

Module 1. Strategy Development

Introduction

This module aims at showing the evolution and professionalisation of football clubs, and the significance of business tools, such as strategic planning, for sports organizations.

Twenty years ago, clubs were mainly interested in sports-related aspects, sponsorship contracts, TV and partners. Nowadays, the landscape surrounding a club is much more complex and many stakeholders (fans, institutions, etc.) and channels (social networks, websites, etc.) have to be considered.

The relationship with the fan has changed, as have the products they consume - they no longer only watch matches live, they also want to know what the players do before they go onto the pitch (behind the scenes) or buy limited edition shirts. This is why new professional roles that are specific and typical of the business world are needed.

In this setting, clubs not only represent a sporting space, but a professionalised space, where players' contracts have been perfected, agreements with sponsors have increased, and sport-specific streaming platforms have been developed, to name just a few examples.

In order to manage clubs as businesses, the tools used by large corporations are needed, which is precisely why the strategic plan is so important for clubs and sports institutions.

Modernisation is pervasive at all levels and although, in general, it is the larger clubs that are leading this change, it is not unusual to see strategic plans in smaller clubs in the 2nd and even 2nd B divisions in Spain.

In this module, we will develop the phases or stages involved in the process of building a strategic plan along with the success factors and strategic opportunities that are to be considered when working on such a plan.

Unit 1.1. Strategic Planning - Dimensions and Stages of Development

The concepts of Strategy and Strategic Planning

Before looking in detail at how a strategic plan is developed, it is important to review the concept of strategy and its importance and impact on organisations.

*"Strategy is a pattern in a chain of decisions". **Henry Mintzberg.***

*"Without a compass, a ship would not find its harbour nor would it know how to estimate the time required to get there". **Peter Drucker.***

*"Strategy is the way to uniqueness". **Michael Porter.***

Therefore, we can say that a strategy is basically a plan, a roadmap that guides the different areas and people to achieve objectives. Therefore, the end result of a strategic plan is a list of actions to be carried out during a certain period of time in order to achieve all the set objectives.

In relation to football clubs or sports organisations, it is important to have a thorough knowledge of the club or institution in order to identify objectives, strategies and opportunities and then translate them into actions.

Clubs have realised that their financial outcomes are linked to their sporting results. When a club starts winning matches and titles, the club's presence in the media increases, potential sponsors who want to link their brand to that of the club increase, the number of fans and

the motivation of those who attend the club or watch televised matches grow, and so on. All this generates a virtuous circle that increases the income of the sports entity or club. In the case of continuous losses, the consequences are the opposite.

It must be noted that it is impossible to win indefinitely and that these virtuous circles are cyclical. For example, Sacchi's Milan, Ferguson's Manchester United, and so on. Therefore, it is important to try and decouple revenues as far as possible from sporting results. This means maximising revenue when in a winning cycle and minimising the drop in revenue when in a low title cycle. To do this, clubs work on finding new sources of revenue, a so-called diversification strategy. For this to work, it has to be done in an organised and structured way via a strategic plan.

Typically, strategic plans are made for a period of three to five years. It is not advisable to make them for longer than five years, as the context could change too much and this could render them invalid. In the strategic plan, it should be clear what you want to achieve, what your objectives will be and which strategies you plan to use to achieve them.

The strategic plan is important at all times: when things are going well and you are generating money and achieving your objectives, to know where to reinvest and what new objectives to define; but it is also, and perhaps even more important in not so good times, as the strategic plan will help to avoid deviating from the course you have set and to see how to reverse the situation.

This plan also helps to prioritize which aspects to focus on in the future and to define to which issues the organization's resources will be assigned.

Let us go over the benefits of developing a club's or sports organization's strategic plan:

- Setting a strategic path for the club (prioritisation of objectives).
- Focusing on precise and important objectives.
- Defining how to achieve these objectives (plan actionability).
- Structuring the objectives within set timeframes (annual, six-month, etc.).

Who should develop the strategic plan?

It is interesting to consider who is in charge of strategic planning within an organisation. In this regard, depending on the size of the organisation or club, there may or may not be a specific department in charge of this task. Ideally, it is the strategy or strategic planning department that is in charge of developing it.

In the case of small clubs that do not have this department, it should be the area or person who has a cross-cutting view of all areas of the club, both internal and external, and who is aware of what is going on in them. Ideally, this should be a person with a mindset oriented towards analysis and innovation.

This task can be carried out by the CEO (Chief Executive Officer), supported by the operations director or manager, as well as the finance department or manager, as any strategic plan must be in line with the club's business plan.

It is therefore essential to understand the processes, resources and current situation of the organisation in order to focus on the strategic plan.

In addition, other areas of the organisation will need to be involved in the development of the strategic plan, of which we can highlight the following:

- General Management
- Human Resources
- Revenue and/or Operations
- Finance and/or Corporate
- Sports Management
- Innovation
- Sustainability
- Brand
- Transformation and/or Information Technology

Strategic Plan Development: Dimensions and Phases in its Development

Once we know why the strategic plan is important in the sports industry in particular and the departments involved in its development, we will look into how a strategic plan is made.

The strategic plan usually has six distinct parts, each of which has an objective.

1. Context
2. Values, vision and mission
3. Pillars and strategic objectives
4. Definition of projects and actions
5. Economic plan and resource analysis
6. Monitoring and control

1. The first step in strategic planning is analysing and understanding the context

As discussed in the previous section, it is very important, in this step, to talk to all key people to understand the club's context. Talking to them will help to better understand what they

do, what they need, what the main challenges and best practices are, what things can be improved and be done more efficiently.

Consider the following example. In the event that a club is going through an economic crisis, the strategic plan should propose how to reverse that situation considering the external and internal context at that time.

Regarding the internal context, the SWOT matrix is normally used for its analysis.

The acronym SWOT is an acrostic of strengths (positive assets that we have), weaknesses (negative assets that should be eliminated or reduced), opportunities (positive aspects that we can take advantage of using our strengths) and threats (external negative aspects that could hinder the achievement of our objectives).

The SWOT matrix is an analysis tool that can be applied to any situation, individual, product, company, etc., that is the object of study at a given moment in time.

It is like taking an "X-ray" of a specific situation of the particular thing that is under study. The variables analysed and what they represent in the matrix are particular to that moment in time. After analysing them, strategic decisions must be made to improve the situation in the future.

The SWOT analysis is a tool that makes it possible to paint a picture of the current situation of the object of study (person, company, organisation, etc.) and, in this way, to get an accurate diagnosis that enables decisions to be taken in accordance with the objectives and policies formulated.

The primary objective of SWOT analysis is to draw conclusions on how the object under study will be able to cope with changes and turbulences in the context (opportunities and threats) on the basis of its internal strengths and weaknesses. ("¿Qué es la matriz FODA?" ["What is a SWOT matrix?"], n.d., <https://www.matrizfoda.com/dafo/>).

The four factors in the SWOT analysis are thus defined:

On an internal level (over which one has control).

- **Strengths:** the venture's attributes (tangible and intangible) and special capabilities that are useful for achieving its objectives "and allow it to have a privileged position vis-à-vis the competition" ("Análisis de la matriz FODA" ["SWOT Matrix Analysis"], n.d., http://contenidosdigitales.ulp.edu.ar/exe/sistemadeinfo_gestionmicro/anlisis_de_la_matriz_foda.html) (developing a competitive advantage).

- **Weaknesses:** the venture's attributes that are detrimental to the achievement of its objectives and cause it to have an unfavourable position vis-à-vis the competition (competitive disadvantage).

On an external level (over which one has no control)

- **Opportunities:** external conditions that are useful for achieving the venture's objectives, growth and profitability.
- **Threats:** external conditions that could negatively impact the venture's performance.

We will look at some examples of these elements:

Examples of strengths that give a venture a competitive advantage may include:

- An experienced team working together.
- Good reputation among customers.
- An existing customer base.
- Cost advantages, know-how, etcetera.
- Low manufacturing costs.
- An experienced project team.
- Good access to distribution channels.
- A good quality product in high demand.
- Promotion advantages, such as advertising, public relations, word of mouth and point of sale.

A weakness is defined as the absence of competitive strength. For example:

- Lack of equipment.
- Lack of technical expertise in the team (if needed).
- A weak brand.
- Poor reputation among customers.
- Poor decision making orientation based on previous measurements.
- Undirected growth.
- Failure of the management team's leadership.
- Poor online presence.
- Disorganised processes.

- Non-optimised cost structure.
- Lack of access to quality raw materials or natural resources.
- Lack of access to key distribution channels.
- Low levels of customer retention.

Analysis of the external context may reveal opportunities for increased sales and ventures growth. Some of these may include:

- Availability of public funding.
- Alliances with companies in the same segment.
- Creation of an advisory board.
- Growing market segment.
- Knowledge of new trend technologies.
- Incorporation of social media into the marketing strategy.
- Competitors withdrawing from the market.
- Crowdfunding.
- Changes in consumer habits.
- Possibility of acquisition of a competitor.
- Creation of new distribution channels.

External contextual threats are the flip side of opportunities. These may include the following:

- Increased competition, due to the product becoming a trend.
- Negative socio-cultural changes.
- Technological changes that could render the product obsolete.
- New laws and regulations.
- Adverse macroeconomic conditions.
- Changes in consumer trends. Consumers becoming more demanding.
- Increasing trade barriers.

For ease of analysis and availability of information, the SWOT analysis is presented in the form of a 2 x 2 matrix.

Figure 1: SWOT matrix



Source: [Image without title about SWOT matrix]. (n. d.). Retrieved from <https://aulasdeemploytrabajo.wordpress.com/2017/05/20/dafo-analisis/>

Original	Translation
Aspectos negativos	Negative aspects
Aspectos positivos	Positive aspects
origen interno	Internal origin
Origen externo	External origin
Debilidades	Weaknesses
Carencias y limitaciones desfavorables propias	One's own unfavourable shortcomings and limitations
Fortalezas	Strengths
Características y habilidades favorables propias	One's own favourable characteristics and skills
Amenazas	Threats
Factores externos desfavorables	Unfavourable external factors

Oportunidades	Opportunities
Factores externos favorables	Favourable external factors

SWOT Analysis Applied to a Sports-related Business

HomeCourt is a startup based in San Jose, California, that proposes a new way of training. By combining artificial intelligence and computer vision, the app in question is capable of capturing and analysing the quality of variables such as shooting accuracy, speed, vertical leap and ball release time. It is a quick and easy way for the user to develop basketball skills without the need for a coach.

Weaknesses

- Developing team: there's a need to hire and train many new employees.
- Being new to a given market.
- High costs of user acquisition.
- Teams with language training needs.
- High fixed costs.

Threats:

- An area in continuous change and development.
- Competition: the competition may develop new marketing campaigns.

Strengths:

- *HomeCourt* and the NBA are partnering to deliver a new mobile basketball training experience for the next generation of players.
- Unique training experience.
- Patented technology.
- Marketing: aggressive, focused and targeted marketing campaigns with clear objectives and strategies.

Opportunities:

- It targets a trending sector worldwide: sport and health care.
- Partnerships with major sports brands.

The SWOT analysis should not be limited to a diagnosis; most importantly, the information gathered should be used to identify new strategies and define new objectives (or modify what was planned).

Generally speaking, from the information gathered in a SWOT analysis, action plans can be created with the following aims:

- **Leveraging strengths.** The SWOT analysis helps to identify the areas of the venture that perform well. These areas give the venture a competitive advantage and represent its unique success factors. Identifying these strengths helps to focus on maintaining them in order not to lose the competitive advantage. Scaling up the venture involves finding ways to use and develop these strengths.
- **Minimising weaknesses.** As previously mentioned, weaknesses are the characteristics that put the venture at a disadvantage compared to the competition. Conducting a SWOT analysis can help to identify these characteristics and minimise or improve them before they become a real problem. When conducting a SWOT analysis, it is therefore important to be realistic about the venture's weaknesses.
- **Seizing opportunities.** The SWOT analysis helps to detect opportunities that could be exploited to obtain higher profits and market growth. Opportunities are created by external factors, such as new social networks, consumer trends, changes in distribution platforms, changes in the market, among others.
- **Counteracting threats.** Since threats are external factors that could cause problems for the venture, for instance market changes, a new advertising campaign from a competitor or a new government policy, a SWOT analysis helps to identify these threats and ways to counteract them according to the venture's strengths and weaknesses.

In addition, it is possible to combine data from the different aspects:

- ✓ **Exploring how strengths and opportunities can be combined to develop new strategies.**
- ✓ **Combining strengths and threats to identify those that can be overcome.**
- ✓ **Analysing weaknesses and opportunities to create a list of areas for improvement.**
- ✓ **Listing aspects to avoid them becoming weaknesses or threats.**

It is very important to analyse not only internal aspects, but also external factors, such as political, economic, social, technological, environmental and legal issues.

A widely used and recommended method for external analysis is PESTLE.

Figure 2: PESTLE analysis



Source: [Image without title about PESTLE analysis]. (n. d.). Retrieved from <https://glutenfreecornerblog.wordpress.com/2016/12/11/analisis-pestle/>

Original.	Translation
Políticos	Political
Económicos	Economic
Sociales	Social
Tecnológicos	technological
Ecológicos	Environmental
Legales	Legal

If we do not have a sound and consistent analysis and diagnosis, the conclusions we will come to may be wrong, and so when we try to implement the plan, it may not be feasible to do so. It is therefore important to devote adequate time to this part of strategic planning.

It is important to understand that it is not the same to make a strategic plan for Manchester United as it is for Milan, Juventus, Madrid or Barcelona. Each has its own characteristics and its own way of working and implementation.

For instance, one of the characteristics that makes Barça different is that the club depends on the members. All the club's important decisions (such as building a new stadium, changing the statutes, changing the crest, to cite a few examples) require the approval of the members and they do not always allow actions to be taken that would make sense from a purely business point of view.

For example, in 2018, an attempt was made to change the crest for a much more modern image that would have more marketing appeal, but the members did not accept this. Juventus and Atlético de Madrid were able to modernise their crest without the need for approval from their members because, Juventus is a listed company and Atlético is part of an investment group.

This factor means that, normally, decision-making and execution of important decisions is usually more time-consuming, less agile and requires additional work.

In Spain, there are only four teams that have the same structure as FC Barcelona: Real Madrid, Athletic Bilbao and Osasuna. Therefore, it is very different to devise plans for these types of clubs than for others.

Another example that differentiates FC Barcelona from other sports clubs is that it has six professional divisions (football, women's football, basketball, roller hockey, futsal and handball).

All of these club-specific characteristics have to be considered in the club's strategic plan.

2. The second step is to define the club's values, vision and mission.

Although, in general, this section tends to be undervalued, it is one of the most important points of the strategic plan, as it defines in one sentence what the club wants to achieve and the motivation that drives the organisation.

- The values are the beliefs of the club. They are very important as they will guide the club's actions. The values determine the character of the club. **FC Barcelona's values are "humility, effort, ambition, respect and teamwork"** ("Valores" ["Values"], n.d., <https://www.fcbarcelona.es/es/club/identidad>).
- The vision is the future image of the club, what it expects to achieve or where it expects to go, not the goal. The vision is the image of the desired future that is to be achieved. FC Barcelona aims to change the world through sport.

- The mission is the foundation of the club's existence. **FC Barcelona's mission "is to be the most admired, loved and global sports institution"** ("Objetivos y proyectos del plan estratégico 2015-2021" ["Objectives and projects of the strategic plan 2015-2021"], 2017, <https://media-public.fcbarcelona.com/20157/27064491/650347/1.0/650347.pdf?t=1490033981000>). The mission should be very ambitious and aspirational.

Both the vision and the mission will provide the starting point to identify the strategic pillars and the actions to be taken.

It is very important to be clear about the vision before defining the next steps. This will be an iterative process. When identifying the pillars and actions, the club's mission and vision tend to be reviewed to ensure that they are linked to all the projects and actions to be implemented.

3. Next, we move to the third step, where the strategic pillars and objectives for the club are identified.

"A good strategy starts with having the right objective." Michel Porter. ("Las grandes lecciones de Michel Porter, el padre de la estrategia empresarial" ["The great lessons of Michel Porter, the father of business strategy"], n. d., <https://www.ieb.es/las-grandes-lecciones-de-michael-porter-el-padre-de-la-estrategia-empresarial/>).

"Following the strategy, the tactics or actions to achieve the strategy must be determined. Concentrating on only one or a few actions is one of the most common mistakes in strategy." Michel Porter. ("Las diez mejores ideas de Michel Porter sobre estrategia en Expomanagement 2011" ["Michel Porter's top ten ideas on strategy at Expomanagement 2011"], 2011, <https://www.luismaram.com/las-10-mejores-ideas-de-michael-porter-sobre-estrategia/>).

As Michael Porter states, the identification of the strategic pillars is fundamental for the development of a good strategy, as they will set the objectives and actions that will then be developed.

The strategic pillars are the topics on which the strategic plan must be based in order to achieve the club's mission and vision.

For example, if it is said that Barça wants to be a global institution, one strategic pillar must be the expansion and globalisation of the brand.

As you go through the steps of this process, you may identify topics that have not arisen before or that can be thought of and grouped in a different way from what was originally proposed. Therefore, it is important that from step 3 to 5 there is always a back and forth analysis, which is why what is defined is not immutable, but can be modified or points may be added that were not initially incorporated.

Once the pillars have been defined, the objectives that will be linked to each of the pillars are identified. There can be more than one objective per pillar. Following the example of Barça's brand globalisation, one objective could be to reach the highest number of followers on social networks.

As the strategic plan is implemented, there will be checkpoints with key people within the organisation to ensure that the plan makes sense overall.

4. In the fourth step, projects and actions are defined.

Once the objectives are defined, the description of the projects to be carried out in order to achieve them is carried out. The projects or actions must be actionable and measurable, so it is important to specify and detail each project and action.

Following the previous example of globalising the Barça brand, if you want to be number 1 in followers on social media, you should draw up a plan to reach your goal. In this case, new social networks could be opened in addition to the existing ones, in the Chinese market, for example, such as TikTok or WeChat.

It is also important to consider the time variable, because many actions are mutually dependent, so analysing and structuring them from topic to project and from project to action also helps to arrange them over time.

In the end, each project must have a beginning and an end, and it must be divided in order to achieve different goals. For example, if you want to open the WeChat channel, you first need to create content in Chinese, and it is likely that you will need to hire an agency to do so.

Going back to point 4, you need to analyse and understand the context, define your vision, mission and values. Then, identify the strategic pillars and what the long-term objectives will be and, finally, define the projects and actions.

5. Once you know what you want to do and where you want to go, you can move on to the fifth step, which is related to economic feasibility.

At this point, you already have the skeleton of the strategic plan and now it is time to determine whether you have the adequate (financial and human) resources to be able to carry out the established plan.

Clearly, it is very difficult to define exactly how much it will cost to carry out the actions, but it is important to have a general idea of how much is needed to achieve the different objectives.

For example, if you want to launch an e-commerce site, you need to work on financial projections to understand both how much its implementation will cost and how much revenue it will generate.

It is also important to know how many people will be needed, and here is the people-related plan. When making the business plan and the strategic plan, both are linked to an increase or decrease in the structure of the organisation. That is, if you want to open new departments, for example, you will need to invest in that direction, as that will mean hiring more staff.

Professional services, such as consultancies or agencies, are often used for the development of specific projects, and in this way avoid making the structure of the organisation grow excessively.

Another example, an important objective in Barça's strategic plan (2015/2021) was to professionalise the women's football team ("Objetivos y proyectos del plan estratégico 2015-2021" ["Objectives and projects of the strategic plan 2015-2021"], 2017, <https://media-public.fcbarcelona.com/20157/27064491/650347/1.0/650347.pdf?t=1490033981000>); they worked on it and, at the end of 2021, they reached the Champions League final. This was the result of a strategic plan decision. Therefore, there was a lot of analysis and planning on how to professionalise the team to try to win the most important titles at the end of 2021, how much could be invested in players, in staff, how many people would be needed, how much would have to be invested in training grounds, materials and all the necessary resources.

Once the amount that could be invested in each project (in terms of revenue, costs and investments) has been quantified, the organisation's business plan has to be consolidated and presented.

6. Finally, the sixth step is monitoring or control.

It is not advisable to draw up the strategic plan and measure it in five years, when the deadline is approaching. Ideally, each department should review the objectives on a monthly basis and then consolidate the review of the entire plan every six months. It is important to understand how progress is being made and, if necessary, make adjustments.

Also keep in mind that plans are not linear, which means that, if it is a three-year plan, one third of the things have to be done in the first year. Generally, a lot of things are done at the beginning (quick wins) and then there is a decrease (start of long-term initiatives) and the consolidation part of the plan. It is at the end of the plan that all the benefits of these longer-term initiatives should be recognised.

It is extremely important to be particularly clear about what the priority projects are. And, for this reason, it is also important that the club, not only has a strategic plan, but also a balanced scorecard, a tool that we will see later, which allows for monitoring the work that is being done.

It is also important that this monitoring serves to update or replace the actions already defined, in case of changes within the context or the organisation that require so. It may be that in the third or fourth year, because of certain things that have happened in the club, there may be things that need to be modified.

For example, it is defined that a target amount of millions is to be achieved by the end of the plan. And, if in the first years the club is far below this, the realistic value is lost and the organisation may become demotivated by the fact that the defined objectives will not be achieved. Therefore, in order for all people to be on the same page, it is also important that results are measured, but that they are adjusted to the changing reality, if necessary. This does not mean that they can be updated downwards if they do not reach the targets, but if the distance is insurmountable, it is important that measures are taken to adjust or close the gap.

Unit 1.2. Strategy: key success factors and strategic opportunities

Key success factors

Having analysed how a strategic plan is put together, we will now look at the key success factors.

Key success factors are all the key elements or causes that must be ensured to happen in order to guarantee that the defined objectives are met. Key success factors are based on past experience and define which points are important or which elements must be taken into account in order to increase the likelihood of success.

In this process, it is essential to consider the characteristics of the industry in which you are working, and if you do not understand in detail how it works, you should research it in depth, in this case, in the sports and entertainment industry.

In order to carry out the strategic planning of the organisation, a thorough analysis must be carried out both externally (industry, sector) and internally (organisation), so that, as a result of this analysis and diagnosis, the objectives and actions to be carried out are defined.

It is therefore important, not only to take into account the sports and business dimensions, but also to consider the political, social and economic dimensions of the club.

The use of frameworks can help in discovering the club's strengths and weaknesses, as well as areas for improvement.

Another important aspect to consider when working on a strategic plan is to dedicate the necessary time to it. A thorough and comprehensive analysis and detailed planning cannot be done in one week, as it is very likely that the necessary elements will then not be in place. In

this process, it is important to talk to the key people, to understand the background and to define objectives and strategies for implementation.

Usually, the creation of the strategic plan takes between three and nine months, depending on the club's complexity.

Another very important issue is to have the full support of the club's management and executives, hence the importance of talking to the key people in the process of information gathering and analysis, because you can make an excellent strategic plan, but if the club's management does not agree, they will not give the necessary support so that all areas are committed to working in line with the plan in order to achieve the objectives. Management support is key to proper and successful implementation.

As mentioned above, it is also necessary that the plan is motivating, but realistic; it is no use setting objectives that are so ambitious that they are not achievable with the organisation's current resources and position.

If, for example, we consider a second division club and we want it to be in the Champions League in three years, it would be truly very ambitious and also unrealistic, since the plan would ideally be to move up to first division in the first year, be among the top four in the second year and win the Champions League in the third year. If objectives are not realistic, the plan may become a strong de-motivator for all the members of the organisation.

Another very important point is to share the plan with the departments involved. To achieve results, the organisation needs to be on the same page, and to get everyone aligned, it is important to have a good communication of the plan, either in large sessions or in individual sessions with the heads of the departments. The objectives of the departments need to be geared towards achieving the actions in the plan. The commitment of all club members is necessary to achieve the objectives set. Once the club's objectives have been defined, they will then be translated down to area or department level and, finally, to individual objectives.

The control and monitoring of the plan is also a fundamental issue in order to evaluate, on a day-to-day basis, how the club is working towards the achievement of the objectives set. Monitoring progress and deviations is key to making adjustments. There will be circumstances, for example, covid-19, which may lead to rethinking and revising the strategic plan.

In the sports industry, it is not advisable to define a plan for more than five years. There are more stable sectors, but this is not the case in sports and entertainment.

In conclusion, the factors to be controlled for a successful strategic plan are the following:

- The plan should not extend over 5 years; ideally, it should be drawn up over 3 years.
- It is necessary to have a global vision of the whole club and departments.

- Considerable time must be devoted to understanding the club and its internal processes.
- There must be support from the management and executive team (CEO and key people in the organisation).
- The plan must be demanding and ambitious, but realistic.
- The plan must be well communicated to all departments involved.
- It is necessary to align the objectives of the departments with those of the plan.
- It is essential to regularly monitor and adjust the plan if necessary.

Strategic opportunities

Another important point to work on in the process of putting together the strategic plan is to identify strategic opportunities that will then be translated into objectives and projects.

Strategic opportunities are related to circumstances or factors in the context that are optimal and timely for achieving the defined objectives.

To be able to identify them, one must be attentive and up-to-date with what is happening in the sport sector and industry, going from the general to the specific, analysing what is happening in the club's context or market, having a very good knowledge of the institution and interacting with all the people involved on a day-to-day basis, especially with the key people in management and decision making.

A concept that is widely applied in the industry is that of *benchmarking*.

We can define this concept as a technique that consists of looking at the best practices carried out by other companies and taking them as a reference. These companies can be direct competitors or organisations that belong to another sector. The objective is to carry out these practices in-house and add the improvements deemed appropriate.

This concept is based on the idea that, at present, everything has already been created and that it is therefore difficult to create anything new. It is intended to convey that it is not necessary to spend money or time, as long as we can look to benchmark companies to improve their practices and obtain better results.

Benchmarking is not about copying the competition, but learning from their actions and achievements in order to subsequently apply what we have learned and introduce the necessary changes for continuous improvement. (“¿Qué se entiende por *benchmarking* y cómo aplicarlo?” [“What is

benchmarking and how to apply it"], 2017, <https://www.im.education/blog/que-es-benchmarking-y-como-aplicarlo/>).

Along these lines, Barça also takes into account what other clubs and leagues do; for example, the NBA, although it plays a different sport, it is part of the sports sector and the club works to identify the experience of all the fans inside the stadium, as they have a much more developed process.

Barça also analyses what Formula 1 is doing, how they treat the VIPs who go to Monte Carlo, as an example of best practices in the management of boxes.

It also considers what is done at Disney or Netflix, how they work in terms of customer experience in entertainment, the user experience when using the streaming platform, among other items.

Therefore, in this exercise, clubs can be compared with other sectors or with other sports and then go on to analyse how to adjust or apply those to the club.

As we have seen, in the strategic process it is essential to be very clear about which variables to analyse.

In the identification of opportunities, it is necessary to work on the institution's processes. By being clear on the process maps, understanding the flows for each of the club's activities and which process it follows, it will then be easier to identify the gaps to work on in order to achieve efficiency improvements. In other words, it is important to identify where you are now, what you are doing and where you would like to go; this provides strategic information that should certainly be considered in the plan.

It is not only the processes that provide information, but also the club's historical data or data from external sources such as consultancies. An analysis of the data could help to identify new market segments that are not currently covered, new products or services, or new uses for existing ones. At Barça, for example, a new segment that the organisation has been working with for some time now is young women. After detecting a strong increase in social networks and club data on this segment's interest, they are working on specific campaigns with women's football content, among other initiatives.

Changes in policies or legislation can also be a source of new opportunities. For example, when the Bosman Act came out, it changed the policy on player transfers across clubs within the European Union. This gave clubs the opportunity to sign more players who were not from the home club's country. The "rules of the game" changed and opportunities arose, in this case, in the transfer of players.

Access the complete case on:

Bosman Act. (n. d.). My football training. Retrieved from <https://www.misentrenamientosdefutbol.com/diccionario/ley-bosman>

Another alternative is to work on disruptive or innovative processes. The most widespread today is the use of technology.

One example is the use of CRM platforms where all the fans' information is integrated, where their characteristics are registered, the times they attend the stadium, the tickets they have bought, if they have purchased special products such as T-shirts or other similar products, among other information that these CRM systems allow to save for later work.

Having a lot of information and having it available in an easy and simple way may lead to cost reductions and may also identify micro-market segments to target.

Another example of disruptive technology that is offering many opportunities is artificial intelligence. The application of new technologies makes it much cheaper to process data and, consequently, to gain knowledge of the club or the market, potentially helping in the detection of strategic opportunities.

Opportunities do not always come from increased revenues, they can also come from cost reductions (which are more efficient).

In conclusion, strategic opportunities may arise from the following circumstances:

- Process improvements (efficiency gains).
- Identification of new uncovered market segments.
- Emergence of new legislation or policies.
- Disruptive market changes, such as technology or artificial intelligence.

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