

Original Article

The management of a public funded sport club in times of crisis - a case study at CSM Craiova

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Published online: December 25, 2011

(Accepted for publication December 16, 2011)

Abstract:

Public funded sport clubs are facing tough times with the crises, due to the fact that their resources decrease significantly. Also the private resources are becoming scarce. In this condition the survival of the clubs is a major challenge. The motivation of athletes and staff must be maintained and the managers must find resources to finance the participation in sport competitions. We detailed our analysis at Clubul Sportiv Municipal Craiova and we found that the key to performance in difficult times is to increase cooperation, to optimize expenditures and to create partnerships with well established sport organizations.

Key Words: sport club administration, sport performance, SWOT Analysis

Introduction

Non-profit sports organizations are responsible for many stakeholders including their members, consumers, government, sponsors, volunteers and their staff. Organizational structures can be complex, especially if they have adopted a model partner or representative to facilitate the involvement of various stakeholders' chain considerably. These organizations rely heavily on volunteer input and service delivery activities of government. Non-profit sports organizations are created and maintained based on a set of values or beliefs in relation to services and opportunities they create organizations. A conflict of direction or priorities may arise due to different interpretations of these values, making them difficult to govern. The relationship between the board and paid staff is potentially difficult if uncertainties remain about who has control of the organization. Non-profit organizations generally have to operate in a "combination of different motivations, standards, challenges and practices" including a management center consists of a professional director working with a tutor board of experts and representatives of association. These organizations have also members or basic determinants of consumers, a set of relationships with key founding agency, contractual obligations to the government, a set of business agreements with other trade organizations, non-profit or public sector and voluntary.

The management of sports organizations involves an establish direction or a global strategy to guide the organization and ensure that organization members have a say in how strategy is developed and clarified. All the principles of management apply to sport organizations (Constantinescu 2005, pp. 58-62). In order to face the crisis, sport organizations have to implement the marketing activities that are suitable (Popescu 2011, p. 145). Marketing helps to create a positive image and to increase communication with the public of the organization and with the internal staff.

Management also involves the control of organization activities, members and its staff members so that individuals act according to the interests of the organization and work according to an agreed strategic direction. A good management is necessary to ensure that organizational, administration and board of directors is seeking organization and results for the benefit of its members and that the means used to achieve these results are effectively monitored. Systemic discourses in the management of sport organizations ensures more coherence and efficiency and helps avoiding the malfunctions of the system (Mihăilescu 2008, p. 69).

The organization of CSM Craiova

Municipal Sport clubs are sport structures of public law under the auspices of the National Authority for Sport and Youth, aimed at selecting and training of children, adolescents and young people to achieve sporting performance according to specific branches of sport and also promote them to higher performance. Craiova Municipal Sport Club was founded in 1973, at the Executive Office of the County Council proposal for physical education and sport Dolj to the National Council for Physical Education and Sports, motivating the need of existence of a sport structure for maintaining the junior athletes in professional sports value with their transition senior age. To this effect, Case no. 1509 1973 of National Council for Physical Education and Sport approved the establishment of Craiova Municipal Sports Club, this starting his actual work in 1974 with four sections, namely: athletics, horse riding, boxing and wrestling.

The activity of the CSM Craiova, is the performance, selection, training and participation in national and international competitions and the organization and holding of sports competitions, with a polisportive structure and a series of tasks: providing training and participation in sports teams and domestic competitions and international sports; stimulating and supporting the work table, providing training to its members and the organization of their educational process in the sports sections of specialized sports federations affiliated with, contributing to raising the prestige sports and sport performance; the concern continues to provide the necessary material to conduct development work on the sections, an activity supported by propaganda to popularize the club activities, to attract as many important sponsors.

At club level there is a management board (Figure 1) proposed by the club director. The Council consists of: President, Director (executive) and members of the board, respectively a total of 13 people: coaches, teachers, businessmen. Medical service is provided through partnership of the club by the Sports Clinic of Craiova.

The Club Director has the subordinated deputy director and technical sector consists of 27 coaches and sports instructors and administrative sector comprising a chief accountant, a cashier, storekeeper, a secretary-typist, a secretary, an economist, an internal auditor, an advisor law, an administrator and eight workers.

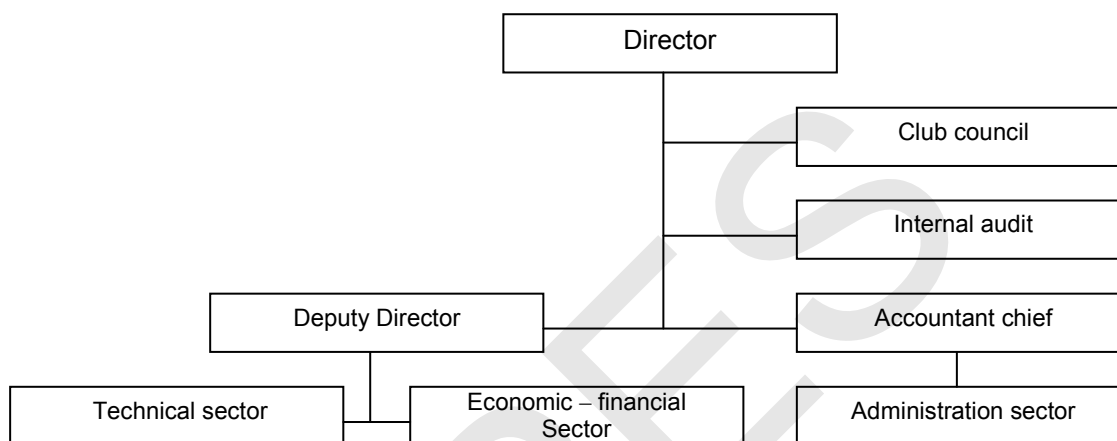


Fig. 1 The Organization of Craiova Municipal Sports Club
 Source: Documents from the archives of the Craiova Municipal Club

CSM Craiova has 380 athletes components of the 10 sections on the club's sports industry, and of these 150 are co-opted into national teams and Olympic. sports sections. Legitimated athletes of C.S.M. Craiova are deployed, as shown in Table 1.

Table 1. The athletes distribution in C.S.M. Craiova on sports sections and their level

No. crt.	The sports section	Number of athletes	The level of the section
1.	Athletics	90 athletes (male + female)	Olympic
2.	Fencing	22 athletes (male + female)	Olympic
3.	Wrestling	46 athletes (male + female)	International
4.	Box	23 athletes (male + female)	International
5.	Chess	32 athletes (male + female)	International
6.	An equestrian sports	(men's)	National
7.	Tennis	13 athletes (male + female)	National
8.	Amateur radio	90 athletes (male + female)	International
9.	Cycling	five athletes (male + female)	National
10.	Judo	46 athletes (male + female)	International

The evaluation and analysis of financial results of Craiova Municipal Sports Club

The finance of CSM Craiova funding from the central budget of the National Authority for Sport and Youth Sports, big chapters in sustaining of sport, refers to staff salaries and materials costs. Analysis of financial results was based on the balance sheet in 2008-2010 (Table 2).

Total revenues in the analyzed period decreased by 32% from 2366000-1609000. This decrease can be attributed to the reduction of income from grants by 32%, and on behalf of their income decline by 70%.

The decrease of revenues is due to the state budget constraints faced a significant deficit. Unfortunately, sport is considered non-priority one of the areas in terms of the current government. Following the difficult economic conditions in the county of Dolj, in 2009 and 2010 the club has not received any sponsorships lion,

based on 90% subsidy from the state budget.

Total expenditure is on a downward trend, mainly due to lower revenues allocated. However, pressure from the expenses of training proves precarious financial conditions of domestic and international competitions, training under-funding of sports activity, allowances, and awards athletes. In the analyzed club has not allocated any lion for international competitions and national competitions expenses fell by over 35%. Also declined, expenses and allowances to athletes preparing 840.000 lei in 2008 to 331,000 lei in 2010.

Athlete award costs also decreased in the 266 000 lei 2008-55000 2010. Personnel expenses have remained relatively constant.

The analysis of financial results, reported in financial statements prepared in late 2008, 2009 and 2010 it is noted that the grant received from ANSTI is decreasing and the contribution of local authorities is virtually non-existent.

Non-involvement of local authorities which means the existence of the club, that could be involved other than financial and that there was, respectively: sports equipment, free use of certain spots on the local administration, etc..

Table 2. *The financial situation of Craiova Municipal Sports Club, 2008-2010*

Finance and expences (mii lei)	2008		2009		2010	
	budgeted	realized	budgeted	realized	budgeted	realized
I. Total revenue, of which:						
1. Own revenues, of which:	172.000	161.000	125.000	124.000	53.000	50.000
- sponsorship	60.000	60.000	-	-	-	-
- other income	112.000	101.000	125.000	124.000	53.000	50.000
2.1 Income from subsidies of which: ANS	2.098.000	2.098.000	1.542.000	1.542.000	1.435.000	1.435.000
2.2 Income from subsidies of which Craiova budget	-	-	-	-	-	-
2.3 Other income subsidies (From own ANS)	104.000	104.000	45.000	45.000	124.000	124.000
Total expenditure, of which:	2.374.000	2.374.000	1.711.000	1.711.000	1.612.000	1.609.000
II. Current expenditure, of which:	2.374.000	2.374.000	1.711.000	1.711.000	1.612.000	1.609.000
1. Staff costs, of which:	741.000	741.000	836.000	836.000	757.000	757.000
- Salaries	585.000	585.000	654.000	654.000	582.000	582.000
- CAS expenses	116.000	116.000	141.000	141.000	137.000	138.000
- Unemployment expenses	5.000	5.000	4.000	4.000	4.000	4.000
- Health expenses	35.000	35.000	37.000	37.000	34.000	33.000
2 material expenses and services, of which:	1.633.000	1.633.000	875.000	875.000	855.000	852.000
- Maintenance expenses / management	171.000	171.000	91.000	91.000	134.000	134.000
- Materials and services with functional character of which:	1.462.000	1.462.000	784.000	784.000	721.000	718.000
- Internal calendar	264.000	264.000	178.000	178.000	158.000	158.000
- International Calendar	-	-	-	-	-	-
- Preparation. sp and benefits	840.000	840.000	469.000	469.000	334.000	331.000
- Awards	266.000	266.000	51.000	51.000	55.000	55.000
- Sports equipment	80.000	80.000	45.000	45.000	124.000	124.000
- Other expenses	12.000	12.000	41.000	41.000	50.000	50.000

Source: Municipal Craiova Sports Club

Sports Performance CSM Craiova

Nominated sections from the sports branch structure Craiova Municipal Sports Club, are in number of 10 and are nominated alongside the annual scores obtained at each level in Table 3.

The data recorded and processed in the table reveals the following aspects:

- The sports branch at which CSM Craiova obtained the best results is athletics, as reflected by the 75.45% of total general held 1983.52 points obtained in the 10 sports branch;
- Fighting with the 5.83%, is the next performance sports branch of CSM Craiova and both branches have a leading share of the club structure in the overall situation of particular sites CSM;
- Boxing, chess, fencing have sporadic results and therefore and their share in the success of CSM Craiova fields are insignificant. They participate with small weights in all branches of the sports club;
- Three branches of sport such as: cycling, tennis and horse riding field brought no points in the last three years.

Table 3. Scores obtained in the national competitions of sports branches of Craiova Municipal Sports Club structure in 2007-2009

No. crt.	Accumulated points Sports branches	2007		2008		2009		Total points on the sports branches	% from total points
		Points	%	Points	%	Points	%		
1.	Athletics	574	75.32	563.20	76.19	359.50	74.54	1496.70	75.45
2.	Box	22.03	2.89	47.00	6.35	19.00	3.93	88.03	4.43
3.	Cycling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Riding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	Judo	14.55	1.91	20.00	2.70	29.50	6.11	64.05	3.23
6.	Fighting	52.50	6.89	18.50	2.50	44.75	9.27	115.75	5.83
7.	Radio-amateurism	45.57	5098	31.00	4.19	13.50	2.79	90.07	4.54
8.	Fencing	53.42	7001	49.50	6.69	7.00	1.45	109.92	5.54
9.	Chess	0.00	0.00	10.00	1.35	9.00	1.86	19.00	0.95
10.	Tennis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		762.07		739.20		482.25		1983.52	100.00

Note: Compiled table on the concept of author and based on the concept of sport Yearbook 2007-2009

SWOT Analysis of CSM Craiova

To make a comprehensive SWOT analysis and adequate to the context in the preceding paragraphs we have examined the Craiova Municipal Sports Club to define "hard parts" of it, especially regarding the club's sports performance.

We also analyzed the Craiova Municipal Sports Club found in the structure of the National Agency for Sport, to establish favorable opportunities for the development of sport in the city of Craiova, being necessary to the development and analysis of every sport with the "strong" and the "weak" points.

SWOT analysis would be complete if we did not take into account the mentality and the guidelines of the population in terms of sport in general, sport performance and leisure sports.

Summary SWOT analysis is presented in Table 4.

Table 4. Summary SWOT analysis of Craiova Municipal Sports Club

Strengths	Weaknesses
<ul style="list-style-type: none"> • The exceptional preparation of coaches and trainers • The experience of coaches and trainers; • Coaches cooperation capacity • Competitiveness of sports internationally; • The professional club experience; • Standard culture and club life; • High performance sports: athletics, wrestling, boxing, fencing and amateur radio; • The existence of the hippodrome and velodrome in an area without pollution and leisure; 	<ul style="list-style-type: none"> • Insufficient financial resources; • Budget allocations from A.N.S. are far below the needs of high performance sport; • Base precarious; • Legal dispute on the material base; insufficient sports equipment • Low level of financial support from the municipal budget of the club; • Low technical level of cycling of the polling equipment; • The lack of programs which attract people to practice organized exercise.
Opportunities	Threats
<ul style="list-style-type: none"> • The existence Physical Education Faculty and Sport of Craiova; • The promoting of national sport programs; • The existence of two universities state and two private universities; • The interest in sports of the people of the city; • The large sports market size in Craiova; • The emulation status due to past performance. 	<ul style="list-style-type: none"> • School population decline; • Mismanagement of sports facilities; • Migration of young people; • the financially competition of strong clubs; • Lack of varied sports offerings; • Reduction of sports performance; negative natural growth; • The increasing of incidence of consumers of drugs, alcohol and tobacco; • The downward trend in the level of performance

Based on SWOT analysis of CSM sites we propose several strategic directions pursued by the management of municipal sports clubs. These can be grouped into four categories: SO Strategies (use force to take advantage of opportunities), WO strategies (using the opportunities to overcome weaknesses), ST strategies (use force to prevent threats), WT Strategies (weakness and minimizes avoid threats). Main strategic recommendations are summarized in Table 5.

Table 5. Synthesis of the proposed strategic directions derived from the SWOT analysis

SO Strategies	WO Strategies
<ul style="list-style-type: none"> • The cooptation of teachers from the Faculty of Physical Education and Sport in technical teams, using as arguments the opportunity to work in a high performance environment characterized by a high standard of culture and life, along with coaches and instructors with great capacity for collaboration; • The regular holding of promotion in the form of school competitions, university town, where demonstrative performers eventually attend sports club to meet interest manifested by the inhabitants of the city and to determine young people (pupils, students) to turn to favorite sports club in an organized setting. 	<ul style="list-style-type: none"> • Develop of coherent and conjugate programs to attract people interested in sports (especially young) to the practice of organized physical exercise; • The establishment of joint project teams (with specialists from the club, staff from the Faculties of Physical Education and Sport and specialists from the County Sports) able to access various national and international funding programs, which can adjust financial deficits in the club, you can upgrade the infrastructure for certain sections that you can purchase sports equipment.
ST Strategies	WT Strategies
<ul style="list-style-type: none"> • Conducting periodic actions of presentation and popularization of club performance, training conditions and offer sports for young people eager to avoid migration to the sports clubs in other cities; • Stimulate participatory management at the club, which is the experience to professional and club professionals to avoid the occurrence of deficiencies in management processes (especially in terms of sporting facilities). 	<ul style="list-style-type: none"> • Identifying alternative financing solutions to public funding (sponsorship, European projects) for the maintenance of sports facilities at a favorable performance to attract motivate and retain the best athletes and coaches.

Conclusions

Both sport and the amateur performance, physical education and leisure, extended to the entire population of the country, plays a paramount role in modern human life. Thus, between the health of the population, cultural, sporting and recreational activities, on the one hand and performance of labor use in the economy and other areas of social life, on the other hand, there is interdependence. However, a national sport, including all the sports structures, can not succeed outside of a substantial financial support. International practice in sport, confirmed in our country shows that performance can be achieved without a substantial annual investment.

Regarding the financial situation of the CSM Craiova, this has worsened considerably over the past three years. Revenue and expenses of the club was reduced on average by 30%. Revenues decreased due to reduced budgetary subsidies and reducing their income. Difficult economic environment led to the virtual disappearance of sponsorship and income from local authorities. As a negative aspect, with direct impact on sports performance have identified lower cost of attending national and international competitions, lower acquisition costs of materials and sports facilities, reducing costs for preparing the athletes and their awards. In these circumstances we consider that it is difficult for coaches and athletes to maintain their motivation and enthusiasm in achieving good sporting performance.

We appreciate that sports clubs managers with funding from the budget are true magicians in these difficult times. With the funds they need to achieve a lower optimal level of expenditure to ensure motivation technicians and athletes, and sports results help to maintain a high level. They also must be able to increase the club's financial resources.

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