

TALENT IN THE SPORTS INDUSTRY FROM A DIGITAL TRANSFORMATION PERSPECTIVE

Challenges Ahead

Why talent is one of the keys to digital transformation processes success?

To carry out any digital transformation process, you have to start by detecting the talent. The sports sector is not oblivious to the need to improve the skills of its teams, it needs talent and knowledge to face new challenges.

At the GSIC we are aware that for a digital transformation process to be successful in a sports entity it is necessary to integrate this process as a part of the organization's strategy, it is necessary to have a digital or technology director and a digital plan.

Today, in the midst of a pandemic, we see how digital transformation in sport is not optional, it is essential, and to do this, detecting the profiles most in demand by the sector and listening to their opinion is essential.

With this report, we wanted to offer a global vision of the industry that helps entities in the sector, universities, students, managers of the sector and people in search of challenges in the sports industry.

We would like to thank Sport Singapore for the support that has allowed the study to include the Asian region and thus have a more global and reliable sample. And, to thank SPSG Consulting for their support in the preparation of this report.



Iris Córdoba Mondéjar
General Manager GSIC

ABOUT US

Global Sports Innovation Center powered by Microsoft (GSIC) is a business cluster powered by Microsoft Sport Team that gathers all kind of sports entities (clubs, federation, associations), institutions, tech-companies (from start-ups to enterprises), research organizations, investors and key figures of sport industry to improve its value chain. To do so we focus our activities and services on 6 main points: entrepreneurship, networking, applied research, showcase, Microsoft Partners Solutions and digital transformation advisory services. More than 340 companies from 38 different countries have already received support from the GSIC through different activities, as well as from their ambassadors and network of professionals of the sports industry.

About SportSG

As the national sports agency, Sport Singapore's core purpose is to inspire the Singapore spirit and transform Singapore through sport. Through innovative, fun and meaningful sporting experiences, our mission is to reach out and serve communities across Singapore with passion and pride. With Vision 2030 – Singapore's sports master plan, our mandate goes beyond winning medals. Sport Singapore uses sport to create greater sporting opportunities and access, more inclusivity and integration as well as broader development of capabilities. At Sport Singapore, we work with a vast network of public-private-people sector partners for individuals to live better through sport.

GSIC and Sport Singapore partnership

Since GSIC's opening, we've been working on the internationalization of its activity, the reason why in 2018 we began an expansion process that allowed us to find allies in other regions, in order to provide our current and future members with a virtual and onsite space where they can have more opportunities to detect synergies and establish collaborations.

Our best ally in that sense now is Sport Singapore, the national agency for the promotion of sport in the Republic of Singapore.

Both our entities agree on the point that the sports industry is strengthening its presence in Asia, where the business of sport is rapidly growing. Asia's clout in global sport continues to strengthen on the back of three Olympic Games – 2018 Winter Olympics in Pyeongchang, South Korea; 2021 Summer Olympics in Tokyo, Japan; and 2022 Winter Olympics in Beijing, China. So now we will work together to build and enhance the sports industry's capacity, capability, and potential for innovation.

Our aim is to analyse ways of collaboration with the sports entities of the region that have great potential in terms of innovation and technology, and at the same time, we want to position Singapore as a benchmark for innovation in the sport worldwide, as it's a financially stable, strategic location on the world map, with facilities for doing business.

INTRODUCTION

The sports industry is a fast pace growing sector encompassing a wide number of business stakeholders such as broadcasters, sponsors, sports properties (i.e. athletes, clubs, federations, leagues/competitions and events) and investors, among others.

The last decades have been marked by the rapid growth of technological innovation and the ongoing appearance of digital advancements has contributed to the disruption of the sports' business landscape altering both organizations management structures and consumer behaviours.

On the one hand, the adoption of digital technology within organizations has transformed their business models and operations processes. On the other hand, consumer behaviour has been changing much faster than traditional organizations' capacities to adapt to consumers evolving needs. In that sense, latest technological tools (like blockchain, artificial intelligence and Internet of Things) are crucial to keep up with the industry's continuing development, and all the stakeholders in the sports ecosystem (irrespective of its activity, size and country) need to leverage on them to stand out.

What's more, the COVID19 sanitary crisis has left the sports activity under forced stoppage for months, and, therefore, it has challenged organizations and fast-tracked their need to embrace digital transformation to keep being competitive and subsist in the market.

However, as mentioned, the implementation of digital transformation involves the integration of technology within the business processes of an organization and requires a redefinition and sophistication of traditional management practices. Therefore, its success also depends on having a workforce that supports these changing structures, and entities will increasingly need to attract and develop the right talent that is able to fill the required job positions to succeed. Certainly, employees will have gain up to date hard and soft skills to close the competency gap (known as the mismatch between the skills that employers seek and the skills that the workforce actually has) to stay relevant.

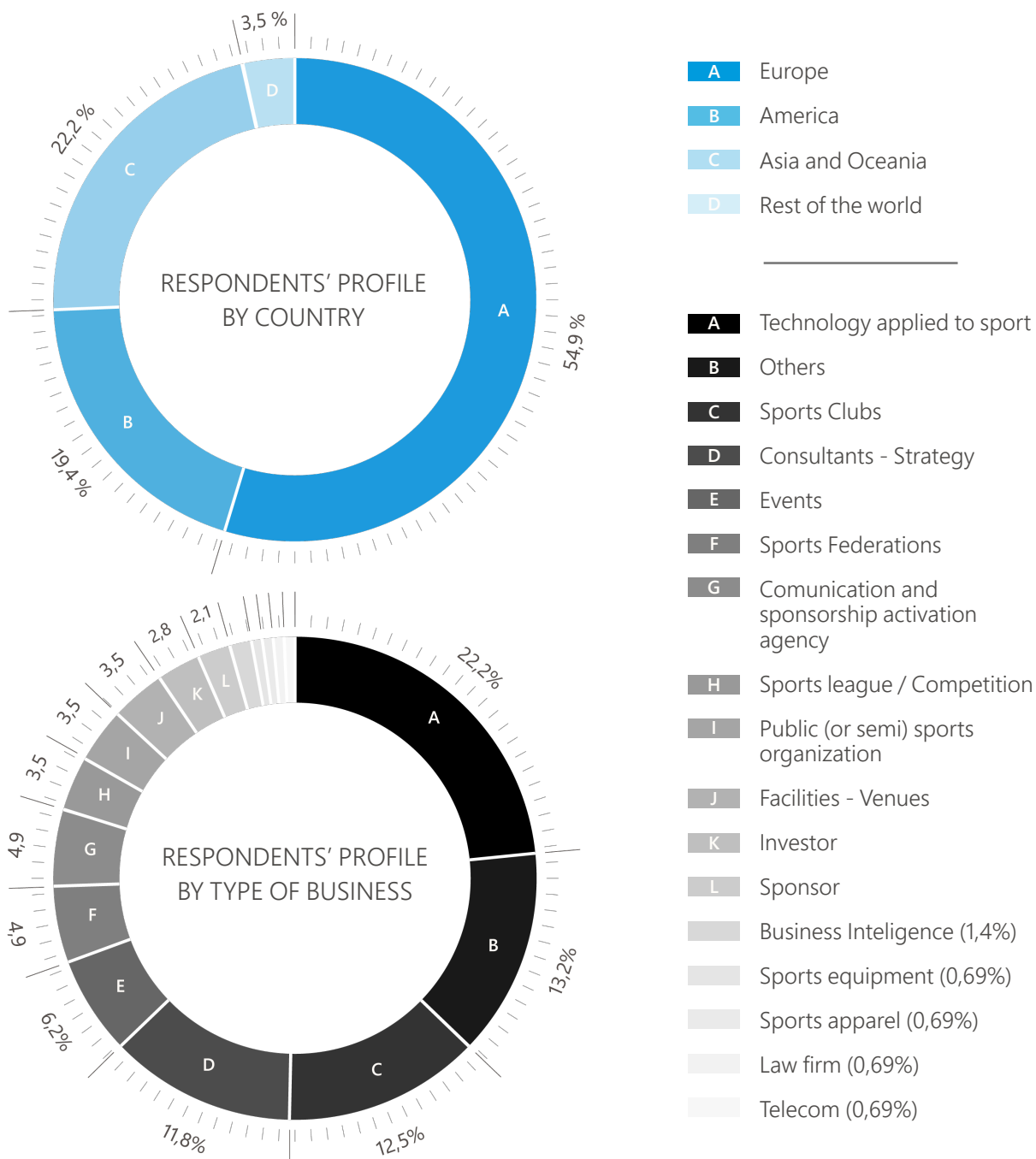
In this context, the GSIC powered by Microsoft (GSIC), carried out an online survey among GSIC's members and other leader entities in the sports ecosystem in order to provide a better understanding on how the digital transformation affects the industry as a whole, challenges its organizations and workforce. The online survey was complemented by a series of in-depth interviews to selected key stakeholders of the sports industry ecosystem, as well as a workshop. In this context, the GSIC has been developing a series of reports and white papers on digital transformation with the support of its network of international ambassadors.

It is important to mention the geographical focus of this reports on Europe as well as Asia and APAC regions which is linked to GSIC's expansion to this part of the world. Together with Sport Singapore, the national agency for the promotion of sport in the Republic of Singapore, we are building the bridge of knowledge transfer between the continents and with their support the GSIC had an opportunity to interview key industry professionals and gather the data withing the questionnaire across Asian sports tech ecosystem. GSIC would like to thank all the professionals that have participated in the development of this report.

METHODOLOGY

In June 2020, GSIC distributed an online survey that was responded by 162 high-profile business professionals working in the sports industry.

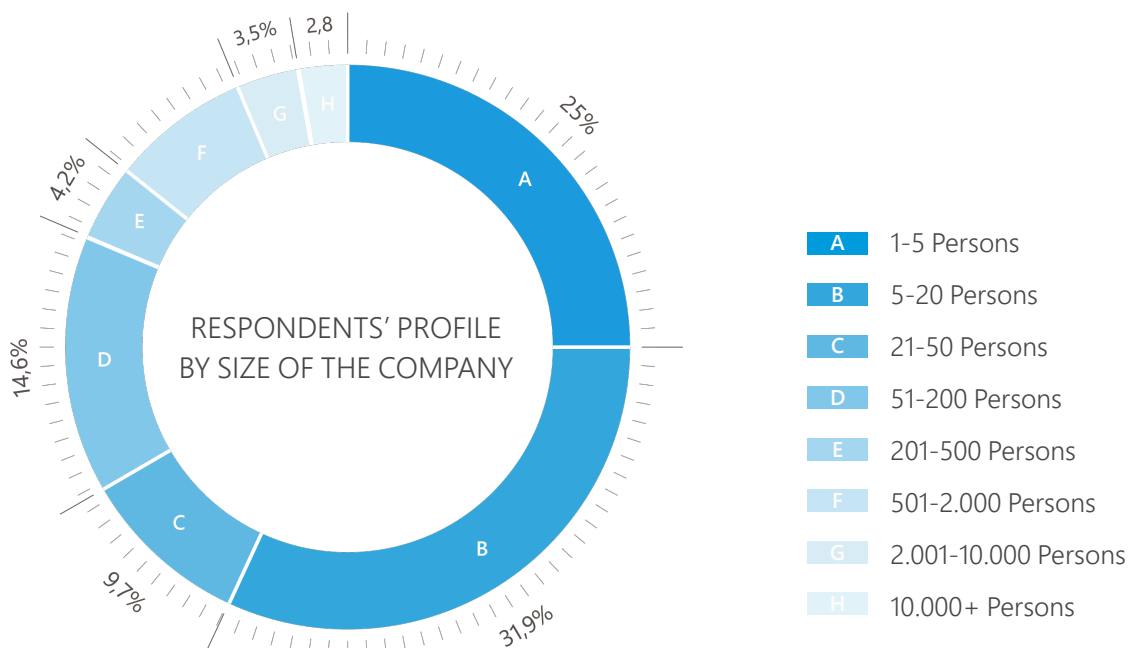
This section of the document shares an overall opinion of these top-notch leaders' that are coming from different types of sports-related organizations, of different sizes and located in different continents:



Respondents are mainly working across Europe (54,86%). This happens due to the fact that sports tech ecosystem is more mature on this market and allocates more sports entities.

In Asia and Oceania (22,22%) respondents mainly come from South East of Asia.

Respondents are principally working at sports properties such as clubs, federations, leagues, events and facilities (30,55%), technology applied to sports' companies (22,22%) or are offering professional services like consultants, law firms and investors (16,67%).



66,66% of professionals are working at small-sized organizations (with < 50 employees), which is related to the boom in entrepreneurship and development of new startups.

In addition, GSIC would like to thank all sport industry leaders that have contributed to the outcome of the report by participating at workshops or being interviewed.

- Carlos Cantó – SPSG Consulting
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- Helen Soulsby - SRI
- Javier Lozano – Nanfor Ibérica
- Iris Córdoba - GSIC powered by Microsoft
- Jorge Coll - European Sport Business School

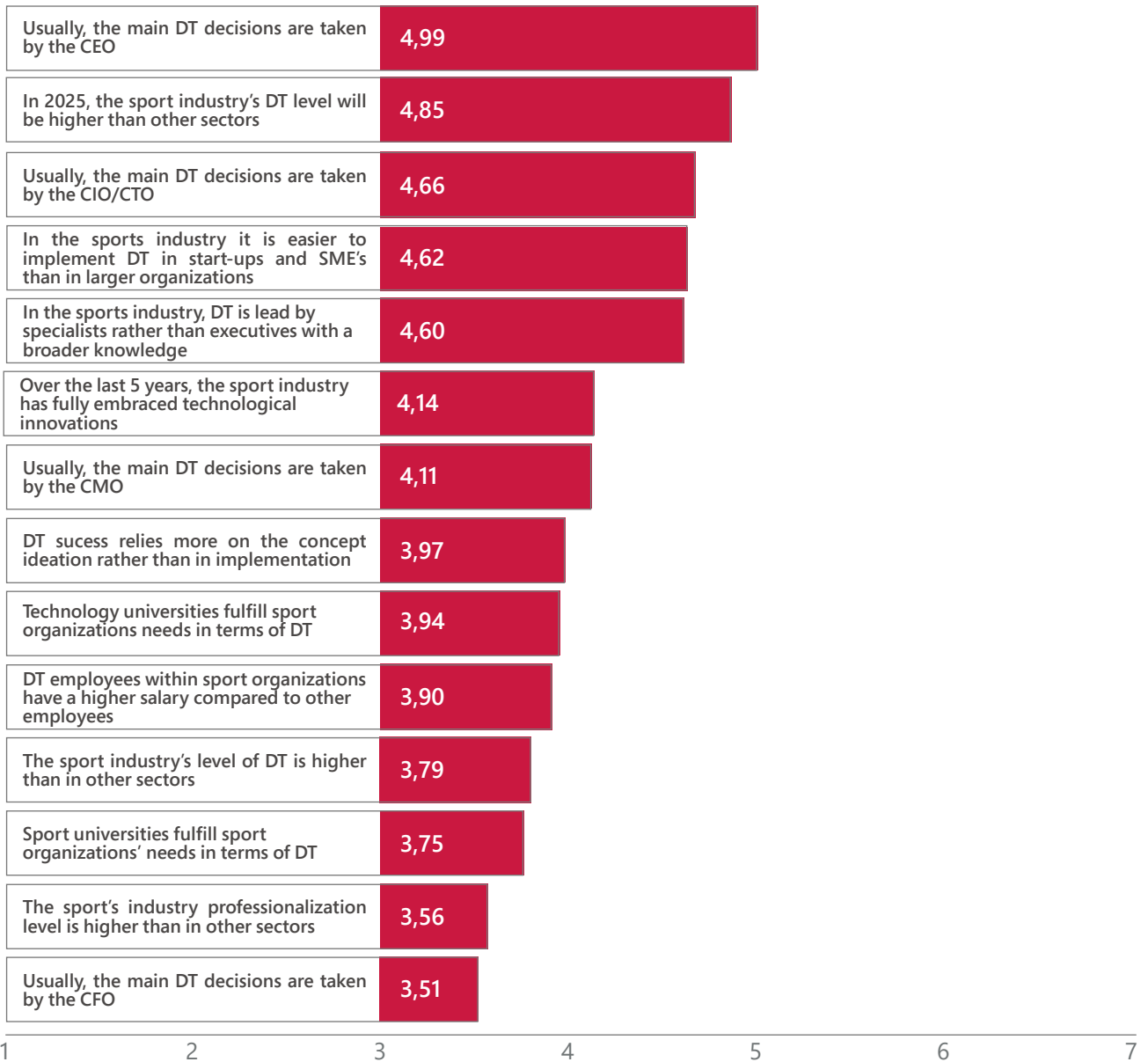
- José Javier Hombrados – Institución Educativa SEK
- Malcolm Thorpe – Sportfive
- María Jesús Magro – Fundación Pons
- Marisa Sáenz – Escuela Universitaria Real Madrid / Universidad Europea
- Mercedes Hernández - Escuela Universitaria Real Madrid / Universidad Europea
- Unmish Parthasarathi – Picture Board Partners

The report shares a broad snapshot of the talent in the digital sports industry and its challenges ahead, and is structured in four main sections:

1. Digital transformation in the sports industry:
 - General overview.
 - Digital transformation gap by discipline.
 - Digital transformation gap by organization type.
2. Skills and competences in digital transformation:
 - Key competences needed in the sports industry.
 - Key soft skills required in the sports industry.
3. Sport industry talent pool:
 - Sport digital transformation positions.
 - Sources to identify and attract talent.
4. Conclusions.

DIGITAL TRANSFORMATION (DT) IN THE SPORT INDUSTRY

1. General overview



NOTE: scale from 1 (minimum, lowest importance) to 7 (maximum, highest importance)

Although sports leaders believe that their industry is lagging in terms of digital transformation compared to other economic sectors, many point out that there has been a moderate shift in mentalities in the last five years. Indeed, an increasing amount of sport entities, like LaLiga, Real Madrid, FCBarcelona, UEFA, EuroLeague Basketball, Badminton World Federation or FIS have created new roles and departments related to innovation and digital transformation, with the objective to seize new opportunities arising in the industry and develop their revenue models. At the same time, we see the rise of important sports entities in the Asian region such as ONE Championship, Asia's largest sports media property, ITTF,

World Bowling, among others. These organizational changes respond to both sportive and commercial strategies. In the first case, these departments allow athlete data processing and analysis to enhance performances and overall sportive results. In the other case, they are key to develop, for example, an extensive understanding of fans, which consequently allows the improvement of their experience and engagement through the conception and execution of personalized commercial campaigns.

One point that stands out is that sport leaders believe in the potential of their industry to overcome other economic sectors in the coming years regarding their digital transformation levels. Technology will be the enabler and driver of change in the coming years, and technologies like 5G, Internet of Things, Artificial Intelligence, Blockchain or Virtual Reality already have and will have a great impact in the industry, transforming the nature of services as well as the way they are offered and consumed. Sports organizations embracing these technologies will have an important competitive advantage compared to other actors not only within the sports industry, but within the entertainment industry as a whole.

In order to do so, sport entities need to professionalize their structures and management practices, promoting business models based on innovation and digital transformation. In other words, digital transformation inevitably comes with professionalization. Interestingly, the sports leaders' perception on the professionalization level of the industry is relatively low, meaning that many organizations still need to make important efforts in this aspect.

The sports industry has great potential to overcome other economic sectors regarding their digital transformation levels by 2025.

According to the sports leaders consulted, usually the main decisions related to digital transformation within sports organizations are taken by Chief Executive Officers (CEO) or, to a lesser extent, Chief Innovation/Technological/Transformation Officers (CIO/CTO). Moreover, sports leaders indicate that Chief Marketing Officers (CMO) or Chief Financial Officers (CFO) are less relevant in these types of processes. From these results we could conclude that, although digital transformation has an impact in most of the departments within sports entities, only top executives with a broad perspective of the organization's strategies and with an extensive experience should be involved in these decision-making processes. In fact, many sports leaders believe that digital transformation should be led by specialists rather than executives with a broader knowledge of this field. However, it looks like the combination of a 360° understanding of the business plus a relevant knowledge about technology and digital is the right equation to follow to get success.

The sports leaders surveyed or interviewed also agree on the fact that it is easier to implement digital transformation in start-ups or small firms rather than in larger organizations. This shows that the larger the organization is, the harder it is to rapidly adapt to changes in the industry by transforming organizational structures, processes, and technologies.

Sports leaders agree that it is easier to implement digital transformation in start-ups or small firms rather than in larger organizations.

That is why larger organizations can find in start-ups potential collaborators that may foster innovative culture and bring technological expertise in order to keep up the pace with digital disruption in the sports industry. An alternative, it might be to empower or create task forces or units within their companies, more flexible and "fluid" compared to big organization structures. In addition, industry leaders do not fully comply with the idea that

digital transformation's success relies on the concept ideation rather than in implementation. This is an interesting point, as in many cases sports organizations fail to turn innovative ideas into valuable and impactful solutions. The implementation phase is crucial as it allows prioritizing actions and outcomes, as well as planning the resources required to reach the organization's objectives

When asked about talent related to digital transformation, many sports leaders indicate that universities, both technological and sports-focused, are currently not fulfilling the digital transformation needs of sports organizations with their programs. The lack of specialised programs combining hard skills such as data analytics with sports management knowledge makes it very difficult for sports organizations to find individuals that meet their digital transformation needs. Many sports entities have started to launch their own master programmes in Sports Management by signing partnerships with different universities, such as Real Madrid with Universidad Europea, FIFA with SDA Bocconi (among others) or EuroLeague Basketball, just to mention a few of them. The GSIC was also among firsts launching in 2019 master's in digital Transformation of Sports Entities within GSIC Institute. We also support the sector with our Working Group on education and collaborations with associated universities in their programs with a practical vision and sharing cases of digital transformation in the sector, offering experts and internships to the students.

However, there is a space for improvement by combining the overall business approach with specific expertise and know-how.

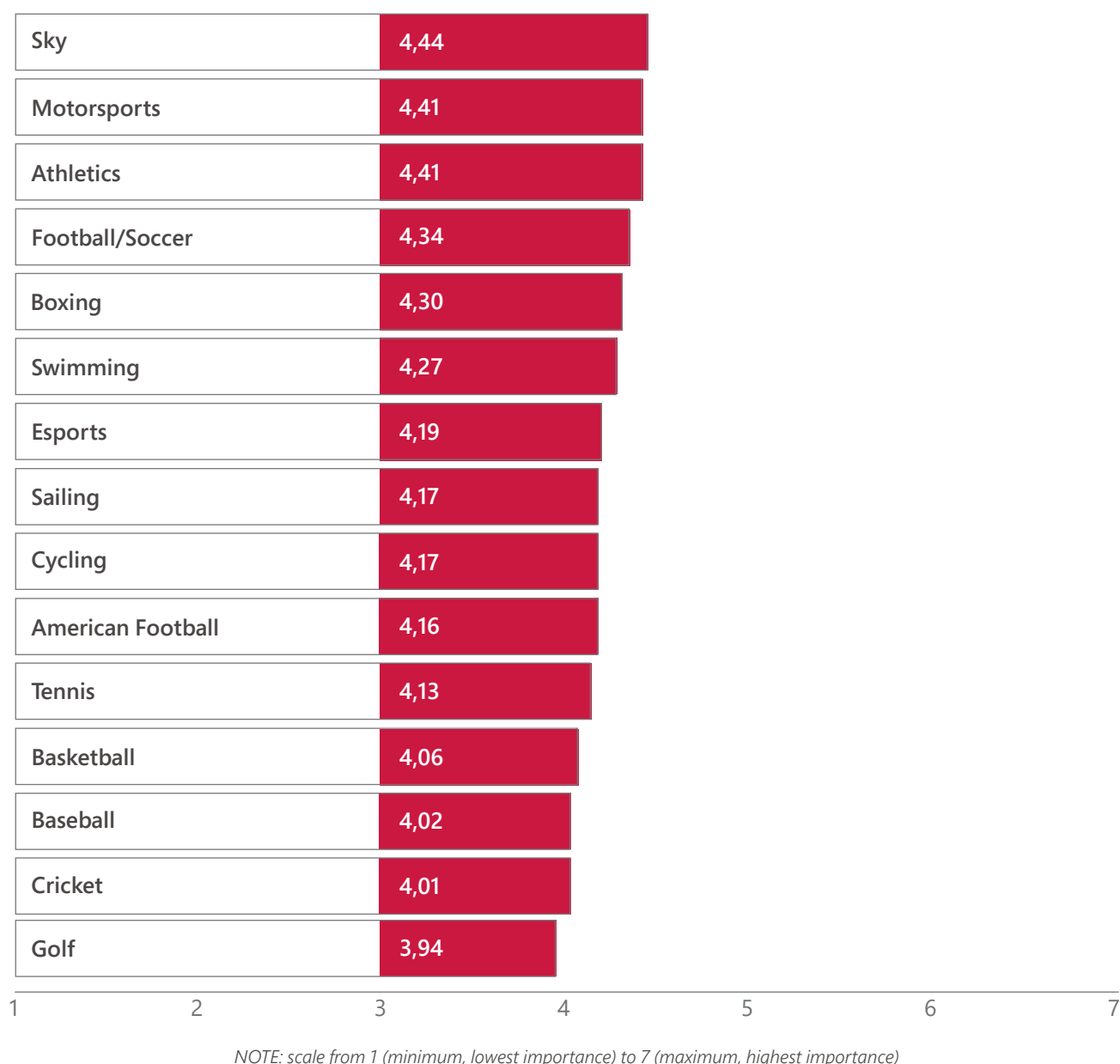
Finally, there is a relatively low perception among sports leaders on digital transformation employees obtaining higher salaries than other types of sports organizations' employees. This shows that, although digital transformation is crucial for every sport entity that wants to survive in the sportainment landscape, the employees in charge of these processes are not being usually paid above the average in the sports organizations, which may negatively influence their talent attraction capabilities compared to other economic sectors. However, again, as it will be shared in the following sections of the report, digital and technological skills are not the most important professional competences that are valued by the sport industry.



Cristina Triado
Mediapro

Universities should focus more on practical tools, methodologies and learnings rather than in "theoretical" approaches.

2. Digital transformation gap by discipline



One point that stands out is sports leaders' concern with the digital transformation gap in most of the disciplines. Their perception is similar for most disciplines, ranging from 4.44 to 3.94, which entails the need of the whole sports industry to adapt to the digital era. Sports leaders see ski as the discipline with the highest gap, while golf has the lowest one. Surprisingly, a highly tech-driven discipline like Motorsports is perceived as having one of the highest gaps.

The whole sports industry still has to adapt to the digital era in order to leverage on all the opportunities

This shows that digital transformation not only applies to the sportive part of each discipline, but also to the way sports entities connect with their fans and bring value to the different stakeholders. Formula 1

may be one of the most innovative sport disciplines, where data analysis is extensively used to improve cars' performances, yet it seems that there could be room for improvement in other digital transformation areas related to fan engagement or fan experience, as well as the use of the technology and data in the circuits. Same with ski, despite the fact that FIS is working hard in closing the gap. On the other side, golf has a long tradition of incorporating some sort of digital and technological improvements in place, also using golf simulators (very popular), and having a vast and broad experience in incorporating data and technological elements in broadcasting activities.

3. Digital transformation gap by organization type



NOTE: scale from 1 (minimum, lowest importance) to 7 (maximum, highest importance)

There is no doubt that sports leaders also see an important digital transformation gap for most sports organizations, with local, national, and international federations being the entities with the highest needs to embrace technological innovations and, therefore, professionalize their management practices.

Local, national and international federations are the organizations with a higher digital transformation gap whilst the ones with the lowest gap are media platforms.

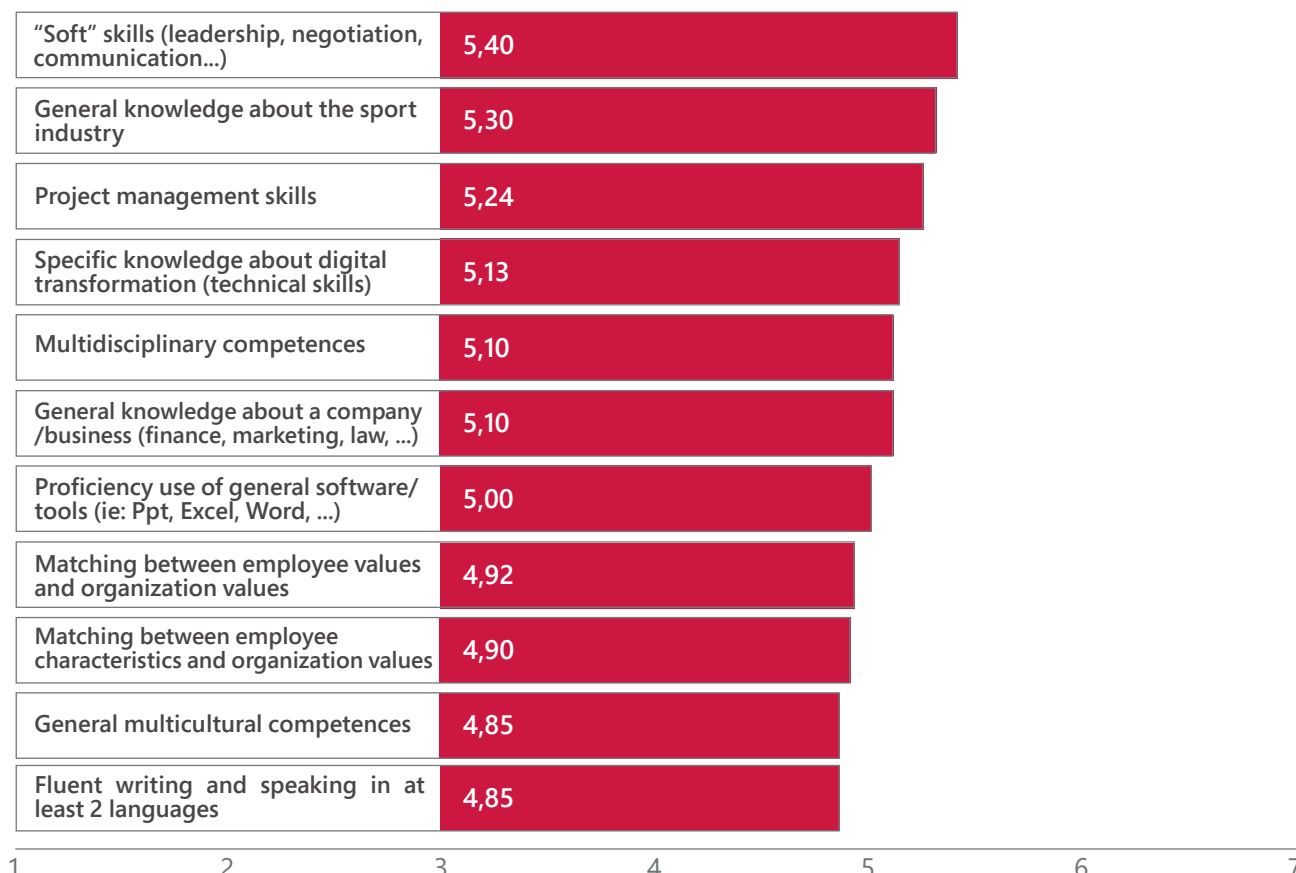
Indeed, our data indicates that public or semi-public sports organizations are less digitally transformed than private sports organizations, such as clubs or sports apparel firms, which shows the need of public (and semi-public) administrations of promoting digital transformation through important investments. This is one of the reasons behind the fact that support from national governments and / or public entities (such as Sport Singapore) to the National and Regional Federations is key in order to help them to achieve the next

level. Although in current practice, many international federations are immersed in the beginning of their own digital transformation processes, understanding that it takes time to reach the regional federations.

Furthermore, for sports leaders, the organizations with the lowest digital transformation gap are media platforms. Indeed, the appearance in the sports media ecosystem of OTT platforms that offer their services exclusively through digital channels has made traditional sports media firms reconceptualize and adapt their offerings in order to maintain their relevance. Also, the irruption of the so-called “social media” (actually, should be known as “social platforms”) in the sport industry (they are even acquiring sport audiovisual rights) have a direct impact in the lower degree of the Digital Transformation gap.

SKILLS AND COMPETENCIES

1. Key competencies needed in the sports industry



NOTE: scale from 1 (minimum, lowest importance) to 7 (maximum, highest importance)



Malcolm Thorpe
Sportfive

“Talent coming from other economic sectors brings “a different view and perspective” to sports industry organizations.

As stated before, the sports industry’s stakeholders are increasingly investing in innovation in order to leverage on new opportunities. However, the implementation of a successful holistic digital transformation across companies relies not only on the adoption of innovative technologies but also on the adaptation of business processes and on the elevation of human capital.

In fact, a company’s digital transformation success will depend at a great extent on having a competent and devoted workforce. Bearing that in mind, the survey respondents were asked to rank the importance of different skillsets that are needed to drive digital transformation within sport organizations.

First of all, experts ascertain that, for sure, it is desirable that a sports-related workforce has general knowledge of the sports industry from a business perspective (with a strong comprehension of its actual situation, its trends and main challenges). Similarly, the digitalization of certain business areas of a company requires having employees

with specific knowledge, expertise and hard skills¹ about digital transformation. But more importantly, when seeking an integral transformation of the whole organization, it is fundamental to have a committed workforce with the necessary soft skills² to support digital development and growth. By way of example, the implementation of a digital transformation often implies employees having to undertake new tasks or work with other teams which demand leadership, proactiveness and communication skills. Therefore, ideally employees should have a combination of both “hard” and “soft” skills.

The most important professional competences in regard to digital transformation within sports organizations are a combination of “soft skills” and “hard skills”.

In parallel, experts pointed out that the digital transformation might be implemented in an organization through the development of different projects which require a person responsible of its execution. Therefore, project-management skills are becoming vital to effectively manage the digital action plan and engage other employees to reach the objectives that had been laid out.



Helen Soulsby
SRI

Profiles with a strategy background and at the same time, oriented to action and results are in high demand across the sports industry.

Just as significant are the multidisciplinary competences as digitalization involves ongoing changes in strategy that call for management structures that work through a multidisciplinary approach. Therefore, employees having broad business-related knowledge and know-how from several perspectives (e.g. finance, laws, marketing, etc.) are also essential in order to create long-term success.

Besides, other competences that have traditionally been indispensable in every recruitment process are still valued but not as relevant as the ones mentioned above regarding the digital transformation within sports organizations. For instance, the survey respondents identified that having a proficiency level in using general software/tools (i.e. Microsoft Excel), matching employees’ values and characteristics with the company and being fluent in at least two languages are skills often taken for granted for the employer and play a subordinate role. Based on the individual and group interviews, we can also highlight the importance of knowledge of tools that allow to display data, presentations spreadsheets, and searched for profiles that can resolve technical and autonomous repair issues.

The integration of the building block that contains a process of digital transformation makes it necessary to have profiles with digital skills. Generally speaking, as we are seeing across the report, the technical competences and knowledge are required at the operative layer of the “professional pyramid”, while the competences that are mostly required at the top of the pyramid are the ones related to management and soft skills.

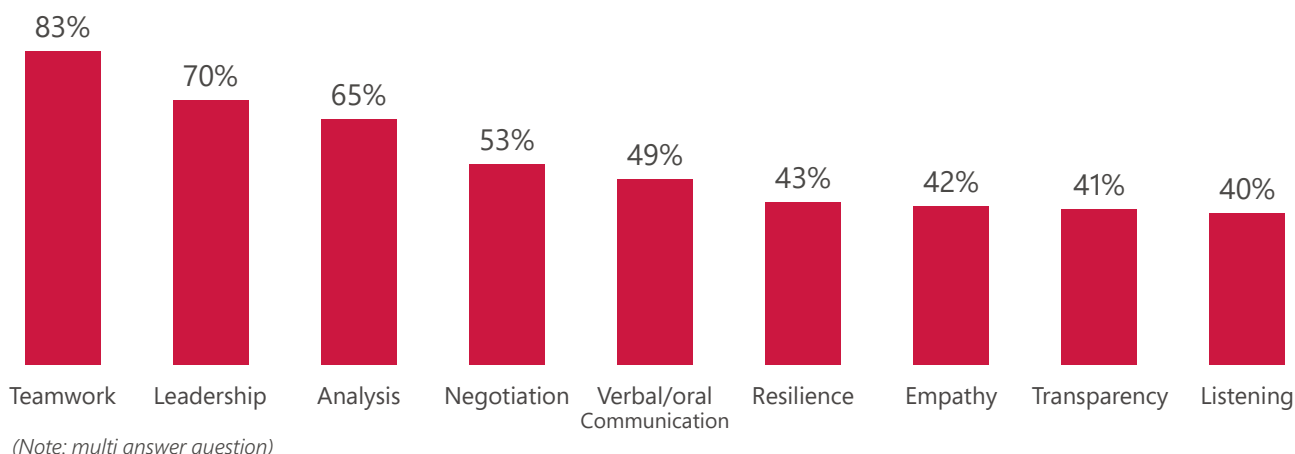
1. Hard skills are technical abilities that can be taught, trained and measurable (e.g. use of software programs).

2. Soft skills are personal attributes that are harder to measure and have to do with a person’s behavior (e.g. being empathic).

2. Key soft skills required in the sports industry

Hard skills are technical abilities that can be taught, trained and measurable (e.g. use of software programs).

Soft skills are personal attributes that are harder to measure and have to do with a person's behavior (e.g. being empathic).



Digital transformation processes affect all the business units of a company and consequently, involves all the departments and requires the collaboration of every employee. Therefore, it could be said that the acquisition and retention of suitable talent has become one of the main driving forces and key success factors behind digital transformation.

“ A Growth Mindset and Adaptability are key character traits needed for the industry going forward. Adaptability is paramount to individual and organisational success

Helen Soulsby, SRI

The survey respondents believe that there is a series of core “soft skills” that should be promoted to complement a team’s technical capabilities:

- **“Teamwork”** is the most valued skill among survey’s respondents as digital transformation implies the appearance of new undertakings and tasks continuously, that require the collaboration of different departments/teams throughout the organization.
- 70% of respondents agree that **“leadership”** is necessary among all executives to take the initiative to drive projects in non-traditional ways, inspire teams through a collaborative leadership style, foresee and adapt to changes and take difficult decisions.

Teamwork (83%), Leadership (70%) and Analysis skills (65%) are essential soft skills for a successful digital transformation within an organization.

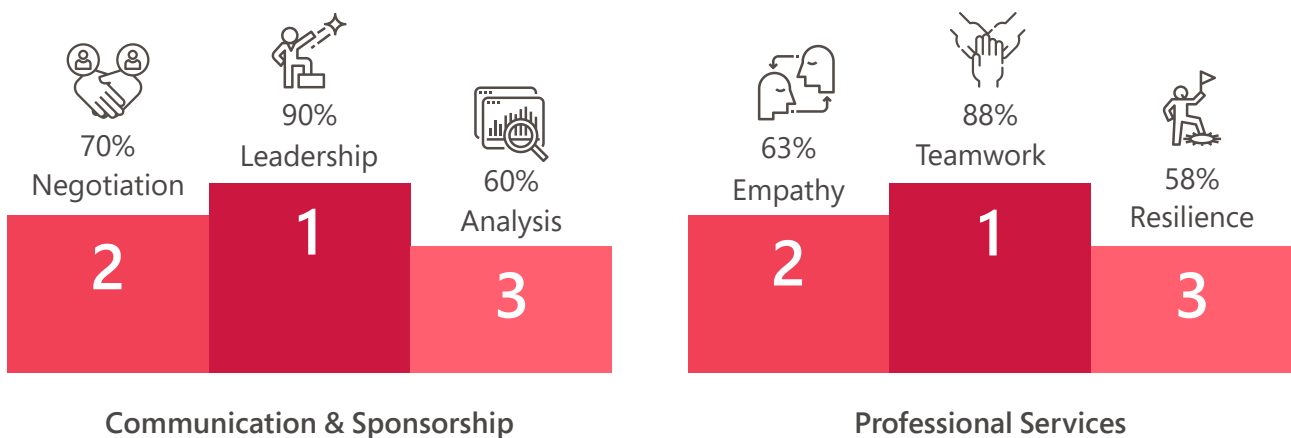
- **“Analytical skills”** are crucial for evaluating situations and forming data-driven decisions within organizations. New technologies allow the extraction of large sets of data that provide different insights to be considered before taking important decisions in order to minimize risks.
- Social and interpersonal skills such as **“verbal/oral communication”** are essential to talk about technical subjects inhouse or across the organization’s target in a comprehensive way. What’s more, **“negotiation”** skills are key to be able to influence and persuade others.
- **“Resilience”** is also a very important soft skill as digital transformation processes often unlock unpredictable difficulties and failures. In that sense, employees should be able to cope with pressure, adapt and develop the necessary technical skills to solve these complex situations.
- Finally, emotional intelligence qualities such as **“Empathy”** and **“Transparency”** are essential in a work environment, especially when it comes to occupying leadership positions or working in teams. Similarly, the ability of **“listening”** denotes a high learnability capacity and the desire of employees to improve and adapt in this new digital context. This is especially challenging among an aging workforce that is not usually familiar with new technological tools.



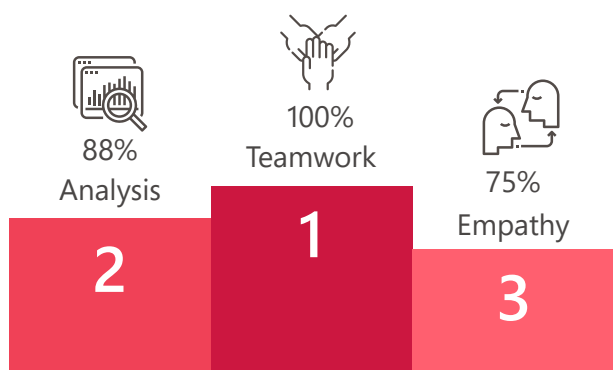
Unmish Parthasarathi
Picture Board Partners

Identifying, retaining and growing talent requires an active understanding of context - be it country or company culture, language as a lot of mid ranking staff don't always “think in English” and governance is not always of the same definition as in the West which does not (always) make it incorrect.

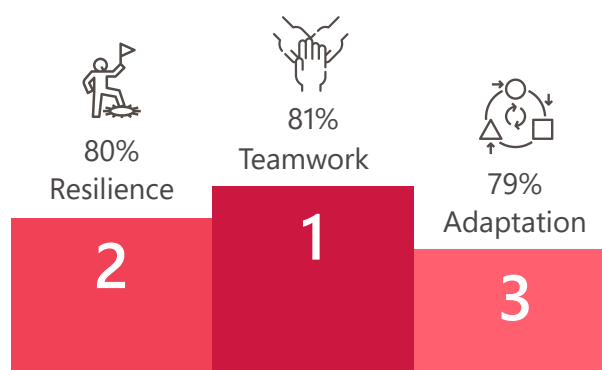
However, it is important to note that the relevance of these required “soft skills” in an organization may vary across departments or job positions. For instance, if we zoom-in and analyse responses by professional sectors, there are certain differences among the top 3 “soft skills” that are set to become the most important skills of the sport’s industry:



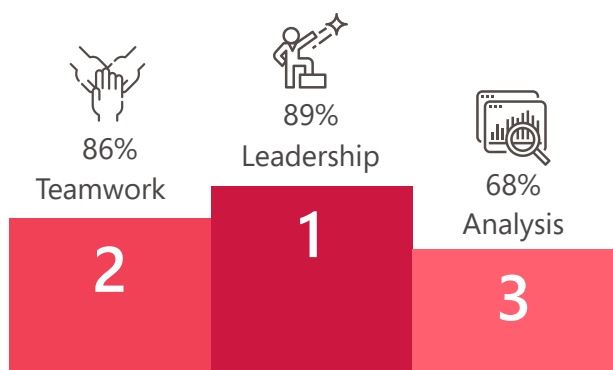
The talent in the Sports Industry from a Digital Transformation perspective: Challenges ahead



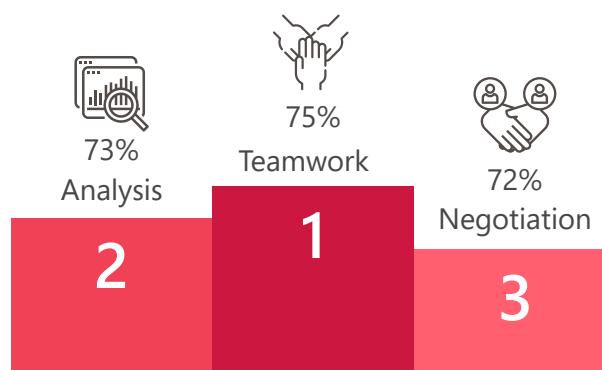
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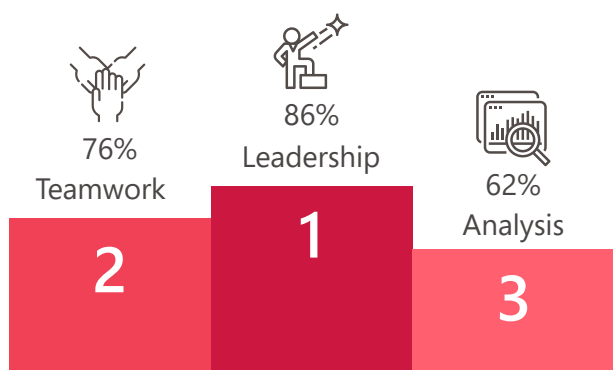
Public/Semi-public sports organization



Sports property



Technology applied to sports



Other

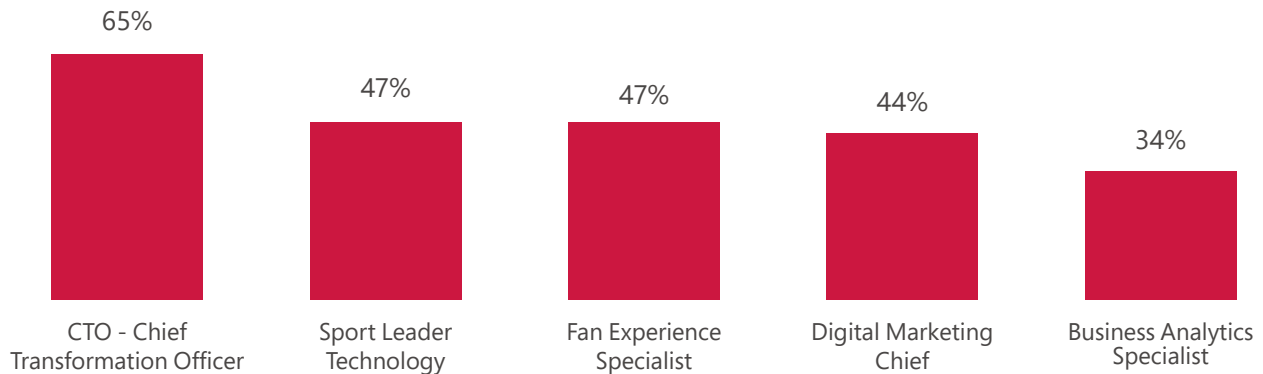
*Professional services include: consultants, investors and law firms.

** Sports property include: club, league, federation, event and facilities.

*** Other include: sports equipment, sports apparel and other.

SPORTS INDUSTRY TALENT POOL

1. Sport digital transformation positions



In the past decades, the rise of digital transformation within businesses has impacted and disrupted the labour market. Several years ago, still Finance positions as well as the ones related to “production” – “operation” were the ones mostly demanded. However, as the world evolves, so the jobs and skills that are mostly required. Nowadays, to understand where the business heads up and, most important, how to deploy and implement the innovation, is key, along with professionals that excel in marketing and commercial skills.

On the one hand, the appearance of new innovative technologies has led to the automation of many business processes, which in turn, has left to the reduction of many outdated job positions. On the other hand, the implementation of digitalization processes within companies also needs qualified professionals who are able to drive its consolidation. In this regard, digital transformation can also be a powerful generator of new job positions within sports organizations and it is likely that companies and companies will increasingly demand more technical and “digitally-ready” professionals.

In that sense, when asked to select the 5 most important digital transformation positions within the sport organizations, respondents stated that the recruitment market will mainly request:

- **Chief Transformation Officer:** The CTO is a high-level role that oversees orchestrating the ideation and implementation of a successful business transformation (including the digital transformation). The CTO is accountable to take the initiative in identifying new opportunities and the responsibility to develop the capabilities to implement them. What’s more, the CTO is set to be the role model among other departments and employees inside the sports organization.

Sometimes referred as “CIO” -Chief Innovation Officer- in selected companies and entities, Nicholas Webb (*“The Innovation Mandate: The Growth Secrets of the Best Organisations in the World”*) states that a successful CIO “focus on managing the innovation process inside the organization, which includes identifying strategies, business opportunities and new technologies, and then developing new capabilities and architectures with partners, new business models and new industry structures to serve these opportunities”.

- **Sport Leaders Technology:** The Sport Leader Technology position is focused on the sportive side of the industry, by developing new innovative solutions that allow to improve sports performance. For instance, football clubs can use technological tools and analytics to better identify players and sign them based on their real potential. Similarly, data collected from tracking devices such as wearables and sensors, allow sports leaders technology to personalize trainings, prevent injuries and have a better overall performance.
- **Fan experience specialist:** It is a customer-focused executive position whose objective is to get a comprehensive understanding of fans, increase fan interactivity with the sport and maximise the fan experience through digital platforms. The ultimate goal is to engage more closely with consumers and build a loyal fan base in a highly saturated sportainment market.
- **Digital Marketing Chiefs:** In a digital era, the Digital Marketing Chief will lead the marketing strategy in an online environment. In that sense, the DMC will proactively be looking for new digital platforms and ways to engage actual customers and prospects (example, using social media, enhancing the apps, using big data to have a better understanding of the habits and behaviour of fans and other stakeholders of the sport industry, etc.). However, marketing (as life) is “*phygital*”, a combination of “physical” elements and “digital” strategies and activities.
- **Business analytics specialists:** The business analytics specialist is an important position as will conduct the gathering of large sets of useful data (in addition to select the data and turn them to understandable and useful information to better back and support business decisions). Then, the analyst will be responsible of analysing this data in order to give insights to other departments so that they can build the strategy based on data-based knowledge. For instance, the business analytics specialist will examine changes in consumer behaviour, forecast trends and will provide the information gathered to the Digital Marketing Chief to reach costumers accordingly (coordination and collaboration with other departments is key).



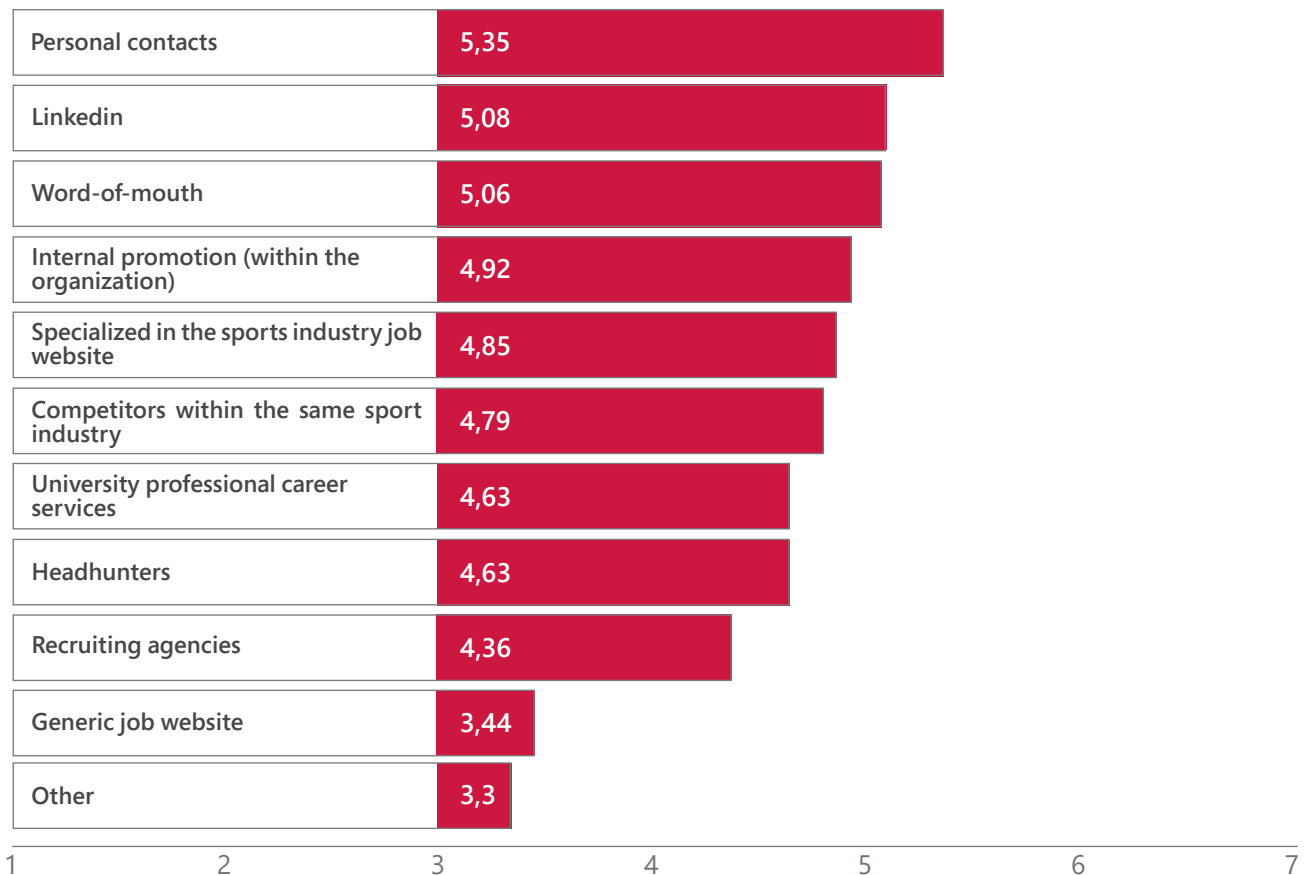
Marisa Sáenz
Escuela Universitaria Real Madrid
Universidad Europea

Project management, international experience, sport industry knowledge, digital orientation and flexibility-cooperation are key components to be successful in the sports industry.

Sports organizations need to hire the best candidates for these job positions in order to get the required knowledge to optimize business services. However, when it comes to digital transformation in the sports industry, one of the main challenges to tackle will precisely be to recruit the adequate and capable talent.

As a matter of fact, there is still an important gap between the digital talent demand and the digital talent supply in the market. Therefore, sports organizations will need to find the right equilibrium between the attraction of new talent and the promotion of the current workforce through undergoing upskilling and training.

2. Sources to identify and attract talent



NOTE: scale from 1 (minimum, lowest importance) to 7 (maximum, highest importance)

Digital transformation talent is highly valuable but very scarce. This means that there is an increasingly fierce competition within the sports industry as well as between industries to attract these employees. If sports organizations want to be successful at implementing their digital transformation strategies, they need to ensure the attraction of top talent with the right skillsets and experience. In order to do so, it is crucial to focus on the conception and execution of digital transformation talent acquisition strategies. We surveyed sports leaders on their perceived importance of the different sources to identify and attract this type of talent, and the results show that the industry is highly dependent on personal contacts and word-of-mouth. This demonstrates the significant room for improvement of sports organizations in terms of professionalizing their recruiting processes. Nevertheless, it is worth mentioning that sports leaders are fully aware of the usefulness of LinkedIn to find the right people for specialized jobs related to digital transformation, which shows a considerable change in HR practices. By using LinkedIn, organizations open the opportunities in a global scale, which also means that more candidates would be eventually interested in the jobs. Thus, the process of filtering should incorporate some digital assistance in order to better manage a larger number of profiles and candidates.

Interestingly, sports leaders consider industry competitors as valuable sources of digital transformation talent. This can be a key opportunity for a sports organization, as it facilitates finding qualified people with the necessary technical capacities and experience in the sports sector. However, it also represents a

significant threat, as competitors can develop an extensive understanding of your strategies, operations, and culture, resulting in a loss of competitive advantage. Indeed, the more information-intensive the job is, the greater the threat to the organization’s competitiveness when the employee leaves it. That also affects the productivity of the entity, as it entails a higher investment in money and time in order to replace that talent. That is why sports organization cannot neglect retention strategies when developing their talent processes. And this is one of the reasons why is so relevant for the sports industry companies and entities to have a robust “manualization”/handbook process and protocol, in order to enhance the chances for the knowledge and know-how to remain at the organization even if talent leaves.

Furthermore, sports leaders also recognize internal promotion as a relevant source of talent related to digitalization. This could mean that a significant number of sports organizations have put in place training programs for their employees related to the acquisition of the technical skills needed in digital transformation positions in combination to the necessary soft skills that any employee has to develop as he/she rise to the next level of the organization. Once again, this demonstrates the change .

Finally, it is worth noting the emergence of other alternative sources used by sports organizations to find talent, such as headhunters or specialized job portals. Indeed, several headhunting companies have seen a great business opportunity in sports due to the difficulties that exist in finding talent in this industry. However, the profiles handled by these companies are “senior”, which makes it more difficult for sports organizations to find younger employees through this means. Due to these reasons, several companies have launched job portals specialized in the sports industry in order to bring together the demand and supply of talent in one place and facilitate these processes (among them, SportIn Global, Global Sport Jobs, etc.).

It is also necessary to highlight the new “format” to organize specialized talent fairs to gather the sports industry stakeholders.

In addition, a couple of very valuable source of potential talent are volunteerism and internships. Indeed, a relevant number of sports companies and entities rely on interns, still studying or just once the courses and masters are over, especially for entry-level positions. On the other hand, almost all sporting events need volunteers to get them organized and delivered, at the same time, they can take advantage of this fact to identify talent for their organizations.



Chris Robb
Mass Participation Asia
Volunteerism for sport events is also a great way to identify talent.

Top 4 sources to identify and attract talent



Personal contacts



LinkedIn



Word-of-mouth



Internal promotion

CONCLUSIONS

According to PwC Sports Survey 2019 mentioned in “The Sustainability Report”, 94% of sports leaders recognise innovation as important to the future of sports, but only 46% have a concrete innovation plan. Is there any specific reason? Is it because a lack of talent? Or a lack of strategic vision? At what extend to have adequate, skilful and prepared talent will allow companies and entities to increase the chances to implement innovation within their organizations?

The sports industry, which accounts for 1,5-2% of the global GDP (in the European Union, for example, represents 2,12% of the GDP and 2,72% of the employment) is evolving. And technology is boosting this evolution that, basically, aims to solve problems and should be stakeholder oriented. At the end of the day, technology and digital transformation are a mean, a tool that helps organizations to evolve, and should be integrated within the business, to boost it, to impulse it to the next level. Also, in the sports industry.

Innovation is not about technology or digital transformation. Innovation is about taking the business to the next level, exploring new spaces, understanding where the gaps are and, thus, trying to reduce these gaps. And technology and digital transformation, clearly, are key players in the process to close the gaps and should be part of (and aligned with) the corporate strategy, adding value to the improvement process. To do so, sport industry organizations (as any other economic sector) require talent.

Talent helps sport entities not only to better understand what sort of needs should be fulfilled, but also lead the process to achieve the next level and be more competitive and (sustainably) profitable. What are the main characteristics of the talent that is needed, nowadays, to tackle the challenges that the present and the future is offering the sports industry? Are these characteristics, or professional competences, the same regardless the geographical location or the type of sport industry organization? Are these professional competences much different in the sports industry compared to other economic sectors?

Regardless how relevant and substantial is the gap between talent demand and talent offer in the sports industry, there are some factors to be pointed out:

- Geographic location: even though culture is reflected according to the geographical presence, it is also true that the more global the world is, and the more people travel and interact, the more “uniform” is our society. In terms of talent, basically it means that the same type of needs are required in different parts of the world, whether would be Singapore, Madrid or Paris (Texas). Having said this, still, the geographical component is relevant, especially when it comes to more “operational” positions. Moreover, no doubt, the Asia and APAC region growth stands out for the past few years and it is going to become a reference in the following ones to continue creating jobs.
- Segmentation of targets: regardless the geographical location, as aa consequence of a more “fluid” society, the borders tend to “disappear” and, thus, there is an increase in talent with homogenous characteristics due, mainly, to have had the opportunity to study abroad and/or at prestigious universities in addition to live in a global “atmosphere” (definitely, internet helps). Thus, selected talent can travel and is available regardless their geographical location of reference. This is especially more relevant when it comes to managerial and executive positions.

- Fluid market: due to the globalization of a portion of the labour market (especially in top executives, managerial and technological positions), the risk to “lose” talent is certainly high. Thus, sport organizations must be able to keep key-talent but also to make sure that the knowledge remains within the company/entity if and when talent decides to leave. In this regard, to document “servuction” (Pierre Eiglier and Eric Langeard, 1987) processes as well as to generate handbooks / manuals are becoming very relevant parts of the success of the organizations, due to the fact that these methods help knowledge to stay within the organizations.
- Another pivotal issue is the sport entity corporate culture. With more talented and prepared candidates, companies and entities should increase the level of their own attractiveness, by creating suitable and appealing working environments for the talent market. Thus, work conditions (not only the salary package) are becoming more and more relevant in order to be in a better position to compete for the best available talent. No doubt, the Corporate Culture (which obviously include leaderships) stands out as one of the pivotal elements to attract talent.
- As in many other industries, talent is also attracted by some degree of certainty, in terms of having a clear understanding of the “game-rules-” (especially from a legal and fiscal perspective). Thus, the less uncertainty the more appealing is the country or the sport club or competition, especially for high-level talent.
- Certainty does not mean to embrace traditional approaches. Far from this angle, certainty also is a factor that attracts talent from other economic sectors to the sport industry. This is a global trend, and helps the sport entities and companies to have “fresh air” (and new ideas, new approaches, boost the learning curve, etc.) that, at the end of the day, facilitates the sport industry to go to the next level.

Within this scenario, how to better prepare and educate the new “talent”? What are the main challenges to tackle? How big is the gap in the sports industry? Clearly, universities have a lot to say, and their work is crucial and pivotal for the sports industry moving forward. The education should embrace “*practicity*”, combing “theory”, concepts and general frameworks and methodologies with real case studies and practical approaches and learnings.

Moreover, for entry-level students, internships allow them to have a practical knowledge and first-hand understanding of the sports industry and, even more important, on how to navigate within organizations and develop their “soft skills”. In addition, and this is almost privative to the sports industry, volunteerism (very common when you have to organize sport events) allow people to have a better understanding of the insights of the sports industry, which is extremely valuable and appreciated from the employer perspective.

Sport industry executive education should also stress the right combination of theory/concepts (some of them already digested by the participants and practically deployed in a daily basis) with the reality of the sector (clubs, federations and other governing bodies, sponsors, investors, facilities, public sector, etc.).

And, what are the most important professional competences that are valued, as we speak, in the sports industry specially when it comes to the digital transformation?

- **Soft skills:** Not surprisingly, the most important professional competences in the sports industry (like in the vast majority of other economic sectors) are the so-called “soft-skills”: Teamwork, leadership, analysis, negotiation, communication (oral and in writing) and resilience, among others. From this perspective, the sports industry is not different from any other, and neither when it comes to the digital transformation of the organizations. Again, “soft skills” professional competences are the ones that enable organizations to design and, specially, implement innovation and improvements. Technology is only a mean, a tool. People and teams are the ones that are able to deploy what is designed and planned. Innovation is about human beings with their own characteristics and, at some point, limitations. Soft skills are the bones of the innovation, the enablers of the execution and deployment within the organizations.
- **General knowledge about the sports industry:** in a nutshell, people working at the sports industry must have a good knowledge of the characteristics of the sector, including the governance of entities and companies (among them, the sports governing bodies). Having said this, more and more talent is starting to add value to the sports industry and work without previous sport background or knowledge. This is a general trend and also reflect the increase in professionalism of the sector. However, it is always desirable a minimum know-how about the sports industry, which can be achieved through internships as well as being involved in sport events via volunteerism.
- **Project management:** needless to say that project management is a very relevant professional competence for any employee, regardless their position, but even more important for talent involved in the digital transformation of the sport industry organizations. Both for big companies as well as for SME and startups, project management is part of any success story.
- **Technical skills:** When it comes to digital transformation, it is clear that technical knowledge and skills are extremely valuable, indeed. However, as mentioned before, these are not the only professional competences to be acquired by talent who would like to develop their career at the sports industry. Again, soft skills, general business knowledge and project management are more important, especially in managerial and executive positions. Having said this, talent that have developed all these professional competences (including the technical skills) are the ones who are in a better position to stand out and contribute to the success of their organizations and boost their own professional careers.
- **General business knowledge:** as sports industry has a significant weight in the global economy, to know how a business is run is of extremely importance, even when it comes to operational levels. At what extend every “piece” of a puzzle contributes to the success of the organization? Finance basics, for example, are pivotal also for talent specialized in technology and digital transformation. These functions have a need to know what their contribution to the success of the organization is, also from an economic and financial perspective. Even more, how costs are structured and assigned to different departments or sections is of pivotal importance for all employees, to enable them to better contribute to the results of the company and be better aligned with the strategy.

As a bottom line, the report draws the picture of the current situation of the sport industry from a talent perspective alongside the desirable skills and professional competences that the sector needs and requires. The sport industry is rapidly evolving from a business and professionalism perspective. As a matter of fact, a robust list of investment funds, venture capital firms and big companies are investing in the sport sector. Thus, it is not a surprise that, at some extend, and especially in terms of mid and high-level positions, the skills and professional competences that are required and valued are more and more in line and similar to the ones that are required in other businesses and sectors. Having said this, obviously, there are very relevant specifics that should be taken into consideration.

In addition, digital transformation is key for the sports industry moving forward. To implement and deploy digital transformation, it is pivotal to have the adequate talent, with the appropriate balance of professional competences. In this regards, soft skills stand out, followed by general knowledge of the business (especially in managerial and executive levels, but at some degree also in more operational positions), knowledge of the sports industry (very relevant to adapt the concepts to the specifics of the industry and in order to be successful in the implementation phase) and project management skills. Obviously, technical professional competences are essential as well. And in order to have enough prepared talent, universities should better combine theory and concepts with practicality and sports industry real case studies.













Selected topics that have been mentioned in this report will be further analyzed and developed in future documents.

ANNEX

What GSIC offers?

GSIC activities are focused on fostering the meeting point between supply and demand in the sports industry, inviting associations, federations, clubs, leagues and large companies to learn about the solutions and services of our members.

To support sports entities in their digital transformation processes we developed an offering of the digital transformation services for sports entities that include diagnostic of their current situation, inspiration and innovation sessions, design thinking workshops, complete innovation programs, and technological solutions scouting.

| | | | | | |
|--|---|---|--|---|--|
|  MEMBERSHIPS |  WORKSHOPS |  INNOVATION DAY |  SPONSOR DAY |  INSPIRATION DAY |  DO IT |
|  CUSTOMIZED TRAINING |  DIGITAL TRANSF. TRAINING |  BUSINESS TRIPS |  ADVISORY SERVICES |  SPORT THINKERS |  SATELLITES (GEO - POP UP) |

GSIC projects have an international scope that have allowed us to produce a greater global impact within the sports industry and reasserted reaffirm our position as an open innovation center that has the largest network of associates and the best experts in the industry.

And GSIC's philosophy is based on **6 pillars**: networking, startups and companies, showcase, applied research and innovation, Microsoft Solutions, and Digital Transformation Advisory Services. These are the categories that the Center works on with its associates and partners to power the sports industry all around the world.

Business network



The GSIC has created an international network of members in order to improve commercial opportunities, alliances, identification of synergies, business opportunities, and internationalization. Our center is now a meeting point for supply and demand in real time. In the GSIC you will find several of the leading companies linked to the sports sector, technology companies, entrepreneurs and universities that can detect synergies and create collaborative projects. The main goal of this network is to lead and add value to the digital transformation process of the sports industry.

Applied Research, training and education



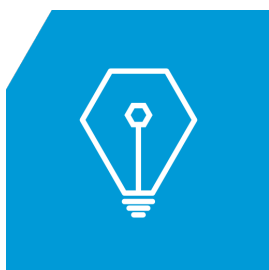
The Center offers support to research aimed at identifying needs and opportunities in sport and the development of effective and viable solutions, in collaboration with public and private institutions, knowledge transfer through connections, conferences, virtual meetings. Together with our members we promote collaboration in any business activity related to sport and the university-industry relationship, as well as the dissemination of knowledge about the latest technologies and trends to be taken into account.

Startups and companies



As they grow, entrepreneurs in the sports sector receive support at the GSIC, specifically mentoring and technical advice from experts, connections with large companies and global brands, as well as access to Microsoft technology at no cost. Thanks to the Microsoft for Startups program, startups have the opportunity to access Microsoft support, training and consulting to increase sales in the market, as well as technological tools, including the Azure cloud, at no cost during their first years.

Showroom



The GSIC facilities have an experimental space where visitors to the Center can experience and try the technological innovations developed by the GSIC members: technology in sports, health and physical performance improvement, fan engagement, Smart Stadium, and the latest trends in digital consumer experiences. At the same time, companies find in our showroom a space to display their solutions, in order to obtain greater visibility and thus create more business opportunities.

Microsoft Partners' Solutions



Since 2015, GSIC has been promoted by Microsoft Sports division which has the global goal to improve the digital transformation process in the sports industry. This strong membership has led GSIC to prescribe Microsoft's own solutions as well as to work on the catalogue of Microsoft Partners' Solutions that are promoted by Microsoft Sports and Microsoft Account Executives for sports clients worldwide.

Digital Transformation Advisory Services



We offer the sports industry valuable services in digital transformation. Within these services we connect sports entities with the ecosystem of international companies and startups, which offer services and value to the sector through different activities such as Workshops, Working Groups, specialized Consulting, diagnoses of their current situation and open innovation processes for experience design and technological development in the sports industry. We provide access to tools to generate internal and external transformation processes, innovate, scale business, and create meaningful experiences for users of the digital age.

Based on the pillars mentioned above, GSIC develops series of activities for its network in order to contribute to the entire sector. Those activities are aimed to understand the starting point and the needs of sports entities, prescribe solutions created by GSIC members, reduce the gap between technological companies and sports entities, create new business opportunities and educate active and future professionals in digital transformation processes.

GSIC's main goal is...

...to reduce the gap between large organizations and startups, creating services and activities that make it easier for small companies to become suppliers to the largest ones.



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