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Sportsology Group

Data-Driven Business Planning for Sports Organizations

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Introduction

It's that time of year again... As the end of the season approaches, many sports organizations will soon enter planning mode. This often involves teams sitting down to set objectives for the next year, which can be an exciting and inspiring process as people dream and envision what could be. However, it's not uncommon for organizations to realize that after these extensive planning sessions, they haven't revisited their plans, goals, or KPIs in months. Once games start, the pressure of public scrutiny can begin to weigh on everyone. Poor performance from the team can make it difficult to stay on track, and people quickly forget the chaotic pace of the year.

As a result, we can find ourselves in the situation where we might be today, where we are unsure whether:

- **The business has performed well or poorly**
- **There are too many people or not enough**
- **We have the right people in our organization**
- **The organization is structured effectively or not**

Often, the only thing that is clear is whether our revenue numbers have been met or not. If they have – phew!

This paper aims to help organizations set the guardrails in place for their data and business planning process to help drive decisions and track performance. It will provide guidance on how to think about objectives and how to measure KPIs effectively - maximizing the chances of achieving those objectives.

> *Does hitting revenue targets make you a successful organization? Is it the only metric that determines success and whether people stay or go?*

Look Back Before You Look Forward

One of the critical mistakes that organizations can make is to fail to review the prior year's business plan and key performance indicators (KPIs). This is a crucial step in understanding the organization's performance, identifying what worked well, and areas that require improvement. Without this review, organizations risk repeating past mistakes, missing out on opportunities for growth, and failing to learn from the past.

To avoid this pitfall, it's important to get the team together for a reflection session, to discuss:

- Why you hit certain goals
- Why you missed others
- What mistakes were made
- What we did well

This reflection session has two key benefits.

1. **It gives the team a voice**: The first benefit of reviewing the prior year's business plan and KPIs is that it gives the team a voice. The team members responsible for delivering against the organization's goals and objectives deserve to be heard. Since they are the ones executing the plan, they have valuable insights into what worked well and what didn't. The review process can be therapeutic, allowing team members to share their experiences and lessons learned in a supportive environment.

2. **This process helps to refine your plans for the next year:** The second advantage of reviewing the prior year's business plan and KPIs is that it helps to refine the plans for the upcoming year. Through this process, organizations can reassess their goals, identify the most critical KPIs, and determine the necessary resources required to achieve success. By reflecting on the previous year, organizations can make informed decisions about their priorities for the upcoming year, set themselves up for success, and increase the speed of decision-making and action.

Leaders Set the Top of the Pyramid; Departments Follow

In order for an organization to succeed, it's important for teams to be empowered to develop their own departmental goals and KPIs. However, it's equally important for these objectives to align with the overall business objectives and KPIs that are set by leaders.

The process typically starts with leaders setting the top-level priorities (layer 1) and objectives (layer 2).

For example, in the case of a sports team, the CEO might establish three main priorities:

1. **Growing revenue**
2. **Building a world-class brand**
3. **Maximizing fan engagement**

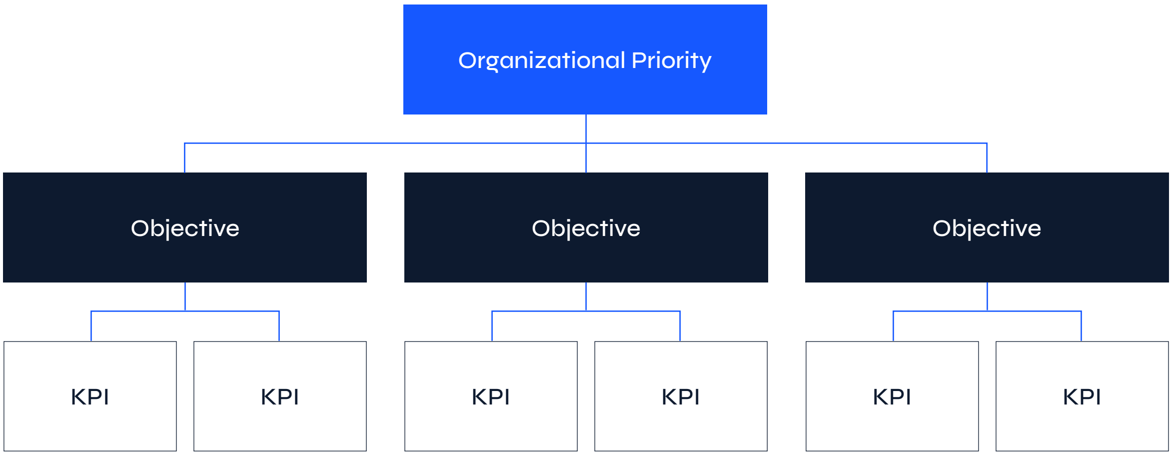
These priorities are then filtered down to the objectives that sit underneath each priority, usually consisting of one to three objectives per priority that can be qualitative or quantitative in nature.

Example*: *Growing revenue*: *1) Increase merchandise sales by X%; 2) Increase the number of sponsors by X

It's important to note that the objectives must receive buy-in from the departments involved in driving them. For example, while the CRO might set the objectives for the 5% growth in merchandise sales, they should also involve input from key sales driver functions like marketing, IT, and sales to avoid misalignment. All of these departments will likely be involved in hitting this target.

Underneath each objective, leaders should decide on **KPI/s (layer 3)** that will help track progress towards that objective. It's important that all KPIs be metrics that can be traced to the objective and give a good indication of performance for tracking purposes. One of the biggest mistakes an organization can make is not aligning KPIs to an objective.

Each KPI should also have an owner responsible for achieving that KPI.



Once we have our list of KPIs as an organization – this first and foremost is now front of mind for everyone in the organization. From this, we have set the foundation for being a data-driven organization.

Automate your KPI Reporting

Once your KPIs are set, teams and departments should consider finding ways to automate the reporting process to save staff time and effort. Manually tracking and monitoring KPIs can be a frustrating task, especially if there are multiple KPIs to track and report on a regular basis. Automating the process can make it much easier for staff to access and understand the data they need to make informed decisions in real time.

One useful tool for automating KPI reporting is a KPI dashboard (e.g., Tableau or Power BI). A dashboard provides a visual representation of your KPIs, making it easy to track progress and identify areas that require attention. With real-time data and easy-to-understand charts and graphs, staff can quickly see how their efforts are impacting performance. This will certainly help in driving teams towards being a data-led organization.

Please refer to the Seven Principles to Create a Data-led Organization for more information on how to implement a data-driven culture.

Empower Departments to Build the Plan

As a leader, your role is to set the objectives and core KPIs, and then empower your departments to define how they will achieve them. It is all well and good to have KPIs and dashboards, but without a plan on how to achieve them – it is all useless.

Using the KPIs developed, departments should be empowered to build their plans on how to get there. For leaders, this provides:

1. **A plan to keep your departments accountable to (after all – they built it)**
2. **Insights into the time, resources, and costs needed to achieve your goals**
3. **Visibility into who you need to align with, and build relationships with across the organization**

As part of this process, it becomes obvious that the ability to achieve our goals is cross-department focused and requires ongoing collaboration. Leaders must recognize that collaboration is both fun and challenging but ultimately will help with buy-in throughout the year.

Ultimately, as a leader, your role is to break down barriers and challenges involved in collaboration and the planning process for your staff, to make it easier for teams to execute.

By empowering your departments to collaborate, plan and collaborate more, you will:

1. **Decrease the likelihood of "leaving money on the table"**
2. **Minimize friction among departments**
3. **Reduce frustration among staff**
4. **Minimize chances of making mistakes and missing deadlines**

As an example, a ticketing objective will require specific systems (IT), promotions (marketing), sales teams (sales), customer support, data (analytics), pricing (strategy), etc. Alignment across all of these departments will take time, effort and money but also maximize changes of success.

It’s All for Nothing Without Accountability

Effective goal and KPI setting is essential for any successful organization, but equally important is the ability to keep people accountable for achieving them. This is often easier said than done, as it requires both a tactical and behavioral shift in the way we approach accountability. There are two critical components to this:

1. To start, it is important to **allocate specific individuals to each key performance indicator (KPI) and objective,** making it clear who is responsible for achieving each goal. This not only helps the individual prioritize their workload but also ensures that everyone understands their role in driving outcomes.

2. However, accountability must go beyond simply assigning responsibility (which brings us to our second point). It requires a shift in behavior, recognizing that business is not personal and that missed goals or KPIs should be seen as an opportunity for growth and support rather than as a personal failure. A culture of “high challenge, high support” is key to holding individuals accountable while still fostering collaboration and teamwork.

To maintain accountability, this also assumes an organization is willing to regularly review KPIs and objectives. Recent work with high-performing teams saw that **department goals should be reviewed daily or weekly**, while broader **business goals should be reviewed monthly.** By reviewing our KPIs regularly we can make better decisions and re-prioritize efforts where needed.

Furthermore, to keep KPIs and objectives at the forefront of everyone’s attention, **it is important to start each meeting with a review of the KPIs and progress towards these goals.** Sending out KPI and objective reports in advance of meetings allows people to review progress and come prepared to discuss any challenges or roadblocks. **By prioritizing these discussions and dedicating sufficient time to them, we demonstrate that they are a priority and deserving of attention.**

Use an Independent Voice

When setting priorities and KPIs for an organization, one of the challenges that teams often face is a lack of an independent voice that can offer a different perspective or challenge assumptions about their goals and plans. While historical data can be helpful, there are experts in the field who can provide valuable input on various aspects of the process.

An independent voice can help in several ways:

1. **They can provide guidance on setting the right goal, including whether it is achievable and what "good" looks like**

2. **They can assist in building a more robust plan by helping teams think through better ways to execute**

3. **They can assist in cross-sharing information across departments, lessons learned, and new perspectives**

4. **They can challenge assumptions and identify blind spots, moving teams away from plans based on "this is the way we have always done it"**

The goal is not to disrupt the process or challenge the team's authority, but rather to enhance it by offering fresh ideas and alternative ways of thinking.

By working with an independent voice, teams can ensure their priorities are set in a way that is realistic, achievable, and sustainable, and that they have the best possible chance of success. Because what is good for the team, may not be good for the organization

Make it Fun

Finally, it's important to keep the process engaging and enjoyable for all involved. Objective, KPI and business planning can be challenging, but it doesn't have to be a dull and monotonous task.

The way you start your planning is a good reflection of how committed people are to it, so it's important to brainstorm ways to add in new ideas and motivation early on. Be an advocate for fun throughout the process and keep in mind that filling out templates and tabs of excel spreadsheets is far from people's idea of a great time. Therefore, it's important to be mindful of this throughout the process and reward people for their effort.

By making the process of setting priorities fun and engaging, it can boost morale and enthusiasm among team members, leading to a more positive and productive work environment. Remember, the success of the organization depends on the commitment and dedication of its people, so making it a fun and enjoyable experience can go a long way towards achieving the desired outcomes.

The Role we Play at Sportsology Group

As part of our advisory business, Sportsology Group has worked with multiple teams with running the business planning process, building KPI dashboards and monitoring business performance over time.

Our leading sports consulting firm has a team of experts who specialize in helping sports business leaders drive their organizations towards success. Our team's extensive knowledge and expertise across all leagues allow us to provide valuable insights and guidance in setting goals, building plans, identifying the right people, and structuring teams. We offer an independent voice to challenge traditional thinking and help our clients think differently about their KPIs and plans.

At Sportsology Group, we understand that planning can be challenging, which is why we help make the process enjoyable by introducing new ideas and environments to keep the session exciting and energy high. We are committed to helping our clients achieve their organizational goals.

About Sportsology Group

Maximizing growth of elite sporting organizations

Sportsology Group specializes in providing premium knowledge, insight, strategic advisory and operational support to franchise owners, global leagues and federations, and Institutional Investors driving success and accelerating transformation. We help empower sports organizations to create and own their future.

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