



Summary Issues COVID

Issue 1- Resilience and Mitigation

Issue 2- Football Department Crisis Management

Issue 3- Governance, Decision Making, and Football Economy

Issue 4- Resilience and Mitigation in Women's Football

Issue 5- Resilience and Impact on Community



LTT SPORTS

Club Services

Foreword by the co-authors for the Executive Summary

Even though the entire world has lived through the story and timeline of the Coronavirus pandemic by now, in the world of football it could easily be assumed that European football has been the most heavily impacted by the pandemic crisis due to its size and importance. However, the effect of the Covid-19 crisis covers the football economy in its entirety.

By gathering all the individual responses at continental, regional and national level for the six publications on Covid Mitigation and Resilience, we began to see how complex the different environments were. The complexity shaped the status of the domestic and international game for all stakeholders in their pandemic response. Our initial publication was on the Financial First Response, Mitigation and Contingency in #Issue1, closely followed by the second issue focused on the Football Department Crisis Management in #Issue2. The #Issue3 focused on Governance, Decision Making & Football Economy, #Issue 4 took a closer look at the Resilience and Mitigation in Women's Football specifically, while #Issue5 was dedicated to Resilience and Impact on Community: Is football without fans really nothing? The concluding #Issue6 was a comprehensive overview of the Covid-19 impact assessing the Resilience and Impact on Global Football across more than 50 National Associations across the world. All issues are available for free to download.

By combining these experiences and the lessons learned from various parts of the world, we saw clearly that in many cases the pandemic became a stress test, challenging the already fragile football ecosystems. Even though they were all operating in different contexts, we found several patterns and the fact that they were experiencing similar issues is what unites them, making them all part of the wider global football community. It would be easy to list many of the difficulties and challenges that were faced by all the different stakeholders of football in various parts of the world and make this into a relation of negative case studies. But football has proven to be resilient, and it would therefore be logical to finish this introduction with a few positive notes.

Firstly, it was encouraging to see that there was a clear pattern of knowledge transfer and shared experiences between different parts of the world in terms of learning from the many challenges (and mistakes!) of others. This was followed up by an implementation of proven solutions, especially in areas such as the return to play protocols.

Secondly, in many parts of the world, clubs quickly realised that their pre-Covid salary levels were unsustainable within a pandemic scenario, and moved to mitigate this, in many cases with the participation of players themselves in the process. This not only highlights the importance of having representative stakeholder bodies to tackle such issues, but also the fact that in the end many people and organisation care about the football industry and its long-term wellbeing.

Thirdly, crises for some can be opportunities for others, and in football, difficulties off the field for clubs usually mean more chances and opportunities to play for young and local players. If this trend remains, which has been documented in some countries across the world also during the recovery phase, it should bode well for the development of a promising new generation of fresh talent across the world. Perhaps also encouraging clubs to come back to their roots through an increased focus on the products of their own academies and youth development systems.

And finally, despite the many negative and challenging experiences that Covid-19 has brought the world, it has also paved the way to a hopeful new future for football. One where errors of the past are corrected, lessons are learned, and innovative solutions and development opportunities are embraced, for the good of the game!

Many thanks to our team of contributors and the many experts across the globe for your valuable insights in the interviews. Feel free to contact lttsports.ch for further support.



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Lessons from the crisis



Role of governments and national authorities



Sharing information and knowledge



Muted voice of key participants in the football process (and product!)

Opportunities



Return to play with spectators



Adjustment of power balance



New technologies



New/refreshed stakeholders



Evaluation of business model



Football industry resilience test

Our main focus as an industry should be:

Harness the “Spirit of Covid” for a positive outcome

Key themes for new start:



Resilience



Community



Fun

Stop focusing on the loss numbers and let's think about how best to restart this system with all the new inputs we have received, and then how to make it work properly for the next 20-30 years: a new “social contract” for football!

#Issue1: First Responses, Mitigation, and Contingency

First Responses

Impact on Club Revenue:

Match Day
Revenue

UEFA
Revenue

Sponsorship and
Commercial
Revenue

TV
Revenue

Stabilisation and Assessment of Current Situation:

Health and
Safety

Club Crisis
Management
Team

Cashflow
Position

Health and safety + Club crisis management team: guided by external inputs from government agencies and football governing bodies. Enable a crisis management team with key operational decisions at club level, in order to coordinate responses and begin planning activities.

Cashflow Position: crucial to maintain an up-to-date and honest cashflow position available for any crisis management response planning. Decisions on payment priorities will need to be made at this early stage.

#Issue1

Mitigation

Cost Cutting:



Technical lay-off of all club employees until football activities restarted



Technical lay-off of players until football activities restarted



Offered to players and staff either a 50% salary reduction or termination



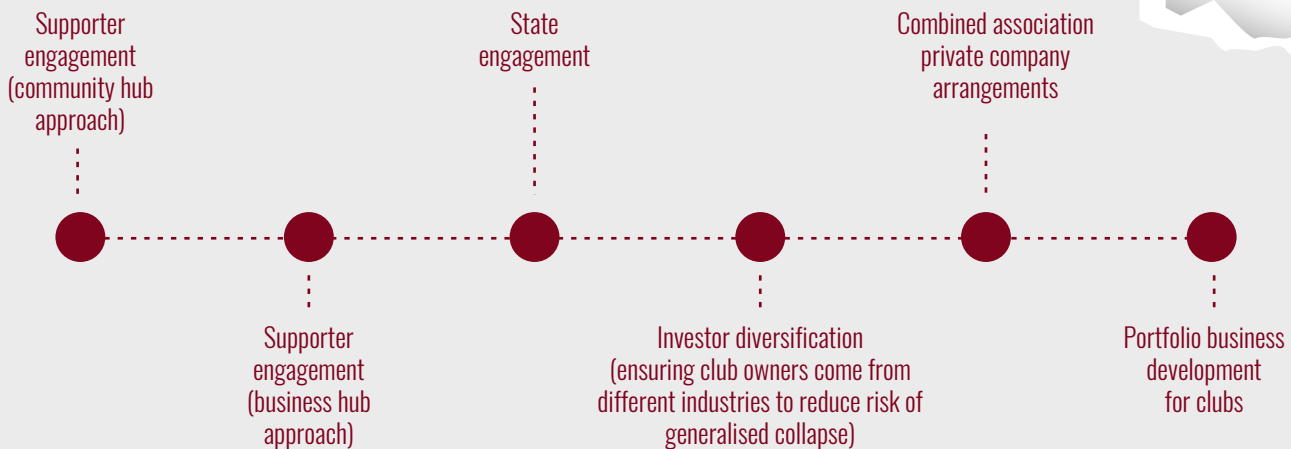
Let go of 9 players, reportedly for not agreeing to reduce wages

- Potential near-term cost-cutting options: Player and coach salary reductions or deferrals, Staff salary reductions or deferrals, Restructuring debt into employee stock option as a part of their compensation.
- Investment Pause: Any major capital investment projects that are ongoing should be put on hold and re-assessed. FFP: individual clubs should also be pro-active in calculating the impact of COVID-19 on their finances vis-à-vis FFP and using this information to call for targeted and suitable solutions from football's governing bodies.
- Sharing Costs: negotiate cost-sharing with the public authorities, given the extreme nature of the current crisis. Opportunities for support from the local government.
- Emergency Financial Auditing: provide an up-to-date snapshot of the key economic vital signs and help to identify some near-term pitfalls. Also, can further help with shielding revenue sources, identifying alternate football chain processes, provide accurate cash flow position, managing human capital, law and sport regulatory compliance.

#Issue1

Contingency Planning

Potential Ownership diversification options:



- **Contingent Convertible Bonds:** The contingent convertible bonds automatically convert from debt to equity in times of financial distress to recapitalise the so called too-big-to-fail.
- **Stress Testing Regime:** As a part of usual club auditing practices, it is recommended to develop club stress testing mechanisms, which would provide insights to management in terms of club resilience to various negative scenarios.
- **Re-Assessment of the Football Economy Model:** For business strategists at football clubs, it is vital to assess all inputs on the developing economic situation while trying to have a clear picture of potential future developments.

#Issue1

#Issue 2: Football Department Crisis Management

23 February 2020 – first Serie A games postponed in Italy, including Inter v Sampdoria

2 March 2020 – Swiss league suspended until 23 March

13 March – English, Scottish, Welsh, French and UEFA club matches suspended

10 March 2020 – FIGC states Serie A may not finish; games in France, Spain and Poland to be behind closed doors, Evangelos Marinakis tests positive for COVID-19

Week from 16 March – all football activities are shutting down almost everywhere, players are self-isolating and clubs are in crisis management mode

#Issue2

Mitigation

Training Strategies under COVID-19:

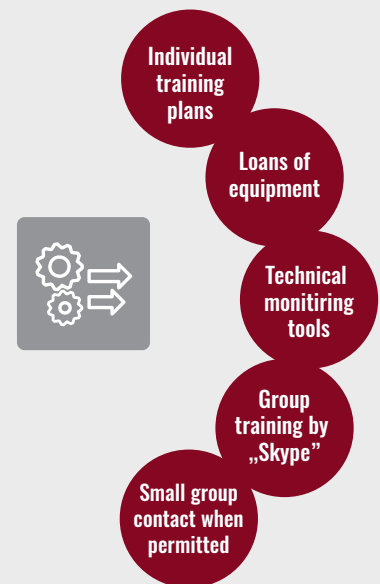
Training Strategies:

During a relatively short period of time when the pandemic was slowly building up, clubs were able to set their own measures, which may have included smaller training groups, staggered sessions and a high degree of individualised training focused on fitness and conditioning.

In some countries group sporting practice was banned altogether, but in others, limits were set in such a way that even youth teams were still able to train in a staggered timetable.

The relative freedom ended as more and more countries imposed significant restrictions on people, limiting movement outside of their own home setting, which fundamentally left only the option of individual training regimes.

Improvised training strategies:



#Issue2

Key thoughts on communication with players during crisis:



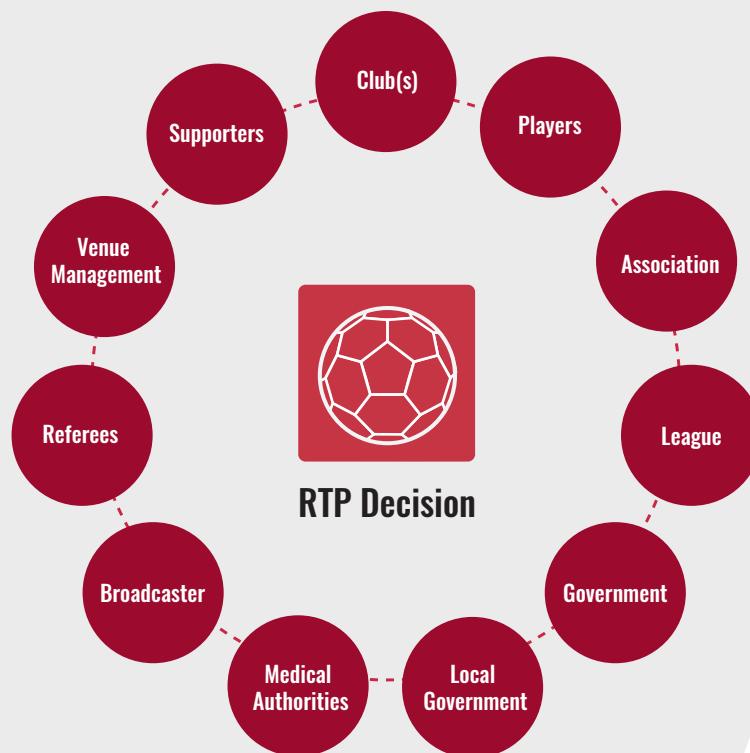
Consider individual personality when deciding on tone, needs and content

Player Impact

- Communication
- Functional
- Psychological
- Economical

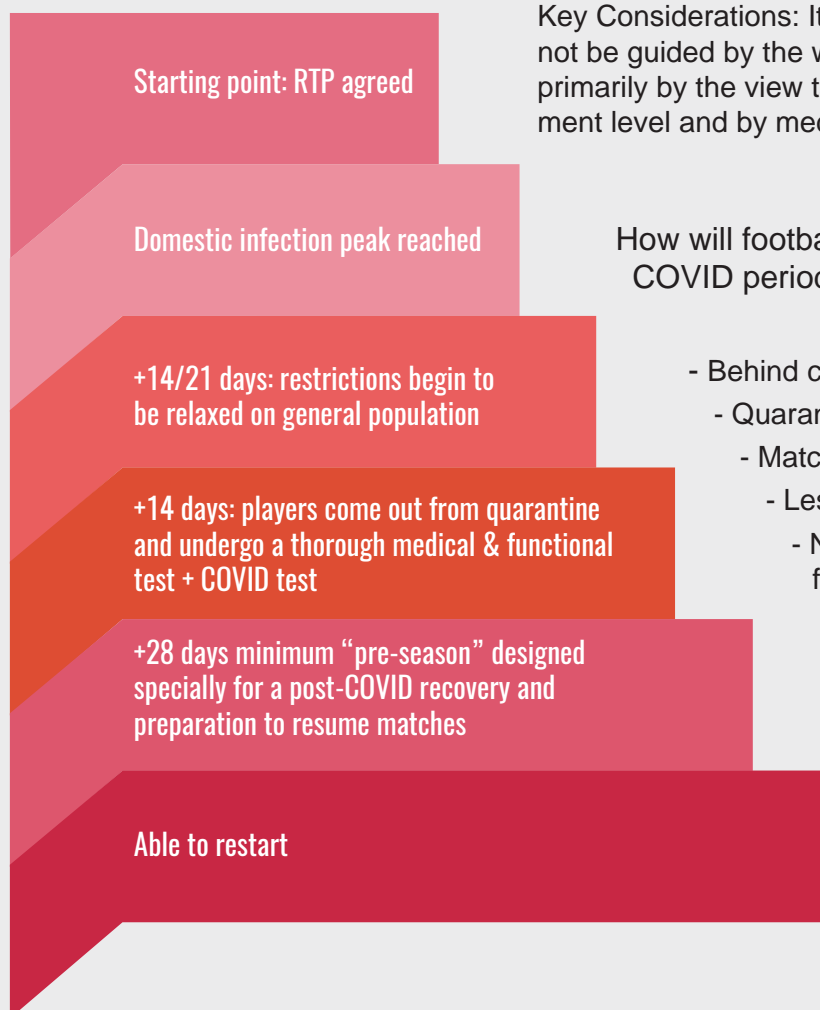
Return to Play

Stakeholder Process:



#Issue2

Potential Timeline:



Key Considerations: It is going to be a decision, which will not be guided by the wishes of the football authorities, but primarily by the view taken at national and local government level and by medical authorities in each jurisdiction.

How will football look like in the initial post COVID period?

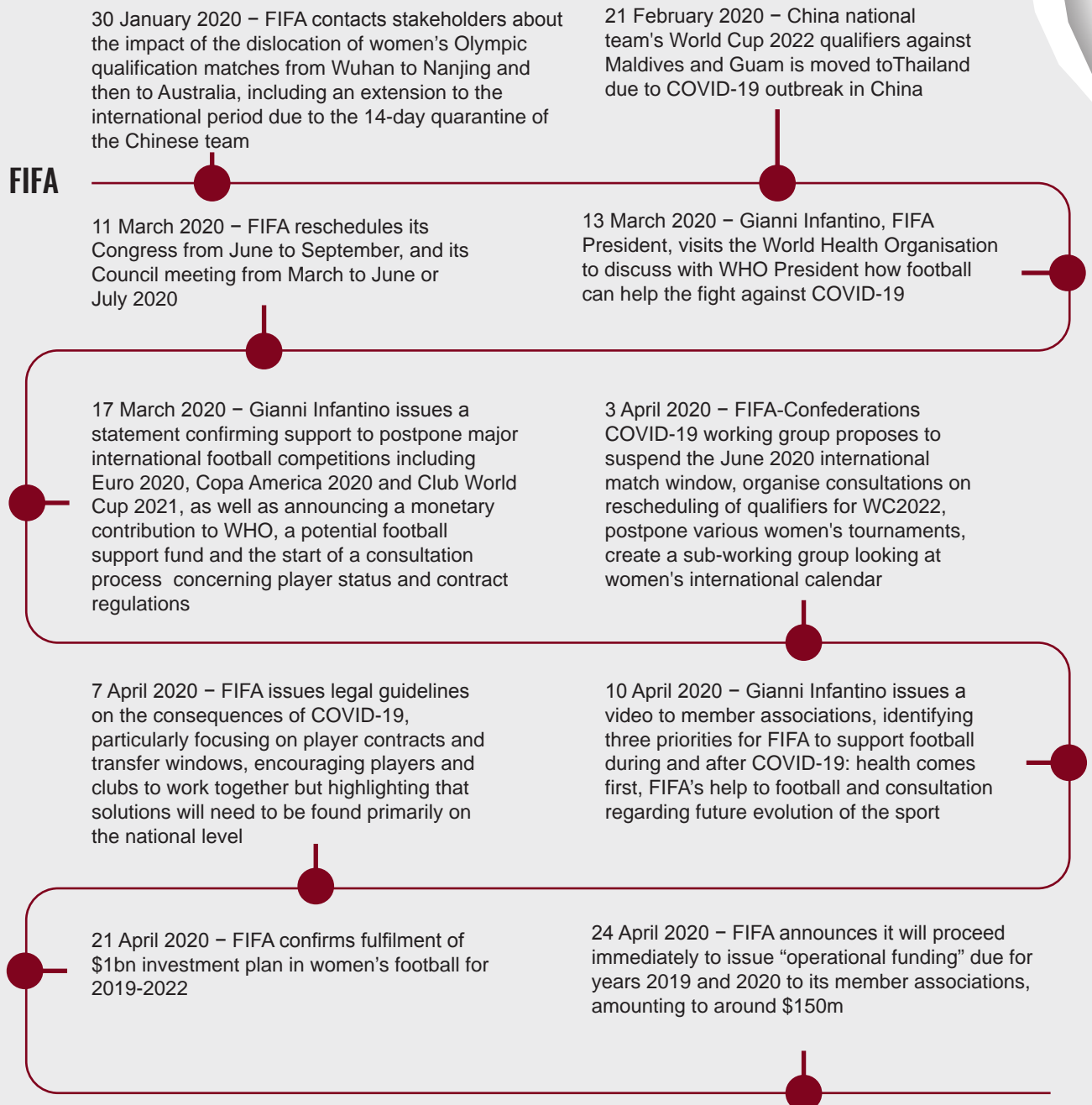
- Behind closed doors
- Quarantine and testing
- Match fitness
- Less contact
- New fixture list and competition formats
- Extended transfer window

#Issue2

#Issue3: Governance, Decision Making, and Football Economy

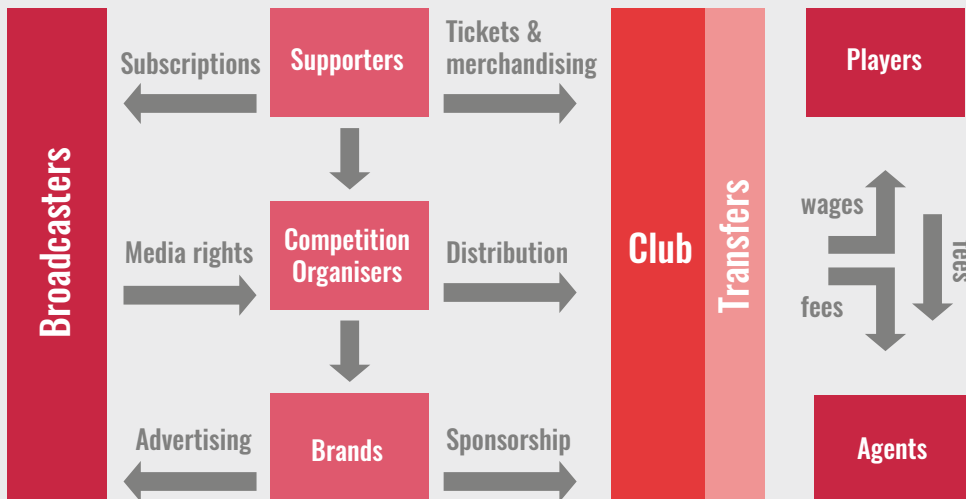
First Responses

A Timeline of FIFA decisions:



#Issue3

Structure of the Football Industry



#Issue3

Nevertheless, the COVID 19 (SARS CoV 2) crisis in 2020 has seen widespread influence of national governments on the running of their respective football systems, going as far as preventing football from functioning at all due to its non-critical nature as part of the entertainment and leisure industry with a high degree of interpersonal contact.

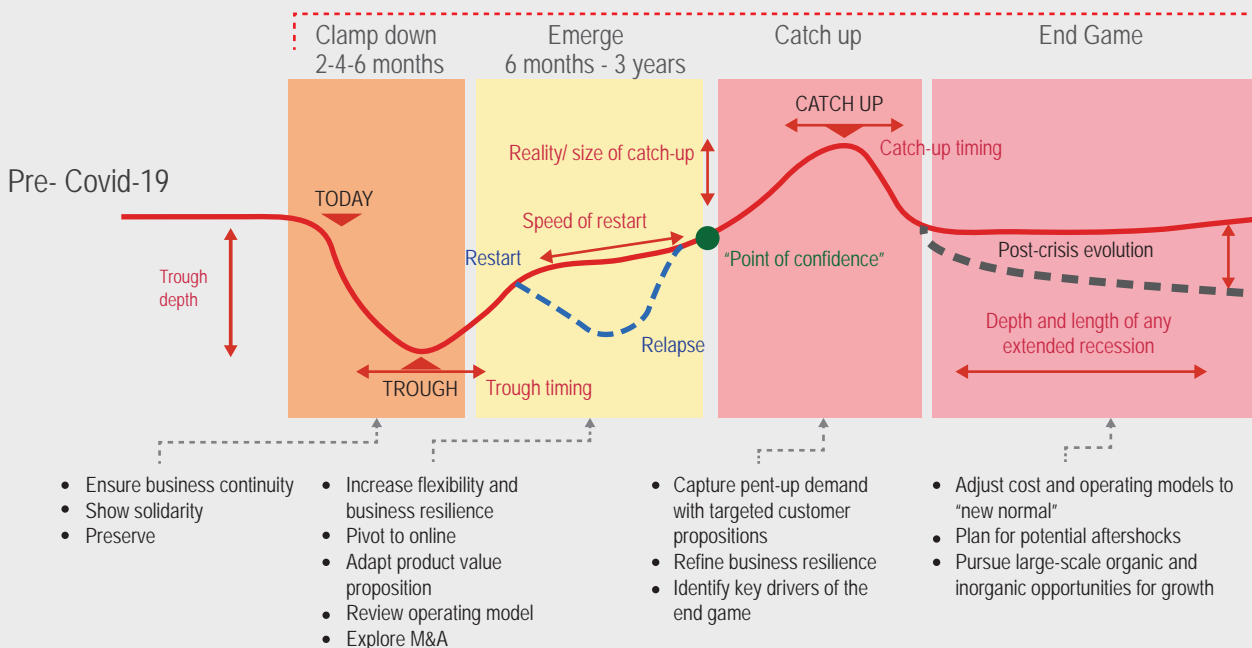
A similar timeline of UEFA decisions is in the report

Potential solutions to challenges of the football economy: Crisis planning scenarios, risk assessment, business model restructuring, secure cash flow, etc.

Disrupting the current revenue model: Finding new ways to increase revenues (New sponsor industries, new owners, New watching and experiencing habits, B2B services, Social and community services)

Covid-19 recovery and lessons from the unfolding crisis

COVID -19 RESPONSE PHASES



MAJOR UNCERTAINTIES

#Issue3

Proposed solutions to meet the challenges in governance

1. Strive for a thorough separation of powers to limit inherent conflict of interest. Ensure that competition organisation and administration are completely separate from their commercialisation, and in turn the two are separated from regulatory authorities
2. Have mechanisms ready for outsourcing decision-preparation processes on particularly sensitive issues to competent external groups (i.e. a kind of jury or task force, which will get full information on the problem at hand and will be able to propose positive solutions in an objective and disinterested way, rather than being tangled up in webs of individual self-interest)
3. Develop and accommodate mechanisms within the regulatory framework for fast creation of thematic expert groups or task forces, and establish dynamic pan-European or global lists of competent experts in various fields to be able to join such groups
4. Ensure a greater diversity across all levels of decision-making. This can be done for instance through a more frequent use of independent or non-executive board members, who can provide a competent and objective view of the situation, rather than constantly falling into the trap of confirmation bias. Including individuals of all backgrounds who are not stereotypical of the football industry, will intrinsically increase diversity of opinions.
5. Introduce wide-ranging, universal and accessible dynamic business information collection and analysis mechanisms across associations and leagues domestically and internationally based on mutual interest and collective input, to increase the quality of business intelligence, analysis and planning available to individual actors in the game, as well as a live horizontal industry-wide view

Scenarios

Return to “normal” over summer 2020 and thereafter COVID-19 becoming a seasonal reality

Return to “normal” over the summer is cut short by a second wave, which prevents completing season 2019/20 and start of season 2020/21 with uncertain outlook

COVID-19 disappears completely by summer, never to return again

Three possible strategic pathways for the football industry post COVID-19

Circular
Economy

eDevelopment
and Digitalization

Secured
Leagues

#Issue 4: Resilience and Mitigation in Women's Football

First Responses

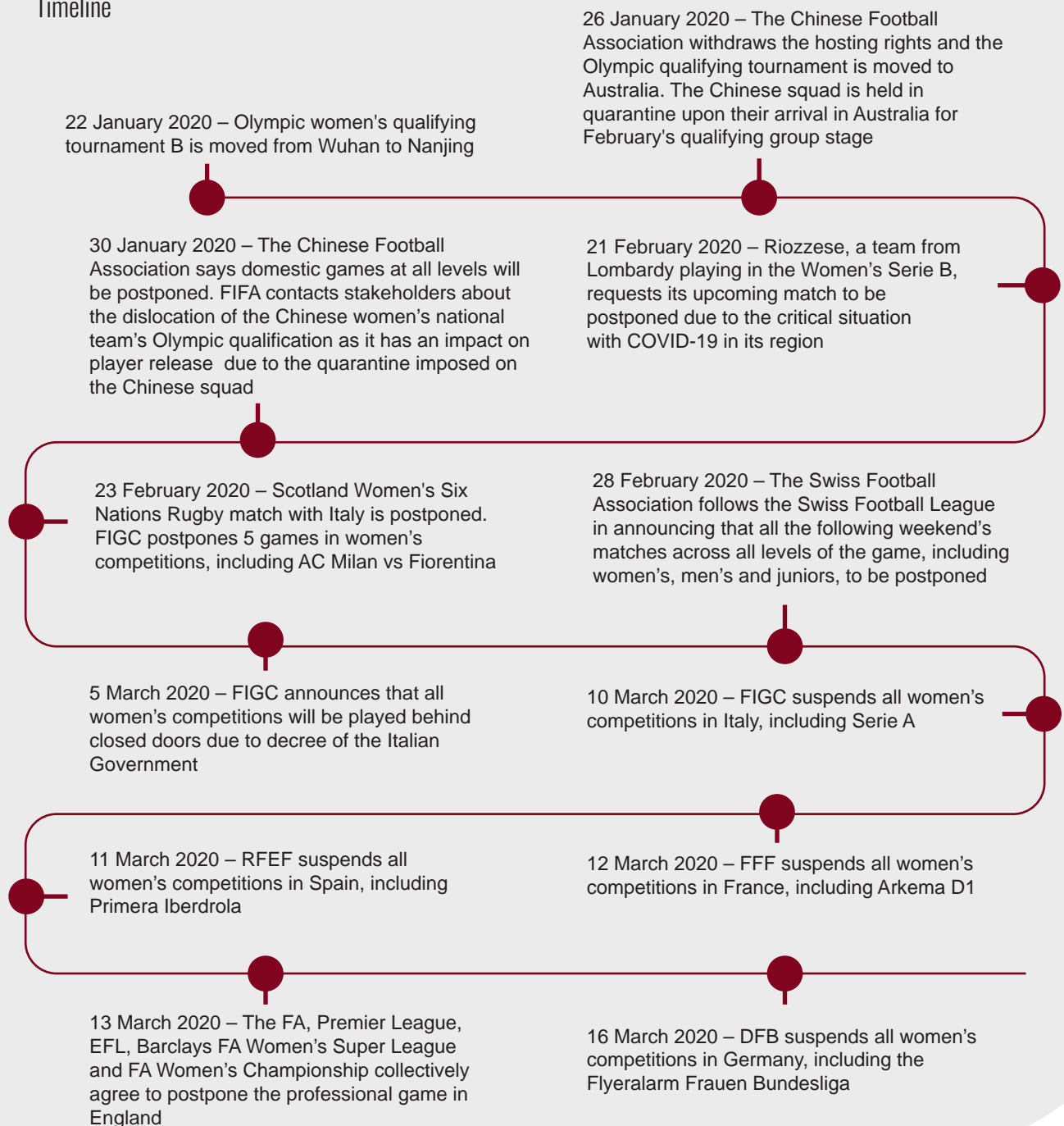
All the incredible gains of the last several years feel as if they happened lightyears away and in a different world.

The current crisis and post-COVID-19 recovery will likely intensify existing fault lines within the game, bringing up tensions to the surface.

Some clubs in less prominent National Associations or in lower divisions have already been announcing they are disbanding their women's section, and this also raises the question of the value of the association with men's football in general.

What the unfolding COVID-19 crisis has done is to simply act as a particularly virulent real-life stress test to an already tense situation.

Timeline





- Board Level: important decreases in revenue can be expected, as club boards and management groups take decisions to adjust their financial situation, and such decisions will likely not be in favour of the women's team.
- Players: limited overall number of professional female players, as very few professional clubs build infrastructure for their women's youth team comparable to the men's side. It is likely that availability of existing training infrastructure will be reduced due to hygiene and distancing measures, and women's teams will most likely have to "battle" against the men's and even youth teams. This could lead to fewer potential talents reaching the elite level, impacting on the ability of the industry to widen its talent pool and increase the overall quality level from the base.
- Financial: the women's game has mostly been valued for the community and CSR advantages. The values connected to women's football can also resonate with the brands' search for impactful sponsorship opportunities that will need to evolve substantially when the "return on value" approach will be sought. In women's football we clearly witnessed the 'scissors effect' at play, with any extra revenues going rather to increase the costs of salaries than to improve the status of infrastructure, administration, increase staff etc.

#Issue4

Lessons from European Governance

- Break in growth trend or new possibilities?
- Representation, Resources, Realia, and Realisation
- Professionalisation of the women's game
- Specificities of the women's game
- Major risk factor for women's football in the next five years

#Issue4



#Issue5: Resilience and Impact on Community

First Responses

Once this crisis is over and a semblance of normal life is back, many clubs will hope to return to concentrating on football or engaging in borderline CSR/marketing/PR activities as they did before.

However, this may not be possible in the medium term, as clubs may continue to also seek to receive government support for their activities. This kind of state support will most likely be linked and conditioned by community engagement and social responsibility measures.

Mitigation

- Supporters: Fan culture on pause, Missing the game?
- Community: Economic and Social Impact
- New Connections?
- Communication
- Media Consumption
- Website Traffic
- Community and Social Responsibility
- Supporting the football pyramid base

	England	Spain	Germany	France
Year of report	2019	2019	2015	2017
Season for which measured	2016/17	2016/17	2013/14	2015/16
Perimeter	Premier League	Professional football	Professional football	Professional football
Study	Premier League + EY	La Liga + PWC	DFL+ McKinsey	Premiere Ligue + UCPF + EY
Economic impact	£7.6bn	€15.69bn	€7.9bn	€7.5bn
Jobs generated	99,100	184,626	165,000 full-time equivalent, including large proportion of part-time jobs	34,815

UEFA study of socio-economic impact of national associations

National Association	FIGC	SvFF	SFA	PZPN	FRF	MFA	LFF
Socio-Economic Impact	€3.01bn	€1.9bn	€597m	€462m	€272m	€69m	€54m

Future Outlook

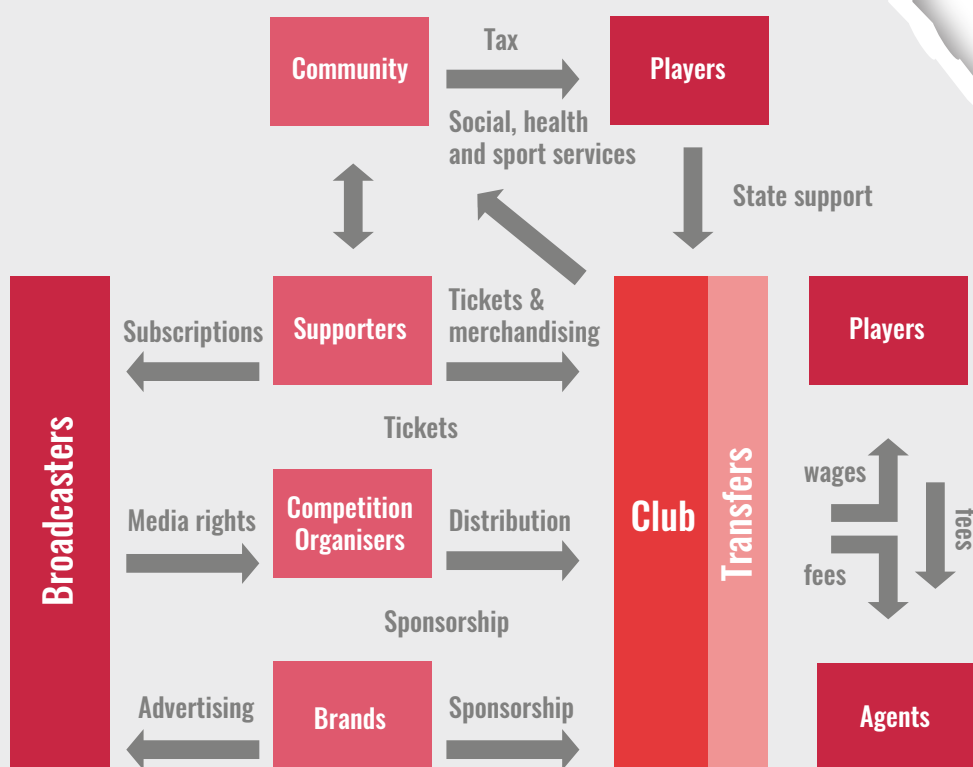
Key Challenges:

- Post COVID match experience, how will it look like?
- Psychological aspects of return to play for supporters
- New economic reality: clubs that can play without
- Football pyramid legitimacy
- Do communities need their football clubs?

Solutions:

- Collaboration and methods of engagement
- Digitalisation as a way forward
- Supporting the grassroots

Updated football economy diagram:



#Issue5



Emile Heskey, 62 caps for England

“As an immediate impact, we saw that football is ultimately subject to national laws and regulations rather than just its own governance. We tend to focus at the top of the pyramid but we also need to act for the bottom of the pyramid, as lower-tier clubs are on the brink of collapse. These clubs are an integral part of their community so their crucial role needs to be taken more into consideration in the football pyramid.”



Therese Sjögran, 214 caps for Sweden National Team and FC Rosengård Sporting Director

“Football is very much built up on a set of routines and with a fixed schedule, but this year we found ourselves thrown into something we never would have anticipated. For a long time we had to handle uncertainty since we didn't know when the season would be able to start. We learned the importance of flexibility and adaptability, for instance with the irregular and busy match schedule it was important to adapt trainings to ease the burden on the players.”



Eric Abidal, 67 caps for France and former FC Barcelona Technical Director

“Over and above the economic loss of not having football supporters in stadiums, it is the whole live match experience that we are terribly missing with an empty venue. The fundamental quality of games seems to diminish, and undeniably fans and supporters are the greatest factor allowing players to surpass themselves and offer top quality performance on the pitch. I do hope that fans' voices will soon resound again in the grounds, and clubs can hear them again, too.”



Marie-Elise Obas, Don Bosco FC Vice-president

“The competition stopped mid-March and we returned on the first weekend of September. Normally, we should have started training six weeks before the return of the competition, but we only had two weeks. We were trying to establish a communication with the Haiti Football Federation so that they would stipulate testing for everyone, but we did not succeed. We ended up being the only ones to test players before getting back on the field”



Gaizka Mendieta, 40 caps for Spain

"When Covid-19 first hit we were definitely caught by surprise and totally unprepared, but we could have probably anticipated the second wave better. Whilst the world of football stopped, clubs should have taken the time to analyse how they work, what are their processes and objectives. Nowadays, more than ever, they should really take time to learn from past experiences and mistakes, in order to improve their methods and seize the opportunity to rethink their business model, with competent support. This is also a great opportunity for clubs to refocus on their youth academies, and capitalise on all the benefits the development of their grassroots can bring on sporting, social and economic levels."



Pierre Issa, 55 times cap for South Africa, currently FIFA Intermediary

"The lack of live matches, the deception of not seeing the entire environment around a football game and talking to the presidents, the sports directors, players and fans: this is what I miss the most. As intermediaries, our work is always on the phone even though before buying or selling a property it is always better to see the house in person and not through a video conference. At first, players were very worried about getting infected, nowadays they are worried about getting injured. Just look around at how all the fixture lists are saturated!"



Moya Dodd, 24 caps for Australia, former Matildas vice-captain and former FIFA Council Member

"When all football paused, those with the most had the most to lose. Those who had less found some new opportunities amid the disruption, as old habits were broken and new innovations emerged. Reduced overall revenues will continue to be challenging for all of football, but the women's game has survived bans, neglect and ridicule for over a century. It has always found a way, and it will find its way in the Covid-19 world, too."



Mbo Mpenza, 56 caps for the Belgium national team

"For some clubs in Belgium it seemed more opportune not to resume the league [following the lockdown] as both operationally and cost-wise it did not seem optimal to them. Beyond that, for football the period we are living in is simply revealing, which clubs are organised, which pretend to be, and those for which it is going to be really tough without proper support."



Viktor Kassai, Hungarian former FIFA International Referee

"Refereeing is a rather conservative function, but operating in the new era of Covid-19, we had to adjust quickly as this time required special adaptation. So while we would never have thought about implementing some ideas so quickly under normal circumstances, they became obvious necessities within a short space of time and we have realised now that these new solutions can actually work. Having said that, refereeing matches without spectators also produces less adrenaline, specially for referees who are working in top leagues usually with big crowds could be strange to officiate in empty stadiums. Maybe in the end it leads to lower levels of concentration, which, in non-professional refereeing structures dominated by part-time referees mainly paid per game, could lead to additional stress."



Andrei Arshavin, 75 caps for the Russian National Team & FC Zenit

"On a global level clubs will certainly be hit financially, meaning fewer resources in the industry with less money for players and at the same time clubs will have to enlarge their squads as thinking only about the starting eleven will not be safe enough. On top of that, with five substitutions allowed, it might be an important game changer in terms of tactics, as coaches will have a bigger opportunity to mix the technical and tactical component, or to play with a physical part to compensate."



Hicham El Amrani, Former CAF General Secretary General and Managing Director HEA Sports

"More than ever, governments are looking at football with an additional angle at the confluence of politics, economics and society, and many States provided support in the past to football without proper accountability. In Africa, we have the necessary conditions, people and energy to overturn the effects of the pandemic, and we are working hard to use this as an opportunity for a new start, making sure we put the human capital and good governance at the centre of our actions"

Positive examples and key learnings

It would be easy to list many of the difficulties and challenges that were faced by all the different stakeholders of football in various parts of the world and make this into a relation of negative case studies and negative examples. But football is a resilient beast, and it would therefore be logical to finish this final section of the publication with a few positive notes:

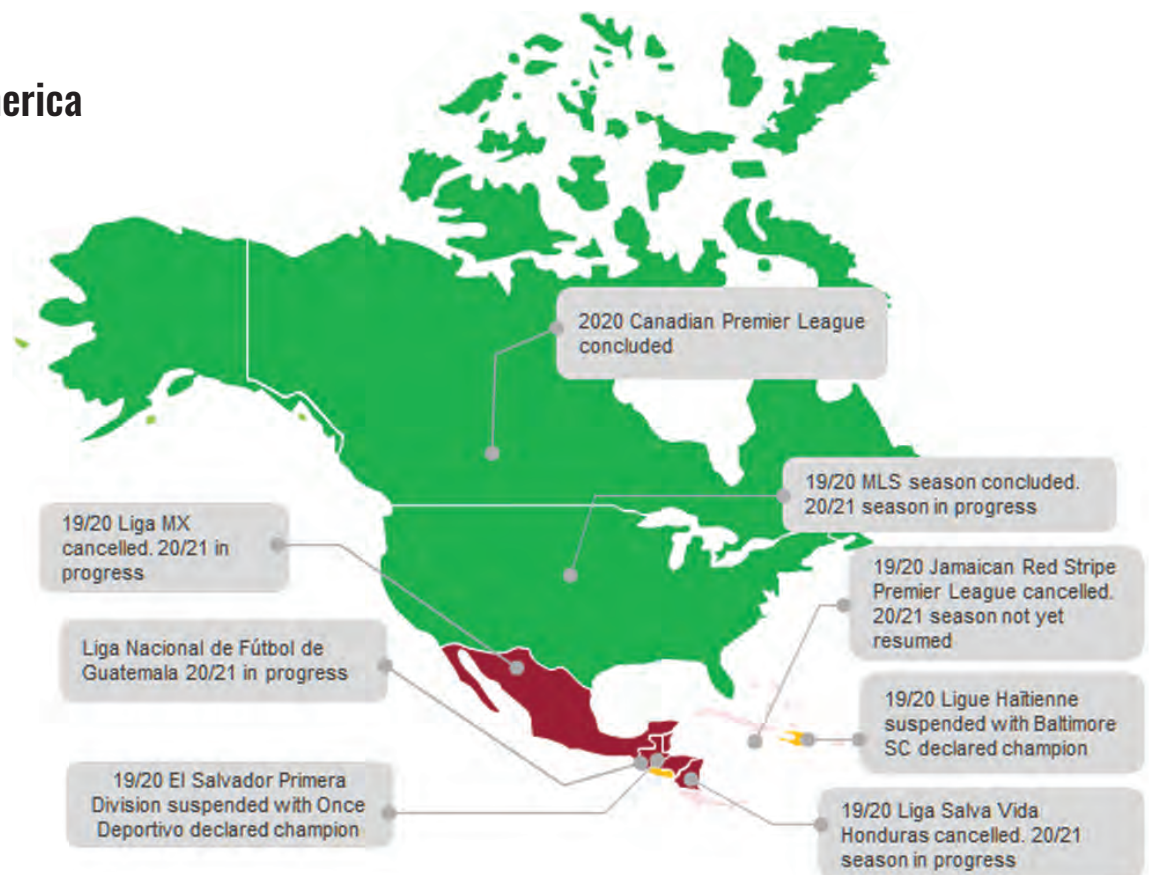
1. Economics of football: in many parts of the world clubs quickly realised that their pre-Covid salary levels were unsustainable within a pandemic scenario, and moved to mitigate this, in many cases with the participation of players themselves in the process. This not only highlights the importance of having representative stakeholder bodies to tackle such issues, but also the fact that in the end many people and organisations care about the football industry and its long-term wellbeing. At the same time, this situation is a unique opportunity to assess the entire ecosystem of global football, and attempt to plot a more inclusive, fair and sustainable course into the future. Not all clubs and leagues can rely on a business model based purely on media rights revenue, but all clubs are content providers, and good-quality content has the potential to be valued equally, whether it comes from a top-5 European league or from an Oceanian football outpost.

2. Crises for some can be opportunities for others, and in football, difficulties off the field for clubs usually mean more chances and opportunities of play for young and local players. If this trend, which has been documented in some countries across the world, remains also during the recovery phase, it should bode well for the development of new and exciting generations of fresh talent across the world. Perhaps it could also encourage clubs to come back to their roots through an increased focus on the products of their own academies. Youth development systems could not only serve to guarantee future generations of talent, but also bridge the growing gap between many clubs and their local communities that do not see a connection between themselves and expensively assembled squads of players from across the world on short-term contracts. In turn, this could also help boost club finances through optimised player transfer mechanisms and talent flows.

As a final thought, despite the many negative and challenging experiences that Covid-19 has brought the world, it has set the scene for a hopeful new future for football. One where errors of the past are corrected, lessons are learned, and innovative solutions and development opportunities are embraced through shared opportunities rather than monopolisation of resources and privatisation of solutions. For the collective good of the world's favourite and most beautiful game!

#Issue6

North America

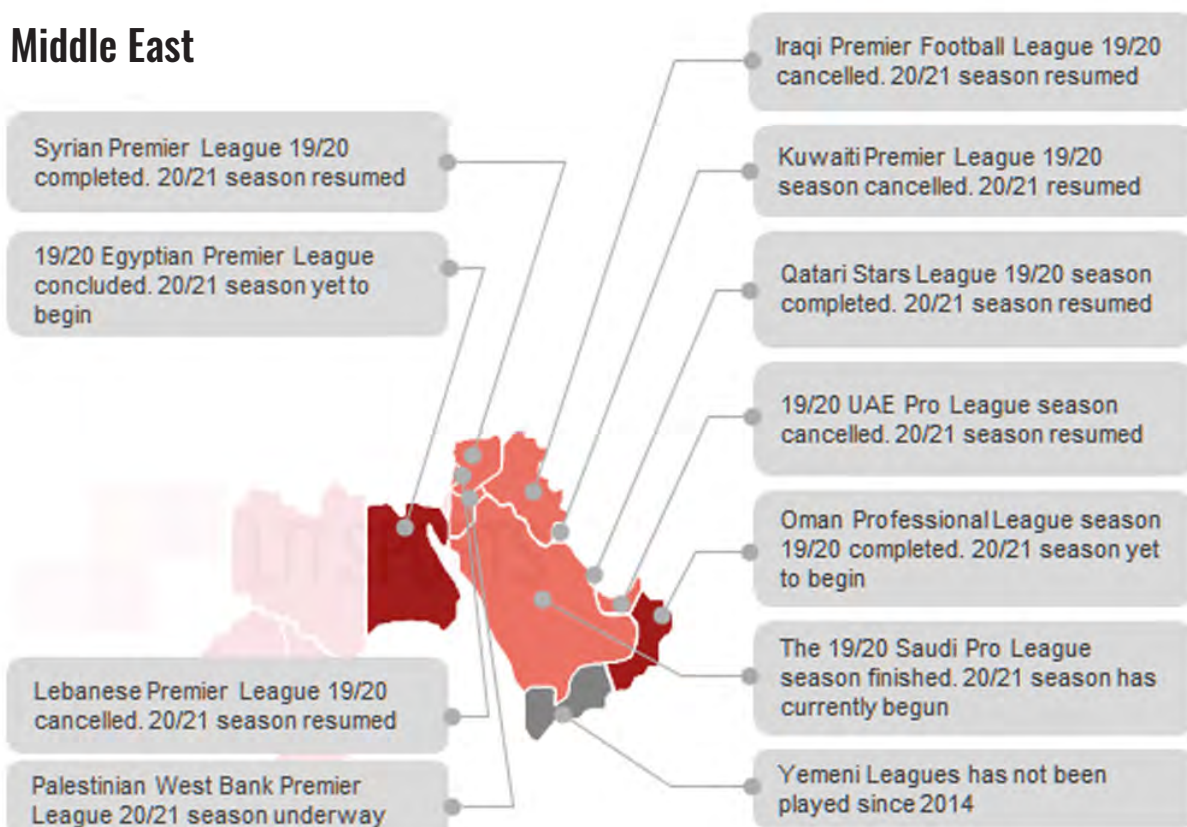


South America

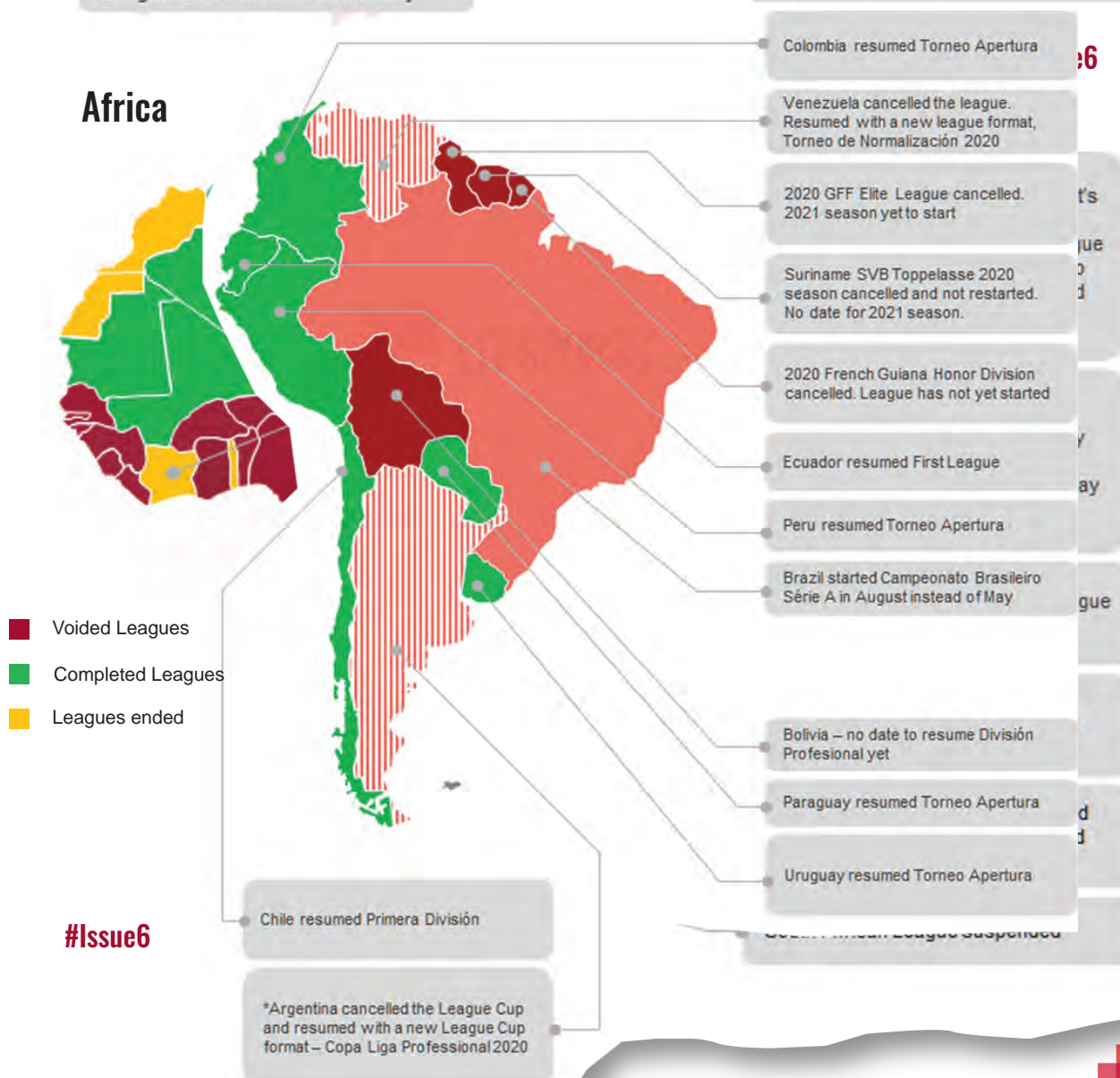
#Issue6

#Issue6

Middle East

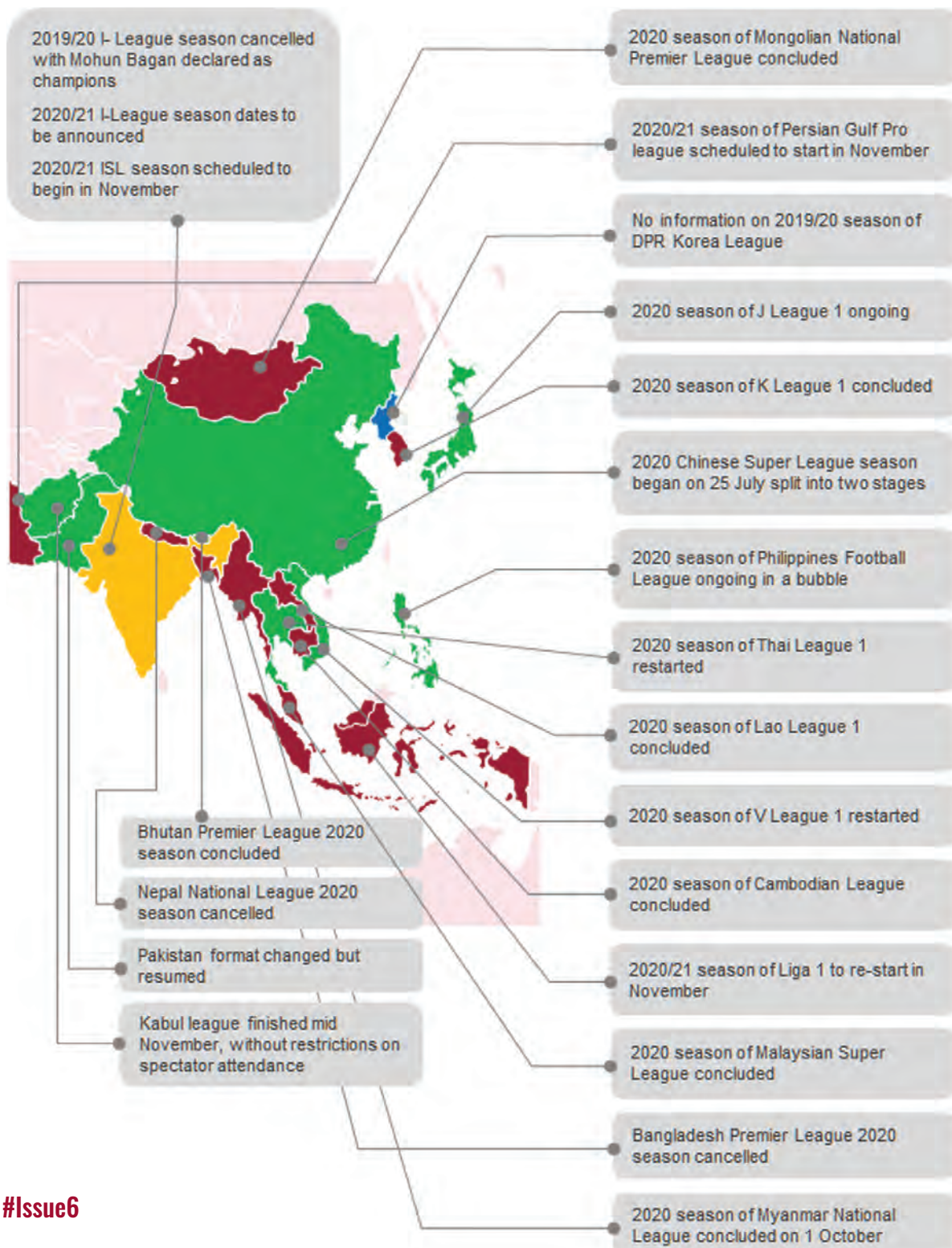


Africa



State of Play

East Asia



#Issue6

Looking Ahead

As we went through our virtual global tour of world football, it was difficult not to be impressed by the sheer variety of approaches to very similar challenges that were applied in many parts of the world. But at the same time, there were a number of common threads, which undoubtedly have the potential to shape the global football industry for many years and even decades to come.

Beijing Guoan, Chinese Super League (CSL) “A global voyage to find a hub”

1. January

Beijing Guoan is in Spain for the season preparation. The players are put in quarantine when coming back to China.

6. June

Beijing Guoan is returning to Beijing for two months for its second Asian Champion's League match and the game finally takes place

7. Summer-Autumn

Beijing Guoan continues to prepare for the season in the National Technical Centre before going to Suzhou to play the reformatted 2020 CSL league

2. January - February

Beijing Guoan goes to Jeju in South Korea for its Asian Champions League game. On site, most activities are limited and the game is eventually postponed

4. April

Beijing Guoan arrives in Abu Dhabi for a second camp. The Chinese players are training and foreign players and staff are released for holidays and waiting to prepare for the season

5. May

Beijing Guoan is travelling to Kunming, in Yunnan close to Laos, to prepare for the new season

3. February - March

Beijing Guoan departs to Thailand for its second Asian Champion's League match and the game takes place

#Issue6

LTT Sports constructs bespoke solutions based on football expertise from the inside and corporate industry standards from the outside at strategy, operational and field levels, as well as a visionary conceptual understanding of the universally shared needs of the football industry in a fast-evolving landscape. We could not find a better partner to collaborate with on these Issues than Club Affairs. Not only do they have an impressive network after visiting more than 200 clubs from leagues all over the world, but they have a genuine interest and deep understanding of the full football ecosystem.

COVID-19 CRISIS 2020 IN FOOTBALL ISSUES:

#Issue 1 Financial First Response, Mitigation and Contingency, March 2020

#Issue 2 Football Department Crisis Management, April 2020

#Issue 3 Governance, Decision Making & Football Economy, May 2020

#Issue 4 Resilience and Mitigation in Women's Football, May 2020

#Issue 5 Resilience and Impact on Community: Is football without fans really nothing?, August 2020

#Issue 6 Resilience and Impact on Global Football "the tip of the iceberg", December 2020

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