

How data fuels the 'Virtuous Circle' of club and NGB success.

Build the data ecosystem required for a successful operating model in 2022.

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Want sporting success? Then you need income.

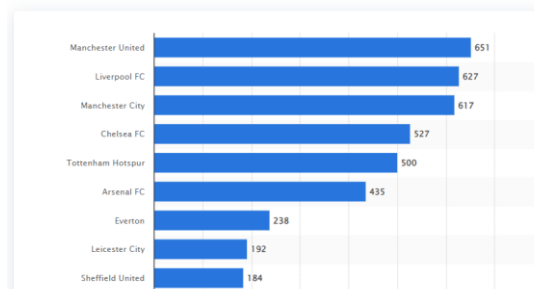
The connection between income and success in sport is well proven. Cash injected elite clubs have (mostly) climbed leagues. Lottery liquidity has oomphed Olympians onto podiums.

But financial fair play (FFP) rules and Olympic funding cycles stop feckless funding. So, nailing an operating model that sustains success is a priority. Data is key to this.

In this quick read paper, we explore how data enables:

- Continued success after an initial investment.
- The budget conscious to compete with the flush.
- Performance, engagement, and participation goals to be achieve.

Premier League clubs ranked by revenue in the season
(in million U.S. dollars)



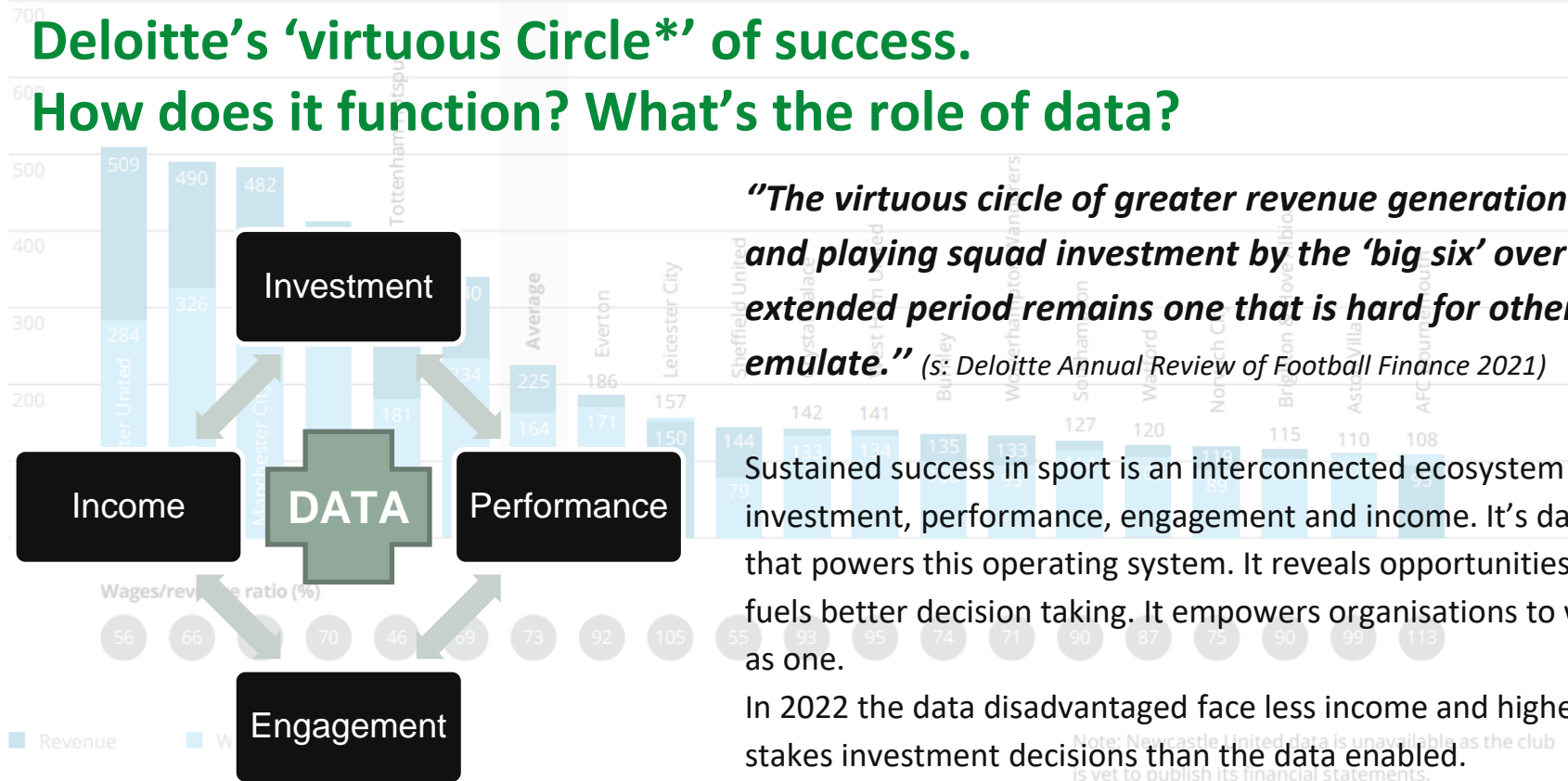
Summer Olympic Sports

The table below shows how much each sport has received from UK Sport's World Class Performance Programme since funding began in May 1997.

Sport	Sydney	Athens	Beijing	London	Rio de Janeiro
Total	£58,900,000	£71,000,000	£ 235,103,000	£264,143,753	£274,465,541

S: <https://www2.deloitte.com/ff/ff/pages/about-deloitte/articles/annual-review-of-football-finance-2021.html>
<https://www.ukspor.gov.uk/our-work/investing-in-sport/historical-funding-figures>

Chart 10: Premier League clubs' revenues and wage costs – 2019/20 (£m)



“The virtuous circle of greater revenue generation and playing squad investment by the ‘big six’ over an extended period remains one that is hard for others to emulate.” (s: Deloitte Annual Review of Football Finance 2021)

Sustained success in sport is an interconnected ecosystem of investment, performance, engagement and income. It’s data that powers this operating system. It reveals opportunities & fuels better decision taking. It empowers organisations to work as one.

In 2022 the data disadvantaged face less income and higher stakes investment decisions than the data enabled.
By 2025 the data disadvantaged may find themselves unable to compete.

Note: Newcastle United data is unavailable as the club is yet to publish its financial statements.

Source: Deloitte analysis.

*<https://www2.deloitte.com/fi/fi/pages/about-deloitte/articles/annual-review-of-football-finance-2021.html>

Opportunity road? Few in sport have yet tamed data.



There's a window of opportunity for those willing to win the data dust-up and create their own virtuous circle.

Two factors are creating space for the speedy:

1. The 'flood' of new data sources into sport (such as performance analysis, player management, member & fan engagement tools). On the face of it each of these is useful. But to be truly powerful the data that each contains needs connecting into one data lake. It's only when this happens that the true power of data is released and data binds organisations together as one. Only a few clubs and NGBs are making this happen.
2. Changing operating models (franchising in particular) are opening doors for early adopters to further apply data in ways which restrict followers.

Let's explore why – and how - to take the initiative.

The virtuous circle: How does data improve investment decisions?

Investment

Income

DATA

Performance

Engagement

Imagine we give your club or NGB £50m. How will you spend it to get the most 'sustained success' for your £ or \$?

The 'easy option' is to buy talent. But, as plenty have found out, it's also the riskiest. Here's what the investment decision looks like for the data informed:

1. Detailed data insights identify their talent gap(s). Opinions and subjective views are measured against the data.
2. Data identifies 'best fit' talent, often globally, always nationally, lowering buying / investment risk.
3. Data identifies future talent, often globally, enabling earlier (cheaper) investment.
4. Data calculates the income uplift that new talent should bring (performance, commercial).
5. They've invested in the tools required to capture this income uplift (for example, fan engagement tools, data capture and analytics).
6. Their data is relevantly, readily, used by non-technical decision takers (these can be exec team, management, talent management, talent, commercial and support team)

Let's explore how to own the initiative.

The virtuous circle: How does data drive performance?



“We’ve been able to bridge the information gap between players, coaches, analysts, parents, at all levels of the club”

Premier League Club, Sports Data Services client

Catapult Sports, Opta, StatsPerform, SkillCorner, Spiideo etc etc. All compelling platforms, all very ‘easy to buy’, all can help with analysis & coaching.

By some estimations there will be 9000+ data points per player within the next few years. Great news? Sort of.

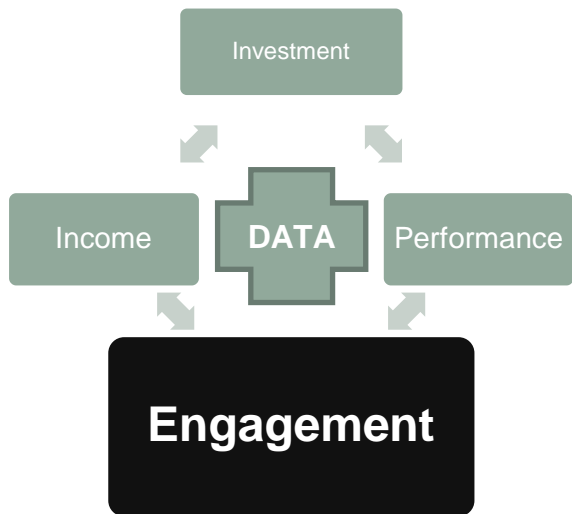
The data informed have recognised that inconsistencies between these systems (how to access them, data definitions, the sheer number of them) dangerously fragments understanding. Decisions are overcomplicated and inconsistent, as is communication.

To make the virtuous circle operate, leaders are:

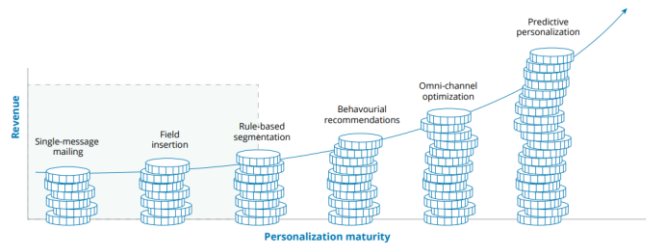
1. Consolidating all this data into one, owned, data lake.
2. Finding insights in their combined data set (that others can’t access)
3. Creating an interface that sits across the combined data set.
4. Enabling two-way interaction with this data.
5. Enabling non-technical users to access and apply insights.

The virtuous circle: How does data improve engagement?

There is a strong revenue and valuation argument to be made in favour of hyper-personalisation.



In-stadium data (Wi-Fi, epos etc), digital data, membership data, grass roots data, commercial partner data, in game data...You get the picture. Just as for performance, there's a lot of data sources.



The data savvy are pulling all this data into their own data lakes. Why?

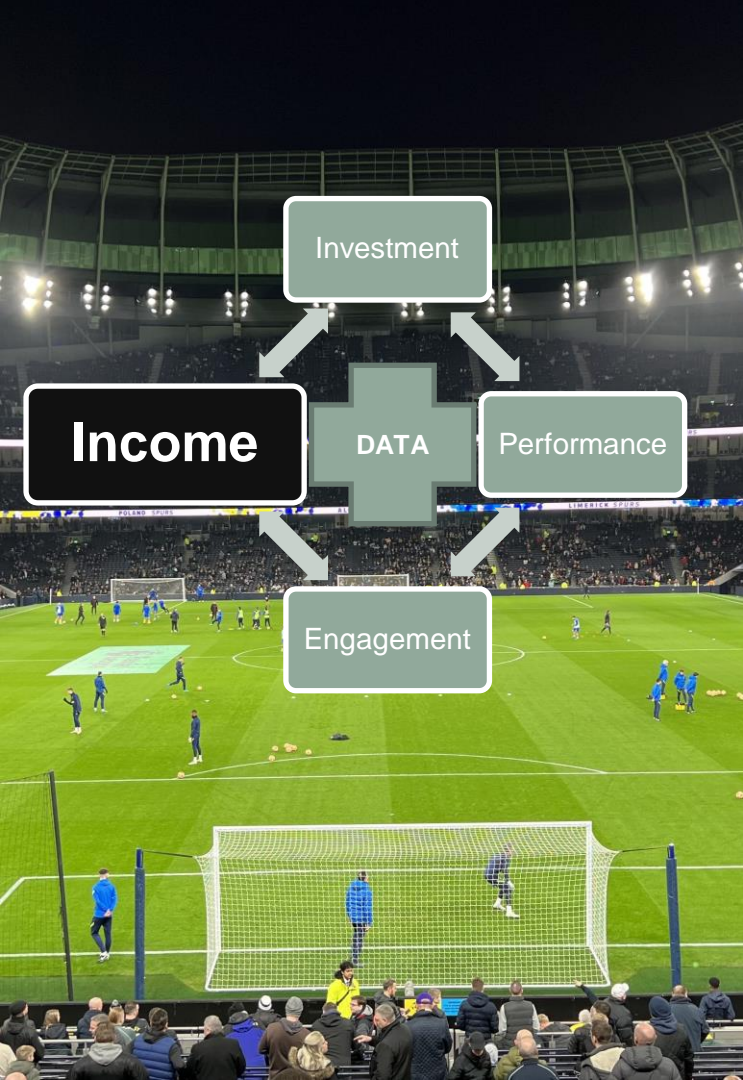
The best at personalisation increase income by a whopping 40%*. Data is a fantastically valuable asset to own.

They can identify their fans, their commercial opportunities, and which activities to invest in to secure this revenue. They can measure marketing effectiveness.

Outcomes for fans and grassroots?

Highly personalised engagement that drives income at games, during games, with remote fans.

* <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-value-of-getting-personalization-right-or-wrong-is-multiplying>



The virtuous circle: How does data deliver income?

Owning your own data set gives your commercial team strong arms! If you can prove WHO and HOW MANY are engaging with your club or sport, then your negotiating position is immensely improved (as members of our team have proven for commercial broadcasters like ITV).

Those who have invested in owning their data can strike revenue generating marketing deals that others cannot. Our clients do this regularly. It works.

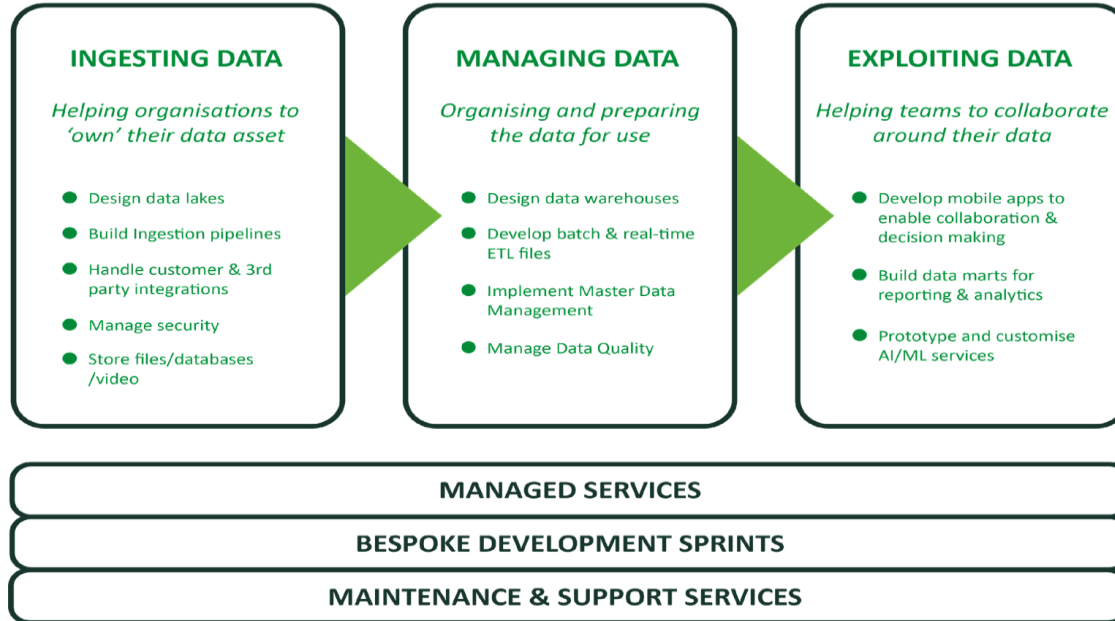
But the data powered virtuous circle delivers a more subtle, critical, income. CEOs, FDs, Managers, Commercial Directors, Marketing Directors are able to prioritise which actions – across investment, performance and engagement – are most likely to improve income. For example:

- Invest in data assessed talent or the stadium?
- Promote in country x or country y?
- Market to group a or group b?

Without their own data powered virtuous circle a club or NGB is, in comparison to others, decision blind.

Powering your own Virtuous Circle: data steps required

DATA MANAGEMENT MATURITY



“Sports Data Services is a true partner, not simply a supplier. They bring their unparalleled skills in Data Management, Business Intelligence, Cloud Architecture and User Experience Development to work collaboratively with us to rapidly turn our ideas into reality and our data into actionable insights.”

Sports Data Services client




Explore creating your own Virtuous Circle

We're always up for a discussion. No obligation expected. Who knows, we may end up doing some great work together. That's provided your coffee's fabulous!

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Dive deeper, read more:

How to use data analysis to coach more effectively. We share the No. 1 thing that splits the best from the rest.

<https://www.sportsdata.services/post/how-to-use-data-analysis-to-coach-more-effectively>

How the best use data to win talent.

<https://www.sportsdata.services/post/need-to-win-the-football-talent-war-then-command-the-data-dust-up>

How to gain up to 40% more income by using personalisation.

<https://www.sportsdata.services/post/why-some-of-your-non-relatives-are-asking-us-to-stop-fans-members-from-swiping-left>

The Sports Leaders Guide to Data.

<https://www.sportsdata.services/post/the-sports-leaders-guide-to-data>