Strategic Management and Advanced for sports organizations

Lecture 2

Summer School
SPORT EVENT MANAGEMENT

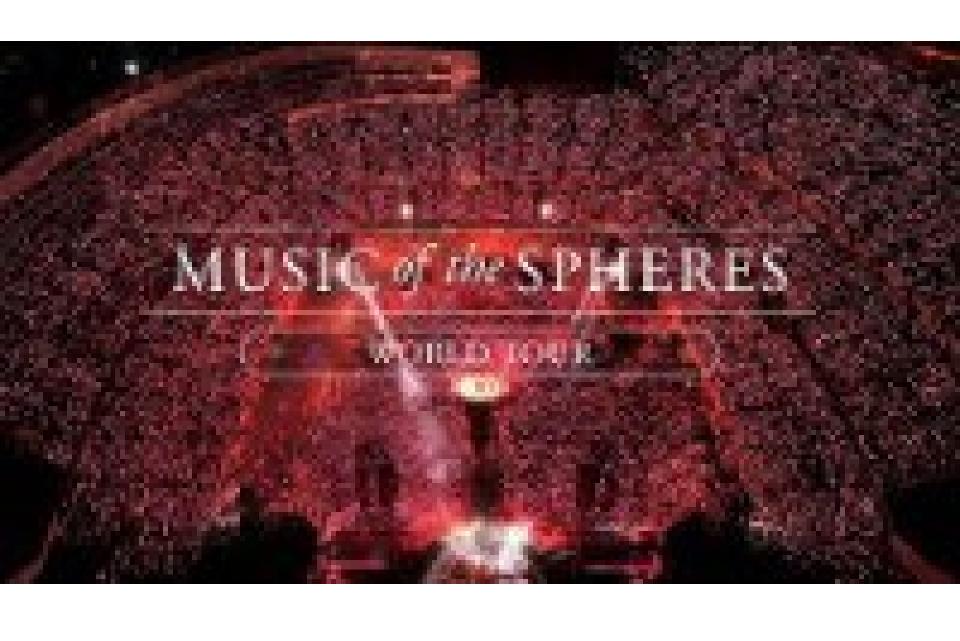
Lionel Maltese

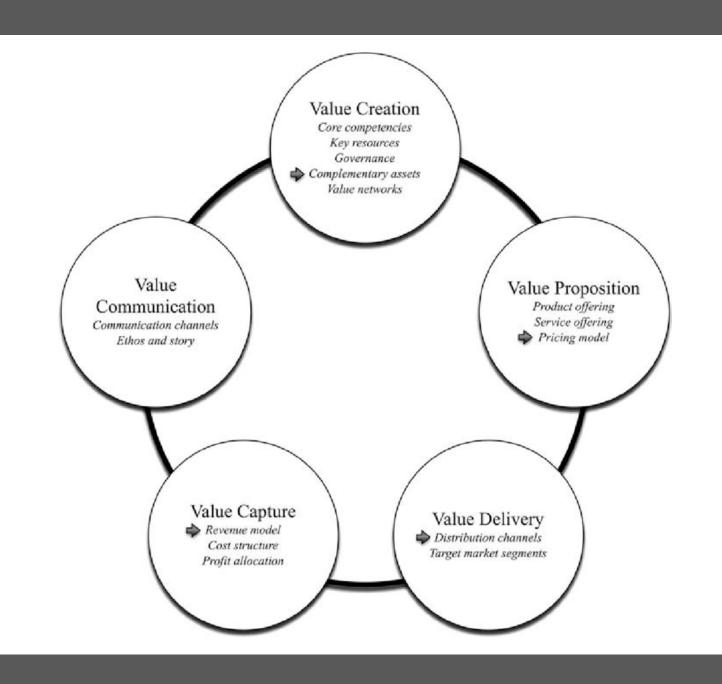
Maître de Conférences Aix Marseille University – CERGAM IAE Aix-en-Provence - #OIMS Laval University Canada Associate Professor Sport Business Management Kedge Business School Senior consulting sport business management

Twitter: @lionelmaltese

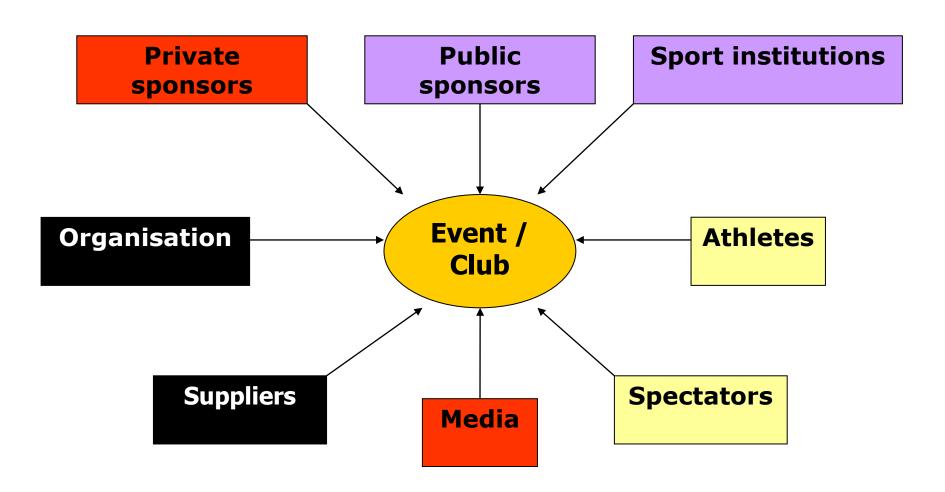


Business Model

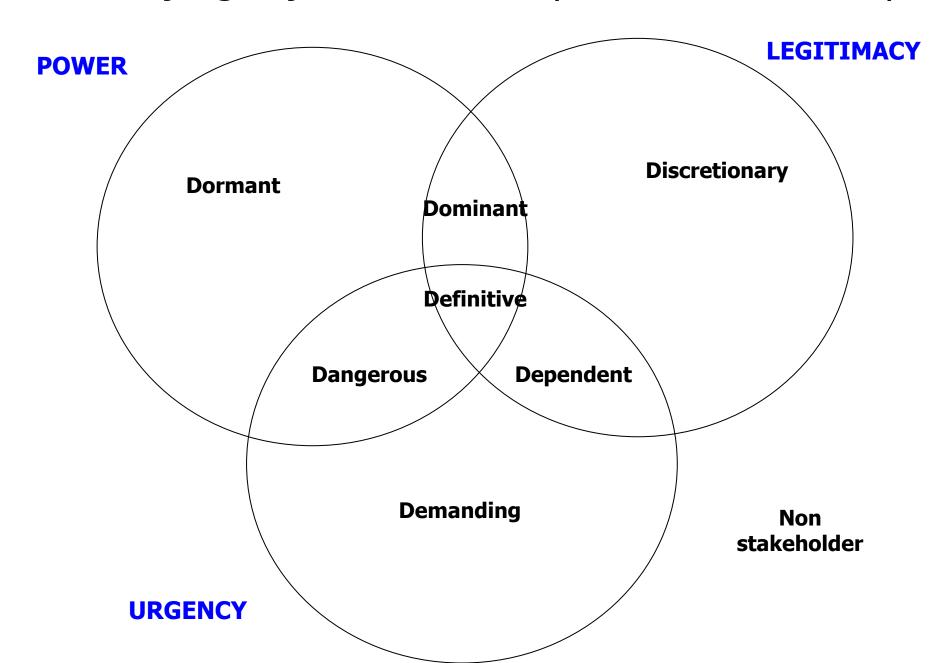




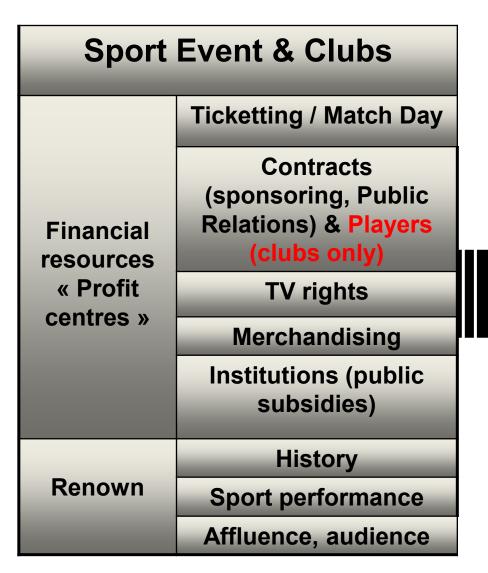
Strategic management of Stakeholders in sport organizations ecosystem



Identifying key stakeholders (Mitchell et al., 1997)



Sport events & clubs : assets identification





Assets

Players & coach (clubs only)

Partnership

(sponsoring, partners)

Reputation

(event, sport, players)

Relational

(Social capital, relational networks, Public Relations)

Physical

(infrastructures, stadium, territory)

Organizational Capabilities

(Core competences, event driven know how, project management))

Concepts

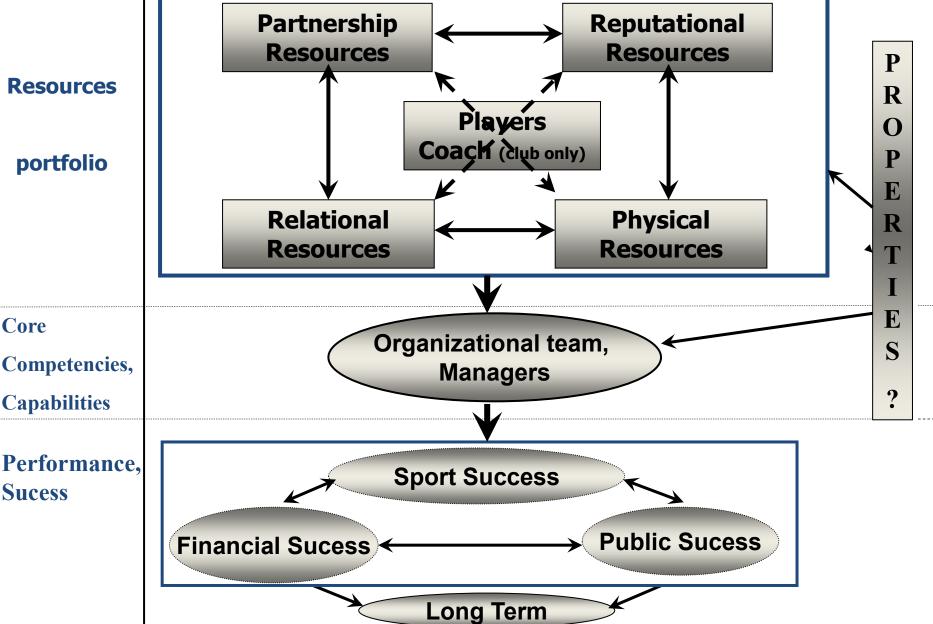
portfolio

Core

Capabilities

Sucess

RBV first model for a sport organization



Learning by failures on resources

Sectoral factors understood

Handicap of Inexperience

Organizational Rents

Survival = Capacity to develop new assets because of « ossification » of the starting ones Strategic assets lead to development

B

R & C Low Value

A

Low probability of survival without important starting assets to support learning about sectoral factors and the acquisition of valuable R & C

The risk of failure increases because of the gap and its evolution between R & C and the competitive requirements of the environment

R & C

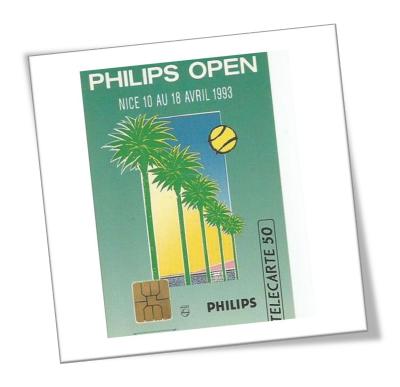
High Value

Handicap of Ignorance

Handicap of obsolescence

Sector factors not understood

Failure Case Study



ATP Tennis Tournament
Philips Open of Nice (1995)
"Honeymoon illusion"



History: Philips Open of Nice



Date: April – Outdoor (clay)



Tournament direction : ex ATP french players (Pascal Portes and Dominique Bedel)



Ambush with Monte Carlo Tournament (TMS): important sport success (Sampras, Courrier, Bruguera...)



Creation of this event for Philips



Resources allocations → Focus on Philips demand



Long term Vision?

Understanding the failure



Handicap of inexperience

« Honeymoon illusion » with Philips



Handicap of obsolescence:

Resources isolation



Failure of « axes » resources

&

Capabilities on survival sectors

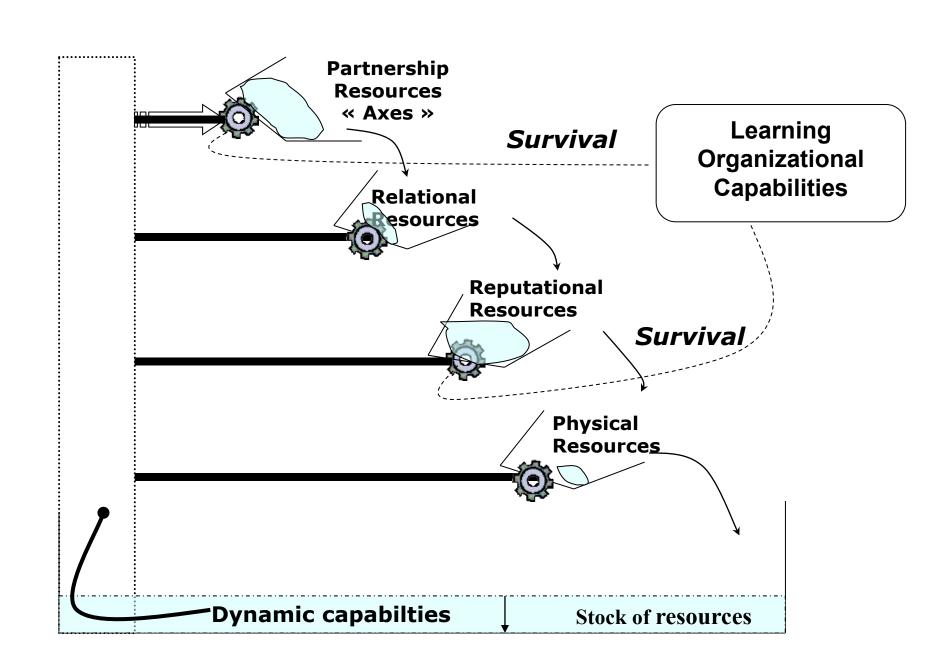


Weakening of the stock of resources

&

Dynamism (mechanism) broken







Open Nice Côte d'Azur - Positioning

Historical tournament and club of the french sporting inheritance

Favorable site towards player / fan proximity

High quality Public Relations

Customization of the offers and flexibility of the organization



Roland Garros ambushing

Last preparation for the French Open in the heat of the clay season

Last stop before a Grand Slam which entails broad international media coverage

Jean-François Caujolle, co-director

Melting pot between top french players and top 15 members of the ATP world tour

Dangers

TITLE SPONOR



OFFICIAL SPONSORS









SPONSORS











No stadium

No TV Rigths

 Public sponsors dependency

Relational Model = short term?



One solution for this case!





Creative Artists Agency (CAA) is a prominent entertainment and sports agency headquartered in Los Angeles. CAA represents A-list and emerging stars in movies, television, music, and sports. It is often cited as the leading talent agency and its clients include Meryl Streep, Brad Pitt, George Clooney, Sandra Bullock, Oprah Winfrey, Julia Roberts, Steven Spielberg, and David Letterman.

CAA Sports represents more than 650 of the world's best athletes in baseball, football, hockey, basketball, soccer, tennis, and golf,

Licensing, endorsements, speaking, philanthropy, video games, and the Internet.

broadcast rights, corporate marketing initiatives, and sports properties for sales/sponsorship opportunities.

CAA Football: Drew Brees, Peyton Manning, Eli Manning, Tony Romo, LaDainian Tomlinson, and Adrian Peterson, among many others.

CAA Basketball LeBron James, Chris Bosh, and Dwyane Wade, plus Carmelo Anthony, Tony Parker, Chris Paul, and many other stars.

CAA Baseball negotiated \$400 million in new guaranteed contracts within the past year (\$135 million more than the next closest agency), including three of the six largest contracts in the league (based on an average annual value.) Clients include Derek Jeter, Ryan Howard, Roy Halladay, Ryan Braun, and Ryan Zimmerman.

CAA Hockey Sidney Crosby, Henrik Sedin, Evgeni Malkin, Jonathan Toews, Daniel Briere, Patrick Kane, John Tavares, and Daniel Sedin, among many others.

CAA Tennis 3 Novak Djokovic and #4 Andy Murray, plus tennis legends Andre Agassi and Stefanie Graf.

Cristiano Ronaldo, renowned manager of Real Madrid José Mourinho, Chelsea FC's Deco, Manchester United stars Nani and Anderson, and along with CAA client Simon Fuller, represents David Beckham, for whom it orchestrated the landmark deal that brought him to Major League Soccer's Los Angeles Galaxy.

In 2009, CAA was the organizer of the *World Football Challenge*, a six-city round robin tournament which brought Chelsea FC, AC Milan, FC Internazionale Milano, and Club America to compete in the United States, and became the most watched international soccer exhibition matches to air on Spanish-language cable all year.

CAA Golf represents *Sports Illustrated*'s "Individual Male Athlete of the Century" Jack Nicklaus and legendary champion Greg Norman, who spent seven years atop the world rankings and now heads a global enterprise.

The agency represents such superstar athletes as **action sports icons** Tony Hawk and Shaun White and four-time reigning NASCAR champion Jimmie Johnson.

CAA Sports won the highly-coveted assignments to sell major corporate partnerships for the new Yankee Stadium and the soon-to-be renovated Madison Square Garden, and has since closed nearly 20 deals.

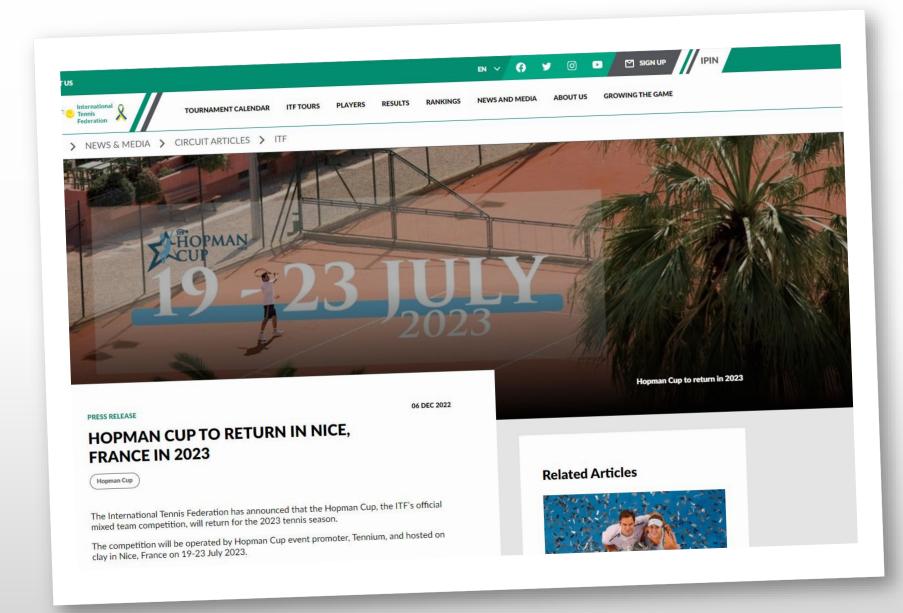
Corporate clients also include FC Barcelona, Chelsea FC, Juventus FC, and StubHub, among many others.











nice-matin



Vie associative



"La Hopman Cup ne peut pas s'organiser dans un tel climat": les tensions au Nice LTC font partir le prestigieux tournoi

La Hopman Cup n'aura été disputée qu'une seule édition au Nice Lawn Tennis Club. Minée par les tensions faisant su pétition, l'association est sur le point d'imploser.

Article réservé aux abonnés

Alexandre Ori • Publié le 26/09/2023 à 07:35, mis à jour le 25/09/2023 à 21:42



© LE DIRE

L5:00 Gil Alma, l'acte Wagner" et "No voisins", en imr Namibie sur Fr

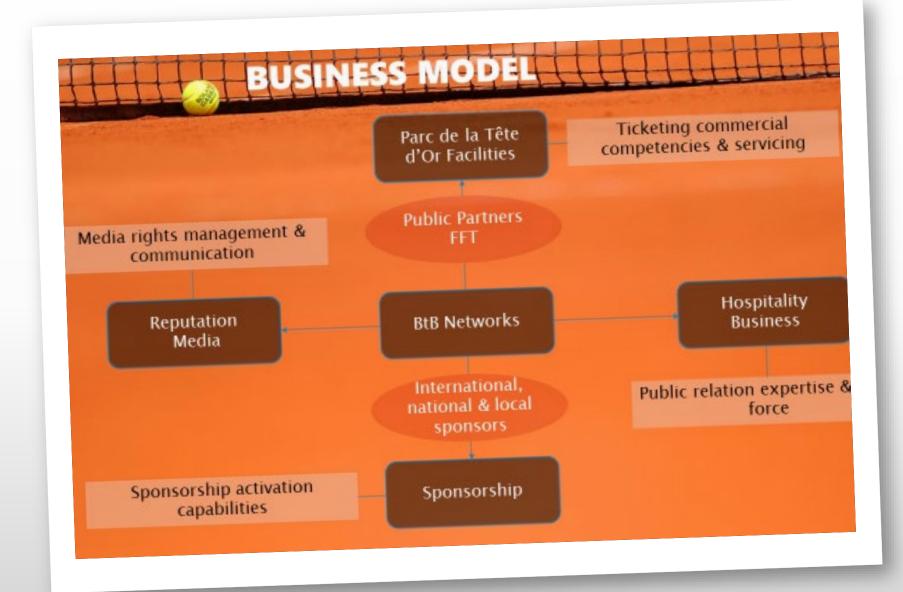
46 b 'Sans logen' peut pas se co comment cette aide les persor

27 Blusieurs di: sans-abri meni pu profiter d'ur Noël grâce à c

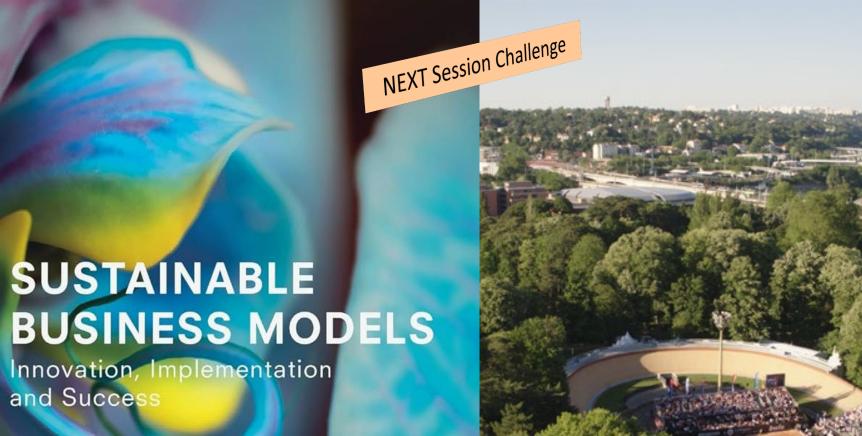
LO Patrick Buissor la droite et and conseiller de N Sarkozy, est m

4:03 "Loin de Mosco Ukrainiens ont

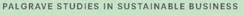








EDITED BY ANNABETH AAGAARD



In Association with Future Earth





Business Strategy & Model From theory to practice!

Business Plan Roadmap

A Business Plan is a document that summarizes the operational and financial objectives of a business and contains the detailed plans and budgets showing how the objectives are to be realized.



A Business Plan includes:

Strategy formulation and complete description

Financial aspects linking to the project

Core Model
(Business Model) to
resume the link
between strategy
and financial returns

BUSINESS MODEL

A single diagram of your business

VŚ

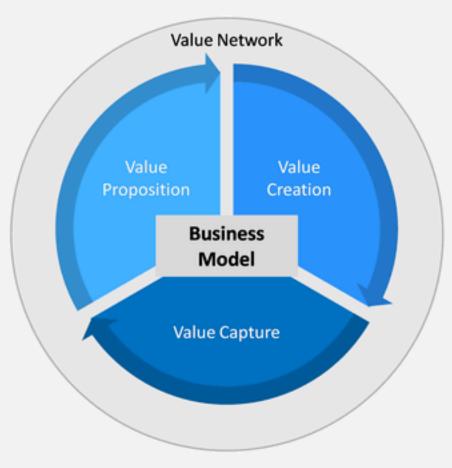
BUSINESS PLAN

A document investors make you write that they don't read

STARTUPS MODEL, COMPANIES PLAN

BUSINESS MODEL

The 4V's of a Business Model



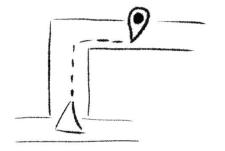
Who are your customers and what do they value? Target Customers How is the value chain configured? Production Distribution What is the economic logic of making a return? Revenue and Cost Architecture Financing What is the role in the value network? Complementarities Partners



PRODUCT VISION the why



STRATEGIC ROADMAP the how



PRODUCT BACKLOG the what



Business ROADMAP

For sport organizations → specific "hybrid" approach: RBV development at first and environment analysis as a kind support in a generic (classical) "background"

3 levels (chapters):

Evaluation

Organization

Restitution

Evaluation step

1. Assets (resources & capabilities) identification linking to the main profit centers and key stakeholders

2. Potential and rent evaluation of each asset (V.R.I.O)

3. Description of the main characteristics of the "macro" environment :

Economical Political Sociological Legal & cultural aspects

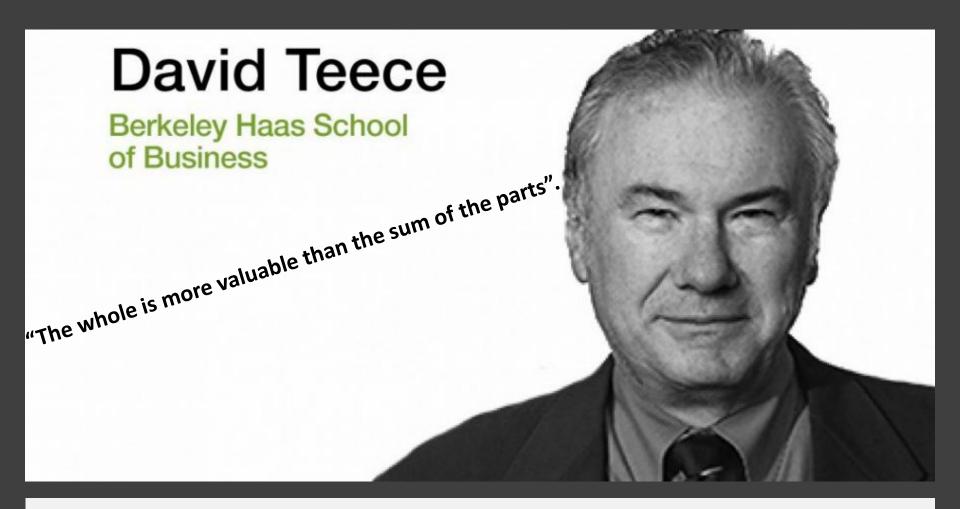
Evaluation step

4. Description of the main characteristic of the "micro" environment ("5 forces model") :

- Identification of your stakeholders linking to resources access and sharing: analyze your control and negotiating power!
- Customers (marketing segmentation): analyze your control and negotiating power!
- Competitors (direct substitutes new entrants) analyze the threats

5. First summary:

- Financial needs : budget necessary to implement
- Human needs : competencies ?
 Recruitment ? Formation ?
 Placements ? Consulting agencies ?
- Global profitability of the development project
- First prices fixation: ticketing –
 Public Relations Communication supports - Merchandising...



Asset orchestration

If capabilities are dependent on co-specialized assets, it makes the coordination task of management particularly difficult. Managerial decisions should take the optimal configuration of assets into account. *Asset orchestration* refers to the managerial search, selection, and **configuration** of resources and capabilities. The term intends to convey that, in an optimal configuration of assets, the whole is more valuable than the sum of the parts.

Organizational step
Value Creation
Assets
Orchestration

- ★1. Articulation and orchestration of resources with your capabilities: exploration and exploitation to optimize the whole potential of assets portofolio?
- ★2.Interactions between resources: analyze the links and the creation of a system?
- ★3.Renew or reject your assets?

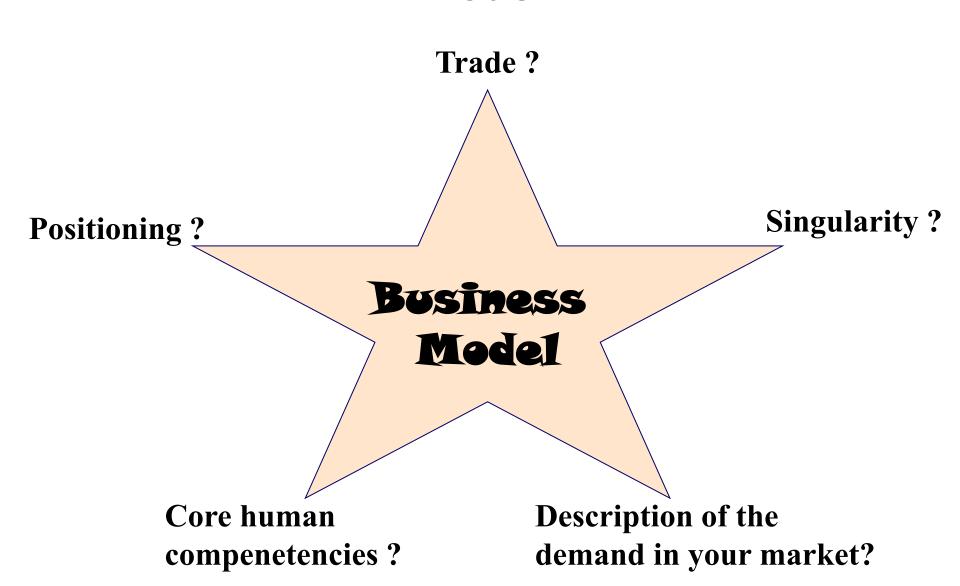
Resume "BUSINESS MODEL"

Definition: a sort of diagram which explain how you can generate profits (more precisely your turnover)

Business Model?

- "A The essence of the idea is 'how you get paid', or 'how you make money' with a taxonomy of alternative mechanisms ». (Chesbrough et Rosembloom, 2002)
- Rusiness model refers to the core architecture of a firm, specifically how it deploys all relevant resources ». (Tapscott, 2001)

5 "keys" to explain for your Business Model





Example of Business Model : ZARA case

- 1. Creation (imitation in fact !), production (plants), distribution (ZARA shops) of fashion products with a large diffusion
- 2. Positioning in selling fashion products with relative low prices
- 3. Singularity: imitation of fashion actuality (most creative dressmakers) & new models in the shops every week!
- 4. Core competencies : control of all the process of the supply chain management (creation – production – logistic) → a just in time strategy very difficult to implement in this industry!
- 5. The demand is very high for this kind of "fashion" products with relative low prices...

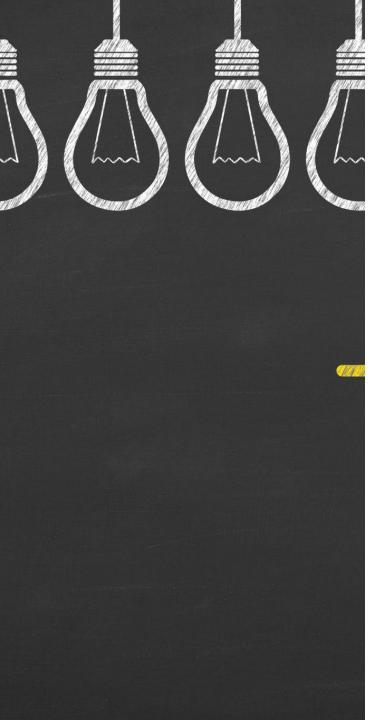
Pampelonne Organisation Business Model

- ★ Trade : Public Relations expert → implementation & activation
- ★ Positioning : High level services coupling to rare sport experiences with the most prestigious events
- ★ Core competences: relational networks exploitation anticipation due to personal informations and "special" access to key actors...
- ★ Singularity: contracts & agreement (Roland Garros Stade de France...) possession of an event (Open13) and direction of BNP Paribas Masters in Paris.
- ★ The demand?: Large firms communication (Public Relations) strategy (Total, Sodexho, BNP Paribas...) and important demand due to exceptional event (Rugby World Cup for instance...)



Restitution step

- ★ Business and marketing actions:
 - ★ Stadia / Arena management ("Model based on Fans"):
 - **★** hospitality
 - ★ CRM (Ticketing)
 - ★ Merge sport and Entertainment
 - **★** Sponsorship Activations
 - **★** CSR Strategy
 - ★ Reputation and Brand Management
 - ★ Sport area development : training coaches scout... : sport performance !



Final Restitution step

Proposition of development axes and Marketing activities :

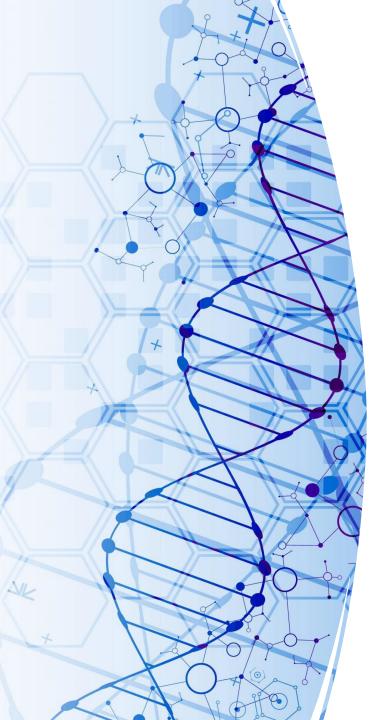
- Public Relations Social Capital
- Partnership Sponsorship Activation
- Communication
- Brand Management
- Merchandising
- Ticketing CRM
- Stadia Management :
 - Experiential View B to B
 - Experiential View B to C

– ...



Be careful!

Be sensemaking in linking your final propositions (development axes and marketing activities) to your strategic analysis (evaluation + organization)



+ You have to be "sensemaking" and on the implementation of:

- Characterization of interconnections between resources (and not only VRIO) and their interaction with the environment indicates that the managerial aptitudes to manipulate assets within a single system are essential!
- The objective is to create an unique combination of assets to exploit opportunities, face to threats and to develop sustainable performance.

Success case
Open13 1993---2024 next?
www.open13.fr

"Familial professional "bricolage" from Marseille"

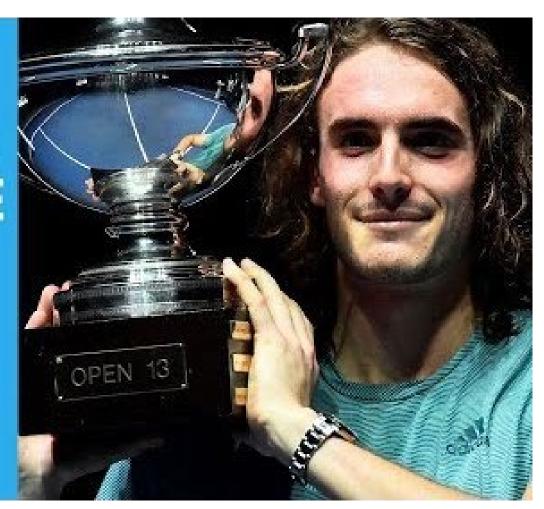








TSITSIPAS CAPTURES MARSEILLE CROWN



ATPTOUR

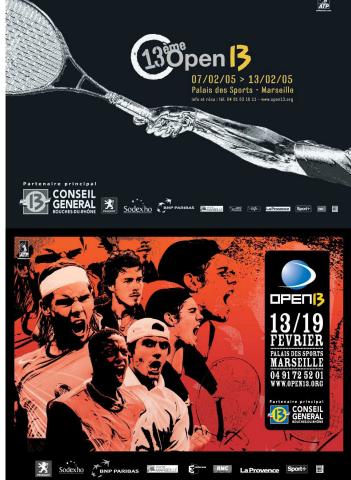


















OPEN 13

MAÎTRISER LA PUISSANCE 11 - 17 février 2008









www.open13.org - INFORMATIONS : 04 91 72 69 59 PALAIS DES SPORTS DE MARSEILLE





OPEN 13

DÉCLENCHER LA FOUDRE 11 - 17 février 2008











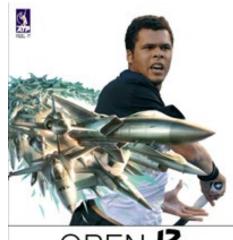
OPEN 13

DÉFIER LA FORCE 11 - 17 février 2008





www.open13.org - INFORMATIONS | 04 91 72 69 59 PALAIS DES SPORTS DE MARSEILLE



OPEN 13

DÉFIER LA FORCE 11 - 17 février 2008









www.open13.org - INFORMATIONS : 04 91 72 69 59 PALAIS DES SPORTS DE MARSEILLE





























































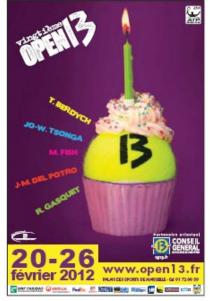


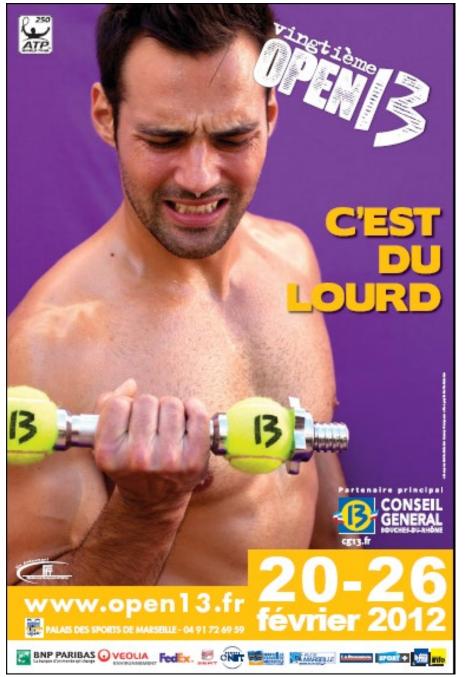


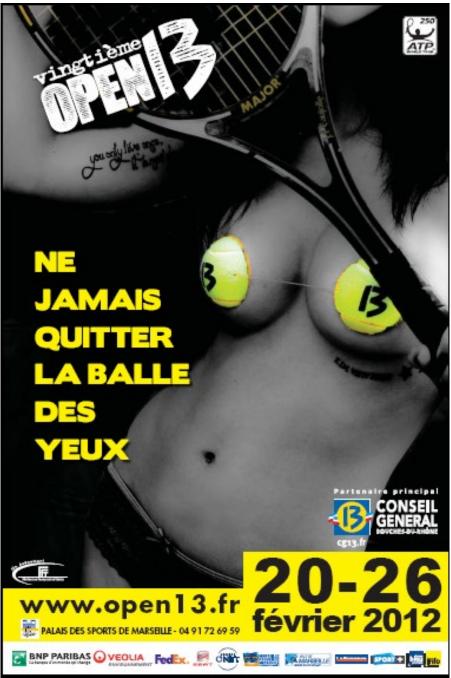




































OPEN 3 Partenaire principal

de vocations a M s











de vocations a m































PALAIS DES SPORTS DE MARSEILLE - www.open13.fr



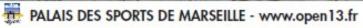






























PALAIS DES SPORTS DE MARSEILLE - www.open13.fr













































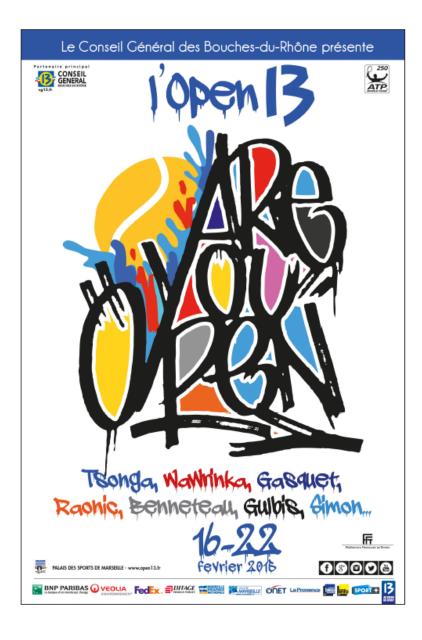








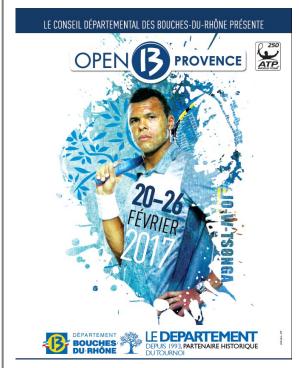












LE DÉPARTEMENT DES BOUCHES-DU-RHÔNE PRÉSENTE

























00000







UN EVENEMENT FUT





















ONET





PALAIS DES SPORTS DE MARSEILLE - WWW.Open13.fr 🔸 🛭 🕫 😂 🗷 😂 🗎 LUN EVENEMENT FFT



































LE DÉPARTEMENT DES BOUCHES-DU-RHÔNE PRÉSENTE « **l'étais** même pas né ! » KHACHANOV, 21 ans

LE DÉPARTEMENT DES BOUCHES-DU-RHÔNE PRÉSENTE





LE DÉPARTEMENT PARTENAIRE HISTORIQUE DU TOURNOI













LE DÉPARTEMENT

PARTENAIRE HISTORIQUE DU TOURNOI

19-25 FÉVRIER 2018







ONET







































LE DÉPARTEMENT DES BOUCHES-DU-RHÔNE PRÉSENTE





LE DÉPARTEMENT

PARTENAIRE HISTORIQUE DU TOURNOI















BNP PARIBAS





« **Toujours là** ! » Stan WAWRINKA, 32 ans



PALAIS DES SPORTS DE MARSEILLE - www.open13.fr 🕫 🕫 🕫 🗒 🔯 🗷 EVENEMENT

LE DÉPARTEMENT DES BOUCHES-DU-RHÔNE PRÉSENTI





25 FÉVRIER 2018

LE DÉPARTEMENT

PARTENAIRE HISTORIQUE DU TOURNOI













































La Provence









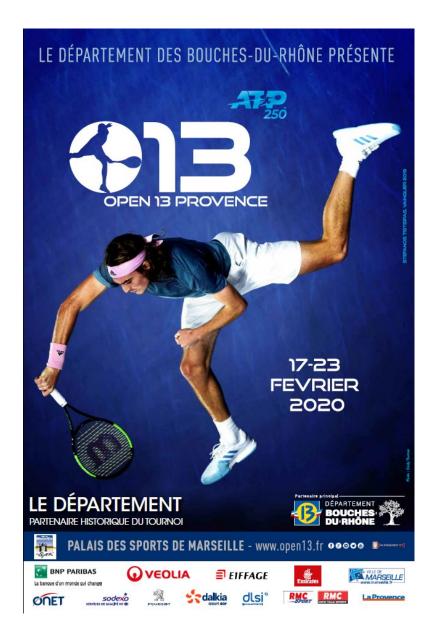


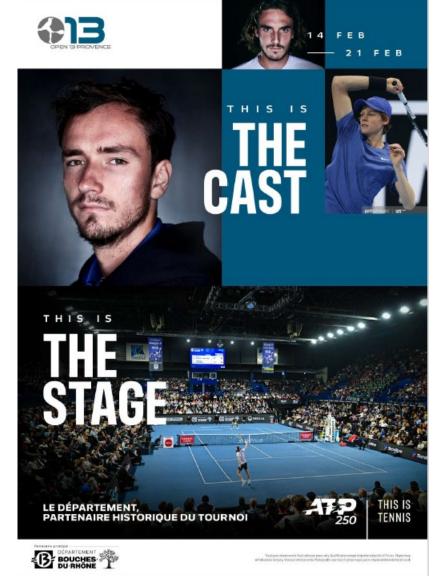






































































































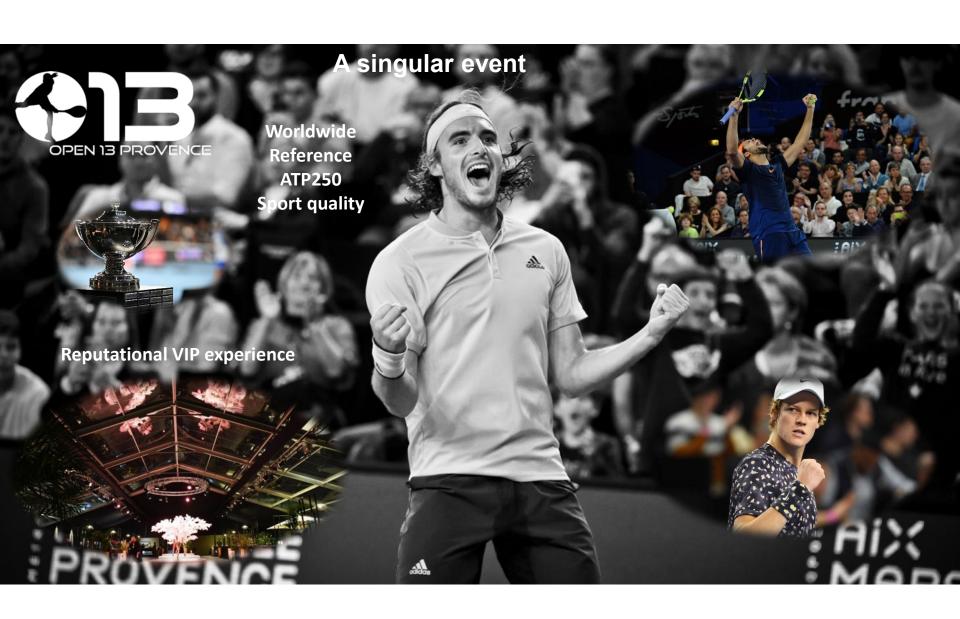




Meeting Sharing Hedonism Discovering

Discovering

Distinction Values « Raison d'être » Ambition





A SINGULAR EVENT

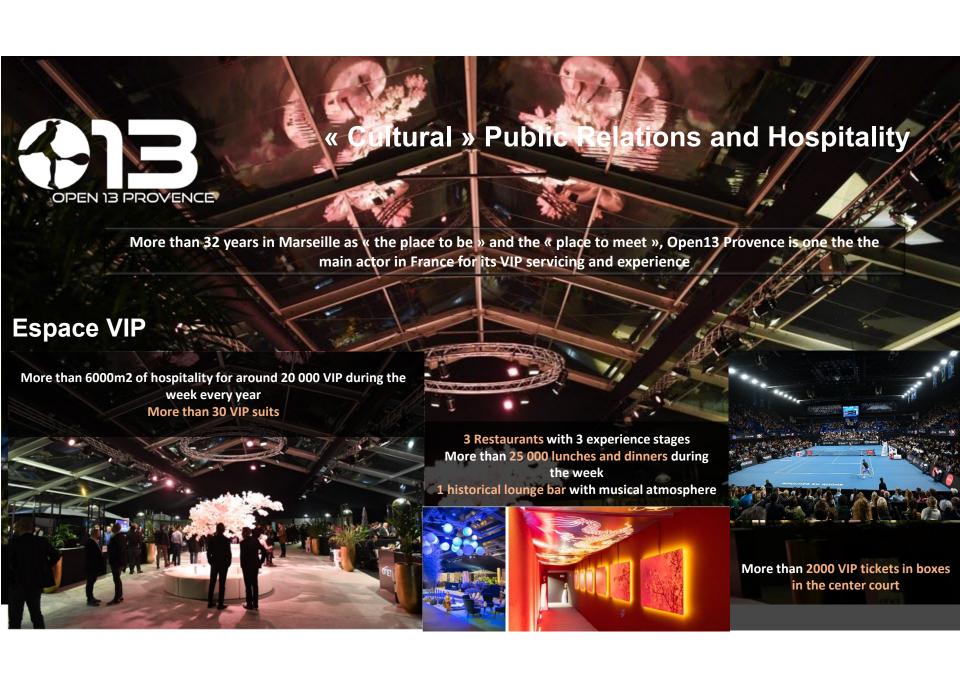
Only 4 « ATP250 » in France on 38 in the world

Prize Money: more than 650K€. 250 ATP points ATP for the winner More than 40 hours TV broadcasting in more than 70 countries

A global media coverage

15 domestic media











OPEN 13 PROVENCE



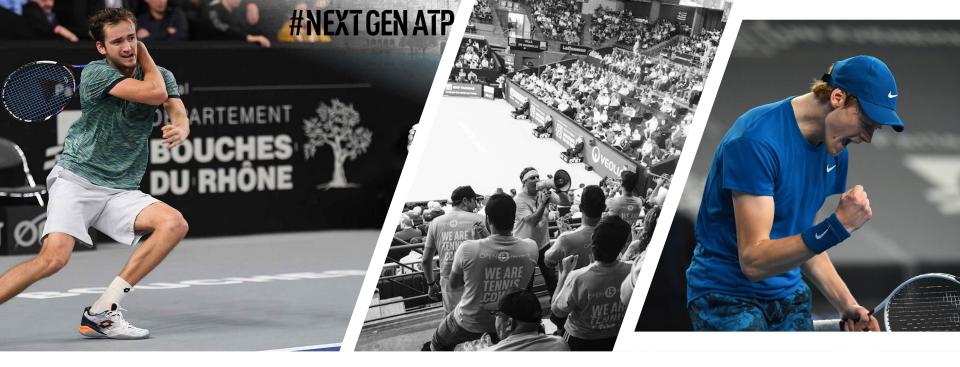
During 32 years, the Open13 Provence is becoming a singular social moment and place for sport, economy and public actors from Marseille Provence destination.

With a high quality of the worldclass tennis competition and its hospitality for sponsors and executives, the Open13 Provence DNA is to focus on the HUMAN RELATIONS as an asset.

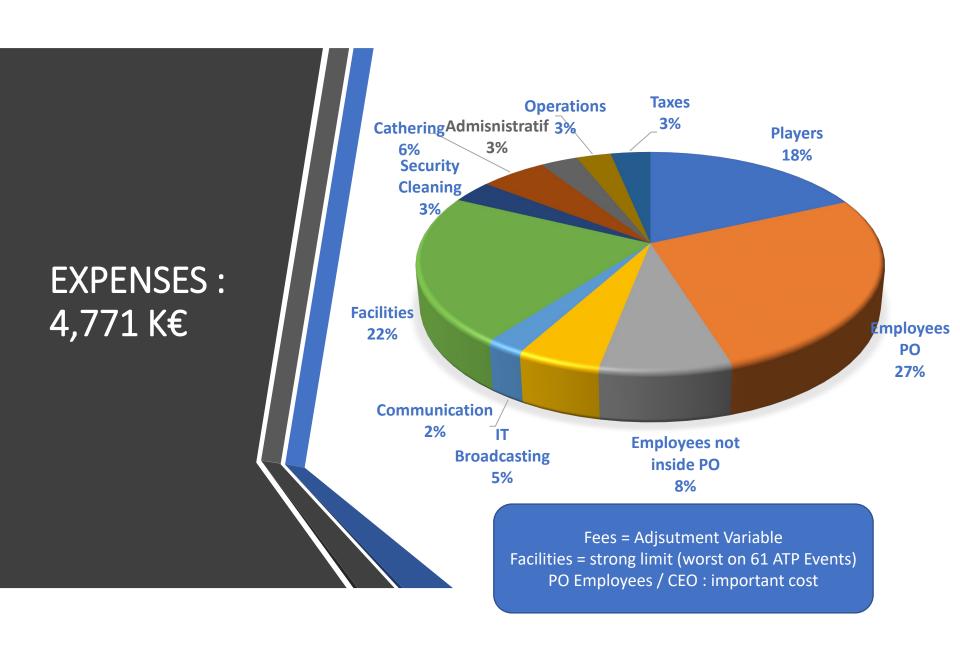
With more than 40 international media, its local action is a one week meeting with all the Marseille Provence actors mixing sport and relations.

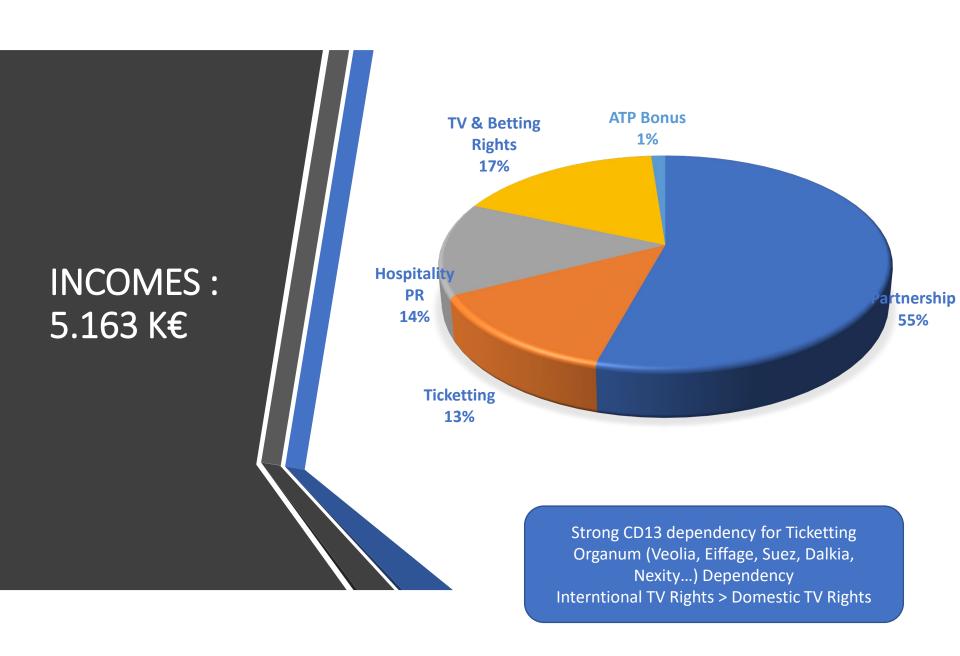
The citizen aim of Open13 Provence is to be a reputational asset for the Marseille Provence destination in order to promote its brand and attractivity.



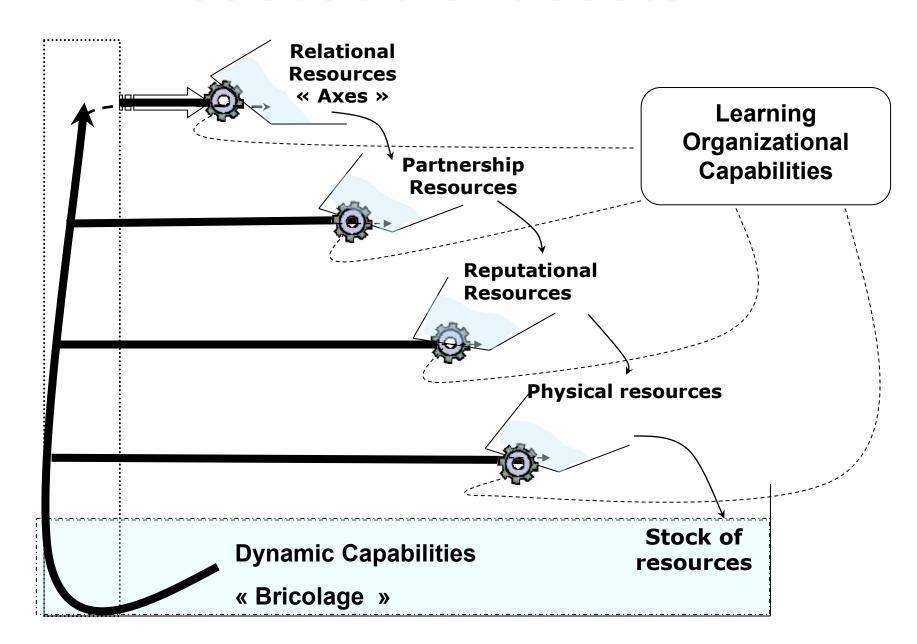




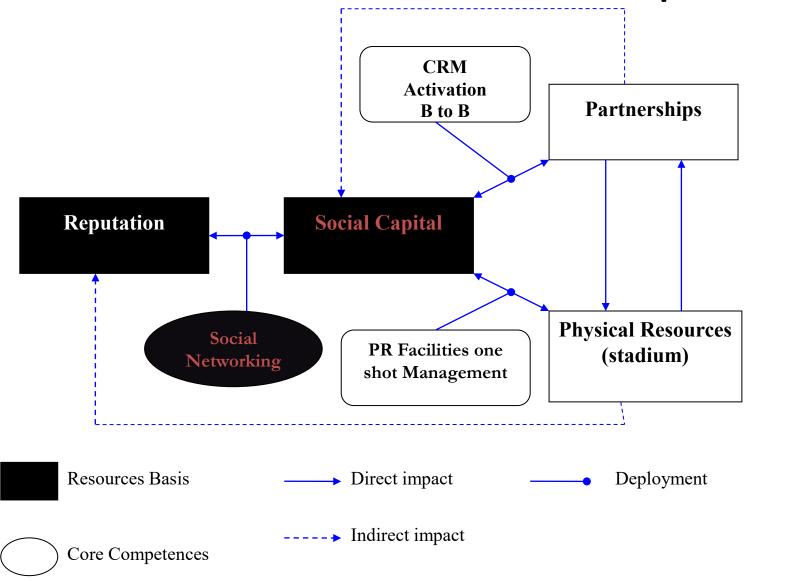




Cascade of assets



Business Model / RBV Open13



New investor from India...



Profile



Mr Karti P Chidambaram (Member - ALL INDIA CONGRESS COMMITTEE)

- · Schooling from Don Bosco, Chennai
- . Bachelors in Business Administration from The University of Texas at Austin, USA
- Bachelors in Law from Cambridge University, UK

Positions Held

Sports

- Vice President All India Tennis Association
- . Chairman Organising Committee of Aircel Chennai Open (ATP) Tennis Tournament
- · President Tenpin Bowling Federation of India
- · Vice President All India Tennis Association & Tamilnadu Tennis Association
- Chief Patron All India Karate-Do Federation

Others

- Member of the inaugural class of the India Leadership Initiative (ILI) of the Aspen Institute
- · Chairman Asia 21 India Chapter of The Asia Society.
- · Co-Founder Chennai Chapter of Young Entrepreneurs Organisation
- . Co-Founder www.karuthu.com An Online Public Opinion Forum

Futur?





KARTI P CHIDAMBARAM



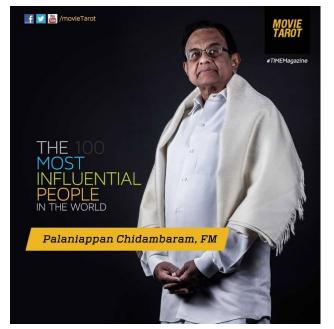
Karti Inc

The companies owned by Karti or his known associates (including companies that were owned by Karti or family members at some point of time)

- Ausbridge Holdings & Investments Pvt Ltd
- Advantage Strategic Consulting Pvt Ltd
- Chess Management Services Pvt Ltd
- · Chess Health Care Pvt Ltd
- Halidon Marketing Pvt Ltd
- Kriya FMCG Distributors Pvt Ltd
- Kaiser Luxury Hotels Pvt Ltd
- Kaiser Surya Samudra Resorts Pvt Ltd

Known associates and directors of several companies owned by Karti

CBN Reddy, S Sundar, Mohanan Rajesh





Strategic vision for an unique tennis ecosystem



Sport business companies are not industrial, we have to create a new « crafting human strategy »

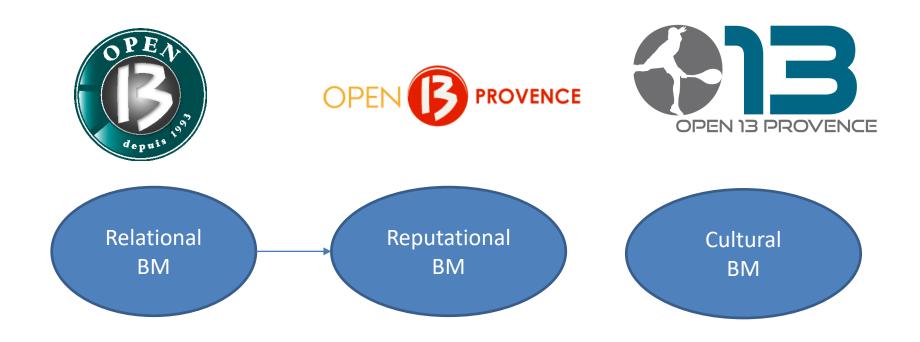


Sport performance is the first goal: we have to create and maintain sport reliability and credibility



Strategic assets combination and synergy will create a powerfull brand with a singular value chain for our future tennis factory.

Strategic vision?

























































Relational Business Model because :



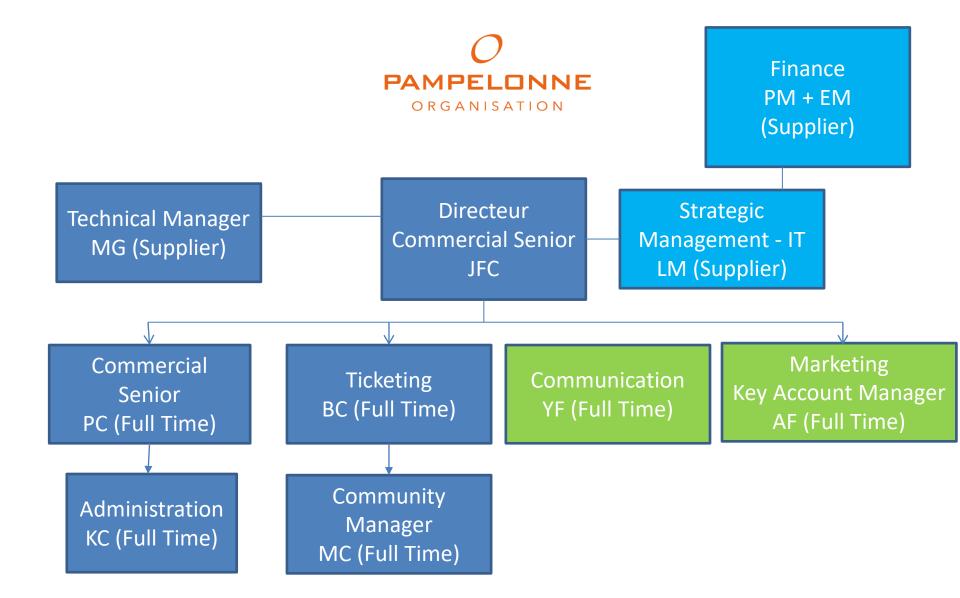
With a large part of the turnover linking to public and private sponsors



Without huge TV Rights



Without Stadium or Arena to implement a strong brand strategy based on fans consuming



WORLDWIDE BESTSELLER

COMPETING FOR THE FUTURE

"One of the year's best management books." —Business Wess

"Arguably the two most influential thinkers on strategy in the Western world."

— Pt mm M, Sovice

"If there is room for only one management book on your reading shelf each year, this is it."

— Strong Plan Chris Warrencook Force

HAMEL PRAHALAD









"A wake-up call for business leaders struggling to keep up in a world of constant change . . . a unique and practical approach to strategy."

—KARL GERNANDT, CHAIRMAN OF THE BOARD, KÜHNE+NAGEL

The

FUTURE

STRATEGY

A Transformative Approach to Strategy for a World That Won't Stand Still

Johan Aurik • Martin Fabel • Gillis Jonk





Strategic Management: From 2007 to 2011 with JF Caujolle





























RÉSERVATIONS: 01 47 43 45 55 - www.bnpparibasmasters.com





















BERCY 6 > 14 NOV 2010

RÉSERVATIONS: 01 47 43 45 55 - www.bnpparibasmasters.com





















RÉSERVATIONS: 01 47 43 45 55 - www.bnpparibasmasters.com























































Sogeres



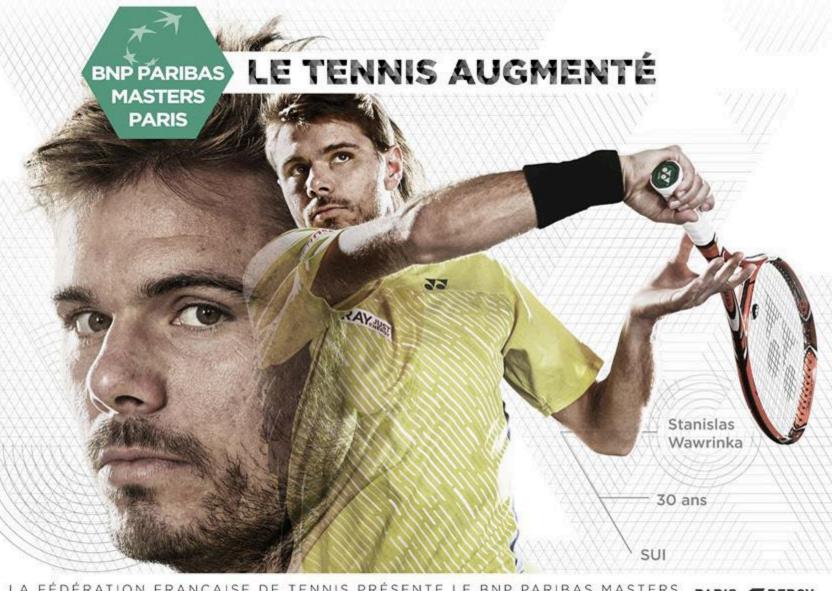














PARIS A BERCY bercy.fr





























































LA FÉDÉRATION FRANÇAISE DE TENNIS PRÉSENTE LE

ROLEX PARIS MASTERS

28 OCT. - 05 NOV. 2017







HEAD







VINCI































































BERCY 6 > 14 NOV 2010





















BERCY 6 > 14 NOV 2010









































































































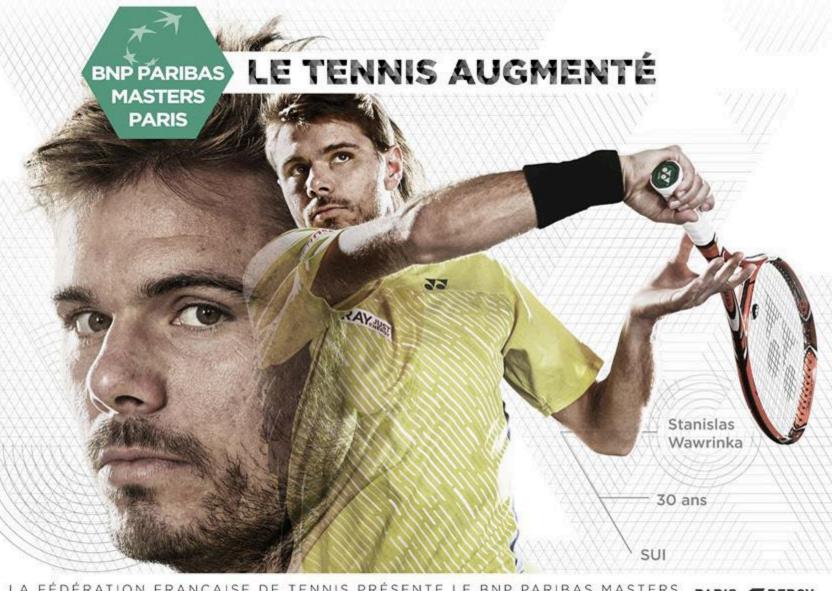














PARIS A BERCY bercy.fr

































BESSURE Meditions Motor Affector RECEDENCE on Photocolocid C.

perpension seem





LA FÉDÉRATION FRANÇAISE DE TENNIS PRÉSENTE LE

ROLEX PARIS MASTERS

28 OCT. - 05 NOV. 2017







HEAD







VINCI





































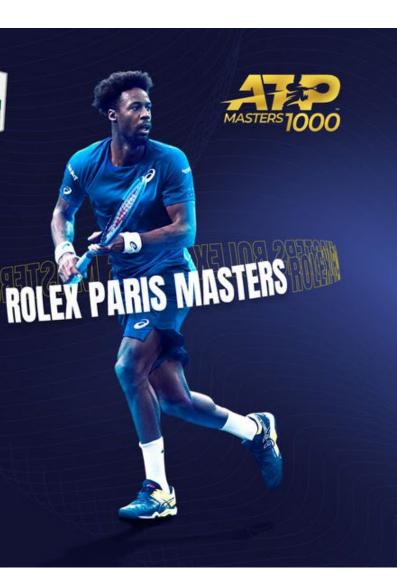












ROLEX PARIS MASTERS

DU 02 AU 08 NOVEMBRE 2020





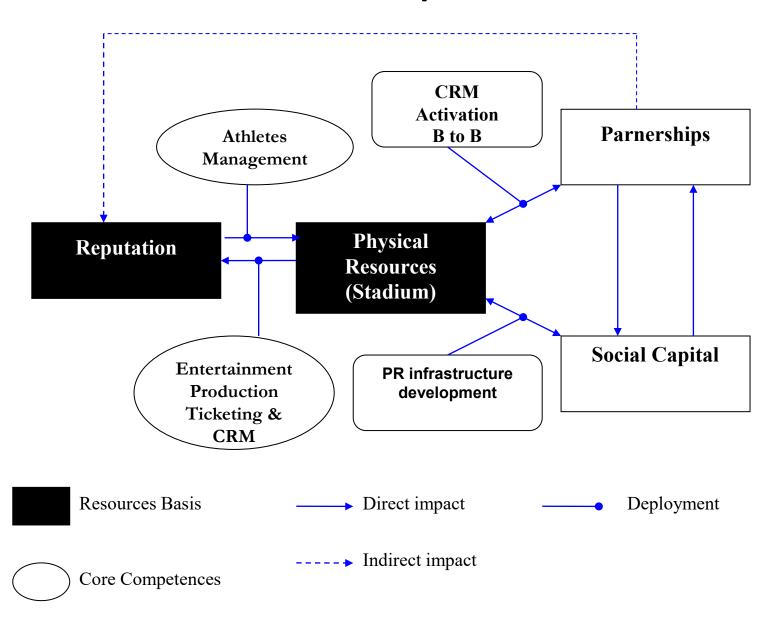


ROLEX PARIS MASTERS

28 OCT. >>> 5 NOV. 2023

RÉSERVEZ >

Business Model / RBV BNPPM-RPM



Fédération Française de Tennis	Réel Exercice	Budget Initial	Réel Exercice	Ecart
en K€	2021	2022	2022	Réel Exercice 2022 / Budget Initial 2022
ACTIVITES EVENEMENTIELLES				
ROLEX PARIS MASTERS				
PRODUITS BILLETTERIE	10	5 226	5 542	316 6%
PARTENARIAT	3 3 1 9	5 018	5 076	58 1%
HOSPITALITES	-16	1 899	1 820	-79 -4%
MEDIAS	6 458	7 752	10 807	3 055 39%
COMMUNICATION / EDITIONS	0	0	0	0 NS
OPERATIONS ANXS ET DIVERS	7	124	136	12 10%
PRODUITS EXCEPTIONNELS	21	0	0	0 NS
REPRISES SUR PROVISIONS	0	0	0	0 NS
Total Produit	s 9 799	20 019	23 381	3 362 17%
CHARGES				
PRIX AUX JOUEURS	3 402	5 631	5 532	-99 -2%
CHARGES DE BILLETTERIE	0	112	245	133 119%
CHARGES DE PARTENARIAT	27	51	104	53 104%
CHARGES HOSPITALITES	0	556	804	248 45%
CHARGES MEDIAS	83	76	86	10 13%
CHARGES D'ORGANISATION	3 760	5 857	5 676	-181 -3%
CHARGES DE COMMUNICATION / EDITIONS	573	1 253	1 116	-137 -11%
OPERATIONS ANXS ET DIVERS	0	0	0	0 NS
SALAIRES ET CHARGES SOCIALES	770	772	1 000	228 30%
CHARGES EXCEPTIONNELLES	0	0	0	0 NS
PROVISIONS	0		0	0 NS
AMORTIS SEMENTS	15	19	16	-3 -16%
AMORTISSEMENTS Exceptionnels	0	0	0	0 NS
Total Charges Directs	es 8 630	14 327	14 579	252 2%
Marge sur coûts direc	b 1169	5 692	8 802	3 110 55%
CHARGES REPARTIES QUOTE PART EAU/GAZ/ELECTRICITE	0	0	0	0 NS
QUOTE PART FONCTIONNEMENT STADE	174	233	0	-233 -100%
QUOTE PART SALAIRES ET CHARGES SOCIALES	0	0	0	0 NS
	•	•		
Total Charges Réparte		233	0	-233 -100%
Total Charge	8 804	14 680	14 679	19 0%
SOLDE ANALYTIQU	E 995	5 459	8 802	3 343 61%













66

I am greatly honored to have been chosen by the FFT as the new Rolex Paris Masters Tournament Director going forward.
It promises to be an exciting challenge.

Cédric PIOLINE





Tennis, ATP

Le Masters 1000 de Bercy devrait être délocalisé à Paris La Défense Arena à partir de 2025



L'enceinte de Paris La Défense Arena, à Nanterre, devrait accueillir le Masters 1000 parisien de tennis à partir de 2025. (B.Papon/L'Equipe)

10 % of sports organizations

Reputational business model based on brand management and where fans are the HEART of the entire Model

With a modern stadium or arena

With TV Rights

With a better control of key assets: reputation-brand and stadium-arena

3 Business Models in sport Business area

