

taking it one week at a time

new lessons for business from the AFL



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Right thinking

- In search of advantage, there is much business can learn from sport – in particular the Australian Football League.
- We have found eight basic practices that business can learn from AFL:
 1. Emphasise competitive events
 2. Utilise predictive performance management tools
 3. Encourage participatory decision-making
 4. Use credos more effectively
 5. Inspire workplaces with symbols, emblems and rituals
 6. Approach planning with a focus on the near-term
 7. Make talent management a focus
 8. Review your performance

With the prominence of sport in Australian life, it's surprising that there is such a modest serious literature on what business can learn from sport. While sports managers pour over business books for inspiration and footballers studying MBAs is commonplace, there is precious little learning going the other way, aside from the odd motivational speech, leadership program and book about teamwork.

We argue that there is much that business can learn from recent developments in sports management, and in particular the activities of the clubs of the country's leading sport, the Australian Football League. In their search for advantage, AFL clubs have adopted several innovative practices, particularly in their football operations departments, that businesses would do well to consider. In this article we examine eight practices that football clubs perform better than most of the 50 or more businesses we have served in our careers spanning line management, corporate restructuring and management consulting.

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1. Emphasise competitive events

First, businesses can learn from AFL clubs' emphasis on competitive events. Football clubs have at least 22 competitive events – home and away games – scheduled for them every year.

'Taking it one week at a time' as the cliché goes, they study the strengths and weaknesses of their rivals' players and game plans, think through their own competitive strategy and tactics, and prepare their coaches and players for the contest. It's harder for businesses. Few of them have a clear focus on competitive events and of those that do – for example, services businesses that regularly submit proposals for competitive tenders – many invest only scantily in competitor analysis and strategy. While some sophisticated businesses use techniques like game theory and scenario planning to think through competitive situations, they generally do so infrequently and fail to engage many of their people in the process. There is an opportunity for businesses to create competitive events to sharpen their competitor analysis and strategy and tap into their people's natural competitive instincts. For example, Holden outsells Ford in Australian car sales. It would be unrealistic for Ford to aim to outsell Holden over a year, at least in the short term, but they could aim to outsell Holden for one month or one quarter, and galvanise their people in support of this quest.

2. Utilise predictive performance management tools

The second practice employed by AFL clubs from which businesses can learn relates to predictive performance measurement. AFL clubs have worked out what they have to do to win. They know if they create enough 'clearances', 'inside-50s' and tackles that they'll win most games. They routinely measure and monitor these predictive performance measures, and coaches have them at their fingertips during games, so that they can challenge players and make changes if they need to. Coaches concentrate on 'getting the processes right' in the knowledge that the results will take care of themselves. In contrast, businesses have struggled to make the transition from a reliance on historical measures of financial performance to a balanced set of leading and lagging performance measures. Of those organisations we know that have a balanced set of historical and more predictive performance measures, many haven't had the discipline to manage by the predictive measures nor the resolve to keep working at identifying the measures that really drive their performance. Again football clubs have had it easier than some businesses in this area, because they have access to deep, longitudinal data sets kept by firms like Champion Data and there is an emerging consensus about what measures matter most.

3. Encourage participatory decision-making

Engaging front line staff through participatory decision-making is a third practice used by football clubs from which most businesses can learn. All AFL clubs now have player leadership groups (generally comprised 5 to 7 senior players elected by their peers), which

get involved in all sorts of football related decisions, from taking training sessions to contributing to player selection and from attending to player disciplinary matters to developing set plays. AFL clubs are still relatively small businesses, so it is easier for them to engage footballers in decision-making than it is for larger organisations; but this doesn't mean that a more inclusive and participatory decision-making approach won't work in large businesses. For example, we have seen big professional services firms use consultative groups very effectively as a means of canvassing staff views on important topics. This idea could be pushed much further. Why couldn't businesses involve staff-appointed leadership groups, with clear charters of responsibility, in certain recruitment decisions, the annual planning process, operations improvement initiatives and important internal communications? AFL clubs have other ways of engaging their player groups from which businesses trying to engage their staff could learn. For example, players can be dismissive of the need to engage with sponsors. However, if you bring them together in a participatory forum and explain the economics of the club, why sponsorship is important – sponsors contribute as much as 40% of club revenues – and what sponsors' money buys for the football department, they are far more inclined to get involved with sponsors. More than that, once they 'get it', they are a fertile source of new ideas about how to increase the value sponsors derive from their relationship with the club.

4. Use credos more effectively

Fourth, some AFL clubs have used credos more effectively than many of the businesses we have known. Of course it's easier to get forty people with a common purpose into a room with a good

facilitator to develop a list of meaningful values than it is to get 1,000 people with (sometimes) divergent purposes on the same page. But the success of a credo is not entirely dependent on every member of staff having had involvement in its development. We have worked with some outstanding values based businesses whose current staff have had no part in the formation of the values and yet they know them, believe them, and use them routinely in making trade-offs and difficult decisions. Successful football club and business credos have some things in common: they are straightforward and unambiguous without being clichéd; senior people care about the credos, talk about them and make clear how they are used; they are generally linked to individual performance evaluation; and there are well known examples of behaviour consistent with the credos that have been rewarded and breaches that have been decisively dealt with. In the AFL, if there is a significant breach of a credo, the whole team might have to take a 6am dip in the Bay. We are not suggesting that senior managers take their teams for an early morning swim if someone stuffs up, but the idea of taking action in the event of behaviour that breaches the credo is directly applicable in business.

5. Inspire workplaces with symbols, emblems and rituals

AFL clubs use symbols, emblems and rituals to inspire their players – team motifs, jumper presentations, honour boards, images of legendary past players, lockers associated with guernsey numbers. We have seen a handful of organisations utilise this fifth practice with great conviction and effect. A New Zealand subsidiary of a major global company had to restructure its operations under pressure to maintain its profitability. Faced with high levels of anger, cynicism and despair among



its remaining staff, the subsidiary's management adopted 'Kia Kaha', a Maori expression that means stand strong in the face of adversity, as its recovery clarion call. The Kia Kaha emblem became ubiquitous on plans, presentations and other internal communications throughout the restructuring and subsequent rebuilding period. The subsidiary rallied and is now one of the company's leading global performers. This evocative metaphor, and the imagery associated with it, played a significant part in the turn around. We have also seen a few organisations successfully use posters in their shared spaces to draw attention to new strategies, illuminate new initiatives and promote important internal events. Just as many businesses could do more with symbols and emblems, they could also recast ceremonies, such as those for new recruits, and celebrations of success so that they are more impactful and send more specific messages to their staff about what is valued.

6. Approach planning with a focus on the near-term

The sixth practice used by AFL clubs with potential for business is near-term planning. Football operations departments break the playing season into blocks to help make an uncertain future seem more manageable. Coaches often speak about a theme for the next month or winning a certain number of games leading into a mid-season break. Many businesses lack a sharp, competitive, near-term focus to their planning. Instead they have a three-to-five-year strategic plan and an annual business plan and budget. But things can change faster than that, motivation can dissipate between planning events and implementation can go awry. Complementing existing longer term planning with shorter term planning can help businesses to make the link between infrequent and detached strategising and day-to-day decision-making. One CEO we know recently used most of the time his management team had set aside to review progress against the organisation's strategic plan to reframe the challenge facing the organisation over the next

few months. The organisation would concentrate on commercialising new products and, aside from keeping the business going, nothing else. The group agreed who would do what and when, the resources they would need, the means by which they would evaluate success and the frequency with which they would meet to discuss progress.

7. Make talent management a focus

Talent management is vital in the AFL. Like US sports clubs before them, AFL clubs have adopted rigorous athletic and behavioural testing for potential recruits, continuous feedback and list management, among other disciplines with direct parallels in business. Many businesses are of course excellent at different aspects of this seventh practice, but there are some things that AFL clubs are now doing from which businesses could learn. Most clubs now have two or three dedicated development coaches who work with young players in particular to accelerate their acquisition of skills, knowledge and abilities. Some businesses we've seen give their staff incredible development experiences (training, coaching, feedback, apprenticeship, etc.), but too many neglect their new recruits, even some organisations with very well established graduate recruiting programs.

That many businesses take too long to act on under-performers is a common refrain; however, there is another aspect of talent management – prevalent in the AFL and applicable to business – that gets less attention. In the AFL, players are constantly being given new opportunities in the interests of their own development and that of the team; for example, to spend some time in the midfield, to move between half forward and half back when the circumstances demand, to do a stopping role, a run with role, multiple roles and so on. In general, businesses are too inflexible with the short and long-term deployment of their resources; they should make it easier for talented people to move between jobs and projects, providing different short and long-term development experiences.

8. Review your performance

The eighth and final practice businesses can learn from AFL clubs is reviewing performance. Fixture permitting, AFL clubs generally spend the first two days of the week after a game sorting through what worked and what didn't, writing history notes and giving coaches and players feedback on their performance. Most businesses don't invest enough time and effort in reviewing performance and making adjustments to their plans. This is relatively easy to fix.

It requires a clear plan with milestones and metrics; regular, well facilitated review meetings; and commitments to being candid with colleagues and taking action when there are significant variations to plan.

AFL clubs are also good at a related practice, moving on. Players all take an end of season break with instructions to come back ready for a new challenge next year. Business people often don't have the same opportunity to take a mental break after a big project or a year's work, but perhaps they should. This doesn't mean synchronising everyone's annual leave, but there is certainly a case for being more deliberate about acknowledging the end of a body of work, reviewing and learning from it, articulating a new challenge and then moving on.

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If you'd like to find out more about how Right Lane can help your organisation improve its performance by adapting some of these lessons, contact **Marc Levy:**

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