

An approach to sports management

IE Sport Management Club

Eduardo Fernández-Cantelli

March 30th, 2017

Two approaches to sports



**Activity
Participation
Health
Competition
Socializing**



Activity
Participation
Health
Competition
Socializing



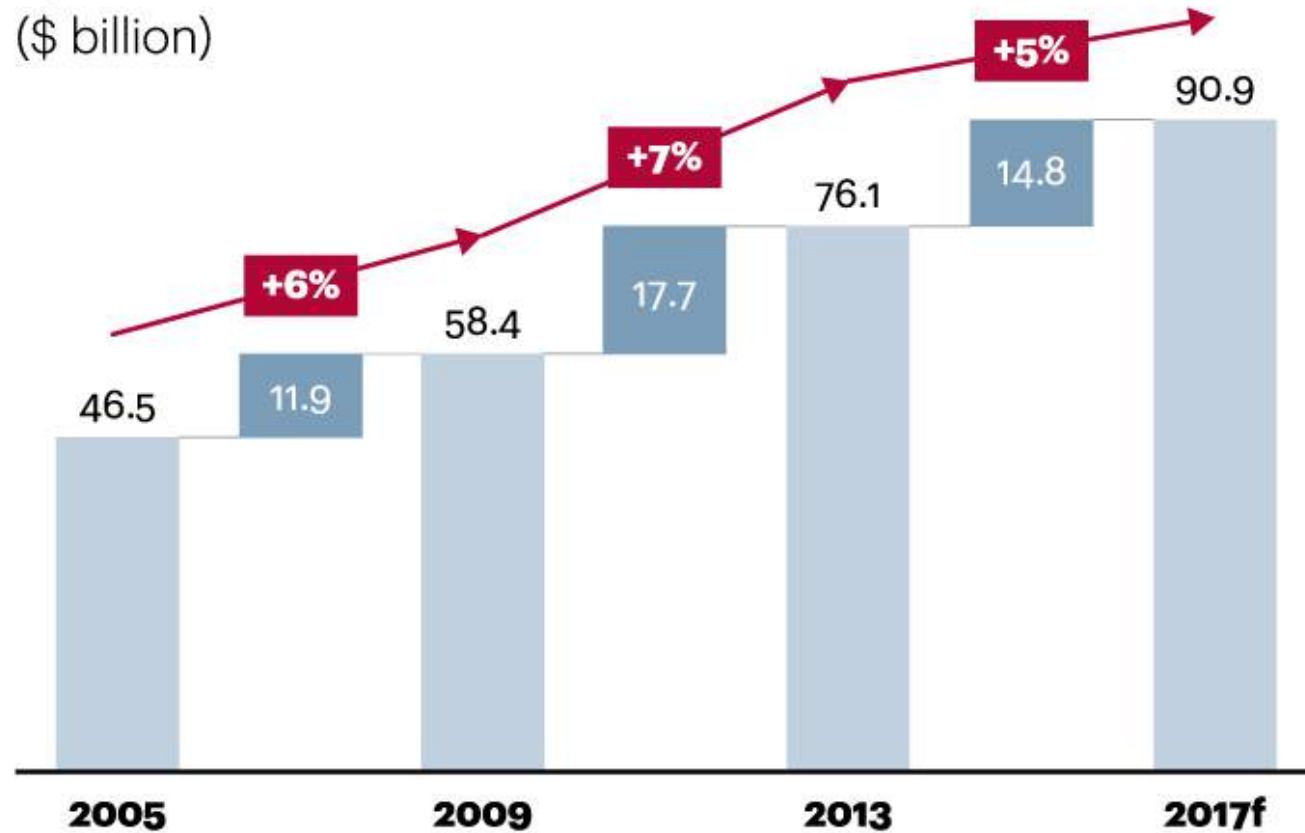
Activity
Participation
Health
Competition
Socializing



A global market

Is the market growing?

Sports market revenue
(\$ billion)

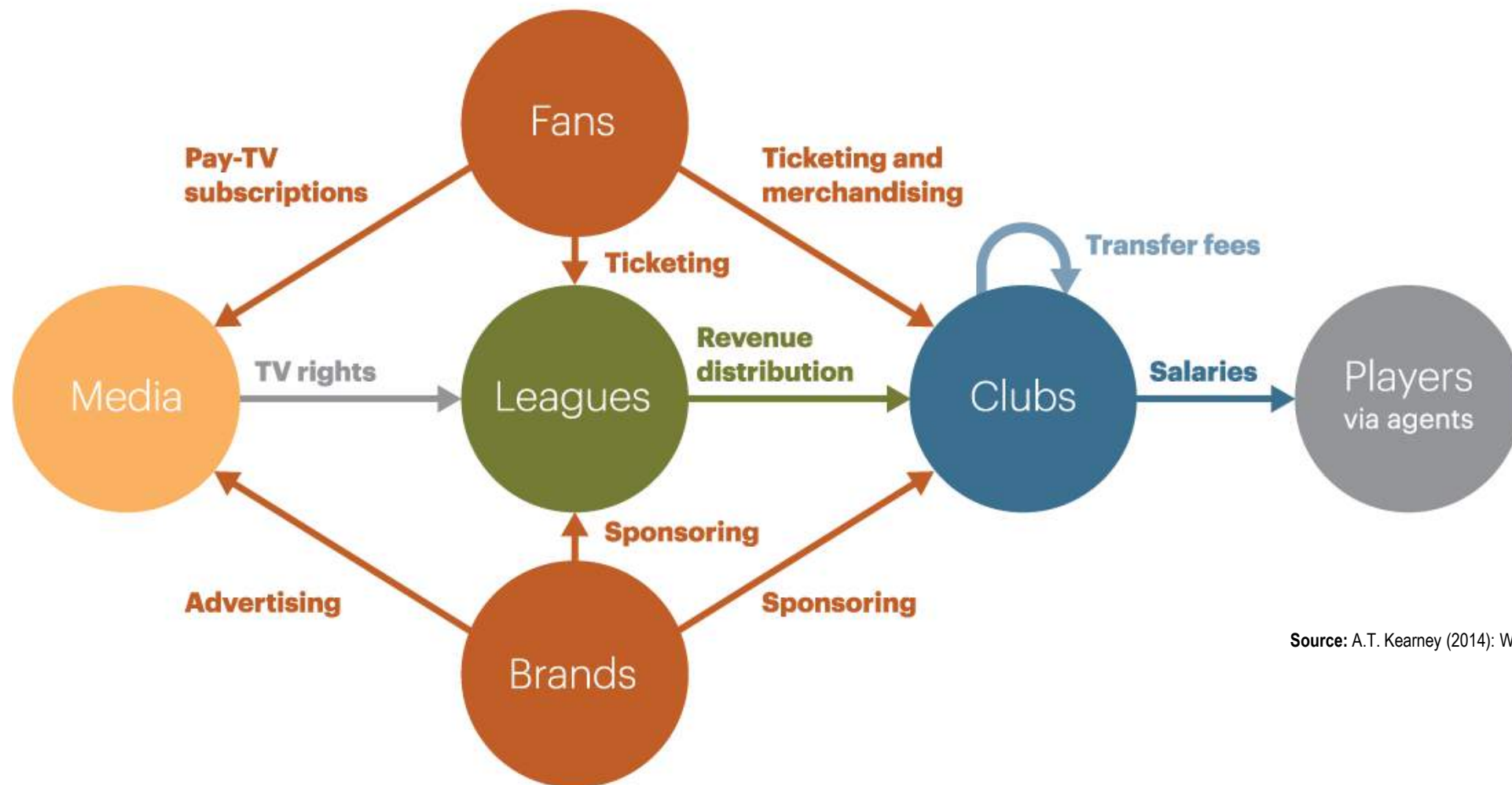


CAGR (%)

	2005-2009	2009-2013	2013-2017
Football	8%	9%	5%
U.S. sports	5%	5%	4%
Formula 1	3%	4%	4%
Tennis	2%	5%	3%
Golf	3%	2%	4%
Other	11%	9%	9%
Total	6%	7%	5%

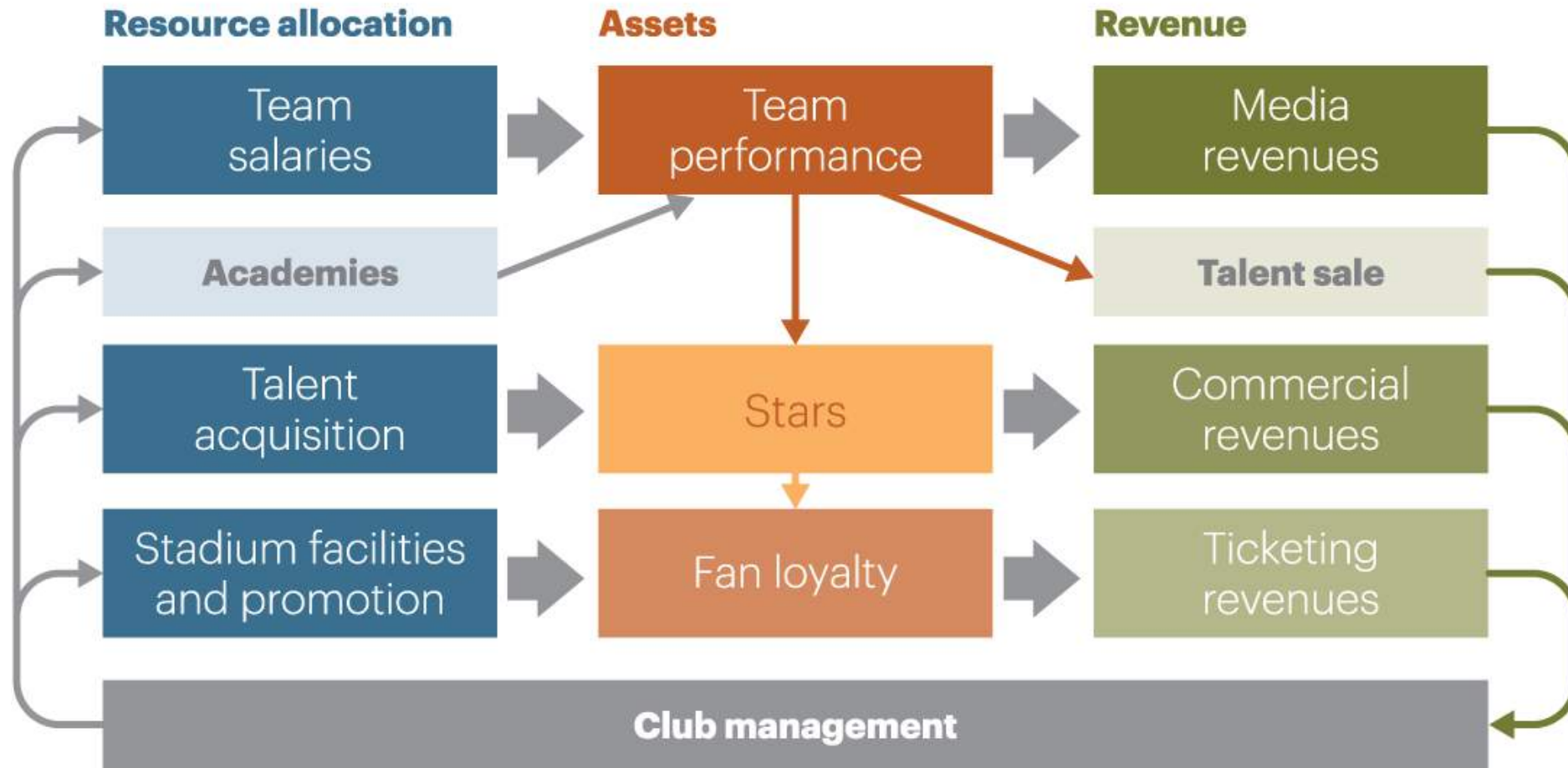
Source: A.T. Kearney (2014): Winning in the Business of Sports

Professional sport ecosystem



Source: A.T. Kearney (2014): Winning in the Business of Sports

Winning: the (club) virtuous cycle



Source: A.T. Kearney (2014): Winning in the Business of Sports

The present...

The 10 Most Powerful Brands

These are the most powerful Football brands, whose rating is based on Brand Finance's Brand Strength Index (BSI).

↑ Rank 2017: 1 Rank 2016: 2 Brand Strength Rating: AAA+		BSI Score 96.1
↓ Rank 2017: 2 Rank 2016: 1 Brand Strength Rating: AAA+		BSI Score 95.4
← Rank 2017: 3 Rank 2016: 3 Brand Strength Rating: AAA+		BSI Score 92.1
← Rank 2017: 4 Rank 2016: 4 Brand Strength Rating: AAA+		BSI Score 91.4
↑ Rank 2017: 5 Rank 2016: 6 Brand Strength Rating: AAA+		BSI Score 90.5
↑ Rank 2017: 6 Rank 2016: 7 Brand Strength Rating: AAA		BSI Score 88.4
↓ Rank 2017: 7 Rank 2016: 5 Brand Strength Rating: AAA		BSI Score 88.3
↑ Rank 2017: 8 Rank 2016: 9 Brand Strength Rating: AAA		BSI Score 87.9
↓ Rank 2017: 9 Rank 2016: 8 Brand Strength Rating: AAA		BSI Score 84.8
↑ Rank 2017: 10 Rank 2016: 11 Brand Strength Rating: AAA-		BSI Score 82.7

The 10 Most Valuable Brands

These are the most valuable Football brands.

	1	Rank 2017: 1 2016: 1 BV 2017: USD 1733m BV 2016: USD 1170m +48%
	2	Rank 2017: 2 2016: 2 BV 2017: USD 1419m BV 2016: USD 1148m +24%
	3	Rank 2017: 3 2016: 3 BV 2017: USD 1418m BV 2016: USD 993m +43%
	4	Rank 2017: 4 2016: 8 BV 2017: USD 1248m BV 2016: USD 776m +61%
	5	Rank 2017: 5 2016: 5 BV 2017: USD 1222m BV 2016: USD 867m +41%
	6	Rank 2017: 6 2016: 4 BV 2017: USD 1021m BV 2016: USD 905m +13%
	7	Rank 2017: 7 2016: 7 BV 2017: USD 1011m BV 2016: USD 792m +28% Brand Rating: AAA-
	8	Rank 2017: 8 2016: 6 BV 2017: USD 941m BV 2016: CHF 858m +10%
	9	Rank 2017: 9 2016: 9 BV 2017: USD 908m BV 2016: USD 748m +21%
	10	Rank 2017: 10 2016: 10 BV 2017: USD 696m BV 2016: USD 441m +58%

2015/16 Revenue (€m)

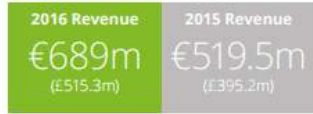
1	↑	2	Manchester United	689
2	↔	0	FC Barcelona	620.2
3	↓	(2)	Real Madrid	620.1
4	↑	1	Bayern Munich	592
5	↑	1	Manchester City	524.9
6	↓	(2)	Paris Saint-Germain	520.9
7	↔	0	Arsenal	468.5
8	↔	0	Chelsea	447.4
9	↔	0	Liverpool	403.8
10	↔	0	Juventus	341.1
11	↔	0	Borussia Dortmund	283.9
12	↔	0	Tottenham Hotspur	279.7
13	↑	3	Atlético de Madrid	228.6
14	↓	(1)	Schalke 04	224.5
15	↔	0	AS Roma	218.2
16	↓	(2)	AC Milan	214.7
17	↑	1	FC Zenit Saint Petersburg	196.5
18	n/a	new	West Ham United	192.3
19	↑	1	Internazionale	179.2
20	n/a	new	Leicester City	172.1

2014/15 Revenue (€m)

1	↔	0	Real Madrid	577
2	↑	2	FC Barcelona	560.8
3	↓	(1)	Manchester United	519.5
4	↑	1	Paris Saint-Germain	480.8
5	↓	(2)	Bayern Munich	474
6	↔	0	Manchester City	463.5
7	↑	1	Arsenal	435.5
8	↓	(1)	Chelsea	420
9	↔	0	Liverpool	391.8
10	↔	0	Juventus	323.9
11	↔	0	Borussia Dortmund	280.6
12	↑	1	Tottenham Hotspur	257.5
13	↑	1	Schalke 04	219.7
14	↓	(2)	AC Milan	199.1
15	n/a	new	AS Roma	179.1
16	↓	(1)	Atlético de Madrid	176.6
17	↑	2	Newcastle United	169.3
18	n/a	new	FC Zenit Saint Petersburg	167.8
19	↑	1	Everton	165.1
20	↓	(3)	Internazionale	164.8

■ DFML position ■ Change on previous year ■ Number of positions changed

1. Manchester United

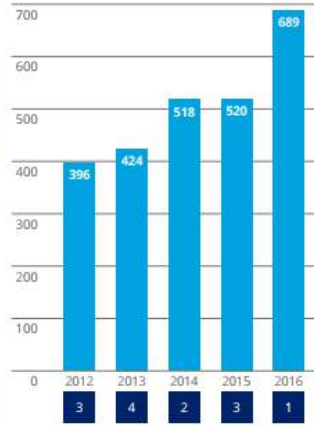


Majority ownership (nationality): USA
Head coach: Louis Van Gaal, Netherlands

For the first time since 2003/04 and for the ninth time in the 20 editions, Manchester United top our Money League. Phenomenal growth, particularly in commercial revenue, in recent years has outweighed any impact of a decline in on-pitch performance.

Prediction
Despite not qualifying for the UEFA Champions League in 2016/17, United report that they expect revenues to reach at least £530m which will put the Red Devils in contention to retain their position as the world's leading revenue generating club.

Manchester United: 2016 Revenue profile (€m)



DFML 2016 position
3rd



DFML total appearances
20



Domestic league position 2015/16
5th



Average league match attendance
75,327



UEFA Champions League performance
Group



UEFA Europa League performance
R16



Shirt sponsor
Chevrolet



Technical kit supplier
adidas



Twitter followers
9.8m⁽³⁾



Facebook likes
72.2m⁽³⁾



Instagram followers
15.4m⁽³⁾

2. FC Barcelona

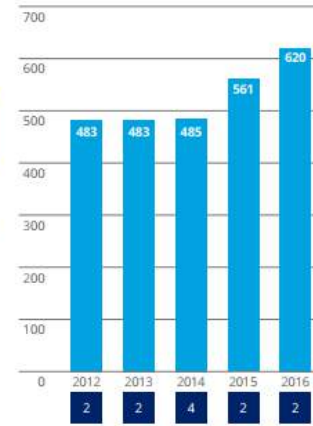


Majority ownership (nationality): Spain
Head coach: Luis Enrique, Spain

FC Barcelona retain second spot in the Money League thanks in part to revenue increases from a higher average league match attendance, but mainly due to improved and new commercial partner contracts. Use of the club's Camp Nou stadium for a Bruce Springsteen concert and the final of the Top 14 Rugby competition also generated additional revenue.

Prediction
Barça have publicly stated their desire to be the first club to generate €1 billion in total revenue and have forecast further healthy revenue growth for 2016/17. There is a possibility that FC Barcelona may become only the third club to ever top our Money League in the 2018 edition, but they will face strong challenges from both Manchester United and Real Madrid.

FC Barcelona: 2016 Revenue profile (€m)



DFML 2016 position
2nd



DFML total appearances
20



Domestic league position 2015/16
1st



Average league match attendance
79,724



UEFA Champions League performance
Quarter-final



UEFA Europa League performance
n/a



Shirt sponsor
Qatar Airways



Technical kit supplier
Nike



Twitter followers
19.5m⁽²⁾



Facebook likes
95.5m⁽¹⁾



Instagram followers
44.1m⁽¹⁾

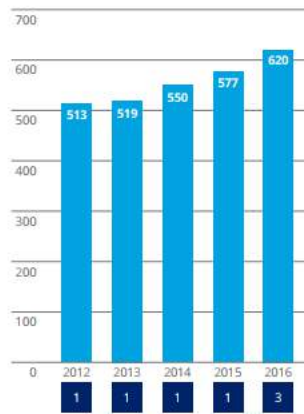
3. Real Madrid



Majority ownership (nationality): Spain
Head coach: Zinedine Zidane, France

After 11 consecutive years at the top of the Money League, Real Madrid fall two places to third behind Manchester United and FC Barcelona in this edition. Their victory in the Champions League, their 11th European Cup success, and lucrative tours of China and Australia led to a 7% revenue increase but they have been unable to match the increase of either of their great rivals.

Real Madrid: 2016 Revenue profile (€m)



Matchday (3)
€129m (€96.5m)
21%

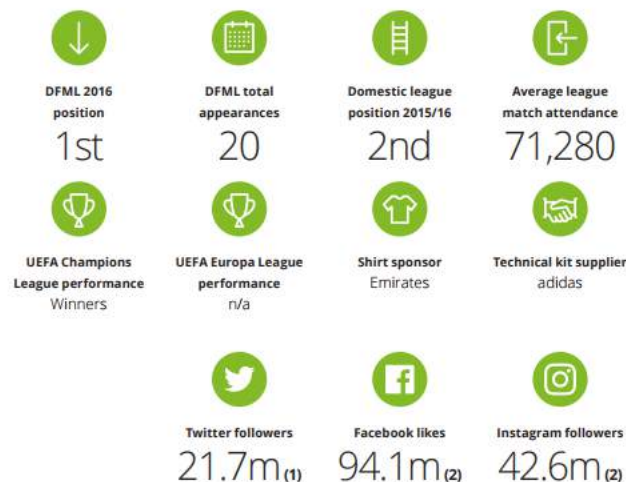


Broadcast (1)
€227.7m (€170.3m)
37%



Commercial (5)
€263.4m (€197m)
42%

Prediction
Whilst Real Madrid will be disappointed to lose top spot, their position as one of the leading sports clubs globally led to a recently reported world record kit deal with adidas. This and other commercial opportunities will enable Madrid to challenge Manchester United and FC Barcelona for the top spot again in future editions.



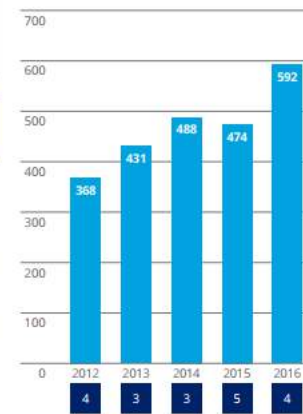
4. Bayern Munich



Majority ownership (nationality): Germany
Head coach: Pep Guardiola, Spain

Impressive revenue growth of 25% sees Bayern climb the Money League to fourth, making this the ninth consecutive edition that they have been one of the top five revenue generating clubs globally. Bayern benefited from increased distributions from the central international broadcast contracts agreed by the Bundesliga, and also new and improved deals with commercial partners.

Bayern Munich: 2016 Revenue profile (€m)



Matchday (5)
€101.8m (€76.1m)
17%



Broadcast (10=)
€147.6m (€110.4m)
25%



Commercial (2)
€342.6m (€256.2m)
58%

Prediction
Whilst Bayern have grown revenue impressively, the financial strength of the Premier League and the two Spanish clubs makes it challenging for them to climb further in the Money League.



Content is the king

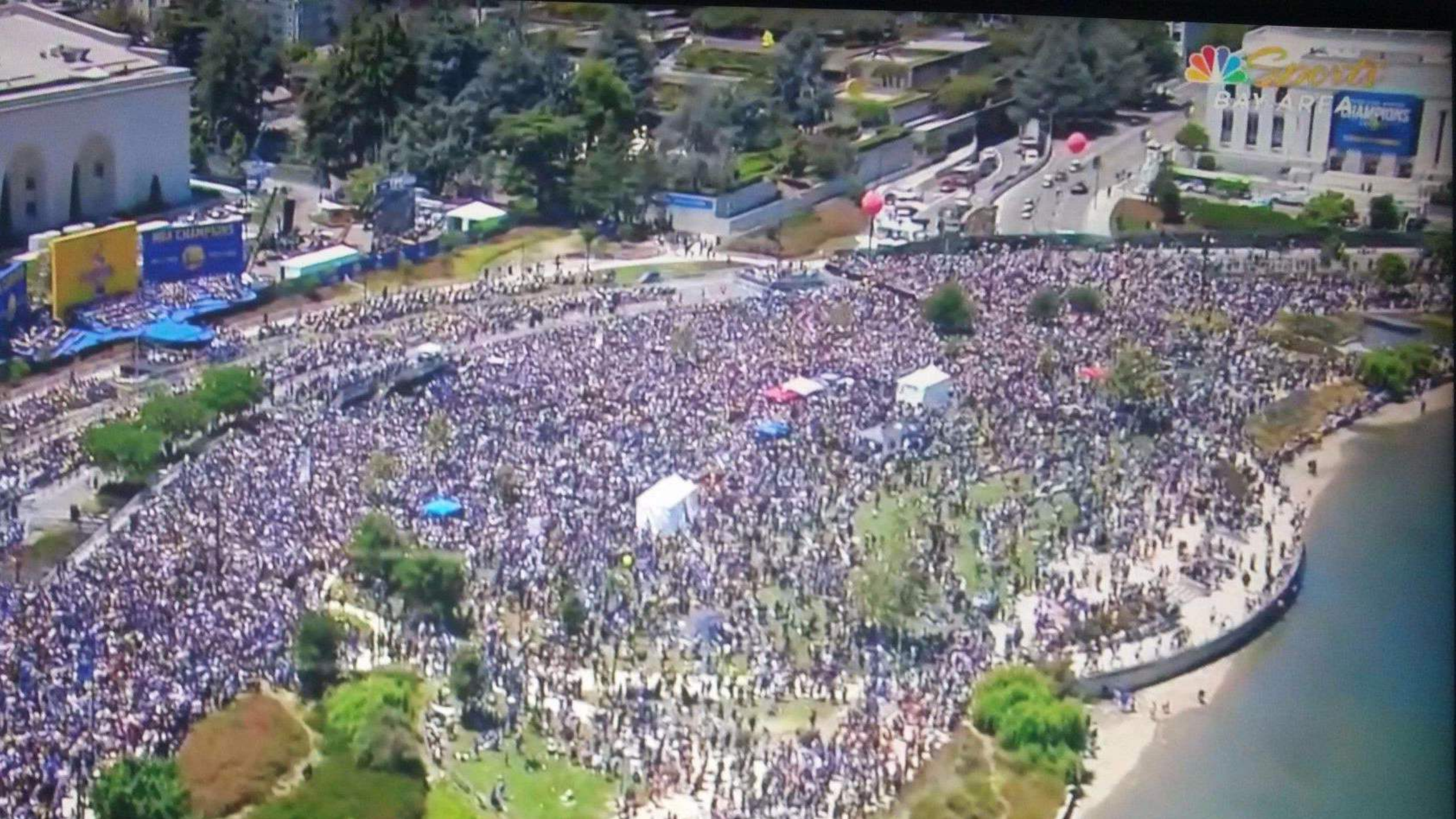












And the future...





Big Data and analytics

But How Big Data Can Be a Game-Changer?



*Immediate
decision
making.*



*Understanding
of
fan-behavior.*



*Better
coaching
decisions.*



*Better
competitor
analysis.*



*Safety
in
advance.*



*Career
opportunities
as data
scientist.*



*Improve
player's
game.*



*Improved
marketing
decisions for
businesses.*

This is how Big Data will be a game-changer for players, fans, coaches, team officials and personnel associated with sports.

- General belief in sports: the more you can measure and analyze, the more you can improve performance
- predictive insights on fan preferences
- fan interaction through social media platforms and team and league websites

Evolution of sport media



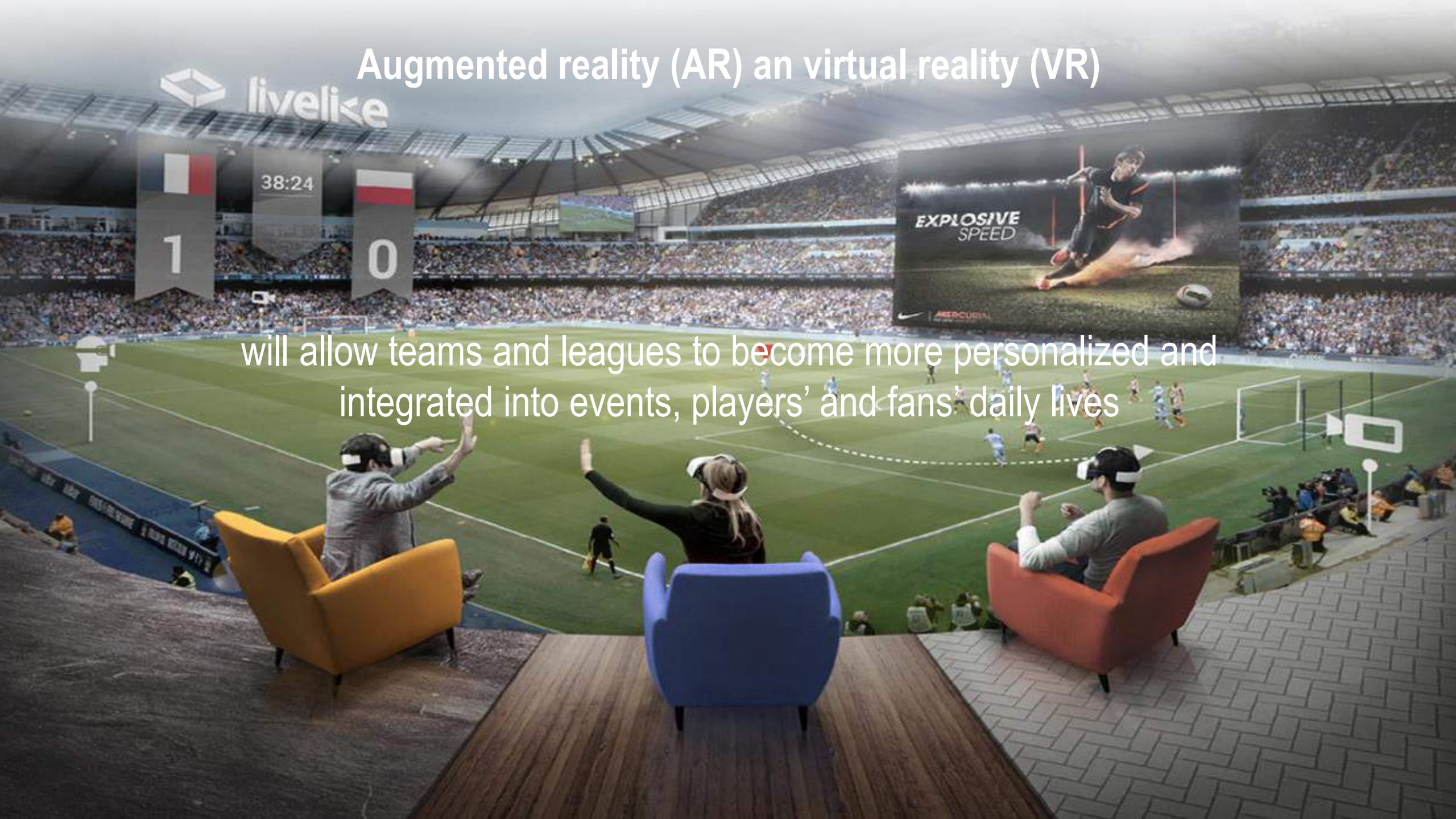
- as consumers shift from cable to digital media, expect an evolution of sport media
- it is about creating and distributing content
- non-traditional media companies pursuing sport rights

Innovative game day



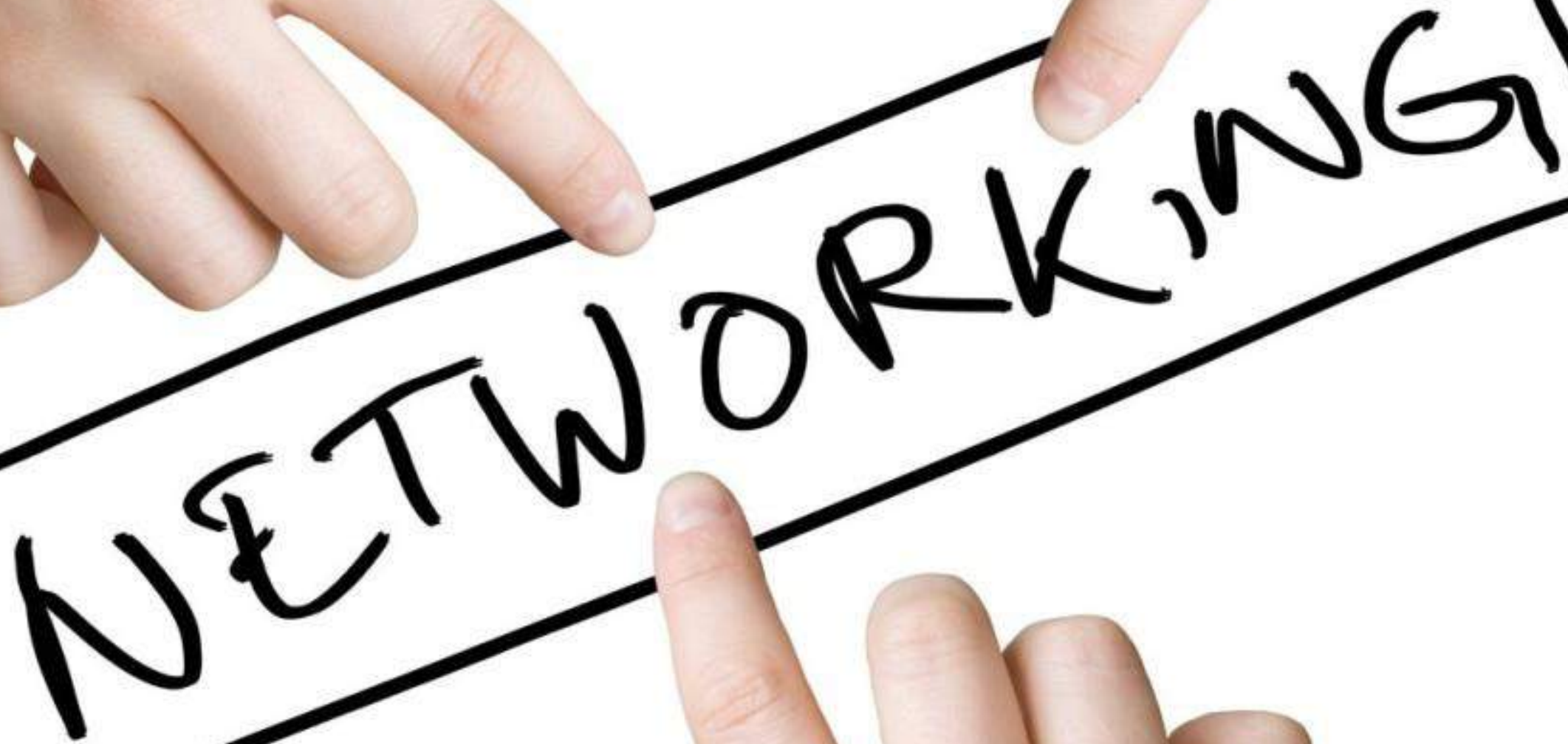
optimizing the fan experience for both placed and “displaced” fans
demand engaging, immersive experiences (closer to the action, the athletes, the stats, the other fans)
Atlético de Madrid, Tottenham, Everton, Sacramento Kings are building new stadiums
Real Madrid and FC Barcelona are searching for stadium optimization

Augmented reality (AR) and virtual reality (VR)



will allow teams and leagues to become more personalized and integrated into events, players' and fans' daily lives

And YOUR future in sports...

A hand-drawn rectangular box in black ink contains the word "NETWORKING" written in a bold, black, sans-serif font. Three hands are visible, with their index fingers pointing towards the word. One hand is at the top left, another at the top right, and a third at the bottom center. The background is plain white.

NETWORKING



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Adam White

Content Generation | Creative Media | CEO of Front Office Sports LLC

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Take-Two, 2K and the Problem That They Solved



The Sports Game Riddle: What NBA 2K Solved – Front Office Sports

The success has turned the franchise into a sports icon.

Like Comment



Reply to this conversation...



Adam White

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This group exists for anyone participating in the sports marketing industry to share about their experiences with their product or service. Also, you can share about your experiences specifically related to athletes, sports teams and associations.

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Spend a day in the life of the ultimate fan this October at Leaders Week

Promote Your Business
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Try GetResponse Enterprise and schedule demo!

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Sports Industry Network

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This is the largest sports professionals group online and I want to thank you all for being a part of this amazing community!

I started this group almost 8 years ago, and throughout this time, I've had the pleasure to meet and interview some of the gr... [Show more](#)

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The Sports Industry Network is a worldwide network of sports business executives and sports professionals in all areas of the sports industry (Sports marketing, sports PR, sports sponsorships, sports writers, sports media, sports and social media, s... [Show more](#)

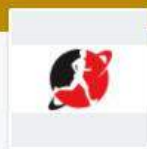
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Shashank Gupta

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