

# Module 4. Football clubs (including Barça)

## Introduction

In the previous modules we have seen the governing bodies of football at all levels, and the way in which the main sports competitions operate.

What remains to be covered is the structure and operation of football clubs. For this reason, we will look at what types of clubs there are and how their governance models are structured. In addition, we will discuss the factors that condition their operations and look at an example.

## Unit 4.1. Organisational models in football clubs

In recent years, there has been a global transformation process of football clubs, which implies a change of model.

Clubs whose main objective has historically been to optimise their sports performance are going through a commercialisation process that is geared towards increasing profits and generating entertainment as a consumer product.

First of all, it is necessary to identify the different types of club ownership and then to detail the usual organisational model in each case.

### 4.1.1. Types of clubs

In this first section, it is important to distinguish the different types of clubs, which has to do with their ownership and governance models. Mainly, we distinguish between traditional clubs and sports limited companies.

#### Traditional sports clubs

Traditional sports clubs are those that preserve their original governance model, as do most clubs: they are owned by the members, those who have shaped or even created the club. Their objectives do not usually have to do with making money directly, but with sports and even social issues. These clubs are allowed to carry out activities that could be considered business activities, in addition to their own activities for their own purposes, as long as the profit is for the sustainability and sports performance of the club itself, or to participate in community actions with social impact.



## **Corporate clubs: sport limited companies (hereinafter Ltd.) or private companies.**

Corporate clubs are companies in the sports sector, which are supported by contributions from shareholders and investors. One of their objectives is for their owners to make a profit, and it is their shareholders and investors who elect a board of directors to represent them. As companies, such clubs can be listed on the stock market.

## **Differences in implementation: case studies from the five major European leagues**

There is not a homogeneous structure applied worldwide, so within the two previously described typologies, there are many variations; hence, we will look at some salient cases that will help to understand this aspect.

### **The case of the German Bundesliga: the 50 + 1 rule**

It is possible to combine the two typologies. A great example of this is the Bundesliga clubs in Germany, where the 50 + 1 rule is applied.

The Bundesliga prioritises maintaining member ownership on the basis that it is beneficial to the essence of the clubs that have traditionally been run by the members, but without closing the door to external investors. To this end, the 50 + 1 rule is a term used to refer to the regulation of the German Football League (DFL), which states that, in order to obtain a licence to compete in the Bundesliga, a club must have a majority of voting rights by its members, i.e. 50 % plus 1 vote, thus securing this model for the clubs.

As most countries did with each national federation, in this case, the German Football Association (DFB) allowed clubs to convert their teams into public or private limited companies, so that they could improve their economy; however, with the 50 + 1 rule of the competition, the member-ownership model was maintained.

Notably, Bayern Munich has the highest number of members: more than 290,000.

### **Figure 1: Table with number of members per club**





Source: Bundesliga, n.d., <https://bit.ly/3HA4k2R>.

Original	Traducción
Club	Club
Socios	Members
El Club mas grande del mundo	The largest club in the world
Datos facilitados por el departamento de prensa de los clubes	Data provided by the clubs' press department

On the other hand, it is worth noting that their shareholding is distributed as shown in Figure 2.

**Figure 2: Bayern Munich's shareholder structure**



Source: FC Bayer, n.d., <https://bit.ly/3CvyjoX>.

As exceptions to this rule, there are cases where a person or company has substantially financed a club for a continuous period of at least 20 years; in such cases, the investor is given the possibility to access a majority stake in the club. Three examples are Bayer Leverkusen - owned by the pharmaceutical company Bayer -, Wolfsburg - owned by the car company Volkswagen - and Hoffenheim - owned by Diettm Hopp, founder of the SAP company.

Another prominent example is RB Leipzig - owned by the Red Bull company - which bought its stake from a fifth-division team and has been climbing through the ranks to reach the semi-finals of the UEFA Champions League in the 2020-2021 season.

For a more detailed analysis, you can read the following article:

Source: **Bundesliga**, (n.d.). *FC Bayern München, the largest club in the world: more members than FC Barcelona, River Plate and other Bundesliga clubs*. Retrieved from <https://www.bundesliga.com/es/noticias/bayern-munich-hinchas-socios-afiliados-dortmund-schalke-barcelona-river-474691.jsp>.

The one described above is not the only control mechanism in the Bundesliga; there is also an equal distribution of TV rights, so that already in the 2009/2010 season, the difference between the team with the highest (Bayern Munich) and the lowest (Hoffenheim) fee was only fifteen million euros.

### The case of Spain: contrasting models

Spain is notable for hosting the two most valued football clubs in the world (FC Barcelona and Real Madrid, according to Forbes, 2021), both of which are managed by their members. In contrast, the country is dominated by investor-owned clubs.



### Figure 3: Tables of valuable football teams worldwide

La versión estadounidense de 'Forbes' publica un año más la lista anual de *Los equipos de fútbol más valiosos del mundo*. Así queda la clasificación:

1. **F.C. Barcelona: \$4.760 millones**
2. **Real Madrid C.F.: \$4.750 millones**
3. **Bayern de Munich: \$4.215 millones**
4. **Manchester United: \$4.200 millones**
5. **Liverpool: \$4.100 millones**
6. **Manchester City: \$4.000 millones**
7. **Chelsea: \$3.200 millones**
8. **Arsenal: \$2.800 millones**
9. **Paris Saint-Germain: \$2.500 millones**
10. **Tottenham Hotspur: \$2.300 millones**
11. **Juventus: \$1.950 millones**
12. **Borussia Dortmund: \$1.900 millones**

Source: Forbes 2021, <https://bit.ly/3FrZV01>.

Original	Traducción
La versión estadounidense de 'Forbes' publica un año mas la lista anula de Los equipos de fútbol más valiosos del mundo. Así queda la clasificación.	The US version of 'Forbes' publishes another year's list of The World's Most Valuable Football Teams. Here is the ranking.
Millones	Millions

Figure 4: Club value according to Forbes



## LA VALORACIÓN DE LOS CLUBS SEGÚN LA LISTA FORBES

Clasif.	Equipo	(Entre paréntesis, propietarios o máximo accionista)	Millones de euros
1.	 FC Barcelona	(Miembros del club)	3.996
2.	 Real Madrid CF	(Miembros del club)	3.988
3.	 Bayern Múnich	(SA, Miembros del club)	3.539
4.	 Manchester United	(Familia Glazer/EE.UU.)	3.526
5.	 Liverpool	(John Henry, Tom Werner/EE.UU.)	3.442
6.	 Manchester City	(Sheikh Mansour bin Zayed Al Nahyan/Emiratos Árabes)	3.358
7.	 Chelsea	(Roman Abramovich/Rusia)	2.668
8.	 Arsenal	(Stanley Kroenke/EE.UU.)	2.351
9.	 Paris Saint-Germain	(Qatar Sports Investments/Qatar)	2.099
10.	 Tottenham Hotspur	(Joseph Lewis, Daniel Levy/Reino Unido)	1.931
11.	 Juventus	(Familia Agnelli/Italia)	1.637
12.	 Borussia Dortmund	(Bernd Geske, Evonik Industries/Alemania)	1.595
13.	 Atlético de Madrid	(Miguel Angel Gil Marín Enrique Cerezo/España; Idan Ofer/Israel)	839,64
14.	 Inter de Milán	(Zhang Jindong, LionRock Capital/China)	623,85
15.	 Everton	(Farhad Moshiri/Irán)	552,48
16.	 AC Milan	(Eliot Management/EE.UU.)	469,36
17.	 AS Roma	(an Friedkin/EE.UU.)	460,12
18.	 West Ham United	(David Sullivan, David Gold/Reino Unido)	426,53
19.	 Leicester City	(Kun Aiyawatt Srivaddhanaprabha/Tailandia)	382,03
20.	 Ajax	(SA, Miembros del club)	346,77

Source: Mundo Deportivo, 2021a, <https://bit.ly/3ntLenf>.

Original	Traducción
La valoración de los clubes según la lista forbes	Club valuation according to the Forbes list
Clasif.	Ranking
Equipos	TeamsEquipos.
(Entre paréntesis, propietarios o máximos accionistas)	(In brackets, owners or main shareholders)
Millones de euros	Millions of euros

Let us now look at the reasons for the existence of these two very different types of clubs, as well as the effect they have had.

The first reason is related to the legal context in Spain. In the late 80s and 90s, most clubs were in a very bad economic situation, so the state intervened and a state sports law was passed to regulate all the bodies and entities in the practice of sport. To this end, the *Consejo Superior de Deportes* was created and it established the definition of a professional league, a sports federation and a club.

In the case of clubs, it was originally intended for all of them to be sports limited companies, as a rule, with their corresponding power and control mechanisms.

In Spain, there were four exceptions to this, i.e. four clubs that did not become SADs:

- FC Barcelona;
- Real Madrid;
- Athletic Bilbao;
- Club Atlético Osasuna.

The main reason was that they had a positive balance sheet during the last years, which meant that they were not in a loss-making situation and were therefore not obliged to benefit from this regime. The difference was that they were social entities, whereas the new sports companies had a clear business objective, which had an impact in terms of tax payments. The non-profit vocation of these four clubs has given them a different taxation regime.

This aspect has been debated for many years, and a few years ago the European court declared that these clubs had a benefit over the rest by paying less tax, so they had to face tax payments for the last 20 years.

Below, you can read some articles explaining what happened:

Source: **El País**, (2019). European Court overturns Brussels fine for illegal aid to Real Madrid, Barça, Osasuna and Athletic. Retrieved from [https://cincodias.elpais.com/cincodias/2019/02/26/companias/1551180941\\_514951.html](https://cincodias.elpais.com/cincodias/2019/02/26/companias/1551180941_514951.html).

Source: **El País**, (2021). *Barcelona, Real Madrid, Athletic and Osasuna must repay illegal tax aid to the State*. Retrieved from <https://elpais.com/deportes/2021-03-04/la-justicia-europea-sentencia-que-el-barca-el-real-madrid-el-osasuna-y-el-athletic-deben-devolver-al-estado-ayudas-fiscales-ilegales.html>.



In view of this situation, the obligation for all clubs to eventually become a sports limited company has been reviewed, all the more so as membership clubs also have their own control tools. For example, in the case of Barcelona and Madrid, the board has to present budgets and personally guarantee 15% of the expenditure budget, which makes the board subject to the possibility of having to enforce the guarantees, as well as to liability actions, which constitute strong warranties in this modality.

On the other hand, the change in club typology would have to undergo the assembly's scrutiny and would imply that the members discuss and agree by majority to become a sports limited company.

Finally, there are already some clubs that are managed by capital companies, so it should not be essential to be a SAD in order to take part in competitions. On the other hand, the SAD formula has not avoided high levels of indebtedness in many clubs, so the control mechanisms should be reviewed.

This is why the existing sports legislation has recently been amended to incorporate these changes, taking into account the fact that sports clubs have become more professional, and to include some recently debated concepts such as, for example, gender equality or social inclusion - aspects that were not included in the laws inherited from the 1990s.

Source: **Ministerio de Cultura y Deporte de España (Spanish Ministry of Culture and Sport)**, (2021). *The Council of Ministers approves the preliminary draft of the new Sports Bill*

Retrieved from <https://www.culturaydeporte.gob.es/actualidad/2021/12/211217-ley-deporte.html>

In general, it seems that the current scenario - dominated by sports limited companies, although still with large teams maintaining the traditional club format - will keep economic control and the club model in the focus of the debate for a longer time.

**Below, there are articles to explore this issue in more depth:**

Source: **Hay Derecho**, (2014). The failure of the Spanish Sports Limited Companies (SAD). Retrieved from <https://www.hayderecho.com/2014/02/25/el-fracaso-de-las-sociedades-anonimas-deportivas-en-espana/>

Source: **Palco23**, (2021). *The government is finalising the sports bill and the legislation on professionals in the field*. Retrieved from <https://www.palco23.com/entorno/el-gobierno-ultima-la-ley-del-deporte-y-la-de-profesionales-del-sector.html>



Source: **Asociación Española de Derecho Deportivo** [AEDD] (Spanish Sports Law Association), (2021). The 4 clubs not converted into sports limited companies affected by the CJEU ruling. Retrieved from <https://aedd.org/noticias-derecho-deportivo/noticias-de-actualidad-derecho-deportivo/item/1591-los-4-clubes-no-transformados-en-sociedades-anonimas-deportivas-afectados-por-la-sentencia-del-tjue>

## The case of large investment groups and franchised teams

As far as the main European countries are concerned, we highlight that there is an impact on their competitiveness produced by large investors from the main European clubs, with a few exceptions. These clubs have positioned themselves in the sports elite with short or medium-term results in terms of sports performance.

Figure 5: Chelsea FC win the 2020-2021 UEFA Champions League after being the club that spent the most on transfers



**MUNDO DEPORTIVO**

### El Chelsea, campeón tras invertir 270 'kilos' en fichajes

- El Chelsea gana la Champions y toca el cielo de Oporto

Celebración de los jugadores del Chelsea. / Manu Fernandez / Manu Fernandez / AP

Source: Mundo Deportivo, 2021b, <https://bit.ly/3DzhZVM>.

The sports industry is becoming more industrialised: not only are there investors who own clubs, but there are also investment groups and large corporations that own several clubs. These groups, under the same brand name, buy slots for teams in sports competitions and create their franchise; sometimes they even change the name of the club and, sometimes, re-founded the club.

In contrast, the cases of Red Bull GmH and the City Football Group stand out. In the first case, the Red Bull company seeks to position itself in the sports market by following its brand strategy. In this case, the company owns the clubs Red Bull Salzburg (Austria), RB Leipzig (Germany), Red Bull (Brazil) and New York Red Bull (United States).



Source: Eurosport

[https://espanol.eurosport.com/futbol/informe-eurosport-red-bull-las-alas-del-futbol\\_sto4617046/story.shtml](https://espanol.eurosport.com/futbol/informe-eurosport-red-bull-las-alas-del-futbol_sto4617046/story.shtml)

You can read about the Red Bull franchise below:

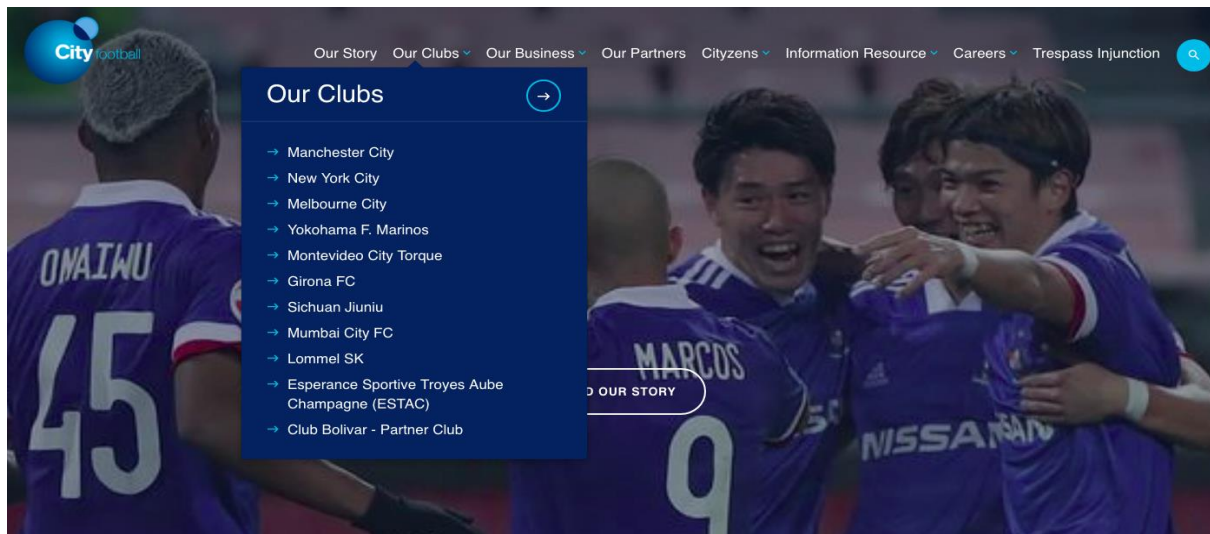
Source: **Red Bull**, (2017). *Red Bull and football, do you know our teams?* Retrieved from <https://www.redbull.com/mx-es/red-bull-y-el-futbol-%C2%BFconoces-nuestros-equipos>.

In the second case, the City Football Group is based on Manchester City FC (England, Premier League) and franchise teams in most confederations, such as New York City FC



(USA, MLS), Melbourne City (Australia, A-League), Yokohama Marinos (Japan) or Girona FC (Spain).

Figure 6: City Football Group's Teams



Source: screenshot of the City Football website ([www.cityfootballgroup.com](http://www.cityfootballgroup.com)).



Source: KPMG Football Benchmark research and media reports

Source: KPMG,

More information in the following article:



<http://www.strategyinsport.com/sport-corporations-a-temporary-trend-or-a-new-era-cfg-business-development/>

<http://www.strategyinsport.com/sport-corporations-a-temporary-trend-or-a-new-era-part-1/>

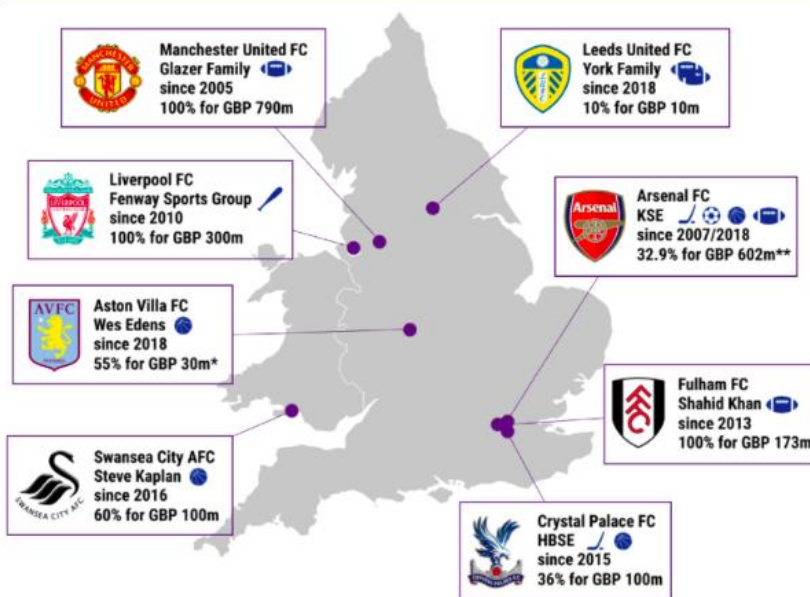
<http://www.strategyinsport.com/sports-corporations-part-3-3-city-football-group-evaluated-by-consulting-tools/>

The main owner of the City Football Group - the only one until 2015 - is the Abu Dhabi United Group with 77% of the shares; the rest is shared between China Media Capital Consortium (13%) and Silver Lake (10%).

Let us take a look at foreign investment in the top five European leagues:

The English Premier League is the competition with the highest presence of foreign investors. In total, 80% of its teams are owned by non-English owners. American investors are particularly prominent: Liverpool FC (Fenway Sports Group), Manchester United (Glazer), Aston Villa (Wes Edens and Nassef Sawiris), Crystal Palace (Josh Harris, Steve Parish and David Blitzer), Fulham (Shahid Khan), Arsenal (Kroenke), West Ham (David Sullivan, David Gold, Albert Smith), Leeds United (Andrea Radrizzani and San Francisco 49ers), Manchester City (Silver Lake, Abu Dhabi United Group, China Media Capital and CITIC Capital) and Burnley (ALK Capital).

### Major investments in UK football clubs by US sports owners



Source: KPMG Football Benchmark research, reported values  
\*Together with Nassef Sawiris (NSWE)  
\*\*67.1% of club shares were bought by KSE already in 2007, fee n. a.

Source: KPMG



[https://footballbenchmark.com/library/pandemic not discouraging football club investors](https://footballbenchmark.com/library/pandemic_not_discouraging_football_club_investors)

There are also foreign investors in the Premier League: Aston Villa (Egypt), Leeds (Italy), Manchester City (EA and China), Newcastle UTD and Sheffield United (Saudi Arabia), Leicester (Thailand), Chelsea (Russia), West Bromwich Albion and Wolverhampton (China) and Everton (Iran).

US investors are also prominent in the Italian Serie A: AC Milan, ACF Fiorentina, AS Roma, Parma Calcio and Spezia (USA), Bologna FC (Canada) and Inter Milan (China).

French Ligue 1: Paris Saint-Germain (Qatar), AS Monaco (Russia), Nice (United States), Lille (Luxembourg), Sochaux (China), Olympique de Marseille (United States), Olympique de Lyon (China) and Girondins de Bourdeaux (United States).

In the Spanish LaLiga, there are also an increasing number of foreign-funded clubs: UD Almeria (Saudi Arabia), Cordoba CF (Bahrain), Atletico Madrid (Israel), RCD Espanyol and Granada CF (China), Valencia CF (Singapore), Malaga CF and Cultural Leonesa (Qatar), Sevilla FC and RCD Mallorca (United States), Real Valladolid (Brazil), Elche CF (Argentina), Real Oviedo (Mexico), plus Girona FC (mainly, UAE -City Football Group-).

Source: [https://www.marketingregistrado.com/us/futbol/2021/03/32825\\_el-futbol-europeo-en-manos-de-inversores-extranjeros-club-por-club-de-que-origen-son-sus-duenos/](https://www.marketingregistrado.com/us/futbol/2021/03/32825_el-futbol-europeo-en-manos-de-inversores-extranjeros-club-por-club-de-que-origen-son-sus-duenos/)

More information:

[https://www.footballbenchmark.com/documents/files/public/KPMG%20Football%20Benchmark Football%20Clubs%20Valuation%20report 2019 WEB.pdf](https://www.footballbenchmark.com/documents/files/public/KPMG%20Football%20Benchmark%20Football%20Clubs%20Valuation%20report%202019%20WEB.pdf)

[https://www.footballbenchmark.com/library/key motivations behind buying a professional football clubs](https://www.footballbenchmark.com/library/key_motivations_behind_buying_a_professional_football_clubs)

<https://www.palco23.com/competiciones/la-huella-americana-se-propaga-45-clubes-de-futbol-en-manos-de-inversores-de-eeuu>

UEFA (Union of European Football Associations) includes as a rule for participation in its competitions not to have the same owner as another participating team, in order to avoid conflicts of interest. The most recent case was that of Red Bull Leipzig, runners-up in the



German Bundesliga together with Red Bull Salzburg, champions of the Austrian Bundesliga. In order for both teams to participate in the Champions League, Red Bull Salzburg had to ensure that Red Bull became a sponsor and not the owner of the club.

## **Community football**

As clubs owned by big investors become more prevalent, and as business takes precedence over the original fan sentiment, member-owned clubs have emerged in recent years in a number of European countries. There was a precedent in England in 2002 with AFC Wimbledon because of fans' dissatisfaction with a move to a new city. The most mediatic case occurred when an American millionaire acquired Manchester United; in response to this situation, the members who opposed this action founded FC United of Manchester in 2005.

In Spain, the pioneer was Atlético Club de Socios, which was created when Atlético de Madrid became a sports limited company and as a result of the way the operation was managed. The club has already got three promotions and has even been promoted to the preferential league. Team governance is exercised in a purely assembly-based manner. Its objective is to recover its social work and to have an impact on the community in which it is located. In this sense, the case of Unionistas stands out, which is approaching the categories from which it will be obliged to become a SAD.

### **4.1.2. Clubs' governance models**

Once we have seen the two main types of club ownership, we will look at the differences between their governance models.

#### **Governance models in traditional clubs**

In the case of traditional clubs, the presidency and the board of directors are elected by the members by vote; there is an institutional process defined in their statutes, and activities are carried out in terms of club representation.

#### **Figure 7: FC Barcelona 2021 Board of Directors**





Source: FC Barcelona, n. d. a, <https://bit.ly/3FrzKqg>.

In the case of FC Barcelona, the board of directors leads the executive structure, which has commissions: Economic Commission, Disciplinary Commission, Technological Commission, Audit and Transparency Commission, Social Commission and Supporters' Clubs Commission; all of which are consultative. In turn, the board of directors has the following bodies:

- **FC Barcelona Senate:** "collegiate and honorary [...] consultative body, made up of thousands of the longest-serving members of the Club" (FC Barcelona, n. d. b, <https://bit.ly/3CBSems>).
- **Members' Trustee:** "Single-person body, independent of the Board of Directors, whose mission is to assist, advise and defend the rights of members in their relationship with the club" (FC Barcelona, n. d. c, <https://bit.ly/3CBSems>).
- Institutional relations with UEFA: institutional representation.
- Peñas Trustee: The Peñas (Supporters Clubs) Trustee will be responsible for ensuring a good understanding between the different Barça peñas, and for the honest and efficient application of the agreements between them and the club. Their actions will have to be coordinated and made known to the Peñas Council and to the parties involved. (FC Barcelona, n. d. d, <https://bit.ly/3kS15tU>).
- Compliance: In terms of compliance, the statutes, code of ethics, annual reports and meetings and referendums should be highlighted.

### Governance model in shareholder-owned clubs-companies

In the case of companies that are incorporated as Sports Limited Companies - or their equivalent in each area of the world - their structure is similar to that of companies. There

is the role of the president and they have a board of directors, which is made up of officers who have been selected at a general shareholders' meeting, and they act in accordance with the organisation's articles of association.

For further information on the topic, see the information provided by the Spanish Ministry of Culture and Sport, <https://www.csd.gob.es/es/federaciones-y-asociaciones/sociedades-anonimas-deportivas>

See the following article:

Source: **Moreno Sánchez, A.; Díaz Suárez, A.** (2014). Differences in sports management between the Premier League and the Spanish Football League. In *EF Deportes Revista Digital* 18(188). Retrieved from <https://www.efdeportes.com/efd188/la-premier-league-y-liga-espanola-de-futbol.htm>.

### **Club executive structure (management)**

Having developed the differences in ownership structure according to the club typology, we will now look at how the executive structure of the clubs is organised internally, and its departments.

### **Club executive structure: management and direct reporting to the presidency**

If you report directly to the presidency -whether you are part of a board of directors or a board of trustees-, this defines the management function which leads all the executive tasks in the club.

When reporting to the presidency, there is usually a department or management function in the president's office that is responsible for handling the institutional agenda, as well as the company's protocol and public relations tasks. There should also be a compliance function and, in some cases, an internal audit function.

If reporting directly to the general management and the executive board, depending on the scope of activity and the organisation's medium- and long-term vision, there may be a strategy department in charge of providing coherence and prioritising the different activities and investments. Management decision-making is increasingly linked to efficient data exploitation; working with data departments, business intelligence, business and sports analysts, in order to build and monitor the vision, objectives and progress of the entire organisation in a cross-cutting way.

If the club has international subsidiaries or headquarters, the necessary structure is replicated at each level, and there must be points of contact and management coordination between them.



## **Club executive structure: sports structure**

Within the sports structure, there is usually a department responsible for the technical management and football team administration, including sports management, scouting, technical teams (coaches and physical trainers), subsidiaries and managers.

In the case of a club involved in several sports, there is usually also a department for each of the club's sports. For example, in the case of Barcelona, the club has a basketball, handball, futsal and hockey department, all of which represent a professional sports area. Each club is organised according to its size and objectives.

There may be departments or functions for several sports or departments that are not 100% dedicated to the sport structure, but which mainly serve the former; examples include medical services, methodology or sport analysts.

The rest of the corporate functions usually include a sub-team that specialises in sport; in such cases, they cover functions ranging from applied maintenance of sport facilities, to travel management that accommodate team travel for away matches, or to specific legal advice or press.

## **Club executive structure: corporate structure**

### **Business and branding department**

Usually, the same department or area is in charge of managing all revenue streams such as, for example, sponsorships - including both the sale and activation of contracts -, broadcasting rights contract management, commercial exploitation of facilities and the sale of T-shirts, kits and other merchandising or licences. All these streams are usually structured by product, channel, facility or sport management, depending on the size and impact of the club.

Usually, the entire sales force is accompanied by a marketing team that is in charge of both the corporate brand strategy - campaign management in both physical and digital media - and the brand protection itself. Additionally, there may be a department or service in charge of market intelligence.

### **Communications department**

The communications team is in charge of managing the press and the latest sporting and institutional content that supports the team and the board. In addition, it also manages corporate communication and the lines and criteria to be followed.



Digital media and social networks are the main channels and are managed in coordination with the brand team.

### **Corporate departments (operational)**

The corporate departments are in charge of all those basic functions related to the club's operation and its activities. Sometimes these departments are grouped in a corporate area or as dedicated departments, depending on the size of the club. The core functions are sports and corporate facilities operations and maintenance, administration and finance, purchasing and travel, security, legal management, asset management, human resources and technology management.

### **Other key departments**

In the case of member-managed clubs, there should be a social department that is responsible for the day-to-day management and relationship with members, their events and assemblies. There may be other groups that also need to be catered for.

Many clubs have a department or team dedicated to social and community activities, usually in the form of a foundation, with its own structure and objectives.

Many of the functions described above are in the process of digital transformation, so a digital team may be in place. In this respect, new functions are also emerging, such as e-Sports divisions or activities that are completely outside the usual structures and therefore often require a specialised team.

In the last decade, large clubs have established a TV channel with their own equipment or as an outsourced service. A change in model is currently underway in this area, as content is being moved to digital channels.

Similarly, more and more clubs have their own R&D team, handling special plans or managing specific strategic or innovation projects.

What was developed above is the generic structure that is present across most clubs.

There may be variations around sports management, if they report directly to the presidency, which gives more control to the sports managers, but the rest of the operational functions presented are the usual ones.

### **Figure 8: Example of FC Barcelona's executive organisation chart (non-sports staff)**





Source: FC Barcelona, n. d. e, <https://bit.ly/3DzoJTj>.

Original	Traducción
Presidente	President.
Dirección General	Managing Director
Junta Directiva	Board of Directors
Gabinete de presidencia	President's office
àrea de comunicació	Communications area
Estrategia	Strategy
fundació	Foundation
cumplimiento	Compliance
àrea esports professionals	Professional e-sports area
àrea fùtbol àrea corporativa àrea recursos humanos àrea marca àrea revenues àrea tecnologia àrea social	Football area Corporate area Human resources area Brand area Revenue area Technology area Social area

For more information about FC Barcelona's organisation, consult the following article:

Source: FC Barcelona, (n. d. a). *Board of Directors* Retrieved from <https://www.fcbarcelona.es/es/club/organizacion-y-plan-estrategico/junta-directiva>.

### **4.1.3. Relationship with third parties**

#### **a. Relationship with sport entities**

The relationship between clubs and competitions or federations is carried out in different ways. Institutionally, it is carried out by representatives of the board of directors and its dedicated bodies or commissions. In a more operational sense, each department or function may have a certain relationship both in terms of information and in terms of procedures or shared management.

Aside from the players and coaches involved in the direct practice of each sport, there is also the administrative management in which, for example, players and coaches are registered and, for important decisions, there are usually representatives of sports entities. Within the clubs, there are people appointed to represent the teams of each competition in discussion forums or decision-making; an example of this is the LaLiga assembly, where a maximum of one or two people have to attend and vote. Similarly, this is generally the case in federations.

There are many relations at the operational level; to mention just a few examples: there are regulations to comply with and adapt in the facilities, procedures such as presenting and approving financial budgets following the stipulated conditions or, at the technological level, there is the connection between the clubs' own devices and the devices installed in the stadiums, which are property of the competitions, both to manage security and to manage the tickets and access to the matches themselves.

#### **b. Relationship with non-sports entities**

Clubs interact with many non-sports entities. One commercial example is the sponsors themselves - who belong to different sectors - with whom there is increasing collaboration, as well as other collaborators with whom a relationship is established due to some mutual interest, beyond the chance to become potential new sponsors.

Relations with public administration and different governments are also established in relation to any decision making or regulation that may be affected. As far as exposure is concerned, it is common to see political personalities in the boxes of the main teams.



Wherever the club is active, for example when travelling, there is also a relationship with representatives of local entities, depending on the local or international recognition of the club.

There are other sectors that are somewhat distant from sports practice and commercial or operational objectives, ranging from technology companies or research centres or universities with whom to develop R&D, to social entities to develop projects in this field, or local or neighbourhood associations in the vicinity of the stadiums.

## **Conclusions**

Each club defines its structure according to its scope, its budgets, its governance model, the number of sports, the competitions it participates in and the level of professionalisation it has. In the coming years, new competitions and regulations will emerge; furthermore, the change of the sport model to an entertainment product - digitalised and as a market-driven consumer product - will have to be consolidated by then.

The structure of the clubs must be adapted to all this, which means we need to build resilient organisations that are prepared to adapt quickly to new situations and to minimise the impact of possible crises.



## Unit 4.2. FC Barcelona case study

# The impact of political, economic, socio-cultural and environmental influences.

In this section, we will look at other influences surrounding a football club's decision-making and the impact they have on its day-to-day activities, based on the type of club and the way it is structured. These are political, economic, socio-cultural and environmental influences. To this end, we will examine the case of FC Barcelona, a club that manages the impact of these influences on a daily basis.

### 4.2.1. FC Barcelona's context

First, the context of FC Barcelona as a major representative of a traditionally managed, member-owned, multi-sport club is detailed in order to understand how socio-cultural, political and economic factors may influence decision-making.

#### The process towards club governance

In this type of clubs, socio-cultural, political and economic factors are present in the daily life of the officers, before they take office and throughout their term of service. The members must choose the president and board of directors through elections, which means that candidates must work on their media image and seek support among the members beforehand, and then present a programme and, if elected, fulfil it or justify their non-fulfilment. During the term of office, all major decisions, financial results, budgets for the end of the previous season and approval for the new one, are validated by a vote at the members' assembly.

#### Control and decision-making mechanisms

There are control mechanisms defined in the statutes for every phase of the club's governance. Initially, in order to formally present a candidacy for the presidency, a certain number of signatures must be submitted over a period of time as endorsement by supporting members. Once the candidacy has been officially established, the programme of the mandate is presented, and, during the campaign, it must take the form of presentations, interviews and even televised debates. It should be noted that, there is a great deal of notoriety in the case of FC Barcelona. Also, crowded public places, members, supporters' clubs (peñas) or fan groups are visited, and the candidates are immersed in the cultural and real life of the club; all of this is very similar to election campaigns in politics.



Once the elections are held, the president and the rest of the board of directors are appointed and they must endorse a percentage of the current season's budget, which must meet certain indicators and ratios to ensure the club's sustainability. Major decisions are made or validated at annual or extraordinary assemblies, which are covered by the media and usually televised. Once the items are approved, they can be passed to the executive for action.

Finally, once a mandate ends, if the new board detects and demonstrates any irregularities in management, it could ask for explanations or, in extreme cases, execute endorsements and trigger liability actions against the previous board.

### **Impact on the governance model**

This model is clearly different from the company/corporate model, in which the owner can make decisions on any relevant aspect of the club without formally asking permission from its shareholders. In the case of member-managed clubs, this is not the case, especially for clubs with the notoriety of FC Barcelona. There are precedents of club proposals being overturned at the assembly, whereas majority support for a decision gives extra legitimacy to the club's leadership. In this sense, the board of directors takes into account the interests of the members throughout their administration, and they analyse the viability of the decisions that require social and economic support, assess how they will be presented to the public, and the possibility of carrying out the whole process in a rigorous and transparent way.

### **4.2.2. Factors influencing club management**

Once the context of a club that is managed by members such as FC Barcelona has been outlined, and having previously described the structure by areas and the usual functions in this type of club, the time comes to define the club's major actions, strategic plans or major projects. To do this, context analyses are usually carried out - such as, for example, with the PESTLE analysis - which are used to assess the political, economic, social, technological and legal factors that are present in the institution's context and their impact on it. We will now look at a breakdown of the analysis of these factors, considering the context of FC Barcelona.

#### **Political factors**

- **Identity and history**



The first political and, in turn, cultural factors that have influenced and still influence a club as notorious as FC Barcelona can be traced back to its roots and history, which are relevant to a large part of the members, and have a great impact on the local society. The slogan "more than a club" will be considered because of its distinctive traits, its identity and its history, and because of the local impact the club has. The entity's own official language is Catalan, one of Catalonia's official languages, since this is the region where Barcelona is located. Catalan has a very relevant historical context - dating back to difficult times such as the years following the Spanish Civil War and the post-war period - in which there was a great deal of social repression. At that time, FC Barcelona's stadium was one of the few places where the society of the time could feel more or less free to express themselves. At the same time, there were other difficulties, but the members supported the club financially to keep it going, which helped it to become the great club that it is today.

Read more about the club's values and history below:

Source: FC Barcelona, (n. d. f). Values. Retrieved from <https://www.fcbarcelona.es/es/club/identidad>

Source: FC Barcelona, (n. d. g). *Decade by decade*. Retrieved from <https://www.fcbarcelona.es/es/club/historia/decada-a-decada>

Source: FC Barcelona, (n. d. h). 1899–09. Birth and survival. Retrieved from <https://www.fcbarcelona.es/es/ficha/643865/1899-09-nacimiento-y-supervivencia>

### ● Club visibility. Glocal management

The club is one of the most internationally recognised Catalan entities, and its positioning or non-positioning regarding any aspect of current affairs or politics has a great impact on the local political context of Catalonia and Barcelona. At the same time, the dimension of FC Barcelona's current global impact is constantly growing, which implies broadening the focus of the club's relations and position in current international affairs.

For the club, it is a challenge to combine the two political visions so that they represent the values and local image that are coherent with the image projected to the world. The influence of politics carries over into the daily life of the club. The great institutional reputation of the club creates many opportunities and facilitates privileged access to many forums; but, on the other hand, the demands on the club to take a political stance or to get involved in some way, the criticism or exposure it receives, are very strong.

For more details on this issue, you can read the following article:



Source: **Público**, (2013). *The intrinsic relationship between Barça and politics in Catalonia*. Retrieved from <https://www.publico.es/deportes/intrinseca-relacion-barca-y-politica.html>.

In addition, in the following links you will find CNN and BBC news articles about FC Barcelona:

- <https://cnnespanol.cnn.com/tag/barca/>
- <https://www.bbc.com/sport/football/teams/barcelona>

### ● **Political relationship with other entities**

A final relevant political factor is the impact that the club may have on third parties with which it is linked. On the sports side, a certain club's decision or stance can positively or negatively affect the image of all the teams in the competition, federation or the football sector itself, especially if the stance is different from that of the majority or can imply a reputation crisis. On the non-sports side, decisions or stances can have an impact in many ways, for example, they may not sit well with sponsors and cause them to withdraw, or, quite the opposite. In addition, at the local level, the club is one of the main tourist attractions of the city and the country; therefore, the relevant sectors or the public administration must be taken into account.

## **Economic factors**







### ● **Economic impact of brand value**

The club's economic resources, and its brand and asset value, as well as the competitions in which it participates, are aspects that can directly or indirectly affect the club's income levels. The value assigned to these factors has an impact on subsequent sponsorship contracts or on the club's assessment in the distribution of TV rights sales. Any asset or aspect that generates a significant impact on the daily running of the club, from the shirt or any aspect of the facility, to the communication or action taken by a person linked to the club, anywhere, has an impact, both positive and negative.

## **Figure 9: The business of football**




Billionaire Secrets




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# The Business Of Soccer

## The List

Spreadsheet Reprints

Search by team name 

Rank	Team	Current Value	2-Yr Value Change	Debt/Value	Revenue	Operating Income
 #1	Barcelona	\$4.76 B	18%	6%	\$792 M	\$62 M
 #2	Real Madrid	\$4.75 B	12%	6%	\$792 M	\$92 M
 #3	Bayern Munich	\$4.22 B	39%	0%	\$703 M	\$49 M

Jockie references

Source: Forbes, n.d., <https://bit.ly/3kLOecD>.

### ● Economic impact of the players' image

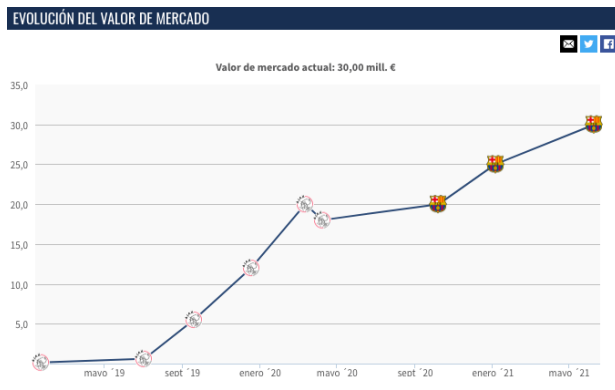
From another perspective, since players are the main asset that generates the most interest, it is argued that the success or failure as well as the attitudes and activities of the team's players have an impact on the overall image of the entity: they are associated to the club, and affect the brand and its value. For instance, the moment a big club such as FC Barcelona communicates, or its interest in incorporating a particular player is leaked, the value of that player becomes linked to the brand, and, in terms of the market, the player's value and visibility may increase.

In the case of big stars, the increase in the club's business streams must be incorporated into the transaction's assessment. There are various aspects, such as T-shirt sales, increased interest in the club within their home country, the player's own assets, fans and the potential to collaborate and increase mutual value, the potential increase in revenue, which can be generated by advertising on these channels, and, if applicable, whether the player has an advertising contract with a brand and whether this is among the club's own sponsors or among its competitors.

The market value of players tends to rise when they sign with FC Barcelona, as the player's exposure in the media and on social networks increases, which increases the value of their personal brand.

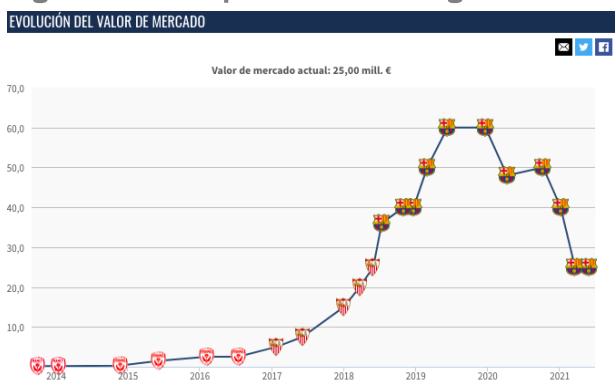
**Figure 10: Example Sergiño Dest**





Source: Transfermarkt, n. d. a, <https://bit.ly/3q0korQ>.

Figure 11: Example Clément Lenglet



Source: Transfermarkt, n. d. b, <https://bit.ly/3kPwjSm>.

### ● Economic relationship with other entities

In addition to the political relationship with other institutions, there are also commercial relationships within or outside the usual activities of football clubs.

The idea of mutual collaboration with one's own sponsors, as opposed to the historical model where sponsorship was reduced to a brand relationship, can be an effective partnership, and can even optimise or expand revenue streams. In addition, it is possible to be willing to collaborate with other actors with whom to research, share knowledge and jointly develop new business.

For more information on this topic, please read the following articles:

Source: **Johan Cruyff Institute**, (2020). *Ryoichi Fukaya*: "FC Barcelona's sponsorship gives Rakuten credibility and a global audience". Retrieved from <https://johancruyffinstitute.com/es/blog-es/administracion-del-futbol/patrocinio-rakuten/>.



Source: **Ribas, N.** (2019). How Rakuten is leveraging its partnership with Barça to grow. In *Crónica Deporte*. Retrieved from [https://cronicaglobal.lespanol.com/deportes/como-rakuten-aprovecha-patrocinio-barca-negocios\\_116396\\_102.html](https://cronicaglobal.lespanol.com/deportes/como-rakuten-aprovecha-patrocinio-barca-negocios_116396_102.html).

Another example of collaboration could be to help competitions, which centralise negotiations for the sale of TV rights to international operators, in which the support or participation of the main clubs can have a decisive effect on the success of the operation.

The daily activity of the club as a tourist attraction, with the largest stadium in Europe and one of the most visited museums in the country, has an economic impact on the city of Barcelona, an aspect that influences the relationship with local administrations.

The following is a clear example of this:

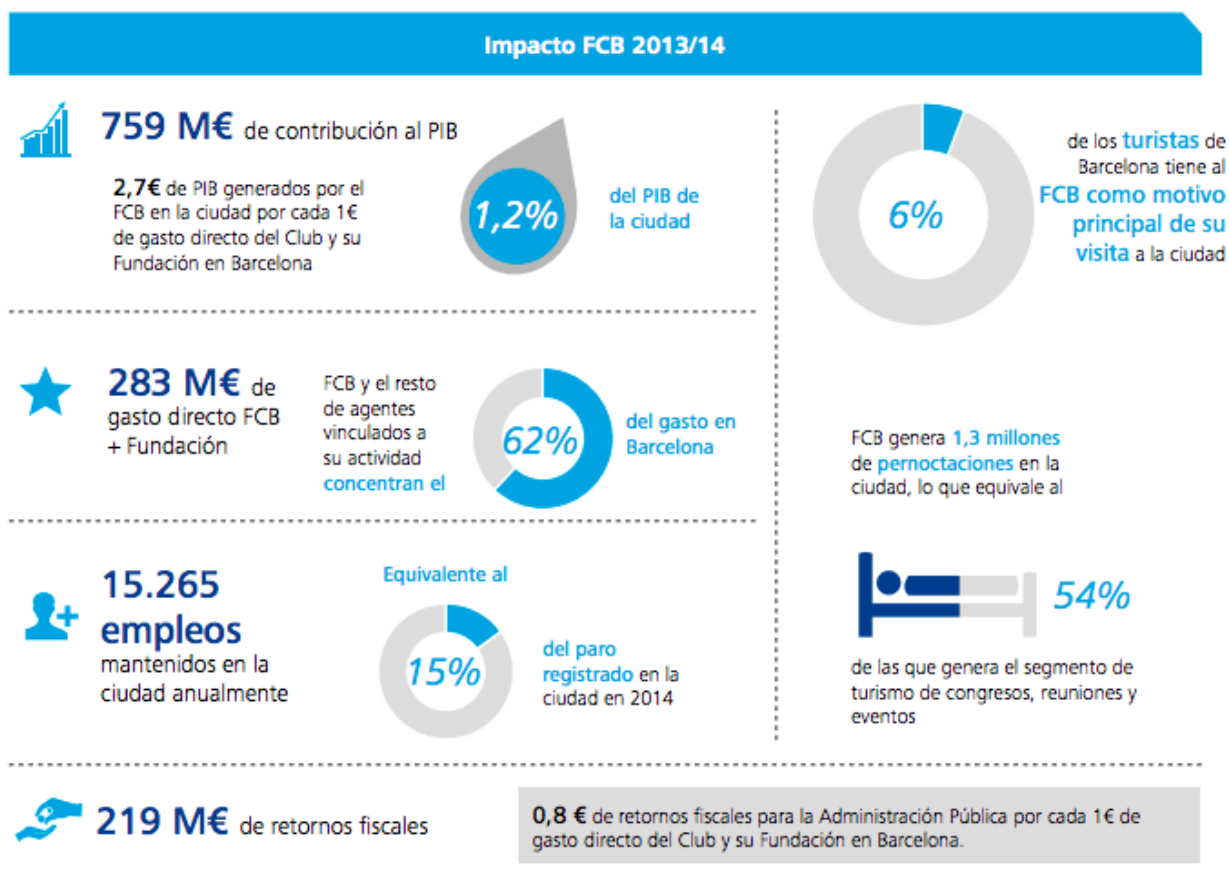
Source: **Europa Press**, (2021). FC Barcelona and the Catalan Tourism Agency will continue to promote Catalonia. Retrieved from <https://www.europapress.es/deportes/futbol-00162/noticia-fc-barcelona-agencia-catalana-turisme-seguiran-promocionando-catalunya-20210920152247.html>

In the 2013/2014 season, a study concluded that the direct impact on the city's GDP was 1.2% of the total, whereas the indirect impact was much greater, as well as the image and visibility contributed to the city.

## **Figure 12: Ratios of the impact of FCB's activity on the city of Barcelona**



Ratios del impacto de la actividad del FCB en la ciudad de Barcelona



Source: Deloitte, 2014, <https://bit.ly/3kRymFH>.

Original	Traducción
ME de contribución al PIB	M€ contributed to the GDP
2,7E de PIB generados por el FCB en la ciudad por cada 1E de gasto directo del Club y su Fundación en Barcelona	2.7€ of GDP generated by FCB in the city for every 1€ of direct spending by the Club and its Foundation in Barcelona
Del PIB de la ciudad	Of the city's GDP
De gasto directo FCB + Fundación	Of direct expenditure FCB + Foundation
FCB y el resto de agentes vinculados a su actividad concentran el 62% de gasto en Barcelona	FCB and the rest of the agents linked to its activity account for 62% of spending in Barcelona
Empleos mantenidos en la ciudad anualmente	Jobs provided in the city annually
Equivalente al 15% del paro registrado en la ciudad en 2014	Equivalent to 15% of registered unemployment in the city in 2014

De retornos fiscales	Fiscal returns
6% de los turistas de Barcelona tiene al FCB como motivo principal de su visita a la ciudad	6% of tourists in Barcelona make their visit to the city primarily due to FCB
FCB genera 1,3 millones de pernoctaciones en la ciudad, lo que equivale al 54% de las que genera en el segmento de turismo de congresos, reuniones y eventos.	FCB generates 1.3 million overnight stays in the city, equivalent to 54% of those generated in the congress, meetings and events tourism segment.
De retornos fiscales para la Administración Pública por cada 1€ de gasto directo del Club y su Fundación en Barcelona	Fiscal returns for the Public Administration for every 1€ of direct expenditure by the club and its Foundation in Barcelona.

**For more information on the topic, please read the following articles:**

Source: **Deloitte**, (n.d. a.). The economic impact of FCB on the city of Barcelona. Retrieved from <https://www2.deloitte.com/es/es/pages/strategy/articles/impacto-economico-FCB.html>.

Source: **López, E.** (2020). FC Barcelona accounts for 1.46% of the city's GDP. In *El Economista*. Retrieved from <https://www.eleconomista.es/catalunya/noticias/10352370/02/20/El-FC-Barcelona-supone-el-146-del-PIB-de-la-ciudad.html>.

Source: **FC Barcelona**, (2019). Barça and Barcelona Global will work together to strengthen the city's positioning in the world. Retrieved from <https://www.fcbarcelona.es/es/noticias/1277194/el-barca-y-barcelona-global-trabajaran-conjuntamente-para-fortalecer-el-posicionamiento-de-la-ciudad-en-el-mundo>.

**Socio-cultural factors**

● **Social and cultural impact**

Apart from the influence of the club's members in decision-making, the traditional sports club typology involves socio-cultural aspects, as they are formally non-profit entities which do not seek direct profit but rather seek to invest profits in improving the team's performance, the club's sustainability or community projects.



In the case of FC Barcelona, the historical vision is still present with the slogan "more than a club", which incorporates the message that it is not only important to do things, but also the way to do them, what it means to play with a certain style of play, to win in a certain way, to communicate and to participate in a certain way.

**Figure 13: Mes que un club**



The slogan "Més que un club" ("more than a club") is written on the stadium. Source: fcbarcelona.cat

The club background also incorporates the role of ambassador of its hometown and its local culture, and of executing and promoting social responsibility actions. In fact, many players also carry out projects that are done jointly - or not - with the club, and have both a local and global impact. In this sense, another of FCB's objectives is to be the most beloved entity and to achieve sports excellence; to be global is to be the most beloved entity, it also seeks to have a great impact.

For more information on the topic, please read the following articles:

Source: **FC Barcelona**, (2021). *The Barça Foundation promotes the integration and emotional well-being of more than 24,000 children and young refugees.*. Retrieved from <https://www.fcbarcelona.es/es/club/noticias/2174420/la-fundacion-barca-promueve-la-integracion-y-el-bienestar-emocional-de-mas-de-24000-jovenes-ninos-y-ninas-refugiados>.

Source: United Nations, (n.d.). The Barça Foundation: sport for social development. Retrieved from <https://www.un.org/es/chronicle/article/la-fundacion-barca-el-deporte-al-servicio-del-desarrollo-social>.

Source: **Sport**, (2015). *Bill Gates:"FC Barcelona believes in social causes"*. Retrieved from <https://www.sport.es/es/noticias/mundial-clubs/bill-gates-barcelona-cree-las-causas-sociales-4756179>.

Source: **FC Barcelona Fundació**, (n.d.). *We promote the values of FC Barcelona*. Retrieved from <https://fundacion.fcbarcelona.es/futbolnet>

**On the following page, you will find information about amateur sport:**  
<https://www.fcbarcelona.es/es/deportes-amateurs/informacio-general>

Source: FC Barcelona, (n. d. i). *Where sport discovers its future [video]*. Retrieved from <https://www.fcbarcelona.es/es/club/barca-innovation-hub>.

You can then go to the official website of the FC Barcelona Foundation:  
<https://www.fcbarcelona.es/es/club/identidad/barca-fundacion>.

### Relationship with Unicef (consolidated over the years)

2006	Source: <b>El País</b> , (2006). <i>The Barça T-shirt will carry Unicef advertising for the next five years</i> . Retrieved from <a href="https://elpais.com/deportes/2006/07/14/actualidad/1152861716_850215.html">https://elpais.com/deportes/2006/07/14/actualidad/1152861716_850215.html</a> .
2016	Source: <b>Europa Press</b> , (2016). <i>FC Barcelona and Unicef celebrate ten years of partnership at the UN</i> . Retrieved from <a href="https://www.europapress.es/deportes/futbol-00162/noticia-fc-barcelona-unicef-es escenifican-onu-diez-anos-alianza-20160907195951.html">https://www.europapress.es/deportes/futbol-00162/noticia-fc-barcelona-unicef-es escenifican-onu-diez-anos-alianza-20160907195951.html</a> .
2021	Source: <b>Palco23</b> , (2021). <i>FC Barcelona renews its sponsorship with Unicef for another season</i> . Retrieved from <a href="https://www.palco23.com/clubes/el-fc-barcelona-renueva-el-patrocinio-con-unicef-una-temporada-mas">https://www.palco23.com/clubes/el-fc-barcelona-renueva-el-patrocinio-con-unicef-una-temporada-mas</a> .

- **Club's core values**

Clubs with an identity, either because of their history or because they represent a local culture or tradition, tend to have values that define them and influence the way they act. In the case of FC Barcelona, these values are intrinsic to any activity carried out by the club, and they are described in the following paragraphs.

The first value is respect, a value that is applied at all levels, from the style of play itself: not belittling the opponent, not using violence, not sparking conflicts during matches, and so on, to all levels of the club's management. Some visible examples include communication styles, promotional campaigns or the fact that any promotion of the



brand must be coherent with this value that conditions the game and the image of the club.

Below there is an example of this:

Source: **FC Barcelona**, (2017). Barça spreads its commitment to dialogue, respect and sport to the world, the Barça-Olympiacos tifo. Retrieved from <https://www.fcbarcelona.es/es/noticias/738054/el-barca-propaga-al-mundo-su-posicionamiento-de-apuesta-por-el-dialogo-el-respeto-y-el-deporte-el-tifo-del-barca-olympiacos>.

Another club value is effort, in the sense of dedication, rigour, consistency, sacrifice, and perseverance. All the effort that pays off in the medium and long term, implies personal improvement. The club requires it of the teams. For example, the young players are not only asked to learn to play football well, but also to perform well in academic terms; the aim is to ensure that most of them will be able to devote themselves to professional sport at some point in the future.

There is also the value of ambition, which is related to the will power to achieve maximum performance and is not only about making things work, but also about making things work in the best possible way. It is something that is demanded internally in the club, but it is also demanded by supporters and members alike.

Another outstanding value is teamwork, which is basic to football, as it is an associative game in which collaboration between individuals is necessary to achieve common goals. Similarly, collaboration with third parties is increasing.

Finally, the value of humility should be highlighted; performing all actions taking into account the values described above also leads to learning and generating collective wisdom, which is partly the key to success.

Some examples of the latter may be found below:

Source: **Sport**, (2017). Barça's Youth team's tender gesture in Japan is eligible for a Laureus. Retrieved from <https://www.sport.es/es/noticias/futbol-base/tierno-gesto-del-infantil-del-barca-japon-opta-laureus-5748423>.

Source: **Rogé, A.** (2018). Barça's U-14 B team wins the World Challenge Cup in Tokyo. In *Sport*. Retrieved from <https://www.sport.es/es/noticias/futbol-base/infantil-del-barca-conquista-world-challenge-cup-tokio-5347809>.



## Legal factors

Legal factors can also have a huge influence, as it is the legal and regulatory framework of the competitions that ultimately determines and guides the behaviour of the individuals and clubs that participate in them. These factors are also found in the rest of the activities: the very regulations for the construction and use of the facilities, or a complaint by a player, employee or member for non-compliance with the statutes, may lead to halting or modifying a project.

On the other hand, the rules of the game have as much impact on medium and long-term planning as any decision taken. An example worth mentioning is the financial fair play, which is set by UEFA and certain competitions, and whose impact on transfers has repercussions on players' salaries (which are the main expense); this conditions the team, the show -signing stars-, and the sustainability of the clubs, which allows them to set budgets that are more or less flexible.

For more information on the topic, please read the following articles:

Source: **UEFA**, (2014). *Financial fair play*. Retrieved from <https://es.uefa.com/news/0212-0e892693c699-144488e503a3-1000--juego-limpio-financiero/>.

In the case of the Spanish LaLiga, there has also been economic control by the clubs and SADs themselves since 2013, setting the spending margin in advance, thus operating more preventively than in the case of UEFA.

More information: <https://newsletter.laliga.es/futbol-global/como-funciona-el-control-economico-y-el-limite-de-coste-de-plantilla-deportiva-en-laliga-1>

## Environmental factors

### ● Environmental factors: physical environment, surroundings

There are other types of factors that may influence management. More and more, the factors related to the protection of the environment, for example, are becoming part of the club's initiatives promoting the club's values to society; these include calculating the impact on sustainability and trying to be agents of change in the sector.



**Figure 14: Example Forest Green Rovers club**



Source: Deloitte.

For more information on the topic, please read the following article:

Source: **Deloitte**, (n.d. b). *The role of sport in mitigating climate change*. Retrieved from <https://www2.deloitte.com/uk/en/pages/sports-business-group/articles/the-role-of-sport-in-mitigating-climate-change.html>

Source: **Deloitte**, (2021). *A sporting chance. The role of sport in mitigating climate change*. Retrieved from <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/sports-business-group/deloitte-uk-sbg-the-role-of-sport-in-mitigating-climate-change.pdf>.

- **Emotional atmosphere, media environment**

The emotional factors that are linked to the course of the competition itself may be due to historical rivalry or to some more recent factor that has been mediatised; despite this, current affairs often carry a great deal of weight. In this sense, it is common for sports fans to share their views and opinions about what the club does, its sports performance, how the team plays or about the decisions made, from a very emotional position for supporters and members.



This can be greatly intensified by the communicative factors. The communication factors include the relationship with the press and with the local and international media, who monitor everything that goes on day to day in the club, following the team in the stadium and on its trips. These factors also include what is published about the club and its players, through all channels or on social networks and, in short, all the reactions generated around the club, which influence decision-making.

Clubs are not isolated entities: everything that happens to the agents around them can influence them directly or indirectly, and this requires active listening, estimating the effects and, in many cases, taking a stance on the matter. These agents can be the competitions themselves, the players' agents, the players or ex-players themselves, the opposing teams, or the brands that are related to the club in terms of image and projection, since they can be considered partners of the institution.

More than 30 years ago, Johan Cruyff baptised the entire environment surrounding the club as the "environment". Nowadays, it is also important to incorporate the transformation of the sports sector into the entertainment sector, the impact and visibility of a sports match as an entertainment event of interest for the entire activity, before and after the sports action, beyond the reactions of players, coaches and managers, both before and after the match; any detail that is known about the reactions in the dressing room or at other times, even the details that the players themselves share on their social networks, can give rise to a reaction from the environment which the club must consider whether or not to respond to.

### ● **Global situation**

There are factors that pose global challenges such as, for example, the COVID-19 health crisis, the economic crisis, social crises, the threat of terrorism or the climate crisis. These factors have a strong impact on cities and their institutions and consequently, on sports clubs as well. As such, these factors cannot be left out of this type of analysis, as a strategic analysis of how they will affect us must be carried out, and, accordingly, the best way to deal with them must be considered.

### **Technological factors**

The adoption or incorporation of new technologies can have an impact on sport performance, fan experience and organisational management.

Sports technology is present in the most advanced sports analysis: it can influence the way in which matches are planned, and consequently improve the game and analyse the opponent in depth, including their weaknesses, etc. On the other hand, sports technology



influences the individual performance of players: training sessions are adapted, the risk of injury is reduced or the recovery time is shortened. Not having these technologies and not benefiting from them means a loss of competitiveness compared to other elite clubs.

Technology can also influence fan experience: on the one hand, it can influence the experience when attending a match, where technologies such as 5G or the digitalisation of all services and facilities provide multiple options to extend and personalise the experience, with an enormous potential impact on the image and monetisation of the experience. On the other hand, technology enables a much more direct relationship with fans who rarely attend the stadium or who have never been there and may never visit it (because, for example, they support the team from the other corner of the world). The widespread presence of digital content makes it possible to take a virtual tour and interact with or follow the day-to-day running of the club with all kinds of details.

Finally, technology, through the digitalisation and automation of processes, has influenced both internal and inter-organisational management. Internally, it has contributed to both operational efficiency and its expansion around the world, not only through offices or international headquarters, but also through maintaining contact with displaced personnel during their activities, schools distributed around the world, distributed marketing sales outlets, or through the actual travel of the teams. Externally, automation technology has improved operations and procedures with the administration, federations, competitions and other clubs, which, in turn, has led to a more detailed control of the activity carried out and its impact on each of the parties involved.

For further information on this topic, please read the following articles:

Source: **KPMG**, (2020a). A player's value is not immune to the pandemic. Retrieved from <https://home.kpmg/co/es/home/insights/2020/06/el-valor-del-jugador-no-es-inmune-a-la-pandemia.html>

Source: **KPMG**, (2020b). *Player value not immune to pandemic An analysis of the impact of the COVID-19 crisis on football players' market values*. Retrieved from <https://assets.kpmg/content/dam/kpmg/co/sac/pdf/2020/06/fmb-report-covid-impact-on-players-values.pdf>.

## Conclusions

Elite football clubs are conditioned by multiple factors that go far beyond sports results: both internal -the club model, its reality, its history and identity and its members- and external -the relationship and interaction with the athletes, with a large number of agents in the sports environment, with the entities in the cities and countries in which they are physically located; by their exposure to networks and new channels, without ceasing to



appear on the front page or in the highlights in traditional news media, and, above all, by their large number of local and international fans, who have an emotional link with the club and with football as a sport. All this must be monitored and managed in a structured way, and must be used to generate an independent brand that differentiates itself from the rest of the teams in order to remain competitive in sports and commercial terms.

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