

FINANCING TOP SPORT ACTIVITIES IN CLUBS AND SPORTS ASSOCIATIONS GOVERNED BY PUBLIC LAW

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Abstract

The aim of the study is an analysis of the functional components of public sports organizations - association or sports club - for improving sports performance funding. **Methods:** to define and ranking functions within organizations we have used value analysis. For diversification of sports organizations we have suggested several possible marketing strategies applied in our country. **Results:** obvious lack of sports performance related services that bring additional revenue sports organizations under public law in our country. **Conclusions:** clubs and sports associations under public law does not generate income to support sport performance — they are just consuming. Need for a functional expansion of sport organizations components by diversifying consumer services to sport.

Keywords: club / sports association governed by public law, value analysis, structure of opportunities

Introduction

Any sporting performance, athletic performance itself involves allocating substantial funds. It is found that, most often negative balance of Romanian international performances lately is attributed to insufficient funding, with direct reference to the global financial crisis. The logic of this kind of thinking is acceptable as long as we stand between our borders because, beyond them, it loses its consistency. Both Spain and Poland - for a brief instance - are affected by the crisis, so in these countries are present sports performance, and is growing constant, as confirmed by the results of their athletes in various sports in continental competitions or world. The two countries offer from this point of view, sufficient arguments to the Romanian sporting performance look no different register than that offered by the global financial crisis.

Arguments analysis of this study dare to place them in a broader context that transcends the purely sporting performance.

For over two decades our country, which is undergoing a long process of transition, trying to learn the values of a united Europe, this long transition, according to most of our historians did not even really begun, largely due to inflexibility, rigidity of what some of them understand by the mentality³.

Way of thinking of the Romanian sports performance in general, whether producer or consumer performance, was deeply affected by years of communism. Athletic performance was ideologically enslaved to become yet another means by which communist party claim superiority on the capitalist regime. In the former communist state, huge financial resources was allocated for this purpose and one of the negative results is the current inability of clubs and sports associations of public law to generate financial resources to support their sports performance. Athletic performance, in a competitive society, must make profit²; reinvested earnings in sports enables maintenance and growth the sports performance.

Analysis

We begin by representing schematically the basic organizational structure of clubs and sports associations governed by public law.

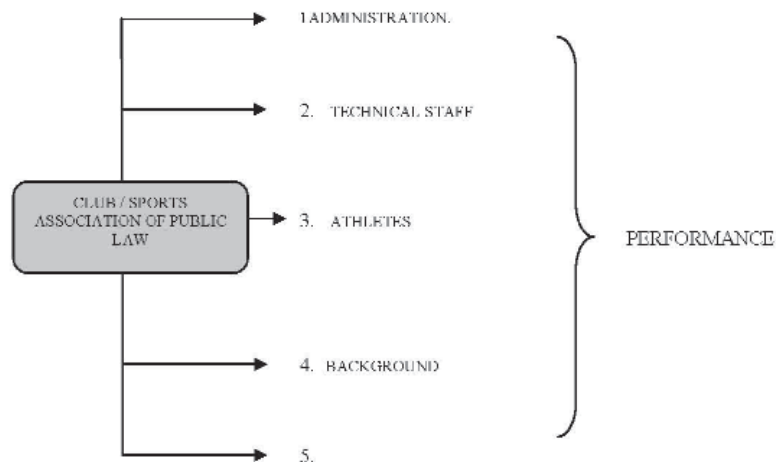


Fig.1 Schematic representation of the main structural components of a club / sports association and its main function — performance.

All these components consume financial resources, none of them generate income. External funding sources of sports organizations are shown in the diagram below:

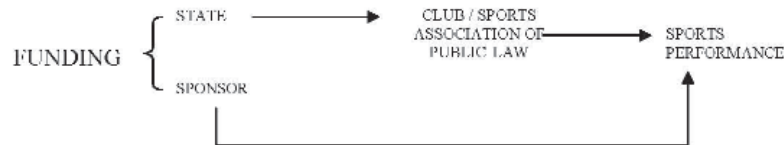


Fig.2 Schematic representation of the source of funding for the main function.

It can be seen from Figure 2 that the financial support of sponsors, along with the State are the only sources of funding directly address only athletic performance, all other components that actually produce athletic performance are avoided. The sponsor is only interested in athletic performance. The whole process of production performance from selection and initiation into sport, the long period of training, technical staff with athletes, is underfunded while the state / local authorities allocate to sport extremely limited budgets. Also that the main function - the only one of the sport structure is performance !, which, according to the analysis of value⁴ should be assigned the highest amount of money.

As an inevitable result of underfunding resulting poor performance of sports clubs and sports associations under public law in recent years in our country.

In terms of efficiency, the efficiency of the production process of sports performance, sport is subject to the same laws of quality available in all areas⁵. Quality is conditioned by many factors and one of them is the factor: money. A scientific selection with efficient equipment, expertise of the best experts in the field, optimal training and recovery, and so on, requires high cost.

This brief analysis suggests inefficiency of current functional failure of structural components to support - in financial terms - performance sport, all structural components are consuming (!) funds and hence the need for additional financial income and other structures within organizations to generate these financial resources¹.

Solutions

In the context of our analysis we propose two solutions according to the space available to improve financial support for sports performance. In fact it's one solution: increase the efficiency of the organizational system of clubs / sports associations under public law in our country, applied in two stages.

The first stage aims to improve existing structural components by establishing an optimal balance between structure functions and the number of people served to fulfill these functions. For example: the number of coaches of athletes compared to the number of management positions with the size club / association and the number of sections / sports, equipping the material in relation to the number of athletes, sports number in relation to the budget allocated to local authorities sport performance, etc.. Saving the amount of funds is achieved.

The second stage, our proposed solution consists in creating new structures of opportunity in clubs / sports associations. It should be noted that this solution is not a new organizational plan, it is a common practice in Europe and beyond, but delays should be applied in our country from an inertia causes of which we suggested in the introduction. These opportunities structures (Fig. 3) provides - charge a wide range of services to all categories of consumers of sports: contributing members and non-members, from children to the older, is addressed to all social categories, existing sports and other fields than those can be covering by club / sports association itself, etc.. Sports marketing experts consider the relationship between service and cost as the most direct and visible variable forward consumer information on product quality sports; pricing - the membership fee on tickets and subscriptions, access to the sports products marketed club logo, etc.. — is the key element of the new structure efficiency opportunities.

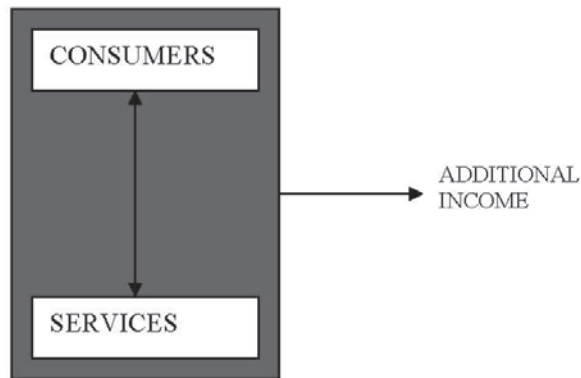


Fig.3 Schematic representation of a structure of opportunities in sport with the main function to generate additional income.

By creating this new structure of opportunities, club / sports association is able to generate additional funds that can support their main function - sports performance — at a high level of quality and competitive in national and international competitions.(fig.4)

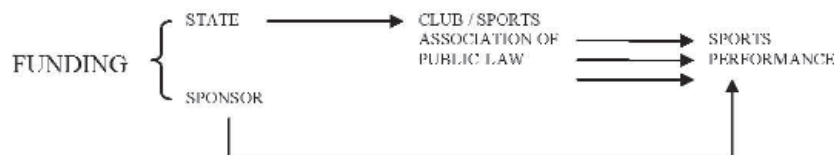


Fig.4 Schematic representation of the new structure of opportunities supported funds for sports performance.

Nature and the quality of services determines the number of members / consumers whether they are members or contributors mere recipients of services, hence the size of the organization’s income. In turn, existing athletic performance generates funds by selling materials and bearing the logo sports club / association.

Then, Figure 1 becomes Figure 5, by creating new opportunities within structures club / sports association.

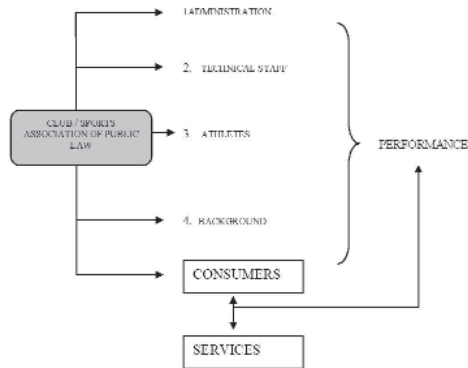


Figure 5 Schematic representation of efficient structure of clubs / sports associations governed by public law

Implementation of these solutions has wider implications - some in law - not covered by our analysis. For example: market research on the nature of the services proposed, segment / segments of the population to which it is addressed, the price / cost of services, promotion, public relations, volunteer body of the technical and athletes, etc..

All these aspects must be taken into account when creating a new structure of opportunities.

Some conclusions

It is clear that the current structure of clubs / sports associations under public law are unable to support athletic performance level of international competitiveness. International sports results of our country in recent years can be considered rather than constant presence and notable exceptions.

It requires rethinking both structural and legislative plan of the services that could offer each club / sports association - depending on the specifics of each! - to move to a higher stage in terms of efficiency: from monofunctional structure (athletic performance) that consume financial resources only, in multifunctional structures capable of generating revenue to support the whole process of production of sports performance.

It remains inflexible mentality rooted in outdated and counter productive which means athletic performance is a long agony, which has its final into an inevitable mediocrity and anonymity.

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