanserade styrkortet för fotbollsvärlden*. (Masters thesis). Stockholm: Södertörn Högskola.
- Mail Online (2007). *Mail Online*. Available at: <http://www.dailymail.co.uk/news/article-464281/Entertainment-industry-valuable-British-economy-finance-sector.html#ixzz1nbQ0Z3sC> (accessed 20 02 2012).
- Mail Online (2010). *Shocked Sir Alex Ferguson admits Wayne Rooney wants to quit Manchester United*. Available at: <http://www.dailymail.co.uk/sport/football/article-1321866/Wayne-Rooney-wants-quit-Manchester-United-confirms-Sir-Alex-Ferguson.html#ixzz1oRtTW9Ec> (accessed 28 02 2012).
- Manchester United (2011). *Official sponsors*. Available at: <http://www.manutd.com/en/Club/Sponsors.aspx?sponsorid={B7792F7A-4816-451B-8DFE-CDD447EBFD1}> (accessed 01 02 2011).
- March, J. G. and Simon, H. A. (1958). *Bounded Rationality*. Oxford: Blackwell Business.
- Ma, Z. (2007). 'Chinese conflict management styles and negotiation behaviours: an empirical test', *International Journal of Cross Cultural Management*, 7(1), pp. 101–19.
- McCormack, J. (1986). *What They Don't Teach You At Harvard Business School: Notes From A Street-Smart Executive*. New York: Bantam Books.
- McClenahan, J. S., Fletcher, P. and Gee, J. (1997). 'Europe's best practices', *Industry Week*, pp. 16–24.
- Melin, F. 1999. *Branding – The Art of Developing Strong Brands (Varumärkesstrategi)*. Malmö: Liber Ekonomi.
- Michie, J. (2000). 'The governance and regulation of professional football', *The Political Quarterly*, 71(2), pp. 184–91.
- Miller, D. (1995). *On Nationality*. Oxford: Oxford University Press.
- Mintzberg, H. (1994). 'Fall and rise of strategic planning', *Harvard Business Review*, 1–2, pp. 107–14.
- Mintzberg, H. (2004). *Managers not MBAs: A Hard Look at the Soft Practice of Management and Management Development*. San Francisco, CA: Berrett-Koehler Publishers.
- Mintzberg, H., Lampel, J. and Ahlstrand, B. (1998). *Strategy Safari: A Guided Tour Through The Wilds of Strategic Management*. New York: Free Press.
- MLS (2011). *Official sponsors*. Available at: <http://www.mlssoccer.com/sponsors> (accessed 06 03 2011).
- Monks, R.A.G. and Minow, N. (2011). *Corporate Governance*. 5th edn. New York and London: John Wiley.
- Moore, N. and Levermore, R. (2012). 'English professional football clubs: can business parameters of small and medium-sized enterprises be applied?', *Sport, Business Management: An International Journal*. 2(3) in press.
- Morris, D. (1981). *The Soccer Tribe*. London: Jonathan Cape.
- Mortimer, R. (2004). 'Chelsea shrugs off its blues. Brand strategy', *Strategic Thinking for Today's Marketing Professionals*, November, Issue 187.
- MTG (2001). *MTG joint owner of Djurgården Fotboll AB (Press release)*. Available at: <https://docs.google.com/viewer?url=http%3A%2F%2Fwww.mtg.se%2Fdocuments%2Fpdf%2Fpressreleases%2Fen%2F41402.pdf> (accessed 23 03 2012).



- Nadeau, J. and O'Reilly, N. (2006). 'Developing a profitability model for professional sport leagues: the case of the National Hockey League'. *International Journal of Sport Finance*, 1(1), pp. 46–52.
- Needle, D. (2010). *Business in Context: An Introduction to Business and its Environment*. London: Southwestern Educational Publishing.
- Nevill, A. M., Balmer, N. J. and Williams, A. M. (2002). 'The influence of crowd noise and experience upon refereeing decisions in football', *Psychology of Sport and Exercise*, 3, pp. 261–72.
- Nicholas, G. C. (1999). 'The economics of customer satisfaction', *Harvard Business Review*, 3–4, pp. 15–18.
- Nolan, R. L. (1973). 'Computer data bases: the future is now', *Harvard Business Review*, September–October, 5, pp. 98–114.
- Normann, R. (1973). *A Personal Quest for Methodology*. Stockholm: Scandinavian Institute for Administrative Research.
- Normann, R. (1977). *Management for Growth*. London: John Wiley & Sons.
- Normann, R. (1984). *Service Management: Strategy and Leadership in the Service Business*. London: John Wiley & Sons.
- Normann, R. (2001). *Service Management: Strategy and Leadership in Service Business*. 3rd edn. Chichester, London: John Wiley & Sons.
- North, D. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- North, D. (1991). Institutions. *Journal of Economic Perspectives*, 5(1), pp. 97–112.
- Nsubuga, J. (2012). *Wayne Rooney says Sir Alex Ferguson bust-up affected his form*. Available at: <http://www.metro.co.uk/sport/football/887226-wayne-rooney-says-sir-alex-ferguson-bust-up-affected-his-form#ixzz1oRu1iRPb> (accessed 28 02 2012).
- O'Reilly, N. (2012, in press). 'Portfolio theory and the management of professional sports clubs: the case of Maple Leaf Sports and Entertainment', In S. Söderman and H. Dolles (eds) *Handbook of Research Sport and Business*. Cheltenham: Edward Elgar.
- Offside (2009). 'The lonely guys; an article about the goal keepers' tricks which are not known by strikers' ('De ensamma; om målvakternas knep som ingen utespelare känner till'). Issue 7, pp. 44–72.
- Ogden, M. (2011). *Manchester United's new 'baby-faced assassin' Javier Hernandez sets up talk of treble*. Available at: <http://www.telegraph.co.uk/sport/football/teams/manchester-united/8449106/Manchester-Uniteds-new-baby-faced-assassin-Javier-Hernandez-sets-up-talk-of-treble.html> (accessed 14 04 2011).
- Olsson, L. C. (2008). *Benchmark. Slutrapport – Allsvenskan*, Malmö: Elitserieföreningen.
- Palmer, M. (2002). *The Professor: Arsène Wenger*. London: Virgin Books.
- Perez (2009) *Ronaldo transfer*. Available at: <http://www.telegraph.co.uk/sport/football/teams/manchester-united/5508249/Cristiano-Ronaldo-transfer-Florentino-Perez-gets-his-man-as-Real-eye-further-targets.html#> (accessed 11 7 2012).
- Public Broadcasting Service (PBS) (2012a). *Working at PBS*. Available at: <http://www.pbs.org/about/careers/working-at-pbs/>. (accessed 13 03 2012).
- Public Broadcasting Service (PBS) (2012b). *PBS Home*. Available at: [www.pbs.org](http://www.pbs.org) (accessed 12 03 2012).
- Phillips, R. (2003a). 'Stakeholder legitimacy', *Business Ethics Quarterly*, 13(1), pp. 25–41.

- Phillips, R. (2003b). *Stakeholder Theory and Organization Ethics*. San Fransisco, CA: Berrett-Koehler.
- Pine, B. and Gilmore, J. (1999). *The Experience Economy*. Boston, MA: Harvard Business School Press.
- Plambeck, J. (2010). *Sports-centric web sites expand, and bias Is welcome*. Available at: [http://www.nytimes.com/2010/06/07/business/media/07fans.html?\\_r=2](http://www.nytimes.com/2010/06/07/business/media/07fans.html?_r=2) (accessed 13 03 2012).
- Platini, M. (1987). *Ma vie comme un match*. Paris: Robert Lafont.
- Porter, M. (1996). 'What is strategy?' *Harvard Business Review*, November–December, pp. 61–78.
- Post, J., Preston, L. and Sachs, S. (2002). 'Managing the extended enterprise: the new stakeholder view', *California Management Review*, 45(1), pp. 6–28.
- Prahalad, C. K. and Hamel, G. (1996). *Competing for the Future*. Boston, MA: Harvard Business Press.
- Prahalad, C. K. and Ramaswamy, V. (2000). 'Co-opting customer competence', *Harvard Business Review*, 1–2, pp. 79–87.
- Prahalad, C. K. and Ramaswamy, V. (2004). *The Future of Competition: Co-Creating Unique Value with Customer*. Boston, MA: Harvard Business Press.
- Pucik, V. (1998). 'Creating leaders that are world class', *Financial Times Mastering Global Business*. pp. 4–5.
- Qatar Foundation (2010). *Futbol Club Barcelona (FC Barcelona)*. Available at: <http://www.qf.org.qa/news-center/fcb-en> (accessed 13 03 2012).
- Real Madrid Football Club (2011). *Official sponsors*. [Online] Available at: <http://www.realmadrid.com/cs/Satellite?language=en&pagename=RealMadrid%2FComunes%2FPresentacion%2FpintarListadoPatrocinadores> (accessed 03 01 2012).
- Red Herring (2001). Doctor's little helper. July, p. 52.
- Redding, G. (2005). 'The thick description and comparison of societal systems of capitalism', *Journal of International Business*, 36(1), pp. 123–55.
- Reider, R. (2000). *Benchmarking Strategies: A Tool for Profit Improvement*. New York: John Wiley & Sons.
- Reilly, T. (1988). *Science and Football: Proceedings of the First World Congress of Science and Football, Liverpool 13–17 April 1987 1st*. Liverpool, Spon Press, p. 651.
- Rhenman, E. and Normann, R. (2001). *The Company and its Operating Environment*. London: John Wiley & Sons.
- Richelieu, A. and Boulaire, C. (2005). 'A post modern conception of the product and its application to professional sports'. *International Journal of Sports Marketing and Sponsorship*, 7(1), pp. 23–34.
- Richelieu, A., Pons, F. and Söderman, S. (2007). 'The internationalization of a sports team of fire: the case of Football Club Barcelona'. In J. James (ed). *Sport Marketing Across the Spectrum*. Morgantown, WV: Fitness Information Technology Publishers.
- Roethlisberger, F. J. (1977). *The Elusive Phenomena*. Boston, MA: Harvard University Press.
- Ronge, M. (1998). 'With the purpose to chase agent's ('Med rätt att jaga agenter'). *Strategi*, Issue 1.
- Rooney, W. (2006). *Wayne Rooney – My story*. London: Harper Collins Publishers.
- Rosenberg, N. (1982). *Inside the Black Box: Technology and Economics*. Cambridge: Cambridge University Press.

- Rothstein, M. (1996). *Real estate; Sony makes a number of moves in Manhattan to put more of its businesses under one roof*. Available at: <http://www.nytimes.com/1996/04/03/business/real-estate-sony-makes-number-moves-manhattan> (accessed 11 10 2008).
- Roux, G. (2006). *Entre nous*. France: Plon.
- Rubin, J. Z. and Zartman, I. W. (1995). 'Assymetrical negotiations: some survey results that may surprise', *Negotiations Journal*, October, pp. 349–64.
- Ryan, J. (1999). 'Your online shadow knows'. *Business 2.0*, June, pp. 49–55.
- Santomier, J. and Hogan, P. (2012, in press). 'Social media and prosumerism: implications for sport marketing research'. In S. Söderman and H. Dolles (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar.
- Saparito, B. (2004). 'Will Americans love Glasgow Celtic?' online article published in *Time* magazine. Available at: <http://www.time.com/time/magazine/article/0,9171,994849,00.html> (accessed 09 07 2012).
- Scammell, H. (2004). *Giantkillers: The Team and the Law that Help Whistle-blowers Recover America's Stolen Billions*. New York: Atlantic Monthly Press.
- Schlesinger, T. (2012, in press). 'A review of fan identity and its influence on sport sponsorship effectiveness'. In S. Söderman and H. Dolles (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar.
- Senaux, B. and Gammelsaeter, H. (2011). *The Governance Of The Game: A Review Of The Research On Football's Governance*. Tallinn, Estonia, EURAM submitted paper.
- Shank, M. (2008). *Sports Marketing: A Strategic Perspective*. Englewood Cliffs, NJ: Prentice Hall.
- Simmons, R. (1997). 'Implications of the Bosman ruling for football transfer markets', *Economic Affairs*, 17, pp. 13–18.
- Sinani, E., Stafsudd, A., Thomsen, S., Edling, C. and Randoy, T. (2008). 'Corporate governance in Scandinavia: comparing networks and formal institutions', *European Management Review*, (5)1, pp. 27–40.
- Soccer by Numbers (2011). <http://www.soccerbythenumbers.com/2011/05/how-much-football-is-there-in-match.html> (accessed 25 08 2012).
- Soriano, F. (2011). *Goal – The Ball Doesn't Go In By Chance. Management Ideas from the World of Football*. Basingstoke: Palgrave Macmillan.
- Spencer, R. (2004). *Stockport County scores in China business league*. Available at: <http://www.telegraph.co.uk/news/worldnews/asia/china/1462568/Stockport-County-scores-in-Chinas-business-league.html> (accessed 26 03 2012).
- Sports Illustrated (2011). *Coming to America*. Available at: <http://sportsillustrated.cnn.com/2007/soccer/01/11/beckham.mls/> (accessed 03 2011).
- Stepanek, M. (1998). *From digits to dust*. Available at: <http://www.business-week.com/stories/1998-04-19/data-storage-from-digits-to-dust> (accessed 17 03 2012).
- Stevens, R. (2003). *Perez has parting shot at Makelele: Makelele turns other cheek in spat with Real*. Available at: <http://www.guardian.co.uk/football/2003/sep/11/newsstory.sport9> (accessed 23 03 2012).
- Stewart, R. and Smith, A. (1999). 'The special features of sport', *Annals of Leisure Research*, 2, pp. 87–99.
- Stewart, R. and Smith, A. (2010). 'The special features of sport: a critical revisit', *Sport Management Review*, 13, pp. 1–13.
- Stockport County Football Club (2012). *Stockport County*. Available at: <http://www.stockportcounty.com/page/Home> (accessed 18 03 2012).

- Strannegård, L. (2002). *Shopping utgör stadens hela essens* ('Shopping constitutes the logic of a city'). Available at: [www.svd.se/kulturnoje/understreckt/shopping-utgor-stadens-hela-essens\\_50189.svd](http://www.svd.se/kulturnoje/understreckt/shopping-utgor-stadens-hela-essens_50189.svd) (accessed 01 01 2008).
- Ströbel, T. and Woratschek, H. (2012, in press). 'Brand equity models in the spotlight of sport business'. In S. Söderman and H. Dolles (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar.
- Surendar, T. and Saumya, R. (2010). *Forbes India*. Available at: <http://forbesindia.com/article/cross-border/diesel-founder-renzo-rosso-knows-what-matters-in-fashion/14622/0?id=14622&pg=0> (accessed 13 03 2012).
- Sutter, M. and Kocher, M. (2004). 'Favouritism of agents – the case of referees' home bias', *Journal of Economic Psychology*, 25, pp. 461–9.
- Sveiby, K. E. (1997). *The New Organizational Wealth: Managing and Measuring Knowledge Based Assets*. San Francisco, CA: Berrett-Koehler Publishers.
- Sveiby, K. E. and Risling, A. (1986). *The Knowhow Company (Kunskapsföretaget: seklets viktigaste ledarutmaning?)*. Malmö: Liber.
- Svenska Dagbladet (1998). 'On development of Volvo dealers to control themselves' ('Om utveckling av Volvo-handlare i att kontrollera sig själv'), *Svenska Dagbladet*, 21 March.
- Svenska Fotbollsförbundet (2010). *Svenskfotboll.se*. Available at: <http://svenskfotboll.se/in-english/> (accessed 12 02 2012).
- Svensson, E. (1998). 'A good leader is courageous', *Dagens Nyheter*; print edition, 22 November.
- Szymanski, S. (1998). 'Why is Manchester Utd so successful?' *Business Strategy Review*, 9(4), pp. 47–54.
- Szymanski, S. and Kuypers, T. (1999). *Winners and Losers: The Business Strategy of Football*. London: Viking.
- Söderman, S. (2002). *Affärsutveckling med exempel från H&M, Ikea, ABB och Volvo (Business Development with Examples from H&M, ABB and Volvo)*. Stockholm: Ekerlids Förlag.
- Söderman, S. (2004). 'Idrottens ekonomi' ('The economy of sports'). In *Perspectives on Sport Management*. Stockholm: SISU Sports Books.
- Söderman, S. (2012). *The Benefits of Understanding the Business of Football in the Board Room*. Paper submitted for EURAM, June 6–8. Rotterdam.
- Söderman, S. and Dolles, H. (2012). (eds), *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar (in press).
- Söderman, S. and Lundquist, B. (2007). 'Fotboll som en födkrok' ('Football as means of livelihood'). In J. Johansson (ed.), *In Tourism and Truism, Trends and Traditions in a Future Industry*. Haninge: Tallinn Printing House.
- Tapp, A. and Clowes, J. (2002). 'From "carefree casuals" to "professional wanderers": segmentation possibilities for football supporters', *European Journal of Marketing*, 36(11), pp. 1248–69.
- Tena, J. D. and Forrest, D. K. (2007). 'Within-season dismissal of football coaches: causes and consequences', *European Journal of Operational Research*, 181(1), pp. 362–73.
- The Economist* print edition (1998). 'Business: knickers to the market'. Available at: [www.economist.com/node/114562](http://www.economist.com/node/114562) (accessed 03 1998).
- The Economist* print edition (1999). *Arsene Wenger, a football coach for Europe*. Available at: <http://www.economist.com/node/187760> (accessed 02 05 1999).
- The Economist* (1998). 'The politics of Italian Football'. 17 December.

- The Economist* (1999). *Firing the Boss*. Available at: [www.economist.com/node/253566](http://www.economist.com/node/253566) (accessed 01 12 1999).
- The Economist* (2004). 'Liverpool's Thai-up'. 13 May.
- The Football Association (2010). *Local courses*. Available at: <http://www.thefa.com/GetIntoFootball/FALearning/FALearningPages/local-courses.aspx> (accessed 10 03 2012).
- The Football Association (2011). *2011 FA learning coaching provision and pathways*. Available at: [http://www.thefa.com/GetIntoFootball/FALearning/FALearningPages/~/\\_media/Files/PDF/Get%20into%20Football/FA\\_Learning\\_YouthModule2/CoachingPathwayNov2011.ashx/CoachingPathwayNov2011.pdf](http://www.thefa.com/GetIntoFootball/FALearning/FALearningPages/~/_media/Files/PDF/Get%20into%20Football/FA_Learning_YouthModule2/CoachingPathwayNov2011.ashx/CoachingPathwayNov2011.pdf) (accessed 10 03 2012).
- The Guardian* (2010). *Career by the numbers: footballer*. Available at: <http://www.guardian.co.uk/money/2010/mar/20/professional-footballer-career> (accessed 20 02 2012).
- The Guardian* (2011). *Manchester United cleared to float company on Singapore Stock Exchange*. Available at: <http://www.guardian.co.uk/football/2011/sep/16/manchester-united-singapore-stock-exchange> (accessed 12 02 2012).
- The Star* (2010). *Queen's Speech: Sport praised in Christmas message*. Available at: <http://www.thestar.co.uk/news/queen-s-speech-sport-praised-in-christmas-message-watch-video-1-2972179> (accessed 02 2012).
- The Swedish Daily News* (2000). 'We have fun together'. 27 April.
- The Swedish Daily News* (2001). 'Gert-Owe measures'. 14 July.
- 3M form 10-K (2010). *United States Securities and Exchange Commission*. Available at: [http://www.sec.gov/Archives/edgar/data/66740/000110465911007845/a11-2060\\_110k.htm](http://www.sec.gov/Archives/edgar/data/66740/000110465911007845/a11-2060_110k.htm) (accessed 13 03 2012).
- Tichy, N. (2002). *Leadership Engine*. New York: Harper Business.
- Time Canada*, 164(6), p. xxx.
- Transfer Markt (2012). *Kalmar FF*. Available at: [http://www.transfermarkt.co.uk/en/kalmar-ff/startseite/verein\\_3654.html](http://www.transfermarkt.co.uk/en/kalmar-ff/startseite/verein_3654.html) (accessed 16 03 2012).
- Trevelyan, G. M. (1942). *English Social History: A Survey of Six Centuries: Chaucer to Queen Victoria*. London: Addison-Wesley Longman.
- Tripp, M. (2009). *MLS renews Volkswagen with 4-year deal*. Available at: <http://www.sportsbusinessdaily.com/Journal/Issues/2009/03/20090316/This-Weeks-News/MLS-Renews-Volkswagen-With-4-Year-Deal.aspx> (accessed 11 2011).
- UEFA (2010a). *Club Licensing Benchmarking Report 2010 – 10 key facts*, UEFA Communications.
- UEFA (2010b). *The greatest Champions League moments*. Available at: <http://www.uefa.com/uefachampionsleague/news/polls/results/index.html> (accessed 03 02 2012).
- UEFA (2010c). *Multimedia*. Available at: [http://www.uefa.com/MultimediaFiles/Download/Tech/uefaorg/General/01/74/41/73/1744173\\_DOWNLOAD.pdf](http://www.uefa.com/MultimediaFiles/Download/Tech/uefaorg/General/01/74/41/73/1744173_DOWNLOAD.pdf) (accessed 5 5 12).
- Ugglä, H. (2001). *Organization of the Brand (Organisation av Varumärket)*. Malmö: Liber Ekonomi.
- Ulrich, D. O. (2012). *David O Ulrich*. Available at: <http://execed.bus.umich.edu/Faculty/FacultyBio.aspx?id=000120058> (accessed 11 03 2012).
- University College Cork (2008). *Database design methodology*. Available at: <http://www.cs.ucc.ie/~abf/CS507-8/l37c.pdf> (accessed 19 03 2012).
- W. R Hambrecht and Co. Sport Finance Group (2011). *The US professional sports market and franchise value report 2011*. Available at: [http://www.wrhambrecht.com/pdf/2011\\_Sports\\_Market\\_Report\\_UPDATE.pdf](http://www.wrhambrecht.com/pdf/2011_Sports_Market_Report_UPDATE.pdf) (accessed 12 02 2012).

- Wacker, W. and Taylor, J. (2000). *The 500 Year Delta*. Washington DC: Harper.
- Waldenström, S. (1999). 'Many want to be involved' ('Många vill vara med'), *Affärsvärlden*, 05 May, Issue 18.
- Walters, G. and Hamil, S. (2012, in press). 'Regulation and search for a profitable business model: a case study of the English football industry'. In *Handbook of Research on Sport and Business*. Cheltenham: Edward Elgar Publishing.
- Wang, P. and Jackson, R. (1993). *Strategic Database Marketing*. Chicago, IL: NLC Publishing.
- Wiatt, D. (1993). 'Is that customer profitable?' *Across the Board*, 1 May.
- Wikipedia (2004). *Digital Equipment Corporation*. Available at: [http://sv.wikipedia.org/wiki/Digital\\_Equipment\\_Corporation](http://sv.wikipedia.org/wiki/Digital_Equipment_Corporation) (accessed 19 04 2012).
- Wikipedia (2010a). *Product data management*. Available at: [http://en.wikipedia.org/wiki/Product\\_data\\_management](http://en.wikipedia.org/wiki/Product_data_management) (accessed 03 04 2010).
- Wikipedia (2010b). *Profit impact of marketing strategy*. Available at: [http://en.wikipedia.org/wiki/Profit\\_impact\\_of\\_marketing\\_strategy](http://en.wikipedia.org/wiki/Profit_impact_of_marketing_strategy) (accessed 03 04 2010).
- Wikipedia.org (2012a). *Paul Lazarsfeld*. Available at: [http://en.wikipedia.org/wiki/Paul\\_Lazarsfeld](http://en.wikipedia.org/wiki/Paul_Lazarsfeld) (accessed 08 04 2012).
- Wikipedia.org (2012b). *Karl E. Weick*. Available at: [http://en.wikipedia.org/wiki/Karl\\_E.\\_Weick](http://en.wikipedia.org/wiki/Karl_E._Weick) (accessed 09 05 2012).
- Wikipedia (2012c). *Andreas Andersson*. Available at: [http://sv.wikipedia.org/wiki/Andreas\\_Andersson](http://sv.wikipedia.org/wiki/Andreas_Andersson) (accessed 20 04 2012).
- Wikström, S. (1996). 'The customer as co-producer', *European Journal of Marketing*, 4(30), pp. 6–19.
- Vapola, T. J., Tossavainen, P. and Gabrielsson, M. (2006). 'Battleship strategy: complementing the role of born globals for the MNC's opportunity creation', *Journal of International Entrepreneurship*, 6(1), pp. 1–21.
- Vargo, S. and Lusch, R. (2004). 'Evolving to a new dominant logic for marketing', *Journal of Marketing*, 68, pp. 1–17.
- Versace Group (2012). *Versace: The Group*. Available at: <http://www.versace.com/en/the-group> (accessed 13 03 2012).
- VillaReal China (2012). Available at: <http://english.villarrealcf.es/colaboraciones/viu-valencian-international-university> (accessed 20 05 2012).
- Volberda, H. W. and Lewin, A. Y. (2003). 'Co-evolutionary dynamics within and between firms: from evolution to co-evolution', *Journal of Management Studies*, 40(8), pp. 2111–36.
- Vuorinen, I., Järvinen, R. and Lehtinen, U. (1998). 'Content and measurement of productivity in the service sector: a conceptual analysis with an illustrative case from the insurance business', *International Journal of Service Industry Management*, 9(4), pp. 377–96.
- Wolf, M. (1999). *Entertainment Economy*. New York: Random House.
- Worldcom Group Inc. (2011). *Corporate social media spend to increase among B2B companies globally according to worldcom survey*. Available at: <http://www.worldcomprgroupemea.com/social-media/corporate-social-media-spend-to-increase-among-b2b-companies-globally-according-to-worldcom-survey> (accessed 13 03 2012).
- Zhu, Y., Nel, P. and Bhat, R. (2006). 'A cross cultural study of communication strategies for building business relationships', *International Journal of Cross Cultural Management*, 6(3), pp. 319–41.

# Index

- A-players 104
- Aaker, D.A. 184, 185
- ABB 10, 24, 90, 95, 124, 231, 245
  - databases 172
  - mission driven approach 142
- ABB Robotics 217
- abductive thinking 245
- Abramovich, R. 151
- Åbro 25
- Accenture 128
- activity-based costing (ABC) 183–4
- activity-based management (ABM) 184
- actor-oriented approach 93–4
- adaptation 97, 242
- added value 120, 126, 229
- additive approach 101
- Administration 69, 170
  - interface with Science 225–6
  - vs Science 71–4
  - see also* thought style
- administrative salaries 147
- Adrianse, C. 105
- advantages 189
- advertising 182
- advertising agencies 195
- Adtranz 53–4
- agency theory 92, 148
- agents 6, 251
- AIK 12, 25, 93–4, 162, 200, 217, 253
  - fans 47
  - insourcing and outsourcing 211, 212–13
  - playing formation 73
  - suspension of Kåmark 106–7
- Ajax Amsterdam 49–50, 213
- Akademibokhandeln 12
- Albrecht, H.-H. 140
- Alexander, D. 4
- alignment of goals and performance 106
- Allsvenskan 66, 132, 192
- amateur leagues 20
- Amazon 12, 180
- American Business Information (ABI) 172
- Ammirante, J. 66
- Andersson, A. 193
- Andersson, R. 8
- Andrews, D.L. 185
- Anelka, N. 77
- Aperia, T. 185, 186
- Apple 48, 67, 86
- Aragones, L. 159
- Armani, G. 116–17
- Arsenal 10, 25, 57, 77, 128, 215–16
- Arshavin, A. 200
- artistry adjustment 217
- Astra 116
- athletic shoes 197
- atmosphere 131, 170, 250
  - four-field model 28, 29–30, 35–6
  - market – atmosphere 36, 43–68;
  - fictional clubs 234, 236–7
- attitudes 156, 189
- attributes 189
- Audi 199
- audiences 65–8
- authoritarian managers 147–8
- automotive industry 143, 199, 219–20, 228–9
- B to F (Business to Football) 26, 40–1, 130, 170, 221–2
  - lessons 250
- Bacon, F. 179
- Baimbridge, M. 66
- balance players 232
- balanced scorecard (BSC) 40–1, 164
- Barcelona 33–4, 77–8, 84, 133, 187, 191
  - insourcing 217
  - sponsorship 55–6, 191–2
  - youth academy 128

- Barnevik, P. 88–9, 90, 231  
 Barnes & Noble 12  
 Bartlett, C. 28–9, 111, 138  
 Bashaw, E. 51, 52  
 Baxter, S. 94, 106  
 Bayern Munich 190–1  
 BBC 66  
 Beckenbauer, F. 18, 159, 180  
 Beckham, D. 30, 108, 192, 194  
 Beech, J. 2, 68  
 bench learning 201–2  
 bench window diagnosis 206–7  
 benchmarking 23, 171, 176, 199–  
   210, 222–3, 242  
   disadvantages 205–6  
   as a theory 201–2  
   with oneself 209–10  
 Benzema, K. 193  
 Berkley, J.D. 89  
 Berlusconi, S. 31  
 Best, G. 113, 192  
 best practises 203, 204  
 Bierce, A. 145  
 big clubs 240  
   *see also* hype clubs  
 biographies 17–18  
 biotech industry 4–5, 106, 211, 221  
 Birkenshaw, J. 87  
 Björk, S. 122, 171, 209, 210, 219  
 Blanche, A. 21  
 Blomqvist, J. 193  
 Boeing 204  
 Bolchover, D. 22, 83, 91  
 books 182  
 Borg, H. 102  
 Borussia Dortmund 10, 251–2  
 Bosman, J.-M. 19  
 Bosman judgment 7, 19  
 Boulaire, C. 4  
 Brady, C. 22, 83, 91  
 Branca, M. 77  
 brand contract 186  
 brand equity 185, 188  
 brand evaluation models 188  
 brand extension 186  
 brand identity 185–6  
 brand latency 186–8  
 brand strength 188, 190, 191  
 brand theory 185–6  
 brand value 190–2  
 brands and branding 48, 134, 170–1,  
   184–99, 222, 234, 244  
   football clubs as brands 188–93  
   global brand development 193–5  
 Branson, R. 137  
 Bridgewater, S. 22, 132, 170  
 Bristol, R. 51, 52  
 Britain 101  
   *see also* England; English national  
   football team  
 Brolin, T. 85, 107  
 Brommapojkarna (BP) 211  
 Brown, J. 118  
 Bruinshoofd, A. 91  
 Budweiser 194  
 Burke, M. 197  
 business 247–9  
   football as an analogy for 241–3  
   football as a model for 6–10  
   as a model for football 10  
   value chains 226–8  
 business archetypes *see* management  
   models/archetypes  
 business concept theory 28, 227–8  
 business core (B core) 72, 100–1  
 business development 79–83  
 business idea 9, 28–9, 32–3, 36–7,  
   244  
   extended or improved 217–18  
 business models 71–3, 178  
 business plan 83  
 buying players 3–4, 133–4, 212  
 Buzzell, R. 28, 173  
  
 Cameron, S. 66  
 Camp, R. 201, 205  
 Canal + 66  
 Cantona, E. 96, 192  
 Capello, F. 5  
 captains 30  
 car manufacturing industry 143,  
   199, 219–20, 228–9  
 cardboard/paper industry 232  
 career endings 107, 113  
 carefree supporters 51  
 Carlsson, R. 207  
 Carlzon, J. 93  
 Carr, N.G. 53



- Celtic 162, 187, 193–4
- Chadwick, S. 2, 68, 132
- chains 204, 208
- chairmen 10, 22
- Chalmers University 172
- Chandler, A. 153
- Chang beer 194
- Charlton, B. 192
- chat forums 181
- cheer leaders 30
- Chelsea 150–1, 194
- China 11, 142, 177, 194, 221
- claque 44, 252
- clichés 39
- Cloetta 217
- Clowes, J. 51, 52
- clubs 18
  - as brands 188–93
  - business archetypes and kinds of club 167–8
  - coaches, owners, stadia and decisions and the owner 133–5  
*see also under individual types of club*
- coaches 19, 22, 34, 87–8, 114, 201, 225
  - clubs, owners, stadia and as products 74–6
  - sacking 91
- coaching 131, 250
  - four-field model 28, 31–3, 35–6
  - product development and training 36, 100–29
- Coca-Cola 90, 184, 186, 187
- collaborative filtering 180
- Collins, J. 30, 32, 142, 153, 162
- commercialization 2, 3, 11
  - of a brand 193
- community-based teams 167
- company style 23
- competence 93
- competence development 4–5
- competition 5
- competitive benchmarking 202–3
- complexity, degree of 139–40
- concepts 156
- concurrent engineering 60
- ‘confirmed’ groups 64, 65
- consumer-interactive services 80
- contextual core (C core) 72
- control, measurement and 162–7
- control-driven organizations 133, 136, 139, 146, 149–52, 168, 169
- co-production 43, 48–50, 60–1, 233
- core competence 153, 231, 242
- core leadership group 232
- Cornwell, T.B. 182, 196, 198–9
- corporate governance 148, 163–5
  - benchmarking 207–8
- corporate pay differentials 92–3
- Corporate University Week 112
- corporatization 18, 143
- corruption 7
- Corson, J. 163
- costing 216–17
  - activity-based 183–4
- costs
  - training and 126
  - transaction costs 215
- Cratz, S. 9, 94
- Croci, O. 66
- Crouch, P. 86
- Cruyff, J. 18, 155
- customer databases 176–7
- customer evaluation and research 56–7, 59–60
- customer focus 54–7
- customer loyalty 50, 66, 186–8
- customer orientation 48
  - approaches to 53–4
  - balance with market orientation 55–6
- customer-oriented brand evaluation models 188
- customer relationship management (CRM) 173, 175–6, 187–8
- customer satisfaction 53
- customer surveys 57–8
- customers 57–9
  - business–customer relationships 60–1
  - co-production 43, 48–50, 60–1
  - development of new customers 120–5
  - lifestyles 61–3
  - maintaining nonactive customers 58–9
  - profitability of 183–4
  - segmentation of 183

- Daft, D.N. 90
- Dagens Industri* 37
- Dahlin, M. 107
- Daimler-Chrysler 143
- data mining 180–1
- databases 57, 171–84, 222
  - as breeding grounds for genuine business 172–4
  - updating 177–8
- Davenport, T. 178–9
- Davies, H. 89
- Dawson, P. 66
- De Geus, A. 145
- decision-making 147
  - club decisions and the owner 133–5
  - top-down 152
- defense 155
- Degerfors 167
- Denning, P. 118
- department store chains 208
- derby matches 200
- Desaillly, M. 18
- Desbordes, M. 209
- devoted fans 52
- DiCarlo, L. 85
- Diesel 117
- diffusion model 63–5
- Digital Equipment 204
- direct experience 29, 45, 67
- distance learning 110–12
- distinctive competence 215, 216
- Djurgården 10, 93, 135, 140, 153, 162, 211
- Dobson, R. 91
- Dolles, H. 11, 43, 46, 138
- domino effect 97
- Douglas, F. 49
- Drucker, P. 87, 105, 159, 165
- Dugid, S. 221
- Dunham, R. 118
- Duret, P. 20
- Dutch total football system 202
- early adopters 64
- Eccles, R.G. 89
- e-commerce 113–14, 181–3
- economies of scale 12–13
- economies of scope 13
- e-learning 111–12
- Elfsborg 197
- Elliot, J. 79, 104
- Elliott, A.-M. 174
- employee involvement 112–13
- enactment 74
- engagement 112–13
- England 66, 161–2
  - control 151–2
  - Football Association 20
  - number of football players 2–3
  - origins of football 20
  - Premier League 98, 138–9, 254
  - structure-driven organizations 146–7
- English national football team 7–8, 85–6, 161, 212
- Englund, P. 73
- enterprise resource planning (ERP) 163, 175–6
- entertainment 11, 27
- entrepreneurship 107
- Ericsson 90, 95, 124, 138, 214
- Eriksson, S.-G. 7–8, 19, 89, 160, 161–2
  - English national team 161; player selection 85–6, 212
- Etisilat 198
- Europe
  - financial results 22
  - football market 1
  - most valuable football brands 190–2
  - power shift in European football 238–41
  - 'Europe United' 233–6
- European Union (EU) 17, 145
- Everton 194
- Ewart, P. 117
- experience industry 13–15, 24–5, 70
  - differences from production and services 15–17
- experience value 11
- experiences 10–17
  - direct 29, 45, 67
  - indirect 13, 29, 67
- explicit data 177
- exploitation of players 75–6

- extended core 217–18
- external benchmarking 202, 203
- external successions 84
- Extranet 176
- F to B (Football to Business) 26–7, 41–2, 129, 170, 198–9, 243–4
  - systematic lessons 247–9
- Fabregas, C. 30, 219
- Facebook 171
- fads 225, 241
  - superiority of methodology to 26, 36–9
- fair play 19
- fanatical supporters 52–3
- fans/supporters 43, 44–5, 67–8
  - segmentation of 50–3
- fashion 116–17, 118
- Federation of Swedish Football 29
- feedback 125–6
- Ferguson, A. 19, 22, 47, 49, 78, 80–1, 82, 89, 96, 101, 143, 159, 162, 163, 247, 253
  - atmosphere 47
  - Cantona 96
  - control 163
  - data management 180
  - engaging supporters 49
  - importance of training 108
  - and Rooney 74
  - youth program 163
- Ferrand, A. 189
- Ferris, P.W. 59
- FIFA 3
  - Big Count* 3
  - World Cup *see* World Cup
- finance-oriented brand evaluation
  - models 188
- financial management 151
- Firat, A.F. 61
- firing/sacking
  - coaches 91
  - managers 90–1, 160–2
- fixed situations 71, 115
- Fletcher, P. 54
- flexibility 33, 228
- Flextronics 214
- Foers, F. 20
- followers 88–9
- football 247–9
  - as an analogy for business 241–3;
    - off the pitch 242–3; on the pitch 241
  - business as a model for 10
  - history of 17–18
  - as a model for business 6–10
  - origins 20
  - value chains 224–6
- football associations 20, 98, 240
- football core (F core) 72, 100
- Ford 56
- Forde, M. 134
- Fort, R. 4
- forwards/strikers 155
- four-field model 27–36, 130–1, 220, 228, 246
  - atmosphere 28, 29–30, 35–6
  - coaching 28, 31–3, 35–6
  - fictional football clubs 233–8
  - information processing 177
  - management 28, 33–6
  - management models/archetypes and 139–40
  - match 28, 30–1, 35–6
- four-four-two model 73
- frame of reference 26
- France 135, 168
- Francis, J. 244
- Franck, J. 88
- Fraser, P. 151
- free kicks 71
- Frenckner, P. 216
- Frick, B. 92, 254
- Fulham 33
- functional benchmarking 203, 204
- functional organization 154–5
- Funk, D.C. 189
- FutureBrand 189–92, 193
- Fyrberg-Yngfalk, A. 44
- Gabrielsson, M. 87
- Gale, B. 28, 173
- Galeotti, S. 116
- game *see* match
- Gammelsaeter, H. 10, 91, 109, 123, 133, 238, 254

- Garratt, B. 207  
 Gates, B. 154  
 Gee, J. 54  
 General Electric (GE) 111, 123–4, 173  
 generational change 231  
 generic benchmarking 203, 204  
 Germany 159  
 Gerstner, L. 84–5  
 Ghoshal, S. 29, 111, 138  
 Gillette 118  
 Gilmore, J. 15  
 Giulianiotti, R. 18  
 Gladden, J.M. 189  
 Glazer, M. 7, 18  
 global leaders 88  
 global marketing 193–5  
 goalkeepers 172  
 Goddard, J. 91  
 Goizueta, R. 90  
 Good, J. 171  
 Google 48, 176  
 Gosling, J. 84  
 governance 10, 35  
     corporate *see* corporate governance  
 Grip, T. 8, 85  
 group performance rewards 165  
 GSM networks market 124  
 Guardiola, P. 74, 77–8  
 Guidetti, J.A. 105  
 Gummesson, E. 187  
  
 H&M 10, 24, 34, 206, 211, 231  
     mission approach 142  
     rapid product development 118–19  
 Hahn, K. 121  
 Hakansson, P. 185  
 Hamel, G. 24, 93  
 Hamil, S. 208  
 Hammarby 9–10, 46–7, 94, 135, 186–7, 220–1  
 Hamrén, E. 123  
 handball team 109  
 Hansen, M.H. 45  
 Hardigree, M. 53  
 Harley Davidson 48  
 harmonized system 230–1  
 Harris, V. 185  
  
 Hassan, F. 93  
 Hellau, B. 209  
 Hernandez, J. 243  
 Heynecke, J. 159  
 Hiddink, G. 83, 109  
 history of football 17–18  
 Hoeness, U. 159  
 Hogan, P. 43  
 Holbrook, M.B. 11  
 holding the ball within the team 33  
 Hollensen, S. 182, 192, 194  
 home sourcing 218–19  
 hooliganism 53  
 HP 87  
 Hughes, M. 61  
 Hughes, R. 159  
 human resources management (HRM) 103, 149, 150, 151  
 Hunt, A.K. 18, 51, 52  
 hype clubs 167, 168, 190–2, 233–6  
  
 IBM 84–5  
 Ibrahimović, Z. 2, 6, 39, 74–8  
     exploitation of players 75–6  
     relationship with Guardiola 74, 77–8  
     relationship with Malmö FF 128  
     sold by Barcelona 33–4  
     team building 74–5  
     transfer to Ajax 102–3, 105, 213  
     transfer to Inter Milan 76–7; out of Inter Milan 3–4  
     transfer to Juventus 5  
 Ichniowski, C. 113  
 IFK Göteborg 135  
 'IFK Sweden' 236–8  
 Ijeh, P. 135  
 IKEA 10, 24, 67, 171, 211, 213, 231, 257  
     benchmarking 205, 207;  
         internal 209–10  
     co-production 48  
     education of customers 113  
     employee development 104  
     home sourcing 219  
     mission driven approach 142  
     product development 122  
 Impentab 172  
 imperatives 6–7

- impersonation 53
- implementation 113–14
- implicit data 177
- indirect experience 13, 29, 67
- indirect marketing 196
- industrial clusters 232–3
- industrialization of services 12–13
- industry benchmarking 202, 203, 204
- information management (IM) 178
- information technology 43–4, 48, 68, 125, 170, 228
  - databases 57, 171–84, 222
  - information processing 171–84, 222
  - Internet *see* Internet
  - software industry 119
- Ingesson, K. 107
- INSEAD 125–6, 172
- insourcing 95–6, 171, 210–22, 223
- institutional theory 19
- integrative brand evaluation
  - models 188
- Inter Milan 74–5, 76–7
- internal benchmarking 202, 203, 209–10
- international marketing 193–5
- internationalization 2, 3, 141–2, 243
- Internet 181
  - chat forums 181
  - e-commerce 113–14, 181–3
  - e-learning 111–12
  - websites 68, 181–3
- inter-sport partnerships 35
- intuitive management 150–1
- intuitive playing 115
- irrational optimism 200–1
- Italy 67
- Ivester, M.D. 90
- Jackson, R. 173
- Japan 137–8, 206
  - car industry 219–20, 228–9
- Järvinen, R. 101
- job changes 127
- Jobs, S. 79, 86–7
- Johansson, B. 109, 110, 172–3
- Johansson, L. 18
- Jordan, M. 185
- Juventus 5, 156, 189, 190
- Kaka, R. 192–3
- Källström, K. 71
- Kalmar 213
- Kåmark, P. 106–7
- Kamath, R.R. 220
- Kamprad, I. 122, 137, 171, 209–10, 231
- Kapferer, J.N. 186
- Kaplan, R. 40, 163, 164
- Karlöf, B. 202
- Kashani, K. 88
- Keller, K.L. 184, 185
- Kern, W. 4
- Kets de Vries, M.R.F. 136
- key performance indicators 164–5
- Kiernan, M.J. 94
- Kirkeby, O.F. 110
- Kirsch 31
- Klinsmann, J. 159
- knowledge, loss of 214
- knowledge management (KM) 178–80
- Koeman, R. 105
- Kone 218
- Korea 83
- Krantz, M. 86
- Krol, R. 105
- KTH 172
- Kuper, S. 123, 134, 213
- Kuypers, T. 17, 18, 81, 127
- LA Galaxy 244
- Lagerbäck, L. 8, 63, 71, 152–3, 162–3
- Lagercrantz, D. 2, 39, 75, 77, 103, 105
- 'laggards' 64, 65
- language development 37–9
- Lao-Tzu 84
- Laporta, J. 77, 84
- Larsen, S. 135
- Larsson, H. 162–3, 217
- Lazarsfeld, P. 64
- Lazio 160
- leadership 87–9
  - core leadership group 232
  - performance measurement 89, 160
  - training by leaders 126

- leadership development 159–60
  - off the field 109–10
- leadership style 105
- leadership training 104–5
- leagues 20–1, 197, 240
- learning
  - bench learning 201–2
  - distance learning 110–12
  - organizational learning 201
- Lehtinen, U. 101
- Lennon, A. 86
- Levermore, R. 103, 146–9, 150
- Levine, D. 113
- Levitt, T. 11, 15, 46, 178
- Lewin, A.Y. 29
- libero 87, 180
- life sciences 4–5
  - see also* biotech industry
- lifestyle 61–3
- Liker, J.K. 220
- Lindahl, G. 90, 105–6, 124, 231
- Linderoth, A. 9, 40
- Index 206
- listing on the stock market 243
- Liverpool 33
- local supporters 52
- Losec 116
- Loy, R. 101, 115, 254–5
- loyalty, customer 50, 66, 186–8
- Lundquist, B. 10, 29
- Lusch, R. 170
  
- Major League Soccer (MLS) 244
- Makalele, C. 152
- Malmö FF 128
  - compared with Manchester United 238–9
- management 83–91, 250
  - challenges in football 130–69
  - fictional clubs 235–6, 238
  - four-field model 28, 33–6
- management models/
  - archetypes 133, 136–9, 168, 169
  - control-driven 133, 136, 139, 146, 149–52, 168, 169
  - football clubs compared with 139–52
  - mission-driven 133, 136, 137–8, 140–3, 168, 169
  - scenario-driven 133, 136, 138, 143–5, 168, 169
  - structure-driven 133, 136, 138–9, 145–9, 168, 169
- management pairs 8–9
- Manchester United 25, 33, 143, 211, 212
  - brand 190, 191, 192, 194
  - compared with Malmö FF 238–9
  - fans 47
  - Glazer 7, 18
  - Hernandez 243
  - internationalization 55, 194
  - long-term outlook 37
  - Murdoch prevented from buying 18
  - recruitment of young players 128
  - Rooney and Ferguson 74
  - unproven Chinese player 221
  - website 181–2
  - youth policy 163
- Maradona, D. 31
- March, J.G. 177
- market 131, 250
  - atmosphere 36, 43–68; fictional clubs 234, 236–7
  - interface with production 94–5
- market development 63–5, 120–5
- market mood 46–8
- market orientation 46–8
  - need for customer focus 54–7
- market research 57–8
- marketing 35, 57–65, 130–1
  - budget 59
  - indirect 196
  - international 193–5
  - one-to-one 187
  - and selling power 59
  - sponsorship-linked 199
  - targeted 58
- master data management (MDM) 176
- match 131, 170, 250
  - experience industry 14
  - four-field model 28, 30–1, 35–6
  - is the product 36, 45, 69–99; fictional clubs 235, 237
  - success 151
- Materazzi, M. 82

- Matthews, S. 31, 83–4  
 Mattsson, L.-G. 187  
 McClenahan, J.S. 54  
 McCormack, J. 19  
 McKinsey consulting firm 128  
 measurement  
   performance *see* performance  
   measurement  
   process 202–5  
 measurement capability 206–7  
 measurement systems 166–7  
 media 13, 31  
   attitudes towards 62  
 mega clubs 167, 168  
   *see also* hype clubs  
 Melin, F. 185  
 mergers 141–2  
 Messi, L. 88, 128  
 metadata 174–6  
 meta-management 134–5  
 methodology 72  
   superiority to fads 26, 36–9  
 metrics, management by 165–6  
 Metz 168  
 Michie, J. 208  
 Microsoft 119, 199  
 midfielders 155  
 Milan AC 193, 244  
 Mild, H. 108, 217  
 Mildner-Wos, J. 53–4  
 Miller, D. 20, 136  
 mindset 83–7  
 Mintzberg, H. 82, 84, 110, 137  
 mission-driven organizations 133,  
   136, 137–8, 140–3, 168, 169  
 Moberg, A. 104, 160  
 Mockler, C. 118  
 Modern Times Group (MTG) 140–1  
 Moggi, L. 5  
 Mölnlycke Health Care (MHC) 213  
*Moneyball* 134  
 mood, market 46–8  
 Moore, N. 103, 146–9, 150  
 Moratti, M. 74, 75, 77  
 Morris, D. 17, 41, 51  
 Mortimer, R. 192, 194  
 Motorola 204  
 Mourinho, J. 38–9  
 Murdoch, R. 18, 31  
 Nadeau, J. 4  
 nationalism 20  
 need creation and satisfaction 119  
 Needle, D. 98  
 new business development  
   organization 155–6  
 new product development 120–5  
 Nietzsche, F. 101  
 Nike 185, 197  
 Nilsson, U.C. 90  
 Nohria, N. 89  
 Nokia 87, 124, 199  
 Nokia Siemens Networks  
   (NSN) 138  
 Nolan, R.L. 174, 183  
 nonactive customers,  
   maintaining 58–9  
 Nonaka, I. 179  
 Nordahl, G. 3, 94  
 Nordin, K. 217  
 Normann, R. 9, 10, 11–12, 15, 24,  
   94, 102, 104, 136, 231  
 North, D. 19, 215, 251  
 North American Soccer League  
   (NASL) 244  
 Norton, R. 40, 163, 164  
 Norwegian national team 174  
 Nsubuga, J. 74  
 number of football players 2–3  
  
 off-pitch exercise 109  
 off-pitch football, as analogy for  
   business 242–3  
 off-pitch leadership  
   development 109–10  
 Ogden, M. 243  
 Olsen, D. 115, 174  
 Olsen, K. 165  
 Olsson, H.O. 173, 256  
 Olsson, L.-C. 50, 125, 150, 226  
 Olympic Lyon 185  
 on-off factors 148  
 on-pitch football, as analogy for  
   business 241  
 one-to-one marketing 187  
 operational excellence 28, 32–3, 36,  
   244  
 opinion leaders 62  
   communication with 63–5

- orchestration 2, 21
- O'Reilly, N. 4, 224
- organization 130–6
- organizational design 152–9
- organizational learning 201
- origins of football 20
- Oskarshamn 167
- Östholm, I. 116
- outsourcing 23, 95–6, 105–6, 171, 210–22, 223
  - disadvantages 214–15
  - reasons to outsource 214
  - risk/benefit assessments 215–16
- owner managers 149
- owners 76–9, 148
  - club decisions and 133–5
- ownership 7
  - concept development 207–8
  - problem 134
- owning development 105
  
- Pages, M. 189
- Palmer, M. 19, 31
- paper/cardboard industry 232
- parasitic competence 216
- Parker, M.G. 197
- pay–performance relationship 92, 254
- 'pay-specialists' system 93
- Pele 18
- penalty kicks 71
- Perez, F. 152, 192
- performance measurement 6
  - and control 162–7
  - leader's 89, 160
- performance–pay relationship 92, 254
- performance-related pay 164–5
- permanent situations 71, 115
- Perry, L.T. 45
- pharmaceutical companies 4–5
- Philips 142
- philosophical capacity 62
- PIMS (Profit Impact of Market Strategy) 28, 33, 173
- Pine, B. 15
- Pires, R. 168
- Piz Buin 119
- Platini, M. 18, 82, 168
  
- player development 193, 211
- player salaries 1, 91–3, 236
- players 19
  - Bosman ruling 7, 19
  - buying 3–4, 133–4, 212
  - exploitation of 75–6
  - as products 74–6
- playing style 5, 23, 30–1, 33–4, 73, 78–9, 170, 241
  - business development, strategy, tactics and 79–83
  - and different demands for skills 135–6
  - Hammarby 9–10
- playing systems 32
- playing time 5
- Pons, F. 188
- pop concerts 14
- Porter, M. 230
- portfolio theory 224
- positioning 189, 190
- Powell, C. 86
- power relations 9
- practise 242
- Prahalad, C.K. 24, 48–9, 93
- Premier League 98, 138–9, 254
- pricing strategy 59
- primary data approach 246
- primary suppliers 220
- principal agent model 92, 148
- pro-activeness 54
- process measurement 202–5
- Procter & Gamble 128
- producer-driven services 80
- product 45–6, 130–1, 170, 250
  - game is the product 36, 45, 69–99;
  - fictional clubs 235, 237
  - players and coaches as products 74–6
- product data management (PDM) 173
- product development 34–5, 94–9, 130–1, 250
  - importance of 124–5
  - new products 120–5
  - rapid 116–19
  - and training 36, 100–29; fictional clubs 235, 238
- product/market window 121–2



- production 12, 24, 70, 79, 80
  - differences between services, experience industry and 15–17
  - interface with market 94–5
- professionalism 20
- professionalization 2
- profitability 183–4
- Propositions 23–4, 26–7, 36–42
  - Proposition 1 (market – atmosphere) 36, 43–68, 234, 236–7
  - Proposition 2 (game is the product) 36, 45, 69–99, 235, 237
  - Proposition 3 (product development and training) 36, 100–29, 235, 238
  - Proposition 4 (methodology is superior to fads) 26, 36–9
  - Proposition 5 (B to F) 26, 40–1, 130, 170, 221–2, 250
  - Proposition 6 (F to B) 26–7, 41–2, 129, 170, 198–9, 243–4, 247–9
- protective jurisdiction 216
- Prusak, L. 178–9
- Public Broadcasting Service (PBS) 110
- publishing 182
- Pucik, V. 88
  
- Qatar Foundation 56, 192
  
- Rada, J. 93
- Rahmquist, L. 90
- Raiola, M. 6, 77, 103
- Ramaswamy, V. 48–9
- Range Rover 53
- Rangers 187
- Rank Xerox 204
- rapid product development 116–19
- Real Madrid 21, 133, 152
  - brand 190, 191, 192–3, 194
- reactionary management 147
- recruitment 32, 83–7, 99, 102–4
  - young talent 127–9
- Redding, G. 32
- Reese, C.S. 45
- referees 7, 19, 31, 251
- regional anchorage clubs 168, 236–8
- Reider, R. 202, 203
  
- related industries 241
- Renault 218
- resale clauses in contracts 135
- research suggestions 245–6
- resource allocation, uneven 148
- resource utilization 97–9
- retention of talent 95, 104–7
- revenue
  - brand and 189–90
  - comparison of Manchester United with Malmö FF 239
- Rhenman, E. 28, 93–4, 154, 227–8
- Richelieu, A. 4, 188
- Rijkaard, F. 84, 217
- Risling, A. 179
- Robson, B. 39
- Ronaldo, C. 192–3
- Ronge, M. 172
- Rooney, W. 2, 74
- Rosenberg, N. 98
- Rosso, R. 117
- Roux, G. 31
- rules 241, 242–3
- Rummeniger, K.-H. 159
  
- sacking *see* firing/sacking
- salaries, players' 1, 91–3, 236
- sales cycles 117–18
- Salming, B. 107
- sanctions 106–7
- Santomier, J. 43
- Saparito, B. 194
- Sartre, J.-P. 199–200
- Saudi Telecom Company (STC) 198
- Saumya, R. 117
- scale, economies of 12–13
- Scammell, H. 85
- Scandinavian Institutes of Administrative Research (SIAR) 28
- scenario-driven organizations 133, 136, 138, 143–5, 168, 169
- Schlesinger, T. 199
- Schwarz, D. 137
- Science 69, 170
  - Administration vs 71–4
  - interface with Administration 225–6
  - see also* playing style

- scope, economies of 13
- Seaman, D. 47
- secondary suppliers 220
- segmentation
  - of customers 183
  - of fans 50–3
- selling power 59
- semantic web (web 3.0) 125
- Senaux, B. 10
- Sencello 209–10
- Senge, P. 145
- service excellence 60
- service level analysis (SLA) 60
- services 11–13, 24, 70, 80
  - differences from production and experience industries 15–17
  - industrialization of 12–13
  - new product development and 123–4
- Shank, M. 50
- Shell 144
- shoes, athletic 197
- short-termism 147, 151
- Siemens 145
- Simon, H.A. 177
- Simon, W.L. 79, 104
- Simmons, R. 19
- situation-specific lifestyle 63
- situation specificity 24–5
- skills, demands for 135–6
- Skoglund, N. 47, 94, 113
- Sky 67
- Sky Sports 66, 101
- small and medium-sized enterprises (SMEs) 147–9, 151–2
- Smith, A. 1, 23, 170, 178, 193, 197, 203
- Smith, M. 207
- social media 43–4, 183, 245
  - see also* Facebook; YouTube
- social relationships 150
- society 19–20
- Söderberg, T. 8, 153
- Söderman, S. 11, 23, 24, 29, 43, 46, 88, 97, 109, 123, 133, 138, 188, 238
- software industry 119
- Soriano, F. 84, 102, 132
- South Africa 15
- Spencer, R. 194
- spill-over competence 216
- sponsorship 25, 50, 55–6, 184, 194, 196–9, 222, 234
- sponsorship-linked marketing 199
- sport directors 22, 87–8
- sport leagues 20–1, 197, 240
- sports-related problems 6
- stadia 29–30, 212
  - audiences 65–8
  - benchmarking 208–9
  - clubs, coaches, owners and 76–9
- Stepanek, M. 175
- Stevens, R. 152
- Stewart, R. 1, 23, 170, 178, 193, 197, 203
- stock options 165
- Stockholm Olympic Stadium 140–1
- Stockport County 176–7, 194
- Storm, R. 109, 123, 133, 238
- Strannegård, L. 62
- strategic sourcing 218
- strategy 28–9, 135, 154
  - business development, tactics, playing style and 79–83
  - survival of small clubs 240–1
- strikers/forwards 155
- Strobel, T. 188, 190
- structural adjustment 217
- structure-driven organizations 133, 136, 138–9, 145–9, 168, 169
- subcontractors 211, 219–20
  - see also* outsourcing
- substantial skills 215, 216
- succession management 84, 89–90
- Sundborn, I. 171
- supply chain management (SCM) 176
- Surendar, T. 117
- Svan, G. 205
- Sveiby, K.E. 179
- Svensson, E. 10
- Svensson, T. 85, 156–9
- Sweden 21, 93, 101, 132–3, 150–1, 226
  - Allsvenskan 66, 132, 192
  - experience sector 14
  - measurement systems 167
  - National Sports Federation 132
  - number of footballers 2–3

- Swedish Football Association 134  
 Swedish national football team 8–9,  
     109, 123, 162–3  
     World Cup 1994 156–9  
 Swedish national handball team 109  
 symbiosis 196–8  
 Szymanski, S. 17, 18, 81, 123, 127, 192
- tactics 79–83, 154  
 Takeuchi, H. 179  
 talent scouting 83–7, 127–9  
 Tapp, A. 51, 52, 68  
 Taylor, J. 53, 61, 65, 187  
 team-building 7–8, 11, 74–5, 242  
 telecommunication industry 197–8  
 television 6, 7, 66, 236  
 temporal dimension 139–40  
 temporal supporters 51  
 temporary supporters 51  
 Ter Weel, B. 91  
 theater 13, 21  
 thought style 5, 28, 170, 225–6  
 ‘thousand brothers syndrome’ 205  
 3M 120, 205, 207  
 Tichy, N. 126  
 Tifo 45  
 time  
     orientation towards the use of 62  
     temporal dimension 139–40  
 time to market (TTM) 53–4, 228–9  
 top-down decision making 152  
 Tossavainen, P. 87  
 total football system 202  
 Tottenham Hotspur 10  
 Toyota 228  
 Trabal, P. 20  
 training 40, 96, 210, 242, 250  
     need to train 107–9  
     product development and 36,  
         100–29; fictional clubs 235, 238  
 training styles 114–16  
 transaction costs 215  
 transfer market 54–5, 252  
 Trevelyan, G.M. 20  
 Tripp, M. 199
- UEFA Champions League 2009  
     final 243  
 Ugglå, H. 185
- Ulrich, D. 103  
 Umbro 197  
 uneven resource allocation 148  
 United States of America (USA) 93,  
     134, 244  
 universities 111–12, 125
- value added 120, 126, 229  
 value captures 45–6, 72  
 value chains 171, 224–8, 228–9, 230–1  
     business 226–8  
     football 224–6  
 value clusters 228–33  
     as an intellectual approach 230–3  
 Van Gaal, L. 159  
 Van Persie, R. 200  
 Vapola, T.J. 87  
 Vargo, S. 170  
 Venkatesh, A. 61  
 Versace 117  
 video 174  
 video cassette recorders (VCRs)  
     115–16  
 Villareal 172  
 Villas Boas, A. 151  
 Viera, P. 95  
 virtues 110  
 Vodafone 124, 198  
 Volberda, H. 28, 29  
 Volkswagen 199  
 Volvo 10, 24, 49  
     branding split between cars and  
         heavy vehicles 184–5, 231  
     customer loyalty 56  
     databases 173  
     home sourcing 218–19  
     targeted marketing 58  
 Volvo Construction Equipment 219  
 Vuorinen, I. 101
- Wacker, W. 53, 61, 65, 187  
 Wahlund, R. 185  
 Waldenström, S. 195  
 Wang, P. 173  
 web 3.0 (semantic web) 125  
 web platforms 178  
 websites 68, 181–3  
 Weick, K. 74  
 Wenger, A. 19, 31, 77, 89, 128, 160

- Whirlpool 142
- Whitwan, D. 142
- whole product theory 79
- Wiatr, D. 184
- Wikström, S. 60
- Wolf, M. 11, 14, 15
- Woratschek, H. 188, 190
- World Cup
  - 1958 4
  - 1994 156–9
  - 2002 83
  - 2006 31, 82
  - 2010 15, 63
- young talent 127–9
- youth academies 168, 211, 235
- YouTube 174
- Zetterberg, P. 88, 95
- Zetterlund, R. 94
- Zidane, Z. 31, 82, 107, 255
- Zlatan *see* Ibrahimović, Z.