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Innovation Options in the World of Sports: Future Prospects and Challenges

**2019 EHF Club Management Seminar in Cologne/GER
(May, 30th – June, 1st 2019)**

“Marketing – Fit For Future – Best Practice”

May, 30th 2019

15:30-16:30

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Welcome...

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Innovations – just a few examples from the “real consumer world”



The innovation formula

INNOVATION = INVENTION + EXPLOITATION

Invention

(Efforts to generate and get new ideas working)

Exploitation

(Commercial development, application, transfer)

$$E = MC^2$$

Basic requirements for innovations

Research and

Development (R&D)

R & D encompasses all activities that serve to acquire new knowledge and use that knowledge in new products and processes

Technologies

Technologies are theory-based instructions for technical action.

Innovations in the Football World – Governance Structure vs. Football Clubs

“Innovations are changing our everyday life. New ideas are the driving force of the football [soccer] industry for improving comfort, safety and performance aspects for the players and referees on the pitch.”

Source: Fifa

(<https://football-technology.fifa.com/en/innovations/>)



Status Quo in Sports

- Market pressure: Growth opportunities for sports clubs and leagues in the digital age
- Investors (market capitalization, globalization, internationalization)
- Insufficient evidence in the academic field - **innovation** as a dimension of club management?
- Innovation encompasses **4** aspects of a club

Innovation Option 1 – Product and Service (club's perspective)



Fostering the Merchandising Business



Introducing Heritage Worlds and Museums



Fan engagement and audience development

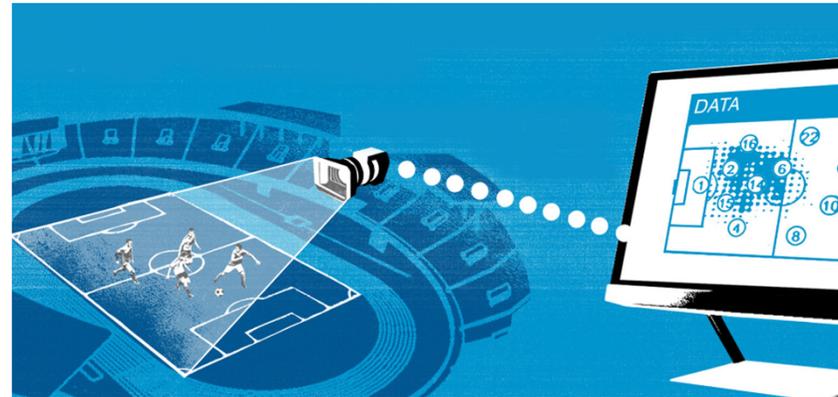


Value added service in digital media

Innovation Option 1 – Product and Service (league’s perspective)



**Video Assistant Referee
(VAR)**

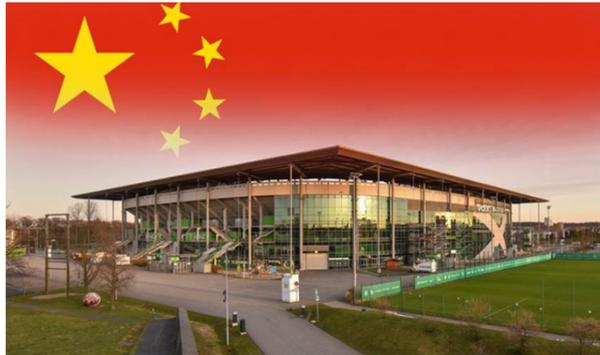


**Electronic Performance &
Tracking Systems (EPTS)**

Innovation Option 2 – Business Modell



Revenues streams through
Talentdevelopment or Scouting



Strategic alliances / Joint ventures

→ Internationalisation /
Globalization of Soccer



European Super League
-> Commercialisation



E-Sports/Gamification

„Strategische Partnerschaft“

1. FC Köln ist offen für einen Investor

Sponsorships vs. Strategic Partnerships /
Participatory structures

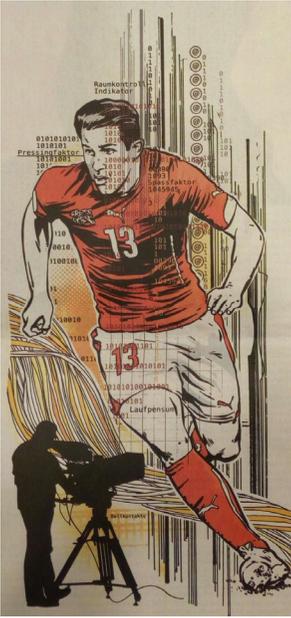
Innovation Option 3 – „Expert approach“



**Research Labs /
Interdisciplinary networks**



**Start-Ups, Incubator, Accelerator
(Spin-Offs)**



**Digital Ecosystem
(Big Data, Data Analytics, Digital
Transformation, Technology, etc.)**

Innovation Option 4 – Experience entertainment companies

Transformation-Tendency:

..... goes beyond the focus of the products or the strategy of a sports team to rethink what the business is all about

Clubs or entertainment companies???

Clubs need “touching points” for the “Customer Journey”!

Any examples from the Handball world?



Innovation Option 4 – Investors as the driving force

www.gocompare.com/covered/2013/09/the-10-richest-investors-in-sport/



THE 10 RICHEST INVESTORS IN SPORT



The America's Cup-winning Oracle team is bankrolled by the richest investor in sport (Photo: Port of San Diego)

27 Sep, 2013 | by Graham Thomas



When Larry Ellison lifted the vast trophy that is the America's Cup high above his head this week, it was symbolic confirmation that money - and lots of it - underpins modern sport.

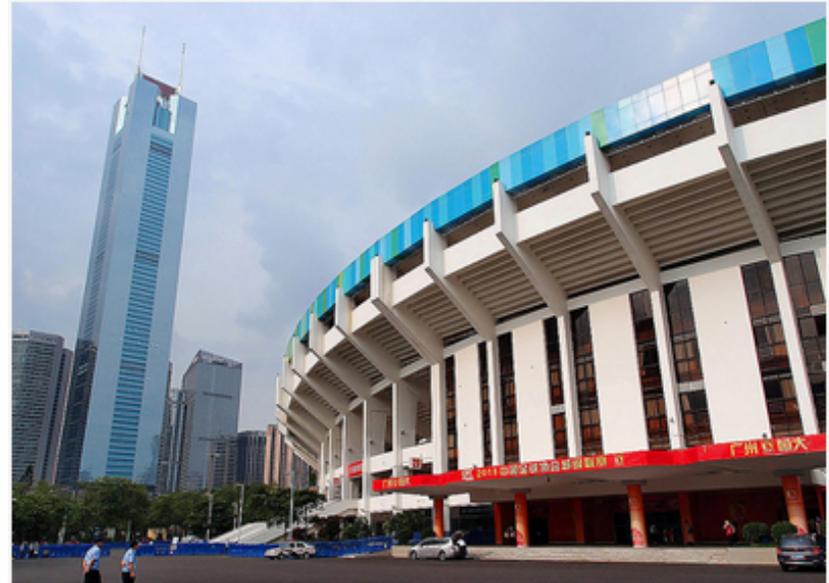
Ellison is the undisputed master of the high seas when it comes to the oceans of cash that are poured into sporting enterprises around the world.

But aside from the man who bankrolled Oracle Team USA's astonishing comeback victory over Emirates Team New Zealand, who are the others greasing the global winches that keep modern sport afloat?

Here's a top 10 of the men (and, yes, they are all men) investing the most into sport worldwide.

"AMID MUCH CHURNING OF MANAGERS AND PLAYERS, ABRAMOVICH BLOW-TORCHED OVER £600M INTO STAMFORD BRIDGE IN HIS FIRST FIVE YEARS FROM 2003"

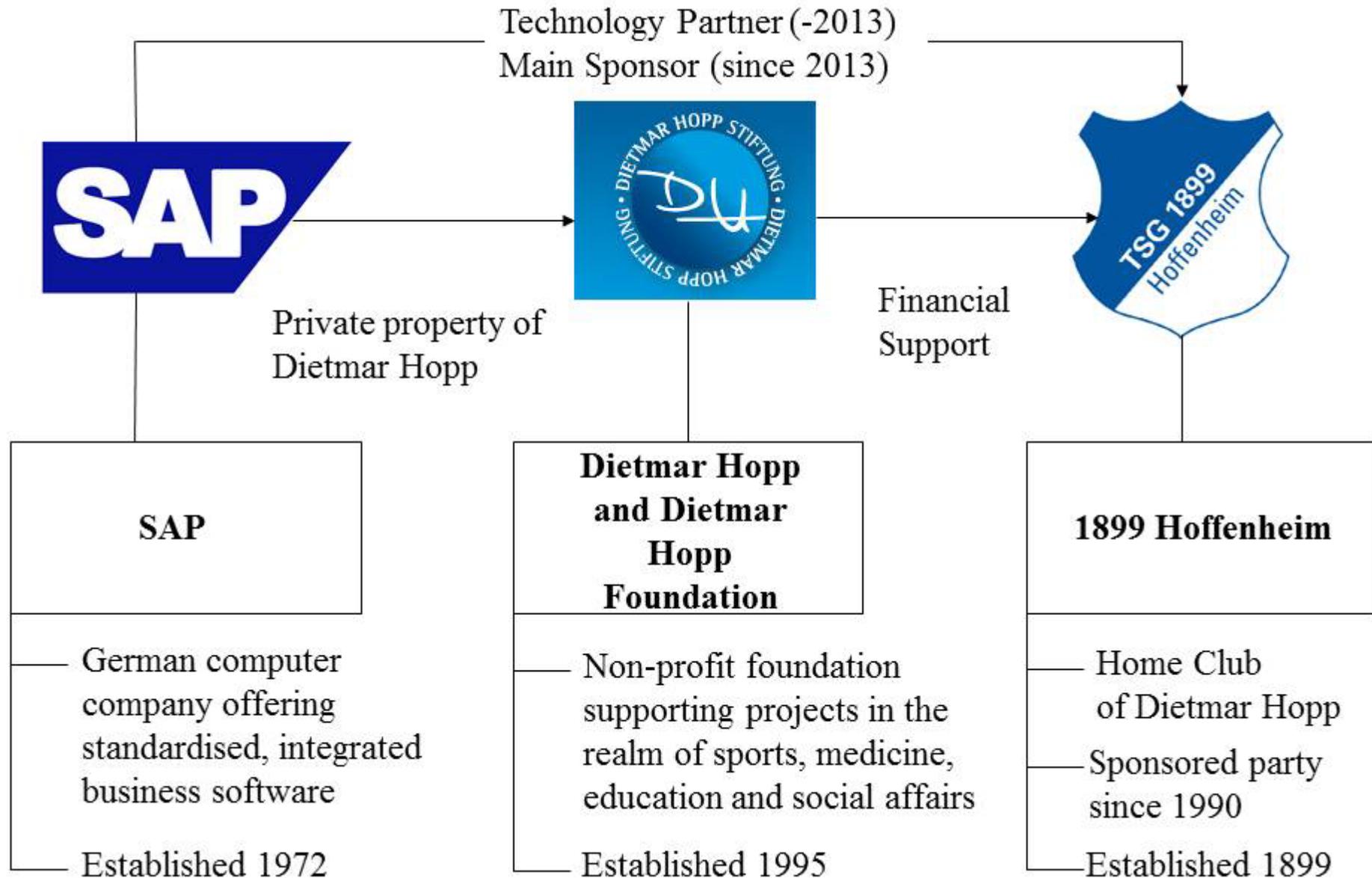
10. XU JIAYIN - WORTH: \$7.2BN



Nothing highlights the changing sporting landscape better than the activities of Chinese billionaire Xu Jiayin.

Not only has his wealth - from property development - transformed Guangzhou FC from no-hopers to Chinese Super League champions, but he has struck a partnership with Real Madrid to build China's biggest football academy in Guangzhou.

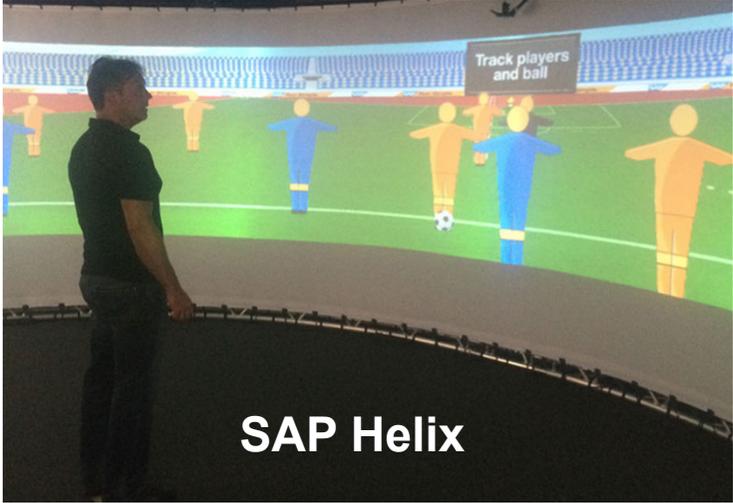
Best practice in football innovation in Germany: TSG 1899 Hoffenheim



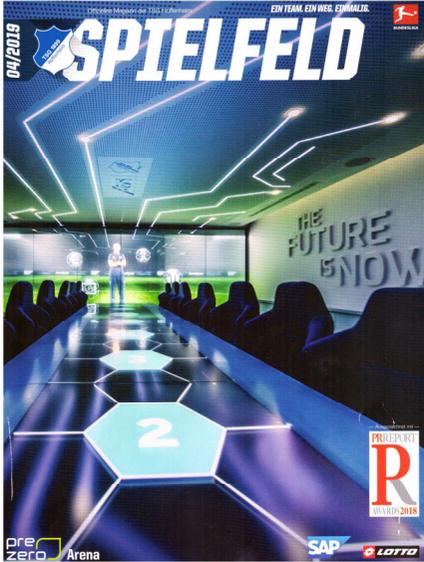
Best practice in football innovation in Germany: TSG 1899 Hoffenheim



Footbonaut



SAP Helix



SAP Interactive Data Space



Best practice in football innovation in Germany: TSG 1899 Hoffenheim



TSG Hoffenheim Run Live Executive Series

<https://www.youtube.com/watch?v=uhN42VtELcE>

Best practice in football innovation in Germany: TSG 1899 Hoffenheim

Product	Objective	Primary User
SAP Customer Checkout	Sales Management	Marketing (Sales / Merchandising)
SAP Hybris	Omnichannel-Commerce-Plattform (Shops)	Marketing (Sales / Merchandising)
SAP Event Ticketing	Management of Ticketing-sales	Ticketing
SAP ERP (Enterprise Resource Planning)	Financial Accounting	Management / CEO
SAP Hybris Cloud for Customer (Hybris C4C)	Cloud-based CRM-Solution for controlling fan-related communication processes	Marketing Communication
SAP Sports One	Management of the team: Analytics and Statistics	Head Coaches

Conclusion

- Digital Change is in full swing
- Decisions on key performance indicators / parameters („Moneyball-Approach“)
- Football Managers will be transforming into Data Analysts (Competitive advantage?)
- The rat race: Who has the next ground-breaking / pioneering idea/invention?
- What could Handball-Teams learn from the football market with regard to football-specific innovations (and vice versa)?

Implications for Handball?

Innovation Option 1
(Product and Service)

What is the Handball-specific demand of fans and costumers (Merchandising, Value added servcies, etc.?) (Market Research)

Innovation Option 2
(Business Model)

Alliances, E-Sports, Participatory Structures

Innovation Option 3
(Expert Approach)

Be data driven, Include scientific knowledge, generate knowledge, develop or use technology

Innovation Option 4
(Experience Entertainment Corporations)

Do you really want that?
That is a journey...
Options 1-3 plus a billionaire



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Thank you for listening.

.... and enjoy EHF's Final 4!