

FROM GOOD TO GREAT IN FOOTBALL BUSINESS

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ABSTRACT

This article is built on the theory of Jim Collins from his books “Good to Great” (Collins 2001), “Built to Last” (Collins & Porras 1994), “How the mighty fall and why some companies never give in” (2009) and Collins and Hansen “Great by choice” (2011). These studies compared successful companies with companies in the same industry with the same opportunities and similar resources, but that hadn’t the same success. The first two aims of their studies were to identify the underlying characteristics and dynamics to highly visionary companies and to effectively communicate these findings to people who want to create and maintain visionary companies. (Collins&Porras 1994)

The second question of their study was – Can a good company become a great company and, if so, how? I will in this article look into some of the greatest football clubs in the world who have gone from good to great but also can be categorized as a built to last clubs, and try to use them as examples. These clubs are Manchester United, FC Barcelona, Real Madrid CF, Arsenal FC and Liverpool FC. If you want to go from good to great and to sustain this achievement, the critical question to constantly consider is, “How can we do better tomorrow than we did today”? In short, the only way of doing this is by improving through hard and sustained work

Keywords: *Good to great, Built to last, football business, management, leadership.*

1. INTRODUCTION

How can we use studies of business companies to improve football clubs?

This article is built on the theory of Jim Collins from his books, “Good to great” (2001), “How the mighty fall and why some companies never give in” (2009), Collins and Porras “Built to last” (1994) and Collins and Hansen “Great by choice” (2011). These studies compared successful companies with companies in the same industry with the same opportunities and similar resources, but that had not the same success. The first two aims of their studies were to identify the underlying characteristics and dynamics to highly visionary companies and to effectively communicate these findings to people who want to create and maintain visionary companies (Collins & Porras, 1994).

The second question of their study was – Can a good company become a great company and, if so, how? The last question was – How can decline happen, even to those that appear invincible? The conclusions they came up with was: “We believe that almost any organization can substantially improve its stature and performance, perhaps even become great, if it conscientiously applies the framework of ideas we’ve uncovered” (Collins, 2001, page 5) and “Never give in. Be

willing to change tactics, but never give up your core purpose” (Collins, 2009, page 123).

We will in this article look into some of the greatest football clubs in the world who have gone from good to great but also can be categorized as a built to last clubs, and try to use them as examples. These clubs are Manchester United, FC Barcelona, Real Madrid CF, Arsenal FC and Liverpool FC.

2. THEORY

“Good to great”

Jim Collins starts his book “Good to great” with the sentence “Good is the enemy of great. And that is one of the key reasons why we have so little that becomes great” (Collins, 2001, page 1). In this study Collins and his colleagues made a framework, they called the flywheel, which captures the gestalt of the entire process of going from good to great. The flywheel consists of six concepts. These are the “Level 5 Leadership”, “first who – then what”, “confront the brutal facts”, “the hedgehog concept”, “a culture of discipline”, and “technology accelerators”.

The flywheel starts with “Level 5 leadership”.

These leaders are ambitious, but their ambition is foremost for the company, they set up their successors for even greater success in the next generation, they are modest and understated. These

leaders are fanatically driven and have a wish to produce sustained results; they work hard and attribute success-factors outside themselves. On the other hand, they blame themselves when things go poorly and taking full responsibility (Collins, 2001). The best leaders were not more creative, more risk taking, and more visionary than comparative leaders. They were more paranoid, more disciplined and more empirical (Collins & Hansen, 2011).

Secondly comes the principle "First who... then what"

The good to great leaders began the transformation by first getting the right people in the team and then start to find out where to go. Collins (2001) emphasizes that the "who" question come before the vision, strategy and tactics. These leaders were rigorous in the people decisions, but not ruthless. In practice, this means; if you are in doubt about hiring someone do not hire but keep looking, when you know you need to make a people change, act and last put your best people on the biggest opportunities. These teams consist of people who debate vigorously in the search of the best answers.

The next step is to confront the brutal facts but never lose faith. It is impossible to make good decisions without infusing the entire process with a confrontation of the brutal facts. In a company that wants to go from good to great it is important to create a culture where people have an opportunity to be heard. This means that the climate in the company should involve the practices; lead with questions, engage in dialogue, conduct autopsies and make systems so information cannot be ignored. Last, if you have the right people you do not need to use time to "motivate" they will be self-motivated. The most important thing is not to demotivate them and one of the primary ways to demotivate people is to ignore the brutal facts in reality. (Collins, 2001)

To go from good to great requires an understanding of three circles translated into the Hedgehog concept. These circles contain; what are you deeply passionate about, what you can be the best in the world at and what drives your economic engine. (Collins, 2001) Next step in the flywheel is to get a culture of discipline into the company. Sustained great results depend upon building a culture full of self-disciplined people who take disciplined action. Having wrong people on the team leads to an arise of bureaucratic cultures to compensate for incompetence. A culture of discipline requires people who adhere to a consistent system, but on the same time gives them freedom and responsibility within the framework of the system. It is also important to build a culture of learning goals where mastering new things is

important, in opposite of a culture of performance goals who is about measuring ability (Dweck, 2000).

Finally, "stop doing" lists are more important than "to do" lists. The good to great companies know one big thing and stick to it but the comparison companies know many things yet lack consistency (Collins, 2001). Focus on what you will do, not what you will not do (Halvorson, 2011). One important finding was that it took in average four years for the good to great companies to get a Hedgehog Concept (Collins, 2001).

The last concept in the fly-wheel is about technology accelerators. The good-to-great companies used technology as an accelerator of momentum, not a creator of it. How a company reacts to technology change is a good indicator of its inner drive for greatness versus mediocrity (Collins, 2001).

The next step after building a company from good to great is to stay great and to avoid being one of the companies that gives in (Collins & Porras, 1994; Collins, 2009). The important thing here is to change from being a company that is time telling to become a clock-building company. A key step in building a visionary company is to articulate a core ideology. Collins (1994) and his co-workers created a practical two-part definition of core ideology. Core Ideology = Core Values + Purpose.

"Core values = The organization's essential and enduring tenets-a small set of general guiding principles; not to be confused with specific cultural or operating practices; not to be compromised for financial gain or short-term expediency.

Purpose= The organization's fundamental reasons for existence beyond just making money-a perpetual guiding star on the horizon; not to be confused with specific goals or business strategies" (Collins, 1994, page 73).

In a visionary company, the core values need no external or rational justification. After building a core ideology, the important thing is to preserve the core and stimulate the progress in the company. These kinds of companies makes big hairy audacious goals, they create cult-like cultures where they set both personal and professional goals high and the company have great confidence in the staffs ability to achieve the goals. Further, on they try a lot of stuff and keep what works. This means: Always give good ideas a try and do this quick, accept that mistakes will be made, take small steps, give people the room they need and at the end build that ticking clock. Visionary companies were significantly more decentralized and granted greater operational autonomy than the comparison

companies (Collins & Porras, 1994), they also changed less in reaction to a radically changing world than the comparisons (Collins & Hansen, 2011). Intrinsic motivated people are highly autonomous (Ryan & Deci, 2007). Last, you should always think that “good enough never is” and this is not the end. Nor even the beginning of the end, but maybe it is the end of the beginning. One of the key elements of being a visionary company is simple:

“Good old-fashioned hard work, dedication to improvement, and continually building for the future will take you a long way” (Collin & Porras, 1994 p. 199).

These companies always have the focus on getting better, rather than being good (Halvorson, 2011). The trump card in a chaotic and uncertain world does not seem to be innovation but the ability to scale innovation, to blend creativity with discipline (Collins & Hansen, 2011).

3. METHOD

To look into the four football clubs it is used a text analyse. The text is taken from each clubs web site. There is also analyzed one interview with Alex Ferguson in addition to his biography written by Michal Crick (2002). This is an informal approach to text analyse which Peräkylä (2005, p.870) implement the following practice:

“(1) Read and re-read texts; (2) identify key themes; and (3) “draw a picture of the presuppositions and meanings that constitute the cultural world of which the textual material is a specimen.” (p. 870)

4. HOW CAN WE GO FROM GOOD TO GREAT IN FOOTBALL?

This is the main question for any football club. There are a lot of good clubs but only a few great. We will here look into five great football clubs. What does level 5 leadership mean in sport? The leaders should be ambitious and work with long term goals so the success would become even greater in the next generation. In sport clubs, first we have to make clear who is in charge. Level one has to be the management and the manager. The managers should have ambitions foremost for the club and the athletes (Collins, 2001; Collins & Hansen, 2011). They should be fanatically driven and wish to produce sustained results. In the sport business, this means that they should have a great passion for the sport. Hopefully this means that they are more intrinsic motivated and more persistence. (Vallerand & Miquelon, 2007) Manchester United’s manager through 25 years Alex Ferguson (70) can be used as a confirmation

of the theory. He answered the question about retirement in 2009;

I still have the drive and the energy. I have been here more than 22 years, but I still get a buzz arriving at the training ground. I still get tingle of excitement when the team bus draws up at an away ground before a big match. Or I see some of the young kids coming through (Campbell, 2009).

In addition, the managers have to work hard and attribute success factors outside themselves. These success factors can for example be the coach, the athletes or the team cohesion (Carron, et al 2007).

Secondly comes the coach or the manager. He/she should also be ambitious mostly for the club or the athletes. Their own ambition should come as number two or three and as for the managers, they should have the quality to link the success to factors outside themselves (Haslam et.al, 2011). Wenger – in charge at Arsenal for 17-and-a-half years – said: “I don’t think it will be harder for Arsenal to replace me – I certainly hope not. What you want is competent people in charge at clubs and competent people demand people who have the right qualities to do the manager’s job. (Kid, 2014)

Collins and Porras (1994) discovered that visionary companies often had a homegrown management. They developed, promoted and carefully selected managerial talent grown from inside the company. They thereby ensured greater continuity in leadership. Teams as Ajax and Manchester United do it this way. Players with the potential of become manager or coach is taken care of after their carrier and is often included as coaches for the youngsters or reserves (Mick Phelan, Ole Gunnar Solskjaer, Paul McGuinness, Ryan Giggs all in Manchester united and Bob Paisley, Kenny Dalglish and Graeme Souness all Liverpool FC)

(Man. Utd. 2012 a, Liverpool FC. 2014 a).

“First who .. then what” First we have to get the right people in the team and then start to find out where to go. In the sport business, we often go the other way around (Collins, 2001). We start with the idée where to go and then we try to get the right people. Special in small clubs/nations in team sports as football, ice hockey and handball the management are in a hurry and use too less time to find the right people. Collins’s advises is that if you are in doubt don’t hire but keep looking. If you want to go from good to great, you need a team who always search for the best answers. You need team members (also the coach) who are intrinsic motivated. They should not be motivated by

gaining rewards or being a part of a famous team (Ryan & Deci, 2007), or as Alex Ferguson said;

I've got some great players now. But nobody can do it on their own. It's about the team. I can give leadership and the direction but the team has to gel. That means keeping them together, able to live with each other in the same room, get the best from each other (Campbell, 2009).

When you have the right people in your team then you have to confront the brutal facts. It takes a lot of hard work to become the best but you should never lose faith. The culture in the team should be supportive and believe in an incremental theory about learning instead of an entity theory with its idea of fixed skills (Dweck, 2000, 2006). All the athletes and the coach should have an opportunity to be heard. When athletes and coaches gets involved in sport we must believe that they are intrinsic motivated and then you do not need to use time to motivate.

A key step in building a visionary company is to create a core ideology. For instance, Manchester united says that they want to be the best club in the world, both on and off the pitch. One of their core values is;

ACTIVE SOCIAL ENGAGEMENT

We are committed to making a positive difference to the communities within which we operate. The Foundation, the charitable arm of Manchester United Football Club, has a broad and varied range of community programs in place which look to engage and make better, the lives of young people in the local community.

The Foundation's goal is to educate, motivate and inspire future generations with the view to building better communities for all. Channeling the global passion for Manchester United, their aim is to empower young people whilst helping them to develop a greater social understanding through the delivery of innovative and educational programs (Man. Utd. 2012 b).

In addition, FC Barcelona has their slogan which is based in their core value:

The slogan **"more than a club"** is open-ended in meaning. It is perhaps this flexibility that makes it so appropriate for defining the complexities of FC Barcelona's identity, a club that competes in a sporting sense on the field of play, but that also beats, every day, to the rhythm of

its people's concerns (FC Barcelona, 2012).

Liverpool FC has their famous slogan "You never walk alone" and their Liverpool foundation "Hope in your hart" with the vision:

- Help young people around the world improve their life skills using the global appeal and rich history of Liverpool Football Club as a way of reaching out to disadvantaged communities.
- Encourage young people into enterprise and opportunities that help improve their lives and contribute to society
- Assist men and women across Liverpool to improve their health and wellbeing by providing initiatives that promote a healthy, balanced lifestyle
- Work with our armed services personnel to support their return back to civilian life (Liverpool, 2014 b).

Arsenal foundation was launched in May 2012 and since then has committed more than £1million to support a range of community and charitable projects in the UK and overseas, including those of the Club's official charity partners Save the Children and Willow Foundation.

The Arsenal Foundation focuses on work that motivates and inspires young people - often through education and sport - to help them reach their potential and become the best they can be (Arsenal, 2014).

Collins claim that if you want to go from good to great it requires a deep understanding of three intersecting circles translated into a simple, crystalline concept, which he call the Hedgehog Concept. As we have seen, first you must find out what your team can be the best in the world at (not what we "wants" to be best at) and at the same time, what we cannot be best at. We can be best in some sequences of the play for instance. We can be the strongest or the fittest team. We can be the best defensive or the best offensive team. Good to great teams know one big thing and stick to it (Collins, 2001). This is an understanding not an intention. If you cannot be the best, then your core business cannot form the basis of your Hedgehog Concept. Collins and Hansen (2011) claims that the belief in leading in a "fast world" always requires "fast action" and "fast decisions" is a good way to get killed. Stick to the plan; do not change it too fast if it does not lead to success.

Next step is that the whole team should find out what they are deeply passionate about. So when you hire coaches and athletes they should be passionate about the same as the rest of the team.

Most people involved in sport are passionate of the sport. However, when you hire a manager or anyone else in the management they should have a passion for the sport they are involved in. The players or the athletes should have the same thoughts of how to play or compete (Collins, 2007).

The third circle is about understanding and insight into your economic model and what best drives your resource engine. All players and people in the management must have the same understanding. How is it possible to make money out of sport? Where does our money come from? The understanding of the relationship between the team and their sponsors is a crucial factor in the sport industry. However, it is also important that money must not be the most important reason why they play football as Arsene Wenger, Arsenal's manager for many years said in an interview:

I always say to the players, forget the money. What is important is how well you play together, what you share together is much more important. The money is only a consequence of your experience. The real experience is the game.

And I see that with many players who have stopped their careers. It's not the money they miss — because they have money. It's that kind of experience. To share the values of our sport, to share the values of being together. And achieving something together. (Harris, 2013)

You should not only get the right person in the team, but also get the right person in the right position. That is where they can contribute. The right person in the right position means that an individual's three circles line up with the responsibilities of that position. The main key is to what your three circles are as a person and ensure that you are in a position of responsibility that draws upon those three circles. What are you passionate about? What are you genetically encoded to do? Development is; understanding the intersection of your own three circles. What position do you play in and what is your contribution to the team building process. Then refuse to spend your life in a position that does not line up with your three circles. If you give people that understanding and help them to move towards the position they should be in, not only will the team be stronger, but also people will be more fulfilled. This also means that if the players do not want to stay in the club you should let them go. (Niendorf & Beck, 2008)

Any football club that wants to go from good to great must create a culture of discipline.

They are depended upon self-disciplined people. These athletes and managers should take disciplined action, which is based on the three circles from the hedgehog concept. The more they stay within the three circles, the more they have the opportunities to grow. (Lam, 2010) In Real Madrid they do it this way:

In order to instill the students of its academies with Real Madrid's values, the foundation has developed a continuous instruction programme for its teachers. The program includes meetings to discuss technical and sporting matters, as well as successful teaching techniques. The foundation also sends out didactic materials and teaching guidelines. (Real Madrid, 2012)

If they have the right people in the team, they don't need much bureaucracy. The bureaucratic culture is developed to compensate for the lack of discipline and incompetence. A disciplined culture is built upon people that stick firmly to a consistent system. The members of the team should have freedom within the framework of the system. You have to trust upon the athletes that they always will do their best to create good results. Do not hire tyrannical disciplinarian coaches, which only confuse a culture of discipline. Perceptions of coach-autonomy support positively predicted within-person changes and between-person mean differences in basic need satisfaction and well-being over time. Perceived autonomy supportive environment are positively related to subjective vitality. (Adie, Duda, & Ntoumanis, 2012) Collins and his team (2001) found out that good to great companies had what they call Level 5 leaders who built an enduring culture of discipline compared to other companies who had Level 4 leaders who used force to discipline their staff. (Caulkins, 2008)

Another thing who describes the good to great companies is that they have a "stop doing list" "not only a "start doing list". Stop doing things if it does not work. If you want your team to go from good to great, make a list of all the things you do not need to do (Collins, 2001). Find out what is not necessary to do. Make the training as specific as possible. If you want to teach the kids football, you have to play the game football. What's the idea of the sport you're into and work with this?"

Learn how to play the Arsenal way. Football based around passing and movement, technique and skill. Incorporating the principles of fair play, teamwork, expression and fun! (Arsenal, 2014b)

In addition, Barcelona have their own way of playing football:

At la Masia and the training facilities around it, the Barça model and the club's

values are taught to the youngsters, in such a way that should they ever make it into the first team, they already know how an FC Barcelona star should play and behave. (Barcelona, 2014)

When it comes to technology the good to great companies think differently than their comparisons. They avoid technology fads, they carefully selects technology that fits directly to their Hedgehog Concept. They used technology as an accelerator, not a creator of momentum. The technology by itself is never the cause of either greatness or decline. Even companies famous for their pioneering application of technology did not even mention technology as one of the top five factors in the transformation (Collins, 2001). Collins claims that; “crawl, walk, run” can be a very effective approach, even during times of rapid and radical technology change“(Collins, 2001, p. 163).

In the sport business, this can be all kind of technology for testing athletes, analyzing movements, skills and matches. This can never compensate for disciplined action such as training and hard work. On the other side, it can help us accelerate the process to go from good to great. Again, Alex Ferguson can be used as an example; one of his secrets is “never being complacent.” If Ferguson hears something that might add a point or two to United’s total at the end of the season - some new training method, some sports-science wisdom or a new technology that can measure a player’s performance – he is on it, sending his assistants all over the world to figure out what is what. (Crick 2002)

The transformation from good to grate feel like cumulative processes for the people on the inside, even if it look like revolutionary events for observers from the outside. The transformation never happened in one fell swoop. There was no single defining action or grand program. The sustainable transformations follow a predictable pattern of buildup and breakthrough. It takes a lot of effort to get things moving, but with persistent work, it is possible to hit a point of breakthrough. The good to grate leaders spent no energy trying to motivate the employees or manage change. Under the right conditions, the problems of motivation, change and commitment take care of themselves. (Collins 2001)

5. CONCLUSION

If you want to go from good to great and stay there, the critical question is “How can we do better tomorrow than we did today?” Continuous improvement is necessary. Before the external world demand it, the club or the athlete has to install powerful mechanisms to create discomfort-to obliterate complacency and stimulate change and

improvement. Collins and Porras (1994) summarize it in good and bad news. The good news is that the key element being a visionary company is simple:” Good old-fashioned hard work, dedication to improvement, and continually building for the future will take you a long way.” The bad news is: “It requires huge quantities of good old-fashioned hard work, dedication to improvement, and continually building for the future. There are no shortcuts. There are no magic potions” (Collins&Porras 1994 p. 199)

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