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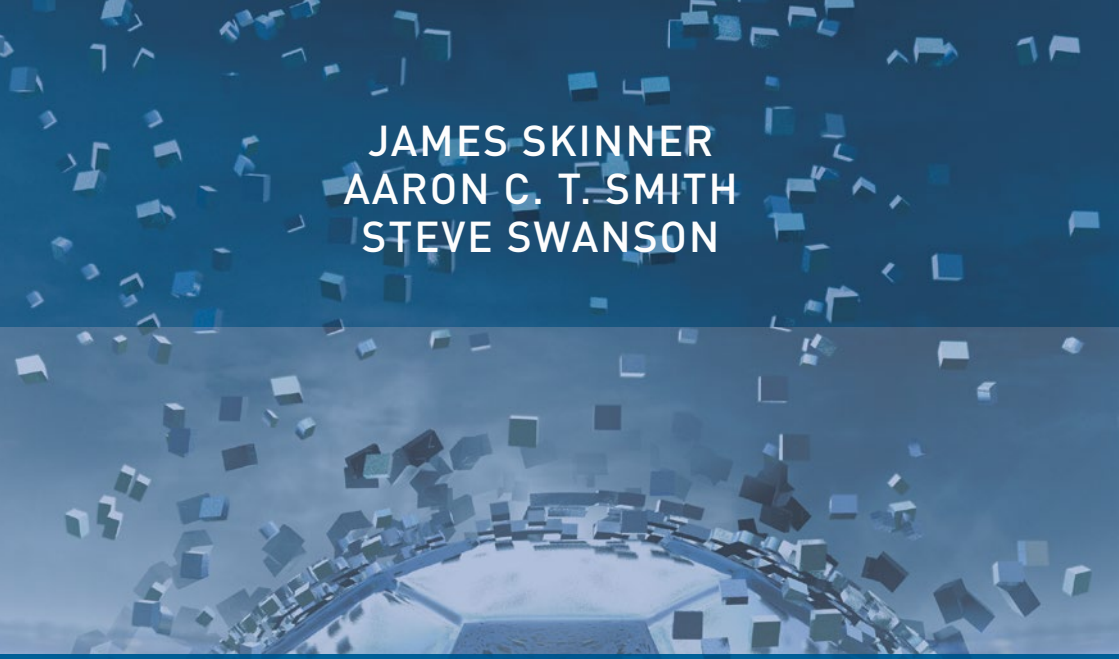
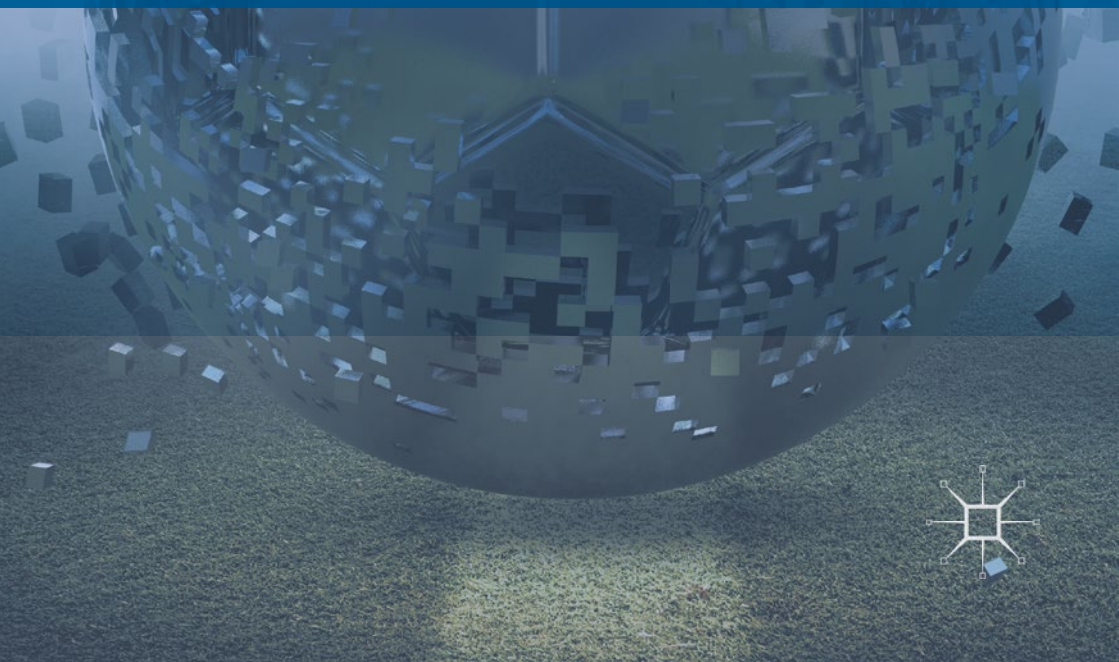


FOSTERING INNOVATIVE CULTURES IN SPORT

Leadership, Innovation and Change



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Introduction: A Different Animal

Introduction: It Captures the Hearts and Minds of a Society

It is worth considering how business and sport arrived at the current situation. How did the business of sport get to today's heights from the dark days of the eighties? Cave (2015) suggests many factors came together, but without the contribution of a select band of innovative entrepreneurs—three, to be precise—the revolution may never have happened in the first place. Rupert Murdoch and his Sky satellite television colleagues had the foresight and courage to plough ever-increasing sums into English football, based on their conviction that the sport is so popular with domestic audiences. More recently, Team Sky has also played a key role in the rejuvenation of British cycling. In motor racing, Bernie Ecclestone had the prescience to understand how globalisation, the enduring appeal of fast cars, and the distributive power of broadcasting could create enormous value for Formula One. In golf and tennis, Mark McCormack, the late founder of sports marketing agency International Management Group (IMG), was the first to recognise that athletes and sports stars had value well beyond their performances. By identifying athletes as sporting

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brands in their own right, he unlocked unexploited intellectual property, which has gone on to help create some of the most powerful brands in the world (Cave 2015).

The above individuals were all innovative entrepreneurial visionaries. They all took risks and had a visionary view on the potential for their sports, events or talent over the long term. First, Rupert Murdoch gambled on the power of football to drive a particular business proposition and proved spectacularly successful. Second, Bernie Ecclestone transformed what was a cottage industry into a global powerhouse in terms of financial performance and cutting-edge technology. Ecclestone's achievements paved the way for all major sports to succeed as businesses and had a radical impact on the evolution as sport as a business. He had a great vision of what motor racing was capable of achieving, and understood the great public interest in it, as well as the enormous broadcasting potential. Many would argue that Ecclestone had a massive impact on so much sport, not just motor sport, because he opened everybody's eyes to what could be done (Cave 2015). Finally, in golf and tennis, Mark McCormack, of IMG, was the first to develop the personal branding potential of athletes as popular media stars. McCormack was one of the first to understand the individual potential of sports people to earn much more money than they had done before and to take control of their own intellectual property rights (Mason 2015).

The far-sighted ideas of Murdoch, Ecclestone and McCormack have been realised. In 2016, the global sports market, comprising of infrastructure, events, training and manufacturing and retail of sports goods, was estimated to be worth $US600–700 billion (KPMG Business of Sports 2016). This accounted for approximately 1% of the global GDP. Besides exercising a significant impact on the global economy due to its close association with other sectors, including education, real estate and tourism, the sector also contributed to improvements in general health and the well-being of a country. In the United States, Burrow (2013) notes that the sports industry generates approximately $US14.3 billion in earnings a year. The industry also contributes 456,000 jobs with an average salary of $US39,000 per job. Moreover, Nightengale (2013) reported that the Chicago Cubs generate $US600 million annually for the state of Illinois and a large part of the economic impact

involves jobs. In the UK from 2010 to 2015 the business of sport became a £20bn-a-year industry supporting some 450,000 jobs. According to Oxford Economics, the London Olympics had contributed £16.5bn to Britain's 2017 gross domestic product, and cycling now brings in £3 billion annually to the UK economy.

The market for sporting events is worth US$80 billion in 2014 (Kearney 2014), with impressive growth projected for the foreseeable future. By the time the 2014 FIFA World Cup ended, 3 million people had gone through the turnstiles at 12 Brazilian stadiums, paying in some cases thousands of dollars per seat to see the world's greatest footballers. On televisions around the world, more than 3 billion people watched at least a minute of the Cup, thanks to media rights worth as much as US$1.7 billion in total. The TV networks were rewarded handsomely with record ratings: from the 30 million Chinese who watched the Germany–Argentina final despite a 3 a.m. local start time, to the 90% of Dutch households that watched the Netherlands semi-final game against Argentina. Moreover, the US match against Portugal was one of the most watched soccer games in US history, with approximately 24.7 million viewers. This clearly demonstrates the commercial returns possible from a global sporting event (Maese 2014).

In the US, sport media rights are projected to go from US$14.6 billion in 2014 to $US20.6 billion by 2019, accounting for a compound annual rate increase of 7.2%. Over 35% of current local television rights deals with the National Basketball Association (NBA), National Hockey League (NHL) and Major League Baseball (MLB) are set to expire by 2019, which will contribute to the overall growth in the sector, based on the assumption of progressively more lucrative new deals. Meanwhile, it is anticipated that the amounts paid to televise English Premier League (EPL) football will continue to rise across a range of new digital providers (Heitner 2015).

Another change over the past 30 years has been a recognition by business that sports can play a key role in winning hearts and minds, and transform how companies are perceived (Mason 2015). Mason believes that sports sponsorships and partnerships are conferring benefits such as deeper engagement with customers and motivation of staff, beyond the traditional avenues of brand awareness and hospitality. Sports also have

the power to lift people up in times of turmoil. The 'Miracle on Ice' came at a time when tensions were high in the Cold War, and South Africa's 1995 Rugby World Cup victory helped a nation heal from decades of Apartheid. Nelson Mandela said: 'Sport has the power to change the world'.

As an example, the Laureus Academy embraces the principle of using sport to help bring positive change to disempowered communities. Sporting celebrities offer their time to support the work of the Laureus Foundation. Former sporting stars who have aligned themselves with the Laureus include Boris Becker, Jack Nicklaus, Hugo Porta, Kapil Dev, Sebastian Coe, Monica Seles, Tony Hawk and Dan Marino (Schteiber 2017). The Laureus story is a mix of corporate sponsorship, celebrity sport, and the will to succeed in some of the most devastated and impoverished parts of the planet. Significant global brands are sponsors and this ensures the work continues, while in return, the brands travel the world and associate with top sports personalities and events.

Sports provide a platform for people to come together and support their country. International events like the Olympics and the World Cup serve as a point around which to rally and show national pride and unity. More recently, the London Organising Committee of the Olympic Games yielded employee and customer engagement benefits brought by corporate associations with people-centred Games. The bodies set up to manage the event's legacy also put in place a structure capable of delivering long-lasting benefits. Sport can inspire passion and people; it involves merchandise and money, supports ideology and identity, fosters community, enhances profile and professionalism, and generates sponsorship and symbolism. The actions that sports have taken to professionalise themselves in business strategy and administration has greatly reduced any reputational risk previously associated with sports endorsements. Sports businesses are today more transparent and professional, and more and more focused on the customer—the fan (Mason 2015)—and as such, are trusted by business partners. With the right leadership, culture and innovative practices, sport can create the foundation for social, cultural, and commercial progress. These represent the themes presented in this book.

The Global Sport Ecosystem

The 'business ecosystem' as a concept was introduced by James F. Moore (1993) in an article published in the Harvard Business Review called 'Predators and Prey: A New Ecology of Competition'. It raised attention to a change in the way organisations relate to each other within the same environment. This change was triggered by the challenges of technological innovation, mainly related to the development of the World Wide Web in 1990. A new highly dynamic and interconnected world arose after the popularisation of the Internet in the early 1990s, which created a whole new world of commerce (Kelly 2015). Since then, the concept has been largely used to describe the network of organisations that evolve by competing and collaborating within the same environment.

Organisations realised that in the globalised and highly interconnected world that rose with the Internet, it was no longer possible to view their businesses as isolated members of a single industry. Businesses were seen as players of complex ecosystems that cross a variety of industries. The rise of the 'ecosystem' as a concept has increased the interest and concern around the interdependence of organisations and activities within a given context (Adner 2016). The relationships between organisations gained new significance, as no business is capable of succeeding alone anymore. This kind of network thinking remains strong in business studies, since Porter's (2004) model of value chain, originally published in 1985, which focuses on competition and competitive advantage, that then evolved into the conceptualisation of value networks, up until what is now ecosystem thinking (Basole 2008).

Moore (1993) suggested that successful organisations are those which manage to evolve rapidly and effectively getting sustainable advantage from out-innovating the competition. As businesses do not evolve in a vacuum, they must create cooperative networks including all stakeholders. Even though these networks had been studied before 1993 under the rubric of 'strategic alliances', such frameworks failed in assisting managers to understand the underlying strategic logic of change. Weiller and Neely (2013) showed that previous business model templates and frameworks are good enough to deal with the challenges faced by single existing

organisations but are less suited to understanding the complexity of the interdependent nature of organisations in fast evolving industries (Weiller and Neely 2013), such as the sport industry.

Mixing biological and anthropological analogies, Moore conceptualised (1993) what is today one of the most widely used concepts to explain relationships between organisations, how they compete, and more importantly how they collaborate to sustain the equilibrium of the business environment. Moore took the concept of co-evolution in natural and social systems from the anthropologist Gregory Baterson, combined with biologist Stephen Jay Gould's perceptions on natural ecosystems, and suggested that in a business ecosystem, organisations co-evolve capabilities around a new innovation: they work cooperatively and competitively to support new products, satisfy customer needs, and eventually incorporate the next round of innovation.

The common point around all studies since Moore's (1993) groundbreaking work is that they all focus on the complexity of the relationships between organisations when describing an 'ecosystem'. The attention is turned to how they compete and collaborate, and how important these relationships are for the maintenance of a business ecosystem. The concept of co-evolution is also explored. Organisations within an ecosystem co-evolve by competing and collaborating. How healthy these relationships are dictates how successful, sustainable and innovative the ecosystem is. In an ecosystem, certain characteristics can be analysed to understand the environment. Diversity, connectedness, interdependency, and adaptability are often the key features explored in complex ecosystems.

The globalisation of sport has created an environment where the business of sport can be considered as existing in a complex ecosystem. Sports have migrated from a fragmented collection of constituents to a powerful, consequential, and integrated global industry that influences 70% of the world's population. The 'sport business ecosystem' now encompasses everything from content providers such as leagues and teams, to distribution channels including media and facilities, to goods and services providers delivering equipment, food and beverage service, and healthcare. The sport 'ecosystem' can be as small as a local sport club or as large as a nation state (Bailey 2014). It is, therefore, possible to identify the key characteristics of the global sport ecosystem, and the economic, social and cultural drivers that shape innovation within the business of sport.

Differentiating the Business of Sport

If the business of sport is to be anything more than the mere application of general management principles to the sport context, then there must be something about sport that renders distinctive concerns, foci, or procedures when sport is managed. Smith and Stewart in their engaging 2010 article noted ten 'special features of sport' that separate it from institutionalised business principles. First, they note that sport has an underpinning loyalty creating a powerful sense of identification, where fans experience belonging and vicarious emotions. For Stewart and Smith, sport's ability to arouse strong passionate attachments, unstinting loyalty, vicarious identification, and blind optimism, makes it a special experience that markedly differentiates it from both consumer goods, like plasma TV screens, motor vehicles, and cosmetics, and the more service-based products, like airline travel, cinema-watching and supermarket shopping (Pine and Gilmore 1999). It thus becomes clear that sport consumers use sport to meet their needs and extend their personal sense of self in the same ways that all consumers use discretionary leisure and luxury products to build self-esteem and confirm their identities (Ahuvia 2005; Belk 1988; Timothy 2005).

First, Sport consumers are no more irrationally optimistic than any other kind of consumers, and their exuberance, passion and pleasure-seeking behaviour is similar to the behaviours described in studies on the fashion industry, luxury goods, cigarettes, alcohol, hospitality, and tourism (Belk et al. 2003; Ratneshwar and Mick 2005). Sport consumption is not so much the exception as the exemplar of contemporary consumer behaviour. As a consequence, the key question is not so much a matter of what it is about sport that is unique in cultivating ardent consumers, but rather what mechanism is responsible for building powerful relationships between consumers and products. Many theorists believe that the answer is found in social identity theory (Tajfel 1981, 1982; Tajfel and Turner 1986), which has been used to explain group and individual behaviours (Platow et al. 1999). Although sport commands identification through heightened emotional attachment, so too do other consumption-based behaviours. While indigenous to sport, emotionally charged identification is not exclusive to sport, and it would therefore be misleading to

conclude that this constitutes a special feature. Sport consumers are not all passionate and fanatical, and nor do they all live vicariously through their favourite team or player in order to bolster their personal identities. Equally, their loyalty can be variable, their attendance irregular, and their interest erratic (Stewart et al. 2003).

Second, Smith and Stewart (2010) suggest there is a tension between winning and profit-making. Consumers and clubs will, for the most part, weight wins and trophies more highly than a healthy balance sheet. They also asserted that commercial pressures could instigate the demise of longstanding traditions if they are thwarting future success (Skinner et al. 2003). At the same time, they argued that fans who value tradition will often use it to resist club attempts to commercialise the management process. While Smith and Stewart considered these tensions between performance and tradition, and profits and winning, to be indicative of a special feature, their analysis did not fully explain the nuances of on and off field performance, and the variance between different sporting competitions and leagues. Professional sport is a form of business; most volunteer-driven participation sport is not. While proper funding is as important for sport enterprises as it is for other commercial enterprises, financial resources are most often deployed towards competitive success rather than returned to shareholders in the form of dividends.

Third, Smith and Stewart argue that transforming the sport-field into a workplace is a complex challenge. The subsequent focus on 'rationalisation and productivity has forced sport managers to translate their human and material resources, particularly players, into economic equations' (Stewart and Smith 1999, p. 88). Despite the managerial drive in sport for more revenue and improved efficiency, many sport fans still argue for the prioritisation of on-field success, and the celebration of competitive ideals which privileges it above conventional profit-seeking endeavours. Oakley and Green's (2001) analysis revealed that close to two decades ago, national elite sport development systems around the world were starting to look more homogenous as a result of adopting ubiquitous global business models to manage their sporting enterprises. Milton-Smith (2002) lamented that there has been a failure of major sporting global institutions in dealing with the consequences of globalisation:

> Disillusionment with the Olympic Games mirrors the disenchantment with the perceived values of globalisation, including winning at any price, commercial exploitation by MNCs, intense national rivalry, cronyism, cheating and corruption and the competitive advantage of advanced nations. (p. 131)

Belk (1996) and Ritzer (1998) also predicted that sport business would take a McDonald's approach, emphasising standardised products punctuated by the 'hyperreality' of over-zealous marketing (Skinner et al. 2003).

Fourth, Smith and Stewart suggest that there is the dilemma of corporate sport, where organisations are faced with the challenge of extracting commercial value from their brands without compromising the intrinsic 'integrity' and spirit of the game. Unless sport commercialises itself, it will be unable to survive in the contemporary competitive landscape. This commercial paradox, which Smith and Stewart (2010) addressed only fleetingly, constitutes a genuine special feature of professional sport. Sport has been transformed into a fast-moving consumable experience that fits neatly into the 'iPod society', and as a result has gone well beyond being a symbol of a pleasant Saturday afternoon at the neighbourhood sports ground. The wealthiest sport enterprises, which include teams sent to the Olympic Games as well as sport clubs, associations, and leagues, are generally speaking also the best on-field performers. The rise of Manchester City and Paris Saint-Germain in football are poignant examples.

Fifth, Smith and Stewart (2010) note that there is a need to balance variable quality against competitive balance. Another pervasive claim about the sport product is that its quality is variable, and its levels of performance are unpredictable. Stewart and Smith declared that sport is one of the few products that actually depend upon unpredictability for success, and the result is another paradoxical relationship. In this case, whereas clubs, teams and players aspire to win by the largest margin possible, the popularity of sport leagues rely on high levels of competitive balance in order to ensure close and exciting contests. As Stewart and Smith (1999) and Stewart et al. (2005) argued, most professional sport leagues operate as cartels. That is, a collective of firms, which through

collusion, act as a single supplier to a market (Downward and Dawson (2000). Sport leagues gravitate toward cartel-like behaviour because they rely on the cooperation of teams and collective agreements on areas like salary ceilings, player recruitment and drafting, admission pricing, game scheduling, income-redistributions, and broadcasting arrangements in order to maintain an equitable competition and to maximise marketing and licensing opportunities (Syzmanski and Kuypers 1999). Teams and clubs depend on the continued on- and off-field success of their opponents, but in most industries, organisations are not permitted to cooperate in this way as it is considered anti-competitive behaviour and is typically prohibited by law. This produces a third paradox, or conundrum for sport. Clubs must compete in a hostile environment against numerous, aggressive rivals while at the same time cooperating with these rivals to the degree necessary to benefit the entire group (Syzmanski and Kuypers 1999). Like other industrial clusters that manage to create cartel-like structures, such as the Organisation of the Petroleum Exporting Countries (OPEC), it presents both opportunities and challenges for its management.

Sixth, there is a need for sport to set up structures for collaborative behaviour (Smith and Stewart 2010). Morgan (2002) observed that key stakeholders in sport, such as spectators, club officials, the organising body, clubs, and broadcasters, rarely have congruent interests. The corollary is an ongoing disagreement about the best way to structure, govern and regulate a sporting competition, as well as arguments over the management of teams, the movement of players, and the distribution of revenues. Broadcasters favour interventions that maximise viewer interest, club officials seek resources to bolster their team's talent pools, and organising bodies want to maintain strict custodianship of the game. The complexities of collaborative behaviour are compounded when different political systems are used to frame the structure and operation of professional sport leagues. In sport the primary focus is on horizontal restraints, particularly cartel-like behaviour where anti-competitive collusion may allow clubs to limit competition or fix prices at the expense of the consumer. For example, the different political systems used to frame the structure and operation of professional sport leagues. The differences between the North American and European governance models are also

highlighted in their league structures. The North American leagues are closed systems, whereby the same teams participate no matter what their league standing in the previous year. The European governance model extols the benefits of a promotion and relegation system. It can bolster interest in championship standings at the top and bottom of the competitive ladder, provide the opportunity for numerous teams from a single city to compete for a place in the highest league, and remove incentives for team relocation, given that it is less expensive to buy more talent in order to win promotion (Noll 2002). Professional sport has been forced to grapple with a range of challenges over the last decade, with Compton and Howard (2002) noting that both North American and European sport have had to regularly confront rising player salaries, vastly different levels of operating revenue between teams, fierce sponsorship rivalry, and heavy-handed broadcasters.

Seventh, there are supply chain restrictions. Sporting clubs and competitions are traditionally restricted to what economists would call fixed short-run supply, or a highly inelastic production curve. The supply of the core sport product—for example, the on-field performance—cannot be increased in the same way that a manufactured good like a motor car, or a generic service like dental work can (Smith and Stewart 2010). Only a certain number of games can be played during a season, and irrespective of the spectator demand, attendance is always limited by the number of games scheduled and the seating capacity of the venue. Conversely, when there is limited demand, unsold seats represent revenue lost forever. In these instances, the sport product cannot be stored and re-sold another day.

The eighth special feature relates to managing the fishbowl experience of players. With the growing professionalisation of sport at the local level around the world, there is now considerable interest in players in all sports of inter-city and provincial sport leagues. Even in these local competitions there is an insatiable media interest in not only what players do on the field, but also what they do off the field. In becoming the centre of media attention, they have also become local celebrities, and every misdemeanour, and ever so slightly social deviant behaviour is allocated front-page headlines (Hess et al. 2008). This development means that players live a fishbowl existence where their behaviour is scrutinised on a

daily basis. Moreover, clubs, teams and leagues have become increasingly sensitive to any negative publicity that arises from player misbehaviour, and have put in place a raft of rules and codes of conduct that provide sanctions for players in contravention. Sport enterprises have hired lawyers, counsellors, agents and psychologists to assist players in managing their behaviour, and when players go outside of the narrowly proscribed limits, a team of experts and specialists is invariably there to guide them through the maze of media scrutiny and commentary that inevitably follows (Smith and Stewart 2010). The pressures on players to behave appropriately, and not to make fools of themselves or undermine the reputation of their clubs are more onerous than in nearly any other occupation. Whereas music, film and television celebrities are almost expected to flaunt illicit drug use, sexual impropriety and financial extravagance, sports stars are expected to be exemplary citizens and solid role models for impressionable children. Nowhere are assumptions about sport's fishbowl more obvious than in the World Anti-Doping Agency's (WADA) rise to power, and the control they aim to exert over the lives of players and athletes (Skinner et al. 2016). The prevailing policy approach to substance use in sport rests on the proposition that punitive sanctioning will deter drug use and remove 'drug cheats' from competition. The experiences of players have now not only become the one constant in the weekly reporting cycle of professional and elite level sport by the media, but also fall under the watchful eye of anti-violence campaigners, equal opportunity proponents, anti-discrimination officials, gender equity activists, doping agency officers, and drug investigators.

Ninth, is the need to manage players as income earning assets. Clubs are now confronted by the issue of how to not only deal with players who earn more than the club's management team, but also how transfer fees should be dealt with. In these instances, players are increasingly counted as assets, and indeed given a value in the same way that an item of machinery or office equipment is listed as an asset and allocated a value. The bonus here is that unlike other assets that lose value over time and are depreciated, many players will in fact have increased in value. However, in some countries, and in those sports where there is no transfer market, the balance sheet will show players as having zero value at the end of their contract. Under these conditions clubs are undervalued, and this peculiar

feature constitutes another management issue to be dealt with. Treating players as assets means that like any other part of the club there has to be maximum support to ensure their optimal performance. The implication is that players have enormous bargaining power, but players can also be treated like cattle and traded at the whim of coaches, managers, and team owners, not to mention the unobserved but not-so-subtle influence of sponsors and broadcasters (Smith and Stewart 2010).

The tenth and final special feature of the business of sport is the confounding influence of league structures. There are four major transnational models for the governance of sport at the highest level (Morgan 2002). First, there is the traditional national governing body pyramidal hierarchy exemplified by traditional European sports like swimming and badminton, and collegiate sport in the United States. Second, there is the distinctive North American cartel structure operating in its 'Big Four' national leagues. Third, there is the oligarchy model illustrated in English Premiership football. Finally, there is the promoter-led structure found in boxing. These special features of sport enterprises have evolved over the last 30 years to become more professionally structured and managed. Sport enterprises have applied business principles to marketing their products, planning their operations, managing their human resource and other aspects of organisational activity. The next step is the create cultures of innovation that align with their variation in missions and purposes.

Identifying the Future Business Trends that Will Shape the Business of Sport

As consumers shift from cable to digital media, we can expect an evolution in sports media. In October 2016, some of the US and Europe's most high-profile broadcasters saw their viewing figures drop drastically. Having paid out record fees for the rights to stream the likes of the NBA or the National Football League (NFL), broadcasters have found their viewers courted by online-only streaming services, both illegal and legal. As a consequence, over-the-top (OTT) services will proliferate further, and traditional sports streaming services will have to become smarter to

counter the growing threat from illegal streams and social media sites. Providers like iTunes, Vimeo On Demand and Amazon Instant Video allow customers to pay for individual pieces of content, and many are suggesting that sports streaming go down a similar route, with packages specific to a user's preferred team. The NFL and various Pac-12 sporting events has been shown for free on Twitter, the Champions League Final was shown live and free on YouTube, and although Facebook may have failed with its US$600 million bid to stream Indian cricket, this is only the beginning and may result in other OTT platforms seeking similar live rights packages (Skinner and Smith 2017). The battle for sport viewers will intensify and traditional providers may be forced to change their models in the face of competition.

Many leagues are getting creative with their digital rights, tailoring their deals toward non-linear viewing and multiscreen usage, which opens the market to social networks and specialised websites. The NFL's deal with DirecTV includes the Red Zone Channel, which switches viewers to games where big plays are about to occur. When selling TV rights, leagues can develop allotment strategies that optimise the value of both TV and alternative platforms. In the US, initiatives involving à la carte and streaming media are allowing consumers to purchase specific content (i.e. media rights for a single game or season package for a specific team), watch games in a condensed format shortly after completion, and watch replays on league platforms before they are available through general media. The future will also see the continued rise of streaming services online for sport with more people being given the opportunity to watch previously private events. The NFL/MLB/NBA have created their own Internet streaming services for customers.

There is also a rise in connected arenas or smart stadiums. The expectations of the sports fan have changed; no longer are those in the stands satisfied with food and drink at half-time. Stadiums will need full connectivity and digitisation to provide an experience worth the growing ticket prices. The stadium of the future will see fans ordering food to their seats, being directed to restrooms with the shortest line, watching replays and keeping up with statistics in real-time, all through a mobile app. Data collection in these stadiums will be a focus too, as teams look to manage crowd flow and stock items more intelligently. Some European

soccer teams have built new stadiums from scratch, but digital renovations can be made to existing arenas with relative ease as the necessity for full connectivity becomes clear and fans demand a better experience. The Sacramento Kings arena has mobile applications for check-in, identifying the shortest restroom line, provides seat upgrade options, and uses drone technology for identifying parking spaces.

The value of professional sports franchises has increased significantly over the past decade, driven largely by new state-of-the-art stadiums, lucrative media rights fees, and an overall dearth of teams available for sale. Because of the multimillion- or billion-dollar purchase prices, owners are identifying ways to unlock the value of their team assets as the core of a greater sports and entertainment enterprise. While business diversification isn't a new or innovative concept, it is manifesting itself in the sports industry in innovative ways. Stadiums increasingly are becoming the cornerstone of large mixed-use entertainment districts featuring hotels, restaurants, office space, and retail. These developments give owners the opportunity to capture fan spending before and after a game, as well as tap new revenue streams outside the traditional sports business. Over the coming years, mixed-use projects are expected in cities including Atlanta, Boston, Los Angeles, and San Francisco (Winfree and Rosentraub 2012).

Given the similar business models and generally low cost of entry, owners and players are beginning to buy into new sports such as eGaming and drone racing, which have significant growth potential. With access to and operating rights at stadiums and arenas, owners are able to reach a new generation of fans that may have less exposure to traditional stick-and-ball sports. Similar to investing in new leagues, owners also are getting more involved in the start-up community, creating sport business incubators and startup accelerators, and in doing so are becoming outside investors in companies working to introduce new technology into the sports and entertainment industries. By expanding their personal business portfolio through such incubators and accelerators, owners have at their disposal innovative products that can enhance the fan experience. If successful, they then can then tap their network to make the product available to other teams and leagues. These are just a few of the ways team owners are using their franchises to build a larger, more diverse sports enterprise. As the value of teams continues to skyrocket, expect both

existing and new owners to seek ways to find a return on their investment (Deloitte 2017).

Sport is a people business and as such technology is being used to further engage with people. For example, cracking the code of even deeper fan engagement the MLB and NBA created early partnerships with YouTube. Similarly, sport sponsorship no longer means simply attaching a corporate name to a stadium. It has become a triangle of association between the team, the sponsor, and the passionate fan as identified in Fig. 1.1.

Deloitte (2017) suggests that teams will continue to search for ways to optimise fan experience beyond the stadium walls. Proximity to the stadium will not be seen as a prerequisite for tapping new revenue streams on game day. While catering to regular attendees and season-ticket holders is obviously valuable, there's untapped potential in fan bases that have no access to the stadium at all. Over half of all fans from each major sports league in the US are 'displaced fans', meaning they support teams that do not play in the state that they reside. An opportunity exists in

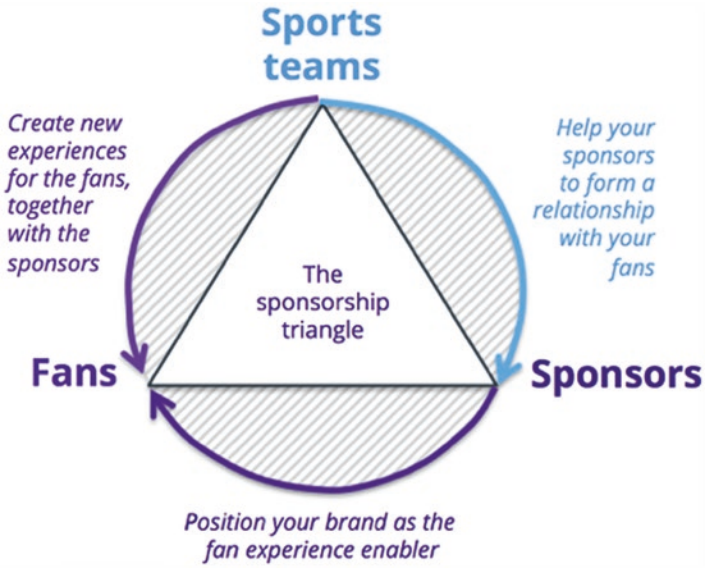

Fig. 1.1 The triangle of association

expanding the reach and generating revenue from these displaced fans. Teams for years have been looking for ways to 'innovate', yet often have had a hard time defining what innovation means to them. Whether they target millennials or displaced fans by innovating the game-day experience for them, teams can take advantage of a previously underserved source of revenue.

Big data is going to continue to change the management sport. Not only because it can tell you more about your customers, but also as popularised in the movie *Moneyball* about the Oakland A's baseball team, the notion of using statistics with predictive modelling can build a winning team. The 2017 World Series champions the Houston Astros used this methodology to achieve their success. Likewise, teams in the NBA, such as the San Antonio Spurs, have used big data sets to help owners and coaches recruit players and execute game plans. The 2013–2014 NBA season, however, was the first for all teams to have SportVU tracking, a system of six cameras in each arena that measures the movements of the ball and every player on the court, generating an entire database of performance information. The way to gain competitive advantage in the future will be finding an analytics technique or technology from another industry that can be applied to sport in an innovative way.

Data are being used to design cities that are more exercise friendly. Strava's co-founder, Mark Gainey, explained how they have shared the data received from their users with city planners in order to help them plan new cycling and running routes, which will cater to the needs and the safety of everyone involved (Skinner and Smith 2017). Going against any predictive model, and any betting company's predictions, the Chicago Cubs won the World Series and Leicester City won the English Premier League. Both triumphs will go down in sporting history as anomalous underdog stories, freak accidents that will be studied and emulated by any would-be overachieving team. Interestingly, stories have come out since their wins, suggesting that both teams used data in interesting and innovative ways to drive their success stories. Data can, to an extent, level the playing field at the highest level of sport and, though data didn't win either team their respective leagues, its influence shouldn't be underestimated.

Social media and the instant scrutiny that it can provide means this trend should continue. Most sports, whether for profit or not-for-profit, are run as businesses, and either way there is an imperative to keep moving forward. To do that, they have to keep improving their product, their customer service and being innovative to keep a share of the sport market. Cable TV is still the major power broker; however, the challenge is to harness the potential of digital, social media and mobile and understand its real value. It's still relatively early days in terms of sport enterprises learning how to monetise these activities but it is imperative that they do. Social media is a key connection; however, too much engagement may distract athletes, and hurt their performance but increase their value. In these situations, sport enterprises deciding between two athletes who are marginal in performance may choose the one who has a bigger social following. Social media contributes to expanding to new markets, for example, the Sacramento Kings in India. The Kings have been making a move towards the Indian market since Indian-American owner, Vivek Ranadive, took over the team in 2013. Ranadive is the first person of Indian descent to own an NBA team, and the Kings also signed the first player of Indian descent in the NBA, Sim Bhullar. With so much fan access occurring via mobile technology and social media, leagues and teams are accelerating global programs, including expanding to new markets. As a consequence, basketball is rapidly growing in India; it is one of the most played sports for high school aged kids in the country.

Virtual reality (VR) and augmented reality (AR) have been making waves primarily in gaming and home entertainment. The nascent technology is making movements into the world of sports, though, and will only become more diverse and more present in the future. Deals between the NBA, the NFL and VR companies have already been struck, with the former working to offer fans one game a week in VR. The NFL is, similarly, set to release match highlights for VR. The technology has the capacity to bring fans closer to the game. Also interesting is how VR and AR could influence elite athlete training. For example, we are seeing the application of VR through the use of headsets for acclimatisation and visualisation before competition, and feedback on performance, as well as brain training style activities. This technology reduces the physical stress on athletes using a virtual environment to train, play and improve

decision-making. With no sports enterprises wanting to be left behind by the competition VR has the potential to make a real impact on training. Options are also open to regular exercisers, for example, with Wii Fit, the Tour de France bike (exercise bike linked to the TV that allows users to ride stages of the Tour de France as the bike simulates the inclines, etc.) and the Oculus Rift headset, which has an estimated total revenue of the expected impact. We are also seeing the wider impact of sports technology on the health of the general population. Blood pressure and cardiovascular disease, for example, strokes can be tracked by portable cardiograms in phone cases; blood sugar and type 2 diabetes are being monitored through technology; while technology is playing a key part in weight control and managing obesity. Similarly, technology is being used to reduce the likelihood of the development of types of disease by altering sedentary habits before they become a problem, by providing doctors with greater information on patients.

Augmented and virtual reality are turning simple physical activities into games to encourage people to make healthier lifestyle choices. The Pokémon Go app uses augmented reality and GPS to incentivise walking. This focus on persuasive technology motivates children to adopt healthier habits without explicitly being told to do so. Although daily users have dropped from 28 million at initial release to 5 million, in terms of encouraging walking as a form of exercise, this could be considered a success. The app was downloaded over 500 million times and the average user's steps increased per day by 26%. This is without factoring in the US$1 billion in revenue since its creation as a free-to-play game.

When we talk about technology in sport, this is more than simple changes to the equipment. We also see this in the blue-chip revolution of portable powerful computer processor chips. Sport is just one example of a sector being commercialised via blue chip. This has resulted in smart equipment and wearables, mobile technology and virtual reality environments; all of these originated in elite sport. For example, between Q4 2014 and Q4 2015, the wearables market saw an increase of 126.9% in sales, and projections estimate that by 2020 the wearable technology market will be worth almost US$35 billion. Although elite sport has driven innovation, the fitness industry is following suit. The fitness industry is experiencing a mobile technological revolution much like the rest

of the society. Francis Sanzaro believes the fitness industry is not the first industry to be targeted by technological entrepreneurs: 'This is a bigger trend in general. It happened in education with "online universities"'. It also happened in transportation with Uber, music with Pandora and lodging with Airbnb. The 'Uberisation' of the economy begins with a touch of a smartphone button. Need a ride to the airport? An Uber will arrive at your door in minutes. Running late for work but still need your coffee? Order ahead on the Starbucks app. Want to grab a workout on your way home from work? The ClassPass app provides quick mobile check-in to cycling and yoga studios in the area. The 'Uberisation of the Fitness Industry' was almost inevitable.

Wearable technology is continuing to diversify and one potential new growth area is performance-enhancing wearables. Halo, a US start up, has developed a pair of headphones the company claims stimulates a part of the wearer's brain, improving performance and making the wearer more able to learn through repetition. With the wearable tech market still growing we will see the foundations laid for a more diverse range of wearable devices that will not only record performance, but enhance it. Wearable technology with GPS capabilities such as shoes and watches linked to earphones is allowing blind people to navigate streets unassisted, and this has transferred to using gym equipment as well as running and cycling. Virtual environments facilitate safe spaces to exercise in and do not require going to another venue for the housebound, while specialist needs are also driving innovation as technology emerged for better arm tracking when trying to measure activity pushing a wheelchair. CarePredict is a perfect example, tracking the movement at home of isolated single elderly people. While only 19% of people with no chronic conditions track their health indicators, 40% of adults with one chronic condition do so, and 62% of adults with two chronic conditions do so. In 2017 approximately $US3 billion was spent on wearable medical devices, and that's expected to grow to US$8.3 billion in the next five years. With the widespread adoption of technology, the sport and fitness industry also has a chance to create impact in poor communities. The cost of microchips has reduced and technology is becoming affordable to the poorest.

The simultaneous growth of apps that link to the wearable technology growth all ties into the modern mobile phone lifestyle allowing information to be at consumers' fingertips. Apps are being used in elite sport where, for example, all professional athletes can now download the WADA app to check banned substances. It is now common, however, to see apps for Nutrition (FitnessPal), Coaching (Coach's eye, sportplan, longomatch), Training (mapmyrun) and administration (teamer, onsport, mylocalpitch). This is a connection with the gym outside the gym and apps have streamlined a number of tasks for individuals, teams and coaches and provide a wealth of information. First, the typical runner now has information available to them previously reserved for the elite within laboratories such as VO2 max and ground impact times. Now due to accelerometers, users are getting feedback on more advanced physiological measures, such as gait patterns and posture during the day. Advances in technology are also changing the way we learn about exercise habits. Accelerometers are giving researchers access to patterns of movement and exercise 24/7. This, coupled with other developments such as inbuilt heart rate monitors, nutrition tracking apps and the downsizing of microchips, researchers are in an age of detailed patient information beyond anything previously experienced.

Sport technology is also contributing to improving healthy behaviour. In the past, the relationship between sport and technology was viewed as a negative relationship. Now we are seeing how technology can engage children with physical activity in fun ways beyond engaging in completion or formal settings. Microsoft, Nintendo and Sony have all developed gaming systems that incorporate physical activity. The UK Youth Sport Trust has even tried to get technology involved in PE lessons to engage on their level. Young people are able to get better access to facilities, for example the 'my local pitch' app allows anyone to book a playing facility hassle-free, as well as highlighting free resources. The Internet means people are more aware of different sports. Professional sports teams are investing more money into ensuring performance, but also the technology behind recovery from performance. The Boston Red Sox have specially designed sleeping environments controlled by technology facilitating better sleep for their athletes. From this innovation in recovery, 'smart' mattresses are now available.

Finally, in late 2016, hackers revealed that British cyclist Sir Bradley Wiggins had been granted the use of a powerful corticosteroid to mitigate his asthma before three important races. Given recent scandals involving tennis star Maria Sharapova and cycling legend Lance Armstrong, it's unsurprising that many athletes are questioning the use of Therapeutic Use Exemptions (TUEs) and their potential abuse. Calls for transparency for TUE usage will likely be answered, and scrutiny over their use will increase across sports. This means that more than ever before, athletes and teams will be forced to chase marginal gains as the playing field is further levelled. Very few of those using TUEs are abusing them, that should be noted, but if the option is removed or heavily scrutinised it'll be through innovative use of technology solutions that coaching teams and athletes find their edge.

Identifying the Key Challenges for Sport Enterprises to Align with Trends

Despite the many ways that sport contributes to society, sport enterprises are under unprecedented pressure to expand and find new markets and opportunities in this increasingly globalised industry. In the rapidly changing global sport business environment, innovation and change should be a fundamental focus of sport. However, as global competition increases it is through innovation that sport enterprises will evolve to gain a better competitive advantage. Sport enterprises need to establish a culture of innovation to create sustainable competitive advantage. As depicted in Fig. 1.2, two decades ago the world was experiencing technical innovations, such as those in computers, electronics and software.

Fig. 1.2 Transitions in innovation

Hwang (2014) suggests that about a decade ago the game shifted to a business model of innovation. The lean start-up movement is a manifestation of that philosophy. The proliferation of subscription services, loyalty programmes and online community platforms are good examples of innovative thinking around business models and customer engagement. Today the organisational advantage lies in cultural innovation. Culture is what gives rise to, on a sustainable basis, the best innovations and the best business models. Competitors may copy a business model but a sport enterprise with a culture of innovation will have already evolved to another level (Hwang 2014).

Organisations such as Netflix, Apple, Google, ZAPPOS and Microsoft have all developed innovative cultures. Netflix values freedom and responsibility, so they have no need for a vacation policy. They attract hordes of 'A-players' but do not tolerate 'brilliant jerks'. The culture expels them most times before their manager needs to. Apple guides people to 'do great and innovative things', which leads to a philosophy of excellence. They encourage employees to not play it safe, and they reward employees when they 'think different'. Google's mantras of 'don't be evil' and 'ability over experience' suggest that super-smart graduates from elite universities enter the Googleplex determined to succeed, ready to contribute and share the fruits of their talents with the online universe. Sport enterprises such as Nike, Under Armour, and Decathlon have developed organisational attributes that shape their cultures of innovation. Nike's heritage is deeply rooted in innovation, diversity and inclusion are key levers in continuing to drive creativity and innovation. They believe outstanding teams are composed of people with diverse backgrounds, perspectives and skill sets. This fosters a 'culture of invention' leading to the creation of new products, services and experiences. Under Armour abides by the motto: 'Act (like a global citizen), Think (like an entrepreneur), Create (like an innovator) and Perform (like a teammate)'. Each phrase supported by the words 'I Will'. Decathlon use the slogan 'Innovate Smart' and place at the user at the heart of their approach a focus on 'usage innovations'. They listen to, and observing sports people in action, to design their products for the end user. In this way, they believe their innovations are accessible to a maximum number of customers and users worldwide.

Outlining the Key Dimensions of an Innovative Culture Framework

Leadership is a critical element in fostering organisational innovation because it is the leaders in an organisation who have the opportunity to offer support and guidance when innovations are developed or proposed, and to create an environment that is conducive to implementing innovations (Crossan and Apaydin 2010). Such innovation can be seen in the actions of the owners of the Seattle Sounders in Major League Soccer (MLS). From the inception of the team, the owners decided to manage the team democratically, allowing fans a significant say in the operation of the team, and membership was proposed by actor and owner Drew Carey. Nike believes in enabling leaders to make great decisions that in turn enable Nike's business growth. Fostering innovation, however, requires leaders to create a culture that is conducive to achieving it. Cashman (2013) suggests there are a number of ways leaders can foster innovation. He suggests leaders need to 'be on purpose'. This means leaders need to take the time to clarify their motivating values and compelling purpose, individually and collectively. Purpose is the value-creating and energy-multiplying life force of innovation. They need to 'question and listen'. This means leaders need to step back to be open and curious. Ask questions, listen deeply and seek diverse viewpoints. Constant inquiry and questions form the 'linguistics of innovation'. Leaders need to be willing to 'risk experimentation'. This requires having the courage to accelerate through failure by building momentum and speed through new learning. Leaders who facilitate an innovative culture need to step back to make sure that behaviours, systems and processes are not barriers to risk experimentation. Leadership is about the ability to reflect and synthesise. As a leader, there is a need to set aside time for integration and synthesis. Identify a way to cut through the clutter to gain clarity and new possibility. Leadership should create clarity out of chaos.

At times leaders need to consider 'inside-out and outside-in dynamics'**.** This means pausing to consider the forces shaping the future by examining internal and external cues. They need to foster optimal creativity internally and consider competitive, global, and futuristic dynamics in an

integrated manner. Innovation stands at the transformative crossroads of internal, collaborative creativity and external, customer-focused needs. Leadership is also about taking the time to connect, coach, mentor, and develop people. Constructively challenge their thinking, strategy, and behaviour through the lens of innovation. Leaders need to stretch people to create, innovate, and envision alternative futures. If leaders foster generativity**,** as identified above**,** they will grow their people; this in turn will grow a culture of innovation. Finally, leaders need to be authentic. The innovation potential of teams or sport enterprises will be directly proportional to the leader's innovation embodiment. A leader's own behaviours should not unintentionally be limiting an innovation. In short, leaders should be the collaborative innovators they want the sport enterprise to be (Cashman 2013).

It is essential that sport enterprises enable an innovation strategy. Sherwood (2002) suggests that in an innovative organisation, all the detail underlying these main themes has been deliberately designed to encourage, support, and reward innovation, so that all aspects of the business are consistent and pointing in the same direction. This includes the organisation's physical environment; this means designing the work environment to encourage people to interact with each other, and to maximise the likelihood of having different people meeting one another by chance. Budgets need to factor in the cost of innovation and this includes project funding. Sherwood notes that not every project has to go to the CEO or board for approval. When managing projects sport enterprises should be able to run both a line structure and project structure at the same time. Moreover, managing a pipeline of ideas will require a champion (board level), and naturally (but not necessarily) the individual with prime responsibility for the processes for business and strategic planning. This also entails ensuring the individuals throughout the organisation are equipped to participate in idea generation and evaluation. A specific function within the sport enterprise can take responsibility for overseeing innovation and act as a central focal point where all ideas are logged and can administer the information system that captures all the ideas, and monitors their progress from one stage to the next across the innovation target. This function acts as a central hub for information on creativity and innovation, providing support across the sport enterprise.

Fostering collaboration is also a key component of an innovative sport enterprise. However, in a time of globalisation, growing uncertainty, ambiguity and change, traditional ways of doing business are no longer sufficient for sustainable competitive advantages. It is, therefore, important to consider non-conventional collaborations, methods, approaches and initiatives to release and apply creativity in order to facilitate and develop organisational innovation capacity. The relevance of shaping collaborations is strongly related to the challenges that today's business landscape poses to sport enterprises. Creating a culture of innovation can provide to sport enterprises with competitive advantages, but many sport enterprises do not yet have a clear understanding of how to strategically create an innovative culture. Google, for example, talks about sharing as much information as possible on Google's intranet to facilitate collaboration. It has recently gone one step further, with a view to tapping into ideas from the public, noting that there are seven billion people in the world and the smartest people will always be outside Google. By doing what Google refers to as 'defaulting to open', they believe they are tapping into the creativity outside of Google. Under Armour, known for its focus on innovation and entrepreneurship, has a similar philosophy. There is a section on its website to encourage people outside of its organisation to submit ideas, a practice referred to as 'open sourcing'.

What the above examples suggest is that organisational value creation capacity is not only linked to the definition of efficient and consistent organisational systems, as traditionally espoused in modern management, but it is increasingly tied to the establishment of cultures that are able to meet changing market demands and continuously emergent business problems (Hamel 2007). Sport enterprises need to be more and more flexible, agile, intuitive, imaginative, resilient, and creative in order to face the increasing complexity, turbulence, and pace of change of the competitive environment of global sport (Schiuma 2011). These dynamics are connected with the increasing need of sport enterprises to do business in different ways. The traditional rationale and efficiency-based way of managing sport business is no longer sufficient to guarantee profits and sustainable competitive advantages. It is becoming increasingly necessary for sport enterprises to build innovation capacity through cultural adaptations. In order to foster innovation capacity and performance improvements,

change and transformation, sport enterprises need to collaborate both internally across their functions and externally across their ecosystems.

Sport enterprises need to reduce the fear of failure. Michael Jordan famously said: 'I've failed over and over, and that is why I succeeded'. Sport enterprises need to embrace the notion of reward and recognition. If they wish to encourage innovation, then those who contribute to it should be rewarded accordingly. As Sherwood (2002) suggests, to overcome this fear of failure there is a need to drive openness to new ideas. Senior management plays a key role in doing this. One of the most beneficial acts of senior managers is to protect innovative activities, especially idea generation. They should protect the idea from being evaluated by others prematurely and they should also ensure that the time meant to be spent on innovation is actually being spent on it. For example, by creating a context in which sport managers fully understand the importance of idea generation sessions, and do not stop their staff attending because of daily obligations. This requires embedding innovation into the everyday practice of employees. Sherwood suggests for sport enterprises that do not yet have that degree of maturity with respect to innovation, sport enterprise should introduce an increasingly rich portfolio of measures steadily over time. This should start with input measures (most importantly, number of people trained in creativity and innovation, and the amount of time devoted to idea generation and evaluation), then moving on through the process measures (monitoring the flow through the idea pipeline), and only then introduce output measures. By adopting a staged approach, sport enterprises can reduce complexity, minimise the burden of new systems, and are most likely to stimulate the innovative activities and behaviours they want to encourage.

Creating an Innovative Culture Framework

Rao and Weintraub (2013) suggest that creating an innovative culture rests on a foundation of six building blocks: resources, processes, values, behaviour, climate and success. They suggest that these building blocks are dynamically linked. For example, the values of the enterprise have an impact on people's behaviours, on the climate of the workplace and on

how success is defined and measured. When it comes to fostering innovation, sport enterprises have generally give substantial attention to resources, processes and the measurement of success. The majority of sport enterprises, however, give little if any attention to the harder-to-measure, people-oriented determinants of innovative culture, such as values, behaviours and climate. Most sport enterprises do well in managing resources, processes and measurement of innovation success than they have the more people-oriented innovation building blocks. As many sport managers come to realise anything that involves people's values and behaviours and the climate of the workplace is more intangible and difficult to handle. Rao and Weintraub suggest that 'the soft stuff is the hard stuff'. Yet they note that these 'people issues' have the greatest power to shape the culture of innovation and create a sustained competitive advantage.

While acknowledging the insights of Rao and Weintraub (2013), our argument is that in order to create a culture that enables innovation, attention has to be given to all aspects of innovation's deployment. In particular, we propose that innovation must be considered within the context of a sport enterprise's cultural perspective, its horizon of focus (discussed in greater detail in Chap. 5). Such a cultural innovation model begins with understanding how exploit and explore cultural horizons can host both incremental and radical innovations. Building upon these two horizons, the truly innovative culture can be constructed where both explore (adaptability, risk) and exploit (control, efficiency) is each pursued in high measure. The problematic cultural and resource issues around switching between high levels of exploit and explore modes of operation, or a bland compromise between the two, gives way to an innovation environment where opportunities stimulate aggressive responses.

Organisational culture tends to be conventionally defined, perhaps a little mechanically, as shared values and beliefs. But culture possesses far more complexity than this. In order for an innovative culture to be created and bolstered, the right shared values and beliefs must in some way be reinforced and transferred to organisational members. To accurately assess the innovation culture of a sporting enterprise we must comprehend the depth and breadth in which a culture can be manifested. Because culture assumes a largely unconscious presence, hidden from view, an

innovation cultural map of the sport enterprise must address organisational culture on varying levels of depth and accessibility. An innovation cultural map summarises the predominant features of a sporting enterprise's culture. In short, a map provides a means through which raw observational data can be interpreted, and action taken, so that innovation of various types has a better chance of taking seed. These ideas are expanded upon in Chap. 5.

Conclusion: What Lies Ahead

In the chapters that follow we identify that a characteristic of an innovative culture is a willingness to embrace risk-taking. Sports enterprises take risks through their business strategy and innovation practices. However, we move beyond just understanding the relationship between a willingness to take risk and innovation and draw on examples of innovative organisations that have achieved long-term sustainable competitive advantage. Chapter 2 develops the concept of entrepreneurship and examines if entrepreneurs are a necessity for innovation. Chapter 3 explores the development of effective innovative leadership within an organisation. It argues that sport enterprises must develop an innovative leadership culture, a climate that promotes and acknowledges the innovative process. Chapter 4 highlights how innovation has been applied in sports and the potential lessons that flow from this for the marketplace and customer expectations. Chapter 5 outlines the process-oriented approach to innovation. It highlights that successful cultural innovation is dependent on numerous organisational strategies that leverage innovation practices and networks, facilitates internal and external engagement, and increases the influx of ideas that leads to business growth. Chapter 6 explores the notion that a culture of innovation enables true empowerment. In an innovative organisation, all the detail underlying these main themes has been deliberately designed to encourage, support, and reward innovation, so that all aspects of the business are consistent and pointing in the same direction. Chapter 7 identifies that sustained growing innovation is a highly productive state in which a sport enterprise strives to innovate in all aspects of its business. It requires a seamless, structured

management approach that begins with leadership and connects all the way through technology investment and implementation. We suggest that growing innovation is a journey, not a destination. The book concludes by drawing together an Innovative Culture Framework by conceptualising how the key dimensions of: (1) Leadership, (2) Aligning Business and Innovation Strategy, (3) Fostering Collaboration, (4) Reducing Fear of Failure, and (5) Driving Openness to New Ideas can be applied to sport enterprises. It argues that developing and integrating these dimensions provide the catalyst to foster a culture of innovation within sport enterprises to create new sport business trends and capture these new market opportunities. In the next chapter we introduce the connection between innovation, culture and entrepreneurship.

Case Study: Fostering Innovative Ecosystems—Under Armour

Under Armour was founded in 1996 by Kevin Plank, a former football player at the University of Maryland. Plank used his entrepreneurial spirit to create something he personally needed, a sports shirt that didn't make him 'the sweatiest player on the football field'. Seeking wicking fabrics to wear on the field, rather than his sweat-laden cotton shirt, provided the impetus for Plank to establish the Under Armour brand. Plank experimented with underwear fabrics to find a light, cool fabric that would work on the field. The aim of the brand was to focus on performance wear for athletes, engineered lightweight clothing to keep athletes cool and dry throughout the course of a game, practice or workout. Under Armour uses complex technology to create diverse product ranges for men, women and youths. The brand offers HeatGear® when it's hot, ColdGear® when it's cold, and AllSeasonGear® between the extremes.

Whilst the brand is going from strength to strength, now taking 75% of the market share, inventing new fabrics and implementing technological advances and wearables into its product lines, perhaps the brand's ability to foster a true environment of innovation is its real core strength. Under Armour positioned itself in the market place as high-quality

apparel, the best available, using this positioning to establish its brand ethos. Under Armour challenged the norm and disrupted the marketplace, becoming a powerhouse in innovation in terms of marketing, sponsorship and branding, as well as fostering an environment of high performance as an innovative company ecosystem that stretches beyond their own company culture to the network of collaborators they create with.

Under Armour targets select athletes to market their campaigns; they push beyond their own brand to build a collaborative brand which incorporates the kind of athletes that resonate with their clothing lines. Whilst most sports apparel lines offer this link, Under Armour use innovation as the core of their values, it drives everything that they do. Marketing their brand to 'overcoming obstacles', encouraging consumers to be fearless and determined. These core values capture passion, intensity and drive. They successfully play the underdog card, a marketing strategy that has seen them compete equally with powerhouse brands such as Nike and Adidas, using their innovative edge to compete head-on in an already saturated market.

To foster this innovative culture, Under Armour built a unique brand strategy. In the early days Under Armour used lesser-known athletes to compete with Nike; in their first commercial they used Kevin Plank's teammate from the University of Maryland to star in an ad for the brand. They fiercely championed the underdog. This drove the culture of 'overcoming adversity' and 'overcoming obstacles' and by using lesser known athletes that showed character and attitude they were able to work within lower budgets.

Fostering a diverse innovative ecosystem has led to them opening flagship stores in Shanghai, which follows a similar model to what we see with Apple, offering consumers a unique Under Armour experience. These opportunities foster consumer engagement and sustain the narrative of the brand. They drive innovation through creating new products, such as the infrared technology that drives heat around the body and developing new fabric technologies which are constantly evolving.

Under Armour have managed to systematically scale the brand whilst being true to their core values; they have added lines continuously, branched out with umbrella companies and branded each innovation, yet

they remain close to their founding principles, which promotes and fosters this cultural ethos they have built up of determination against all odds. Branching out into women's clothes lines using women athletes and female designers has been successfully managed. An example was the brand promoting products using the ballet dancer Misty Copeland, an athlete that was once told she did not have a ballet dancer's body. They have strategically pushed the boundaries sensitively, and with very clever marketing campaigns have successfully scaled a brand which now competes with Nike head to head.

Under Armour, like Nike, have also faced controversy. Following the Sochi Winter Olympics, when the brand was blamed for the poor performance of the athletes due to the 'skins' suits the athletes were wearing, Under Armour committed to improving the line, adapting and bringing out new versions. When it was found that it wasn't the fault of the clothing, the brand still sponsored the team and showed publicly their openness and willingness to challenge the innovations, whilst defending the technologies in the garments. This approach upheld the brand's core values, and showed that as a sport enterprise they can overcome challenges and find solutions to problems. This openness offers transparency, it shows consumers the risks the brand takes—they are pushing the boundaries—fosters innovation in everything they do. They have been incredibly bold to compete in the sports apparel market, and by staying true to their founding shared values they continue to foster a collaborative and innovative ecosystem.

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2

Entrepreneurship: Think, Create and Act

Introduction: The Entrepreneurial Journey

Ever since the early work of Schumpeter (1934), the concepts of 'entrepreneurship' and 'innovation' have been strongly related. Due to Schumpeter's ideas, entrepreneurship and innovation have been closely linked in the popular mindset. Baumol (2002) argued that entrepreneurial innovation was the true source of national competitive advantage. According to Baumol's thinking, entrepreneurs were required for the introduction of novel ventures that broke with established development paths and undermined established competencies. Consistent with this, Autioa et al. (2014) point to the earlier work of Scherer (1980), who identified numerous disruptive innovations that were introduced by entrepreneurial firms, such as the electronic calculator, alternating electric current, sound motion pictures, and the turbojet engine. Recent examples of entrepreneurial innovation include biotechnology, the personal computer, Internet search engines and its impact on sport. Ratten (2011) suggests we can see innovation in sport through such things as the introduction of online fantasy sports; NASCAR FanVision, a hand-held controller that allows fans to sit in the driver's seat and watch from

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multiple angles; and player tracking technology and statistics that are changing the way we understand the game of basketball.

Entrepreneurship is the driver of innovation, social change, and economic development (Konczal 2013). Associating entrepreneurship with innovation has led to policies being adopted to stimulate innovation by entrepreneurial firms. Policymakers therefore consider entrepreneurship necessary for sustaining economic prosperity through job creation as it improves the competitiveness of an economy and creates new wealth. Consequently, as industries change and develop it is through entrepreneurship that the economy continues to grow. The concept of entrepreneurship is generally thought of in terms of new start-ups. However, it is equally important to maintain the entrepreneurial spirit even inside established organisations. Success in early-established organisations is attributed, in most cases, to a balance of the entrepreneurial orientation dimensions. As an example, to produce a high level of entrepreneurial development and a climate of innovation, the main focus of the organisation is on proactiveness and autonomy (Dess and Lumpkin 2005).

Entrepreneurship should be seen as a core element of sports business as it creates competitive advantage for people and enterprises involved in sport (Rattan 2011). Sport enterprises embarking on an entrepreneurial journey for the first time are faced with quickly adapting to situations without knowing the 'rules of the game', or more importantly, knowing how to change the rules in order to suit their endeavours. Many sport enterprises lack awareness of the ripple effects that policies, norms, markets and numerous other factors can have on their intended actions. Learning how to 'play the game' means learning how to effectively react and even stimulate the ripples in order to not only survive, but thrive in creating new opportunities. For example, entrepreneurship is particularly important for those involved in developing new ways of marketing sport (Ratten 2011). This begs the question of whether sport enterprises can learn how to be entrepreneurial so as to achieve their ambitions. We suggest that entrepreneurship can be seen as a management process, suggesting that entrepreneurial behaviour is crucial to the long-term vitality of sport enterprises.

Entrepreneurship as a Behaviour

Schumpeter (1934, 1942) cast entrepreneurs as innovators that challenge existing market orders and capitalise on the resultant disequilibrium. Conversely, Kirzner (1973) described entrepreneurs as individuals who discover opportunities and incrementally change their competitive environment through small-scale differentiation from competitors. Knight (1964) emphasised the risk-bearing properties of entrepreneurship and stressed ostensibly unique character traits that all entrepreneurs share. Finally, Shane and Venkataraman (2000) described entrepreneurship as abroad set of activities that result in the introduction of novel goods and services. Although these definitions are not meant to be mutually exclusive, even combinations of them predominantly rely on neat categorisations that can clearly be observed, understood, and catalogued. Furthermore, despite the increased and continued interest in entrepreneurial contributions to economic growth and management theory, there exists no unanimous understanding of what constitutes an authentic entrepreneur or entrepreneurship (Morrison 1998).

Entrepreneurship scholars seek answers to questions such as: (1) why, when, and how opportunities for the creation of goods and services that come into existence; (2) why, when, and how some people and not others discover and exploit these opportunities; and (3) why, when, and how different modes of action are used to exploit entrepreneurial opportunities (Shane and Venkataraman 2000). Reflecting the importance of these questions, entrepreneurship has been defined as the identification and exploitation of previously unexploited opportunities (Hitt et al. 2001). Thus, as a context-dependent social process (Ireland et al. 2001), entrepreneurship involves bundling resources and deploying them to create new organisational configurations (Schoonhoven and Romanelli 2001).

It does not seem useful to narrow the entrepreneur by defining those economic functions that are ‘entrepreneurial’ and those that are not. Nor does it appear particularly helpful to describe the traits that seem to engender entrepreneurship in certain individuals. From our perspective, entrepreneurship is an approach to sport business that we define as follows: the pursuit of opportunity without regard to organisational resources currently controlled. An acknowledged gap in the entrepreneurship literature

is an almost myopic focus on the individual, the team, and the resulting venture while not paying much attention to how context regulates the behaviour, choices, and performance of each (Davidsson 2006). This is a non-trivial omission, since we know it is the unique context that regulates what choices sport enterprises are likely to make and what the outcomes of those choices are likely to be. For this reason, context must play a central role in our understanding of the origins, forms, micro-processes, functioning, and diverse outcomes of entrepreneurial activities. But how does sport regulate entrepreneurial innovation? Although there have been studies exploring contextual influences on entrepreneurial behaviours (including innovation), overarching frameworks to guide sport enterprises have been missing. Organisational context captures the unique characteristics and influences that exist in sport enterprises; for example, the organisational culture of sport enterprises and its effects on business practice can be vastly different to other organisations (Nanda and Sorensen 2010).

Timmons and Spinelli (2007) observe that despite the differences in organisational contexts successful organisations have characteristics in common which can be evaluated, altered and influenced. These organisations are: (1) opportunity driven, (2) led by an entrepreneurial leader or by an entrepreneurial team, and (3) are creative despite having restricted resources. The Timmons Model of the Entrepreneurial Process identifies the need for a balance between three main elements that guarantee the entrepreneurial organisational success; these elements are: (1) opportunity, (2) resources, and (3) the team. These elements need to be managed by sport enterprises, as they exist in a dynamic environment. Timmons and Spinelli do not so much try to define entrepreneurship as to more describe how 'it' has the best odds of happening, and although it is focused on new venture creation the key elements of it can be applied to sport enterprises.

The first element is 'opportunity'. Timmons and Spinelli (2007) suggest that a new product or service starts by identifying an opportunity. An environment where creativity and communication are encouraged, opportunity identification generates the organisational context where value is added. Opportunity can be measured by parameters such as the size of the market, the demand or the market structure; these parameters produce the factors that differentiate an opportunity from only having an idea. Timmons and Spinelli argue, 'the more imperfect the market, the greater

the opportunity. The greater the rate of change, the discontinuities, and the chaos, the greater is the opportunity…' (p. 90) so the opportunity has a lot to do with gaps in the sport market and changes in the environment in which the sport enterprise competes. The next element is the 'resources', which can be defined as a procedure or a means to accomplish a task. Every sport business idea needs the correct organisation of its resources so it can be exploited into a true opportunity. The resources required are usually the financial resources needed along with the necessary people. The main point Timmons and Spinelli makes is that entrepreneurial organisations should not think financial resources first, having too much money early is not necessarily a good thing but rather 'doing more with less is a powerful competitive weapon' (p. 91). The element of the 'team' is the last driving force. This means having the right people working efficiently. This usually begins with a leader that establishes an entrepreneurial organisation and culture, which is the most critical ingredient for success. A good entrepreneurial team is necessary for creating new market niches and opportunities. In sum, creating organisational entrepreneurship is about the right combination of these factors (Timmons and Spinelli 2007).

Timmons and Spinelli's (2007) model provides the foundations for the development organisational entrepreneurship, a process whereby an individual or a group of individuals within an organisation initiate innovation within the organisation (Sharma and Chrisman 1999). Producing an entrepreneurial organisational environment requires sport enterprises to follow entrepreneurial strategies and practices that generate innovation, adopt a risk-taking mindset and the ability to recognise an opportunity (Dess and Lumpkin 2005). However, just because you can be entrepreneurial, does it also mean you are being innovative?

Entrepreneurship and Innovation: Two Sides of the Same Coin?

Innovation is a cornerstone of entrepreneurship, and commercialisation is generally the stage at which the opportunity for economic return is pursued by bringing products and services to the market. Entrepreneurs recognise and capitalise on opportunities to develop new products and

services, establish new ventures, expand on existing offerings, and commercialise ventures. In today's evolving and competitive sport business environment a focus on entrepreneurship can act as an agent for change, provide creative innovative ideas and allow them expand into new markets (Kuratko and Hodgetts 1998).

However, does being entrepreneurial always lead to innovation? As the need to understand and develop entrepreneurship increases so does the need to understand the linkages between entrepreneurship and innovation. Heidemann et al. (2006) suggest that entrepreneurial orientation will be highly influential on the development of innovation and the key to recognising opportunities. Dess and Lumpkin (2005) suggest there are five dimensions of entrepreneurial orientation, and sport enterprises need to consider them. The dimensions are: (1) Autonomy, an independent action by individual or team aimed at conceptualising a new opportunity and carrying it through to completion. (2) Innovativeness, the willingness to introduce novelty through experimentation and a creative process aimed at developing new products and services. (3) Proactiveness, a perspective of looking forward, being a characteristic of a leader that foresees capturing opportunities in anticipation of future demand. (4) Risk-taking, making decisions and taking action without having certain knowledge of probable outcomes; some activities may also involve making substantial resource commitments, and (5) Competitive Aggressiveness, the need for an intense effort to outperform industry rivals, characterised by a combative posture or an aggressive response aimed at improving the sport enterprise's competitive position or overcoming a threat in a competitive environment. Success for sport enterprises in most cases will be a result of the balance of the entrepreneurial orientation dimensions; for example, in order to produce a high level of entrepreneurial development and a climate of innovation the main focus for some sport enterprise may be on proactiveness and autonomy, while for other sport enterprises it may be on different dimensions. This is the case as sport enterprises operate in different markets with different goals and objectives.

To enhance autonomy, an entrepreneurial orientation must be encouraged to foster innovation to create new sport products and services. The structure of the sport enterprise is important to be taken into consideration. On one hand, the top-down approach provides the leader with the

opportunity to incentivise entrepreneurship. On the other hand, the best ideas may come from a bottom-up approach. For innovativeness, as one of the major components of entrepreneurial activities efforts should be directed to find opportunities and original solutions that will become new sport products and services. It is important to consider that even when innovativeness can be the source of progress it might require numerous resources without producing a visible result. Therefore, while innovativeness may suggest the possibility of greater market share, it can also involve major risks in research and development investments. To amplify the level of proactiveness sport enterprises must monitor the trends and anticipate changes in demand that might lead into new opportunities. Common actions that sport enterprises could embrace toward proactiveness include the introduction of new products or technological capabilities ahead of the competition and a continuous search for new service offering. In order that a sport enterprise maintains their level of proactiveness a careful monitoring of the environment and an extensive feasibility research is needed. As an entrepreneurial sport enterprise an awareness of the level of risk-taking before launching any strategies is essential. Sport enterprises need to research and estimate risk factors to minimise uncertainty, as well as practices and techniques that have worked in other domains. Finally, competitive aggressiveness presents the effort of the sport enterprise to exceed their competitors (Dess and Lumpkin 2005). Some sport enterprises that wish to enhance their entrepreneurial position should also be aware of the bigger strategic picture. For example, National Governing Bodies (NGBs) may wish to work collectively on such issues as raising sport participation levels in general. In this case an NGB seeking individual advantage through competitive aggressiveness could damage their reputation with other NGBs as their actions may be at odds with the collective goals that NGBs have agreed to. In this example, competitive aggressiveness needs to be tempered.

Ratten (2016) suggests 'that sport enterprises are changing to meet the expectations of other businesses and consumers who see innovation as a core part of sport that needs to be disruptive in order to induce radical change' (p. 245). She argues that integrating disruptive innovation into the industry will require time, although evidence of immediate change will be apparent. As such, there will be a mixture of embracing disruptive

innovative practices while at the same time retaining some elements of the status quo. To highlight this, Ratten points to athletes who still prefer to wear cotton rather than the new sweat-resistant fabrics produced by clothing manufacturers. Similarly, she identifies that despite the growing use of mobile communications to transmit messages to players by some coaches, others still prefer to communicate through face-to-face messages.

Ratten (2018) defined sports innovation as the creation of a process, product or service that leads to increased competitiveness in a sport context. The common understanding is that innovation is the multifaceted and interdisciplinary concept of creating or introducing something new to products, processes or services or generating a change in any level of organisational activity (Fransman and Bogdanowicz 2014; Thompson 1965). This is a broad idea that can be applied to almost any context at any level. When it comes to sports, innovation can be developed and made useful to create or improve products, services, processes, policies, or in competitive sports, to improve performance and change rules, or improve the consistency of results. In that sense, sport innovation can be defined as any form of change or novelty applied into a sports context (Ratten and Ferreira 2017; Tjønndal 2016).

Even though there are several types of sport innovation researchers call attention to the interdependency of those different types, and to the fact that often one innovation opens the path to the other, creating a chain reaction of changes (Desbordes 2001; Ratten 2018, Tjønndal 2016). Newell and Swan (1995) studied the diffusion of innovation in sport enterprises taking into consideration that sport enterprises are unique. A major difference between any other enterprise and a sport enterprise is that the latter compete for different forms of resources such as government grants, members, spectators, sponsorship and media coverage. Thus sports enterprises require a framework with which to address how innovations are created and adopted within this unique context of sports. Newell and Swan attribute significant importance to the inter-organisational networks that connect sport enterprises.

Although a sport enterprise may have an entrepreneurial orientation and focus on innovative practices to develop or improve new products and/or services to enter a new market, or expand an existing one, there may be entry barriers that restrict its ability to disrupt the market. Entrants that prove disruptive begin by successfully targeting those overlooked segments, gaining a foothold by delivering a product or service that is acceptable to consumers but at a lower price. Incumbents tend not to respond aggressively as they are servicing more demanding market segments that offer greater profitability. When entrants decide to move into the upmarket segment and take a significant number of core customers away from the incumbent, while preserving their existing market, disruption has occurred. The theory of disruption predicts that when a new entrant tackles an incumbent's competitors front on, offering better products or services, the incumbents will accelerate their innovations to protect their business. They will either challenge the new market entrant by offering either better services or products at comparable prices, or one of them will seek to acquire the new entrant.

Despite these barriers to entry numerous former elite athletes are now innovative entrepreneurs. For example, George Foreman, the former boxing champion, started a line of kitchen appliances designed for healthier grilling. Foreman's company earned more than he ever made from boxing. Dave Bing one of the NBA's 50 greatest players, and a seven-time all-star, started a steel mill in Detroit which became one of the top 10 African American owned companies in the United States with sales of over $200 million. Roger Staubach the star quarterback who led the NFL in passing yards during his career, formed a real estate company that had 50 offices in three countries and was eventually purchased for over $600 million. Skateboard superstar Tony Hawk has mastered (and invented) skateboard tricks that have reshaped the sport. While continuing to perfect his sport he started a company to provide skateboarders with top of the line equipment, established a clothing line, and partnered with a video production company to create video games about skateboarding. Wayne Gretzky the legendary ice-hockey player who at one point held 61 NHL records started his own restaurant and winery.

HomePlate Peanut Butter, the Texas-based company founded by ex-baseball players, provides a healthier option for athletes and fans and can

now be found in the clubhouses of all 30 Major League Baseball teams. Pro Football Focus the football data/fantasy football business was started by an ex-NFL player Cris Collinsworth for anyone who cares about football. All these athletes possess an entrepreneurial orientation as many of the characteristics that have made entrepreneurs successful are the same characteristics that have made athletes successful. Passion, tenacity, vision, self-confidence, flexibility, challenging conventional rules and thinking, and a tolerance of fear means many elite athletes are able to exploit a market opportunity by demonstrating entrepreneurial initiative.

Intrapreneurship: How Is It Different?

We have discussed entrepreneurship but equally important is intrapreneurship. This is a relatively recent concept that focuses on individuals within a sport enterprise that have many of the attributes of entrepreneurs. According to Pinchot (1985), intrapreneurs are people within an organisation who turn an idea into a profitable finished product through assertive risk-taking and innovation. Text messaging (MMS) for instance was developed by intrapreneurs at AT&T and NTT DoCoMo as a new wireless service. The distinction between entrepreneurs and intrapreneurs can be seen as a difference in the level of focus. While an entrepreneur should see the sport enterprise as a vision from starting point to end the intrapreneur is a component of this broader vision. The intrapreneur works within the sport enterprise to solve a specific problem. Like entrepreneurs intrapreneurs take risks and find more effective ways to accomplish tasks. Intrapreneurs are the drivers of innovation within sport enterprises. In a similar role to that of entrepreneurs intrapreneurs seek to provide solutions to unique market-driven problems. They seek policies, technologies and applications that resolve a barrier to productivity increases. A good entrepreneur recognises talented intrapreneurs and as they are promoted they in turn recognise good intrapreneurs below them. In this way a culture is constructed where talented innovators teach and foster the growth of other talented innovators. If this cycle continues the sport enterprise will be on the way to developing an innovative culture and becoming an innovative leader.

Sport enterprises can cultivate talented intrapreneurs by setting up systems to identify potential. Adobe for example has its own innovation toolkit called Adobe Kickbox, which helps employees to run their own experiments and navigate the uncomfortable complexities of the process. Every employee is given an Adobe Kickbox kit with a prepaid credit card, a proven framework for innovation, and a channel for communicating results to management and senior executives. Google built an entire company on intrapreneurship. It offers its workforce a 20% timeframe for developing personal projects relating to the business. Google believe innovation comes from anywhere and it is not in someone's job title, it is everyone's responsibility. For example, Google Glass was driven by co-founder Sergey Brin. The idea came from always looking down at your phone. Brin believed looking down at the phone was 'emasculating'. Google Glass displays information in a smartphone-like format hands-free and it can interact with the Internet. Google is considering partnering with sunglass retailers such as Ray-Ban or Warby Parker.

Virgin created by entrepreneur Richard Branson, facilitates a creative environment and a management structure that encourages idea generation and internal problem solving. Branson believes it is essential to nourish the abilities of staff and minimise staff turnover. This means not only enabling staff the time and resources to create original ideas but also see them through to the prototyping and pitching stage. Facebook embraces a similar philosophy. For example, liking a post or photograph wasn't the brainchild of an idea generation session by founder Mark Zuckerberg. Rather it came from their celebrated 'hack-a-thons' where coders and engineers are given a platform to create and develop ideas. Similarly Sony PlayStation was a prototype based on the original Nintendo console. The creator was an intrapreneur working for Sony as a junior member of staff.

Intrapreneurs as change-makers within organisations are engaging in social intrapreneurship. A research scientist from GSK was struck by how many people die from easily treatable diseases, mainly through the lack of effective diagnosis. He relayed this to the head of research and development at GSK and pitched the idea of developing an affordable yet commercial diagnostics kit that could be used by untrained health workers in

rural villages sometimes miles from hospitals. GSK is now working with John Hopkins University to develop the kits. Similarly an employee from TNT Express was interested in how satellite technology might solve a problem she came across when talking to a friend who was living in a slum in Kibera, India. Millions of small businesses exist in slums worldwide but few have formal addresses making it difficult to send and receive goods. TNT Express collaborated with slum residents to study existing supply chains. They discovered the main challenges were in recognising locations and enabling secure payments. The problem was solved by targeting mobile phones.

Considering the ecosystem when addressing how sport enterprises develop and implement new innovations is fundamental (Hoeber and Hoeber 2012; Newell and Swan 1995; Ratten and Ferreira 2017). In sports, innovation often comes from outside the organisation which contrasts with other organisations that develop innovation through their research and development departments (R&D) (Franke and Shah 2003). Some sport sectors, however, are more receptive to innovation than others. The clothing industry is seen to be more open as it needs to keep up-to-date with fashion trends and new technologies to help improve performance. Governing bodies of highly regulated sports are less open to innovation and prefer to keep the status quo (Nagel 2008; Ratten 2018). To remain competitive and survive under these new market conditions sport enterprises have to adapt their strategy and innovate to meet the needs of customers who are becoming increasingly empowered and demanding (Wemmer and Koenigstorfer 2016). Sport has experienced pressure to innovate from reduced government funding and the need to find alternative sources of revenue (Ratten 2018). Although there is a clear need for innovation the process is challenging.

Sport enterprises therefore need intrapreneurs to develop bold, creative and unconventional solutions to their problems. For example, NGBs around the world have being trying to find the solution to increase the number of people who participate in sport and physical activity. They need to identify the most entrepreneurially minded individuals and allow them the freedom to find the solution. They must be allowed to experiment, to grow and to fail like entrepreneurs with minimal intervention. Unless these intrapreneurs are given sufficient autonomy

and independence to try new things that the sport enterprise would not normally do the endeavour will fail. Intrapreneurs in this context are similar to entrepreneurs except that instead of being given the opportunity to build new businesses or subsidiaries they're expected to find new ways of doing things so that the sport enterprise can be more innovative, productive, efficient and serve the market more effectively. Intrapreneurs can find solutions for market-driven challenges by creating a completely new business, improving and enhancing existing processes, creating new products and services, or increasing the productivity and capacity of the sport enterprise's existing business.

Nike embraces the philosophy of intrapreneurship. A basketball coach, a Native American of the Sioux tribe in Montana, was concerned why his community and many other Native American communities were battling epidemic levels of diabetes. As an employee of Nike he embarked on an intrapreneurial journey. He began working with leaders in his community to promote healthy lifestyles by organising events and arranged to provide free or discounted Nike products to incentivise people to take part. As momentum around the project grew stories began to spread about its success across Nike. Nike designers then offered to create a shoe specifically for the Native American community, the N7. The shoe would be a first for Nike. A product designed for specific foot needs of the community and that embodied the Native American Principles of sustainability—thinking seven generations ahead and seven behind.

The Nike Sports Research Lab also incubates intrapreneurial innovation. Key performance insights drive Nike's innovation. Scientists, engineers and designers work with elite athletes and state-of-the-art equipment such as 3D motion capture and environmental chambers to collect the data, analyse it and seek insights that provide the foundation for innovative Nike products. For example, environmental chambers create atmospheres of extreme temperatures. Athletes are tested in these artificial environments and the resulting data is used to better inform decisions made by Nike footwear and apparel designers. While we can now see that sport enterprises are engaging in both entrepreneurial and intrapreneurial practices we have not yet explained the sport entrepreneur or sport entrepreneurship.

The Sport Entrepreneur and Sport Entrepreneurship

Ciletti (2011) suggests that sport-related enterprises are business enterprises contributing to the economy and forging connections with numerous and different stakeholders. Hardy (1986) acknowledges the dynamic nature of the industry comprised of unique services and goods and the softening confines between sport and business. Ciletti draws on numerous scholars to suggest that sport can be differentiated from other business and consumer products in a number of ways. She notes that as a sector sport is unique in terms of product, market, finance, and promotion. Unique concerns impact the business of sport. This includes its universal appeal and pervasiveness; its value being conceptualised beyond economic decisions; its proclivity to inconsistency and unpredictability; a strong association with personal identification, deep emotional attachment; and a symbolic connection with the community; teams represent an image and athletes are celebrities; it is perishable, intangible, ephemeral, experiential, and subjective in nature; it fosters social interaction; necessitates cooperative efforts between a team and its competitors; media, sponsors, and fans generate promotion; and its long product life cycle curve is coupled with fluctuating or seasonal demand. Ciletti however, suggests that its uniqueness in its relationship with consumers that primarily differentiates sport. Acknowledging that people tend to view sport-related experiences as special or holding a special place in their lives she suggests that consumption is both experiential and emotional. Noting that while stadium leases, monopolistic broadcasting rights, predetermined geographic territories, and player contracts are further distinguishing factors, it is the relationship sport has with its consumer that is the most notable distinction. With the exception of music, cinema, and religion, there is probably no other field of activity that generates such passion among its customers, sport creates deep emotional attachment between fans, athletes teams, and its community. This uniqueness of sport has led to sport being studied through numerous disciplinary lenses such as psychology, sociology, philosophy, and marketing; however, less is known about sport and it relationship with entrepreneurship (Ciletti 2011).

In terms of the potential impact of a connection between sport and entrepreneurship consider the recent global recession which has not left the sport industry unaffected. Business cycles present challenges to the sport industry. An entrepreneurial approach can provide a mechanism for weathering economic crises as challenging situations or declining economies can serve as a catalyst for the emergence of entrepreneurs (Peredo and Chrisman 2006). Entrepreneurs are more likely to be alert to opportunities, willing to assume risk (Schneider et al. 1995) and are more likely not only to endure difficult situations but may emerge ready to move forward with new opportunities. While we now know that entrepreneurship often includes risk-taking and profit-seeking sport entrepreneurs can be motivated by other factors such as 'civic duty, egotism, and a love of sport' (Hardy 1986, p. 22). Sport entrepreneurs more directly fit the model of innovative activity proposed in Schumpeter's 1983 seminal work, as the entrepreneurial activities of risk-taking and profit seeking have a place in sports. Hardy suggests that the early sport entrepreneurs were trailblazers, acting innovatively to bring new entertainment options to market by taking risks, in doing so, they proactively addressed unmet needs. Dilwyn Porter (2010) like Hardy, suggested the characteristics of sport entrepreneurship include; sports innovation, sport-based proactiveness and sport risk-taking. These three characteristics are important in both profit and non-profit types of sport as entities involved in sport can include individuals, organisations or communities (Hardy 1986).

Ratten (2011) suggests sport entrepreneurship 'is any form of enterprise or entrepreneurship in a sports context' (p. 60). Moreover, she argues that that sport entrepreneurship combines considerations for the economic, sociopolitical, and entrepreneurial facets of the sport industry and suggests there are seven sport-based entrepreneurship categories: community-based, corporate, immigrant, institutional, international, social, and technological. This definition provided by Ratten (2011) tells us that change and innovation are now key elements of sport, aligning sport as an entrepreneurial process. In fact, change and innovation are now a fundamental core of sport business and it could be suggested that when an entity in sport acts collectively to respond to an opportunity to create value this would constitute sport

entrepreneurship. Ratten (2010) suggests the rapidly growing and developing sport marketing discipline provides a basis in which to understand how entrepreneurship occurs through innovation, proactiveness and risk-taking activities. For example, she points to how sportswear companies such as Nike and Under Armour are now marketing clothing particularly suited to females. Moreover new forms of sport such as fantasy sports have been driven by women who want to be involved in sport. In NASCAR car racing the female market has been a strong advocator for the release of more statistical data so it can be used for fantasy NASCAR racing (Ratten 2011).

History is littered with examples of how sport entrepreneurs have changed the game. Johan Cruyff envisioned and understood the world of football in a different way, not only the game itself but also the commercial relations and professional practices. What he implemented 30 years ago has been widely adopted over time and what's more the teams that now triumph are those which operate within the parameters that Johan Cruyff set out in his time. Former NFL commissioner, John Newbauer made the American football league the most powerful in the world. The NFL budget alone is bigger than the NBA, the NHL and the MLB budgets combined. Sport entrepreneurs are continuing to change the game. NFL star Tom Brady of the New England Patriots developed the TB12 Method Nutrition system for athletic training and peak performance. Exercises developed through the TB12 method are aimed to enhance pliability in critical muscle groups to lower injury rates, speed injury recovery, and help athletes stay healthy and in peak condition. NBA star Lebron James owns his own marketing agency LRMR which utilises his connections to secure $US30m of endorsement deals with organisations like Nike, Sprite, Glacéau, Bubblicious, and Upper Deck for his clients. MLB star Dereck Jeter's storytelling platform 'The Players' Tribune' gives a platform for athletes to tell their stories as an alternative to social media for providing breaking news first-hand accounts (i.e. Kobe Bryant's retirement and Kevin Durant's decision to join the Golden State Warriors). It has recently branched out into video, virtual reality, live streaming, and began developing a podcast network and its first film in 2017.

Entrepreneurial sports enterprises cater for an individual approach for player development and the process is changing sports. Smaller organisations like Swingbyte use technology to improve the golf game of aspiring and current professionals with real-time swing data. In many sports safety is the number one priority. These innovative philosophies to player development can be seen at Ajax which stipulates that the first team must come from the youth team. Red Bull has a philosophy to develop cognitive skills and train via cognitive diagnostics. Augmented reality uses data in field of view by using a large screen on the side of the pitch during training to see live coaching analysis as the players train. The recent revelations about the effect of concussion injuries in the NFL confirms there are still safety concerns that have not been addressed. Organisations like 'Mind Recover' focuses on the brain health of an athlete through the development of a scientifically formulated supplement that provides nutritional building blocks to help support healthy brain function. XTECH is disrupting traditional sports safety wear. The New Jersey-based company caught the eye of a growing number of football teams, from the NFL to high schools with a new design using shock absorbing lightweight material for shin guards and shoulder pads. While concussion prevention and brain injury continue to be a major concern, this new form of protective padding is to the twenty-first century what the flak jacket was to the 1980s. This is where entrepreneurship plays a central role in finding creative ways to solve problems and find solutions to short and long term injury concerns. Entrepreneurship is therefore disrupting the sport industry in a positive way by finding more focused innovative solutions to health and safety issues.

Juan Mata of Manchester United has engaged in social entrepreneurship, the use of techniques by organisations and entrepreneurs to develop, fund and implement solutions to social, cultural, or environmental issues. Mata established a foundation called 'Common Goal' which seeks to source and donate 1% of football players' wages to social good causes. Red Bull is possibly the biggest commercial brand utilising social entrepreneurship to improve brand image, recruiting young college students to promote the brand within college campuses. The brand creates 'tribes' of followers that allows it to tap into new markets and promote new events and technologies while at the same time

creating new stars that promote a risk-taking culture. Moreover its South African branch is delving into making social entrepreneurship an extreme sport. Sport entrepreneurship is also occurring outside of sport. Organisations whose core business sits outside sport are establishing a footprint in the sector. Alexa is a virtual personal assistant that powers Amazons Echo devices is expanding to have a Sports Update feature that allows fans to get live score updates and schedule information. The practice of entrepreneurship in sport is now being embraced across numerous sectors.

Entrepreneurial Networks and Teams

Policymakers are now beginning to recognise the merit of a more systems-based form of support for high-growth entrepreneurship. This represents a shift away from organisation-specific interventions towards more holistic activities which focus on developing networks, aligning priorities, building new institutional capabilities and fostering synergies between different stakeholders (Warwick 2013). One emerging approach is the focus on 'entrepreneurial ecosystems'.

Entrepreneurial ecosystems can be industry specific or may have evolved from a single industry to include several industries. They are geographically bounded but not confined to a specific geographical scale (e.g. campus, city, region). The entrepreneurial ecosystems approach offers a new and distinctive perspective on the geographical clustering of economic activity. The ecosystems have an explicit focus on entrepreneurial activity, an emphasis on local and regional environments and the conditions required to generate and support ambitious entrepreneurship, and a focus on the interactions between framework conditions and local/regional geographical environments. Entrepreneurial ecosystems generally emerge in locations that have place-specific assets, and are typically desirable places to live either on account of their cultural attractions or their physical attributes which provide opportunities for outdoor activities. We can take the example of the Torquay region in Australia. The Torquay district not only has some of Australian best surf beaches, but has also attracted a passionate surfing community that constituted the foundation market for sport

enterprises like Rip Curl and Quiksilver and their products. The early successes of Rip Curl and Quiksilver were not only the result of this strong surf culture but also the result of their ability to innovate and design superior products, strong network interorganisational synergies, and the international exposure from their association with the annual Bells Beach surfing contest. The subsequent global success came from innovative product diversification, and the development of strong brand images through the endorsements of the world's top surfers.

Entrepreneurial ecosystems are also characterised as being 'information rich'. In such an environment organisations can access information and knowledge on new buyer needs, new and evolving technologies, operating or delivery possibilities, component and machine availability, and service and marketing concepts, thereby they can more easily perceive gaps in products or services that need to be filled. Geographic proximity and tacit knowledge sharing often go hand-in-hand (Gertler 2003). So why did Torquay become such an important location for the design, production, marketing and distribution of surf-wear, and why was not Sydney or the Gold Coast, given their endless supply of summer weather and surf beaches? There were a number of factors that stimulated the early development of Torquay as an entrepreneurial hub for surf-gear. The Torquay region was already a focal point for surfing and as result a strong surfing culture was established. This provided not only a ready market for both Rip Curl and Quiksilver, but also a well-informed and critical one where the special needs of surfers were clearly identified. In the case of Quiksilver, they listened to the many complaints about the poor quality and uncomfortable feel of existing board shorts, and used these complaints to produce superior products that met surfer's specifications. In the case of Rip Curl the cold ocean currents created a special need for wetsuits. This need not only ensured a sizeable market but also created a ready-made quality control system. Surfers were quick to point out any weaknesses and soft spots in the Rip Curl product. Rip Curl exploited this special need for highly insulated wet suits by designing products of the highest quality that quickly gained an international reputation.

The close proximity of the two suppliers also created a strong competitive climate in which ideas for product improvement were shared on one hand, but where innovation was used to provide a marketing edge over its

rival on the other. In other words, they captured the corporate synergies that came from their location in a tightly organised region where their products could be both tested and sold. Rip Curl and Quiksilver were also obsessive innovators who understood how technology and good design could produce both superior product performance and fashionable appearance. In the case of Rip Curl the Elastomax and Slickskin technologies set international standards for wetsuit design. In the case of Quiksilver the introduction of concept stores was highly successful in attracting many more street fashion customers and generally creating a much broader base of brand awareness and recognition (Chevalier and Mazzalovo 2004).

In a similar vein Gerke (2016) applied a network approach to analyse external links as sources of product innovation in nautical sport clusters. Gerke explored how sport enterprises can effectively use interorganisational links for innovation and identified and compared innovation practices in the Auckland sailing cluster in New Zealand with the Victorian surfing cluster in Australia. Her findings indicate numerous parallels with the network model which argues that interorganisational linkages go far beyond simple price mechanisms and rational input–output exchanges. There are numerous types of interactions (practices) that impact innovation and there is a larger network of enterprises that are relevant for enterprises in a sport cluster. These include amateur and professional sport organizations, education/research institutes, and governing bodies.

Manchester City Football Club which forms part of the City Group has an extensive network of franchise clubs bringing with it a plethora of commercial partners to utilise. The club is forging ahead with building entrepreneurial networks of innovation by securing deals with entrepreneurs to access the most innovative technology. Football is also using its networks in to educate communities through 'Football Managers United' for Prostate Cancer UK by delivering team talks through their sports networks. As part of the campaign, Premier League bosses Sean Dyche (Burnley), Mark Hughes (Southhampton), Slaven Bilic (formerly of West Ham United), Chris Hughton (Brighton & Hove Albion) and Craig Shakespeare (formerly of Leicester City) teamed up with their counterparts from the English Football League, the League Manager's Association

and Prostate Cancer UK. However, using networks to promote awareness can also have a detrimental impact on the sport enterprise. The Breast Cancer's Pink Ribbon Campaign used sport as a driver for their fundraising and brand awareness by targeting women. Successful networking and event promotion saw the foundation achieve a £300m turnover yet it has been recently blanketed in controversy surrounding how much of that actually goes towards finding a cure for breast cancer. Criticisms surrounding the 'commercialisation of cancer' have been voiced and sports leagues have been pulled into the argument. Sports leagues like the NFL and the MLB partnered with the brand only to find this partnership becoming shrouded in controversy.

Uber has teamed with the apparel and memorabilia team Fanatics—the sports version of Amazon—a multi-billion-dollar business that is the back-end for gear for everyone from NASCAR to MLB. Their partnership has disrupted the market, fans can order and have merchandise delivered to them within minutes after a big event like the Super Bowl. It has taken the delivery of sports merchandise to a new level. Other leading clubs such as Manchester United, Real Madrid and FC Barcelona have taken note and also partnered with Uber to deliver merchandise.

Nike fosters a culture of entrepreneurship and invention to create products, services and experiences for today's athlete while aiming to solve performance problems for the next generation. They recognise the importance of entrepreneurial teams in creating this type of culture. They believe diversity and inclusion are key levers in continuing to drive creativity and innovation. Nike believe outstanding teams are composed of people with diverse backgrounds, perspectives and skill sets. As noted on the Nike website:

> We believe that a talented, diverse and inclusive employee base helps drive the creativity that is central to our brands. Our global strategy for human resources is to help unleash our employees' potential across every area of our business by enabling leaders to make great decisions that in turn enable Nike's business growth.
>
> We believe our diverse and inclusive culture helps to fuel innovation. It attracts and inspires the best talent in the world, separating us even further from our competition. And it simply makes Nike a unique place to work.

Microsoft has teamed up with NFL stars to create social innovation partnerships as part of the 'Create Change' campaign. They support the charitable causes of five NFL stars. Von Miller (Von's Vision), Russell Wilson (Why Not You Foundation), Martellus Bennett (The Imagination Agency), Greg Olsen (the HEARTest Yard) and Richard Sherman (Blanket Coverage) have each started organisations relating to causes close to their heart.

Partnering with all five players Microsoft makes charitable donations along with providing 'Surface' tablets to improve the foundation's work. They are the same tablets used on the sidelines by players, coaches and referees and will allow them to watch replays on the field during games.

Finally, Casey Wasserman's Los Angeles-based sports marketing and management company has created a large and novel platform at the intersection of athletes, brands, and social media. The agency has been entrepreneurial in striking deals for its athletes, broadcasters, coaches, and former NBA players. Brands pay athletes to create and distribute content to their vast social followings. Wasserman is also able to arrange branded partnerships for its athletes by teaming up with Cycle, a media company spun out by the marketing agency Laundry Service which Wasserman acquired in 2015. What is clear from the above example is that sports stars have created networks and teams that have been allowed them to become entrepreneurs.

What Is Entrepreneurial Learning?

The global sports industry is growing and is estimated to be worth around USD$600 billion. It is expanding rapidly into new international markets. Many sport enterprises may see this has a great opportunity to expand their market. However promoting entrepreneurship and creating new opportunities requires the ability to manage the duality of entrepreneurial activities. Sport enterprises must balance the need to exploit existing knowledge to attain competitive advantage while learning and integrating new entrepreneurial actions into their existing organisational practices (Burgelman 1983).

This challenge consists of two aspects. First, sport enterprises need to balance the exploitation of opportunities through formal and informal entrepreneurship while learning and integrating new knowledge that

after will allow developing skills and competences to extend into new markets or niches. For example, ASIYA has found a market niche by creating innovative headwear for Muslim female athletes. This company has found a way to offer more opportunities to women who want to take sports and continue to respect religious requirements. They have not only created garments for wear but have opened up discussions/opportunities and have allowed female Muslim athletes to understand the opportunities available to them to take part in physical activity.

Second, entrepreneurial activities in a sport enterprise requires managerial oversight in order to pursue opportunities. This moves the focus away from the learning and integration of knowledge coming from these entrepreneurial acts. Thus sport enterprises that consider pursuing opportunities in new international markets but do not take stock of the knowledge learned in these markets risk failure. The other aspect regards the balance between the exploitation of knowledge in current international markets and the gaining of new knowledge from frontier or new international markets. Pursuing opportunities in new international markets involves supporting internationalisation through formal and informal entrepreneurship, that is, capitalising on emerging product and service opportunities and sourcing information on opportunities in new international markets. Exploiting opportunities in a current market doesn't stimulate international expansion but rather supports the development of new modes to employ the sport enterprise's existing skills and capabilities (Zahara and Hayton 2001).

A sport enterprise that wants to achieve international growth must adapt its organisational culture to the local market's culture and conditions while maintaining its organisational identity as its cultural identity functions as an important non-reproducible competitive advantage. However if the sport enterprise imposes cultural traits on its international subsidiaries, suppliers or agencies conflict with local employees will arise and their focus on entrepreneurial activity will decrease. Although if a sport enterprise adapts excessively the results may not be effective as strategic coherence can blur and contribute to a weakening organisational identity. Cultural adaptation however may also induce creativity, innovation and diversification through multiculturalism and competing values. Thus cultural adaptation can be good or bad for entrepreneurship.

Therefore it must be implemented to the degree that it encourages entrepreneurial actions without affecting negatively organisational identity (Zahara and Hayton 2001).

Sport enterprises can also learn from failure if we think of entrepreneurial innovation as a team sport. For example, Apple, Facebook and Google are examples of organisations that have truly excelled in their respective industries to be considered innovative. Yet these innovative achievements are often linked to the efforts of an individual. In Apple's case it's the late Steve Jobs, whereas with Google and Facebook, it's Sergey Brin and Mark Zuckerberg respectively. Despite the focus on these individuals, Apple, Facebook and Google's innovations were not achieved by one individual. Jobs, Brin and Zuckerberg were able to launch innovative organisations because they assembled a team of talented people who shared their vision, passion and hunger which isn't dissimilar to how some of the greatest sports teams in history have been built. By incorporating the mentality of great sports teams into the culture of their business organisations such as Apple have become known for innovation. Sport enterprises can be fearful of their entrepreneurial venture failing the first time which is understandable. Fear of failure can stop sport enterprises developing and implementing innovative products and services. Instead of fearing failure accomplished sports teams develop a positive mental attitude fixed on victory. This focus on success means trying, trying and trying again one small step at a time. Sport enterprises should adopt this mentality when striving for innovation.

There is something about the risk-taking, lack of fear of failure, and entrepreneurial spirit that is shown in sports teams that come from behind to win. A great example is the Boston Red Sox miracle in 2004 against the New York Yankees. Boston became the first team in MLB history to overcome a 3-0 deficit in a series and go on to win the World Series and break the 86-year 'Curse of the Bambino'. Maria Sharapova didn't allow a doping suspension to hold her entrepreneurial career back. Sharapova has become a global businesswoman enrolling in Harvard and launching her candy line, utilising her global recognition and social media status to launch her business. Sport enterprises can also learn from others. Manchester City are partnering with external organisations to learn more about innovations. They are also looking at extending their

franchise of clubs into China and India following the acquisition of a Uruguayan club. Venus Williams has created her own clothing brand 'Eleven', and now has the option to wear what she wants at the US Open as she as she isn't dictated to by sponsors.

Conclusion: Entrepreneurial Learning into the Future

Sport enterprises are learning to become more entrepreneurial and the future trends in sports innovation are exciting. Deep learning and artificial intelligence are being used to integrate education, player development and fan engagement together. Autonomous racing is an evolving sport of racing ground-based wheeled vehicles controlled by computer. A number of events and series have been launched including the international Formula E spin-off series 'Roborace', as well as student competitions such as Formula Student Driverless. This sport is making the athletes obsolete. There are continuing questions around how technology advancement can affect performance and if someone with better genes should be forbidden from competing. Collaboration between big brands is now what fans want, they no longer want to just consume, but crave a more active stake in their favourite brands. Smart stadiums are providing these opportunities. Stadiums are becoming multi-use venues digitally connected for an immersive fan experience. Smart cities are becoming the new smart stadium integrated like the layers of an onion. The middle layer being the stadium, the outside layer the area in the immediate vicinity of the stadium where fans can engage with the brands, and the layer beyond being the integrated smart city with automated cars, Wi-Fi and smart transport. This collaboration is futurising the game day experience. Each season needs a new road map for their ecosystem as technology is exponentially changing sport and sport is trying to keep up. It is clear entrepreneurial activities, such as the above, have become a driver of innovation in sport and within sport enterprises. We take a further step towards articulating the deployment of an innovative culture in the following chapter, as we introduce the pivotal role of leadership.

Case Study: Entrepreneurship—Philadelphia 76ers

The Philadelphia 76ers are an American Professional Basketball team that play in the National Basketball Association (NBA) league, competing in the Eastern Conference Atlantic Division. The team are based in the Philadelphia Metropolitan area, are the 25th most valuable NBA team and play at the Wells Fargo Centre. The team was founded in 1946 originally playing as the Syracuse Nationals.

Despite periods of low attendance, criticism from general managers in the league, disappointed fans booing the losses and low morale among players there have been progressive leaps forward off the court for the Sixers. The franchise made innovative strides with digital acquisitions, the launch of their very own Innovation Lab and a strategy to foster and grow innovative start-ups with a new focus on eSports to leverage the brand, and enter new markets.

The Sixers have become renowned for having one of the best organisational cultures in the US. In times when the world is going digital and communications and social engagement is more digital than ever the Sixers have found room in their strategy to work on the 'human touch'. They have the biggest sales team in the league and focus on making a personal connection with consumers. If a fan turns up to a game they want that individual to feel comfortable and be greeted like they are at home. This feeling of comfort is what draws the fans to the game and a strategy used to ensure sustainable ticket sales.

The Sixers were also identified by *Entrepreneur*, as one of the best places to work in Philadelphia. An employee survey assessed the Sixers based on 10 core qualities; collaboration, innovation, agility, communication, support, wellness, mission and value alignment, work environment, responsibility and performance. The current political climate offers the Sixers the opportunity to create unity by bringing people together and driving change. With the team now beginning to see the fruits of their labour on the court they can offer more focus on their back-office business activities. This entrepreneurial activity can be leveraged by the brand to enter new markets and tap into more consumer interests. As the marketing machine of the

Philadelphia 76ers begins to roll the franchise is building its new digital markets to become part of an innovative ecosystem that offers a seamless marketing link for the franchise to deliver content, products, services and merchandise tailored to the consumer needs of its fans.

The digital ecosystem that is being built around the eSport space is an innovative approach from the Sixers. Investing in start-ups coming through their own Innovation Lab and facilitating the growth of eSport Entrepreneurs on site allows the Sixers to integrate these sectors throughout their marketing strategies. The success of the NBA 2K league (PlayStation Game) and the Sixers' entrepreneurial activities have enabled the franchise to keep ahead of the game in terms of strategic innovation. The Sixers now sell ads in the virtual e-Sports universe by offering sponsorship in the virtual arena, as well as on-court logos and as a patch on their virtual jerseys. These innovations are creating new revenue streams for the franchise.

The challenge that many franchises of this magnitude have with developing their innovative ecosystems around eSports is the lack of business behind them to sell it. The current gap in innovative activities is often sporadic in sports enterprises yet the Sixers have found a way to overcome these innovation gaps by creating their own talent incubators to feed the needs of their consumers. By creating a space for entrepreneurs to flourish, developing new algorithms and analytics to assist gamers to improve, the opportunity for the Sixers to connect with a wider fan base by integrating their entrepreneurial activities in emerging markets has materialised.

The franchise is a forward-thinking seeking to offer the best personal consumer experience possible. The executives behind the franchise have been failed entrepreneurs themselves and understand the needs and pitfalls of the entrepreneurial experience. They have enabled a new generation of millennial entrepreneurs to have the support needed to scale their businesses which in turn offer support to the Sixers' wider marketing strategy. This unique ecosystem they have created fosters an innovative environment and that has enabled the Sixers the opportunity to grow their business both on and off the court.

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3

Leaders as the Drivers of Innovation: The Sport Leadership Ecosystem and Innovative Leadership

Introduction: The Leader as the Architect of Culture

The role of leadership is paramount in the vast majority of enterprises, and its importance is perhaps best embodied through examples from the competitive and transparent world of sport. Operating in one of the smallest markets in the United States, the San Antonio Spurs are unable to enjoy the same advantages as many other professional sports franchises. Nevertheless, after winning five championships between 1999 and 2014, they are now considered one of the most successful organisations in the NBA and all professional sport. With such sustainable success over a long period of time, they are no longer only known for their strength on the court, but also for the strong and enduring culture for which the team and organisation have become renowned. The culture of success that has been established within the San Antonio Spurs organisation is indeed a competitive advantage that other sports teams and organisations all over the world can look to as a model for creating prosperity in their own markets and environments. The primary architect of the Spurs' impressive success story is Gregg Popovich, the team's Head Coach and President of Basketball Operations. Beyond the more standard components of

J. Skinner et al., *Fostering Innovative Cultures in Sport*,
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embedding a positive culture, Popovich has been at the forefront of instilling an innovative mindset throughout the club. His leadership approach has fostered an innovative culture which extends beyond the locker room, and now permeates across the entire organisation. The importance placed on innovative practice in game strategy, recruitment, diversity, and human resource development, are a just few of the areas that have been transformative for the entire organisation.

In this chapter, we establish key aspects of leadership which can facilitate innovative cultures in the sport context and other environments. In the first section, we discuss the meaning of leadership and culture, and emphasise their important connection with innovative outcomes. Next, we introduce the sport leadership ecosystem and address how using this connective framework can enhance leadership capacity and facilitate innovative practice. An introduction to the intelligence panorama provides the tools for effectively activating the sport leadership ecosystem by developing leadership capacities which enable stronger connections and influence. Finally, the chapter introduces the concept of innovative leadership followed by how leaders can best enable innovation within their respective environments.

Leadership as a Driver of Culture and Innovation

The culture of an organisation is a powerful phenomenon, which has a positive (or negative) impact on a variety of different strategic outcomes such as employee satisfaction and commitment, and several other factors relating to organisational performance. The role of leadership in creating a positive and effective organisational culture is considered to be a dominant and essential component of this process (Schein 2017). A central argument for this book is that leadership is also the key requirement for fostering an innovative culture, which in turn leads to innovative solutions. Before considering these factors in unison, it is instructive to consider each in its own right.

Leadership has been viewed in a multitude of ways over the last several centuries, and definitions continue to be shaped for appropriate integration

within the contemporary world. This concept has been described previously in various terms relating to leader traits, behaviours, skills and styles, and continues to evolve in relation to the given situation and context. While leadership means different things to different people, its essence is about influencing a group to achieve objectives, facilitating excellence, and inspiring performance beyond what is standard or required. Differing from the core tenets of management per se, leadership is ultimately about vision and change. To lead, or stay out in front, requires clear direction and a strategy for continually moving forward. When we think about innovative organisations, their ever-changing, cutting-edge composition requires suitable leadership as a catalyst and facilitator of this process.

Organisational culture speaks to what it's like to work in a specific work environment. When we consider the culture of an organisation, we are typically referring to a set of values and beliefs that are generally shared by organisational members. These include basic assumptions and norms of accepted behaviour in situations relevant to the environment. While these elements are constantly evolving, once embedded in the organisation they become increasingly difficult to change. Similar to daemons in the computing space, culture is always running in the background, influencing perceived behavioural options while not explicitly written into the operation procedures of the organisation. Some more elaborate conceptualisations consider specific typologies of organisational cultures, relating to aspects such as member involvement levels, hierarchical structure, networking capacity, organisational boundary management, and intensity of task focus (Schein 2017).

An innovative culture exists when originality and idea creation are normalised, and interpreted as accepted and expected behaviour throughout the organisations. The communication of new ideas becomes part of the working language, and is entrenched in the habits of organisational members. This type of culture serves as a background system which facilitates advancement into new spheres through creative mechanisms. Innovative cultures place an emphasis on idea creation and development, regardless of where this originates within or outside of the organisational boundaries. These environments highly value diversity of thought and experience as facilitators of new ideas to address complex problems in the sport industry and other sectors.

In straightforward terms, innovation refers to changing something previously established through the introduction of new ideas or methods. Innovation is essentially about change and improvement. This definition inherently provides for a great deal of scope in what constitutes innovative performance. While it can indeed be revolutionary in manner, innovation is more often in the form of incremental improvement, which provides momentum towards additional advancement. In straightforward terms, the broad definition of innovation reveals that it can be found in several different ways. This can take the form of developing new business models, commercialising a new concept, utilising resources in a creative fashion, positioning a product differently in the market, or changing the way we think about traditional concepts (Smith et al. 2017). As a template for driving innovation in sport enterprises, we argue that innovation stems in large part from leadership's ability to foster an innovative culture within an organisation or another collection of individuals. Figure 3.1 displays this flow of influence and serves as a model for driving innovative performance both in the sport context and other highly competitive environments.

Innovation, and ultimately performance, is driven by leadership and its ability to facilitate an innovative culture. The responsibility for innovation does not reside squarely on senior leadership teams to create new ideas themselves, but instead to establish an environment where new ideas can grow and transition into practical solutions. In the following sections, we address the importance of a broader network of relationships and ideas, which provides capacity for leaders to facilitate an innovative culture in the sport environment and other contexts.

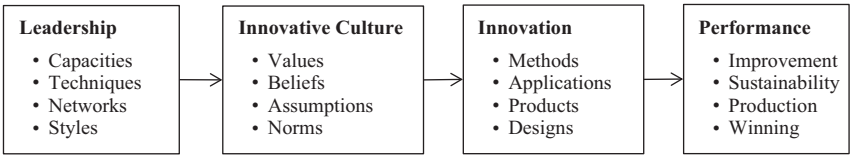

Fig. 3.1 Sport leadership model for innovation and performance

The Sport Leadership Ecosystem

Understanding leadership from a holistic, connected sense, is paramount for fostering an innovative organisational environment. Leaders and organisations do not operate in a vacuum, but instead are situated within a larger framework of actors who are all essential to the larger network. As we have discussed previously, the term ecosystem originates from the natural sciences, and refers to a community of organisms interacting with each other and their common physical environment. In natural ecosystems, there are heterogeneous species that both contribute to and compete for limited resources. There is an interconnectedness where individual actors co-evolve, where the survival of one species is co-dependent on another, and changes have ripples throughout the entire system.

This analogy has been applied to social sciences in the form of business ecosystems (Moore 1993) and more recently in relation to the sport industry. One of the central points about business ecosystems is that there is a wide diversity of actors. Similar to the makeup of a functional sports team, these actors play different roles within the system. Some are more dominant and have a larger impact on other participants and the overall competition, while others are akin to role players who support the star players but remain essential to the efficient functioning of the team. However, as these are dynamic systems, the role players can also deliver most valuable performances throughout the duration of the season.

As the sport industry has developed into a more mature business sector, it can be considered as its own sports ecosystem. The evolution of sport to a business model has witnessed this industry now comprising multiple interconnected actors, such as sport participants, goods and services, content providers, media distribution, facility development, and content providers like teams and leagues (Bailey 2014). A useful context to consider sport ecosystems is in relation to a specific major sport. Typical large-scale sport ecosystems incorporate essential actors such as grassroots participants, professional players, clubs, leagues, consumers, and several other affiliated businesses such as equipment suppliers, broadcasters, betting agencies, and merchandise retailers. In addition, the sport ecosystem also connects and overlaps with other ecosystems relating to

entertainment, education, healthcare, and tourism. One of the hallmark characteristics of sports leagues is that the actors are simultaneously in competition and cooperation with member organisations. The Los Angeles Lakers and Los Angeles Clippers compete with each other on the court, and in other business areas relating to fan base, ticket sales, facility use, and social media. However, they are simultaneously in cooperation as NBA franchises, negotiating television deals, bargaining with the player's union, and raising entertainment value and market share in relation to the other major sports leagues in the US and global market.

Similar to the organisational depiction of how innovation can emerge, the same is true in the broader sport ecosystem representation. That is, innovations can arise from anywhere in the community: individuals, small groups, or through systems developed by organisations in the network. The Oakland Athletics *Moneyball* (Lewis 2003) phenomenon is a classic example of how an innovative idea can transform an entire league and industry. The reality of an extremely limited player budget stimulated out-of-the-box thinking, which bucked traditional thought and methods for player evaluation. This served as the genesis of a data analytics revolution which spread beyond baseball, and now permeates most major sport leagues in one form or another. The originator of this movement was the Athletics general manager Billy Beane, who had the courage and insight to discount conventional wisdom, and change a culture steeped in old-school traditions rather than evidence-based decision-making. Cultures embedded within the sport context can be some of the most difficult to change, due to long-standing tradition, emotional investment and intensity, and the risk-averse nature of a highly competitive and transparent environment. In the sport ecosystem, leaders of innovation emerge rather than being appointed. However, leadership does not remain static, but instead fluctuates over time with the formation of coalitions throughout the system, and widespread adoption of innovative discoveries that can add value.

Having a deep understanding of the ecosystem in which one operates can serve as a powerful force for fostering creativity throughout that environment. We argue that extending the ecosystem metaphor to the concept of leadership can provide a strategic advantage for developing an innovative culture within one organisation and beyond customary

boundaries. Just as sport organisations work within a larger framework of enterprises, leaders are also connected in a similar way to actors in the broader environment. For this reason, we propose the concept of a 'sport leadership ecosystem' as a basis for understanding the important role of leadership. A sport leadership ecosystem is a framework of connections, values, and capacities that sport leaders operate within and utilise when interacting with key people in their environment. The daily routine of leaders in the sport industry will include interactions with several different individuals both inside and outside of their own organisations. Figure 3.2 provides an example of one such framework where a sport leader is situated within a constellation of connections between several different entities: other employees, customers, industry partners, mentors, peers, and family and friends. There is perhaps no more significant factor for effective leadership than the quality of these relationships, which will serve as the foundation for both individual and group productivity throughout the system.

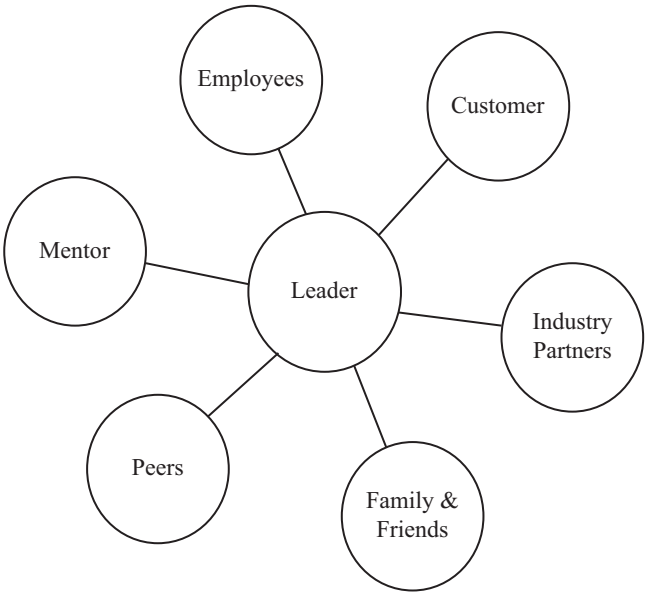

Fig. 3.2 Sport leadership ecosystem model framework

We argue that this approach to leadership understanding and development provides value for the following reasons. First, the sport leadership ecosystem model accounts for the broader environment and the consideration of goals from multiple entities and levels. When embedding the awareness of connectivity with different actors in the system, it reinforces that leaders cannot live in a vacuum, but instead rely on multiple partners and resources to drive innovation and other initiatives. Second, this approach places an importance on understanding both individual and mutual interest. While visions of the best pathways exist first in the minds of individuals, leadership is about articulating common goals and driving these forward. Third, this perspective of leadership provides flexibility for individual leadership styles and a spectrum of leadership models. Whether sport leaders employ a transformational, authentic, or empathic leadership approach for example, the sport leadership ecosystem provides a complementary framework for utilising these concepts effectively in their environment. Finally, as will be explained in more detail below, this approach emphasises the variety of intelligence domains that today's sports leaders require to be successful and create meaningful change within their environments.

We also contend that the sport leadership ecosystem approach is needed in the contemporary sports world for a variety of reasons. First, with the rapid globalisation of sport across a range of sports sectors, a new approach is necessary to connect the diverse actors in the sport business ecosystem. For example, as the Chinese Football Association Super League (CSL) continues to attract from Western countries managers such as Fabio Capello, André Villas-Boas, and Roger Schmidt, leaders from different countries will need to gain increased understanding of leadership meaning from different cultural perspectives. Second, incorporating multiple perspectives in decision-making will optimise efficiency and effectiveness in the complex sporting environment. Third, we consider this approach to be critical for working with competitors and the active consumers in the sporting environment. Fourth, we view this perspective to be pivotal for developing and preserving integrity throughout the sport sector. Finally, and most relevant for the current topic, the sport leadership ecosystem approach is vital for enhancing innovation across the sport industry.

With a focus on the interconnectivity of actors, the sport leadership ecosystem emphasises a more collective form of leadership, where leaders share thoughts and responsibilities with other individuals in the network. While the concept of the fearless leader operating in isolation is still perpetuated in storytelling and popular culture, this is because the depiction of these stories is simplified for understanding communication purposes, rather than capturing the complexity and multiple factors present in contemporary leadership examples. By focusing on one individual, these leader-centric views romanticise the role of the leader and oversimplify realities of the leadership function, which tends to be more distributed in nature. In sport, we often see this with the head coach or captain, where we are inclined to attribute all the credit to these leaders for thrilling victories, and all the blame for agonising defeats. However, in team sport, as in other organisational settings, the results are dependent upon the performance of multiple actors working simultaneously in the pursuit of common goals. Embracing a shared leadership perspective also promotes members of senior leadership teams to take more responsibility, rather than critically assessing designated leaders from an armchair quarterback viewpoint.

The collective perspective of the sport leadership ecosystem also perfectly aligns with the main principles of creativity and innovation. True innovations are the result of planting seeds of new ideas, which then grow over time through contributions from multiple individuals and varying perspectives. The brainstorming phases of creative processes rely on diversity of thought from various stakeholders within the ecosystem. While these groups have traditionally been represented by senior management, leaders in innovation know that good ideas can stem from any level in the organisation. In addition, good ideas can also come from knowledge spillovers (Aghion and Jaravel 2015), which take place through the interactions of individuals working for different organisations, and often different industries. The sport leadership ecosystem emphasis on interconnectivity provides a valuable rubric for facilitating idea creation internally within the traditional organisation, as well as through collaboration and knowledge exchange with individuals situated in the broader environment.

The Intelligence Panorama

The connecting elements of the sport leadership ecosystem can be viewed as relationships between the various actors in a specified environment. These links serve as the bond between individuals and can be considered in terms of their strength and flexibility. The effectiveness and durability of these connections are determined by a number of factors including the ability of leaders to develop strong relationships through the understanding of individual actors in their ecosystem. Leaders all have different collections of knowledge and experience that they bring to the table to inform their decisions and develop relationships. Intelligence refers to the ability to acquire various types of knowledge and skills, and then apply these accordingly. Rather than one general intelligence, there are multiple kinds of intelligences, which relate to domains of knowledge that are relevant across many different environments.

For the above reasons, we also propose the concept of an 'intelligence panorama', which we have created for sport leaders to use as a guide for personal and professional development. The intelligence panorama is an open-ended set of intelligences that can be developed to inform leadership practice and relationships within the sport leadership ecosystem. Rather than utilising a concept of general knowledge where individuals are viewed as having a certain level of intelligence on some arbitrary scale, multiple perspectives need to be considered when developing leadership capacity in the real world (Swanson and Kent 2014). These different intelligences can be drawn upon by individuals to find solutions to problems, develop new ideas, and positively influence others to accomplish common goals. The intelligence panorama is made up of at least nine different intelligences for consideration in building leadership capacity and influence within the sport leadership ecosystem. These consist of analytical, emotional, social, cultural, creative, technological, communicative, domain, and intrapersonal intelligences. While these types of intelligence are not mutually exclusive, they generally operate in an independent fashion. Leaders will draw upon multiple intelligences depending on several factors, such as job requirements, individual strengths, team dynamics, and the situation at hand. This perspective builds on the work of psychology scholars, who have embraced a multiple intelligences

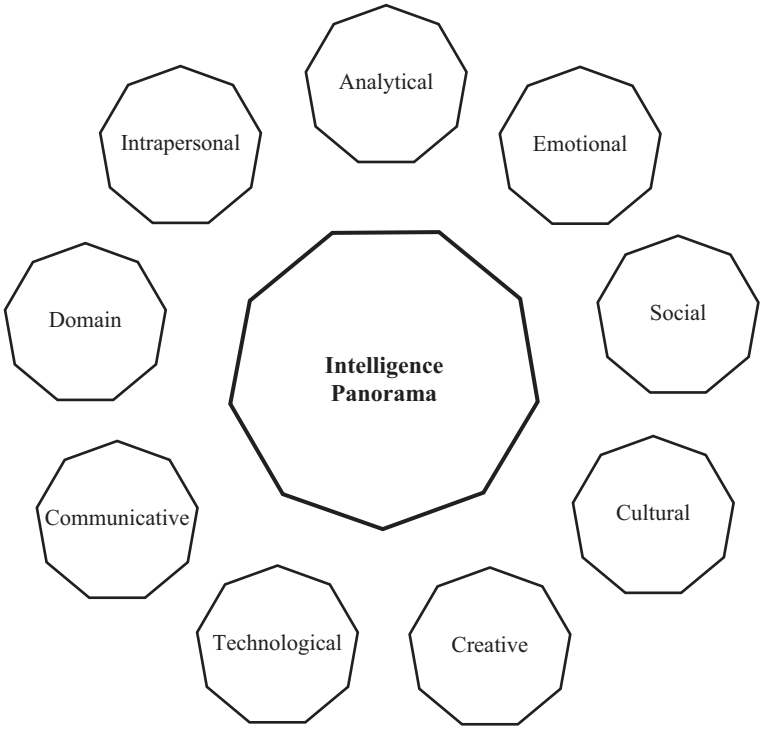

Fig. 3.3 The intelligence panorama

perspective, such as Robert Sternberg (1997) and Howard Gardner (2008), as well as others who have focused more specifically on particular types of intelligence. Below we outline the primary domains of the intelligence panorama (see Fig. 3.3), and also recognise the potential for other kinds of intelligences that may be applicable in certain environments.

Analytical Intelligence

The first component of the intelligence panorama is analytical intelligence. This type of intelligence is the most closely associated with the traditional conceptualisation of intelligence, and includes logical reasoning, solving abstract and complex problems, and making calcula-

tions (Gardner 2008; Sternberg 1997). While often associated with mathematical competencies, analytical intelligence also includes verbal skills, where both deductive and inductive reasoning are used to examine and interpret information. Analytical intelligence is also very relevant for the sport leadership ecosystem, as it is useful for interpreting complex patterns through recognition of these as an assemblage of smaller connecting parts. This kind of intelligence is useful in developing relationships, as it helps provide solutions for the problems of others, and assists in solving relationship challenges which may exist due to differences of opinion and background. Boston Celtics head coach Brad Stevens is a good example of analytical intelligence in the sports domain. His acute ability to analyse the complex systems of opponents, and identify strengths to focus on and weaknesses to exploit, has quickly earned him a reputation of being one of the smartest minds in the NBA. While Stevens has several other qualities, which exemplify leadership and complement his analytical intelligence, his incisiveness and capacity to deal with complicated situations distinguishes him as an exemplar in this area.

Emotional Intelligence

Beyond the more traditional views of intellect, the awareness of emotion plays a key role in the intelligence panorama. Emotional intelligence refers to the capacity for recognising our own feelings and managing emotions effectively in ourselves and in relationships (Goleman 1998). As the first component of emotional intelligence, emotional self-awareness refers to the ability to recognise, differentiate, and understand one's feelings and the reasons for them. This aspect of emotional intelligence is enhanced by increased understanding of emotions in general, such as being able to distinguish between multiple types of feelings, nuanced differences between these, and an appreciation for how these emotions may change over time. Being able to accurately assess one's feelings, understand the source of these emotions, and recognise their potential impact on others, is a primary function of leadership. That is, in order to have the desired influence on others, it is first imperative to be highly self-aware. While perhaps unintuitive and somewhat uncomfortable for self-effacing

individuals, the capabilities for effectively leading others begin with an acute understanding of the self.

Another important factor in emotional intelligence is self-management or regulation. In emotional contexts such as the sport environment, leaders should strive for emotional maturity and inhibit impulses, in order to effectively identify developing challenges and exploit emerging opportunities (Skinner and Stewart 2017). As sport leaders often operate in highly competitive environments where emotions run high, it becomes even more important to effectively manage one's emotions in relation to how this can directly impact group members and other key stakeholders in the environment. For example, a basketball coach who loses his or her temper and reacts emotionally as an impulse, may in turn have unintended and undesirable consequences such as passing stress onto the team, perturbing officials, or portraying an unsatisfactory image to the fans. Emotions are quite often contagious and can lead to other group members feeling a similar way, so leaders must therefore be acutely aware of their own emotions and manage these accordingly to avoid any negative effects on team performance.

Social Intelligence

Closely related to emotional intelligence is the notion of social intelligence. As noted above, the capacity to understand feelings can also be applied to the emotions of others. However, a focus on the interpersonal aspects of emotion has more recently been referred to as social intelligence, which is the empathic understanding of emotions and perspectives in others (Goleman 2007). Individuals who are able to read the emotions of others, and effectively interact with this in mind, generally have an advantage in the leadership process. This ability stems from a general concern for the emotional status of other individuals, and the capacity to notice and accurately interpret emotions from facial expressions, voice, and situational factors. Empathy, or being sensitive to and vicariously experiencing the feelings of others, is therefore at the core of social intelligence. A leader's ability to focus on the emotions and perspectives of others plays a significant role in relationship building and fostering trust.

In contrast, self-absorbed individuals will often project this sentiment to others in the team and lose the potential for productive influence.

Beyond an attunement to the emotions and views of others, managing relationships is another important aspect of social intelligence. In concert with the sport leadership ecosystem model, social intelligence incorporates the ability to develop and maintain a network of relationships. Social intelligence places individuals in a powerful position to develop and motivate others, and is needed to build a culture of cooperation within the team, organisation, or broader network. By being deeply attuned to others, social intelligence also enables leaders to help regulate and harness the emotions of others in the environment. This knowledge can assist leaders in building excitement in relation to strategic visions and objectives, as well as address opposing sentiments at early stages of a change process. While healthy relationships are key to the sport leadership ecosystem and to the leadership process more generally, social intelligence is a strong enabler of this through focusing on and projecting an understanding of others' views and emotions.

Cultural Intelligence

The capacity to understand different cultures in society is another important component of the intelligence panorama. Cultural intelligence shares similarities with emotional and social intelligence in relation to empathy and understanding differing views; however, it goes further in focusing on group-level beliefs and identities. Cultural intelligence refers to the capacity to understand differing cultures and be flexible enough to reshape one's thinking in a more inclusive and sympathetic way when interacting with individuals from divergent backgrounds (Thomas and Inkson 2009). As the world rapidly becomes smaller with more and more people working alongside individuals from numerous walks of life, the cultural insight of leaders continues to rise in importance. Akin to the previous two intelligences discussed above, cultural intelligence begins with an awareness and appreciation of other cultures. Similar to when business executives consider globalisation opportunities by first immersing themselves in the target country's culture as general reconnaissance, lead-

ers today need to develop a working knowledge of the representative cultures of their colleagues.

Beyond basic understanding, cultural intelligence also reflects a sincere desire to respect and learn from alternative cultures, and a sensitivity to belief systems with care taken not to offend. This emphasis on diversity in turn creates an incubator for new ideas, as the consideration of multiple perspectives is a foundational component of innovation and creativity. Effectively operating in the today's culturally diverse sport industry, with increased interest from developing nations in sport development and major sporting events, requires a culturally intelligent perspective. As the sport leadership ecosystem incorporates multiple actors outside of any one particular organisation, this perspective may also take on an even greater importance for developing relationships with those more distal in the ecosystem. For example, the San Antonio Spurs of the NBA have been able to demonstrate and harness a great deal of cultural intelligence. Through their leading strategy of finding the best players from all over the world, Head Coach Gregg Popovich has been able to build a multicultural environment which celebrates differences and leverages the learning opportunities which stem from considering alternate approaches to the game of basketball.

Creative Intelligence

As the world is in a state of flux with new problems constantly arising, the ability to think creatively is an important skill for everyone involved in the leadership process. Creative intelligence generally refers to the ability to think in a divergent fashion and generate original ideas (Sternberg 1997). This kind of intelligence is fuelled by a desire to be exposed to novel concepts and to examine one's knowledge and experience in different ways. As leadership and innovation are generally both processes which incorporate multiple actors, creative intelligence capacity is useful for both leaders by designation and those which emerge in problem solving and progression. While leaders do not need to be the most creative people in the room, having a mindset which is constantly considering new ways of doing things is an invaluable asset. Innovative cultures require leader-

ship which signals a willingness to think differently, and staying involved with the creative process will demonstrate credibility to other members of the team. For example, Manchester City Manager Pep Guardiola is well-known for his creative intelligence, as he is famous for several tactical innovations on the pitch. These include the implementation of a six-second rule, where after losing possession, the whole team fights to win back the ball within six seconds with a collective burst of energy. However, the most famous example may be his 'False 9' positioning of Lionel Messi while managing FC Barcelona. In order to make the most of Messi's gifted ball skills, Guardiola deployed him as a decoy centre forward position shifted back towards midfield, to give the allusion of not being a dedicated striker and also make better use of open space on the field. As a result, Guardiola's creative intelligence has had a rippling effect across the entire ecosystem of football and sport more generally.

We argue that developing and utilising creative intelligence will also strengthen one's relationship with others in the environment, as solving problems in a collaborative and creative manner fosters energy, enthusiasm, and camaraderie. Furthermore, as relationship development can often take some work for those with opposing views, creative intelligence skills can also be instrumental in finding some common ground to serve as an impetus for building better rapport. Liverpool FC manager Jürgen Klopp provides a good example of creativity in relation to his leadership style. Unlike more traditional styles, Klopp takes a more gregarious approach to leadership with one of the most open and approachable coaching styles in all of sports. His colleagues informally call him 'Kloppo', and he places an emphasis on players having creative opportunities for ideas and expression. His creative intelligence is demonstrated by both his unconventional leadership style, and the high priority he places on new ideas.

Communicative Intelligence

Effective communication is a core ingredient of successful leadership and positive relationships. This is effectively a sine qua non for both, as without communication there can be no relationships or leadership.

Visions and strategies with high merit and potential will ultimately be unsuccessful if leaders cannot effectively communicate these to team members and other stakeholders. Communicative intelligence refers to the ability to communicate with others effectively through combinations of message and mode most appropriate for intended receivers. The capacity to deliver complicated information in a straightforward and interpretable manner is a skill that influential leaders generally possess. Having positive influence on a team in relation to collective goals ultimately depends on an accurately shared meaning of purpose. Leaders must therefore be able to communicate these objectives and equally ensure that others have the same understanding. Asking others to interpret and communicate content back in their own words is a useful technique to increase comprehension and verify the desired interpretation of the message. The way that individuals and their messages are interpreted by recipients determines the strength of any relationship. If individuals cannot consistently understand and relate to what is being communicated to them, a relationship has little chance of being healthy and productive. Alternatively, when people can understand and relate to leaders and their messages, the basis for a strong and effective relationship is present. In sports, when a coach 'loses the locker room' and the manager's message is no longer being effectively received by the players, this often results in suboptimal group performance. In addition, fostering an innovative culture where ideas are expanded upon productively requires leadership that demonstrates communicative intelligence, which promotes clear and operative language to build from.

The landscape is changing in relation to effective modes of communication; however, the ability to speak in a clear and convincing manner remains a significant skill for leaders. Even as workplaces continue to evolve with satellite offices, remote working, and job shares, the spoken word and ability to personally connect with others is still considered an optimal mode for effective communication. Video conferencing and telephone conversations still require the ability to get one's message across by speaking in a clear and concise manner. In addition, given that key leadership function is related to inspiration and conveying or arousing emotion, verbal communication is a superior communication method for this purpose. In sport, rousing half-time orations by coaches are a good exam-

ple of this, and employees in the main office still desire an inspirational talk from top management at key junctures. The building of individual relationships is also strengthened by in-person meetings. While electronic communication such as email has become a primary method for communication and serves to provide the backbone for objectives and performance, the poignant moments of our work life generally come from face-to-face meetings, often with our managers or workgroup. Individuals with communicative intelligence, who can speak with confidence and clarity and accurately interpret the messages of others, will have a distinct advantage at effective leadership in their respective environments. Golden State Warriors Head Coach, Steve Kerr, is one of the best examples in sports for communicative intelligence. During his experiences as a player, coach, and analyst over the course of his career, Kerr has honed his communication skills at a level that surpasses most leaders both in and out of sport. His ability to deliver a clear message that connects to different audiences indicates how his communicative intelligence has played a huge role in his high levels of success.

Technological Intelligence

The next type of intelligence relates to the ubiquitous nature of technology. We live in a rapidly progressing world; one where individuals and organisations continuously modify and add to their inventory of 'devices' (e.g., computers, phones, tablets, etc.) in pursuit of optimal performance and to keep pace with competitors. Supplementing this hardware is a seemingly endless stream of computer programmes and upgrades, applications, and security enhancements. The business and personal aspects of technology become increasingly blurred, as people use social media for connecting with organisational colleagues and others within their professional network. Leaders at the forefront of teams and organisations need to be familiar with these advancements, savvy enough to strategise with this knowledge, and capable of utilising these technologies in communication and other operations.

Technological intelligence refers to the capacity to learn and apply contemporary methods and processes used for progression towards an

advanced condition. While this is often in relation to electronic devices as noted above, technology in its basic form means using scientific discoveries for practical application. Its etymology can be traced to the Greek meaning of a systematic treatment of an art or technique, and in its simplest form means using available tools for progression. Leaders with technological intelligence are well-positioned to communicate through or in reference to these technologies, which stimulates connections and signals a progressive approach to business. In contrast, being considered a 'dinosaur' in relation to technology literally indicates a connection to the past. As leadership is effectively about moving a group of people forward into a new future, keeping pace with current trends in this space signals credibility and promise to other actors in the environment.

Technological intelligence is also an important factor within the sport leadership ecosystem. A good example of this is the use of electronic communication in the recruitment of amateur and professional athletes to sports teams. In the not so distant past, this was reliant primarily on phone calls, letters, and emails from the coaching staff. However, keeping pace with technology meant that new forms of communication such as text messages and social media connections needed to be employed, to better connect with recruits in a timely manner and signal a contemporary approach by the head coach and organisation. Engaging with these technological capabilities has also had the benefit of strengthening the relationships between coaches and players as the flow of information improves. In addition, receiving more frequent messages has resulted in building closer and more personal connections from the perspective of younger recruits, who identify with this technological approach to communication as a normative behaviour.

Domain Intelligence

As intelligence means being able to successfully apply previously acquired information, the relevance of the knowledge will depend to some degree on the context to which is being applied. Just as intelligence can be explained with more specificity in terms of type, the concept of knowledge should also be considered in relation to more specific domains. A knowledge

domain is an aggregation of information, experience, skills, and beliefs that individuals have about a given subject or field (Alexander et al. 1991). The vast array of specific knowledge domains includes fields such as geography, medicine, computers, music, and sport. Domain intelligence refers to the capacity to utilise domain-relevant knowledge and experience in a particular field. As leaders look to influence group members in a specific direction, domain intelligence will be instrumental in building and maintaining relationships throughout the system. Developing common bonds with others relies on the content of the communication between individuals. Leaders with relevant domain intelligence will have an advantage as they create productive connections in their network.

For example, domain intelligence in relation to cars could be instrumental in conversations with employees in the car industry as well as those who have a personal interest in this area. Sport is a perfect example of this, as it commonly serves as a bridge for communication and relationship building across the globe. For instance, learning what sport and specific team a person follows provides an instant conversation starter and social identity indicator.

Individuals in the sport leadership ecosystem should be conscious of domain intelligence with regard to employee relations and connections outside of the sports industry. Previous research has indicated that leaders in sport may be held at a higher standard in relation to colleague expectations. As a large portion of the general public consider themselves knowledgeable about some aspect of sport, employees working in this context will generally have expectations that their leaders possess some minimum level of sport domain intelligence beyond their day job domain of, for example, accounting, marketing, or finance (Swanson and Kent 2014). Sport domain intelligence is often obtained through being a fan and knowledgeable about sport in general, with previous experience of participation or coaching also serving as strong indicators. These signal credibility and fit, and match the prototype of an ideal leader in this setting, which in turn strengthens the influence and effectiveness of the leader. Sport employees may also be held accountable for sport domain intelligence by ecosystem actors outside of their organisation, who may have similar expectations for someone working in the sport industry. As an example, if the director of finance at Brighton & Hove Albion FC meets

with all her suppliers to develop a solution for an in-season supply chain disruption, a minimum level of sport domain intelligence specific to football may be expected by the other members of this consortium. Beyond meeting this expectation, this type of intelligence can serve as a conduit for connecting with the various members, establishing a collaborative environment, and developing new ideas to build the most productive solution to the problem.

Domain intelligence is also instrumental for developing innovations for culture development. For example, sport domain intelligence is useful for applying tacit knowledge which can be gained from experience in sport. Manchester City FC recently redesigned their dressing room in a circular form in an effort to promote a collaborative atmosphere. The club had the designers include Manager Pep Guardiola in the planning to capitalise on his sport domain intelligence. The Spanish boss was looking to foster a locker room culture which minimised the ability for cliques to form and promoted equality throughout the team. The circular design was also in line with feng shui principles, which symbolise balance, energy, and unification. Circular dressing rooms also have the added benefit of guaranteed inclusiveness, where players cannot hide in corners due to disappointment, anger, or other motives for seeking isolation. Guardiola's sport domain intelligence stems from a career in football as both a player and manager, and he has used that experience to shape the physical environment and establish a symbolic indicator of the values he encourages his team to embrace.

Intrapersonal Intelligence

The final component of the intelligence panorama focuses on how well leaders know themselves. While several of the above intelligence types have an interpersonal perspective, in contrast this kind of intelligence focuses specifically on the self. Intrapersonal intelligence refers to the capacity to recognise and understand the internal aspects of one's self, such as motivations, desires, moods, emotions, and objectives (Gardner 2008). Knowing one's self is considered a key aspect of several different leadership theories, with the main thesis being that if leaders are to positively influence others

they must first develop and become intimately familiar with an accurate description of themselves. Someone who has a high level of intrapersonal intelligence will have a lucid model of themselves, which would generally be consistent with an objective assessment provided by one's closest friends and colleagues. The self-image which emerges as part of this process will incorporate an appraisal of other intelligences in the panorama, with its clarity enhanced by descriptive aptitude which stems from communicative intelligence. Seattle Seahawks head coach Pete Carroll wholeheartedly embraces the importance of intrapersonal intelligence. For individuals who want to excel and positively influence those around them, Carroll believes few things are as significant as having a lucid understanding of the things that are really important to you. When leaders have the insight of their core values and are able to communicate these in a concise manner, this is extremely valuable for providing direction for team members, and for representing the leader in the broader environment.

An important proviso of intrapersonal intelligence is that leaders are constantly changing, which necessitates the need to frequently take stock of one's inner mechanisms. Intrapersonal intelligence is not representative of a static personality profile, but instead represents a dynamic awareness of one's self which accounts for changes in situation and perspective. This component of monitoring change in one's self relates directly to self-awareness, self-improvement, and self-management. Consistently checking-in on critical areas for development like positivity orientation, adaptability, and readiness to seize opportunities, builds the capacity of intrapersonal intelligence. With regard to understanding one's own feelings, this aspect of interpersonal intelligence relates directly to emotional intelligence. A leader's acute awareness of their own emotions, and the ability to regulate non-productive impulses and accentuate positive emotions, will provide an improved foundation for activating other aspects of the intelligence panorama.

Additional Intelligences

Finally, the multiple intelligence paradigm acknowledges the potential for other kinds of intelligences. The intelligence panorama we present here includes the intelligences we consider most useful for developing relationships and fostering an innovative climate in a sport leadership ecosystem.

However, as a network is only as strong as its connections, other intelligences useful for improving relationships and group dynamics could also be included as they become more established. We would also advocate that context be taken into consideration when assessing the relative importance of each intelligence, as different environments and situations may accentuate the need for certain kinds more than others. In addition, just as general intelligence has been considered with more specificity to type, some already noted kinds of intelligences could be broken down further still. For instance, sport domain intelligence could be seen to be comprised of multiple intelligences relating to participation, type of sport, level of competition, industry sector and so forth. However, as this could be an endless exercise, it seems appropriate to remain selective and determine the merits for other intelligences when satisfactorily distinct from others, and when there is adequate utility within the relevant model. While we have focused our discussion on the sport environment, the subject matter presented here would also be applicable to most contexts. As leadership is a key driver for fostering an innovative culture, the intelligence panorama and ecosystem approach outlined above would be a useful perspective for driving innovation across the vast majority of other industries as well.

In summary, the sport leadership ecosystem can be viewed through the kaleidoscopic lens of the intelligence panorama. The continuously changing landscape necessitates a flexible model where relevant intelligence types are activated in relation to the stimuli present in the environment. These intelligences can be developed and used to solve problems in the real world as they are presented in context. Leaders who have a keen awareness of these intelligences are uniquely positioned to foster an innovative environment, and stimulate the commitment required to create something new that adds value to the wider community.

Innovative Leadership in Sport

Leaders who develop innovation in groups, organisations, and collaborative networks, know that productive and meaningful innovation doesn't just happen out of thin air. Instead, there are several key principles that leaders should consider when trying to stimulate innovative solutions.

Innovative leadership refers to the ability to influence others towards the realisation of novel ideas and original outcomes which can be implemented into real world situations. At the core of innovation is the ability to create new ideas. Similar to the research process, the creative process often starts with a problem that needs fixing, or the insight that something can be done in a better way. This creative process should be treated with great importance and given adequate room to grow, as new ideas are the seeds for great future innovations. However, it is also important to note that another key aspect of innovation is the practical implications the new idea can eventually demonstrate. While creative ideas should first be allowed to flow freely with little regard for practicality or environmental constraint, what ultimately transforms ideas into innovations is figuring out how they can be made feasible and effectively implemented to solve or improve a situation.

The degree to which the leader of a group actively participates in the creativity process will depend on a number of factors, such as the complexity of the organisation, relevant expertise areas, and nature of the solution required. However, leaders of innovation will need to integrate themselves into the overall innovation process through a conscious and consistently facilitative effort. This will require that leaders both demonstrate and support the mindset necessary for an innovative culture. While this could come in the form of leaders themselves actively demonstrating individual capacity for creative ideas, more often leaders of innovation provide a catalytic function through inspiration and facilitation of an innovative environment. While people in top leadership roles at innovative companies often receive the lion's share of credit, innovation is more commonly a collective enterprise between a group of individuals. Like other group exercises across numerous industries and associations, the ability to successfully navigate this process requires leadership which is appropriate for the task.

Leaders as Enablers for Innovation

Having a clear understanding of the innovative process is essential for leaders who wish to embed this in the culture of their work group. While many factors determine how innovative a culture can become, here we offer six important actions which can be taken by leaders who wish to

facilitate an environment capable of producing creative and valuable outcomes on a regular basis. As New England Patriots head coach Bill Belichick has been attributed to saying that culture is far more important than strategy, we argue that focusing first on establishing an innovative culture will provide the foundation for realising numerous strategic objectives in the future.

Assembling Diversity of Thought

The most innovative work groups are usually assembled in a way that can harvest synergistic output from a collection of individuals with differing perspectives. As a key outcome of innovative cultures is the creation of new ideas, and originality is inherently different from past ideas, the inclusion of different perspectives is a catalyst for innovation. While contemporary jargon can often be over-simplified and used synonymously with race, diversity means a recognition of individual differences in relation to an entire spectrum of factors. These include ethnicity, gender, age, cultural background, socio-economic status, sexual orientation, personality, political views, religious beliefs, physical abilities, and other aspects where perspectives may differ. In the sport industry, for example, diversity could also refer to areas such as focus on high performance or grass roots, specific types of sport, team or individual sports, profit or not-for-profit, spectator or participant, and so on. In the business world, many project groups have functional area expertise, and are made up of representatives from different departments such as accounting, finance, marketing, and so forth. From the sport perspective, having diversity in relation to behavioural tendencies is a useful tool for developing high performing teams. Having the right balance of dominance, supportiveness, risk-taking, and steadiness can be a successful recipe for highly successful teams. The same is true in relation to diversity of thought for innovative cultures. Building on ideas and getting past obstacles in thought processes is enhanced by diversity in background and knowledge.

One specific area worthy of highlighting is in relation to age. While tradition generally indicates that strategic work groups are composed of more experienced (older) employees, representation from younger col-

leagues is essential for nurturing an innovative culture. While older employees can tend to be more risk-averse and aware of many past deterrents of success, the use of this knowledge alone can also serve as an inhibiter to new ideas. Younger employees are often less likely to be mentally shackled by historic reasons as to why a new idea won't work, and instead can approach blue-sky thinking in a less unencumbered way. The younger individuals in today's workforce have grown up in a world of constant change and welcome updates to hardware and systems as a positive thing, with an almost innate ability to keep up and osmose to new norms. The sport industry offers many examples of the need to understand consumers from an array of different age groups. For example, motivations for specific age groups to utilise wearable technology and engage with stadium experience are just a few cases for why innovative cultures should incorporate diversity in relation to age.

The importance of building teams that enjoy spending time together shouldn't be discounted or underestimated. People who are able to communicate well are more likely to trust each other, which helps foster an open culture where people give honest feedback and progress courageous ideas. Employees at Google have created their own terminology to capture this idea. The concept of 'Googliness' is a term that has recently been expanded to reflect various aspects of the company's innovative culture, including togetherness and diversity. When recruiting and selecting top talent, one important litmus test of being 'Googley' is whether an individual is considered intriguing and enjoyable to spend time with, and who has interests and experiences in multiple spheres. As creativity is inherently related to positivity, it is important for vibrant relationships free of negativity to exist in the environment. People who don't enjoy spending time together and building something collectively will be disadvantaged in the innovation process. Just as good team chemistry in the locker room is a key ingredient to successful and inspiring athletic performance, having positive vibes in a creative workplace often leads to higher levels of innovation. While in the spirit of diversity every individual may not outwardly be as positive as others, innovative cultures will generally prosper through a healthy supply of high-energy individuals. However, having energy is not to be confused with extroversion, as both introverts

and extroverts bring positive energy to the culture of the group, and the inclusion of both personality types will provide balance and help foster an innovative work environment.

Establishing Support for Innovation

To sustain a culture of innovation requires the mental buy-in of participants. A first step towards fostering an innovative culture is to develop a contextualised understanding of creativity, and identify the benefits for innovation for the specific work team, organisation, or broader collaboration. The level and type of creativity needed for optimal performance will vary across these entities, and is important for individuals to understand why creativity and innovation are important. This can be accomplished through group discussions related to organisational values and team strategy, and ensuring diversity in the organisation can help strengthen the value of creative thought. The necessity for creativity and innovation stems in large part from keeping pace with competition and recognising the need for personal and professional growth. When group members collectively appreciate the need for innovation, and are actively involved with incorporating it into organisational strategy and objectives, this sense of ownership will engender support for the creative mindset.

Leadership plays a significant role establishing support for innovation, and there are several ways in which leaders can enable this process. As leadership is about establishing a vision and direction, defining the current reality is essential. In order to use GPS on a smart phone to navigate towards a specific destination, the programme must first know where the journey begins. Honestly assessing the current competence areas, individual creative capacities, and the current levels of support or innovation is an important first step. Leaders can also establish a vision for innovation and clearly articulate their philosophy to group members. While this will be somewhat dependent upon the current position, inspiring a vision of a highly successful organisation with legitimate innovative capacities, will serve as a significant driver towards this aim. Edgar Schein (2017) provides several ways that key components of a vision can be embedded into the culture of an organisation. For example, integrating creativity

considerations into recruitment, selection, and promotion processes will build capacity and signal importance to the workgroup. In addition, the way in which leaders allocate time, resources, and professional development in relation to innovation advancement will also have an impact on the culture. In summation, leaders who pay attention to, monitor, and reward the creative process will have a positive impact on the innovative fibre of the culture.

An additional way that leaders can establish support for innovation is by infusing expertise into the organisation. Bringing in research and innovation experts who are passionate about their jobs can instil confidence and enthusiasm for being a part of building new ideas and solutions to challenges. Many of the most innovative organisations in the sports industry are indeed hiring experts that help foster an innovative environment. In the NFL, the New England Patriots head coach Bill Belichick hired Ernie Adams as football research director over a decade ago to constantly explore innovative ways to do things differently and search for competitive advantages on and off the field. At the time, such a position was a creative way to source new tactics from outside of the primary coaching staff, and the Patriots have since experienced great success whilst being considered one of the most innovative organisations in all of sports. In the NBA, the Philadelphia 76ers have developed a dynamic organisational culture by assembling a staff which embraces innovation, including the recent hire of David Martin as the director of performance and research development. Martin has been a leader in developing new techniques for shortening turnaround time for injured players, enhancing player well-being, and promoting an innovative mindset throughout the organisation. Once collective buy-in for innovation is established by the individual members of a group, this perception gets intertwined with the cultural identity of the organisation. A classic example of this is with FC Bayern Munich, whose club motto is 'mia san mia', or 'we are who we are'. As a symbol of their commitment to continuous development in many facets of their organisation, they have also incorporated the specific principle of 'mia san innovation' ('we are innovation'), to keep an emphasis on improving in football performance, business operations, and philanthropic outreach.

Developing a Change Mindset

Closely aligned to the above section is the importance of establishing a mentality that is comfortable with change and understands its connection to sustainable success. As the concept of change can be viewed as stimulating and exciting by some group members, others might associate change with anxiety relating to risk and uncertainty. A leader's role in this process is to present change as inevitable, a fundamental aspect of evolution, and an opportunity for improvement. It is, therefore, better to embrace change and shape it in the direction that works best for individuals and the organisation. As innovation is about positive thought towards the attainment of new ideas and methods, groups with an innovation focus will need to be comfortable with uncertainty and uncharted waters. Leaders play a critical role this process, because leadership is essentially about producing change (Kotter 2012). While leadership and management are related functions which are both essential for innovative organisational cultures, they also have differences in terms of purpose. Whereas management is focused on the status quo and maintaining the present mode of operations, leadership is focused on where the group should be headed in the future.

Leaders can make use of several effective methods to instil a change mindset. One such approach is to be positive about risk and shoulder some of the anxiety associated with doing things differently. When leaders stay positive and embrace failure as learning opportunities and efforts for improvement, it becomes easier for group members to engage in the change process. Communicating that innovation represents a gradual process of smaller incremental changes, rather than one creative idea of grandiose proportion, makes the concept of change seem more palatable and reasonable to group members. Another approach is to articulate that learning and flexibility both include an element of change. As individuals and groups gain more knowledge, they become transformed and more adaptable to environmental challenges. Innovative cultures are therefore synonymous with learning environments which are able to make adjustments in relation to fluctuating circumstances.

The world of sport offers many examples of instilling a change mindset. Coaches who inherit low-performing teams, and those who want to spur good teams to great, are generally engaged in facilitating this mentality in their teams. Those who are successful are able to lead by example and maintain a positive course in the face of adversity. These leaders demonstrate courage and conceal fear, and treat problems as opportunities for improvement. As leadership is in many ways about creative problem-solving (Puccio et al. 2010), leaders who are imaginative and willing to experiment with different methods will be advantaged through choice and a better understanding of what does and doesn't work for the teams they lead. The best leadership lessons often emerge when confronted with difficult challenges, and approaching these in an innovative way can signal an important message to group members. How leaders approach critical situations and role model to other group members becomes embedded in the fabric of the culture (Schein 2017). Formula One is one of the most competitive and innovative environments in the world. The leadership team at McLaren Racing has a mantra of 'fail fast and quick', which avoids a culture of blaming and instils a learning from failure mentality throughout the organisation. In a similar manner, New England Patriots head coach Bill Belichick is known for his relentless experimentation throughout the season to learn about his own team and the competition. Having the discipline and courage to risk failure in the short term, for bigger gains in the long term, is a characteristic of many great leaders in sport and beyond.

Embedding a Creative Atmosphere

At the heart of innovative cultures is an atmosphere that is conducive to creativity. Establishing an emotionally safe environment where people are free to express themselves without fear of negative judgment or consequence is essential for creative thoughts to emerge and be developed collectively. High levels of trust must exist between team members to allow for openness and risk-taking when considering unconventional ideas. Over the last few years, the Golden State Warriors have developed one of the most successful franchises in sport, winning multiple NBA champi-

onships and establishing themselves as one of the most innovative teams in history. Their recent success coincides directly with Steve Kerr becoming head coach of the Warriors; he has instilled a culture where freedom of expression through physical movement and expression stands out as much as their successful performance. As one example of experimentation and willingness to take risks, the Warriors have exploited the 3-point shot as a resource not fully utilised previously. The result has been a creative approach to playing the game with multiple high-level contributors, and has revolutionised the way basketball is played throughout the world.

Leading creative teams also requires an ability to facilitate individual autonomy while maintaining alignment with the larger purpose of the group. Highly skilled and creative people need to be engaged in the decision-making process and not simply told what to do. While team members should certainly be treated in a fair and equitable manner, this should not be confused with strict equality where everyone is treated exactly the same. In sports, superstars who consistently perform under pressure generally win additional freedom from their coaches. While this should not conflict with the core values of the team, leaders can win the confidence of their key players and inspire further greatness by recognising exceptional skill and expertise, and allow for an appropriate level of autonomy for consistently high performing team members.

As people enter their creative mental space through various portals, incessant brainstorming sessions quite possibly will not be the most productive way that each individual can contribute best. For example, introverts are fully capable of generating creative ideas; however, they get their energy and focus from having ample time to be present in their own thoughts. An important leadership skill is to learn the frequency and medium of group meetings and collaborative communication. A good example of how creative groups can be structured in relation to individual autonomy can be seen from studying the British Army. Under their operating concept of Mission Command, officers are provided with main parameters that relate to the group's overall objectives and why they are important. They are then given the freedom to decide how best to achieve their objectives with regard to their individual and collective abilities in the context of the mission. The important message is that creative cultures are synchronised but not confined by a pursuit of uniformity.

Another way to facilitate a creative atmosphere is to flatten the hierarchy of the group. While the leader will often need to be the main facilitator of the overall process, this may not be readily apparent on a moment-by-moment basis. Creative cultures embrace the notion that creativity comes from any level of the organisation, regardless of individual rank, seniority, or position. Leaders therefore need to engender this idea within the group and demonstrate its principles by stepping back and providing ample voice to all participants. Based on individual interest and expertise, team members traditionally considered as 'lower-ranking' can often lead topical sessions for idea pathways. A similar approach is used by many top sports clubs, where assistant coaches lead on tactics for offense, defence, special situations, and so forth. Similarly, experienced coaches will provide opportunities to have training sessions which are run by captains of the team, to utilise their keen insight developed from years of experience executing, and to empower them to engage fully in the problem-solving process rather than simply carrying out instructions. As the African proverb states, 'If you want to go quickly, go alone. If you want to go far, go together.'

A vital responsibility for leaders of creative cultures is to ensure that all ideas are given a fair chance. Original ideas need time to incubate; a notion that has not been lost on the innovation rock stars of the tech industry in Silicon Valley who now develop their start-ups in 'incubator labs'. These earliest stages of innovation are fragile and could be wiped out in a second if not given space to grow. Creative and pioneering cultures encourage avant-garde ideas which are understandably not fully developed, and need to feel free to take risks and fail in the short term. However, failed ideas often become the seeds for new ideas which show more promise and likelihood of success. Leaders of creative cultures encourage ideas that seem unreasonable as a means for stimulating blue sky thinking and establishing building blocks for innovation. As working with underdeveloped ideas can be mentally frustrating, leaders in a creative culture need to show confidence in times of uncertainly and push forward with a positive mindset. Creativity is fuelled by positive thought, and leaders are uniquely positioned to shape the attitudes of participants of the innovation process. One way to accomplish this is to celebrate small wins and recognise the importance of progress. Seattle Seahawks

head coach Pete Carroll is a firm believer of celebrating wins and having fun along the journey towards greater achievement. His philosophy embodies that idea that living in the moment will help make memories, establish strong bonds with team members, and create positive energy for tackling future challenges. In like manner, innovative leaders can inspire success by being acutely aware of progress, and finding creative ways to recognise and celebrate milestones on the road to larger goals.

Managing Innovative Environments

Just as cultures benefit from innovative leadership, these environments are also advantaged by effective management in several key ways. One such area relates to the nurturing and promoting of innovative competencies within the group. This first begins with an accurate understanding of both individual needs and specific areas of development deemed necessary for group success. Innovative environments place an emphasis on professional development opportunities that relate to creativity, innovation, and cutting-edge ideas and technology, and signal long-term commitment to such initiatives which are not fazed by single instances of failure. Innovative cultures also consist of individuals who are interested in social development opportunities to interact with others who stimulate their interests. These types of connections exist throughout the sport leadership ecosystem, and consist of individuals situated both inside and outside of the defined organisational boundaries. An emphasis on multiple conversations and relationships reinforces the notion that collaboration with people and topics of interest keeps the creative juices flowing. Saracens FC has emerged as one of the most successful Rugby Union clubs in the world and places an emphasis on constant innovation across their organisation. One initiative implemented by Saracens provides stimulating thought opportunities by connecting players with philosophers for debate about issues outside of the game. Opening windows to these types of thought-provoking opportunities facilitates an innovative mindset and signals to colleagues the importance of learning and forward-thinking.

Another area can generally be referred to as understanding and managing creative individuals. Allowing individuals to work on topics of interest will provide a springboard of motivation for original ideas. One way to allow for this is to allocate a small percentage of work time for employees to think about any new ideas they'd like that would enhance the productivity of the organisation. Accountability of this time can be addressed by having colleagues provide written briefs of their free-flowing thoughts, and also use these as starting points for group sessions aimed at innovative progress. Even when organisational needs dictate the necessity for solutions in specific areas, leaders who can articulate the importance of the project, and align staff with their areas of greatest interest, will be better positioned to garner creative output from group members. Providing a supportive structure for group members with regard to project load is also important to manage. Meaningful creative output can be diminished when people are spread too thinly across multiple projects, rather than having the ability to think deeply about one or two.

The productive facilitation of group meetings and communications is another key function of managing innovation. One important aspect of this process is demonstrating appreciation for the contributions of individuals and workgroups along the way. As finding solutions to important problems engenders a competitive spirit toward a common objective, ongoing achievement recognition for meaningful progression further stimulates the innovation process. On the flip side, leaders of innovation must also manage the critical components of feedback. A useful way to treat this necessary element of innovation is to set ground rules for depersonalisation. Creative cultures will have the ability to metaphorically 'place ideas on a table' and discuss them freely without critical assessment being directed towards individuals, but instead solely on developing the concept in a useful direction. While keeping in mind that creativity thrives with positivity, critical assessment is still a fundamental part of the process. For example, ideas can gain momentum through well-conceived development and enthusiastic delivery, as well as through the human desire to move closer to accomplishment and agreement. One person's courage and reluctance to be convinced of an idea, and not buckle to group pressures for consensus, could be the impetus for a much greater and more feasible innovation. Leaders should be vigilant to stamp out

language that could be taken personally, and establish an environment which values feedback and constructive criticism in the interest of moving ideas forward in the most productive manner possible.

Leaders of the innovation process will also need to balance the tension between creative expression and structural necessities. Being able to gently infuse focusing parameters to these endeavours is a useful skill for moving in the direction of organisational objectives without quelling the creative spirit. While innovative environments need to have a strong focus on new ways of thinking, this must eventually focus on organisational objectives, core competencies, and a responsibility to stakeholders. Managing this delicate balance is a difficult skill which leaders of innovative cultures must master, as the merger with reality and practicality is what transforms creative ideas into innovative solutions. The development of original thought is generally founded on personal and emotional investment, where contributors would like their ideas to be heard and ultimately moved forward. The role of the leader is to provide an environment where full expression is encouraged, while at the same time not lose sight of the need for production. Adair (2009) provides a useful rubric for managerial consideration for balancing creativity and production. This perspective notes that no organisation is completely creative or completely productive, but instead needs to strike the appropriate balance and emphasis in relation to the main purpose of the enterprise. While we often refer to organisations as a whole for conceptual ease, leadership teams will also want to consider differentiation in relation to creative remit. In a similar way that successful sports coaches have the ability to define roles for (and gain acceptance from) their players, leaders of innovative environments will benefit from role definition in relation to creativity throughout their organisation.

Environmental Scanning

While managing innovation requires a great deal of attention towards internal teams and group members, there should also be ample focus given to the external environment. Innovative cultures will embrace the notion that good ideas can come from anywhere, and actively search for

new ways of doing things from alternate environments. The sport leadership ecosystem is a useful way to consider this function for leaders. Effectively engaging with other individuals in a network, and learning from organisations that have a higher dependence on creativity, is an effective way to cultivate ideas and external relationships. A welcome by-product of environmental scanning is expanding the ecosystem of thought and exchange.

Top leaders in sport are well known for collaboration and considering new methods outside of their main network and industry. Coaching staffs from the NBA and NFL often spend time with each other in the off-season to share ideas and learn about specific areas of interest. Another way to foster innovation and stay abreast of thought leadership and new methodologies is to partner with research groups. For example, Chelsea FC and the Institute for Sport Business at Loughborough University London have developed a partnership for building new ideas for a competitive advantage in player development. UK Sport is another organisation that reached to another part of the sports sector to tap into innovative ideas. With a high degree of acumen for shaving valuable seconds off race times, McLaren Racing was an effective partner for creating systems for better measurement and telemetry information which enhanced coaching techniques and performance levels in the London 2012 Olympics.

Conclusion: Leadership as the Catalyst for Innovation in Sport

Innovative leadership can be a major facilitator of creativity and innovation in sport enterprises. Leaders set the vision for competitive and sustainable pathways for success. Leadership skills can be learned and honed for the desired effect, and developing capacities for an innovative leadership approach can have a major influence on the vibrancy and delivery of innovative outcomes.

In this chapter, we presented four main ideas. The first overarching concept was the way in which leadership serves as a primary driver of innovation and performance through the effective development of the

right culture. We also presented the sport leadership ecosystem as a new way of understanding how leaders are situated in a larger framework that can be utilised for facilitating innovative environments. Next, we presented the intelligence panorama as a way for leaders to evaluate and develop relevant capacities for strengthening relationships and influencing groups towards innovative solutions. Finally, we defined innovative leadership and provided key pathways for individuals to positively influence the innovative capacity of the various groups they lead within the sport leadership ecosystem. In the following chapter, we continue with the theme of viewing innovation from a wide lens, by mapping out the sport innovation landscape and the utility of cultural innovation horizons.

Case Study: Daryl Morey and the Houston Rockets

The Houston Rockets are an American professional basketball team based in Houston, Texas, and are a member of the National Basketball Association (NBA). In 2017, the team made the number eight spot on the Forbes list of most valuable NBA teams. Daryl Morey is the Rockets' general manager, and managing director of Basketball Operations. He's been at the club since 2007, and has spearheaded an innovative integration of data analytics throughout the entire organisation. His background in behavioural economics has driven the Rockets' success, with the aim of using this approach to strategically lead the team to long-term success through data-based decision-making. Morey has been regarded as revolutionary, and has been listed in the *Sports Business Journal's* 'Top 40 Under 40'and *HOOPSWORLD's* 'Top 50 Most Influential in Basketball', and *Fast Company* magazine's '10 Most Creative People in Sport'. By using data science to innovate the team in areas such as recruitment and managing diversity, Morey's data staff have been able to predict how future players will gel together and work with each other's skill sets and unique characteristics. The approach Morey has brought to the Rockets has set the standard for data analytics across the entire NBA, and has earned the Rockets organisation the unofficial designation of 'Moreyball', or the *Moneyball* story of basketball.

Learning from big data has been at the forefront of Morey's strategic leadership. While many note this as the reason for his success, using data to drive decision-making is not a concept Morey invented. It's been happening in businesses for years, with companies like Proctor and Gamble being one of the first to use data to drive decision-making in their operations. However, it takes a visionary leader to champion and implement an entirely new way of thinking in an environment more accustomed to making decisions on gut instinct. Morey brought what some might refer to as 'nerdy statistics' to the basketball court and tailored it work for the sport. In contrast to baseball, where success can be more easily quantified as the sum of individual performances, basketball has much more of a dynamic flow, with multiple players intertwined continuously in the action. Adapting data analytics to this type of team sport has taken an innovative and adaptive approach to develop statistical modelling which is highly relevant to the sport.

Morey has proven himself as an innovative leader, not only for bringing revolutionary thinking to the NBA, but also in selecting the right team in relation to new factors of evaluation. For example, collective diversity offers a new structure of recruitment based on drawing together a range of diverse characteristics. Morey can tap into the unique playing styles and characteristics of NBA players through data analytics, and consider them in combination with each other. He also has also been a thought leader in relation to player valuation, and uncovering biases embedded in his staff. For example, the endowment effect refers to when people ascribe more value to something when they own it. During Morey's stint at the Rockets he has realised that player personnel staff will often overvalue their own players' due biases, which can arise from knowing their own team better than players on other teams. Educating the staff about these biases, and ridding them from the decision-making process has been a central theme for Morey's tenure with the Rockets.

Morey has also ensured that he has the right people to work with, and creates an atmosphere where evidence-based decision-making is one of the core values of the organisation. As part of this process, he has embedded people around him who can recognise patterns to drive decision-making, and help instil this value in the culture of the organisation. Beyond making player personnel choices, the Rockets now also utilise

these techniques when making other hiring decisions, such as coaching hires. For example, when Nick Nurse was interviewed for the head coach position at the Rockets Development League (now the G-League) club, the Rio Grande Valley (RGV) Vipers, he was met with a completely different approach than he had experienced previously in his career. Framing the conversation was a large amount of data on his previous teams, with questions formed around how his philosophy to coaching had shaped the playing style and team performance in very specific aspects of offense and defence. In order to find the right people to interview for the job, Morey and the Rockets staff had developed large databases on each candidate to flush out the most relevant interview questions and enable better decision-making in the hiring process.

The culture of utilising data science for optimal performance extends beyond the use of data which is readily available. Morey's philosophy for utilising information to create better decisions also includes developing new data sets that are highly relevant to the main components of the organisational strategy. While having a top-tier analytics staff capable of different types of data analysis is a necessary component for success, this alone is no longer a sufficient condition for creating breakaway opportunities in sport. Instead, Morey believes that the true source of developing a competitive advantage is compiling unique data which others don't have. The small army of analysts and interns that Morey employs therefore have a major focus on capturing new data points that could ultimately play a role in optimising performance. A classic example is the way that Morey runs the Rockets G-League team, the RGV Vipers. Rather than handing the reigns completely over to the coach, game strategy is intertwined with experimentation to demonstrate and assess specific ways to play the game. In essence, the Vipers are a living laboratory for basketball experimentation and data capture. Examples include focusing on a specific amount of three-point shots attempted, and maximising shots taking on a certain space on the court or specific range of the shot clock. This information then feeds back into the main organisation and used to inform coaching decisions for the Rockets.

While being a champion for using data whenever possible to inform decisions, Morey also understands that data has limitations and must still be used in context. For example, there is a delicate balance to strike in

relation to big data and traditional coaching practice, which has primarily been based on experience and individual interpretation. This provides an important leadership challenge to navigate, and can take time to strike the right balance. While data science can assist in many areas related to team performance, even the most advanced data needs expert human interpretation. Although Morey asserts that coaches should use their best judgement and have the right to deviate from the statistically optimal tactics, the goal is for coaches to consider and integrate data into decisions whenever possible. While there may still be coaching 'dinosaurs' that continue to drag their heels in this space, a trend is emerging for data-friendly leaders, where managers and coaches who embrace this perspective will be at the forefront of sporting performance.

Daryl Morey is a truly innovative leader in the world of sports, and is the epitome of step change in this environment. With little-to-no sporting experience from a playing or coaching perspective, his approach, which has instead been informed by an MBA and computer science background, has revolutionised the NBA and the game of basketball more generally. The days where top sports executives make decisions without being informed by relevant data are evaporating, and Morey's once provocative approach with the Houston Rockets is now a prime example of successful leadership through championing data-driven decision making.

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4

Mapping Innovation in Sport: Revealing the Innovation Opportunity

Introduction: The Sport Innovation Landscape

Like most custodians of lucrative international sporting events, the International Cricket Council (ICC) has faced the thorny problem of how to deal with digital media platforms. On the one hand, conventional—and exclusive—television rights offer immensely profitable contracts. On the other, providing inexpensive or even free content via digital platforms delivers unprecedented market scope and a vanguard for attracting new fans. For the ICC, an innovative response emerged by viewing the tension as an opportunity rather than as a sticking point. For 2016–2019, selected content from eight major ICC events, including the Champion's Trophy, World Twenty20 tournament, and the World Cup, has or will become available through 'over the top' Internet. Using their online video streaming platform Hotstar, digital contract holder Novi can provide thousands of hours of mobile cricket entertainment to any smart device. In a hyper-competitive sport business environment, innovation is not merely attractive, it is mission critical.

All sport enterprises possess embedded cultural characteristics, some constraining and others advantageous to innovation. Ironically, underperforming sport enterprises can cling to old traditions and customs, even when

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faced with severe competitive pressures to adapt and change. In fact, culture always sides with stasis and inertia, acting like a handbrake on change by preserving existing ways of thinking and doing things. Although difficult to accomplish, the only way around unimaginative and seemingly insolvent cultural properties is to create a culture that itself fosters innovation.

Innovation can refer to a vast range of concepts, from simple creativity to complex manufacturing. From a sport product perspective, innovation deals with the translation of a new idea into a tangible deliverable via a technology, physical product, or process-based service. Unlike an invention or a discovery, an innovation takes a place on the real-world stage, as a novel solution to an existing consumer or organisational problem, an improvement to a customer experience, or even a completely new offering for a consumer to try. Because innovation tends to be synonymous with inspiration, considerable mystery surrounds its cultivation (Ratten 2016). However, this book is not just about how to bolster innovation in sport. As we argue throughout, addressing innovation as an independent practice misses the point. Undeniably, to sport enterprises, innovation is oxygen. But, it remains culture that supplies the lungs.

In this chapter, we establish the sport innovation landscape by distinguishing where innovation can occur in the sport industry, and how these sites intersect with a cultural context. We also address how a sport enterprise can go about mapping its culture with innovation in mind. The first section of the chapter maps the potential sites within the sport industry where innovation can occur. Next, the chapter explores the innovation–culture link through a 'cultural innovation horizons' framework. Horizons expose the kind of cultural support that different forms of innovation require in order to be successful and sustainable. Finally, the chapter suggests ways for sport leaders to map their organisation's cultures with innovation in mind.

Locating Value: Sites of Sport Innovation

Before we unpack the types of innovation that a sport enterprise might pursue, it is instructive to first take a closer look at the sport industry and its components. In so doing we aim to identify the full spectrum of organisations that operate in the sport environment, as well as the variet-

ies of products and services they deliver. As a result, we are able to specify the sites where innovation occurs, and therefore where value is added. From a complete map of innovation value, we can then turn our attention to the types of innovation a sport enterprise can enact.

A first critical point to make is that the sport industry extends far beyond the actual delivery of sport itself. In fact, the industry comprises a vast range of essential organisations providing products and services that allow sport to occur, from those that must be in place prior to a sporting contest—like the construction of a stadium or venue—to those that help a sport reach its fans—like the media, Internet, and broadcasting. The sport industry therefore encompasses all upstream and downstream value adding activities emanating from the delivery of sport products and services. A sport product or service occurs when a human-controlled, goal-directed, competitive activity requiring physical prowess (irrespective of competency) is delivered or facilitated.

Upstream value adding activities include sectors or organisations that provide supplies, infrastructure, or support products or services to allow or facilitate the delivery of a sport product or service. Downstream value adding activities include sectors or organisations that provide distribution, marketing, or customer relationship (after sales) products or services to support a sport. Innovations may occur in any part of the chain, and increasingly do so as a result of new technologies, partnerships, and initiatives extending the reach of core sport products. For example, in the United States, the downstream video technology firm Keemotion recently collaborated with the National Basketball Association (NBA) and a venture capital company, Elysian Park Ventures. Armed with an investment of nearly US$4 million, Keemotion is developing motion-detection software that will allow precise sports video content to be programmed and automatically extracted for use by sport enterprises in their promotions, coaching analysis, and OTT digital content. As we will reinforce through numerous examples in this chapter, we can expect more in the way of core sport products partnering with downstream technology companies.

Strategy expert, Michael Porter, proposed that every organisation and industry could be disaggregated on the basis of a number of strategically important activities. He claimed that this ‘value chain’ offers a lens to systematically examine the structure and links where opportunities for competitive advantage can be identified. Porter’s basic tool begins with the

premise that looking at an organisation, sector, or industry as a whole unit, complete with all of its connections, helps to reveal the sites where value—in our case through innovation—is added. We shall start with a modified version of Porter's value chain concept to illustrate the full range of activities within sport delivery where innovation can occur. The potential range of innovation sites around the delivery of sport are shown in Fig. 4.1.

Government Federal, State Ministries of Sport Local Government Authorities Legislation Physical Infrastructure					
Supplies & Inbound Logistics	Production, Infra-Structure & Support Services	Sport Organisation & Operations	Sport Delivery & Activity	Media & Broadcasting Facilities & Venues	Marketing & After Sales
Construction Manufacturing Equipment Apparel Food, Drinks & Supplements Consulting Services	Fitness Centres Heath & Medical Recreation Agencies Trainers & Coaches Sponsors Education Services Research Services Sport Development Institutes Intellectual Property Information Technology	National Sport Organisations State Sport Organisations Non-Government Sport Agencies & Organisations Events Leagues & Competitions Sport Festivals Educational Institutions	Private & Membership Clubs Athletes Players	Print Television Pay Television Internet Gaming & Gambling Private & Public Facilities Public Centres Parks & Gardens	Consulting Advertising & Public Relations Event Support Services Athlete Management Sport Law Hospitality Sponsorship & Cause-related Marketing

Fig. 4.1 Sport innovation value chain

According to our innovation value chain, upstream elements feed sport's supply while the downstream elements come into play as a result of sport's delivery. In this sense, the innovation chain reveals a kind of funnel, with inputs for sport feeding through the actual sport activity into outputs emerging from a reversed funnel on the other side. Thus, sport activity would not exist without the feeder supplies and supports, and in turn, the downstream sectors ensure that sport reaches its audiences. This can help to understand the relationship between different components of the sport industry's innovation activities.

The sport innovation value chain charts all value adding activities that bolster the delivery of sport products and services. It illustrates seven constituents in the relationship. At the core is *Sport Organisation & Operations* and *Sport Delivery & Activity*. These two interrelated areas represent the delivery of sport activities. Congregated around these sport products and services are *Supplies & Inbound Logistics and Production, Infrastructure & Support Services*, which constitute the upstream inputs contributing to the supply of sport products and services. Downstream, sport products and services are distributed through *Media & Broadcasting and Facilities & Venues*. They are subsequently bolstered by *Marketing & After Sales* activities. The Sport Industry Value Chain also recognises that the *Government* plays a pivotal role in facilitating all value adding to the sport industry.

Mapping the sport innovation chain offers a powerful method for capturing the greatest breadth of potential sport innovations for several reasons. First, it encapsulates a broad range of suppliers and distributors, with subsidiary and periphery sectors considered. Second, it clearly defines the core products or services that are delivered in the industry. Third, it reveals where non-sport related products and services employ sport as a vehicle, whether for social causes or commercial endorsement. Service innovations are more common in the not-for-profit sector of the sport industry where sport itself is employed to carry a cause or help introduce a social change. For example, as part of the United Nation's sustainable development goals, UN Women uses sport's reach to promote gender equality and stop violence against girls and women. By targeting global sports such as football (soccer), UN Women can engage with men all over the world, delivering their message through a medium with unparalleled scope and impact.

Fourth, the tool highlights the potential for innovation to activate partnerships and alliances across the chain, or just to expose connections that might not have first been considered. For example, the sport sponsorship-matching platform, Fanfuel, exemplifies a new form of downstream sport business, finding an intersection between ubiquitous new technology, ever-escalating commercialisation, and new consumer and business information-sourcing habits. Fanfuel helps brands search for and identify athletes available for sponsorship. At the same time, the platform promotes its cadre of athletes, assisting their move towards greater professionalisation.

Finally, the innovation chain allows a more comprehensive picture of the industry to be developed, which in turn recognises that innovation can occur in any area. It assumes that all relevant aspects of the industry revolve around the provision of core products and services. For example, if the industry is centrally concerned with physical activities (in the broadest possible terms), then the innovation value chain can easily guide the identification of the upstream activities (supplying and supporting services and products) and downstream activities (distribution and marketing products and services). Furthermore, as sport grows, so too are its core products. Technology and social change is inflating what 'physical activities' might entail, from eSports to wearable devices. For example, OMsignal produce apparel embedded with sensors that track the wearer's biometrics, such as heart rate, respiratory rate, movement, and distance. Data appear in real time through a smart device 'app'. What constitutes sport's core business has never been so blurry. In the following section, we introduce the types of innovation that can occur in sport.

Creating Value: Understanding Sport Innovation

A proliferation of definitions can be uncovered detailing, describing, and assessing innovation. As we have noted, these definitions cover a breathtaking range of angles on the concept, including innovation as doing something new, being creative or imaginative, inventing a new product

or service, enacting or inventing a new technology, making some kind of improvement, reinventing a business model or policy, conceiving a new brand or market positioning, acquiring a new behaviour, commercialising an idea, introducing or communicating change, shifting resources, influencing a social, political, environmental, or cultural system, streamlining a process, or even just thinking differently or in a novel way. Innovation can also be viewed as an outcome as well as a driver. That is, innovation can be the impact or consequence of some other cause or stimuli, which might not have even been planned or intended. To complicate matters even more, innovation may itself be incremental and minor, or radical and disruptive. Irrespective of its nature, innovation can just as easily be random, messy and complex, as directed, neat and linear. It may occur at the individual, idea, product, organisational, or industrial level too, or sometimes all at the same time. For example, consider the concussion protocol introduced by the NBA's Golden State Warriors. It was stimulated by an on-court need, enabled by a novel technology, championed as an organisational welfare policy, promoted as an exemplar innovation to other teams, and employed as a tactical device. SyncThink's EYE-SYNC concussions assessment system records and analyses player eye-tracking impairments, thereby providing a mechanism to ensure that collisions have not affected player judgement.

Notwithstanding all the versions of innovation, we start with the first premise that at the core of all innovation lays the intersection of originality and change. In other words, all forms of innovation involve the introduction of something new or novel, enacting a shift, whether trivial or immense, from one state to another. Table 4.1 identifies 12 types of sport innovation along with indicative examples. The list is not exhaustive, but it does reveal the extensive diversity of innovation types as they manifest in a sport setting. The types of innovation highlighted range from new ideas and ways of thinking, through to innovations in products, and even innovations to aspects of organisations. A handful of select types and examples from the list helps to demonstrate the remarkable range of innovation options and opportunities available to sport businesses. They also reinforce our position that the only sustainable approach to innovation must focus on getting culture right.

Table 4.1 12 Sport innovation types

	CULTURAL INNOVATION HORIZON		
INNOVATION TYPES (With Examples)	**Horizon 1. Exploit** CORE Existing Assets Existing Customers Existing Markets Optimising Value Incremental Improvement Old Sustaining Safe	**Horizon 2. Productive Tension** *CULTURAL CHARACTERISTICS* AUXILIARY Testing New Assets Testing New Customers Testing New Markets Scaling Value Modular / Fusion Discrete New Developing Limited Risk	**Horizon 3. Explore** BREAKTHROUGH Creating New Assets Creating New Customers Creating New Markets Seeking Value Experimental Radical New Reinventing Risky
		Explanation / Examples	
Concepts Ideas Thinking Paradigms Creativity Imagination	Old ways of thinking (e.g. trying to attract the same fans to attend more)	New ways of thinking but only in selected areas (e.g. providing a new service but only to a select group of consumers)	Completely new ways of thinking (e.g. transitioning from paper based communications to smart applications)
People Psychology Resistance Engagement Empowerment Connection	Encouraging employees to do more or better through small improvements to productivity, efficiency or other performance (e.g. a merchandise 'sale)	Asking some employees to deliver a selected product or service differently (e.g. empowering merchandise staff to resolve product exchanges immediately)	Asking all employees to change their behaviours (e.g. introduction of new money back merchandise guarantee)
Products Core Augmented Delivery Services Design	Improved service (e.g. streamlined ticketing)	Product line extension with diversification (e.g add-on service to a new fan set)	New product development (e.g. new sport version)
Markets Marketing Promotions Customers Channels Supply	Improving venue quality (e.g. more comfortable seating)	Adding new distribution channel (e.g. streaming pay per view)	Developing first social media sites (e.g. Twitter feeds)
Models Business Platforms Engineering Value Process	Optimising the business model (e.g. cutting costs, or increasing ticket prices)	Testing a new business model in a contained environment (e.g. offering 'digital streaming' memberships in addition to attendance-based memberships)	Transforming the business model (e.g. discontinuing free to air TV rights and replacing with pay per view)

(*continued*)

Table 4.1 (continued)

Technologies IT Knowledge CRM Data Finance	Improving the fan experience (e.g. give–aways at the venue)	Enhancing the fan experience (e.g. offering an 'app' providing player data from wearable technology)	Revolutionising the fan experience (e.g. watching the sport via virtual reality)
Systems Social Environmental Political Cultural Technological	Making a social impact (e.g. players visiting hospitals or holding community clinics)	Developing a sustainable social contribution (e.g. introducing a program where some proceed go to a social cause)	Creating a social sport enterprise (e.g. all programs, products and events have an integrated social responsibility dividend)
Strategies Product Market Function Firm Sport	Incremental growth (e.g. focus on increasing participation in the sport)	Niche development (e.g. attracting a new group of participants who have never played before)	Diversification (e.g. taking a new version of the sport overseas)
Organisations Procedures Policies Management Operations Structure	Improving efficiencies (e.g. change in reporting relationships for better communications)	Testing new organisational relationships (e.g. introduction of a new 'customer service' team)	Reengineering an organisational component (e.g. creating a completely new organisational structure)
Context Regulatory Legal Competition Global/Local Capital	Change to an external condition leads to a small change (e.g. a currency fluctuation leads to cost cutting)	Change to an external condition opens up a new opportunity (e.g. decreased barriers to enter a foreign market lead to product delivery there)	Change to an external condition stimulates significant change to sport organisation (e.g. global financial crisis leads to new major sponsorship deal)
Sport Rules Versions Player/Coach Technology Training	Small changes to rules to make the sport more television friendly (e.g. longer time-outs to allow for commercial breaks)	Developing a new sport product into a scaled and independent version in its own right (Indian Premier League Twenty20 Cricket)	Modified rules version of the sport designed to capture a new viewing market (e.g. rugby sevens, Twenty20 cricket)
Culture Values Norms Assumptions Beliefs Climate	Cultural values encourage small and safe innovations (value on low risk, incremental progress)	Cultural values encourage significant but contained innovations (value on high risk innovations in a low risk context)	Cultural values encourage break through innovations (value on high risk, high return innovations)

Innovation enjoys a long association with technology, and for many people the two have become synonymous. While technological innovation remains a central feature in many initiatives, it tends to distract from other types of innovation. Technology may best be viewed as a stimulator or enabler of innovation, rather than the end in itself. As part of its London 2012 Olympic sponsorship, mining giant Rio Tinto created the 'Sports Innovation Challenge'. Working in partnership with a university engineering department, students were tasked with designing, building, and testing innovative Paralympic sporting equipment. At the same time as the new designs offered technological breakthroughs leading to superior performance, the programme developed students' practical skills, assisted athletes, and cast the sponsor favourably in terms of social responsibility.

In contrast, a strictly strategic form of innovation can be seen in the partnership decision of US Major League Soccer (MLS) team, the Portland Timbers. In signing a deal with a local chocolate manufacturer, the Timbers recognised the strategic benefits of associating with a company based close by. The initiative was never motivated by the prospect that the team's fans are avid chocolate consumers, but because working with a local brand was tactically relevant, strengthening the Timber's geographical loyalty.

Similarly, an innovation may reflect a change to an organisation's business model. For example, eSports company Fnatic partnered with Italian football heavyweights, AS Roma. Part of the arrangement saw the company become one of the first to invest in a sporting club; an unconventional shift in business model.

Innovations may target a sport itself in the form of new competitions, recruitment and drafting policies, or rule changes on the field of play. As we observed earlier, a good example arrived with increasing concerns for player safety associated with head injuries and consequent concussions. Many sporting competitions have responded accordingly. In the UK, for example, the Rugby Football Union, Premiership Rugby, and the Rugby Players Association, created a concussion awareness programme incorporating education, game day management, and graduated return to play procedures. Likewise, the NBA's new concussion protocols comprise education, clinical evaluation, and rigorous data collection. Such sport inno-

vations tend to spread across the industry, becoming best practice even in community sport. Unity High School in Tolono, Illinois, introduced helmets to their football team containing 'Head Impact Telemetry System (HITS)' technology. It wirelessly relays details of collisions, along with other telemetry to software for monitoring and analysis. No doubt HITS and other technologies will spread rapidly given the need. The Australian Institute of Sport estimated that over 100,000 sport-related concussions occur annually in the country, with 60% requiring hospitalisation.

Sport can also be employed as a vehicle for innovations targeting social change. Consider the immensely successful Invictus Games. Set up as a non-profit, the Games offer a high-profile sporting competition to wounded, injured, or sick former military personnel. With royal patronage, and numerous corporate, health, and media partnerships, the Games have attracted significant attention to the sacrifices made by the military, at the same time as providing a forum for collaboration, mutual support, and community understanding.

As these examples illustrate, many types of innovations occur simultaneously, with overlaps between categories. The important thing to remember is that innovation has no borders and no boundaries. Ostensibly simple innovations can yield a multiplicity of benefits. For example, most sporting stadiums and venues are stridently developing their wireless capabilities. Fans can access 'apps' for smoother parking, locating their seats, communicating with fan forums, distributing social media commentaries, accessing player and game statistics, uploading snippets of play, watching replays, receiving 'insider' information or 'giveaways' from team marketers, reviewing player comments, and making merchandise or food and beverage purchases without leaving their seats.

For our purposes, the key takeaway should be that innovation in sport transgresses all aspects of a sporting enterprise, which means that enabling innovation necessitates a facilitating culture; an 'innovation culture'. While innovation can be directed specifically towards the cultural character of a sport business, such as its shared values and norms, all innovations affect culture, and all cultural characteristics influence innovation. As a result, in Table 4.1 we have underpinned the types of innovation with 'culture' due to its unique reciprocal relationship. Naturally, a strong part of our interest has to do with how a sport enterprise can create a

culture that facilitates and enables innovation. In order to understand this relationship better, we need to introduce the idea of 'cultural innovation horizons'.

In Table 4.1, against the innovation types listed in the rows is the 'Cultural Innovation Horizon' presented in three columns: Horizon 1. Exploit; Horizon 2. Productive Tension; and Horizon 3. Explore. All forms of innovation affect culture. Our argument maintains that in order to create a culture that enables innovation, attention has to be given to all aspects of innovation's deployment. In particular, we propose that innovation must be considered within the context of a sport enterprises cultural perspective, its horizon of focus. However, the cultural horizon does not refer to a short, medium, or long-term vision. Rather, it is concerned with the scope and focus of an innovation, which has a material bearing on how it can be culturally enabled. We expand upon horizons in the following section.

Sport and Cultural Innovation Horizons

It is tempting to connect innovation to culture via a focus on (1) a time frame (short vs. long), (2) the desired comprehensiveness of the innovation (incremental vs. radical), (3) the nature of its impact (continuous vs. disruptive), or (4) a particular modality of intervention (technology vs. human). All of these are worthy considerations. However, they also miss the critical point that culture and innovation intersect at *points of inflection*, when attempts to change are actually made. For this reason, we propose the use of 'cultural innovation horizons'.

Horizons offer a way of thinking about the kind of cultural support that different kinds of innovation require in order to be successful. Consider, for example, a simple innovation within a sport event's ticketing system that gives fans a paperless ticket option for use with a smart device. Such an innovation seems like a solid opportunity to improve efficiency in delivering tickets, and for providing an event's attendees with a streamlined method for entering a venue. But it is hardly a radical, disruptive innovation that will change the face of the event, or yield significant dividends in terms of profit. In fact, as innovations go, it proba-

bly fits into the category of changes that all sport events have to undertake at some point soon, just to keep up to date.

Under a horizon way of thinking, the ticketing change presents an example of a horizon 1 activity, also known as an 'exploit' strategy. In theoretical terms, exploit refers to activities where variance is decreased (Smith and Tushman 2005). Consequently, exploitation is concerned with stability and continuity. It draws on and builds from an organisation's past, aiming to increase the efficiency (and profitability for some sport enterprises) of the current activities, wherever they are focused or located. As a result, we have witnessed a proliferation of sport enterprises rush towards technological literacy, the best incorporating constant improvements to their fan engagement via social media and smart device applications. For the technologically savvy sport business, recent improvements incorporate experiments with artificial intelligence. Self-learning software can issue 'digital nudges' to fans when an event of interest, or critical moment within a contest, takes place. For example, a golf fan might receive a smart phone nudge indicating that her favourite player is about to tee off. A cricket fan might get a nudge commenting on a fall of wicket, while a tennis aficionado might be alerted to an upcoming break point. Gradually, AI-driven software will learn the viewing preferences of fans, leading to gradually more customised experiences.

In comparison, imagine a horizon 3 strategy, also known as an 'explore' strategy. Exploration involves increasing variance in an activity, often through trial and error experimentation, or by trying something completely new. Exploration is concerned with change and adaptability; encouraging creativity and risk-taking, and tapping into new, untested opportunities (Groysberg and Lee 2009). An example might be the introduction of a new, abridged version of a sport, like those developed by cricket (Twenty20) and golf (GolfSixes). Not all sport businesses literally provide a sporting contest. One of the world's most prominent sport businesses, Nike, was the first global company to innovate by combining sport, fashion, functional apparel, design, and of course, industry redefining approaches to marketing and sponsorship. Still at the forefront of design, Nike has mastered its exploit business, innovating its products adding slightly new versions constantly. Not content without some groundbreaking change, Nike also periodically introduces a more radical

'explore' innovation. One example is NikeLab, an experimental collaboration between in-house 'functional' designers and high-profile fashion designers. The result has been new lines of top-end performance wear that compromise on neither flair nor function. In typical Nike style, the designer label has not lacked marketing bite.

The key point is that the cultural supports required for explore and exploit are quite different. Exploit innovations need minor shifts in order to succeed, a 'more of the same' kind of approach. However, explore innovations demand considerable transformations as they incorporate totally new ways of thinking or doing things. As a result, explore innovations demand commensurate changes to the cultural environment in order to be sustainable. Because innovation and culture exert a reciprocal effect on each other, exploit innovations reinforce incremental improvements in the status quo, while explore innovations challenge the existing culture given that it has to deal with radical change. Equally, a culture that has acquired an appetite for significant change will be much better able to support explore innovations and will naturally favour them over incremental approaches.

Cultural innovation horizons do not stop with explore and exploit. In between the two—but not a balance between them—horizon 2 innovations attempt to explore and exploit at the same time. In the twenty-first-century world of global, hyper-competitive sport, all organisations need to be able to explore for future growth while exploiting for current prosperity. In short, the key to success in the fiercely competitive sport business arena lies in finding ways to innovate and commercialise simultaneously. However, exploring new opportunities while simultaneously exploiting existing capabilities requires a different mode of operation, and a unique culture-innovation mix (Smith et al. 2017a, b).

Horizon 2, or what we have termed 'productive tension', involves stimulating the discretionary effort instrumental to innovation, while maintaining the incremental improvements essential to immediate returns and efficiencies. Rather than just a matter of strategy and organisation, horizon 2 initiatives present severe challenges to most engrained sporting cultures. In fact, getting to a 'productive tension' where explore and exploit activities proceed side-by-side leads to a capability paradox. After all, according to previous studies, high levels of exploration and exploitation

at the same time means dealing with completely different business structures (Farjoun 2010). Moreover, few sport enterprises are naturally equipped to cope with the kind of agile ambiguity that the combined pursuit of radical innovation and incremental efficiency compels. Sport's core business resides with long-standing and conservative services based on trust, tribalism, and loyalty. Sport businesses desire control and efficiency to continually deliver on their on-field performances. They therefore face the difficulty of balancing control mechanisms through their executive planning, performance measurement, reward systems, and customer delivery processes, against freedom for new innovations in order to attract a fickle generation of fans.

But, how do sport business leaders accommodate the structural and managerial tensions that accompany a commitment to innovation through both exploitation ('tight' structures, control, continuity, stability, conventional reporting and performance measures), and exploration ('loose' structures, flexible, responsive, experimental, evolving)? Simply put, how can sport leaders deal with such contradictory and complex forces operating at the confluence of innovation and culture?

An intuitive response would suggest some kind of compromise between explore and exploit, a little of each in order to move ahead cautiously. Unfortunately, although the compromise approach makes sense intuitively, it fails the culture-innovation 'inflection' test. Middle ground is safe, but it is no place for winners. Who wants to finish in the middle of the league table? Sustainable performance mandates constant change, both in the form of incremental refinements to yield the greatest returns on existing investments, as well as groundbreaking change in order to stay ahead of the pack. Compromise encourages mediocrity, so the answer lies with generating a culture-innovation interface where the tension between explore and exploit is raised rather than lowered, where efficiency, stability, and control sit alongside adaptability, agility, and risk taking (Misener and Misener 2017).

Most sport businesses focus on exploit, but as a result face futures largely absent of major new innovations, thereby trading on a declining brand and past success. Just as theorists such as Baghai et al. (2000) and Moore (2007) have warned, attempting to optimise exploitation and exploration does not work. Balancing the two, or trying to opportunisti-

cally shift resources between them, paradoxically tends to leave investment in innovation for plentiful times when it is least needed. The practicalities of pursuing both explore and exploit concomitantly makes for difficult management. Along with the resource allocation issue, leaders and managers need to continually switch metrics and priorities around time horizons, performance, and investment outcomes.

Instead of balance, the key revolves around maintaining a deliberate disequilibrium where the culture accepts uncertainty, tension, ambiguity, and the real possibility of deleterious performances in order to ensure that the next stage of the sport organisation's life cycle will be successful.

Mix and match approaches oscillating between explore and exploit projects make for an almost impossible cultural dynamic. Although difficult to achieve, a more powerful cultural innovation approach strives towards horizon 2 thinking. Constructive tension emerges between order (the pull of exploitation) and disorder (the pull of exploration), often described as the 'edge of chaos'. As a result, divergent, creative ideas depend upon convergent, analytical thinking for nurturing and support.

Such a cultural innovation model begins with understanding how exploit and explore cultural horizons can host *both* incremental and radical innovations. Building upon these two horizons, the truly innovative culture can be constructed where both explore (adaptability, risk) and exploit (control, efficiency) is each pursued in high measure. The problematic cultural and resource issues around switching between high levels of exploit and explore modes of operation, or a bland compromise between the two, give way to an innovation environment where opportunities stimulate aggressive responses.

Cultivating a horizon 2 productive tension culture of innovation can take numerous forms. Early forays might be initially designed as commercialisation pathways to up-scale high potential innovations as fast as possible before returning them to the core business. In this sense, a radical new innovation can be partitioned from convention, day-to-day operations and chased aggressively in a prototype form. If it all goes wrong, risk is contained. But, if the innovation proves to be advantageous, it can then be scaled up until it becomes the new normal, a core business in its own right.

Two kinds of horizon 2 innovative projects are most common. One set of projects tends to reflect a high risk and return orientation, having emerged as a radical new innovation seeking a commercial home. Start-up sport businesses provide the exemplar. Amongst the exponential growth of mobile applications, new sport businesses have emerged seeking to redefine the ways consumers engage with sport products and services. For example, RunKeeper offers one of the largest globally accessible mobile fitness platforms, having accumulated nearly 40 million users and connections to over 100 third party devices and services. Unlike an explore only innovation, RunKeeper uses a new business model to access an existing marketplace. Given the model effectively provides a personal trainer on a smart device, RunKeeper sidesteps all the risks that go with the conventional small volume, high margin service.

The other common horizon 2 innovation tends to align more directly with a sponsoring core business area by infusing an already successful initiative with a new product or market orientation. That is, major innovations within contained and predictable product-market mixes. For example, although motion analysis has been prevalent in elite sport for decades, a revolutionary new generation of software is currently being incorporated into elite sport's digital arsenal. Baseball pitchers can have their unique throwing actions automatically examined for vulnerability to rotator cuff injuries and other biomechanical inefficiencies (Ellapen and Paul 2016). Swimming coaches are employing the same technologies to improve stroke techniques. No specialist knowledge of technique is required as the computer software conducts the assessment.

Some new programs and initiatives will emanate from future trend spotting, while others will emerge from careful strategic analysis. In principle, innovation needs freedom until it becomes sustainable and then needs control to generate scope and efficiency. Digital media firm, Perform Sports Media, responded to an increasing need within sport enterprises to be able to collect, produce, package and distribute their own data, editorial, and video content. Providing a product to allow sports to commercialise the digital content they already own represents a bold leap based on trend and market opportunity.

One way to take advantage of the explore–exploit tension involves the use of heterogeneous, modular groups and units capable of working in

the grey area, where the normal rules and expectations become more elastic, and novel propositions can be tested in the real world quickly at a low cost and risk. However, the tension becomes most productive when the groups move back into the fold in order to have the greatest cultural impact. Core business delivers the daily bread but seizes virtually 'free' ready-made new products from the margins of experimentation.

A productive tension cultural innovation horizon requires both strict managerial accountability at the same time as hosting an entrepreneurial mindset, the latter correlated to innovation in sport enterprises (Mohammadkazemi et al. 2016). Innovative sport cultures provide an environment in which it is safe for decision-makers to experiment and control in equal measure. A sport business culture must nurture the tension since most individuals find it difficult to excel at both exploitation and exploration. Individual productive tension necessitates managing contradictions and conflicting goals, working with uncertainty and ambiguity, being comfortable taking risks, and performing diverse, fluidly changing roles. A good starting point in addressing innovation culture is to make an assessment of the existing situation, as we explain next.

Mapping Innovative Sporting Cultures

Creating an innovative culture begins with translating information into meaning. Every aspect of a sport business contains a symbolic representation of its culture. In order to foster an innovative culture, sport business leaders first need to be able to evaluate and measure their organisations so that they can pinpoint where change is most critical. All information is not equal, however.

Organisational culture tends to be conventionally defined—perhaps a little mechanically—as shared values and beliefs. But culture possesses far more complexity than this. In order for an innovative culture to be created and bolstered, the right shared values and beliefs must in some way be reinforced and transferred to organisational members.

While the range and diversity of information available for cultural analysis is profound, many cultural studies ignore all but the most apparent and accessible data. An overarching cultural analysis will utilise every

available piece of information, with the more obvious elements becoming vehicles for the transmission of less tangible, more subjective facets of culture. The difficulty in any cultural investigation lies with translating the data obtained into useful and meaningful categories, patterns, and themes. Of course, such an endeavour is complicated by the very nature of sport and the businesses it propagates, immersed as they are in nebulous but powerful traditions, histories, values, and myths. These symbolic cultural indicators offer penetrating insights when considered in concert to readily observable organisational characteristics.

To accurately assess the innovation culture of a sporting enterprise we must comprehend the depth and breadth in which a culture can be manifested. Because culture assumes a largely unconscious presence—hidden from view—an innovation cultural map of sport business must address organisational culture on varying levels of depth and accessibility. An innovation cultural map summarises the predominant features of a sporting enterprise's culture. In short, a map provides a means through which raw observational data can be interpreted, and action taken, so that innovation of various types has a better chance of taking seed.

The beliefs of organisational members may be noticeable through visible artefacts such as symbols, heroes, and rituals, while the more covert aspects of culture such as values and assumptions manifest through behavioural patterns. These patterns, when collectively considered, distinguish sport enterprises, as each possesses a unique combination of cultural variables that can encourage or collapse innovation. Some of the more observable cultural dimensions relevant to mapping innovation cultures are summarised below in Table 4.2.

One of the key challenges surrounding the use of dimensions to assess cultural support for innovation relates to what exactly they represent. For example, values-related dimensions are typically measured by asking questions about symbols, rituals, heroes, history, attitudes, and behaviours. Is it reasonable to assume that these criteria provide suitable proxies for covert, underpinning values towards innovation? Thus, different assumptions and terminologies make the conceptualisation of innovation culture dimensions more difficult. As a result, cultural dimensions can be seen as either homogeneous—all reflect an equal unit of cultural depth like values, but have to be described and evidenced in terms of other

Table 4.2 Examples of measureable innovation cultural dimensions

Dimension	Characteristics
Adaptability/ stability	Disposition toward innovation: Degree to which organisation encourages alternative 'ways of doing things' or existing ways.
Cooperation/ conflict	Disposition toward problem resolution through innovation: Degree to which organisation encourages cooperation or conflict.
Goal focus/ orientation	Clarity and nature of innovation objectives and performance expectations.
Reward/ motivation	Nature of innovation reward orientation of organisational members: Degree to which organisation encourages seniority or innovation performance.
Control/ authority	Nature and degree of responsibility, freedom and independence of organisational members have in innovating.
Time/planning	Disposition toward long-term innovations: Degree to which organisation encourages new short-term or long-term innovations.

characteristics, or heterogeneous—where dimensions represent different hierarchical layers of the cultural 'onion'—like values, attitudes, rituals and symbols. Cultural mapping needs to account for these idiosyncrasies.

Another question concerns whether different sectors of the sport industry require different cultural forms in order to facilitate an innovative culture? For example, many of the more radical, path-breaking innovations that occur around sport and physical activity originated in the private sector rather than in the relevant governing sport association. For example, the virtual cycling program, Zwift, employs 3D technology to bring a simulated riding course to anyone who logs in. The program can be used by anyone including elite and aspiring cyclists who want a training or rehabilitation tool, as well as social cyclists, who enjoy riding in different virtual terrains with online compatriots. Zwift attaches to a stationary bike while course simulations run through mobile devices or a television screen or monitor. Social rides and races take place around the clock, ensuring that no cyclist has to ride solo if he or she would prefer company; in this case with real, but virtually present, fellow riders.

Given that every organisation has unique cultural elements, some guidance for sport business leaders can be found in at least six determinants that shape cultural support for innovation.

History and ownership represent the first cultural 'building block' for innovation, and is particularly evident in sporting clubs where traditions, myths, and ritualised behaviours are embraced, past memories cherished and frequently relived, and change feared and avoided. The length of time an organisation has existed affects its historical emphasis, as older organisations tend to have more entrenched cultural characteristics discouraging new ways of solving old problems. In addition, the ownership structure and the type of organisation hold significance. For example, ownership of clubs can affect their culture, whether in the form of a private franchise or a public membership. Privately owned leisure and recreation facilities and sport product manufacturers tend to be more aggressive in pursuing innovation, or at least more agile when they choose to test out new possibilities. Like all large bureaucracies, large sporting competitions can be a little slow in responding to market standards. However, many have been impelled to move swiftly around fan engagement, aware that their new generation of supporters are digital natives with a low tolerance for analogue only products. The US NFL was initially slow to connect with social media, but has more recently become a world leader in its use. Twitter Amplify allows promoted tweets to be sent by the NFL to nearly 300 million users.

Second, resources, both human and financial as well as their source, can also affect how innovation is expressed in a sport culture. For example, the composition of externally generated resources, either from government grants or commercial sponsorships, can affect policy decisions and subsequently cultural values and beliefs. Thus, an organisation plagued with financial woes may undertake decision-making with considerably more hesitation and anxiety than one with sufficient reserves. As a result, culture may reflect an unadventurous and cautious outlook in contrast to a bold, risk-taking innovation philosophy. In a move likely never to be even contemplated in most sporting enterprises, the NBA's Sacramento Kings became the first sport to accept bitcoins as payment for merchandise and match tickets. The franchise believes that using bitcoin will enhance the purchasing experience for some younger fans.

Third, employees and organisational members play a key role in creating, maintaining and changing an organisation's support for innovation. In sport, two categories of employees need to be considered: administrative employees, who deal with customers and fans and are judged according to their competence and personality; and players, who represent an organisation in contests, and are judged according to their skills, abilities, and playing records. While administrative employees influence the office culture, it is not always clear how players change culture and innovation. Nevertheless, players can demonstrate a club's character in one action (or tweet) that can be viewed by hundreds or thousands of fans who can translate that single action into a stereotype for the team. As a result, the team's character can be imposed upon the whole organisation. Thus, player skill and the performance of administrative employees hold central in the cultural innovation process. In this respect, innovation stimulates more innovation.

Fourth, innovation cultures can be influenced by the products and services an organisation delivers. For example, one difference concerns whether an organisation is performance (spectator) or participation based. The primary service delivery component of a spectator-based organisation is the quality of the match or game played, whereas the actual match quality of a participation-based service is largely incidental. Participation-based organisations emphasise the services provided for the competition so that players can determine their own quality. In addition, from a strategic viewpoint, non-profit sporting organisations like clubs can advantageously collaborate with their competitors in a kind of coopetition involving innovative services or business models (Wemmer et al. 2016).

Naturally, sport product manufacturers will also emphasise different cultural priorities. For the most part, they focus on how their brand commands attention, and the sense of identity a consumer experiences with the product's use. For example, the sport of kayaking has introduced few product innovations to its competitive offerings in recent years, but private firms like Motionize see the profit potential in paddlesport. The system has stimulated a new generation of participants to test out the sport having become intrigued by the paddle sensors that report to a smart phone app about the user's strokes, movements, speed, distance, energy expenditure, and motion.

In addition, it may be possible that the sport or activity itself can affect an organisation's desire for innovation. For example, is it possible that aggressive sports such as boxing or mixed martial arts are more likely to have aggressive managers implementing aggressive administrative policies? Furthermore, if true, is it because the organisation attracts former players to assume administrative roles, or because the sport itself attracts more assertive managers? No doubt a bocce club and a boxing club each have different underpinning assumptions and values. However, while some research suggests that certain sports promote common beliefs and practices such as aggression and masculinity, it has also demonstrated that any two contrasted organisations, even of the same sport, will have significantly different cultures (Smith and Shilbury 2004).

Fifth, the context in which a sport enterprise operates affects innovation opportunities and the way they are perceived. Factors may include technological developments and consequent consumer expectations; the government, in particular their policies concerning the subsidisation of sport and the relative importance of elite success and participation rates; the labour market, namely industrial relations and employee law; the needs and demands of consumers; the economy, specifically the effect on consumer disposable income for leisure and entertainment; and the weather, or immediate playing environment. Naturally, as many of our examples reflect, innovation in sport is profoundly affected by changing consumer expectations, often accelerated by technological developments. A new 'normal' means, for example, that sport fans expect to be able to interact with other fans, clubs, and even players through social media platforms, while simultaneously watching the game through live streaming or in selected recorded packages. Furthermore, the variety of mobile 'second screens' continues to expand, now including watches.

The final common factor acting upon innovation in cultures is an organisation's objectives. Those seeking elite success may inherently possess different cultural characteristics compared to those pursuing 'grassroots' participation, or those seeking increased profit margins. A profit-seeking enterprise may be more rationalist in contrast to a socially grounded participation or promotion based local recreational club. As our innovation value chain demonstrated, the number of mixed model sport businesses is growing exponentially, especially as sports partner with

upstream and downstream specialists like venues and technology developers, respectively. For example, technology firm Playpass helps sport enterprises by giving unaffiliated but interested potential participants a way of locating a suitable local sport to play. As a result, player registrations have surged for participation-based sports using the app. In the US, where Playpass was initially launched, the recreational sport market contains more than 70 million participants with a value of more than US$100 billion. Such untapped potential foreshadows an inexorable explosion in alliances, partnerships, and vertical integration coming in sport's future. Similarly, Payasugym was created to tap into the causal gym market for those seeking a session in a location away from home. Users of the mobile aggregator of more than 2000 gym services across the United Kingdom can scan the available options by geography, price, and facilities.

It is one thing to collect data about the culture of a sport enterprise in the context of innovation, and another thing to make sense of it. Some ideas about where to start mapping can help navigate this complex process.

Innovation Cultures: Some Keys to Mapping

For the sport business leader, informal mapping acts as both strategy and process, bringing order, structure, and meaning to a mass of accumulated observations. No doubt any number of mapping criteria can be usefully employed to help diagnose an organisation's cultural support for innovation. However, here we propose a starting point through a series of sport-specific dimensions relating to underlying assumptions, beliefs, values, and customs. We offer six variables—or 'cultural systems'—that have a tangible impact upon innovation. Keep in mind that these systems are more relevant to organisations delivering sport products, rather than those associated with sport either upstream or downstream in the value chain. They also build upon the observations about cultural markers we introduced in the previous section.

'Performance Orientation' constitutes a first system of interest. Systems of performance orientation revolve around an organisation's disposition toward its competitive ethic. It can be summarised by the degree to which

the organisation's primary function is winning, in contrast to the importance of its other operations, including profit making. Performance orientation can vary between the extremes of focusing on competitive success, to a substantial interest in the profit-making situation, an attachment to community service, or the development of a participation base.

We should keep in mind that a sport enterprise differs from 'other' businesses and organisations in its products and services. Many sport enterprises depend upon an independent, unfixed, and uncertain variable: team performance. The quality of a sporting enterprise's operation is inextricably connected to the team's ability to win competitive matches. As a result, a fundamental cultural value appears in attitudes towards the performance of the game itself. This in turn drives a culture's perspective of where innovation is the most important. Also, some sport enterprises view the winning of matches as the only acceptable outcome of sporting endeavours, whilst others imbued with the ideals of amateurism view participation and maximum effort as the most important considerations. Of course, many sporting franchises and manufacturers simply consider sport a vehicle for delivering a lucrative product or service. Take SoccerBrain as an example, which provides coach education to football clubs, as well as to individual coaches and players. At selected intervals, SoccerBrain sends it paying customers videos relevant to their age and skills level, advising on the best structures and techniques for an ideal practice session.

A further insight into performance orientation as it relates to an innovative-supporting culture can be seen through the repeated traits of clubs, players, and their respective behaviours. This is particularly important with a sporting club because innovation on the field of play so often determines success. It also means that player behavioural transgressions off the field of play can have an impact. In circumstances where a coach or manager seeks to introduce a series of inventive changes, or a radical innovation, he or she must manage the natural resistance that will come from players. Nevertheless, tactical innovation has been clearly connected to success and club value (Trequattrini et al. 2016).

The commitment to innovative performance permeates other dimensions of the organisation, including its fan-facing services and its branding. A unique aspect of the sport product is the intrinsic importance of the delivery venue. For example, most English Premier League (EPL)

clubs have now invested in various forms of perimeter virtual advertising displays that simultaneously present content to live spectators while giving television viewers material indigenous to their locations. As a result, media rights owners can on-sell fully customisable advertising space to each different viewing market all while the live spectators watch their own local version.

'Boundaries' offers a second cultural system pertinent to sport that affects innovation. By 'boundaries' we mean the fundamental structures through which the organisation operates, along with the underlying values, beliefs, and assumptions that surround these structures. Structure indicates the allocation of responsibilities and decision-making processes, revealing those people responsible for control, and more importantly of course, for relinquishing it as well. Centralisation, for example, occurs when a select few leaders wield the resources. In contrast, a decentralised structure allows for delegation and flexibility, and therefore dissipates boundary power, in the process opening up the scope for emergent innovation. Although broadcasters were the first to employ drones in sport to provide improved and unusual camera perspectives, it was specialist coaches—in decentralised environments—who came up with the idea of using drones for technical and tactical analysis. Across the world professional clubs and teams from the NFL to the EPL use drones to capture footage of individual player movements, experimental tactics used in training, and opposition analysis. It was then only a short step for major events like cricket's ICC Champions Trophy to offer fans virtual reality systems, which combined with a headset allows them to face bowling from the best in the world. We can evidently expect a lot more of the same (Dempsey 2016).

Power and its sources represent an important part of boundaries. Linked strongly with the other organisational characteristics, the issue of who holds power provides enormous insight. Control of the organisation may span from complete power and control held by the centralised figures, to a consultative decision-making process wherein those with knowledge and expertise contribute to decision-making. This description includes both the administration and team structures as well as the organisation as a complete entity. A new development in innovative sport cultures has been the growing empowerment of fans, especially as they

co-create value with a sport, team or club through their own original content (Smith et al. 2017a, b). Examples abound where fans have helped create innovations in and around their viewing experiences. Using platforms like Screemo, that give fans the opportunity to interact directly with in-stadia advertising through smart devices, sponsors and events can quickly engage with audiences through giveaways, trivia, impromptu video clips, crowd images, and prize competitions. McDonald's were one of the first sponsors to trial the engagement tool through an interactive game where selected members of the crowd competed with each other for prizes in a game of 'Pong' on the venue's giant screen. Many of those logged into the app were awarded coupons for free food. As a result of empowering the fans to create their own content—an innovation that would have been considered unimaginable a few decades ago—a whole new way of customer to sponsor engagement was invented.

At the heart of a sporting enterprise's boundary systems lie its policies and rules on rewards and punishments. Again, this includes the team processes in addition to the administrative structure. The club may embrace a method of rewarding excellence, punishing failure, or a combination of both. Behavioural extremes may extend from mischievous rule-breakers to consummate rule-followers. Behaviour reinforced by culture provides a powerful anchor, and can only be altered by a modification or transformation in the culture itself. As a result, loose boundaries are associated with unfettered innovation, and tight boundaries are associated with careful oversight. Clearly, both are essential, as boundary-less innovation just leads to chaos; without some tighter structures, good ideas cannot be scaled. Conversely, when tight boundaries dominate, great ideas are quashed before they have the chance to gain momentum. Productive tension comes about when tight boundaries contain loose compartments where innovation can thrive without encumbrance. The more feedback an organisation is structured to receive, the greater its potential for cultural innovation.

A third cultural system worthy of study relates to 'support'. This represents the central perception of employees (and players) regarding the degree of collectivism inherent in their organisation, the level of unity and cooperation. Sporting enterprises place a unique emphasis on the importance of teamwork, at least on the field of play, even for individual

sports where athletes, coaches, and support personnel must all work harmoniously in order to secure a winning edge. However, the practices of many sporting enterprises fail to live up to a high team dynamic, since they often single out superstars and market the individual character of players. In contrast, some sport enterprises discourage an emphasis on just a few star players, and rather focus on performance as a unit. Systems of support therefore encapsulate the degree of unity and loyalty associated with belonging to a particular group. Naturally, stronger cultural support for collective action will foster higher levels of innovation. In a bold exercise in organisational innovation, a handful of sport businesses are experimenting with gamifying innovation. 'Serious games' (as opposed to entertainment games) combine technological gaming with organisational elements to simulate practices such as training, education, communication, health awareness, and public policy. The aim is to model and test experiences for employees in a practical setting. Serious gaming can also be used to manage stress in the high-tension sport workplace including for coaches, players, and sales teams. It can also be employed for training in occupational health and safety, harassment, discrimination, public speaking or PR, to name a few of innumerable applications.

A fourth cultural component represents the system of needs gratification in place. It refers to a willingness to sacrifice something now in order to obtain a future benefit: an immediate gratification of needs in contrast to a delayed gratification of needs. The planning approach offers a starting point. Planning may range from a concentration on long-term planning (i.e. delayed gratification) to a focus on ad hoc decision-making (i.e. immediate gratification). In a more fundamental sense it describes the difference between design and action. Understanding the planning orientation makes it easier to determine an organisation's innovation model. In addition to the trajectory of the planning process, decision-making systems illustrate a particular disposition toward needs gratification. For example, an organisation dominated by immediate needs gratification will pursue established players with the bait of more money, while a planning-oriented organisation may spend more time nurturing young players. While long-term thinking can be immensely advantageous it can also preclude the kind of agility that innovation demands. The danger here comes when leaders believe that they can 'plan to innovate', when in fact, they must act to innovate.

A fifth cultural system illustrates the presuppositions and behaviours associated with 'gender roles'. Sport generally displays rigid gender-role behaviour, often expressed by a widespread, fundamental belief that males and females should behave with specific and stereotypical conduct. Images such as rugged, tough, strong, and courageous exemplify traditional, stereotypical masculinity. Femininity, in comparison, has in the past been associated with symbols of submissiveness, obedience, nurturing, or sex. How employees are expected to behave within gender boundaries has enormous significance for innovation. One extreme is for gender stereotype images to be emphasised, while the other extreme discourages perceptions of rigid, gender-aligned behaviour.

Although on the surface gender roles may not seem to be directly connected with innovation, the reality is more brutal because the stereotypes destroy the kind of thinking that fosters innovative actions in the first place (Tjønndal 2017). Related to the importance of gender images is the notion that sport builds character. Often this value appears through the belief that sport turns boys into men. Thus, gender roles can reflect opinions about whether sport delivers character-building outcomes and develops moral integrity.

Sport practices can have varying underlying significances beyond their apparent meaning and nature. A culture that supports a character-building assumption would expect players to act within the confines of certain stereotypical gender boundaries that may not be reinforced via other means. For example, male players should not reveal pain or discomfort. Failure to behave within specified gender boundaries might create dissonance within the organisation, and undermine the sanctioned ideology.

Masculine cultures make it difficult for members to admit mistakes, which completely undermine innovation initiatives. They also remove females from the innovation sphere, which kills teamwork, collaborative dynamics, and all forms of parity. Innovative cultures demand that all ideas see the light, so equality in all forms remains critical. Moreover, severely masculinist cultures tend to do what they always have because they assume they are always right. Being wrong constitutes a weakness in such cultures, but presents a significant barrier to innovation at the same time.

Cultures supporting innovation accept that new and better ways of doing things will inevitably lead to false starts. Being wrong in small ways often only means that there are more chances of being right in a big way. An interesting example of failing towards innovation can be found in the way exercise company Strava emerged. The current product offers interactive exercise tracking, mainly with intense and extreme users in mind, but was originally conceived as an 'online' cycling club.

A final cultural system a sport business leader should evaluate refers to a 'tolerance for the unfamiliar'. It reflects the degree to which change is embraced or the status quo is maintained. By extension it includes the amount of risk-taking that the organisation undertakes. Despite sport's association with physical risk-taking, many sport enterprises exhibit risk-aversion. To some extent the disinclination towards off-field risk-taking can be explained by commitments to long-standing traditions and intractable ways of doing things. But these ways—as we have already foreshadowed—undercut innovative culture. Examples of risk-aversion are abundant in sports with a heavy commitment to a traditional practice. Wearing whites at Wimbledon and trousers in cricket are commonly noted. However, dozens of other sports have scarcely made changes—at least to their core products—in decades. Despite forays into more aggressive marketing, sports such as judo, wrestling, polo, and even boxing—notwithstanding its customary publicity stunts—have been reluctant to change their traditional core products.

Paradoxically, a few examples can be found where sport's risk-aversion has actually led to an early adoption of an innovative policy or practice. Drones for security were employed at Euro 2016 to protect the event from unwanted airborne trespassers. Added to this was the enforced no-fly zone over several stadiums throughout the competition in order to combat the unexpected and increased number of unidentified private drones that were encroaching stadium airspace. French authorities (General Secretariat for Defence and National Security) were able to interfere with foreign flying object signals as they approached stadium airspace. However, it might still be some time before we see drones being used at Wimbledon for in event logistics in order to deliver beer to fans.

Conclusion: From Mapping Innovation to Cultural Commitment

Culture can be a repository for unimaginative and conservative values or a foundry for inspiration and enterprise. In sport, it is no longer satisfactory to only cultivate cultures that speak to strength and resilience. Such admirable qualities must be bound together with agility and ingenuity. Innovative cultures drive performance, leverage powerful histories, and change swiftly in turbulent conditions. Sport enterprises with innovative cultures find ways of winning because drive and ambition lies at the heart of their collective meaning.

In this chapter, we presented three main ideas. The first was that innovation can occur anywhere along the sport business value chain, from the supplies used to build a venue to the marketing employed to sell a game. In this sense, the sport business innovation landscape is immense and far broader than is conventionally perceived when viewing sport through a narrow product lens.

The second idea highlighted the relationship between culture and innovation through the concept of cultural innovation horizons. Our suggestion was that cultural characteristics can support different innovation scales. Horizons begin with the premise that culture and innovation intersect at points of inflection, or when attempts to change are actually activated. As a result, culture can foster and sustain innovations focused on short-term exploitation, long-term exploration, or scaled productive tension.

The final idea showcased a range of cultural variables that a sport business leader might employ to help diagnose culture with the intention of fostering innovation. These cultural systems reveal the fulcrum whereupon sport enterprises should apply force in order to leverage a cultural shift supporting innovation. In the following chapter we take the case a step further in detailing some of the critical processes and strategies sport enterprises can deploy when chasing sustainable, culturally enabled innovation.

Case Study: Mapping Innovation in Sport—Bayern Munich

European football giant FC Bayern Munich have been a dominant force on the pitch for decades, but more recently they have established a reputation for being one of the most innovative soccer clubs in the world with their off-pitch activities. For example, the club developed and hosted what they call 'Hackdays', involving 'experts from different disciplines working together in teams on technical, business or design problems with the goal of developing innovative and creative software to build prototypes and generate new ideas'.

Hackdays are FC Bayern's method for solving problems using open innovation, in this case through contributions made by the wider business and technical communities. The mission is to think of fan experiences and services in new ways, such as by testing new technologies around the stadium, and by enhancing fans' emotional connections with the club through digital technology and social media. These innovative Hackdays have proven to be an effective way to find innovative solutions that the internal experts within the club may not have developed without the input from outside specialists. By practicing open innovation, a new level of learning is unleashed in an environment where technologies are rapidly advancing and clubs are under pressure to maintain a competitive advantage both on and off the field.

The challenges tackled by Hackdays often involve how to mobilise the remarkable potential of new technologies to personalise fan experiences, such as augmented and virtual reality simulations, data analytics, and global social media. During Hackdays, the club creates an environment for participants where innovative thinking can be stimulated and explored including 'lightning talks' and customised forums where specialist experts offer direct guidance to the innovators.

In 2018, the challenges undertaken by the club included: (1) augmented and virtual reality solutions for advanced fan engagement; (2) the Adidas Challenge for Mobile Interaction to engage Generation Z with the club through mobile engagement; (3) the Audi Challenge, which seeks to find better ways of allowing fans to interact with the club while in their cars; (4)

the SAP Challenge in order to work on fan integration and activation in order to personalise the fan experience; (5) the Siemens Challenge to seek out the best transportation experiences for fans; (6) the DHL Challenge, which aims to improve fan engagement through gamification solutions; and (7) the FC Bayern Challenge, to create technological solutions that tap into fans' emotional experiences and enhance their engagement with the club.

Hackdays are organised around competing teams, where the winners are awarded a trip to one of FC Bayern's Champions League Away matches. The club also collaborates with Columbia University (NY), Tongji University (Shanghai), and Tsinghua University (Beijing) in order to secure participants from around the world with a diverse range of skills and technical knowledge. In addition to the potential to win a trip and see their solution implemented, some participants have gained notoriety through their contributions. For example, the club generated considerable interest in the media when it named the participants of the Audi Cup via a holographic press conference in 2017. The world's first such stunt brought Liverpool FC Coach Jurgen Klopp and Atlético Madrid's Diego Simeone to Munich via hologram.

The club's strategy is to drive innovation by utilising the technologies at their disposal through their commercial partnerships. In 2017, the club partnered with Tenor, the leading Gif sharing platform as a way to open up new streams of fan engagement. In addition to bolstering fan experience, FC Bayern have developed their security technologies by partnering with Siemens. Clearly, FC Bayern's innovation investment has been paying off with fans subscribing to app downloads and associated products in unprecedented numbers. Indeed, in a global world, the club has a global strategy. In 2014, it opened a US base of operations, which has resulted in a doubling of the club's digital audience.

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5

Creating Innovative Sporting Cultures: Enabling an Innovation Enterprise

Introduction: Think Local, Act Global

Innovation cannot escape even the largest and most influential sport enterprises. Although not renowned for their comfort with change, FIFA, the world's governing body for football, has moved to incorporate cutting edge technology into the game. For 2018 World Cup, FIFA will use video assistant referees in order to improve decisions. Not only has the football powerhouse opened the bidding to technology providers for the technology, they have announced a deeper, strategic commitment to a 'symbolic collaboration' between the sport and technology. Such moves reinforce the critical nature of innovation in sport enterprises. In this chapter, we explore the foundations of culture building for innovation, ranging from how to transition new product ideas to market—as with FIFA's example—to how to sustain innovation through cultural rituals and practices.

The first major section of the chapter highlights the relationship between change and innovation, with a particular emphasis on why a sport enterprise must recalibrate its cultural expectations and norms in order to accommodate a lasting innovative culture. The second section

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explains how sport enterprises can approach innovation in a practical sense. It outlines the process of innovation, beginning with how sport enterprises can cultivate new ideas, develop them into proof of concept prototypes, and subsequently scale these experimental products into commercially viable offerings. The third and final section of the chapter deals with how innovation can be embedded and integrated within a sport enterprise. It outlines how rituals offer a unique and effective vehicle for cultural modification. Rituals revolve around key organisational functions, instil commitment and belonging, depict successful behaviours, and deliver acknowledgement and attention to those who excel at them. We also recommend several team approaches to tackling pivotal organisational values through rituals and their accompanying narratives, symbols, assumptions, and beliefs. Finally, the chapter provides some guidance on how cultural innovation can be measured.

The Processes of Cultural Change

As we foreshadowed in earlier chapters, researchers, practitioners, and commentators disagree as to what an innovation culture constitutes, how and why it supplies a stream of creativity, which parts are the most critical, and how it can be stimulated. To summarise these divergent views, shifts towards an innovative culture can be enacted through one or several of three interventions. First, by enforcing standardised values to ensure that all stakeholders display desirable traits when operating on behalf of the sport enterprise. A second intervention involves locating inconsistent or 'inappropriate' cultural behaviours, and then weeding them out through either soft or severe means. A final approach involves coming to terms with a range of cultural perspectives and subcultures, and working with them all to flux and change over time to become more innovative.

Nothing is wrong with any of the three above methods, but our approach in this book starts from a different perspective. Our foundational principle in fostering innovative sporting cultures maintains that it is not enforced through interventions, but enabled through empowerment. A focus on removing undesirable cultural features gets the directionality of innovation cultures wrong because it diverts attention to

what is not wanted, encourages dissention, and drives disenfranchised feelings into deeper levels of covert resistance. A better way starts with the understanding that an innovation-infused culture comes from the bottom up just as much as from the top down.

In short, we argue that the job of the top is to enable the bottom. Everyone should be able to innovate 'safely', without encumbrance or the fear of failure. This necessity highlights the critical importance of how power is deployed, and how resistance to innovation comes about. Imagine what kind of culture was needed, for example, to enable the 2017 Norwegian women's football team pay deal to come about. In the absence of sufficient cash available to pay the team, the men's national team took a pay cut, demonstrating an authentic cultural commitment to equality. Furthermore, the agreement reveals an innovative response to a longstanding gender divide, and one indicative of an unusually progressive culture.

Transitions towards innovation—like all organisational change attempts—encounter resistance from those uncomfortable with the idea of doing things differently. Some organisational psychologists propose that employees respond to any form of change with a natural resistance because change is always stressful and undesirable. However, we do not necessarily assume that resistance to any change is natural. Rather, it is natural for people to fear that their position, role, influence, or status will be marginalised. Since fear of losing something almost always increases rigidity through overt or subtle resistance—or just reluctance—the very process of trying to advance innovation from the top down can actually lead to the opposite outcome. This is why we spend time later in the chapter explaining how innovation-supporting rites and rituals can smooth the path by attenuating anxiety and replacing it with excitement.

Even the most conservative employees seldom sabotage the innovation process deliberately, especially since sport enterprises tend to elicit high levels of loyalty. Paradoxically, it is this loyalty that creates a problem because employees at the 'coalface' of the enterprise tend to think they know a better way to tackle problems than those at the top introducing a new solution. As a result, sometimes employees are faced with the conundrum of choosing between what they are told is innovative, and what they believe is innovative. Or worse, they think that moving towards a

leader's version of innovation will lead to a personal loss of some form, whether real or perceived.

Employee involvement can, in contrast, enable a critical mass of employees to not only participate in the innovation process, but to shape and create it. However, employees can become quite cynical about lip-service empowerment and involvement. If involvement and communication are perceived as just techniques for overcoming resistance, employees will resist even more. It is not just a matter of leaders being prepared to act on the feedback and recommendations of employees. Rather, leaders need to create an environment where role boundaries are 'loose-tight'; where every employee has some level of freedom to invent and implement new ideas, but do so within transparent guidelines as to where that freedom starts and stops.

Sustainable Innovation as a Counterintuitive Process

Supported by a potential spectator base of almost 1.4 billion of whom over 100 million follow football, and a political commitment to the sport by President Xi, football in China seems set to change the world game. Amidst this unprecedented opportunity, it is little surprise that European football clubs want part of the action. Leading the charge is German heavyweight FC Bayern Munich. In a boldly innovative move targeted at securing their international relevance well into the 'century of the dragon', Bayern has sought to accommodate their values to a new target audience. For example, the club has established several football schools in major population centres, complete with Bayern coaches and an exchange programme for youth players and local coaches to visit FC Bayern in Germany. It has also signed up as a strategic partner with the Tsinghua University Centre for Development of Sports Industry in Beijing, with the aim of using Bayern's economic and sporting knowledge to improve the country's sports industry. Most importantly—and characteristic of the club's innovative culture—Bayern has invested a significant amount of physical and financial capital into establishing its online presence in

China, aware that the country now contains both the world's largest Internet user base, and its most active environment for social media. The results so far have been astonishing. From 2016, Bayern secured the highest presence on Chinese social media platform Weibo for the second consecutive year with over 70 million followers. On WeChat—the platform granting immediate access to merchandise, ticket sales, and sponsored content—Bayern scored 95 million reads during the year. The next step was an official WeChat store along with an e-commerce Chinese language site.

Treating innovation like any other organisational change or strategy fails at its first premise, which is usually that order and control should be the normal situation and that any deviation represents a temporary imposition to be resolved as soon as possible. As a result, leaders and managers—quite intuitively—treat innovation like a virus. It presents an invasion into discomfort, and should therefore be accommodated for only as long as necessary before getting back to normal operational health. However, such linear, prescriptive logic only makes matters worse because although the innovation virus causes uncomfortable symptoms, it carries with it the key to a longer organisational life.

In the contemporary world of sport business, innovation and sustainable performance go hand in hand (Winand and Anagnostopoulos 2017). There can be no immunity from innovation's symptoms other than becoming comfortable with some discomfort. Successful innovation cultures have therefore been able to shift their collective mindsets from the intuitive desire for order to the counterintuitive desire for tension. Innovation will never be simple or black and white. Rather, innovation becomes contagious in environments accepting of messy, emergent, and uncertain processes that occur within a complex 'living' social system. Long-term economic sustainability starts with short-term dynamism.

From a philosophical viewpoint, innovation cultures begin with disequilibrium. But as culture transforms, comfort with tension and ambiguity improves. The acceptance of a new 'normal' leads to a series of cultural consequences. It means, for example, that avoiding decisions that decrease or remove uncertainty could undermine the innovative, non-additive—that is, emergent—behaviours emerging from the interactive networks comprising all of a sport enterprise's stakeholders, from

employees to fans. Controlling all the inputs does not necessarily lead to the best outputs.

Innovation grows somewhere between predictability and non-predictability. This sounds a little nebulous, of course, but that is exactly the point. If authentic innovation could simply be planned and prescribed then it would be no more troublesome than making a decision to innovate. Cultures enabling innovation accept enough 'chaos' or unpredictability to ensure that creativity is encouraged, but also enough order or predictability for consistent patterns of activity to endure. The opportunity at the intersection lies with all the undetectable and emergent ideas, possibilities, accidents, options, and variations that can lead to novel outcomes. New and unimagined products, or other forms of innovation can be revealed, leading to new directions that could never have been planned or anticipated. When sport enterprises stop trying to suppress variations in thinking they intuitively assume will lead to disorder, and ultimately anarchy, they discover that innovation is all around them, urgently seeking a foothold and a champion in the decision-making hierarchy.

The assumption that more strategies, policies, and procedures will help orchestrate innovation does not hold. For example, excessive rules communicate that employees are considered incapable of innovation without oversight. More rules can lead to a workforce averse to thinking independently and reluctant to either suggest or initiate an innovative solution. Looser boundaries can give employees at all levels the space and flexibility to take responsibility for innovation themselves. The result is room for experimentation and the potential emergence of genuine innovation that could not have been forced or prescribed through didactic, top-down impositions.

A central issue revolves around the devolution of responsibility for innovation. Most sport enterprises follow the traditional patterns of management authority where innovation and change remain firmly the exclusive purview of the senior hierarchy. But the classic model no longer works. Assuming that the role of the upper hierarchy is to innovate misses the point of effective leadership. Leaders enable innovation at all levels by giving the responsibility and authority to innovate to everyone, including to some extent, to customers and fans (Tjonndal 2016). Innovation and inertia do not mix, so the devolution of innovation responsibility also

means getting used to some imbalance and tension. The comfortable equilibrium most leaders strive to create is a recipe for mediocrity. If the lessons from the field of play are acknowledged, equilibrium is no substitute for excellence. Like the greatest athletes, players, and teams consistently demonstrate, extraordinary performances demand risk-taking by operating at the extreme envelope of what might be seen as possible.

'Pushing the envelope' of convention lies at the heart of an innovative culture. For example, rapper Jay-Z set up sports agency Roc Nation Sports after selling his stake in the Brooklyn Nets, and its approach to the industry was just as unconventional as the performer's career. Jay-Z immediate lured former Yankee and now Seattle Mariner superstar, Robinson Cano, from one of the most successful agents in the business, Scott Boras. Although new to player agency, Jay-Z utilised his fame and personal connections with athletes to attract an impressive cadre of high profile clients. No one has ever used such an innovative approach before. Not only has Jay-Z disrupted the industry, he has done so using a strategy that none of his competition can duplicate.

Innovating at the Core: The Sport Business Product

In mid-2017, the International Table Tennis Federation (ITTF) revealed a comprehensive plan for world table tennis. The innovative strategy emphasised an aggressive commercial focus designed to stimulate new revenue streams for use towards improving the access, reach, and scale of the sport. It declared the pursuit of technology, digital engagement through social media, and product innovation, as central platforms for success. Perhaps most salient was the ITTF's recognition that they must win the competition for potential new players if they are to survive and prosper as a sport. In response, the ITTF launched 'Table Tennis X' (TTX), a fast-paced, modified version of the game designed to attract a new generation of time-poor participants less interested in conventional sports like table tennis. As a result, the new version employs a larger, heavier ball to be used with racquets unlikely to impart spin. The short-

ened games employ 'wildcard' rules allowing for extra points to be scored, and a faster, more exciting contest.

Notwithstanding the immense variety of innovations that a sport might enact, the core of any organisation remains the products it delivers to its customers, and in this case, its fans. It does not matter whether the enterprise has a broader agenda to foster a sustainable innovation culture or not, it will have to at some point navigate a process of new product development (Winand et al. 2016). Of course, creating a new product can be expensive, risky, and time-consuming. In the ultra-competitive sport arena, new products—both minor and substantial—hit the marketplace at a rapid and relentless pace. Most alarmingly, however, of the immense numbers of new products, only a small fraction survives and prospers. In this section, we consider the innovation process needed to develop new products of any kind.

Sometimes product innovations make small improvements to an already solid offering, and other times an existing product is replaced wholesale, or a completely new product is added. A product innovation can therefore assume numerous forms: refining an existing product; new functions added to an existing product; a new way to use an existing product; combining existing products; or a new look or design for a product. Whatever the composition, getting from an idea to the market requires an innovation 'process'. Naturally, 'speed to market' represents a major determinant of sustainable success.

In a sport enterprise, product innovations serve several functions. To begin with, they enhance, augment, and align the way sport consumers connect with sport, whether as participants, spectators, or fans. Sport enterprises can benefit from new innovations that propel audience size, consumer viewing experiences, broadcasting coverage and quality, media channels, regulation, rule enforcement and officiating, and general spectator safety and comfort (Yoshida and Nakazawa 2016). These priorities explain why sport broadcasters like ESPN work so hard to attract the best presenting talent. Having 'headhunted' Nate Silver from the *New York Times* to change the 'sport conversation', ESPN then set to work creating a social media hub and Internet platform, based on deep fan engagement featuring statistics, interactive forums, and in-depth analyses of the 'sports empire'.

Most current innovation examples revolve around the application of new technologies or platforms that allow sport consumers to experience sport from anywhere, in novel ways, or with added value. Not only can fans engage with sport products more closely, participants—from novice to elite—can collect, store, assess, and transmit voluminous quantities of training or performance-relevant information. While for most of us this comes in the handy form of a fitbit or a calorie-counter, for the elite athlete it can mean the detailed examination of months of intricate feedback. Sport product innovations can also underpin sport's support services, like sports medicine, rehabilitation, pharmaceuticals, nutrition, and supplements. The growing demand for sports equipment to improve performance at the same time as being safer and more versatile, has led to consistent technological progress. Increasingly, core physical products are being augmented by technological applications, enhancing their performance, ease of use, portability, versatility, and/or safety all at once. For example, Escalade manufactures fast-set-up football 'iGoals' using 'Rigid Air Technology'. The iGoals employ interwoven textiles to reinforce an inflatable structure that offer a robust, safe, mobile, and easy to use product.

It would be a mistake, however, to think that sport innovations must await the availability of new technologies. Innovation relates to product outcomes that are more attractive to a targeted audience. An innovation can be incremental in that it shifts the existing product in modest but important ways, or radical, where a product can be completely redesigned or even replaced by something consumers never expected. Neither incremental nor radical innovations necessarily need cutting edge technological platforms. In fact, most of the time the best innovations make use of existing technologies in new ways; the key is to focus on customer needs and not the enabling platform used to deliver them.

Finding Innovation Opportunities

Innovation begins with an idea and a new possibility, arising from (1) a natural evolution of incremental improvements, (2) attempts to duplicate or surpass competitive offerings and other existing products, and (3)

spontaneous, creative solutions for resolving seemingly intractable problems. Naturally, beginning with a problem or a customer need is a solid launching point, but keep in mind that innovation does not always come from something that needs fixing, or from a customer complaint. Some of the most impressive sport product innovations of this century came about in the absence of any obvious customer need, and without something going wrong first. Neither cricket nor baseball players were screaming for bat sensors to record data about swing velocity, angles, and biomechanical efficiencies, yet chip manufacturer Intel invested significantly to bring the technology to market.

Innovation finds a space wherever possibility and opportunity intersect. Most innovations begin as nascent thoughts, but blossom into fullness through a combination of ingenuity, market testing, competitor analysis, studies of unrelated but cutting-edge market applications, consultation with other staff and current customers, and working with a constant pool of potential ideas. Within innovative cultures, new possibilities impel new opportunities, and opportunities are the engine of innovation.

Innovation begins with the desire for new value. Cultures rich with innovation, therefore, strive to cultivate an abundant, diverse, and rich collection of possibilities from which new value can be conceived. At this stage, possibilities should not be constrained by practical or functional hurdles. Nothing kills innovation as fast as making assumptions about what will and will not work. Ideas also need to be expressed in a space where ambition and scale can inflate without being punctured by well-meaning but innovation-killing practicalities. New products, like sport-related apps, often begin as lofty ideas that may even seem far-fetched at first. When the founders of Fancred first mooted their concept to 'unite' sports fans through an app that allows fans to capture their favourite sporting moments, most observers would no doubt have been sceptical.

Following on, priority innovations need to be highlighted, especially as they align with key objectives, and where the magnitude of opportunity compels attention. Normally, a sport enterprise would automatically pursue numerous exploit-relevant innovations of a small or modest scale, while setting aside resources to undertake large, bold, and impactful explore-styled products.

Product changes must fit with existing offerings too, or at least progress an enterprise towards it market ambitions. However, this is not yet the stage to strangle an idea over concerns for its financial plausibility. Nevertheless, by the end of this step, new product opportunities should receive a ranking according to priority, within the texture of an enterprise's wider cultural innovation horizon. That is, it must account for immediate success as well as for its longer-term sustainability.

All sorts of creative and analytical methods can be employed to converge upon a list. Common approaches include voting and weighting systems, predetermined priority areas, expert advice, panels and workshops, time requirements to assemble testable prototypes, and ultimate speed to market. New product innovations should be tested as quickly and inexpensively as possible.

Prototypes to Market

Amongst the most attractive new innovations will be those meeting at the confluence of high potential impact, consumer appetite, and speed to market. Sometimes this mix reveals opportunities for completely new sport products, or at least augmentations. For example, the astonishing growth in the accessibility of drone technology led to the 2015 formation of the world's first Drone Racing League (DRL), which operates across six US locations. Hardly as parochial as it might first appear, the DRL attracts upwards of US$20 million in sponsorship and boasts partnerships with companies such as Sky Sports, Liberty Media, Disney Swatch, and Forto Coffee Shots across 75 countries. According to the DRL, the new sport is visually immersive, a bit like watching 'pod racing' in the *Star Wars* movie.

Slow innovation cultures proceed with laborious feasibility studies, endless market research, and cumbersome financial projections. While these processes are necessary for large-scale projects, they remain time-consuming and costly. Faster innovation cultures test first, then decide whether to commit to further analysis, venture straight into production, or abandon the idea altogether having 'failed fast' and therefore with little wasted investment.

Concept testing involves providing customers with descriptions of the new innovation, or better still, a simulated experience of what it might be like. Unlike conventional market research, concept testing becomes remarkably powerful when it involves testing a product prototype. A prototype is a makeshift, 'rough around the edges', tangible product for customers to try out and report on. It does not have to be refined, just sufficient to give a customer an insight into what it would be like.

So-called 'rapid prototyping' comprises a method of testing an innovation under real-world market conditions with the aim of finding out whether investing more significant resources into its feasibility, or finalisation, is warranted. The idea of prototyping was appropriated from designers who rely on fluid, agile thinking in their product development process—iterating concepts into practical utility.

Unlike engineering-based prototypes, the design version can be rudimentary. A prototype can therefore be as simple as a basic sketch or flowchart, a handful of 'wireframes' illustrating the sequence of pages in a website or mobile application, a 'mock-up' product, or an unrefined but fully functional technology or physical item. Even when a product has not yet reached full functionality, or is working through some 'bugs', it might be released for testing. SwimIO—a smart-connected, sensor-based software that records and analyses swimmers' workouts—was initially offered in beta form, allowing the developers to receive feedback and improve the product swiftly.

Perhaps more important than the form of the prototype is just getting something ready for consumers to try. In contrast to conventional ways of thinking about new products, the focus should be on the start rather than the finish. Innovative cultures embrace the reality that most innovations never get to the finish line and make an appearance on the market because they take too long to create, or cost too much for the risk they represent. Since we never really know whether an innovation will be worth its cost, the best approach removes as much risk as possible. Rapid prototyping sidesteps the costly development lag that follows the excitement around an initial idea. It works by seizing the momentum that comes from hitting on a great possibility by converting it immediately into something tangible that can be trialled by the very people who will end up using it. That is not to say that prototyping will necessarily turn a modest idea into a monu-

mental success. However, with instant feedback from consumers, an idea can be improved and tested again, until it inspires confidence as a likely winner, or is abandoned as a failure. From this perspective, as odd as its sounds, innovation cultures embrace failure because fast and cheap product disappointments allow for far more ideas to be tested with much less waste. Experimentation works so long as it remains contained. As a result, the rapid prototyping method exemplifies the combination 'explore-exploit product tension' formula we noted under the horizon 2 model of cultural innovation in the previous chapter.

Successful prototypes are rarely fully functional. In fact, to get to this point would be a waste when a more unsophisticated version would suffice. All that a prototype needs to be able to do is give a user—a prospective customer—a simulation of what the product experience might be like. Most consumers find it difficult to imagine their responses to new product innovations in the absence of any tangible experience upon which to base their expectations. Checking a box on a scale about an imagined new product is about as accurate as predicting how much a restaurant customer will like his or her meal based on the menu description. Prototypes vastly amplify the efficiency and impact of market testing, and have therefore become a pivotal tool in the sport product development arsenal.

In some cases, like a new tennis racquet for example, a picture or a sketch will not do. Only a physical racquet would give a player an insight into its innovative characteristics. On the other hand, many sport products involve heavy service components. For example, consider a new ticket purchasing app a club or league is considering in order to streamline the ordering process from any smart device. Rather than investing significant time and money in commissioning market research and the development of a functioning application, a rapid prototype can yield essential information almost immediately. In this case the prototype might take the form of some off-line example screens to be shown to prospective users. Not only will the users provide critical feedback about whether they would find the proposed innovation useful, they will offer suggestions for improvements too. Usually the product designers will review the prototype after each round of user feedback.

Through an iterative process, designers move quickly from 'low fidelity' to 'high fidelity' prototypes, thereby converging upon an innovation that customers really like. With more and more innovations involving a connected device, it is noteworthy that AI-driven technologies have decreased the time between product iterations from months to moments. For example, WSC Sports offers sport fans personalised videos available in real time. With an IBM Watson AI engine, the service quickly 'learns' about each sport's idiosyncrasies and the nature of the content individual fans, coaches, promoters, and performers prefer. In addition, IBM Watson can interpret specific game nomenclature, like the term 'love' in tennis, allowing it to quickly sort data to collect footage of any given tennis match where a love score occurs. Advertisers can even collect information on crowd responses throughout a game, giving them quantifiable data concerning the impact of their advertising.

Prototyping within an innovative culture means working smarter because it shifts the concentration from whether an innovation might work in theory, to whether it did work in practice. But as with all endeavours, working smarter tends to mean working together, as we explore in the following section.

Innovation Teams

A huge variety of teams feature in all kinds of organisations, from military to manufacturing. Of course, sport enterprises should be particularly aware of just how powerful mobilising the collective knowledge of a group can be. Not only have successful teams been linked to innovation, but also to a wide range of other favourable outcomes including productivity and customer engagement. Although most organisations use teams in some form to tackle specific tasks and focused projects, few use them to liberate new ideas or to create innovative solutions. Cultures fostering innovation tend to preference teamwork over the selective performances of individuals.

By necessity, innovation teams are small in size, typically between 5 and 15 people. Members should have diverse but complementary skills, a collective purpose, agreed-upon goals, and shared assumptions of mutual accountability. It is hard to escape the example from sport itself. For example, Saracens Rugby places their players' collective welfare ahead of short-

term results, based on the assumption that tightly bonded teams stay together and create more value than a group of superstars. Teams such as the NBA's Golden State Warriors develop unique playbooks complete with signals and patterns that new players have to learn before they are allowed on court. The team is therefore bound into a common fate where their collective ability to adhere to the agreed patterns of play is pivotal to their success. Within these clear and agreed boundaries, however, players must adapt, improvise, and innovate in order to consistently win.

There are numerous, valid ways of composing team membership and organisation depending upon time, resources, and aims, such as committees, project teams or task forces, employee involvement teams, virtual teams, and self-management teams. However, innovation loves diversity, so cross-functional teams comprising members from a variety of organisational functions tend to work well. Keeping culture in mind, it is essential to remember that a team's success resides in the personal journeys and experiences of every member. Innovation teams come to life when its members recognise that they share a common meaning arising from being characters in the same story. But rather than suppress individuality, high performing innovation teams strive to unleash it in order to maximise the scope, diversity, and mix of ideas.

While a team, by definition, works together towards a common goal, a collective mindset has the danger of dragging everyone into the middle ground of opinion where a lukewarm and uncontroversial consensus can be found. Innovation teams are useless if they are constrained to the mediocrity of easy unanimity. That does not mean that antagonism and conflict is helpful either. However, a wide spectrum of thinking can stimulate a collision of ideas that have never been in combat before, and their unexpected contact can generate innovation that would never have been contemplated by a group beginning from the same perspective.

Navigators and Portals

When it comes to organising the Olympic Games, each host city faces enormous pressure to deliver the best ever event, complete with a suite of innovative practices and memorable moments. The Tokyo 2020 Summer Olympic Games Organising Committee is presently formulating one of

the most ambitiously innovative programs in history. Technology will feature in all aspects of event delivery, from fan engagement to venue management. Examples include multilingual translation devices, enhanced real-time performance data, and the latest mobile media viewing packages and social engagement platforms. All of these cutting-edge methods will utilise novel innovations to enhance viewing experiences, whether live or distant, and will emerge through channels—or portals—connecting organisers with both industry and fans.

As we maintained in the previous chapter, a sustainable innovation must straddle creativity for future developments and stability for current returns. Making good on such an agenda means navigating innovations into commercial outcomes. Teams of 'innovation navigators' can be used with great effect in the form of small, action-oriented networks mandated to gate-keep ideas, deploy resources both decisively and swiftly, and steward the resulting innovations through increasing scale and commercial impact. Innovation navigator teams are best comprised of a diverse contingent of senior strategists, coalface service deliverers, industry partners and suppliers, clients, customers and fans, content experts, external consultants, and functional or technical specialists from different service and product lines. It is also a good idea to include entrepreneurial recruits, early career staff eager to link their careers to new innovations, and established members well versed in the commercial constraints facing the conversion of ideas into market success.

As teams, innovation navigators work best when they are challenged to solve real problems presented by either internal or external clients. A suite of tools may be employed, but in one way or another, ideas should be work-shopped and prototype innovations tested. A team can work independently, or collaborate with other teams in a single, focused effort. Consider, for example, a 'session' involving several teams working at solving a shared problem. A temporary 'captain', who takes responsibility for recording the proceedings, guides each team for the session. Teams are then challenged to respond to each other's ideas, stealing, borrowing, and building on what they hear in order to re-engineer their own offerings, and subsequently re-present their solutions in increasingly comprehensive prototypes. As the iterative process continues, teams close in on a single, best, low-fidelity prototype, typically taking the form of a concep-

tual diagram, service-delivery blueprint, or even a series of wireframes representing an online service sequence. Finally, each captain presents a rapid-fire 'elevator pitch' to a leadership group ready to offer resources if the prototype shows promise.

Democratising Innovation with Portals

Another mechanism to support teams of innovation navigators involves the use of different kinds of interactive, digital platforms. For example, forward-thinking sport enterprises create virtual innovation portals. Any number of digital tools can be employed, including webinars, social networking sites, online forums, email and text channels, and a wide range of mobile applications. With portal content available through any smart device, the work—and prototypes—of the focused innovation teams can be exposed to the collective wisdom and experience of an entire organisation. When undertaken at its best, innovations portals give access to external members as well, to whom the prototype service or product improvements are aimed, such as key suppliers, clients, and fans. In effect, this co-design model allows sport enterprises to take a surgical approach to crowdsourcing new innovations (Woratschek et al. 2017).

Innovation can be 'democratised' through other mechanisms too. For example, a variety of cloud-based modes can be employed, including those also suitable for delivering education and knowledge about innovation. However, all the mechanisms work on the common premise that soliciting divergent ideas from inside and outside the organisation provide a powerful collective of insights. While most portal systems democratise innovation with the heavy use of mobile applications and social media, a new generation of portals promises virtual or simulated realities along with the 'gamification' of the innovation process. For example, system users will soon be able to develop prototypes in a virtual reality environment, and perhaps even compete with each other for prizes or recognition. Using a gamification approach, users of the portal can use an online 'game mechanic'—an automated function—to rate ideas and prototypes using rationed votes to help conflate the sweeping range of ideas to a handful.

That is not to suggest that conventional, face-to-face methods cannot be employed successfully as well; they just do not cover as much territory as social media networks. An example would be the use of small, team-based 'Innovation Cafes', where collective brainstorming is undertaken with contributors from a variety of sources. The entire process generates ideas, exposes them to critical thought in a transparent way, iterates them through crowd contributions towards superior configurations, and allows a wide variety of internal and external stakeholders to rate the concepts prior to the next phase of prototyping.

From Portals to Lighthouses

Once the collective 'crowd' has shaped prototypes, they return in new form to the innovation navigators who originally conceived and propelled them. This is a danger period for most innovations, which having defied the odds to survive so far, risk falling to the relentless practical problems that inevitably arise from seasoned and cynical stalwarts. However, a properly empowered team of innovation navigators can press ahead without distraction, in the knowledge that they have carriage over their prototypes and the resources to enable them. An effective next step would see the team partner with a 'lighthouse client' in order to scale the prototype into a workable solution.

Lighthouse clients are real-world clients (or customers/fans) who hold a personal interest in the success of the prototype, usually because it will improve upon their service experiences, give them a superior product, or just assist them in delivering something essential to their own customers. In short, if the prototype works, then it will solve a problem for the lighthouse client. From a more theoretical viewpoint, using a real client in a co-design process directly engages a channel to market in the innovation design process, exposing the prototype to the commercial realities of a product's real-world need.

In order to support the innovation team in their work with the lighthouse client, the leadership group needs to re-engage by providing essential seed funding and other critical resources to accelerate the process. A

funding pool needs to be made available for the teams to access; it must be dedicated to the task and not siphoned from the organisation's operational budget.

One unusual, but highly effective method of deploying resources takes advantage of a different form of organisational currency—time. Effecting an innovation 'pool of time' can be achieved by drawing down from annual revenue at a nominated rate (around 0.5–1.0% is a recommended starting point). Under the model, innovation teams submit their crowd-influenced prototypes to the leadership group via the portal (thereby allowing the request and response to be viewed by all stakeholders). Seed funding can then be decided by the leadership group, with or without commentary (or voting/rating) by the stakeholder crowd. For example, seed funding of a predetermined amount (such as $10,000 in equivalent hours) can then be approved for the team to develop a proof of concept prototype in collaboration with either an internal or external 'lighthouse client'.

Time need not be the currency used, but it does help sport enterprises avoid adding to their employees' workloads, which has the effect of discouraging innovation. Instead, the cash is taken from a central innovation fund and given to the innovation team members' budget units, thereby 'buying them out' of normal duties to the value of the money allocated.

An innovation ecosystem, as described above, can have a radical impact on a culture. The work undertaken to convert an idea into a prototype and then into a demonstrable proof of concept, can be accounted for within a business unit budget. Work on innovation is therefore not taken for granted, or expected to be completed above normal duties or expectations. Another advantage is that the pool of time model does not compromise work on daily necessities—those upon activities that the organisation relies upon for its operational success—because it already accounts for that work. In this respect, the innovation pipeline can be readily manipulated, scaled, or curtailed as previous innovations come online to provide the operational surplus of tomorrow.

A seemingly unassailable conventional notion persists that 'core' sport business is to a large extent predictable, and thus incremental efficiency gains can be achieved through ongoing tinkering with existing systems and processes. Such a view precludes the immense benefits that accom-

pany the presence of an innovative culture. Few sport managers are comfortable with uncertainty and ambiguity, especially when it threatens profit margins and performance bonuses. Most therefore remain reluctant to adapt, experiment, and improvise. Equally, 'commercialising creativity' demands different measures and priorities around time horizons, performance, and investment outcomes.

As a philosophical approach, the entire process of innovation as described here is much more about getting an idea to market testing than it is about conventional feasibilities and plans. The initial divergent ideation followed by convergence and then refinement in achieving scalability, mirrors the methods found in some versions of 'design thinking' (Beckman and Barry 2007; Brown 2009; Martin 2009; Verganti 2009).

Motivated by the real fear of becoming obsolete in a shifting sports-viewing landscape where more and more fans prefer faster, shorter, bespoke, mobile packages of 'product', golf's European Tour created an innovative new format of their sport. In a similar manner to the prototype method we described, golf's innovation was developed into a prototype and debuted in an experimental tournament. 'GolfSixes' was introduced in 2017 through a tournament-style 16-country, two-player team structure. Competing for a serious prize fund of one million euros, the six-round series worked by elimination, reducing the 16 teams to a final over two days. Live spectators watched the event from 'amphitheatre' viewing platforms around the tees and greens, simultaneously entertained with music and pyrotechnics at certain holes.

In a further, radical departure from the traditional conservatism of the sport, players wore microphones in an attempt to create an informal, millennial-friendly atmosphere. Although not quite professional wrestling or UFC, the format was by golfing standards almost unthinkable, including 'nearest-the-pin' measurements to award third place, longest drive holes, 'whiskey huts', warm-up acts, 'loudest cheer contests', shot clocks, celebrity commentators, fan zones, and on-course player interviews. Although not all of the experimental components worked, it was clear that the prototype product had great potential. Organisers noted, for example, the unexpected presence of families with children, an unusual crowd composition for golf.

Cultural Rituals as Enablers of Innovation

Well-designed innovation programmes, even with steadfast contributors, will not be enough to ensure success unless other parts of the sport enterprise and its culture also support innovation. To that end, leaders need to find ways of embedding supportive cultural values and beliefs throughout the sport enterprise. In this section we introduce rituals as enablers of cultural change as they can be effectively wielded to shape a culture that fosters a sustainable commitment to innovation.

For the purposes of this chapter, organisational rituals will be considered standardised, rule-bound, predictable and repetitive behaviours that are enacted under conditions surrounded by specific performance expectations (Smith et al. 2012). One of the characteristics that make rituals so powerful is that they have to be physically executed, which means that a participant has to invest his or her body in the performance. Add to this tangible bodily engagement a touch of formality and a hefty weight of symbolism, and organisations have remarkably influential activities that can either support attractive cultural messages, or amplify dysfunctional ones. Either way, rituals work as communication and learning systems; they focus attention on what is important in an organisation (for good or bad), and consequently drive the thoughts, feeling, and behaviours of members. As a result, rituals tend to institutionalise the ways things are done. Often in sporting enterprises, the way things are done reflects longstanding practices that lock members into inertia (Hutchins and Rowe 2017). Understanding organisational rituals means understanding social reality.

Another critical aspect of rituals concerns the way they leverage and reinforce other symbolic and tangible forms of culture such as language, gestures, ceremonies, and even at times, sagas, legends, or stories. It is no wonder that rituals compel behaviour. In a sense, rituals provide the scripts for actors within an organisation to play out the social roles to which they have been assigned. Clever sport enterprises employ the symbolic aspects of their products to amplify their brands and augment the fan experience.

Few sport products in the world wield symbols and ritual as effectively as the World's Strongest Man (WSM) competition. Part of the success

revolves around the brand's decision to produce the contest as a made-for-television production. As such, the WSM presents a visual spectacle completely unique to the contest's events and its remarkable participants. Viewers discover a dramatic script mythologising hyper-masculine ideals about body and power, framed in a breathtaking aesthetic that revels in the immense proportions of the 200-kilogram contestants and their Herculean tasks. Once an event is complete, the preternaturally huge winners thump their chests gloriously and shout war cries of victory down the camera lens. Even the events themselves are infused with symbolic life. Each one utilises objects well known to viewers as prohibitively immobile. Instead of barbells lifted as in weightlifting or powerlifting, WSM competitors run with refrigerators, press awkward lumber above their heads, hoist gigantic stones onto platforms, and pull trucks or planes for time. To support the theatrics, the final production package is made up of equal parts Olympics, professional wrestling, and action movie montage. Pre-taped interviews are interspersed between events, with plenty of replays featuring sweaty, pumped up behemoths working in sync with power rock music and quick-cut editing.

Just as rituals in daily life commemorate significant events, including losses and achievements, as well as transitions like weddings and birthdays, those in organisations signal important moments from the arrival of a new employee to the retirement of an existing one. From our present perspective, however, rituals have been shown capable of stimulating innovation through activities such as sharing information and reducing conflict (Jassawalla and Sashittal 2002). In addition, as noted earlier, rituals make use of other cultural tools. This is where symbolism becomes so important, especially in sport, which is saturated in rich emblematic figures, colours, logos, history, traditions, heroes, and even tacit codes through shared language. Symbols act as storage units for culture; packed with meaning and readily transmitted to any insider. When embedded in a sport enterprise's rituals, such symbols imbue additional significance. Once an organisational member has learned the meaning of a suite of key symbols, they can apply this knowledge like a cipher to interpret the relevance of any given ritual. Examples include indoctrination events for new employees, morale building exercises for support-personnel, and the

ritual-like ceremony of an opening coin toss. Rituals confirm the importance of the activity, ordain it with meaning, and justify the time and space allocated. Obviously, rituals dedicated to innovation—infused with innovation-salient symbols—will have a material effect on a culture.

With meaning in mind, rituals can work to attenuate anxiety or worry about uncertainty and ambiguity. Given the importance we have attached to the relationship between comfort with uncertainty and innovation, rituals can play an important role in teaching organisational members what circumstances should inspire their worry and what should not. For example, some rituals like performance appraisals provide ideal moments wherein leaders can remind their subordinates that innovation-related risks are worthy of the investment. In other words, what constitutes a 'failure' can be re-written according to innovation-driven values.

Keep in mind that most sport enterprises are full of social contradictions through which employees must navigate: equality is embedded in hierarchy; individual performance is contrasted with team achievement; pockets of collegiality are laced with fierce competition; the demand for responsiveness is transmitted within a lumbering bureaucracy; the desire for predictability is pursued in an uncertain business environment; strategy and planning are privileged despite the sovereignty of reaction and improvisation; and the hope for autonomy perseveres despite the fear of freedom. But a smart, innovation-aware leader can iron out some of these contradictions by orchestrating rituals where certain cultural priorities are reinforced.

Routine social events can become ritualised where the celebration of employee birthdays, morning teas, farewell events, sports-league tipping contests, and Friday afternoon drinks, all work to bond employees and build morale, ultimately improving commitment and productivity. Of course, these rituals communicate 'encoded' messages about the social order by consistently employing innovation-friendly symbols. Consider, for example, the way children become indoctrinated into a sporting allegiance through their parents, often long before they can make a conscious decision for themselves. Just as a child is dressed in team colours before they can even speak, social rituals can deliver subtle cues if surrounded with symbols pointing to previous innovations and the successes they delivered. Sport loves trophies, but in this case, trophies can take many forms. For example, security rituals reinforce trust or mistrust—and

inclusion or exclusion—by signalling status, position, authority, and commitment. Innovative cultures cultivate trust.

In contrast, sport enterprise members can inventively devise their own rituals in order to undermine unfavourable cultural values. Subversive actions can catch on, becoming shared rituals. Common examples include inside jokes, snide public remarks, satirical emails, text messages, web logs, social networking, and derisive cartoons. The danger is that rituals help people internalise the values they play out in action.

Although leaders and managers can impose new rituals, the most 'sticky' tend to emerge spontaneously and grow. It may therefore be most effective to focus on supporting and leveraging existing, culturally functional rituals, instead of trying to quash unhelpful ones. In general, useful rituals forge social connections and build awareness that innovation takes a high priority. Advantageous rituals will also diminish uncertainty or anxiety, and allow employees to move through their worlds more comfortably.

Measuring Innovative Cultures

As we have noted previously, the US National Basketball Association's (NBA) Philadelphia 76ers gained attention recently for its innovative approach to the traditional professional sport franchise business model. Backed by an ambitious ownership group, the franchise developed an 'Innovation Lab', the first business incubator financed and operated by a NBA team. One interesting effect of the innovation push has been a rejuvenated organisational identity where risk, energy, and agility received greater cultural impetus. For the 76ers, cultural change was critical to their long-term survival given poor recent financial returns, diminishing franchise value, and record-breaking failures on the court.

In similar pursuits of innovation, other professional sport franchises in the US have recently reconsidered their business models. For example, the Los Angeles Dodgers MLB team launched the 'Dodgers Accelerator' in 2015, while the Golden State Warriors NBA team created the investment subsidiary 'GSW Sports Ventures' in 2016. These two new entities were created with the express aim of developing innovative new business

opportunities. As high-risk, high-return start-ups, both operate independently from their parent sport franchises. As a result, unlike the 76ers experience, the cultural effects remain within the new businesses.

Whether the Innovation Lab will deliver a permanent cultural impact to the 76ers will take some time to determine. But already the franchise has adopted more of an entrepreneurial start-up mindset where innovation has offset longstanding inertia. No doubt the initiative has been a step in the right direction, but how might a sport enterprise like the 76ers measure their progress towards an innovative culture?

Most sport managers are quite familiar with the conventional methods of performance measurement, and acknowledge that in addition to broad measures like those associated with financial statements, a suite of metrics can be applied to specific functional areas like marketing, human resources, or IT. Some sport enterprises have even incorporated social awareness into their innovation measures, preferring to leave it an internal, cultural form rather than use it for marketing purposes. In the surf-fashion context, for example, brands like Quiksilver have developed equipment and clothing with a high level of environmental consciousness. However, few sport managers would have much experience with innovation measures.

Here we introduce some methods for evaluating the performance of an innovative culture. At the outset, it is worth noting that we are not focused on measuring whether innovation is successful. As we suggested earlier in the chapter, success can be assessed on conventional metrics like return on investment. For the most part, these represent output measures, and should be intuitive to most sport managers. On the other hand, measuring the progress of a culture as a site for innovation requires far more subtle, nuanced, and complex perspectives. The five innovative culture measures we provide as a starting point should also been seen as precursors and stimulants for innovation. In practice, by working through and with the measures, a sport enterprise can direct its thinking around a suite of capacities concordant with a shift in cultural priorities.

A first measure revolves around the degree to which the leadership team supports innovation. They must operate with an explicit imperative to act as pivotal connectors and boundary spanners, in the process enabling education, communication, and understanding between knowl-

edge domains and specialisations within the organisation. Boundary spanners provide essential connective glue in innovation initiatives. Research has shown, for example, that cross-pollination and resource sharing accelerate the conversion of ideas into tangible innovations (Brooks and Saltzman 2016).

Studies also reveal the importance of collaboration. Always at the heart are committed leaders capable of thinking in integrative ways (Chen and Miller 2010). Leaders direct, but in innovative cultures they also empower; declarative authority coexists with teamwork and personal initiative. Accordingly, leaders fulfil a range of critical functions that are unlikely to be found on their job descriptions, such as 'role expansion' (taking ownership of problems), 'tone setting' (framing and modelling the innovation mind set), 'buffering' (providing managerial 'protection' from outside intervention or distraction), 'gap filling' (performing tasks often overlooked), and 'integration' (actively bringing together diverse skills and knowledge) (Turner et al. 2016). Furthermore, forging connections through collaborative, cross-functional activities helps build comfort with diversity and the messy nature of emergent creation, which has a flow-on effect in reframing the way teams expect to work together (Gerke 2016).

Building on from the first measure, the second reflects the degree to which communication and coordination linkages exist between different parts of the sport enterprise. Dialogue between 'domains'—functional specialisations within the organisation—amplifies innovation by building social capital and a safe environment in which experimentation can occur (Taylor and Helfat 2009). Where a minimal threshold of coordination is maintained, organisational members can improvise, flexing around the needs of other functional areas as well as those of external customers, clients, and fans.

Superior internal to external coordination has been driven by relentless market changes where sport enterprises must take greater control of their content and distribution than ever before. For example, professional sports competitions, clubs and franchises around the world have started to broadcast their own content. An international field of subscription services have become available such as NBA.com and MLB TV, Manchester United's MUTV, the Australian Football League's AFL Media, and a smorgasbord of YouTube channels like Barcelona FC's barcatv. Consumers

will pay for precisely what they want and discard with the rest; consumer demand will reshape the industry, driving cable online and undermining the carriers, forever changing the consumption culture of sport. Inevitably, only those sport enterprises capable of innovating will prosper, which in large part will be a reflection of their coordination agility.

A third measure concerns the level of resources and incentives in place for business unit leaders to support innovation activities and structures. To put it bluntly, research has demonstrated that it is not enough for an organisation to share a vision, even if it is strong and compelling. Innovation cultures need to breed a sense of shared fate, which comes about when rewards are contingent upon the achievement of common goals and the pursuit of common processes (Jansen et al. 2008). Resources should align to innovation initiatives, which should align with goals, which in turn, should align with shared rewards.

A fourth measure concerns the support available through targeted human resources (HRM) initiatives, including recruitment, mentoring, selection, and training—all with innovation in mind. In addition, innovation development programmes, and other innovation skills training stimulate a culture of creativity. HRM support mechanisms play a central role in enabling managers to introduce innovative practices, feel more comfortable with experimentation, and encourage imaginative thinking in subordinates (Swart et al. 2016). For sport enterprise leaders and managers, fostering an innovative culture means dealing with their human counterparts in ways that defy the conventional logics of textbook hierarchies. For example, they need to accommodate rather than supress the vagaries of complex, uncertain environments, and facilitate top-down/bottom-up, and lateral knowledge flows (Raisch et al. 2009). Innovative cultures embed an agile mentality into their hiring, training, mentoring, and leadership programmes. They also foster collaboration across functional areas, and in so doing unveil previously unimagined possibilities. For example, consider how a sport enterprise's membership team might liaise with the IT and marketing teams to explore more innovative client service offerings, such as adding a digital component to an existing service that improves flexibility and convenience without compromising standards.

A final, fifth measure ensures that a suitable wider context is developed through a series of business unit and enterprise level performance mea-

sures directly related to innovation. Of course, business units within sport enterprises are generally evaluated against standard key performance indicators (KPIs) and balance sheet criteria, including gross revenues, margins, profit and loss, and other control and efficiency related metrics. The central focus of the unit or enterprise level innovation measures, on the other hand, is on nurturing explorative ventures in their infancy with little current yield, but with potential for future growth and return. Nevertheless, innovation must also be objectively assessed through predetermined key performance indicators. These might include the number of ideas converted into proof of concept prototypes, the proportion that reach market testing, the number becoming new products, and the returns that each new product yields. Although the measures will be unique to the sport enterprise and the nature of their product series, macro KPIs will revolve around the speed and volume of translating ideas into market reality.

It is reasonable to assume that the number and quality of projects moving through to scale represents a salient performance measure of innovation. Ultimately, promising innovations supported by strong proof of concept prototypes can be disaggregated into discrete chunks or 'staged gates', where exits can be taken discontinuing, divesting, spinning in, or commercialising the new product or service.

Conclusion: Innovation as a Living Culture

Many sport enterprises struggle to not only make innovation a living part of their cultures, but to even successfully enable a single, discrete innovative initiative. Sustainable innovation, as we have argued, cannot be enforced through directive strategy, procedural compliance, or charismatic leadership. It requires a cultural readjustment of the kind that some might find counterintuitive because innovation thrives in environments that operate as close to chaos and they do to order. Ironically, sport enterprises find this precursor to innovation just as demanding as those from other sectors, despite the fact that their core product resides firmly in that ambiguous, turbulent, and dynamic territory.

We proposed that an innovative culture in sport encourages fast, cheap product prototyping in order to test the market and dispatch unsuccessful ideas before they become expensive innovation failures. Prototyping therefore means constant but contained experimentation.

Although a slippery concept, hard to conflate to the simple or tangible, culture shapes the collective conduct of all members of a sport enterprise. It does this by inculcating bundles of values and beliefs into members' minds. In turn, values and beliefs canalise and restrict ways of thinking. In short, culture shapes conduct and individual behaviour. Culture can be changed to foster innovation, especially through an understanding of how daily practices and rituals shape behaviours. While sport managers cannot literally change people's minds, they can change people's actions. For this reason, organisational rituals provide a mechanism through which new symbols, language, heroes, and stories can influence entrenched values and beliefs. We expand upon the role of leaders in the following chapter, picking up on some of the critical cultural issues that they must manage.

Case Study: Creating an Innovative Culture at the English Football Association's St George's Park

Despite possessing the most lucrative domestic football league in the world, England has not managed to convert this success into national squad performance. Yet, off the competition grid, the team leads the way in its innovative state of the art development and training complex, St George's Park.

In 2014, a new philosophy was launched at England's national training base, St George's Park in Burton, called 'England DNA'. This philosophy focused on England's youth teams from U15s through to Men's Under-21s, and Women's Under-23s. England DNA became the starting point of the Football Association's approach to elite player development, aiming to produce future winning national teams. The years following the opening of St George's Park and the implementation of the new phi-

losophy have seen a new era of football for England Youth Teams. The innovative culture that has arisen from the investment has seen England youth development changing, and so far with proven results. In 2017, England won the U20 World Cup in South Korea, undefeated. Meanwhile, the U21 team made it to the semi-finals only to lose in penalties to Germany, but its U19 team won the European Championship and the U17 team defeated Spain to win the World Cup (only having qualified for the event three times since it began in 1985).

Matt Crocker is the Head of Development Team Coaching, joining from Southampton where he oversaw the academy and the likes of Theo Walcott, Luke Shaw, and Alex Oxlade-Chamberlain. Crocker's role focuses on a long-term vision of success, beginning with the youth team and filtering into the senior national squad. While England's reputation at recent World Cups could leave fans sceptical about the recent philosophy and investment, the four-year plan has shown results that are not only exciting young players and fans of the sport, but also suggesting that the strategic planning at St George's Park will pay off.

The culture of the senior England team has been scrutinised for many years by media and followers of the game, yet with a new philosophy and a fresh investment into the training and development of the national squad, there was the opportunity to create an innovative culture from the outset. Part of the strategic planning that went into St George's Park involved setting a clear vision for all to follow. Leaders like Crocker set measurable targets to achieve, and put clear development pathways in place for youth players to progress through. One of the biggest challenges in creating an innovative culture lies with creating consistency between off the pitch and on the pitch performance. An elite, innovative environment spans further than the system and style of play; it involves recruiting the right talent, hiring world-leading experts, and setting systems in place to develop the right players. Part of this challenge means collaborating with clubs to gain buy in and support to achieve harmonisation across age groups from U15 to the senior level.

An innovative culture has been created at St George's Park by looking at every element of a player's development and setting a game plan that aligns with the new philosophy. The innovative culture nurtures the talent emerging in England with young players thriving with the extra

training hours, more time on the ball at a young age, and an Elite Player Performance Plan (EPPP) that has brought about sustained success with measurable KPIs, such as players winning Player of the Tournament awards, Golden Glove Awards, and Golden Ball MVP Awards. Yet it remains to be seen if the philosophy will translate into a successful senior team. After all, an innovative culture can offer the environment for development, but it does not dictate the opportunities for players to receive first team game time with their club, a problem perhaps exacerbated by the financial success of the Premier League.

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6

Championing Innovation: Leadership Approaches for Fostering Innovative Environments

Introduction: The Leader as a Champion for Continuous Innovation

Sustainable innovative environments do not tend to happen organically. Instead, they are championed by a leader or group of leaders who value this as a key characteristic of a thriving organisation. Leaders who value innovation understand that without embedding a culture of idea creation and the pursuit of operational enhancements, a competitive advantage is lost, and the competition will inevitably pass you by. While effectively managing the day-to-day operation is an essential component of business, the role of leadership is to set the direction and is inherently about change. When leaders appreciate that developing innovative solutions is a collective activity in which all organisational members can contribute, they set forth to ensure that the culture is one which can harness this human resource, and permeates through all aspects of the environment. In essence, it is leadership which sets the tone for innovation, through clearly signalling its importance to organisational members, and leading in a way which can optimally facilitate its presence and effectiveness.

J. Skinner et al., *Fostering Innovative Cultures in Sport*,
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The sport environment provides some excellent examples for championing innovation. Sir Alex Ferguson was the long-time manager of Manchester United FC, and is one of the most successful managers in history. Throughout his 26 years with the club, his teams won 13 English Premier League titles and 38 trophies in total. During his tenure, Manchester United became one of the most valuable sport franchises in the world, and an international brand with few rivals in popularity. While perhaps known most for his determination and fiery demeanour, part of the winning culture that Ferguson instilled incorporated a constant quest for reinvention after each success. Forever conscious of the danger of complacency, he was consistently thinking about what the club could do differently to top their previous accomplishments all the way through his final season with United. In retrospect, this appears to be different to other top Premier League coaches such as Arsene Wenger of Arsenal FC and José Mourinho at Chelsea FC, who stormed into the league as cutting-edge innovators, before apparently losing their intense focus on the continuous evolvement of coaching and playing techniques (Syed 2018).

In this chapter, we explore different approaches to leadership which can enable leaders to continually lead with innovation in mind. We do not offer these leadership approaches as a strict recipe for fostering innovative environments, but instead as a menu for leaders to consider, based on their own natural strengths and tendencies, and the nature of the context in which they lead. After providing a brief background of leadership perspectives throughout history, we turn to focusing on multiple leadership approaches which we consider most useful for creating sustainable innovative environments.

Leadership Approaches for Innovation

In addition to innovative leadership defined in Chap. 3, there are other leadership approaches which can be used to foster innovative environments. The proliferation of 'types' or 'styles' of leadership considered by academics and touted in the popular press can be overwhelming. As the famous leadership scholar Ralph Stogdill (1974, p. 259) once said, "there are almost as many definitions of leadership as there are persons who have

attempted to define the concept." When viewed from revolving doors that are forever defining and redefining leadership, it can be challenging to arrive on a widely accepted definition of the term. Before we explore a range of leadership approaches that can be employed to stimulate innovation, it may be helpful at this juncture to briefly explain how leadership thought has evolved over time.

A Brief Background of Leadership Perspectives The general concept of leadership has been around since the dawn of man, with leaders and followers referenced in the earliest known records of human history. In our brief overview we will focus on the more recent historical evolution of leadership, as this thinking captures the vast majority of leadership contemplation throughout history. During the early twentieth century, leadership was primarily viewed in relation to the leadership positions of the time, namely political leaders, the extremely wealthy, and high-ranking military commanders. It should be mentioned that the majority of study and writing on leadership at this time was generally focused on Caucasian males based in Western cultures. This point should be emphasised, as these factors have played a significant part in the way the concept has been viewed throughout the ages.

During this same period, leadership was primarily considered a form of domination; the ability of leaders to impress their will onto followers, and command respect, loyalty, and obedience. With this serving as the backdrop of leadership thinking at the time, attention was directed to specific traits and characteristics these successful leaders possessed. Consistent with the gender prevalence mentioned above, this perspective has been referred to as Great Man Theory, where traits such as intelligence, responsibility, and confidence were identified as key characteristics of successful leaders. However, near the middle of the century it became apparent that there were a multitude of different traits that prominent leaders might possess, and there was often not much consistency across leaders. That is, one successful leader's main characteristics were often very different from another's. This gave way to a behavioural way of thinking, and the notion that effective leadership was more related to behaviours and skills employed when leading followers versus a specific set of traits. During this same

period, the concept of leaders dominating followers gave way to a more moderate view of how leaders can influence others to follow them. Interestingly, many aspects of the sports world have tended to lag a few decades behind mainstream contemporary leadership thinking. For example, sport folklore is full of all-powerful sports coaches experiencing high levels of success, in the not too distant past, through their dictatorial 'my way or the highway' approach to leadership.

The way in which leaders are to able successfully lead groups of people to achieve sought-after goals has traditionally been referred to as a leadership style. As we will discuss in detail later, these styles range extensively and include everything from dictatorial to laissez-faire in their approach. While leaders have always had their own preferred styles of governing, it wasn't until the 1970s that leadership thinking began to acknowledge that effectiveness was highly dependent upon the situation and context. Not surprisingly, an explosion of different leadership perspectives and recommendations has since surfaced in academic journals, management courses, and on the shelves of main street bookstores. In our view, many of these leadership perspectives fail to consider important nuances in the leadership story; namely, the situation or context, and the nature of the group objective. Whilst useful to consider in relation to new aspects which are perhaps worthy of better understanding and increased emphasis, from our view, leadership is best understood in context.

In an effort to consider both traditional and more contemporary perspectives of leadership, whilst situating this in the context of innovation, we have selected ten different approaches which can be highly effective in fostering an innovative culture in sport enterprises. These are transformational, situational, creative, resilient, adaptive, empathic, facilitative, servant, participative, and distributed leadership. We do not consider these to be the only ways to effectively lead within innovative environments, but rather offer these as a lexicon of suggested approaches worthy of further exploration and consideration when creativity and innovation are the primary objectives. We refer to these as leadership 'approaches', as these bundles of leadership perspectives generally incorporate a set of leader (and follower) characteristics, behaviours, and skills which are relevant to group performance. While definitions of leadership in general, and the specific approaches that follow, can be dissimilar in certain ways,

we consider there to be a unifying theme in relation to influence. That is, the concept of leadership is primarily about influencing a group of people over time towards a shared set of goals (Northouse 2016).

Figure 6.1 displays a graphical representation of these leadership approaches for innovation, which have been plotted in relation to focus and representativeness. Focus refers to the extent to which the approach tends to focus on the leader or the follower. While all of these perspectives consider both leaders and followers to some degree, we offer an estimation of the degree to which each leadership approach focuses on these two main entities in relation to other leadership approaches in this collection. We recognise this as a subjective process; however, consideration was given to the extent the definitions and associated descriptions of each approach tend to focus more on the leader or group of followers. The other factor, representation, indicates an estimation of where each leadership approach rests on a spectrum of directiveness/authoritarian and supportive/democratic. We acknowledge that directive and authoritarian are not exactly

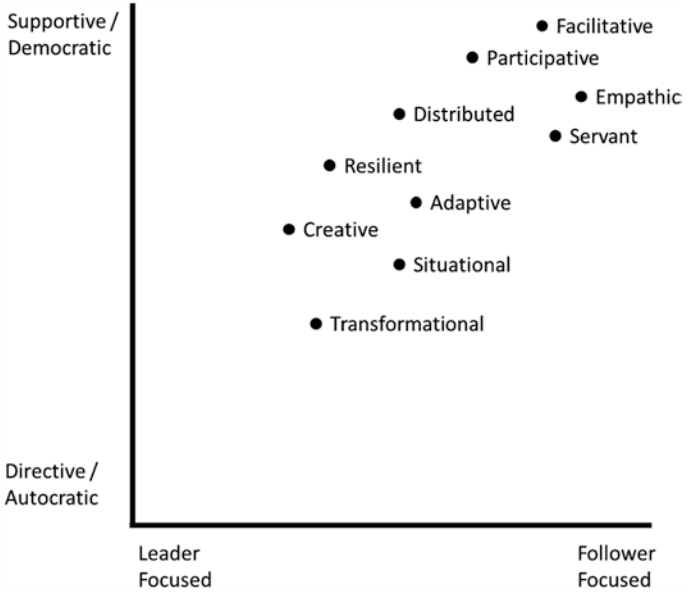

Fig. 6.1 Leadership approaches for innovation

synonymous, with the same being true for supportive and democratic. However, with the directive-supportive and authoritarian-democratic spectrums having overlap and consideration throughout the leadership literature, we have taken the opportunity to develop one descriptive factor as an amalgam of both for the ease of visual representation. Each approach may have a more explicit relationship with one of these two spectrums, in which case we have endeavoured to note this in its description. It should also be noted that although the diagram uses pinpoints in an effort toward the specific location on these two spectrums, you will notice from the descriptions below that there is considerable overlap between some of these perspectives. While the leadership approaches are far from mutually exclusive, we see merit in focusing on each in its own right, as mean to highlight its predominant features which are highly relevant to innovative environments.

When considering the ten approaches plotted collectively in relation to focus and representativeness, an obvious trend can be observed towards the supportive/democratic and follower-focused ends of the spectrums. While this may be the trend of the most contemporary views of effective leadership, this appears to be accentuated when specifically assessing each approach in relation to fostering creativity and innovation. However, this is not to suggest that one or several of these approaches located in the upper right quadrant are superior to other approaches which are more central in the diagram. Instead, to re-emphasise what was stated at the beginning of this section, we consider all of the approaches to have high potential for fostering innovative cultures in sport enterprises and other contexts. As will be elaborated upon further at the end of this section, leaders who wish to usher in inventive and avant-guard cultures should consider which of these approaches might be best suited to their natural tendencies, the specific context where this process is to take place, and the specific objectives they wish to achieve. We begin first by describing a few of the more well-known leadership approaches, and the transition to several other useful approaches which are perhaps less widely known.

Transformational Leadership One of the most influential streams of leadership literature in modern times is the concept of transformational leadership. In this approach, leaders are able to 'transform' other individuals by

producing a profound change in their attitudes and behaviours. Transformational leadership is best explained in combination with the concept of transactional leadership, which are separate but complementary approaches to leadership. Transactional leadership focuses on an exchange process where leaders provide rewards (and punishment) in return for attitudes and behaviours relating to compliance and expected levels of performance. In contrast, transformational leadership goes beyond these types of transactional connections, where leaders are able to inspire and motivate others to exceed expectations and go beyond what they thought was possible. Transformational leadership is characterised by shifting followers' concerns away from basic self-interest, belonging, and security, and towards a mindset that focuses on elements that affect the group and/or organisation (Burns 1978). Transformational leadership should not be seen as a replacement of transactional styles, but instead an effectual complement to unlock optimal performance and provide a full range of leadership capacity (Bass and Avolio 1994). Transformational leadership is comprised of four main components: (1) idealised influence—where leaders are ideal role models who followers identify with and would like to emulate, (2) inspirational motivation—where leaders are able to inspire and motivate followers to embrace a shared vision and achieve more than they would on their own, (3) intellectual stimulation—where followers are encouraged to think independently and challenged to be creative and innovative, and (4) individualised consideration—where leaders provide a supportive climate and show genuine concern for follower needs.

We suggest here that transformational leadership can be an effective approach to cultivate creativity and innovation in sport enterprises, and note the potential for the four components of this leadership approach to deliver innovative, creative outcomes. First, from a role model perspective, leaders can play an important part by embracing change and demonstrating engagement with the creative process themselves. Second, leaders who can communicate a vision of creativity, and focus group member attention on the collective goal of developing innovative solutions, will play a pivotal role in creating an environment conducive to developing new ideas for practical application. Third, the intellectual stimulation component of the transformational leadership model directly

encourages freedom of thought and the pursuit of innovative ideas. Leaders who have the capacity to continually stimulate new ways of thinking will be well positioned to infuse this into the organisational environment. Finally, a leader's ability to engender a supportive group culture is essential for innovation. Given the fragile nature of the creative process and extension of new ideas, leaders who can effectively support employees in this endeavour will provide the necessary foundation for innovative outcomes.

Vivek Ranadivé is the owner of the NBA's Sacramento Kings, and is a true example of a transformational leader in sports. Beyond transforming the NBA landscape by becoming the first Indian-born majority owner, his bold move to lead the purchase of the Kings saved the franchise from a pending move to Seattle. His leadership approach has developed one of the most innovative cultures in the world of sports, and his inspirational vision includes several different initiatives, including making the Kings organisation the most technologically driven sports franchise in the world. However, his apparitions also go beyond his own team, as he has communicated his vision for what he calls 'NBA 3.0', where he sees the business of basketball as a social network that can be expanded through technology to ultimately make it the global sport of the twenty-first century.

Ranadivé's passion for technology as the platform for information gathering and conducting business in real time has enabled him to inspire and motivate his employees and the Sacramento fanbase to share in his vision. When building the new Golden 1 Center in downtown Sacramento, he endeavoured to make it as 'future-proof' as possible, through techniques such as an on-site state-of-the art data centre, and enough electrical capability to power an entire city. His track record and genuine approach has given him credibility as a role model for innovation, which followers are drawn to and try to emulate. His vision for the fan experience has become the guiding philosophy of the organisation, where the Kings' revolutionary app provides a customer experience level not yet seen by other professional sports teams. Through this technology led methodology, the connection with fans provides an intimate experience, incorporating everything from parking preference to restroom waiting times. His approach to challenging his staff to think creatively and independently is not a coddling one focusing on freedom of thought,

but more of a challenging approach that emphasises the hunger it takes to push boundaries in the innovation space. However, throughout this metamorphosis for the Sacramento Kings, Ranadivé has also demonstrated his value for quality people as the most important resource for innovation.

Situational Leadership Beyond considering leadership traits and skills, the circumstances within which leadership operates must also be taken into account. Situational leadership (Hersey and Blanchard 1969; Blanchard et al. 2013) is one of the more widely known approaches to leadership, and refers to one that considers leadership a fluid process, which changes appropriately, based on a given situation. This approach suggests that leadership is composed of both a directive and supportive dimension, and that the situation will provide an indicator for how each dimension should be applied to leadership practice. Though not often stated as such, situational leadership is actually quite a follower-centric approach to leadership. That is, the 'situation' refers directly to an assessment of the followers' abilities and motivation levels, which leaders need to first recognise and then adapt their leadership approach accordingly.

The two primary factors used to assess the abilities of a follower are referred to as competence and commitment. Based on the leader assessment of the follower in each of these areas (e.g. high or low), situational leadership theory says that the leader should then apply a specific leadership style for each of the four resultant situations which are possible. These are: (1) Directing (low competence, high commitment). This style incorporates a high-directive and low-supportive approach, where the leader focuses on communicating instructions relating to goal achievement and then supervising followers accordingly. (2) Coaching (low to medium competence, low commitment). This style utilises a high-directive and high-supportive approach, where the leader focuses on both goal achievement and attending to the emotional needs of the followers, through providing encouragement and employing two-way communication to obtain follower feedback and input. (3) Supporting (medium to high competence, variable commitment). This style incorporates a low-directive and high-supportive approach, where the leader focuses on listening, praising,

and more shared decision-making, with more emphasis on the relevant follower competencies than the goals per se. (4) Delegating (high competence, high commitment). This style uses a low-directive and low-supportive approach, where the leader allows followers to take ownership of the preferred method for goal achievement, and concentrates on facilitating follower confidence and shaping their motivations in relation to the goal.

We propose that situational leadership also has an important place in relation to developing an environment which is conducive to creative thought and the production of innovative solutions. As key elements of the creation process can come from any person in the group or organisation, these individuals will all have profiles of competence and commitment in relation to the specific goal or project. For example, innovation objectives in the augmented reality space for sport enterprises provide a lens to determine competency levels for key criteria (e.g. graphics, digital technologies, etc.). A project focus can also provide commitment (i.e. interest) in the project, as some group members may be especially interested in augmented reality as a promoter, user, or analyst of this subject. From this perspective, leaders can consider their leadership approach to match the specific needs of followers on a project-by-project basis, in relation to main topical and procedural elements of the initiative. It should be noted that one limitation to the situational leadership approach is the tendency to place work groups collectively in one competency-commitment box, and failing to recognise the complexities involved in evaluating each team member as their own person. Nevertheless, depending on group size, this can often be mitigated by assessing an average profile of the group members, or employing bespoke leadership approaches to each individual follower when feasible. The situational approach to leadership is also useful when considering the innovation process as a cycle of thought and exploration. With the ebb and flow of projects in relation to direction, challenges, and topical emphasis, leaders of innovative cultures may also use a situational approach to assess the group at pivotal stages of the innovative process.

One of the best situational leaders in the sports world over the past thirty years is Phil Jackson, the legendary coach of the great Chicago Bulls and Los Angeles Lakers teams. Jackson has won eleven NBA championships, more than any coach in history, and has coached in different ways depending on the competencies and commitment levels of his

players. Some of his most famous players were Michael Jordan and Kobe Bryant, who both were highly skilled players in terms of physical ability, but earlier in their careers perhaps needed a bit more competence in basketball acumen and commitment to team play. Over the course of time he coached both of these players, Jackson gradually adjusted his approach to leading them from a supporting style to a more delegating approach. As both players matured and became more well-rounded in terms of team strategy, Jackson adjusted his tactics from an emphasis on this type of competency toward one where he enabled greater confidence, and allowed these players to take greater ownership in the way their respective teams should go about striving towards championships. Also in unison with the situational leadership model, Jackson has taken a more directive approach with less talented role players who were still highly committed to the cause. Finally, in a special case involving Shaquille O'Neal, Jackson took more of a coaching approach (in situational leadership terms) in relation to leading. While O'Neal had a great deal of raw talent early in his career, he had yet to fully develop his basketball skill competency and total commitment to the game. In this situation, Jackson therefore took both a high-directive and high-supportive approach, to focus O'Neal more on basketball-specific goals and to cater to his emotional needs.

Along the way to winning all these championships, Jackson also developed one of the most innovative environments in professional sports. His leadership approach was influenced by his interest in Eastern philosophy, where he subjected his teams to numerous mindfulness techniques which were highly provocative at the time, and earned him the nickname of the 'Zen Master'. For example, he incorporated meditation exercises into practices and encouraged similar exercises away from training. In another technique, he would have players sit in silence and breathe together in synchronisation, to encourage a nonverbal alignment of mind, body, and spirit. Perhaps most famously, he incorporated a system on the court which provided for high levels of creativity and freedom within a basic structure. The 'triangle offense' provided a platform for performance which necessarily incorporated all players on the court, rather than the one-on-one isolation basketball which had previously been the norm in the NBA. This tactical approach was indicative of Jackson's innovative team cultures, as it stimulated a continual process of group problem solving and idea generation in an ever-changing environment.

Creative Leadership An obvious connection to our goal of facilitating innovative cultures resides in a newer concept referred to as creative leadership. The term creative, in this sense, can be considered from two different perspectives. The first is the idea of leading others towards a creative outcome, while the second refers to leaders who use creativity to lead and influence a group. We assert that the two concepts are intertwined, with the former being the end goal which has thus far been viewed primarily in the general sense of facilitating creativity through support and idea generation activities. We therefore focus our attention on the latter perspective; whereby the term creative leadership refers to a leader's deliberate engagement of their imagination and inventiveness to guide a group in a new direction or toward a novel goal (Puccio et al. 2010). From this perspective, creative leadership is the explicit consideration of creative capacities that can enhance the influence of a leader for driving innovative change.

We consider the creative leadership perspective to have great potential for fostering innovative cultures in the sport environment. This approach to leadership challenges leaders to both assess and develop their own creative skills, which provides a symbiotic opportunity for followers to experience the same as they strive for innovative outputs. In essence, creative leaders act as role models for their group; demonstrating creativity by implementing unique methods to lead group members. Witnessing active contemplation and implementation of novel approaches to leadership can be inspiring to group members, and in turn stimulate new ways of seeing complex problems. Such an approach may also be accentuated through sharing with group members the mental and emotional experiences of subjecting oneself to more risky leadership pathways.

One the most creative leaders in all of sports is Pete Carroll, the head coach of the National Football League's (NFL) Seattle Seahawks. As a true innovator for developing a positive team culture, top coaches from many different sports leagues flock to Seattle to try to learn from his leadership approach. Carroll prides himself in always having new and creative coaching techniques to keep his players cognitively and emotionally engaged with achievement goals. He considers coaching to be a blank canvas where new ideas are waiting to come to life as an alternative way of seeing football. In order to keep relevant and fresh, Carroll will watch

popular YouTube videos in order to stay on top of player lingo and pop culture, so he can implement aspects of this in practice for shock value and enjoyment. This type of behaviour is just one example of the how Carroll consistently tries to be imaginative and open to new ideas to provide his players with a healthy winning mindset. As another creative method far from the traditional football-centric approach, he tries to create a fun alternate sport atmosphere by having basketball hoops around the training facility to provide for a mental release. He's also been known to stop team meetings for a spur of the moment shooting contest, and then use these breaks to sharpen the mental focus when the meeting resumes. Counter to logic, his methods for teaching focus also incorporate providing distractions during practice, such as blaring music or random crowds of people to increase the degree of difficulty. The result of this type of environment is a group of players who are excited about playing football, who are eager for new ideas, feel empowered to think for themselves, and are celebrated for having unique perspectives.

Resilient Leadership Innovative cultures are environments where group members dare to take on projects that are often risky in nature. By definition, the terms creation and innovation imply a sense of newness and a journey toward the unknown. When trail blazing and taking the road less travelled, the likelihood of failure exponentially rises. As discussed in other sections of this book, a requirement of innovative cultures is that there is an understanding of the high likelihood of failure, and yet a relentless appetite for pursuing radical solutions despite this risk. This type of frequent-failure environment requires special tactics in order to deal with individual and organisational disappointments in pursuit of often-illusive innovations. As individuals are conditioned to be disappointed with failure in virtually all aspects of everyday life, we propose that taking on this uphill battle for discovering cutting-edge solutions requires a pronounced ability to persevere and bounce back from failure and ambiguous outcomes.

Employing a resilient leadership approach is one such tactic. Resilient leadership refers to the capacity for leaders to recover quickly from failure and inspire others to be resilient in the face of negative consequences. This ability to resiliently lead in an environment where failure is frequent

and commonplace requires the display of important characteristics which cascade from the leader and are instilled in group members' psyche. These characteristics include high levels of: (1) commitment, (2) curiosity, (3) optimism, and (4) emotional stability. Commitment in this sense means being dedicated to pursuing the objective of finding innovative solutions. Curiosity refers to being eager to learn why previous techniques were unsuccessful whilst also having a burning desire to discover an appropriate solution to the problem. Optimism is an additional key component of resilient leadership, as innovative environments require leaders and followers to remain hopeful and confident in the midst of previously failed attempts. Finally, emotional stability in relation to resilient leadership means that leaders are able to prevent themselves and group members from becoming excessively depressed about failure, and instead keep this in perspective in relation to the context. From this perspective, the most highly innovative environments have parallels to the world of sport, where coveted rewards are pursued despite knowledge that there is only one winner in what is often a sea of competing entities.

There is perhaps no better example of resilient leadership than the story of Terry Fox. Growing up in Canada in the late 1970s and early 1980s, Fox had a voracious appetite for sports as a child. He competed in several activities such as soccer and baseball, before eventually homing in on basketball and cross-country running as his areas of specialization. However tragedy struck out of the blue at eighteen years old, when he was diagnosed with cancer in his right knee. With the cancer rapidly progressing, a necessary amputation left him with an artificial leg. As a former athlete, he couldn't live with a prognosis of never being able to compete in sports again, so he began training on his artificial leg for long-distance running. He had been inspired by wanting to do something to help young cancer patients like the ones he had spent time with in hospital, so he announced that he would run across the entire country of Canada with the hope of raising one million dollars for cancer research. Throughout his trek he continued to have multiple bouts with his cancer resurfacing, and the journey was a constant battle with negative situations continually emerging. Through his efforts an entire country became inspired by his resilient leadership, and his ability to recover quickly and inspire others who were also facing highly difficult challenges.

Adaptive Leadership As the innovation process is generally not a straightforward or plain-sailing journey, it is essential that innovative groups are adaptive to the various challenges that inevitably surface in the environment. As discussed with other approaches to leadership, the term 'adaptive' can be considered in relation to both the leader and the followers. While successful leaders can often be regarded as adaptive in their methods, the concept of adaptive leadership really has more of a focus on the follower. Adaptive leadership is defined in general as 'the practice of mobilizing people to tackle tough challenges and thrive' (Heifetz et al. 2009, p. 14). Based on this definition, it can be derived that this approach refers to leadership capable of encouraging followers to confront and respond to significant trials as stewards of their own destiny.

In the pursuit of mobilising followers, adaptive leaders are able to orient, motivate, organise, and focus the attention of others on changing and adjusting to new circumstances (Heifetz 1994). This approach recognises the process of adaptive leadership as a combination of ideas from biological, systems, psychotherapy, and service perspectives. The biological perspective notes that people will generally evolve when the objective is survival. The systems perspective recognises that the challenges individuals face are dynamically embedded within a wider social system where people are connected through relationships. The viewpoint in relational psychotherapy notes that people are able to adapt in direct relation to how they are supported to face difficult circumstances, deal with internal conflicts, and distinguish fantasy from reality by keeping things in perspective. Finally, the notion of service in the adaptive leadership approach notes that leaders actually serve their followers by drawing upon expertise and experience to diagnose complex problems and offer potential directions forward.

We consider the idea of adaptive leadership as an effective approach to fostering innovative environments. The following steps outlined by the adaptive leadership approach (Heifetz 1994; Northouse 2016) offer a valuable rubric for enabling creativity and innovative solutions. These include (1) seeing the big picture, (2) identifying the challenge, (3) regulating stress, (4) maintaining focus, (5) group ownership, and (6) protecting voices. Seeing the big picture is about stepping back and recognising

what is happening across the wider environment. In addition to possessing knowledge regarding sport-related innovations and beyond, this component of adaptive leadership requires a keen understanding of group dynamics, which includes monitoring relationship strength and how well or how poorly group members cope with change. Identifying the challenge relates to the leader's ability to recognise and articulate the main problem for the group to tackle. While this can specifically relate to the innovation objective, major challenges can also be identified in how a group engages with the innovation process. The ability for a leader to regulate stress is highly relevant for any group hoping to foster an innovative culture, as creativity and progress thrive on positivity and freedom from choking pressures. This aspect of adaptive leadership suggests that leaders can keep stress at productive levels by creating an emotionally safe environment for tackling difficult problems, providing direction when needed, monitoring the rate of change, and keeping their own stress levels in check. Maintaining focus refers to ensuring that group members remain disciplined in their attention to the challenging task. This is distinctly relevant to the innovation process, as human nature often favours the comforts of equilibrium over relentless pursuits towards the unknown. The idea of group ownership refers to the leader's ability to monitor and curtail their own influence, so that group members continue to feel empowered and engaged in the problem-solving process. As creativity is ignited by the input and consideration of ideas, providing an environment that stimulates cognitive involvement by all group members greatly increases the likelihood of discovering innovative solutions. Finally, the idea of protecting voices notes that leaders should be continually conscious of the perspectives from those who have lower status, have dissenting viewpoints, or may be marginalised in another way. In summary, while adaptive leadership is a broad approach conducive to a variety of challenging situations, it can offer specific relevance for those focused on developing an innovative culture in the sport industry and other environments.

A great example of adaptive leadership is the *Moneyball* story of the Oakland Athletics and their general manager, Billy Beane. By seeing the big picture and identifying the challenge of a limited player budget, Beane was able to rally his staff to confront this difficult challenge and

flourish as a result. Through maintaining a focus on new approaches which could address this challenge, and by protecting voices that dissented from the more traditional form of player evaluation through human observation only, Beane was able to persuasively develop group acceptance of innovative statistical methods. This step change did not happen overnight, however, as Beane had to take a big risk and manage the stress levels involved with such a radical cultural transition. However, through managing key relationships and staying on top of group members' propensity for change, Beane and his staff transformed the Athletics into an adaptive organisation, with a learning mentality and an innovative culture embedded throughout the club.

Empathic Leadership Leadership plays a major role in establishing the organisational culture for innovative sport enterprises. While focusing on change and creating new knowledge can be an exhilarating experience, it is also full of mental frustration during periods when progress is not readily apparent. The development of new knowledge requires a special approach to leadership which is sympathetic to the needs of group members who engage in this process. As discussed in Chap. 3, leaders who enable innovation provide high levels of support, and manage the environment through an understanding of follower needs. Key aspects for leaders to stay focused on include group members' social and career development, ensuring trust and a psychologically safe place to communicate freely, and providing sufficient autonomy and mental space for the creative process.

From our viewpoint, these factors, which are critical for fostering an innovative culture, require leadership which incorporates a large amount of empathy for group members. Empathic leadership refers to a leadership approach where leaders focus on understanding and vicariously experiencing the perspectives and feelings of their followers. Leaders who utilise this approach are able to put themselves into the shoes of their group members, and relate to the motivations and challenges they experience in order to develop innovative solutions. When the goal requires the formulation of creative ideas in order to arrive at an innovative outcome, individual group members are the key to success. The capacity for

leaders to deeply connect with group members on a personal level and understand what they are going through both in and away from work, is the key to ensuring they are in the best mental place to focus on creative output.

There are many ways to demonstrate empathy in practice, and group members need to be able to sense that leaders consider their general well-being a high priority. When this type of mutual respect and caring is present in the workplace, the result is more committed individuals who can focus on the task at hand. One demonstration of this can be seen at the British Royal Military Academy, where it is an unwritten rule that officers eat last during mealtime. This approach stems from the idea that it is the troops who are at the forefront of carrying out the mission, and they should therefore be in the best possible position to do so and receive adequate and timely rations to enable peak performance. Empathic leaders will 'check-in' with group members on a regular basis to see how they are feeling and getting on in their jobs and personal lives. This personable approach is more than an act of kindness or camaraderie, it is also serves as a mechanism for leaders to stay on top of situations that could derail the innovative process, and demonstrate to group members that beyond their own personal challenges their leader is in tune with needs and struggles experienced by others. Empathic leaders are also quick to give praise publicly to group members and share the credit for jobs well done. While nothing may undermine a leader's respect and credibility quicker than taking credit for another group member's work, being quick to highlight the valuable contribution of deserving team members can rapidly increase the influence of the leader, and strengthen the innovative culture by demonstrating a significant incentive for cognitive and emotional investment.

A fascinating story of empathic leadership in sport is that of Danny Kerry, the Great Britain women's field hockey coach who led his team to an Olympic bronze medal in the London 2012 Olympics, followed by a gold medal finish in the 2016 Olympics in Rio. His coaching and leadership philosophy has perhaps been shaped most by what transpired after he led his team to a 6th place finish at the 2008 Olympics in Beijing. At the time this level of performance was considered highly successful, and well-exceeding their pre-tournament ranking of 11th in the world.

However, during the post-Beijing Olympic Games review, Kerry received highly critical feedback from his players in relation to being unapproachable and not appearing to care about them as people. His expertise and commitment were not in question, but his ability to connect with players and see things from their perspective emerged as a major impediment to his coaching effectiveness. Prior to this stage in his career, he thought he could defeat the world through hockey knowledge of tactical execution, rather than having a deep understanding of human beings and his players' mentalities.

After a great deal of soul searching, Kerry embarked on a new leadership approach which incorporated in-depth conversations with his players on a regular basis, to get at the core of their motivations and develop a keen understanding of what they were feeling and experiencing both on and off the pitch. Coupled with his quest for player understanding and development has been the innovative approaches he's integrated into the training environment. One of his creative methods was to implement 'Thinking Thursdays' as a consistent part of the team's training regimen, which is designed to have players take personal responsibility for finding out new ways to be successful on the pitch. By developing a physically and mentally challenging environment, this approach forces players to think their way through adversity, and collectively participate in the decision-making process. This method also incorporates a participative approach to leadership which will be discussed in the next section. While Kerry has remained a shrewd tactician, his innovative methods and empathic leadership approach appear to be key factors in propelling his teams to world-leading success.

Participative Leadership As creative ideas can come from anyone in a sport enterprise or specific work group, it is imperative to encourage participation in the innovative process across the membership. By limiting the amount of input coming from multiple individuals who are interested and willing to assist in the progression of a project, the innovative capabilities of a group can be significantly hampered. Participative leadership refers to a leadership approach which focuses on drawing out input from others for careful consideration, and engaging group members in the decision-making process (Berlew and Heller 1983). As opposed to an

overly directive approach, where leaders may tell subordinates what to do and expect them to follow directions, participative leaders will aim to gather input and opinions from group members for problem-solving and consensus-building.

When viewed on a spectrum of leadership styles ranging from autocratic to democratic, participative leadership aligns particularly well with the democratic approach, which solicits a variety of perspectives and seeks to be inclusive and unifying. Leaders who wish to successfully foster an environment where innovation can thrive would do well to adopt an approach near this end of the spectrum. Participative leaders genuinely want to consult individuals within the group to learn about their ideas and suggestions, and recognise there is great value in incorporating these perspectives into decisions regarding how the group should best proceed. While a directive approach can be the faster option and may be required in certain situations, participative leadership has a number of long-term advantages relating to team morale, policy acceptance, retention, and inclusivity of diverse perspectives which are invaluable for producing creative solutions.

Servant Leadership The idea of servant leadership represents a change in perspective from more traditional views of leadership, and represents a paradox in the leader-follower orientation. While group descriptors generally rank subordinates in more servant-like positions, servant leadership flips this idea on its head and proposes that optimal performance stems from leaders serving the needs of their followers. More specifically, servant leadership reflects an altruistic style, with leaders setting aside their own self-interest and instead focusing primarily on the interests and benefits of their followers (Greenleaf 2002). This idea of serving relates specifically well to the military setting, where officers have a duty to nation and subordinates. A manifest example of this leadership style can be found at the Royal Military Academy at Sandhurst (RMA Sandhurst), where British Army officers receive training for leadership positions. The official motto of RMA Sandhurst is 'Serve to Lead', which embodies the Academy's commitment to the servant leadership approach, and its profound sense of service towards others that leaders must have in the

military context. This may seem contradictory to the general public's 'command and control' perception of the military. However, from the RMA Sandhurst perspective, leadership as a means for influence is based largely on how well the leaders serve the needs of the group.

Servant leadership has recently received increased attention in the popular press, and is gaining momentum as an effective leadership style due to its specific focus on the followers. We argue that servant leadership may be especially relevant for fostering creativity amongst group members in the sport environment. As innovation can stem from anywhere within a team, group, or organisation, placing an emphasis on the needs of the collective is at the forefront of key drivers for fostering an innovative culture. The follower-focused nature of servant leadership also activates the various intelligences discussed in Chap. 3, which are useful for connecting with followers and understanding their needs and motivations. By considering followers/employees as the most important organisational resource, this perspective also enables a consistent focus on establishing buy-in for the innovative process and managing creative environments.

One of the most successful coaches in history across all sports is UCLA men's basketball coach, John Wooden, whose teams won ten NCAA National Championships from 1964 to 1975. Wooden's approach was the epitome of servant leadership, as his altruistic values were at the heart of his coaching philosophy. As some of the core components of servant leadership are awareness, foresight, and commitment to the growth of people, Wooden demonstrated these values time and again throughout his illustrious career. In his servant leadership approach towards developing young men as individuals beyond just basketball players, he also created an extremely innovative environment. His personal style included focusing on continual improvement rather than ever using the word 'win', and developing his famous pyramid of success as a tangible representation of his vision. There were also several tactical on-the-court inventions, such as providing increased defensive pressure through pressing teams with more conservative ball-control tendencies the entire length of the court. His focus on player well-being, readiness, and awareness also developed an innovative environment where players needed to think for themselves and develop their own solutions. Instead of the more

conventional approaches of running set plays where players moved in predetermined directions, he instead developed a system with basic structures that insisted on players having the freedom to create their own movements and maximise their potential. This in turn stymied defenses which were prepared to counter a particular form of offense. In fact, Wooden was so ahead of his time in terms of coaching philosophy that his most important innovation was probably the way in which he developed such a well-constructed approach to leadership, which is still a prominent model for success today.

Facilitative Leadership Innovative solutions are generally the result of a great deal of coordination and numerous iterations of sharing and refining outcomes of smaller steps in the process. Effective leaders have the ability to make complex chains of events easier for group members and enable forward progress. Facilitative leadership refers to a leader's capacity to encourage an environment conducive to teamwork, open discussion for the sharing of ideas, and safe and equitable interactions amongst group members (West and Hirst 2005). Leaders who are conscious of finding ways to make their team's job easier will be in a better position to lead innovation. People who perceive their leader as doing everything possible given the circumstances to put the group in the best possible position will engender support and increased commitment to the project.

There are number of ways that leaders may enable their group members to travel down a smoother pathway toward innovative solution discovery. First, providing adequate resources to develop a new idea is essential. While many organisations will not have extensive research and development budgets, an effort to provide resource in relation to finance, time, expertise, and space will go a long way in signalling support for the project and making the 'impossible' seem 'possible.' Second, facilitating communication between group members and external sources can also engender a more efficient innovation process. This can come through the traditional sense of facilitating meetings, by asking the right questions, connecting ideas, and ensuring participation and adequate voice to all members. In addition, increasing access to external experts and valuable information necessary to move the innovation process forward is also

highly beneficial. Third, being ready to inject new ways of thinking when groups reach an apparent mental impasse is another talent of the facilitative leader. The ability to find common ground between different ways of thinking, and provide alternative viewpoints is a valuable skill and effective for overcoming periods of mental gridlock. Finally, a facilitative leader may offer professional development opportunities for group members, which can unlock current impediments to creativity and serve as an impetus for more effective innovative activity in the future.

A good example of facilitative leadership comes from the International Basketball Federation (FIBA) and their innovative approach to revolutionising referee performance through physical preparation and data analytics. As part of this process FIBA hired Dr Alejandro Vaquera from the University of Leon to be their director of referee fitness worldwide. Recognising that in order for referees to be in the optimal position to make calls on the fast-paced game of basketball, they need to have similar levels of speed and endurance as the players over the course of the entire game. With a supreme challenge identified, Vaquera and the FIBA staff embarked on facilitating the best way forward for the referees to meet this goal. This process has included periodic meetings with referees to share the findings of research, developing best practice for physical training integration into the professional and personal lives of the referees, and considering ways to simplify the training and reporting protocol. Throughout this process, consensus was gained to incorporate physical preparation into pre-competition training clinics, and an individual training regimen for in between competitions.

With referees being located all around the world and working as part of several different competitions, Vaquera and his team devised individual training programmes for every referee based on their current needs and physical abilities, and structured this in relation to the most innovative training techniques in sports. All referees received a sport watch with a GPS heart rate monitor to record all of their trainings and then upload them to their own FIBA web account. Vaquera and the FIBA fitness staff then analyse their training progress remotely and update the planned training activity as needed on a weekly basis. A key to this programme has been the constant communication with the referees both collectively and on an individual basis to customise their training experience. By providing

constant feedback to questions, encouraging growth, and making their training experience as easy as possible in terms of direction and support, the FIBA referees have experienced a period of unprecedented growth in physical stamina and performance. By placing the referees in the best possible position to excel and track performance, this has also enabled a new mindset of referees in relation to physical training and competence which is similar to the basketball players themselves.

Distributed Leadership Although the traditional manner in which we perceive and depict leadership is often through the conventional lens of an assigned leader and their respective followers, the leadership function is perhaps more accurately represented when viewed as a collective process. Distributed leadership, which is sometimes termed shared or team leadership, refers to situations where leadership functions are spread across the roles of several people, and accomplished through interaction and collective action (Harris 2013). Unlike other approaches, distributed leadership takes on a shared team perspective where leadership becomes the responsibility of all group members. It is worth noting that while distributed leadership incorporates a sharing of leadership roles across group members, this does not necessarily mean that this function is shared equally. Instead, distributed leadership is a dynamic process which provides a platform for group members to emerge as leaders in certain situations, and then retreat to allow others to lead when appropriate. There is also evidence to suggest that distributed leadership approaches are associated with less group conflict and higher levels of trust and cohesion (Bergman et al. 2012).

We propose that the distributed leadership approach is highly appropriate for developing an innovative culture in sport enterprises. The democratisation of leadership as a baton, which can be handed off and shared with others to run with ideas and creative initiatives, appears to tick many of the essential boxes for optimal creative processes. In most circumstances, one person will still be given the label of leader by designation; however, this authority can be still distributed by the assigned leader to other members of the team. Establishing buy-in from the group that innovation is a collective process, where everyone can have a

contributory influence on the eventual outcome, offers an effective approach capable of empowering all group members to actively engage with the change process. As discussed in other sections of this book, championing creativity as something that can come from anywhere in the organisation, providing access for all voices to be heard, and promoting a courageous mindset for risk-taking all align well with the distributed leadership approach.

The sport environment offers some excellent examples of distributed leadership. For instance, having co-captains on sports teams offers a pathway for multiple voices and ideas to be considered. Team sports in general can often provide a platform for emergent leadership, where we see new players excel and come of age before our eyes, and strong voices other than those wearing the captain's armband can be influential in the locker rooms. A shining example of distributed leadership can be seen with the New Zealand All Blacks rugby team, whose mantra is 'one captain, fifteen leaders'. The All Blacks are considered one of the most successful teams in history across all sports, winning the last two Rugby World Cups in 2011 and 2015, and winners of more than 80 per cent of their contests.

Analysing the All Blacks coached by Sir Graham Henry leading up to the 2011 Rugby World Cup, James Kerr (2013) provided an in-depth look at the leadership culture of the team and organisation. Central to the philosophy underpinning the All Blacks organisation is that leaders create leaders (not followers). The distributed leadership approach embodied by Henry and his staff incorporated handing over a great deal of responsibility from management to the players. Infused with this method was the emphasis on a constant learning environment, where creativity and improvement are the responsibility of everyone, not only that of the captain and coaching staff. In contrast to the traditional pregame speeches orated by great leaders of sport, one of the innovative approaches implemented by Henry was to leave the team alone as group before matches to intentionally devolve the leadership function to the players. Another innovative technique was to engage with a new type of mental framework designed to enable performance under pressure. In short, to guard against the inevitable moments of tightness or panic that can creep in during certain stages of a sport contest, they identified

individual mental triggers that could be invoked by players to bring them back to an optimal state of calm, expressiveness, and clarity in the moment. In summary, the distributed leadership model of the All Blacks appears to be a highly compatible approach to enabling an innovative culture of high performance.

Alternative Perspectives of Leadership In highlighting the above leadership approaches, we are also conscious that there are several other leadership perspectives which can be useful for promoting creativity and innovative solutions. With leadership approaches continuously emerging in the popular press as 'new' and impactful, there can often be merit in considering these in relation to the impact they might have on creating innovative environments. One particular perspective worthy of consideration is the idea of leadership through disruptive innovation. Disruptive innovation has traditionally referred to situations where smaller businesses with fewer resources successfully challenge more established companies. Through targeting overlooked segments of the established businesses primarily focusing on preserving previous successful methods, disruption can occur which forces established trends to be modified. We view the same potential with leading for innovation. As the meaning of leadership and the consideration of best practice continues to evolve, approaches specifically aimed at developing innovative cultures may modify existing approaches, and provide opportunities for new leadership methods as competitive advantages in the workplace.

As one final provocative example from the sport environment, we offer the idea of 'surfer leadership' for consideration. Inspired by the 'three waves of innovation' idea championed by Dion Wiesler, CEO of HP Inc., surfer leadership proposes that leaders of innovation need to think more like a surfer when championing their cause. The first wave is the one the group is on at the moment; the core of your business. The second wave is about growth, and looking at all the waves coming in to make the best decision about which to ride next. The third wave is about what all the great surfers do, which is analyse the various weather reports to figure out when the next big wave is coming. In the business sense, this refers to category creation or classic invention. Leading like a surfer could therefore

provide a framework for situational leadership based on the wave of the leader's focus and the competencies of staff members to effectively stay on top of that wave. The surfer leadership mentality therefore can provide an additional approach for leaders to consider when establishing sustainable innovative environments.

Conclusion: The Role of Leadership for Innovative Environments

Leadership is integral in the process of developing cultures where creativity thrives and innovations continually emerge. In this chapter, we have provided a variety of lenses to view leadership's role in this process. We have noted that there is no one way to lead for this type of environment; however, there are certain leadership approaches which may be more conducive to innovation than others. This will depend on the leader's inherent qualities and beliefs, and the context and situations in which leadership is present. Rather than 'choosing' one of the above leadership approaches as a guide for best practice, we also suggest that leadership practice is indeed more fluid than a single approach can adequately address. Alternatively, we propose that due to the fluid nature of the innovative process, effective leadership will instead need to embrace a more flexible mentality. Through the use of multiple approaches which are in line with the leader's characteristics and natural tendencies, yet also applicable to the relevant context and situation, leadership for innovation has a great deal of potential. Taking a meta-leadership approach of this nature appears to have most potential for effective leadership in innovative environments.

Case Study: Championing Innovation—Golden State Warriors

The Golden State Warriors are a charter member of the National Basketball Association. Established in 1946, the team was originally based in Philadelphia as the Philadelphia Warriors, and remained so until 1962. They later moved to San Francisco, California, and became the San

Francisco Warriors before moving across the Bay into Oakland in 1971 to become the Golden State Warriors. The Warriors compete in the NBA's Western Conference and currently host home games at the Oracle Arena in Oakland. However, the franchise purchased land in 2014 in the San Francisco Bay area for construction of a new arena to be called the Chase Center, following their partnership agreement with J.P. Morgan Chase. The team has previously reached nine NBA finals, won five NBA championships and has been voted by Forbes as the third most valuable franchise in the NBA. After securing the NBA championship in 2015 after a 40-year drought, and subsequently winning the championship a second time in 2017, the team gained lucrative commercial partnerships that positioned them well for further success. Many attribute the Warriors' recent success to its fortuitous location (i.e. on the doorstep of Silicon Valley), which has given them unique access to cutting edge advancements in sports technology, and lucrative forward-thinking commercial collaborations. However, since this has been the case for quite some time, there appear to be other factors at play which have leveraged this broader environment for their benefit.

The Warriors are one of the NBA's biggest franchises with big fish Silicon Valley owners in Joe Lacub and Peter Guber, and many more Silicon Valley executives counted amongst their fanbase. The team boast a successful social media following, with 5.5 million Twitter followers and 11 million Facebook likes, a loyal fanbase that has been driving successful social media campaigns in recent years. The Warriors have led the way in championing innovation through their fan engagement campaigns, experimenting with technologies such as making Google Glass available to fans as early as 2014 and recently teaming with long-term fan engagement partner Accenture to reimagine their fan experience. Supported by Silicon Valley, the Warriors have the digital advantage in the NBA with cutting edge technological innovation integrated from the valley.

The Golden State Warriors are leaders within the game of basketball by championing innovation in every form. The team recently launched the 'fannovate' experience to give their fans and community a futuristic experience. Accenture were announced as the official Technology Innovation Partner for the Warriors in a multi-year deal, reflecting the team's

investment in, and support of, innovation. Accenture will be responsible for creating the underlying technological architecture at the arena itself, as well as in the surrounding area. To achieve this, they aim to create and implement an immersive experience for engaging fans both in the arena on game night, as well as those visiting the local area. Chase Center will enlist local businesses, restaurants and retail units to design an innovative ecosystem of partners around the arena for improved fan experience and engagement. The partnership with Accenture also feeds into the Warriors' innovation plans, as it allows the club a connection with Accenture's Innovation Lab in San Jose, where they can build, test, and create inventions to be used at the center. The Warriors champion technological innovation through tapping into the broad network of capabilities through their partner programmes and being part of the Silicon Valley ecosystem.

Even on court, the Warriors' star player Stephen Curry himself has reinvented the game. Representing a true innovator in a variety of shooting displays never seen before in the game, Curry has continually defied the odds as a league MVP despite doubts in relation to his smaller size and stature. The Warriors have taken and continue to take chances. Led by their head coach Steve Kerr, they play and operate with an entrepreneurial spirit that continually reinvents the game and challenges the NBA's status quo. Perhaps the Warriors most important strategy is playing the thinking game, championing innovative thinking both on and off court. Many commentators have stated that when an opposing team plays better than the Warriors, the learning environment championed by Kerr will usually see the Warriors come back stronger and better because of it. They are determined to out-think their opponents' tactical strategy, and given that they are run like a start-up and think like entrepreneurs, their vanguard response often symbolises a different way of doing things.

The Warriors frequently disrupt business-as-usual in the NBA. By championing innovation and leading by example they have the power to usher in sweeping changes to the historic game. They often appear to be innovative by the essence of their makeup and trailblazing style, which other teams around the league try and emulate themselves. Their

entrepreneurial mindset infiltrates the entire organisation—from the owners, to the front office, to on-court and off-court action, they live and breathe the Silicon Valley spirit of creativity.

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7

Growing an Innovation Culture: Nurturing Ideas, Inspiring Minds and Creating Futures

Introduction: Reinventing Culture for Innovation

According to business and sport coaching consultant Wayne Goldsmith, change management is the only game in town. What is more, if sport enterprises do not innovate, change will be forced upon them through circumstance whether they like it or not. Goldsmith made his point through sport coaching, where the rapidly shifting landscape demands that winning coaches not only have to learn, create, and execute faster than coaches of competitors' athletes, but they have to do so faster than ever before. He wryly observed that coaching in the digital era often means that carefully crafted and well-tested methods can end up recorded on YouTube within minutes of implementation, giving anyone in the world free and instant access to a coach's most revolutionary training innovations. Inexorably, as this chapter explores, innovation cannot rely upon mighty one-off efforts. Sustainable innovation in sport enterprises begins with an innovation culture, the growth of which occupies our attention here for the simple reason that culture precedes and predicts innovative work behaviour (Eskiler et al. 2016).

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This chapter argues that sustained innovation is a high-productivity growth state underpinned by a supporting culture that reaches across all aspects of a sport enterprise (Cruickshank et al. 2014). For example, Olson et al. (2016) demonstrated the successful English Premier League clubs align structure, culture, and behavioural norms with strategic objectives. This requires a seamless, structured approach that begins with a new paradigm of thinking about management, focuses on the process of cultural renewal, mobilises emboldened but devolved leadership, creates safe boundaries within which 'unsafe' ideas can be expressed, and coalesces around the pursuit of culture-driven benchmarks in addition to innovation outcome measures. These ideas form the chapter's major sections.

One of the most serious obstacles frustrating innovation in sport enterprises emanates from leaders' and managers' disinterest in, and superficial treatment of, organisational culture (Maitland et al. 2015). Perhaps the cause of the indifference has to do with the concept's origins. In a sporting world that favours a commercial, market-driven, financial mindset, few leaders think about innovation through a cultural, or even a social lens. In addition, tackling the 'soft' but engrained features of an organisation can make leaders feel vulnerable to criticism for deeply established and often historically entrenched values and beliefs. Yet any attempt to grow innovation will only succeed in the fertile soil of a facilitating culture, and that means coming to terms with the rich but sometimes dysfunctional baggage of the past. Culture resides in the fine grain, but so too does innovation. As Bryant (2014) observed, the most important lesson to be garnered from CEOs who have successfully created a culture of innovation is that the spoils go to the quick and the nimble.

As sport leaders work to shape their organisations' cultures in order to seed and grow innovation, they must be cautious about making unidimensional interpretations. Culture is rarely singular in nature. While certain cultural features might dominate, the complexity of sport's juxtaposition between fan and brand—between social institution and business—inevitably means that most sport enterprises contain a potentially bewildering array of cultural tensions, contradictions, and subidentities. Alongside every sport enterprise's resonant traditions lie a set of sober commercial realities, in many cases heavily influenced by a relentless media cycle eager to take brands to dizzying heights and

shattering lows in order to satiate fans' inexhaustible appetites for dramatic coverage. Even sport media powerhouses like BT Sport have introduced open innovation in order to capitalise on a collaborative approach to finding broadcasting solutions and improving services. In the process, BT Sport is seeking to engage with entrepreneurs and start-ups as a way of fuelling a pipeline of innovation to give the media company a competitive edge in the hyper-speed world of digital innovation.

Importing approaches to innovation directly from business will not always work without a thorough understanding of the cultural reaction that they are likely to instigate. A direct transfer fails to accommodate what makes the culture of sport different from that of a commercial enterprise. Conversely, like all living cultures, those in sport are dynamic in nature and subject to constant reinterpretation by stakeholders, whether die-hard fan, multi-national sponsor, or broadcast conglomerate. Although the commercial juggernaut of sport business is undeniable, sport cultures all share the desperate pursuit of victory and the ability to elicit remarkable emotional responses in their consumers no matter what the outcome.

The Innovation Culture: Getting to a New Organisational Paradigm

In a lay sense, paradigms tend to be understood as an established or commonly accepted way of looking at the world. The concept is relevant here because in order to grow innovation into a sustainable and permanent fixture within a sport enterprise it is essential to establish a new way of thinking about organisations that places an innovation culture at the foundation. Moreover, as we noted in earlier chapters, an innovation culture paradigm in many ways contradicts the rational or classical view, which emphasises causal, reductionist, and top-down management interventions. As we will explore later in this chapter, innovation cultures demand a different kind of leadership thinking as well.

One illustration of a paradigm shift towards an innovation-infused culture can be seen in the unremitting pursuit of even the slightest on-field competitive advantage in the US NFL. For example, the

Philadelphia Eagles have recently introduced a game time analytics function designed to provide head coach Doug Pederson with data-driven insights that help him make optimised, objective decisions in big moments. According to Eagle's owner Jeffrey Lurie, the best decisions have nothing to do with a coach's instinct or aggressive attitude. Instead, the 'math' leads them there, like a professional poker player counting cards in order to maximise the odds of success. Given the Eagle's NFL-leading fourth down conversion rate, we might predict that every NFL team will possess a similar function by the 2018/19 season.

Philosopher of science, Thomas Kuhn (1970), claimed that paradigms define and restrict the way we go about solving problems. On the one hand, a working paradigm is pretty useful as it gives us a way of thinking through an issue. On the other hand, sometimes a paradigm supplies its own answers by always taking the same old approach to new problems. This is exactly what happens when sport enterprises try to 'be innovative' without addressing their underpinning culture at the same time. In a sporting environment where occupying the edge of the curve is essential to survival, new ways of working are needed beyond the old command and control paradigm. Innovation cannot be developed using top-down methods that, by their very nature, remove, constrain, and preclude innovation. As Kuhn argued, once it becomes clear that the old way of thinking cannot resolve a new kind of problem, then a revolution in thinking (a 'paradigmatic revolution') is needed. It is this kind of revolution that we argue for here. For example, if an old paradigm views organisations as mechanical entities, then it will prescribe orderly, linear organisational change in order to cope with every new bump and shift along the road. Conversely, a new paradigm that views organisations as complex, adaptive cultures will respond to the need for constant innovation by championing emergent, fluid, and self-sustaining cultural values.

To paraphrase Irsan Widarto, professor of innovation and entrepreneurship at the Johan Cruyff Institute, innovation is creativity multiplied by execution. In fact, research has proven that organisational creativity predicts problem-solving abilities (Cimen et al. 2017). Moreover, there are no limits to creativity; innovation is the new constant, whether to improve athletic performance or to enhance the fan experience. Thus, sport enterprises committed to sustainable success must invest in build-

ing a culture of relentless innovation. Leaders do not plan for change where innovation will be improved in the future. A better approach focuses on cultivating emergent innovation as a cultural norm. The difference is analogous to the way champion athletes prepare for a contest. Although a team or athlete may have a 'game plan', they actually train to be able to adapt and respond opportunistically to any development, which means in practice that they have to be adept at emergent innovation in their on-field actions.

Returning to the business context, consider the seminal research undertaken by Redfern and Christian (2003). They began by acknowledging that planned change can be distinguished from emergent change, the former involving deliberate conscious reasoning and rational planning, the latter incorporating spontaneous, bottom-up contributions. The researchers found that successful innovation was more likely to be dynamic, disorderly, and uncertain, than rational, top-down, or linear; a result of the turbulent and swiftly changing nature of the environment and the complexities of organisational life. As a result, most attempts to develop long-term innovation programmes do not work because the dominant paradigm of organisational success has traditionally focused upon systems and rules, all tightly controlling the activities of employees (Dolan et al. 2003). At the same time, management paradigms incorporating cultural values associated with fluidity and agility are highly correlated to successful innovation. For example, more than two decades ago, Brown and Eisenhardt (1997) revealed that successful innovators rely on a range of low-cost experimental initiatives as forays into the future. They presciently foreshadowed the need for innovation to find its way into the very DNA—the culture—of an organisation.

Prescriptions for organisational innovation typically avoid the nebulous and contradictory (Lissack 1999). At least partly, this is because the prevailing paradigm conceptualises innovation as needing a transition from one equilibrium state to another 'superior' state. In contrast, the cultural innovation paradigm embraces the messiness and tension of actual innovation as a natural condition. Our observation has overtones of what Stacey (1996) originally referred to as the difference between ordinary and extraordinary management. At the ordinary level, managers make day-to-day decisions based on the linear and causal assumptions

about where and how the organisation should operate and progress. At the extraordinary level, managers recognise that it is the interaction of varying groups, ad-hoc meetings, task teams, and other informal mechanisms that actually encourage novelty. Research indicates that team cohesion plays a positive moderating role in the relationship between culture and innovation (Xie et al. 2016).

Of course, Stacey's ordinary and extraordinary management infers the presence of permanent cultural norms that tend to go unobserved, or at least, unreported. Similarly, Chesbrough and Appleyard (2007) warned that innovation exists uneasily with conventional approaches to business strategy. Both agreed that innovation has a lot to do with the environment in which it is pursued, especially since environment has been causally connected with creativity in sport enterprises (Smith and Green 2016).

'Extraordinary' management is really just a way of acknowledging that innovation occurs in the dynamic contact that goes on in a sport enterprise far more than in the rigid planning that goes on in executives' offices. In a globalised, 24/7 working world, sport enterprises need to foster extraordinary management in both virtual and physical offices. For example, professional sport teams travel constantly. Yet some, like Formula One teams, innovate from week to week. Similarly, an increasing number of sport business professionals work from multiple sites, or remotely from airports, cars, and at odd intervals between school pick-ups, during meals, and even in stolen moments in the smallest room of the house. Cloud-based contact means that innovation platforms and other social or networking media applications can keep teams actively engaged in collective creativity. The absence of physical office contact is no longer a barrier to imaginative collusion. In fact, companies like Dell and Deloitte have brought 'brown bag lunches' into the virtual mainstream as mechanisms for the 'virtual socialising' of potential new projects and ideas.

Some lessons about growing the right kind of culture can be found in approaches that acknowledge its adaptive, multi-dimension nature. For example, Chen and Miller (2010) argued for what they called an 'ambicultural' approach to management, where Western and Eastern paradigms are melded. Similarly, Johnston and Selsky (2006) exposed the same kind of ambicultural approach in their study of Japanese managerial models. They described how the chrysanthemum and the sword each present 'metaphors for the two key modes of language and social life in Japan' (p. 188).

The chrysanthemum symbolises spontaneity and intimacy whilst the sword represents discipline and distance, both integral to Japanese thinking and values and, as it happens, to growing innovation as well. They also discovered that innovation is deeply embedded in how successful Japanese companies forge their identities within business and society at large. When unpacked further, it turned out that innovative Japanese companies are particularly adept at aligning their behavioural responses to the situations at hand. In a sense, an innovation culture starts with a managerial paradigm that was unusually flexible and dynamic.

Consider the experience of Stan Shih (Lin and Hou 2010), the enormously successful Taiwanese entrepreneur who founded the Acer Group. He claims to have combined the patient, holistic, community-driven orientation of the Chinese culture, with the western principles of decentralisation and empowerment. Shih worked to create a culture that combines social good with self-interest; trust-based relationships with legal relationships; teamwork with individual achievement; risk-taking with caution; and economic with social goals. In dynamic combination, these cultural values provide the groundwork upon which safe but intrepid ventures into innovation can be chased. As Paine (2010, p. 104) declared in her guide for CEOs managing multinational corporations in the People's Republic of China, the companies with sustainable long-term innovation growth have programmed 'intellectual dexterity' into their cultural values.

Unfortunately, the reality remains that most sport enterprises are poorly equipped to chase consistent innovation because they do not see culture as their most valuable asset in the effort, and they therefore fail to focus on the most productive measures and benchmarks. Consulting firm InnovationPoint estimates that only around a third of Fortune 1000 companies employ innovation measures, the majority of which are conventional output measures or financial performance metrics like the number of new ideas generated and the percentage of sales from new products, respectively. While the equivalent percentage has never been measured in sport enterprises (which is revealing in itself), we would predict it to be much lower, at least excluding the on-field dimension of professional sport.

Some multi-national companies such as Deloitte, 3M, and Google, have mandated both culture-supporting input metrics alongside financially oriented output metrics. Examples of the former include scheduling a percentage of employees' time (10% is common) to be dedicated to

experimentation with new ideas. The latter tend to include goals for the percentage of revenue (30% is common) that must come from new products (around three years old is common). Of course, these metrics have value, but they do not tell the whole story, especially when it comes to raising awareness about the importance of culture. Nor do they capture the impact (or encourage the pursuit) of open innovation where the stimulus for a new idea emanates from outside the organisation. To make matters worse, some companies go too far with metrics and end up inhibiting the free flow of ideas and experimentation. Over-measurement can prove just as paralysing as under-measurement. The key is to measure the behaviours that facilitate an innovation culture; once in place, innovation proceeds naturally and without force. In practice, the best measures support culture by identifying the suite of behaviours that build innovation capacity, as we will explore shortly.

While previous research has been legitimately weighted towards the ability of firms to foster innovation, less interest has been directed towards the corresponding imperative for innovative firms to establish a consistent environment. Just as in the cutting edge of sporting performance, innovation is wasted without the cultural support needed to make it a sustainable feature. Sport enterprises cannot out-muscle the problem. Every innovation initiative takes a prodigious effort and huge resources if is an out of the ordinary practice. Only a culture geared towards growing innovation can sustain it; innovation is natural, emergent, and owned by those empowered to exercise their 'intellectual dexterity'. The next question concerns how leaders and managers can shape their cultures to grow innovation. In the next section, we explore three cultural levels at which leaders can introduce innovation supporting values.

Cultural Interventions to Grow Innovation

A key part of the innovation culture challenge revolves around creating the right psychological environment in which organisational members can create and nurture new ideas safely; that is, without fear of criticism or of accusations of neglecting their 'day' jobs. There are several common strategies that can help, each with its own set of pros and cons. A first

approach typically found in manufacturing firms, for example, involves developing teams of 'innovation champions', although it is common for these individuals to report that their other work tends to suffer. A second approach often found in service businesses, focuses on small, agile, and fast-moving rapid-prototyping teams. While the method helps new services get to market cheaper, faster, and better in comparison to conventional product development processes, it can also have the side-effect of compromising the attention paid to existing services upon which the organisation relies for its day to day operations. A third approach common in IT firms rotates innovation-savvy managers from various business units into leadership roles. The downside of this model is that the business units suffer in the absence of their best innovators.

Taking advantage of the above three approaches while minimalising their disadvantages can be best achieved by working on both an innovation environment as well as innovation processes (Hoeber et al. 2015). For example, the right environment stresses recognition and reward, celebrates teamwork and collaboration, and encourages communication and feedback. In other words, an innovation environment exposes and reinforces the organisation's most significant values, which can also be shared with suppliers and customers. In fact, one study revealed that sport product manufacturers that worked directly with athletes developed superior quality equipment faster, as the athletes highlighted product limitations, contributed to a collaborative environment, and encouraged a culture of innovation (Hambrick et al. 2015).

Another example comes from the unexpected and radical success of the women's Australian Rules League (AFLW). The initial momentum for the development of the game came from female players, rather than from the men's sport or from any prescient marketer who might have considered the implications of what was then only a 'novelty' sport. In 2010, an AFL sponsored report recommended that the AFL Commission—its independent board of management—begin working toward the establishment of a national women's league. This was followed in 2013 by an exhibition match. Two years later a further exhibition game was shown on free-to-air television, which attracted extremely strong ratings with over one million viewers tuning in demonstrating the immense market potential for the league.

Innovation processes have more to do with the consistent and systematic methods that a sport enterprise can use to convert nascent ideas into technical outcomes. Most sport enterprises make the mistake of working exclusively, or mainly, on processes. However, in order for innovation processes to bed down, they have to fall upon the fertile soil of a conducive environment. This is where cultural thinking becomes so important.

Given that culture is notoriously difficult to pin down (Sotiriadou et al. 2014), sport enterprise leaders and managers need to find practical ways of nudging it towards innovation. One powerful approach makes use of Schein and Schein's (2017) three levels of organisational culture as sites to focus upon: artefacts, espoused values, and basic underlying assumptions. By separating out these three levels, leaders can identify purposeful, tangible changes that can collectively deliver powerful effects to culture over time.

Artefacts may be seen at the surface layer of a culture, but just because they are readily visible does not mean that they command only a trivial impact. Artefacts display the overt manifestations of a sport enterprise's culture in a form of tangible objects and articles. A sport enterprise's office layout, language and jargon, physical environment, clothing, protocols, logos, rituals, ceremonies, myths, and even its playing style, all constitute different forms of artefacts. Some culture researchers also consider stories to offer a particularly powerful window into understanding and influencing cultural meanings. For example, most clubs have a handful of historic, infamous stories that any serious follower could recount, usually featuring heroic deeds, come from behind victories, and other poignant moments of triumph or tragedy.

Using artefacts to bolster an innovation culture is a good place to start because changes can be made quickly and the results are immediately accessible for all organisational members to observe. For example, consider the reception area of a sport enterprise. It is the first place that a visitor arrives, and its composition creates an instant impression. A well-appointed area that 'welcomes' visitors, and gives them easy access to awaiting reception staff, produces a customer-oriented 'feel'. Clubs might reinforce a performance culture by placing major trophies near the entrance, or display photos and memorabilia emphasising the importance

of the fan community. Irrespective of the precise formulation, attention to the atmosphere or climate that the physical dimensions of a sporting enterprise generate has a flow-on effect on the wider culture. The same principles can be applied across all organisational artefacts. Signs and symbols supporting the cultural values critical to innovation—like agility, empowerment, and responsiveness—can be infused across all visible features of the enterprise, from the offices of professional staff to the training facilities of athletes and players.

Espoused values reflect the foundational or initial concepts held about the most effective problem-solving approach. In this case, we are most interested in the values underpinning the innovation paradigm; the approach that organisational leaders or members take to coming up with innovative solutions to problems. For example, an 'old school' coaching response to an embarrassingly poor on-field performance might favour 'punishment' as a remedial technique, where players are forced to run endless laps or endure repeated, gruelling physical efforts, like novice soldiers at boot camp. The most important aspect of espoused values relates to the way they sculpt entrenched ways of thinking.

From an innovation perspective, espoused values that transform into automatic behavioural responses present tremendously influential cultural levers. A good example can be seen during the formation of new working groups. Typically, the group defines certain issues or problems it was tasked to resolve. One or more individuals generate proposed solutions to the problems, doing so on the basis of their espoused values; the assumptions they make about the best way of tackling the problem at hand. Espoused values explain why newly formed group dynamics exhibit great complexity compared to the interactions of more mature groups. In the latter, the group has created its own espoused values, which serve as 'rules of engagement' for the successful resolution of problems. The key lies in finding ways to infuse values associated with innovation into the thinking that dominates group problem-solving, such as creativity, experimentation, comfort with ambiguity, the safe sharing of ideas, and a user-/customer-oriented perspective.

In the early and uncertain stages of group development, some individuals make an over-representative contribution, thereby influencing group behaviour and its espoused values. Although the views of group

leaders may receive greater prominence, their potential solutions have no validity until the remainder of the group has accepted them. This social validation process offers the window through which innovation values can be implanted. For example, the leadership team can identify the espoused values they want to communicate throughout the enterprise, and then reinforce their prominence during the recruitment, induction, and training of new staff.

Social validation provides an insight into how culture affects behaviour. Those behaviours fitting an organisation's espoused values are easily adopted, while those failing to are removed, resisted, or rejected. Similarly, employees fitting the espoused values advance swiftly, while those who do not find themselves unwelcome or unsuccessful. Espoused values play a central role in culture formation because their credibility relies upon a shared conception of success. Sport leaders should focus their efforts on aligning their organisation's conception of success with the idea of constant innovation as a natural way of working and thinking.

Basic underlying assumptions reflect the deepest, most ingrained form of culture. Sometimes, basic underlying assumptions have existed for so long in an organisation that no one thinks to question their appropriateness. As a result, this deep level of culture tends to be covert, subtly permeating organisations through intangible concepts and tacit beliefs that guide members' behaviours even without their conscious consideration. Underlying assumptions reside so deeply that affecting them directly will be problematic at best. But rather than trying to directly influence these subterranean assumptions, the best response is to bring them to the surface of conscious awareness, exposing them to discussion and interrogation. This way, organisational members can collectively go through the process of socially validating competing assumptions consistent with innovation-friendly values. During the process, valuable assumptions also become tacit, and can be built upon and reinforced by supportive values and artefacts. Like with personal problems, the act of identifying and acknowledging assumptions that might be relevant to unwanted behaviours is the beginning of their replacement. But doing something useful with them will also require the right kinds of leadership.

Leadership for Growing Innovative Cultures

Senior executives readily acknowledge that innovation features as a core driver of growth, but few approach it as a priority demanding leadership. However, while cultural change for sustainable innovation is fraught with potential pitfalls, effective leaders appear to utilise some common strategies, beginning with an awareness that leadership enables innovation to flow, and culture allows it to be maintained. In this sense, leadership turns the tap on, but will only continue if the cultural reservoir is sufficiently large.

Creating and enabling supporters for innovation throughout the organisation places high on the list, as does the clear communication of goals in order to diminish anxiety. Equally, personally demonstrating an involvement and commitment to innovation goes a long way to ensuring the successful implementation of a renewed culture (Winand et al. 2016). Leadership, as we have examined in several previous chapters, is one of the key variables affecting the success of cultural change initiatives. Here we consider the act of leadership specific to the growth of an innovation culture.

Leadership for cultural transition should not be restricted to top management. Rather, influence needs to be diffused throughout a sport enterprise at every management level. This helps to deal with resistance to change and general inertia. The relationship between power and leadership tends to be an uneasy one, where good leadership has more to do with persuasion and empowerment than coercion and direction. Although overly simplistic, perceptions of leaders can be as influential as the mechanics of their decision-making. Like the great sport coaches who may never have been great players, innovation leaders do not need to be the best innovators themselves; they just need to be able to lead others towards innovation.

Leaders have the unenviable task of bringing about cultural change when it is needed for future organisational prosperity rather than just when it is convenient. They must battle cynicism, distrust, and even sabotage. Leadership timing and style have been linked to innovation success. For example, Goleman (2000) revealed that the most important aspect of a leader's success was their ability to apply different styles of

leadership to different circumstances, even when it meant switching quite radically in short periods of time. He noted that different leadership styles such as being coercive, authoritative, democratic, pacesetting, and coaching, could create different reactions in employees and subsequently in organisational culture. Differing reactions leading to flexibility, responsibility, performance standards, rewards, clarity, and commitment, can bring about successful planned change. In general, leaders who involve employees in decisions about key issues, generate a sense of urgency and importance around innovation, and encourage and reward productive behaviours, enjoy the most cultural change success. Leaders have several options available to them for tackling culture.

First, leaders can leverage the charismatic power of their personalities to inspire cultural change, especially around the kinds of espoused values the organisation favours. The concept of personality appealed to early leadership theorists who sought to explain why some people were better leaders than others. Personality models have developed from the outcomes of detailed psychological inventory questionnaires tested on prospective and active leaders. The most successful leaders tend to be extroverted, innovative, adventurous, versatile, and progressive, for example. Personality theorists regard leadership as a one-way effect. That is, leaders possess qualities that make them different to their followers. This fails to recognise an interaction between leaders and followers, as well as the situational differences in the leader-follower relationship. We must recognise that the personal quality of a would-be leader determines his or her esteem in the eyes of followers. However, it is impractical to swap leaders every time a different situation demands it. As a result, leaders armed with compelling personalities need to carefully target the activities they seek to personally influence. Focus is important for impact so that the message remains consistent.

Second, leaders can showcase the competences and the capabilities they apply to a situation. It may be a specific aptitude, ability, or knowledge that is relevant to the requirements of a setting, it may invoke more generalised intelligence, or it may concern a person's ability to astutely recognise deeper cultural features. Task competence influences leadership transactions; the greater the perceived leader competence, the more likely the follower will 'transact' with, or follow that leader through serious

change. In addition, if a leader chooses to personally engage in modelling new behaviours—reflective of basic assumptions—they require a high level of interpersonal competence. Such traits include influencing others, the capacity to comply, socialise, and fit with a group, creating empathy, a heightened awareness of others, emotional insight, and an openness to discuss feelings.

Third, the most common approach leaders take to instilling innovative cultural values relies upon their interactive behavioural style. Individual preference for extremes ranging from task- to relations-orientation determines type of leadership style, such as being 'tough minded', compromising, laissez-faire, autocratic, missionary, bureaucratic, benevolent dictator, developer, or executive. Leaders have also been classified as mentors, directors, facilitators, producers, coordinators, and, of course, innovators. Leaders' behaviours deliver a cue to evoke subordinates' task behaviours. The idea is that leaders do not directly cause behaviour; they merely set the occasion or provide a stimulus that evokes it. In other words, they create the cultural landscape wherein some behaviours gain immediate traction while others meet resistance. Leaders of innovation therefore pick up on divergent ideas by bringing teams together containing members with different backgrounds and approaches, but at the same time manage to get them to work together. Despite the assumption that innovation comes from the Steve Jobs /Elon Musk style of independent genius, most actually eventuates when networks coalesce.

Fourth, leaders can exploit the reciprocal social exchanges that occur with followers. For example, group members make contributions at a cost to themselves and receive benefits at a cost to the group or other members. Interaction continues because members find the social exchange mutually rewarding. The key is to find the exchange that aligns organisational members' needs with performance imperatives. Working collaboratively has to become business as usual.

Fifth, leaders can lean on their status, esteem, and power at certain times in order to enforce their decisions. Status structure and the differentiation of function are necessary for the coordination of efforts. Occupants of senior positions use artefacts that make it easier for followers to identify their status, such as large or top floor offices, custom-made desks, and personalised parking places. Power has also been connected to

leadership style. For example, it has been suggested that power enables coercive leadership behaviours that tend to be employed to overwhelm resistance and enforce change irrespective of employee objections. While an unattractive approach for fostering innovation, there are times when leaders must make decisive and unambiguous decisions, such as those concerning safety, ethics, equity, and inappropriate behaviours.

Organisational constraints, existing cultural features, leaders' immediate groups, the tasks required of a leader, as well as the physical and geographical location of the leader and his or her networks, all moderate the effects that can be applied to modify culture. Cultural change comes about more easily when leaders modify their styles to suit the circumstances. Furthermore, research demonstrates that 'self-leadership' is positively correlated to higher levels of innovation (Park et al. 2014), suggesting that developing leaders yields a worthy investment return.

Enacting Cultural Change by Developing Leaders

Part of a leader's responsibility is to develop the innovation capabilities of others at all levels, including the provision of external and internal leadership development programs (Montague et al. 2014). Leadership development can include learning from experience, special assignments, job rotation, creating support networks, coaching, mentoring, involvement in managerial level professional meetings, acceleration pools, and externally delivered programmes.

Learning and development can occur during regular duties. All leaders make mistakes and learn from them. However, the most successful leaders tend to admit their mistakes and reflect upon them at a more personal level than those who are less successful. On-the-job experience remains the primary source for the development of innovation capabilities. One way of cultivating a broader innovation outlook is through job enrichment and job rotation. Special assignments and job rotation do more than just make work more interesting and jobs more satisfying. New tasks enhance development if they are challenging, and provide a broad

range of experiences by opening new vistas and ways of looking at the organisation and its problems. Guidance throughout such on-the-job experiences remains essential though, through coaching, mentoring, and support through peer networks.

From an innovation culture viewpoint, the terms coach and leader can be used interchangeably. In previous chapters, we examined the conditions facilitating more effective teams. Sport enterprise leaders can learn from their own sport coaches, and indeed must themselves be able to coach others in the workplace. Coaching in a sport business setting refers to training (including guidance and feedback) about specific efforts involved in a task, the performance of a job, and the handling of assignments. The coach provides a special form of coaching and is a specialist (who might reside inside or outside the workplace) who advises about particular personal improvement and behavioural change. They can act as a combination of a counsellor, advisor, mentor, cheerleader, and best friend; the coach enables, facilitates, and motivates. However, the coaching relationship does come with some cautions. Coaching is likely to be ineffective if the coach and the coached do not have a relationship based on trust, or if one sees the other as a rival. Further, there are some tricky ethical variables that have to be considered. For example, what if the coach provides poor advice to a manager? Can and should a coach be a counsellor and best friend? What are the professional and personal boundaries in this relationship, and who is accountable? Nevertheless, if these uncertainties can be successfully navigated, coached managers can benefit enormously from direct and personalised guidance.

Coaching relationships can be augmented or replaced by mentoring. Similar to a coach, a mentor can be from within or outside the workplace, and provides experienced guidance through emotional support, tutoring, and bespoke advice. A mentor may even be a career guidance specialist. Typically, emotional ties develop between mentor and protégé, the latter assuming a role like that of an apprentice. This perhaps signifies the hierarchical nature of the relationship, and the respective expectations of the mentor and protégé. From an innovation culture perspective, the success of both coaching and mentoring depends upon whether the coach/mentor

has insight and experience in championing innovation as the protégé can be expected to duplicate the thinking and approach they are exposed to.

A further leadership development mechanism for building culture around innovation makes use of carefully selected networks of leaders representing a diverse spectrum of a sport enterprise's activities. Axiomatically, whether personal, video, telephone, Skype, email, social media, or gossip, leadership depends upon interaction, which in turn needs physical, social, and organisational proximity. Interactional networks open channels between leaders, and between leaders and their subordinates. Social distance and status can be increased or decreased depending upon the network that is available to a leader, or imposed upon them. A sport manager's network is likely to include vertical, horizontal, and diagonal segments (in terms of formal structure) of an organisation and its stakeholders. An individual who occupies a central position in a network is most likely to develop as a leader. Those who are central have greater access to communication than others, and are therefore responsible for coordinating and directing activities around the network. Creating networks between leaders, or a nominated group including multiple hierarchical levels, affords the opportunity to artificially place specific individuals at the centre of a social communication system. If these individuals are well chosen as innovation champions, they can stimulate an immediate and material impact upon cultural values.

In some cases, action learning—experiential or adventure-based learning in environments outside the organisational setting—is a popular and potentially instructive way to build leadership skills and shape cultural priorities. Rather than engaging one's colleagues in a game of Skirmish or Paintball, or visiting a historic military site to learn how great leaders succeeded in battle, there is more value in specifically designed action learning programs. Tailored action learning programs have clear goals and outcomes that are tied directly to individual participants, positions, organisations, roles, and responsibilities. They may even allow the participant to take away with them a clear and defined set of steps for implementation. Most programmes also offer follow up or debriefing sessions.

A comprehensive programme of leader development that encompasses each of the above actions could be structured as an 'acceleration pool'. The concept picks up on the need for more systematic internal talent identification programmes within organisations. It came to prominence as organisations became larger and realised that they could no longer predict the career paths of their managers. External pressures such as the proliferation of mergers, downsizing, constant restructuring, and more frequent job switching have exacerbated this problem, eroding the effectiveness of traditional succession planning.

Innovative employees are characterised by their self-leadership, chasing new ideas, communicating them to others, and mobilising action through the judicious use of resources. Such individuals with skills and experience in innovation can be selected for acceleration pools where their talents can be developed. An acceleration pool is a group of high-potential candidates for innovation leadership roles who receive special learning and development opportunities. The acceleration of pool members is achieved through 'stretch' jobs, which may include special assignments and enhanced visibility outside of the normal operational environment. Pool members are typically assigned mentors and have the opportunity to undertake additional training, such as university programmes and in-company action learning sessions. Along with this additional training, pool members receive more feedback and coaching than the typical manager.

The obvious advantage of acceleration pools is that they add a systematised and practical dimension to innovation leadership development. Learning is enhanced and progress is subject to an individual's performance. Promotion is not designed to be attached to membership of the pool, but rather, the pool is designed to provide opportunities for leadership development. Managers from all levels can also develop and implement acceleration pools within their own areas of responsibility.

While leaders will always prove instrumental, in the end, nothing has a greater impact upon the growth of an innovation culture than actually 'doing' innovation. In the next section, we explore some practical guidelines for gradually stimulating innovation in cultures that are not necessarily supportive. By introducing 'boundary conditions', innovation may be safely released, and culture gradually transformed, without undermining already well-established practices.

Changing Culture Through Bounded Innovation

One of the most successful sporting teams in history, the New Zealand Rugby Union 'All Blacks', has maintained a remarkable 75% win percentage for nearly 80 years. A study investigating the team's winning organisational culture concluded that it has sustained a key core value around pride: in the All Blacks legacy, in selection for the team, and in winning (Johnson et al. 2014). Of note is the way in which the pride gets expressed through a combination of monumental self-imposed team discipline, and an astonishing ability to capitalise upon opportunities. They can be steel and they can be water because the team has fostered a culture that leverages bounded innovation.

As we have repeatedly argued, innovation thrives in fluid environments. But the trouble with fluid environments is that they can easily move into murky disorder where even the best innovations are overlooked, misunderstood, underemployed, or bungled. Innovations that cannot be controlled also cannot be scaled; they either never get off the ground, or remain confined to small-scale under-utilisation. However, sport enterprises do not just instantly develop innovative cultures, but they can take immediate steps to foster the conditions where innovation is more likely to emerge in a manageable form. This is where boundary conditions and 'order-generating rules' can prove advantageous.

Order-generating rules are relevant to innovative culture because, by establishing a set of boundaries within which dynamic, innovation-conducive conditions can be safely induced, they provide structured flexibility whilst preserving relative order. For sport enterprises first venturing into innovation, this more measured approach offers an effective way of making progress without risking the usual inertia that comes from cultures resistant to new ways of doing things. Pockets of innovation can therefore be pursued without compromising the direction and stability of a sport enterprise's general business. In a way, such pockets of innovation allow organisations to 'sneak up' on innovation by gradually building their cultural foundations. To use a physical metaphor, the 'frozen' order of walls and doors in an office gradually make a little room for the unpredictable

interruption, distraction, conversation, and stimulation of open work areas. Continuing the metaphor where office walls and doors represent the conventional approach, and open spaces stand for innovation, it is easy to see how jumping too far and too fast from the former to the latter can lead to confusion and dysfunction. Instead, we propose that new projects are given the open space to ideate before returning to the steadfast offices of mainstream business. This way organisation members can become accustomed to pursuing innovative solutions without relinquishing the psychological safety of their conventional activities.

Order-generating rules act by providing boundaries one level away from actual activity where the activity itself can carry on unobstructed by regulation and intervention. Equally, the activity is less likely to exceed its boundaries where it cannot be easily introduced. After all, successful innovations are not necessarily the most revolutionary; they are the ones that can be implemented. Sometimes it is best for employees to isolate themselves in their office with the door shut in order to carry out the prosaic implementation of an idea. At other times, it is advantageous that they find themselves interacting with others about unexpected issues, and find themselves with a great new idea on their hands. Our point is that unleashing innovation is purposeless if it cannot be worked into the mainstream activities of the sport enterprise. In fact, ironically, unchecked innovation undermines a sustainable innovation culture because employees soon become cynical about their efforts if they never make it from the butcher's paper to the board table. The way around this paradox involves creating order-generating rules. For example, a range of simple but formal interventions in group dynamics can be helpful for flexibility. Simple structures encourage flexibility, innovation, and self-organisation in group activity. However, these simple structures need to be carefully set before teams are left to their innovation work. Thus, it is not simply a matter of discarding all of the existing ways of doing things, but rather a transition towards bounded areas in which innovation activity can be undertaken with bold abandon, where the results are subsequently brought back within the conventional structures for implementation.

Like a boxing ring, pockets of innovation have their own rules of engagement that cease the moment the participants exit. It constitutes an attempt to achieve the best of both worlds: the benefits of self-organised

creativity as well as some influence over its unpredictable outcomes. For example, when Motorola's CEO deliberately failed to provide senior management with any plans other than a broad vision in the hope that it would stimulate their own business unit strategic activity, he was providing boundary conditions inside of which anything goes. Similarly, finance and banking firm Capital One Services used order-generating rules to help guide innovation. Their normal approach was to design structures to house new services before the services were offered. It seemed like an efficient model, but it also compelled the company to deliver new services only through old channels and methods. Instead, the company started with skeleton structures to trial the new products, and built up new frameworks around them as required. It turned out that the new delivery systems were unlike any of the ones that had been used in the past, having been constructed 'fit for purpose'. A final example can be seen in the 'cellular' innovation teams that were encouraged at Computer Graphics, the Acer Group, and Sun Microsystems. Order-generating rules changed individual responsibility from being input-based to output-based. One consequence was that employees sought out each other irrespective of their relative hierarchical position in order to do what was necessary to meet their innovation mandate.

What can these order-generating rules examples tell us about building innovation cultures in practice? One lesson has to do with the way order-generating rules can magnify the cultural effects of innovation activity through innovation 'hot-spots'. Furthermore, useful rules provide bounded conditions in the form of broad objectives that deliberately leave open all options of specific methods and mechanisms for their achievement. Incremental cultural change can accompany strict boundaries that cannot be exceeded, but allow many possibilities within their confines. Goals, budgets and definitive reporting relationships are the simplest examples of order-generating rules. However, the catch is that they are typically accompanied by other restrictions that are set in place through rigid bureaucracies. For example, few organisations are prepared to give free rein to the creation of project teams and informal groups. Yet, research has demonstrated that leaders must allocate resources to teams and projects expressly for the purpose of encouraging

innovation-related behaviour like experimenting with new ideas. No investment typically means no innovation (Subramaniam 2012).

Sport managers cannot control organisations that comprise people the same way that an operator can control a machine made of moving, but inanimate parts. This means that it might be more effective for leaders to define the parameters of innovation initiatives, but to remain less involved in their operational deployment. Excessive rules to help employees problem-solve can communicate that they are considered incapable of solving the problems in novel ways, and can lead to a workforce averse to thinking for themselves, and initiating innovative solutions. At the other extreme, 'no rules' abandons the need for any kind of efficiency and planning toward predetermined goals, and inevitably fails to do anything useful with innovations in the event that they spontaneously arise.

Another implication is that emergent innovation can be fostered in pockets or teams that have been given the freedom to respond creatively to market developments. Importantly, however, these pockets cannot exist independent of systems and boundaries that existing structures provide. Innovation cultures rely on an organisational learning paradigm that embraces acausal non-linear behaviour as well as causal. Putting it another way, to exist independently from these systems and boundaries is to exist as a random community, not as a collective culture. Such innovation teams rely on the bottom-up emergence of new ideas, which sometimes spring up without any apparent cause, let alone top-down strategy. Order-generating rules require mechanisms for feedback and learning. Self-organising systems contain multiple feedback loops where agents organise and reorganise based on interaction and feedback. This means that groups practising innovation need to be given the space to experiment in order to learn about how their ideas bounce off culture's walls. After all, emergent innovation at the wrong time and of the wrong type is probably worse than none at all, so it is better that innovation teams get the chance to learn what will and will not gain traction.

Building an innovation culture is not a one-dimensional series of succeeding activities, but rather takes place amidst the turmoil of temporary conditions and interconnected sets of activities. Boundary conditions and order-generating rules offer some substance and texture to the reality

of compromise, and a framework for managing the tension between the resistant dimensions of a sport enterprise's culture, and its more progressive but nascent ambitions.

Why Innovation Fails

Risk is inherent in any organisational activity, but those associated with serious and substantial innovation typically have the least likelihood of success, and therefore carry the burden of significant risk. Part of the mystery of innovation failure has to do with the perception that it involves nebulous and vague processes. But, genuine innovation can be both intuitive and obvious. For example, in telecommunication provider O2's sponsorship of the Irish Rugby Team, the activation strategy offered fans, via social media, the opportunity to have their names printed on the playing shirt of an Irish team player. More than 100,000 fans went online to register for the chance. The initiative provided O2 with a new database of 100,000 emails to play with. By tracking the group of self-delivered engaged fans, O2 mapped their mobile spend, number of friends and family on the same O2 network, as well as changes to these and other measures over time, and before and after key promotional messages.

Even if leaders are sufficiently visionary to recognise the importance of innovation, they tend to focus on financial outcomes as measures of success, rather than cultural change. Other goals such as efficiency, cost effectiveness, customer, and employee satisfaction, and responsiveness tend to be omitted from the equation. Yet, the complexities of innovation demand measurement that is correspondingly flexible. In fact, the veracity of planned innovation has been questioned with studies reporting that the majority fail and bring with that failure a heavy economic and human toll. As a result, sport enterprises are often left with a serious dilemma: they recognise that innovation is necessary for ongoing prosperity or even survival, but remain aware that the potential for failure is high and consequently so are their chances of hastening their own demise. In reality, however, the real risk comes with a failure to innovate.

Why is the innovation failure rate so high? There is no shortage of suggested answers to this conundrum. First, the key to achieving and sustaining significant innovation lies with changing the basic values, beliefs,

and ways of thinking that dominate within the organisation, but this is extremely difficult to achieve and sustain. Sport enterprises resist new truths with a great deal of emotion. It is analogous to convincing someone of changing his or her spiritual beliefs or religion. The result is that few sport enterprises—off-field at least—feel comfortable with experimentation. If only sport business executives were as fearless as their coaching counterparts. Consider, for example, the Norwegian handball coach who uses an Al Pacino film pre-game to shape players' 'cultural processes' (Broch 2015).

Second, innovation requires coordinated leadership. This in itself poses both personal and organisational stresses and challenges, because each person can respond to different leadership styles and methods. One person's charismatic leader is another's dictator. Even the most skilful leaders can make matters worse when they confront their employees with the need for fundamental change. Matters can go from bad to worse if leadership is 'weak', disunited, or unclear in its intentions.

Third, even when leaders can decide what to do and when, they still have to work out how to make their objectives and activities sufficiently transparent to encourage employees to take some calculated risks, and to convince them that they know what they are doing.

Fourth, most leaders are too impatient or do not realise that innovation must take place within a longitudinal cultural transition. Innovation takes hold over the long term, with careful attention needed to its disruptive aspects, as well as consideration for when to consolidate. For example, periods of intense innovation programs tend to be best followed by periods of stability where the new ideas can be converted into meaningful outcomes. Skipping essential cultural change steps in the pursuit of innovation creates only an illusion of speed and does not produce sustainable productivity.

Finally, given the need to conduct 'normal' business during an intense innovation period, the importance of the existing structures and practices remains. Instead of creating new pockets of unfettered innovation, most sport enterprises implement trivial innovations into the existing systems, merely giving them a fresh coat of paint, which at best only yields incremental improvements.

Conclusion

One outcome from the collision of history, passion, money, trophies, and entertainment is that sport enterprises can become associated with relatively superficial, mono-cultural descriptions. As a result, sport enterprises may be perceived as a singular cultural mass with little or no internal variability. However, the reality of culture—just like an individual's personality—remains far more nuanced and complex. In fact, sporting cultures contain multiple streams of values and beliefs, meaning that there are always numerous levels at which culture can be understood. This realisation is critical for leaders seeking to grow innovation because innovation will always receive a different response depending upon where in the sport enterprise it is encouraged.

Insightful leaders need to find ways to boldly release the potential in some areas while cautiously implanting it in others. Part of the delicate balancing act involves recognising the significance of seemingly intractable cultural norms and assumptions that have emerged over decades of coveted tradition and tribal passion. While some of these historic elements undermine innovation by clinging to inertia, bordering on paralysis, they also contribute immensely to a culture's unique identity. Leaders therefore have to let innovation loose without compromising what it means to be a distinctive sporting enterprise in the first place (Harding et al. 2016). As the proliferation of Twitter and other forms of social media to communicate about sport demonstrate, innovation can amplify passion (English 2016). For example, the astonishing rise in the popularity of Brazilian Jujitsu—once a highly specialised activity confined to closed dojos in South America—can be attributed to open innovation in the form of video sharing through YouTube (Spencer 2016). Secretive techniques passed down from student to protégé are now readily available for any Internet user to access.

We have discussed the critical necessity for forging the cultural foundations for supporting innovation, and offered some recommendations to address the implementation impasse for sport enterprises just starting the journey. At the core of our arguments has been the proposition that every organisational member must be empowered to innovate with the supporting structures to operationalise power. Over time, as the culture

of innovation becomes more embedded, there will be both a move to more quality ideas and greater devolution of the innovation pipeline into various business units and service arms of the organisation. Along the way, leaders create the boundaries and rules to ensure that innovation efforts can proceed with an optimal combination of creative freedom and practical control. In the final chapter that follows, we bring the concept of innovative culture together through the use of a framework.

Case Study: Growing an Innovative Culture—Team Sky

Team Sky is a professional cycling team competing in the UCI World Tour, based at the National Cycling Centre in Manchester, England, with a logistics base in Deinze, Belgium, and operational base in Quarratta, Italy. Founded in 2010, the mastermind and architect behind this innovative cycling team is Sir Dave Brailsford, the former British Cycling Coach who was the Performance Director of British Cycling.

Team Sky entered professional cycling with the goal of winning the Tour de France with a British cyclist within five years. The ambition came to fruition when Sir Bradley Wiggins won the Tour de France in 2012 becoming the first British winner, followed by Chris Froome in 2013, 2015, 2016, and 2017. This unprecedented success has resulted in Team Sky becoming one of the most successful professional cycling teams in the world.

Riding the wave of success has not always been plain sailing for Team Sky, however. For example, the team has been selective in its recruitment policies, avoiding coaches with historic doping offences and riders that have previously tested positive. While this ethical stance initially proved successful, more recently the team has endured damaging media reports of doping allegations. Nevertheless, the team has aggressively pursued an innovative culture, which Sir Dave Brailsford imported from his previous experiences at British Cycling. For example, he introduced a culture of 'marginal gains' to incrementally enhance the performance of the cyclists, focusing on the athlete holistically so that every aspect of activity could be measured and bolstered.

Away from competition and behind the scenes, Team Sky 'Imagineer', Dr Scott Drawer at the Team Sky Innovation Hub, works on finding

creative methods to expand human cycling potential. Innovation at Team Sky is a 'constant evolutionary process' rather than a single innovation. Team Sky maintain a fresh environment by inviting experts to contribute from other fields that are new to cycling and can offer new ways of looking at performance. This cross-fertilisation of ideas and paradigms ensures that the innovative environment grows and the science behind it evolves accordingly. New experts from other fields can offer a fresh perspective and new knowledge. As a result, the team avoids complacency and keeps the innovation ecosystem dynamic. Team Sky is now seeking to capitalise on emerging techniques in neuroscience for use in high-performance cycling. Opportunities are being explored using virtual reality and augmented reality, for example.

The sports ecosystem is changing, and openness to innovation is the key attribute to success. The winners in this new ecosystem will be open to learning from leading experts from outside their sports, and will embrace new technologies and data insights. Team Sky are currently leaders in their sport thanks to a capacity for innovation that nurtures high performances for continued success. Although the team has faced criticism around doping allegations there is no denying that Team Sky have built an innovative environment, open to change and to new ideas, and comfortable with a higher level of risk.

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8

Conclusion: Leadership, Culture and Invention

Introduction: Sport, Culture and Innovation

Sport enterprises are surrounded by a highly turbulent environment which often induces dramatic changes. The management of sport enterprises is made additionally difficult by their increasingly hybrid quality which was explored in Chap. 1. We now know that sport has a number of special features that makes it different from most other fields of social and commercial endeavour. It is no longer just about playing games but neither is it only about commercial gain. This hybrid quality is a double-edged sword. Some of its features make adaption to changing circumstances easy while others do not. But taken together they provide the context for more clearly understanding the way sport enterprises conduct their affairs, the ways in which staff, players, and members are likely to behave, and the problematic intraorganisational, interpersonal, and individual issues they have to deal with their day-to-day engagement with each other. An additional level of complexity arises when the demands of external stakeholders—especially government, corporate sponsors, broadcasters, and fans—are addressed. It is thus important to spend time examining sport's special features, and reflecting on what they mean for developing a culture of innovation.

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Culture can be considered the 'personality' of an organisation. It represents a shared value and belief system which tempers all organisational activity. However this is deceptively simple as a succinct description camouflages the number of complex ingredients that make up culture. It also fails to reveal the different ways culture can be perceived, understood, and typologised. Many attempts have made to conceptualise and categorise organisational culture. In essence culture conveys assumptions, norms and values which in turn impacts upon activities and goals, and in so doing orchestrates how employees undertake their work and determines what they view as significant within the workplace. Thus employees' work-related behaviours, beliefs, and understandings are determined largely by the organisation's culture. Culture has been related to performance and excellence in the marketplace as well as employee commitment, cooperation, efficiency, job performance and decision-making. Organisational culture has proven to be a significant tool in unravelling the conundrum of troublesome organisational behaviour (Alvesson 2016).

The key to organisational transformation lies with a leader's ability to empower others to act on the vision, and once they have established new policies, practices and procedures to anchor them to the organisation's culture. In this chapter, we draw together an Innovative Culture Framework by conceptualising how the five key dimensions of (1) Leadership, (2) Aligning Business and Innovation Strategy, (3) Fostering Collaboration, (4) Reducing Fear of Failure, and (5) Driving Openness to New Ideas, can be applied to sport enterprises. All of the key themes explored in this book coalesce within the Framework.

Leadership Characteristics, Cultural Values and the Relationship to Innovation

The literature we covered in earlier chapters—especially Chaps. 3 and 6—suggest that effective leaders provide a clear sense of direction. They do this by defining goals in strategic terms, communicating clearly inside and outside the organisation, providing flexibility when guiding tasks, taking risks while being responsible, listening with humility and recognising the importance of the views of others, building trust as they see it

as an essential resource, acting with courage as they have faith in success, building a team around them and see teams as interdependent systems, and distributing the leadership function as leaders create further leaders.

Successful leaders definitely have interests, abilities, and personality traits that are different from those of the less effective leaders. As we introduced in Chap. 6 the trait approach to leadership, now coming back into vogue after decades of neglect exemplifies this focus on the leader. For Kirkpatrick and Locke (1991), 'in the realm of leadership (and in every other realm), the individual does matter…leaders are not like other people…they do need to have the "right stuff" and this stuff is not equally present in all people' (p. 59). The trait approach is implicit in the common characteristics model of entrepreneurial leadership. While the followers and situation are also important elements of leadership they fall outside this scope of the present focus on the 'right stuff' of the innovation leader's personal characteristics.

Trait theory was the first systematic approach to the study of leaders (Northouse 2013). It assumes that certain individuals have dispositional characteristics distinguishing them as leaders and determining both their leadership style and effectiveness, a notion underpinning European intellectual discussions of the nineteenth century and much leadership research up until the 1960s. This view eventually gave way to the recognition that different management contexts call for different traits. In the 1970s, situational leadership replaced trait theory ultimately turning the focus to leaders' behaviours rather than personality. Recently however trait theory and the 'individual difference' approach from psychology have returned to leadership research (Northouse 2013).

Traits can be seen as part of the broader concept of a leader's personal characteristics. For Yukl (2006), a leader's personal characteristics include traits (i.e. personality, motives, values), behaviour, skills and expertise, influence tactics, integrity or ethics, and attributions about followers. Zaccaro et al. (2004) see a leader's personal characteristics reflecting a unified set of individual differences underlying a consistent leadership 'style'.

Mike Carson, in his 2013 book *The Manager: Inside the minds of Football's Leaders* draws parallels between the best CEOs and football managers in how they strive to introduce long-term structures and values to foster a culture of success. He suggests that football management is not unlike

being a senior executive where you have to balance the needs of multiple parties: investors, shareholders, committees, customers, clients, consumers and stakeholders in general. Carson notes that nobody gets it right all the time, for the managers of the big clubs and national teams the stakes are very high indeed. He suggests the likes of José Mourinho, Arsène Wenger and Sir Alex Ferguson are (were) under constant pressure and media scrutiny, and have frequent high-profile and high-impact dealings with the media, club owners, high-priced players, agents and emerging talent.

As we discussed in Chap. 7, coaching is very closely aligned with many leadership principles. A number of Fortune 500 companies regularly bring in professional coaches to talk to their organisations about teamwork, goal setting, buy-in, identifying your strengths and weaknesses, learning from your experience, and fostering humility and trust. For example, NFL former player and coach Tony Dungy is considered the model for an authentic, genuine, and ethical leader who truly leads by example and sticks to his personal values. Authentic leadership stems from the view that effective leaders need to be aware of and feel comfortable with their values, personality, and self-concept. The authentic individually considerate leader is concerned about helping followers to become more competent in order to provide for a more successful succession (Bass 1999). Dungy started out as an NFL player playing for the Pittsburgh Steelers and the San Francisco 49ers. He later became the head coach of the Tampa Bay Buccaneers from 1996 to 2001 and then the Indianapolis Colts from 2002 to 2008. He is credited with building up the Buccaneers team that won the 2002 Super Bowl and leading the Colts to the 2007 NFL Championship.

New England Patriots Head coach Bill Belichick is a 38-year veteran coach in the NFL. In addition to head coaching duties he also acts as general manager where he makes personnel decisions, a role that has allowed him to establish the 'Patriot Way'. With five Super Bowl appearances and three Super Bowl rings, Belichick is an expert in team building and incorporating individuals to buy into a team, even ones coming in with less-than-stellar reputations. He brings out his players' strengths and doesn't make any excuses. Belichick did not achieve success without experiencing personal struggles. He was fired from his first head-coaching job in Cleveland but has made the most of his opportunities in New England.

Belichick exemplifies one of the most important characteristics of a great leader, someone who makes everyone around him better and who empowers others to become future leaders.

Seattle Seahawks coach Pete Carroll also had failures early in his career. He was fired after one season as head coach with the New York Jets. He went on however to win two national college football championships with the University of Southern California, and by 2014, chalked up two National Football Conference title game appearances and one Super Bowl appearance with the Seattle Seahawks. Carroll is an example of how if you don't let your failures get you down you can turn them into positives. Carroll suggests looking at what weaknesses you can improve can go a long way both for yourself and for your team.

A Hall of Fame coach Bill Parcels coached the New York Giants to two Super Bowl wins and the New England Patriots to a Super Bowl appearance. Parcels was more of an authoritarian leadership figure (you can buy into what we're doing here or go somewhere else) but he was very good at finding out what motivated people and bringing out their best. He held a 'team-first' approach that centred on the assumption that people want to be led. Bill Belichick was one of his understudies and has many of the same leadership philosophies.

The namesake of the Super Bowl trophy Vince Lombardi is widely considered one of the greatest NFL coaches of all time. He won five NFL Championships in seven years with the Green Bay Packers in the 1960s. Although the game was different back then his leadership qualities were timeless. Lombardi set the standard for excellence in coaching. His players respected him because he was a strict but fair leader who brought out the best in his team through goal setting. Commentators would often note that when the pressure was on Lombardi knew how to win the big games.

The Golden State Warriors fired head coach Mark Jackson after finishing 51-31 and losing in the first round of the playoffs in 2014. They hired first-time head coach Steve Kerr and have since become one of the best teams in the league. Kerr is seen as humble, strategic, visionary, and a long-term strategic planner who can create a winning culture. His philosophy is straightforward: you must be careful of creating a monoculture that lacks a diversity of views. Recruit and hire the best people you can for roles on your team. Kerr says that you shouldn't be afraid if someone

is better than you at something because that is what you want. He believes that if they are great at it you can worry less, and therefore you should have no fear about giving up control to them as you can trust that they will do the job well. The right person in the right role can make all the difference and help you scale your leadership so you don't feel the urge to micro-manage everything. Having to come up with all the ideas would be a tremendous amount of pressure and work for any leader. However if you don't ask your team or take their ideas and all the credit that's exactly where you will end up. It is important to embrace everyone on the team as each has a unique perspective on the business. A leader must provide all team members with the opportunity to contribute ideas and make suggestions for improvements to fix problems the sport enterprise may have. This approach can create innovative solutions the sport enterprise may not have considered.

Aligning Business and Innovation Strategy

As noted in Chap. 5 strategic alignment is the process of engaging the senior leadership team, a broad cross-section of the sport enterprise, and key external stakeholders in the development of a shared vision and the path forward. Innovation initiatives—like other types of change efforts—can fail because the outcomes are 'not invented' in this way. Silver bullet solutions imposed by senior management, 'pet ideas' pushed through by individuals with loud voices, seniority or political influence, or ideas developed outside the sport enterprise in some sort of consultant think tank and handed down for implementation after a final presentation does not constitute a shared vision or an agreed path forward. Active cross-functional participation in the innovation process builds 'strategic alignment amongst key stakeholders both within a sport enterprise and among its key external stakeholders'.

Alignment galvanises the sport enterprise, creates ownership, enthusiasm and commitment, accelerating funding decisions and building a strong foundation for successful implementation. Building alignment is more than just a way to ensure that key stakeholders are on board and excited. It is critical for operational success, enabling cross-functional decisions and agreement on the tough issues around implementation activities

such as assets that will need to be leveraged, resource allocation, roles and responsibilities or new ways in which functional elements of the sport enterprise will need to work together increase the likelihood of success. With that in mind it is essential to ensure that stakeholders are engaged in appropriate ways and with suitable frequency. They should not just invited to a brainstorming session as a courtesy or an afterthought.

Internal and External Strategic Alignment

Palmer and Kaplan (2016) note that there are several considerations when assembling the internal team that will drive an innovation initiative. First, it is important to select a cross-functional 'core team' of visionary energetic change agents and future leaders who are inspired and capable of inspiring individuals who want to make a difference. Second, it is critical to choose a mix of seniority levels, typically from executive to middle management to lower level employees that are often closer to the consumer/customer. Third, a successful 'core team' consists of four different categories: subject matter experts, decision-makers, implementers and not least, members with 'naïve' perspectives such as mavericks—freethinkers whose role is to challenge the team's incoming beliefs and assumptions. Fourth, the team will need a balanced combination of thinking and problem-solving styles, including mindsets suitable for exploratory thinking in ambiguous, speculative 'front end' settings, as well as the more analytical mindsets required during implementation. Fifth, the team leader should consider including team members from different functional areas or locations. In addition to the 'core team', an extended team of internal opinion leaders, supporters and evangelists should be appointed to act as 'functional ambassadors' to represent the interests of (and provide information to) their respective areas in advance of the implementation phase. To ensure ongoing support it is imperative to establish executive level sponsorship ideally from more than one functional area.

In some cases it may be important to build external alignment with, and to gather insights and ideas from partner organisations by formally making them part of the innovation process. This would call for building a core or extended team and could include representatives from the sport advertising or branding agency, fans, sponsors or suppliers.

Creating an Innovation Strategy

Creating a capacity to innovate starts with strategy and the senior leaders of the sport enterprise to need establish. They need to take responsibility for the processes, structures, talent, and behaviours that shape how the sport enterprise searches for innovation opportunities, synthesises ideas into concepts and product/service designs, and selects what to do.

Palmer and Kaplan (2016) suggest there are four essential tasks in creating and implementing an innovation strategy. The first is to answer the question 'How are we expecting innovation to create value for customers and for our company' and then explain that to the organisation. The second is to create a high-level plan for allocating resources to the different kinds of innovation. Ultimately where you spend your money, time, and effort is your strategy regardless of what you say. The third is to manage trade-offs as every function will naturally want to serve its own interests, only senior leaders can make the choices that are best for the entire organisation. The fourth and final challenge facing senior leadership is recognizing that innovation strategies must evolve. Any strategy represents a hypothesis that is tested against the unfolding realities of markets, technologies, regulations, and competitors. Just as product designs must evolve to stay competitive so too must innovation strategies. Like the process of innovation itself an innovation strategy involves continual experimentation, learning, and adaptation. Despite massive investments of management time and money innovation remains a frustrating pursuit in many sport enterprises. Innovation initiatives frequently fail and successful innovators have a hard time sustaining their performance—as Polaroid, Nokia, Sun Microsystems, Yahoo, Hewlett-Packard, and numerous others have found. Why is it so hard to build and maintain the capacity to innovate? The reasons go much deeper than the commonly cited cause: 'a failure to execute'. The problem with innovation improvement efforts is due to the organisation not having an innovation strategy (Pisano 2015).

A strategy is nothing more than a commitment to a set of coherent, mutually reinforcing policies or behaviours aimed at achieving a specific competitive goal. Good strategies promote alignment among diverse

groups within a sport enterprise, clarify objectives and priorities, and help focus efforts around them. Many sport enterprises regularly define their overall business strategy (their scope and positioning) and specify how various functions such as marketing, operations, finance and in some cases research and development will support it. Rarely however do they articulate strategies to align their innovation strategies with their business strategies (Pisano 2015).

Without an innovation strategy innovation improvement efforts can become a catchphrase to define best practices. This leads to dividing research and development into decentralised autonomous teams, spawning internal entrepreneurial ventures, setting up corporate venture-capital arms, pursuing external alliances, embracing open innovation and crowd-sourcing, collaborating with customers, and implementing rapid prototyping. There is nothing wrong with any of those practices per se. The problem is that a sport enterprise's capacity for innovation stems from an 'innovation system', a coherent set of interdependent processes and structures that dictates how it searches for novel problems and solutions, synthesises ideas into a business concept and product designs, and selects which projects get funded. Individual best practices involve trade-offs and adopting a specific practice generally requires a host of complementary changes to the rest of the sport enterprise's innovation system. In sum, a sport enterprise without an innovation strategy won't be able to make trade-off decisions and choose all the elements of its innovation system (Pisano 2015).

While we have spoken of the need for diverse perspectives being critical to successful innovation—in detail in Chap. 5—without a strategy to integrate and align those perspectives around common priorities the power of diversity is diluted. Like the development of any good strategy the process of developing an innovation strategy should start with a clear understanding and articulation of specific objectives related to helping the sport enterprise achieve a sustainable competitive advantage. This requires going beyond all-too-common generalities such as 'We must innovate to grow', 'We innovate to create value', or 'We need to innovate to stay ahead of competitors'. These are not strategies and they provide no sense of the types of innovation that might matter (and those that won't). Rather a robust innovation strategy requires a holistic approach that operates on multiple levels. First, it blends non-traditional and traditional approaches

to business strategy, deploying the practices of 'Industry Foresight', 'Consumer/Customer Insight' and 'Strategic Alignment' as a foundation, and supplementing them with more conventional approaches and models. Second, it combines two paradoxical mindsets: expansive visionary thinking that imaginatively explores long-term possibilities; and pragmatic down-to-earth implementation activities that lead to short-term measurable business impact (Palmer and Kaplan 2016; Pisano 2015). In this sense strategic innovation differs from the traditional strategic practices that many sport enterprises have been embracing since the 1980s.

Palmer and Kaplan (2016) note the differences between traditional approaches to strategy and a strategic innovation approach. They suggest that traditional approaches adopt a present to future orientation and take the present as the starting point; assume a rule-maker/taker (defensive/follower) posture and accept established business boundaries and product categories. They focus on incremental innovation and follow traditional linear business planning models. They gather input from obvious traditional sources and seek to articulate consumer needs. They are technology driven with a focus on securing consumer satisfaction and tend to have a 'one-size-fits-all' organisational model. Contrast these characteristics with strategic innovation approaches which start with the end in mind and identify long-term opportunities and then bridge back to the present. They assume a rule-breaker and revolutionary posture that seeks to create new competitive space or playing fields. They search for breakthrough and disruptive innovation while continuing to build the core of the business. Strategic innovation approaches marry the process discipline with creative inspiration and garner inspiration for unconventional sources. This approach sources unarticulated consumer needs and is consumer inspired with the aim of creating consumer euphoria. To do this, strategic innovation approaches may experiment with entrepreneurial 'new venture' or other organisational structures.

Strategic innovation is a holistic systematic approach focused on generating beyond incremental, breakthrough or discontinuous innovations. Innovation becomes 'strategic' when it is an intentional repeatable process that creates a significant difference in the value delivered to consumers, customers, partners and the sport enterprise. A strategic innovation initiative generates a portfolio of breakthrough business growth opportunities using a disciplined yet creative process. A sport enterprise moves beyond an ad hoc approach to innovation when it begins to develop and institutionalise a

cultural mindset and a set of processes that support repeatable sustainable innovation. This then becomes a foundation for ongoing competitive advantage and a culture of innovation (Palmer and Kaplan 2016).

The strategic innovation process combines both unconventional and traditional elements. It includes the usual consumer, market trend and competitive analyses but quickly looks beyond them. As an inspirational catalyst for breakthrough growth it is maverick and entrepreneurial, rooted in a provocative notion that all things are possible. From an organisational perspective this demands radical rethinking, challenges the status quo and calls for creative thinking from the key stakeholders of the sport enterprise (Palmer and Kaplan 2016).

Palmer and Kaplan (2016) suggest the innovation process embraces a 'divergent' mode of thinking and a divergent mode lies at the heart of the strategic innovation approach. It is open-ended, exploratory, and inquisitive, deploying non-traditional, creative thinking and future visioning techniques. Lack of 'divergent thinking' is where sport enterprises often fail in their attempts to innovate. It may be considered but believing that it is inconsequential and time consuming many tend to minimise or neglect it. As we detailed in Chap. 4, it is through 'divergent thinking' that the possibility of identifying breakthroughs occurs. Most sport enterprises have no difficulty generating ideas for new products or services, however during this 'divergent mode' it is important to explore other areas for innovation. This includes such areas as new ways to work with external partners, communicate with consumers or fans, or enable a faster time to get the product or service to the market.

Sustainable Innovation

As we noted in Chap. 5, the England National Youth Team have seen recent success following heavy investment into their youth setup at St George's Park. This saw investment revolutionise youth football in the past decade—including investment in new state-of-the-art facilities along with the strategic alignment of the professional club academy structure and the Elite Player Performance Plan (EPPP). In 2017 England won the U17 World Cup and have progressed significantly. This investment in youth is the difference between innovation as an outcome as opposed to

cultural innovation as a sustained process that leads to more innovation and ongoing success. For some sport enterprises this will lead to increased market share and greater revenues. Surprisingly however many sport enterprises have not developed a point of view on where the industry is heading. They rarely look beyond their own boundaries as they are too busy fighting bushfires to take the time to truly understand what is driving their operating environment and how it might potentially evolve. While sport managers are busy managing nobody is focused on envisioning and innovating for the future.

Visionary sport enterprises need to establish a process for monitoring the complex interplay of key trends that may potentially impact their business. It is by examining the multitude of external forces coupled with emerging markets within the sport ecosystem, and in exploring the intersections of social, demographic, technical, environmental, political, competitive and other trends that potential future opportunities are revealed (Palmer and Kaplan 2016). The dynamic and fluid nature of the global sporting landscape means we cannot extrapolate the past to predict the future. Sport enterprises need to go beyond traditional market trend research by taking a speculative 'what if' perspective, seeking out and in some cases even intentionally creating disruptions to its ecosystem.

Monitoring emerging trends enables a sport enterprise both to avert threats to the existing business and to identify potential market opportunities that may arise when industry trends converge. Forward-looking sport enterprises have a curiosity and a thirst to engage with fresh perspectives from the outside. They actively seek out opportunities to stretch their thinking and to move beyond their own set of inbuilt experiences and historical beliefs. Palmer and Kaplan (2016) suggest this is central to the strategic innovation approach. When a sport enterprise looks beyond its own prevailing attitudes, technology capabilities, business boundaries and historical operating practices it dramatically raises its ability to identify platforms for innovative growth. For example, sport enterprises are beginning to take a more future-oriented view of the world and the possibilities it may offer when it starts to embrace emerging technologies rather than relying on the existing technologies it has used in the past. Similarly, sport enterprises may have been aware of several interesting external technologies but are now starting to actively explore the possibilities of integrating them.

Nike's strategy is to blend art and science to get its most creative people to not only innovate but execute. This is one of the reasons why Nike is a US$19 billion company with brand recognition that ranks up with Coca Cola and Apple. Nike has integrated sustainability and a strategic innovation process throughout the organisation. Sustainability professionals have to think about the company's systems while employees are encouraged to view innovation through the lens of sustainability. Nike's mission statement is to inspire and innovate on behalf of the athlete. The sustainability questions for Nike included how to incorporate materials great for performance but that are also regenerative and recyclable. The company reduced some of its philanthropic activities in exchange for investing in disruptive technologies that down the road could help build a better, cleaner and safer planet. Nike's company culture where innovation means invention with value has made it a leader within the apparel industry, Nike has recognised that sustainability needs to be taken seriously.

Similarly, Adidas is among the most admired companies in the world. When it comes to sustainability Adidas uses an approach most commonly associated with the tech world called: 'open innovation'. This approach is now mainly associated with companies like Google or Facebook. For Adidas this approach is comprised of crowdsourcing ideas from within and outside of Adidas. These ideas come from creators (including athletes and artists) and communities (individuals and groups of people who want to work with the company). For example, the Brazuca soccer ball, the official ball of the 2014 FIFA World Cup in Brazil, was named by Brazilians themselves. Adidas recognises that consumers make decisions based on the brands they prefer. Sustainability and innovation are two of the key criteria of brand selection. Successful sport enterprises in the future will be those where sustainability is well integrated in terms of its core values, organisational operating practices, and is aligned with consumer acceptance (Blaustein 2015).

Innovation should not stop after attaining one goal as it is a continual process of reinvention, invention, and discovery. Sport enterprises should not been known as one hit wonders. The Greek National Football (soccer) team are an example of a one hit wonder. In 2004 they defeated the host nation Portugal to win the European Championships. Bookmakers calculated odds

for Greece at 100-1 as Greece had never won a game in a major tournament before. Similarly a sport enterprise should strive for sustainable innovation and success. For example, Liverpool were the dominant team in England but they haven't won a league title since 1990 and have been unable to recapture this success. Between 1973 and 1990 Liverpool Football Club won 11 English league championships, three FA Cups, four League Cups, two UEFA Cups, one European Super Cup and four European Cups. Liverpool's so-called demise can be contrasted against Brighton & Hove Albion's rise from failure. In less than a decade Brighton & Hove Albion have evolved from a mid-table League One side playing at a converted athletics stadium to fewer than 10,000 fans to a Premier League club-in-waiting who call the state of the art 30,000 capacity Amex Stadium home.

Manchester City FC is side seeking sustainable success and they are changing the culture at the club through leadership. In 2016 they appointed Pep Guardiola who had a clear idea of how he wants City to play. This blueprint is aimed to lay the groundwork for years of winning not just short-term gain. Guardiola turned Barcelona into the best side in world football but the style of football he encouraged and Barcelona's ability to produce their own world-class youth prospects was already well established. At City they are only just beginning the process. City laid the foundations for Guardiola before he arrived. They opened a new youth and first-team training centre at great cost after extensive research of top music and sports academies, blending ideas and innovations to give City's new facility the edge. The result is an 80-acre site that cost £150 million to develop. City have recognised the importance of developing a culture of innovation.

Diversity, Recruitment and Rewards: A Pathway to Cultural Innovation

Globalisation is impacting how sport enterprises compete with each other. In combination with changing demographics globalisation is causing a rapid increase in diversity in sport enterprises. Never before have people been required to work together with colleagues and customers from so

many different cultures and countries. In addition, this diversity means that society is moving away from a 'mass society' to a 'mosaic society'. Organisations reflect this mosaic society in their more diverse workforce (in terms of not only race, ethnic or culture but also in terms of age, sexual orientation, and other demographic variables). More than ever people have to interact and communicate with others who come from diverse backgrounds. This in turn has meant that employees need new relational skills to succeed. An emerging stream of research in international management has called these new relational skills 'cultural intelligence'. Cultural intelligence is defined as the capability to adapt effectively across different national, organisational and professional cultures. More sport managers are taking up global work assignments in emerging sport markets around the world. They must learn how to work with people who not only think and communicate differently but also do things differently. Sport managers will need to develop their cultural intelligence to manage greater diversity in sport enterprises. The world population is growing at a high rate in developing countries while remaining stable or decreasing in the developed world. The result will be income inequities and economic opportunity leading to increased immigration and migration within and between nations. More temporary workers will be used for specific tasks and there will be a greater demand for culturally intelligent sport managers.

On balance sport enterprises with greater diversity can understand and penetrate wider and enhanced markets. Not only do these organisations embrace a diverse workforce internally but they are better suited to serve a diverse external clientele. Organisations with greater diversity also display higher creativity and innovation, this is particularly the case in research-oriented and high technology organisations. The array of talents provided by a gender- and ethnic-diverse organisation therefore becomes invaluable. Heterogeneous or diverse groups display better problem-solving ability as they are more capable of avoiding the consequences of groupthink compared to highly cohesive and homogeneous groups that are more susceptible to conformity.

Recruitment is a key to creating diversity. Cultural difference should be valued as a potential source of insight into solving problems. In this way sport enterprises can use their pluralism as a platform for creating an innovative culture. Cunningham (2009) suggests that the interest in diversity

stems in part from the fact that the labour force has become increasingly heterogeneous. In sporting terms we can see this in teams such as Manchester City, Arsenal, Manchester United, Real Madrid and Chelsea. These teams are composed of players from culturally diverse backgrounds. In the US diversity is mandated in some sport enterprises. The Rooney Rule is a National Football League policy that requires league teams to interview minority candidates for head coaching and senior football operation jobs.

Diversity is continually developed in Nike's organisational culture. The company believes that this feature of the organisational culture leads to a dynamic workforce. Diversity promotes Nike's creativity, innovation and brand image, which leads to competitive advantage. The purpose of this cultural characteristic is to minimise barriers to employee performance. Nike's strategy uses inclusiveness as a tool for optimal performance and talent development. The company supports this feature of the organisational culture through a team-based approach to management. In addition, Nike employs a number of programmes, such as *Bias to Breakthrough*—a program for removing barriers to creativity, and *NCourage*—a set of employee networks for facilitating cultural awareness and community building (Young 2017).

Harnessing differences can contribute to creating a culture of innovation. However if we wish to encourage a culture of innovation then those who contribute to it should be rewarded accordingly. Sport enterprises need to consider if there should there be a special reward for innovation ('Innovator of the Year'), or should the reward be incorporated into the remuneration package? Sport enterprises need to consider visible fairness, for example, who gets rewarded—individuals, or teams, or both? Innovation is almost never a solitary activity and so to identify a lone individual as the recipient of a special award inevitably will disadvantage some people who will have contributed. Also what form does the reward take and who should determine what is innovative? Individuals have different ideas for what constitutes a reward (e.g. paid vacation, time to spend on other projects, a bonus). Sport enterprises need to communicate with their employees to ascertain what it is that motivates and engages them beyond financial rewards. This could range from extra days of holiday, team-building days, vouchers or a simple acknowledgement across the sport enterprise for their excellent work. Unusual and

individual recognition initiatives can also go a long way in creating long-term motivation. The former Olympic swimmer Adrian Moorhouse observed that when he trained in the US and was competing for the finals of a competition he wore a yellow cap. When he made the finals however he was given a blue cap in front of other competitors. This facilitated a feeling of recognition and pride.

If teams are rewarded for developing innovative solutions or ideas they will work collectively to create more innovative ideas. Working as a team is often considered a key element of a successful business and can help to push business goals and motivate employees in tandem. Having a team that works effectively together is of the utmost significance. Team dynamics can make or break the success of an innovation project. A marginal gain that a team may create with an innovative idea can be the difference between success and failure. Many of the most innovative companies are using a marginal gains approach. As we explored in Chap. 5 under the guise of prototyping, the doctrine of marginal gains is all about small incremental improvements in any process adding up to a significant improvement when they are all added together. Google for example runs 12,000 data-driven experiments annually in order to discover small weaknesses and thus make small improvements. One such experiment found that by tweaking the shade of the Google toolbar from a darker to a lighter blue increased the number of click-throughs. This marginal change increased revenue dramatically. The concept of marginal gains has revolutionised some sports. In Chap. 6 we discussed Team Sky, the team built their success on the aggregation of marginal gains. Their philosophy is that if you can improve lots of things by a small amount the net result can make the difference between winning and losing.

Contextualising the Innovative Cultural Framework

As we explored in detail in Chaps. 4 and 7, a recurring theme throughout studies of organisational culture is the notion that, ideally culture should be appropriate to the environment or context in which the organisation functions. Moreover, effective strategy is dependent upon the degree to which

the culture supports the sport enterprise in its relationship with shareholders or members. A sport enterprise should therefore foster the development of cultural traits that are consistent with (or fit) the challenges and expectations of its internal and external environments. The appropriateness of culture is then clearly linked with the increased likelihood organisational success. In addition to appropriateness the strength of a culture has also been associated with organisational performance. Strength refers to the intensity or pervasiveness of the culture and measures the degree to which organisational members embrace the prevailing assumptions and values integral to the culture. It has been argued that strong cultures lead to appealing outcomes such as unity, commitment and coordination, thus contributing to enhanced performance throughout an organisation. However a strong organisational culture can sometimes be problematic when it does not align with (or fit) its operating environment, for example, when a sport enterprise is operating in a constantly changing industry but is resistant to change. Strong cultures must therefore also be 'appropriate' for performance to be positively affected. This implies the trick to culture management is the development of a strong yet appropriate culture that aligns with the sport enterprise's objectives and change strategies. For example, an appropriate culture for an elite sporting club which places a premium on winning may include a strong work ethic and competitive ethos.

We have discussed that Nike's organisational culture is centred on creativity and innovation to provide products that suit current consumer preferences. Nike understands that talent and innovation go hand-in-hand. This feature of the organisational culture emphasises the need to provide human resource support for product development and internal services in the organisation. As such Nike uses training programs to maintain employee talent. The company also has coaching and mentoring programs. These approaches are based on the strategy that develops and enables leaders within the organisation for Nike's global growth. The purpose of this characteristic of Nike's organisational culture is to sustain talent and development infrastructure necessary for producing some of the world's most popular athletic shoes, equipment and apparel.

In sport enterprises that have sustainable innovative practices their leaders have created a culture that is aligned with their organisational practices and systematically enables individuals and teams to create and implement

new and valuable ideas. We have highlighted that Pep Guardiola the Manchester City manager created his own culture and football practices about how to be a successful football club on the pitch. Guardiola has an inherent hunger and desire for improvement He wins matches by analysing his opponent's weaknesses and then attacking them. Beyond this he introduces constant innovations so that even if his opponents realise and correct their own errors Guardiola has already altered his strategy. Guardiola will get to know his players and find the means to achieve the end, to continue to innovate in the pursuit of excellence. Even when the team were deemed to be on the brink of failure, because they were without a win in six games during his first season as manager, did he ever once question his philosophy.

Leaders can close the innovation gap by creating a culture that enables individuals and teams to be innovative. If they do not innovation will be stifled. There are two key factors that create the innovation gap. The first is knowledge. Many established sport enterprises are not innovative because their leaders do not know how to make innovation systematic. The second is that some of the management systems that made organisations successful in the industrial economy are now major obstacles as they try to become more innovative in the knowledge economy. Many senior leaders in established sport enterprises have never formally learned how to lead and manage an organisation that innovates systematically. When you have been successful playing one game by one set of rules it is difficult to play a new game with a different set of rules, especially if no one explained the new rules. As we moved from the industrial economy to the knowledge economy the nature of critical issues changed from complicated to complex. Complicated issues can be solved with logic and by drawing on past experience. It's simply a matter of simplifying, organising and applying solutions that have worked in a similar situation. Complex issues on the other hand are more ambiguous, uncertain, and somewhat unique problems or opportunities. Leaders need to apply innovative thinking to solve complex problems and to develop innovative solutions (Legrand and Weiss 2011).

Implementing the process of innovation in established organisations is a perfect example of a complex problem. Leaders are tempted to apply directly to their organisation some of the best practices from exceptionally innovative organisations such as Disney, Apple or Google without fully factoring in the difference in their history or context. Some try to

apply common innovation goals and a common model across the entire organisation. Some organisations ask managers and employees to have more ideas without helping them implement the ideas. Other organisations ignore behaviours and assumptions that are not compatible with a culture of innovation. To close the knowledge gap sport leaders must understand the principles of innovative thinking and how to lead innovative individuals and teams. Sport managers must know how to lead innovative teams and individuals must know how to apply innovative thinking. Some sport leaders believe that innovative thinking is a talent and that the secret to success is simply hiring creative people. The reality is that anyone can learn innovative thinking and how to lead or manage innovative teams (Legrand and Weiss 2011).

Another reason behind the innovation gap in established sport enterprises is the past success of existing management systems. It is difficult to change a winning system especially if it is the only one where you have expertise. In the industrial economy sport enterprises could be efficient if they had well-thought-out strategies and strong a execution plan. Sport enterprises need to learn quickly and apply their learning across boundaries. Such agility implies a level of flexibility and adaptability that cannot be achieved in an industrial-model organisation focused on eliminating variations and ambiguities. Sport enterprises created after the start of the knowledge economy have a considerable advantage. They are not bound by legacy leadership, culture or organisational processes inherited from the industrial economy. But even such sport enterprises when they reach a certain size or stage in their development tend to stifle innovation by introducing some of the attitudes and behaviours typical of the industrial economy.

As we have discussed, cultures define an organisation's 'implicit' rules, what individuals and teams do and say when no one is watching. If the culture supports innovative behaviours innovation can occur systematically. However if some of the elements of the culture, such as decision-making or risk tolerance are not supportive innovation will never happen systematically. Sport leaders need to play a prominent role in establishing a culture of innovation. Sport leaders need to analyse the sport enterprise's current cultural assumptions to identify what to support and what to change (Legrand and Weiss 2011).

In creating a sport enterprise that innovates systematically it is important to enable organisational practices, including its structures, processes, and policies. This is because these practices can inadvertently undermine its innovation efforts. Most sport enterprises were not designed to make change or innovation easy. Sport enterprises need to develop practices that make it easier to innovate. Sport leaders can influence innovation through recruitment, driving openness to new ideas and providing the environment to innovate, reducing a fear of failure, and by creating appopriate recognition and reward systems.

Although many sport enterprises are trying to close the innovation gap very few to date have been successful. One of the main reasons they do not achieve their goal is that they fail to develop a formal plan. If leaders want more productive marketing they ask for a plan. Because most sport enterprises are good at creating and implementing plans they usually achieve their goals. However even if innovation is a priority leaders are more likely to make a few speeches and ask their employees to have more ideas. They rarely enable the development of a specific innovation plan that is budgeted, resourced, and implemented. It is only by creating a customised plan and implementing it rigorously that a leader can create an enterprise where bounded innovation happens systematically. In the absence of an integrated plan a sport enterprise will find it is too easy to eliminate innovation practices.

Sport enterprises must invest in their leaders to ensure they develop their own innovative thinking capabilities and have the capability to develop their employees and teams' innovative-thinking skills. Sport enterprises need to design their culture and organisational practices to make innovation possible. This culture needs to be supported by a well-developed organisation-wide innovation plan to ensure a bounded approach to organisational innovation. An organisation-wide innovation plan enables individuals and local teams to focus their innovative thinking activities and align their innovations with the sport enterprise's overall requirements for innovation (Legrand and Weiss 2011). When cultural innovation occurs in sport enterprises it becomes embedded. It also becomes an invisible competitive advantage that consistently creates new value for the sport enterprise. It is reflected in how individuals

and teams think innovatively as they redefine complex issues, generate new ideas, discover solutions, and mitigate risks. The end result will be that sport enterprise will close the innovation gap and become able to achieve sustainable customer value and employee engagement, remaining viable and competitive into the future.

The Future Impact of Culture on Innovation in Sport Enterprises

Given the rapid pace of change in the sports industry it is hard to predict what lies ahead however, a culture of innovation will allow sport enterprises to play a key role in shaping the future and stay in front of the curve. Innovative cultures are continuing to change the relationship between sports and television. OTT (Over the Top) is becoming the dominant form of distribution for both live sports and video on demand. Virtual Reality (VR) and Augmented Reality (AR) technologies will become more advanced and distribution of devices will be mainstream, as with smartphones now. Social video platforms will fortify partnerships across the mobile video and sports spectrum that will enable broadcasters and content rights holders to share, edit and monetise live-stream social video across platforms.

Innovative cultures will lead to practices that will facilitate the growth of video consumption on social platforms as rights owners are facing intense competition to attract an audience. Right holders will have to ramp up video production for multiple digital platforms in order to engage audiences and maintain a loyal fan base. The demand for content is immediate and everywhere. Millennial sports fans are not willing to wait to see the highlights of their favourite sports or have to find a TV to watch a game live, they will expect the action to be available immediately. Innovation that will allow for live streaming on social platforms is becoming increasingly important as there will be an increasing demand for sharing sports content in multiple forms across a myriad of platforms in a matter of seconds.

eSports' meteoric rise over the last five years is evidence of how innovation has created a new product and market. The growth of eSports has

been astounding and is set to continue. An inventory of eSports' current highlights underscores its startling growth: professional leagues, international contests, college and university scholarships, investments from mainstream professional sports team owners, exclusive broadcasting and digital rights deals, significant commercial sponsorships, generous prize money, and a burgeoning elite cadre of professional players earning up to seven figures. All of these developments have arisen because eSports materialised in tandem with a new generation of participants, spectators, and sponsors inimitably attracted to the confluence of technology, gaming, tribalism, and of course, commercial opportunity.

A curious eSports feature is its fragmentation and diversity. Talking about eSports as a singular activity is not the same as talking about tennis or even a multi-event sport like gymnastics. The eSports audience is passionately disparate. Each game within eSports commands its own distinctive following, usually on the basis of game title. In fact eSports can be interpreted in two ways. First, it can be viewed as the competitive playing of an electronic game, irrespective of the game's specific content or nature. That is, the game might be associated with winning a war or with building a city; the central issue has to do with the competitive nature of the activity. Second, eSports can be viewed as the playing of electronic games directly associated with traditional sports such as football in its many codes, boxing, or baseball. From this vantage eSports revolve around competitive performances in popular sporting simulations like Madden (NFL) and FIFA (Association Football).

The largest eSports organisation is the Electronic Sports League (ESL). To the surprise of many, the league was founded more than 20 years ago and now boasts a registered membership exceeding five million with over one million teams. eSports was estimated by a Newzoo global eSports market report to generate around US$700m in revenue based on a global audience of nearly 400 million people. The trend estimates a 2020 revenue of US$1.5bn. So far the largest prize pool in eSports was provided by the Dota 2 2016 International Championship Tournament, collectively worth US$20 million. The winning team took home nearly US$10 million and more than US$1.8 million each.

Although the popularity of many sports divides along compatible geographical and ethnocultural convergences, it is clear that eSports connects

with a certain type of person: under-30, technologically savvy, well-educated, and from an affluent demographic segment, irrespective of their location. Many elite eSport players are part-time or full-time undergraduate students, having been active in developing their skills since cultivating an interest in high school. After becoming recognised by professional gaming clubs through their high rankings and performances in online gaming forums, the developing elite players gained coaching and representative affiliations. Unlike most sports however, the majority of serious players compete and practice from home, some of the best committing up to ten hours a day at the screen.

One of the most interesting aspects of the eSports business transformation is its unusually hastened product lifecycle. Accelerated massively in comparison to traditional sports like tennis, wherein the premier event still demands compliance to a draconian dress code (eSports do not require the wearing of white underwear), eSports is evolving as it strikes each new phase of development. For example, unexpectedly despite its location independence, eSports seems to be heading towards a content distribution model largely predicated upon regional exclusively. That is, while some tournaments might be broadcast for free, the rise of pay-per-view platforms will likely ensure that a sizable proportion of content will fall behind a paywall. Facebook's giant step into eSports is a look into the future. Facebook may have decided it doesn't want to be a media company but it might want to be a gaming platform. Facebook will be the exclusive destination for multiple leagues from eSports federation ESL. From January 2018, ESL One now features tournaments for both Dota 2 and Counter-Strike: Global Offensive tournaments, as well as ESL's dedicated CS-GO Pro League. It will broadcast through Facebook Watch, the social network's streaming video component. Facebook's entry into this market may cross-pollinate eSports communities like never before, turning fans into even more engaged fans. This marks an ambitious innovation to challenge conventional sports leagues.

Leading the charge of eSports popularity is Skillz, Inc. magazine, which recently released its annual Inc. 5000 list, ranking the top privately held US companies by overall revenue growth over a three-year period. At the top of the list was Skillz, a mobile eSports platform with over 12 million active gamers. Skillz is the first eSports organisation to check in at

No. 1. This marks a turning point in the growing dominance of eSports within the broader sports industry. The eSports industry continues to innovate and grow at an exponential rate to disrupt the future of sports, a 3000-year-old industry and one of humanity's oldest and most celebrated institutions. Skillz is backed by venture capitalists and owners of the New England Patriots, Milwaukee Bucks and the New York Mets. Among the investors are Los Angeles Lakers forward Luoi Deng.

The future will also see the continued innovation and rise of streaming services online for sport with more people being given the opportunity to watch previously private events. The NFL/MLB/NBA have created their own Internet streaming services for customers. The NFL has been shown for free on Twitter and the Champions League final shown live and free on YouTube, and although Facebook may have failed with its $600 million bid to stream Indian cricket this is only the beginning. This greater audience and access to sport compared to previous pay-per-view and subscription models may also encourage greater participation.

The evolution of the Formula E series shows how innovation is not only embracing motor sports but is addressing environmental concerns. Combining motorsport and the fight against climate change has attracted many of the main car manufacturers and big name sponsors. This innovation is perhaps part of not only the future of sport but also the world. An electric car series represents the defining spirit or mood of this period of history, as shown by the ideas and beliefs of this period, while giving an industry synonymous with environmental waste a chance to attract a different audience. A successful electric racing series incentivises all kinds of high-end advancements in electric technology. Formula E's problem wasn't convincing people it's a good idea but convincing people to watch. Many people were sceptical of Formula E's chances of survival early on but the series has matured into a popular series that allows car manufacturers to show their dedication to electric vehicles. Clever marketing and leveraging the mass appeal of its sponsors have helped overcome the scepticism to establish Formula E as a popular, evolving, competitive motor racing series.

Some of the longstanding auto racing series, such as the World Endurance Championship (WEC) and Deutsche Tourenwagen Meisterschaft (DTM) are popular brands to Formula E. There is intense pressure on car manufacturers

to lower emissions and Formula E provides them with a great platform to publicly show their commitment. All manufacturers are developing electric cars. Cost also plays a role: a season in Formula E costs US$6–12 million. Compare that to DTM (US$60–80 million) or WEC (between US$95–175 million), Formula E is a more appealing investment, with a sustainable environment message. Formula E attracts a different audience than the other motor racing series. This group may well be the next electric car customers for one of the big brands featured in the series. What is the next innovation for motor racing? Will there be a convergence of some sort between Formula E and Formula One? Formula One has lost fans that feel it has become boring while Formula E is adding fans with each race. Many younger fans enjoy the Formula E series and this segment features the target customers of electric cars.

Green innovation in sport will also shape how future sport stadiums will look. Eco-friendly, cutting-edge sports stadiums are becoming commonplace for fans. Architects, designers, engineers and ecologists are radically rethinking the stadium to bring it in line with environmental recommendations and our changing attitudes towards the a sustainable planet. What's more, stadiums are central to the concept of the smart city. In environments where Information and Communications Technology (ICT) and the Internet of Things (IoT) will increasingly play a part, stadiums will become providers as well as consumers, proxy power plants storing and transferring energy that will be used elsewhere. One of the biggest innovations and best examples of a stadium integrating into the smart city concept is the world-famous Amsterdam Arena, home to Eredivisie side, Ajax (Bright 2017).

There is more to a stadium's environmental impact than the energy it uses, and architects are increasingly becoming sensitive to how such structures interact with the landscape around them on a visual level. The Estadio Chivas stadium in Mexico recycles rainwater and harnesses wind power but it also seeks to blend in with the local flora and fauna, the reason its outside walls are covered in grass. We can also expect more stadiums like the proposed Stadium of Siena in Italy's Tuscan countryside. It's designed to be partially sunken into the landscape, enabling it to harmonise with the topography as well as provide natural shade. When it comes to eco-stadia of the future perhaps the most radical project thus far concerns the home of a small English football club who many have

never probably heard of. Forest Green Rovers play in the fourth tier of professional football in England, and will build the world's first-ever wooden stadium made almost entirely out of sustainably sourced timber. Ultimately we can expect stadiums in the future to utilise innovations like power deriving from electric vehicle technology, eco-friendly builds and innovative tech in their infrastructure (Bright 2017).

Conclusion

As has been highlighted throughout this book, it is not easy to change the culture of a sport enterprise, since they are by nature conservative masculine institutions which value their traditions and history highly. While organisational culture is troublesome to reveal and difficult to manage, it remains the cornerstone of any successful innovation change strategy. Despite the conceptual messiness that surrounds culture a detailed cultural map is the most effective tool for coming to grips with the culture of a sporting enterprise. Some cultures are clearly engines of energy and innovation but others can be negative, distorted, and in a word, dysfunctional. While it was once believed that a strong culture was a good culture this is no longer the case. For culture to be useful and productive it must be appropriate to its operating environment, as well as strong (Alvesson and Sveningsson 2015). As we argued in this chapter, the key to an innovative transformation lies with leader's ability to empower others to act on the vision, and once they have established new organiational practices to anchor them in a culture of innovation. We have argued that this is best achieved via an Innovative Culture Framework incorporating that incorporates the five key dimensions of: (1) Leadership, (2) Aligning Business and Innovation Strategy, (3) Fostering Collaboration, (4) Reducing Fear of Failure, and (5) Driving Openness to New Ideas.

Compressed between the inertia of its rich traditions and unprecedented technological innovation, the sport industry is navigating uncharted territory. In this new world, success will go to those agile enterprises capable of converting to the digital map, giving space to a new generation of opportunities at the same time as re-imagining the needs of stalwart fans and stakeholders. Disruption has become business as usual, backed by an

ever-increasing technological intensity. Traditional sectors such as sport facilities, major events, and broadcasting, for example, are faced with an immense re-engineering task in order to remain relevant in a sporting ecosystem propelled by multiple media content distribution channels, a closure of the engagement distance between sport fan and sport property, and the vast insights offered through big data. More than ever before sport enterprises need to develop cultures that foster innovation.

Case Study: Leadership, Culture and Invention—Barbara Slater, BBC Sport

Former international Gymnast Barbara Slater was named Director of BBC Sport in 2009, resulting in one of the most innovative sport leadership appointments in recent times. Slater was tasked with overseeing the acclaimed cross-platform coverage of the London 2012 Olympics. As the first female director of sport at the BBC she not only has the responsibility of ensuring the BBC retains a broad portfolio of broadcasting rights, but has also led the move of BBC Sport from its London offices to the new headquarters in Media City Salford, Manchester. It is here where she oversees the sports journalism operations and the planning and coverage of BBC Sport by liaising with international and national governing bodies of sport to secure the broadcasting rights to major events. Slater is responsible for approximately 20,000 hours of global sports coverage across radio, TV and online each year, including live sporting events, highlights, and sports news and magazine programmes. This output is produced by 450 staff across the UK.

Barbara Slater has become revolutionary in her role at BBC Sport. With the inflation of sports rights and living in super connected times it has never been more important to have a leader that is willing to create a culture of innovation that is shaped by diversity and a willingness to take risks to reinvent the powerhouse institution that is BBC Sport. Slater successfully integrated more women's sports into the portfolio of programmes, increased the number of women presenting sport, as well as working on sport programmes. Slater has also led the development of a

cross-platform schedule for a younger audience of millennials that are seeking a more interactive digital experience.

Under the leadership of Barbara Slater, BBC Sport has redefined free-to-air sport for the digital age by continuing to find new ways to cover sport for the younger viewers. In a world where technological advances are exponentially increasing at speed BBC Sport is innovating the way it presents sport, aiming to target the younger age viewers with more innovative sport broadcasting. They are constantly seeking to cover bigger events in creative ways with the aim of creating digital fit sport journalism for the modern age. Digital demand has doubled in recent years with mobile content dominating, this demand has provided the impetus for BBC Sport to utilise social media channels to improve content and reach younger viewers through its digital platforms.

Slater understands the power of sport and the influence of diversity in all forms. It is this innovative leadership that creates a culture of zero tolerance and will inspire the next generation to become involved in sport. She has led BBC Sport on a journey of reinvention, learning from the past mistakes of other corporations that haven't been open to innovative change. Her future ambitions are to secure large scale sporting events, and this is evidenced by BBC Sport securing the rights to show every game of the Rugby League World Cup 2021, securing their commitment to Rubgy League for the coming years. It is clear that the leadership at BBC Sport is embracing change while fostering innovation and cultivating invention.

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