The rules of the Game
Economic and governance perspectives

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Issues for discussion

• Economic characteristics of sport
• Organisation of sport competitions and sport leagues
• Governance of Sport Governing Bodies
• Code of Good Governance for Sport
1 Organization of sports competitions

Types of sports

- **Individual sports** (Athletics, Tennis, Cycling, skating)
- **Team sports** (Football, Basketball, Icehockey)
- **Equipment sports** (Motor sport, Horseriding)

Championships and leagues

- National and international tournaments and sporting events (Olympic Games, Grand Slam Tennis, Tour de France)
- Races, Racing seasons and championships (Formula 1, Ascot, Goodwood, Aintree)
- National team competitions (World Cup or Championships, European Championships)
- National club competitions (Premier League, Bundesliga, Serie A)
- International club competitions (UEFA Champions League, European Basketball League)
### Dienstag, 22. November

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International club competition Type II

EuroLeague 2016-17 Teams

Anadolu Efes Istanbul
Baskonia Vitoria Gasteiz
Brose Bamberg

Crvena Zvezda mts Belgrade
CSKA Moscow
Darussafaka Dogus Istanbul

EA7 Emporio Armani Milan
FC Barcelona Lassa
Fenerbahce Istanbul

odeabank
Galatasaray Odeabank Istanbul
Maccabi FOX Tel Aviv
Olympiacos Piraeus

Panathinaikos Superfoods Athens
Real Madrid
Unics Kazan
National team championships – Olympics

FIBA.com

USA beat Serbia to take third gold medal in a row
National team competitions – national talent pools

- Netherlands
  - National Talent Pool NL
- Spain
  - National Talent Pool ES
- Italy
  - National Talent Pool IT
- FIFA World Cup 2010
- Euro 2012
Domestic and international club competitions - international talent pool

- Man City
- Juventus
- Hull
- Atalanta

Common talent pool
There are three main ways in which rights are sold:

**Collective selling**
- Rights are sold by the sports organising body/league on behalf of its members.
- Income generated from rights sale is redistributed to clubs.
  - e.g. Premier League

**Individual selling**
- Rights are sold by clubs/teams directly to buyers.
- Often this favours the stronger teams in a league/competition who own more valuable properties.
  - e.g. Serie A, Italian Football

**Use of intermediaries**
- Rights are sold to specialist intermediaries who sell on rights to buyers.
  - e.g. FIFA’s use of rights intermediary “Kirch” in the sale of the 2002/06 World Cup tournament

Source: Spectrum Value Partners
Euro 2008 TV rights fees in relation to TVHHs

TVHHs (millions) vs. TV rights fees (EURO millions)
UEFA Champions League rights fees 2006-2009 in relation to TVHH
"The Rules of the Game"

Europe's first conference on the Governance of Sport
Brussels, 26 & 27 February 2001

Conference Report & Conclusions
Six fundamental governance principles:

1. ROLE AND FUNCTIONS
Governing bodies must provide a clear statement of their role and the functions they perform to support their members and other groups with a legitimate interest in their activities.

2. SEPARATION OF POWERS
Good governance requires that there should be a separation between the roles of:
   (i) making and amending of sporting rules as the primary legislative function;
   ii) making and reviewing executive decisions regarding the management of financial resources and organisation of sporting events; and
   (iii) resolving disputes between members, sporting participants and other relevant third parties.

3. BOARD STRUCTURE
Clear rules determining admission and register of members of the governing body. Members shall choose representatives to hold office by democratic elections. Term limits of a maximum of two or three terms?
Six fundamental governance principles (continued):

4. TRANSPARENCY AND ACCOUNTABILITY
Governing bodies will provide sufficient reasoning for all of their actions and decisions.

5. DISPUTE RESOLUTION
Governing bodies shall ensure that a procedure exists for resolving differences.

6. COMMERCIAL ACTIVITIES
There should be a clear demarcation between the governing body’s governance function and any commercial activities.
The FIA has a clear structure with its duties separated into reviewing, enacting and enforcing sporting rules, promoting accessible, sustainable and safe mobility for all, taking executive decisions and resolving disputes.
Governance in practice - FIBA

Strategy

Our Vision:
Basketball is the most popular sports community
We develop and promote the game of basketball...
...bring people together and unite the community

Our Values:
SMART
Progressive
Open
Responsible
Together

Our Mission:
Increase number of people who like basketball
Increase number of engaged fans
Increase number of recreational participants
Increase number of FIBA licensed participants
Develop stars

Establish transparent roles and responsibilities
Extend access to required resources on all levels
Create efficient and skillful organisation
Encourage involvement and participation
Grow satisfaction of stakeholders
• Questions?