



FEDERAZIONE ITALIANA GIUOCO CALCIO

# How Football Associations can drive growth of professional football clubs

Michele Uva  
Chief Executive Officer - Italian FA

# MY PROFESSIONAL CAREER



**Volleyball**

1985 - 1996

Head of the youth sector - Zinella BOLOGNA  
Team Manager - BENETTON Group Sisley Treviso  
Chief Executive Officer - LATTE RUGIADA MATERA



**Football**

1996 - 2002



Chief Executive Officer - PARMA AC  
Vice President and Chief Executive Officer - SS LAZIO



**International**

2003 - 2006



Consultant - NEW YORK METROSTARS  
Director of the Italian subsidiary and international business  
board member - SPORT+MARKT AG, (Germany)



**Basketball**

2006 - 2008



Chief Executive Officer - VIRTUS ROMA



**Football  
Italian FA**

2009 - 2013



Project Leader of the Italian Bid to UEFA EURO 2016  
Chief Development Officer



**Italian Olympic  
Committee**

2013 - 2014



Chief Executive Officer



**Football  
Italian FA**

2014 - .....



Chief Executive Officer

# What we will cover today

1. The uniqueness of the football industry
2. The FA's role as “regulators” to ensure sustainability
  - a. UEFA regulations
  - b. Italian National Licensing
3. Driving Excellence



# FOOTBALL'S UNIQUENESS is driven by Complementarity

**Competition:** the main feature of any commercial market.

**Complementarity:** the main feature of the sport industry.

## In normal industries



**Each competitor reduces market penetration**

## In football



**Competitors need each others to create the product and increase its value**



**Complementarity** is the unique feature of football that makes it different from any other industry. *The more balance among competitors, the higher the value of the product.*



If Italy is the only team  
on the pitch, there is...

**No match**

**No show**

**No product**





needs...



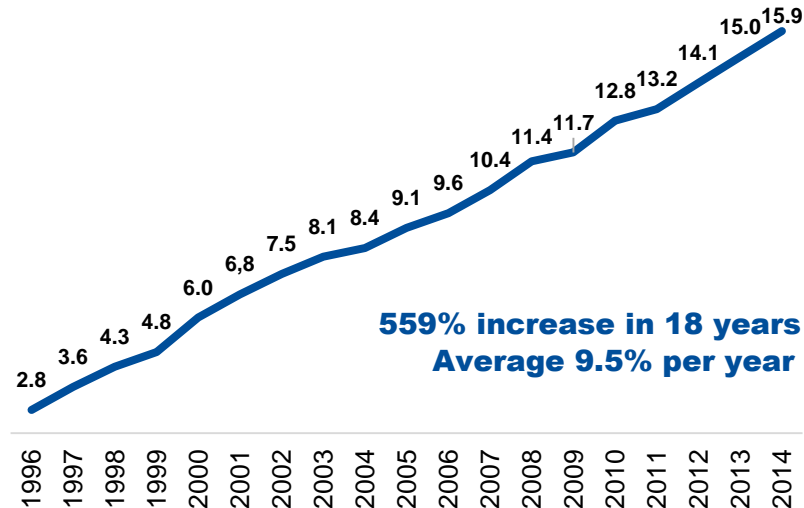
You thought I was  
about to forget the  
**referee**, didn't you?

**Let the games begin!**

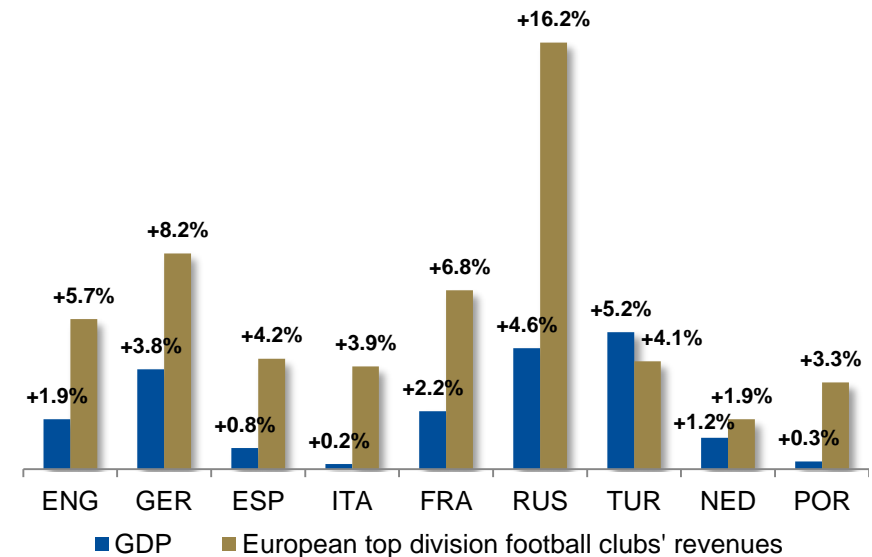
# FOOTBALL is experiencing an UNIQUE economic improvement compared to the real world

In the last 18 years, European top division football clubs' have grown of 559% reaching revenues for 15.9 billion euros.

**54 European football top divisions revenues**



**Comparison between top leagues revenues and gross domestic product (growth 2010-2013)**



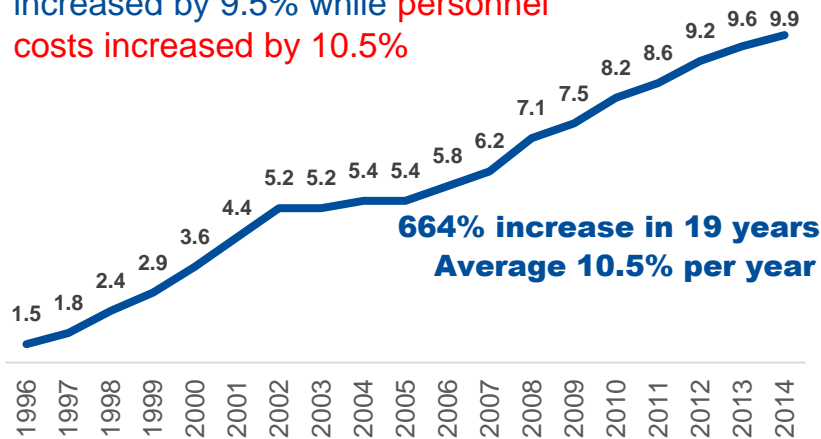
**The football clubs of the 54 European top divisions saw a 9.5% increase in revenues, the European Union Gross Domestic Product increased by just 3.4%**

...However there is a crisis of the system structure, due to debts, personnel costs and economic losses



### Increase of the personnel costs

On a yearly average, revenues increased by 9.5% while **personnel costs increased by 10.5%**



54 European football top divisions personnel costs



### Increasing losses

Since 2006, the 54 European top division football clubs have produced **€8.3b bottom-line losses**.

#### Main causes:

**Poor managerial vision**

**Financial instability**

**Poor attention to long-term investments**

**Unbalanced competitive opportunities**



# The main ROLE OF FA's is to guarantee sustainability

## Complementarity means sustainability

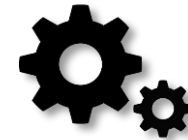
National Associations must guarantee the economic, financial, social, and, most of all, sporting balance of league clubs, enhancing their value in terms of:



**Football show**



**Management**



**Development**



**Legacy**



**Business**



**CSR**



# Underpinning sustainability are a clear set of RULES.

## Keyword: Rules

Europe and Italy have introduced dispositions to regulate and control the system.

UEFA actions **are limited to clubs participating in European competitions.**

Therefore, in a national league, the application of rules across clubs was heterogeneous. The solution was to **introduce a National Licensing System.**

New monitoring tools at disposal of UEFA and its NAs



UEFA Club Licensing  
(since 2003)

UEFA Financial Fair Play  
(since 2010)



National Licensing  
(since 2009)



# Focus on UEFA REGULATIONS



## UEFA Club Licensing

UEFA defines minimum quality standards in 5 categories, and the grading scale of each criteria:

- ★ **Sporting criteria**
- ★ **Infrastructure criteria**
- ★ **Personnel and administrative criteria**
- ★ **Legal criteria**
- ★ **Economic-financial criteria**

## Financial Fair Play

- ★ Clubs must not **repeatedly spend** more than the revenue they generate, which means they must **break-even** over a three-year period
- ★ No **overdue payables** towards football clubs, employees and/or social/tax authorities
- ★ Enhancement of long-term investments in **youth sectors**, **infrastructures** and **social activities**



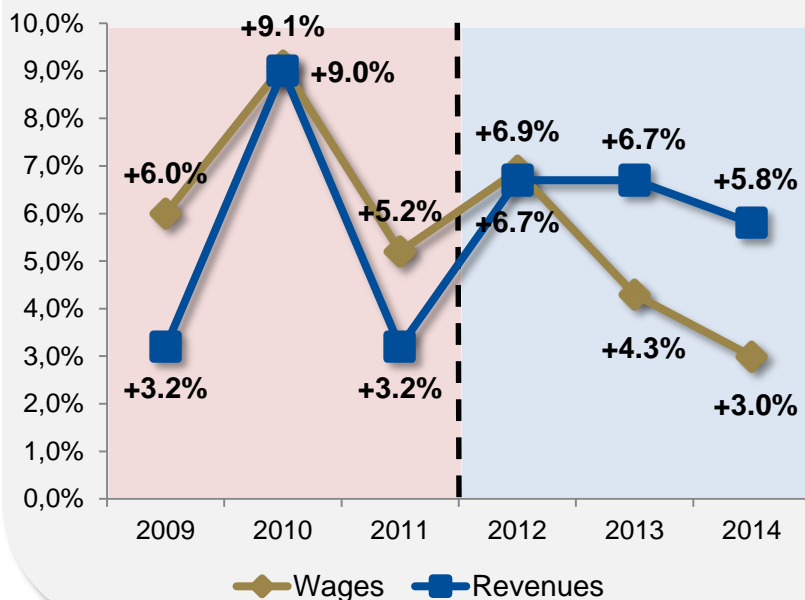
### Issue

Mandatory for clubs participating in UEFA European competitions only (about 240 clubs out of the 716 that take part in the 54 European top divisions)

# Deep dive: FINANCIAL FAIR PLAY RESULTS

## Impact

Recent evolution of European top division football clubs' revenues and wages (percentage growth per year)



## Results since 2011

2011		2014
-€ 0.4b	Operating profit	€ 0.8b
-€ 1.7b	Net result	-€ 0.5b
€ 3.3b	Equity	€ 4.9b
€ 57m	Overdue payables	€ 8m
		€ 5m in 2015



### From 2011 to 2014

€2,000m

Spent in youth and community development

### From 2011 to 2014

€1,750m

Spent in infrastructures

# The Italian NA had to introduce a new set of economic and financial requirements

In the past, many **clubs failed** as old criteria were inadequate.

Among them:



**Napoli**



**Fiorentina**



**Torino**



**Parma**

**169**

The number of professional **clubs that have failed** since 1986-87: 1 in Serie A, 9 in Serie B and 159 in Serie C

**About 5 million**

The number of Italian people remained without football due to insolvency of their clubs



# Italy introduced its Control System in 2009-2010

The Italian Licensing System is a set of parameters and requirements set by the **Executive Committee**.

Clubs must comply in order to take part in the professional leagues. The criteria are divided in the following **categories**:



**Legal and  
economic**



**Infrastructural**



**Sporting and  
organizational**





To meet the criteria, clubs had to take action to improve their economics, organization and development plans.



# The FIGC introduced new rules aimed at club economics

National Licensing was introduced by the new Italian FA governance.

It will be implemented gradually across 4 years (see detail below) requiring compliance to new economic and financial indicators. The system will also be extended to the Serie B and C clubs.

2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019
<b>Implementation with</b>	<b>Implementation with</b>	<b>Implementation with</b>	<b>Implementation with</b>
Payment of overdue payables towards <b>international football clubs</b> (excepted for training compensation and solidarity contribution)	Payment of <b>training compensation and solidarity contribution</b> towards international football clubs	Compliance with the <b>system of three indicators</b> not to be refused the Domestic License	<b>Break-even rule</b> : balance between costs and revenues
Payment of overdue payables towards <b>registered members</b> as at <b>30<sup>th</sup> April</b> (including social taxes and withholding taxes)	Payment of overdue payables towards registered members as at <b>31<sup>st</sup> May</b> (including social taxes and withholding taxes)		
Payment of overdue payables towards <b>personnel</b> as at <b>30<sup>th</sup> April</b> (including social taxes and withholding taxes)	Payment of overdue payables towards <b>personnel</b> as at <b>31<sup>st</sup> May</b> (including social taxes and withholding taxes)		
<b>Main indicators</b>	<b>Main indicators</b>	<b>Main indicators</b>	<b>Main indicators</b>
<b>Current Asset Indicator</b> (current assets over current liabilities); Limit: <b>0,4</b>	<b>Current Asset Indicator</b> ; Limit: <b>0,5</b>	<b>Current Asset Indicator</b> ; Limit: <b>0,6</b>	<b>Current Asset Indicator</b> ; Limit: <b>0,6</b>
<b>Debt indicator</b> (debts over revenues); Limit: <b>2</b>	<b>Debt Indicator</b> ; Limit: <b>1,75</b>	<b>Debt Indicator</b> ; Limit: <b>1,5</b>	<b>Debt Indicator</b> ; Limit: <b>1,5</b>
<b>Wage/Turnover Indicator</b> (wages+amortization of players registration over revenues); Limit: <b>0,9</b>	<b>Wage/Turnover Indicator</b> ; Limit: <b>0,85</b>	<b>Wage/Turnover Indicator</b> ; Limit: <b>0,8</b>	<b>Wage/Turnover Indicator</b> ; Limit: <b>0,8</b>
<b>Notes</b>			
In case of breach of the aforementioned limits, clubs have to deposit a detailed financial plan	Transfer embargo is applied in case of breach of the limits	Mandatory for admittance to the 2017-2018 championship	Mandatory for admittance to the 2018-2019 championship



# The FIGC defined a set of mandatory positions

Through its National Licensing system, the Italian FA has defined the following **professional figures** as mandatory within a clubs' Organizational Chart.

These figures are required to attend specific training and educational courses organized and monitored by the Italian FA's **Sport Directors' Committee**.

- CEO - Managing Director
- GS - General Secretary
- CFO - Administration, Finance and Control Officer
- Sports Director
- CMO - Media Officer
- CCO - Marketing / Commercial Manager
- SLO - Supporter Liaison Officer
- CSO - Security Officer / Deputy Security Officer
- Stewards
- Head Coach of the First Team
- Assistant Coach
- Team Assistant
- Head of the Youth Sector
- Youth Coaches
- Head of the Medical Staff
- First Team Masseur / Physiotherapist
- First Team Physical Trainer



**Organization**



**Professionalization**



**Vision**

# The ultimate objective is to encourage investment.

In order for the sport to grow and flourish, it is imperative to have strong fundamentals.  
The FIGC encourages and requires clubs to invest in:

- ★ **Stadia**
- ★ **Training facilities**
- ★ **Youth sectors**
- ★ **CSR**
- ★ **CRM**



**Development**



**Investments**



**Growth**

# The actions undertaken to obtain the National licensing drive long term club growth...

- ★ **Economic sustainability**
- ★ **Stimulating investments**
- ★ **Managerialism**
- ★ **Legacy**
- ★ **Attractiveness**
- ★ **Sporting competitiveness**

Critics could say this is it a sort of **straightjacket...**

It could be...

But I call them...

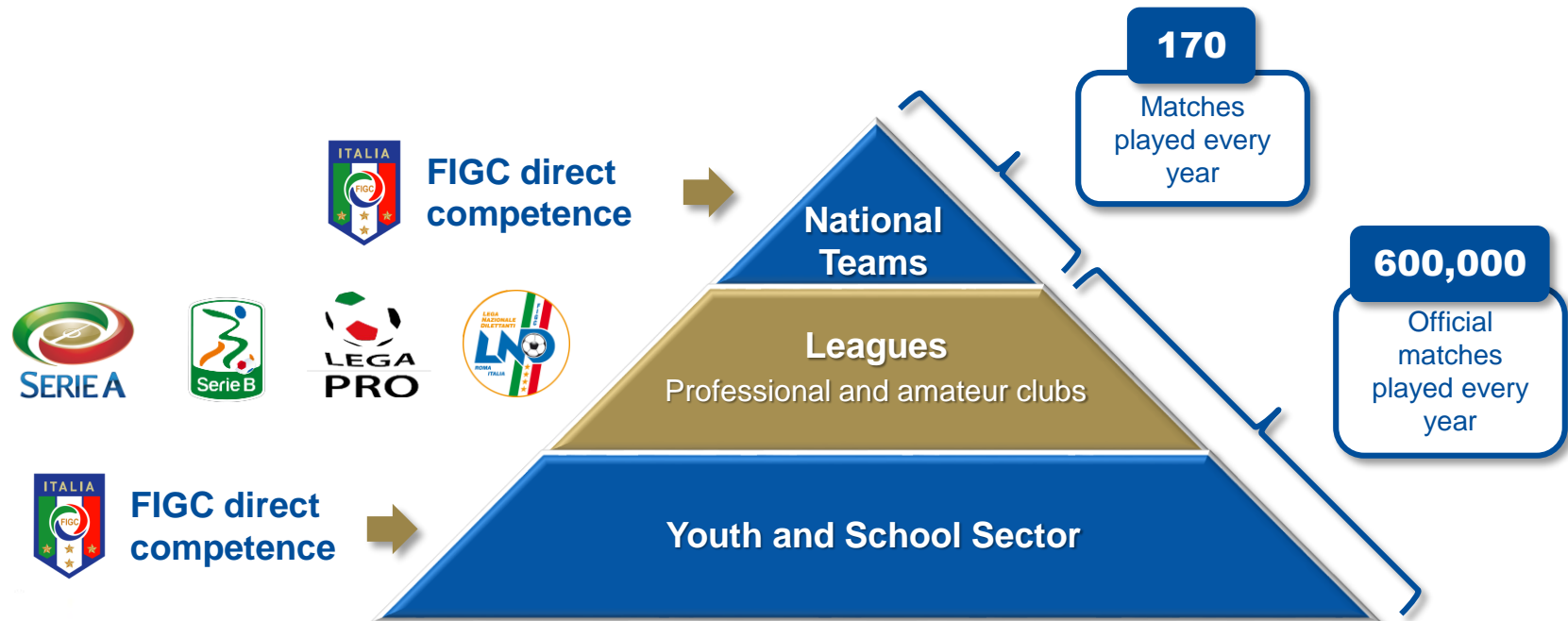
**... Rules!**



# The FIGC isn't only about rules... and professional clubs

The new rules introduced by the Italian Football Association are part of a wider strategic plan that affects the wider **sporting dimension**.

The pyramid shows that a NA must also work on the youths and the national teams.



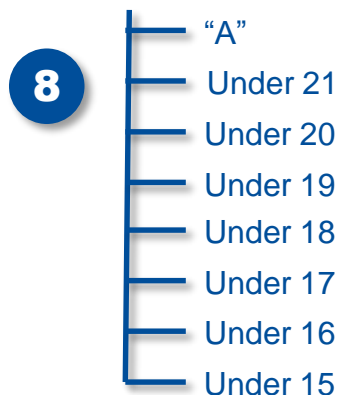


# HARMONIZING NATIONAL TEAMS

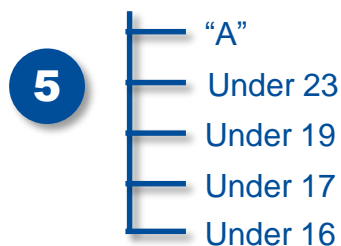
We introduced the “**Technical Coordinator**” figure for each category of National Teams. This ensures **uniform technical guidelines** across each section of competence.



Antonio Conte  
**Men's National Teams**



Antonio Cabrini  
**Women's National Teams**



Roberto Menichelli  
**Futsal National Teams**



**1** Massimo Agostini  
**Beach Soccer National Team**

**17**

Total number of the  
Italian National Teams



# DEDICATION TO THE YOUTH & SCHOOL SECTOR

The Youth and School Sector (SGS) is the body with which FIGC promotes, regulates and organizes the sport for young footballers aged between 5 and 16, focusing on **technical, educational and social aspects**.

The SGS signs agreements with institutional bodies to manage strategic projects and activities such as:

- ★ Grassroots Festival
- ★ Projects in schools
- ★ Training and information
- ★ Women's Football Day
- ★ Clubs and football schools
- ★ Youth Technical Centres (CFT)



**666,506**

Total registered SGS players per age group

**19.7%**

Of Italian children aged 5-16 are FIGC registered

**37,750**

The total number of young foreign players registered

# NEW YOUTH TECHNICAL CENTRES

**Investment:**  
**€ 10 million**  
**per year**



- ★ The Youth Technical Centres (CFT) represent **territorial centres of excellence** for technical and sporting education of young players (boys and girls aged between **12 and 14 years**)
- ★ Definition of **educational guidelines** at central level to be implemented at peripheral level
- ★ Technical and social monitoring process of the whole Italian territory with the possibility to monitor up to **1 million players in 8 years**
- ★ Specific sporting and technical path in order to **enhance the potential** of the young footballers and **prevent drop-off**
- ★ **Talent** development and discovery

**1,200**

Qualified  
coaches

**200**

Managers

**30,000**

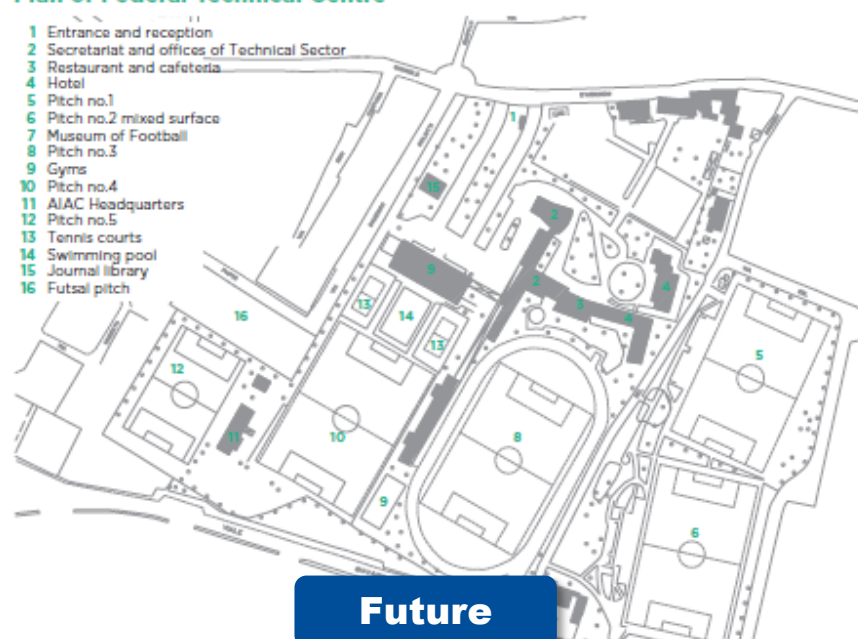
Workhours

# We established a world renowned FEDERAL TECHNICAL CENTRE in COVERCIANO

The Coverciano Federal Technical Centre, located in the Florence area, is equipped with **extensive facilities**:

- ① **Sporting activities**
- ② **Educational programs**
- ③ **Training camps**
- ④ **Medical practice**
- ⑤ **History (museum)**

Plan of Federal Technical Centre



## Centre of excellence

Opened in 1958, Coverciano represents **best practice**, it is recognized globally and a source of inspiration for foreign FAs

## Future

We are planning the construction of a **new Federal Technical Centre**.



# Supporting continuous improvement in the technical sector

The FIGC Technical Sector carries out **studies and educational programs** aimed at improving the technical standard of football. It defines the **rules of play and training techniques** used for athletes, coaches, referees, physical trainers and doctors.

## Educational activities

**272 courses** organized in 2013 and 2014 for coaches, physical trainers and other sporting figures.

## Football University

**72,783 coaches** certified in Coverciano





# Last but not least, Italian excellence in REFEREES

**34,381**

Members

**1,693**

Women referees  
(2<sup>nd</sup> best in Europe)

**36**

International referees  
(1<sup>st</sup> in Europe)

**90**

International matches  
officiated in 2014





# Football Associations play a vital role in enabling long term growth of clubs and the wider football system

- ★ Setting *the rules*
- ★ Promoting *sustainability*
- ★ Protecting *investment*
- ★ Requiring *professional training*



Combining the four points above allows us to protect what is most valuable, **the passion** of millions of fans.

And glorifies the most beautiful sport in the world, **Football**.



# EMOTIONAL VIDEO



# Thank you for your attention

## Q&A

