

## **The Title: Academies football as a source of self-financing of sports clubs (case study)**

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### **Research problem**

Fund is an essential factor in all physical activity elements in the institution , and all these elements are engaged with the funding process, which assists in the implementation of placed plans in order to promote various sports items. (15: 76)

Money consider as essential as blood for living organisms and the flow of the money to the Organization and its distribution indicates the competitive position of the Organization and enhance its services.(2:273)

So Money is the nerve of institutions and bodies which helps them to achieve their objectives, since these institutions will not achieve success unless they have necessary financial resources to manage their activities and then achieve their desired goals.(21:77)

Samir Abdul Hameed (1999) Indicates that sports bodies suffer a lot from financial crises because of the raise of outcomes than incomes, which represents a major impediment in sport level progress , as that sport field became a burden on country resources in which they are supported within the available and became insufficient to achieve the essential requirements for these institutions success , as there is a reduction in the rate of financial contributions , difficulty to afford , its instability and lack in funding resources. (14: 79) Sports institutions depends on budget accumulation in the implementation of their programs to achieve their objectives , and our sports institutions suffer from insufficient efforts to increase fund.(18: 198)

Sports clubs have the right to develop their resources through the establishment of sport academies or schools within the Club's headquarters and branches , and the establishment of academies outside its headquarters shall obtain a permit from the competent Federation game that should have financial accounts for these sport schools outside the Club and accredit the receipts from the competent administrative authority.(20:30)

Al-Ahly Club established the soccer Academy in 2006 and various branches have been opened outside the Club, that academy season begins in July and ends in April of the following year.(4:45)

The popularity of soccer, spread of developed stadiums and multitude of unofficial or personal academies all that consider as an opportunity for sports clubs to invest in establishing either internal or external sports academies, which can contribute in the development of Club's financial resources as well as discovering many talented and escalate them to junior teams then the first team or players marketing to achieve financial returns to the Club, and the research problem appears through the researcher experience as a member of the marketing Committee at the Ithad Alex Club, and the Manager of Zamalek Football Academy in Alexandria where he recognized that there is no existence of outside clubs Academies outside their governorates which leads to the loss of investments and financial opportunities for the clubs which stimulate the researcher to apply this study in order to highlight the importance of the financial role for soccer academies, and the researcher took Al-Ahly club soccer academy as a case study as it considers as the first club that established external Academies since 2007 and still expanding constantly, whether at the local or regional level outside the Arabic Republic of Egypt.

Therefore, the present study tries to identify the role of soccer academies in the development of financial resources for sports clubs

### **Study objectives :**

**The study aims to identify the role of soccer academies in the development of Club resources through the identification of :**

1. Financial returns of soccer academies in Egyptian clubs.
2. Percentage of financial returns contribution for soccer academies in clubs revenues.
3. The rate of financial returns development for soccer academies.

### **Study questionnaire**

1. What is the value of financial returns for Soccer academies in Egyptian clubs ?
2. What is the percentage of contribution for soccer academies incomes in club revenue?
3. What is the rate of financial income development for soccer academies ?

### **Study procedures**

### **Study method**

the researcher used the analytical approach with case study method.

**Study community** : Egyptian sports clubs .

**Research Sample:** al- ahly club

### **Data collection tools**

The researcher used accredited documents adopted by Al-ahly club consisted of the budget and the final account for the years 2007 to 2014

### **Results presentation**

The researcher will present and discuss the results consistent with the research objectives .

## Statistical descriptions

**Table (1)**

### Statistical semantics for research sample in subjective fund variables

N=8

Statistical semantics variables	Lowest value	Biggest value	Arithmetic mean	Median	Standard deviation	Torsion coefficient
Academy incomes	4151655	7780960	5831770	5794881	1295552	0.096
Academy outcomes	2758653	5530716	4466658	4785688	925237	0.943-
Total budget incomes for the same year	152285644	252642618	181763091	171113274	32326477	1.839
No of participants	2406	4780	3748	4189	1037	0.458-

Table (1) shows that the overall study sample data is moderate and shows normal distribution for the sample, the coefficient values ranging between (-0.943 to 1.839). These values near to zero, which indicates to recognize equinoctial distribution format.

- **presentation of statistical semantics and results comparison between incomes and outcomes in self-financing**

**Table (2) the differences between incomes and outcomes from (2007-2014)**

Statistical semantics variables	incomes N=8		Outcomes N=8		The difference between averages	(T) Value
	x	std	x	std		
self-financing	5831770	1295552	4466658	925237	1365112	*2.425

\*Significant at 0.05 = 2.145

**Table (3)**  
**Indication of differences amount between incomes and outcomes**

Statistical semantics variables	(T) Value	ETA square	differences amount	Indication of differences amount
self-financing	*2.425	0.30	1.21	high

Significance of effect size: \* less than 0.5 (low) \* 0.5 to 0.8 (average) \* greater than 0.8 (high)

Table (2), (3) and figure (1) for semantic and statistical results of the comparison between incomes and outcomes in self-financing shows statistically significant differences at level (0.05) for incomes in which value (T) calculated is greater than the value (T) tabled at level (0.05)

➤ **illustrates Percentage of contribution of incomes in relation to the total budget outcomes for the same year**

Year	Academy incomes	Total budget incomes for the same year	Percentage of %contribution
2007	5554067	169142883	3.284
2008	6246082	162589825	3.842
2009	7247125	175997413	4.118
2010	6035695	152285644	3.963
2011	7780960	173083664	4.495
2012	5445084	164496000	3.310
2013	4193495	203866681	2.057
2014	4151655	252642618	1.643
Average	5831770.4	181763091	3.208

➤ **ratio of outcomes to incomes of same year**

<b>Year</b>	<b>Academy incomes</b>	<b>outcomes</b>	<b>The percentage of academy outcomes compared to incomes</b>	<b>Net profit</b>
2007	5554067	2758653	%49.669	%50.331
2008	6246082	5530716	%88.547	%11.453
2009	7247125	5244011	%72.360	%27.64
2010	6035695	4915946	%81.448	%18.552
2011	7780960	4857718	%62.431	%37.569
2012	5445084	4713658	%86.567	%13.433
2013	4193495	4154402	%99.068	%0.932
2014	4151655	3558163	%85.705	%14.295
<b>Average</b>	<b>5831770.4</b>	<b>4466658.4</b>	<b>%76.592</b>	<b>%23.408</b>

### **Results Discussions**

It is seen from the previous offer for comparing incomes and outcomes in self-financing and differences amounts of average income for the period 2007-2014 reached (5831770 million pounds) while the average academy expenses during that period was (4,466,658 million pounds) with an increase in financial income that amounted (1,365,112 million pounds) for incomes where the value (T) calculated is higher than value (T) table which indicates moral differences for incomes than outcomes and the statistical differences amounted (high).

It is clear from for the proportions of incomes contribution in relation to the total budget income for the same year, the average percentage of contribution to the incomes of the soccer Academy in total budgetary incomes was (3.208%) and the highest contributor percentage in 2011 was 4.495% percent while the lowest percentage in 2014 was 1.643% , that declination in 2013/214 because of inactivity of one of the most important main branches (Alexandria branch ) , while the researcher illustrates the development of the percentage of contribute since the beginning of the establishment of the Academy to the expanding numbers of foreign branches of the Academy which reached 8 branches in the

provinces which contributes to increase the financial resources of the Academy

It is clear from for the academy ratio between expenses and incomes for the same year that the average net profit for the academic period 2007 to 2014 reached 23.408% and achieved the highest profit in 2007 was 50.331% as a result of higher incomes and lower expenses for the Academy , as the second year with higher Participants numbers and lower financial costs specially in renting play grounds , while the lowest profit was in 2014 which reached 0.932% , the researcher returns that to the change in the financial regulations for clubs in accordance with statutes to start in January and ends in December, which led to change the financial systems for the preparation of budgets and final accounts in sports clubs.

It is clear from the previous presentation of the study results that soccer academies contribute effectively in clubs budget incomes and that what's shown in tables which indicates the importance of establishing soccer academies which consider a source of self-financing for sports clubs which contribute in the development of sports clubs sources , therefore clubs should depends on investing its own resources in order to achieve their needs and requirements which agrees with the statutes for clubs to develop its financial resources Through the establishment of internal and external soccer academies .

**Samir Abdel Hamid (1999)** also refers that financial crises suffered by sports clubs because of the financial requirements for the training process necessitated to search for a new way to provide material resources to raise the level of sports competitions . (20:30)

**Hassan El-Shafei (2006)** confirms that sports organizations should rely on their own resources and their ability to develop these resources .(12:32)

**Abdullah mohey study (2007) (16)** indicates that there are multiple activities and funding methods must be done by sports clubs to develop their financial resources such as soccer academies.

studies results for **Abu Bakr Yehia Sedek Omar (2005)** ,**Muhammad Alnemir Hassan (2010)** , **Faisal Abdullah Al-Amiri (2012)** , **Ashraf Mahmoud Hussein Al-ajili (1999)** According to support sports clubs and the need to pay attention to subjective

resources and work to find new, multiple and continuous funding resources. And The importance of publishing school ages for soccer with legal controls regulates its work, organize a fixed annual competition for these schools across

and studies results for **Daniel Kraker (1995)**, **Kennett P.A (1997)**, **Pitts & Astolor (1996)** According to creating marketing opportunities for small clubs could solve the chronic economic problems faced by these clubs.

**EU federation for soccer** report points that 60% of European clubs considers that Soccer Academy is the source of income and the goal is creating economic value so that investments in Youth Academy offer a good return and its necessary for each club to increase investment in youth academies and make it an essential pillar for sustainable growth in soccer clubs. (28:54)

In this regard, Mohamad Mohamad Abdel Kader (2005) (23) study results indicates that there are financial goals the Club seeks to provide income sources for the Club.

This is consistent with the decision of the Association of the Professional League clubs in Germany in 2001 requiring all clubs to establish soccer youth academies, which contributed to the great success of the German team as seen in the 2010 World Cup where the average age of players was less than 25 years , all that was a result of these academies hard working since the establishment of academies in 2001 till 2010 , clubs spent nearly 520 million euros in practicing of youth soccer . (30:11)

This is consistent with what Deloitte mentioned that there is a strong system for Soccer academies in European clubs through selecting talents and develops them for the first team. And provide financial income from increased investments offered by clubs in academies. (27:98)

As Apilad Crestal (2003) (25) study "challenges of funding for sports clubs" points that support offered for sports clubs are few which impact negatively on sports activities so it requires the search for new funding opportunities

And The Researcher finds that Egyptian sports clubs should study the European regulations for soccer clubs in the field of soccer academies as a field for investments and financial resource development.

In this regard Saad Ahmed SHalaby (2006) indicates that the clubs incomes can be increased through good marketing while increasing its chances to obtain funding opportunities through marketing activities as compared to excellence is one of the methods that reflect the efficiency of the current situation of the management of marketing activities in Egyptian clubs (13:3)

Birkbeck Sport Business report Research Centre (2009) Report indicates that many European sports clubs established soccer academies throughout the world to search for future talents and achieve financial returns by selling players. Where there are major types of soccer Academies that works in Africa. First African academies, organized and managed by the African clubs or national federations and second the Afro-European academies, which usually takes three forms: the first involves an European club to establish a private academy belongs to it in Africa as a foreign site and the second includes a partnership between African clubs or an academy and an European team , and the third includes taking the European club a dominant space in the African club . (24 :63)

## **Conclusions**

**In the light of the results concluded from the financial analysis for Alahly club budgets for the period 2007-2014 shows :**

1. Increase overall incomes than outcomes for the period (2007-2014) with a financial amount \$ 1,365,112 million pounds
2. Soccer academies contribute with inconstant positive financial ratios in the Club annual budgets.
3. The soccer Academy achieves an annual profit since it was established .

## **Recommendations**

1. The importance to the rationalization of outcomes for the Academy to increase the proportion of net profit
2. Consider to open new branches inside and outside
3. Sports clubs should be aware to establish internal and external soccer academies

4. The Awareness to the financial analysis process for soccer academies as a step to make investment decisions for the development of the resources of the Club
5. Clubs should be coordinated with the Ministry of youth and sports to exploit developed playgrounds youth centers for establishing football academies
6. The need for the establishment of specialized departments for soccer academies

The need to coordinate with marketing departments to develop marketing plans for soccer academies

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