

Akademia Zarządzania Sportem

STRATEGIC MANAGEMENT IN POLISH SPORT FEDERATIONS - SWOT ANALYSIS

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Agenda

1. Introduction: What is SWOT?
2. Looking internally at strengths and weaknesses.
 - Identifying core competencies
 - Assessing financial capacity for new strategies
 - Evaluating management culture for readiness to change.
3. Looking externally at threats and opportunities.
 - Detecting and categorizing threats and opportunities
 - Analyzing customers
 - Changes in the competitive environment

2

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SWOT

Strengths: Capabilities that enable your organization to perform well. They are a source of leverage

Weaknesses: Characteristics that prohibit your organization from performing well. They need to be addressed.

Opportunities: Trends, forces, events, and ideas that your organization can exploit.

Threats: Possible events or forces beyond your organization's control that you need to mitigate.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)


3

Core Competencies 

- Core competencies are an organization's expertise or skills in key areas that directly produce superior performance, e.g. technical abilities, managerial know-how, customer service.
- For a skill to be a core competency, it must confer a sustainable competitive advantage. What does your organization do uniquely well that others value?
- Benchmarking is a means to discover core competencies. The benchmark may be in another industry, e.g. airlines and ticket pricing.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)


4

Elements of a solid core competency 

- Inimitability:** Hard to copy.
- Durability:** Continuing value over a long period of time, e.g. brand names like Coca-Cola, Disney.
- Appropriability:** Can others take the value you've created? In some industries, retailers have the power to take value.
- Sustainability:** Are there available substitutes for your competency?
- Competitive superiority:** Is your competency truly superior to your rivals, or is it merely good?

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

5


Example of benchmarking 

	COMPANY 1	COMPANY 2	COMPANY 3
Time to market	5	2	3
Quality	4	4	5
Service	4	2	5
Customer satisfaction	5	2	4
Human resources	4	2	4

(5-Very Strong, 1-Very Weak)

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)


6

Financial condition:  **Can you afford your strategy?**

- Cash flows: Are operating cash flows sufficient for your plans?
- Access to outside capital.
 - Cost of borrowing/debt
 - Capacity for additional debt
 - Cost of equity, if applicable
- Other scheduled spending, e.g. purchase of land.
- Hurdle rate of new projects: The hurdle rate is the minimum rate of return.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

7

Management and Culture:  **How does your organization handle change??**

- Are your managers respected and effective?
- Do people feel personally motivated to change?
- Is your organizational structure flat, i.e. there are few layers between the workers and the CEO
- Is teamwork and collaboration normal?
- Are people accountable for their results?
- Is good performance rewarded?


(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

8

 **Group exercise**




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Group exercise 

- Divide into six teams of six to seven people
- Each team should consider strengths and weaknesses of their respective sport organizations. What are some in common?
- Spend 15 minutes with your team in discussions
- Each team will have one speaker report their findings to the entire group. Each speaker should only speak 2-3 minutes.

10

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1
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External Analysis 

Porter, *"The essence of strategy is relating an organization to its environment".*


The environment:

- Customers
- Competitors
- Suppliers
- Regulators
- Technology
- Substitutes

An example from the US: Concussions in American football.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

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Customers 

- Who are your customers? This may seem like a simple question, but many companies forget to ask it.
- What is the best way to reach my customers?
- How price-sensitive are my customers? Sports and leisure are usually luxury goods.
- What customer needs are not being met?
- How loyal are my customers?
- Market segmentation: Age, gender, location, income, behavior, etc.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

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 **PORTER'S FIVE FORCES**

- Competitive rivalry
- Threat of new entry
- Threat of substitution
- Supplier power
- Buyer power

The above are the original, but sometimes "Regulators" are added as a sixth force.

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

Competitive Rivalry 

- Number of competitors
- Quality differences
- Other differences
- Switching costs, e.g. cell phones and providers
- Customer loyalty

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)


15

Threat of new entry 

- Time and cost of entry
- Specialized knowledge
- Economies of scale
- Cost advantages
- Technology protection
- Barriers to entry

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)


16

Threat of substitution 

- Availability of substitutes
- Performance of substitutes
- Cost of substitutes

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

17

Supplier power 

- Number of suppliers
- Size of suppliers
- Uniqueness of service
- Switching costs
- Substitutes

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

18

Buyer power

- Number of customers
- Size of each order
- Differences between competitors
- Price sensitivity
- Substitutes

(From "Strategy: Create and Implement the Best Strategy for Your Business" HBS, 2005)

19



Group exercise



Międzynarodowa Szkoła Szportowa


INSTYTUT SPORTU



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21



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Thank you

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22
