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Using the Business S-Word -- STRATEGY-- for Sports

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Abstract

Mention the s-word -- *strategy* -- and thoughts go immediately to business issues and the boardroom. Strategy is easily used in the business context but it is just as easily ignored, forgotten, or possibly not even considered in the sports environment. If the s-word -- *strategy*-- is mentioned in sports, typically it is in reference to upper management or the owners. Then, the objective is dollars and cents -- maximizing gate receipts, holding costs in line, and returning profit on investment. Yet, *strategy* can be applied on the field/on-court/on-ice; the tactics of strategy are just as relevant in the sports arena as in the business arena.

When business managers talk *strategy*, the ultimate goal is being unique from the competition. Winning in the marketplace is the objective -- whether it is winning marketshare or winning customers. For sports managers, winning is also the goal -- whether it is being number one or improving on past performances.

The lessons learned from business *strategy* can be applied to tactics on the sports field. However, organization writers and theorists have largely ignored the parallel (Peatling, 2005). Making the link, some may say, is not realistic, as the outcome would be that "oil and water mix" -- sports on the field/court/ice are not the same as business in the workplace. On the other hand, *strategy* may be the element that a coach or manager is missing from sports play. If *strategy* is used for winning in the business arena, then consider that the same principles have a place when looking for the competitive edge on the sports field/court/ice. This paper reviews basic *strategy* tactics and makes suggestions about applying the fundamentals to the competitive sports team.

Strategy in the Game Plan

Effective *strategy* in business is all about being different and anticipating future events in order to react and respond proactively. In sports, also, *strategy* is valuable for achieving the competitive edge that comes from doing things differently. *Strategic* alternatives aim to stretch thinking and to widen the range of options considered. The future can be described in scenario possibilities, which will have different consequences or uncertainties for different competitors. Regardless of business or sports, each team will respond in ways that reflect their goals, assumptions, capabilities, and competencies. Competitive *strategy* is used to reduce the uncertainty that following one course of action will worsen the team's position vis-à-vis another plan.
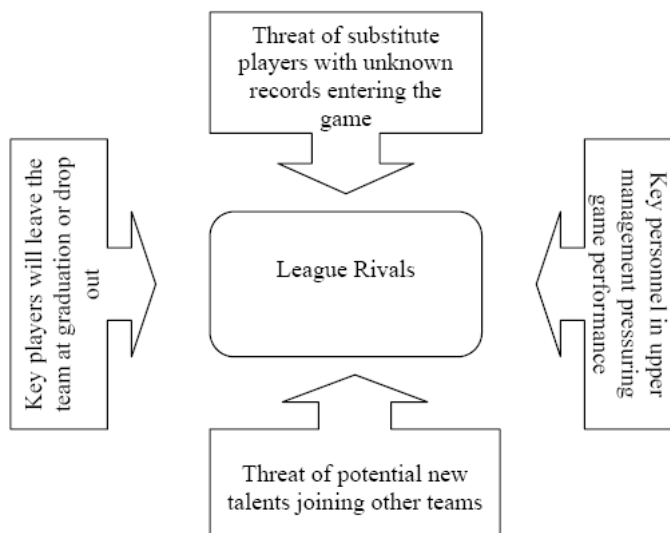
When setting the game plan, it is important for businesses and sports alike to know where competitors fall on the continuum of good to bad. 'Good' competitors understand and play by the rules of competition. 'Bad' competitors may seem to make their own rules, to benefit their game, regardless of others. Some 'bad' competitors will never become 'good' competitors; it will require battles just to move them along the continuum to make them act with a sense of fair play.

When a 'bad' competitor appears to be playing outside the rules of the game, it requires continual work to manage a team's expectations and assumptions. For example, when a team has a player known for violating the rules by getting too excited or by losing control of emotions, then future *strategy* must factor in the likelihood of repeated infringements and the potential to affect the game outcome.

Strategy in the Competitive Arena

Competition necessitates performance-related activities -- supporting creativity and innovation, promoting a cohesive culture, implementing measurable actions targeted at success. Competition creates the need for strategy. Competition requires *strategy*. Competitive *strategy* is the search for a favorable position; it aims to establish a profitable, sustainable advantage against others in the game arena.

Chart 1: five sports pressures requiring competitive *strategy*

Threat of substitute players with unknown records entering the game

Key players will leave the team at graduation or drop out

League Rivals

Key personnel in upper management pressuring game performance

Threat of potential new talents joining other teams

On the sports field/court/ice, five forces are also at work that affect the game or season outcome (see Chart 1). For example, at any point in time, the sports manager is concerned about league rivals, key personnel in upper management who pressure for performances that attract spectators, key players that leave the team, the threat of players being sidelined and substitutes with unknown track record taking up positions, and the threat of potential entrants who are the talented young stars eager to take their places with teams willing to risk signing. The unpredictability of sport requires contingency planning or *strategy* when dealing with competitive pressures (Shank, 2005).

Analysis Leading to *Strategy*

In business, the SWOT analysis is central to developing competitive *strategy*. SWOT stands for *Strengths*, *Weaknesses*, *Opportunities*, and *Threats*. The SWOT template is easily adapted for developing competitive *strategy* in sports. Laid out in grid format (see Chart 2), SWOT positions strength and weakness together for the internal view of opportunities and threats related to external issues. In this format, resources and capabilities are matched to the competitive environment. Action choices and alternatives develop from the interrelationships identified within the grid. The result is that *strategic* possibilities become clearer.

Chart 2: the SWOT grid
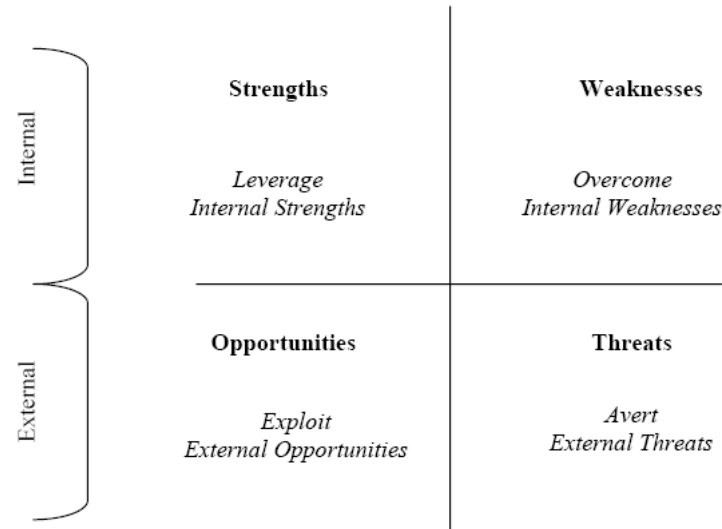
Maximizing SWOT for *Strategy*

The 'how-to' for maximizing SWOT has four fundamentals (Dwight and Tanner, 2006):

√ Consider the external and internal concerns with honesty. Face the negative.

√ Take a broad approach so as not to ignore relevant issues. Go deep and wide.

√ Examine the past and consider what the future may bring. Move beyond the immediate.

√ Seek the opinions and the perceptions of others. 'Two [or more] heads are better than one.'

Once the grid is completed, strategy alternatives can be identified, considered, assessed, and evaluated. Remembering that strategy is a goal-oriented action that stems from the fit or match between internal and external environments, four approaches become evident:

S-O Strategy: leverage internal strengths – exploit external opportunities

S-T Strategy: leverage internal strengths – avert external threats

W-O Strategy: overcome internal weaknesses – exploit external opportunities

W-T Strategy: overcome internal weaknesses – avert external threats

Developing *Strategy* from SWOT

The SWOT matrix for a fictitious university basketball team is shown in Table 1. Assuming that the coach followed the four fundamentals -- honesty, broad approach, moving beyond the immediate, and questioning others -- the grid reflects the team's strengths, weaknesses, opportunities, and threats. The coach wants strategy alternatives that will help the team gain an advantage, on court and off, in the competitive environment.

The SWOT grid highlights the team's resources and capabilities alongside the external issues that can be exploited or must be averted. Numerous combinations can be put together but the starting point is identifying the internal strengths and weaknesses and then systematically covering the opportunities and threats. Reference to the competitive pressures identified in the five forces model complete the application -- business to sports (see Table 2).

Table 1: SWOT matrix for a university basketball team

Strengths	Weaknesses
• two of the five team members are top players • significant support from the university • excellent coach • lots of practice time • best of NBA plays video tapes available for coaching • coach allows players' suggestions for change of tactics during the game • devoted transportation bus and driver for team transport to away games • excellent home court facilities. • good reputation – strong team is always a contender • video crew available to record plays for later review	• top two players are in conflict all the time • no competitive local teams for practice • significant travel time for away games • false sense of euphoria due to lack of local competition. • no assistant coach of repute • top players want only preplanned strategies for play • in the early part of the season, spectators don't attend indoor events • video crew unavailable for away games
Opportunities	**Threats**
• national coverage of university games during play-offs • increased funding from government departments for youth sports • increased interest from corporations to fund university sports • possibility of more television coverage of university games during the season • basketball scholarships to attract new talent to the university • local community interest changing to favor emphasis on sports in universities and less interest in professional games	• no "free agent" system to get the best talent in the market • interest in basketball is dwarfed by soccer • increasing popularity of individual sports (tennis, golf,) • stronger teams developing in other universities • succession problem (the top two players graduate in next two years) • NBA regulations are going to change the game rules

Table 2: developing *strategy from SWOT*

Competitive Pressure	SWOT	*Strategy*
key personnel in upper management pressure teams to perform to attract spectators	S-O	video crew record plays to sell game clips to a local TV channel, which promotes the team and the games
key players leave the team	S-T	a program whereby key players will mentor new players, which reinforces the team culture and spirit to offset the loss of key players when they graduate
league rivals have coaching talent	W-O	no assistant coach with depth of experience on staff but funding is being increased, which presents a recruitment opportunity
threat from potential entrants who are the talented young stars eager to take their place with teams willing to risk their signing		

The *strategy* for using the business s-word in sport

Taking the *strategy* principles from business and using them in the sports environment is a logical application. The frameworks used in one are equally relevant to the other. It is the critical thinking behind any *strategy* development that contributes to effectiveness. The business manager who can assess a competitive situation and maximize the team competencies to best advantage will understand the importance of *strategy*. The sports manager who can develop *strategy* from in-depth knowledge about player capabilities and maximize the team position in the competitive environment will know the value of the business s-word. In sum, basic *strategy* tactics are equally relevant to business and sports.

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