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The commercialization of sports has, for obvious reasons, evolved further in North America than in Europe. Commercial aspects have been the impetus for the development of sport in the U.S., and the kind of popular roots that characterizes not only the Nordic sports model, but also European sport in general, is largely lacking. Thus, it's natural that the development of knowledge in the area of sport business is well ahead in the U.S., as evidenced by the publication of books in sport finance. It is therefore gratifying that the first European book has been published that offers a comprehensive introduction to financial management and accounting specifically designed for financial managers within sports. Routledge is publishing Robert Wilson's *Managing Sport Finance*, and we asked Björn Anders Larsson for a review. Our reviewer welcomes the book as an important contribution to this field of knowledge.

Important toolkit for control and management

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Robert Wilson

Managing Sport Finance

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The football industry grows fast, and its total Gross National Product (GNP) is estimated at 10 percent of the world sport industry ([Working Paper 2011](#), IEC). That means SEK 600 billion of the total world sport industry of SEK 6000 billion. King Football grows globally and is today the greatest sport in the world from an economic viewpoint. Thus the financial aspects of the industry are of special interest.

Robert Wilson's *Managing Sport Finance* has its strength in some recent and dramatic examples and detailed accounting information from English football clubs and their financial management, but the author also presents examples from other sports. As a passionate reader of literature and articles on sport I am inspired by the rich text and the dramaturgy of the football examples from the top leagues in England.

Robert Wilson is a reputed lecturer and researcher in Sport Business Management at Sheffield Hallam University, UK. He combines his academic background in sport finance with deep knowledge about the specific sports used as examples in his book. The book is suitable for students in business administration at the basic level of education in the sport's business sector or introductory course in business in sport management at a university level.

The book is also useful in sport clubs, sport associations and sport arenas as a tool for better finance management.

Managing Sport Finance is divided into two parts with the first focusing on financial reporting, and the nine chapters in this part cover financial and management accounting, the regulatory framework in sport, and annual



reporting.

Part two is about financial and economic management, i.e. methods of management and governance of economic activity. This section contains five chapters that highlight the economic operation of sporting activities, cost control and decision making, budgeting and investment planning, and raising of external financial resources.

All in all, the 14 chapters in the book provide the reader with knowledge of the bulk of the analytical tools needed to manage and control a sports club or sports business in general.

My objection to this kind of handbooks does not apply to the toolkit as such. All the necessary concepts and methods are there. With my experience from clubs and businesses and as critical and graduate management researcher and economist, I would like to see the underlying explanations of what leads to economic mismanagement in so many cases.

What organizational, psychological and sociological conditions lead to the crises and financial collapses that we see quite often in sports clubs and venues of all kinds? Financial and economical reports are created, but club officials and media do not react in the expected way .


Sporting activities are governed more by emotion than by the kind of rational and critical analysis that Wilson and other business economists have taught us to do. Even the highly recognized economists and entrepreneurs who go into sports clubs, associations or new stadium constructions seem to be guided by emotions such as passion for the sport or their own local pride in their leadership and responsibility. And passion and pride alone cannot carry an economic venture to a successful conclusion.

The two final chapters, however, inspire the reader to do their own critical thinking. In Chapter 13 on investment analysis and long-term economic ties, the author shows how alternative calculations can be made for the construction of stadia or the purchase of players – which serve as examples of current problems in Swedish commercial sport. Calculation methods are described that show how return on investment and a reasonable pay-off can be accomplished in reasonable time. Chapter 14 opens up for reflections on how capital can be added to the clubs, federations and arenas in the future.


Sweden has far to go from the low-capitalized club sports to the capital levels that apply to competition in the international sports industry now and in the future. The commercial sports of Europe need better financial planning but also the ability to make profits on money invested. This is the case in Swedish soccer, hockey, golf, handball, basket, floorball and others sports, and their respective venues.

These patterns are present in the Nordic countries but also in Europe in general. Sports industry in North America, and literature in sports management and sports finance, show a practice and academic knowledge which has evolved further than in Europe. The interested reader should combine European literature in this field with the equivalent from North America, and especially in sports management and sports finance. The large-scale commercial sports in North America have already created the structures and experience to manage the professional sports market economy and thereby its ownership, financial conditions, incorporation development and stock market value.


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