

154 - NEW MANAGEMENT STRATEGIES AND FINANCIAL PERFORMANCE OF FOOTBALL CLUBS IN BRAZIL: AN ANALYSIS FROM OPERATING REVENUES.

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INTRODUCTION

In Brazil, studies that investigate and seek to provide answers to problems arising in managing the sports sector are relatively recent. Most of them comes from the years 1990, when it comes to light several scandals involving the administrative sector of some clubs and entities managing the sport. During this period there is a real mobilization in favor of "modernization" of this sector, and significant portion of the sports community agreed with the need for major changes in the structure of Brazilian sport.

Thus, for some time, many clubs, particularly football, the focus of our study, in view of the changing environment in Brazilian society and global management models implemented with modern administrative paradigms and more professional.

The aim of this study is to investigate and analyze the financial results for Brazilian football clubs from the implementation of modern management strategies. These strategies focused especially on the increase and balance the revenues of the clubs by holding adequate opportunities to obtain resources through TV contracts, increasing the number of partners, increased revenue by selling tickets, marketing from the sale of licensed products bearing the club and seeking sponsorships.

This article is an outline of a larger study, carried out to complete graduate studies in the field of football. It was, in relation to the objectives of an exploratory study, due to the limited amount of scientific work produced on the subject. Were selected for the study two teams of football clubs belonging to Brazilian first division, Serie A: Sao Paulo and Internacional. The documents provided data for analysis are the annual reports published in the clubs' websites, or their respective balance sheets, and sports sites of the Internet, newspapers, magazines and business consulting and auditing. With this research we bring in a contribution to studies on the management of sports clubs, prioritizing football.

I. FOOTBALL: AN EMERGING BUSINESS IN BRAZIL

In Brazil, from the 1990s observed significant changes in the scope of sports. These changes, in the words of Proni (1998, p.1), seeking to modernize and "made explicit in the introduction of new management guidelines, the review of existing sports in the transformation of football into a global product and the growing rapprochement with the business world (...)".

Leoncini (2001), Roche (2002) and Vieira (2002) point out problems that are recurrent in Brazilian football, and those relating to the management of the sport. These problems are responsible for close to bankruptcy of most of the big clubs, as Amauri Segalla said in an article published in the magazine Isto é Dinheiro.

While many football clubs in Brazil have developed strategies to expand their sources of revenues and achieve self-sustainability in the "stadium," the truth is that only a select group of these can maintain its stable and surplus accounts, often due to sales of their best players. It is true that the Brazilian clubs, similar to what occurs in Europe, have invested in strategies focused on increasing revenues through the exploitation of appropriate opportunities to raise funds through TV contracts, increasing the number of partners, increase in collection with ticket sales, marketing from the sale of licensed products bearing the club, seeking sponsorships, valuation and negotiation of contracts for players, improving the infrastructure of clubs (access, parking, restrooms, food courts, accommodation, security). In short, have modernized and professionalized the management of business related to football. However, as we shall see, the results when compared to European clubs, are substantially different.

In a sense, we believe that the comparative examination of these data demonstrates the limits and possibilities of current professional management of football clubs in Brazil.

1.1.TV CONTRACTS

A collection of football clubs with the broadcasting rights of broadcasting is called by the audit firms and / or consulting. For the year 2009, according to Emerson Gonçalves (2009), the sum of resources distributed among the stations opened and closed is 300 million reais. Added to this value over 100 million from the PPV (pay per view or pay to see "). To distribute resources, the Club of the Thirteen (which are actually 20) - who represents the interests of major football clubs in Brazil - divides these into seven different groups. Sao Paulo and International teams investigated in this study belong to different groups receiving, so different values (Table 01).

Table 01: Revenue from television rights: Sao Paulo and Internacional (2009)

Type	Fixed quota	PPV	%	Total
Total	300.000.000	110.000.000	100%	
Clubs	Quota 2009	Quota 2009	% Pesq.	total
São Paulo	21.000.000	10.131.000	9,21	31.131.000
Internacional	15.000.000	7.557.000	6,87	22.557.000

Fonte: Emerson Gonçalves (2009).

According to the balance sheet released by the clubs competing for Campeonato Brasileiro Série A, the TV contracts are characterized as a major source of income because they represent, in some cases, approximately 30% of their annual budget.

In Brazil, the way of how we negotiate TV contracts affect the results found in this item, because the transmissions are monopolized by one company. This station has a "preference clause" contract with the entity that represents the major clubs - the Thirteen Club - which provides that every time you open the market for the sale of broadcast rights to the championship, that authority shall inform it on the value of tenders received. So, if that offer the same value of competition, the station continues to

hold the monopoly. Thus, the station always pay the minimum possible to win the rights.

More fair, in our view, would establish criteria for the stations participating in the auction closed, competing with each other. The value of the highest bid would give the right to broadcast the station that propose. Consequently, as no station would know the value of competitors, it is likely that the fear of loss of broadcasting rights would increase the bid, a fact that would surely bring benefits and financial advantages for the participating clubs. To give you an idea of the values involved here, just look up the contract of Brazilian seasons in the years 2009, 2010 and 2011, which is 400 million per year.

The issue of rights is important so that the monopoly has been questioned by the federal government. Currently, TV Globo is being investigated by the Justice Department about the alleged monopoly. The Record TV network proposes to extinct so-called "preference clause". It also suggested that the deals are done in secret and the network that is willing to pay more get the television rights.

Another problem on this issue is the "natural" that the trading of shares of TV and its distribution are made by the Club Thirteen. The distribution of the proceeds of these shares is made according to the group that is the club. This way you will find many opponents (clubs who earn less money), for questioning the criteria of belonging to these groups. Undoubtedly, the distribution of resources for the clubs meet the criteria of political power. The fact is that clubs with more supporters and they have their games broadcast as often impose conditions to sign contracts for transmission. That was in 2008 when it negotiated the contract for the seasons 2009 to 2011. According to Daniel Castro, the newspaper Folha de Sao Paulo, three teams - Flamengo, Sao Paulo and Corinthians - signed to GloboSat rights to pay TV, but vetoed the contract to open TV.

Behind this is primarily a new rule, created by own TV Globo (owner of Globosat): from 2009, clubs will be paid by the pay TV as the participation of their supporters among the subscribers to pay-per-view. A survey will be made between purchasers of packages of pay-per-view to determine the percentage of each club (...) How to have more fans, Flamengo, Corinthians and Sao Paulo expect to be better paid if their games are only viewed by the pay TV. If you keep the present basis, where almost half of their games are televised open these clubs, in theory, be prejudiced, because their fans do not feel encouraged to buy pay-per-view (...). In Indeed, the three times they just want to increase their revenues with TV, and not to boycott the Globe. Currently, the entire collection with TV rights is prorated by the Club of 13 among its members. Flamengo and Corinthians, for example, are each about 7% of the total. As more games are broadcast on television open, find the criterion unfair (...). Basically, the three clubs are using TV Globo to increase their contributions in the agencies representing them in negotiations. The hats are holding two major assets: the separation of the negotiations for TV rights to open and pay and recommendations of the Secretariat of Economic Law, especially prohibiting the right of first refusal to the Globe on contract renewals (CASTRO, 2009).

The consequences of this process, little known by the major stakeholders - the public of football - are different. But perhaps the one that causes most discomfort is the fact that the fan have to comply with requirements that were not treated by him, that is, having to adapt to the times of games, often when they start the next 22 hours. This is due not to change the program schedule of the station owner of such right of transmission. Thus, if resolved watch a game at the stadium, the fan must be subject to return to his home in the evening hours advanced, suffering risk of not finding transport, security, among others.

The corresponding percentage of TV contracts in the Brazilian clubs' revenues, especially in the context of global economic crisis that has occurred since 2008, is the subject of discussion in the press and the sporting community. That's because advertisers are expected to have difficulties to maintain or renew quotas sponsorship. The most likely try to negotiate them at lower levels for the coming seasons, a fact that may affect the finances of the clubs. But even with the crisis, the TV station owns the rights to broadcast in Brazil sold the shares for 2010 and earned 600 million from advertisers, that is, the station's profit this year already exceeds 200 million the amount paid to the clubs for the season.

1.2. NUMBER OF MEMBERS AND TICKETS (MATCHDAY)

The data on number of partners is important because few clubs in Brazil seem to pay attention to this important source of revenue. Very recently some clubs have invested in marketing strategies to attract greater number of members, betting on the potential of this source. In Brazil, perhaps the best current example is the case with Sport Club Internacional de Porto Alegre, which has a marketing campaign and search the mark of 100 thousand members for the year of its centenary in 2009. This source gave this club more than 20 million reais in 2007. The Sao Paulo is in turn in 2008 with almost 32 thousand members, which will generate you an income well above the 3.5 million reais from members in 2007.

Table 02 - Number of members

Clubs	Number of members
Internacional*	78.655
São Paulo*	32.000

Source: official sites of the clubs.

Undoubtedly, the partners are an important source of revenue for the clubs. In this partnership-time supporter, both win. There are several ways found by the clubs to attract and retain its members. For example, members enjoy discounts and preference in buying tickets before the games. Furthermore, in order to maintain the motivation of the associated clubs promote activities in which they compete for gifts, shirts, discounts in shops partners of the club, among others.

Data on the number of members show expression in income to clubs when combined with data on box office receipts. These data are computed together in reports of club management investigated. The Matchday represents approximately 8% of revenues of the clubs surveyed.

Table 03 - Revenue in Ticket and Membership

Club	(Matchday)
Internacional	24.171
São Paulo	15.998

Source: Balance sheet of the clubs, the 2007 season.

1.3. SPONSORSHIP AND ADVERTISING

The expression used for sponsorships, advertising, trade agreements, and merchandising boards for the auditing firm Deloitte and advice is commercial. In Brazil, these sources are translated only by sponsorship and advertising. Below (Table 04)

present the values of sponsorship for T-shirts and their sponsors in the 2009 season.

Table 04 - Revenue from sponsorships and advertising

Club	Sponsor	Trading profit Revenue in R\$
Internacional	Banrisul, Tramontina e Unimed	7.000
São Paulo	LG	16.000
	LG IPS	4.500

Source: List Casual Auditors. Available in <http://www.casualauditores.com.br/Lista.htm> Accessed 05/09/2009.

Table 05 presents the amounts collected by the clubs studied with trademark licensing. It is noted that this item is no need for the club step up their strategies, because the figures are still woefully inadequate.

Table 05: Licensing of Marks (LIC 2008)

Club	Revenue in R\$ Mil
Internacional	1,9
São Paulo	6,0

Source: Balance sheets of the clubs.

CONCLUSION

Football clubs Brazilian studied professionalized administrations effectively implemented in their departments and football, with it, revenues have increased significantly. However, it still seems to be insufficient, because the costs are still higher revenues. In 2008, the São Paulo had debt of 148.3 million reais, the international 176.9 million reais. Given this situation, one can say that the clubs are at risk of financial and need to improve their management strategies. Such strategies should aim at expanding the revenue sources under-exploited (LIC, for example) and control debt.

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NEW MANAGEMENT STRATEGIES AND FINANCIAL PERFORMANCE OF FOOTBALL CLUBS IN BRAZIL: AN ANALYSIS FROM OPERATING REVENUES.

The aim of this study was to investigate the financial results for Brazilian football clubs who have scheduled management strategies and organization of modern craft. It was, in relation to the objectives of an exploratory study, due to the limited amount of scientific work produced on the subject. The sample consists of two Brazilian teams belonging to Serie A the best performing item in operating income in the balance sheets between 2007 and 2009 - Sao Paulo and Internacional de Porto Alegre. It was concluded that the professional management of the clubs investigated has resulted in the increase of revenue for clubs in the years studied, but still insufficient, because the clubs still have expenses beyond the revenue.

NOUVELLE GESTION DES STRATÉGIES ET LA PERFORMANCE FINANCIÈRE DES CLUBS DE FOOTBALL AU BRÉSIL: UNE ANALYSE À PARTIR DES RECETTES D'EXPLOITATION.

L'objectif de cette étude était d'examiner les résultats financiers des clubs de football brésiliens qui ont prévu des stratégies de gestion et d'organisation de l'artisanat moderne. Il a été, en relation avec les objectifs d'une étude exploratoire, en raison de la quantité limitée de travaux scientifiques produites sur le sujet. L'échantillon se compose de deux équipes brésiliennes appartenant en Serie A, les plus performants du point du résultat d'exploitation dans le bilan entre 2007 et 2009 - Sao Paulo et Internacional de Porto Alegre. On a conclu que la gestion professionnelle des clubs de l'enquête a abouti à l'augmentation des recettes des clubs dans les années étudiées, mais encore insuffisante, parce que les clubs ont encore des dépenses au-delà des recettes.

ESTRATEGIAS DE GESTIÓN Y EJECUCIÓN FINANCIERA DE LOS CLUBES DE FÚTBOL EN BRASIL: UN ANÁLISIS DE LOS INGRESOS DE EXPLOTACIÓN.

El objetivo de este estudio fue investigar los resultados financieros de los clubes de fútbol brasileños que han programado las estrategias de gestión y organización de las embarcaciones modernas. Era, en relación con los objetivos de un estudio exploratorio, debido a la limitada cantidad de trabajos científicos producidos en el tema. La muestra se compone de dos equipos brasileños pertenecientes a la Serie A, el mejor comportamiento tema en los ingresos de explotación en los balances entre 2007 y 2009 - Sao Paulo y el Internacional de Porto Alegre. Se concluyó que la gestión profesional de los clubes investigados se ha traducido en el aumento de los ingresos de los clubes en los años estudiados, pero aún insuficiente, porque los clubes todavía tienen gastos más allá de los ingresos.

NOVAS ESTRATÉGIAS DE GESTÃO E RESULTADOS FINANCEIROS DE CLUBES DE FUTEBOL BRASILEIROS: UMA ANÁLISE A PARTIR DAS RECEITAS OPERACIONAIS.

O objetivo deste estudo foi o de investigar os resultados financeiros obtidos por clubes brasileiros de futebol que programaram estratégias de administração e de organização modernas e profissionalizadas. Tratou-se, no que se refere aos objetivos, de um estudo exploratório, devido a pouca quantidade de trabalhos científicos produzidos sobre o tema. A amostra é constituída por duas equipes brasileiras pertencentes à Série A com melhores desempenhos no item receitas operacionais nos balanços apresentados entre os anos de 2007 e 2009 – São Paulo e Internacional de Porto Alegre. Concluiu-se que a profissionalização da gestão nos clubes investigados teve como consequência o incremento de receitas dos clubes nos anos estudados, mas ainda de forma insuficiente, pois os clubes ainda possuem despesas superiores as receitas.

PUBLICAÇÃO NO FIEP BULLETIN ON-LINE: <http://www.fiepbulletin.net/80/a2/154>