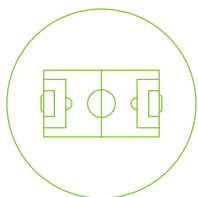
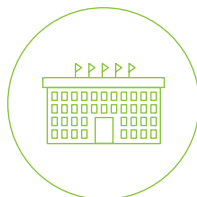
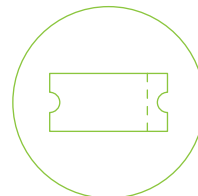
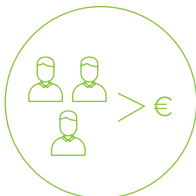
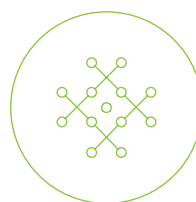


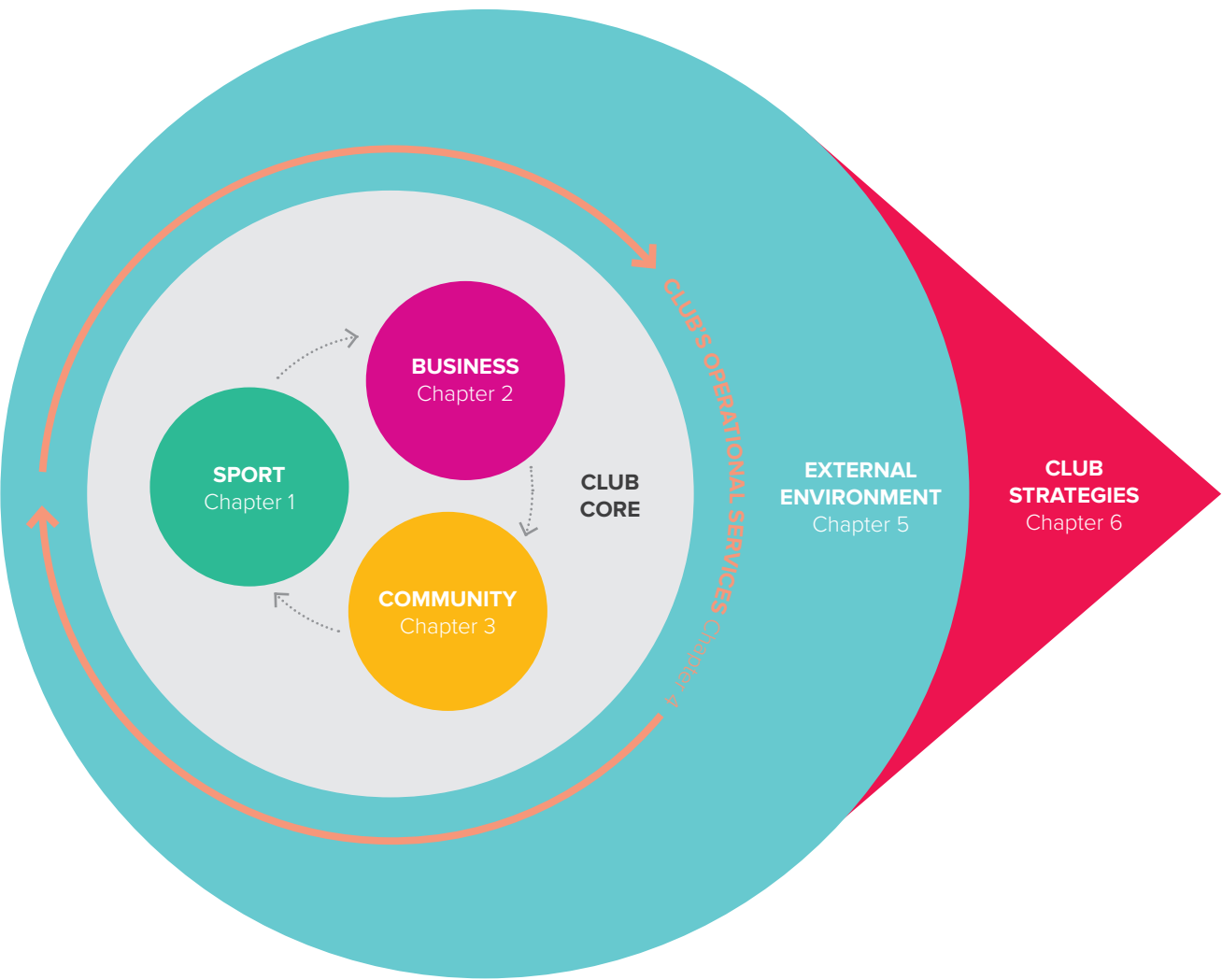
ECA CLUB MANAGEMENT GUIDE



An inspiring managerial synergy of ECA Member Clubs

ECA
EUROPEAN CLUB ASSOCIATION

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FOREWORD

FROM THE ECA CHAIRMAN

Dear ECA Members, dear friends of European club football,

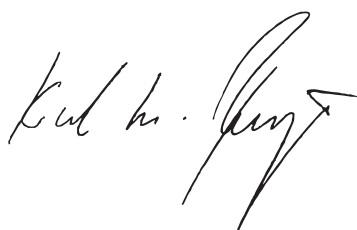
I am pleased to present to you the first ECA Club Management Guide. The exchange of know-how is an important pillar of ECA's mission. With more than 200 member clubs from across Europe, we count a vast amount of professionals under the roof of our association with great knowledge and practical experience when it comes to club football matters. Our aim is to bundle this know-how for the benefit of all.

The idea of creating the first ECA Club Management Guide goes back to requests from a variety of small and medium-sized ECA Members. At several occasions, the question was raised whether ECA could complement the existing knowledge sharing platforms with a dedicated publication summarising best practices covering all club management areas. The ECA Club Management Guide is a collation of club representatives' practical experiences in managing a football club and includes many case studies giving you different perspectives from a versatile sample of ECA Member Clubs.

This Guide should be seen as a source of inspiration or reflection. The “perfect” club does not exist - neither on nor off the pitch. Every club is different and has its peculiarities. It is up to the readers to decide what they deem useful and/or important and how they can possibly apply some of the examples to their club model.

I take the opportunity to thank every club representative that has contributed to the publication by sharing his experiences for the good of the entire ECA community and club football as a whole. I hope you have an enjoyable read!

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl-Heinz Rummenigge', with a stylized flourish at the end.

Karl-Heinz Rummenigge
ECA Chairman

MESSAGE

BY THE ECA GENERAL SECRETARY

The primary objective of football clubs is to win games. It is fair to say that sporting success is at the heart of European clubs, it is their *raison d'être*. However, nowadays the business and management components have grown exponentially and increased their level of influence in the on-pitch success. A modern football club is an organisation that is able to combine high levels of sporting and administrative efficiency with entrepreneurial spirit and awareness of the stakeholders' environment.

The ECA Club Management Guide aims to directly respond to the rapid managerial, commercial and global development of football. It offers an analysis of how football administrations across Europe are meeting the challenges that stem from these developments.

In producing this guide, our goal is to share the knowledge and experience of club CEOs and top officials, who have a deep understanding of European club football. The aim was to make it simple and to the point. For this reason we have included many

case studies and personal experiences, allowing every club to draw comparisons. This is a pioneering study, the aim of which is to reflect in a very practical manner the daily tasks, as well as the challenges in the ever-changing environment we operate in.

As ECA, we strongly promote good management practices and effective long-term planning within football clubs. It is for this reason that, with a special eye on so-called medium and smaller clubs, we deem this ECA Club Management Guide beneficial, not only as a source of information, but also as a lively tool to improve the current and future sustainability of our clubs.

A handwritten signature in black ink, appearing to read 'M. Centenaro', with a stylized, cursive script.

Michele Centenaro
ECA General Secretary

THE CONCEPT

BACKGROUND & METHODOLOGY

The ECA Club Management Guide is constructed as a mosaic of descriptive parts that are intersected with examples, key lessons learned and small case studies that have been assembled through a significant number of club interviews and visits. This approach enables the guide to feature as many

examples of real-life club activities as possible, both in order to act as a platform to exchange club experiences for individual benchmarking, but also to enable clubs to learn from each other. This mixed approach constitutes the main method of presenting material in the guide.

1. WHY A CLUB MANAGEMENT GUIDE?

This publication aims to gather information directly from clubs, to analyse it and offer a practical benchmark. The ECA Club Management Guide aims to review different aspects of club management such as a club's sporting, business and community activities, as well as internal and external environments and strategy development. The ECA Club Management Guide integrates a strong practical approach, from a European perspective, including case studies and examples from clubs in top, medium and smaller

National Associations, based on interviews with club managers, CEOs and other top executives, demonstrating how clubs have dealt with particular situations in the past. The guide does not claim to provide a single template to guarantee successful club management, but rather attempts to offer insights into effective club management through sharing real-life examples from clubs of various sizes and locations throughout Europe of dealing with certain challenges and situations.

In a nutshell, what are the guide's aims:

- To provide an in-depth study of the daily business activities of a football club by sharing various club methods and knowledge
- To offer to current and future football club officials real-life examples from various areas of club management, with a special focus on clubs from medium and smaller National Associations
- To share experiences from ECA clubs in order to improve the functioning of clubs
- To improve ECA knowledge related to club structure and to allow members to learn from each other by offering a platform for knowledge exchange
- To demonstrate that with the UEFA Financial Fair Play (FFP) Regulations fully in place, it is now almost an obligation for a football club to be structured and run in a sustainable way

2. DATA COLLECTION METHOD

Over 150 interviews from no less than 100 clubs (see contributors & acknowledgements) and 15 men's club visits were carried out during the project. Each visited club was carefully selected on the basis of its potential interest as a source of valuable information for the guide in a specific area.

Other clubs could have been considered as equally valuable examples in the same areas; nevertheless, the selected clubs were considered as the most interesting cases, always bearing in mind the need to ensure a certain level of representativeness for the guide itself.

Information from the club visits, along with selected excerpts from the interviews, are included within each chapter as specific examples illustrating the way clubs have dealt with specific challenges in the past, and highlight ways of handling of a particular situation/event.

15 Men's football club visits: AZ Alkmaar (NED), FC Porto (POR), FC Zürich (SWI), Ferencvárosi TC (HUN), Grasshopper-Club Zürich (SWI), Juventus (ITA), KRC Genk (BEL), Legia Warszawa SA (POL), Molde FK (NOR), NK Maribor (SVN), Paris Saint-Germain (FRA), PSV Eindhoven (NED) - including 3 Youth Academies: Athletic Club (SPA), Borussia Dortmund (GER), FC Schalke 04 (GER) and 1 Women's football Club: 1. FFC Turbine Potsdam (GER).

3. TOP-LEVEL RESPONDENTS

In order to gather and source information for such a project it was decided to involve club CEOs and top executives, being the best individuals to provide an objective analysis of what it takes to run a football

club. For this reason, it was decided to establish a Club Expert Panel composed of active and former club CEOs in order to benefit from their valuable opinions and comments on club management.

Some experienced club representatives whose joint knowledge covers all areas dealt within the ECA Club Management Guide were part of the project as experts. These club representatives supported the project with all content-related issues, including sharing their experience and know-how, helping to set-up the survey and questions for interviews, as well as revising the draft texts.

Peter Fossen, COO, PSV Eindhoven (NED)

Pierre François, General Manager, R. Standard de Liège (BEL) (2003 - 2012)

Lynge Jakobsen, Sports Director & CEO, Aalborg BK (DEN) (1996 – 2013)

Pál Orosz, CEO, Ferencvárosi TC (HUN)

Dino Selimovic, General Manager, FK Sarajevo (BIH)

Revaz Tchokhonelidze, General Director, FC Dynamo Kyiv (UKR)

BRIEF SUMMARY

The chapters of the guide closely follow the club organisational structure model as outlined in the following pages and incorporate the three dimensions of Time, Activity and Environment:

1. TIME

Time is critical for strategy. In football, as in business, there are three time horizons expressed as short term, medium term and long term. These horizons are needed for planning and evaluation purposes, and offer to club management some fixed anchor points that are needed to shape their operations.

As units of measure in football, short term can be considered the minimal planning time ranging from the next match to a season, medium-term can be considered a period of up to three years, as within financial planning parameters, whereas long-term is the horizon that looks further beyond that.

2. ACTIVITY

Clubs perform several activities at their core. There are three such core activities identified: sport, business and community. Naturally, there are no 'pure' activities as such, as an activity in each of the

three sectors impacts on the other two; however, they can be distinguished by their primary functions. Clubs also require various services in order to enable the three core activities to be developed.

3. ENVIRONMENT

The environment is what shapes a football club and gives it its unique features, but it is also a source of many opportunities for clubs that are able to recognise their competitive advantage, which are determined by their surroundings. This environment will have football-specific elements,

and also components that are universally applicable to any economic and social entity that is functioning within a given jurisdiction. The relationship between the club and its wider world will ultimately be responsible for its success or failure as an organisation.

These three dimensions combine to provide an overview of a framework club organisational structure, that has been utilised as the basis for the construction of this guide. From both a content and editorial point of view, they shape the different chapters and their content by focusing on club activities that are firmly located within a club's specific environment and where different functions are necessarily framed by the time dimension and time horizons.

Chapter 1 focuses on club sport activities, which ultimately define and make a football club. The football department of any club is directly or indirectly responsible for a significant proportion of a club's overall spending. The sports structure of clubs is shaped by short term, medium term and long term pressures, with various functional actors in this structure responsible for the success of the club in the short, medium and long terms. Relationships between key internal actors are of vital importance for the sporting success of the club, which, in most cases, is also a prerequisite for the business and community success. Ultimately, the success or failure of any short and medium term measures that are implemented, is determined by the long term approach, where club leadership and elements such as youth development play a crucial role.

Chapter 2 focuses on business activities, exploring the current state of the football club economy and analysing the business dimension from a revenue and cost point of view. The specific nature of the business of football is tackled in a descriptive manner, with an emphasis on what makes football the unique industry it is considered to be. The chapter also utilises the time dimension by placing the various cost drivers and revenue streams into the three time horizons.

Chapter 3 focuses on the community aspect of club activities, under which various manifestations of community activity have been located. For professional clubs, their active community is a source of revenue, support, criticism and even human capital. Clubs have been engaged in CSR (Corporate Social Responsibility) activities since before the term was invented, but 'community' does not comprise only individual charitable actions with underprivileged sectors of society. In reality, football clubs serve as an effective nexus between the local community, the business world and public authorities, and this has made them extremely important players within their environments. However, increasing club commercialisation has placed significant pressures on this relationship, with clubs seeking to retain legitimate and authentic lines of communication to their communities.

Chapter 4 describes the internal operational services of a club as its internal environment. All of these services are not unique to football clubs but nevertheless play a crucial role in enabling the three core activities to be developed. A descriptive approach is once again employed, and the services are analysed, starting with a look at a number of examples of real-life club organisational diagrams, followed by club administration, through to marketing and commercial, infrastructures, communications, medical and legal operative functions.

Chapter 5 identifies the external environment of football clubs, 'embedded in a world of institutions'. Various aspects such as the geographical, economic and political factors are mentioned. Clubs are also given the opportunity to determine their location within the football pyramid and understand the relationships that govern the life of the overall football industry, both internally and externally, with regard to the existence of many important stakeholders, lines

of communication, non-football influences and the roles of society and the community at large.

Chapter 6 develops the issue of club strategy planning, which generally concerns the formulation of plans to achieve certain long term goals and the allocation of resources required to do that. The long term planning and vision function is one of the most important functions on the part of club ownership, as it serves to lay the foundations for overall club development and will have an impact on the short, medium, and long term time horizons for any club. Ultimately, a regime's success or failure will be determined by the ability of the top club authority to analyse the club's internal possibilities and environment in order to formulate the correct policies and plans. Various real-life club strategies are also given as examples in parallel with the functions of change and crisis management, which are generally the two mechanisms that regulate club development in the time dimension.

GENERAL FRAMEWORK OF CLUB FOOTBALL MANAGEMENT

Since there are few existing theories dealing with the football industry, an empirical approach has been adopted primarily and a so-called deduction view has been applied in a secondary phase.

Why is it so difficult to explain a sporting result? Studying insights enables us to attempt to determine some root causes for certain situations and outcomes. The guide also proposes a club organisational model composed of three core activity elements, which operate within the layers of internal and external environments, all functioning within a time dimension.

An organisation type is assumed to be influenced by two factors: the 'internal environment' and the 'external environment'. The sports result and business result are two tangible variables that have been

traditionally included in the analysis of football club operation through league placing and tournament wins on one side and the economic performance of clubs on the other. But the community result is also a variable that is consciously or unconsciously driving many of the club activities, and is often independent from the economic or sporting variables. The organisation type is assumed to be a logical consequence of the internal as well as the external environments.

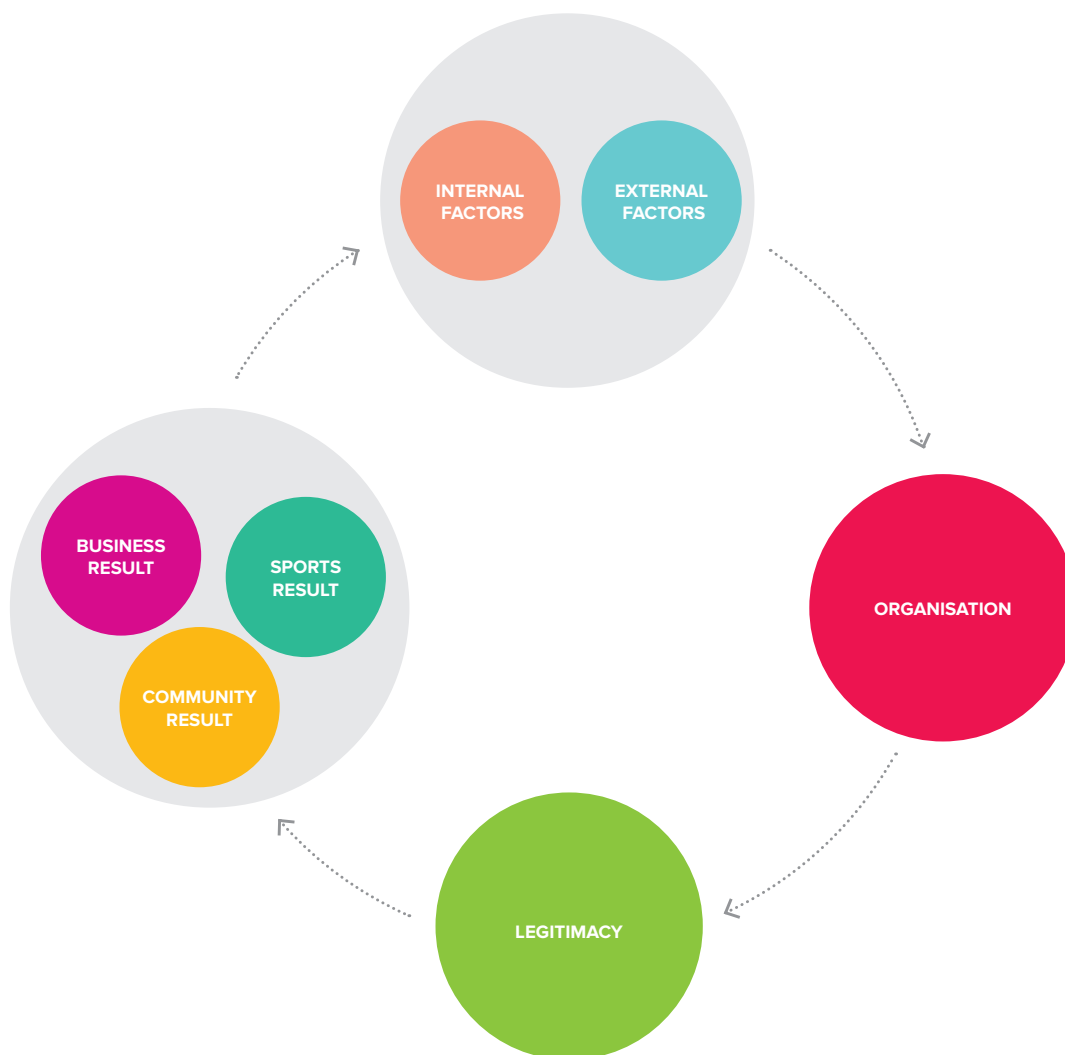
An example of the importance and influence of the total club environment is highlighted in the table below, where two clubs from different but roughly similarly-sized countries have very similar financial numbers if we look at the percentages that make up the turnover, but are miles apart in terms of the actual figures.

SOME CLUB FIGURES EXCLUDING INCOME FROM TRANSFERS OF PLAYERS AND EUROPEAN REVENUES

ANNUAL SOURCE OF REVENUE 2013/2014	TOP POLISH CLUB (€ MILLIONS)	%	TOP ENGLISH CLUB (€ MILLIONS)	%
Match day	5.1	20.6	129.6	25
Broadcasting	7.5	30.2	162.8	31.3
Commercial	12.2	49.2	227.0	43.7
Total	24.8	100	519.4	100

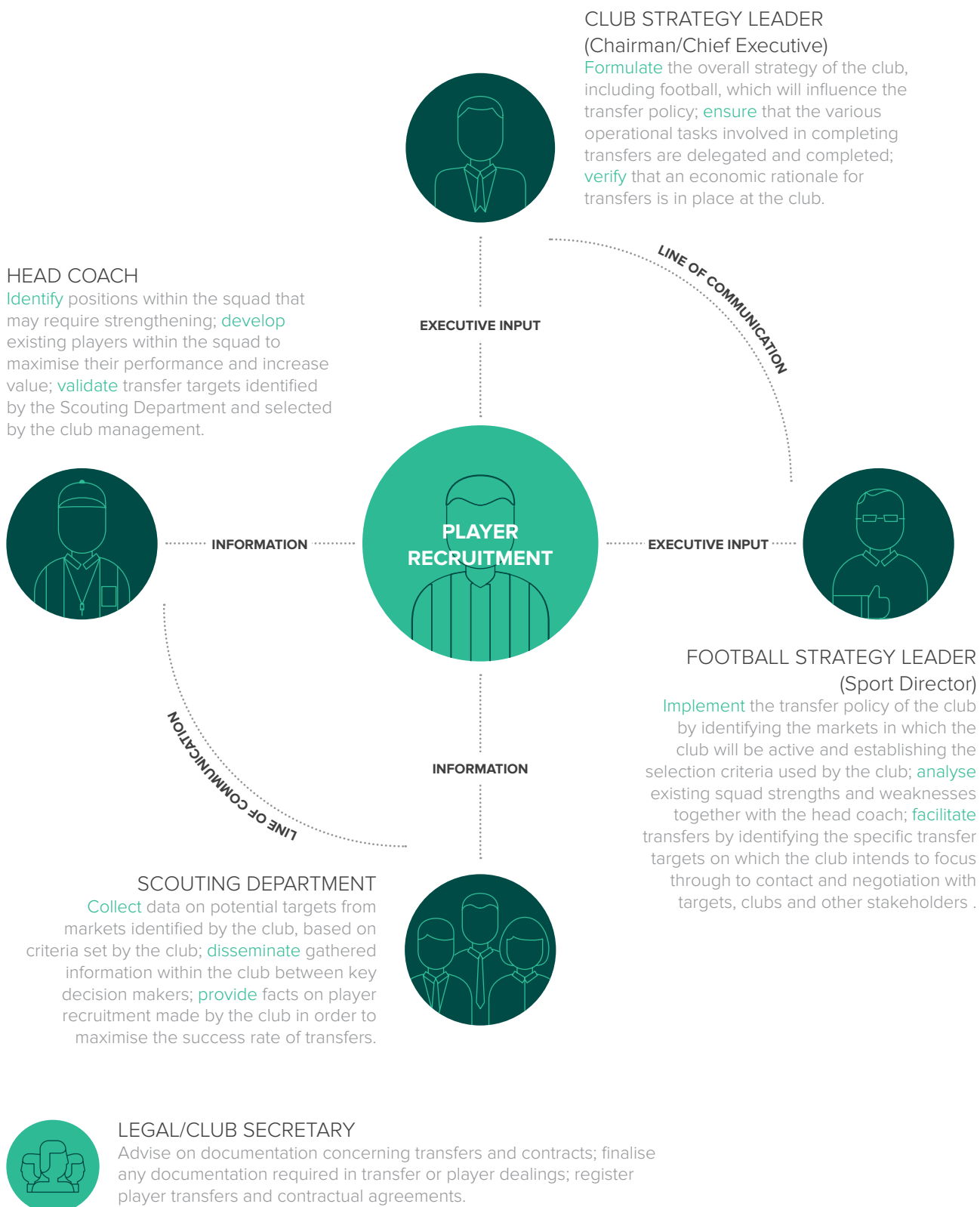
Source: ECA Member Clubs

A CLUB PERFORMANCE CYCLE



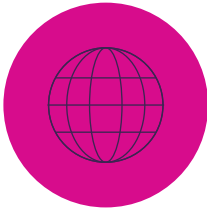
CHAPTER 1: SPORT ACTIVITIES

PLAYER RECRUITMENT INFLUENCE SCHEMATIC

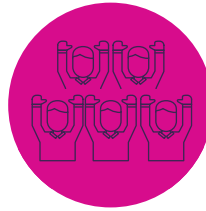


CHAPTER 2: BUSINESS ACTIVITIES

POTENTIAL NEW OR ADDITIONAL SOURCES OF REVENUE IN THE SHORT TO MEDIUM TERM



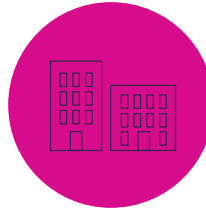
International expansion



Further development and segmentation of supporter base



Further development of media rights market



Further development of infrastructure use



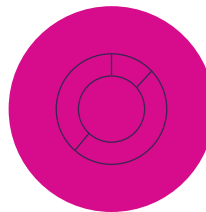
Further development of IP rights sales



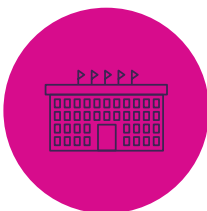
Further development of player transfer market



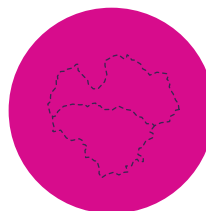
Segmentation and regionalisation of sponsorship and commercial partnerships



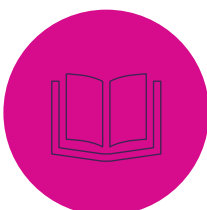
'Portfolioisation' and development of side businesses



Stadium live broadcasts of team's away games



Trans-national leagues/ regionalisation projects and competitions covering larger markets



Commercialisation of knowledge



Digital developments

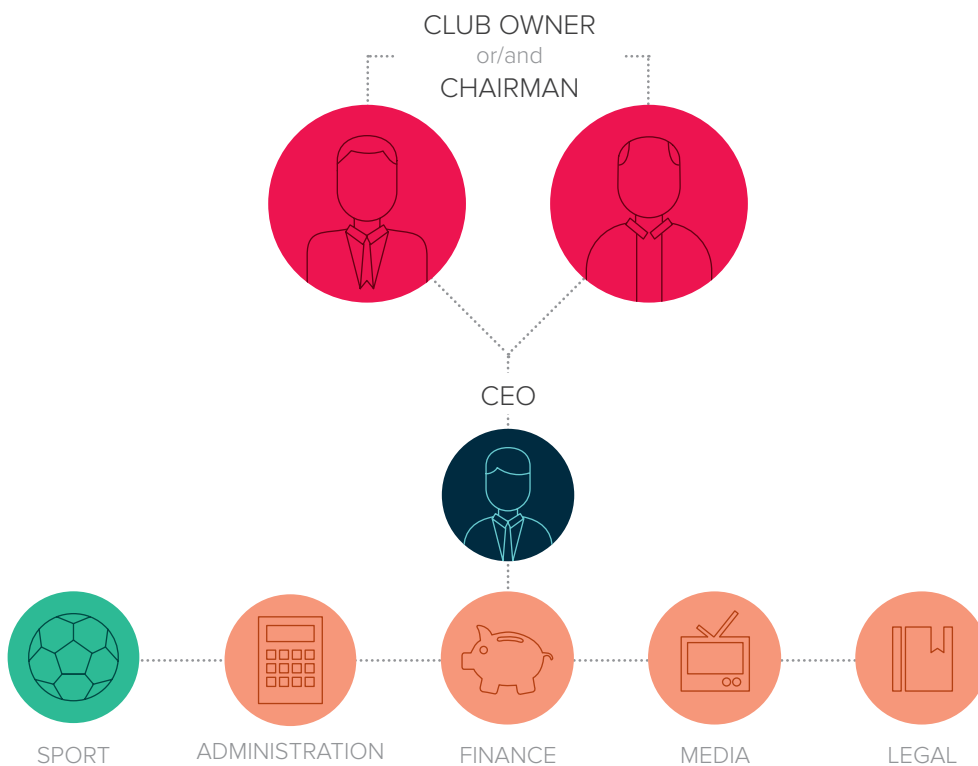
CHAPTER 3: COMMUNITY ACTIVITIES

THE FAN/SUPPORTER IS CENTRAL

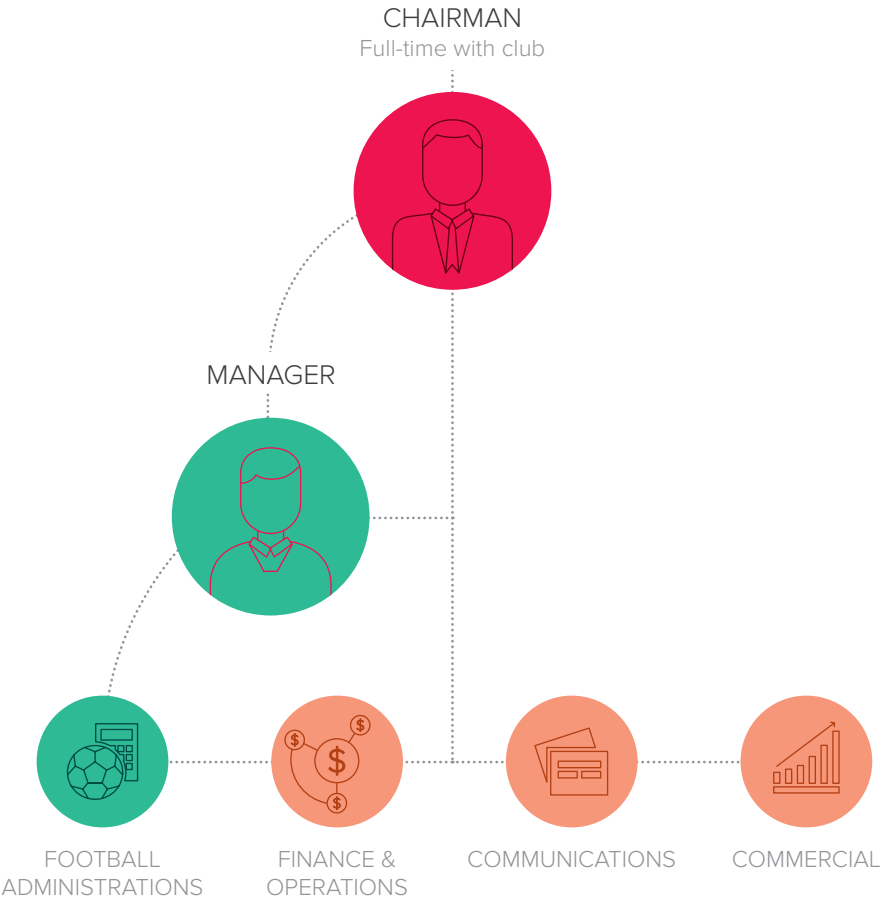


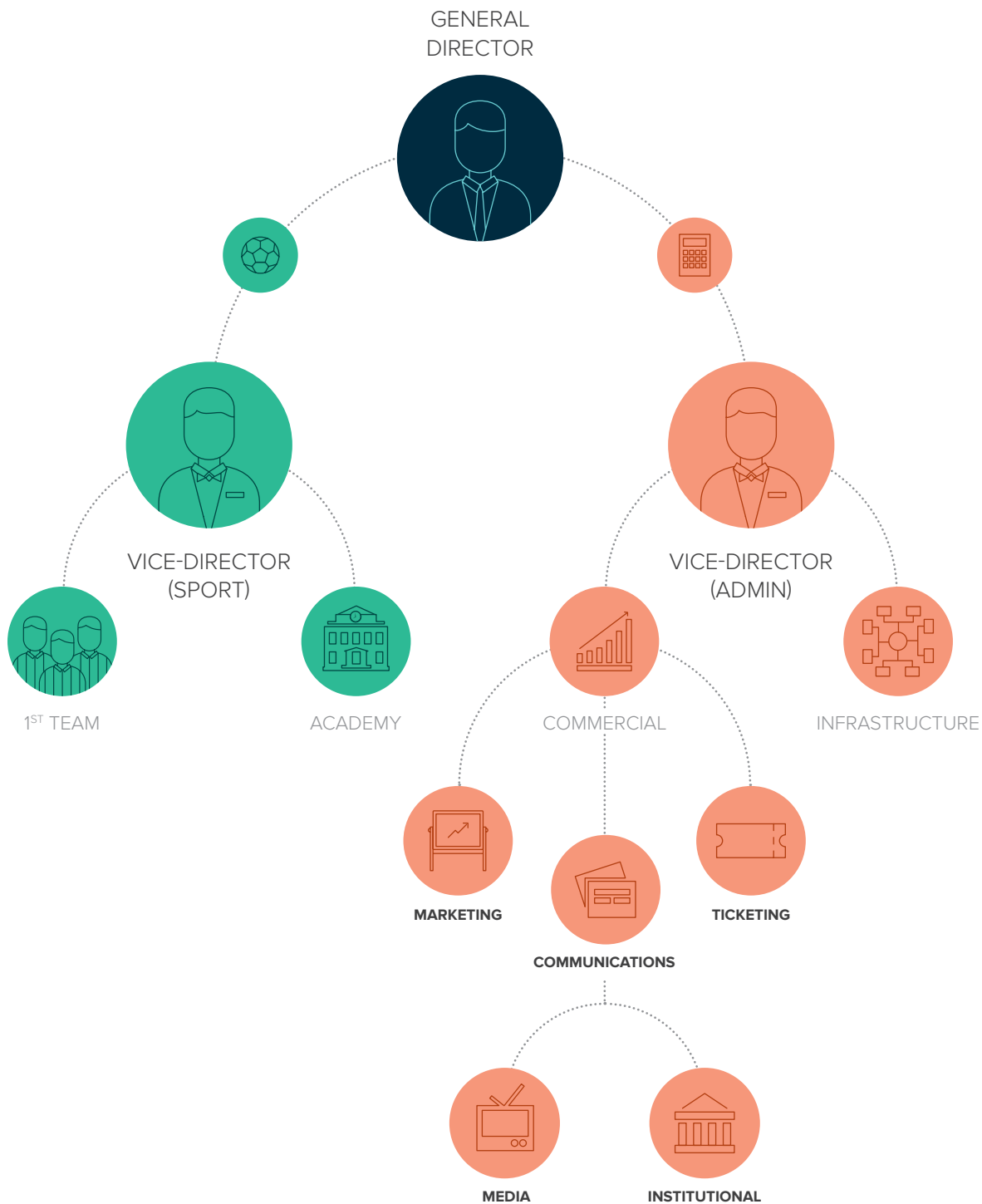
CHAPTER 4: CLUB'S OPERATIONAL SERVICES

COMMON CLUB ORGANISATIONAL CHART

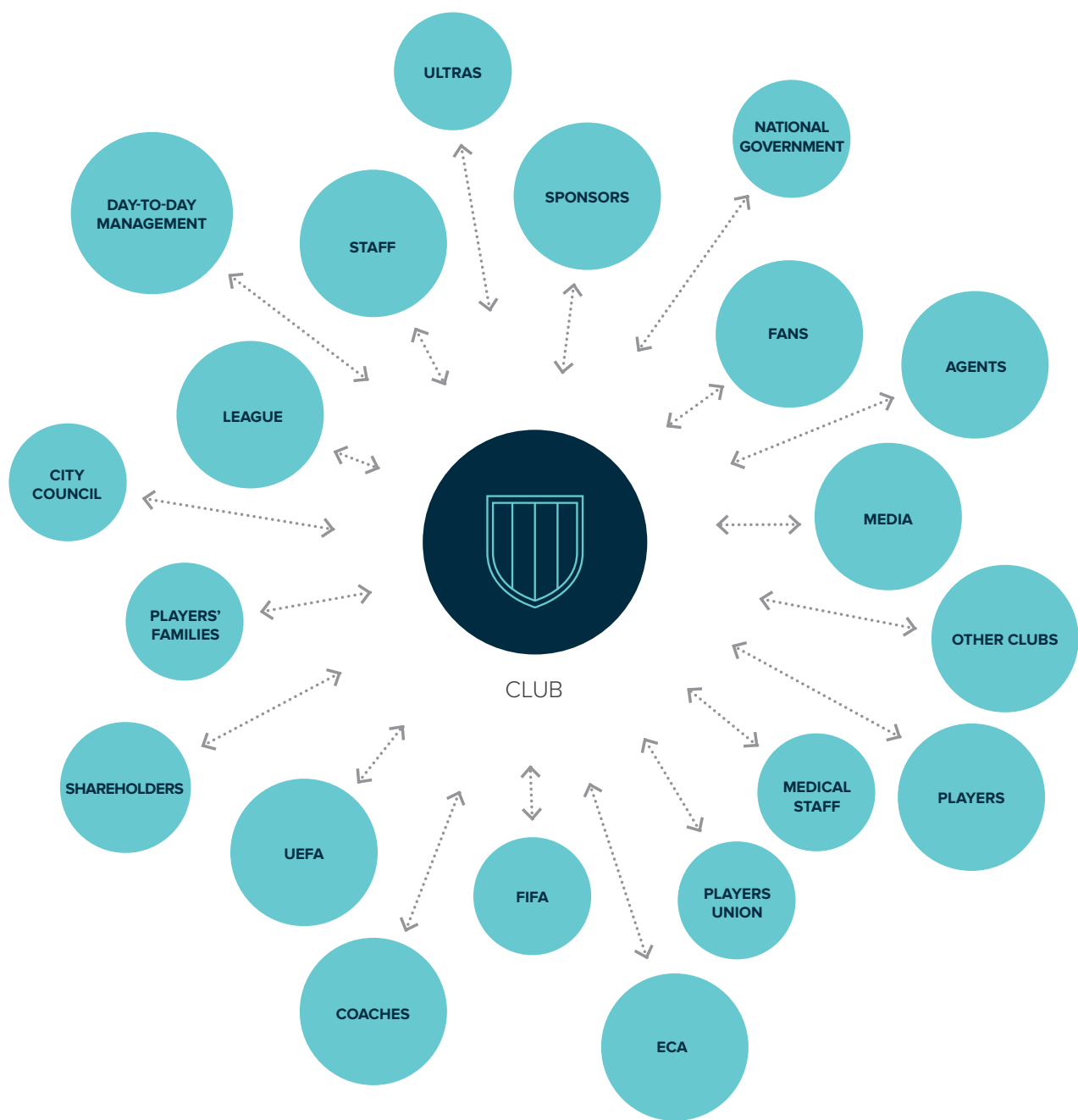


ECA FIRST SUBDIVISION CLUB, BRITISH APPROACH



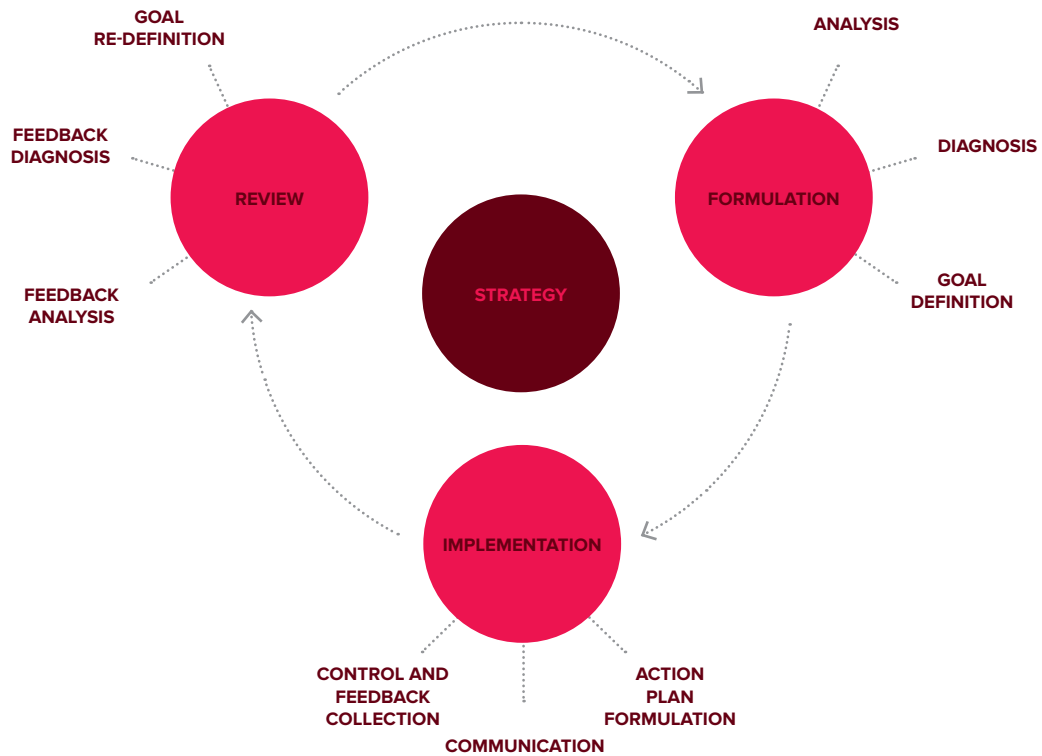


CHAPTER 5: GOVERNANCE & INSTITUTIONAL RELATIONS
CLUB SPHERE OF INFLUENCE



CHAPTER 6: STRATEGY, CRISIS AND CHANGE MANAGEMENT

In general, strategy is composed of several crucial processes:



OUTLOOK

A lesson from Chapter 6 is that a club might be tempted to implement a strategy when it encounters a crisis. But a crisis is also a strong impetus for the manager to take a step back and, for example, to invest in youth players, giving them the chance to become the seeds of tomorrow's fruit.

Given this guide's strong practical approach and European perspective, it presents a significant number of examples and case studies from clubs across all geographies and sizes, demonstrating how clubs have dealt with particular situations in the past.

At the same time, organisation charts and strategies are of no use if they are not implemented. This is where the importance of competent leaders cannot be emphasised enough.

From the club development framework in the above part of this guide, we assume that there are five maturing steps, or levels of development, of a football club. In the club analyses, we saw the

conditions for good management, which were: flexibility, clear power and decision-making rules, a positive attitude to change and a development view shaped by strategy.

These conditions constituted the base for 'legitimacy', which we see as the key frame. Football is normally successful when the administrative activities are perceived as a team activity with the focus on collaboration. The activity on the pitch and during the matches should be characterised by collaboration but can, in specific situations, be extremely hero orientated.

This ECA Club Management Guide focuses on administrative activities. 'None of us is as smart as all of us' – contemporary views on leadership are entwined with our notions of heroism, often so that the distinction between leader and hero becomes blurred. In our society, leadership is too often seen as an inherently individual phenomenon.

Given our continuing obsession with solitary

genius, reflected in everything from the worship of head coaches and sport directors to our fascination with high profile players, it is no surprise that we tend to underestimate just how much creative work is accomplished by groups. Yet we all know that cooperation and collaboration grow more important every day.

A shrinking world in which political and technological complexity increase at an accelerating rate offers fewer and fewer arenas in which individual action suffices. Recognising this, we talk more and

more about the need for teamwork, for example, as a call for a new model of executive action in football. Yet despite the rhetoric of collaboration, we continue to advocate it in a culture in which people strive to distinguish themselves as individuals.

Football clubs are managed like teams. Supposing that a team can be seen as a chain of spring coils, if one element or level of the team fails for example, the chairman, the entire chain starts to tremble and become unbalanced. The whole team, and often the club, then perceives uncertainty.

FIVE LEVELS OF RELATIONAL DEVELOPMENT



If administrations no longer work efficiently, the working conditions of the players will deteriorate and the sponsoring, merchandising, sales and so on will decrease. It is the same situation as in any traditional company when managing uncertainties. The more levels in a club organisation, the more changes and uncertainties have to be managed.

Football club managers will normally have some kind of a long-term view, but first and foremost they have to cope with and satisfy the club's stakeholders. This means that most club managements will end up betting on a short-term and lucrative victory, rather than a long-term success.

Consistent competition and other challenges ensure that innovation is necessary. Education and exchange of information are two key sources that can provide club managers with certain ideas, concepts and answers to questions.

One of the aims of the ECA is to support the football industry and football clubs specifically through sharing best practice and knowledge

among the association's members and beyond. This ECA Management Guide is certainly an important tool in this process, and offers a rich set of mosaics for clubs to examine and maybe adopt, in part, for their own jigsaw. However, even if clubs seek to learn from the best in order to become better, they will still not be better than average.

For the football industry to become truly an industry, and one that is careful about its integrity, has a sustainable economic basis, creates added value and retains its strong connections with its community and society at large, in order to become the best, clubs have to realise that they individually need to identify what makes them unique and different, both internally and within their environment.

This process of 'finding itself' should serve as a springboard for sustainable and comprehensive development of clubs, and the ECA will continue working in this field in order to support club football and the football industry in its quest to become better.

DISCLAIMER

This research is based on the participation of members of the European Club Association (ECA). The information, views and opinions contained in this research do not necessarily reflect the views and opinions of the ECA nor that of its members. The Club Cases do not reflect the official club position but are based on the interviews with individuals at the moment of their realisation. A number of written sources were used as a source of inspiration and are highlighted in the 'suggested reading list'. When tables, quotes and graphics were taken directly from a source, this is referenced accordingly. Otherwise, all materials are part of ECA own analysis. The materials contained in the research are for general information purposes only and are not offered as nor constitute advice on any particular matter. The ECA has endeavoured to keep the information up to date, but it makes no representations or warranties of any kind, expressed or implied, about the completeness, accuracy, or reliability, with respect to this information.

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