

Jan 21, 2022, 10:48pm EST

Fortune Or Failure: Is Leadership Now Integral To Sport's Recovery From Covid-19?



Will Nicoll Contributor

SportsMoney

I cover the interplay between sport, politics & business for Forbes.com



BRIGHTON, ENGLAND - JUNE 01: The Nike Ordem V Premier League Match Ball is pictured during the Premier League Kicks - Nike Ordem V Premier League Match Ball Launch on June 1, 2017 in Brighton, England. (Photo by Andrew Redington/Getty Images for Premier League) GETTY

Almost exactly one year ago, in a February 2021 analysis for Forbes.com, I evaluated why economic pressure, alongside changing patterns of consumption by fans, would mark fortune for some fast adapters in the sports industry. For those in the business less adept to adaptation, Covid-19 could spell serious financial hardship. At worst, the pandemic may mean failure for whole leagues or teams.

McKinsey, Deloitte & The Precarious Days Of 2021 For England F.A Premier League

In my prior post, data from McKinsey & Company, and others, focused on England's F.A. Premier League. There, just 3 or 4 sides swallowed as much as 80% of all league revenue, while the remaining teams were left with the rest. This resulted in losses which the analysts calculated would amount to \$670 million U.S Dollars in losses for the 2019-2020 season.

Deloitte went further in their conjecture than others. In the auditor's Annual Review of Football Finance for 2020, red flags were identified that made the Premiership particularly prone to threat—possibly charting similar fates for other sports and league in the United States.

In paraphrase, analysts at the firm reasoned that neither Covid-19, nor the ruinous 9.9% contraction experienced by the United Kingdom, were necessarily the actual problem. While the richest

sides in the world—Arsenal, Chelsea, Manchester United and others—showed good governance, patterns across most of the other league sides were peculiar when it came to balance of liquidity. At best it was risky. At worst it was cavalier.

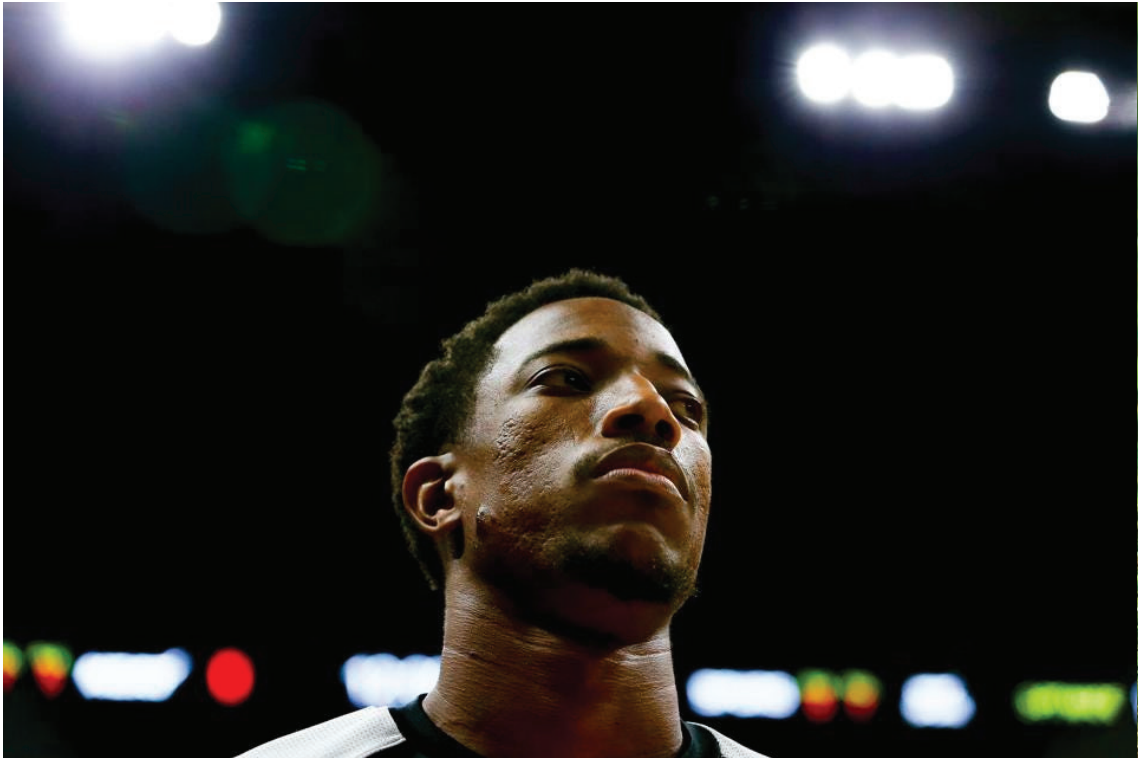
Deloitte reasoned that the top 6 teams in the Premiership generated approximately 75% of all in-flows. Like the leaderboard of the Forbes 2022 Empire list, these billion dollar brands were, and remain unscathed, by economic pressure. But as all clubs spent more than 80% of revenue earned on inking, or servicing, contracts with players, even a small shock would mean the majority of league sides failing.

Loosely extrapolated this phenomenon applies to many teams in similar competitive positions within the United States. Experts who advise both clubs, and the wider industry, warn of players and coaches—who later enter the business of sport—as students of a business environment that doesn't work. Failure of teams also tends not to be a domino role, but simultaneous failure of teams—a silent, but frightening, reality for the industry.

Silence On Racism, Mental Health & Bullying Don't Cut Well With Gen-Z: Irrespective of Covid-19

Like the possible economic ruin which another wave of Covid-19 might generate, recent months—though free of civil rights demonstrations—continue to unearth dark truths about the

culture of sports teams and federations. Allegations of bullying, racism, sexual assault and disregard for mental health have left clubs stumbling in their responses—on occasion, floundering in reputational damage.



MIAMI, FL - NOVEMBER 07: DeMar DeRozan #10 of the San Antonio Spurs looks on prior to the game against the Miami Heat at American Airlines Arena on November 7, 2018 in Miami, Florida. (Photo by Michael Reaves/Getty Images) GETTY IMAGES

Like the possible economic ruin which another wave of Covid-19 might generate, recent months—though free of civil rights demonstrations—continue to unearth dark truths about the culture of sports teams and federations. Allegations of bullying, racism, sexual assault and disregard for mental health have left clubs stumbling in their responses—on occasion, floundering in reputational damage.

Dozens of athletes—from Robin Soderling's advocacy on player breakdowns, to the Chicago Bulls' DeMar DeRozan's honesty on the conditions that he, and fellow athletes of color face—has been harrowing. In remarks to Sportico where DeRozan and his team-mates launched their campaign to break the silence.



(Original Caption) Cassius Clay yells at heavyweight champion Sonny Liston during weigh-in here for their title fight. Clay was fined \$2,500 for his "conduct on the platform" at the ceremony.

BETTMANN ARCHIVE

"Nobody ever talks about the situation we've all had," DeRozan said, speaking of the poverty and neglect that predated the player's sudden super-stardom. "For one, we come into the league with so much trauma that we don't even identify with from our childhood. But we suppress it and forget about it so easily, because all of a sudden now we're rich." It is a painful touch-stone to the stories of men like Sonny Liston—who lost to Muhammad Ali, and then faded into ignominy, despite their achievements, beneath racist jibes and media campaigns.

McGraw: This Is A Flat Failure Of Leadership. No More, No Less

Wylie McGraw is a former professional baseball player, competitive bull rider, and 3-tour combat veteran turned private adviser to HNWIs and business leaders in the United States, the UK, and the former Soviet Union. It is widely reported that

McGraw's clients include former owners of sports teams in the U.K and the U.S, alongside several world-leading players.



Wylie McGraw is a trusted mentor, adviser and feared peddler of "tough love" to a number of players & team owners in the NFL, WNBA and the NBA COURTESY OF WYLIE MCGRAW

McGraw, who served tours of duty in Kosovo, Afghanistan and Iraq, has been particularly vocal in his calls for sports leagues and publicly listed companies to "stop the bs blaming acts of God for their negative experiences in economic recession or workforce performance, when the reality is these leaders need to face themselves and own the fact that their personal stress is a major proponent to [what is] a multi-billion dollar failure." McGraw qualifies, referring to the aftermath of the Coronavirus pandemic.

In an interview, by telephone, Wylie spoke—albeit in non-specific terms—of sports stars and HNWI's who'd "managed to swallow

their demons throughout their careers while believing it had no effect on their performance. Simultaneously they carry the false pretense that multi-million dollar paychecks would absolve an adult man who'd began life as a traumatized player, only for him to graduate to becoming an equally traumatized coach, further traumatized by an institutional culture [we know] to be highly remunerated as it is hostile and resistant to solutions that would end this cycle of chaos", McGraw tells me.

I press him on the solution for human performance—which is physically, mentally, and emotionally necessary right now for the reflexes of professional sports and the impact it has on those it influences.

"My job is providing a private, personalized framework created from the rigors learned in military combat and other intense life experiences, for mental and emotional discipline and optimization of those leaders who've forgotten their accountability due to money and power, and erupt the stresses they carry that the Yes Men who surround them constantly enable. I'm there to battle the false sense that it's fine to carry these stresses, simply because it's painful and unpopular to face the truths that allow leaders of this caliber to escape – this is unacceptable. Erupting their hidden truths in real time is what sports leadership actually needs right now, which results in exponential financial growth and better overall performance. Because the industry itself has traditionally been a unifying factor in national identity that supports

communities, especially financially. So unless we commit to a new approach of leadership and how leaders operate, this very support could soon disappear and leave more players and communities decimated”.

Like experts across the sector—from Deloitte and McKinsey, to the newer engineers of cryptocurrencies and NFTs, which increasingly predominate the sport space—McGraw wholeheartedly agrees that the sports industry can actively heal division and create stronger culture with employment that pays well for all involved. But, as he adds, I know for a fact we cannot take the route that's right and optimal until the sector and its leaders first face personal truths that my clients can and willingly do. This is how the industry transforms itself and the players it employs while uplifting the communities they impact. Sports teams did not disappear on their own volition or by unseen forces. European [and other] economies did not contract by double digits simply due to Covid-19's sudden interruptions.

The custodians of power, whether it be politicians or C-suite executives and the like, have unfortunately overlooked their own blind spots at the expense of keeping both hands on the proverbial steering wheel. Which is why all roads unequivocally point to an uncontrolled eruption of chaos with serious, real world consequences, unless the true stakeholders in this sector not only expect, but demand those leaders they pay to better themselves now, not later.



Will Nicoll

I am an award-winning journalist, editor and TV director—who has written features, analysis, reviews and essays for more than 30 newspapers and magazines. Select titles include Esquire, GQ, Men's Health, Newsweek, The Financial Times, The Spectator and The Wall Street Journal. I began my career reporting on the society, literature, and history of the Russian Federation—but now write analysis on the close connection(s) which successful sportsmen and women in the region enjoy to business, politics, philanthropy and the arts. I've had the chance to surf Russia's abandoned arctic circle, reported on Ukraine's last UCI-accredited bike race in 2015, and attended traditional belt wrestling tournaments with Moldovan politicians. When not hanging-out with retired American MMA stars who're making mega-bucks in Moscow, or talking to the former Soviet Union's business and political elite—who often began their careers in professional sport—I enjoy trekking the Kamchatka Peninsula. My greatest regret remains failing to catch surf in the city of Atyrau, Kazakhstan. In addition to my interest in this specific region, I write across a range of general sports topics for Forbes.com. Do follow me on Twitter, or drop me a DM, via @williamnicoll.