

FBIN 25

MAGAZINE

January 2022





Sharing ideas, best practices, knowledge and experience within the FBIN framework, will empower our effort to evolve and become even stronger in the football market outside the four lines of the pitch.

Minas Lysandrou
CEO
OFI Crete F.C.



FOREWORD

Usually, the fourth magazine of the year is not published in January of the following year. That's new.

And that's only one thing that's new. And probably the least important. Much more interesting is the fact that the digital editions of FBIN Magazine are now available free of charge. Simply register at www.footballbusinessinside.com and read or download them at no cost

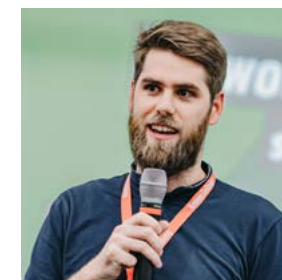
And that brings us to the next topic, our new website. This is a major topic that we have been working on for months and will probably continue to work on for months to come.

I don't want to write too much more about it, you can read details about the new FBIN website on page 46.

There are also some new members in the FBIN Network - for example OFI Crete FC, PAOK FC and Flowhaven have recently joined the FBIN family. Plus, Overdose as a new Knowledge Partner (see page 29).

In this anniversary issue, the 25th FBIN Magazine, you will again find exciting insights into the football business from (almost) all over the world - articles about the Moldovan league, clubs in Denmark, Croatia, Norway, Spain and the USA, about current hype topics and why more love is needed in sports.

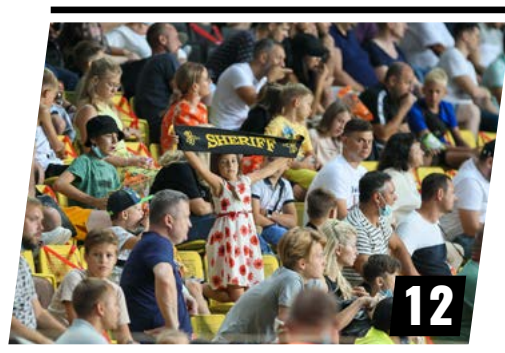
Enjoy the new issue and the new website, and above all, have a great start into the new year!



Thomas Maurer

Founder FBIN

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“IT’S ALL ABOUT PERFORMANCE AND DEVELOPMENT, LOYALTY AND TOGETHERNESS”



In 2017 Bodö/Glimt was promoted to the first tier in Norway. In 2019 they founded the sustainability program “Action Now” and started embracing the UN SDGs. And in 2020 the club became Norwegian champion for the first time ever. We talked to Tom Steffensen, Head of Marketing and Sales about this development, how Bodö/Glimt focused on sustainability and became more relevant than ever before.

By Thomas Maurer

Bodö/Glimt wants to be more than a football club. What does that mean for you?

Tom Steffensen: As a football club, or any other sport club or as an athlete, you have a quite unique position in your city or community. Things you say or do gets noticed, and you get a lot of attention, both positive and negative. We hold a place in people’s hearts, a place that we must use with care. Since 2019 we have put this responsibility into a system and started working towards a more sustainable future. Both by addressing our own challenges, and with our partners.

You founded the “Action Now” program. What is this?

Action Now is FK Bodø/Glimt’s sustainability initiative/program, and the partner on the back of our kit. Today we have two main partners of Action Now, and eight sustainability ambassadors that we work close with on developing Action Now. The main goals with Action Now is to increase knowledge among the population and the business community about the UN SDG’s, build strong communities and to encourage Action Now. And as the program name says: We are, and want people and businesses to be action based. We want to walk the talk and do good. And we encourage others to join this grassroots movement that started here in Bodø. We are already seeing the spread of Action Now on a national level, and interest on an international level.

When did you found the program and how did it develop until now?

The program was founded in 2019, but we started working with it in late 2018. The short story is that we were inspired at an open meeting at BDO, one of our main partners for Action Now. The keynote speaker, Tom Houston, had a presentation on how the world was changing,

with a clear focus on the UN SDGs. According to him, organisations and sports teams need to embrace the UN SDGs and join the global movement of development and improvement, to stay relevant. He said something like: Can a football club or sport in general start the biggest grassroots movement for the planet and the people? We headed home, and the ball was moving...

Are other football organisations also contributing to that program?

We share everything we do in Action Now, even the logo. As of now, there are two other Norwegian top clubs that have created their own sustainability program under the name Action Now. That is Kristiansund Ballklubb and Aalesund Fotballklubb. Many other Norwegian clubs has started their sustainability work, many of them inspired by us, but under other names than Action Now. We were also very proud when we heard that a small club in Oslo had printed Action Now with their club logo on the back of their kit. Action Now can be taken both in small and big clubs, and the work is just as important in the small Oslo-club as it is in Bodø/Glimt.

Do you get international recognition for your work, your purpose driven approach?

We are a club in a city above the Arctic Circle, who won the league breaking many records in 2020. We played European giant AC Milan (and sold a player to them after the match) in a qualifier match that same year, which gave us international attention from newspapers from all around the world. Even New York Times. And in almost each and every article, they also mentioned what we do outside the pitch through Action Now. Action Now has been presented and received very good feedback from high up in the UN system. It has also been presented at World Economic Forum in Davos.



Tom Steffensen
Head of Marketing & Sales
Bodö/Glimt

Clubs from countries like Italy, Switzerland, England and even Australia has shown interest for Action Now.

You are embracing the UN's Sustainable Development Goals. Can you tell us how this started?

To be honest, in the start of the 2019-season we didn't have a partner on the back of our kit. And notice the word "partner". We don't use the word "sponsor", only partner. And we are always talking about innovative partnerships. We want to do exciting and ground-breaking actions together with our partners. And inspire others to do the same!

We started the 2019 season with GI ALT (glad, inclusive, ambitious, loyal and trustworthy) – these are the club values- and "for a sustainable future" under GI ALT written on the backs of our shirts. When we went to visit Diadora, our equipment supplier, to talk about getting sustainable fabric for our kits we realized that this was too complicated to explain in English. We needed a name with an international touch. And since the program is action based, and the action needs to take place sooner rather than later – Action Now was born.

You told me that initially you wanted to be more relevant as a club. I think that worked...

Definitely. I am sure that every single employee of the club is proud of being a part of the club. Players as well as staff. One thing is the insane success our first team has had the last couple of years. The other thing is the role the club has taken in the society. We are for sure more relevant for partners, and I would say also for the supporters and the community – so we have had great success both on and of the pitch the last couple of years.

By following the UN SDGs, you are not only

doing good you are also making revenues. How does that work?

First and foremost, the club is much more relevant for our partners now. Earlier, when we more or less begged for money for a sign on the stadium or a logo on our kit. The work we have done with Action Now has made the club even more relevant for our existing partners and has opened the door to many new partners. Our claim is that clubs that don't renew themselves and think partnerships in a less traditional way, will die – or at least slowly but surely become less relevant for both businesses and supporters.

Actually, you even grew during the pandemic – in contrast to most other football clubs. How did you manage that?

We are a club that like to challenge pre-conceived notions and existing belief. We do things our way and make decisions based on our own situation and process, not based on others'. When all the other top clubs in Norway furloughed all or some of their employees in the start of the pandemic, we kept all our employees in work. We asked everyone, including the players, to take a 20% pay cut over for one month. This would not have worked, if everyone had not agreed. In November, when we saw that 2020 would become a good financial year for the club, all employees were paid back the 20% pay cut. We have amazing partners who supported the club through the pandemic, and of course sold Jens Petter Hauge to AC Milan after his brilliant performance at San Siro.

You won the Norwegian championship last year. Your first championship ever. How did this affect your development?

I would of course say that winning the league is a good thing for us who work with marketing and sales, but I would say that the biggest



commercial growth, aside from sporting performance and results, has to do with Action Now. Our long-term partners support us with set amounts no matter if we play in the second tier, if we place 8th or win the league. And for us, that is ok. We will never be so big that we let our partners down because we have become a better team on the pitch. We know that we won't win the league every year, and we know that they will still be our partners if we were to be relegated again.

You were relegated to tier two in 2005, promoted in 2007, went down again in 2009, up in 2013, down in 2016 and up in 2017. It was pretty turbulent. What did you change after the last promotion?

Where do we start!? I think first and foremost it has to do with the culture that has been built, both in the first team and in the club. Prior to the 2019 season the first team threw away key performance indicators on how many goals to score, or how many points to gain during a season. It was, and still is, all about development and performance. Another very interesting point is how close the first team, including both players and coaches work with our mental coach – both as groups and individually. Almost every player in the first team

meets before breakfast to meditate, and they also do yoga. So, I would probably say that the way we have worked with building a strong culture in the club is the most important reason for the change we have seen, together with of course great coaches and players.

How have your revenues changed since then?

As I mentioned earlier, we have eight sustainability ambassadors today, all paying a yearly fee to us. At the most, we have made 50.000-60.000 Euros from our kit partner on our back. Today, the eight sustainability ambassadors in total pays us 200.000 Euros – without displaying their own logo. But displaying the importance of doing good for both people and planet, and in the end also profit. Our revenues has increased with doing good both on and of the pitch, and of course playing in Europe and winning the league helps.

Recently you created a network of the Norwegian seafood industry based on the UN Sustainability Goal #14 "Life below water". How does that work, what is your role?

From 2010 – 2020 we had a cooperation with the fish farming industry. They had a URL to laks.no displayed on our kit, and they met once



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creating relevant content. The symbol to “Life below water” is also visible on our kit, where we earlier had the laks.no URL.

You made it to the Europa Conference League. Can you use the international games as well to spread the message?

Definitely. We are already in quite advanced talks with one of our opponents from the qualifier rounds on a potential multinational partnership around Action Now, and we do present Action Now to the clubs we play against.

You are planning to build the most sustainable stadium in the world. What’s the status quo?

As of now, we have been granted permission to initiate a dialogue with the city councillor to find a suitable location for a new stadium. We want the stadium to be a place with open doors all day, and for the whole region to enjoy and be proud of. We will include other sports and culture, and build the best and the most sustainable stadium possible, together with our regional and national business community. Per now the stadium we are in doesn’t fulfil all the demands set by UEFA, and also not the demands we set on sustainability or club development. It’s also not a secret that playing matches above the Arctic Circle from February until December is not always a comfortable affair, both for players and spectators. On top of that, Bodø is known as a windy city, and Aspmyra Stadion is not “closed” in the corners, and only the two main stands has roof over the seats.

For clubs it’s important to have a strategy, a vision for the future. What is the vision of Bodø/Glimt?

We have an ongoing process with our strategy, as the club continuously is in development. For FK Bodø/Glimt it’s all about performance and development, loyalty and togetherness. ■

a year when we had a match. A good and important partnership for the club, but we wanted to take the cooperation one step forward, maybe even three steps. We asked them if it could be interesting to create a network that works towards achieving the UN SDGs, and specifically goal 14 Life Below Water. They immediately said yes and wanted to include both suppliers and other areas of fishery in the network. It used to be 7-8 partners in laks.no, today we have 18 companies from the seafood industry. They meet twice a year at our games and twice on a digital platform, to discuss challenges they face, and possible solutions. Together. We named the network #actionnow14, and BDO helps us by running the network and

DEVELOPING THE MOLDOVAN CLUB FOOTBALL

With FC Sheriff, the biggest surprise in the Champions League, as their flagship, the Moldovan FA aims to develop the national league. Anatolie Ostap, Competition Development Manager of the Moldovan FA gives insights into the issues, the goals and the future of the Moldovan club football.

By Thomas Maurer



The Moldovan professional football leagues are organised by the Moldovan FA. Can you tell us a bit about the league structure?

Anatolie Ostap: The Moldova Football Championship is divided into three divisions: “Divizia Națională” (top league), “Divizia A” (second league) and “Divizia B” (third league). In the Top League we have 8 teams. The tournament is held in 4 round-robin stages and is held according to the autumn-spring system. The league is „semi-professional”, which means that the regulations allow young players (under 21) to participate in the championship games on the basis of the „amateur contract”. In the second league we have 12 teams with 2 round-robin stages, third league includes 25 participating clubs split in two groups (North and South). These leagues has “non professional” status.

You worked on a new format starting with next season. How will this new format look like? What are the reasons for that reform?

First of all I want to thank our main partners from the UEFA GROW team for the huge support in our league development plan and a new league format is one of the main topics of this development.

The goals of creating a new competition format were to increase the competitive level in the league and to reduce the number of matches with low value, as well as to create a closer connection between the top and lower leagues.

Since this format has not been adopted yet by the executive committee, I can only reveal some of the main aspects.

Championships will be held in two phases. The purpose of the first phase in the top league is to determine the list of the participants for the next phase of the championship and number of the home matches that will play each of the team in the second phase (first 2 teams will play 75% of the games at home but last two

teams will play 75% of the games away). On the second phase of the tournament will be determine the winner and list of the clubs who will participate in the draws of the European cups.

Points earned by clubs in the first phase of the championship are canceled before the start of the second phase.

Also, according to the results of the first phase in the top league, the last two teams in the

When we were launching the championship reform projects, it was clear that we need to start with improving the image and perception of the sporting event.

standings will continue next phase in the second league and will compete for the right to play for the next year in the top league.

You are also rebranding the professional football. Can you tell us a bit more about this project?

More than twenty years, the championship of Moldova has its current name. When we were launching the championship reform projects, it was clear that we need to start with improving the image and perception of the sporting event.

Rebranding helps to show to our football fans, and other stakeholders that the work is held under to create a completely new product, we want to get closer and more understandable to our audience, and at the same time we keep the touch with the history of the domestic



Anatolie Ostap Competition Development Manager, Moldova FA

football.

As well, one of the most important tasks is the commercialization of the league as a product that must meet modern market requirements where the name and logo of the tournament are maximum adaptable under the potential league partners.

Let's talk about the clubs in Moldova. Sheriff Tiraspol is playing in the Champions League. What about the other clubs, how developed are they?

All clubs except FC Balti are private. FC Balti is supported by the Municipality. Sheriff is the most developed club in the league in comparison with other clubs. A well-developed football infrastructure, own football academy, the availability of necessary professional staff and stable funding - all this determines the sustainability and high results of the club both in the domestic arena and internationally.

The situation in other clubs was not so good in the past years. In addition to the Sheriff, there are only 2 clubs in the top league, FC Zimbru and FC Balti, which have their own football academies. The rest of the clubs cooperate

with local football schools. Most of the clubs do not have their own stadiums and facilities for the training camps. Clubs suffer from the lack of professional staff, and most importantly, the clubs did not have long-term development strategies, which entails poor communication with potential partners and insufficient funding, infrastructure development and achieving high results in domestic and international competitions.

But the situation is changing, and we see positive dynamics in addressing issues of club development.

How big are the clubs in terms of employees and budget?

If we talk about how big clubs in terms of the number of employees are, then in some clubs the number of employees does not exceed 4-5 people. Budgets range from 250 to 500 thousand Euros per year. Sheriff's budget is about 10 times bigger.

I would like to note that in recent years, the situation with partnerships and new investments in many clubs has improved, among other things, thanks to the projects implemented by the Football Association of Moldova in the League Development. These are projects of direct and indirect assistance. In addition to intellectual and financial assistance, we improved the competition regulations and a club licensing system. These actions are forcing clubs to work in the different aspects of the club development, such is the development of their own football academies, enhancement relationships with stakeholders and diversification of the funds sources, infrastructure development, and improving the professional level of the club management.

What are the biggest issues for the Moldovan clubs right now?

The biggest challenge for the clubs is stable funding. And if we say that there is a positive

dynamic in the clubs with the creating of the need conditions for attracting new investments and funding sources diversification, then in the general economic situation in the country is not conducive to an increase in the level of interest from the potential sponsors. We need a new clear, economically correct law on sponsorship in Moldova to create the favorable environment for attracting new investments in the development of a football club and in sports in general.

The FA of Moldova closely cooperate with the relevant government ministries with providing necessary research information and statistics to improve a list of laws that will contribute to the development of professional and amateur sports in Moldova.

You are focusing on the development of the league(s). This starts with helping the clubs to develop. What are the main topics, the goals for your work with the clubs?

My job is to develop competitions and create sustainable leagues resistant to various external challenges. A league can't be sustainable without sustainable clubs. In this case, it is necessary to help the clubs in it continue development in such areas as image, infrastructure, professional management, partnership, and sponsorship.

FA Moldova provides maximum support to clubs through staff training programs, implementation of the projects directed to development communication and relationship with their stakeholders.

And I'm responsible for all this. :-)

You told me that there are restrictions by the government that hinder the growth of the clubs – for example a ban of foreign betting partners and 50% tax on sponsorship expenses. Is a change in these guidelines in sight?

Now in Moldova betting activity is under a state monopoly and there is only one compa-

ny operating on the internal market. We are trying to change this situation through permanent communication with the government and relevant ministry, and there are already positive tendencies in this dialogue. Our position on this issue is that the betting market in Moldova needs to be developed by admitting a larger number of betting companies that corresponding the requirements for transparency and loyalty to state.

I described the situation with the sponsorship law a little earlier.

The biggest challenge for the clubs is stable funding.

You recently focused the community, the relationship between clubs and fans and managed to increase the average attendance from less than 500 people to nearly 800 within one year. How did you do that and what are the next goals here?

Developing the club community and improving communication with all stakeholders is one of the priority goals in the club development. Any goal should be measurable to be understandable and to be able to track the progress at any stage of implementation. Stadium attendance is an ideal indicator for monitoring the achievement of the set goal.

Together with our partners from UEFA GROW, we launched the "Community Development Officer" (CDO) project. The main goals of this project are to develop the club community, close work with fans, improve the image of the club, volunteering, match day events and fan experience improving.

Within the framework of this project “CDO” managers were selected for each club. This selection was based on the contest results and interviews with specialists in this field provided by UEFA side. After approving by clubs’ top management, the CDOs were officially admitted to the clubs as employees. The FA of Moldova assumed partly the financial costs for CDOs salaries, and UEFA provided specialists in this field for training, setting KPIs and permanent monitoring of the implementation of the tasks.

In the 2020 we have launched the CDO project in the top league and immediately we faced the pandemic situation. All the championships were stopped. Together with our partners from the UEFA we were needed to make a change in the KPIs for the managers and to find out a new direction of the project development. Finally, we have focused on the club’s social media development and an engagement increasing. And this work was very fruitful. In only 6 month the average number of the subscribers on the club pages have increased with more than 250% with great engagement. To the moment when the championship was restarted with the spectators admitting, each club already had significantly expanded of its community, and it was much easier for CDOs to work with club followers and attract more spectators to the home matches. Clubs become more opened and community oriented.

To raise awareness for the domestic football, you decided to produce all games of the first tier on your own with a professional setup. You provide the signal to several TV channels and stream the games on your own social media channels. Are you happy with the results so far?

High-quality broadcasting of matches is an obligatory part in the league development as a commercial product. Broadcasting helps to solve many tasks such as promoting and raising awareness about the tournament. Developing live broadcasting, we have achieved very good results in improving the image of the tournament. I should note there is no sports TV channels in Moldova. TV channels are focused on other content and there were totally no sports events in their broadcast schedule.

We have done a great job and for two years now, any fan can follow his team matches on TV. In addition, we distribute our content online on the social media platforms. Thus, we provided to the domestic league audience to

In first two years of the project, we achieved the goal that was set for four years, namely, an increase attendance by 100%.

Next goals are the club identity enhancement, fan experience improving, merchandising, leadership and partnership development, club image improving.

We are looking forward for continue project implementation and we are confident in achieving the goals.

You are also helping clubs to improve their digital channels and communication. Do you already see any successes with that?

We need a new clear, economically correct law on sponsorship in Moldova to create the favorable environment for attracting new investments in the development of a football club and in sports in general.



choose the most comfortable way for them to be informed about all the event relevant information.

You can't stop and be satisfied with the achieved results. Continue the movement and setting new goals are the keys to success.

What is the next step in that regard? I guess monetising the games, right?

Yes of course, our next challenge, and perhaps, this is the most important goal to continue live broadcasting development, is monetizing the content and league commercialization in all. We are satisfied with the achieved goals set for the first stage, but now the next challenge awaits us. We want to expand the number of companies interested in live broadcasting, we are open for a title sponsor.

What is the long-term plan for the league and its clubs? Let's say the vision for 2030.

The main goals in the development of the championships, which are indicated in the Development Strategy FA of Moldova, are:

- The image of the championship and an increase in spectator interest in the championship.
- Development of live broadcasting of championship matches and content monetization.
- Development of partnership and monetization of all the rights related to the organization and conduct of the competition. Championship commercialization.
- Full support in the club's development programs through the common relevant projects implementation and higher requirements for clubs in the licensing system.
- Development of the championship through regulations improving and competitive level development.
- Creation of the favorable conditions for the formation of independent and stable Leagues.

The implementation of these goals is our vision of the future of the domestic championships. ■

THE STORY OF FORWARD MADISON FC



In only three years, Forward Madison FC has become a strong part of the local community and became internationally known due to their extraordinary kit designs. Connor Tobin, Community Engagement Manager and active player at Forward Madison talks about the importance of the community, creating traditions and launching their fourth kit in London.

By Thomas Maurer

You created a fourth kit this year and launched it in London. As an American third tier club. What's the story behind this?

Connor Tobin: The story really starts with our outstanding former designer Cassidy Sepnieski. She developed a number of strong kit designs for this season. We felt really good about this particular design, but didn't have space for it as one of our traditional home, away, or alternate kits. So we started thinking about how we could create space for the design. The idea came up of trying to connect people and community by launching a fourth kit that celebrated community. This really started to evolve as an idea once we started thinking involving Classic Football Shirts in the UK. Over the last couple seasons, we have developed a relationship with Classic Football Shirts and mutually we felt that an exclusive kit launch in London would be a wild way to strengthen our partnership. Thus, a American third tier club launching a kit in London!

And there's the beer thing...

Yes, the beer thing! The kit has a QR embed in the design. When you scan this QR, you can purchase a beer for someone attending a Forward match and enter your social media handles. The supporter at the match would receive a free beer and a slip of paper with your social media information. This will allow that person to reach out directly to thank you and to start a conversation. Think like a pen pal idea. We want to use the kit to connect supporters and start conversations

How many kits are you selling per season and how many of this fourth kit did you already sell?

This fourth kit was our second fastest selling kit of the year. We sold over 100 on the first day!

You are already known for special jerseys. What's the reason?

I think this goes back to the fact that we are American third tier club! Financially American soccer at this level is challenging, so we have to maximize our each one of our fan touchpoints. This has pushed us to take risks on kit design to try and create designs that people connect with and can help ensure the viability of the team. Our partnership with Hummel and our ability to sublimate designs has really helped with this.

What's the story of Forward Madison, it's only three years old, right?

The club was founded in 2018 and started play in 2019. It is based in Madison, WI, which is the capital of Wisconsin. It is a progressive college town that loves its sports, beer, and food. The club plays at Breese Steven Field, which is a downtown stadium that was built in 1926 and is blocks from the state capital. As a club, we have tried to connect and embed ourselves in the local community as we grow as a club. So I guess to sum it up, we are a local club that is working on ensuring the club is connected to our community so that we can be a community asset for years to come.

The community plays a huge role in everything you do. How do you include the community and how did that develop in only three years?

We try to include the community in everything we do. This starts with trying to be proactive about thinking about the impact of anything we do on the community. Another massive part of this is ensuring we have a consistent line of communication to our supporters and community so that they can help steer the club's community efforts. None of this is earth

shattering stuff, but it is about being mindful and consistent about including others and thinking about the impact of things on the greater community.

One thing you try to do is creating traditions. How is that possible, can you affect this? As traditions are mainly created by the community, not the club.

American soccer is unique in the fact that many of our clubs are new. Traditions have to be created and built. It is correct that traditions are mainly created by the community not clubs. However, as a club we can create the platforms to empower people and the community to create traditions. So one of the things we try to do is create the possibility for these traditions to be created and then we try to be active in supporting traditions that might be taking root in the community.

How big is Forward Madison already in the city?

The club is certainly growing in the community. On match days we average 3000-4000 people in stadium, but you can see the club's presence throughout the week. You will see people in club gear walking down the street and many homes have FMFC lawn flamingos in their yards. We still have room to grow our presence in the city, but we are off to a good start!

Who are your fans?

We have a very wide range of fans from all walks of life. Our supporters group, The Flock, is actually a collective of affiliated supporter groups and independent fans. Included within the Flock is the Featherstone Flamingos (a supporter group that celebrates and promotes Black Culture), AccessiMingos (a supporter group founded by and for supporters with disabilities), Mingo Ladies (a supporter group that promotes female involvement in the commu-

nity), and La Barra 608 (a supporter group that celebrates Hispanic heritage). In general, our fans really do represent Madison's diversity.

You told me that it's about creating an identity - what does Forward Madison stand for?

Forward Madison identity revolves around celebrating Madison. Madison is a fun, active city, so we as a club have tried to craft an identity that is also fun and energetic! Madison is also a place where people care about their neighbours and well-being, the identity of the club also is wrapped up in trying to enhance the community as a whole.

Do you think Forward Madison has the potential to become one of the big football clubs in the USA – because of strong values, a strong brand and a clear vision? Even not playing in a top tier (yet)?

Given the closed structure of the American soccer pyramid and the inability to be promoted, it is hard to imagine a situation where Forward Madison becomes one of the big football clubs in the USA based on sporting success. However, I think that the club can absolutely become one of the bigger clubs in this country in terms of creating a true community connection and following. Staying true to the identity of the club and its relationship to the greater Madison community can absolutely help drive the club's continued growth.

You also played football in Europe and visited a lot of clubs there. Is Forward Madison looking at European clubs in its development? Focusing very much on fans, strongly rooted in the city and supporting an active fan community?

We are absolutely looking at what clubs do in Europe and around the world as we continue to grow the club here. There are so many great



examples of clubs that focus on their fans and are connected to their communities. As a club, we love seeing these examples because it stimulates ideas and thoughts about how we can continue to evolve what we are doing. That said, we cannot just simply copy things we see European clubs doing, we have to try and understand the essence of what they are doing and then try and bring that essence to the club here and do things in a way that resonates with our community here in Madison.

Who owns the club and what role does the ownership play for setting up and aligning it?

The club is owned by several local individuals and is operated by Big Top Sports Entertainment. Big Top is hands on with their management of the club. In fact, one of the owners is the COO of the club. Having hands on owners helps to align the vision and management of the club.

Are there any international connections or partnerships with other football clubs?

We have a partnership with Eintracht Frankfurt that was formally announced earlier this year. This partnership has allowed for sharing of resources particular as it relates to marketing and youth football. The goal from a Forward Madison end is to continue to grow our under-

standing and ability to create a club that is embedded in our community. There are few clubs better to learn from!

What does the future hold for Forward Madison?

This is a great question. I think the future for Forward Madison holds an ability for this club to truly become a community asset here in Madison. I think if the club can successfully do that, it has the opportunity to impact how other American clubs think about the growing the sport in this country.

Is there a holistic strategy behind all the club's actions – now and in the future?

I think the answer to this is yes and no. Certainly, there is a holistic strategy about how we think and interact with our fans and the community as a whole. However, given that we are still very much in the process of creating something new that hopefully will have staying power, we have to be adaptable and to be responsive to changes around the club and community. This is really about finding a balance between proactiveness and responsiveness. I think the most pivotal thing, whether we are planning or reacting, is getting the underlying ethos of why we do things to be consistently centred around the community. ■

DINAMO ZAGREB'S TOKENS POLICY

How the Croatian giant entered the crypto market with Socios and how the club will use it to connect fans around the globe with the club in Zagreb.

By [Shrey Upadhyay]



300,000 Dinamo Zagreb fan tokens (\$DZG) were sold out in just six minutes at the Fan Token Offering (FTO) on 29 September 2021. The football champion of Croatia launched their fan tokens on the Socios.com app in partnership with the leading global blockchain provider for the sports and entertainment industry, Chiliz. By doing so, Dinamo became the first

club in the region to launch fan tokens on the platform and has now joined the elite company of more than 60 premier sports organizations, including FC Barcelona, Juventus and PSG.

The main intention behind the club's adoption of tokenisation is to provide its supporters new experience, enhance fan engagement, attract

new fans worldwide and instigate a new revenue source through digital channels. At the panel discussion on the topic, 'Tokens, NFTs and how Clubs can open up new digital Revenue Streams' at the FOFBC 2021, Dinamo Zagreb's Digital Innovation Specialist, Mate Naletilić, explained the club's fan token policy in detail.

"Our strategy is to get bigger fan engagement across the token, which gives fans a voice through polls," Naletilić stated. The owners of Dinamo's fan tokens will have access to exclusive content, experiences, chats, games and competitions. Additionally, the fans will be able to participate in polls regarding essential decisions of the club, like choosing a stand's name and selecting the colour and design of the kit. "Before tokens, we didn't do that. We didn't have fan polls where we gave them the power to decide," admitted Dinamo Zagreb's Digital Innovation Specialist. With fan tokens and engagement opportunities like voting, the club aims to make the fans' voices inclusive in crucial decisions going forward. As the first engagement on Socios, the club has asked the token owners to choose one of five club legends to name the main field of Dinamo's football school, the junior field at Maksimir Stadium.

A lot of research is conducted to frame the tokenisation strategy. Various factors such as the club's popularity, fan following, financial goals and stats of equivalent sports organizations on the centralized fan token platform are considered. Finally, after a few rounds of negotiations, a decision in the best interests of both parties is taken. At the FTO, 300,000 \$DZG were released at an initial standard price of €2 per

token. Following the FTO, the price of Dinamo Zagreb tokens is now left to the cryptocurrency market to decide. Despite a total availability of 5 million Dinamo Zagreb fan tokens, no more than 20 tokens can be purchased from a single account. "Some people are using fan tokens as investments. So, there are chances that some people will buy Dinamo fan tokens but don't participate in polls", said Mate. The voting rights of a fan are dependent on the number of tokens they own, with one token equivalent to one vote. By keeping a cap, the club seeks to maintain diversity, higher engagements and ensure that one person or group does not have the majority of the voice. To reward the existing members, the club gifted one \$DZG fan token to every member who applied for it within a time frame and bought at least one \$DZG fan token at the FTO.

As a crypto enthusiast himself, Mate Naletilić saw an opportunity to build up a partnership with Socios. While explaining the series of events from the idea's origin to implementation, he revealed, "Normally Socios contact clubs, but I contacted them because the idea was great for me." After an initial meeting with Socios, the idea was presented to the directors of the club. Blockchain technology is difficult to understand, and Mate faced challenges in convincing the directors and co-workers. However, the project was given the green light as it served two vital purposes. Firstly, it establishes a personal and exclusive connection between the club and fans. Secondly, a fan token is a digital asset that is very crucial for the young audience of the club in the future. Dinamo's present and future fans can own it, trade it and interact with it. By signing the digital partner-



Mate Naletilić Digital Innovation Specialist, Dinamo Zagreb

ship, the club also displayed its openness and readiness to accept new technologies. Dinamo Zagreb has now opened another continuous source of revenue by adopting the latest digital innovation. The club will earn income through the sale of tokens and receive its share in the transaction fee every time a token is traded on the platform.

On the club's decision of choosing Socios over developing their marketplace, the Digital Innovation Specialist said, "Dinamo Zagreb is a big club as far as infrastructure is concerned but not from a human resources point of view when compared to Borussia Dortmund, Bayern Munich, PSG, etc. We have a small team and everyone inside the club has a lot of things to do".

When Mate first thought about implementing tokenisation, he was looking for a solution where the process was not time and resource intensive. "We moved mountains at Dinamo to get licensed by FIFA, Konami PES and Football Manager. We are the first club from the Balkans in those games. We invested a lot of time and whenever we are in such situations,

we are looking for a more partner-friendly solution where we don't need a team of 10 people working on that project", he further added. Working with an established partner saves the organizations from complex legal and governance formalities related to tokenisation. Furthermore, Socios support in creating marketing materials such as press releases and visuals was another attractive proposition. From a user perspective, the most significant advantage of Socios is its ease to use. One can buy Chiliz on the platform using their credit card and with Chiliz they can purchase tokens of different clubs, including Dinamo Zagreb.

Socios has a vibrant community of almost 1.2 million fans across the globe which gives Dinamo unparalleled distribution opportunities. Interestingly, after analysing the data, it was found that the percentage of Croatians was the highest among currently active users on the platform. "There are a lot of Croatians around the world who have lost or didn't have a connection with Dinamo Zagreb. Maybe because of this new means of reconnection there could be something exciting in the near future", Naletilić aspired.

Despite all the advantages, there are some things to consider before introducing fan tokens on Socios. "Socios is not plug and play. You have to do your homework. You have to prepare polls and you have to be creative", cautioned Mate. The fan token prices of some big sports clubs plunged after FTO due to a lack of creativity and engagements on the app. To ensure the success of tokenisation, Mate Naletilić advised clubs to work on engagements so that token owners feel its value, which in return will result in higher token prices and the maximum potential gain for the clubs. ■

5 INSIGHTS



Gianluca Santaniello
General Manager
Venezia FC

Is it important as a football club to transform (more) into a media/content company or a lifestyle brand? How do you look at that based on your club's perspective?

As football is becoming more important in people's daily lives, it is normal that we have to reflect the context in which we live. Our path leads us to be a mix of all this, both media and lifestyle brand, never forgetting that "football" is the core business and the main pillar of all our activities, on and off the field.

Can you describe the process of implementing new non-sports projects at your club? Are you asking your fans for input, do you look at other clubs or industries for inspiration, do you work with market research?

Our Business Intelligence and Operations unit helps executives, managers and workers collaborate to make informed business decisions by allowing them to discover more about trends and processes that are affecting the overall sport and business environment. On the other hand, we receive several daily suggestions from our fans. We read and take track of all the ideas trying to perform feasibility studies of them. One of the most interesting initiatives we work on in the CSR field follows the best-practices of EPL clubs.

What opportunities do you see to attract and bind the younger generation to you as a club – alternative content, content generated by the players on platforms like Twitch, the whole sports development and other ways.

The mix of tradition and innovation is the answer. For example, the potential for virtual reality is enormous for a club like Venezia where 80 percent of our sales is outside Italy. Not all these people are able to travel here for matches, so with this VR app, a club like VFC will break down geographical barriers in order to bring them

closer to the club without having to be physically here. I love the romance of the beautiful game that's why I think one of our biggest missions as football operators is to bring fans back to the stadium with a mix of comfort and technology.

How can football clubs increase their financial stability and sustainability? Do you think it needs fundamental changes within the football system, like closed leagues, a salary cap or similar?

A well-defined salary cap sized on the expected revenues for each club might be an applicable solution. Football will only be sustainable when the single clubs will be self-sustaining, for this to happen it will be necessary for each club to become aware of its potential trying to create talent from their academies. Setting the mentality of the club from the beginning must be the basis from which to start. Our business is the "business of talent".

What trends do you see developing in the next 3 years in terms of new commercial opportunities for football and especially your club? Are there any new projects you are currently developing?

Three years is a relative short lapse of time but in post-modern football I'm pretty sure we will see the passage from the current fan-token and crypto-based sponsorship deals to a proper and concrete execution of projects based on blockchain technology. Blockchain could completely re-shape the sport environment. Since the advent of blockchain technology, the role of intermediaries has been severely challenged, this technology has been reshaping information security and trust mechanisms and traditional services in which intermediary's roles seem untouchable: thanks to smart contracts, they won't be anymore, and clubs and fans both will benefit. ■

HOW TO MARKET YOUR FOOTBALL CLUB WITH PERFORMANCE MARKETING

By Michael Weidinger



Michael Weidinger Performance Marketing, Overdose

If you're a football club or sports business, you'll already know that content marketing is key for transforming the reach of your brand and the engagement people have with your message. It can drive your social media and give people messages to share that push your name through their own social networks.

Performance marketing, on the other hand, can drive revenue generation from your core fans, light fans, tourists and sponsors. It's the perfect channel to promote B2C products of football clubs, like merchandising, tickets, memberships, football camps and promotion of events.

What Exactly is Performance Marketing?

The Performance Marketing Association defines performance marketing as "online marketing and advertising programs in which advertisers and marketing companies are paid when a specific action is completed." Actions registered by performance marketing may, for example, include clicks on display ads, the registration for a newsletter or the purchase of a

football shirt in an online shop. This way, the marketer is assured that their marketing budget is well spent since they're paying only for actions that lead to conversions.

What benefits does performance marketing have?

The biggest advantage of performance marketing is the measurability of all marketing campaigns. Since performance marketing is based entirely on measurable results, optimising and adjusting your goals and every aspect of your campaigns, ads, targeting and messaging happens much faster. This kind of transparency does not only prove to be helpful when budgeting and making plans as a team but is also highly convenient when trying to set new objectives or just trying to reach existing marketing goals.

Because data is at its foundation, with performance marketing, you can connect the success of marketing campaigns to objectives based on conversions, such as sales or leads. This allows you to know what the real benefit of the cam-

paign was and adequately evaluate the return on ad spend (ROAS), and as a consequence, you can better manage your budgets.

What does performance marketing cost?

In traditional marketing, marketers pay upfront to purchase a certain amount of reach. However, the fee paid had no direct relationship to the results the marketing might have produced. By contrast, the essential aspect of performance marketing is that you only pay for achieved actions. Performance marketers are constantly optimizing, tinkering, and trying new things, so that possible failures can be easily avoided and the budget investment is used cost-efficiently. The most popular pricing model used within digital advertising with many ad formats, including Facebook Ads and Google Ads, is the Cost-Per-Click form (CPC). Also known as pay per click, CPC means advertisers pay whenever and only if their ad will be clicked. More specific pricing models such as Cost-per-Sale (CPS) or Cost-Per-Acquisition (CPA) will vary depending on which online channel you choose, so bear that in mind.

Performance marketing disciplines

In performance marketing, each discipline and channel is slightly different, meaning performance marketing has to be adjusted to the demands of all used platforms. Where one football brand chooses to use just one or two channels in one discipline, another will use several channels in various disciplines to meet all their online marketing goals.

The ideal performance marketing disciplines and channels are always dependent on your business objective, marketing goals, target audience and ads. This means that the right approaches and strategies always need to be individually selected and adapted.

Here are the most crucial disciplines that enable successful performance marketing strategies.

Search engine advertising (SEA)

Search engine advertising allows you to advertise and promote your products and services to users with search-relevant keywords. So, when users search a keyword, like "real madrid shirt" on google.com or bing.com, they get their query results on a search engine results page (SERP). Those results can include a paid text ad that targets that keyword. You won't be paying for displaying the ads on the search engine. You only pay for the actual results of the campaigns in the form of clicks and conversions. Sometimes SEA is confused with search engine optimization (SEO). While they can work hand in hand, they're distinct methods.

Display advertising

With Display advertising, football clubs can reach out to potential customers by placing relevant display ads on third-party websites and apps. Display ads combine a URL to your website and images, videos, audio or animations delivered on various end devices such as desktop PCs, tablets, smartphones or digital billboards on underground railways, in airports

OVERDOSE BECOMES A KNOWLEDGE PARTNER OF FBIN

The international digital commerce anti-agency, agency adds expertise in topics like eCommerce and performance marketing to the service portfolio of FBIN's Knowledge Partners.

As an anti-agency agency, the whole team from Overdose aims to ensure healthy and long-term growth for their clients. To ensure the best possible outcome for each client they work with an agnostic and holistic approach always focused on delivering accelerated outcomes through bespoke strategies and deep empathy.

Since 2016 Overdose has grown out to a team of more than 350 international experts with industry-defining capability across Strategy, Experience, Technology, Marketing, Search & Data. Their mindset is applied across all departments, from complete system implementations to individual performance marketing campaigns which is why they are eager to ensure the growth of branding processes and ongoing education for football organisations within the cooperation with FBIN.

Members of the FBIN Network can now draw on Overdose's extensive expertise in the digital commerce sector, for example in performance marketing, UX/UI and SEO.

A big focus is on the joint creation of content, so there will be regular articles by Overdose on relevant commerce topics on FBIN's channels. Furthermore, reports and video tutorials

are planned, which will be exclusively available to FBIN Network members in the Content Hub.

A digital power session on performance marketing for football organisations is also scheduled for early next year. Registration for the free online session will soon be possible at www.footballbusinessinside.com/events.

Thomas Maurer, founder of FBIN says: "With Overdose, we have found a great Knowledge Partner who, with their extensive knowledge of the digital commerce sector, will offer incredibly valuable services to our FBIN Network Members."

"I am looking forward to working with the innovative and motivated team at Overdose. Together we will constantly develop the offer for network members and create new services."

"Football is one of the most emotional sports in the world. Every club is its own unique brand. As Overdose we want to educate the club management on the latest trends and technologies in the e-commerce & performance marketing industry. Get things done to create an emotional bonding with the fan base," says Stephan Grad, Strategic Director EMEA, Overdose Digital. ■

and public places. The primary goal of display advertising is to increase brand awareness and reach. If you use retargeting with your display ads, you can also incorporate audience data into your message and offer to focus more on conversion-driven goals.

To start using display advertising, you have to work with an ad network to reach customers. You tell the sales or account manager of the ad network what kind of audience group, region, language and placements you want to target with your display ads, and they take it from there. The ad network will then serve your display ads to users who fit your requirements and visit websites that have opted into their ad network. Ideally, a user who matches your requirements, clicks on your ad, goes to your website and then converts into a paying customer. That's the whole display advertising process in a nutshell. However, display ads and video ads can also easily be placed via Google Ads and YouTube Ads as well as other freely accessible online services.

Social media advertising

Social media advertising is essentially just another form of display ads with a native integration into the platform. Platforms such as Facebook, Instagram, Pinterest, TikTok, Twitter and LinkedIn are programmed to target specific audiences based on their network, affinities and interests, among other factors. As a result, social ads effectively get your message to your intended audience quickly and effectively. But be aware that you can only reach users specific to the social platform you are advertising on.

Affiliate marketing

Affiliate marketing is a highly performance-oriented marketing discipline since the marketer incentivizes publishers to promote their prod-

ucts and services in return for a commission. The publisher then receives a commission for every sale, lead or click generated by the affiliate links or affiliate ads on their site. Commissions are typically a percentage of the sale price but can occasionally be a fixed amount. The higher the commission, the greater the number of high-profile publishers you'll have pushing your service or product.

Who should consider performance marketing?

Any football club, league and sports association looking to advertise online will find performance marketing methods extremely viable as the techniques themselves are scalable. Regardless of whether your brand is small, medium-sized or large, you will profit from performance marketing. The budget can be individually determined, allowing even those with smaller budgets to target the right users and achieve positive results.

In general, performance marketing is a way to expand the marketing scale of (almost) every sport brand. Nevertheless, in the beginning, it's crucial to develop a comprehensive digital marketing strategy rather than just focusing on one aspect of performance marketing. Furthermore, please be aware that performance marketing requires a constant and continuous optimization of all your marketing campaigns to receive the best results. Without the support of a performance marketing agency, this process can be time-consuming and costly. ■

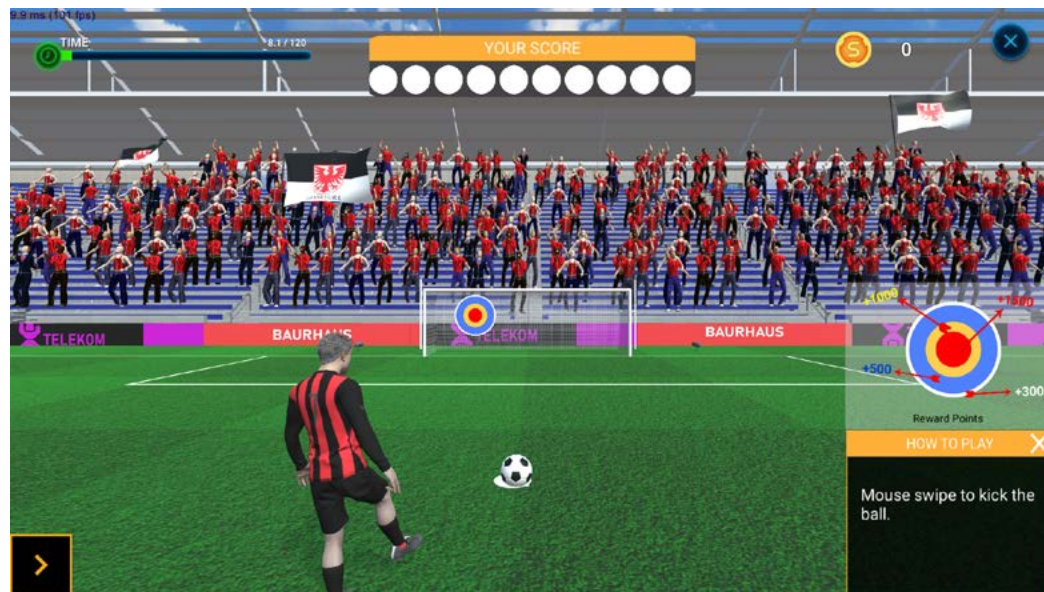
*About Michael Weidinger:
Performance Marketing & Data Director EMEA at Overdose*

Guest article from our Knowledge Partner Overdose

“THERE HAS TO BE A BRIDGE BETWEEN THE VIRTUAL AND THE REAL WORLD”

Andreas Schmidt is founder of Megafan World, a metaverse especially for football fans. In this interview he speaks about the opportunities of the metaverse and NFTs in football and why it is important to link virtual and real world accordingly.

By Thomas Maurer



What is Megafan World?

Megafan World is a 3D world and social media platform for football fans. Football enthusiasts can invite other fans, exchange information on the platform and find out the latest about their favourite club. The customisable user interface is branded in the look of the club if there is a cooperation. With their personal avatar, fans move through a virtual world in which, in particular, the stadium surroundings and important fan meeting places of their club are realistically depicted.

Could you also call this Metaverse for football fans?

Yes, exactly, we have now renamed the 3D world to Metaverse because everyone understands it. People are now talking about it all the time. A metaverse is a 3D world in which you can interact with other people and own your own spaces, rooms or land, which can be customised or furnished. This is done with 3D objects or images that are stored as NFT on the blockchain. And all of this is tailored to football fans. Due to the rapid development of the NFT market

and the numerous press reports on the topic of Metaverse with descriptions of the enormous possibilities, we see good chances of winning clubs as partners.

What exactly is the idea behind it, what is the big plan?

In addition to the 3D area - i.e. cities, stadiums, stores and fan rooms - we have now developed a social media platform, basically like Facebook, but personally tailored to the individual fan. After logging in, the platform appears in the colours of the favourite club. We have also implemented an extensive newsfeed that is automatically compiled from numerous sources. In addition to a news profile with a teaser and picture for each club, there is a news ticker, which is placed on the right-hand side of the screen. This can be expanded even further and will eventually result in a “news terminal” for the football fan with a connected metaverse. The big idea behind this is a separate universe for football fans, where it’s all about football. There is nothing like this yet.

How do fans act in it? How can they interact with each other?

Fans can discuss, share reports, like posts etc. on the social media platform, just like on other social networks, with the advantage that the news about the club is already in the newsfeed and can be commented from there and shared on their own profile or in a group. From the platform, the user can also directly visit another fan in his fanroom and see how and with which fan articles (NFTs) he has set it up. A 1-to-1 chat is also possible. You can also walk around in the 3D world, where we currently have two games: one in the city, where you collect points with the mascot of your favourite club and one in the stadium, where the aim is to convert as many shots as possible in the free-kick competition. The ranking is also interesting - depending on the activity in the metaverse, the fan can improve in the social ranking and rise from fan contender to superfan, which is then visible in the profile.

How does Megafan World work from a football club’s point of view?

In principle, we offer the white-label solution of a 3D world and a social medium. The platform can be designed in the colours of the cooperating clubs and the virtual world shows the city and stadium of the club’s hometown in 3D. This increases fan loyalty. In addition, it is possible to include the club’s sponsors in the 3D world. The club receives a share of the revenue from the sale of digital fan articles or “upgrade fees” for game scenes.

What opportunities are there for companies?

The 3D world is particularly interesting for companies or sponsors because we can integrate them prominently into the world with advertising spaces or even their own spaces. In the stadium, for example, at the boards, in the city, for example, the car of the club’s mobility partner could be on the road, and beer from the beer partner could be served. In the city scene, the user currently wins an extension to the game by drinking a beer for 10 cents. However, there are almost endless possibilities for integrating sponsors and companies into the 3D world or the metaverse. Adidas has now also moved into a virtual space in the sandbox; in principle, we offer the same thing, only in a football metaverse.

What is the ideal business case for a club?

Meanwhile, more and more people are willing to spend money on virtual assets. Of course, this is also related to the fact that more time is spent on the computer, playing games in virtual worlds or on social media. You can definitely speak of a paradigm shift, which has been reinforced by Corona in the last one or two years. In football, for example, the game Football Strike comes to mind, where the fan can also shoot free kicks in the stadium, here we have over 200 million downloads for the smartphone, a clear sign of the potential.

An estimate of how the overall market will develop was given in a study by Grayscales, one of the big players in the crypto business. The



authors put the turnover in metaverse and virtual gaming at 400 billion dollars by 2025 and assume that the turnover will even increase to 1000 billion dollars in the following years. It stands to reason that there should be a big slice of the cake for football as well.

Facebook's revenues, which amount to about 50 dollars per active user per year, can also be taken as an indication of the potential. Football clubs that promote a metaverse accordingly and make it known to their fans could certainly achieve this. At Manchester United, where I have some contact with the fan scene, I know that almost every fan has a fan showcase, a fan room or even an extra garden shed just for club stuff. In addition, fans there are willing to spend quite a lot on original merchandising items. There are even fans who will pay a whopping 456,000 euros for the last piece of chewing gum that Alex Ferguson spat on the pitch. At Manchester United, I could well imagine that 100 million fans would actively use a branded social media platform or a metaverse with a virtual



fan room. At \$50 revenue per user per year, that would add up to quite a bit.

In essence, it's about the fact that blockchain technology can reach a broad mass of fans because of the low transaction costs and the possibility of monetising that. Fans are also happy to spend small amounts if the club benefits and they receive small fan merchandise or a fan experience.

An example would be the virtual football match of Lok Leipzig last year, 160,000 spectators were there and everyone paid a small amount for a ticket. For a regional league club, that's already huge.

You also deal with the topic of NFTs. In what form?

We have already launched some football art NFTs, which are available on Tezos, Ethereum or the Stellar Blockchain. Some have also been bought, although we haven't done any marketing at all. For our metaverse, however, we will

need numerous other club items, posters or even furniture and furnishings, so NFTs will also be offered that the fan can buy with a wallet.

For the topic of trading cards as NFTs, there are providers who do this excellently, and we are striving for cooperation. For example, some of the existing NFTs can also be used in our Metaverse, which is relatively easy thanks to blockchain technology. Every club should take a look at what Fanzone has to offer, they do it excellently.

Our concept involves the fan being able to display their NFTs in their fanroom or in another gallery space. The idea is simply that if you collect something, you want to show it to others. Invitees can examine and discuss the NFT collection in the fanroom. Logically, this arouses interest, as virtually everyone who has an NFT or a trading card will share this with other fans. This should start a real dynamic. If you only have the trading cards or pictures in your own wallet, it's like decorating a nice flat but never letting anyone in or inviting them in.

Football clubs and also leagues are increasingly looking at NFTs. What potential does the topic have in football?

The topic of NFTs, trading cards and also fan tokens has become really big in recent months. In this context, you have to take a close look at the corresponding blockchains and tools that make all this possible. We have seen a rapid development here, especially in the last few months. The performance of the blockchains has increased dramatically, while the fees for using the blockchains have fallen drastically. At the same time, the range of wallets, marketplaces and payment service providers that enable the conversion of euros into electronic tokens has increased significantly.

Access is now much easier than it was a year ago. As far as blockchains are concerned, the Ethereum blockchain is not suitable for mass op-

eration; here, only a few transactions can be processed per second; moreover, the costs for an NFT transaction have exploded to over 100 dollars in some cases.

Blockchains that will lead the whole area towards the mainstream are Flow, Polygon, Tezos and possibly Stellar. Unfortunately, I cannot explain the details here, as that would exceed the scope of the Bible.

In essence, however, it can be said that it makes sense for clubs to become active in the blockchain sector themselves, as Young Boys Bern has now done, which is the right way to go. The NFT offer consists of fan articles in digital form, which the club also offers in the fan shop like the physical fan articles. In addition, a secondary market is automatically available as soon as a digital asset is offered on the blockchain. There are now numerous technical solutions that offer their own NFT marketplace for their own website.

In the next few months, we will have the white-label version of a wallet and a marketplace available with which people can also manage their digital works or items in our metaverse. An association could then also implement this on its website.

If a club promotes and publicises the NFTs just like physical merchandising items, we will address the same target group of fans who currently buy physical fan merchandise, or even significantly more.

Incidentally, St.Pauli has started an interesting approach - with the launch of a matchday NFT as a work of art. This idea can be developed further, I am thinking of matchday scenes as NFTs or short films. In the US, NFTs on individual actions in basketball are already a hit. In combination with other features of the block-



Andreas Schmidt
Founder
Megafan World



chain, for example voting, purchase of in-game items, etc., I can very well imagine that the income of the clubs in the digital area will even exceed the income from television marketing, which may well happen in the next five years.

How can football organisations best combine the real and the digital?

That is exactly the point. There has to be a bridge between the virtual and the real world. For one thing, it is important to have easy access to the virtual currency or a digital account. In addition, the main digital currency should not be a token with erratic fluctuations, but a digital euro or comparable stable token that remains stable in value and can be exchanged back for real money at any time.

Further possibilities exist, for example, with digital NFT art in digital NFT posters. We will offer a solution with which one can have an NFT delivered to one's home as a printed poster with or without a frame at the push of a button. The fan then has it in his virtual fanroom, in his physical living room and the "ownership certificate" on the blockchain. The same can be done with other fan articles, for example the latest cap or fan scarf, which are available digitally in a limited edition (e.g. 1000 to 10,000 depending on the club) and can also be ordered directly from the club as a real product by clicking on the NFT in the fan room or in the virtual fan store.

Another point, of course, is that contacts made and maintained virtually can also be maintained in reality. In contrast to a multiplayer game in a fantasy world, we have recreated the real world in 3D (currently Munich and Frankfurt). This alone provides a link to the real world.

Clubs can create a further link between the real and the digital world by means of an incentive system: ideal and real special prizes can be raffled off among fans who are particularly active in the metaverse. These could be, for example, tickets or VIP tickets for a football match or an experience such as a penalty shoot-out against the goalkeeper of the favourite team in the stadium before a match. I could well imagine that several hundred thousand fans would like to take one from Manuel Neuer in the stadium. Connecting the virtual world with the real world is the big task - but also the big opportunity. ■

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ALL WE NEED IS LOVE.

The three established and inter-dependent goals of any sports institution should be sport, business – and love. Let’s think about that.

By Holger Boyne,
Head of Digital at Eintracht Frankfurt

Everyone contributes to the image of a club. We have a relationship with lots of parties, from the traditional press to the rights holders but now, there are lots of new and different parties, such as influencers, podcasters, bloggers and places to post individual opinions. And that’s a good thing. This new experience has gathered a lot of speed, becoming more visual, digital, asymmetric, liberal, unstructured and broader across many channels and formats. If you don’t communicate yourself, others do it instead and if you are untrustworthy, people notice immediately.

A strong, multi-faceted and holistic experience increases the love every observer feels. This creates the premise for all derived business models, especially partnering (B2B) and commerce (B2C) - combined to a holistic approach called business-to-fan (B2F). This is exactly what we must always be aware of, especially at a time when we need to reconsider how we see sport and in particular, professional football. My feeling is that there is unnecessary

tension here, between the operators and the people, especially in the sports business.

All we need is love.

A sports institution stands for something. You can call it the product or the brand, but I prefer terms such as the essence or identity of the club. The thing that remains once all of the everyday hustle and bustle is removed, and events have settled down over a period of time. The actual reason why people get involved in this ‘club’, is that it’s actually a part of their lives. It can determine why someone is enthusiastic or upset, in complete euphoria or incredibly disappointed. People get into passionate discussions and pay homage to or argumentatively destroy the people involved. It can also give someone an affiliation to a club through membership, merchandise and, of course, events. That is why.

This is also a clear reason why entrepreneurs choose a sponsorship or hospitality package, in addition to objective goals. At every level,

the idea of being a love brand as a sports club is the ultimate driver for any derived return. For clarity, I have developed a simple thought model which places this goal on the same level as the traditional goals. I’d like to share this as food for thought.

The three-pillar model

Sporting success = the actual product

The origin, the product, the basic purpose. This is what we do. This is why we exist as a club, and this is where we put our energy, our dedicated energy. This is where our aspiration should be. But not just here.

Business = the company

The marketing, the finance, the business. This is the prerequisite and basis for achieving the purpose above. Selling in all its forms, innovation and market development, generating value and investment. The monetary energy.

Love = the ‘Eintracht’

The brand and the identity, the emotional and logical reason why. This is the fundamentally equal element of energy and purpose that is frequently too under-appreciated and developed. That is why this pillar is also the focus of an appeal, as this is where today’s greatest opportunity lies.

Don’t talk to me about love...

Why only ‘love’? It’s the right word for the relationship fans build with their club. Even if it sounds romantic, it is much more like commitment, more like being a fan. It goes deeper and defies all plausible arguments, intentions or plans. Love can be extreme, irrational and fanatical. It can also hurt, manifest itself in hate towards players, but can also be incredibly moving, motivating and truly fulfilling, while

bringing joy and happiness too. This is what love means to people or even to a club. There is a synonym that only applies to a few clubs: ‘Eintracht.’ (Eintracht is the historic club name of Frankfurt, and the word means in German unity, peace, harmony, concord.)

Meanwhile, cross-cutting issues such as communication, sustainability, digitalization, globalization, distribution, etc. affect all pillars.

An appeal to empathy

The change in thinking is that this love is a clearly defined goal of the club and not just taken for granted or seen as a means to an end. You get energy into the system like this, but you can also lose a lot of energy. In my opinion, however, this goal is far too under-represented in a club.

Even if sporting success fails to materialise or the financial situation is very poor, the people’s love remains. In the worst-case scenario, the love from the club’s supporters becomes the most essential basis for rebuilding. Especially in extreme times, many crisis management measures are implemented at the expense of this final pillar. Every action has a side effect that must always be taken into account.

That’s why we need more investment in and leadership for the company structures that build and nurture emotional bonds with people. We need more people with a strong EQ to balance and complement the important, rational, strategic planners. We need more empathy with all decisions and conflicts. We need more communication, both among ourselves and with those for whom we do all this. We need more reflection before making our statements and we need more understanding. And we need to be more ‘Eintracht’ with each other.

Football is for everyone – everyone who loves it. ■

“WE WANT TO BE THE MOST SUSTAINABLE CLUB IN DENMARK”

We spoke to Jacob Nielsen, CEO of Aarhus GF about how the club increased its revenue, even invested during the pandemic and why sustainability is so important for them.

By Thomas Maurer

Last year you made it into the global media by placing screens at the stadium so fans could take part via zoom. What impact did this project have on AGF?

It got us on the map - not only in Denmark, but around the world, and it was the culmination

of the great effort we made during the Corona shutdown in Denmark.

The initiative was mentioned over 1,500 times in foreign media during only a month, where the city's name and the club were reported on in media such as CNN and The New York Times. So we were naturally proud to be able to con-

tribute to a great branding and publicity of the city. And after Corona, there were many who said that “AGF had won the Corona Crisis in Danish sport”.

But the most important thing was that we managed to involve and engage the fans, who got a special experience during the Corona shutdown and that our players got a special environment where they could perform.

Basically, how did you cope with the crisis? How did you handle the demands of the sponsors?

That is a big question. Because we did many things and I am proud to say that as one of the only clubs we had progress on the sponsorship side under Corona, which was highly unusual. We were in frequent contact with our sponsor during the shutdown. We created various events and meetings at a distance and digital opportunities. We offered our platforms in dif-

ferent ways, so they could promote themselves even more to our fans. Past and present players became involved in the contact with sponsors. We created a VIP drive-in at home games and when there were again few spectators allowed at the stadium, we created an outdoor VIP area, as you were not allowed to be inside because of Corona. And many other things.

So with imagination, hard work and a determined effort, I think our sponsors will say we did alright under the Corona-shutdown in Denmark.

How important was the support by the Danish government to overcome the crisis?

It was important financially. But otherwise we did not get much help. But due to help packages from the state, we were able to keep our employees and send them home in some periods with the majority of the salary supported by the government.



Photo: Ole Nielsen



So, you even invested during that pandemic period. Why did you do that?

A crisis is an opportunity to show your true face and therefore it is important to continue the work and invest in the future.

You also entered Women's football recently. Why did you do that and what is the status quo of this part of the club?

It is in our basic values that we want to be a club for everyone - also for girls who play football. Now we have a team they can look up to. So it's really a natural extension of the desires we have to take responsibility and be a part of our city and for our surroundings.

A collaboration around women's football with Jutland's two largest clubs on the member side, IF Lyseng and VSK Aarhus, aligns well with our focus on embracing the whole city, and it

helps to brand AGF even stronger both locally and nationally.

It has been important for us to create a sustainable, independent model for elite football on the girls' and women's side - both sportingly, financially and organizationally.

The status is that on the commercial it is progressing with interest from new sponsors and we have the highest average attendance in the league. But we have not been able to fight equally against clubs with a much higher budget in the teams and foreign owners such as HB Køge. So on the results, we are still not there. But it will come. We want to build it up organically with a focus on our own talents from the local area. And then there are no easy shortcuts to success. It's hard work.

But the future looks bright. Both our academy teams U16 and U18 are number one in the national league, so there are many exciting talents on the way.

You doubled your sponsorship revenues over the last 6 years. How is that possible?

That's right. And the short answer is hard work. We have a strategy that we follow and we are some of the best in the league to activate our sponsors between the matches - digitally and with campaigns - in that area we have in recent years made a great effort that has been well received. So it's about making an effort and working hard on the plans we've made. Together with skilled and hard-working employees, these are some of the explanations why we have had such great sponsorship progress.

Also, the attendance is growing. At what average are you now?

11.318. The highest in many years. And we hope that will increase with a new stadium

Can you tell me a bit about the new stadium? I heard it should be ready by 2025.

It will be ready in 2026 and our ambition is that it will be one of the most modern and sustainable stadiums in Scandinavia. In collaboration with the municipality and the city, the project is well under way and we are very much looking forward to it. This is the next step we can take as a club as our current stadium in many ways is not up to date and inhibits our development as a club.

AGF made yearly losses for quite a long time. How is the situation now?

It's good. Our revenue has been increasing for some years now and for the last three financial year we have made a profit.

What is a typical yearly revenue for AGF and how is it divided between the different revenue streams?

The Group's result this year is positively affected by increased sponsorship, TV and transfer income. In addition, the fulfillment of the sporting goal of participating in the Championship play-offs has had a positive impact on the result for the year. Revenue has increased from 16 million Euro to 19 million Euro. Last financial year TV rights were a bit less than 5 million Euro. Sponsorship income increased to 9 million Euro, as well as an increase in other revenues and services to close to 2 million Euro. We also have transfers as an income of course.



Jacob Nielsen
CEO
Aarhus GF

So despite the problems that COVID-19 has set for a large number of our core activities, we can still note the best result in the group's history. This is not least due to the enormous support we have received from sponsors and fans through COVID-19, which at the same time confirms to us that the strategy we follow is the right one in a city like Aarhus with the demographic and commercial conditions we have. I am particularly committed to the fact that in a difficult market again this year we can enjoy a record high sponsorship turnover, at the same time as we have equipped sportingly both in the A-team and in our talent academy.

What role does the digital transformation play for the club?

A big part. We have been shifting from a traditional based club on the communication and activation to a more digital approach. As I mentioned, we are good at digital in the B2B field. But also with our fans, where we have one of the league's best club TV and where we work a lot with data in communication with fans.

Digital is a key topic in your strategy. What other key topics did you define?



Sustainability. We have a clear strategy that we want to be the most sustainable club in Denmark and thus use our platform to create positive change and take the lead in the climate issue. That is a huge part of our CSR strategy. But we are also looking into even more community work. It's an area where we can make a big difference for our fans, for the city and for the local area. We have always spent a lot of energy on this, but we will focus even more on that in the coming years.

And then data and increased digitization, where we need to be even better in those areas of our marketing and in the engagement with the fans and our audience.

Why did you define these topics as important for AGF?

Because they are based on our core values as a club.

You started an elaborate strategy process in 2015. What was the outcome back then and are you still working with that strategy – constantly developed of course?

Yes, of course. We are still working tirelessly with the strategy and are constantly looking forward to the new challenges. A lot has happened with our club since 2015, but we have a long way to go and we will always do better. It's in our DNA - the hard work. We must never rest and become complacent. There is always something to do and we can always do better.

What are the goals of AGF for the next five years?

The overall goal is to create a profitable business - including creating value for shareholders, partners and other stakeholders. Every year, AGF must be in the top six play-offs. The specific sporting goal is defined after each season, but the following goals have been set towards 2025: By 2025 at the latest, AGF must have won medals in the Superliga at least twice. By 2025 at the latest, AGF must at least once be qualified for a European group stage. In 2025, AGF shall continue to be the most winning club in the Cup, and as a minimum achieve the 10th cup title. And of course a new stadium in 2026. ■

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LEGIA'S JOURNEY TO DIGITAL MATURITY

Legia Warszawa is the most honoured club in Polish football history, standing with 15 Ekstraklasa Champions titles and 19 Polish Cup titles. Apart from dominating Polish football, the club is also excelling in technological advancement and treats it as one of its top priorities. Let's dive into Legia Warszawa's digital transformation journey!

By Joachim Stelmach

Legia's challenge

One of the biggest challenges that football clubs (or sports clubs in general) face in today's world is adequate digital transformation to adapt to new conditions in the market. What has changed in the football industry? The COVID-19 pandemic and Generation Z engagement issue prove that a football club is no longer just a sports team, but plays a massive role in the entertainment industry and competes against other media giants.

Legia Warszawa's challenge was no different. With the pandemic restrictions of closing down of the stadiums, Gen Z's falling engagement and growth of other non-football projects, the club required a set of tools, e.g.

- to build effective social media communication across many media channels,
- to accommodate both football and non-football content, and allowing its smart and easy management,
- to sell tickets, provide online fanstore to the supporters, run loyalty programs, implement solutions based on tokenisation and collect GDPR consents from their consumers.

As a solution to the problems, TISA Group proposed the implementation of UMPIRE, BRISK and WICKET tools. Let's take a closer look at them.

Managing tons of engaging content

UMPIRE serves as a content management system (CMS) for the club's new website and mobile app, which TISA Group has delivered in 2019/2020. Legia Warszawa required a platform that would accommodate the management of both football and non-football content. Outside of football, Legia also actively pursues other areas of sport, including volleyball and basketball, but also runs a charity foundation and children activities.

UMPIRE's flexible grids and modules designed for various types of content provide accessible building of fan engagement by sharing football, non-football and lifestyle content. The editorial team can publish video and photo content, products etc., with speed and agility. Creating new modules or modifying existing ones has never been much easier!

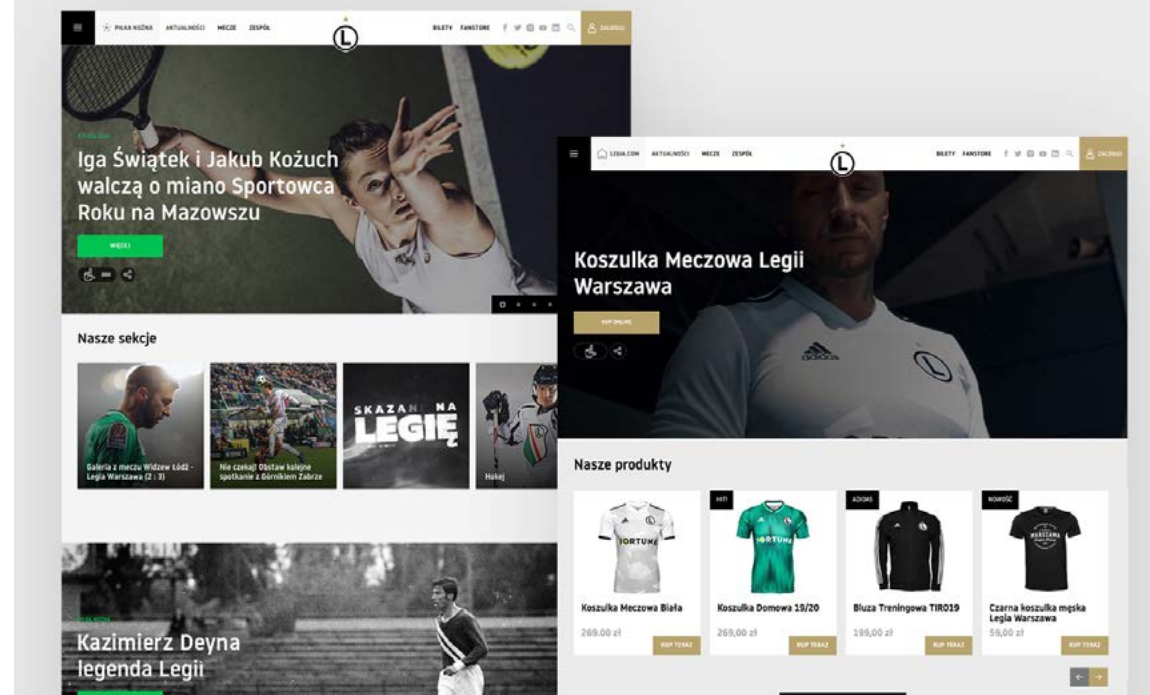
The implementation of UMPIRE as the new integrated content management platform has been a significant digital step for Legia and allowed the club to grow its community, delivering more diverse content and engaging, per-

sonalised fan experience via the website and mobile app.

Creating engaging content within seconds

Legia Warsaw was looking for a solution to build an effective social media communication that would allow Legia to simultaneously share posts across their various media channels using pre-prepared templates. Legia wanted to uniformise their shared content with their existing visual identification to build fan engagement. BRISK introduces features such as producing stunning visual and interactive content in an instant. By automating the publication process and integrating it with the club's match centre, fans will receive match updates on their social media feeds. When connected with other TISA products, e.g. UMPIRE, BRISK presents automated information flow about the match, players or stats.

Since its implementation in July 2021, Legia Warszawa has used BRISK features to a huge extent, including pre-match, live and post-match posts and updates of Polish Ekstraklasa and UEFA Europa League matches, but also beyond matchday posts regarding Legia's players birthdays and other events.



The success of capturing and using first-hand data

Legia needed to collect, store, integrate and classify first and third-party data in order to enhance and personalise communication with their fans. TISA came up with a solution tailored to their needs - WICKET, a customer identity and access management (CIAM) tool.

In the case of Legia Warszawa, WICKET helps with:

- Integrating data from FanStore, ticketing system, fan account, website & mobile app - all in one place!
- Managing the ticketing system based on the wallet assigned to the fan account.
- Transferring data to external vendors such as Salesforce.
- Running a loyalty program for supporters.
- Gathering and managing GDPR & other legal consents from supporters in one place.
- Establishing ALM [Access Level Management] so that the exclusive content is visible only to the people with the right permits.
- Preparing a special marketplace & wallet for Tokens created by Legia.

Legia Warszawa has successfully implemented WICKET. The integration of data between the website, mobile app, fan account, FanStore, ticketing system, and Salesforce leads to enhanced decision making by various departments in the sports club.

Conclusion

Legia Warszawa's digital transformation has proved to be a successful process leading to the expansion of Legia's online presence and the improvement of its online resources. However, there's more yet to come, as digital transformation is a continuous process!

Any sports club or organisation that wants to play a significant role in providing entertainment to the masses will need to adapt to the current circumstances and needs. The earlier you do it, the greater your advantage over others! ■

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We have launched a new website – and this is what it offers.

We've been working on it for a long time and we are not finished yet. But as of now, our new website is online. With many new functionalities - which are constantly being expanded.

One of the most significant additions is the log-in area for FBIN Network Members, Magazine Subscribers and registered users. This area will be continuously expanded over the next few weeks and months and will become the central hub for our communication with all registered users.

Members of the FBIN Network - we have merged the former FBIN Network with FBIN Personal and at the same time created three sub-categories, the FBIN Football Network for clubs, leagues and associations, the FBIN Business Network for companies, start-ups and investors and the FBIN Personal Network for all individuals - will furthermore have full access to the new Content Hub. This includes all FBIN content and additional curated content from external sources. Network members can read and download all FBIN Magazine issues and

reports, find all news and podcast episodes and access all videos from previous events and from our Knowledge Partners.

Extensive filtering options are available, as well as the ability to add items from the Content Hub to a private list and save them for later.

Organisations that are members of the FBIN Network can create any number of individual accounts. Each member of staff can then access all content themselves, search for content at any time and create a favourites list.

As of now, the website is also linked to our shop, and the same credentials apply. So anyone who registers on the website automatically creates a shop account and vice versa.

If you have an existing shop account, you can already use the login data on the new website. Additionally, from now on, tickets for events can be purchased via the shop and registration for online events is now possible for registered users with just one click.

And finally, the digital version of the FBIN Magazine is now available for all registered users. And the registration is free. ■

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WHAT DOES MESSI'S DEPARTURE SAY ABOUT FC BARCELONA'S FINANCIAL CHAOS?

How FC Barcelona's disastrous financial management since 2014 led to seeing its best-ever player leave the club.

By Achille de Rauglaudre

Last August, every football fan worldwide must have woken up hoping they were still sleeping. The news was out, Lionel Messi was leaving FC Barcelona after 20 years at the club.

In their official club statement, FC Barcelona declared the following: "Despite FC Barcelona and Lionel Messi having reached an agreement and the clear intention of both parties to sign a new contract today, this cannot happen because of Spanish LaLiga regulations on player registration." A not so hidden slap in LaLiga's face.

But is it really LaLiga's own fault?

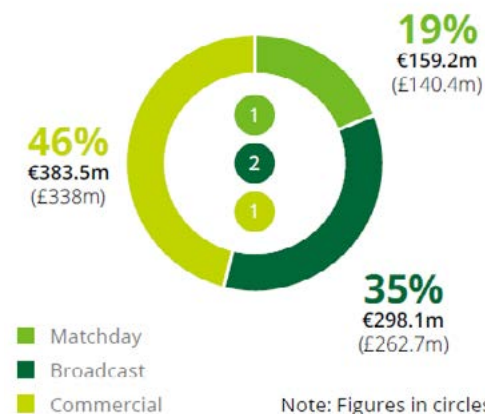
The world's richest club

During the 2018/2019 season, FC Barcelona reached the top of the Deloitte Football Money League 2020 for the first time and became the first club to break the €800m revenue barrier (excluding player trading income).

It generated a revenue of €840.8m in 2018/2019 vs. €690.4m in 2017/2018, representing a +22% year-on-year growth mainly driven by its 2015-2021 strategic plan aiming at diversifying and internationalizing sources of revenue.

Here's how the club's revenue was split at the time:

Revenue profile 2019 (€m)



In the same report, Deloitte stated that "the club could become the first €1 billion Money League club in years to come."

Of course, this was all before the Covid-19 pandemic hit the sports industry in an unprecedented way. 2019/2020 revenue dropped to €715.1m, down -15% compared to the previous season according to Deloitte Football

Money League 2021. In its 2019/2020 annual report, Barcelona's management estimated that the club suffered a €200m loss in revenue due to the impact of the pandemic.

However, sticking to the pandemic impact on an apparently wealthy club (at least when looking at their top line) would obviously be way too simplistic, and the fact is the damage had already been done before Covid-19.

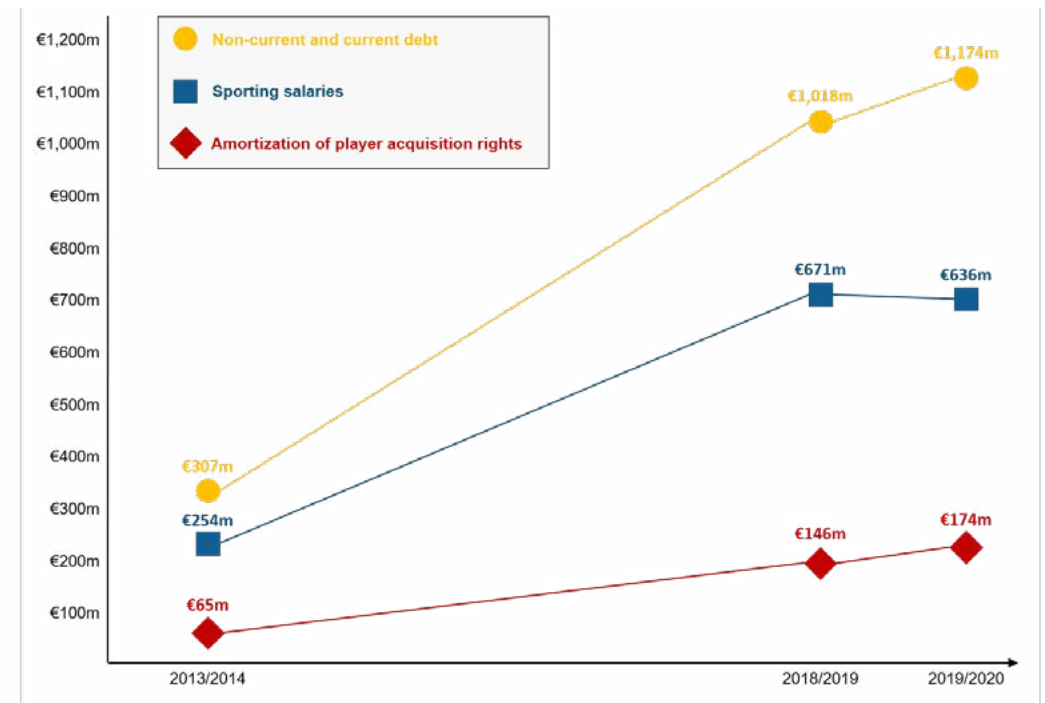
2014-2020: FC Barcelona's financial collapse

When asked by the BBC right before Barcelona's presidential election in February 2021 if the club was on the verge of bankruptcy, Joan Laporta declared: "We need to control the expenses, to restructure the debt and to generate new revenues. In football these days there are very big opportunities and we have a team in place that can ensure Barcelona is one of the best-managed clubs in world football."

But how do you get from the world's richest club to a very real risk of bankruptcy?

Three main drivers have considerably impacted the club's bottom line over the past 5 years: Soaring staff costs, a chaotic player transfer policy, and a cash strategy mostly relying on debt financing.

- Staff costs:** KPMG Football Benchmark outlined in March 2021 that Barcelona's staff costs had increased by +45% between 2015/16 and 2018/2019, reaching €671m in 2018/2019 as shown in the club's annual report. This number decreased to €636m in 2019/2020 "mostly as a result of salary reduction agreements and furlough schemes (ERTO) negotiated and applied during the season.". It compares to €254m in 2013/2014, which is a +150% increase in 6 years.
- Player transfer policy:** Simon Kuper shared last week in the Financial Times a preview of his inside story on FC Barcelona. He thoroughly describes Barça's disastrous



transfer strategy and internal process of purchasing players under Josep Maria Bartomeu (2014-2020). Record-breaking player acquisitions made under Bartomeu mostly resulted in misjudged signings such as Coutinho, Dembélé and Griezmann. But beyond their lack of impact on the pitch, these transfers have considerably worsened the level of amortization of player acquisition rights. Barcelona somehow managed to spend over €1bn on transfers between 2014 and 2019, more than any other football club. When looking at the club's annual reports, it is quite striking how yearly amortization surged from €60-65m in 2012/2013 and 2013/2014 to €146m in 2018/2019 and up to €174m in 2019/20 season. N.B.: Simon Kuper's new book 'Barca: The inside story of the world's greatest football club' will be released on August 12th.

3. **Debt:** We all heard of the €1.2bn debt currently carried by FC Barcelona. But looking at this total figure is only half way towards understanding why the club's debt situation is so worrying. KPMG Football Benchmark highlights that other top European clubs show high level of debt, such as Tot-

tenham due to their recent investments in the brand new Tottenham Stadium, and Manchester United who are structurally carrying debt since the Glazer's leveraged takeover. But the most important indicator to look at is actually the share represented by current vs. non-current debt. The club's 2019/2020 annual report shows that out of €1,174m debt (cf. below), €731m (62%) is owed to current creditors vs. €443m (32%) to non-current ones. Current debt gathers amounts owed by the end of the season to various internal and external stakeholders including banks, sporting staff, and other football clubs.

In June 2021, the General Assembly of Delegate Members approved the proposed debt refinancing for an amount of €525m. It plans to sign this Goldman Sachs-led operation in August with one or more stable operators in the financial markets. President Joan Laporta stressed that "the loan is necessary to give the club breathing space and not to take anything from the members' pockets."

Now, as a consequence of 6 years of chaotic sporting and financial management, one of

the world's greatest clubs in history finds itself forced to let his best player go.

FC Barcelona vs. LaLiga, a devastating power struggle

In a clear and concise article which I strongly recommend, The Athletic's Dermot Corrigan explains how LaLiga's economic control department established strict regulations regarding staff costs for Spanish clubs. In 2013, LaLiga introduced a set of measures to "ensure responsible spending across all clubs," setting budgets for each club based on its earnings, revenue streams, profits and losses, investments and debt repayments.

From the largest staff costs in Spain in 2018/2019, FC Barcelona was reportedly urged by LaLiga to meet a €383m wage bill in 2020/2021 and reduce it further down to €160-200m for the 2021/2022 season. But the club's financial situation goes beyond Messi's sole situation. Indeed, even if Messi had stayed and reduced his salary by 50% (which he agreed upon), Barcelona's wage-to-revenue ratio would have amounted to 110%. Without Messi, this ratio drops to 95%, which is still far away from LaLiga's 70% recommended ratio.

Over the past few months, LaLiga's President Javier Tebas and Joan Laporta, which was mostly elected on the promise to keep Leo Messi at the club, have been continuously blaming each other for the responsibility of seeing Messi leaving Barcelona. As Tebas declared its intentions to remain inflexible with regard to salary cap regulations. In return, Laporta publicly condemned LaLiga's €2.7bn deal with CVC Capital Partners to buy a minority stake in a new entity that would manage broadcast, sponsorship and digital rights for the league - at this point it is still unclear whether this fresh investment could have been used towards signings and salaries, thus potentially offering a chance to

meet LaLiga's regulations and Messi. But it would also have put an end to Laporta's hopes of seeing the European Super League come out of the ground someday. Some might say (and I'm one of them) that Laporta chose the Super League over Messi.

What does all this say about the state of European football?

To be honest, I'm still struggling to get my mind around the catastrophic financial state of top European clubs. Top clubs are all generating at least €500m revenue per season before player transfer income. Yet, as explained by Jordan Gardner in his amazing chronicle against the Super League in April 2020, the 12 Super League clubs (excl. Liverpool FC) somehow managed to generate a combined loss before player sales of €1.4b in 2019/2020 season - which was only impacted by 3 months of Covid-19.

Looking at the degradation of FC Barcelona's wage-to-revenue ratio, yearly player amortization and debt levels over the past 6 years shows us that top clubs should first reflect on their operating model and how to optimize their bottom line and balance sheet, before pursuing the irrational dream of ever-growing TV rights revenue through unbelievably selfish ideas such as the Super League.

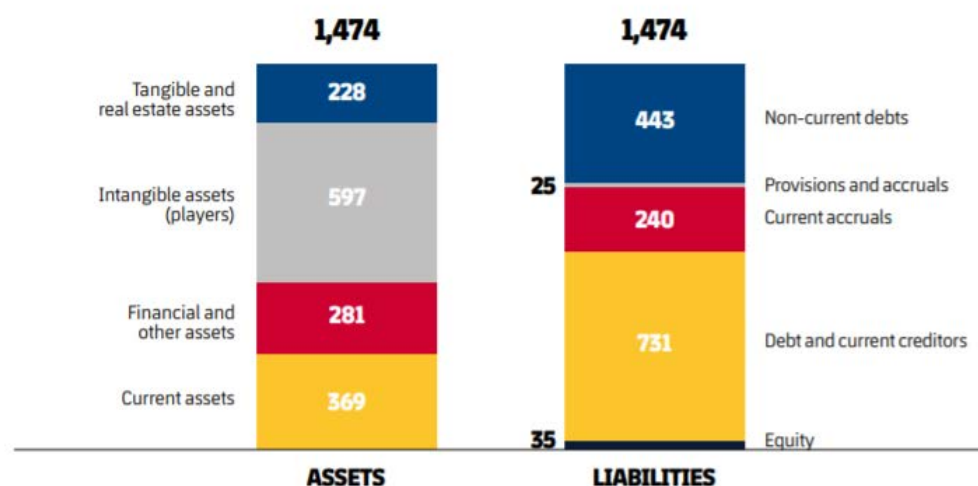
They should focus on controlling their expenses instead of fixating on generating more revenues.

This is the path towards designing a healthy and sustainable football system to preserve the football as we love. ■

About the author:

Achille de Rauglaudre is a strategy consultant specializing in strategy and private equity across the sports, media & entertainment industry. He was previously leading strategy and transformation at the Toulouse Football Club after the club was acquired by US private equity firm RedBird Capital Partners.

BALANCE SHEET AT 30/06/2020
(Millions of euros)



DIGITAL OPPORTUNITIES IN THE FOOTBALL INDUSTRY

An overview and selected examples from the European Football Market

By Thorsten Dum and Axel Sierau

The current Corona situation presents football clubs with the challenge of driving forward or further developing their digitalisation projects. Particularly in times of possible declining revenues due to Corona-related contact restrictions or declining interest from fans and sympathisers and the resulting decline in fan-club relationships, clubs are forced to put their competitiveness on the national and international markets to the test and to explore digital investment opportunities. Clubs should be aware that the opportunities of digitalisation do not only relate to customer service, service design or efficiency improvements of business and organisational processes. Rather, there may be opportunities to develop new business models that adapt their own business to a digital opportunity. But where should clubs focus investments and how should the digital contribution to the overall business be assessed? These are two big questions that always need to be answered in context and according to strategic importance. However, if clubs close their minds to exploring digital opportunities, they run the risk of losing their marketability and connectivity.

We would like to summarise the most important digital opportunities in the following areas:

Fan Engagement

Sound customer relationship management is a key task for any business. It encompasses all interactions of the customer with the company. This is where the goal of a CRM system comes in because the business relationship with an existing or potential customer should be improved. In football, it's about driving a deeper connection with the fan base and bringing up a better fan understanding. Communicating with the fan base, designing individual fan experiences, and enabling fan engagement through e.g., interaction potentials in the digital space are essential for every football club. For this purpose, clubs need cross-channel analysis of their customer data, which can be achieved with CDP (Customer Data Platforms), for example. All online user data is brought together, behavioural patterns and preferences of the fan are analysed and evaluated in a target-oriented way. Opportunities to increase fan loyalty lie above all in apps,

social media, blockchain technology, the web, live-streaming, video-on-demand, multi-angle camera, news, statistics, sports feeds on any device at any time.

A prominent example is FC Bayern Munich with its Digital & Media Lab. It has its own data centre and its own software and IT infrastructure, which makes it possible, for example, to store up to 250 different attributes per person and to better manage customers. The German Football League (DFL) has also taken a further step towards digitalisation by cooperating with AWS (Amazon Web Services). State-of-the-art real-time statistics and personalised content are provided on digital platforms to enable new insights into the game and generate match facts (such as attacking zones, real formation trends or most pressed player) from official match data for media partners.

Athlete and Team Performance

Through the consolidation of teams and athlete data from almost any source into specific cloud services, teams can get a holistic 360-degree view of their players and gain the data-driven insights that will help increase performance and prevent injuries. Specific software systems provide training staff with the necessary tools to score an on-field advantage. Software tools might include but are not limited to player and ball tracking-system, player speed and distance, or head-to-head faceoff matchup planning possibilities. A prominent example is TSG 1899 Hoffenheim, which is a leader in match data analysis in cooperation with SAP.

Business Insights and Productivity

The digital opportunities are not only directed at external factors (customers, fans) or the service providers (players). The work and process

organisations of football clubs can also be improved by means of specific software to minimise costs or to make and advance target-oriented business decisions. Here, it is primarily about real-time business data that can be connected, consolidated, and visualised in order to, for example, improve customer service or positioning in the football markets or to collect new innovative and creative ideas and align them with the business objective. Enterprise resource planning software, which is already commonly used in generic business, is increasingly used by football clubs. For example, it accelerates business results through data integration, value creation and extensibility.

Smart Arena / Smart Stadium

With modern technologies, the modern football temple becomes a third place, a kind of digital promenade. With the use of cloud services, clubs and their venue operators provide a myriad of digital solutions. It includes a large set of fan services and experiences for the venue, including retail, food, and beverage, cashless payment, digital ticketing, access validation, 360-degree video, IoT, just to mention a few.

In addition, beacon technology is designed to make the visit to the stadium an experience. Beacons make this possible at football matches by shortening waiting times and focusing on sporting interest. This allows fans to focus on the game during the match instead of spending their valuable time in a queue. Sensors detect guests' movements and inform them about selected points. ■

BONDS AS AN INVESTMENT VEHICLE IN FOOTBALL

The Covid-19 pandemic has fundamentally changed our lives in the past two years. Especially with a view to the economic effects of the pandemic on European football, the medium-term financing of the clubs beyond media marketing revenues, competition distributions, sponsorship money and audience revenues has become even more important. Bonds are an integral part of this.

By Andreas Hecker

Changes of ownership in football clubs are always a source of controversy - internationally and not only among fans. The most recent example was the entry of a consortium led by Saudi Arabia's sovereign wealth fund into Newcastle United. There are numerous issues at stake here, including the reliability of investors, the rules of Financial Fair Play, discussions about club traditions and, in Germany, also the requirements of the licensing regulations, which in any case generally prohibit a majority takeover of a club. Especially against the backdrop of the „50+1 rule“, bonds have established themselves as an alternative investment vehicle in Germany in the last two decades alongside minority investor participation in professional clubs and traditional debt financing by banks. This year's bond issues by Schalke 04 and SV Werder Bremen in connection with their respective relegation to the 2nd Bundesliga show with their Euro-volumes in the mid double-digit millions that this form of investment continues to appear interesting and worthwhile from a club and investor perspective, at least in Germany. But also internationally, AC Milan, Real Madrid, Evergrande or Arsenal London, among others, use bonds as financing vehicles.

Bonds as investment vehicle

Bonds are debt financing instruments, which means that the subscriber of a bond - in contrast to the shareholder of a company - does not become a (minority) owner of a club, but its creditor. From the club's point of view, the bond is debt and not equity. Other differences compared to a participation in shares are among others that bonds are issued at a (fixed) interest rate and for a fixed term (typically 5 – 10 years). At the end of the term, the party that issued the bond can be required to repay it, as with a loan. Unlimited ownership or creditor status is generally not provided for. The legal form of the company is irrelevant, so that a limited liability company („GmbH“) or a registered club („eingetragener Verein“) can also issue a bond.

In capital market law, there are a wide variety of ways in which bonds can be structured, from the interest rate structure or the repayment options, to the optional stock exchange placing to conversion rights, with which the bond can also be converted into (share) capital of the company at the end of the term instead of repayment.

With the support of a bank and other partners, the path to a bond is generally via a bond prospectus in which information on the bond, its issue, the interest rate and the timetable as well as on the respective company, especially its finances, is published and possible risks (e.g. total loss) are presented to potential subscribers.

Bonds in (German) football

Under the term „Mittelstandsanleihe“, bonds as an investment instrument outside of sport have a long tradition in Germany in the (debt) financing of medium-sized companies of various legal forms (GmbH, AG). One advantage of the bond has always been that the issuance of the bond does not interfere with the ownership structure, e.g. of a family-owned company. It is precisely the specific licensing requirements in Germany and the stakeholder interests, especially of the fans, that made the bond attractive for football years ago. With the 50+1 rule, majority takeovers of clubs are almost impossible in Germany. The attractiveness for investors entering as minority shareholders is limited. In some cases, clubs also decide to continue to rely on the traditional structure and legal form of the registered club („eingetragener Verein“) but are interested in the usage investment vehicles for financing. None of this is a relevant problem in connection with the issuance of a bond. Even a registered club („eingetragener Verein“) can issue a bond and place it on the stock exchange.

For a long time, many of the German football club bonds were referred to as „fan bonds“ with a comparatively small denomination (e.g., 50 EUR, 100 EUR, 500 EUR). The attractiveness of these bonds from the point of view of the „fans“ and local „club sponsors“ consisted primarily of three components: 1. financial support for their own club, 2. an attractive interest rate (corresponding to the risk of total loss in the event of the club's insolvency) and 3. an



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often individual and high-quality design of the bond as a „decorative and special supporter item“.

In addition, bonds are also placed in German football today as corporate bonds (with a higher denomination, e.g. 1000 EUR) or promissory note loans. The stock exchange regulations and segments make it possible to trade the bonds on the stock exchange in addition to targeting the club's own fans and individual major subscribers. This allows additional investor groups to be addressed and reached. For example, in addition to the shares of companies such as Deutsche Rohstoff AG or 2G Energy AG bonds of Schalke 04 are traded at a variable price in the SME growth market „Scale“ of the German Stock Exchange („Deutsche Börse“, Frankfurt); the newly issued bond of SV Werder Bremen is also traded on the Stock Exchange, but in the open market segment „Quotation Board“.

Even cross-border variants are also possible in the placement of bonds, for example AC Milan placed its bond on the Vienna Stock Exchange in 2017. ■

About the author:

Andreas Hecker is a lawyer and partner at Hoffmann Liebs and advises clubs and companies primarily in company, capital markets and association law, including corporate governance and sustainability aspects. He is member of the Sports Governance Kodex Commission.

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Ferencváros is the most popular multisport club of Hungary with 2 million+ domestic supporters. Ferencváros intends to become a well-known and well-respected sport brand in the Central European region, as its popularity grows beyond borders.



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FC Flyeralarm Admira

FC Flyeralarm Admira is a football club from Austria, playing at the Bundesliga. The club was founded in 1905 and has been crowned champion 9 times and cup winner 6 times. The academy is the heart of the club and the development of young players it's top priority.



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Hoffmann Liebs is a transregional commercial law firm from Düsseldorf with around 60 lawyers. We advise companies, associations and foundations as well as the public sector.



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LASK is an Austrian club with a long-standing history. After an era of ups and downs, the club is on an upwards trajectory since 2013 and has reached the UEL group stages twice in a row.



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Football Innovation Network

Football Innovation Network is a strategic partner of the FOOTBALL BUSINESS Network for innovation, digitization, technologies and education in the region of central Europe. The office of the company is in Bratislava, the capital of Slovakia located near the border of four countries.



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PAOK FC

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