

# Case 16 Manchester City: Building a Multinational Soccer Enterprise

In August 2008, Manchester City Football Club (MCFC) was acquired for £210 million (€262m) by Sheikh Mansour bin Zayed Al Nahyan, a businessman and member of Abu Dhabi's ruling family. The change in ownership marked the beginning of a new era for Manchester City and its long-suffering fans. Between August 2008 and January 2018, Manchester City spent £1,350 million on acquiring new players and £250 million on new facilities—a level of investment unmatched by any other European club. In 2012, MCFC was crowned champion of the English Premier League—the first time in 44 years—and from 2012 to 2018, it was the most successful club in British soccer.

However, the rise of Manchester City has not simply a story of a super-star team built on Middle Eastern wealth. Between 2008 and 2018, Manchester City's owners created an organizational structure and management system that was unlike that of any other soccer club. City Football Group Ltd. (CFG) was formed in May 2013, initially to take ownership of MCFC, but also to act as a holding company for a global portfolio of football investments. By 2018, CFG had equity stakes in six football clubs on five continents, alliances with seven other football clubs, and a management system for leveraging these relationships. The key question, both for CFG and for those football clubs that lacked such scope, was: could such a global portfolio, backed by an international management system, really enhance the competitiveness of the individual soccer clubs?

## Manchester City Football Club

MCFC was founded in 1894, but for most of its history lived in the shadow of its neighbors, Manchester United. In 2007, former prime minister of Thailand, Thaksin Shinawatra, purchased the club but, amidst intensifying legal difficulties, he sold the club to Sheikh Mansour in 2008.

Mansour, who had been considering the purchase of an English Premier League club for several years, was attracted to Manchester City because of its location, its history, its new stadium (built with government finance to host the Commonwealth Games in 2004), and the real estate potential of the derelict land surrounding the stadium. In addition, Abu Dhabi's national airline, Etihad, had started flying to Manchester in 2006 and was considering expanding its presence there.

From the outset, it was clear that Mansour was a hard-headed investor rather than an indulgent football enthusiast. At the same time, Mansour's vision for MCFC was not limited to financial return—he was inspired by FC Barcelona whose emphasis on

values, youth development, and community involvement, as well as its artistic, attacking football, had conferred upon it a unique status as a club.

With Mansour's business partner, Haldon Al Mubarak, installed as chairman of MCFC, the initial stages of a turnaround program were implemented:

- *New players.* Beginning with the purchase of Robinho for £32.5 million, MCFC invested £188 million in players and other assets during the first year under the new ownership. By the end of the 2011–12 season, £452 million (\$695 million) had been spent on acquiring 22 new players (at an average price of £22 million).
- *New coaches.* In seeking a coaching staff capable of integrating MCFC's star-studded squad into one of Europe's most successful teams, Mansour and Al Mubarak employed a succession of internationally experienced coaches with successful track records: Mark Hughes (June 2008–December 2009), Roberto Mancini (December 2009–May 2013), Manuel Pellegrini (June 2013–June 2016), and Pep Guardiola (from July 2016).
- *Facilities.* Soon after buying MCFC, Mansour and Al Mubarak began planning a fully integrated training, entertainment, and administrative complex alongside the stadium. Brian Marwood, a former Arsenal player and Nike executive, designed the new training facilities by adopting the best features of other clubs' facilities and drawing, in particular, on AC Milan's Milanello training complex. The Etihad Campus was opened in 2014. It housed training facilities for all the club's teams, from age-group sides to men's and women's senior squads. It included 16 football pitches, a 7000-seat stadium for academy and women's teams, a 50-seat auditorium for reviewing video, 4-star accommodation for players and their families, retail stores, and CFG's administrative headquarters. The first-team's facilities feature a hypoxic chamber where players can run at altitude or in extreme temperatures, a hydrotherapy area for treating injuries, and a hydro treadmill with underwater cameras. The complex also accommodates the Beswick Community Hub whose facilities include a leisure center for local residents, a sixth form college, and the Manchester Institute of Health and Performance. The addition of a third tier to the South and North stands of the main stadium increased its capacity to 61,000.

## City Football Group Ltd.

The Abu Dhabi United Group, which Mansour created as a vehicle for acquiring MCFC, became its parent company. However, Mansour's interests in football were not limited to Manchester City. By 2012, he was already looking elsewhere for investment and development opportunities. To manage these interests, City Football Group Ltd. (CFG) was created as a holding company, headquartered at Manchester City's Etihad campus, to manage Abu Dhabi United Group's worldwide footballing investments.

Internationalization began in 2013 with in the creation of a new US Major League Soccer franchise—New York City FC. Manchester City executives pioneered the initiative and CFG took an 80% equity stake. In 2014, CFG acquired the Australian A-League club, Melbourne Heart (which was renamed Melbourne City FC), a 20% stake in Japan's Yokohama F. Marinos, and Club Atlético Torque in Montevideo, Uruguay. In 2017, Girona FC in Spain's La Liga was acquired. Table 1 shows the football clubs owned by CFG and those with which the CFG has co-operation agreements.

**TABLE 1** Clubs owned by or allied with City Football Group

Manchester City FC (England)	Acquired in 2004. Average home attendance 53,600 (women's team 2300) Three-time winners of Premier League since 2010.
New York City FC (US)	Founded in 2014 with CFG holding 80% equity. Finished 2nd In Eastern Conference In 2017. Average attendance 23,000.
Melbourne City FC (Australia)	Acquired in 2014, became wholly owned in 2015. Has finished in top 5 of A-league during past 3 seasons ((2015–17). Average attendance 10,700.
Yokohama F. Marinos (Japan)	20% equity stake acquired in May 2014. The remaining 80% owned by Nissan Motor Co. Plays in Japan's J1 league. Average attendance 24,000.
Club Atlético Torque (Uruguay)	Acquired by CFG in March 2017. Promoted to Uruguay Primera Division in 2017.
Girona FC (Spain)	44.3% acquired by CFG in August 2017. Another 44.3% held by Girona Football Group, led by Pere Guardiola, the brother of Pep Guardiola. Promoted to La Liga in 2017.
ALLIANCES	
NAC Breda (Netherlands)	Agreement to loan youth players—primarily to gain EU citizenship
Long Island Rough Riders (US)	Agreement with New York City FC to assist in player development
San Antonio FC (US)	Agreement with New York City FC to co-operate on training, scouting, and player loans
Atletico Venezuela	Agreement with CFG to share scouting data and provide coaching support. Atletico midfielder Yandel Herrera signed for Man City and was loaned to New York City FC
CF Pearled	Feeder club for Girona FC
Ghana Football Association	Training collaboration. Also, CFG has agreement with the Right to Dream Academy in Accra, Ghana, for recruiting its graduates

## Strategy

In creating a multiteam, multinational enterprise, CFG is unusual in football (and in most other professional sports). Historically, football clubs—like most sports clubs—were local in their fan base, their players, and their sources of finance. When Glasgow Celtic won the European Cup in 1967, all the players and the manager had been born within 30 miles of the stadium, and the club's owners were also from Glasgow. But since then, the teams, their fans, and their financing have internationalized. In English football, the new owners came from Russia (Roman Abramovitch and Chelsea, Maxim Demin and Bournemouth), the United States (Malcolm Glazer and Manchester United, John Henry and Liverpool, Steve Kaplan and Swansea), and China (Gao Jisheng and Southampton, Guochuan Lai and West Bromwich Albion).

CFG was not the first sports enterprise to own clubs in different countries: Stan Kroenke is majority owner of Arsenal and the Colorado Rapids; Vichai Srivaddhanaprabha owns both Leicester City and OK Leuven. The soft drinks company Red Bull owns football

clubs in the United States, Brazil, Germany, and Austria. However, CFG is unique in creating a multinational operating company to run its football clubs, the principal activity of which is “the operation of professional football clubs as well as providing football and commercial services to other organizations.”<sup>1</sup> In operating different clubs in different countries, CFG has sought to create a common identity for its clubs. This is evident in the naming of its three principle clubs as “City Football Club” and its choice of sky blue for its teams’ strip.

This common identity extends beyond a unified brand presence. CFG has also promoted the “City Way,” a concept whereby all the City teams adopt a style of football based on passing, possession and a commitment to attack. This style of play was developed at Barcelona and then transferred to MCFC by its team manager Pep Guardiola and CEO Ferran Soriano. The same style of football is practiced not only in the various CFG first teams but also women’s and academy teams right down to the youngest age groups. In April 2015, Soriano outlined the City approach:

There is a core of values, a core of beliefs that we all have. We win and we lose, but we never leave these values. We always play attacking football, we try to keep the ball, we play with a high defensive line and we apply pressure to recover the ball. These are very simple things that all our teams do and, hopefully, when you see our teams in Melbourne and Manchester play and you will see the same kind of football. This doesn’t mean we’ll win. At the weekend, Manchester City had 73 per cent possession in a game we lost. But we never, ever renounce our values of the way we play football ... because all organizations need some set of basic values that people believe in.<sup>2</sup>

## The Management Team

Although Mansour is the majority owner of CFG (through his ownership of its parent company, Abu Dhabi United Group), he has no formal role in the management of CFG or its member clubs. The key executives within the group are shown in Table 2.

CFG’s business model has been shaped primarily by the vision of Soriano. While at FC Barcelona, he developed the concept of a football organization with the capability to build a highly successful team while also creating shareholder value. Central to this concept was a global brand and a global system for sourcing and developing players. At a presentation at Birkbeck College, London, in February 2006, Soriano outlined his vision for turning FC Barcelona into a “global entertainment brand” through product management, human resource development, cost control and value chain management, revenue growth, and globalization.<sup>3</sup> However, it was CFG that was to give Soriano the opportunity to realize that vision.

## Player Sourcing, Assessment, and Development

At the heart of CFG’s approach to combining team success with financial success is its global system for finding and nurturing world-class players. Early on, Soriano recognized that UEFA’s new financial fair play rules (introduced in 2009) meant that the old “benefactor model” of clubs being bankrolled by billionaire owners was no longer viable. A major implication of the new rules was that clubs could no longer rely on recruiting superstar players at vast expense—they would have to grow their own talent.

**TABLE 2** Key members of CFG board and executive team

Khaldoon Khalifa Al Mubarak, Chairman and CEO, CFG; Chairman of MCFC (also CEO of Mubadala Development Co., an Abu Dhabi state-owned investment company)	Born in Abu Dhabi 1976. Educated at Tufts University. Appointed to Abu Dhabi Executive Council. Trusted adviser to the Abu Dhabi royal family.
Li Ruigang, CFG Board Member; Chairman of China Media Capital	Born in China, 1969. Created China's most global media company, China Media Capital, which owns 16% of CFG. Regarded as "China's most connected media mogul."
Martin Edelman, CFG Board Member, vice-chairman NY City FC	US lawyer specializing in international law and real estate development.
Simon Pearce, CFG Board Member, Vice Chairman Melbourne City FC	Business associate of Mansour and Al Mubarak, who worked for Abu Dhabi government to build the Abu Dhabi brand, develop tourism, and attract business partners
Ferran Soriano, CEO of CFG, also CEO of MCFC	Born in 1967 in Barcelona, Spain. After a career in consumer goods management consulting, elected vice president and CFO of Barcelona FC in 2003, then resigned in 2008. CEO of MCFC from August 2012.
Pep Guardiola, Team Manager, MCFC	Born in 1971 in Catalonia, Spain. Played as midfielder for Barcelona FC and Spain. Coach at Barcelona (2007–12) and Bayern Munich (2012–16).
Patrick Vieira, Football Development Executive 2012–15; Head Coach New York City FC 2016–18	Born in Senegal, 1976. Playing career spanned Arsenal, Inter Milan, MCFC. At MCFC responsible for youth development and Community involvement.
Brian Marwood, Managing Director, City Football Services (since October 2015)	Born in 1960 in Durham, England. Played for Sheffield Wednesday and Arsenal. Marketing Manager for Nike, then Director of Football at MCFC (2008–12) and in charge of developing its academy.

For CFG, one of the key drivers of globalization was the priority given to locating young talent, wherever it might be in the world. By owning multiple clubs and having collaborations with other clubs across the world, CFG is reckoned to have the world's biggest and most effective talent-spotting network. Its international spread alleviates some of the problems of work permits and immigration restrictions that bedevil professional football. This international scope also increases CFG's appeal to young talent: "The fact that the CFG's tentacles stretch so far makes it easier to attract young players particularly, because recruitment staff can make the case that if life does not work out for them in Manchester, they might later find their level in other appealing cities."<sup>4</sup>

In terms of scouting, CFG's global network represents a massive extension in the talent-finding capability of the individual clubs. In 2014, CFG employed 36 scouts, of

whom 14 were based in South America. Announcing CFG's acquisition of Club Atlético Torque and agreement with Atlético Venezuela, Soriano observed:

The investment in CA Torque enables our organization to build on existing connectivity in Uruguay and helps to expand the options for identifying and developing local and South American talent. This move also provides us with an administrative hub for our pre-existing scouting operations in the region and provides a footprint for City Football Group in South America. I am also delighted to start a working partnership with Atlético Venezuela to the benefit of both clubs. The collaboration agreement allows us to share knowledge, insights and hard data, all of which enables us to further complement and increase our scouting and recruitment operations on the continent.<sup>5</sup>

Two players exemplify the merits of CFG'S global approach to player assessment and deployment.

- Yangel Herrera was signed by MCFC from its affiliate, Atlético Venezuela, in January 2017 for about £1.7 million and immediately loaned to New York City FC, where he became one of the stars of the team. During 2018, CFG will assess Herrera's performance and prospects and determine whether he stays at New York City, joins MCFC, or is sold to another club.<sup>6</sup>
- Bruno Fornaroli captains Melbourne City FC. Despite his early promise in Uruguay's top youth team, his subsequent performance in both Italian and Greek leagues was disappointing. However, back in Uruguay and aged 27, a report from one of CFG's scouts recommended a fuller analysis of Fornaroli. On the basis of additional analysis, CFG acquired Fornaroli's registration for Melbourne City FC. At Melbourne, Fornaroli became the club's leading goal scorer and has also won most of the A League's individual awards.<sup>7</sup>

Having different teams in different countries helps player development. Soriano refers to a "development gap" that is especially problematic for English clubs. "If the player is top quality, he needs to play competitive football to develop. It's not only for the technical aspect of the game, but also for the pressure. The under-21 or under-19 competitions in England don't provide this, because games aren't in front of a lot of fans and there isn't enough competitive tension."<sup>8</sup> However, in Europe, clubs such as Barcelona, Real Madrid, and Bayern Munich all have reserve teams that play in their countries' second or third division against other professional clubs—not in a separate league, as English youth teams do. Hence, according to Academy chief, Brian Marwood, the importance to MCFC of loaning its young players to other clubs: "We did some research last year and discovered that in the last 10 years, 83% of players who featured in the quarter-final stage of the Champions League had played first team football at 17 ... That's why you'll find more than 30 Blues on loan ..."<sup>9</sup>

CFG's investment in its academies has centered on its Manchester campus, where its training and youth development facilities are reckoned to be among the best in the world. However, in 2015, a new academy was unveiled at Melbourne City FC, and in 2018 New York City FC opened its new academy. The features of both were based on those of the Manchester academy and both were designed by the same architect, Rafael Viñoly.

Inspired by the tradition of FC Barcelona and its renowned La Masia academy, CFG placed a massive emphasis on youth development. According to Academy director, Mark Allen:

Our focus remains on style of play. Every single side, from the under-nines right up to the elite development squad team, play the game in the same way ... Coaches

focus on the technical and tactical side of the game as soon as a youngster joins the academy, with the physical development seen as secondary ... Last season saw success at almost every level. The under-10s became national champions ... The under-13s are national champions. The under-15s are the Floodlit Cup national winners. And the under-18s reached the FA Youth Cup for the second consecutive season.<sup>10</sup>

CFG's commitment to youth development is apparent from the Group's investment in facilities for its younger teams at the Manchester Academy: "Two-thirds of the 16 pitches on site are primarily used for youth football, and the wider development of the young players is supported by tailored coaching and education facilities, medical and sports science services, sleeping accommodation and parents' facilities."<sup>11</sup> A common style of football ("The City Way") assists young players to rise up the hierarchy. In addition, youth development takes a holistic approach: City's academy collaborates with a local independent school, St. Bede's, which allows City's youth players to enroll on an integrated football and education program designed by the club and the school.

CFG's involvement in developing young players is also apparent in the residential soccer camps offered by its member clubs (including MCFC's intensive football and language immersion program) and its joint venture with Goals Soccer Centres PLC to develop a chain of dedicated, five-a-side pitches and training facilities across North America. The sites will be jointly City and Goals branded, with the new identity to be launched later this year.

## Technology

Information technology has had a huge impact on football management over the past decade. Although statistical analysis has long been applied in training, team selection, and recruiting in US professional sports,<sup>12</sup> its application to soccer was delayed by the intensely interactive nature of the game. In English football, Bolton Wanderers FC was an early convert to data analytics—it was there that Gavin Fleig, who would become head of performance analysis at MCFC, gained early experience.

Following the Mansour takeover, data analysis has played a growing role in team performance at MCFC. Initial applications included postgame analysis using the detailed player tracking data supplied by Opta and Prozone and player recruitment. Under Brian Marwood (MCFC Director of Football, 2008–12), player recruitment relied increasingly on quantitative data. For youth recruits, 30-page, color-coded reports were the norm, while for major signings, the dossiers would run to 40 or 50 pages.<sup>13</sup>

In 2015, CFG signed a partnership agreement with SAP to use SAP's cloud and analytics technology across its backroom operations and on-field activities, and replaced CFG's paper-based systems with SAP's cloud-based system. The SAP platform includes components for team management, training, player fitness, and performance analysis, all of which can be used to customize training, create tactics, and create individual player development plans. SAP's software for postmatch analysis integrates Opta and Prozone data. In monitoring youth squads, the system integrates videoed coaching sessions, GPS data, biometrics including heart rate, and sleep data.<sup>14</sup>

Digital technology also plays a growing role both in deepening the City clubs' relationships with their fans and in expanding the fan base. CityTV creates video content for all the City clubs, which is then distributed via the Web, mobile apps, and different social media platforms. In addition, CFG has been a leader in launching enhanced game-viewing through providing real-time analytics, chat bots, hackathons, and virtual reality—including participation in eSports.<sup>15</sup>

## Marketing

In terms of generating commercial revenues—licensing, sponsorship, and retail sales—MCFC has lagged far behind its cross-town rival, Manchester United, long regarded as football's most commercially successful club. In 2006/7, MCFC's commercial revenues were £14.1 million; Manchester United's were £56.1 million. Building MCFC's commercial revenues initially involved other Abu Dhabi businesses. In July 2011, MCFC announced a £400 million sponsorship deal with Etihad Airways that covered 10-year naming rights for the stadium and financial support for MCFC's Etihad Campus. This was followed in 2013 by a six-year kit sponsorship deal with Nike worth £72 million (\$109 million).

With the creation of CFG, marketing was established as a global unit—City Football Marketing—based in its own London offices in order to allow the different clubs to access the same marketing assets. Omar Berrada (Commercial Director of City Football Marketing, 2015–16) emphasized the benefits to clients from the global approach CFG's family of clubs offered: "It allows brands to have the best of both worlds: a consistent global marketing platform in terms of the assets and inventory they can use to engage with our fans, as well as the ability to deliver messages that are very specific to the local markets of our clubs around the world."<sup>16</sup>

In 2014, Nissan entered into a global marketing relationship with CFG when it became the official automotive partner of all four City clubs. Similarly, Etihad Airways extended its kit sponsorship of Manchester City to include both New York City and Melbourne City.

## Community Involvement and Corporate Social Responsibility

Despite the efforts to create a unified, global, brand presence for the City clubs and to agree with global sponsorship and licensing deals, Tom Glick, President of New York City FC (previously Chief Commercial and Operating Officer for MCFC), stressed that it was vital to sustain and build the individual character of each club, in a way which respects the tribal loyalties of each fanbase: "... the most important thing is that each one of our clubs is connected to its local city and the fans of that city."

To build engagement, the CFG clubs have sought to involve fans in club decisions. In both New York and Melbourne, fans participated in the design of the new club badges. In Melbourne, this resulted in the inclusion of the city's municipal flag in the design.<sup>17</sup>

CFG's emphasis on developing and exploiting its global reach has been balanced with close attention to the cultivation of the local fan base of its clubs and responsibility to the local communities within which its clubs are located. As a result, CFG has been able to avoid the hostility directed by the fans of Manchester United, Liverpool, and Hull City toward the foreign acquirers of their clubs.

At MCFC, CFG has worked closely with Manchester City Council in its development strategy for the club. This was mandated by the City Council's ownership of the stadium and the need for CFG to obtain planning permits for developing the Etihad complex and other real estate developments adjacent to the stadium. More generally, however, CFG and the City Council have viewed themselves as partners in developing an economically depressed area of Manchester, while also providing opportunities for additional investment by Abu Dhabi in the city (e.g., increased flights by Etihad Airways from Manchester Airport).

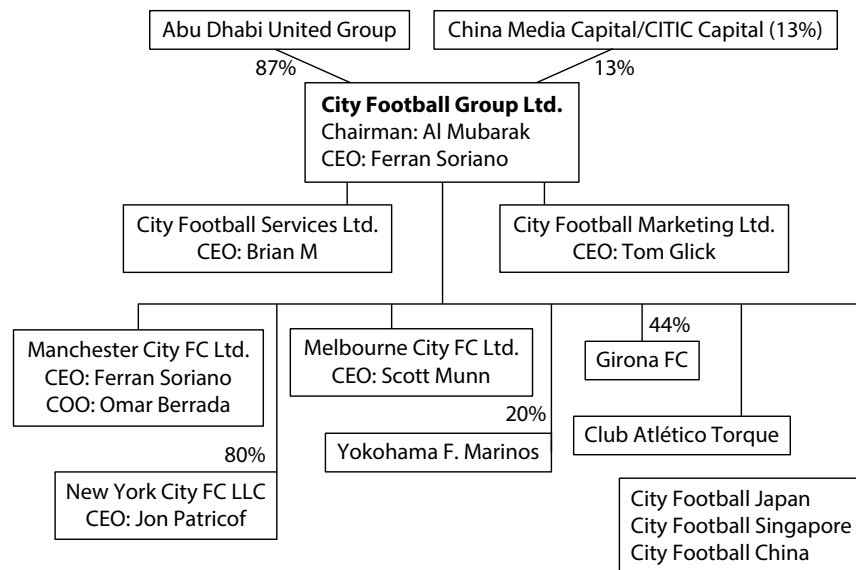
As one fan observed: “The other major benefit [of CFG’s ownership of MCFC] is the vast improvement in the area around the stadium. This was largely a toxic, deprived and neglected post-industrial area prior to the arrival of the Abu Dhabi owners and much money and work has gone into transforming it, with a lot more regeneration still on the cards. This is all being done within the framework of a strategic partnership with the city council.”<sup>18</sup>

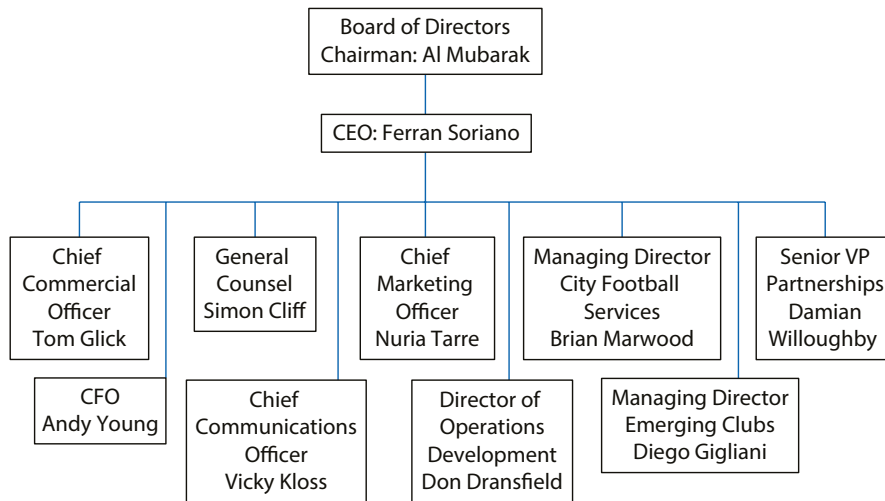
## Organizational Structure

Fundamental to CFG’s strategy has been the notion that competitive advantage in professional football can be achieved simply through the application of standard business principles to the often-chaotic and personalized world of football club management. Following the acquisition of MCFC, Al Mubarak remarked: “One of the big surprises was how amateurish it was ... I found it shocking in the famous Premier League, to be without such basic functions.”<sup>19</sup> A key feature of CFG’s introduction of professional management to MCFC was creating an organizational structure that was consistent with its corporate strategy.

The structure of CFG embodies two distinctive characteristics. First, there is a consistent organization structure for all the member clubs. At each of the City clubs, there is a CEO (or President), a Director of Football, a Technical Director, and a Head Coach (or Team Manager at MCFC), and then there are directors for communication, operations, community relations, and other areas; Al Mubarak is Board Chairman. Second, CFG is organized around different functional areas that provide support for the different clubs. CFG’s academies and technical services to its members’ clubs are provided by a subsidiary of CFG, City Football Services Ltd., headed by Brian Marwood. In May 2016, City Football Services had 63 employees. Marketing services are provided by City Football Marketing Ltd., whose “services include partnership sales and activation, content production and distribution, retail and licensing and fan relationship management for all of CFG’s clubs.”<sup>20</sup> In May 2016, City Football Marketing had 92 employees. Figure 1 shows the ownership structure of the CFG. Figure 2 shows its management structure.

**FIGURE 1** City Football Group Ltd.: Group structure



**FIGURE 2** City Football Group Ltd.: Corporate management team

## Finance

The finance to MCFC and CFG made available by Mansour through his Abu Dhabi United Group has allowed both companies to rack up massive losses while not taking on any debt. Table 3 shows CFG's financial results. Table 4 and Figure 3 shows MCFC's financial performance.

**TABLE 3** City Football Group Ltd.: Financial Data

	2017 <sup>a</sup>	2016	2015	2014
Revenue	514.3	423.2	368.7	347.1
—Matchday	68.5	64.7	50.1	48.2
—Broadcasting: UEFA	47.9	61.2	32.9	31.3
—Broadcasting: other	160.7	103.2	104.1	101.9
—Other commercial activities	237.1	194.1	181.7	165.6
Operating profit (loss)	(70.1) <sup>b</sup>	(33.7)	(28.9)	(57.9)
Net profit (loss)	(74.7)	(38.4)	(34.9)	(63.4)
Property, plant, equipment	431.2	410.2	403.3	343.9
Intangibles and other noncurrent assets	427.3	349.9	287.5	298.4
Current assets	442.4	414.7	244.0	186.8
Total assets	1300.9	1175.8	937.8	832.1
Current liabilities	335.5	193.5	142.6	156.9
Noncurrent liabilities	116.9	131.9	119.9	109.1
Shareholders' equity	848.5	850.4	675.3	566.1
Cash flow from operating activities	91.9	25.8	56.0	(13.2)

(Continues)

**TABLE 3** *(Continued)*

	2017 <sup>a</sup>	2016	2015	2014
Cash flow from investing activities	(186.6)	(92.8)	(140.8)	(199.6)
—of which, transfer fees less receipts	(146.9)	(72.3)	(13.9)	n.a.

**Source:** City Football Group Limited: Directors' Report and Financial Statements.

**Notes:**

<sup>a</sup> 13 months to end-June 2017.

<sup>b</sup> Operating loss before profit on disposal of player registrations was £105.7.

**TABLE 4** Manchester City Football Club.: Financial Data (£ millions)

	2017 <sup>a</sup>	2016
Revenue	473.4	398.8
—Matchday	51.9	52.5
—Broadcasting: UEFA	47.9	61.2
—Broadcasting: other	155.6	100.1
—Other commercial activities	218.0	177.9
Operating profit (loss)	(121.7) <sup>b</sup>	(33.7)
Net profit (loss)	1.1 <sup>c</sup>	20.5
Tangible fixed assets	412.6	268.6
Intangibles and other noncurrent assets	335.5	268.6
Current assets	312.7	271.9
Total assets	1060.7	939.1
Current liabilities	294.4	160.7
Noncurrent liabilities	88.2	101.2
Shareholders' equity	678.2	677.1
Total number of employees	325	320
—of which, football staff (including players)	153	(72.3)

**Source:** City Football Group Limited: Directors' Report and Financial Statements.

**Notes:**

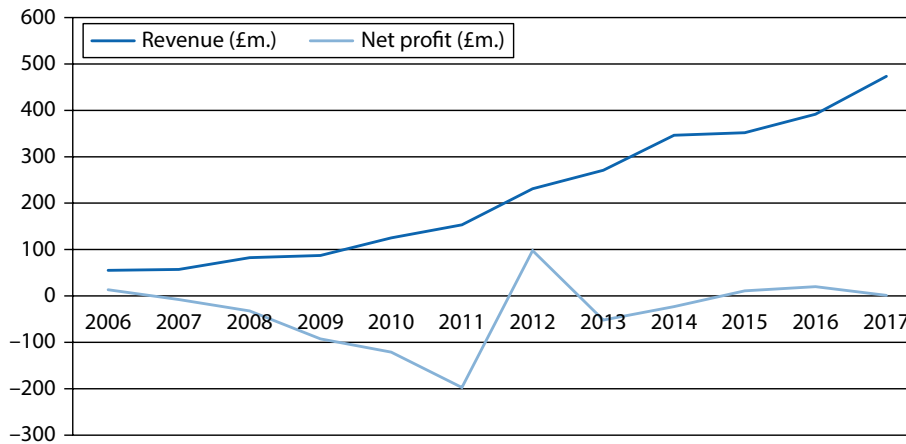
<sup>a</sup> 13 months to end-June 2017.

<sup>b</sup> Operating profit before loss on disposal of player registrations was £91.6.

<sup>c</sup> If the loss on disposal of players is excluded, net profit would have been £88.3.

The only external financing used by CFG \$40 (£265 million) in December 2015 from the sale of 13% of CFG to a consortium of Chinese investors led by Chinese media giant China Media Capital and its chairman, Ruigang Li. This valued CFG at \$3 billion. The deal was seen as an opportunity for CFG to partner with China Media Group in exploiting the huge potential market for football in China.

**FIGURE 3** Manchester City Football Club Ltd.: Revenue and profit (financial years ending May 31)



Although chairman Al Mubarak has claimed that CFG's global model has been a means of reconciling world-class team performance with sound financial performance, other European clubs have complained that the international structure of CFG is a means by which MCFC can circumvent UEFA financial fair play rules.

## Notes

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