



Value Creation and Sport Management

The sports business has become one of the fastest growing industries in recent years. Sports organizations now have the potential to generate massive amounts of revenue through a variety of different channels, including broadcasting rights, advertising and branding. However, the rise of sports-related business has so far received relatively little attention from management scholars and social scientists. This book argues that we can no longer afford to ignore this important economic and social phenomenon. It presents a new conceptual framework based on the concept of value creation to show how we can understand and explain the success and failure of sports organizations. Key concepts are illustrated with case studies of sporting organizations, including Real Madrid, FC Barcelona and the America's Cup. Written by a team of authors from one of the leading business schools in the world, it provides a unique set of theoretical and practical insights for researchers and sports organization managers.

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To my granddaughter Esperanza who has given to all of our family a new reason and a new hope to live – SG

To Mercedes and Uncle Kiyoshi and Aunt Toshie; and in tender memory of Gabriel – KK

To Patricia and my sons and daughters – Ignacio, Patricia, Jorge, Juan, Borja, Elisa and Rodrigo – and my father Juan, and in loving memory of my mother Elisa – IU

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Foreword

I have lived my life combining my passions for Inspirational Leadership, Peak Performance, Brand Building, Sustainability and Sport. As the Worldwide CEO of Ideas Company Saatchi and Saatchi, I touch many great organizations and work closely with Procter and Gamble, Toyota, Sony Ericsson, Novartis, General Mills, Visa, JC Penney, Guinness and Lexus. Many of these successful (and great) companies have strong commercial partnerships in the world of sport. As Chairman of USA Rugby I'm involved in leading the charge to inspire Americans to fall in love with the great game of rugby and to bring the United States into the world rugby arena. As CEO in Residence at the Judge Business School of Cambridge University, I'm involved with helping Cambridge MBAs define what it takes to fully realize their potential as tomorrow's leaders. And above all, I'm dedicated to the idea that the role of business is to make the world a better place for everyone.

To do this, all businessmen and students of business have to provide inspirational leadership in four areas: economic sustainability, environmental sustainability, social sustainability and cultural sustainability. I am firmly of the view that sport is the number one medium and vehicle for achievement globally and locally in all these four areas.

This book describes persuasively and perceptively the latest thinking and theories in value creation through professional sports management and lays out a framework to fully understand the new paradigms and realities of success in this dynamic category.

The authors' research and findings provide stimulation and a framework for business leaders to understand and impact the critical success factors involved in the rapidly growing, ever more important, world of sports.

Unlike any other phenomenon, sport uniquely defines a new stakeholder model and taps into the deepest emotional feelings of the world's population regardless of geography, age or demographics.

Sport encompasses both the global and the local. Today, people define themselves by their differences and are searching to demonstrate local commitment, local tribalism and local passion whilst at the same time savouring the benefits of the global economy on their own terms. Sport is a way of demonstrating your true colours, your true passion and your deeply held instinct to compete and succeed. Supporting a club team becomes a way of defining yourself, your values and your beliefs, and of separating you from the rest. Supporting your national team allows you to express yourself on the worldwide stage. Simultaneously it provides an opportunity to create a sustainable future for everyone regardless of wealth, education or status. If you are talented enough, committed enough and lucky enough you can reach the very top of the sporting profession and be the best that you can be, irrespective of your own particular environment/background; truly an equal opportunity business.

This social phenomenon has now turned into an economic phenomenon with the sports business being one of the top ten industries in the world, and one of the fastest growing. Many commentators talk about sport as being ‘big business’. They are missing the point. Sport is bigger than big business. It is as big as a conventional business, yes, but it is much more socially involving and engaging, and much more complex in its stakeholder structure. It is very much the new twenty-first century stakeholder model.

This book goes a long way to explaining exactly the depth of the new stakeholder model in sport and how it can be managed to create sustainable value over the long haul.

I am not an academic. I am a businessman who believes that sustainable growth will best be achieved through combining the best of business practice with the best of academic thinking. I’m honoured to have had the opportunity to provide a short foreword to this book which I believe will stimulate both businessmen and academics alike to think more about how sport can be developed even quicker to be the arrowhead of global sustainable enterprise development.

Kevin Roberts, President, Saatchi & Saatchi