

Akademia Zarządzania Sportem

STRATEGIC MANAGEMENT IN POLISH SPORT FEDERATIONS - TREND ANALYSIS

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Miejska Szkoła Sportu i Turystyki | Instytut Sportu

Agenda

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1. Introduction: what are trends and why do they matter?
2. PESTLE: A tool for analyzing trends at a macro level
 - Overview
 - Application
3. World Economic Forum: Global Risks
4. Trends at a micro-level: Looking at data

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Trends and their importance

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- According to Ferraz (2013), trends are a “mindset for approaching future challenges and discovering new opportunities”.
- Trends are “manifestations of change observed every day around us” (ibid).
- Trend research helps organizations to adapt to fast change and “guides innovation from vision to downstream” (ibid).
- Trend research can be a source of competitive advantage,

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INFLUENCES ON TRENDS (FERRAZ, 2013)

- Demographic
- Political
- Economic
- Technological
- Socio-cultural
- Environmental

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Trend Framework (Ferraz, 2013)

- Paradigm shifts (10-20 years): In what kind of world do we live?
- Socio-cultural trends (5-10 years): How are societies and values changing?
- Lifestyle trends (1-5 years): How are consumers changing?
- Market trends (0-1 year): How are markets changing?

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Strategic decision - making for your organization

- Analyzing the external environment.
- Assessing your internal capabilities and how well you can respond to external forces.
- Assisting with the definition of your organization's strategy.
- Aiding in the implementation of that strategy.

(This slide and the ones to follow are adapted from the FME Handbook, "PESTLE Analysis: Strategy Skills" ISBN 978-1-62620-998-5)

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PESTLE ANALYSIS-EXTERNAL IMPACT FACTORS

- Political
- Economic
- Social
- Technological
- Legal
- Environmental

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Political: Government involvement in economy

- State-owned enterprises v. private ownership
- Stability of the government
- Attitude of the government towards business
- Amount of corruption
- Tax policy
- Trade policy
- Level of bureaucracy

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Economic

- Productivity and growth outlook (GDP)
- Monetary policy and inflation rates
- Interest rates and credit availability
- Fiscal policy
- Currency exchange rates
- Level of investment v. consumption

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Social

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- Religion and morals
- Attitudes, e.g. the importance of status
- Demographics and history
- Education levels
- Communication styles
- Lifestyles

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Technological

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- Knowledge management
- Rate of technology change
- Intellectual property and IPR
- Network infrastructure
- Artificial intelligence
- Apps and user interfaces
- Social media

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Legal

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- Health and safety
- Taxation
- Competition
- Labor and employment
- Contracts
- Property rights
- Compliance and other regulatory

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Environmental 

- Waste disposal
- Energy usage
- Architectural design, e.g. LEED certified
- Weather and climate change
- Infrastructure, e.g. roads, airports, etc.
- Packaging

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 **Group exercise**



Group exercise 

- Divide into six teams of six to seven people
- Each team will be assigned one type of factor from the PEST/LE tool, e.g. Political
- Spend 10 minutes with your team thinking of how that factor impacts or could impact sports and sports organizations
- Each team will have one speaker report their findings to the entire group. Each speaker should only speak 2-3 minutes.

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Summary of PESTLE Advantages 

- Simple and easy to use
- Involves cross-functional skills and expertise
- Encourages the development of strategic thinking.
- Enables your organization to assess the implications \ of entering new markets globally or nationally.

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Summary of PESTLE Disadvantages 

- Users can oversimplify the information needed for decision-making.
- Users can succumb to gathering too much information, forgetting that the point is to make a timely decision.
- This tool is only effective if it is updated regularly, and often organizations don't make this investment.
- Assumptions must be made, and these are subjective.

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Future trends in sport and leisure 

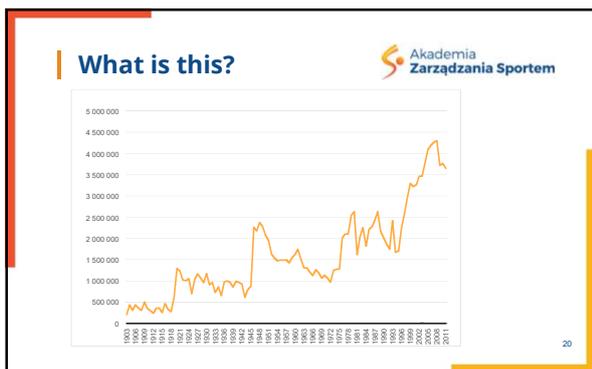
- The quantified self-Data collection and analysis
- Game on-incorporation of games into everyday activity
- Healthy hedonism-Health should be fun!
- Performance perfection-Social media to announce performance
- Cult of the home-Using the living room for sport and leisure,

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WORLD ECONOMIC FORUM (WEF) GLOBAL RISKS REPORT 2019

Międzynarodowa Spółka Sportowa Warszawa INSTYTUT SPORTU PREZYDENTA RP WARSZAWA



Trend Analysis: Using data

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- The best way to use data for trend analysis is to tell a story with the numbers.
- The key aspect of trend analysis is to explain the underlying cause. It is not the size of the change.
- The underlying cause is usually what links the macro (PESTLE) to the micro (data).

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Common types of trend (data) analysis 

- Variance analysis: Actual performance is compared to a benchmark or standard, e.g. actual revenue v. budgeted revenue.
- Discrete change over time, e.g. from Point A to Point B. This is typically (End-Begin)/Begin. Revenue growth from 2012 to 2019.
- Continuous change over time, e.g. compound annual growth rate (CAGR). Annual revenue growth from 2012 to 2019.

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 **Group exercise**



Group exercise 

- Divide into six teams of six to seven people as before.
- Use the Excel spreadsheets provided to conduct analysis for 10 minutes. What do you think is relevant and why?
- Each team will have one speaker report their findings to the entire group. Each speaker should only speak 2-3 minutes.

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Trend analysis: Advantages

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- Can detect significant variations over time.
- Can reveal areas of operation meriting further investigation, i.e. auditing.
- Is easily understood and communicated.
- Is readily accepted due to its widespread use.

(The above is from the Texas State Auditor's Office Methodology Manual.)

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Trend analysis: Disadvantages

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- The calculations alone provide little insight into root causes.
- The benchmarks/bases may not always be clear.
 - Lack of knowledge
 - Changes in operations
 - Changes in financial reporting

(The above is from the Texas State Auditor's Office Methodology Manual.)

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Thank you

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