

Football's Euro 2000

Find out how finance will influence it:

WINNERS AND LOSERS

The Business Strategy of Football

by

Stefan Szymanski and Tim Kuypers

Publication Date: 6th April 2000

Price: £8.99

'Any supporter or analyst who wants to understand the modern game, and any club director who wants success, should read this book.'

The Guardian

'A penetrating analysis of the football business, one that is long overdue. Anyone interested in what makes the difference between success and failure – both on and off the pitch – should read this book.'

Patrick Harverson, The Financial Times

Football is a big business. But how is the success of a football club on the pitch connected to its success as a business? Does winning make you profitable, or do profits lead to winning?

WINNERS & LOSERS is the first book to comprehensively analyse the relationship between financial performance and playing performance – both depend on the rules of the game. The book dissects the performance of clubs on the pitch and in the boardroom to explain why some are winners and some are losers. It contains detailed information on the financial performance of all major clubs and investigates the relationship between vital issues such as transfer policy, wage bills, attendance figures and playing success.

WINNERS & LOSERS traces the development of English league football and its financial dimensions from its foundations, as well as considering the future of the sport. The authors Stefan Szymanski and Tim Kuypers argue that the current structure of League football in England prevents even the top clubs from making significant profits. It means that the club's new owners ie shareholders, who are mainly the big financial institutions, are likely to change the rules to find ways to increase profits –their main priority. This is likely to impose even greater burdens on the fans and without government regulation, the only protection for the fans will be the competition authorities in Westminster or Brussels.

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The book provides a fascinating insight into the financial development of football together with some remarkable facts and figures:

Only high spenders win. Every team to win the Championship since 1975 has been in the top six wage spenders. Club wage spend is an almost perfect predictor of League performance. Winning also brings in the money: league champions are always among the top income earners. But this does not guarantee profits. Clubs whose league position improves are as likely to see their profits fall as they are to see them rise.

Contrary to popular belief, transfer spending does not subsidise the poorer clubs. Clubs in the Football League collectively showed a deficit on transfer spending with Premier League in 1997. Most clubs in practice use transfers to balance the books: buying in profitable seasons and selling in loss-making seasons.

The average Premier League salary in 1997 of £250,000 per year is still dwarfed by the salaries in American sports such as baseball (£800,000). However, footballers are catching up. When Babe Ruth met Dixie Dean in 1930 the baseball legend was earning £15,000 per year, compared to the record goal scorer's £400.

In 1956 a First Division player earned over twice as much as a Fourth Division player. By 1997 this gap had widened significantly with the Premiership paying wages over twelve times those offered in the Third division.

Manchester United is the most successful club because its support does not seem to be affected by its performance. For most clubs, support dwindles when the team does badly. But in the twenty seasons between 1972 and 1991 Manchester United had higher attendances on average in its ten worst seasons compared to its ten best seasons.

WINNERS & LOSERS is published by Penguin on 30th March, price £8.99. It is the perfect book for those who want to know how the business operates or simply for those who are passionate about football.

DR STEFAN SZYMANSKI is a senior lecturer in economics at Imperial College Management School, London. He has been writing about the business of football since 1990. He was an expert witness in the current Premier League broadcasting case in the Restrictive Practices Court.

DR TIM KUYPERS is a business strategy consultant with experience in the public and private sector in the UK, Europe and Australia. He earned his doctorate from University College London with a thesis on the economics of football.

Stefan Szymanski and Tim Kuypers are available for interview.

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