THE APPLICATION OF LEAN SIX SIGMA TOOLS AND TECHNIQUES IN THE VALUE CREATION STREAMS OF F.C. PORTO

Author:

Filipe Borges Albernaz

email:

albernaz@gmail.com

Co-authors:

Delgado, Catarina Sarmento, José Pedro

University: University of Porto

Faculty:

Faculty of Sports / Faculty of Economy

Abstract

When it comes to Sports Management, in the absence of techniques and tools developed specifically for managing sports organizations and taking into account the specificities of its core business, we must not rely simply on a better practices approach. Instead, we must turn to the systematic approach offered by business schools. There are good examples of successful applications of business techniques in sport organizations. According to Callejo and Forcadell (2006), in the early 21st century, Real Madrid (Spain) became the world leader in the soccer market, overtaking Manchester United (England), pioneer in the practice of commercial exploitation of their brand to international levels. The marketing strategies used then have been and remain successful, leaving no doubt that there is proximity between practices in the industries of manufacturing, services and sports.

In this study, we will analyze the applicability and adaptability, to a football club, of some of the Lean Six Sigma (LSS) tools. LSS is a methodology that combines the strengths of two of the most popular tools for improving performance of organizations in the 1990s, Six Sigma and Lean management/ thinking (Delgado et al., 2010). In sports organizations, as in service and manufacturing organizations, Lean may come in as a methodology to reduce waste and inefficiency, from the client's perspective, whereas Six Sigma may come in as a methodology that focus on refining the process, reducing the variability, to obtain the same result at least 99.9997 percent of the time (ibid.). Combined, they offer three unique key features that produce a deployment approach that is better than the ones used by other improvement initiatives: (i) the integration of the human and process elements of improvement; (ii) a clear focus on getting

bottom-line results; and (iii) a method that sequences and links improvement tools into an overall approach (Snee, 2010). As a business strategy, Lean Six Sigma is a methodology that increases process performance resulting in enhanced customer satisfaction and improved bottom-line results (ibid.).

Unfortunately, there is still a limitation to the implementation of LSS tools in sports organizations, mostly due to the lack of a theoretical framework in the existing literature in the process analysis field. In particular, since a football club has several business units attached, each with its own customers, products and services, processes and value creation streams, we must first analyze the processes within each stream-oriented product or business unit. For instance, there is the value stream for the management of the membership portfolio, the value stream of the process of hiring a player, the value stream oriented to a football match or a training camp (Woratschek and Schafmeister, 2005), etc. That analysis can be done resorting to Value Stream Mapping (VSM), one of the most commonly used tools in lean methodology. Jimmerson (2010), a pioneer in application of value stream mapping on healthcare industry, states that the concepts regarding the latter are simple, nevertheless, applicable to any business model. The value stream differs from the value chain as the latter is a model of mapping the value creation process for the industry sector. According to Woratschek and Schafmeister (2005), despite many theoretical studies in the area of analysis of value creation for sports organizations, empirical investigations are still needed.

Case presentation

The football club studied is F.C. Porto, SAD (FCP), a Portuguese football club of great national and international representativeness, and with a certain degree of professional management.

Data collection and analysis

Data will be collected primarily from semi-structured interviews to the agents involved in management decision process in every key strategic unit of the football club.

It is expected to (1) obtain the main value creation streams of FCP and identify opportunities for its improvement and (2) identify possible professional management tools used by the organization.

References:

Callejo, M. B. and Forcadell, F. J. (2006). Real Madrid Football Club: a new model of business organization for sports clubs in Spain. Global Business and Organization Excellence, 26 (1), pp. 51-64

Delgado, C., Ferreira, M. and Branco, M. C. (2010). The implementation of Lean Six Sigma in financial services organizations. Journal of Manufacturing Technology Management, 21(4), pp. 512-523.

Jimmerson, C. (2010). Value Stream Mapping for Health Care Made Easy. New York: Productivity Press. New York.

Snee, R. D. (2010). Lean Six Sigma: getting better all the time, International Journal of Lean Six Sigma, 1 (1), pp. 9-29.

Woratschek, H. and Schafmeister, G. (2005). New business models for the value analysis of sport organizations, Economic Discussionpapers (Wirtschaftswissenschaftliche Diskussionspapiere).