This article covers:

- Sports governing bodies have never had a harder job.
- They are faced with existential threats on all sides.
- The business and financing of sport is turning upside down, from B2B, to B2C.
- Smaller sports are really going to suffer and will not get TV money.
- There IS a brighter future.

As someone who previous has had a leadership role in a major governing body, I know how very hard these jobs are.

Let’s be honest, at the start, it was about organisation rules and regulation. Now if you think about it, IFs everywhere have a quadruple mandate:

- Legislative
- Executive
- Judiciary
- Commercial

That is not a good constitution, and many would argue that it is full of inherent conflicts of interests. Eg, how can you be expected to punish an errant top elite, athlete or team, when they are a significant driver of your commercial strategy? I could give many examples.
This is no-ones fault, but we need to admit that the mandate of all IFs has become more more complex than 100 years ago.

But the bad news doesn't stop there. Let's reflect on the major challenges for sport:

1) The traditional financier of sport for the last 30 years, PAYTV sports channels, are undergoing severe challenges to their business. They cannot be relied on to support the industry as in the past.
   a. The delivery mechanisms like OTT mean that consumers are focussing on an unbundled product. I call this process the polarisation into hits, and filler. The parallel with the music business is clear. Once, you needed to buy a whole bundled album LP. Tech ended that. Cut-the-cord is real.
   b. As the cost for premium sports rights increases, traditional payTV will not want, or be able, to buy 2/3/4 th tier rights. Many smaller sports will NOT get a bid.
   c. Piracy, especially for younger audiences, is endemic. They are not used to paying for content. I loved the BEIN sports guy saying: “we consider all rights as non-exclusive”. If that isn’t a cold shower?
   d. Kids don’t watch traditional TV.

2) Sport risks losing the newest generation, Z.
   a. Kids don’t do the old pace of sport. Ask yourself if any of the old commentators around The Open, Wimbledon, baseball, rugby, would be indulged their slow eloquence these days! Sport hasn’t got into the world of fast edits yet.
   b. Kids can’t do full attention “live” consumption. These want explosive highlights, sizzle reels, Youtube compilations.
   c. Kids want the soap opera, the backstories, the “beef” around big, big stars. They are, in fact, deeply in love with Hollywood.
   d. Kids don’t really do TV screens. It’s the phone.
   e. Kids like video games. So much so, that they’ll get their fix watching other people play them.

3) Sport post COVID is hugely undercapitalised if not insolvent. The providers of that fresh money, private equity and venture capital, have a different mentality to existing governing bodies.
   a. When they think a sport isn’t adapting quickly enough, they will finance CHALLENGER LEAGUES, that will just cut out traditional institutions. Swimming, Triathlon, Sailing to name just a few.

4) The growing importance of betting will distort so much of sport.

5) Sponsors ain’t buying media equivalent exposure anymore. They, in fact, want engagement around rich data and targeting. Sport doesn’t have that rich data, nor the strategic marketing skills to get it.

Sounds grim eh?
Maybe it is, after-all, 10 minutes to midnight!!

And yet, I still don’t see enough rights holders really working out contingency plans.

Ask yourselves this: how many of the rights holders that you know have got a PlanB?
A “and if we don’t get a bid from SkySports” plan?
Sports has very little time left!
But every problem is an opportunity. Sport is the ultimate “community” business that all investors are looking for.
Yes, it needs to realise the dangers, and react, but the future is bright.

What does a future-proofing plan look like?
Well, how about this:
   a. if we need to go DirectToConsumer, do we know our fan base, and if not, how do we do that?
   b. can we do a proper strategic marketing plan with full segmentation?
   c. if we are going for a subscription model OTT, what is our plan for FreeToAir and the social platforms?
   d. can we cover the games cheaper with say AI production?
   e. how do I make betting more central to my revenue generation and maintain integrity?
   f. what does my content need to look like for Gen Z?

All of us want a future where sport is led by people with a wider interest than financial return. People who understand the traditions with EQ. That’s the ifs.
But they need to reskill very quickly.