

The development of a value-based performance measurement system for sport leagues – the case of a German Junior Sport League

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Aim of abstract – research question

The Balanced Scorecard is the best known performance measurement system that has already been applied and discussed in many industries. Professional team sport clubs and leagues have started to implement such systems. Those clubs and leagues have realized that they must control critical success factors, like their talent development, to remain competitive. The main goals of talent development programs like junior leagues are the preparation of young athletes for their professional careers and the continuous improvement of the clubs' overall performance. The measurement and controlling of relevant performance indicators are critical and determine the overall quality of the appropriate professional senior league. However, there is a lack of empirical studies in sport management research about the implementation and management of performance measurement systems. Despite the importance of talent development programs, like professional junior sport leagues, sport management research has not yet developed an appropriate performance measurement system that controls for more than just infrastructural aspects or the quantity of training activities. Therefore, this research project presents a performance measurement system that helps to control and improve the overall quality of sport leagues. Based on these considerations, our initial research questions are:

1. Who are the customers of a junior sport league?
2. Which requirements do they have and how do they co-create value?
3. From a value-based perspective, which factors need to be considered in a performance measurement system of a junior sport league?

Theoretical background

Performance measurement systems support managers with specific information about activities that contribute to the organization's value creation. This specific information must be procured and provided by the measurement of key indicators. In general, value creation models, like Porter's value chain (Porter, 1985), can be used to identify such activities and key indicators. Nevertheless, in service controlling literature value creation activities have often been neglected for the development of performance measurement systems (Fitzgerald et al., 1991). Moreover, relevant requirements of the sports industry have been ignored (Hudson et al., 2001).

The most important value creating activities of a sport league are to acquire the best clubs and athletes and to organize the competition in the best way (Woratschek et al., 2007). This

means that the league organization acts as a coordinating institution. The main goal is to establish mutual relations between all involved actors to derive value. This value creation logic does not correspond with Porter's long-linked value chain. Stabell & Fjeldstad (1998) introduced alternative value creation models that address the specific requirements of service providers. A league can be defined as a service provider in sports. As mentioned above, a sport league does not produce goods, but coordinates activities and actors. Therefore, the value network (Stabell & Fjeldstad, 1998) is an appropriate value creation model for the development of a performance measurement system of a sport league.

Methodology, research design and data analysis

Based on insights from a qualitative pre-study we started with the first quantitative study in 2014 and continued the data collection for the subsequent two seasons of the junior sport league in 2015 and 2016. Over the three years, the same online survey was sent each year to clubs and league officials. In the data analysis, we used explorative factor analysis first in order to condense the broad set of performance indicators into few relevant key factors. In a second step, we applied regression analysis of the key factors to identify their relevance for the overall value of the league. As the league coordinates clubs, managers, coaches, players, and spectators to derive value, the overall value of the league is always co-created by the involved actors. We assessed the actors' overall satisfaction with the league as dependent variable with the value-based key performance indicators as independent variables.

Results, discussion, and implications

Based upon the data collection and analysis over three subsequent years we are able to identify key performance indicators with the highest relevance for the co-created value of the league's customers. This leads to an importance ranking of key performance indicators that delivers valuable insights for the quality controlling of a junior sport league. Sport managers and league officials can react accordingly and set management priorities to increase the overall value of the league. Furthermore, the developed performance measurement system can be applied during the upcoming seasons to control the ongoing development and professionalization of the junior sport league. In addition, minor adjustments would be necessary to transfer and use the value-based performance measurement system to any other sport league.

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