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Reframing Scottish Football: Strategy and the short-term nature of the football industry

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"In human behavior there was always uncertainty and risk. The goal of the Oakland front office was simply to minimize the risk. Their solution wasn't perfect, it was just better than the hoary alternative, rendering decisions by gut feeling."

Lewis (2011 p.136)

Abstract

Despite football being deeply entrenched in Scottish culture it is under-researched from a business perspective. This research develops a conceptual framework that views professional football clubs from a number of different perspectives. It draws on strategic management literature since this views the firm as the intersection between internal competence, customer perception and competition within an industry. A review of previous sports business research highlighted five main themes that were used to create a structure for the analysis: on-field performance, attendance, finance, the playing squad and the manager. These themes were used as frames to view the firms within the industry from a number of different perspectives. Each frame allows a different aspect of the firm to be considered singly in turn and then collectively to develop a deeper understanding of the existing frames in use within the industry.

The research is based on a pragmatic philosophy that allows mixed methods to be combined to provide both an objective and subjective view of the industry. The subjective view was drawn from five interviews with senior figures within Scottish professional football. These participants were from a number of different roles and organisations within the industry to provide a balance of experiences. The views were triangulated with a descriptive analysis of secondary data from a number of industry sources to establish patterns within and between these frames. A peer group of six clubs was selected as they competed in the Scottish Premier League in each of the seasons within an eleven-year period (2000-2011). The peer group clubs selected were: Aberdeen, Dundee United, Heart of Midlothian (Hearts), Hibernian, Kilmarnock and Motherwell. By focussing on a small group of clubs with a similar on-field record a broad study across the five frames could be carried out in detail without the findings being influenced by the impact of relegation to a lower division or sustained participation in European football.

Within each of the original five frames a number of sub-components were identified and linked to the framework; this expanded the content to reflect the findings of this project. There appeared to be little link between on-field performance and attendance although progress to the later stages of cup

competitions allowed clubs to connect with fans who do not regularly attend. The relationship between a club's income and wage bill should be expanded to include interest repayments since this expenditure can be used to highlight future financial problems caused by increased debt levels. Although all of the interview participants spoke with pride of the players that had progressed from the club's youth academy to success at the highest level the peer group clubs only produced one player each season that played more than ten matches for the club. Almost half of the players signed from the youth academy left the club without playing for the 1st Team. The importance of the relationship between the manager and club chairman was highlighted, although the speed with which managers were appointed suggests that little consideration was given to this before offering a contract. Once appointed there appeared to be little clarity over the job description and areas of responsibility. Several of the interviewees brought experience from other businesses to football but admitted that short-term decision making and entrenched behaviour made change difficult.

The conclusion of the research is that by taking a firm-wide view of the club, longer-term decisions can be taken within football. Player development and supporter relationships were both identified as long-term processes that are impacted by the current short-termism. With greater role clarity for managers and a mixture of short and long-term objectives those involved in the industry are more likely to have opportunities to learn from experience and performance, across the different frames, will improve as a result.

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Chapter 1: Introduction

1.1 Background to the study

> "The Scottish psyche is infatuated with football. It is a crucial component of our national life, it is part of our very identity, and we simply cannot, as a nation, allow football to wither and die."
>
> Reid 2005 p.18

This quote from Harry Reid's book, which is part reminiscence and part hope for the future, highlights the importance of football to Scotland as a nation and as such underlines why, as an industry, it is important as an area for academic research. Throughout the project the author has met many within the industry in search of new thinking and ideas that can help those making the decisions within clubs in a rapidly changing environment. This project explores those ideas, the impediments to progress and the realities of running a professional football business in Scotland at the outset of the 21st Century.

The genesis of this research project can be traced back to March 15th 2004. It was the day after the Scottish League Cup and the author spent time with a close personal friend, who happened to be one of the losing team. The discussion centred on the problems in the lead up to the match. The loss could not be explained away by bad luck or poor refereeing but the conversation highlighted a number of decisions in the lead up to the game that impacted on preparation, which resonated with the author's own experience in the IT industry. Projects failed not because of a lack of effort or of resources but because of poor planning and inadequate use of resources. The conversations have continued as the player moved to a life after football and the author became more involved in coaching the University 1st Team. The coaching experience helped the author clearly distinguish between football as a sport and football as a business.

Porter (1991) suggests that understanding the reasons why firms are successful whilst others fail is central to the academic study of strategy. To develop an understanding of those reasons demands a holistic view of the firm, the industry and wider social environment in which it operates rather than focus on one particular aspect, such as operations or business processes. Rather than focus

on strategy in a broad manner seeking generalisation that could be applied to any business, this thesis focuses on full-time professional football within Scotland as an industrial context. The research is not about supporters, matches or tactics; it treats players and managers as employees and financial assets. Clubs are firms within an industry and fans are paying customers. The different components of the firm are drawn together to form a series of complementary lenses through which the firm, and by extension the industry in which it operates, can be viewed. The term frame is used throughout the thesis to describe the process of individuals selecting an appropriate mental model to make sense of the current situation (Bolman & Deal, 2014).To view an industry, often built on passion, in this way requires a certain detachment for the researcher. Porter (1991) argued that researchers should create frameworks, to reflect the complexity of the firm or industry, rather than develop predictive models that simplify reality into a few key variables. To understand the complexities of an industry the views of participants were sought and balanced by a numerical analysis. The thesis draws on research into the business of sports to help define a range of specific lenses that can be used as a basis to view the industry from different, but complementary, perspectives.

With Porter's (1991) suggestion in mind, this thesis will present Scottish football as an industry in flux and the output of the thesis is a framework that illustrates the internal tensions that exist within the clubs. The use of a framework has the potential to facilitate discussion amongst the participants to establish which factors are deemed most important at the point in time for the firm. The framework created within in this thesis will form the basis of ongoing discussions with those in the game in Scotland and further afield.

1.2 Research Aim & Objectives

The aim of this research is:

To develop a conceptual framework that combines a broad range of strategic factors to allow new frames to evolve within the business management of professional football clubs in Scotland to encourage the adoption of a longer-term view of company development within the industry.

To achieve this aim the following objectives will be met:

Develop a literature review that draws on strategic management and how the process of strategy is impacted by the 'frames' that act as filters as options are developed. A secondary literature review will discuss the academic literature focussed on the business of professional sport. This literature will be used to develop a conceptual framework that will structure the research project.

Research the current dominant frames within Scottish football through a series of interviews with industry figures. The content of these unstructured interviews will be used to develop an understanding of the industry including the elements previously identified by academic literature as well as introducing concepts that have not previously been researched.

These frames will be further explored through an abductive analysis of secondary data currently available on Scottish football clubs and their players. Working within the frames highlighted in the literature review this analysis will develop industry baselines over an eleven-season period for a group of clubs that form a subset of the professional football industry in Scotland.

Based on the analysis of the primary and secondary data, develop a conceptual framework for the professional football industry in Scotland to develop short and long term strategic management decisions.

1.3 Thesis Structure

To meet these objectives the thesis is structured as shown in Figure 1. Following the introduction a brief industry context is given that demonstrates how Scottish professional football links into the worldwide organisation of the sport.

Introduction	Background Research Justification Aim & Objectives
Industry Context	Defining Scottish Football
Literature Review	Business Strategy Frames Sports Business
Research Methods	Philosophical perspective Interview design Database design
Analysis: **Exploring Existing Frames**	Identify the existing frames from interviews and descriptive statistics
Findings: **Identity the Components**	Key Findings Contribution to Knowledge Contribution to Practice
Conclusion: **Reframing Scottish Football**	Building the Framework
Contribution	Key Findings Contribution to Knowledge Contribution to Practice

Figure 1: Structure of Thesis. Created by the Author

The literature review begins with a discussion of business strategy research with a focus on the lack of clear definitions of the terms used and the different views of the subject. Business strategy literature is used as it takes a 'whole firm' view of the club rather than focus on specific areas such as finance, operations or HR. The links between the firms' competencies, customers and competitors are explored to give a context of the firm, internally and externally. Underpinning this range of views on how strategy is created and implemented is a discussion of the mental models that frame an individual's decisions. These frames can limit the data collected to shape the decisions made. To enable new thinking in an industry the existing frames need to be identified before changes can be made.

The literature of sport as a business is also reviewed to identify the main areas within previous research to provide a scaffold around which the collection and analysis of data can take place within this project.

The chapter on research methods explores pragmatism as a philosophy that supports mixed methods research and encourages the researcher to explore the problem in a number of different ways. The research uses qualitative data gathered through unstructured interviews with industry participants and descriptive statistical analysis of secondary quantitative data to establish patterns over the review period.

The analysis chapter is structured around the themes identified in the sports industry literature and combines the primary data collected in a series of interviews with an analysis of secondary data from the industry. Each theme is used to analyse the comments made by each of the interviewees to identify consist themes or areas of disagreement. The secondary data analysis is used to explore the industry using more subjective data to determine the extent to which the views expressed are consistent with quantifiable data

The findings chapter uses the detail from the finding, building on the frames highlighted in the literature review, to identify the components to be included in the conceptual framework. The five main themes are expanded to include detailed components that can be quantified from existing data to build a conceptual framework that can be used to examine a football club through different frames.

The conclusions chapter combines the components identified in the findings and constructs a conceptual framework that allows a professional football club to be viewed from a number of different perspectives and to suggest how these components may influence each other.

The final section highlights the key findings and offers contribution in the academic study of strategy and the business of sport as well as the contribution to practice.

Chapter 2: Industry Context

The purpose of this chapter is to define the industry context of the research project, which is focussed on a small peer group of similar professional football clubs based in Scotland. The selection criteria used to create the peer group are discussed in the research methods chapter, however an explanation of the context used by the author to frame this project will allow the reader to understand the terms used throughout the analysis.

2.1 The Global Organisation of Football

Football as a sport, and as an industry, is organised hierarchically at a global level (see Figure 2a) this project is focused on professional football in Scotland. In 2006 there were 6,600 football clubs, at all levels, in Scotland with over 420,000 registered players (FIFA, 2006). The author's focus is on those clubs competing professionally at the highest level.
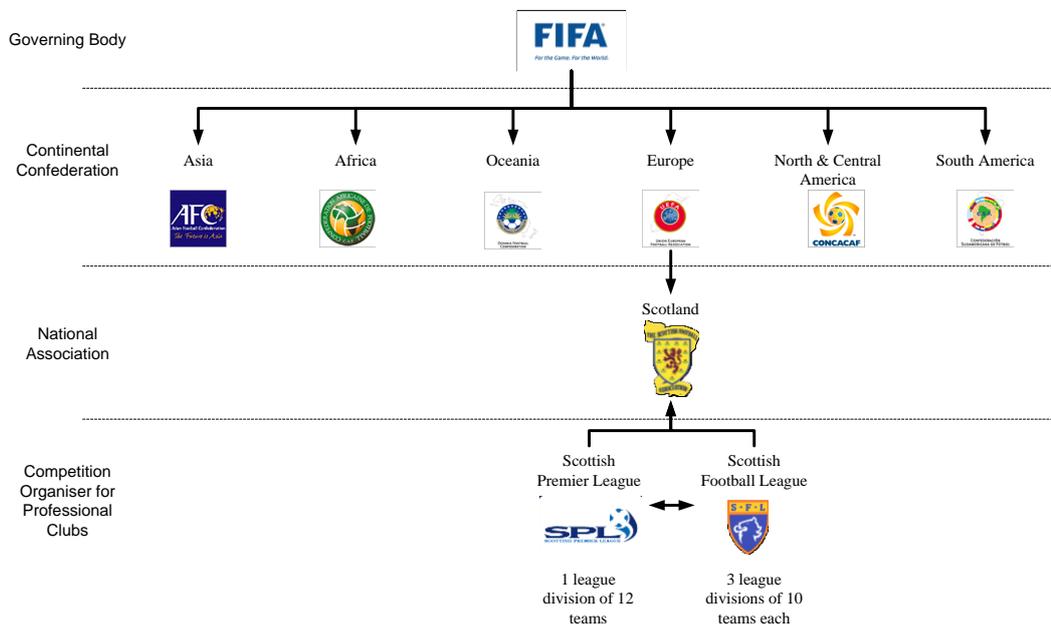
Figure 2a: The Organisation of World Football. Created by the Author

The Fédération Internationale de Football Association (FIFA) is the sport's governing body that approve the Laws of the Game applied throughout the world. FIFA also organises the various World Cup competitions between national representative teams, for men and women at various age levels. There are six continental federations which govern the sport under FIFA regulations

and organise the World Cup qualification competitions and regional international competitions, such as the European Championships. Each country member of FIFA, through a national association, has responsibility for the implementation of the laws and regulations set down by FIFA at a local level. In Scotland the Scottish Football Association (SFA) ensures that all matches comply with the laws, oversees discipline for players and officials who break those laws and manages the registration of players at member clubs. The SFA also selects the Scotland national team and organises the annual Scottish Cup knock-out competition.

2.2 The Organisation of Football in Scotland

Within Scotland there were previously two bodies that organised club competitions, the Scottish Premier League (SPL) and the Scottish Football League (SFL). These merged in 2013 to form the Scottish Premier Football League (SPFL) but the previous competition structures have been retained, with the forty-two senior clubs competing in four divisions based on the previous season's performance. The teams in each division play each other three or four times each season, based on competition rules. Three points are awarded to the winning team and one is awarded to each team if the scores are level at the end of the match. A team's position in the league is based on the number of points gained in the season. The team with the lowest number of points drops a level, or is relegated in football parlance, at the end of the season and is replaced by the team with the highest number of points in the next division down, known as promotion. The SFL organised the Scottish League Cup for the forty-two senior clubs each season.

This research project focusses on SPL clubs over the period between August 2000 and May 2011. During that time eighteen different teams competed within the SPL. The breakdown of these clubs is shown in Figure 2b indicating the number of seasons that the teams played in the competition. Within this period Scottish football was dominated by Celtic and Rangers, known collectively in Scottish football as the Old Firm, with one of the two winning the league every season. The Old Firm also won nine out of eleven Scottish Cups and nine out of eleven League Cups within that period.

Club	Total Seasons in SPL	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Aberdeen	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
Celtic	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
Dundee	5	SPL	SPL	SPL	SPL	SPL	SFL	SFL	SFL	SFL	SFL	SFL
Dundee United	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
Dunfermline	7	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SFL	SFL	SFL	SFL
Falkirk	5	SFL	SFL	SFL	SFL	SFL	SPL	SPL	SPL	SPL	SPL	SFL
Gretna	1	SFL	SFL	SFL	SFL	SFL	SFL	SPL	SFL	SFL	SFL	SFL
Hamilton	3	SFL	SFL	SFL	SFL	SFL	SFL	SFL	SFL	SPL	SPL	SPL
Hearts	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
Hibernian	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
Inverness CT	7	SFL	SFL	SFL	SFL	SPL	SPL	SPL	SPL	SPL	SFL	SPL
Kilmarnock	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
Livingston	5	SFL	SPL	SPL	SPL	SPL	SPL	SFL	SFL	SFL	SFL	SFL
Motherwell	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
Partick Th	2	SFL	SFL	SPL	SPL	SFL	SFL	SFL	SFL	SFL	SFL	SFL
Rangers	11	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL	SPL
St Johnstone	4	SPL	SPL	SFL	SFL	SFL	SFL	SFL	SFL	SFL	SPL	SPL
St Mirren	6	SPL	SFL	SFL	SFL	SFL	SFL	SPL	SPL	SPL	SPL	SPL

Figure 2b: Seasons in the SPL. Created by the Author

The Old Firm also dominated Scottish football financially over that period. The six clubs which participated in the SPL every season had an average annual turnover of £6.3m. In comparison, Rangers' average turnover for the period was £51.6m and Celtic generated £63.1m. This highlights the financial disparity within Scottish football and some of the challenges facing the other SPL clubs trying to compete as equals on the field.

2.3 An Overview of the Scottish Football Industry 2000-2011

The 11-season period reviewed was a turbulent period for Scottish football. Season 2000-01 was the first year of an expanded SPL with an increase from ten to twelve teams with the league being split into two for the final five matches (The Herald 1999b). The split was introduced to reduce the number of meaningless mid-table matches towards the end of the season by introducing the incentive of a top-6 finish (The Herald 2000c). Neither change was without controversy. Some argued for a fourteen or sixteen team league (The Herald 1998b; The Herald 1999a) whilst others thought that the split was unnecessarily confusing (The Herald 2000c).

The league was to be expanded to twelve teams by the top two teams in the SFL joining automatically with a play-off match between the bottom SPL team and the third ranked side in the SFL(The Herald 2000b). Aberdeen, who finished bottom of the SPL, were reprieved when third-placed Falkirk were ruled ineligible for SPL membership as their stadium did not meet the required standard of 10,000-capacity all-seater stadium (The Herald 2000b). Falkirk

explored several ground-share options (The Herald 2000a) but these too were rejected after a vote by SPL members, including Aberdeen (The Herald 2000b). Falkirk were again excluded from the top flight in 2003, as their stadium still did not meet SPL requirements, so Motherwell escaped relegation (The Herald 2003b). In 2004 Inverness Caledonian Thistle were admitted to the SPL after the required stadium capacity was reduced to 6,000 seats (The Herald 2004d) and a temporary ground-share with Aberdeen was permitted (The Herald 2004e). The rule changes were passed after two votes and a ruling from the Court of Session to state that the first vote was invalid (The Herald 2004f). Clubs needed to achieve on-field success to be promoted but the stadium requirements for membership set a financial hurdle as well. Any changes to rules required a vote by the SPL members including the club who would benefit most from maintaining the status quo.

When the SPL expanded in 2000 any decisions made by the twelve members clubs required an 11-1 voting majority (The Herald 2002i). This effectively meant that the Old Firm, by working together, could block any change not in their combined interest (The Herald 2001a). The problems caused by this came to a head in August 2002, during TV contract renegotiations, when the ten non-Old Firm clubs submitted their intention to resign from the SPL at the end of a two-year notice period (The Herald 2002i). This mass resignation would have left Celtic and Rangers without fixtures as football's governing body in England (The FA) had previously ruled that the Old Firm could not join either the Premiership or Championship (The Herald 2002g).The battle between the Old Firm and the other ten SPL clubs continued for six months until a number of changes were agreed, including the regulations voting to allow an 8-4 majority on future rule changes effectively ending the Old Firm embargo on legislation (The Herald 2003a).

Income from TV coverage was a major factor throughout the review period. As the league expanded to twelve teams in season 2000-01, the SPL were part-way through a four-year £45m contract with Sky to broadcast matches on pay-per-view TV (The Herald 1998a). The SPL rejected an extension of the contact with the broadcaster as the member clubs explored the creation of their own TV channel (SPL TV) (The Herald 2002a). The disparity between the sums of

money invested by Sky in Scottish and English football made it hard for SPL clubs to compete for players with even mid-level teams (The Herald 2001b). Although Celtic and Rangers were originally on board with the concept of SPL TV within months the Old Firm began to express doubts about the venture (The Herald 5/4/2002). With the SPL 11-1 majority regulation, so long as the Old Firm stuck together there appeared little the others could do to create the new venture (The Herald 2002d). As the Sky contract ran out, the SPL negotiated a two-year deal with the BBC for less money (see Table 2) forcing clubs to cut back the size of their playing squad (The Herald 2002b).

Year Started	Contract Length	Broadcaster	Contract Value	Matches broadcast per season	Value per Season
1998	4 years	Sky	£45m	30	£11.25m
2002	2 years	BBC	£15m	38	£7.5m
2002	2 years	Setanta	£1.75m	10	£0.9m
2004	4 years	Setanta	£35m	38	£8.75m
2006	4 years	Setanta	£50m	60	£12.5m
2008	4 years	Setanta	£125m	60	£31.25m
2009	3 years	Sky/ESPN	£65m	60	£20m

Table 2: SPL Broadcasting deals. Developed various articles retrieved from The Herald newspaper.

The uncertainty caused by Celtic and Rangers exploration of playing in England had left Sky wary of investing heavily in a league that relied heavily on Old Firm matches to generate interest outside Scotland (The Herald 2002f). The collapse of ITV Digital (The Herald 2002c) meant the SPL had limited broadcast partners forcing them to accept the BBC deal despite the financial implications for member clubs (The Herald 2002j).

Running parallel to the BBC contract in 2002 was a much smaller deal with the Irish broadcaster Setanta (The Herald 2002j). The relationship between the SPL and Setanta would continue to develop over the next seven years with 4-year contracts renewed after only two for more money (see Table 2) until the broadcaster went into administration in 2009 (The Herald 2009b). The SPL was forced to pay the member clubs £3m from its own reserves to meet the shortfall (The Herald 2009b). As was the case in 2002, the SPL would be required to seek a new broadcaster for less money (The Herald 2009c). The global recession had already limited sponsorship opportunities for clubs and the sale of season tickets dropped as fans adjusted to lower disposable income (The Herald 2009a).

Over the 11 season period covered by this project, four SPL entered administration: Motherwell (2002), Dundee (2003), Livingston (2004) and Gretna (2008).

Motherwell were placed in administration, and put up for sale, by the chairman John Boyle, as the SPL TV project failed and the club lost its main sponsor (The Herald 2002e). Boyle was prepared to write off his own £11m investment in the club as he sought a buyer. No buyer was found and the club exited administration in March 2004 (The Herald 2004c).

Dundee were placed in administration in November 2003 with debts of £20m (The Herald 2003d). Several years of over-spending on players' wages finally took its toll at the club as an auditor's report warned that a wage bill constituting 154% of revenue was not sustainable (The Herald 2003c). Costs were cut immediately through redundancies, including several of the big name players (The Herald 2003d).

Livingston entered administration in February 2004 under pressure from HBOS who held the club's £10m debt (The Herald 2004a). As with Dundee, player cuts were made immediately, with six high earners made redundant and six others saw their wages halved (The Herald 2004b). The club was taken over by a consortium in May 2005 (The Herald 2005b).

Gretna were admitted to the SFL in 2002 following the liquidation of Airdrieonians (The Herald 2002h). The club was taken over in 2003 by local businessman, Brooks Mileson, who invested in the club without expecting to see a financial return (The Herald 2005a). The club was promoted through the SFL in just three seasons and joined the SPL in season 2007/08 (The Herald 2007). As the club struggled to adapt to life in the top division, the club was placed in administration in March 2008 after an illness hospitalised Mileson, the only authorised signatory in the club, so the club was unable to pay staff (The Herald 2008a). The SPL made emergency payments to the club to ensure that all fixtures could be fulfilled (The Herald 2008b) but the remaining players were made redundant the day after the season ended (The Herald 2008c). Gretna were originally relegated to the fourth-tier of Scottish football (The Herald 2008d) but the club was wound up in June 2008 (The Herald 2008e).

This brief history of the SPL from 2000 to 2011 demonstrates that Scottish football, even at the highest level, is never too far from crisis although not all of them are self-inflicted. The global financial crisis had an impact on football clubs across the globe and the failure of Setanta and ITV Digital had an impact on the game in Scotland. This discussion of an industry in a prolonged state of flux underlines the need for a systematic study of clubs in Scotland to develop a better understanding of the issues faced and offer practitioners the opportunity to develop new mental models to assist in improved strategic decision-making. This project does not focus on the SPL as an entity but the focus is on the company management of clubs from a business strategy perspective.

Chapter 3: Literature Review

3.1 Introduction

The aim of this research project is to develop a conceptual framework that allows new frames to be identified within the Scottish Professional Football industry. The research is set within the academic context of strategic management as this wide body of literature considers the interaction of the constituent parts of firm, individuals, teams, departments or divisions. The firm is also considered as a single entity operating within an industry of competitors offering a range of similar products to customers.

This literature review is split into two main sections; strategic management and the business of professional sports. The first section looks at the strategic management research as a broad topic with the different schools of thought compared and contrasted. Much of this literature looks at the firm as a single entity but the importance of the individual's frame of reference is considered as frames establish what data is important and how it can be used to establish a strategic advantage within the industry.

The second part of the literature review looks at the academic research that has been carried out in the business of professional sport. There are two main strands of work in this area: empirical studies that look at the impact of managerial change on on-field performance and conceptual frameworks that propose how the professional football industry could, or should, work.

The conclusion of the literature review pulls together the frames identified in the previous sports research to create a structure for the findings and analysis sections rather than set specific questions to be answered.

3.2 Strategic Management

Porter (1991) suggests that the fundamental question of research into the strategic management of companies appears to be this: why do some companies do better than others? This gives a starting point for a wide-ranging, and at times conflicting, area of academic study.

3.2.1 Definitions of Strategic Management

One of the few areas of agreement within the topic is that there is no agreed definition of the subject (Capon, 2008; Thompson & Martin, 2010). De Wit & Meyer (2004) suggest that to give a subject definition would be misleading as this would imply that there is agreement within the discipline.

Some authors offer a rather vague 'means to an end' (Thompson & Martin, 2010) or 'unifying idea or goal' (White, 2004 p.5) but this type of strategy is dismissed by Rumelt (2011) as 'fluff' (p. 37) and can lead to the creation of 'bad strategy' as there is no clear definition of the problem faced or link to action. Rumelt argues that:

> "The diagnosis for the situation should replace the overwhelming complexity of reality with a simpler story, a story that calls attention to its crucial aspects. This simplified model of reality allows one to make sense of the situation and engage in further problem solving."
>
> Rumelt 2011 p.81

This view suggests that the concept of strategy is to allow the decision-makers to focus on the key elements of the situation, which is likely to be highly complex (Bowman, 1998; Fitzroy & Hulbert, 2005; Miles & Snow, 2003) and begin to identify solutions that are linked to action (De Witt & Meyer, 2004; Segal-Horn, 1999).

To allow the participants to simplify a complex situation, most definitions or frameworks make reference to internal capabilities (Barney & Hesterly, 2006; Capon, 2008; De Witt & Meyer, 2004; Fitzroy & Hulbert, 2005; Johnson, Scholes & Whittington, 2008; Miles & Snow, 2003) and the external environment (Capon, 2008; De Witt & Meyer, 2004; Fitzroy & Hulbert, 2005; Johnson, Scholes & Whittington, 2008; Miles & Snow, 2003; & Segal-Horn, 1999).There is however some debate about whether the aim is to match internal capabilities with external changes (Haberberg & Rieple, 2008), to develop the capabilities requires to meet external demand (Fitzroy & Hulbert, 2005; Johnson, Scholes & Whittington, 2008) or to drive changes in consumer behaviour (Teece, 2010).

In defining the external environment, some authors consider the importance of industry and competitors (Barney & Hesterly, 2006; Porter, 2004) although others do not define this clearly (Ansoff, 1977; Capon, 2008; Coulter, 2002). Other authors consider the role of stakeholders in setting expectations

(Haberberg & Rieple, 2008; Johnson, Scholes & Whittington, 2008) whilst others focus on the role of meeting customer expectations in defining strategy (Grant, 2013; Jacobs, Stayaert & Überbacher, 2013; Rumelt, Schendel & Teece, 1995). Ohmae (1982) argues that the success of strategic management comes from balancing the needs of customers with the firm's internal competence in relation to competitors which appears to be a specific blend of internal (competence), external (customer) and industry (competitor). The appeal of Ohmae's definition is that it introduces the concept of balance but is more specific in what needs to be the focus of any firm: internal ability, the needs of customers and the challenge of competitors. This goes some way to answering Porter's (1991) question: Why do some firms do better than others? They have the capabilities to meet the consumers' needs better than others firms in the industry. This capability is not fixed: the needs of customers can shift and the industry does not remain static which leads onto a discussion of timescale.

As well as these differences in viewpoint of the researchers on the interactions between internal capabilities and external factors there is the tension between the long and short term view of strategy (Dodd & Favarro, 2007). Some authors define strategy in terms of a long-term advantage in relation to competitors (Ansoff, 1980; Johnson, Scholes & Whittington, 2008; Pralahad & Hamel, 1990) although Hurst (2002) argues than whilst firms start off looking to the long-term they can lose their sense of purpose over time. Firms should take a long-term view of corporate planning but need to remain flexible enough to change their plans (Argenti, 1981) as the internal and external environment changes (Boddy, 2008) and that some sense of direction is better than none (Bowman, 1998). Long-term growth remains key for the firm this achieved through a series of short-term decisions (Dodd & Favarro, 2007; Weiss, 1995) although decisions-makers do need to remain cognisant that the short-term options selected can have hidden long-term implications (Senge, 2006). It has also been suggested that short-term success can postpone the need for long-term action (Joni & Beyer, 2010). As with the balance of internal capability with external environmental changes there appears to be no consensus on whether the long or short-term view takes precedence within the academic subject area and this dichotomy can create a tension within the topic.

3.2.2 Strategic Management Classifications

Table 3.2a compares four of these studies (Chaffee, 1985; Mintzberg & Waters, 1985; Mintzberg, 1987; Whittington, 1997) to establish any underlying trends within the groupings. Although each of the studies uses between three (Chaffee, 1985) and ten (Mintzberg & Waters, 1985) categories to group the types of strategy development model identified there are two categories that appear in each study that can be grouped under the generic terms 'Planned' and 'Developing' created by the author to avoid overlap with the terms used by other authors. Planned changes are created as a logical series of steps to be followed from the decision point onwards. Developing changes can be seen as being more evolutionary and are developed in reaction to circumstance.

Author	Planned	Developing	Study type	Other categories used in the study	
Chaffee, 1985	Linear	Adaptive	Distinct types of strategy that may be discreet, overlap or used sequentially.	Interpretive	A series of co-operative agreements between individuals who have choice. Leaders can shape the frames of participants rather than change the physical product.
Mintzberg & Waters, 1985	Deliberate	Emergent	Spectrum of types from completely deliberate to entirely emergent.	Planned	Strategies are created from formal plans with clear goals as set by senior management.
				Entrepreneurial	Ted to be driven by the vision of the central leader so can adapt to new opportunities.
				Ideological	Strategies are driven by a shared, central understanding of the firm.
				Umbrella	Targets are set centrally but groups or individuals have freedom to respond to their own situation.
				Process	Key decisions are taken by senior managers but others work within guidelines or structure.
				Unconnected	Bottom-up strategy with individuals taking action based on their own situation and judgement.
				Consensus	Strategies emerge through discussion and shared understanding of the situation.
				Imposed	Strategy is driven by external factors.
Whittington 1997	Rational	Processual	Two by two matrix using outcomes (profit maximising to plural) and processes (deliberate to emergent)	Evolutionary	Markets not managers dictate success or failure. Managers can simply adjust to the environment the best they can.
				Systemic	Strategies are created in a social structure that reflects the views of those involved in the process.
Mintzberg, 1987	Plan	Pattern	Distinct forms that strategy may take within a firm although there appears to be some linked aspects.	Ploy	Actions taken by a firm to deliberate unsettle or mislead a competitor.
				Position	Firm makes a strategic choice in relation to the marketplace within which it operates, e.g. low cost or luxury brand
				Perspective	View of the firm taken by internal stakeholders that generates a strong culture that drives decisions.

Table 3.2a: Planned and Developing Classifications of Strategy. Created by the Author

Of these four studies (Chaffee, 1985; Mintzberg & Waters, 1985; Mintzberg, 1987; Whittington, 1997), only that by Whittington (1997) uses a conceptual framework (see Figure 3.2a) to illustrate the difference in the strategic perspectives.
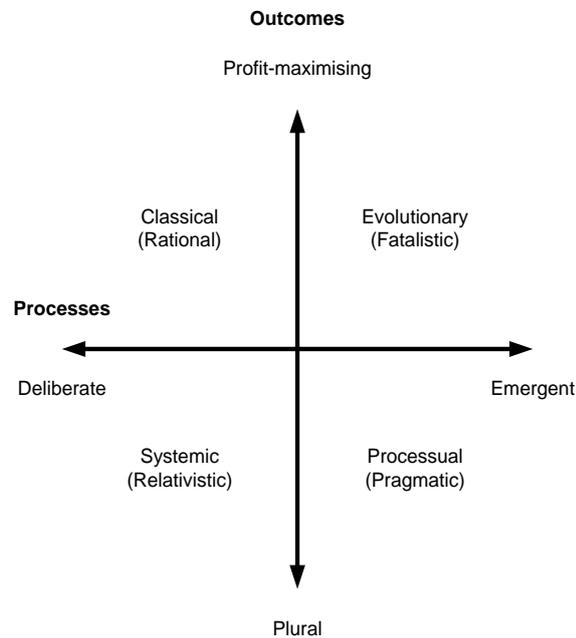
Figure 3.2a: Generic Perspectives on Strategy. Whittington, 1991 p.3

Whittington (1997) argues that by establishing the organisational outcomes and the types of processes used to create the strategy the perspective taken can be plotted on the matrix. Outcomes can be rated from 'profit-maximising', where achieving the highest possible financial reward is the aim of the firm, to 'plural' where the firm takes a wider view. This type of firm may look to invest heavily in Research and Development or for the organisation to be a not-for-profit or social enterprise. The vertical axis considers how fixed the organisational processes are and uses the same terms as Mintzberg & Waters (1985) 'deliberate' and 'emergent' to make this distinction. One other difference between Whittington's and others' work (1997) is that he advocates a position of systemic strategy development where more deliberate mechanisms are used but that firms should seek more than high profits. The other studies (Chaffee, 1985; Mintzberg & Waters, 1985; Mintzberg, 1987) argue that a combination of perspectives can be used where appropriate and that no one approach is better than the others although Whittington (1997) does concede that managers should choose their own position based on the data and analysis that is available to them and the stability of the market within which they operate.

Chaffee (1985) argues that leaders tend to shape the frames used by other participants whereas Whittington (1997) recognises that 'processualists' can, at times, be quite cynical and this can be healthy for a firm as they challenge assumptions made. This ability to see a situation in a new way can be defined as reframing (Bolman & Deal, 2014) and the importance to the process of strategy creation is dealt with later in this literature review.

A third attempt by Mintzberg to classify the different schools of thought in strategy development, in conjunction with others (Mintzberg, Ahlstrand & Lampel, 2009), is used in Table 3.2b to classify a range of strategic management literature used to underpin this research. Using the wide range of strategic management research available, the authors argue that each school of strategic management thought gives part of the wider definition that is missing (Capon 2008; De Witt & Meyer, 2004; Thompson & Martin, 2010) but they can to be used in conjunction to establish the full picture of what strategy is and how it is developed in practice (Mintzberg, Ahlstrand & Lampel, 2009).

School of Strategic Thought	Brief Description of Strategy Development	Authors	Contribution to Theory
Design	Process of conception	Miles & Snow (2003) Chandler (2003) Johnson & Scholes (1984) Grant (2013)	The most influential view of strategy formation and provides the basis for all other schools of thought. Seeks the fit between the firms internal capabilities and the external possibilities available. Introduced the concepts of SWOT & PEST Views the CEO, or equivalent, as the strategist. Tends to focus on the process rather than the product but has very little focus on learning from the strategic change.
Planning	Formal Process	Ansoff (1977) Wheelen & Hunger (1984) Ansoff (1991) Thompson & Martin (2010)	Rooted in the design model but developed by the corporate planners. Identifies five distinct phases: 1. Objective setting 2. External audit 3. Internal audit 4. Strategy evaluation 5. Operationalise Planners can add to the data gathering stage for input and by measuring the effectiveness of implementation.
Positioning	Analytical Process	Kay (1993) Porter (2004a) Porter (2004b) Barney & Hesterly (2006)	Extension of design and planning schools. Firms should seek a place in the market where they have an advantage over their competitors. Most influential writer in Porter who developed the 5 forces, generic strategies and value chain models that are all widely used although these tend to focus on large, multi-national manufacturing firms. Controlled and conscious process. Helpful in decision making by use of data.
Entrepreneurial	Visionary Process	Baden-Fuller & Stopford (1994) Leavy & Wilson (1994) Bowman (1998)	Falls into both the prescriptive and descriptive schools. Focuses on vision. Firm can create new combinations or new ideas. This may be improved products or improved processes. An entrepreneur can be: The founder of an organisation Manager of a self-owned business An innovative leader. Can be an important approach either in the period of start-up or turnaround.

School of Strategic Thought	Brief Description of Strategy Development	Authors	Contribution to Theory
Cognitive	Mental Process	Daft & Weick (1984) Duhaine & Shwenk (1985)	Psychological approach based on a loose collection of research based on the notion of understanding the decision making process. Two main views: Objective approach: one view Subjective approach: many views Assumption: More information makes for better decisions. Evidence: More information makes us more confident about the decisions we make. Focuses on the individual rather than the collective.
Learning	Emergent Process	Lindblom (1959) Mintzberg(1979) Mintzberg(1991) Quinn (1980) Hamel & Prahalad (1996) Weick (2002)	Based on the premise that strategists learn over time. Two main concepts: Emergent strategy Retrospective sense-making Focussed on the idea of action, learning from the experience and keeping what works. Moves away from the notion of one strategist. Small ideas can make big changes. Learning is good but the day job does need to be done.
Power	Process of Negotiation	Ackermann, Eden & Brown (2005) Joni & Beyer, 2010 Miron-Spektor, Gino & Argote(2011)	The learning school introduced the idea of power and politics. This school develops that idea further. Suggests that: Organisations are coalitions Members have different views Scare resources must be allocated Conflict is caused by the above Decisions made by negotiation and bargaining. Deliberate strategies introduce power shifts. Stakeholder analysis is key. Through negotiation new strategies emerge.
Cultural	Collective Process	Johnson, Scholes & Whittington (2008) Mintzberg (1987)	Considers the importance of the collective rather than the individual. Asks: what makes organisations different? Outsider view tends to be objective Insider view tends to be subjective Strategy is the result of social interaction. Beliefs tend to be acquired tacitly and rooted in the history of the organisation. Strategy tends to be a perspective rather than a position. Culture can limit growth by discouraging change.

School of Strategic Thought	Brief Description of Strategy Development	Authors	Contribution to Theory
Environmental	Reactive Process	Coulter (2002) Fitzroy & Hulbert (2005) Haberberg & Rieple (2008)	Based on the perception that the organisation is largely passive and moved by changes in the external environment. Strategic leaders are required to respond to market changes rather than drive change.
Configuration	Process of Transformation	Miles & Snow (2003) De Witt & Meyer (2004)	Draws on all of the other schools. Looks are two areas: Configuration – the firm in its context Transformation – strategy making process Organisations change over time. They tend to see periods of relative stability interrupted by transformations. Looks to use the correct methods at the appropriate time. Does tend to focus on the central tendency rather than view the outliers.

Table 3.2b: Classifications of Strategy by School of Thought. Created by the Author

The classification of different author's work by 'school' (Mintzberg, Ahlstrand & Lampel, 2009), shown in table 3.2b, highlights the differences between the strategic perspectives but also serves to demonstrate some of the areas of overlap between the concepts. The *positioning* and *environmental* schools both view the firm's position in the marketplace as being significant although the attitude to the place differs. The *positioning* school seeks the optimum range of products or services to meet demand, focussing on Ohmae's (1982) competence to meet customers' needs, whereas the *environmental* school suggests that the balance of power lies in 'the market', which can be viewed as Ohmae's competitors. In these schools of thought the focus appears to be on one part of the environment rather than a combination of factors as Ohmae had. The *design* and *entrepreneurial* schools both place a lot of emphasis of the role of the business leader in the process of strategy development with the importance of the selection of the right leader for the situation identified (Leavy & Wilson, 1994). The *power* and *cultural* schools of thought both highlight the impact that a wider range of people have on the strategy process than the *design* and *entrepreneurial* schools do.

Mintzberg's work on how strategy emerges appears central to the entire field of study as he has sought to advance the discussion from how strategy is created to how it is implemented (Mintzberg, 1978; Mintzberg & Waters, 1985; Mintzberg, 1987; Mintzberg, 1991; Mintzberg, 1990; Mintzberg, Ahlstrand & Lampel, 2009). Figure 3.2b illustrates how, in Mintzberg's view strategic intentions are realised with some of the original plan being dropped, for a variety of reasons, with new aspects emerging over time (Mintzberg, 1978).
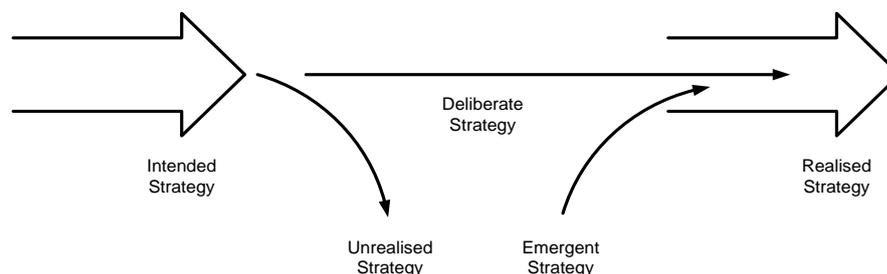
Figure 3.2b: Types of Strategy. Mintzberg, 1978 p.945

The realised strategy is different from the intended one but no less deliberate as decisions are taken during the implementation in light of changing events (Mintzberg, 1978). In this Mintzberg is not arguing against planning but that

changing events and new information are incorporated into the strategy as trusting an out-of-date plan can lead to poor decisions.

3.2.3 Sense-Making in Strategic Management

Mintzberg's later work had questioned the reliance on a single strategist, usually the CEO, in the prescriptive schools of thought (Mintzberg, 1990). He questioned whether one person could understand the situation fully and be able to process all of the required information to make the decisions in advance of implementation (Mintzberg, 1990). Mintzberg suggested that conceptual frameworks, designed to help explore a situation, had been taken as models to explain a situation. This distinction was picked up by Porter (1991) who suggests that models are used to simplify a complex situation by reducing the number of variable factors to those that could be measured whereas a framework retained the complexity of the situation. This can be linked back to Rumelt's suggestion that the 'overwhelming complexity' of the environment needs to be simplified to allow managers to focus on the critical issues (Rumelt, 2011). The use of models is common in other academic subjects, such as economics and biology, for classification or prediction. In strategy however, there is no limit to the number of labels, boxes or classes that can be used; companies adapt at a faster rate than in those subjects (Baden-Fuller & Morgan, 2010) This "pretence of science" based on partial analysis and unbalanced assumptions can be dangerous in practice as it downplays the complexity of the business environment (Ghoshal, 2005). The frameworks can be used in the process of sense-making (Rumelt, 2011; Weick, Sutcliffe & Obstfeld, 2005) and this will be explored in a later section of the literature review as the role of frames is discussed.

Mintzberg's (1991) challenge to the assumption that it was possible for firms, (or individuals), to be in possession of all of the information required for a completely planned strategy is supported by Simon (1993) who suggests that as the repercussions of any decision lay in the future then, to some extent, imagination takes over; this challenges Ansoff's notion of rationality (1991). Hamel & Prahalad (1996) suggest that the role of the manager is not to predict what will happen in the future but rather to imagine the possibilities and then create a strategy from the imagination. They suggest that firms are actually

competing in the industry of tomorrow rather than today (Hamel & Prahalad, 1996). Makridakis (1990) argues that there are three things we can say about the future with any certainty:

1. The future will be different from today and the further into the future we move, the more different it will be.

2. Of the forecasts made about the future, these will include predictions about events that did not happen, and will not include some things that did happen.

3. Any knowledge of the future is of limited use if it applies to events that are external to the organisation, and is shared by any of the competitors.

This should not be taken to mean that firms operate without plans or forecasts but the flaws in the information need to be accepted (Makridakis, 1990; Mintzberg, 1990). Figure 3.2b illustrates that emergent factors combine with the deliberate strategy to create a realised strategy (Mintzberg, 1978). Managers can suffer from an "impossible overload of information (much of it soft)" (Mintzberg, 1978 p.948). The difference between too much raw data and not enough processed information has been highlighted as a potential problem for managers (Fitzroy & Hulbert, 2005) but the focus on the important issues of the situation is vital for sense-making and decision-making (Rumelt, 2011). Where there is a lack of information managers have to rely heavily on intuition (Simon, 1993; Fitzroy & Hulbert, 2005). Other authors argue that managers have to blend data and creativity to make decisions in any case (Ohmae, 1982; Weick, 2003; Teece, 2010). Firms can look outside their own organisation for information through bench-marking to understand how good company performance is in comparison to competitors although this data is historical and of limited use for forecasting (Baden-Fuller & Stopford, 1994). This links back to the third point made by Makridakis (1990) above as the data is both external and shared by competitors.

Argenti (1985) offers some suggestions on the level of information required by a firm. He argues that is the data collection system is complex then it needs to be simplified to the key variables (Argenti, 1985) but this links back to Porter's (1991) warning on over-simplification. There appears to be a need for the identification of the key variables. With too much data there can be paralysis (Mintzberg, 1978) but not enough could lead to a misunderstanding of the situation (Porter, 1991). Elsewhere he argues that the data used need to be

clearly defined, otherwise individual managers are more likely to spend time arguing over the format and meaning of the data rather than the content (Argenti, 1981). This would seem to link back to the political view of strategy development where multiple actors are involved with differing perspectives (Joni & Beyer, 2010; Miron-Spektor, Gino & Argote, 2011). Heffernan (2011) suggests that individuals are twice as likely to look for information that supports their viewpoint than challenges it and our mental models dictate how we interpret the data collected (Bolman & Deal, 2014). Figure 3.2c illustrates how these mental models can impact on how managers create strategy (Duhaime, Stimpert & Chesley, 2012).

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┌──────────────┐   ┌──────────────┐   ┌──────────────┐   ┌──────────────┐
│ Mental Models│ → │Decision Making│ → │  Strategies  │ → │ Performance  │
│              │   │              │   │              │   │  Outcomes    │
└──────────────┘   └──────────────┘   └──────────────┘   └──────────────┘
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Feedback

Reinforces or suggests changes in managers' mental models
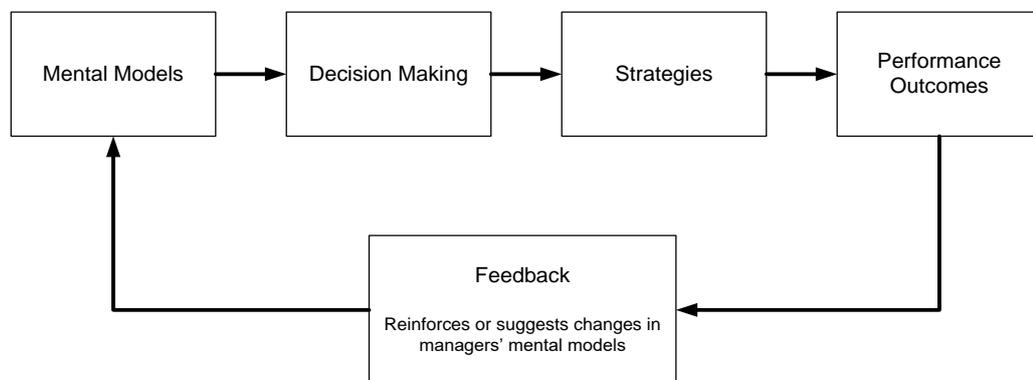
Figure 3.2c: Relationships among Manager's Beliefs, Decision Making, Strategies and Performance Outcomes. Duhaime, Stimpert & Chesley, 2012 p.7

In this framework there appears to be some suggestion as to why different strategy development tools are favoured by some but not others, as the manager's own mental model distinguishes the important data to include in the decision making process (Ferguson & Ferguson, 2000; Duhaime, Stimpert & Chesley, 2012) as well as the individual's definition of what strategy is and how it is created. These mental models are developed over time through personal experience, culture and education as well as imitating others (Duhaime, Stimpert & Chesley, 2012). These heuristics are based on past events so may well have limited use in the current situation (Duhaime & Schwenk, 1985; Gary, Wood & Pillinger, 2012).

The formal data collection systems outlined by Argenti (1985) can be classed as explicit knowledge as it is formally codified and shared within the organisation (Ferguson & Ferguson 2000). As manager's internalise these explicit models the knowledge can become tacit and include elements of the individuals own experience and learning (Ferguson & Ferguson, 2000; Baden-Fuller & Morgan,

2010). Senge defines a tacit mental model as "ingrained assumptions, generalizations or even pictures or images that influence how we understand the world and how we take action" (2006 p.8). With "ingrained assumptions" there is a danger that the individual may not be aware of the mental model being used (Baden-Fuller & Stopford, 1994; Simon, 1997; Markides, 2000) and that managers can seek to rationalise behaviour after the event (Hurst, 2002). Duhaime & Schwenk identify the dangers in "reasoning by analogy" (1985 p.288) where individuals refer to past events with the assumption that everyone else's tacit mental model matches theirs. Differences in those pictures can lead to project failure as there can be a significant gap in the unstated assumptions made by the participants (Lindblom, 1959; Duhaime & Schwenk, 1985; Ferguson & Ferguson, 2000). Another danger can come from using old models in new situations without taking time to establish if the previous decision has the desired performance outcomes (Gary, Wood & Pillinger, 2012). Early commitment to the first available answer, based on the prevalent mental model, can lead to project failure (Nutt, 2002). Existing mental models can also lead to choices being rejected because they do not meet the expected form (Ferguson & Ferguson, 2000). Learning needs to take place in order for new frames to form (Blosch, 2001).

Figure 3.2c includes a feedback loop where managers can match performance outcomes with the mental model and decisions taken (Duhaime, Stimpert & Chesley, 2012) with reflection taking place after the event (Simon, 1997 & Franklin, 2013). This reflection needs to be a conscious act (Gary, Wood & Pillinger, 2012) and can be impacted by cynicism and self-interest (Dewett, 2004; Baumard & Starbuck, 2005). Denial of corporate error can leads to a destruction of business value (Grundy, 1995) and limit the learning (Nutt, 2002). Argyris (1991) suggests that senior managers may not learn from mistakes as they have little experience of failure and can become defensive as they have not developed the learning skills required. Failure can be dismissed through external factors although success is always down to the skill of the participants (Baumard & Starbuck, 2005).

In summary, there are a number of problems highlighted by this research. Mental models may be explicit however experience can lead to tacit knowledge being incorporated by individuals involved in the strategy process. This can limit the collection or interpretation of data within firms leading to a strategy that does

not address the current situation. The strength of the mental models in use can be limited due to incomplete - or entirely missing - learning opportunities from past projects. This research would seem to suggest that firms can repeat failures by not updating faulty mental models. The next section will look at ways in which firms can deliberately change the mental model in use through reframing (Bolman & Deal, 2014).

3.2.4 The Importance of Frames

Bolman & Deal (2014) chose the term 'frame' to describe the process of an individual selecting the most appropriate mental model to develop a solution to the situation faced. They did so because it has many different ways in which it can be applied and such diversity helps illustrate the different ways in which the term can assist the manager to use an explicit model rather than tacit pattern recognition (Dewey, 2010; Bolman & Deal, 2014).

> "In describing frames, we deliberately mix metaphors, referring to them as windows, maps, tools, lenses, orientations, filters, prisms, and perspectives, because all these images capture part of the idea we want to convey."

> Bolman & Deal, 2014 p.10

In choosing a term that can be viewed in a number of ways the complexity of these mental models is conveyed. Windows let light in but keep draughts out. Maps illustrate the surrounding territory to allow the reader to deduce where they are and how they should proceed. Filters strip out the unwanted elements whilst a prism breaks a beam of light into its constituent parts (Bolman & Deal, 2014). In this choice of term Bolman & Deal reflect on those used by others who have studied the impact of mental models on business decisions. Mental models have been described as screens or filters (Ferguson & Ferguson, 2000), lenses (Weick, 2003), heuristics (Finkelstein, Whitehead & Campbell, 2009) or paradigms (Quinn, 1980).The term 'framing', as defined by Bolman & Deal (2014) captures a wider range of meaning than the others offered here, so it will be used within this study.

3.2.5 The Role of Reframing in Strategic Management

For firms to be able to innovate they need to be able to break their existing frames (Dewett, 2004; von Oetinger, 2004; Talke, Salomo & Rost, 2010) or reframe the current situation to envision a different outcome (Janis, 1982; Bolman & Deal, 2014). This requires a creative culture (Dewett, 2004); the combination of existing data and imagination can allow people to innovate especially where an industry is in flux (Weick, 2003; Dewey 2010; Teece, 2010). There is a danger in linking reward to success as it can damage a firm's ability to collect new data which may question the definition of success (Baumard & Starbuck, 2005). The reward structures can lead to internal competition so complementary solutions may be overlooked (Miron-Spektor, Gino & Argote, 2011) as politics and self-interest take over (Baumard & Starbuck, 2005). Several authors (Quinn, 1980; Simon, 1993; Blosch, 2001; Flanagan & Runde, 2009; Franklin, 2013; Guiette & Vandenbempt, 2013) highlight the importance of different frames within teams to avoid mistaken patterns to be identified in new situations (Kay, 2010) or groupthink to develop (Janis, 1982). Opportunities to reframe the business can be missed as managers can act on a tacit rather than explicit frame (Argenti 1985) or information that contradicts the dominant view is overlooked or dismissed (Markides, 2000). The individuals involved in a project do not always hold the same views (Blosch, 2001) but these differing perspectives are required in order to develop a better understanding of the external factors that may be driving change and the internal actions required to meet those external stimuli (Guiette & Vandenbempt, 2013; Franklin, 2013). These different views may lead to conflict within the firm but proper management of this will likely increase the firm's ability to develop as a whole rather than as competing components (Hamel & Prahalad, 1996; Joni & Beyer, 2010; Miron-Spektor, Gino & Argote, 2011). Joni & Beyer (2010) suggest that conflict within management teams needs be about the future rather than the past and the overall purpose of the firm. Using the tension created by the disagreements to be innovative (Flanagan & Runde, 2009; Joni & Beyer, 2010) and can prevent the conditions that lead to groupthink (Janis, 1982) or single-outcome decisions (Duhaime & Schwenk, 1985). Managers can continue with projects that appear doomed to failure due to the personal investment already made in the project (Duhaime & Schwenk, 1985; Workman, 2012). Managers

with limited view of the organisation can blame individuals for organisational failings, and this concept of 'scape-goating' is discussed more fully in the section on sports literature. Hamel & Prahalad (1996) argue that as well as learning, firms need to forget those practices that are no longer relevant to the current environment even where this appears counter-intuitive or dangerous (Weick, 1996).

3.2.6 The Role of the Leader in Reframing

Although a new leader will likely bring new frames to the firm (Hutzschenreuter, Kleindienst & Greger, 2013) they will require time to learn the existing models in place and the strength of available resources (Franklin, 2013). Leavy & Wilson (1994) describe strategic leaders as "tenants of time and context" (p.113) and observed the importance of linking the correct type of strategic leader with the situation faced by the organisation. Each frame (see Figure 3.2d) identified is suited to different stage of organisational development (Leavy & Wilson, 1994).

Builder	Revitaliser
Formative stage of the organisation Expansionist and opportunistic Visionary but with the ability to deliver Generates momentum through people Imaginative Risk-taker	Professional Manager Sees the 'big picture' Introduces their own staff Breaks with the past where necessary
Turnarounder	Inheritor
Short-term specialist Focussed on the issues Stabilise cash flow Cut costs before rebuilding Restore stakeholder confidence	Tends to be an insider Seeks continuity rather change at least in the beginning Team-oriented

Figure 3.2d: Tenants of Time and Context. Developed by the Author from Leavy & Wilson, 1994

The *builder* is likely to be imaginative and prepared to take risks in order to help the company grow (Leavy & Wilson, 1994). The *revitaliser* is classed a 'professional manager' and is likely to be an outsider. They would likely bring in their own staff as they are less likely to be tied to historical frames (Leavy &

Wilson, 1994).The *turnaround* manger is likely to be a specialist in company rejuvenation (Baden-Fuller & Stopford, 1994) and would be a short-term appointment (Leavy & Wilson, 1994). In this case cost-cutting and cash-flow stabilisation are crucial (Leavy & Wilson, 1994). The *inheritor* would be a more likely appointment when the context is relatively stable and a deep understanding of the existing organisational frame is required (Leavy & Wilson, 1994). Leavy & Wilson make the link between strategy and leadership in terms of the external environment and the stage of the company life-cycle. Their contention is that the dominant frame of the leader is key to a firm developing which links to the notion of a new leader bringing a new frame (Hutzschenreuter, Kleindienst & Greger, 2013).

3.2.7 The Role of Reframing in Leveraging Resources

Hamel & Prahalad (1996) suggest that through using existing resources as levers much more can be achieved (see figure 3.2e).

| Concentrate | → | Convergence – target resources on a common goal |
| | → | Focus – identify the key aims and ensure their deleivery |

| Accumulate | → | Extract – Learn from experience and challenge assumptions |
| | → | Borrow – Learn from partners |

| Complement | → | Blend – Combine knowledge and experience partnerships |
| | → | Balance – Performance should be consistently high |

Conserve	→	Recycle – Use expertise in different parts of the business
	→	Co-option – Get help from others to solve problems
	→	Shield – Protect resources by taking on the right challenges

| Recover | → | Recovery – Recoup the revenues spend on resources |

Figure 3.2e: Methods of Leveraging Resources.
Developed by the Author from Hamel & Prahalad, 1996

Each of these levers can be seen as a different frame that can be combined to achieve the maximum benefit for the firm. For the firm to concentrate, managers would need to agree on what the common goal is and how to achieve that

(Miron-Spektor, Gino & Argote, 2011). Accumulation of learning from other parts of the business, or from other industries, is likely to require innovation to see how to apply a lesson from one area to another by breaking the existing frame (Dewett, 2004; Franklin, 2013). The concept of complementing the different parts of the business requires learning through combination (Hamel & Prahalad, 1996; Miron-Spektor, Gino & Argote, 2011) to achieve high performance throughout the firm (Duhaime & Schwenk, 1985; Teece, 2010). Within the conception of conservation Hamel & Prahalad (1996) include recycling expertise throughout the business to combine frames to solve problems as well as focussing resources (Flanagan & Runde, 2009; Guiette & Vandenbempt, 2013).

Both Hamel & Prahalad (1996) and Leavy & Wilson (1994) consider important aspects of strategy development without any discussion of how that strategy should be created. Both discuss how the firm interacts with its environment and offer a number of frames in leadership style (Leavy & Wilson, 1994) and how resources can be maximised (Hamel & Prahalad, 1996) to move the firm into the future.

3.3 Summary of Strategic Management Literature

From the review of the literature there appears to be no agreed definition of what strategic management is, how it is created or implemented. Working through the disparity of views within the literature a working definition can created: *business strategies, based on a combination of data and creativity, envision a future possible state of the firm, within an industry, to establish a series of intended outcomes that will incorporate new factors over time.*

This definition draws on Mintzberg's (1978) concept of the emergent strategy as the definition of the future state of the firm evolves over time in the light of factors that were not anticipated at the time. The combination of data and creativity builds on Rumelt's (2011) two-state approach of sense-making followed by problem-solving. The information used by the decision-makers will be dependent on the frame that aids their data collection and analysis processes. The 'possible future state of the firm' can be viewed as a long and short-term vision and how the timeframes interact is crucial (Dodd & Favarro,

2007). Here the tension between 'overwhelming complexity' (Rumelt, 2011 p.81) and over-simplification (Porter, 1991) of the issues needs to be identified and managed to encourage decision-makers to make active choices (Fitzroy & Hulbert, 2005). Within these elements lies a balance that relies heavily on the context.

The author's definition also draws on Whittington's (1997) two-dimensional axis of processes and outcomes as this can help navigate the strategist to the most appropriate perspective: is the profit-maximisation or are there more goals that need to be balanced? If there are other outcomes for the firm then there is likely to be a need for these to be defined and prioritised. These definitions and priorities may change over time as the environments, both internal and external, changes. The definition created within this thesis is also influenced by Leavy & Wilson's (1994) observation that different types of strategic leaders are required given the time and context within the firm and that their skillset needs to match the situation. This concept of 'tenants of time and context' (Leavy & Wilson, 1994 P.113) can be linked to the mental models, or frames, that influence the strategic decision maker's choices (Duhaime, Stimpert & Chesley, 2012). The strategic leader's ability to accept feedback from a variety of sources (Duhaime, Stimpert & Chesley, 2012) is also incorporated into the author's definition of business strategies. Without that feedback loop the ability of the leader incorporate new information is likely to be limited.

Ohmae (1982) expresses the important factors in just three words: customer, competition and competence. This notation helps focus the discussion away from an academic discussion on the merits of different perspectives of strategy development into a more focussed attempt to answer Porter's (1991) question of why some firms do better than others. By accepting the premise of Ohmae's suggestion the strategist is then forced to consider the following questions: who are our customers and what products or services do we sell them? How well are our competitors performing? What competences do we have to meet those needs? How can we develop these competences to strengthen our position in the industry?

The questions above are deliberately personalised to focus on the strategy creators - rather than at the firm level as many authors do - and on the importance of the frames used by the individuals within management teams. The term 'frame', as proposed by Bolman & Deal (2014), has been selected

within this research project in that there are multiple ways in which a frame can be seen. It sets a boundary to provide some focus for the research but also creates a structure upon which learning can be built. These frames are a set of assumptions and ideas that help individuals make sense of their surroundings. Reframing is the ability to recognise existing patterns of behaviour and create new ways of working from those existing patterns. It is the process of reframing that allows firms to engage in the stretch and leverage methods (Hamel & Prahalad, 1996) that require decision makers to be creative in their problem solving by seeing existing resources in a new light.

Underpinning this thesis is Porter's (1991) argument that research should create frameworks rather than models so that the complexity of the situation can be retained rather than focus on a set of key variables that are fixed. Whilst these variables may have been relevant at the time, changes to the firm, the industry and the wider environment may require a different set of approach be taken.

The conceptual framework developed by this process is designed to explore the complexity of firms within an industry rather than reduce the richness of the environment. The balance and selection of the key variables appears vital in this process. Too much data can lead to paralysis but too little data can lead to over-simplification. By focussing on Ohmae's (1982) questions the strategist has a higher chance of success in identifying the key variables.

As this research is concerned with the specific industrial context of professional football within Scotland the next section explores the previous research into the business of sport. The sports literature is used to identify the key themes that will be used to create the basis of the framework in the rest of the thesis. This literature helps identify the keys factors for firms within the sports industry that can be combined to create a strategic management framework for Scottish Professional football.

3.4 Using the Sports Industry for Academic Research

This section will focus more directly on academic research that focuses on the sport industry from a business perspective. One of the earliest empirical research papers on leadership used baseball data to understand the impact of managerial change on organisations (Grusky 1963). Baseball was used not through any particular interest in the industry but because the industry provided company information that:

- Was readily available
- Featured organisations of roughly the same size
- Was an industry where organisational aims were similar
- Could easily define success and failure

(Grusky 1963)

Grusky developed a conceptual framework proposing ten different organisational factors that could impact on team performance. This section of the literature review will consider both the above outputs and subsequent studies that have been generated as academic research into the sports industry has grown.

3.4.1 The Impact of Managerial Change

Grusky (1963) set out to challenge the 'common sense' idea that changing the team manager had a positive impact on team performance however his findings suggested that the upheaval caused by organisational change actually had a negative effect on performance (Grusky 1963).

Similar studies have been carried out since using baseball, ice hockey and football to test the assumption that replacing a failing coach has a positive impact on on-field performance (see Table 3.5).

Author	Year	Sport	Country	Time period	Findings
Grusky	1963	Baseball	USA	1921-41 & 1951-1958	That the rate of managerial change in an organisation has a negative impact on effectiveness. A change in the rate of succession has a negative impact on effectiveness
Gamson & Scotch	1964	Baseball	USA	1921-41 & 1951-1958	Introduces the notion of scape-goating in challenge to Grusky
Allen, Panian & Lotz	1979	Baseball	USA	1920- 1973	Current performance is most strongly linked with past performance. Frequency of change does have a small but significant impact.
Fabianic	1984	Baseball	USA	1951 - 1980	Supports the 'common sense' view of replacement but when slump and recovery elements are removed the scapegoating theme is supported
Fizel & D'Itri	1997	College Basketball	USA	1984 - 1991	Suggest a clear link between succession and declining performance. When teams replace their coach there tends to be a decline in performance.
Dobson	1998	Football	England	1972 - 1993	Teams improve after a poor run of results more effectively if no change is made rather than those where a change is made. Comparison of 6, 12 or 18 games either side gives the same result.
Audas, Dobson & Goddard	2002	Football	England	1972 - 2000	They find that teams that do change their manager mid-season do slightly worse than those that don't but suggest several reasons for this. Compares performance for 16 games before and 16 games after the change.
Hope	2003	Football	England	1995 - 2001	There appears to be a short-term boost but there is a cost involved in a period of rebuilding.
Koning	2003	Football	Holland	1993 - 1998	Suggests there is no improvement in performance after managerial replacement and that coaches are sacked too often. Board reacts to fan & media pressure for change.
Rowe, Cannella Jr., Rankin & Gorman	2005	Ice Hockey	USA	1942 - 2002	There is an impact but this is dependent on timing
Balduck & Buelens	2007	Football	Belgium	1998 - 2003	There appears to be a pick-up of performance after sacking the coach but this happens with teams that do not. Looks at performance for 4 games before and 4 games after the change.
de Dios Tena. & Forrest	2007	Football	Spain	2002 -2005	Indications are the clubs performing below budget expectation are more likely to replace the coach. There appears to be a small improvement in home form after the change although away form is unaffected. Suggests that 'scapegoating' may in fact improve the feeling within the home fans who give the players a boost.
Frick, Barros & Prinz	2009	Football	Germany	1981 - 2003	The higher paid managers are more at risk. Managers with more experience and higher win percentages are less at risk.
Hughes, Hughes, Mellahi & Guermat	2010	Football	England	1992 - 2004	Suggest that there can be a short lift in performance following change before the underlying issues take hold and performance drops.

Table 3.5: Studies in the Impact of Managerial Change in Sports. Created by the Author

It should be noted at this point that the sport, country, time period of study and the number of matches before and after replacement vary from study to study making comparison limited. Although all of the studies are longitudinal the differences between 1920's American baseball (Allen, Panian & Lotz, 1979) and twenty-first Century sport are not explored within the original papers. However, there is no conclusive evidence that replacing the team manager has a positive impact across the studies. Several studies have supported the theory that changing a coach has a positive impact (Allen, Panian & Lotz, 1979; Hope 2003; Rowe, Cannella Jr., Rankin & Gorman, 2005), others support the notion of scape-goating (de Dios Tena & Forrest, 2007 and Fabianic, 1984) whilst other suggest that there is a similar improvement in team that do not change their manager (Balduck & Buelens, 2007 and Dobson, 1998 & Koning, 2003). Audas, Dobson & Goddard (2002) not that teams who change their manager mid-season do worse that those who don't. The distraction caused by the change may have a negative impact (Grusky, 1963 & Audas, Dobson & Goddard, 2002) although it may be that the replacement manager is no better than his predecessor (Audas, Dobson & Goddard, 2002). This may be that the managers who are looking for work mid-season are available because they have failed elsewhere (Gamson & Scotch, 1964).

The majority of the studies in Table 3.5 look retrospectively to see if changing the coach/manager has the desired effect which would appear to match the view that strategy research relies on proving the 'conventional wisdom' of the industry rather than developing new ideas (Adcroft & Willis, 2008) with the exceptions of Grusky (1963), Gamson & Scotch (1964) and Hope (2003).

The original study (Grusky, 1963) brought an immediate response (Gamson & Scotch, 1964) that introduced a new concept of 'ritual scape-goating'. Unable to change the entire team and unwilling to replace themselves, owners took the line of least resistance and sacked the coach (Gamson & Scotch, 1964) Gamson & Scotch used data from a twenty-seven year period. The conclusion drawn was that of 'virtual scape-goating' was not fully supported by the evidence provided, a point highlighted by Grusky (1964) in response.

The concept of 'ritual scape-goating' has been identified by researchers since that its introduction (Fabianic, 1984; Audas, Dobson & Goddard, 2002). The factors that may spark a short-term decision by the board include the impact of fan and media pressure on directors or the league position at the time (Hope,

2003; Koning, 2003; Ascari & Gagnepain, 2006). Managers who are more highly paid than their peers may be more at risk of contract termination particularly if they have limited experience (Frick, Barros & Prinz, 2009). Football managers would appear more at risk as the length of tenure has fallen from 3.1 years in season 1992/93 to 1.5 by 2008/09 (Bridgewater, 2010). In comparison, a study of CEO replacement in other businesses showed a fall in tenure from 9.5 years in 1995 to 7.3 years by 2003 (Greiner, Cummings & Bhambri, 2003). The actual of impact of the manager is seen as limited as it is the players who compete once the match has started (Adcroft & Teckman, 2008; Bridgewater, 2010) although the manager is expected to make decisions that get the most from the resources available (Bridgewater, 2010). Although there is a risk that club owners over-estimate their ability to select coaches if the club is threatened with relegation to a lower league a short-term risky decision may be taken (Audas, Dobson & Goddard, 2002) especially if attendances are falling (Bachan, Reilly & Witt, 2008). Clubs looking to the longer-term are more likely to have owners who are less involved in football decisions (Gilmore & Gilson, 2007).

Hope (2003) attempted to create a predictive model to indicate when clubs should replace their manager. By his own admission the findings are inconclusive although he suggests that more data is required to refine this model (Hope, 2003). It has been suggested that predictive business models have little practical use because researchers can exclude troublesome factors that practitioners cannot (Simon, 1997; Baden-Fuller & Morgan, 2010). Although the findings are limited Hope does introduce three factors that can be used as frames to improve the decision-making process. New managers have a 'honeymoon period' where they are unlikely to be sacked. If this period is too short then there may be a short-term boost (Allen, Panian & Lotz, 1979; Hope, 2003; Rowe, Cannella Jr., Rankin & Gorman, 2005) but a high cost of change (Hope, 2003; Rowe, Cannella Jr., Rankin & Gorman, 2005). If the period is too long then there may be a drop in performance (Hope, 2003) although this is challenged by the findings of others who found no advantage to changing the manager (Balduck & Buelens, 2007; Dobson, 1998). Hope (2003) also identifies a level of performance, usually league position, below which the manager is at risk. If the 'trap-door' is too high then good managers could be lost after only a short period of poor performance (Hope 2003 & Bridgewater, 2010). If this level

is too low then poor performance could be rewarded (Hope, 2003; Bridgewater, 2010). This level is set by the ambition of the club (Ascari & Gagnepain, 2006; Bridgewater, 2010) or the wage bill (Frick, Barros & Prinz, 2009). Hope (2003) acknowledges that clubs can take a short- or long-term view that will impact the rate of turnover.

3.4.2 Factors Impacting Attendance at Matches

Grusky (1963) drew a direct correlation between on-field performance and match-day attendance. The better a team performed the more people came to watch (Grusky, 1963) although it could be argued that this is one particular area where the comparison between 1950's baseball and modern sport coverage is limited since the means of consumption has changed from purely physical to a combination of in-person and virtual attendance. TV revenue has become a major source of income although different distribution models are used across Europe (Ascari & Gagnepain, 2006; Baroncelli & Lago, 2006; Barros, 2006; Buraimo, Simmons & Szymanski, 2006; Andreff, 2007; Noll, 2007; Buraimo, Forrest & Simmons, 2009). In England a single TV deal is negotiated for the league (Buraimo, Simmons & Szymanski, 2006) whereas in Spain (Ascari & Gagnepain, 2006) and Italy (Baroncelli & Lago, 2006) clubs can negotiate their own TV deals that can lead to a disparity of income between clubs.

Several studies have considered the impact of TV coverage and physical attendance at matches (Forrest & Simmons, 2006; Noll, 2007; Allan & Roy, 2008; Buraimo, Forrest & Simmons, 2009). The findings across these studies are limited as the time frames are different ranging from one season in Scotland (Allan & Roy, 2008) to seven seasons across all four divisions in England (Buraimo, Forrest & Simmons, 2009). Noll (2007) uses data from several different leagues across Europe and suggests that increased TV coverage has increased attendance, whereas Allan & Roy (2008) found a 30% drop in attendance, if the game was televised, for those fans who pay on a match by match basis rather than purchase a season ticket. They also established that fans are less likely to travel for matches where the home team is expected to win (Allan & Roy, 2008). There does appear to have been an impact on attendance at matches when there is a clash with the Champions League on TV (Forrest & Simmons, 2006; Noll, 2007; Buraimo, Forrest & Simmons, 2009).

There also appears to be a negative impact on attendance where matches are played at 'non-traditional' kick-off times (Forrest & Simmons, 2006; Noll, 2007). Another factor that can have a negative impact is a number of matches in a short period of time (Forrest & Simmons, 2006).

3.4.3 Supporter Classifications

Several studies into football supporters identified a number of broad categories of people who watch football, including the 'armchair' supporter who only watches matches on TV (Giulianotti, 2005; Adamson, Jones & Tapp, 2006). Giulianotti studied supporters from a sociological perspective and made the distinction between those fans who are long-term supporters of a team and those who are drawn to success (Giulianotti, 2005). Adamson, Jones & Tapp (2006), who linked customer relationship management (CRM) to football, also identified 'glory-hunters' as fans drawn to success but distinguished between different types of long-term supporters: casuals, regulars and fanatics. The distinctions made were based on the balance between football as a form of entertainment against the importance of winning and the level of commitment to the club. Their argument is that clubs need to communicate with the different types of fans in a variety of ways, including developing new ways to interact with arm-chair fans. Andreff & Staudohar (2000) argue football has moved from a SSSL model (spectators, sponsors, subsidies, local) to a MCMMG (media, corporations, merchandising, markets, global) model although their focus is at a pan-European level and compares that market to the US model of sports franchises. It does however set a context within which clubs operate with more football on TV and the impact on smaller clubs attendance (Forrest & Simmons, 2006; Noll, 2007; Buraimo, Forrest & Simmons, 2009).

Despite the moves to CRM and the global model, many fans reject the notion of being a customer of the club as they identify with the club rather than purchase a product although some fans do understand the need for club merchandise as a means of competing with other clubs financially (Giulianotti, 2005). Clubs can treat fans purely as a means of income and a short-term view is taken rather than a consistent approach across the different parts of the club in order to engage fans (Adamson, Jones & Tapp, 2006).

Although studies into fans and attendance come from a range of academic disciplines and tend to focus on different markets there appears to be a move towards a global market for football fans that clubs will need to take account of. It has also been argued that moves towards a CRM approach should improve the communication between clubs and fans.

3.4.4 Football and Corporate Social Responsibility

In recent years there has been a greater focus within football on Corporate Social Responsibility (CSR) as clubs reach out to wider community in a variety of ways (Anagnostopoulos, Byers and Shilbury, 2014) which is not considered in the virtuous cycles (see figures 3.6b & 3.6c) or the value system (see figure 3.6.d). Clubs in Scotland have been slower to engage in these activities, or at least report on them, than their English counterparts although the financial challenges of the clubs North of the Border would appear to be a significant factor in this (Hamil & Morrow, 2011). Community Trusts, run in conjunction with the clubs, in the Premier League in England can apply for central funding to fund a range of community based work (Anagnostopoulos and Shilbury, 2013). In season 2009/10 all of the SPL clubs were engaged in community- based CSR projects (Kolyperas, Morrow & Sparks, 2015) although the motive activities are not always seen to be completely altruistic and may be marketing-driven to increase engagement with supporters who may not always attend (Hamil & Morrow, 2011). Half of the clubs created arms-length organisations to oversee this work whilst the rest ran the projects through the community departments (Kolyperas, Morrow & Sparks, 2015). One of the most common activities identified was youth and community football coaching in the area although other education and health-based activities had no clear link with sport (Kolyperas, Morrow & Sparks, 2015). There can be a clash between the strategic goals of the club and the community trust (Anagnostopoulos and Shilbury, 2013; Kolyperas, Morrow & Sparks, 2015) especially where cash-flow or on-field performance issues with the club mean that CSR activities can be seen as a distraction (Hamil & Morrow, 2011). The external nature of CSR work, especially where arms-length organisations are used, means that these activities are likely to be seen as secondary to on-field performance and may suffer as a secondary activity.

3.4.5 Grusky's Framework

Grusky (1963) argued that the disruption caused to the club by replacing a central figure like the 'bench coach' had longer term negative effects that outweighed any short-term benefit. The more change there was in the club the greater the negative impact. The disruption caused tended to have a negative effect on results so the owners repeated the action. This process of repeating mistakes has been noted in wider industry (Bolman & Deal 1997).

Although Grusky's work (1963) on the impact of managerial replacement is empirical using secondary data this framework (see Figure 3.6a) would appear to entirely conceptual with major assumptions made regarding the industry. However, the questions raised by this framework introduce a number of issues that can be used to develop new frames to view the sports industry by taking a wider view of the club rather than reducing the study to a single factor.
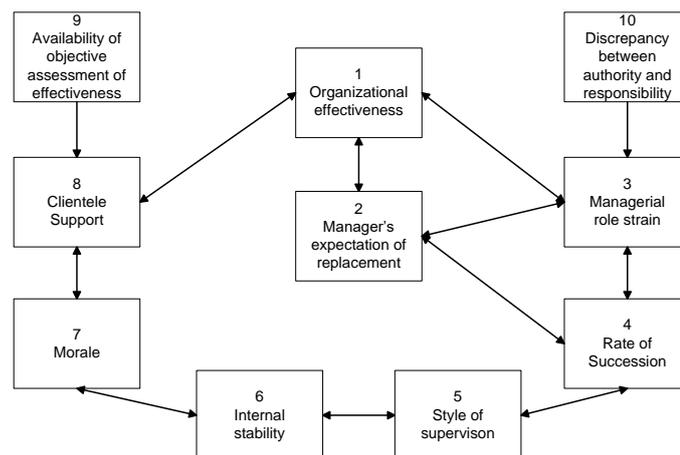
Figure 3.6a: Framework of Organisational Factors. Grusky 1963 p.26

This framework can be used to review other sports literature that goes beyond the impact of managerial change.

Table 3.6 gathers different aspects of sports literature using Grusky's (1963) framework (see Figure 3.6a) to create a more holistic view of sports research. Most papers would appear to focus on a single aspect of the sports industry without taking into account the bigger picture of firms who compete within an industry. The framework does look internally rather than considering other factors within the industry.

Although no single study has sought to address all of the organisational factors (Figure 3.6a) it can be seen how the sports industry in general, and the football industry in particular, has changed since the original study (Grusky 1963). The importance of finance can be seen as clubs move to strike a balance between on-field success, differentiating between types of supporters and financial stability. This shift may have led to increased pressure on the manager with competing priorities as the firm expands.

Factor	Description	Author(s)	Findings
1	Organizational effectiveness	Szymanski & Kuypers, 1999	Suggest that most clubs are not 'profit maximisers' but seek a balance between attendance, sporting success, local commitment and financial measures.
		Buraimo, Simmons & Szymanski, 2006	Highlights the importance of the wages/turnover ratio. Also notes the falling revenue due to smaller crowds. Views it as lost income.
		Bridgewater, 2010	Performance is seen as easily measured, i.e. results.
2	Manager's expectation of replacement	Bachan, Reilly & Witt, 2008	Managers most under threat are those in relegation trouble with falling attendances.
		Bridgewater, 2010	Highlights the shortening tenure of football managers.
3	Managerial role strain	Wilders, 1976	Observes the lack of formal & higher business education within football.
		Nevin & Sik 1998	Pressure on the manager is greater than players because there is no physical outlet.
		de Dios Tena & Forrest, 2007	Indications are the clubs performing below budget expectation are more likely to replace the coach.
		Bridgewater, 2010	Pressurised role - possibly uniquely so. Short-term, minimal control of resources and high degree of scrutiny.
		Frick, Barros & Prinz, 2009	Higher paid managers are more at risk of replacement. Coaches may opt to stay at a smaller club but questions if this stretches them professionally.
4	Rate of Succession	Bridgewater, 2010	Highlights the shortening tenure of football managers.
5	Style of supervision	Carter 2006	Once players cross the line there's not much a manager can do so he needs to be able to choose his players carefully so that they will act in positive ways.
		Kelly, 2008	Authority in football still tends towards the traditional authoritarian style. External business parts of the club have become more professional but the manager's role has remained largely unchanged.
		Bridgewater, 2010	Links to Leavy & Wilson (1994) to give different styles of manager: builder, revitaliser, accelerator, turn-arounder & inheritor.
6	Internal Stability	Buraimo, Simmons & Szymanski, 2006	Financial problems can lead to players being sold quickly and for less than the perceived market value.
		Rowe, Cannella Jr., Rankin & Gorman, 2005	Short-term disruption caused by coach replacement.
		Bridgewater, 2010	Short-term view has to be taken by the manager.
7	Morale	Nevin & Sik 1998	Dressing rooms are full of gossip so managers need to explain decisions. Club debts can have an impact on player's morale.
		Kelly & Waddington, 2006	The use of authority can be seen as arbitrary. Players become accustomed to this as they progress through the club.
		Bridgewater, 2010	Highlights the problem of players earning more than the manager.

Factor	Description	Author(s)	Findings
8	Clientele Support	Szymanski & Kuypers, 1999	Wider range of stakeholders involved rather than simply supporters and sponsors. Relationship with the media is important.
		Andreff & Staudohar, 2000	Argues football has moved from a SSSL model (spectators, sponsors, subsidies, local) to a MCMMG (media, corporations, merchandising, markets, global) model.
		Grundy, 2004	Sees low attendances as lost value.
		Buraimo, Simmons & Szymanski, 2006	Falling attendances have a financial impact on the club.
		de Dios Tena & Forrest, 2007	There appears to be a small improvement in home form after the change although away form is unaffected. Suggests that 'scapegoating' may in fact improve the feeling within the home fans who give the players a boost.
		Bridgewater, 2010	Managers need to manage upwards as well in their relationship with the board. Complexity of stakeholders.
9	Availability of objective assessment of effectiveness	Szymanski & Kuypers, 1999	Highlight the difficulties of studying the football industry as the business objectives are not clearly defined.
		Nevin & Sik 1998	Highlights the problem of spending huge sums on assets without really being able to find enough about them.
		Gilson et al 2001	Role clarity is defined as a major step forward. Each person knows what they are required to do and what others do to contribute to the goal.
		Grundy, 2004	Suggests bench-marking with other similar clubs.
		Szymanski 2009	Highlights the different views between fans (success first) and owners (profit or at least prudence)
		Anderson & Sally 2013	Clubs need to have a better idea of what makes a good manager.
10	Discrepancy between authority and responsibility	Fabianic, 1984	Supports the 'common sense' view of replacement but when slump and recovery elements are removed the scapegoating theme is supported
		Gilmore & Gilson, 2007	Case study of successful club. Chairman didn't have any influence on the football side. The manager was carefully selected and then given freedom. Both respected the history of the club.
		Bridgewater, 2010	Shifting role of the manager - business experts to look after finance, etc. This can lead to a clash if the manager expects to run the club from top to bottom. Highly visible through media coverage but needs to be careful not to talk about the wider club.

Table 3.6: Sports Research Linked to Grusky's Factors. Created by the Author

It has been suggested that as clubs become more successful they see an increase in profitability (Grusky, 1963) from TV revenue and merchandise sales (Grundy, 1999; Andreff & Staudohar, 2000) that can be used to create a competitive advantage (Grundy, 1999). The concept of success leading to greater profitability has been challenged as success may require a higher cost base through increased wages (Szymanski & Kuypers, 1999). The ratio of wages to turnover has been highlighted as a suitable measure of financial effectiveness (Szymanski & Kuypers, 1999; Morrow 2003; Baroncelli & Lago, 2006; Buraimo, Simmons & Szymanski, 2006) with most authors arguing that the ratio should be around 65% to improve. Against improved governance are some fans who view higher spending as a demonstration of ambition within the board (Barros, 2006) that matches the supporter's expectations (Szymanski, 2009) but the growing cost of player acquisition has been compared with an escalating 'arms race' as clubs spend more and more money chasing success (Andreff, 2007).

3.4.6 Debt Levels within Football

The problem of debt within football has been highlighted in England (Buraimo, Simmons & Szymanski, 2006), Spain (Ascari & Gagnepain, 2006), Portugal (Barros, 2006), Italy (Baroncelli & Lago, 2006) and Scotland (Morrow, 2006). Whilst these studies look at the risk of high levels of debt the impact of interest repayments has not been considered. The danger of debt securitisation is discussed (Grundy, 2004; Morrow, 2003) as this may lead to player sales at a later stage to service this debt at a point not of the club's choosing leading to lower than expected revenue (Buraimo, Simmons & Szymanski, 2006).

Several authors have noted that player development and sale is a method of revenue generation (Barros, 2006; Baroncelli & Lago, 2006; Bridgewater, 2010).

3.4.7 Conceptual Frameworks of Football Clubs

Two conceptual models (see figures 3.6b & 3.6c) have been created based on the aspirations of clubs of different size (Lago, Baroncelli & Szymanski, 2004). Both models use the basis of finance to create the strategic direction of the club. In both frameworks a 'virtuous cycle' is shown where increased revenue is ploughed back into the club allowing the club to grow. For the bigger clubs

(figure 3.6b) greater financial resources allow competitive teams to be created through higher salaries. On-field results increase the revenues of the club and the cycle continues (Baroncelli & Lago, 2006).
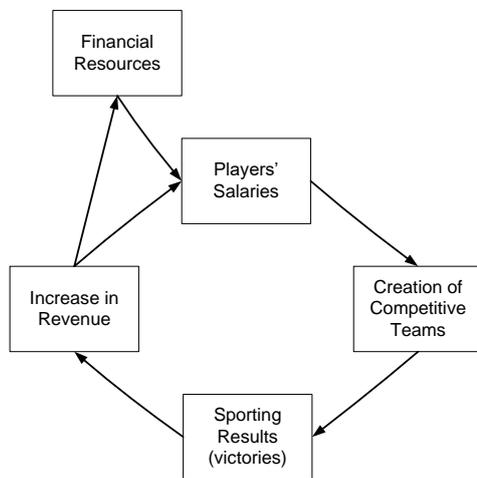
Figure 3.6b: The Virtuous Cycle. Developed by the Author from Lago, Baroncelli & Szymanski 2004
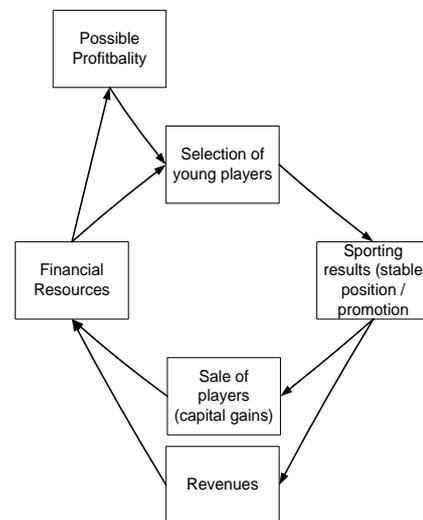
Figure 3.6c: The Virtuous Cycle for Smaller Clubs. Developed by the Author from Lago, Baroncelli & Szymanski 2004

For smaller clubs the possible profitability, or 'virtuous cycle', of the club is reliant on the identification and development of players who can generate revenue either by selling them on to bigger clubs or relative success on the field increasing revenues and giving the club greater financial resources from which to build (Baroncelli & Lago, 2006). The 'virtuous cycle' is similar to the value system (see Figure 3.6d) suggested by Grundy (1998). The value system links to other sources of income that reflect the changing model of football from a local perspective to global one (Andreff & Staudohar, 2000).
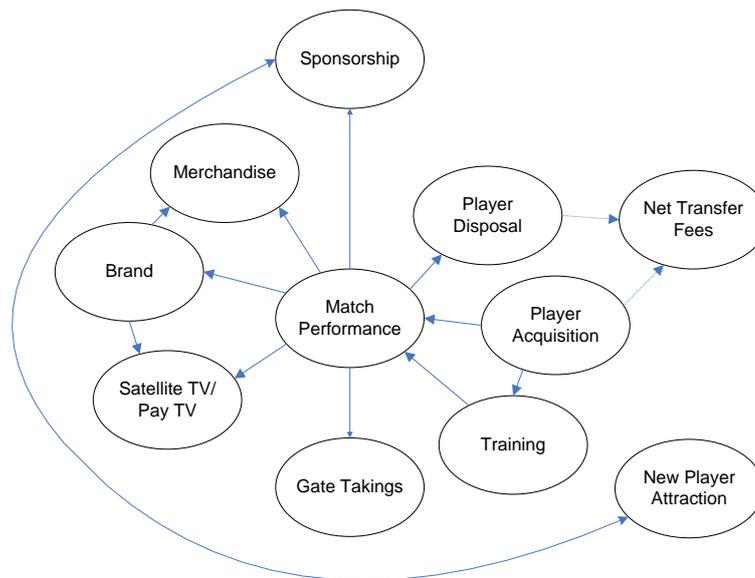
Figure 3.6d: Business Value System - Football Clubs. Grundy, 1998 p.129

The success of the academy system has been questioned with Premier League clubs in England producing one player every two years who goes on to play more than ten matches for the club (Anderson & Miller, 2011) although these clubs would likely be viewed as larger clubs rather than smaller ones (Lago, Baroncelli & Szymanski, 2004). The football academies have been viewed as the research and development function within manufacturing (Anderson & Miller, 2011) which seems to suggest that players are viewed as assets to be utilised, sold and then replaced. Fans may not accept that the academy's role is to develop and then sell players for others (Barros, 2006) which can be linked to different views of fans and club directors (Szymanski, 2009). Anderson & Miller (2011) highlight the financial cost of the academy systems to English Premier League clubs with coaches, scouts and support-workers recruited to oversee the development of players, sometimes as young as 10 or 11 years old (McGillivray & McIntosh, 2006), but there is a high personal cost for those who seek to become professional footballers (Roderick, 2006). Rather than view players as assets others have researched the individual player's sense of identity.

Roderick (2006) observes that the key attribute sought in young recruits by the clubs is "attitude" but what this actually means is very poorly defined (Roderick, 2006 p.37). Loyalty to the team and hard work on the training field appear linked to a player's attitude (Roderick, 2006) which can result in young players switching off from education (McGillivray & McIntosh, 2006) as they create an

identity as a footballer (McGillivray, Fearn & McIntosh, 2005). This identity feeds the self-worth of the individual but injuries or failure to progress to the next level can damage the individual's self-confidence (Roderick, 2006). The culture of football feeds the short-term view of both clubs and players (McGillivray & McIntosh, 2006). Although the clubs may offer educational opportunities for players these are seen as secondary to football related development (McGillivray & McIntosh, 2006) which leaves players unsure of future career plans after their playing career is ended (McGillivray, Fearn & McIntosh, 2005). Between 2003 and 2005, job security for players dropped especially for players in aged between eighteen and twenty-two (McGillivray & McIntosh, 2006) which suggests that the transition to a life outside of football happens earlier than might be expected. It has been noted that fewer than one in five players plan for a career outside the game after football; two in five plan to stay within the game with the remainder unsure of what the future holds (McGillivray, Fearn & McIntosh, 2005).

3.5 Summary of Sports Industry Research

This section of the literature review has covered both the empirical papers, which tend to focus on the impact of manager replacement in professional sport, and the conceptual papers that look at the problems faced by football clubs or leagues within specific countries.

There appears to be little consistency in the research considered. There is no consensus on whether changing the team manager has a positive or negative impact, either in the short- or long-term. The focus of these studies tends to be on match results rather than a balanced measure of outcomes that may prove more conclusive. Although questions about the long-term implications of repeated change are raised the studies have not focused on this cumulative effect of constant change.

The research tends to focus on single clubs or the industry as a whole without considering the firms who compete within the industry. Although bench-marking is proposed as a means of improving the measures of success there appears to be little work on a comparison of similar clubs. There appears to be little to

benefit the practitioner in the research as it focusses on single issues rather than embrace the complexity of firms within an industry.

On the whole research tends to be about sport as it offers easy access to secondary data that is not available in most industries rather than an attempt to understand the viewpoints of participants involved in the industry. The review of the sports literature does identify some recurring themes that can be used to analyse professional football clubs.

In summary, the main themes in the existing literature are:

On-field performance	Match results have been widely used as an indicator of success particularly to measure the impact of managerial change. Studies have tended to focus on a relatively small number of matches either side of a change to assess the impact. The use of win percentage is valid in North American sports as this is used within the sport but is not widely used within the football industry.
Attendance	Match attendance has been studied in a number of different ways. Some evidence has been presented that as on-field performance improves attendances increase. Recent studies have focussed on the impact of live matches TV on attendance and the identification of different types of supporters.
Finance	Studies on finance have tended to focus on the balance between player wages and turnover as well the type and level of club debt. Other conceptual studies have suggested that clubs can increase revenue through player development.
The players	The research into players as employees or assets is limited although player development is a recurring theme in relation to finance.
The manager	Although the central figure in much of the research, particularly in terms of replacement, the role of the manager remains under-researched.

This research project seeks to create a conceptual framework to better understand the professional football industry in Scotland based on the views of industry participants and a wide range of secondary data to allow reframing within the industry. These five themes will be used to provide some boundaries within the remaining chapters of the thesis will be framed.

3.8 Literature Review Conclusion

This two-part literature review draws on strategic management literature, as a basis for understanding organisational strategic thinking, as well as academic research into the sports industry. Using Ohmae's (1982) definition that a company's success is based on the balance of customer, competition and competence these five frames can be combined as follows:

- On-field performance   ➢   Competition
- Attendance   ➢   Customer
- Finance   ➢   Competence
- The players   ➢   Competence
- The manager   ➢   Competence

This section has met the first objective of the research project. Two areas of academic literature have been reviewed to create a starting point for the conceptual framework. These five frames will be used in turn to analyse the interviews with industry participants and the descriptive analysis of secondary data. This will allow the second and third objectives to be addressed by expanding on these frames to create a conceptual framework based on inductive research.

Chapter 4: Research Methods

4.1 Introduction

The research objectives for this study state that a mix of interviews and secondary data are to be used within this project. This section contains a discussion of the philosophical perspective of pragmatism and how the combination of mixed-methods and abductive analysis is appropriate for the project. This is followed by a discussion of the methods adopted to achieve the overall aim of the project. This includes detail of the primary data collection, through interviews, and the database used to host the secondary data.

4.2 Philosophical Perspective

The use of a pragmatic philosophy can bridge the gap between the subjective and objective worldviews (Teddlie & Tashakkori, 2008). Whilst pragmatism has been dismissed by some as 'whatever works' (Benton & Craib, 2001) the approach offers a solution to the choice between objective and subjective (often forced by other philosophical positions) by accepting that the complementary positions add strength to the findings (Creswell & Plano Clark, 2006). It is suggested that rather than force a choice between objective data collected through quantitative methods and subjective data gathered by qualitative methods the pragmatic researcher can view the methods as a continuum offering a combination of approaches that enable triangulation of methods as well as data (Teddlie & Tashakkori, 2008). The phenomenon can be better understood if multiple methods are used, which should limit the impact of researcher bias.

Sports literature has tended to produce objective research, based on quantitative methods, that strips out the complexity of the situation by focusing on the relationship between managerial replacement and match results. The conceptual papers are based on the subjective views of the researchers as there is no evidence provided to support the frameworks. The sports industry has appealed to researchers because of the large amounts of secondary data publicly available (Grusky, 1963) and the difficulty of gaining access to the

industry to collect primary data has been noted (Kelly, 2008). This research seeks to include both objective data, collected from the public domain, but balanced with the more subjective views of industry participants.

A simple example can be used to illustrate the difference between the objective and subjective view in football. The final league table gives an objective statement of final league positions calculated on the rules employed by the organising body. Subjectively, one club may be delighted with a fifth place finish based on previous performance whereas the club finishing fourth may be disappointed if they had been placed higher in previous seasons. The final position in the league table is objective however the subjective frame, used by the individuals within clubs, will perceive that result differently. To balance the subjective views of the interview participants, more objective data will be used from secondary sources. This will focus on match results, attendance figures and player usage, which can be argued as objective measures, taken from verified sources rather than rely on journalist's comment or speculation which is more subjective.

As well encouraging the combination of objective and subjective data, pragmatism accommodates the combination of inductive and deductive reasoning (Teddlie & Tashakkori, 2008). Whilst other philosophies focus on one or the other, pragmatism allows the researcher to a search the data for emergent patterns, themes or categories and deductively analyse the data using an existing framework (Creswell & Plano Clark, 2006). This recursive process of moving between the collected and data and theoretical generalisations has been defined as abduction (Teddlie & Tashakkori, 2008). Abductive analysis challenges the researcher to move away from pre-existing frames to create new ways of making sense of the subject (Tavory & Timmermans, 2014). The challenge for pragmatist researcher is to use the available tools effectively to achieve the stated aim (Teddlie & Tashakkori, 2008). The problem being studied becomes the focus for the researcher with the correct blend of tools utilised to create a robust approach that is triangulated by method as well as data. Weick (2002) argues that organisational theory development should come from a 'disciplined imagination' and Mintzberg (1979) likened research to the sifting of evidence by detectives seeking patterns.

> "Our choice, then, is not between true and false theories so much as between more and less useful theories. And usefulness, to repeat, stems from detective work well done, followed by creative leaps in relevant directions."
>
> Mintzberg (1979 P.584)

Weick (2002) and Mintzberg (1979) advocate both the collection of data and the use of creativity in developing useful theory. Within the context of the DBA, with an emphasis on relevance to practice, this focus on the practical application is vital. The collection of different types of data from a range of sources provides the researcher with the tools with which to make the creative 'leap' forward that remains valid until it is replaced by another theory. In this approach the concept of truth is replaced with usefulness (Mintzberg 1979).

The argument presented here by the author is that pragmatism opens up the full range of data collection methods, for subjective and/or objective data, that can then be processed abductively by the researcher to create theory that is based on the findings. The limiting factors in this wide range of tools are deciding how best to investigate the problem area and determining which tools are appropriate in this instance.

In this project the main aim of 'reframing' involves the replacement of one subjective mental model with another (Bolman & Deal 2014). To create a new frame then the existing views of industry participants needs to be identified. These data are subjective data that should be gathered in such a way as to retain the voice of the participant rather than the perceptions of the researcher (Creswell & Plano Clark 2006). There is an industry 'reality' that can be measured from secondary data: results, attendance, financial data, players and managers are all available as independent facts that can be used to triangulate the views of the participants. These facts can be used to determine patterns in past events in a more objective manner than the subjective views of the participants without investigating causality between factors.

4.3 Data Collection Method

A concurrent triangulation strategy of data collection and analysis is used within this project (see Figure 4.3a) where both qualitative and quantitative data is collected concurrently (Creswell, 2008). The project is based on a number of different themes from previous research that can be used as multiple frames to develop a better understanding of the professional football industry in Scotland. Those frames are the pivot on which the project is balanced with a wide range of primary and secondary data to analyse.

The Participant View	Published Industry Data
The Commercial Director	Match Detail
The Adminstrator	Club Financial Data
The Club Owner	Player Movement Detail
The Chief Executive	Player Appearances
The Manager	Manager Data
Primary Data	Secondary Data

Players
Manager
Finance
Attendance
On-field Performance

Existing Literature
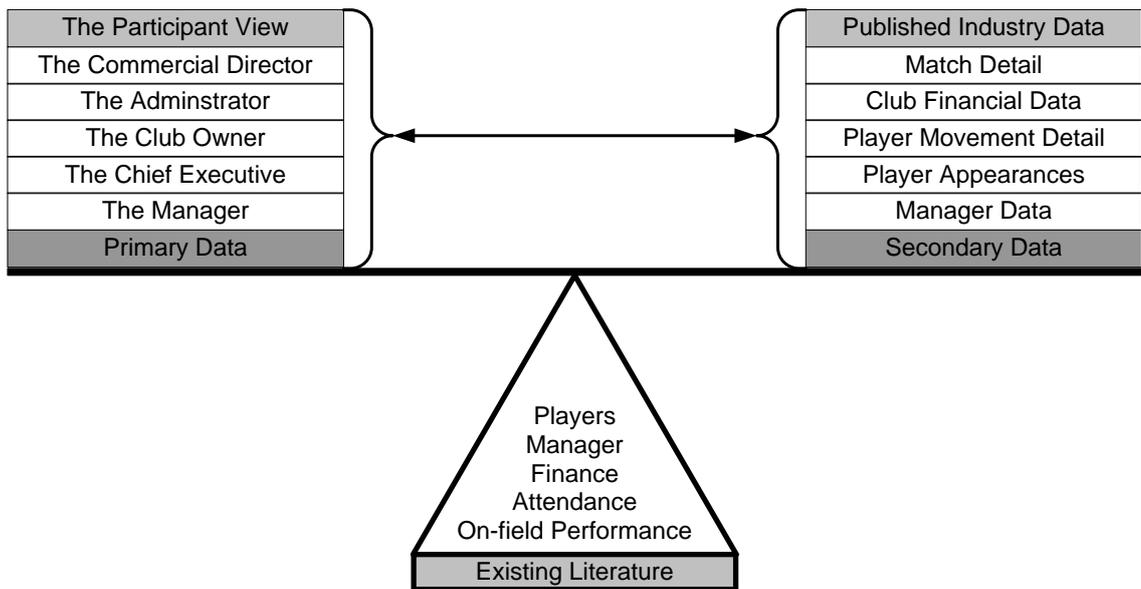
Figure 4.3a: Research Method. Created by the Author

The data was collected through a mixture of five interviews with industry participants, to identify the socially constructed view of the industry, and analysis of industry secondary data, as a 'reality' to balance the perceived views expressed in interview. This triangulation of mixed data was chosen to strengthen the analysis by limiting the impact of the author's values in the project.

4.3.1 Primary Data Collection

The primary data in this research was collected in five interviews with industry participants. The first two interviews were carried out before any secondary data collection was carried out to use the participant's bias in the research rather than that of the author. The variety of interviews across a range of positions and

clubs allows triangulation within the primary data collection with different perspectives of the frames examined.

The interviews formed a volunteer convenience sample of industry participants based on availability rather than selection (Teddlie & Tashakkori, 2008), with one exception (see Table 4.3a).The difficulty in gaining access to industry figures has been highlighted in previous research (Kelly & Waddington, 2006) so the interviews were arranged in a number of different ways as shown in the Comments column in Table 4.3a.

Although snowball sampling is a recognised approach to gain access in closed industries, such as football, there is risk of bias due to the similar experiences of the participants that leads to skewed findings (Cohen, Manion & Morrison 2007). As a result, a convenience approach was chosen over a snowball sample (Teddlie & Tashakkori, 2008) as this generated a range of roles within different clubs. Where access to participants is challenging researchers do need to develop techniques to overcome this (Cohen, Manion & Morrison 2007). The use of a range of personal contacts to arrange access did provide a small sample of interviewees but with a breadth of experience that facilitated the research. The option to shift to a snowball sample was available but the richness of the interviews that were undertaken made this unnecessary. Details of how the interview contact was made are included in Table 4.3a. The interviews offered a range of views from participants at a number of clubs from different roles although generalisability of the findings is limited due to the small sample (Benton & Craib 2001). All of the interviewees had experience of senior roles within a number of SPL clubs so were able to discuss a wide range of issues affecting professional football clubs in Scotland. The interviews lasted between one and four hours which generated a rich dataset for analysis.

Unstructured interviews were used to ensure that the limited experience of the researcher in professional football did not narrow the issues discussed and to reduce the impact of researcher bias. Although the interviews were unstructured, to appreciate the role and experience of the interviewees some club-specific research was carried out ahead of each interview to ensure that the appropriate language was used in the interview as a means of gaining the interviewees' trust (Easterby-Smith, Thorpe & Jackson, 2011). The interviews covered a wide range of topics and were not limited to a single frame. Different

questions were asked to each participant and the responses given allowed the opportunity for follow-up questions so the interview was more of a recorded conversation (Sapsford & Jupp, 2006) than a structured interview. This is consistent with an abductive approach to data collection and analysis as the interviewee dictates the flow of the conversation rather than the interviewer (Tavory & Timmermans, 2014).

The interviews were audio-recorded, to facilitate the conversational nature by removing the need for the interviewer to take extensive notes. The decision was taken not to transcribe the whole interview in order to reduce errors in transcription, to retain the gaps in conversation and the tone of voice used (Sapsford & Jupp, 2006). Several other factors led to the decision not to transcribe the interviews: As previously mentioned, the interviews lasted between one and four hours and not all of the content was relevant to this study. On several occasions, one of the interviewees reminded the researcher that "this is between you and me". One of the other participants asked that an unguarded comment be removed from any transcription. The confidential nature of the discussions, in conjunction with the high media profile of some of the participants, meant that the transcription would not be out-sourced. The interviews were listened to multiple times (Sapsford & Jupp, 2006) to reflect the author's preferred learning style and to identify the themes that recurred across the interviews. The order in which the interviews were replayed was changed to help the author identify the different frames in relation to the other interviews. This iterative process reflects the detective work of data analysis (Mintzberg, 1979) allowing the abductive analysis to take place over a period of time (Tavory & Timmermans, 2014). No physical coding took place during this process.

Once the five main themes had been identified from the literature, manual coding notes and timings were made by grouping together comments from the participants using a visual process on large paper using coloured pens (see Figure 4.3a) as each interview was listened to again. Research has shown that visual learners often come to conclusions without the step by step process that read/write learners usually follow (Davis & Bruan 2010). Whilst battling with the more traditional approach suggested by others, this author was encouraged by Mintzberg's chapter on theory development to follow a more visual approach.

"My work is loaded with diagrams, seeking to express every which way how the ideas I am trying to make come together".

Mintzberg in Smith & Hitt 2005 P.363

Figure 4.3a: Excerpt from an interview coding sheet. Created by the Author

This style of visual representation matches the author's visual thought process where the whole 'picture' can be seen allowing the sense-making process to occur (Weick in Smith & Hitt 2005). The five broad factors from the literature review provided an outline to assist in the identification in the sub-factors. Mintzberg (in Smith & Hitt 2005) argues that this is an iterative process that creates the environment for the creative leap involved in theory creation.

"Theorizing involves continuously resetting the boundaries of the phenomenon and continuously rejustifying what has newly been included and excluded."

Weick in Smith & Hitt 2005 P.395

Both Weick and Mintzberg (in Smith & Hitt 2005) discuss an iterative process that is not neat and tidy but requires Weick's(2002) disciplined imagination and Mintzberg's (1979) detective work of looking for patterns in the evidence.

Once the coding of all the interviews was complete, partial interview transcriptions were created for inclusion in the final thesis. These selections

reflected the broad themes highlighted by the literature that complemented or challenged the views of other interviewees. In revisiting the interviews several times the sub-categories began to crystallise as the interview detail suggested new factors. The links between the interviews are shown in the arrows drawn in Figure 4.3a as the visual interpretation aided this abductive process of revisiting the data several times (Tavory & Timmermans, 2014). As the findings section was constructed, relevant quotes were included in the thesis. Here the inductive nature of the interviews was offset by the deductive approach to the analysis of the data. The boundaries set by the findings of the literature review gave a structure upon which to build the framework.

Interview Tag	Interviewee Role within Football	Interview Date	Interview Location	Interview Comment
The Commercial Director	Participant moved into the football industry after early retirement from a large financial firm. SPL club but not in the peer group.	8/12/08	Club restaurant	Contact offered by a friend who knew people at the club. The Commercial Director volunteered to participate.
The Administrator	Full-time member of league organising body (SPL) before moving to a similar role in Europe.	17/12/08	SPL offices at Hampden Park	Contact was offered following a request for advice from an academic at another University.
The Owner	He had been a shareholder in one before taking control of another SPL club. Both clubs were outside of the peer group. He is the owner of several other businesses outside of football.	5/3/09	Interviewee's office	Contact offered by a friend who had previously worked for the Owner.
The Chief Executive	A player at a number of senior clubs in Scotland and England before moving into the day-to-day running of a club. Experience of several peer group clubs in Scotland.	7/6/09	Author's home	Contact established through a mutual friend as the interviewee was able to offer a unique insight based on his role.
The Manager	An SPL manager of several clubs within the SPL and in England. He has playing experience in both Scotland and England. Experience as player and manager within the peer group.	25/5/11	Author's office on campus	The author met the interviewee at an event and set up the interview to get the manager's view.

Table 4.3a: Interview Details. Created by the Author.

There were ethical considerations for the interview content. The level of trust developed between the interviewees and the author was such that, on occasion, something was said that was not for public consumption and the participant asked if it could be removed from any transcript. Some of the discussions were commercially sensitive and others included personal views that were clearly not to be shared. The data included in the final thesis has been carefully selected to protect the participants' anonymity. A broad job description is used to indicate which interview the detail came from to make the findings chapter easier to read. Any references to players, clubs or locations that may allow the identification of the participants have been removed to protect their anonymity.

The primary data was manually coded using the broad themes identified in the literature review but long quotes are included to allow the participants' voices to be heard in the final analysis.

4.3.2 Secondary Data Collection

The process of secondary data identification and collection was exploratory. The object was to obtain industry data that was high-quality and would allow a sub-set longitudinal analysis (Bryman & Bell, 2003). Some summary data, e.g. final league tables and some attendance data, was available from the SPL and SFL web-sites but the data was not consistent across the organising bodies and contained errors in the attendance detail. The annual PriceWaterhouseCoopers (PWC) report into the financial state of Scottish football gave some detail but the data was limited to what they thought was important and format changes over the years meant that consistent data was difficult to acquire. The official submissions to Companies House were in a variety of formats with inconsistent naming across the clubs and years so those were rejected as well.

The data used was collected from three main sources:

- Fame - provides detailed financial data on UK & Irish companies available through the University Library. Data over a ten year period can be downloaded in a standard format spreadsheet (fame.bvdinfo.com).
- Soccerbase – a web-site maintained by the Racing Post which is the horse-racing industry newspaper. Detailed information is held about football by club and season. The site holds details on every signed player

with appearance detailed by competition. The data was transferred to the database one season per club through 'copy and paste' to reduce the introduction of manual entry errors (www.soccerbase.com).

- Football-Data.co.uk – a web-site that hosts data from the betting industry. Match details by season can be downloaded in a spreadsheet that allows error-free data transfer. Match detail includes the official attendance as well as the result (www.football-data.co.uk).

The data available for these sites set the timeline for the project. The aim was to provide consistent data over a long time rather than attach significance to a particular short period.

As the literature review focusses on the question of a firm's performance the secondary data is grouped by club, rather than adopt an industry-wide view, to allow a comparative approach to be taken. The data are grouped by football season rather than calendar year to be consistent with the industry.

The context chapter illustrates the clubs who have participated in the SPL over the review period (see Figure 2b). Figure 4.3b sorts those clubs into two distinct categories based on the number of seasons that the clubs participated in the SPL. Only those clubs which spent all eleven seasons in the SPL have been included in the study to provide consistency. The financial might of the Old Firm, as discussed in the context chapter, meant that the comparison with the other clubs would also be of limited value. By focussing on a small number of clubs that have been relatively consistent on the field and have comparable budgets, a detailed analysis is likely to be more valuable as the extraneous factors have been removed.
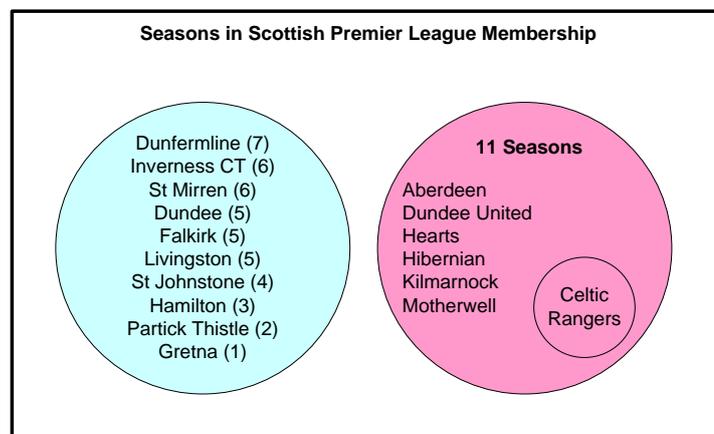
Figure 4.3b: Seasons in the SPL. Created by the Author

The club analysis will only be used in the analysis of secondary data as not all of the clubs in the peer group are represented in the convenience sample of interviews. The aim of the research is to reframe the Scottish professional football industry but this is achieved in part by analysing the secondary data at a club level to understand more about the whole industry by looking at the firms that compete in that market.

To support the inductive approach to the research project a range of secondary data was collected and stored in a Microsoft Access database designed for this project (Figure 4.3c). This approach was based on the author's previous career in the IT industry. The choice of relational database was based on skillset and the flexibility of data manipulation. Although the statistical functions within Access are limited, given the use of descriptive statistics in the thesis the author opted to make use of an existing high level of expertise in database design and coding.
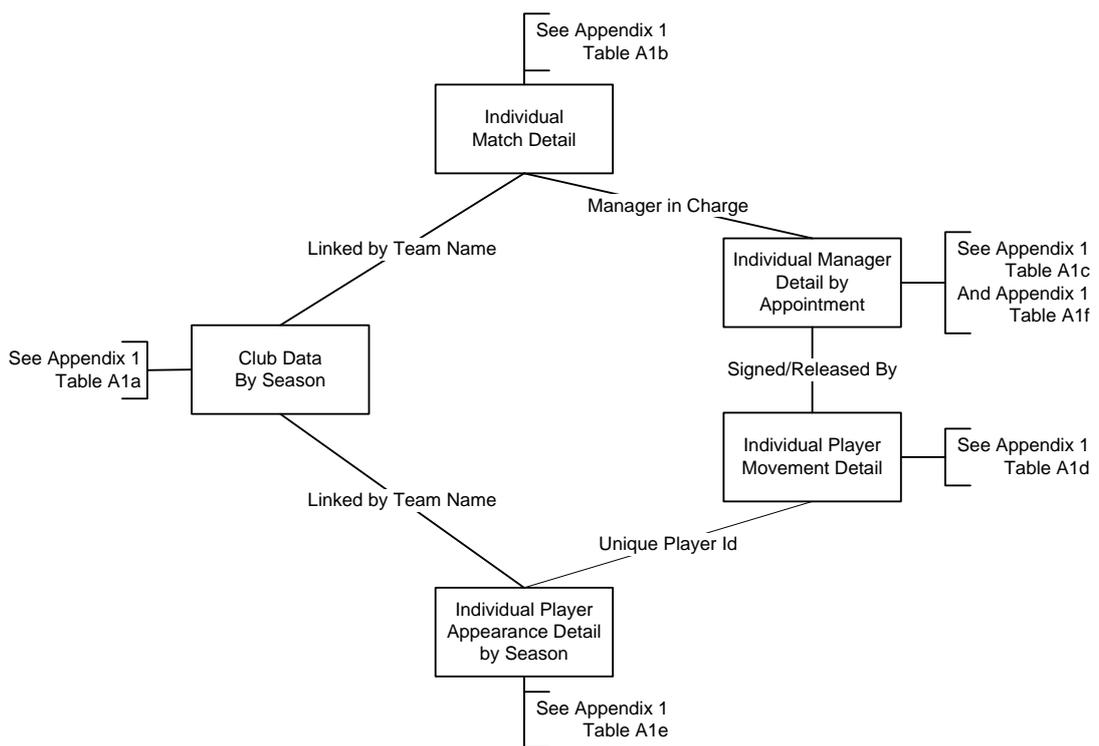
Figure 4.3c: Database Design. Created by the Author

The details of the data stored in each category are shown in Appendix 1.

The system used to translate cup competition progress into a numeric value is shown in Table 4.3b. This allows league position and cup progress to be compared on a season by season for the peer group clubs.

Scottish Cup Pre Season 2007-08		Scottish Cup Season 2007-08 & following		League Cup	
Achievement	Points Awarded	Achievement	Points Awarded	Achievement	Points Awarded
3rd Round	2	4th Round	2	2nd Round	2
4th Round	4	5th Round	4	3rd Round	4
Quarter-Final	6	Quarter-Final	6	Quarter-Final	6
Semi-Final	8	Semi-Final	8	Semi-Final	8
Final	10	Final	10	Final	10
Winner	12	Winner	12	Winner	12

Table 4.3b: Coding System Employed for Cup Competitions

4.4 Method Limitations

There are limitations in any research method (Creswell, 2008) although care has been taken to design a robust system for the collection and analysis of appropriate data. One limitation is that, in inductive research, the method cannot be value free as the researcher's views and experience will influence the type of data collected and the analysis carried out (Bryman & Bell, 2003). The impact of this is minimised through the existing literature and triangulated data but the existence of the researcher's values does need to be recognised.

A second limitation is the use of a convenience sample for the interviews. The difficulties of access to industry participants has been highlighted in previous research (Kelly & Waddington, 2006) so a convenience sample was used to overcome this difficulty but the wide range of contacts established through the process ensures that the views of different roles and clubs are represented in the research.

4.5 Section Summary

The primary and secondary data collected allow the – largely - subjective view of the interviewees to be balanced with a more objective view based on published data. The interviews are analysed by frame to allow a comparison of the different views of the participants. The analysis of the secondary data through descriptive statistics allows a triangulation with the primary data to establish if there are patterns in the data that can be identified but no causality

is sought. The aim of the project is to develop a conceptual framework that allows a better understanding of professional football in Scotland.

The structure of the research is framed by the existing academic literature but seeks the view of those within the industry rather than focus on the researcher's opinion of what is important. Five different frames, sporting performance, attendance, finance, players & manager, have been identified by the author through the literature review of academic research in the sports industry as distinct frames that allow the same phenomenon to be viewed from a specific perspective. These five frames will be looked at in isolation to identify the significant factors that will be used to create the conceptual framework in the next chapter. This approach follows Mintzberg's (1979) notion of 'detective work' that should be carried out in research.

Chapter 5: Analysis – Exploring Existing Frames

5.1 – Introduction to Findings

The research project is designed to analyse perceptions held by industry participants within the frames identified in the sports literature and then to explore the views in more detail using secondary data provided from within the industry. These interviews were carried out at the beginning of the research project specifically to challenge the pre-existing frames and assumptions of the researcher and the reader. As was shown in the literature review much of the existing academic research into the sports industry relies on the assumptions of researchers who operate outside of the industry partly due to the difficulties of gaining access to participants (Kelly & Waddington, 2006).

This chapter adresses the second and third project objectives:

- Research the current dominant frames within Scottish football through a series of interviews with industry figures.
- The conceptual framework will be further developed through an inductive study of secondary data currently available on Scottish football clubs and their players.

These are broad objectives and deliberately so. One of the failings identified with academic research in both strategic management and professional sport is that it codifies an entire industry into a few key variables. By doing so it loses the relevance for practitioners as they live and work in complexity and in seeking to add to practice this researcher must seek to retain a much of that complexity as is possible.

5.2 – The Structure of the Findings

The detailed discussion of the different frames will begin with Sporting Performance as it has been suggested that this is easily measured (Bridgewater, 2010) and that firm standing in league tables is a widely accepted measure of sporting success (Grusky, 1963) that has become a comparison tool in other industries as well, such as all levels of education (Bridgewater, 2010). Following on from a discussion on Sporting Performance in this chapter

Supporter Attendance will be explored. Whilst Grusky (1963) argued that there was a correlation between successful Sporting Performance and Attendance this has been challenged since (Szymanski, 2009) and the ways in which supporters engage with clubs has changed over time (Giulianotti 2005; Adamson, Jones & Tapp, 2006). The relationship between club and supporter is considered only from the firm's perspective rather than a sociological study of how fans perceive the relationship. Both Sporting Performance and Attendance appear to impact on Finance so this frame is considered third in this findings chapter. It has been suggested that there has been an 'arms race' of spending to achieve greater Sporting Performance (Baroncelli & Lago, 2006; Andreff, 2007) although a range of factors is explored by the different interviewees that show how Scottish professional football has adjusted to lower revenue streams due to a number of factors during the eleven season period used to gather secondary data.

Players are viewed as the major expenditure in the club but also as assets who can be sold as part of a deliberate revenue stream. Although two of the interviewees are former professional footballers, the player's view of the club has not been sought. The decision was taken to look at Scottish Professional Football from a firm perspective and players are viewed as assets rather than employees. This decision was taken to keep the research project focussed on a firm view of business competitive advantage.

The Manager, as a key decision maker, is included as the final frame in this chapter. Much of the academic research in the sports industry has focussed on manager replacement so this is reflected in the project. The recruitment, performance, impact and replacement of managers is discussed at length by the interviewees which included an experienced club manager to balance up the business executive view.

Each theme from the sports literature will be used as a frame to analyse the data collected and develop a deeper understanding of the perceptions of the industry participants.

5.3 – Sporting Performance

5.3.1 – Analysis of Primary Data: The Participants' Views

Within this section consideration is given to understanding of how success in Sporting Performance is defined within the Scottish professional football industry. Grusky (1963) proposed that team standing, based on the number of matches won or lost over the course of a season, was the established criterion for team effectiveness within professional baseball. Bridgwater (2010) updates this suggestion with the qualification that not all clubs define success in the same terms. This subjective view of success was expressed by several of the interviewees who assisted in this research project. The Owner identified that in Scottish professional football at that time there were effectively three different levels of team within the same league.

> "Rangers and Celtic are a completely anomaly. You have two top 20 clubs in the world in a country the size of Scotland. You can't change history so don't even bother butting your head against it. The two of them are colossal. The issue we have in the SPL is we have three leagues in one league. You've got Celtic and Rangers. You've got Hibs, Hearts and Aberdeen. Dundee United, maybe. And the rest. Celtic and Rangers are division 1, the other guys division 2 and the rest of the guys are division 3. And what you've got, in my opinion, is you got three leagues playing each other. And that's the difficulty that you have in the SPL."

"The Owner" Interview with the author 5th March 2009

The financial resources of Celtic and Rangers made it almost impossible for any other club in Scotland to finish in either first or second. In the eleven seasons analysed as part of this research project only Hearts in Season 2005/06 broke this domination when they finished second in the league. The Owner identified three, possibly four, other clubs who operated at secondary level and the other five or six clubs in the league were a third tier. This assessment can be seen in terms of turnover and attendances and this will be discussed in the relevant sections below.

The Administrator also suggested that there were different levels of achievement within the SPL. Those who invested their own money into the sport did it because they wanted to; the drive for success, or 'arms race', led to inflation in spending as a result of the completive nature of sport but that not everyone could be successful.

> "The input of investors or other benefactors at a club level are very important but the competitive nature of football means that there is this arms race that is ongoing to try and get to that, chase that top six spot, or that 3rd place spot or avoid relegation but obviously if you've got 12 teams and they all invest exactly the same amount of money then there's somebody that is going to fail there."

<p align="right">"The Administrator" Interview with the author 17th December 2008</p>

The Administrator highlighted two areas of significance in this statement. He discussed the importance of club benefactors, who were willing to invest discretionarily in football to achieve a certain level of success. This investment will be discussed in the section on club Finance below. The other point made in this quote adds to the suggestion that different clubs perceive success in different ways based on their budget and playing squad. The Administrator suggests that clubs could chase third place in the league, which underlines the acceptance at the time that Celtic and Rangers would finish first and second; therefore other clubs would be happy to finish in the top half of the table, which would increase gate receipts and the distribution of sponsor's revenue, and some clubs would be perceive success as retaining their top flight status for another season.

The definition of what success means for different clubs can be illustrated by comparing two statements made by different interviewees. The Chief Executive explained how he created the plan to achieve club's target of third place within three or four years.

> "It took six weeks, the manager walked [resigned] in that time and I came back to him [the chairman] and said
> 'Look, that's what I think I can do it for to get you 3rd place. As far I can see it was going to be a £1.5m loss every year for you. Can you handle that?'
> 'Absolutely'
> 'Good, let's go for it then.'
> It was no more difficult than that."

<p align="right">The Chief Executive" Interview with the author 7th June 2009</p>

In this process the Chief Executive had created a budgeted plan to achieve a clearly defined level of success: finishing third or the best of the rest behind the Old Firm. The Commercial Director's club had more modest ambitions by comparison although for a small club finishing in the top half of the table was seen as ambitious.

> "Success for [this club] is to be, our ambitious target is to get into the top six in the SPL. Last year we were 7th so the target is top six and any cup runs are seen as a bonus. That's realistic I think as an expectation."
>
> <div align="right">"The Commercial Director" Interview with the author 8th December 2008</div>

If the comments by the Commercial Director about a top six finish are linked to the Owner's views on three leagues operating within one then the ambition for a small club can be understood more easily. The Commercial Director also introduced the importance of cup competitions for clubs outside The Old Firm.

> "We're realistic to think we'll never be a Rangers or a Celtic because we just don't have the fan-base or the income to compete. If Celtic's getting 60,000 at a home game and we're getting 6,000 it puts in in perspective. We realise we can compete with them in the likes of cup competitions, and we're in the CIS cup semi-final, but we will never win the league. We have to be realistic."
>
> <div align="right">"The Commercial Director" Interview with the author 8th December 2008</div>

The Commercial Director suggested that smaller clubs could match those with a larger fan-base, and the related income streams, in one-off cup matches. The Owner who bought into a club which had previously finished third in the league and won one of the cup competitions did point out how difficult winning a cup competition was.

> "[They] had a few things going for it, now when you look back at it you can say [they] had gone over the peak. They had finished 3rd in the SPL, won a trophy, first team outside the Old Firm for ages to win a trophy, but they were like way beyond their means."
>
> <div align="right">"The Owner" Interview with the author 5th March 2009</div>

The Owner's comments reflect the importance of the Cup competitions in the club's assessment of success although this level of perceived success was too hard to sustain. From the interviews, there does appear to be a consistent view amongst the participants that success is relative to the expectations of the club. The Administrator and the Owner suggested that, at that point in time, there were different levels of expectations: top three, top six and survival. The Chief Executive had created the budget to achieve the top three finish where the Commercial Director saw that a top six finish for his club would be very successful. However, the Administrator highlighted in his assessment of the league that there were different levels of expectations and that with similar financial investment someone had to fail.

Through the interviews the perceptions of success from each of the participants is highlighted. For them, success was relative rather than absolute within perceived hierarchies. The top three finish was based on the assumption that, at the time, Celtic and Rangers would take two of those places and most likely the top two places. Smaller clubs looked to progress from SPL survival to a finish in the top six. Whilst the final position in the league table was important to each of the participants, several of the interviewees noted that cup competitions offered alternative routes to perceived success where the smaller clubs could compete with the Old Firm.

5.3.2 –Analysis of Secondary Data

Within the research project the subjective view of the industry participants is triangulated with secondary data from an eleven-season period focussed on a small peer group.

In this section the final league position is examined over the period to establish if there is a hierarchy where some clubs, in a second tier to the Old Firm', achieve regular success throughout the period.

The same process is applied to the Scottish and League Cups to determine if these tournaments do offer an alternative route to success for the peer group clubs.

5.3.2.1 –Final League Position

The final league position of each of the peer group clubs is shown in Figure 5.3a, with gridlines marking top three, top six and relegation finishes. The graph appears confusing with no easily discerned pattern. A review of the data (see Table 5.3.2.1) underlines the observation that pattern is that there is no pattern. The lines connecting the blocks help the reader trace the final standings of each of the clubs.
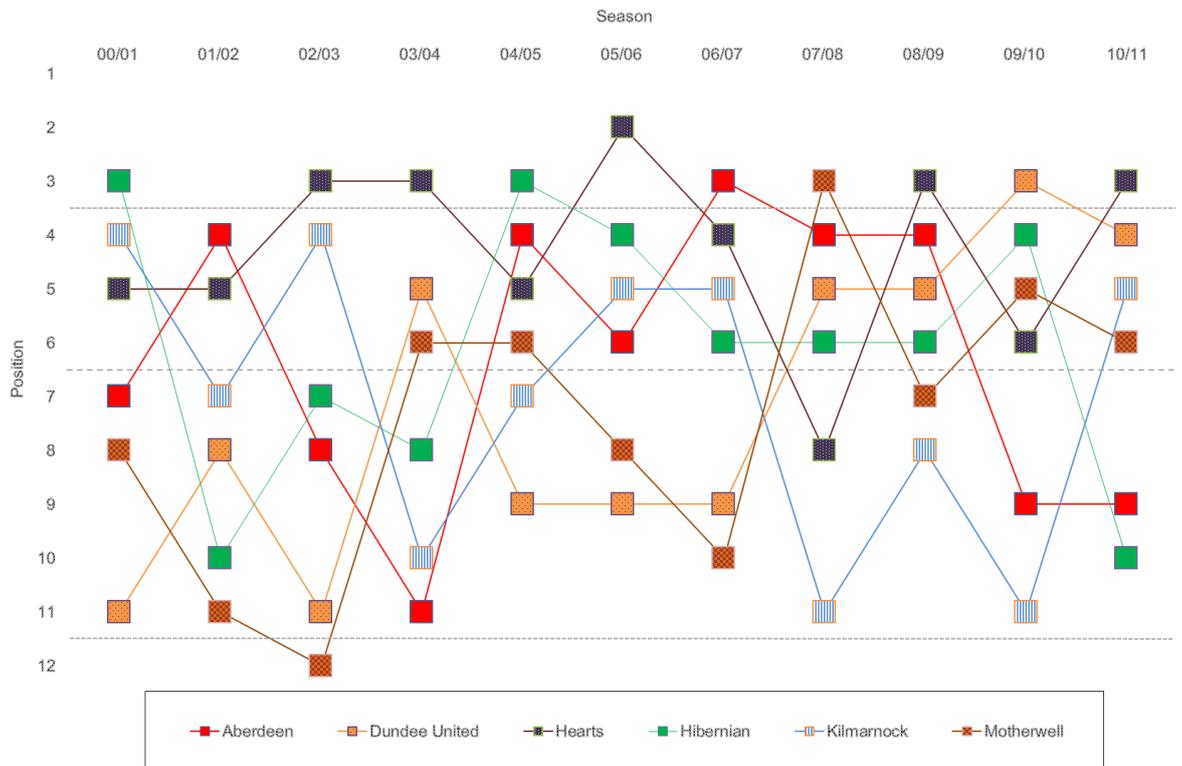
Figure 5.3a: Final SPL League Positions within the Peer Group.
Created by the Author from Soccerbase Data

To assist in the identification of a pattern within league standing the results for each club have been categorised and a median position calculated. The categories use the definitions used by the interviewees to define success.

	Median Position	Top 3	Top 6	Bottom 6	Bottom 2
Aberdeen	6	1	6	5	1
Dundee Utd	8	1	5	6	2
Hearts	4	5	10	1	0
Hibernian	6	2	7	4	0
Kilmarnock	7	0	5	6	2
Motherwell	7	1	5	6	1

Table 5.3a: Analysis of Final SPL League Positions within the Peer Group. Created by the Author from Soccerbase Data

The absence of a clear hierarchy within the peer group clubs can be seen in Table 5.3a. From this Hearts are the most consistent club over the period with the highest median finish, only one season where they failed to finish in the top six and the only club to break the Old Firm dominance of the top two places in Season 2005/06 (See Figure 5.3a). Although more successful than the others Hearts performance does fluctuate albeit less than the others. Five of the six

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clubs finished in the top three but four also finished in the bottom two. Motherwell finished in twelfth place and escaped relegation as Falkirk were not able to meet the SPL stadium requirements.

Although there appear to be no dominant teams within the peers it was harder for clubs outwith the group to be successful in the league. In the first four years of the review, (seasons 2000-2001 to season 2003/2004) three or four of the peer group teams finished outside the top six. From Season 2004-2005 onwards no team outside the peer group or the Old Firm finished in a top six league position at the end of the season.

From the analysis of secondary data there appears to be no fixed hierarchy of league success within the peer group. The next sections apply a similar analysis to the cup competitions to establish whether or not the perceptions expressed in the interviews are backed up by the data.

5.3.2.2 – Cup Performance

This section considers the performance of the peer group in the cup competitions as the Owner explained that the club he took over had "won a trophy, first team outside the Old Firm for ages to win a trophy" which suggests that the teams that were expected to finish in the top two league positions every year also tended to dominate the cup competitions (see tables 5.3b and 5.3c). This view is slightly at odds with that of the Commercial Director who suggested that in a knock-out competition his team could compete due to fewer matches played and the element of luck in the draw.

The Old Firm clubs do dominate the cup competitions, as suggested by the Owner, although not to the same extent (see Tables 5.3b and 5.3c). The analysis includes semi-final participation as a perceived measure of success. The financial implications of these matches is discussed in a later section but the achievement of reaching these showcase matches, held on a neutral venue and usually televised, is recognised in this analysis.

Scottish Cup	Winner	Finalist	Semi-finals
Old Firm	9	1	1
Peer Group	2	2	8
Other SPL	0	5	4
Other League	0	3	9

Table 5.3b: Analysis of Scottish Cup Performance. Created by the Author from Soccerbase Data

Rangers and Celtic won nine of the eleven Scottish Cup Finals in the review period (see table 5.3b) with the other two won by teams within the peer group. A similar picture emerges from a review of the Scottish League Cup Finals over the same period with the Old Firm clubs winning nine of the eleven finals. One peer group team was successful as was one other SPL club outside the peer group.

League Cup	Winner	Finalist	Semi-finals
Old Firm	9	3	3
Peer Group	1	5	12
Other SPL	1	2	6
Other League	0	1	1

Table 5.3c: Analysis of Scottish League Performance. Created by the Author from Soccerbase Data

The above figures (see tables 5.3b and 5.3c) demonstrate that it is possible for clubs outside the Old Firm to win the knockout cup competitions although this does not happen often. These figures set a context for the perception of success within the peer group and this is looked at in the next section.

5.3.2.3 – Peer Group Cup Performance

From an analysis of the peer group cup performance (see Tables 5.3d and 5.3.e) it appears that it is difficult for teams to sustain success in the knock-out competitions over time. It appears that there is little pattern of sustained competitive advantage in the cup competitions. The data has been analysed to show how often each of the peer group clubs were knocked out of the cup in the first match as well as wins, final and semi-final appearances. Over the period, Aberdeen have been knocked out in the first match less than others but have not reached the final of either competition. Kilmarnock have been the least successful club in the Scottish Cup, exiting in the first match on four occasions, but have reached the League Cup final twice. Hearts have won the Scottish Cup once but did not get beyond the semi-final of the League Cup. Hibernian and Dundee United have been the most successful teams in terms of reaching the later stages of the cup competitions with both teams winning once and making two other appearances in the final.

	1st Round	Wins	Finals	Semi
Aberdeen	1	0	0	2
Dundee United	3	1	1	1
Hearts	4	1	0	1
Hibernian	3	0	1	3
Kilmarnock	4	0	0	0
Motherwell	4	0	1	1

Table 5.3d: Scottish Cup Performance for the Peer Group Season 2000/01 to 2010/11.
Created by the Author from Soccerbase Data

	1st Round	Wins	Finals	Semi
Aberdeen	1	0	0	2
Dundee United	1	0	1	3
Hearts	2	0	0	4
Hibernian	1	1	1	1
Kilmarnock	2	0	2	0
Motherwell	2	0	1	2

Table 5.3e: Scottish League Cup Performance for the Peer Group Season 2000/01 to 2010/11.
Created by the Author from Soccerbase Data

Dundee United's performance in the league was the lowest of the peer group but in terms of competitions they have been the most successful. To create an overall assessment of performance the cup data was coded and added to the league positions to create a combined total for each season (see Figure 5.3b).
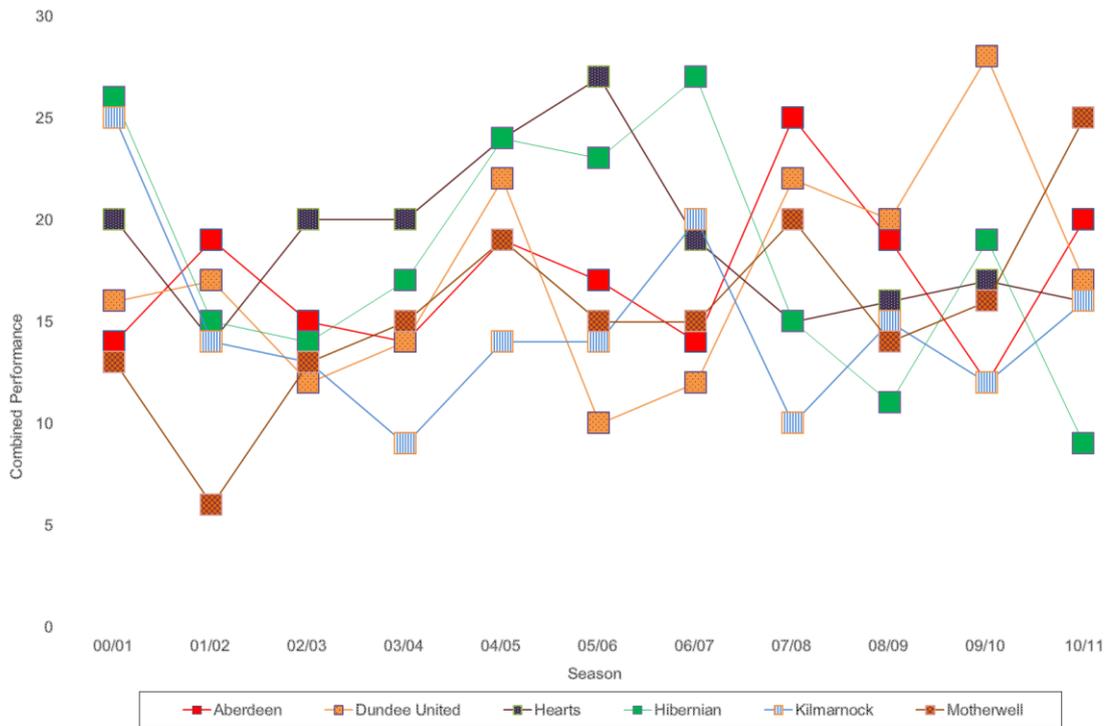
Figure 5.3b: Combined On-Field Success within the Peer Group.
Created by the Author from Soccerbase Data

By combining the data in this way a different picture emerges from the league only data although the pattern is even less clear (see Figure 5.3a). With the combined data Hearts dominance is less pronounced than it is when only the league position is considered, particularly from season 2006/07 onwards, as their performance in the cup competitions was not as strong as some of others. In places there is some overlap of performance so it appears that some clubs disappear from the figure. This combined data gives a more nuanced definition of 'team standing' as it takes account of both league and cup performance.

5.3.3 – Section Summary

This section has considered success in match performance terms through a combination of final league position and progress in the two knock-out cup competitions. Several of the interviewees suggested that the perception of success in Scottish professional football can be measured by three bands: top three, top six and SPL survival. The perception of performance appears to be based on the expectation of the club owners and different levels of risk and investment were taken based on that expectation. The Commercial Director and the Owner made reference to success in the cup competitions as other indicators of a successful club although, again, different clubs had varying levels of expectations. The data used has suggested that sporting success in cup competitions can also be banded where reaching the final or semi-final can be seen as a success for some clubs. The definition of sporting success, in Scottish professional football, should take account of the final league position and both competitions.

The next section explores the link between team standing and attendance as well as a consideration of the different types of supporters who attend matches.

5.4 – Attendance

The previous section looked at a way in which sporting performance could be defined, taking into account the nature of the different competitions that the professional football clubs in Scotland compete. It took a season-long view rather than a win-percentage over a number of games within a season as had previously been used within academic research (see Table 3.5).

5.4.1 – Analysis of Primary Data: The Participants' Views

5.4.1.1 – Understanding Supporters

The participants' views of match attendance was more nuanced than previously suggested by the literature as the importance of fans from other clubs was highlighted as was the deliberate long-term development of a supporter base that several of the participants explained. The Manager was fairly straight-forward in his view of the importance of supporter's for the club and the danger of isolating them.

"You have to give the supporters what they want. In any business you have to make sure that your customer is looked after……once you lose them [fans], you lose them for good"

The Owner explained what his view of what supporters wanted: entertainment.

"The other thing that people need to recognise is that we're in the entertainment business. One of the managers I interviewed, an ex-Hibs manager is famous for saying if you want to be entertained, you should go to the cinema. There is nothing better than watching a game when your team is 2-down and come back to win 3-2. There is not a better experience. It is fantastic."

"The Owner" Interview with the author 5th March 2009

The Owner explained that he had decided not to appoint the manager in question because of the difference in view. The Owner believed that football was entertainment whereas the manager who had been interviewed (unsuccessfully) did not. The Owner highlighted that excitement is not always linked to winning trophies but the maintenance of SPL status proved to be the biggest thrill he experienced whilst owning the club.

"I got to manage the football club and the biggest thrill I've had in football, even watching people winning cups and winning leagues and all sorts of things, was avoiding relegation with [the Owner's club] in one of the seasons I had them in the SPL, was avoiding relegation the last day of the season."

"The Owner" Interview with the author 5th March 2009

However, the excitement of escaping relegation on the final day of the season did not translate into stable attendance numbers. The Owner realised, on reflection, that the club had previously over-achieved and as a result attendance did suffer.

"I wanted the club, I believed it had good infrastructure, in a good town and at one time had over 4500 season ticket holders. Two things happened since then. They were on the downslope and [other clubs nearby] started to boom. The overspill of [nearby city] in [the town] meant they had an SPL team on their doorstep lets down and watch them play Celtic, Rangers, Aberdeen, whatever, they are actually doing quite well. Suddenly that gloss went off them and they suddenly started becoming very average to below average and I thought I could arrest that and I thought I could do something with it."

"The Owner" Interview with the author 5th March 2009

The Owner identified that some of those attending had chosen to watch the opposition as well as support their local team whilst they were successful. The

other nearby clubs, also in the SPL, started to improve and there appears to have been an impact on the attendance at the Owner's club.

> "If you take a club like Queen of the South in Dumfries or St Johnstone, the butcher, the baker, the candlestick-maker they all put money, the love the football club. [We didn't] have that history to draw on but what it had going for it was a huge business community in [the town] and my view was that we've been in the SPL if we can get back to the kind of numbers and the run properly we can make it work."
>
> "The Owner" Interview with the author 5th March 2009

This reflection by the Owner suggested that the club did not have the supporter loyalty of some other clubs in similarly-sized towns. He identified that attendance was dependant on success and that had he been able to return the club to the top six in the SPL the attendance would have increased. The Chief Executive expressed his view that clubs needed to be successful over an extended period of time to have a significant long-term increase in attendance.

> "I think it takes a generation, that's an easy figure, but it take 20 years, 15-20 years of success, probably 15 is alright because you need to get the kids young, in the schools and develop them as fans, not as players as fans."
>
> "The Chief Executive" Interview with the author 7th June 2009

Two concepts can be seen in the views of the Owner and the Chief Executive: that the development of a supporter base can be seen as a long-term development process and that some of those attending football matches have come to see the away team. Both of these ideas were discussed by the Commercial Director who explained how his club develop the links between these potential attendees and the club.

5.4.1.2 – Supporter Development

The Commercial Director explained that developing a larger supporter base was a long-term project.

> "We need to keep an eye on the short-term from a financial perspective but from a marketing perspective we need to have a longer-term marketing plan which is all about growing a fan-base in the local community. It's almost like getting this conveyor belt."
>
> "The Commercial Director" Interview with the author 8th December 2008

He explained that social football had been identified as a means of developing relationships with families in the area.

"We have a very thriving community department here. We run teams from under-5 all the up to under-19 and many teams in each age group. We actually charge a monthly subscription for that so that's paid by direct debit by the parents so their kids can train two nights a week and get a game on a Saturday morning. They all get kitted out with the best of tracksuits, strips, everything. It really is very professionally run."

"The Commercial Director" Interview with the author 8th December 2008

This supporter development through football was kept separate from the elite player development which will be discussed in a later section. The community department was set up to develop a relationship with families in the local area so that became a part of the club in the long-term. This development was to be matched with the creation of a family area within the stadium with reduced prices to encourage attendance.

"We're going to create a family stand where we're going to really cut prices quite dramatically and probably charge something like £10 for adults and £5 for kids. To come and watch SPL football, that's pretty good."

"The Commercial Director" Interview with the author 8th December 2008

The Chief Executive referred to the concept of developing fans in the context of growing attendances but the Commercial Director discussed the stages that could be followed from the initial engagement through the opportunity for children to play football followed up with appropriate ticket pricing and specific areas within the stadium. Where previous academic studies (Grusky, 1963 & Grundy, 1998) had suggested that improved performances would lead to increased attendance two of the interviewees expressed the views that supporter development was a long-term process; although linked it was linked to improved on-field performance there were other infrastructure projects, such as family areas in the ground, that needed to be in place as well.

5.4.1.3 – Reconnecting with Lost Supporters

As well as building relationships with a new generation of supporters, the Chairman and the Commercial Director both spoke of reconnecting with those who had attended in the past but had stopped attending. This challenges the view of the Manager that once a club lost fans they were lost permanently. As expressed in the previous section, the Chairman suggested that by improving the on-field results the club may attract the lost supporters back however how

this would be achieved was not discussed in the interview. The Commercial Director, not surprisingly given his job title, discussed this at some length in his interview.

The community department was engaged in building involvement with the football club on a regular basis. These were already viewed as customers.

> "The sales promotion is really aimed at external customers. The academy and the community, they are already [our] customers. Sales promotions are things we do in the press to try and bring people from the wider community who either don't go to football matches or who haven't been for a long time."
>
> "The Commercial Director" Interview with the author 8th December 2008

The Commercial Director went to explain how the potential interest in the club in the surrounding area could be defined by comparing an up-coming cup semi-final with the club's support at a cup final ten years earlier.

> "In the final itself there were 24,000 [club] supporters at that match. I use the word supporters loosely but it shows you the catchment area and the [town] environment. Although you've maybe only got a hard-core support of 4,000 or 5,000 who turn up every week, the catchment area can support 24-25,000 people on a successful cup run. The semi-final, it'll probably be a cold January night so we'll probably take about 10,000. But if we do get a final, which will be played on a Saturday or a Sunday then we'll take about 25,000 to that."
>
> "The Commercial Director" Interview with the author 8th December 2008

The Commercial Director was able to differentiate between supporter groups by comparing the regular league match attendance of 4-5,000 with the potential of 24,000 who may attend a major cup final. The Commercial Director did not expect that all of the additional 20,000 fans who may attend a cup final could be attracted to attend of a regular basis, but that 10% could.

> "We have to be realistic. Everything we do it predicated by the fact that we're a 6,000 attendance club."
>
> "The Commercial Director" Interview with the author 8th December 2008

By establishing contact with these potential supporters in the local community through a range of sales promotions, the Commercial Director believed that regular crowds could be improved. He went on to explain the value of the sales promotions was not simply increased attendance but the data that could be collected to be used in future marketing campaigns.

> "We're capturing information. All these things we have coupons that they have to fill in: name, address, email address, date of birth. We capture that information and add it to the database going forward."

The Commercial Director explained the project that he was working on to collect supporter data from a number of sources into a single database that could be used in the future.

> "At the moment, we have fragmented databases throughout the football club. What we're trying to as a project just now is pull them all together so we have a [club] database. That doesn't exist at the moment. We have all the various categories of databases. The main one is the season ticket database of 3,000. But in total these categories probably add up to around 10,000 so if we pull all that together and start using email marketing."

The increased level of data available on those attending matches allowed the club to target their marketing although this is not restricted to 'home' supporters. The Owner, in his interview, had noted that football supporters in the catchment area for his club came to watch the opposition teams as well as their local club. The Commercial Director discussed a benefit to his club of a dispute with Celtic and Rangers over tickets.

5.4.1.4 – Developing Relationships with Away Fans

The Commercial Director explained that a dispute over a ticket levy charged by Celtic and Rangers had proven to be benefit for his club.

> "Because of the ticket policy that was introduced this year by Rangers and Celtic, they were wanting a 5% levy for the privilege of selling our tickets we decided that we would just do it ourselves and sell to the local Rangers and Celtic football supporters in this area, of whom there are many, and we've collected all that data from the local Rangers supporters and the local Celtic supporters so we have that database now, which is a secondary database but it's potentially people who might come back and watch [us] at some point in the future. By the way, we've sold out all the Rangers ad Celtic tickets without paying the 5% levy so we kind of called their bluff and very successful in terms of not having to pay the extra income, giving ourselves access to new database of customers that we didn't have previously so it's been successful."

The dispute began with the Old Firm attempting to attach a handling fee for tickets to away matches. Rather than pay the levy the Commercial Director's club decided to market directly to the Celtic and Rangers fans in their local area. Not only did this protect their own revenue stream, but the club were able to gather data on these locally based Old Firm fans that would permit future direct marketing to away supporters thus creating a different relationship with another fan group.

As well as linking directly to fans of other teams the opportunities for clubs to create links with those fans out-with the immediate catchment area was discussed by the Commercial Director and the Administrator. This concept will be considered in the next section.

5.4.1.5 – Developing Relationships with Remote Fans

The previous sections have considered the importance of developing relationships with different types of people who attend football matches: young fans, 'lost' supporters and those who follow other clubs but attend matches as an away fan. Two other types of fan were identified in the author's interviews: ex-pat fans who retain an emotional interest in their old club despite a physical separation and football fans in overseas markets who can be reached by importing players. The relationships with those can be developed either directly, through web-TV streaming directly by the club, or indirectly through centrally negotiated TV deals.

The Commercial Director explained how the broadcast of matches through the club web-site allowed increased revenue by maintaining links with overseas fans through a monthly subscription but that fans of other clubs were also targeted to watch their team's matches as well.

> "Modern areas we're moving into are new media. So its things like [club TV channel], which isn't actually on your TV, it's on your laptop or your PC, where we'll film all of our home matches and we'll sell monthly subscriptions, it's usually about £5 a month, so that our supporters overseas can watch [us] playing on a Saturday. More importantly, an area that we're just really just being able to capitalise on is opposition supporters who are overseas. So, for example, last Saturday when we played Hibs, we're currently just targeting [our] supporters overseas but we could actually be targeting Hibs supporters. There are probably more of them overseas than there are [our] supporters."

"The Commercial Director" Interview with the author 8th December 2008

The Commercial Director identified here that the direct link to away supporters for physical attendance could also be used via the web-site. This allows the club to tap into a wider fan-base than just their own. As with the direct marketing of physical attendance the collection of data was important to the club.

> "So those kind of areas, the web-site, we've had fantastic analytics on the website. Last year we had just under a million visits to our [club] website. Which is great for a small football club and I think of those 40,000 of those were unique visitors. These are fantastic analytics and we need to capitalise on that, selling advertising space on the back of that. We're just scratching the surface of that at the moment."

"The Commercial Director" Interview with the author 8th December 2008

The importance of advertising revenue will be discussed in a later section on finance but the key point here is that some clubs are developing their definition of what a supporter is, how they interact with the club and that the link with football fans of other teams is important.

The Administrator's role within the SPL gave him an insight into how the whole league could be marketed in different countries as the relatively small Scottish domestic market became saturated.

> "I think what the clubs are looking at, if they've squeezed the domestic market as far as possible and they it is saturated then they need to explore other markets. If they can marry a football decision with a commercial decision, which Celtic have done very successfully with Nakamura who has been a wonderful talent on the part but it's also worked for them commercially and the SPL, you know every club in Scottish football has benefitted from Nakamura playing here. I think the pressure is that the clubs are asking themselves is "have we explored every avenue to get revenue from the world. I think the overseas market is really difficult to make work, you need a lot of things to fall into place. You need someone like Nakamura who's playing every week. There's no point in signing him if he sits on the bench. He's playing every week, he's adding and he's a hero back home. Then they back it up with the correct commercial, retail and marketing programme that they can then go and tap into the market and then they also need to back that up with community initiatives, getting people on the ground in those areas. It takes a lot and you need to be really committed if you are going to go after one specific market. I think it's more about the clubs ambitions and where they see opportunities."

"The Administrator" Interview with the author 17th December 2008

The views expressed by the Administrator pull together three of the five themes identified in the literature review: attendance, finance and players. The example he gave was of Celtic signing Japanese international player Shunsuke Nakamura in 2005. This signing allowed Celtic to generate interest in the club

in the Japanese market therefore creating a relationship with a new type of supporter. Although few clubs in Scotland have the commercial, retail and marketing programmes mentioned in the interview, the creation of a new TV market for Scottish football did have a benefit for all SPL clubs through the centrally negotiated TV deal. Although this relates to the discussion on finance the relationship with 'TV supporters' takes on a different meaning as these fans may be in a number of different countries.

The introduction of different types of media, for example club web-sites and satellite TV as well as Facebook and Twitter, have allowed clubs to interact with fans in different ways. Several of the interviewees identified the benefits of this interaction however the experience was not always positive. The challenges of this relationship will be discussed in the next section.

5.4.1.6 – Developing Relationships through Social Media

The Commercial Director explained how the club webs-site could be used to increase engagement with fans and this could be used to generate income. The Administrator expressed the view that the range of social media channels available for fans to debate football was a good thing.

> "Debate is healthy. No-one told me when I came into the job that you'd have four million advisors out there and they're all quite happy and they've got a two-hour phone in every night and 25 email and web-site forums and hundreds of newspapers to fill but debate is a good thing."
>
> "The Administrator" Interview with the author 17th December 2008

The introduction of radio 'phone in' programmes has given a voice to supporters on a national scale as well as the growth of internet message boards that allow supporters a voice that previous generations did not have. The Administrator suggested that the debate was healthy for the game and that the increased scrutiny provided greater accountability. This level of interaction proved a valuable learning exercise for the Club Owner.

> "I totally underestimated how even a Mickey Mouse club like [ours] gets PR away and above its station. Just unbelievable. Learning exercise number one."
>
> "The Owner" Interview with the author 5th March 2009

Although he owned a relatively small club the level of public interaction and scrutiny was higher than expected. The Manager had previously expressed the

view that it was important for companies to meet customer expectation however he was concerned about recognising the power that fans could have on the club board.

> "If they [the board] are listening to message boards, to what supporters are saying or what the press are saying then they're not running the club. They're just running it to pacify people."
>
> "The Manager" Interview with the author 25th May 2011

Social Media may provide a direct line for fans to the club board however than can create a situation that the Manager likened to reality TV shows.

> "These fans cannot work it out. Do you know why? Because it's the X Factor scenario – "You're a great singer and they go up there and can't sing. And I sit and watch the X Factor and go 'who told them that they can sing?' But they've all got their opinion. They can stamp their feet, they can boo, the can go on message boards, they can go on radios and that's what's the matter."
>
> "The Manager" Interview with the author 25th May 2011

The Manager went on to suggest that although fans are given every opportunity to speak up and, at times, directly to the board they may not have all of the relevant information.

The Chief Executive's view saw that the danger of listening to the fans was confined to putting pressure on the manager but also could impact the Chairman's decision making.

> "I thought at that point you're getting carried away with the fan base, you're getting carried away with the celebrity, don't fall for it. Long, long discussions with him and anyone come into the game about the danger of fame. The danger of fame and getting your picture in the paper and all that stuff. Personally I think its bullshit and don't get carried away with it because it will cost you."
>
> "The Chief Executive" Interview with the author 7th June 2009

Here the direct voice of fans through the media can alter the behaviour of some in the game leading to poor decisions. One danger of listening to the fans is that they may not be best placed to ask questions on players or managers.

5.4.1.7– Interview Summary

Previous research suggested that there was a strong link between on-field performance and attendance levels (Grusky, 1963; Grundy, 1998). The Owner highlighted that attendance had fallen as the team's on-field performance had dropped. The Manager also expressed the view that once these fans were lost it would be hard to win them back. The Chief Executive and the Commercial Director expressed the view that developing fans was a long-term project. The Commercial Director, perhaps not surprisingly given his professional background, had identified a number of different types of supporter that the club needed to connect with: young fans and their families; supporters who were interested in attending high-profile matches such as cup finals and semi-finals; 'away' fans from others clubs; remote supporters with a historical tie to the club who interacted through the web-site. The discussion of 'community' projects focused on the development of long-term relationships with the local community with a view to fan development rather than projects with more altruistic aims to put back into the community. The Administrator discussed the importance of overseas TV markets and the potential fans that could be encouraged to support the club based on player signings.

Although the importance of social media and the increase in interaction between the clubs and their supporters was identified there are dangers for managers and chairmen in terms of the increased attention and pressure caused by these interactions. The Chief Executive stressed that the impact of this needed to be carefully managed to avoid poor decision making by Board Members.

5.4.2 – Analysis of Secondary Data

Any analysis of attendance data is limited to the secondary data published by clubs on a weekly basis where a statement is made on match attendance. Whilst several of the interviewees discussed the different types of supporter at matches, season ticket holders, regular attenders and away fans, the plain statement of attendance does not distinguish between these groups.

The data collected for the Peer Group clubs within the eleven season review period has been broken down into three areas for analysis. Firstly, the average

attendance by season for each of the peer group clubs is considered to establish if there is a clear link between on-field success and match attendance. Secondly, based on the comments by the Commercial Director on the importance of away fans at matches the attendance at matches will be broken down into three areas: matches involving either of the Old Firm clubs, matches involving other Peer Group clubs and others. The final analysis in this section will look at the additional tickets sold as a result of cup runs as this will help explore the comments made by the Commercial Director about supporters who will attend Cup Finals and Semi-Finals but do not regularly attend.

As the focus of the research is the club, no attempt has been made to gather the views of supporters on what matches they attend or why. These questions are outwith the broad scope of this project although would be worth consideration for further research in the future.

5.4.2.1– Average Attendance by Season with the Peer Group

The Owner expressed the view (see section 5.3.1) that Hibernian, Hearts, Aberdeen and possibly Dundee United operated as a second tier, behind Celtic and Rangers, within the SPL although an analysis of the final league placing of these clubs (see Figure 5.3a) suggested that this was not always the case. If the measurement is purely based on average match attendance by season a clear split can be seen but Dundee United appear not to be a part of that second tier, certainly based on attendance.
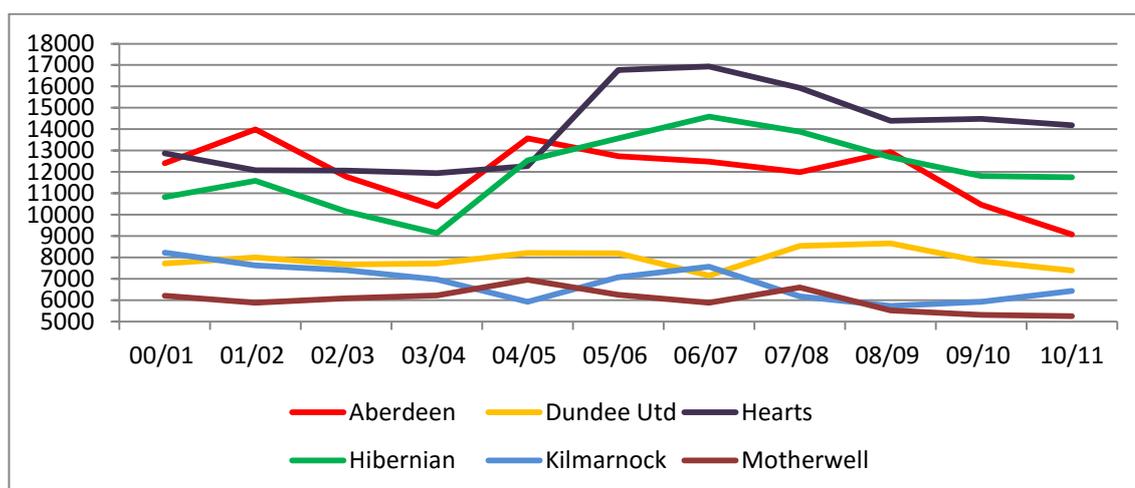
Figure 5.4a: Average Home League Attendance Game within the Peer Group. Created by the Author from Soccerbase Data

Figure 5.4a highlights that the average home league match attendance for Aberdeen, Hearts and Hibernian is always higher than that of Dundee United, Kilmarnock and Motherwell. This difference in attendance seems to exist regardless of on-field success. Figure 5.4b shows the average attendance (line graph) and the on-field success (bar chart) for each club within the peer group for each season of the review period. The single chart per club is designed to reduce the detail presented to establish patterns in the data.
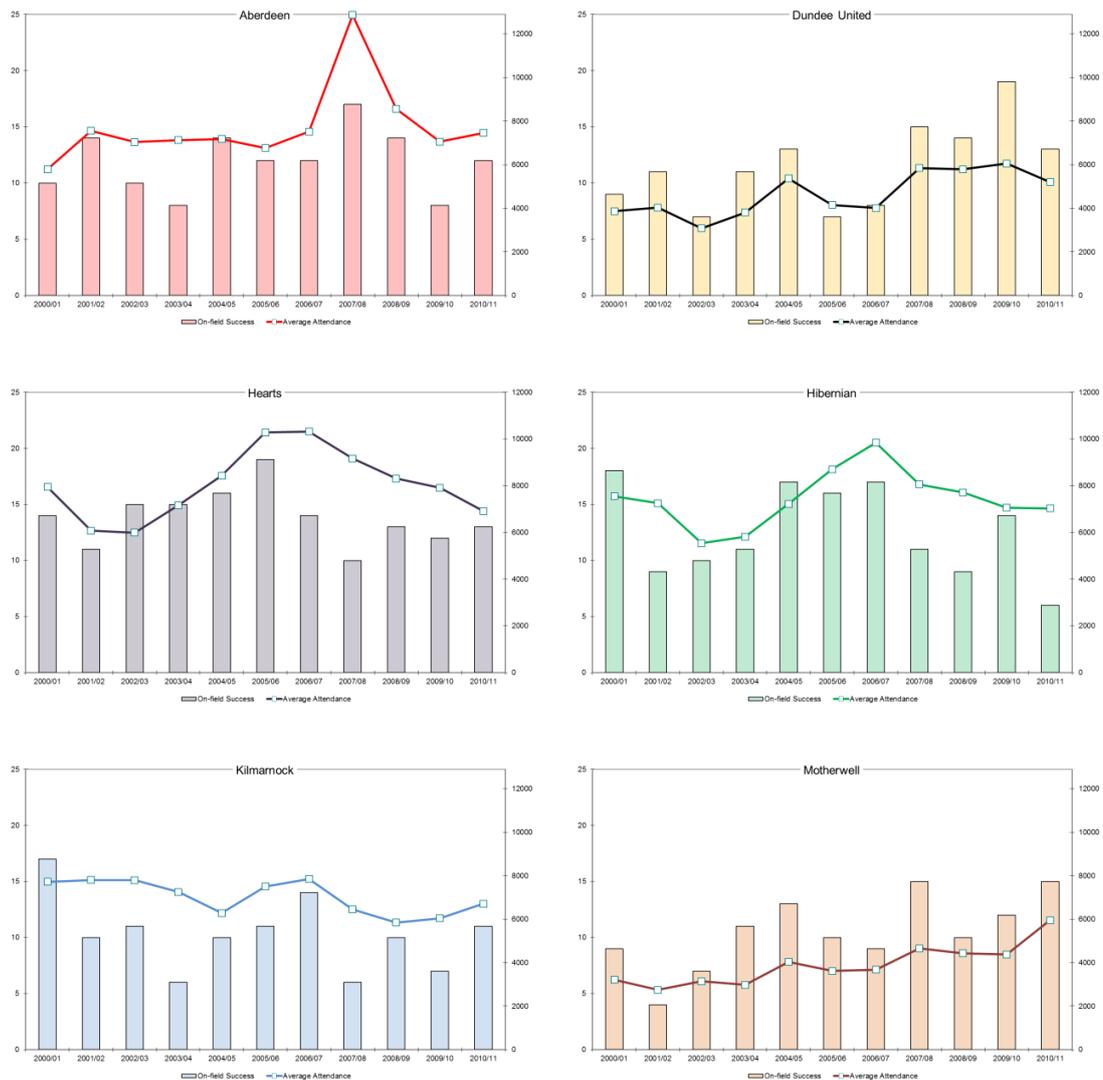
Figure 5.4b: Average Home League Attendance and On-Field Performance within the Peer Group. Created by the Author from Soccerbase Data

The charts appear to challenge the assertion of Grusky (1963) that higher performance leads to higher match-day attendance. The average attendance at Dundee United, Kilmarnock and Motherwell appear to be relatively static, regardless of on-field performance. Although there is some variation for these clubs season on season, the fluctuation is less pronounced than the changes in

on-field success. Aberdeen does have a pattern of attendance that largely mirrors success however in season 2010/11 average attendance fell from the previous season despite improved results. For Hearts season 2005/06, which was the year they finished in second place in the league, proved to be the high point in terms of attendance. Although average crowd numbers dropped in subsequent seasons this was at a lower rate than on-field performance. Of the three 'big clubs' Hibernian's average attendance does seem to vary most although this does not always mirror success. The season with the lowest figure, 2003/04, was also the season where the manager quipped that football was not about entertainment. It may be that the fans disagreed with him. The link between on-field success and average attendance does not seem to be established by these figures.

The importance of away supporters will be considered in the next section with particular attention paid to Old Firm fans.

5.4.2.2– The Impact on Attendance of Old Firm Supporters

The previous section considered the impact of on-field success on match-day attendance without any strong link being established between the two. The Owner and The Commercial Director highlighted the difficulties that a small local population base caused their clubs but noted that by attracting away supporters those clubs could attract higher crowds. The reported attendance data does not differentiate between the team's supporters however a simple measure has been adopted in this project to establish if there is difference in match attendance based on the away team. Average attendance figures were created for matches where Celtic or Rangers were the away team and for all other league matches. These clubs were specifically mentioned by the Commercial Director which is why they have been used in this project for the measure.

Figure 5.4c plots the average attendance for each of the peer group clubs over the review period for matches against Celtic and Rangers and the average for other marches against other clubs. This demonstrates the importance for some clubs of matches against the Old Firm although that gap is more pronounced for some than others. All of the clubs in the peer group experience a bump in attendance for Celtic and Rangers matches with the exception of Hearts in

Season 2005/06, when they finished second, and in the subsequent two seasons. As performance dropped the increased attendance re-appeared. Of the other five clubs in the peer group Hibernian saw the smallest gap between the two figures through-out the review period.
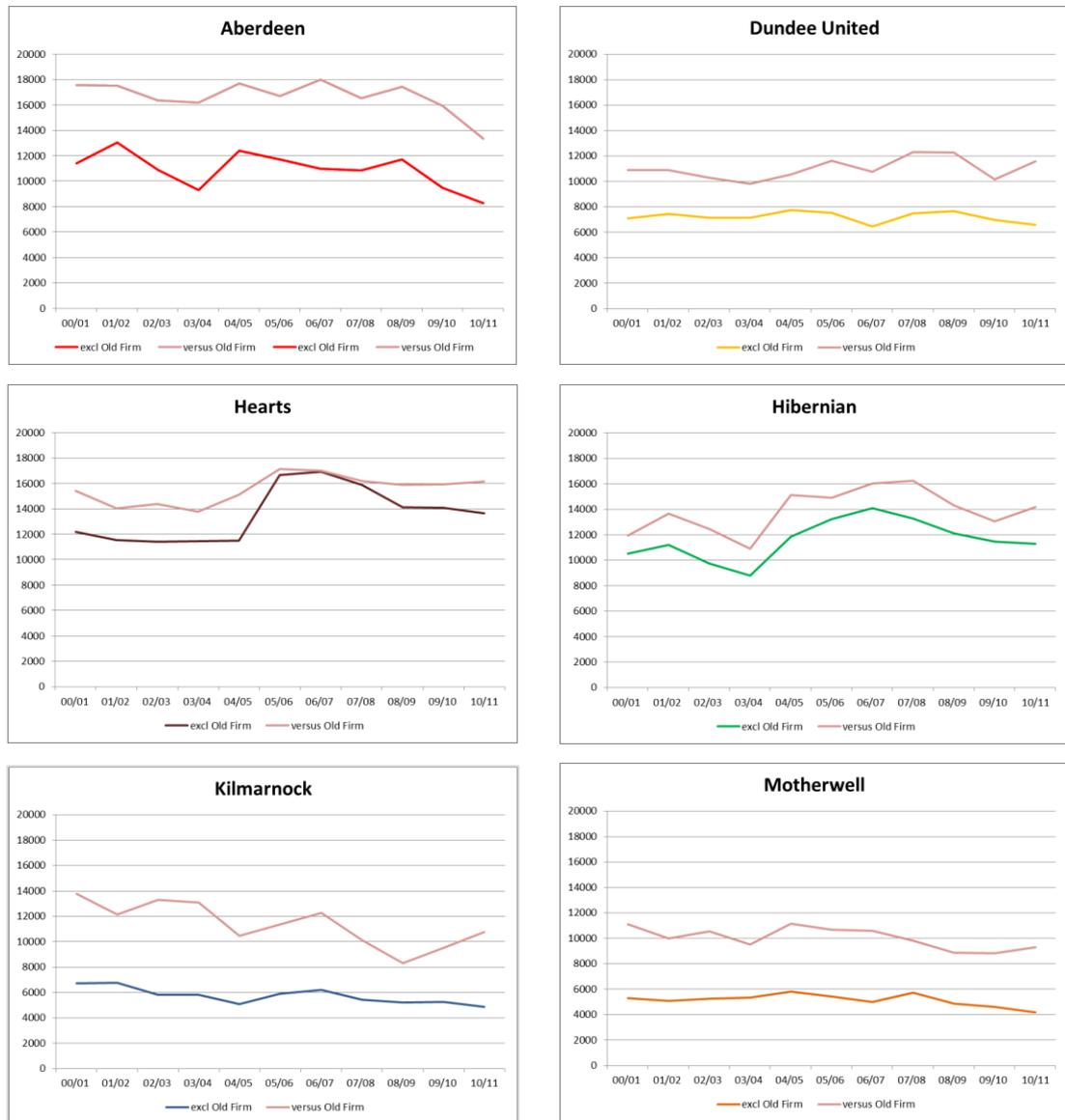
Figure 5.4c: Average Home League Attendance Excluding and Versus Celtic and Rangers. Created by the Author from Soccerbase Data

This 'Old Firm bump' underlines the importance of finishing in the top six of the league table as the teams in the top half of the table play each other four times where the teams in the bottom only play the Old Firm three times. This underlines the view of the Commercial Director as his club sought to establish who these away fans are, where they are based and if they can be tempted to come to other home games when Celtic and Rangers are not playing.

By working with the secondary data in this way some estimation can be made of the importance of the matches against the Old Firm. Reported attendance

figures do not reveal who bought the ticket and where they are based. By selling directly to these fans and collecting that data directly the clubs can use this information for marketing purposes.

The Commercial Director also highlighted the importance of progress in the cup competitions to establish links with fans who do not normally attend league matches but are attracted to cup finals and semi-finals. Secondary attendance data for cup competitions has been used to establish how many additional fans can be attracted to watch cup matches.

5.4.2.3– Cup Ticket Sales

The third type of fan that the Commercial Director sought to develop a better understanding of was the supporter who did not regularly attend league matches but who would buy a ticket for cup finals and semi-finals.

Figure 5.3.2.3 illustrates the level of cup tickets sold by each club season by season. The single figure published for match attendance does not differentiate between types of supporter however the levels allow some analysis of the changes season by season of the volume of cup tickets sold based on the number of matches played. The big blocks display cup final and semi-final appearance. For example, Aberdeen reaching the Scottish Cup semi-final in 2007/08 and both cup semi-finals in 2010/eleven show a bump in attendance.
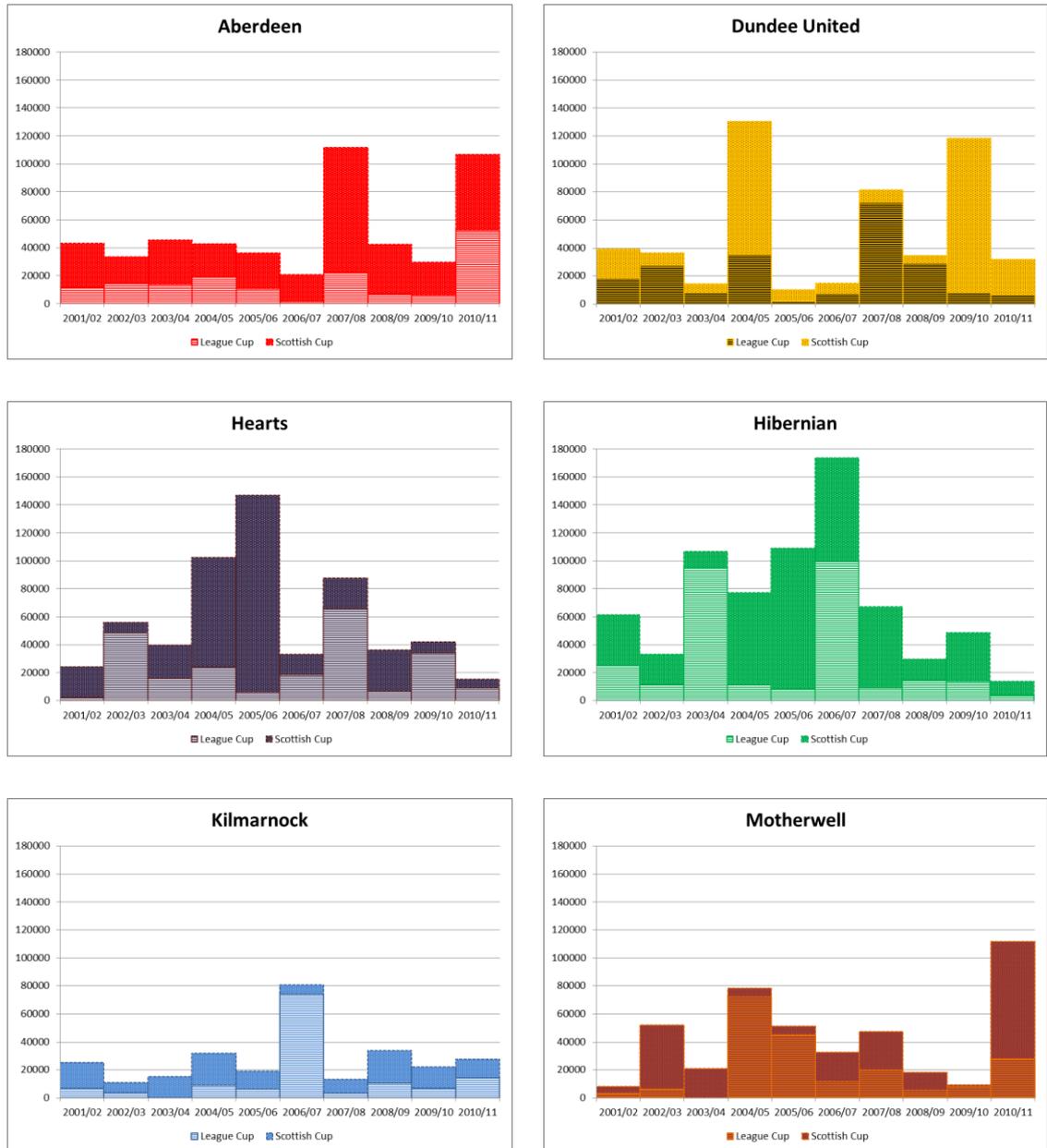
Figure 5.4d: Total Cup Match Ticket Sales by Club and Season. Created by the Author from Soccerbase Data

The data in Figure 5.4d relate to this contained in Table 5.3.2.10 where cup success is discussed as a measure of success. Hibernian's success in reaching three Cup Finals and four other semi-finals in the review period is underlined by the volume of additional tickets sold. In Season 2006/07 Hibernian won the League Cup and also reached the Scottish Cup semi-final, hence the highest level of additional tickets sold by any of the peer group clubs in the review period. Using the observations of the Commercial Director, this would suggest that they have a latent support interested in attending 'big' matches but this is not reflected in weekly attendance (see Figure 5.4b).

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The knock-out nature of cup competitions does link ticket sales to on-field success: the team needs to win to stay in the competition. More wins leads to more matches and the real impact is seen in Table 5.4 which shows the average attendance at cup matches for the peer group by round. The average attendance by round highlights the importance of getting to the later stages of the cup competitions due to the much higher crowds.

Competition	Stage	Average Attendance
League Cup	Second	3,450
	Third	4,885
	Quarter	7,472
	Semi-final	20,554
	Final	49,940
Scottish Cup	Third	7,135
	Fourth	9,118
	Fifth	8,012
	Sixth	11,288
	Semi-final	27,218
	Final	49,651

Table 5.4: Average Peer Group Cup Match Attendance by Stage. Created by the Author from Soccerbase Data

The earlier rounds of both competitions attract crowds that are lower than the average for league matches. The benefit, as highlighted by the Commercial Director, comes in the later rounds. Whilst much of the benefit of these matches with large attendances is financial, which will be discussed in the next section, the Commercial Director explained that these matches allow clubs to connect with fans who do not usually attend.

The impact of this can be seen by considering the League Cup Final in 2006/07 between Kilmarnock and Hibernian. This match has been selected as it was the only Cup Final played between peer group clubs in the review period. The average attendance for matches played in Kilmarnock was 5,631 and 12,092 when played in Edinburgh. The average for the four matches was 8,862 per game. The Cup Final attendance was 52,000, almost six times higher than the league match average. This underlines the Commercial Director's view that there are those who have an affinity with the club but do not attend regularly. It was not his expectation that all of these people would become season ticket holders but that some of these fans could be encouraged to reconnect more

regularly than the show-piece finals. The personal information that can be collected through competition final ticket sales can be used by the clubs to develop their knowledge and increase the regular attendance levels. This use of marketing practice from outside of football shows the development of new frames within the game that changes the definition of supporters and how that relationship can be managed.

5.4.3 –Section Summary

This section of the analysis has considered match-day attendance from the perspective of the interviewees and tried to link those viewpoints to the published attendance detail. The depth and variation in the interviews made this data more useful as the nuances could be explored. The role of the interviewee seemed to have some impact on their views with the Commercial Director sharing the greatest detail in how the relationship between clubs and supporters (including those of other teams and those in-frequent attendees) is changing as different media streams can be explored, with new routes for football fans to watch matches through TV deals and live web-streaming.

5.5 – Club Finance

The previous sections consider on-field success and attendance levels. This section will discuss the impact that these have on the financial success of the firms under consideration. The financial aspects of the football industry were the most commonly discussed factor by all of the interviewees. There were a number of different financial models that were employed at the different clubs represented and part of this seemed to reflect the perceptions of success as discussed in the previous section on performance.

5.5.1 – Analysis of Primary Data: The Participants' Views

The focus on finance during the interviews with the industry participants has been broken down into three sub-sections for the purposes of analysis. The first section considers the sources of revenue for the clubs and links clearly to the previous two sections on on-field performance and attendance as both of these have a direct impact on revenue. The second area that was discussed by the

participants was how the budgets were set at the clubs and how these could be affected by external factors, including the relationship with supporters discussed in the section on attendance. The third viewpoint given is that of the governing body (SPL) towards financial stability of clubs at that point in time.

5.5.1.1 – Sources of Revenue

The Commercial Director explained the sources of revenue for his club which gives some indication of how clubs in Scotland are financed and particularly the importance of the centrally negotiated league sponsorship deals.

> "As business, where do we get our income? Basically, you won't be surprised to learn, comes the SPL through the TV income and the sponsorship income. So between Setanta Sports and the Clydesdale Bank, these are the two major sponsors of the SPL, we get a share of that money. We get a guaranteed amount and we get a performance related amount at the end of the season. So for this season it will be about £1¼m, give or take, it depends on where we end up in the league. So that's what we've budgeted for. If we end up higher in the league we'll obviously get more money than that".

"The Commercial Director" Interview with the author 8th December 2008

Figure 5.5a illustrates the breakdown of the revenue sources for club that the Commercial Director worked for. Almost one third of the income (31%) came from the sponsorship deals negotiated by the three organising bodies responsible for the national competitions that this club competed in: the Scottish Premier League, the Scottish Cup and the League Cup.

Sources of Revenue for SPL Club 2007 (£m)
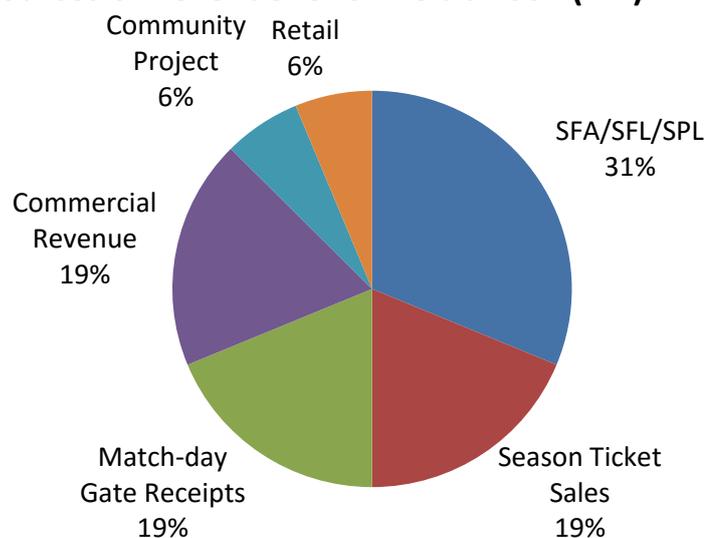
Figure 5.5a: Sources of Revenue for an SPL Club. Created by the Author from data provided by Commercial Director

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The sponsorship revenues are distributed to clubs based on performance in the relevant competition. The sliding scale used by the SPL in 2007-08 is shown in Figure 5.5b. Each SPL club was paid 4% of the sponsorship revenue with a sliding of scale of payments based on the final league position from 0.5% for the twelfth placed club up to 13% paid to the championship winning club. The jump from 4.5% for fourth place to 5.5% for third place is worth noting at this stage as this is discussed by a number of interview participants later in the analysis.
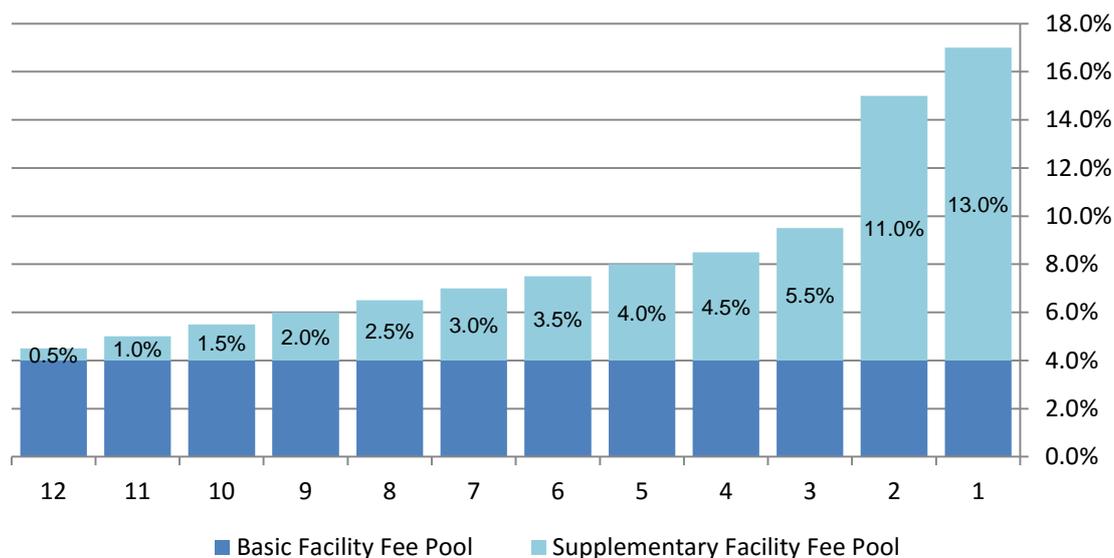
Figure 5.5b: SPL Distribution of Sponsorship Income. Created by the Author from the Scottish Premier League Handbook Season 2008/2009

The Commercial Director explained that whilst sponsorship revenue was important (31%) ticket sales generated more income for the club.

> "Season tickets sales £¾m that comes in more or less in one lump sum round about May/June each year. We sell about 3,000 season tickets. On top of that you've got weekly or fortnightly gate receipts when people come and these are mainly away supporters although we have our own 4 or 500 walk-up supporters for every home game. But the bulk of those, for example on Saturday when [peer group club] came we had 1800 [away] supporters which is fantastic."

"The Commercial Director" Interview with the author 8th December 2008

Governing Body sponsorship deals contributed 31% of the overall revenue (see Figure 1) but ticket sales contributed a total of 38% of revenue. Within his comments the Commercial Director highlights the importance of 'away' supporters as a revenue stream. Using the rough numbers given by the Commercial Director, 3000 season ticket holders, 500 home walk-up fans plus

1800 away fans, would suggest that 1/3 of the revenue for this match came from supporters of another club. In terms of the match-day revenues shown in Figure 1 (19% of total income) the financial impact of other team's supporters would appear significant with 80% of this revenue source coming from the 'away' team. The ways in which clubs can market directly to supporters of other clubs was discussed in the section on Attendance.

> "We're realistic to think we'll never be a Rangers or a Celtic because we just don't have the fan-base or the income to compete. If Celtic's getting 60,000 at a home game and we're getting 6,000 it puts in in perspective. We realise we can compete with them in the likes of cup competitions, and we're in the [cup semi-final], but we will never win the league. We have to be realistic. Everything we do it predicated by the fact that we're a 6,000 attendance club. The budgets are set on that basis and any cup run we get is a bonus, if we sell players on that's a bonus. There's nothing in the budget for players being sold on."

"The Commercial Director" Interview with the author 8th December 2008

The Commercial Director highlights here the disparity between clubs, which was discussed in the section on on-field performance, and how his club needed to budget according to their level. The final statement regarding player's registration being sold to another club. The process of developing young players or those under-valued by other clubs can generate substantial income however that income is viewed as additional income. The success of player development is considered in the next section; however, as a source of potential revenue it does need to be highlighted here.

5.5.1.2 – Expenditure

The Commercial Director clearly broke down the sources on revenue for his club however the explanation of how the money was spent was much simpler.

> "The costs are obviously the football staff is the bulk of the cost which is your player's wages, supporting staff, coaches, physiotherapists. They take up most of the wages. We also have an overhead for admin staff, the people who run football club from here"

"The Commercial Director" Interview with the author 8th December 2008

His club had moved away from signing players for a transfer fee but focussed on players who were out of contract to remove this as a cost.

> "One thing we've never done recently is actually buy players. We bring in players in the transfer windows, we maybe have to pay signing on

fees to the actual players, we might have to pay agent fees but we don't any longer pay."

<p align="right">"The Commercial Director" Interview with the author 8th December 2008</p>

Likewise the Manager was proud of his track record for finding players who could be brought into the club without a transfer fee.

"I made mistakes, everybody makes mistakes but I never spent any money until we got [a striker]. But you made money back on him when he gets 22 goals. You say to yourself 'well that was a success' but I never spent any money. [International midfielder] was a free transfer, all that stuff. I worked within the constraints of the budget."

<p align="right">"The Manager" Interview with the author 25th May 2011</p>

Those interviewees who talked about the costs associated with their clubs focussed on player's wages and the importance of signing players without incurring a transfer fee. These are the main costs to be constrained within the club's annual budget.

5.5.1.3 – Setting Budgets

The club's finances, and the impact of the supporter base, appear to be important factor in setting targets for this club. Realising that with only 10% of the average home attendance the Commercial Director suggested that the club set their targets accordingly.

"The way the business is run is to break even each year. If we make a profit, that's great, but all the budgets are set on the basis that we don't build anything in for cup runs. So for example we're in the [cup semi-final] - that's a bonus. So that's extra income which will come into the club over and above what was budgeted for at the start of the season."

<p align="right">"The Commercial Director" Interview with the author 8th December 2008</p>

The budget at his club was set on a break-even based on the minimum expected incomes rather than rely on progressing to the later stages of the cup competitions that can boost club's finances. The financial benefit of success in cup competitions was highlighted by the Commercial Director.

"Everything we do here is dependent on what happens on that field out there and if your team aren't playing well, not only do your gate receipts go down your sponsorship, your advertising and your other hospitality sales will go down as well. The converse to that is if the team is doing well all that commercial income goes in the other direction. So it is very strange, you know, most businesses are not dependent to the same extent on one-offs like that. The CIS cup is a good example, you haven't

budgeted for that but because we're in the semi-final we will, as a club, earn somewhere between £200,000 and £250,000 of income from the fact that the gates are shared, the TV revenue's shared and the sponsorship money is shared. The good for us was that Rangers drew [the club in question] and Celtic drew [another SPL club]. So you've got massive crowds at both semi-finals, both of which will probably be televised plus the CIS sponsorship money. That's the icing on the cake."

"The Commercial Director" Interview with the author 8th December 2008

The importance of this one off match, financially, is significant. Taking the most conservative estimate given by the Commercial Director (£200,000), this is equivalent to a 5% increase income for one match alone. Using his 30-year experience in the banking industry, the Commercial Director highlighted the unique nature of the football industry in that all revenue streams are linked to on-field success. The financial impact of the two biggest clubs in Scotland, Celtic and Rangers, in terms of match attendance and sponsorship revenues appear to be of benefit to the smaller clubs. How smaller clubs can interact with the supporters of the Old Firm was discussed in the section on attendance.

Whilst the club sought to break even financially each year, they did rely on a benefactor to help fund much needed ground improvements.

"We've been very fortunate to get a benefactor, called [benefactor], who has actually put his hand in his pocket paying for that South Stand. £2.5m of his own money."

"The Commercial Director" Interview with the author 8th December 2008

The Commercial Director presented a picture of a club that lived within its means, budgeted carefully and had plans in place to grow the club financially by increasing the fan-base. However, this approach was still reliant on the generosity of a local businessman to fund the ground expansion. During the interview, the financial impact of relegation was discussed.

(What would happen here if you didn't survive in the SPL?)
"We would have to downscale quite dramatically. You have to cut your cloth. Out income would drop off dramatically so we would have to drop off our costs to meet that which would mean a different structure to our playing personnel. The one thing we haven't fallen into the trap with here is, all the players are on mostly one-year contracts, maximum two years. So that we don't fall into trap of, for example Dunfermline who found themselves being relegated but were still paying SPL wages for a full season."

"The Commercial Director" Interview with the author 8th December 2008

Using the experience of another club faced with a similar position, the Commercial Director suggested that this scenario had been discussed and plans were in place for this outcome. Financially, the club sought to keep players on short-term contracts to limit the damage caused by relegation. The impact of falling income on the team's performance was highlighted by the Manager:

> "We were fighting relegation and they were just cutting it, cutting it, cutting it. All the stuff you've worked towards to build up. So we tried to create a siege mentality. It was the Board of Directors against us."
>
> <div align="right">"The Manager" Interview with the author 25th May 2011</div>

In this situation, the Manager sought to use the financial crisis within his club to his benefit. This statement can be used to link together the financial situation within a club, the impact on players and the role of the first-team manager in using this as a positive. In this case, the Manager and his team avoided relegation.

The approach taken by the Commercial Director's club can be contrasted with the Chief Executive's experience within another SPL club. He was brought in by a new club owner and a clear remit was set. As discussed in the section on on-field performance, the Chief Executive's initial role in the club was the creation of the budget. This took six weeks, which suggests that it was not rushed, but the process was made more complicated when the team manager resigned whilst this work was ongoing. The definition of success, achieving third place in the league, is different from the Commercial Director's club. The different definitions of on-field success are discussed in the section on Performance however it is identified here since the expected performance seems to have an impact on the financial situation at the two clubs. From the outset his Chairman accepted that there would be a financial loss each year partly explained by a low crowd base.

> "I also explained to him at the time that this is going to cost you. You're going to lose each year. You cannot make this do what you want to do with the crowd-base you've got. Maybe the crowd base will grow if we're successful. It will, I suspect. He says "it definitely will." I said "well you know more about that than me because you've built companies before but if we can get the crowd base up then it helps bring some extra money in. All that's fine but you're still going to lose money because you can't, as far as I'm concerned with that base you've got just now.......The plan was put out there as we were very open about it, very

clear about it, very happy about it. All the sums, we could see, added up okay."

This comment shows a difference in opinion between the two in terms of how quickly attendances would grow if the club was successful. The Chief Executive's view was based on his football career and he was willing to learn from his Chairman's experience of building a company. The impact of success on attendance is discussed at a later stage however this quote is include here because of the impact on the club finances. Although the Chairman accepted the losses he may have assumed that these would be short-term. The Chief Executive appears to be clear that this is a long-term acceptance of a loss-making operation. After only a few months of working within a budget the Chairman started to make decisions emotionally, rather than in business terms, in reaction to the fan's response to a player signed on a temporary loan deal.

> "……..But after six months or so I think he caught the bug that a lot of Chairman do. We got a player on loan, [a former internationalist], and his wages were out the ballpark but we got him really cheap on loan. The fans went mad and I said we'd love to get, buy this guy to which [the Chairman] said "well go and buy him." I said "no we will not buy him. Yes, he fits, he's quite good, he's okay but I am not a) trashing my whole wage structure and b) trashing every single bit of my budgetary plan for this one player. Because the effect it has on the others because I know what happens when you give in, so we know that simple. To which he then said "I'll buy him, give you him. It's nothing to do with your budget or the club.""

The Chief Executive wanted to stick within his budget as paying one player more than the others would likely cause problems within the dressing room. Not only would there be an increase in the losses made by the club each season, but there was an expected impact on the player's morale. This will be considered in more depth in the section on players.

The Chief Executive, who had been involved in football for over twenty years at this point, warned his Chairman over the dangers of this type of decision that appears to be driven through positive fan pressure.

> "That fame that looks like it's not costing you much. He explained to me "but everyone in Scotland knows my name now. Nobody knows the Chairman of Marks & Spencer's. They're hundred of millions of pounds of turnover." So for that fame it is cheap fame but on the other hand, the

monetary cost of it might be cheap fame but the personal cost is expensive."

"The Chief Executive" Interview with the author 7th June 2009

The Chief Executive's concern was that the decision-making process was getting away from where they started: from spending six weeks to create a budget that projected a £1.5m per annum loss that was accepted to signing players out-with the agreed budget based on fan reaction. The attraction of owning a football club was also discussed with the Owner of another SPL club.

> "I got to go and experience football in a totally different way. I invested £1m into [name withheld] and that was purely the heart nothing to do with your head. I actually managed to sell that at a slight profit which is interesting but then I wanted to say I could go into football doing this better than other people. It's run by a bunch of idiots and I still think in some ways it is. I can do it better and I can apply some of the management principles into [the club]."

"The Owner" Interview with the author 5th March 2009

The Owner had invested in another large club and made money on the investment despite it being based on emotion rather than business logic. The insights gained in that club encouraged him to take on ownership of another. He was dismissive of those involved in Scottish football and assumed that if he applied his business experience he could be more successful. His thoughts behind the choice of club were discussed in the section in on-field attendance: good infrastructure and location, recent success and a sustainable fan-base although attendance had started to fall. The initial experience of taking the club on appears to be similar to that of the Chief Executive in that he too created budgets and ran the club along commercial lines. Again, the impact of attendance appears to have an impact on how well a club can perform on the field due to the finances. Some of the fans who had been attracted to the club whilst successful in the short term had drifted back to their historic supporter allegiance.

> "From my point of view we ran the club, commercially, very well. We ran it as a business. We ran proper numbers, we didn't go nuts, we did budgets and we ran it properly but we thought that was the baseline. By the time we got in there the baseline was actually way lower than what we had said so we were playing catch-up."

"The Owner" Interview with the author 5th March 2009

The major difference between this club and that run by the Chief Executive appears to be that club was financially worse off than expected. Based on the

original levels, the club was sustainable however as the club was on the slide, in terms of performance and attendances, the actual position meant it was much harder to be sustainable.

> "But what I had underestimated was how difficult it was to turn a football club around, how difficult it was, the politics in football, the way that football clubs are run is unbelievable. The best that I got out of football was a thick skin."

<div align="right">"The Owner" Interview with the author 5th March 2009</div>

The Owner's understanding of football, as an industry, was limited and the politics in clubs and in the wider industry made it difficult to achieve the desired outcome. One major difference between the two owners is that one seemed to be drawn in by the trappings of fame that can be found in football as can be seen in his response to his Chief Executive "but everyone in Scotland knows my name now. Nobody knows the Chairman of Marks & Spencer's". The Owner interviewed admitted that "by the time we got in there the baseline was actually way lower than what we had said so we were playing catch-up" and that he had "underestimated was how difficult it was to turn a football club around". This would suggest that the problems in one club were self-inflicted by losing sight of the budgets set whilst the other encountered unseen problems caused by the previous owners. Both men spent considerable amounts of money on the football clubs they bought. Despite this the Owner, who had sold the club by the time of interview stated:

> "Why did I buy it? Because I thought I could make a change. Would I do it again? Absolutely and probably will. But I'll pick a different club."

<div align="right">"The Owner" Interview with the author 5th March 2009</div>

5.5.1.4 – Governing Body Guidelines

The financial situation at Scottish professional football clubs was discussed with the member of the SPL team. Despite Gretna going into liquidation a few months before the interview there seemed to be little desire to introduce more stringent financial controls within the professional game from the league organising body.

> "Yes there were lessons that we as an organisational have learned like looking to tighten the financial criteria that we apply to potential members or current members but there are elements you can't control and you need to recognise that. In terms of our membership criteria that

looks at the stadium, the infrastructure, their youth set-up and their pitch we're now adding another branch to that, and the clubs are going to be voting on that, in terms of layer of financial criteria that is broadly in line with UEFA's club licensing system and what they use which is essentially presenting accounts, presenting interim reports and financial statements, etc. but no system is fool-proof. You could present that model and you can say on of my main income streams is going to be this benefactor who is going to weigh in with the difference between our costs and our revenues. And that could be a legitimate business model but it doesn't account for someone who decides to pull the plug on that or walk away. We looked at even more stringent systems in the likes of Germany and they have teams that have faced major financial problems. No system is fool-proof but there are no guarantees. Hopefully we can tighten it up."

<div align="right">"The Administrator" Interview with the author 17th December 2008</div>

The SPL had taken the view that the size of the stadium, the youth development system in place and the standard of the playing surface were more important than financial stability. The Administrator discussed the importance of benefactors to a club, like the one who financed stadium renovation referred to by the Commercial Director. The risk was admitted by the Administrator by recognising that a benefactor could choose to walk away from the club leaving it in financial difficulties. The Administrator went on to discuss the reasons who someone might choose to spend £2.5m on stadium renovations.

"You're talking really about a social donation for personal benefit. I feel good about doing this so I'm going to do it. That consumption decision isn't necessarily a bad thing I did my research when I was at University on symbolic consumption and while it might not seem like a rational decision. Why is it not a rational decision if it makes this person feel good? If I want to spend £200 on a pair of shoes as opposed to a £20 pair of shoes, if I get the benefit out of it, just because it may not be a tangible benefit it doesn't mean to say it is not a legitimate one. And obviously you're talking about people making an investment for an intangible return I don't think there's a problem with that. If you look at the money coming into our game, in terms of the revenues into Scottish football I don't know the exact figures, but in terms of that sort of personal investment I don't think it makes it a big percentage of the total turnover of all our clubs. You're probably looking at a total turnover, ballpark of about £200million, but ticketing, broadcasting income, sponsorship income, commercial sponsorship for commercial return, retail, hospitality and events and then the new media publishing side of things that's your six key revenue streams I don't think it is a massive slice if you look at the grand scheme of things in Scottish football."

<div align="right">"The Administrator" Interview with the author 17th December 2008</div>

Taking the overall industry view the Administrator suggested that the impact on the overall game was minimal. However, even within the few clubs included in

this study, one club relied on a gift of £2.5m, which equates to 62.5% of annual turnover (see Figure 5.5a) to build a new stand or the £1.5m per year subsidy as discussed by the Chief Executive. For smaller clubs the need for, and impact of, benefactors to provide some financial stability seems to be understated.

> "We represent our member clubs and we've got a sharp focus here in terms of investment in the game and bringing the biggest £125m over 5 years TV deal in the summer. That's helping the whole of Scottish football (interviewer - especially at the moment?) yeah of course and it gives them a comfort when they are being squeezed elsewhere (interviewer -how bad is that squeeze at the moment?) "We've surveyed the clubs recently and the vibe is starting to squeeze in a few areas with a view that other areas might be squeezed in the next 12 to 24 months but at the moment it is okay is the vibe. But they know that it's coming."
>
> "The Administrator" Interview with the author 17th December 2008

The role of the Administrator was to take a higher level view of the game in Scotland and to provide the revenue streams that would support the clubs at a point where other sources of income were being squeezed. The supportive nature of his role was identified by the Administrator as he discussed his role within the sport.

> "The difficulty for us isn't so much removing yourself, you know, from the passion of the game or how you would think as a fan we all have the game's interest at heart in here as much as people think otherwise. We're all fans. Most of the guys are season ticket holders at a club and have supported teams as a boy or when they were younger. Some of the guys have worked for clubs in here, you know, they all have the games interest at heart and everything we focus on we've got a business plan with a mission which is essentially to ensure that the product is healthy, the interest is healthy and the long-term prosperity of the game is in good shape. And all our objectives flow from that, all our personal objectives flow from that in terms of my remit and my job. Everything you do is geared towards that so I don't find it a massive challenge. It's not as if our priorities are completely different. It's just that you have to keep an eye on the bigger picture whereas as a fan you're maybe, and probably rightly so, you're blinkered. You care about your club, probably care passionately about your club and that's all you're interested in so you have a very one sided view on whatever issue it may be. We can't afford to take that one sided issue we have to have a multi-dimensional view on things. Balances and compromises. You do have to focus on some longer term benefits for the game."
>
> "The Administrator" Interview with the author 17th December 2008

The Administrator identified the need to see the bigger picture within the SPL rather than the more blinkered fan view of football as a club based sport.

"There's no glory here. If you want glory then go and work for a club. If we do something well the focus will be on what's happening at the clubs and with the players because that's what fans are interested in. No-one is really interested in what happens around a board-room table. They want to know about their club, they want to hear about the stories on the pitch, the players, the managers, that's where people's passion lie. And rightly so. If things go wrong then people will look to us and ask "what are they doing about it?" but that's just human nature. That's not to say we can do more to try and get our story across of what we're trying to do. No-one here is expecting any glory or rewards. Our personal rewards are because we all care passionately about the game and it is a joy to come and work here every day. There's challenges out there but there's challenges in every job it just so happens that a lot is public in this job."

"The Administrator" Interview with the author 17th December 2008

The Chief Executive highlighted the dangers of working in the public eye but the Administrator noted that the role of the SPL is only really questioned by football fans when something in the game goes wrong.

5.5.1.5 – Interview Summary

Several major themes arise from these interviews.

Each of the clubs represented in these interviews attempted to set budgets although they did not always stick to them. In one case the problem seems to be a reaction to the public nature of football. In another case the perceived situation at the club was an over-statement of where the club was financially.

Each of the three clubs required some form of assistance from a benefactor either for day to day running of the club or to provide financial backing for stadium expansion.

The SPL took a high-level view of the financial health of the game and accepted that the monetary support provided by wealthy individuals was part of the game and that each club was responsible for their own financial security.

5.5.2 – Analysis of Secondary Data

To better understand the financial position of the peer group clubs the Bureau Van Dijk FAME database (fame.bvdinfo.com) was used to collate standardised data to allows a comparison between the clubs. The indicators included were

selected from previous academic studies that looked at financial aspects of football as an industry.

The interviewees discussed the targets and budgets set at their clubs and how different types of pressure could impact those: fan pressure to sign players, poor on-field performances leading to budget cuts and the difficulties of turning a failing club around. The Commercial Director was able to break down the sources of income during his interview however this was an internal club document that was generous enough to share as part of the research. Gaining access to club financial data proved difficult as Companies House do not require detailed football related data to be submitted.

The slightly different dates skew the financial data slightly. The 31st May end date follows the end of the football season most closely. Some clubs reported up to 31st July which will include figures from two distinct football seasons, although the financial period is consistent.

5.5.2.1 – Peer Group Turnover

Assessing the revenue levels for the clubs within the peer group is complex as the Commercial Director pointed out (see Figure 5.5a) with six different sources of revenue plus any revenue that is generated from selling a player registration to another club. Figure 5.5c illustrates the turnover for the peer group clubs through the eleven-season review period. Although there is a degree of fluctuation for all clubs some trends can be identified. Dundee United and Motherwell, two of the three clubs with the lowest attendance, generate lower revenues than the other four clubs. This data challenges the suggestion of the Club Owner that Aberdeen, Hibernian and Hearts operate at higher level than the other SPL clubs, although in the first two seasons of the review period this appears to be the case.
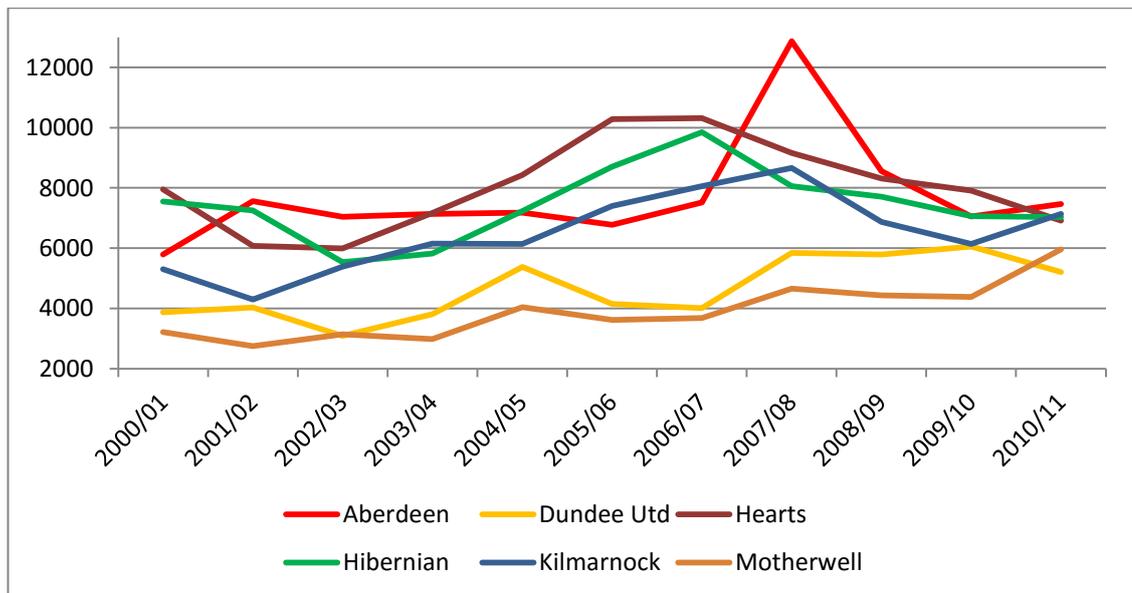
Figure 5.5c: Peer Group Turnover. Created by the Author from FAME Data

Over the review period the turnover for the six clubs in the peer group become closer largely as the clubs with the lowest turnover at the start of the period have increased. In season 2000/01 Hearts have a turnover at £7.9m and Motherwell £3.2m. By season 2010/11 Aberdeen have the highest turnover of £7.5m and Dundee United's has grown to £5.2m. Through the review period income disparity increased, peaking in seasons 2005/06 and 2006/07, where Hearts income was over £10m per season, and in season 2007/08 where Aberdeen generated £12.8m of revenue. In both of these cases income was boosted by player sales and participation in European cup competitions (see Appendix 2 for details of player sales).

Over the period 2003/04 to 2006/07 Hibernian successfully grew their income from £5.5m to £9.8m partly though on-field success but also through a number of players sold to other clubs (see Figure 5.5d and Appendix 2).

Figure 5.5d plots the club turnover against the on-field success for each club. Although there does appear to be some link between on-field success and the revenue generated it does not appear to be the case that if a club is successful on the pitch then the income generated increases by the same amount. Without a clear breakdown of income from the clubs between gate receipts, sponsorship revenue and income from player sales a detailed analysis of these figures remains elusive.

The 'squeeze' that was coming, referred to by the Administrator, may have been a contributory factor to falling revenues across the clubs although that

would not explain the increases in revenue at Kilmarnock and Motherwell in the last season of the review period (see Figure 5.5d). The economic impact on football clubs and supporters of the 2008 recession is not within the remit of this study.
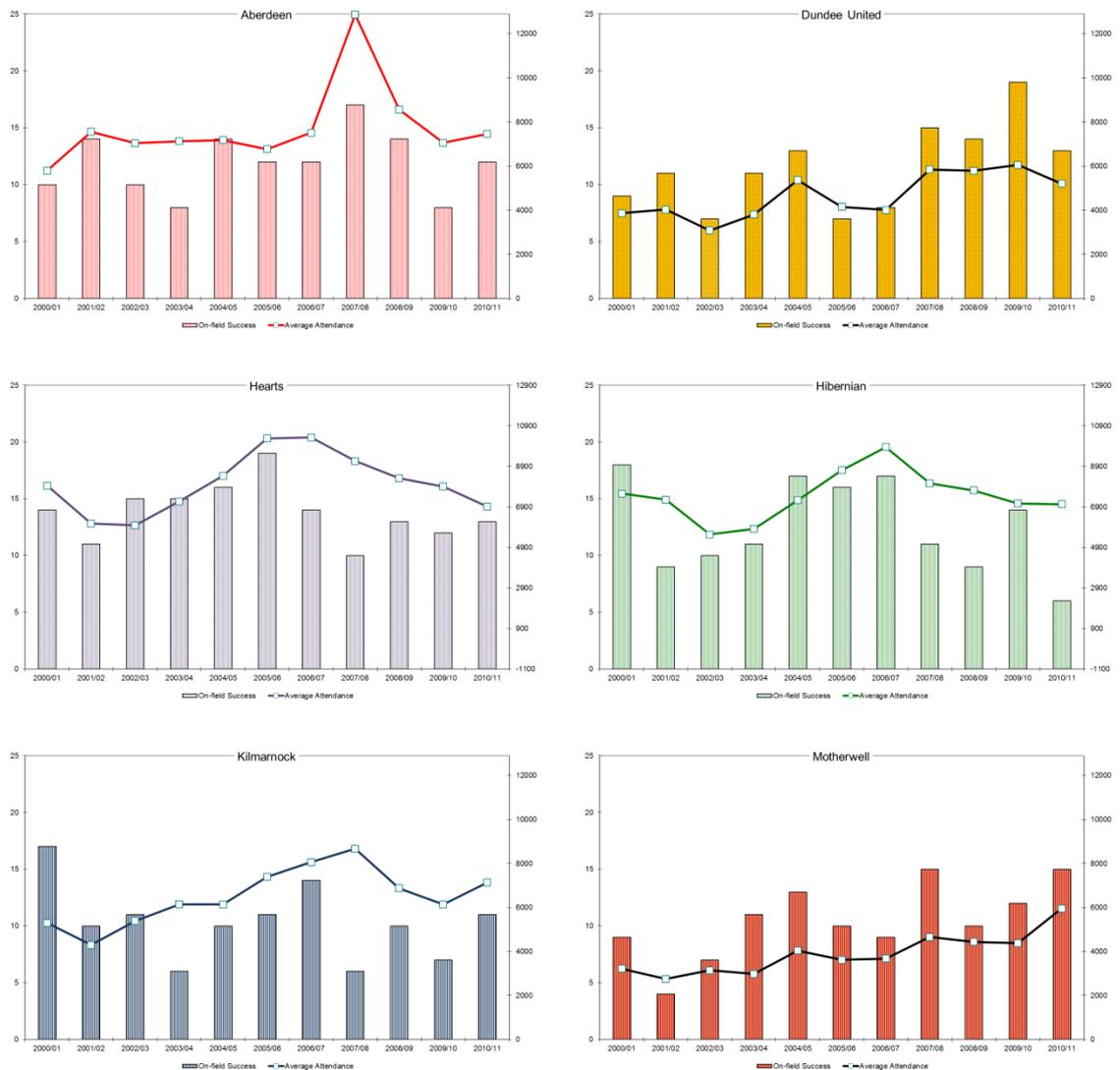
Figure 5.5d: Peer Group Turnover by Club. Created by the Author from FAME Data

Appendix 2 contains the details of player transfers for the peer group club where the fee was in excess of £200,000 although details of transfer fees are often not published. This data suggests that transfer fees as a source of income are difficult to sustain over a period of time although some clubs have been more successful than others. Further consideration of this is included in the section on players however this detail is included here to allow the link to be made to the financial aspects of this practice

5.5.2.2 – Peer Group Wages

The previous section considered the importance of income generation for the peer group clubs over the review period. The Commercial Director pointed out in his interview that the most significant cost for clubs was player wages. The FAME data does not differentiate between the salaries paid to playing and non-playing staff so the data used in Figure 5.5e contains both.

The wages paid at the start of the review period suggest a split along the lines suggested by the Owner that Aberdeen, Hearts and Hibernian operate at a slightly higher level than the other SPL clubs, excluding Celtic and Rangers if the annual wage bill is used as the measure. With a wage bill of £7.2m for the season, Hearts pay twice as much in salaries as the lowest club Motherwell (£3.5m). Figure 5.5e demonstrates that Hearts reduced their wage bill from £7.2 (season 2000/01) to £4.5m (season 2004/05) although the other peer group clubs had also reduced their wage bill. Although there is an increase of 33% in wage costs by all of the clubs in the remainder of the review period, the wage bill at Hearts jumps by 175% in just two years. The wage bill at Hearts does decrease over the rest of the review period but the wage bill is still 77% higher than the 2004/05 level, compared to 33% for the other five clubs in the peer group.
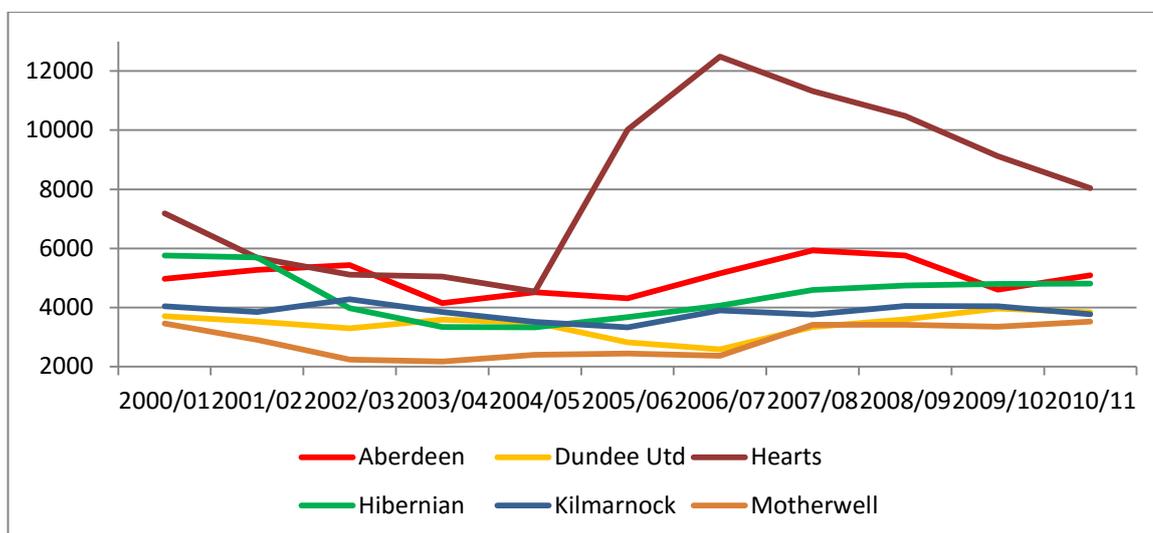
Figure 5.5e: Peer Group Wages. Created by the Author from FAME Data

It would appear that five of the peer group clubs were trying to reduce their costs Hearts under the ownership of Vladimir Romanov were prepared to increase the salary bill as they tried to catch Celtic and Rangers. Figure 5.5c

illustrates that in seasons 2005/06 and 2006/07 Hearts did increase their income to £10.3m that is less than the wage costs of £12.4m.

A commonly used ratio to assess the health of football clubs is the comparison wages to turnover with a recommended level around 65% (Buraimo, Simmons & Szymanski, 2006). At the start of the review period (see Figure 5.5f) none of the peer group clubs were at the recommend level. The average for the six clubs was 89%, with Hibernian and Kilmarnock lowest at 76%. Motherwell, in seasons 2000/02 and 2001/02 paid out more in wages than they brought in. Most clubs sought to reduce the wage bill in the first few years of the review period. As income levels dropped, the falling ratio can be explained by drastic cuts to the total wage bill. By Season 2004/05 the six-club average was 57% with all clubs meeting the 65% target. Hibernian had reduced their wages to turnover ratio to 46% at that point. They would reduce this further in the next two seasons through contract reductions and increased revenue.
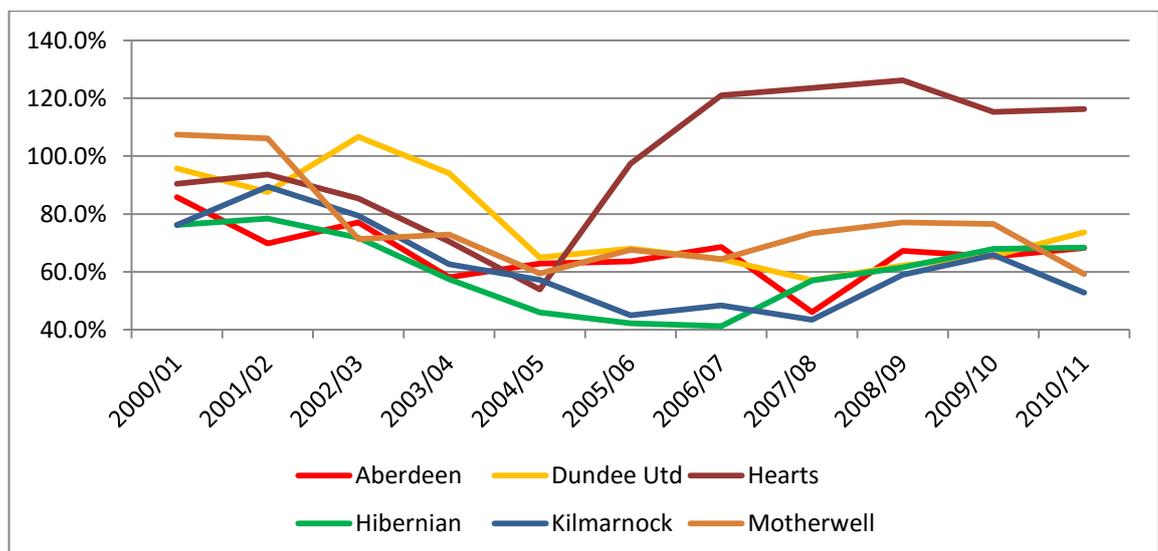
Figure 5.5f: Peer Group Wages to Turnover Ratio. Created by the Author from FAME Data

The increasing wages bill at Hearts on Season 2005/06 and 2006/07 are shown in Figure 5.5f with a jump from 54% in 2004/05 to 97% the following season before three seasons where the ratio was over 120%. For every £1 of income that Hearts generated, they spent over £1.20 in wages. By the end of the review period the five-club average, excluding Hearts is 64%. Despite reductions Hearts wages to turnover ratio remained an unsustainable 115%.

5.5.2.3 – Peer Group Debt Levels

With the ongoing 'arms race', referred to by both the Commercial Director and the Administrator, clubs have had to manage their debt levels. As well as controlling wages costs clubs need to be able to service their long-term debt and the interest repayments on that debt can also be a significant drain on club finances. Figure 5.5g illustrates the amount of interest paid by the peer group clubs over the review period. Motherwell have the lowest interest repayments although this may be a result of the club owner taking them into administration in 2002. Hibernian and Kilmarnock both reduced their interest repayments throughout the period, Dundee United have increased their slightly whilst Aberdeen's interest repayments have increased over the review period from £197,000 to £728,000. By the end of the review period Hearts were paying £1.4m per year in interest although this was a considerable reduction on the £2.2m in interest repayments in Season 2007/08.
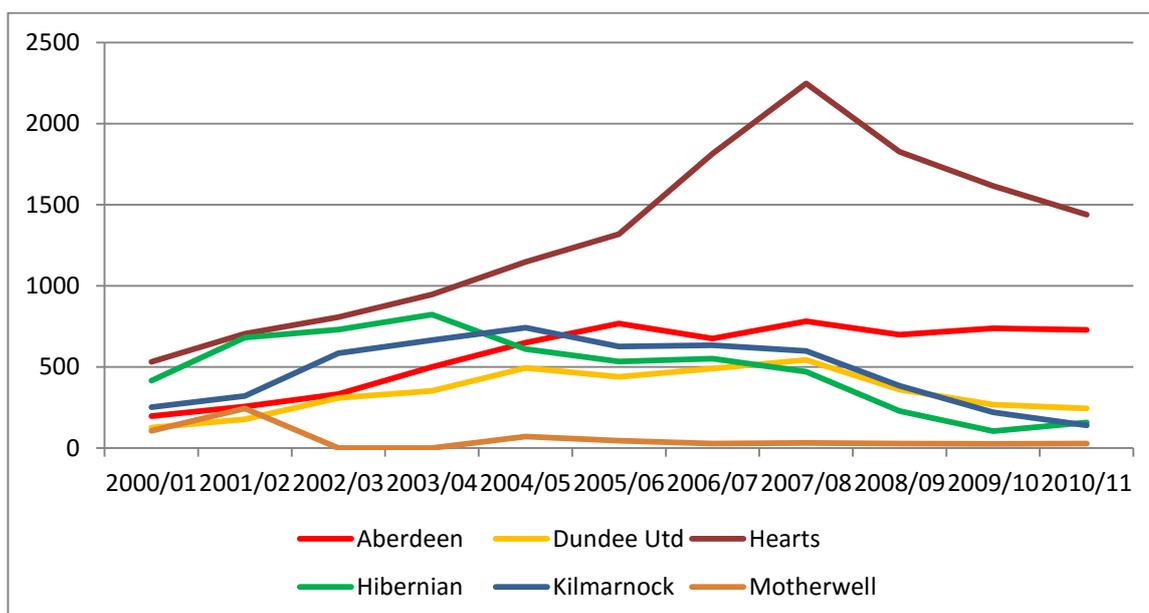
Figure 5.5g: Peer Group Interest Repayments. Created by the Author from FAME Data

Previous studies have considered the level of debt that clubs incur but by focussing on the interest repayments in the same way as wages, a like-for-like comparison can be made. Figure 5.5h plots the interest repayment to turnover ratio for the peer group clubs.
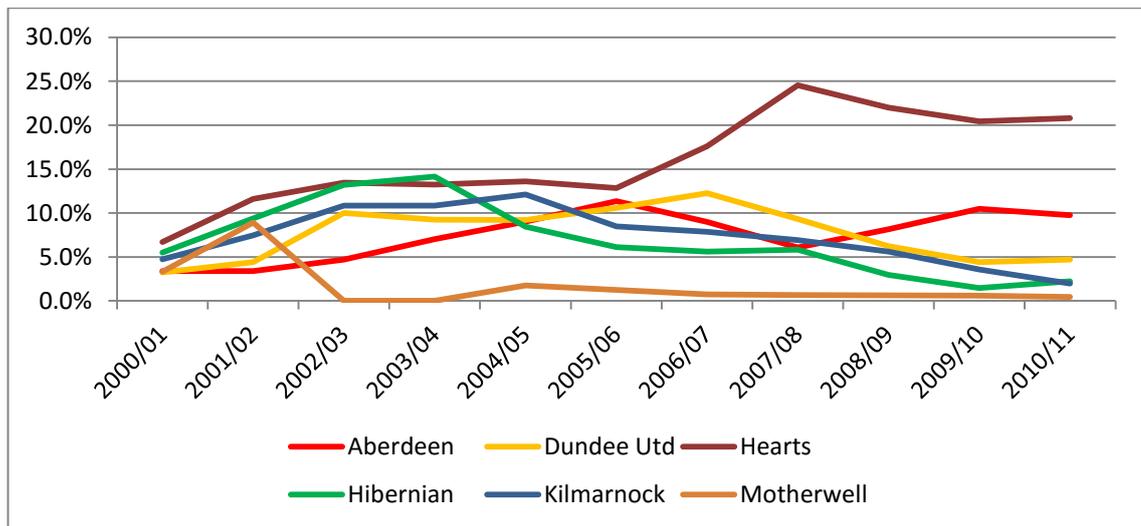
Figure 5.5h: Peer Group Interest to Turnover Ratio. Created by the author using FAME data

At the start of the review period all of the clubs were paying very little interest with the six club average 4.5% of turnover going towards servicing debts. By Season 2003/04 the average had doubled with Hearts (13%) and Hibernian (14%) spending significant portions of their revenue on debt servicing. By the end of the review period most clubs had reduced their interest repayment/turnover ratio although Aberdeen (10%) and Hearts (21%) continue to pay well over the average. Where and how the debt was held is not clear from the annual reports, either the banks or the club owners, but the focus here is on regular payments that needed to be made by the clubs to remain solvent. The focus on wages to turnover ratio is a worthwhile measure; however by combining wages and interest repayments as a proportion of club turnover, a different picture emerges.

This research project seeks to go beyond the position of previous football research by introducing the wages + interest repayments to turnover ratio as a means of establishing the financial health of clubs.

5.5.2.4 – Peer Group Wages plus Interest to Turnover Ratio

Researchers into professional football (Szymanski & Kuypers, 1999; Morrow, 2003; Baroncelli & Lago, 2006; Buraimo, Simmons & Szymanski, 2006) have used the wages to turnover ratio as a measure of club financial health for some time. Whilst this calculation is a useful measure it is limited since it focuses on only one regular expense. By focussing on the combined outlay of wages and

interest repayments in relation to the revenue generated by the club, a different picture emerges (see Figure 5.5i).
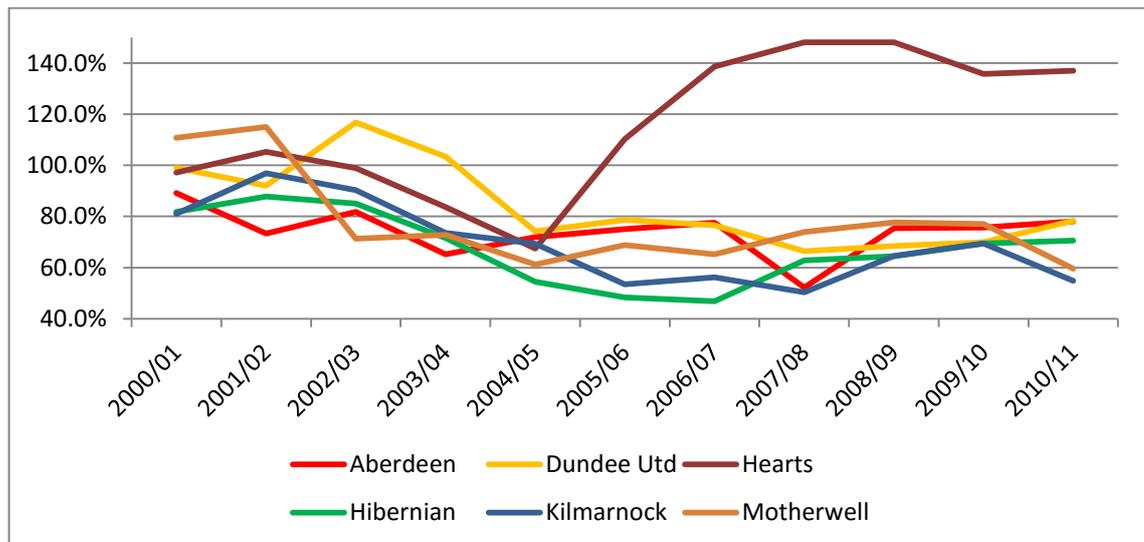
Figure 5.5i: Peer Group Wages plus Interest to Turnover Ratio. Created by the Author from FAME data

At the beginning of the review period for this research project 93% of revenue generated by football clubs was spent on wages and interest repayments. At that point, season 2000/01 Motherwell had a combined outlay ratio of 110% than increased to 115% the following season. After being placed in administration, which effectively wiped out the outstanding debt, Motherwell have operated in the 61-78% range. By the end of the review period (season 2010/11) the average wages plus interest to turnover ratio for the five clubs, excluding Hearts, was 68%. As Figure 5.5i shows, Hearts were the outlier in the second half of the review period. From a healthy 68% in Season 2004/05 the ratio increased to 148% in Seasons 2007/08 and 2008/09 before dropping slightly to 137% by the end of the review period. Put simply, for every £1 of revenue the club could generate they spent £1.37 on wages and interest repayments. Within two years they too had entered administration. The figures contained in Figure 5.5i would have suggested that this was not a sustainable position. This would also suggest that the layer of financial reporting suggested by the Administrator was insufficient to avoid clubs failing.

5.5.3 –Section Summary

Several of the interviewees discussed the budget setting process at their clubs but even with this there were issues: in one club the financial situation was worse than expected, in another sound business decisions were replaced by populist decisions by the Owner and where on-field performance did not match expectations drastic cuts were made as revenues did not meet expectations. As was discussed in the section on attendance the clubs can try to market to new, lapsed and opposition fans but the financial detail would suggest that this is unpredictable in the short term.

The development of players as sellable assets is also unpredictable with few clubs being able to generate revenue in this way over an extended period.

As most clubs have sought to increase revenues they have also sought to reduce costs by managing the wage bill effectively with the exception of Hearts. Added to the control of the wage to turnover ratio this project has suggested that an extend ration be adopted by clubs that looks at wages plus interest repayments in relation to turnover to asses financial health.

5.6 – Players

5.6.1 – Analysis of Primary Data: The Participants' Views

Throughout the interviews the players were viewed in several ways. As employees of an organisation there are traditional measures of team culture that can be used to view the performance and behaviour of employees. One area where the football industry differs from others is that player's contracts can be bought and sold as financial assets. The different approaches to this process were discussed by several of the participants. Finally, the identification of young players, who can be developed and then sold as assets, was discussed.

5.6.1.1 - The Impact of Team Culture on Performance

The Manager recalled his first day training with a new club. After the first training session he asked his assistant for his view on the quality of the players they had inherited when they moved to the club.

> "I walked off the training pitch at the end of the first day and said to [his assistant] "What do you think?" He said "we'll get relegated." "What?" "We'll get relegated". We gave them the balls and he said we'd get relegated. That's what we saw at the end of the first day of pre-season"

> "The Manager" Interview with the author 25th May 2011

The Manager went on to explain how he thought he could change the culture within the club by bringing in players he knew would work hard but this proved not to be the root of the problem.

> "Then really trying to hammer the culture, really change it. My problem, I thought I had enough lieutenants in the dressing room, my guys, the fittest at the club [names specific players who did well in the regular fitness tests] all my guys. See the old hat, that had been there for years [names], way down there. Trying to change it all and I thought I had enough lieutenants in my dressing room for it to go my way. Do you know what the problem was? It wasn't changing the culture of the players. It was the staff and the workings in the club."

> "The Manager" Interview with the author 25th May 2011

The Manager realised that the wider culture of the club had a detrimental effect on the on-field performance. He identified that the club physiotherapist was a bottle-neck in getting players on to the training pitch in the morning. Poor organisation and prioritisation seemed to be hampering the manager's desire to improve technique and fitness during the training sessions.

"What I was trying to do is, this is the workings of the club. This is how I had to do it. You drive in in the morning, you park the car. Half of them are parking around the back – safety issues and all of that, fire issues. First thing – you have to park in the front car park. That's how I had to do it. You walk in the door, what's first? You go to that dressing room. Kit. They're all sitting eating breakfast and they aren't meant to get breakfast. All the kids are in the physio's room. The physio is strapping all the kids up so all the 1st Team guys are standing waiting. So we take a physio to them and they'll get strapped up. All you're trying to do is map out your day."

The Manager identified another problem later in the day as the physio did not stop for lunch but worked through to get finished earlier. This had a knock-on effect on the players that seemed to affect their desire to train.

"Then you're saying to the physio 'that's what I want'. Physio –go and get lunch. 'I want you to shut down for lunch, I'm giving you a lunch-break.' 'I never get lunch.' 'I know, because I know what you do. You work through your lunch and the injured guys are out the door before you know it. I want you to get a lunch. I want the injured guys to say I don't want to be injured. I don't want them coming in, sitting there reading newspapers or on their phone, playing Party Poker.' That's what was happening. All I said was 'I'm taking everything off you. Pass it on to me then I'll go and deal with the confrontation."

The Manager compared the culture to that of a holiday camp. At a previous club, injured players were at the training ground longer. At the club discussed in the interview, this was not the case.

"It was like Butlins. In my regime at [the manager's previous club], when you were injured you were in at half-past eight in the morning and you were still there at half-past four at night. At [another club], we're still on the training pitch and the injured players are going home."

The dressing room culture seemed to affect the team's desire to work hard and improve their technical skills. When asked about the impact of difficult players in the dressing room, the Manager was quite direct. The team could cope with one but not two.

"If the team accept him you get away with it. But that's one bad one. See if you've two or three? You have to move one on."

The Manager suggested that players could use club unrest to remove the manager rather than change. The impact of managerial change is considered

elsewhere in this section but the impact on club culture should be noted here. The Manager had plans in place to overhaul the playing squad but he was removed from post before this could happen.

> "Because they [the players] are clever enough, they're clever enough. If he goes then, evens the players. If he's here, I'm out. If he goes then there's a chance of me staying here. And that's why I let them all run out of contract. I was gutting it. Absolutely going to clear the whole lot …… that was my chance of changing the whole club."
>
> "The Manager" Interview with the author 25th May 2011

The uncertainty of the manager's position, based on their relationship with the club owner or results, can impact team culture where the players can look after their own interest.

> "If the players read it, it's in their interest if he goes and there's a new manager then I might get another reprieve."
>
> "The Manager" Interview with the author 25th May 2011

Looking back on his time with the club, the Manager saw the link between the standard of players that the club brought in and the performances on the pitch.

> "I made mistakes, everybody makes mistakes but I never spent any money until we got [a striker]. But you made money back on him when he gets [20 plus] goals. You say to yourself 'well that was a success' but I never spent any money. [International player] was a free transfer, all that stuff. I worked within the constraints of the budget. I think there's this belief out there amongst all the [club's] fans "he's picking up …bollocks. Absolute bollocks. So, as a manager, and it's happening to [the Manager's replacement] right now, you're going to get the players that fits the wage bill. That's it. As simple as that."
>
> "The Manager" Interview with the author 25th May 2011

The Manager referred to a pattern of behaviour at the club through the previous two managers at the club. These comments link back to the budget set aside for the club for player acquisitions and wages and to the perceptions of fans both of which have been discussed previously.

> "Not for one moment did I think that all the players that [a previous manager] had brought in were his number one choice. Or his number two. All the players that [another previous manager] brought were his number one or number two. All the players I brought to [the club] were my number one or two targets. Because there won't be the money. I don't think the fans understand that. "
>
> "The Manager" Interview with the author 25th May 2011

In these comments the Manager draws together the impact of the budget and culture on the playing squad which in turn feeds the fans' perception. Although this research tries to view the football industry using different frames this quote seems to bring all of the problems that this manager faced together in one statement: he wanted to change the culture but finances would not allow.

5.6.1.2 - Player Trades

The Manager had discussed the problems of the club not spending money on new players and not bringing in the players he had requested. He also discussed the issues that he had faced with players being sold to other clubs without prior discussion.

> "Well they've never had the success in terms of selling. The last one they sold was [a named player]. He was the last one that was sold on my watch."
> (I'm guessing you didn't have much say in that)
> "I knew it was happening. Do you know who told me two days before the Chairman? I was in America. [The manager of the club signing the player]. He phoned me up 'I'm just giving you the nod, the deals just about done for [the player]. He said, they deal will be done tomorrow. I found out two days after it. When did they sell [another high profile player]?"
>
> "The Manager" Interview with the author 25th May 2011

The Manager left that as a question knowing that the researcher knew the answer. The player in question was sold on the final day of the transfer window leaving the manager helpless to replace the player who had made a sizeable contribution the previous season. The Commercial Director was clear in the recruitment process of his club: they did not buy players but sought those who were out of contract so the financial impact of signing the player was less.

> "One thing we've never done recently is actually buy players. We bring in players in the transfer windows, we maybe have to pay signing on fees to the actual players, we might have to pay agent fees but we don't any longer pay."
>
> "The Commercial Director" Interview with the author 8th December 2008

The Chief Executive's comments about signing a player who was outside of his budget were discussed in the section on finance however the impact was not merely financial.

> "That's a hard thing to turn down. So I said "Look that's difficult. For me then it doesn't affect my budget and I won't go over the budget and I'm,

happy with that. On the other hand I've now got price pressure. I've got wages pressure which I didn't have before."

"The Chief Executive" Interview with the author 7th June 2009

The Chief Executive explained that signing a player who earned more than others at the club would cause cultural issues within the club as players discussed wages. By signing one player the culture and harmony in the dressing would be under pressure because that player earned more than the others. This suggests that it is not as simple as spending money on players. There are cultural and financial implications of this decision.

The Club Owner explained that the level of investigation carried out in football before major purchases are made is lower than the level he would carry out in his other businesses.

> "If I was making a £7 million investment this [his non-football] business I'd do my homework. But I buy a £7 million player and he doesn't fit in, you find out he's a psycho, you find out he's a gambler, you need to do a huge amount of homework in that investment and I think some of the clubs are starting to do that now. If you take Artur Boruc, just as an example. He was arguably worth, after the European Championships, £7 million. I'd say he's lucky if he's worth £2m now. Because if you did your homework on him now you'd go 'I've heard this thing about him in the papers'. He's driving his own asset value down. "

"The Owner" Interview with the author 5th March 2009

The Club Owner discussed the asset value of a player and how his off-field behaviour could do damage to his reputation, and therefore, worth to the club. The Commercial Director explained that his club viewed themselves as a selling club. They sought experienced professionals, out of contract at another club, who could help the young players coming through the development system mature as players. Without spending money on a transfer fee the risk to the club of the player driving down their value was removed.

> "We are a selling club now. It's all about bringing up our own young players through the academy, mixing in with that a few experienced professional that we can buy who are out of contract [players named], senior professionals but we're not buying them as such, we're just bringing them in. The combination of youth and experience hopefully is enough, to not just to survive in the SPL but to get that top six finish."

"The Commercial Director" Interview with the author 8th December 2008

The players sought by this club may not have added financial value directly but their experience would hopefully add value to the younger players to achieve on-field success and, in some cases, financial value through transfer fees.

5.6.1.3 - Youth Development

The Commercial Director explained that the target was to sell players to English clubs are they were more likely to pay transfer fees. As with the Club Owner discussing a player's 'asset value', the Commercial Director saw the players and the potential transfer fees as a return on investment in the youth academy.

> "For us in the longer term we will hopefully sell these players on to bigger clubs, probably in England because that's where we'll get return on the investment we've made in the academy. So instead of a young lad going to Rangers or Celtic and being one of 100 or so at each age level and one of a thousand who make it in the 1st Team they can come here and be one of 15 and out of that 15 maybe 2 or 3 will make it to the first team. Do the percentages. We don't want to stand in their way, if they are good players we'll sell them on."

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"The Commercial Director" Interview with the author 8th December 2008

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The Commercial Director explained that the recruitment approach towards young players was to highlight their track record in developing first team players, something that was less likely at the bigger clubs where money was spent on high-profile acquisitions.

> "We've extended the [club] Academy as a centre of excellence. We've got it running new. We've got teams plating every week. We've got the [community football], that I spoke about earlier that's the social side, the [club] Academy is the Centre of Excellence for the elite teams. We have teams competing every week from under-10 right up to under-19. We have a network of scouts who basically operate every weekend from Glasgow in the west all the way through to Edinburgh in the east, all across central Scotland. We've even got people now in Lanarkshire and people in Fife, so we're covering the whole of the central belt. We believe it's more efficient and perhaps a bit more professional than some of our competitors. That's the way we can compete with the Rangers and the Celtics of this world. The big selling point for our scouts is, if you as a parent, are given the choice of your son going to Rangers, Celtic or [our club], your natural reaction might be to put them towards one of the Old Firm. But actually you've got much more of a chance here at [this club]. We can demonstrate that because if you look at the [club] 1st Team at the moment there are about three if not four of the players who have come directly through the Academy. And I think that's more than any other club in the SPL. So we've got players like [named player], who's gone on to play for Scotland, [several named players who had played for Scotland] under-21's. These are all players that are actually in our 1st Team at the moment. That's more than one third of the team that's come through the [club] Academy. And that to us is a tremendous endorsement of the investment we're making in the [club] Academy."

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"The Commercial Director" Interview with the author 8th December 2008

</div>

The Commercial Director demonstrates the success of the club academy in developing players who went on to play international football. This information was used by the club scouts, who identify and recruit players, to encourage parents to send their son to this club as a route to professional football rather than go to Celtic or Rangers where more players were taken in but fewer made it to the first team. Although the Commercial Director discussed return on investment it is worth bearing in mind the comments used in the section on finance:

> "….if we sell players on that's a bonus. There's nothing in the budget for players being sold on."
>
> "The Commercial Director" Interview with the author 8th December 2008

Although a financial return was sought on the academy investment The Commercial Director suggested that there was no figure included in the budget for player sales to help the club break even. The Club Owner expressed similar views on the success of player development at his club.

> "The biggest thrill in my time [the club] was watching [three international footballers]. It's fantastic to watch them grow with [our club]? Would they have got the chance if they'd gone to Celtic? No way. Would [named player] be playing [in the Premiership] if he'd gone to Celtic? No chance. He'd be so far in their 2nd or 3rd team or wherever the hell they were. If think you were a kid, if you were a Dad you'd always put your people in the likes of Hibs or [our club] because you can get into the first team."
>
> "The Owner" Interview with the author 5th March 2009

There are similarities in the language used by both the Commercial Director and Club Owner in referencing the impact on parents deciding which clubs to engage with. Both men referred to several players by name. The Chief Executive took similar pride in the number of his former players taking part in a famous Scotland victory.

> "We'd spent a huge amount, I'd spent more time in Youth Development than I had on the First Team. So the whole youth development structure had to be right. Now the lovely upside of that is five years down the line, after I'd left Scotland beat [a named country], [two academy graduates] in midfield, [another young player brought in from a rival] in midfield who we'd brought through. The time we'd spent had worked."
>
> "The Chief Executive" Interview with the author 7th June 2009

The Chief Executive highlighted that the club viewed the First Team and Youth Development system as needing to be separate, and that he had chosen to

spend more time in development. The Club Owner agreed that the two needed to be split but that the needs of the first team were paramount.

> "Split them separately. The first team dictates the whole club."
>
> <div align="right">"The Owner" Interview with the author 5th March 2009</div>

The manager explained that clubs preferred to keep the two as distinct entities rather than have the 1st Team manager be responsible for both.

> "But [the club] will argue that you move on to bigger and better things you take the whole lot and we have to start again. 100% agree with that."
>
> <div align="right">"The Manager" Interview with the author 25th May 2011</div>

These comments would suggest that the view of the interviewees was that academy development was seen as a longer term role than that of the 1st Team manager. The Chief Executive explained that he had expected the sale of former academy players would help the club through a difficult time financially.

> "So when the crash came, which I'd thought was going to come, I expected them to come in and save us. So we could actually deal with the costs. I explained to him at the time that all the costs that were done through the previous time, right that's out the window now. The new costs regime that we are, which is much, much lower I can get to that. And I can get to that and stay successful but it's going to take a year because these kids aren't cooked yet but they're close."
>
> <div align="right">"The Chief Executive" Interview with the author 7th June 2009</div>

The Chief Executive did recognise that, when the trouble hit, those players were not ready to be sold but that the project remained on track. He argued with his Owner that if he stayed the course then the project would be successful.

> "You've got to the level you asked me to get to, at the cost. You've now got a great manager, a fantastic management team in place, you've now got a youth development organisation that's the best in the business, arguably. Hearts were good at the time, Hibs were good at the time but we were producing something special as well. It was all sitting there waiting. I explained to him that this is the way that the model works, going forward and it might cost you an extra £1m but I think these kids are going to be sellable anyway, you'll get it back."
>
> <div align="right">"The Chief Executive" Interview with the author 7th June 2009</div>

From these comments it is clear that the Chief Executive viewed player development as a long term project. Unfortunately for the Chief Executive the owner did not agree.

"And over that period he went for it for a wee while and then decided not to and decided to put it into administration."

Although the Manager agreed that the 1st Team and youth development systems should be kept separate he was frustrated by others making decisions about which players to transition from the youth teams to the senior squad.

"I let three guys go, kids they came out of the YTS, we were trying to keep them but I mentioned the budget and we'll have to let them go. I came in the next year and they'd still not let them go. I'm the manager of the club, why are they still here? 'We thought we could put them out on loan.' I said 'They're not good enough. You need to let them go, you can't do that to the kids.' And because they couldn't get them anything out on loan eventually they let them go. But they gave another kid a two-year deal. I had it out with the [Chief Executive]. 'We have this great academy and this is the new kid on the block. We'll give him a two-year deal.' 'You can't do that because he then comes into my first team dressing room.' 'He won't be. He'll be out on loan.' 'You can't put the kid on loan. The guy doesn't want to go on loan.' 'Hold on just now. That's my decision not yours. So whose expertise have you used?' 'The academy expertise.' 'Up to what age? Once he goes from under-19 to me it's my expertise you use.'"

There appears to have been pressure on the Manager to assimilate players into his squad that he did not think were good enough. An additional stress seems to have been that his expertise was not valued by this club. His frustration seems to be that players were given hope that was unlikely to materialise into a career. He was also concerned about the impact that this had on his budget. Money was spent without any return which links back to the Commercial Director's comments about return on investment.

"See for the two years they were YTS and two years professionals. Who's responsible for all of that? For making the mistake of giving them contracts and counting all that money back. Somebody has to be responsible or do you just say 'well that's the change we're talking about, becoming boys and men and you have to take it. Some of them will make it and some of them won't. (But do you just take it so that some of them of the will make it?) I can tell you at 19 who'll make it and who won't. (Do you employ someone to help them make it?) I can tell you at 19 who'll make it and who won't. I can tell you at 18. So when I go to the League Manager's [meetings]. I stand up, that's my argument. They're trying to scrap the reserves. We need to keep the reserves, they need that pathway to go to success. They need to play reserve football. There will be one or two exceptions, like me I went [part-time] and came full-time again. One of two exceptions but they want to cut it to the bone. But when you sit back, they are probably right. Because you can tell

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their character, their work-ethic, you can tell who's got that focus to go and succeed."

The Manager argued that, using his knowledge of the game, he could tell at 18 and 19 which of the young players would be successful. The Manager also argued within the league organisation that the reserve league, a development league, was the way forward rather than age-specific football. The Administrator took a different view on player development. Part of the original remit of the SPL was to develop Scottish players within the game. One way to achieve this was a requirement to have a number of young players in a match-day squad that had been developed by the clubs.

> "What the SPL were attempting to do when we were set up, we identified a gap in terms of home-grown talent and we introduced the Under-21 rule that has evolved over the years and is under review at the moment because there's a feeling that we're doing well in this territory in terms of the average 18 –man squad in the SPL, you're only really looking at between 10 and 12 who are home-grown. Only about 20% of our starting 11 on any given weekend is from overseas. The number of Scots playing our league is pretty healthy. The number of young players in our league is pretty healthy. We can always do more, and our clubs can, and that's what we're looking to refine with our managers so, personally, I don't think FIFA's is the right way to do it. In Scotland we aren't flooded with foreigners the way we were seven or eight years ago. There's been a massive decrease in that"

The Administrator was asked if the decrease in imported players was based in simple economics as the revenue coming into Scottish football decreased.

> "No. That I think speeded up the process but these players, Alan Hutton and Craig Gordon, don't come from nowhere. Scott Brown came through a youth initiative we set up with leagues, professional leagues and competitive leagues right throughout. Guys like Scott Brown came through that system with good investment in talent so to say that Scott Brown was just knocking around the streets and because there was no money he was just thrown into the Hibs team is just nonsense. I think it accelerated the process but without us setting the up the environment, which is what the clubs recognise and then the clubs invest in, probably the best part of £70 million over the last ten years in terms of youth development. To suggest that that investment is pointless is just nonsense. The economics played a part as an accelerant rather than these kids wouldn't have got a chance without it."

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As with other interviewees, The Administrator referred to specific big-name players who had been developed by SPL clubs. His view was that the number of players coming into the professional game was the result of deliberate policy and investment. This links back to the Commercial Director and the Chief Executive who spoke of return on a long-term investment. However, although each interview spoke of the players who had been developed at the clubs where they worked, each only referred to a handful of players who had gone on to the very top level with no discussion of the number of players coming through the youth system or the percentage of those who progressed to the professional game.

5.6.1.4 – Interview Summary

The interviewees expressed different views of players from the importance of the club culture to the Manager, and how difficult that was to change, to the need for Scottish Football to develop young players as sellable assets. The Commercial Director explained that costs could be minimised by signing players who were out of contract at other clubs but who could support the club's younger players in their development. The Chief Executive discussed the problems caused within the dressing room by his Owner signing a player who altered the wage structure. The Manager had discussed the slow pace of changing club culture in a positive way whilst this example appears to suggest that negative impacts can happen very quickly. The Manager highlighted that he did not always have the final say on who was signed or sold on, which increased friction between him and the fans. The Owner admitted that the level of due diligence carried out in football investments was way below the approach taken in his other businesses.

The importance of youth development was discussed by all of the interviewees with many individual examples given of players who had progressed through the clubs to play at international level. The Owner, the Chief Executive and the Commercial Director all explained that the number who had progressed through their clubs made it easier to recruit younger players ahead of the bigger clubs in Glasgow as they had a proven track record of player development. The Administrator explained that player development was a deliberate policy, supported by the SPL, as the transition from promising youth to international star was still the exception rather than the rule. The Manager suggested that too

many young players were given contracts and that his expertise was not always used. Players were offered contracts by the club when the Manager did not believe that they had the necessary character required to make it to the top level. The transition of players from the Academy to the First Team is central to the statistical analysis carried out in relation to players.

5.6.2 – Analysis of Secondary Data

The data collected from the Soccerbase system has been analysed in a number of ways to reflect the views of the interviewees, in order to establish any patterns emerging from the data. Firstly, some basic analysis is carried out to understand the relative size of playing squads of the clubs within the peer group to identify how many players are recruited with some consideration given to average payments. The squad figures are analysed in a little more detail to understand the usage of the players at each club, and to identify the levels of unused players. These figures are explored to understand the usage of players leaving the club by season to identify how many players leave a club without ever making it onto the pitch. Finally, the players signed from the club's youth academy are categorised so as to understand the level of success in developing players based on the number of matches played. The interviewees tended to focus on the few successes whereas the Manager discussed the number of young players who did not make the grade. The final analysis seeks to explore the number of young players brought through by the clubs to full professional footballers making a contribution on the field of play.

5.6.2.1 – Size of Playing Squad

Over the course of the review period the total size of the playing squads at the peer group clubs has fluctuated (see Figure 5.6a) from 30 (Kilmarnock in season 2009/10) to 52 (Hearts in season 2007/08).
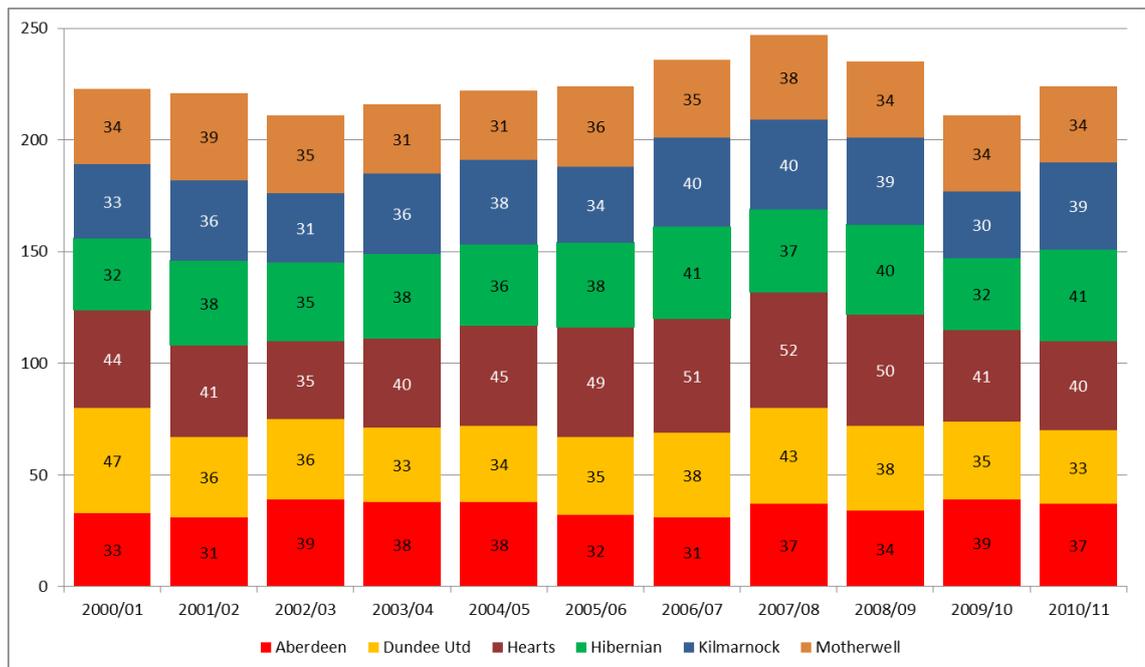
Figure 5.6a: Size of Playing Squad by Club and Season.
Created by the Author from Soccerbase Data

The size of the squads underlines the challenges that the football club manager faces in trying to maintain squad harmony. With only eleven starting positions available, plus another seven players on the substitutes' bench, the data in Figure 5.6a highlights the potential conflict within the playing squad as all of those players will want to take part in every game.

Although there is a degree of fluctuation in each of the clubs Hearts have the largest average squad (44) across the review period with the others slightly smaller: 35 (Aberdeen & Motherwell), 36 (Kilmarnock) and 37 (Dundee United and Hibernian). Figure 5.6b illustrates a rough calculation of the average payment made to players at each of the clubs. Using the data shown in Figure 5.5d, the total wages bill for the club has been divided to calculate an average payment per player although this data includes bonus payments as well as the basic wages. Not only do Hearts have the highest wage bill (See Figure 5.5e) and the biggest squad (see Figure 5.6a) they also pay wages that are substantially higher than the other clubs in the peer group.
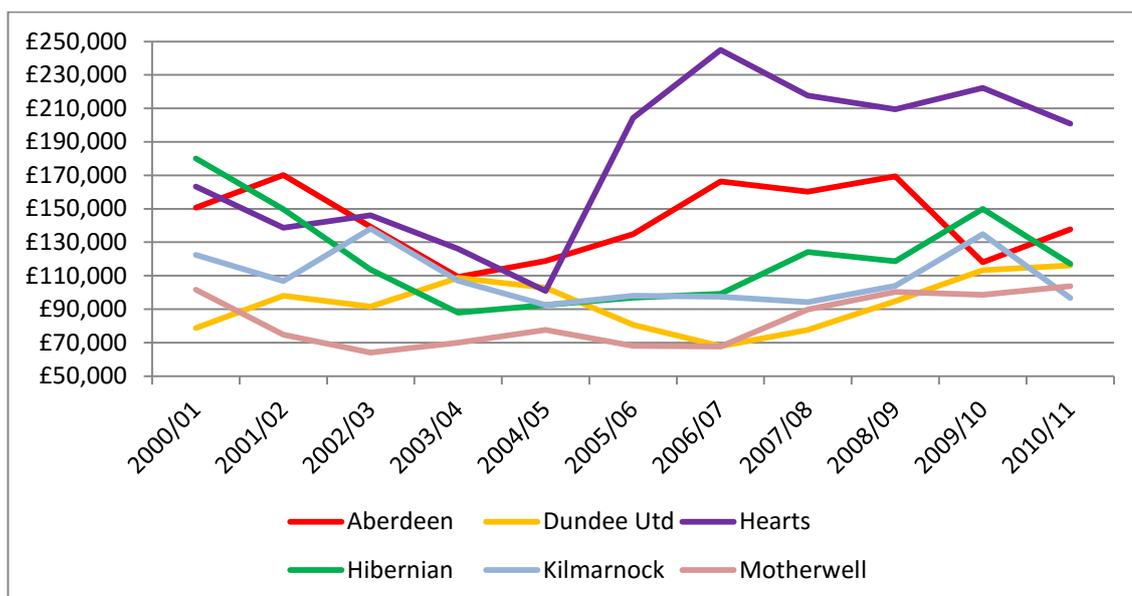
Figure 5.6b: Average Annual Payment per Player by Club and Season.
Created by the Author from Soccerbase and FAME Data

The average annual salary (see Figure 5.6b) falls for all clubs in the first five years of the review period. In season 2004/05 Hearts wages show a significant increase in their average payment and the wages paid by them to their players stays higher than the other peer group clubs. At the start of the review period, Aberdeen Hearts and Hibernian paid higher salaries than the other three echoing the view of the Owner who felt that those three clubs operated at a higher level than the others. By the end of the review period, the wages for five of the six peer group clubs are much closer. Figure 5.6a shows the average salary for each club plotted against the on-field success to establish if there is any link between the most successful club and the one paying the highest wages. The data in Figure 5.6c appears to show no link between wages and success although the data used in this analysis is limited. The available data does not make a clear distinction between base salary and bonuses nor the timing of these payments. Even accepting this caveat for there to be a clear link between on-field success and wages there would need to be a closer similarity between the shapes of the graphs.
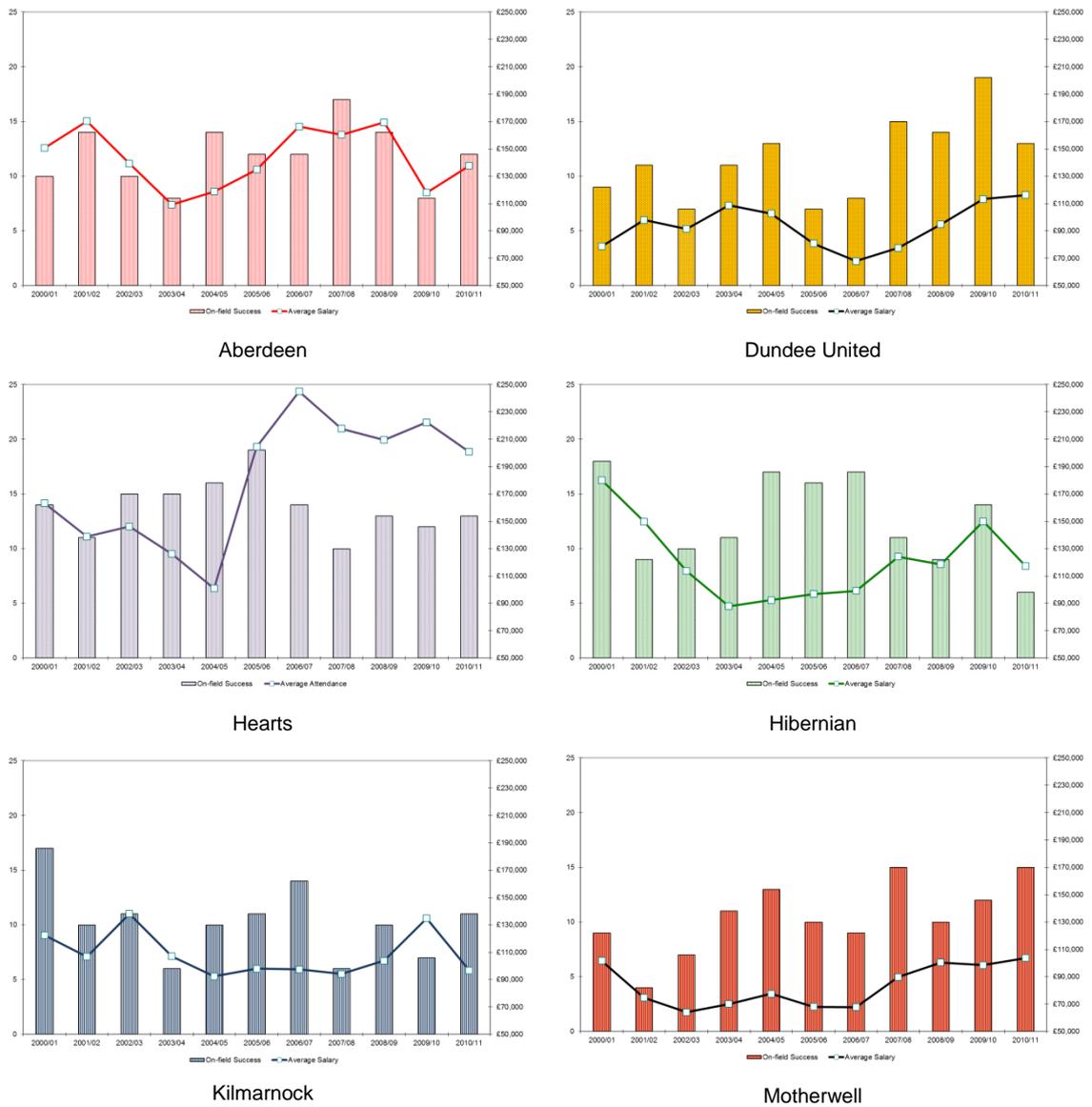
Figure 5.6c: Average Annual Payment per Player and On-field Success by Season.
Created by the Author from Soccerbase and FAME Data

It can be inferred from this data however that club culture (as outlined by the Manager) may have a major impact on performance, and that the lack of due diligence carried out by clubs before signing players may lead to over-paying some players who make little on-field contribution. The Chief Executive highlighted the dangers of breaking an existing wage structure to sign an individual player, as this could have a negative impact on dressing-room culture.

This question of contribution is explored further in the next section as the number of games played by each player over the course of a season is compared within the peer group to assess how well the players are used.

5.6.2.2 – Playing Squad Usage

The previous section considered this total number of players in each squad as well as the average annual salary paid to each player within that squad. Given that the average squad ranges from thirty-five to forty-four players (see Figure 5.6.2.1.1) and each match-day squad includes eleven starting players with seven substitutes, only three of which can be used, some players will be used more than others over the course of a season.

Figure 5.6d breaks down the playing squads for each peer group club over the review period into three categories: a regular starter who began more than 10 games over the course of the season, squad players who made fewer than ten starts but did play and unused players who may have been named in match-day squads but had no playing time for the season.

Aberdeen

Dundee United

Hearts

Hibernian

Kilmarnock

Motherwell
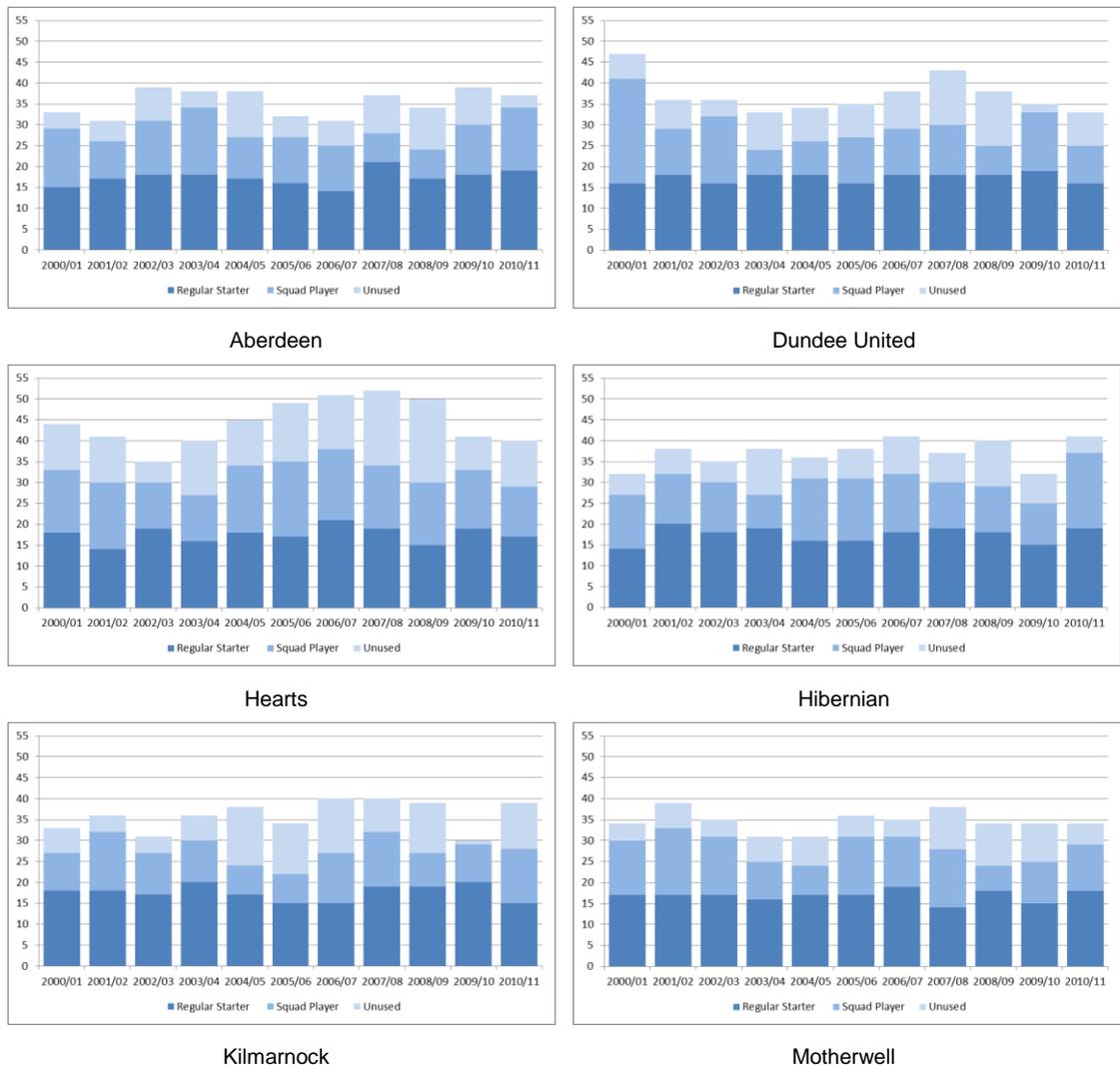
Figure 5.6d: Playing Squad Usage by club and Season.
Created by the Author from Soccerbase Data

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The graphs in Figure 5.6d show that all clubs have a number of unused players each season. Kilmarnock in 2009/10 only had one player who did not feature at all and Dundee United has only two in the same season. These graphs can offer some insight into the efficiency of the squads. If players are seen as assets then each club in each season retained some unused capacity; however there appears to be no clear pattern to the usage of the squads across the clubs. The Manager highlighted in his interview several reasons why players may not be used. Injuries can reduce the number of games players take part in over the course of the season but he also felt that some of the players signed were not good enough to meet the club target. The Manager questioned the decisions made at his club regarding trainee players so the next two sections will focus specifically on the players signed by the peer group clubs from their own Academy system to establish if there is any basis for his comments across the peer group.

5.6.2.3 – Players Signed from Club Academy

Each of the interviewees spoke with pride of the young players that had moved from their Youth Academy to play international football but as the previous section has shown there are still numbers of players who do not make the grade even at club level. Table 5.6.2a shows the number of players signed by each club within the peer group by season throughout the review period. Most clubs signed players from their Youth Academy for the First Team squad each season, with only four exceptions: Dundee United in 2008/09, Hearts in 2005/06, Hibernian in 2004/05 and Kilmarnock in 2002/03.

	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Aberdeen	1	2	7	6	3	3	3	6	4	9	4
Dundee Utd	2	1	2	4	5	5	4	5	0	2	3
Hearts	8	3	1	9	7	0	4	4	1	4	4
Hibernian	1	5	2	9	0	5	5	3	1	6	3
Kilmarnock	3	5	0	5	4	2	3	1	1	1	8
Motherwell	1	2	6	1	5	4	2	6	6	5	3

Table 5.6a: Players signed from Club Academy by Club and Season.
Created by the Author from Soccerbase Data

The variation in the number of trainees signed by each of the clubs would suggest that despite the efforts of all of the clubs discussed in the interviews, the transition from youth football to the professional game is uncertain and there are no guarantees of success in the development of future potential assets.

5.6.2.4 – Usage of Players Signed from Club Academy

The player data were analysed to identify the former Academy players who left the peer group clubs each season, in order to calculate the number of games each had played (see Table 5.6b). Four main categories were established: Unused is the number of players leaving each club without taking part in a league or cup match, Sub Only groups the players who did have some playing time but did not start any games during their time at the club.

Games Category	Aberdeen		Dundee Utd		Hearts		Hibernian		Kilmarnock		Motherwell	
100 Plus	3	6%	2	6%	3	7%	4	10%	2	6%	3	7%
75 Plus	1	2%	2	6%	1	2%	2	5%	2	6%	3	7%
50 Plus	0	0%	0	0%	1	2%	2	5%	2	6%	1	2%
25 Plus	4	8%	2	6%	4	9%	3	8%	3	9%	2	5%
Over Ten	3	6%	1	3%	5	11%	3	8%	2	6%	2	5%
Under Ten	11	23%	10	30%	9	20%	11	28%	4	12%	8	20%
Sub Only	9	19%	8	24%	7	16%	5	13%	6	18%	8	20%
Unused	17	35%	8	24%	15	33%	10	25%	12	36%	14	34%

Table 5.6b: Usage of Players Leaving signed from Club Academy by Club.
Created by the Author from Soccerbase Data

The different clubs within the peer group appear to have had different levels of success at developing young players (see Table 5.6b).

Each of the clubs in the peer group developed several youth players who then went on to play over one hundred matches for the club. The peer group clubs produced a total of sixty-eight players over the eleven season review period that played more than ten matches, which is one player per club per year (Table 5.6b).

The interviewees focussed on the success stories, with the exception of the Manager, however these figures (see Figure 5.6a and Table 5.6b) do suggest that these players are the exception rather than the rule. The attrition rate of players who were released without taking part in a match is higher than the few success stories. Aberdeen (35%) and Hearts (31%) both released around one

third of the their trainees without playing which suggests that either players are being signed who do not have the physiological make-up to be successful, as the Manager suggested in his interview, or that the procedures are not in place to help those players develop. The best performing clubs in player development, Dundee United (17%) and Hibernian (21%) still released around one in five young players who did not progress to the required grade.

If these players are being invested in as assets then there does appear to be a problem with the process across the peer group clubs. Whilst the interviewees discussed the successes the attrition rate amongst players signed from the club Academies does need to be examined further, since half of the trainees signed leave the club without ever starting a professional match that there is a disconnect between the Academy and the 1st Team definition of what is required to make the grade at the highest level.

5.6.2.5 – Sending Young Players Out on Loan

To establish if sending young players out on loan is beneficial to the parent club the detail in Table 5.6b was split into two: former trainees who had been out on loan at other clubs (see Table 5.6c) and those who had not (see Table 5.6d).

Looking at the peer group as a whole, the 50% attrition rate of trainees who left without starting a match remains for players whether they are loaned out. For those not loaned out 30% of players (see Table 5.6d) play ten games or more before leaving with only 26% of players who are loaned out achieving the same number of matches.

Games Category	Aberdeen		Dundee Utd		Hearts		Hibernian		Kilmarnock		Motherwell	
100 Plus	1	7%	1	6%	1	4%	1	5%	0	0%	0	0%
75 Plus	1	7%	1	6%	0	0%	0	0%	0	0%	0	0%
50 Plus	0	0%	0	0%	1	4%	1	5%	2	15%	0	0%
25 Plus	1	7%	2	11%	1	4%	2	10%	2	15%	1	13%
Over Ten	0	0%	1	6%	3	13%	2	10%	0	0%	0	0%
Under Ten	5	33%	5	28%	4	17%	7	33%	1	8%	2	25%
Sub Only	1	7%	5	28%	6	26%	3	14%	5	38%	3	38%
Unused	6	40%	3	17%	7	30%	5	24%	3	23%	2	25%

Table 5.6c: Usage of Players signed from Club Academy Sent on Loan by Club.
Created by the Author from Soccerbase Data

Games Category	Aberdeen		Dundee Utd		Hearts		Hibernian		Kilmarnock		Motherwell	
100 Plus	2	6%	1	7%	2	9%	3	16%	2	10%	3	9%
75 Plus	0	0%	1	7%	1	5%	2	11%	2	10%	3	9%
50 Plus	0	0%	0	0%	0	0%	1	5%	0	0%	1	3%
25 Plus	3	9%	0	0%	3	14%	1	5%	1	5%	1	3%
Over Ten	3	9%	0	0%	2	9%	1	5%	2	10%	2	6%
Under Ten	6	18%	5	33%	5	23%	4	21%	3	15%	6	18%
Sub Only	8	24%	3	20%	1	5%	2	11%	1	5%	5	15%
Unused	11	33%	5	33%	8	36%	5	26%	9	45%	12	36%

Table 5.6d: Usage of Players signed from Club Academy Not Sent on Loan by Club.
Created by the Author from Soccerbase Data

Further analysis suggests that some clubs use this means of player development more than others (see Table 5.6c). Motherwell sent only 20% of their former Academy players out on loan over the review period and only one of these played more than twenty-five games for the club. Dundee United, Hearts and Hibernian sent over half of their young players out on loan although it would appear that those who stay at the club (see Table 5.6d) are more likely to progress at those than those who do not (see Table 5.6c). At Hearts 56% of players loaned out left the club without starting as opposed to 21% of those who stay. At Dundee United (43% and 24%) and Hibernian (38% and 21%) were more successful at developing young players but there was still an advantage for those who stayed. This advantage can also be seen by a consideration of the significant player transfers who were signed from the club Academy or other youth teams (See appendices 1 & 2). Of the fifteen former players who generated a significant transfer fee for one of the peer group clubs (see Table 5.6e) only three had been sent out on loan, two played for Aberdeen who were identified as one of the less successful clubs at developing young players (see Table 5.6a). The only other player sent out on loan was Craig Gordon, formerly of Hearts, who is the only goalkeeper on the list. As a specialist position it may have been essential for him to gain experience at another club.

The data in Appendix 3 would seem to suggest that for clubs to turn trainee players into sellable assets the player needs to remain at the club for development and play a significant number of matches. Fifteen players of the

240 trainees signed is a success rate of 6% for the clubs in the peer group in terms of developing sellable assets from their youth academy.

5.6.3 – Section Summary

The analysis of the player data highlights that the manager faces a number of challenges in maintaining a successful culture at the club. With each club retaining between thirty and fifty-two players each season there is a degree of competition between the players for playing time. From the break-down of squad member usage it is clear that there are three main categories: regular starters, squad players and unused. The balance of these categories changes by club and by season although it was identified that a number of players leave the club each season without playing in a match.

All of the interviewees discussed the importance of the club's Youth Academy as a means of developing players with a view to selling the more successful players to other clubs. This is underlined by the number of players signed by the peer group clubs each season although the process is by no means certain with 50% of the players signed from the Academy leaving the club without starting a match for the club although some clubs have been more successful than others at developing players from youth to regular starters. The practice of sending players out on loan appears to have little impact on the number of players leaving the club without playing although those players who become regular players tend not to have left the club on loan at any point.

5.7 – Managers

Much of the previous research focussed on the statistical link between the team manager and results without exploring the other factors that surround the managers' role and relationships. Through the interviews the personal issues of the role were explored to develop a deeper understanding of the decisions made in the selection and replacement of managers. The interview with the Owner was deliberately focussed on the recruitment of managers as there had been seven managerial changes during his tenure at the club. The Chief Executive and Commercial Director both explained their role in hiring and

retaining managers at their clubs. The Manager was able to balance these views by explaining his view of the manager's job.

5.7.1 – Analysis of Primary Data: The Participants' Views

5.7.1.1 – The Relationship between the Manager and the Chairman

The Chief Executive explained his views on the importance to the football club of the relationship between the manager and the chairman. He saw his role as a buffer who could reduce some of pressure between two powerful men.

> "The old cliché of the most important relationship in any club is between the chairman and the manager, and I think generally that's correct."
>
> "The Chief Executive" Interview with the author 7th June 2009

The Owner agreed with the Chief Executive about the importance of the manager's role within the club but admitted mistakes that he would not have made in his other businesses.

> "The most important position for me in a football without a doubt is the manager. Without a doubt. And we gave it a real lack of attention. If that was the key appointment you were making in a business area you'd be all over it."
>
> "The Owner" Interview with the author 5th March 2009

When the Chief Executive realised things were going wrong he began to think through his options. The important thing for him was to make the change at the right time so that it had the least impact on team performance.

> "There was a period of time where I saw the collision coming and buffered it for a while because needed to get to the end of a season or whatever and I could see the positives of the manager what he was developing but then that just exploded in a number of different directions and that's when at that point in time, like any business, you have to make a decision for the business".
>
> "The Chief Executive" Interview with the author 7th June 2009

5.7.1.2 – Candidate Selection

In his attempt to minimise the impact on the team, the Chief Executive also had time to think about the type of manager who would fit best with their club and to

look around at who would be the best fit. He identified that the manager's role needed to be split and several people appointed to work together.

> "When I brought in the next manager the important thing was, I had more time at that point in time, I knew it was coming and I had time to really look around and study what I needed, consider what I needed and what I actually needed was a team, probably three people to come in. And I had time to look around and just about get that ready. It wasn't going out and checking with them I was knowing myself what was the perfect fit. I had people in my mind who I were going to do it. Who in the end didn't do it, I got better. I walked into something better. Someone I knew the chairman would have a good relationship with."
>
> <p align="right">"The Chief Executive" Interview with the author 7th June 2009</p>

Although the people who were identified did not join the club, the appointments made proved to be a good fit and the most important factor was the relationship between the manager and the chairman.

Having identified that he had not given the selection of the manager the same attention he would in his other businesses, the Club Owner admitted that one former high profile player had not been the right choice as a manager.

> "Unmitigated disaster. I would never do that again." "I went for very confident, very arrogant guy, high profile. I thought he had loads of passion. The mistake I made was he wasn't really that clever at all and he was very, very insecure. Wouldn't make a decision without [assistant manager] blessing it and it was [the assistant] that kept the club up."
>
> <p align="right">"The Owner" Interview with the author 5th March 2009</p>

The Owner realised that the manager had made the right choice in the appointment of his assistant, who was highly experienced in the supporting role. The Owner suggested that one of the problems was the high number of former players who become managers without the relevant skillset. They had the coaching qualifications (badges) but lacked the relevant people skills to get the most out of the available resources.

> "We put people into management positons in football that have no people management skills. They might have all the badges, they might know all the routines to do to get the guys fit. If you shout at somebody, and that is the only way you have of expressing your anger with somebody, then you've got a problem."
>
> <p align="right">"The Owner" Interview with the author 5th March 2009</p>

The Club Owner saw that the problem lay with the manager's lack of experience in developing people. The focus was on the candidate's ability as a player rather than as a manager.

> "Our current way of recruiting managers, in the main of which I'm totally guilty of, is you get a guy who was a good player or has been a player at a senior level, at a good level and you make him a manager. So you've got lots of footballing experience but we don't know how much management….. A good manager is someone who gets 5% more out of the same resource than someone else. The resource so happens to be someone who kicks a ball."

<div align="right">

"The Owner" Interview with the author 5th March 2009

</div>

The Chief Executive had been more measured than the Owner in his approach to managers. He realised that there were problems within the club that meant that the manager had to be replaced as other relationships with the manager were suffering and that was causing significant damage within the club. His aim was to keep the relationship going until the end of the season to reduce the damage that would be caused by changing manager mid-season.

> "The decision for the business at that point in time was you're a good manager and the other people you're falling out with at the club such as the youth development manager, etc. who you are refusing to talk to, thinking that you're being bugged by. We need to get rid of that. We need to clean that out and really need to be quite surgical about it."

<div align="right">

"The Chief Executive" Interview with the author 7th June 2009

</div>

This breakdown in relationships within football did not appear to be an isolated incident as the Manager explained that he preferred to bring in his own backroom team, since he didn't trust those appointed by the club. At his previous club, the Manager had the opportunity to build the club from scratch over time but he was of the opinion that he would be unlikely to be in that position again. To get the job then the manager would be required to compromise on the staff he could bring in.

> "I don't think I'll ever get the chance that I had at [my previous club] because most of the infrastructure will be in place. I'll go into a club and you'll probably find it's the Chairman's mole, it's probably just the sprint coach. And you'll say 'he's rubbish' but you'll never get rid of him because he's the Chairman's mole. So when you go for a job interview and you say 'I'm going to bring in my own staff, they'll probably say 'I can't afford to do that because we've got a great masseur, we've got a great physio' so what you've got to do is get in first then work it from there. And I think you have to take all of the staff that you do but you'll never get that chance. You'll probably never get the job."

<div align="right">

"The Manager" Interview with the author 25th May 2011

</div>

The Manager interviewed also felt that his comments were being relayed back to his chairman and that impacted on his ability to carry out his duties.

"When you go in, take as much of your own staff as you can. They know how you work, they know your standards. They watch your back. If I'm in a room with my staff and I'm having a rant and a rave, 'is that him away off again? They bounce off of that. I went to [the club] and was too trusting. I brought people in and right back, right back, right back. It got to the stage at half-time or full-time team talk, you wouldn't say anything. It's like walking on egg-shells. They wouldn't let me manage."

In this case the Manager was concerned that anything he said that staff or players did not like went directly to the club chairman. Over time he said less and less to the players as he felt that this was preventing him from doing his job.

The Manager found that the relationship with his chairman at one club was strained from the very start.

"When I went in and negotiated my wages, I knew what [a predecessor] was on. As soon he went like that, I just went like that. And I asked why did you not give me the same wages as [a previous manager]? [The Chairman asked] What? I said 'I know what [he] was on. Right from the off, Chairman, you've cut the legs from under me."

The Manager's comments about not knowing the budget were discussed in the section on fans but add weight to his argument that there was little trust between him and his chairman.

"Behind the scenes, never knew the budget, giving the Chairman names – can we get that guy? We'll see. I phoned up the agent a week later 'how are you getting on with the Chairman? He'd never phoned. The exact thing happened with [a predecessor]. All that stuff. Eventually you're going 'well get that one or that one in. It might cost a wee bit more.' And you realise you will never get it. So you end up taking your number two or number three choice. The fans don't realise that."

These comments seem to reiterate the point made by the Chief Executive that the relationship between the manager and the chairman is vital. This relationship did not start well and never seemed to improve. The Manager worked without knowing what his budget was. He explained how things had operated at a previous club.

"They said your budget's been cut £300(000) and I'm like 'fine'. There's my plans. Give him a new contract, let that one go – we've got a young boy, that's it, get that tied up. This is the dates for the pre-season. We'll

organise those dates. If you want a couple of glamour games, you'll have to organise them at the stadium."

Here the Manager was clear about his responsibilities and what budget he had to work with. At his second club this was not the case although the perception of the fans appears to have been that it was his fault that the team were not winning. The chairman negotiated the contracts without the Manager's knowledge. The comparison shows that different clubs make decisions in very different ways.

Although the Manager had left his club by the time of the interview he appeared quite philosophical about the situation.

> "It's done and dusted. It's one these things. I've had a bite at that apple. Something that you say to yourself, well I've managed [that club]…….It's just a job to me. I'm trying to do the best I can for me. If that brings success for [the club], then great."

The Commercial Director's club had been relatively successful under their manager who was attracting interest from other larger club. The question "what can you do to keep him [the manager]?" was posed.

> "Do we want to keep him, I suppose is the answer. From his own career progression point of view I think if you ask him that question he would probably say it is time for him to move on to a bigger club. He's been here five years. He just missed out on top six last year. He's realistic enough to know he's never going to win the league with [us], he might win a cup given a fair wind, but for his own career progression point of view he might want to move on to a Championship club, the same way that [another previous manager] moved to [an English Championship club], I'd expect to see [our manager] move to a Championship club in the next 12-18 months maybe."
>
> (Do you have succession plans in place?)
>
> Well, we have succession plans but whether they would be into fruition, we have an excellent coach in [named coach] who runs the youth academy but obviously his name would be in the frame along with other if and when a vacancy ever arose. We do have succession planning and if it was the case that [named coach] became the next manager we have another ex-pro, who played with Aberdeen, who runs the under-17's at the moment and he would probably step into [the named coach's] shoes if he stepped into [the manager's] shoes. So the potential's there. It is a deliberate policy. "

The Commercial Director's club had a clear succession plan in mind that looked inside the club rather than to the wider market as the Chief Executive had. Both

of these approaches appear more controlled than that of the Owner who commented on the limited pool of available candidates for managerial positions.

> "What other business? I get rid of [a manager], I'll get about 40 applicants within about two days. What's unique about those 40 people versus any other job they've all probably failed somewhere else."
>
> <div align="right">"The Owner" Interview with the author 5th March 2009</div>

The selection process for new managers was highlighted when a text message was received during the interview with Manager. The manager explained that it was from prospective employers and what was going on.

> "They're doing their due diligence. Interview eight guys so if they get it wrong "he came up best at interview" I feel I'm just going down there for the sake of it but he did phone me up and say 'we've been asked to cast our net far and wide. We like what the Scots boys are doing down in England. We're checking up in Scotland and your name keeps coming up. Even if someone's name has come up and we ask for another one, it's your name that's come up three or four times. We've checked your CV, it speaks for itself, we want you to come down and talk to us."
>
> "The Manager" Interview with the author 25th May 2011

The Manager was not overly optimistic about getting the job as he explained that the club were protecting themselves from a poor choice of manager by interviewing a range of potential candidates. He also discussed the importance of the fans' reaction to a new manager.

> How do you sell me to your fans? Because you could put Ancelotti in here and they're all shouting from the rooftops but put [me] in there - who's that? If I'd done what I've done in Scotland down here I'd be close to managing in the English Premiership. Cup finals, all that stuff, no question. How do you sell that to your supporters?"
>
> "The Manager" Interview with the author 25th May 2011

The Manager saw that the initial reaction of supporter to a new manager could make the job even harder than it already was as his track record was not as widely known by fans in England. The pressure on football managers was highlighted by the Chief Executive who had been asked about becoming the team manager but had declined as he realised that he would not be successful, since the football manager's role requires very long hours. His Chairman had suggested that the Chief Executive take over as manager.

> "He said to me "Could you be manager?". I said no, I'd be rubbish. I'd be a rotten manager of a football team. Some people are made out for certain jobs, that's not one of the ones that I'd like to do. I could do it but

I suspect I wouldn't be very good. And the reason I'd not be very good is that in my life I'm not willing to give 24/7 to anything. I've got too many other things in my life. I want to be with my family. My kids are of an age I want to spent time with them."

He went on to express his own view that clubs should separate the roles of manager and coach although he did recognise that Scottish society, and particularly the media, did not like this set up.

"The answer is a manager and a coach. The coach coaches and the manager does everything else. We don't accept that. Our culture doesn't accept that. As soon as you do that and you say the words Director of Football you have got the press against you, you have got the manager's back up. These managers want to control everything even though, in many cases, it is beyond their capabilities. Particularly the financial side of it."

The Chief Executive expressed concern in this statement regarding the manager's ability to control budgets. This appears to reflect back to the issues raised by the Manager over the club budget and the pressure he felt under as he had no control over this.

The Owner was of the opinion that he would have been better appointing an experienced people manager who would be able to add the football knowledge to their managerial experience more quickly than the other way round. He did realise that there would be resistance to such a move.

"I fundamentally believe that I could get a manager, if society would allow me to do it, I fundamentally believe that I could find better managers that have never played football at any sort of high level."

Reflecting on his time in football, the Owner suggested a different approach than the one he had adopted before although he did see that it would take a shift in the perceptions of fans to accept a non-football manager.

"If you ask me what I would change, I would back the best people manager I could get, the best leader I could get to manage the football club. And go and get their coaching badges."

Despite the high number of managers appointed by him the Owner suggested that managerial success should be judged over the longer term.

> "You can't judge a manager in his first or second year. You have to take a longer view."

<div align="right">"The Owner" Interview with the author 5th March 2009</div>

The Manager had a very different view of the time-frame that he expected to be judged in by the prospective employers.

> "You have to do it, you have to get them promoted in the first year or you get the sack."

<div align="right">"The Manager" Interview with the author 25th May 2011</div>

The Manager accepted that the definition of success at each club is different and that the perception of failure would not be tolerated. The manager understood and accepted the tenuous nature of the job that was linked to perception of success.

5.7.1.3 – Interview Summary

The interviews gave an insight into the thought processes of those who make the decisions on when to hire and fire a manager balanced against the views of an active football club manager.

Very different approaches were taken to the selection of a new manager. The Chief Executive acted as a buffer between the Chairman and his manager after the relationship between the two had broken down so that the change could be made at the best point in time for the club. This period was used to reflect on the needs of the club and targets were identified although a different manager took over. One of the main considerations for the Chief Executive was how well the new man would get on with the Chairman. The Commercial Director's club looked internally at succession plans as they accepted that their existing manager would likely move on for his own career progression. The Owner accepted that he did not pay enough attention to the appointment of managers relying on the pool of available candidates at the time. As a result his appointments tended not to work out as the people appointed rarely had the people management skills that were required. On reflection, he acknowledged that the ability to lead people was more important that coaching certificates. The Manager spoke openly about the difficulties he had faced in his previous club with a strained relationship with his chairman from the outset. He was concerned that he was unable to manage the club effectively without

interference. In the final analysis he saw his job as a job and that his personal progression was important.

5.7.2 – Analysis of Secondary Data

This section of the report will focus on the managerial appointments made by the peer group clubs over the review period. Following on from the comments made by the interviewees the data was analysed to understand the number of managerial changes, the reason given for and the timing of the change.

5.7.2.1 - Peer Group Club Summary Data

Over the period 2000/01 to 2010/11 there were a total of sixty managerial appointments. Of these forty-five were permanent appointments with the remaining fifteen temporary, or 'caretaker', appointments made whilst a permanent manager was appointed. Table 5.7a illustrates the number of appointments by club over the review period.

Manager Group - Club Summary - Tenure					
Club	Type	Number of Managers	Median Tenure (Days)	Shortest Tenure (Days)	Longest Tenure (Days)
Aberdeen	Caretaker	1	6	6	6
Aberdeen	Permanent	5	910	530	1823
Dundee Utd	Caretaker	2	80	6	153
Dundee Utd	Permanent	8	702	115	1150
Hearts	Caretaker	5	18	3	23
Hearts	Permanent	11	215	91	1926
Hibernian	Caretaker	5	14	2	21
Hibernian	Permanent	8	499	69	1399
Kilmarnock	Permanent	5	1105	139	2874
Motherwell	Caretaker	2	24	20	27
Motherwell	Permanent	8	379	181	1484

Table 5.7a: Peer Group Managerial Tenure Length in Days.
Created by the Author from Soccerbase Data

The detail in Table 5.7a suggests some differences in the approach taken within the peer group clubs with some clubs replacing managers on a regular basis whilst others have sought stability through longer appointments. Hearts have had ten full-time and five caretaker managers during the review period although there have been a number of long-term tenures at the club within that period. At

the other end of the scale Kilmarnock have had only five full-time managers in the same period and have not appointed a caretaker boss. Franck Sauzee's sixty-nine day tenure at Hibernian is the shortest 'permanent' stay at any of the peer group clubs. Jim Jeffries is the longest serving manager in the review period with almost eight8 years at Kilmarnock.

The detail highlights that, in most cases, the caretaker role lasts for a few days. The exception to this is Peter Houston at Dundee United who was caretaker manager for 153 days. Houston became the permanent manager of Dundee United at the end of this period. The purpose of the caretaker manager is to provide some stability to the club whilst the club ownership searches for a new permanent manager. The brevity of most caretakers' tenures underlines how quickly clubs move from manager to manager.

The next section will look at the reasons why managers leave clubs. Although many managers are sacked there are also a number of managers who have moved from one club to another or to manage a national side.

5.7.2.2 - Reason for Leaving

There are a number of reasons why managers leave football clubs as the data in Table 5.7b shows. More than half of the managers who left were sacked (31%) or left by 'mutual consent' (20%). In either case the manager left the club at short notice and an agreement was reached over compensation.

Reason for Leaving	Number	Percent
Contract Termination	14	33%
Mutual Consent	9	21%
End of Contract	2	5%
Alternate Role with Club	2	5%
Peer Group	3	7%
Other Scottish Club	1	2%
Other League	6	14%
International Role	2	5%
Resigned	2	5%
Ill Health	1	2%

Table 5.7b: Reason for Leaving. Created by the Author.

In a few cases the manager and/or the club decided not to seek a contract extension or the manager was offered an alternative role within the club. Twelve

of the managers (28%) left one of the peer group clubs for another job. In these cases upheaval at one club had a knock-on effect at another. There are several managers who have managed several of the clubs in the peer group (see Table 5.7c) although only three of those moves were directly from one peer group club to another.

Manager Name	Permanent Posts	Peer Group Clubs Managed
Jim Jefferies	3	Hearts (twice), Kilmarnock
Bobby Williamson	2	Kilmarnock, Hibernian
Craig Brown	2	Motherwell, Aberdeen
Jimmy Calderwood	2	Kilmarnock, Aberdeen
Mark McGhee	2	Motherwell, Aberdeen
Mixu Paatelainen	2	Hibernian, Kilmarnock
Craig Levein	2	Hearts (twice)
Valdas Ivanauskas	2	Hearts (twice)

Table 5.7c: Men who have managed multiple peer group clubs. Created by the Author.

From these data seventeen of the forty-five managerial appointments (38%) have been filled by only six men although this challenges the point made by the Owner that the available pool of managers was small. Six of the seventeen repeat appointments were at the same club (Hearts) so that figure can be reduced to eleven (24%).

Not all clubs within the peer group are the same as is shown by the reasons for leaving of permanent managers by club (see Figure 5.7c). The stacked bar shows how many permanent managers each club has had over the review period but distinguished between those who left by choice and those who were dismissed.

149
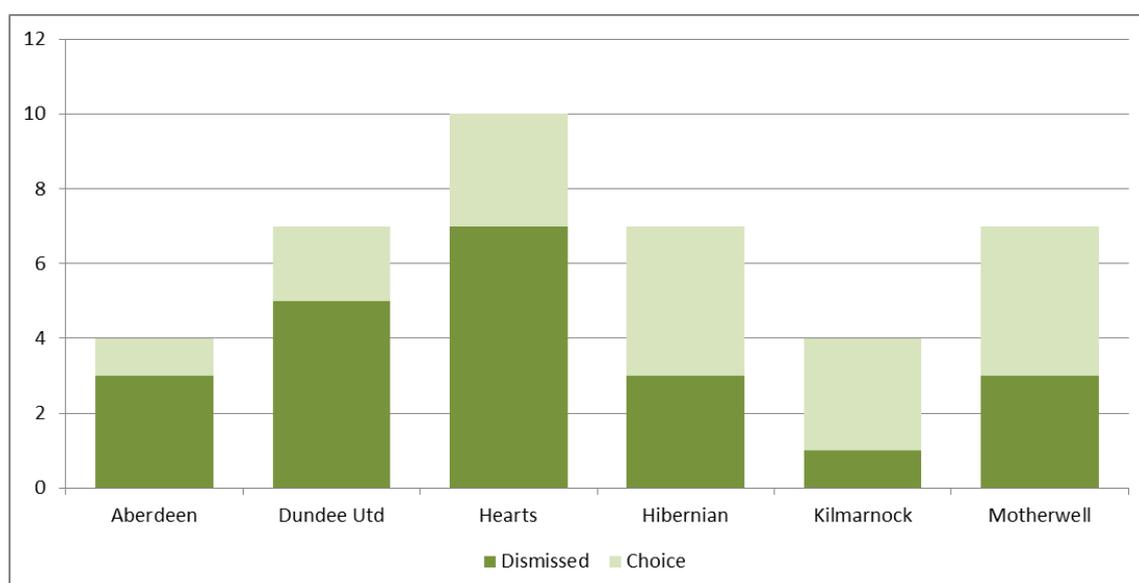
The detail in Figure 5.7a shows that Hearts dismissed 70% of their managers within the review period. Both Aberdeen (75%) and Dundee United (71.4%) have a higher dismissal rate than Hearts although the actual numbers of managers are small. At the other end of the scale, Kilmarnock have only dismissed one of four managers over an eleven year period, although that is slightly skewed by the longevity of tenure of Jim Jeffries.

The next section considers the timing of the managerial change to explore the idea expressed by the Chief Executive that this could be managed to reduce the impact on the club.

5.7.2.3 - Timing of Managerial Changes

The Chief Executive spoke of managing the deteriorating relationship between his manager and chairman so that a change could be made at a time that had the least impact on the club. Five of the six clubs have replaced managers in May or June which would suggest that, where possible, the changes are made in a controlled manner.

Table 5.7d shows the length of time between permanent managerial appointments by club throughout the review period. The data have been split between those appointments made during the season and those not to determine which clubs appear to control the timing of replacement.

Club	In Season	Number of Changes	Median Gap (Days)	Shortest Gap (Days)	Longest Gap (Days)
Aberdeen	No	3	6	4	9
Aberdeen	Yes	1	18	18	18
Dundee Utd	No	1	153	153	153
Dundee Utd	Yes	6	0	0	6
Hearts	No	2	3	0	5
Hearts	Yes	8	9	0	52
Hibernian	No	1	21	21	21
Hibernian	Yes	6	9	0	34
Kilmarnock	No	2	2	1	2
Kilmarnock	Yes	2	2	1	3
Motherwell	No	4	9	0	21
Motherwell	Yes	3	1	1	28

Table 5.7d: Length of Time between Permanent Managerial Appointments by Club. Created by the Author from Soccerbase Data

From the data it can be seen that Aberdeen tend to replace their manager out of the season which allows a longer time to make the decision. Hearts, Hibernian and Dundee United are more likely to make a change during the season. Dundee United tend to make very quick decisions about replacement with one exception when Peter Houston was appointed on a temporary contract that lasted 153 days before becoming a permanent appointment.

All clubs have appointed permanent managers within a few days of the incumbent leaving post which does leave questions over the effectiveness of the selection process. It is hard to imagine companies in other business sectors making senior appointments this quickly. In his interview the Manager explained that he was given no clear performance indicators and the lack of attention described by the Owner would suggest that he too had no clear definition of success for the manager.

5.7.2.4 - Win Percentage and Attendance

This section contains an analysis of the impact of permanent managers on match attendance. This is based on the premise that managers who are deemed to be under-performing are replaced to improve team performance. Team performance for each manager has been measured using two metrics: the percentage of matches won by the club under the direction of each manager and the percentage of potential league points won. These figures allow some comparison between managers despite the different length of tenure although this is not a metric widely used within the industry. The win percentage is simply the number of matches won over the manager's tenure expressed as a percentage of the total matches played. The average home attendance is shown as a bar chart with the win and points percentages shown as line graphs (see Figure 5.7b). The inclusion of both percentage figures is to reflect drawn matches.

Aberdeen

Dundee United

Hearts

Hibernian

Kilmarnock

Motherwell
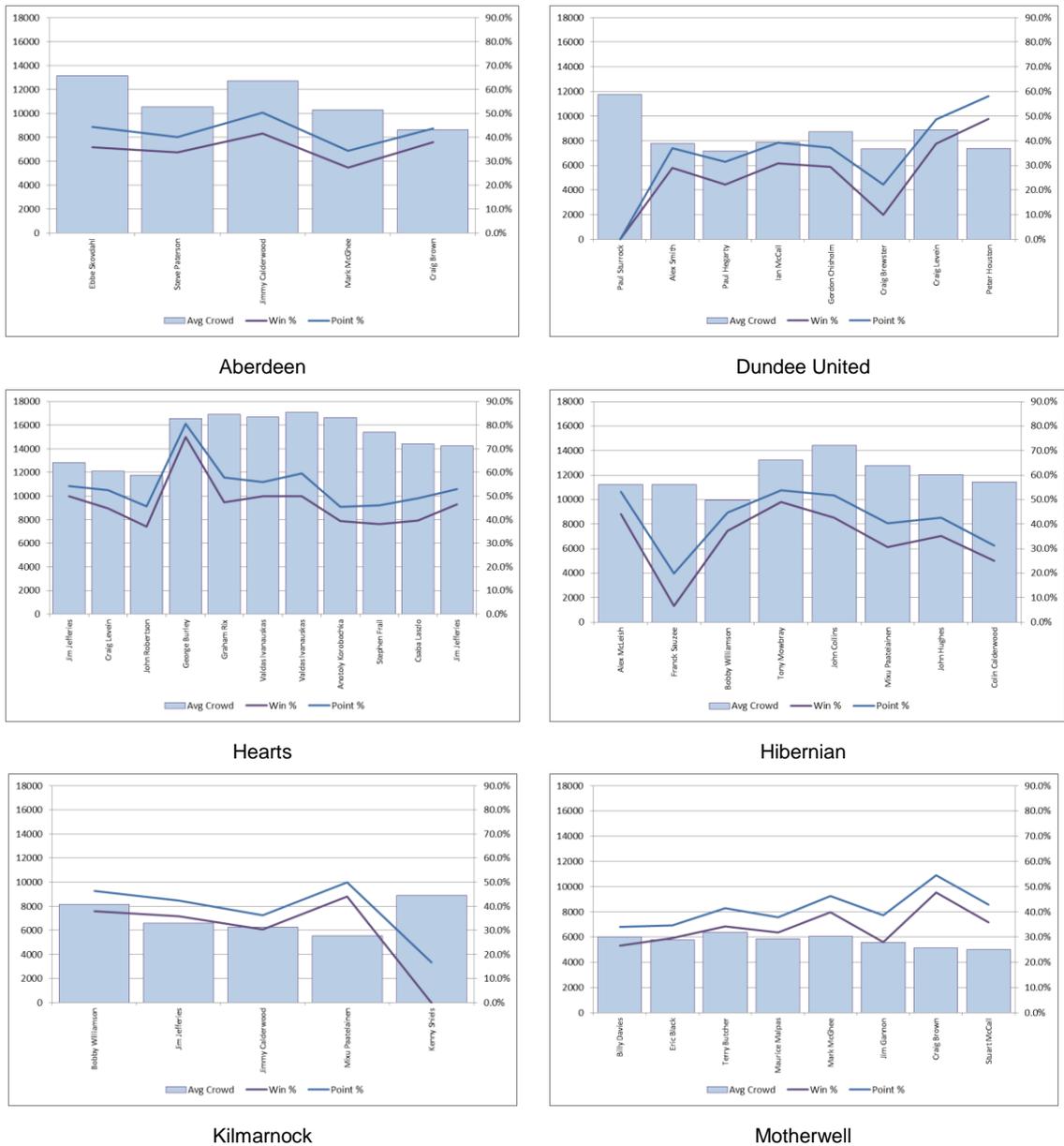
Figure 5.7b: Average Attendance against Win% and Points % by Manager and Club.
Created by the Author.

These figures would suggest that there is no link between attendance and the percentage of matches won or points gained. It would be expected that if there was a clear link then as the teams won more matches and gained more points as a result then the attendance figure would rise accordingly. As with other analyses in this thesis there is no discernible pattern between the components. This analysis suggests that there is little link between the win-percentage of the manager and the average home crowd during his tenure particularly in the later stages of the review period as attendances have fallen despite the on-field picture. As 38% of the income at the Commercial Director's club was based on ticket sales falling attendance had an impact on income. Replacing the

manager, however, even with one who wins more games, may not have the impact on attendance that might be expected.

5.7.2.5 - Goals Scored at Home and Attendance

Both the Owner and the Manager expressed the view that fans expect to be 'entertained' so the match data was analysed to determine if the was any link between the number of goals scored by the home team and the average attendance by manager.

Figure 5.7c contains six graphs that show the average number of goals scored at home by the peer group clubs by manager. The Aberdeen figures appear to suggest some correlation between the number of goals scored at home and attendance. The remaining five clubs show no clear pattern of a link between goals scored and attendance. The link between attendance and perceived entertainment of supporters may be suggested by the observation that the manager with the lowest average attendance at Hibernian is Bobby Williamson, who once quipped that if fans wanted entertainment they should go to the cinema.

Aberdeen

Dundee United

Hearts

Hibernian

Kilmarnock

Motherwell
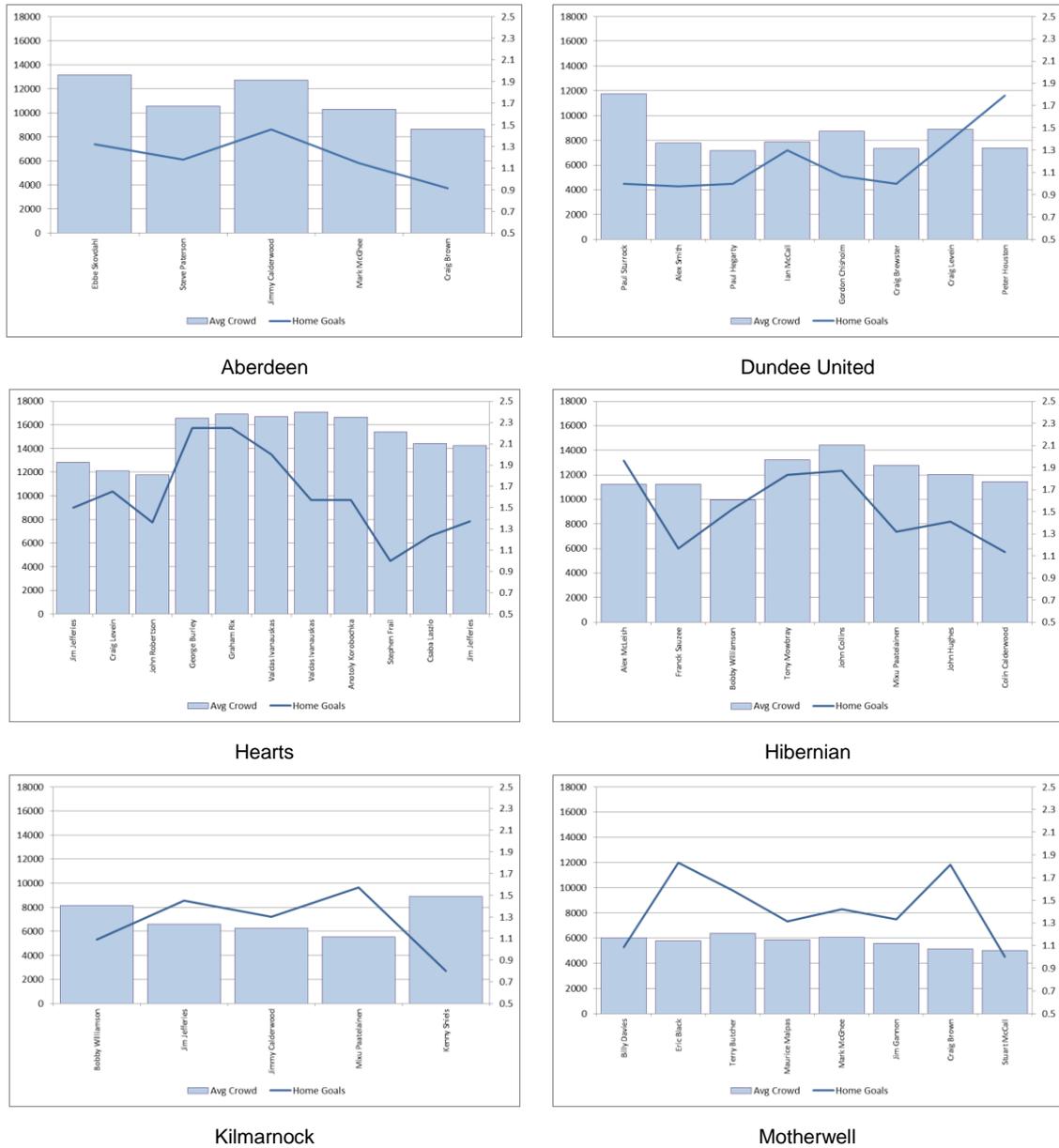
Figure 5.7c: Average Attendance and Average Goals Scored at Home by Manager and Club.
Created by the Author.

As a measure of success for a manager the number of goals scored by game there appears to show no clear link however the perception of fans of being entertained may have an impact if the 'Bobby Williamson' effect is accepted: football is, in part, an entertainment business.

From the data in Figures 5.7b and 5.7c, there appears to be no link between attendance and either the win percentage or goals scored when grouped by manager.

5.7.3 – Section Summary

The impact of managerial change has been one of the major areas of academic research in the sports industry however this level of scrutiny does not appear to have been reflected by all of those in the industry.

The Chief Executive discussed the importance of the relationship between the club chairman and the manager. The dangers of a poor relationship between the two were described in detail by the Manager who had experience of good, bad and deteriorating relationships within his clubs. The Market Director discussed the succession planning that his club had put in place whilst the Owner admitted that he had not given managerial appointments enough consideration through his tenure. Clear indicators of performance seemed to be missing within the industry.

The analysis of the peer group detail showed little correlation between attendance and matches won or goals scored in most clubs. In some clubs, particularly the smaller ones, there appeared to be little that affected attendance. At the bigger clubs, Hearts, Aberdeen and Hibernian, there was variation however there appears to be no clear link between the measurable factors given the small sample size.

No link is indicated between managerial change and on-field success as the two most successful clubs, Hearts and Hibernian, who had the highest number of changes. Managerial changes did appear to be carried out quickly with no suggestion that decisions taken in the less-pressured summer months were given more time than those taken during the season. A few managers did take charge of more than one club within the peer group however a wide range of managers were used within the review period, challenging the notion that failure elsewhere was rewarded.

Whilst there is an element of playing-staff change at all clubs, managers take different approaches to their signings with some managers relying on loan players more than others. A consideration of those managers, who were in charge at more than one club, suggests that some managers may adapt their choice of signing to the situation rather than having a particular style that they adopt regardless of employer.

5.8 – Chapter Conclusion

Using a combination of industry perspectives and an inductive exploration of match, player, manager and finance detail the original five frames have been explored to reflect the elements that make up a professional football club. These components demonstrate the multiple tensions between the long and short-term views of the club taken by the different stakeholders. All interviewees spoke of the attempts made to take a long-term view of club development and finance but discussed the contradictions and conflicts, at times within themselves, that made progress difficult if not impossible. Experienced business-men who came into football with the intention of using their professional knowledge of running successful companies admitted that the emotional environment and long-standing frames used within the sport to define behaviour meant that they did not pay sufficient attention to critical decisions. The analysis has demonstrated that, within this peer group of professional football clubs in Scotland, there are no clear patterns. Long-term success is hard to maintain and simply paying the highest wages is no guarantee of success. Short-term success is not always translated into higher attendance figures and the relationship with the fans needs care and attention as it does in other businesses. Whilst clubs seek to develop young players as assets this is a complex process with limited success although Scottish clubs do compare favourably with those in other leagues. The degree of managerial turnover appears not to have a short-term impact although the pressure to achieve success does hamper the ability of managers to make long-term development a possibility.

These factors will be analysed in the next section to identify the components within the frames to create the conceptual framework.

Chapter 6: Findings – Identifying the Frame Components

6.1 - Introduction

The aim of this research project is "to develop a conceptual framework that combines a broad range of factors, both short and long-term to allow new frames to evolve within the strategic management of professional football clubs in Scotland. "

The review of the sports literature identified five main frames that can be used to analyse professional football clubs. Those frames are:

- On-field performance
- Attendance
- Finance
- The players
- The manager

These were used to analyse the industry-participant interviews to identify the constituent components of these frames. The views expressed in the interviews were triangulated with secondary data from Scottish professional football to support, challenge or illuminate the perceptions of the participants with quantifiable data

6.2 - On-field performance

On-field performance has been considered first in this section since it can be used as a relative measure of competitive advantage within football as it provides a simple comparison of market position (Drucker, 2007) relative to other clubs. The definition of success and failure within football can be linked, very simply, to match results however clubs should resist a short-term interpretation of this and seek rather to balance these results with a consideration of the other factors in this framework. Several of the interviewees discussed the different levels of perceived success, over the course of a season, within Scottish football: top three, top six or simply avoiding relegation. For some there was a clearly articulated view of what the club hoped to achieve in the season. The Commercial Director sought a gradual improvement in the league season by season. The Owner had hoped to get his club back to the level they had been a few years earlier, finishing in the top three and winning a cup, but realised after taking over that the club had been over-achieving and

other factor made the slip harder to reverse than he thought. Only the Chief Executive discussed the plan he created to ensure that the correct resources were in place at the start of the season to achieve a top three finish: the correct manager, the right group of players and the financial resources to support those. For others, achievement appeared more aspirational based on progress over the previous season.

Throughout the interviews the definition of success tended to be based on final league position although the Commercial Director did believe that his club could compete with the Old Firm in the knock-out competitions (his focus being on the financial benefits gained from a successful cup run). Only the Manager reflected on the success of teams reaching cup finals and how that shaped others' perceptions of him.

On-field success should not simply be measured by the percentage of games won, which is not a statistic used within football as it is in other sports, or by league position but by relative success in the knock-out cup competitions in conjunction with the final league table. The two cup competitions offer clubs outside the Old Firm a route to success on the field leading to increased revenue through TV coverage, merchandise sales and more high profile games. The supporter interest generated around the club by the high profile games allows the clubs the opportunity to connect, or reconnect, with latent or lapsed supporters, as will be discussed in the next section. The gains of cup success, through regular semi-final and final appearances as well as winning, offer clubs more routes to expanding their fan and revenue base.

One of the difficulties of the football industry is that success is not absolute it is relative. Success is measured against that of others who may have the same target and make better use of their resources. On-field success is under-pinned by balancing the other factors: finance, players and the manager. This balance may seem obvious from the outside but the on-field performance data for the peer clubs suggests that this 'cumulative competitive advantage' (Grundy, 1999) proved elusive over the eleven-season review period. The interview data suggests that clubs were taking short-term decisions that had long-term implications for on-field success. The original definition took account only of the number of matches won and lost. Using these three components to measure success, based on the competitions entered, this matches the levels of perceived success within the sport in Scotland. Whilst the league position

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remains the highest priority measure for clubs the inclusion of cup competitions in the frame underpinning decisions a more detailed analysis of success and failure is possible.

Frame	Component
Performance	League position
Performance	Scottish Cup
Performance	League Cup

The tension of the short and long term implications (Dodd & Favarro, 2007) of business decisions is one reason a single outcome measure of success can be damaging (Duhaime & Schwenk, 1985) as the other factors can be forgotten or ignored. By using the performance data from the three competitions a more balanced measure is created. Grusky (1963) argued that there was a strong correlation between on-field success and attendance so the next frame to be discussed in this chapter is attendance.

6.3 - Attendance

Previous research has suggested a link between on-field performance and attendance: the more successful a club is, the more supporters they will attract. The interview with the Chief Executive highlighted that there are those within the industry who share that view. To some extent Forrest & Simmons (2006) agreed with Grusky (1963) on the link between success and attendance although they did notice that there are other factors, such as varying kick-off times and days as well as a number of matches close together, which could reduce attendance levels. The data gathered for the peer group clubs over the review period challenges this notion. There appears to be no clear short-term link between success and attendance when measured over the length of a season. Both the Chief Executive and the Commercial Director discussed the idea that fan development is a long-term process that requires the identification of the different fan groups who attend matches and the ways in which the consumption of football is changing through TV and social media content although it would appear that the movement in Scotland from the local to global model of finance (Andreff & Staudohar, 2000) is happening more slowly than in other countries. The Commercial Director demonstrated that ticket sales accounted for 38% of the revenue for his club which underlines the importance

of attending supporters in Scotland. Although the Administrator did discuss the growing importance of overseas TV deals and the marketing opportunities available to clubs by signing high-profile international players this tended to be restricted to those clubs that were big enough to have the commercial resources available to support this. Although smaller in number, the different media create a number of supporter types and the engagement with each group needs to reflect the relationship.

In order to answer the basic questions posed by Markides (2000) - who are our customers and what products do we offer? - clubs need to adapt effective customer management strategies, as used within other commercial sectors (Adamson, Jones & Tapp, 2006), which reflect the different types of relationship between the club and the fan. For fans who physically attend matches four distinct types of fan have been identified within the research:

Fan type	Nature of the Relationship
Season ticket holder	Purchases an agreed attendance package providing the club with a guaranteed income over the season.
Regular attendee	Supporter pays on entrance to the ground for matches they attend. Less predictable source of revenue for the club.
Potential attendee	Has some affiliation to the club and may attend a few high-profile matches especially cup semi-final or final.
'Away' supporter	Supporter of another team who attends only a few matches featuring their team.

This breakdown of customer type reflects the basic questions asked by Markides (2000) about who a firm's customers are, what products are on offer and how a firm can most efficiently provide the service. By removing the assumption that football supporters are uniform in how they attend matches, and that their attendance is based solely on success, the clubs can gather information about the individual customer and tailor the offering accordingly. To develop the relationship effectively the clubs need to understand how the different supporters view the product as is the case in other businesses (Jacobs, Stayaert & Überbacher, 2013). Scottish football remains highly dependent on match-ticket income without the large TV deals that English clubs enjoy, as explained by the Commercial Director. There are those within football,

particularly supporters, who do not want to be viewed as customers as other businesses would but for long-term supporter development to occur clubs may need to categorise supporters and engage with them appropriately without simply viewing them as cash-machines (Adamson, Jones & Tapp, 2006). The relationship will need to be effectively managed, as successful firms in any industry would, but for clubs to grow attendance they do need to encourage season ticket holders to renew year after year and to move some of the regular attendees to season ticket holders to formalise the relationship more and make income more predictable. The potential attendee has enough affiliation to the club to attend high-profile matches so clubs could try to slowly expand this relationship to include more matches. This study has focussed purely on the clubs relationship with the supporter rather than the other way round, in order to retain the focus on the club view.

The relationship with the away supporter is secondary as the fan's loyalty lies with another club however that does not mean that there should be no contact. The opportunity to increase the 'away' support at matches helps the host club's finances. The Owner and the Commercial Director spoke of football fans who travel to watch the team they have traditionally supported but could be encouraged to come to their local club when there is no fixture clash. This is unlikely to be a huge income generator but does strengthen the local community ties.

Changing technology means that fans' match consumption has changed and social media opens up new avenues for club's to develop. Ex-pat fans can be linked through web technology to watch matches on-line to maintain a link across the globe. This is not restricted to 'home' fans but also ways in which coverage could be sold to ex-pat 'away' fans as well. As the definition of football fans expands through different means of watching games, clubs need to recognise, develop and measure the changing relationship between themselves and their fans so that they do not lose out, financially, to other clubs or leagues.

Although the link between performance and attendance was previously suggested, in different countries and, in the case of Grusky (1963) different sports and times, this project challenges that direct link. However the findings of customer development are consistent with those arguing for Fan Relationship Management (Adamson, Jones & Tapp, 2006) systems to be developed by football clubs and although the movement to the global model (Andreff &

Staudohar, 2000) does appear to be happening in Scotland it is on a smaller scale and at a slower pace than some other countries.

Without a clear link between on-field performance and attendance clubs in Scotland need to manage their relationship with individual fans whilst recognising the nature of the relationship. Although there appears to be no immediate link between better performance and higher attendance, it is likely to increase the opportunities for clubs to develop the relationships with the different types of supporter. This should allow clubs to increase revenue from fans by expanding the number of relationships rather than simply relying on the already committed to give more which can lead to resentment as identified by Adamson, Jones & Tapp (2006). The importance of match attendance on club finances has been referred to several times in this section and the next section will focus on this in more detail.

From the data the attendance frame can be split into two main sections: CRM of those who attend matches, recognising that there are different types of supporter, and the relationship with remote supporters through social media and TV. The link to community engagement is shown separately to highlight the role that clubs can play in their local community although from a club perspective this is likely to be linked to fan development. The factors to be included in the conceptual framework are as follows:

Attendance	Customer Relationship Management	Season Ticket
Attendance	Customer Relationship Management	Regular Attendee
Attendance	Customer Relationship Management	Potential Attendee
Attendance	Customer Relationship Management	Away Supporter
Attendance	Remote Supporters	Social Media
Attendance	Remote Supporters	Television
Attendance	Community Engagement	

6.4 - Finance

Both of the previous frames, on-field performance and attendance, have a direct impact on the level of income generated by professional football clubs within Scotland. On-field performance (through sponsor's prize money) and attendance (via ticket sales) both have a direct impact on a club's income. By

increasing the number of paying customers, irrespective of which team they support, clubs should be able to increase their revenue by attracting more people to attend league matches but also by increasing the number of matches played by success in the cup competitions. Better performance leads to higher income, through the distribution of prize money based on performance, although costs are also likely to increase through bonus payments to players and coaching staff. Conversely, falling income can put pressure on the players as budget cuts are made although this can be used to create a 'siege mentality' with the manager and the players, as discussed by the Manager in his interview. Increased spending on wages can also impact on dressing room harmony if one or two players are favoured over others, as the Chief Executive highlighted when his Chairman decided to sign a player and move the costs outside the normal budget. The Chief Executive was of the view that this decision was taken as a result on the emotional impact of football rather than a rational business decision. This type of decision can impact negatively on performance which in turn may reduce income so there is a difficult balance to be maintained.

Other financial difficulties can arise where the stated financial position of the club is worse than expected, as discussed by the Owner, which makes it difficult for new owners to implement their strategy without a significant increase in revenue or debt. The Commercial Director and the Chief Executive discussed the need for benefactors to underwrite losses or invest in the stadium as is common in the Arts where personal sponsorship of opera and ballet are commonplace. However this support cannot be guaranteed as a future source of revenue if the benefactor has a change of heart. In the case of the Chief Executive, the owner was required to underwrite a loss-making operation whilst the Commercial Director discussed ground improvements paid for by a local businessman.

Using Whittington's (1999) strategic framework to understand the firms within the football industry, clubs seek plural outcomes as profit-maximisation is not the target; on-field success is sought over profit and the need for benefactors in various guises suggests a precarious business model. Grundy (1999) and Lago, Baroncelli & Szymanski (2004) have proposed frameworks that offer possible means of clubs growing income but these are limited because they are purely conceptual rather than under-pinned by data gathered from those who work in

the industry. The impact of emotional decisions or the need for benefactors are not discussed in these papers nor is there any consideration of the destructive cycle that can be caused by falling revenues. The Manager was able to use the financial difficulties to build a 'siege mentality' within the players to avoid relegation but the Owner was unable to implement his plan as the he realised that the club position, in terms of finance and supporters, had been over-stated in the purchase process. As revenue falls a club's debt will rise unless there is a corresponding reduction in expenditure. The dangers of long-term debt, securitised on future ticket sales or other club assets, has been identified by Grundy (2004) and Morrow (2006) leaving the club exposed to outside influences. The problems caused by a 'fire sale' of players, leading to falling performance and attendance levels in a destructive spiral that can be difficult to arrest (Buraimo, Simmons & Szymanski, 2006) was echoed in the comments of the Owner as he dealt with falling attendances and the realisation that the club had previously over-achieved. The Manager highlighted the difficulties caused by selling key players without sufficient time given to sign adequate replacements. Financially, in the short-term, the decision made sense as the club had an asset that could be sold to generate revenue. The long-term impact was seen on the field as the club struggled to perform to the expected level.

The analysis of the limited financial reporting that was available in a standard format highlighted that the amount of interest paid on club debt may be more significant rather than the actual level of debt as a measurable component within the finance frame. Debt tends to become a problem when a club cannot service the debt which passes control to the creditors who have called in the loan however the amount of interest paid to service debts, both long and short-term, emerged as a significant proportion of the clubs annual turnover. As well as focussing on the wage level at the club, as a proportion of income, it is important to ensure that interest repayments do not exacerbate the long-term debt situation. If the recommended wages to interest turnover ratio should not exceed 65% then clubs need to manage their interest repayments as a percentage of the turnover to ensure that all other financial commitments can be met as well as future investment funded. The consistent debt reduction by most of the clubs within the peer group suggests that this is recognised within the industry. Hearts' financial problems, leading to administration and relegation,

were entirely predictable as the outlay on wages and interest, in comparison to income, was not sustainable in the long-term.

The development of players as sellable assets will be looked at in the next section but the analysis of the peer group clubs suggests that as a revenue stream this process is unreliable. The Commercial Director did admit that they were a 'selling club' but did not budget for player sales at the start of the season. Clubs may be ready to sell a player if the right offer is made by another club but that is reliant on other clubs needing to purchase that type of player at that time. The four interviewees based in clubs discussed the importance of developing players through the Youth Academy and the revenue that could be generated as a result but as more clubs move to this model of player development there is likely to be a reduction in the number of clubs looking to buy players. This will reduce the value of individual players and the numbers that can be sold which will lead to less revenue from this stream.

Each of the clubs represented in the interviews appeared to use a different financial model. The analysis of attendance levels, the income generated and the wages paid to players are different in size without the largest clubs establishing a 'cumulative competitive advantage' (Grundy, 1999). As a result, there are challenges in identifying the key factors within the financial frame. Three financial measures were identified as crucial in this research: turnover, wages and interest repayments. The first two have feature in previous research and the relationship between them has been used for some time within the industry as a relative measure of financial health. By expanding on the existing literature to include interest repayments the two largest expenditures are linked to turnover.

From the data three significant financial factors emerge that will be incorporated into the conceptual framework:

Finance	Turnover
Finance	Wages
Finance	Interest Payments

6.5 - The Players

Within this research project players are viewed as human resources, as employees of the company on fixed-term contracts who impact on and are

impacted by organisational culture, but also as financial resources that can be sold to other clubs as a revenue stream and as production assets who contribute to on-field performance. As the focus of the research project is the club as an organisation no current players were interviewed as part of the data collection, although two of the participants had played professional football at the highest level, and players will be viewed collectively rather than individually.

The Chief Executive and the Manager both made reference to the culture within their clubs. The Chief Executive had to deal with wage pressure within his dressing room when the owner of his club signed a new player who earned considerably more than the others. The decision by the owner to keep this player's wages outside the established budget resolved a potential finance issue, of breaking the agreed levels within which the club would operate, the Chief Executive had to deal with the unhappiness of other players as he had responsibility for player contracts. He did not discuss the impact that this had on the 1st Team manager.

The Manager did discuss the difficulties that he had in changing the player culture at one of his clubs. From the outset of his tenure he was concerned that the attitude of the players would be an inhibitor to achieving the expected level of success. Player fitness was poor, the attitude of injured players concerned him and there were processes that hindered progress. Changing these aspects of the club proved more challenging than he expected partly due to the attitude of players who may resist change knowing that the manager is more likely to be replaced than they are. The role of the non-playing staff, such as the physio, highlighted that the culture of the club is wider than the players and should be understood, developed and managed at an organisational level whilst recognising the different parts of the club. It has been argued that firms need a creative culture to allow reframing to occur (Dewett, 2004) that would allow those within the firms to see, and accept, new ways of working. The Manager expressed the view that the chances to create, in his view, the 'right' culture would be limited as most clubs already had structures in place that made wholesale change difficult. This opinion appears to reflect one of the weaknesses of the cultural school of strategy development in that organisational culture can hold change back by preserving the established order (Mintzberg, Ahlstrand & Lampel, 2009). Whilst culture may not be a driver to a new strategy

it would appear that it can be an inhibitor to the creation of new frames that allow the development of a new strategy.

It was agreed by all of the interviewees that the management of the 1st Team and the Academy should be split as the focus of the 1st Team is short-term in outlook whilst the Academy should take a longer term view of young player development. These two departments within the clubs will be considered in turn, with the Academy considered first.

During the interviews the importance to the future of Scottish football of young player recruitment into the club academies was stressed. The Administrator discussed the measures put in place by the governing bodies to ensure that this was given priority. Both the Owner and the Commercial Director thought that the smaller SPL clubs had an advantage over the Old Firm because they had been more successful at transitioning young players from the Academy to the 1st Team and, in some cases, on to higher profile clubs and international football. Whilst all of the interviewees discussed, by name, a number of players who had made such a transition the data analysis carried out within this project suggests that these players are the exception.

Within the interviews the focus was on those players who had progressed from the Academy to International football. There was no mention of what happens to those players who do not make it onto the field of play and leave the club at the end of their first contract without achieving their dream of a career in professional football.

Analysis of the available secondary data non players suggests that the peer group clubs develop, on average, one former player per season who plays more than ten matches, which compares favourably with their English counterparts who produce one player every two seasons from their Academies (Anderson & Miller, 2011). The success of young player development within the peer group would be appear to be limited however with 27% of the former trainees who have been given professional contracts leaving their clubs without taking part in any matches. An additional 16% of these players leave after making only substitute appearances. 43% of players developed by the club's Academy and deemed not good enough to be awarded a professional contract leave the club without starting any competitive matches. The Manager discussed some possible reasons for this at one of his clubs where he was not responsible for deciding which of the players were awarded contracts. He had expressed

concern to his CEO that some of the trainees did not, in his professional opinion, demonstrate the correct attitude he considered essential to make the grade. The club decided that these players would be sent out on loan to lower league clubs to develop.

Within the analysis of secondary data it was discovered that the practice of sending players out on loan was of limited benefit in player development. Players who had left on a short-term loan basis were less likely to return and make an impact at their parent club than those who remained. Of the former trainees who were sold onto bigger clubs, only one had spent time out on loan. The other players had developed at their parent club. This would suggest that if the club does not feel that the player has the potential to progress then they should allow the player to leave permanently.

The development of players from the Academy as sellable assets was discussed by all of the interviewees and the financial implications of this are explored in the section on finance. From an organisational perspective, the interviewees all expressed the opinion that control of the Academy system needs to remain separate from the management of the 1st Team and it would appear that the transition from one to the other could be managed more effectively. Without clear control on the final decision on who makes the transition and whether that player is to develop it appears unlikely that the current attrition rate can be improved.

It is not just the former Academy players who could be found on the fringes of the first team as the analysis of player detail suggests that there are three types of player within the 1st Team squad: regular starter, squad player and potential asset. The first two of these categories consider the impact of the player as a production asset in relation to on-field performance and takes account of the high cost of player wages. The third looks to a possible financial return from a high-performing production asset that can be sold to another club.

The analysis of the playing squads within the peer group showed a variance in the number of signed players from thirty (Kilmarnock in 2009/10) up to fifty-two at Hearts (2007/08). There appears to be no on-field impact of squad size or on the resultant wage bill. On average, Hearts have had the largest squad, the highest wage bill and the highest per player wages over the review period and although that have been the most successful team in the peer group the level of success has been inconsistent. In Season 2007/08 Hearts had the largest

squad (fifty-two) but finished eighth with an average annual salary of £217,673. In the same season Motherwell finished third with a squad of thirty-eight players paying an average salary of £89,789. This challenges the findings of Kuper & Szymanski (2009) that clubs who pay the highest wages tend to finish highest although they used a large number of clubs (forty), a longer time period (1978-1997) and a different analytical frame to analyse the data for statistical significance.

The analysis of the Academy transition highlighted a degree of resource wastage and a similar picture can be found when the whole 1st Team squad is considered. The distinction between regular starter and squad player highlights a different level of contribution to the on-field performance by individual players. Within those classed as squad players there can also be a wide variance from those who make some on-field contribution and those who make none. It is not only the former Academy players who do not play but some players recruited from other clubs never start for the club. The Manager discussed the recruitment policy at one of the clubs where players he had made contact with were never signed and others were brought in by the club Board. A reduction in the squad size would either reduce the wage bill or allow more head-room for more expensive players to be recruited without the damage to dressing-room harmony described by the Chief Executive.

The impact of the sale of a key player without adequate time to find a replacement, discussed in the finance section, links the playing squad to the financial position of the club. By focussing on the financial value of an asset the Board reduces the team's capacity to perform on the field. The recruitment of players, externally and from the Academy, who fit the club's culture is vital, although as the Owner conceded there is not always enough attention paid to this aspect when signing players. The Manager expressed his frustration at key decisions being made by non-football members of the club that impacted on the resources at his disposal. By reducing the number of players at the club, and by extension the wage bill, clubs would likely reduce the financial pressure which makes the sale of players less likely or at a time that suited the club.

From the data used to explore the player frame, three first-level components are identified with 1ˢᵗ Team players categorised on a secondary level based on contribution.

Players	Youth Academy	
Players	Loan Players	
Players	First Team	Squad Player
Players	First Team	Regular Starter
Players	First Team	Potential Asset

6.6 - The Manager

Grusky's original paper (1963) considered the impact of the managerial change on the on-field performance of the whole club which underlines the importance of the role within sport. Subsequent research into the link between managerial replacement and improved on-field performance has been inconclusive but tended to focus on single changes rather than the cumulative effect of multiple changes, which Grusky suggested had a long-term negative impact on the club but Gamson & Scotch (1964), in direct reply to Grusky, suggested that managers could be used as a scapegoat to mask wider organisational issues. This research project has found that the role of the manager suffers from a lack of clear definition and little job security.

Both the Chief Executive and the Owner discussed the manager's role and explained the importance of finding the right person for the job but the Owner admitted that he had not enough spent the time required to achieve that goal. The speed with which replacement managers are employed suggests that club's do not seek to learn from their experiences to understand what, if anything, went wrong and who would be best placed to remedy that. The Chief Executive, in his interview, discussed the importance of managing damaged relationships between the manager and the owner so that changes could be made at a time where the impact would be limited and used the time to identify the best potential candidates. The Owner reflected that too many managers are thrust into team management with little training, beyond technical coaching, and lack the people management skills.

The role of the manager appears not to be clearly defined and with no clear performance indicators agreed between the manager and the club. Little

support is provided to ensure that managerial learning can occur. The different approaches discussed in the interviews suggest that the hiring process needs to be better understood so that the right style of manager is appointed to reflect the situation of the club. As Leavy & Wilson (1994) identified the person appointed to the pivotal role needs to have the correct skillset to develop the club and be given the authority to make the necessary changes. To make the right choice those making the decision need to fully understand the current situation. Does the club need to be revitalised or is a more radical turnaround required? This question can be linked back to the other frames discussed in this research project. Are the current players good enough? Is the dressing-room culture an asset or a liability? Is the transition from the Academy to the 1st Team effective? Does the financial position support redevelopment of the club assets or are cuts enforced through falling revenue? How has the relationship with the supporters been managed? Without taking time to have answers to these questions the club does run the risk of scape-goating the manager (Gamson & Scotch, 1964) to mask other structural issues within the club. The review of the peer group clubs suggests that there are no clear links between on-field performance and the rate of managerial change which in turn would suggest that the wider issues within the club have a greater impact than simply the skill of the manager to improve results.

Grusky (1963) queried the link between managerial responsibility and authority. The findings in this research project suggest that the manager does not always have full authority over the 1st Team, taking the final decisions on who comes in, who goes and when, as he is required to take full responsibility for on-field failure. Clear communication and trust between the manager and the chairman is important so that means that player sales are discussed and planned for, wherever possible. If the Manager has control over players coming into the 1st Team that should include youth players signed from the Academy but he then should assume responsibility for their development into squad players and on to potential assets. There is no reason why bonus schemes for Managers to produce sellable assets should not be more widespread within football. If bonuses are linked to league position or cup success then, if it is part of the club's vision, player development should be rewarded to ensure it happens.

The Manager does need to manage their relationship with the fans as this does appear to have an impact on attendance. Without a clear and positive

relationship between the two then the Manager may find themselves under pressure from unhappy fans. This relationship does not appear to be based solely on results but also on how the fans perceive the style of football.

If the relationship between the Manager and the Chairman is the most important within the club, as was suggested within the interviews, then it needs to be treated as such. There can be no room for suspicion if the club is to progress. The role of the Chairman, or club owner, has not been widely discussed within the existing academic literature but it has been included here as it featured in all of the interviews. Those interviewed or discussed brought a broad range of business experience from other industries and sought to utilise that knowledge within football. The findings of this research project would suggest that the development of a new mental frame to understand the football industry takes time as the established frames are deeply imbedded within the game and new ideas are not always readily adopted. The other difficulty faced by those coming into the industry is how to handle the fame associated with being a football club chairman, as discussed by the Chief Executive. The Owner and the Chief Executive noted that the attention focussed on these roles is disproportionate to the size of the company, when compared with much larger firms in other industries which have a greater economic significance. This attention, for good or bad, can impact on the most rational of businessmen where big decisions are taken without the same level of scrutiny that would be afforded in other industries. The long-term implications of the decisions appear not to be always fully thought through. This is not exclusive to the football industry but the level of press interest and public attention is likely to intensify the pressure. Without time, space and deliberate action to fully understand the existing frames in use within the football industry it is likely that emotional responses will continue and this will stunt growth.

The research framework can be developed to take account of the roles of the manager and his relationship with the Chairman and/or CEO.

     Manager   Agreed KPIs

     Manager   Chairman/CEO

6.7 - Chapter Conclusion

The five frames were used to analyse the industry-participant interviews to identify the constituent components of these frames. The views expressed in the interviews were triangulated with secondary data from Scottish professional football to support, challenge or illuminate the perceptions of the participants with quantifiable data. This process can be seen as the 'detective work' (Mintzberg in Smith & Hitt, 2005) where evidence has been gathered and analysed to produce a list of components within those five frames (see Table 6.1).

Frame	Component	Sub-Component
Performance	League position	
Performance	Scottish Cup	
Performance	League Cup	
Attendance	Customer Relationship Management	Season Ticket
Attendance	Customer Relationship Management	Regular Attendee
Attendance	Customer Relationship Management	Potential Attendee
Attendance	Customer Relationship Management	Away Supporter
Attendance	Remote Supporters	Social Media
Attendance	Remote Supporters	Television
Attendance	Community Engagement	
Finance	Turnover	
Finance	Wages	
Finance	Interest Payments	
Players	Youth Academy	
Players	Loan Players	
Players	First Team	Squad Player
Players	First Team	Regular Starter
Players	First Team	Potential Asset
Manager	Agreed KPIs	
Manager	Chairman/CEO	

Table 6.1 Frames and Components. Created by the Author.

The conclusions chapter will draw these components together to develop the conceptual framework.

Chapter 7: Conclusions – Reframing Scottish Football

7.1 - Introduction

The aim of this research project is "to develop a conceptual framework that combines a broad range of factors, both short and long-term to allow new frames to evolve within the strategic management of professional football clubs in Scotland. "

This chapter expands on and combines these factors to create a visual representation of how a professional football club can be analysed. The framework is designed as an exploratory representation that captures the tensions within a senior football club rather than a predictive tool that focusses on a few key variables thus losing sight of the complexity within which the business operates (Porter, 1991). The components within the framework are not typologically the same building on Simon's (1997) view that firms are not only defined in organisational charts but in patterns of communication and decision-making by people. Performance is an objective measure of progress yet remains relative to competitors. Attendance can also be used as an objective measure of success, by counting paying customers, but there is recognition that not all customers are the same and therefore should be managed differently. How those customers consume the product, physically or virtually, poses new questions for clubs. The complexities of finance are reduced to three main components: turnover, wages and interest repayments to explore the relationship with income generation and expenditure levels as a means of highlighting potential problems early. The components within the player frame are partly structural, in the relationship between the 1st Team and the Academy, and partly asset management. Players are viewed as resources to be developed, utilised and traded for financial gain. This reflects the unique position of professional sports where players are traded as commodities rather than treated as employees. This study focus more on the role of the manager rather than the impact of the individual as has often been the case in past research. Where previous research has often linked performance with the manager directly this research explores *how* the two link and how clearly defined the role of the manager is within professional football.

The framework is designed to encourage participants in the industry to ask a wide range of questions about the firm as part of their strategic decision making

process rather than to provide quick answers to complex situations. The aim of the project is not to structurally design a football club, but rather to identify the factors that can affect clubs and the relationships between them. In the creation of the model the tension between avoiding the risk single outcome decisions (Duhaime & Schwenk, 1985) without creating paralysis through constant review that Mintzberg (1987) warned of.

7.2 - On-field performance

From the performance frame identified in the literature three components have been articulated: league position, Scottish cup success and League cup success. The definition of good performance for a club can be constructed by combing the three of these on a season by season basis.
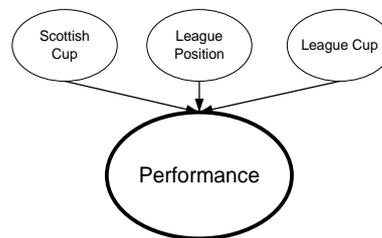
Figure 7.2: Research Framework Expanded To Include Performance Categories. Created by the Author

Figure 7.2 illustrates how these three components can be used to feed into the wider frame of performance in order to create a balanced definition of on-field performance over the course of a season.

7.3 - Attendance

By breaking down the components within the attendance frame the shifting relationship with fans can be included in the overall framework (see Figure 7.2).
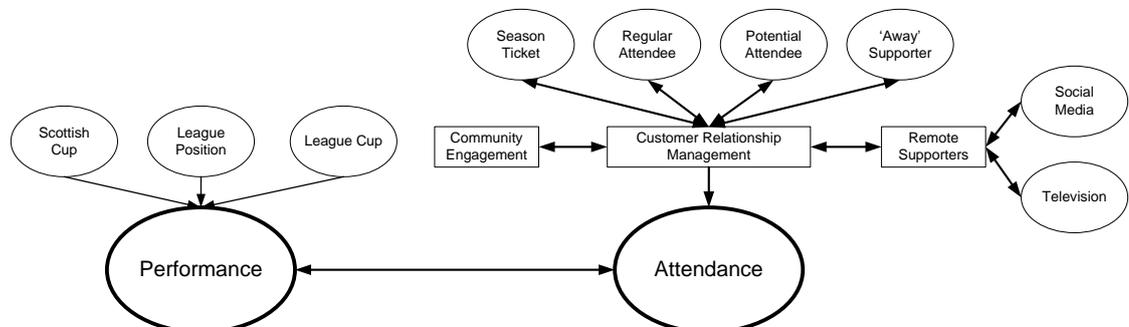
Figure 7.3: Research Framework Expanded To Include Attendance Categories. Created by the Author

Understanding the specific relationships should allow clubs to increase revenue from fans by expanding the number of relationships rather than simply relying on the already committed to give more which can lead to resentment as identified by Adamson, Jones & Tapp (2006). This research expands the classification of fans to include away supporters as clubs can now develop relationships with them through direct ticket sales helping to build the customer database. Several of the interviewees discussed the importance of remote fans who do not physically attend matches can social media and television does offer new opportunities for clubs to extend their fan-base in new areas. Within this research, the aim of community engagement appears to be to develop fans as long-term customers hence the link to CRM. The views expressed in this project may reflect the views of those involved directly in the running of the club rather than those engaged in community work at arms-length from the club as suggested by previous research Anagnostopoulos and Shilbury, 2013; Kolyperas, Morrow & Sparks, 2015).

7.4 - Finance

The overall financial position is shown by the dotted line surrounding the three key factors (see Figure 7.4).
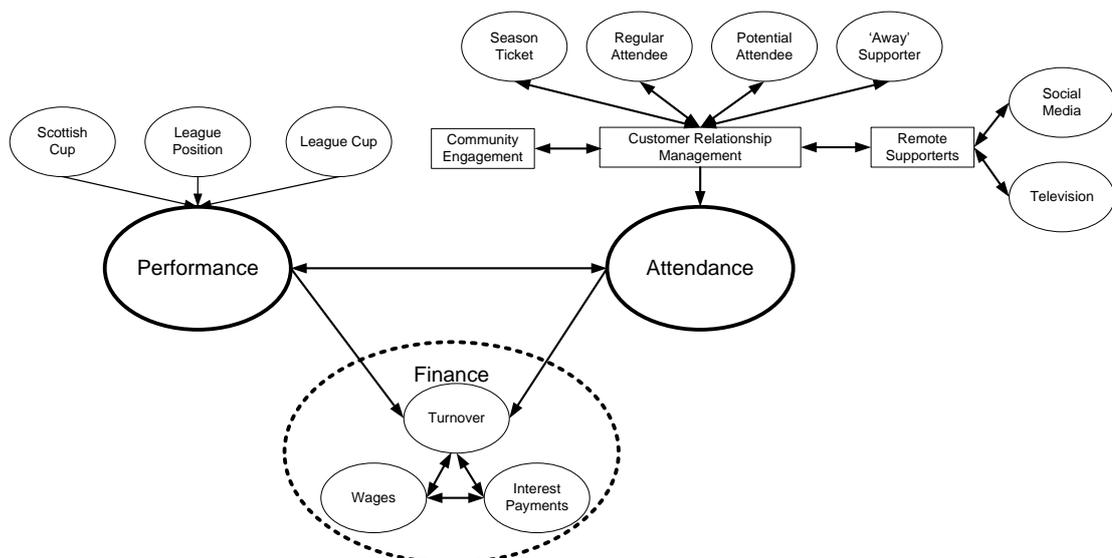
Figure 7.4: Research Framework Expanded To Include Finance Categories. Created by the Author

This has been included to demonstrate that these three factors are suggested as key but are likely not to be the only finance issues that should be addressed. It is likely that the financial situation at any club is considerably more complex than these three values control over these, in relation to the other components of the framework, does give greater clarity of the finance with in the club and how sustainable, in the long-term, the business model is.

7.5 - The players

The original frame of players has been expanded (see Figure 7.5), through the interviews and the data analysis, to separate the Youth Academy and the 1st Team with loan players identified as a distinct group, since those sent out on loan are now external to the club and those brought in have no asset value to the club although they could make a significant on-field contribution.
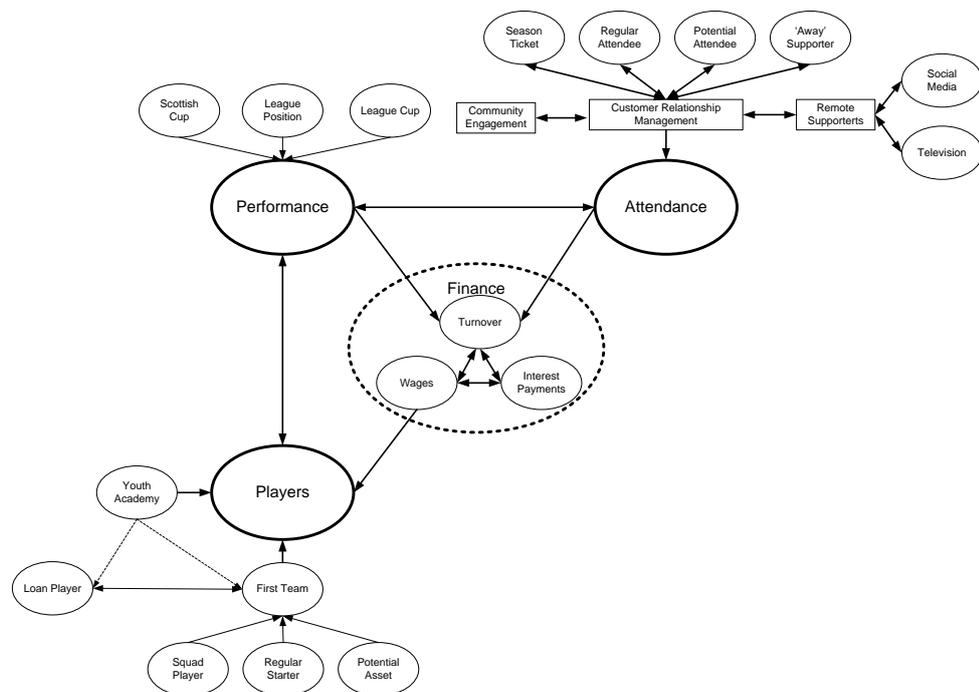
Figure 7.5: Research Framework Expanded To Include Player Categories. Created by the Author

By expanding the frame to cover the different components a better understanding of the complexity of the club is demonstrated in the framework. The link to from the Youth Academy to the 1st Team is shown as a dotted line as this link is not automatic and the data available from this project allow only limited conclusions to be drawn. The link is made from the players to on-field performance to indicate that players are largely responsible for performance

and that the perception of on-field success will impact, positively or negatively, on the potential asset value of the player. To successfully manage the wage bill the different categories of player need to be appropriately managed to develop players to contribute more or to allow them to leave the club. Strategically, the players, including those in the academy, should be viewed as resources that can be developed rather than just as employees although the role of culture in this should not be ignored. This player development should not simply focus on them as players but should involve longer-term educational development for a life beyond football.

7.6 - The manager

The addition of the manager, chairman and other executive members of the club to the conceptual framework (see Figure 7.6) completes the reframing exercise within this research project. The clear line between the manager and the players is established with the Academy at arms-length. The link between attendance and the manager is included as there does appear to be a perception link between the two. The manager does need to be accepted by the fans or attendance levels may fall. The key relationship between the chairman and the manager is established with the need for clear key performance indicators (KPIs) established. These would set out what is important to the chairman and how the manager is expected to contribute creating greater role clarity.
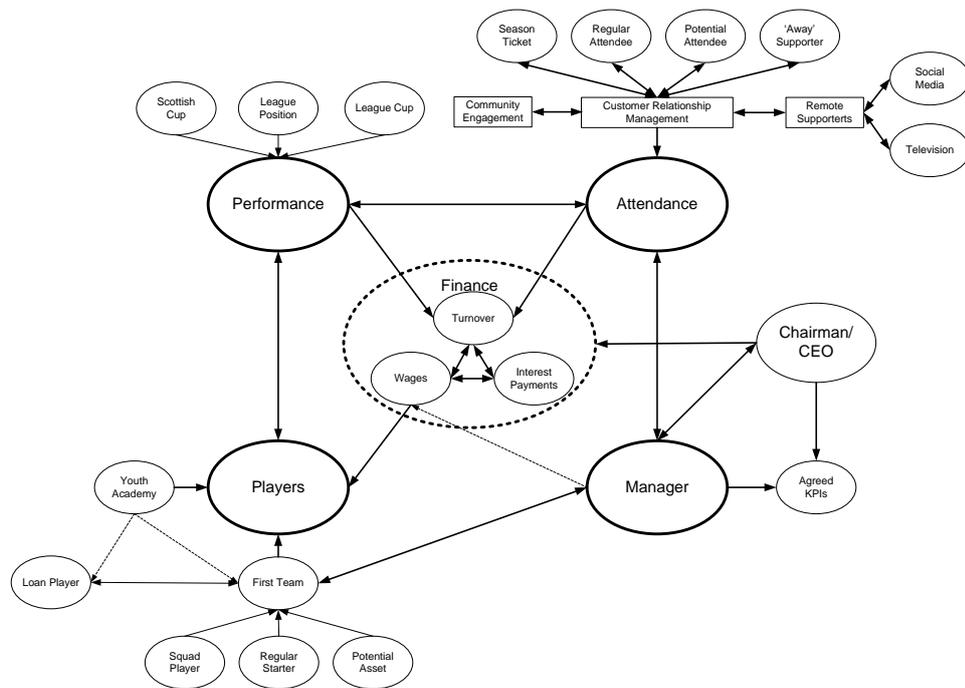
Figure 7.6: Research Framework Expanded To Include Manager Categories. Created by the Author

The dotted line between the wage bill and the manager is shown as an option for clubs with most of the financial responsibility given to the chairman. Within the KPIs the club may give the manager budgetary responsibility but where this is not the case it would appear that clarity of the budgets would improve the trust between manager and chairman.

7.7 - Section Conclusion

The framework created as part of the research goes some way to identifying the current business issues and dangers within the football industry. It can be used as a starting point for those wishing to develop a better understanding of a complex industry that is over-reported and under-researched within the media. Using Porter's (1991) distinction between a conceptual framework and a predictive model, the findings of this project offer a complex framework that reflects industry practice rather than reducing firms to a few control variables. The framework has been designed not to stop arguments about football, but to allow those making the decisions to be better informed through a balance of factors that can be taken into consideration.

Ohmae (1982) suggested that good strategy was based on the balance between customer, competence and competition for each firm. This framework contextualises these questions for the football industry. These are the business

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issues that football Chairman and Chief Executives could think about to avoid following into the short-term mind-set that currently pervades the industry. The multi-faceted view encouraged by this framework encourages a range of views from different parts of the club reducing the need for senior management to make all of the decisions (Quinn, 1980).

Chapter 8: Contribution

8.1 - Key findings

The development of the conceptual framework through this project has sought to balance the complexity of firms within an industrial context whilst identifying the crucial factors that are likely to have an impact on long-term strategy. The final framework (see Figure 8.1 overleaf) draws together the crucial aspects and illustrates the relationships between the factors.

The key findings from the project are:

- Performance - This should be measured over the course of a season with latter-stage participation in the cup competitions prioritised as it increases the number of matches played and offers clubs a chance to engage with a wider range of supporters.
- Attendance - The process of increasing attendance levels should be recognised as a long-term activity with CRM systems that are customised to the level of engagement for different types of supporter.
- Finance - The key measure of financial health, the wages to turnover ratio, should be expanded to include interest-repayments so that the servicing of debt is expressed in terms of income.
- Players - The research highlighted the importance of the prevailing culture of the club and how it is affected by other decisions, including player recruitment.
  The transition of young players from the Academy to the 1st Team should be enhanced to reduce the number of players signed to professional contracts who never play in competitive matches.

- Manager   -   The does appear to be some evidence of managerial 'scape-goating' although the speed of replacement and the lack of a clear job description may be contributing factors. The manager's relationship with the chairman is crucial but the view of players, and the cultural fit of the manager, and fans can also play a part in the decision to replace a manager. Clear KPIs, agreed at the outset, could lengthen the time given to managers to develop clubs.
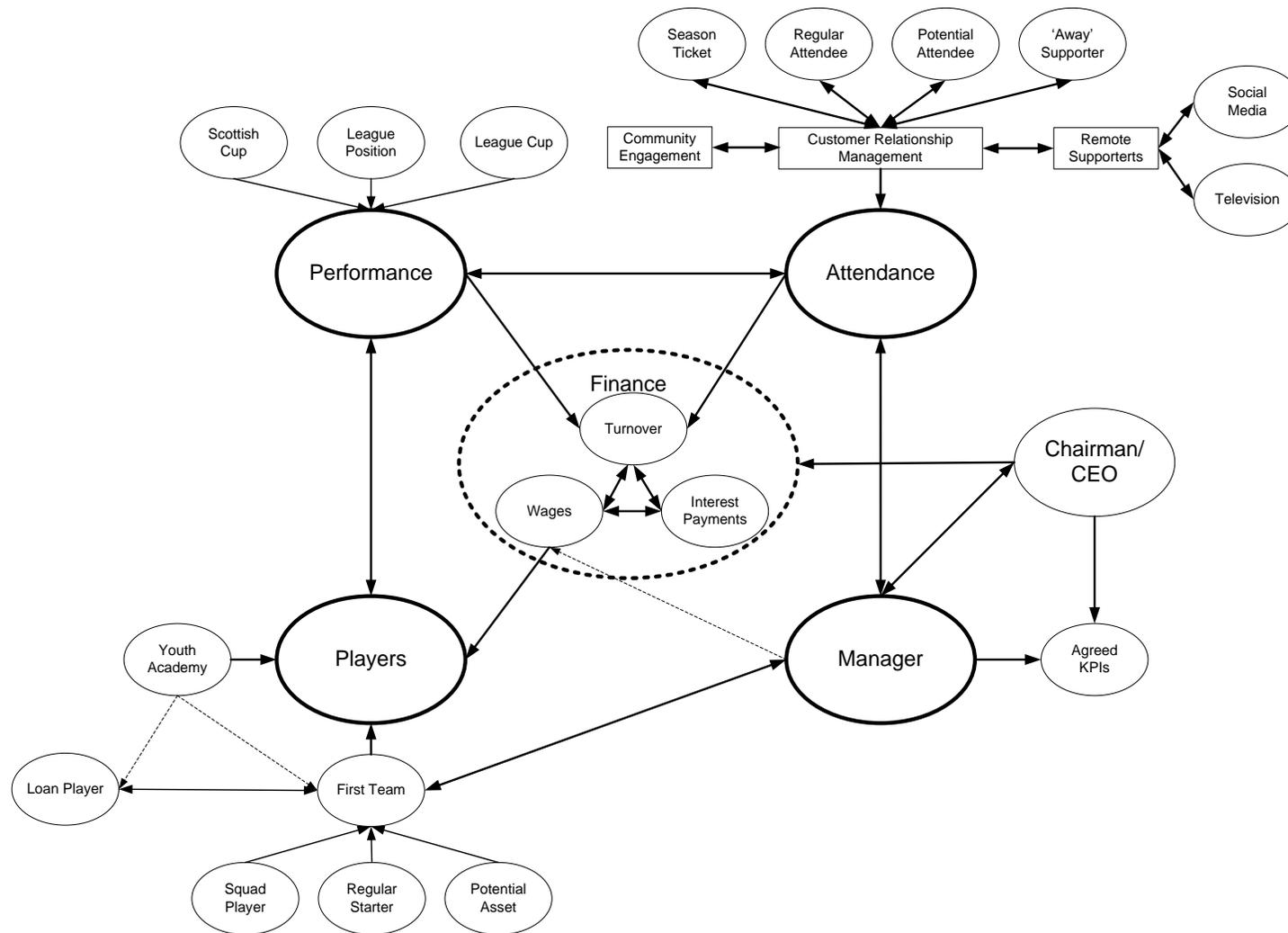
Figure 8.1: Conceptual Framework to Reframe Scottish Football. Created by the Author

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8.2 - Contribution to Knowledge

8.2.1 - Strategy Literature

The research is under-pinned by Porter's (1991) question: why do some businesses do better than others? The definition of 'better' needs to be created in relation to a specific industrial context: in this case professional football in Scotland. As an industry in flux, there appears to be a need for an emergent strategy than allows the decision makers to take account of external changes in the environment. The definition of an emergent strategy should include sense-making of the changes, through ongoing data collection, that leads to creative problem-solving as suggested by Rumelt (2011). This two-stage process of data collection leading to creative solutions is a step back from the reactive mode of decision making in the football industry that is reflected in this research.

The data collected by firms should reflect the outcomes sought by the firm. Where Whittington (1991) makes the distinction between the singular aim of maximising profit and unspecified plural strategic aims, industry-specific research should seek to identify what the different goals are. Without clarity of those aims how do firms know whether or not they are performing better than their competitors? Without comparative data how does the firm know if they are closer to achieving their aims this year than they were last year? As the research focuses on a specific industry then specific aims can be suggested whereas more generic research on a non-specific industry will lead to vague goals, likely to limit the benefit of the research to practitioners.

The tension that is likely to exist between the different strategic goals is increased by the balance required of long and short-term goals (Dodd & Favarro, 2007). The amount of tension experienced within firms is likely to reflect the outlook of the industry. This research has shown that the unstable environment within which Scottish professional football operates tends to result in a short-term view that leads to greater internal instability within the individual firms.

Mintzberg queried the reliance of companies on a single strategic decision maker as it would be unlikely that one person could fully understand the complexities of the organisation (Mintzberg, 1990) whilst Leavy & Wilson (1994) suggested that the skillset of the organisational leader needed to match the situation the firm found themselves in. This research suggests that the overall

responsibility for the success of the club lies with the 1st Team Manager who is removed from his post if the performance is deemed unsatisfactory by the Club Chairman or Board. The responsibilities of the role appear to be poorly defined and the recruitment process is limited. Those in the Manager's role suggested that they had limited decision making power, particularly in the realm of player recruitment, and there was often deep mistrust within the clubs. The clarity of agreed goals and roles was poor and subject to reactive decision making rather than the two stage process of sense-making and problem-solving. This would appear to challenge the existing theory that suggests that strategy is designed by those at the top of the organisational structure. Rather than a single frame being used to make sense of the situation and the creation of a strategy (Duhaime, Stimpert & Chesley, 2012), it would appear that there are multiple frames in use but that these are poorly defined, if they are defined at all.

The output of this research project is a framework rather than a model (Porter, 1991) that seeks to retain the complexity of an unpredictable industry (Rumelt, 2011) to facilitate discussion amongst academics and practitioners. The framework is not applicable to other industries as the measures used reflect the components of professional football: on-field performance, attendance at matches by the different types of supporter, the key elements of finance, player development and the relationship between the chairman and the manager. Research into other industries would need to identify the key aspects of the businesses involved to create a bespoke framework that made sense to the participants.

8.2.2 - Sports Business Literature

This research responds to Grusky's (1963) call for field-based research in the sports industry rather than relying purely on secondary quantitative data. The conceptual framework is the result of a study that starts with practice, through a series of interviews, and is rounded out by secondary data. The method adopted can be used to reduce the impact of researcher bias in a largely closed industry by encouraging engagement with practitioners. The framework provides a basis for future research into the different components of football clubs that retains the complexity of the firm rather than focussing on single issues. The views of players, managers and supporters could be explored to develop the concept and the field of sports business literature. Two of Grusky's

(1963) original factors are addressed by this study: the objective assessment of effectiveness, and the difference between authority and responsibility. The framework proposes a structure for objectively measuring effectiveness across the five frames whilst retaining the complexity of the firm. This research highlights that the lines between who has the authority to make the day to day decisions within clubs remain blurred but that the 1st Team manager is expected to take responsibility.

8.3 - Contribution to Practice

Throughout the interviews the participants demonstrated a desire for the football industry to change but believed that the media attention, entrenched mind-sets and underlying politics appeared to prevent the implementation of change. The business impact of emotional decisions was also a factor in the inability of the participants to implement long-term, sustainable decisions. The conceptual framework generated by this research project blends the existing tacit frames of participants with a longitudinal numeric analysis to create a conscious frame that identifies the 'crucial aspects' of firms within the industry. The quote from the book *Moneyball* at the beginning of this thesis states that the systems developed by the Oakland Athletics were not perfect but provided a more secure basis for decisions than 'gut feel'. The framework proposed here carries the same caveat. It is a framework to help participants develop a wider view of professional football clubs in Scotland that reflects both the short and long-term nature of decision making by developing an objective measure of success.

By placing on-field performance in the top left corner there is a recognition that what happens on the pitch is likely to remain the first measure of success according to most observers but that a more long-term and rounded view could be taken rather than relying on the last few results. The link between on-field success and attendance appears to be long-term and requires specific attention by working with changing supporter demographics. Finance is placed in the centre as it provides short-term security and long-term sustainability. The desire for on-field success from supporters does need to balance against a longer-term financial view. The tension between these three factors as one of the areas of objective assessment, defined in long- and short-term objectives, is likely to be key.

As the highest expenditure within the club, the size and use of the playing squad has financial as well as performance implications. The recruitment and development of players currently seems to be haphazard without clear authority given for this key resource. Decisions are made about buying and selling players without the impact on performance or finance being taken into consideration. This is an area where short-term choice can have long-term implications. Better communication between those involved in the process could reduce the role strain on managers however this would require a high degree of trust between the participants.

Few players from the club's youth academy seem to develop into regular contributors to on-field performance. The current system does not appear to work well in the majority of cases which would suggest that changes are required but the overall responsibility for the transition is not clear. Whilst the industry participants were proud of the exceptions who became successful players there appears to be little understanding of how to improve the current system. Clearly established lines of responsibility linked to clear performance indicators could help develop this process within the clubs. The choice may be to sign fewer players from the youth academy and focus on those with the 'attitude' required to be successful or to help develop the necessary mental attributes required as well as the technical ones.

Clubs should also look at what happens to the young players that do not fulfil their dream of professional football. Although the thesis does not look explicitly at the academy process the underlying questions remain: What happens to the players released from their contracts? Does the club do enough to promote education to the players, particularly those who have moved from the club academy, to help them prepare for a life beyond football? The figures in this thesis only look at those who make the transition from the Academy to the 1st team. What about the players who do not make that step?

This research suggests that several aspects of the manager's role need to be developed for clubs to be more successful. The selection process appears to be rushed and the available candidates tend to be those recently dismissed by other clubs. By spending more time on the recruitment process clubs would be able to identify and hire the right type of manager for their situation. The manager's role needs to be more clearly defined with the areas of responsibility agreed and performance indicators set. Time and support are required to help

managers develop the necessary skillset. Many other businesses invest in leadership development programmes for their senior staff, should football follow suit? Would a longer-term relationship between clubs and their managers, based on mutual development, see improved performance in the other factors identified here? With performance indicators agreed then the required support could be provided as it is in many industries. With managers benefiting from personal development, this would likely encourage players to seek education as the overall culture of the industry changes away from a short-term anti-intellectual view to a longer-term developmental one.

By adopting the more holistic view to the club represented in this conceptual framework, rather than focussing only on short-term match results, managers and chairman may be able to develop their club collaboratively for long-term success rather than continue on an ever-shortening cycle of uncertainty. The framework has been designed not to stop arguments about football but to make those making the arguments to be better informed.

The conceptual framework could be used in practice to pose a series of questions to football industry participants:

- How is good performance defined within the club? What is the time-frame used to measure this? How does this compare to clubs of a similar size?
- How does the club differentiate between the supporter types? Is attendance increasing within the different categories? Are the community engagement programmes beneficial to all stakeholders?
- How is player development defined? Is the Club Academy producing the necessary calibre of players? If not, what can be changed? Does the club provide a range of development opportunities on and off the field?
- Is the manager's job role clearly defined? Is the manager meeting the required performance measures? Is the manager being given the necessary support to achieve the goals?
- What is the financial impact of progress? Is the club able to sustain the current level of expenditure?

This list of questions is by no means exhaustive but is designed to challenge the existing frames within the industry. The aim of the thesis is to allow new frames to develop within Scottish professional football. To encourage new ways of thinking, the existing frames need to be made tacit so that they can be challenged. This framework is designed to make frames explicit and to encourage reflection within the industry; different combinations of questions could be used to determine the current health of the club and promote longer-term decision making within the industry. Rather than simply focus on wins and losses, although a vital measure of sporting success, more holistic view could be taken by the clubs. The combination of sense-making and problem-solving could help industry decision-makers balance the inherent tension between long and short-term success across all of the constituent parts of the firm. This balance of data and creativity requires a learning environment to be created that allows for the development of individuals. This does not alter the fact that the industry is fuelled by passion and that can only increase the tensions between the various expectations involved. For Scottish football to develop then a new set of frames are required. To paraphrase Michael Lewis, this framework is not perfect but it may be "better than the hoary alternative, rendering decisions by gut feeling" (Lewis 2011 p.136).

8.4 - Limitations of the Study

As was noted in the research methods chapter the project is limited by a number of factors. The use of a convenience sample for the interviews, although from a range of senior roles and clubs, is a limitation. The participants were included in the research because they were accessible rather than being deliberately approached because of a key role within the industry. Also, a wider range of interview participants would have offered a deeper insight into the current frames in use. The research did not interview any current players as part of the research and their views on the development process may have added more detail.

As the project focusses on a small group of clubs within one country there may be limitations on the generalisability of the findings across other sports or markets. The study focuses on those clubs who have been within the SPL for

the full eleven-season review period. The findings may be different if all of the clubs who participated in the competition were included.

As an inductive study there is a limitation on the reliability of the findings as they do reflect the values of the researcher in terms of what can be studied, how the data can be collected and analysed and the findings presented. This is an exploratory study that does not seek statistical significance but, reflecting the purpose of the DBA to contribute to practice, is rooted in the language of the industry.

8.5 - Opportunities for Further Study

The conceptual framework does provide a basis for future studies into the football industry.

> ➢ The framework could be applied to clubs in another country to discover what factors are specific to a given league or to provide a means of comparing clubs across borders.
> ➢ The views of players and managers in the industry could be sought to deepen the understanding of the development process and how it could be improved.
> ➢ The framework could be expanded to include views of fans on clubs as businesses to develop an understanding of the customer relationship process with different types of supporters including those who watch on TV or online.
> ➢ The framework could be used as a basis for training managers in the business aspects of the industry to broaden their understanding of how clubs operate.

As Grusky (1963) noted in his original study, more fieldwork is required to understand the sports industry from a participant's perspective rather than as an outside observer. This study has included some fieldwork to improve the industry relevance of the research. The framework provides a basis for others to follow to increase the knowledge of the sports business.

Appendix 1: Database Design

Table App 1a: Club Data

Category	Title	Description	Comment
On-field Performance	League Position	Team's position in the final league table for the season.	Data held reverses the positions for numerical analysis. 1st place awarded 12 points down to 1 point for 12th place.
On-field Performance	Scottish Cup Round	Cup round that the team exited the Scottish Cup.	See Table 4.8 for coding system.
On-field Performance	League Cup Round	Cup round that the team exited the Scottish Cup.	See Table 4.8 for coding system.
On-field Performance	Season Success Total	Total of League Position, Scottish Cup Round and League Cup Round to determine overall season performance	
Finance	Turnover (£000)	Annual club turnover	
Finance	Wages (£000)	Total wage bill for the season	
Finance	Long-term Debt (£000)	Level of long-term debt from company balance sheet	
Finance	Interest Repayments (£000)	Annual payments on loan interest taken from company accounts	
Finance	Wages /Turnover	Calculated value	
Finance	Interest + Wages/Turnover	Calculated value	
Finance	Average Salary	Total wage bill / number of players in squad	

Created by the Author

Table App 1b: Individual Match Detail

Field	Description	Comments
Unique	Unique identifier for each match	
Season	Season the match took place	
Club	Club to link to Club Detail table	
Match Date	Date the match took place	
Home Team	Designated home team.	
Home Team Score	Number of goals scored by the home team	
Away Team	Designated away team.	
Away Team Score	Number of goals scored by the away team	
Crowd	Official match attendance	
Competition	Competition category to indicate the type match played.	League, Scottish Cup, League Cup or European competition tie.
Result Category	Results were categorised for analysis purposes:	Categories used: Away Defeat – Club lost match away from home Away Draw– Club drew match away from home Away Win– Club won match away from home Home Defeat – Club lost home match Home Draw – Club drew home match Home Win – Club won home match
Manager	Code to link to Manager table	Create to allow specific manager detail to be calculated: home wins, average attendance or goals scored.

Created by the Author

Table App 1c: Individual Manager Detail by Appointment

Field	Description	Comments
Manager Id	Unique identifier for each manager	
Club	Club to link to Club Detail table	
Manager Name	Manager name	
Date Joined	Date signed for the club	
Date Left	Date left the club	
Type	Type of appointment	Caretaker or permanent
Length of Tenure	Number of days at the club	
Season Joined	Became manager in this season	
Season Left	Left club in this season	
Reason Left	Reason given for the manager leaving the club	
Push or Pull	To distinguish between managers who chose to leave and those who were sacked	
In Season	Did the manager leaving during the season or during the summer break?	
Gap	Number of days between the previous manager leaving and this manager signing.	

Created by the Author

Table App 1d: Individual Player Movement Detail

Field	Description	Comments
Unique	Unique identifier for each player contract	
Player Id	Unique identifier for each player	
Signed From	Club signed from	Used to note which players had been signed from Youth Academy
Signing Fee	Fee paid to previous club	Where recorded
Signing Date	Date contract was signed	
Moved To	Name of club the player joined after leaving	
Sale Fee	Fee paid by club joined after leaving	Where recorded
Date Left	Date player left club	
Comments	Used to note where players had moved to a loan club	
Club	Club name to link to Club Detail	
Loan Signing	Temporary signing from another club	Yes or No
Loaned Out	Player was loaned out to another club	Yes or No
Age at Signing	Player's age at signing	Calculated but unused in final analysis
Age When Leaving	Player's age at signing	Calculated but unused in final analysis
Contract Length	Number of days player was signed to the club	Calculated but unused in final analysis
Season Joined	The player signed for the club in this season	Calculated but unused in final analysis
Season Left	The player left the club in this season	Calculated but unused in final analysis
Manager In	Name of manager who signed the player	
Manager Out	Name of manager who allowed the player to leave	

Created by the Author

Table App 1e: Individual Player Appearance Detail by Season

Data	Definition	Comment
Club	Club name to link to Club Detail	
Season	Season identifier	
Player Id	Unique identifier for each player	
Position	On-field position played	As specified by Soccerbase
Number of League Appearances	Number of matches started in the league	
Number of League Substitute Appearances	Number of times listed as a substitute in the league	
Number of Goals in League	Number of goals scored	Collected but unused
Number of Scottish Cup Appearances	Number of matches started in the Scottish Cup	
Number of Scottish Cup Substitute Appearances	Number of times listed as a substitute in the league	
Cup Goals	Number of goals scored in the Scottish Cup	Collected but unused
League Cup Appearances	Number of matches started in the League Cup	
Number of League Cup Substitute Appearances	Number of times listed as a substitute in the League Cup	
LC Goals	Number of goals scored in the League Cup	Collected but unused
Age at Season Start	Player's age at the season start	Calculated but unused in final analysis
Loan In	Temporary signing from another club	Yes or No
Loan Out	Player was loaned out to another club	Yes or No

Created by the Author

Table App 1f: References for Managers Leaving

Club	Manager Name	Date Joined	Date Left	Source
Aberdeen	Ebbe Skovdahl	01-Jun-99	05-Dec-02	(BBC, 2002a)
Aberdeen	Steve Paterson	11-Dec-02	24-May-04	(BBC, 2004)
Aberdeen	Jimmy Calderwood	28-May-04	25-May-09	(The Guardian, 2009)
Aberdeen	Mark McGhee	12-Jun-09	01-Dec-10	(BBC, 2010a)
Dundee Utd	Paul Sturrock	05-Sep-98	07-Aug-00	(BBC, 2000a)
Dundee Utd	Alex Smith	08-Aug-00	07-Oct-02	(The Scotsman, 2002)
Dundee Utd	Paul Hegarty	07-Oct-02	30-Jan-03	(The Telegraph, 2003)
Dundee Utd	Ian McCall	30-Jan-03	14-Mar-05	(UEFA, 2005)
Dundee Utd	Gordon Chisholm	14-Mar-05	10-Jan-06	(DUFC, 2006)
Dundee Utd	Craig Brewster	16-Jan-06	30-Oct-06	(Fraser, 2010)
Dundee Utd	Craig Levein	30-Oct-06	23-Dec-09	(BBC, 2009)
Hearts	Jim Jefferies	01-Aug-95	08-Nov-00	(BBC, 2000b)
Hearts	Craig Levein	01-Dec-00	29-Oct-04	(The Guardian, 2004)
Hearts	John Robertson	03-Nov-04	09-May-05	(BBC, 2005a)
Hearts	George Burley	30-Jun-05	21-Oct-05	(BBC, 2005b)
Hearts	Graham Rix	08-Nov-05	22-Mar-06	(BBC, 2006)
Hearts	Valdas Ivanauskas	22-Mar-06	23-Oct-06	(The Guardian, 2006a)
Hearts	Valdas Ivanauskas	01-Dec-06	02-Mar-07	(The Guardian, 2007)
Hearts	Anotoly Korobochka	02-Mar-07	01-Jan-08	(BBC, 2009a)
Hearts	Stephen Frail	01-Jan-08	11-Jul-08	(BBC, 2008)
Hearts	Csaba Laszlo	11-Jul-08	29-Jan-10	(BBC, 2010b)
Hearts	Jim Jefferies	29-Jan-10	01-Aug-11	(Murray, 2011)
Hibernian	Alex McLeish	11-Feb-98	11-Dec-01	(BBC, 2001)
Hibernian	Franck Sauzee	14-Dec-01	21-Feb-02	(BBC, 2002b)
Hibernian	Bobby Williamson	25-Feb-02	20-Apr-04	(Robertson, 2004)
Hibernian	Tony Mowbray	24-May-04	13-Oct-06	(The Guardian, 2006b)
Hibernian	John Collins	31-Oct-06	20-Dec-07	(BBC, 2007a)
Hibernian	Mixu Paatelainen	10-Jan-08	08-Jun-09	(BBC, 2009b)
Hibernian	John Hughes	08-Jun-09	04-Oct-10	(BBC, 2010c)
Hibernian	Colin Calderwood	18-Oct-10	06-Nov-11	(McLauchlin, 2011)
Kilmarnock	Bobby Williamson	07-Dec-96	25-Feb-02	(UEFA, 2002)
Kilmarnock	Jim Jefferies	28-Feb-02	11-Jan-10	(The Guardian, 2010)
Kilmarnock	Jimmy Calderwood	12-Jan-10	31-May-10	(BBC, 2010d)
Kilmarnock	Mixu Paatelainen	01-Jun-10	31-Mar-11	(Barnes, 2011)
Motherwell	Billy Davies	14-Oct-98	18-Sep-01	(The Guardian, 2001)
Motherwell	Eric Black	16-Oct-01	24-Apr-02	(Forsyth, 2002)
Motherwell	Terry Butcher	24-Apr-02	17-May-06	(Nisbet, 2006)
Motherwell	Maurice Malpas	18-May-06	01-Jun-07	(BBC, 2007b)
Motherwell	Mark McGhee	18-Jun-07	29-Jun-09	(BBC, 2009c)
Motherwell	Jim Gannon	30-Jun-09	28-Dec-09	(BBC, 2009d)
Motherwell	Craig Brown	29-Dec-09	09-Dec-10	(BBC, 2010e)

Created by the Author

Appendix 2: Significant Transfer Fees by Club

Club	Season Left	Player Name	Signed From	Moved To	Sale Fee	Age at Signing	Age When Leaving
Aberdeen	2006/07	Russell Anderson	Trainee	Sunderland	£1,000,000	18	29
Aberdeen	2010/11	Chris Maguire	Youth	Derby County	£400,000	16	22
Aberdeen	2011/12	Richard Foster	Trainee	Bristol City	£250,000	18	27
Dundee Utd	2000/01	Jason De Vos	Darlington	Wigan	£500,000	24	27
Dundee Utd	2005/06	Mark Wilson	Youth	Celtic	£500,000	16	22
Dundee Utd	2007/08	Barry Robson	Inverness CT	Celtic	£1,250,000	25	30
Dundee Utd	2011/12	Scott Allan	Youth	West Brom	£300,000	19	21
Hearts	2000/01	Gary Naysmith	Whitehill Welfare	Everton	£1,750,000	18	22
Hearts	2001/02	Colin Cameron	Raith Rovers	Millwall	£1,750,000	24	29
Hearts	2002/03	Antti Niemi	Rangers	Southampton	£2,000,000	27	30
Hearts	2005/06	Rudi Skacel	Marseille	Southampton	£1,600,000	26	27
Hearts	2006/07	Paul Hartley	St Johnstone	Celtic	£1,100,000	27	31
Hearts	2006/07	Craig Gordon	Trainee	Sunderland	£9,000,000	18	25
Hearts	2007/08	Andrius Velicka	FBK Kaunas	Viking	£1,000,000	27	29
Hearts	2007/08	Roman Bednar	Mlada Boleslav	West Brom	£2,300,000	22	25
Hearts	2008/09	Christophe Berra	Youth	Wolves	£2,300,000	18	24
Hearts	2010/11	Lee Wallace	Trainee	Rangers	£1,500,000	17	24
Hearts	2011/12	Eggert Jonsson	Fjarðabyggð	Wolves	£250,000	18	24
Hibernian	2001/02	Ulises De la Cruz	Depotivo U	Aston Villa	£1,500,000	27	28
Hibernian	2001/02	Ulrik Laursen	OB Odense	Celtic	£1,500,000	24	26
Hibernian	2005/06	Garry O'Connor	Youth	Lokomotiv Moscow	£1,600,000	16	23
Hibernian	2006/07	Kevin Thomson	Youth	Rangers	£2,000,000	19	23
Hibernian	2006/07	Scott Brown	Youth	Celtic	£4,400,000	17	22
Hibernian	2006/07	Ivan Sproule	Non league	Bristol City	£500,000	24	26
Hibernian	2006/07	Steven Whittaker	Youth	Rangers	£2,000,000	18	23
Hibernian	2007/08	David Murphy	Middlesbrough	Birmingham	£1,500,000	20	24

Club	Season Left	Player Name	Signed From	Moved To	Sale Fee	Age at Signing	Age When Leaving
Hibernian	2008/09	Steven Fletcher	Youth	Burnley	£3,000,000	17	22
Kilmarnock	2010/11	Conor Sammon	Derry City	Wigan	£600,000	21	24
Kilmarnock	2010/11	Craig Bryson	Clyde	Derby	£350,000	21	25
Motherwell	2000/01	Steve McMillan	Troon Juniors	Wigan	£550,000	17	25
Motherwell	2000/01	Lee McCulloch	Cumbernauld Utd	Wigan	£700,000	17	23
Motherwell	2003/04	James McFadden	Youth	Everton	£1,250,000	16	20
Motherwell	2003/04	Stephen Pearson	Youth	Celtic	£350,000	18	22
Motherwell	2006/07	Scott McDonald	Free Agent	Celtic	£700,000	21	24
Motherwell	2008/09	Paul Quinn	Youth	Cardiff	£300,000	17	24

Created by the author using Soccerbase data

Appendix 3: Significant Transfer Fees for former Youth or Academy Players

Club	Date Left	Player Name	Moved To	Transfer Fee	Age at Signing	Age When Leaving	Loaned Out	Total Games Started	Substitute Appearances
Aberdeen	27/06/2007	Russell Anderson	Sunderland	£1,000,000	18	29	No	201	8
Aberdeen	30/06/2011	Chris Maguire	Derby County	£400,000	16	22	Yes	85	67
Aberdeen	13/01/2012	Richard Foster	Bristol City	£250,000	18	27	Yes	182	59
Dundee Utd	16/01/2006	Mark Wilson	Celtic	£500,00	16	22	No	129	7
Hearts	08/08/2007	Craig Gordon	Sunderland	£9,000,000	18	25	Yes	161	1
Hearts	02/02/2009	Christophe Berra	Wolves	£2,300,000	18	24	No	126	14
Hearts	21/07/2011	Lee Wallace	Rangers	£1,500,000	17	24	No	134	22
Hibernian	07/03/2006	Garry O'Connor	Lokomotiv Moscow	£1,600,00	16	23	No	133	30
Hibernian	30/01/2007	Kevin Thomson	Rangers	£2,000,000	19	23	No	84	9
Hibernian	29/05/2007	Scott Brown	Celtic	£4,400,000	17	22	No	120	10
Hibernian	01/08/2007	Steven Whittaker	Rangers	£2,000,000	18	23	No	147	19

Club	Date Left	Player Name	Moved To	Transfer Fee	Age at Signing	Age When Leaving	Loaned Out	Total Games Started	Substitute Appearances
Hibernian	30/06/2009	Steven Fletcher	Burnley	£3,000,00	17	22	No	131	52
Motherwell	01/09/2003	James McFadden	Everton	£1,250,00	16	20	No	58	12
Motherwell	09/01/2004	Stephen Pearson	Celtic	£350,000	18	22	No	75	13
Motherwell	04/07/2009	Paul Quinn	Cardiff	£300,000	17	24	No	168	13

Created by the Author from Soccerbase Data

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