

New Opportunities for the Development of Education at the Technical University of Liberec

Specific objective A2: Development in the field of distance learning, online learning and blended learning

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Virtual Mobility: New Challenges for Management Accounting

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Students presentations on given topics



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THE IMPORTANCE AND ROLE OF
MANAGEMENT
ACCOUNTING
IN THE SOCCER INDUSTRY

AGENDA

- Relevance of Management Accounting in the sports industry
- Contextualization of football industry
- Challenges for managerial accounting in football
- Management in clubs: player salary management
- Budgeting on the Transferring of Players between Teams
- Case Study
- Conclusion
- Sources

RELEVANCE OF MANAGEMENT ACCOUNTING IN THE SPORTS INDUSTRY

Five operating areas for accountants in the decision-making process:

- 1 Performance Measurement
 - “On the field”
 - “Off the field”
- 2 Analytics
- 3 Revenue and expense recognition
- 4 Taxation
- 5 Changing dynamics

Sport accountant jobs

- Main requirements
- Average \$72.500 salary

CONTEXTUALIZATION OF FOOTBALL INDUSTRY

Football has an economic influence on clubs, players, sponsors, and other connected companies.

The world's biggest football teams saw a notable increase in revenue in the 2019–2020 season. The total revenue exceeded an incredible 9 billion euros.

How teams buy and sell tickets for each game?

The English Premier League and the German Bundesliga typically have the highest stadium attendance.

The economics of football are evolving. Large commercial brands are being replaced by country influence, but their investments have different qualities.

CONTEXTUALIZATION OF FOOTBALL INDUSTRY

UEFA has implemented "Financial Fair Play" to address issues of excessive indebtedness and promote financial sustainability among clubs participating in European competitions.

In the realm of football, managerial accounting primarily oversees the following areas:

- Cost and Budget Management
- Analysis of Financial Performance
- Player Evaluation
- Analysis of investments
- Performance Evaluation in Sports
- Planning strategically

CHALLENGES FOR MANAGERIAL ACCOUNTING IN FOOTBALL

Common challenges in managerial accounting on the football industry:

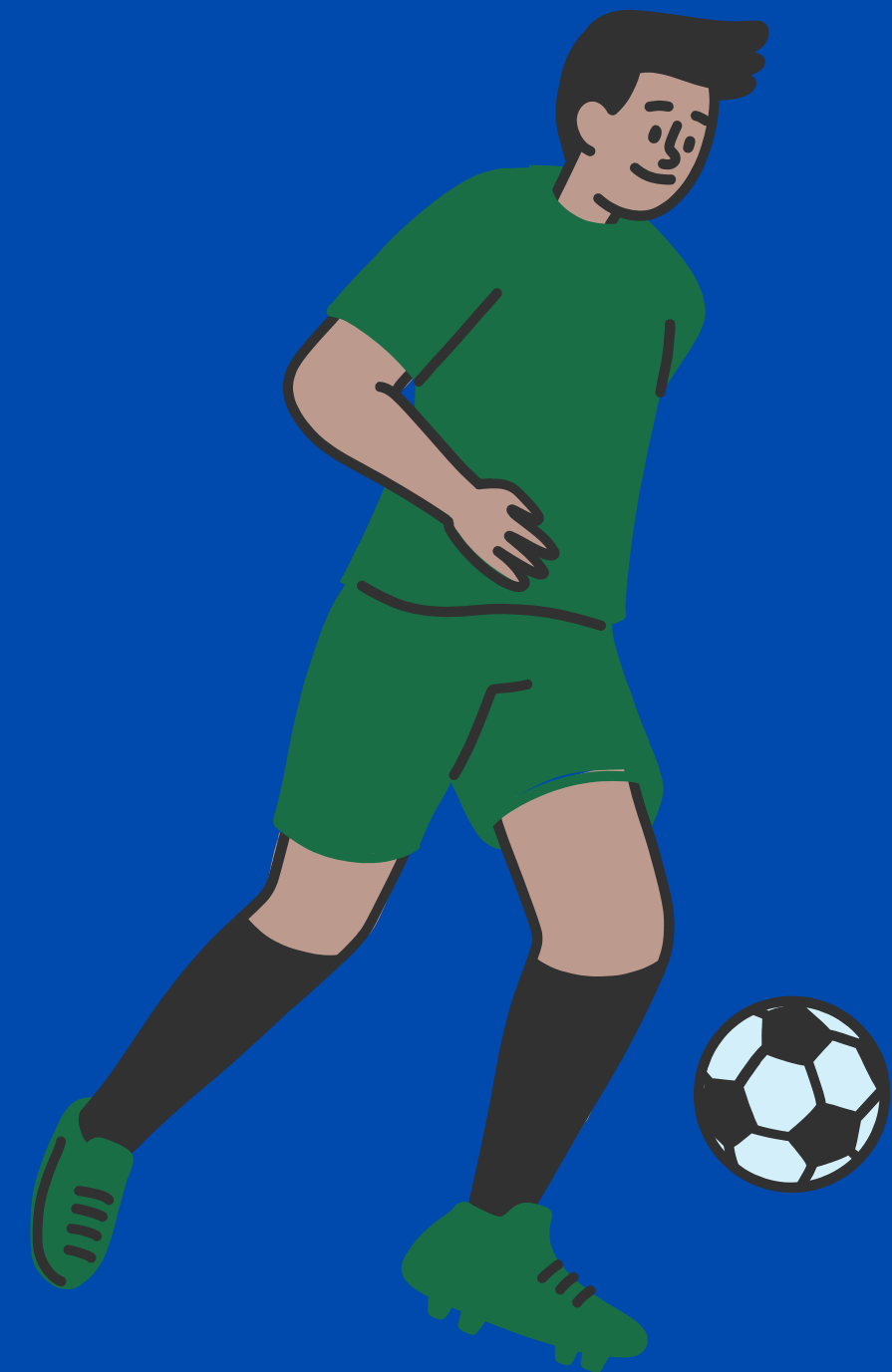
- Player valuation and contracts
- Injury management and insurance
- Revenue streams
- Transfer market
- Fan engagement
- Stadium maintenance
- Tax issues



MANAGEMENT IN CLUBS: PLAYER SALARY MANAGEMENT

Top highest-paid footballers list in 2023 by Forbes:

- 1 Cristiano Ronaldo (\$260m)
- 2 Lionel Messi (\$135m)
- 3 Neymar (\$112m)
- 4 Kylian Mbappé (\$110m)
- 5 Karim Benzema (\$106m)





BUDGETING ON THE TRANSFERRING OF PLAYERS

PLAYER TRANSFER: CRISTIANO RONALDO

Imagine the high-stakes transfer of soccer legend Cristiano Ronaldo from Team A to Team B. This serves as our canvas to illustrate the intricate financial dance orchestrated by managerial accountants.

1 Cost Analysis:

- First, let's talk numbers. The transfer fee—how does Team B absorb this financial punch
- Managerial accountants meticulously dissect the fee, considering amortization to align costs with the player's contribution over the contract period

2 Player's Salary:

- Now, the wage structure. It's not just about signing Ronaldo; it's about sustaining his financial presence
- Managerial accountants craft budgets, forecasting salaries, bonuses, and incentives, ensuring financial harmony within the team's financial framework



BUDGETING ON THE TRANSFERRING OF PLAYERS

PLAYER TRANSFER: CRISTIANO RONALDO

3 Performance Metrics:

- Beyond the numbers, how does Ronaldo's on-field brilliance translate financially?
- Managerial accountants dive into performance metrics, linking player success with financial gains—think increased ticket sales, merchandise, and enhanced brand value

4 Financial Planning:

- Cash is king. Managerial accountants master the art of cash flow management, ensuring timely payments for transfer fees and player salaries
- They navigate risks, ensuring the team's financial stability amidst the uncertainties of player transfers



CASE STUDY

FC PORTO

Key Management Accounting Practices

- Talent Identification and Development
- Data-Driven Player Valuation
- Optimizing Transfer Strategies
- Financial Transparency and Accountability

Outcomes

- Financial Sustainability
- Competitive Success
- Investor Confidence





CASE STUDY

SPORTING CLUBE DE PORTUGAL

Key Management Accounting Practices:

- Debt Restructuring and Cost Control
- Revenue Diversification
- Strategic Investment in Player Recruitment
- Performance Measurement and Accountability

Outcomes:

- Debt Reduction and Financial Stability
- Improved On-Field Performance
- Enhanced Fan Engagement



CONCLUSION

Management accounting in the soccer industry, goes beyond traditional accounting, it shapes the trajectory and success of football teams



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