

HEIDRICK & STRUGGLES

# A leadership game plan for sport and business success

by **Joe Bailey**, Managing Partner  
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# Perspective

In 2009, Sport as a movement was recognized as real, serious, and consequential when the United Nations, under the leadership of Secretary General, Kofi Annan, granted Special Observer status to the International Olympic Committee (IOC). This meant that the IOC and all of sport was placed on the same level as institutions such as the Arab League, the Asian Development Bank, the International Red Cross, the European Union and the Vatican.

*“Sports is a global language capable of bridging social, cultural and religious divides. It can be a powerful tool for fostering understanding, tolerance and peace...it teaches us teamwork and fair-play. It builds self-esteem and opens up new opportunities. This in turn can contribute to the well-being of whole communities and countries.” – Kofi Annan*

At Heidrick & Struggles, our Global Sport Leadership Advisory Practice believes that the global industry of sport needs a new caliber of leadership to match its importance on the world's stage. Sport is a laboratory for leadership and a metaphor for the belief that in any endeavor, people are the only form of a sustainable, competitive advantage. To reach the top and stay there, the most effective leaders of the future require a broader perspective, a sense of purpose, adaptability and...wisdom.

The following white paper demonstrates the power of a comprehensive human capital management program. The most effective leaders in the most admired businesses spend a major portion of their time doing almost exactly what the white paper illustrates.

I hope you find it to be an interesting and valuable piece.



**Joe Bailey**  
Managing Partner  
Global Sport Leadership Advisory Group

# A leadership game plan for sport and business success

Sports metaphors are plentiful in business. We ‘play to win;’ the CEO ‘calls the plays;’ executives ‘coach’ their teams; you need to have the ‘best players’ to compete. As with any long-familiar metaphors, we stop hearing them after a while. That’s too bad, because when you strip away the analogy and look solely at the way top sports organizations actually do develop on-the-field talent you begin to get some idea of how rigorous, demanding, and comprehensive talent management needs to be. In non-sports businesses, tangible assets like manufacturing plants and products can obscure the most important asset of all – talent. In sports businesses, there’s no such white noise. Continual success is achieved solely through people and the focus on performance is relentless.

The talent management approach of the US-based National Football League is a case in point. Arguably the most successful sporting body of all time, the NFL and its 32 teams will generate more than \$US9 billion this year with a goal of \$US25 billion by 2027. Five of its teams are valued at more than \$US1 billion, with another 16 nearing that figure. Only three other sports teams in the world are valued at more than US\$1 billion: baseball’s New York Yankees, and soccer’s Manchester United and Real Madrid. NFL teams and similar high-performance sports organizations focus relentlessly on talent – constantly evaluating, recruiting, developing, and onboarding players and developing their successors.

In fact, the NFL’s approach to talent management, in its structure and its detail, maps closely to the approach that we apply in our leadership advisory services (*figure 1*). By taking a close look at the NFL’s management of talent in the context of our best-practices approach, as we do here, you can:

- Benchmark the comprehensiveness and quality of your talent management program against one of the most rigorous in the world.
- Bring new life to the concepts of competition through talent in your organization.
- Determine what aspects of talent management in your organization need attention now.
- Understand the contours of a long-term commitment to talent management.

Ongoing Talent Strategy Development and Assessment	Strategy and Tactics for Recruiting	Onboarding, Coaching, Mentoring and Retaining	Leadership Development, Succession Planning, Team Building
What the NFL does			
<ul style="list-style-type: none"> <li>• SWOT (strength, weakness, opportunity and threats) analysis of talent pool</li> <li>• Bench assessment against overall strategy</li> <li>• Competitive analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Scouting “game maker” prospects</li> <li>• Competitive review</li> <li>• Benchmarking</li> <li>• Evaluating talent and character</li> <li>• Testing, interviewing</li> <li>• Assessing fit with team and culture</li> <li>• Correct compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Full immersion in organization’s culture and protocols</li> <li>• Practice</li> <li>• Training/Classes/ Testing</li> <li>• One-on-one coaching</li> <li>• Mentoring by experienced players</li> <li>• Career and life counseling</li> </ul>	<ul style="list-style-type: none"> <li>• Recognition systems</li> <li>• Leadership opportunities</li> <li>• Mentoring on leadership skills</li> <li>• Counseling on position opportunities</li> <li>• Advancements</li> </ul>
What Heidrick & Struggles Leadership Advisory does to help clients			
<ul style="list-style-type: none"> <li>• Assesses management</li> <li>• Works to align strategy and organizational structure</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying the right talent</li> <li>• Recruiting and hiring</li> <li>• Creating a balanced, diverse workforce with leaders who reflect such diversity</li> </ul>	<ul style="list-style-type: none"> <li>• Integrating and on-boarding</li> <li>• Executive coaching</li> <li>• Continuous learning and development</li> <li>• Engaging and retaining</li> <li>• Managing performance</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluates leadership pipeline</li> <li>• Helps manage top-level succession</li> <li>• Promotion and rotation</li> <li>• Transitioning</li> </ul>
Questions Heidrick & Struggles asks			
<ul style="list-style-type: none"> <li>• Do you know what your strengths and gaps are?</li> <li>• Do you know your competition?</li> <li>• Do you know what you really need to execute your strategy to avoid being an “also ran”?</li> </ul>	<ul style="list-style-type: none"> <li>• Do you know where to find external leadership talent?</li> <li>• Do you have a systematic approach to targeting and attracting these people?</li> <li>• Do you consider character and competitiveness?</li> </ul>	<ul style="list-style-type: none"> <li>• Do you have a systematic way of integrating your new talent into your organization’s culture?</li> <li>• Do you have the agility to adjust as the circumstances around your strategy change subtly or dramatically?</li> </ul>	<ul style="list-style-type: none"> <li>• Do you have a process of continuing development for your leaders?</li> <li>• Do you have the focus required to continuously align your leadership pipeline for the future?</li> </ul>

figure 1

The NFL’s approach to talent management, in its structure and its detail, maps closely to the approach that Heidrick & Struggles applies in our leadership advisory services

Ironically, many sports organizations can benefit as well, because we've often found that they neglect to bring into the front office the same relentless emphasis on talent management and leadership that they employ on the field. For sports and non-sports businesses alike, needing to have the best players in the executive suite is no metaphor – it's a condition for winning.

## The constant: continuous evaluation

The difference between the assessment of talent in sports versus non-sports organizations lies in the relentlessness of the scrutiny. Chief executives in business usually face the analysts and the media only once a quarter, with the focus mainly on the bottom-line results. But in sport, managers and coaches are locked into a 24/7 cycle of scrutiny with strategy and tactics and daily performance under the spotlight from expert and armchair critic alike. Managers, coaches and players must learn to be articulate, to explain not only the result but how it was achieved, and to maintain patience and agility in the face of intense and sometimes insulting questioning. They must have not only athletic prowess and knowledge, but a powerful combination of talent, character, and intelligence – along with the ability to deliver results – that is required of top performers in any organization.

In the sports world, where the product is human, there is no place for the semi-annual performance review. Instead, daily critique and feedback are required to fine-tune the team's ability to beat the competition. No matter what the experience level of any given player, their skills, knowledge, and talent and motivations scrutinized constantly and evaluated in terms of individual performance, team dynamic and leadership potential. In this process of continual evaluation, the NFL team considers factors that are critical to the success of all high-performance organizations, sports and non-sports alike, including:

- Understanding each player's present capabilities and predicting future performance. Given the time, money and development effort that will be invested to maximize the individual's talent, it is essential to accurately assess potential.
- Recognizing when a player begins to descend rather than ascend. This requires constant review, with the understanding that in terms of effectiveness and costs there is a trade-off between ability and experience.
- Putting the right combination of people together to form an effective unit. The unit must be capable of executing team strategies; and the unit, as well as the individuals in it, must be able to adjust based on short and longer term competitive challenges.

In the course of evaluation, leaders must make difficult personnel decisions. In the NFL that means the head coaches, assistant head coaches, coordinators, position coaches and general managers. In non-sports businesses it means the C-level executives, business unit and functional leaders, and managers. In both environments, leaders must not only make judgments but also mentor, guide, support, teach, and encourage those who report to them, while grooming successors or hiring higher-potential talent from the outside who will eventually take the place of some of the current talent.

*"In the sports world, where the product is human, there is no place for the semi-annual performance review."*

Because the team dynamic is every bit as important as the talents of the individual, much time should be devoted to assessing how the individual impacts the whole and how the team contributes to an individual's performance. In addressing this question, NFL coaches, like the best business executives, employ some basic tenets of building and maintaining teams:

- People are the only real form of a sustainable competitive advantage.
- Players love to have teammates who contribute to the success of the whole.
- Successful coaches want to develop players and give them the peace of mind that comes with knowing that they have become the best they can be, particularly when their best is needed.
- Each player is unique and must be understood in terms of his individual motivation and how he learns, thinks, and makes decisions.

Special attention is devoted to motivation because it speaks to both competitiveness and character, two of the most critical factors in sport and in business. In terms of competitiveness, how badly does the player want to win? Is he a clutch player? Is he determined to be the best? Is he aggressive, tough? Does he have the temperament of a winner? Does he like to practice and prepare? In terms of character, is he coachable? Is he a bad actor? Does he show leadership qualities? Does he enjoy the game? Is he a quitter? Does he have good training habits? Is he curious? What kind of personality does he have? Those are, in effect, the same probing behavioral questions, couched somewhat differently, we seek to answer when evaluating a candidate or assessing an incumbent executive for a client. Often miscalled the 'soft' stuff, these traits, as coaches know, need as hardheaded assessment as physical traits.

Finally, with every team, leadership is critical. No two leaders look the same. They come in all shapes, sizes, colors, age and genders. What they do have in common is:

- A relentless work ethic driven by passion for the content of what they do.
- A vision of where they wish to go and the ability to communicate and persuade people internally and externally to follow.
- The self-confidence to surround themselves with the best people, including those who may be more talented than they are.
- The perspective that their leadership position is a privilege to hold and an opportunity to serve, not a permanent right.
- An unquestioned integrity and trustworthiness at all times.

'Misleadership' occurs when a leader's vision is unethical or misguided. In sport, 'misleadership' can occur over the breaking of rules, player abuse, safety, and bad decision-making or judgment involving personnel evaluations and player relations. Over a period of time, poor team performance is apparent to all. Usually, the head coach is then replaced, the philosophy revised and the needs assessment updated to support the new philosophy. Throughout it all, the process of evaluation continues without letup.

*“Motivation speaks to both competitiveness and character, two of the most critical factors in sport and in business.”*

# The cycle of ongoing evaluation

## Scouting and recruiting talent

NFL teams' sophisticated player evaluation process begins with the extensive scouting for talent, much as we monitor executive talent around the world. Initially, players are divided into two groups – amateur (college, junior college, no college) and professional (NFL, Canadian Football League, Arena Football League). Most of the amateurs in the pool come from US colleges. Each year, roughly 1800 players are considered 'suspects' for NFL consideration. Through an elaborate screening process, about 350 players are deemed 'prospects' for entry into the NFL. The evaluation process for the 'Top 350' is done by the college scouting departments. Each team has a college scouting department. The list of the top 350 for each team may vary, depending on the team's criteria. The better departments are philosophically consistent about basics, work with the same coaching staffs and management for years, and seek to continually improve.

Players are scouted up to three years prior to their eligibility to enter the NFL draft. In addition, taped game performance is evaluated by experts and practices are observed. References are taken from trainers, position coaches, head coaches, strength coaches, sports information directors, professors, athletic directors, doctors, teammates, high school coaches, friends, parents. Psychological and intelligence tests are also administered.

All reports are part of a player profile, which is entered into a database of grades calculated according to the scouting department's proprietary weightings of the desired attributes. Players are automatically compared and contrasted based on present team members, existing players in the NFL, and against others at their position, just as we benchmark executives against internal and external talent so that clients understand what the possibilities are.

Additionally, teams belong to scouting groups made up of as many as 15 teams. These groups independently write reports and perform additional evaluation. Both teams and groups conduct personal interviews with

players during the course of their college careers. Cross-checking is important to confirm or find gaps in consistent measurables, leading up to what is known as the 'combine' process. The 'combine' is run under the auspices of the league and held approximately three months before the draft. All head coaches, many assistant coaches, and staff from all teams attend. Based on the position they play, players are timed for speed, diagnostically tested, weighed, measured, given strength and agility tests, and put through individual drills by coaches.

Players are required to be interviewed about their knowledge of the game and the position they play, the system and techniques they have been schooled in, and relevant personal background. Medical examinations have taken on great importance and every doctor, trainer, head of player personnel, and head coach sees full reports on every player. Everyone who has contact with the player grades him based on carefully selected criteria. Information is shared at the combine, but teams keep their evaluations confidential. The 'combine' workouts are even televised over a 4-5 day period and personnel back at team headquarters also grade the workouts.

What order a player is taken in the draft determines compensation over the first 3-4 years of his professional life, if he makes the team and stays on it. Therefore, evaluators are important because they determine the initial cost versus the impact of the player to the team, both for the short and long term. Evaluators are themselves evaluated by their employers. Depending upon the accuracy of their evaluations, judged over a 3-5 year period, they retain their jobs or they are managed out.

Normally, contracts are negotiated by an expert negotiator, operating under the constraints of the league salary cap and the team's philosophy about player compensation design and budgeting. Today, nearly all players are represented by player agents, who negotiate contracts on their behalf. Every agent wants a base salary for the player/client plus 'incentive' clauses – player performance, unit performance, team performance, team success. Signing bonuses are very large for players drafted earliest. Usually, the only guaranteed money is for signing, reporting, and making the squad. Once a player signs, he becomes a professional.

*“Considerable skill is required to elicit the critical concerns that are weighing on the minds of highly desirable performers.”*

But it is with free agents, especially proven stars who may be sought after by many teams, that the relation of compensation to recruiting most resembles that of non-sports businesses. In both worlds, winning the competition for top performers is not simply a matter of money. They will consider personal issues like their preferred location and the needs of their families. And they will consider professional issues like their opportunities to contribute, the likelihood of the organization’s success, and the quality of the other team members. In both settings, considerable skill is often required to elicit the critical concerns that are weighing on the minds of these highly desirable performers. In our work helping clients consummate the recruiting process with outstanding candidates, we have found that candidates may not have clearly articulated to themselves precisely what some of those concerns are, but through skillful interviewing and formal and informal interaction we are able to get those issues on the table and address them. In these highly competitive recruiting situations, it is the sensitivity and comprehensiveness with which those issues are treated that can be the tipping point in the candidate’s ultimate decision.

## Onboarding, coaching, and team building

Once signed, players become the responsibility of the head coach and the coaching staff. The average coach to player ratio is one coach for every 2-3 players the coach has to develop. Players go through team orientation, a league ‘rookie’ orientation, and rigorous, organized off-season conditioning, training and skills programs before the team training camp begins. Initially, rookies compete with other rookies who play the same positions. When training camp begins they then compete with veteran players.

The approximately seven-week training camp is about evenly divided between classroom and work on the field. Later in camp, contact scrimmages are conducted and then pre-season games (friendlies) take place against other teams. During this period, many players, both rookies and veterans, are dropped from the team. Before the first regular season game, the team is finally winnowed down from 80 members to 53. Forty-seven are in uniform for every regular game, there are eight additional players on the practice squad.

Throughout the process, players are graded every day in the classroom with verbal and written quizzes and on the field. Field work includes ‘walk-throughs’ of plays, group drills, and scrimmages, all of which are videotaped. Every player receives instant feedback. On-field coaches write reports that are discussed in daily coaching staff meetings. Players are benchmarked against others they are competing against at their position, ranked internally and listed on external ‘depth charts.’ Players always know where they stand compared to others. Some players quit, some get injured, others get shifted to other positions where they have to learn an entirely new set of rules, techniques, and skills. It is a ruthless meritocracy that is both mentally and physically demanding for all players every year.

Character and motivation are constantly evaluated as is improvement through classroom and field repetition. The regular season is an endurance contest where players, units and teams must continually improve individual and team performance. Coaches teach techniques and systems. They try to determine the capabilities of their players and then judge to what degree their systems and the players within the schemes can be best utilized. As players become more familiar with the techniques and schemes, they become second nature. Systems are learned and confidence grows, individually and collectively, among teammates and coaches. Players who have

been competing against each other ultimately become teammates and colleagues as a result of the confluence of their character and the leadership of coaches. A team 'personality' or culture is established. The same dynamic occurs in the corporate world, where highly competitive executives must be welded into a cohesive team by skillful leaders.

Once training camp begins, the team's pro personnel department has responsibility for monitoring individual, unit, and team productivity through 'quality control.' Are the individuals, units, and divisions meeting the organization's pre-determined and attainable performance goals? Additionally, the pro personnel department is grading players around the league, force ranking them for possible trade value. They are also helping the head coach develop a game plan for each week by scouting opponents, and they may also grade game officials. Each week during the season, free agents are brought in for tryouts, adding to the constant evaluation process.

The department also works with the position coaches for the exit interview which every player undergoes at the end of the season. The interview is a complete review of the year for that player, not unlike performance reviews in the corporate world, where strengths, weaknesses, and areas for improvement are discussed. The player will be given a complete off-season regime, which includes conditioning and drills for improving skills, much as executives are given development plans.

During the two-month off-season, coaches are available as well as support staff for help and guidance. Players have counselors for special issues and to the extent possible are monitored and checked with weekly. And, of course, during the off-season, the coaching staff is doing a complete needs assessment, fine tuning the operating strategy and preparing to repeat the cycle. As in business, the evaluation process has no off-season.

## Leadership issues and roles

High-performance teams often appear to be totally cohesive externally but in fact are conflicted internally. Team dynamics are constantly managed by focusing on the productivity of the player, the unit, and the team.

The head coach sets the vision and the assistant coaches are the managers responsible for the performance of the individual, the units and the team.

Like a CEO the head coach deals with fiscal assets, marketing, financial issues, productivity, innovations, social responsibility, profitability (as measured by the competitiveness of the team), but spends most of his time on human asset objectives, strategy, and tactics. His assistant coaches, as many as 24, are the managers he must lead, along with the players. While all head coaches have their own styles, the successful ones all have the characteristics of the classic effective leader.

Players are expected to develop and show continued improvement both on and off the field. Players who fail typically do so at the beginning or within three years. After three years, the organization's confidence in the player grows and he is deemed ascending, mature, or descending in various areas. Judging each player's status determines off-season strategies about re-signing players, signing free agents, drafting for need, succession at various positions, and leadership.

The head coach appoints player captains, who are usually highly respected in the locker room. They may lead in productivity or by position, but above all they believe in the head coach, his system, and his vision. They trust the head coach and their reputations enable them to influence the other players. They are good listeners, acting as counselors to players, and bring issues, large and small, to the attention of the head coach.

Coaches – and CEOs – must be especially adept at handling stars, who can be problematic people and create internal issues. As the saying goes, "anyone can handle jackasses; it's hard to handle thoroughbreds." Most players recognize that blue chip players – the real game changers – make everyone better. They may not be especially liked but they are appreciated for what they do. Teams believe that the more quality players, the better chance the team has to perform well against the best competition. So do companies, and those that succeed have learned not only how to evaluate, attract, and keep top talent, but also how to integrate that talent with the team and the objectives of the organization.



figure 2

Heidrick & Struggles' Leadership Talent Cycle

# Managing your leadership talent cycle

Effective leaders value talent. Yet in today's competitive and fast-moving market, good leaders too often concentrate on the near-term urgencies of doing business and neglect the demanding task of inculcating in their organization a culture that nurtures talent. The talent management practices of NFL teams provide a vivid lesson in that regard. Few competitive situations seem more short-term than the battle with a different opponent an NFL team faces from week to week. Yet, the teams know that to win those short-term battles they must make a long-term commitment to talent management and make the evaluation and development of players a continual, rigorous, and comprehensive process that is perhaps unequalled anywhere outside of sports.

While the professional sports environment is in many ways unique, many elements of the approach to talent management that high-performance sports organizations take can be found in non-sports approaches. For example, our 'Leadership Talent Cycle' (*figure 2*), developed for business clients by our Leadership Advisory services, helps clients address:

- The importance of aligning a talent strategy with the business strategy.
- The value of good judgment, experience, emotional intelligence, and rigorous processes.
- The disciplines of continual evaluation.
- The "feel" to balance continuity with small and profound change.
- The assessment of team members and team dynamics.
- The importance of developing leaders.

As with any process, some organizations are better at talent management than others. Some that are good at it may see their ability erode and find themselves surpassed by newly adept organizations, just as the fortunes of companies may rise and fall and rise again over the long term based not just on business conditions

but on the talent they are able to identify, recruit, and develop. The investment in a comprehensive human capital management program must be viewed not as a short-term solution, but as a long-term investment in an organization's ability to thrive throughout various business cycles. And with the assistance of professionals whose sole business is talent management, there is no reason that an organization can't be at the top of its game when it comes to people. Technology, strategy, competitiveness, market leadership – those things that many leaders focus on to be successful – are all driven by people. There is no more pressing priority, whether in business, government, NGOs, or the NFL. ■

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## About the Global Sport Leadership Advisory Group

The Global Sport Leadership Advisory Group of Heidrick & Struggles helps solve complex talent issues for organizations involved in the sports ecosystem. Our global team serves content providers; distribution channels, including media and facilities; and solution providers from healthcare providers and sporting goods manufacturers to construction and food and beverage suppliers. Our capabilities include executive leadership searches for commissioners, owners, chairmen, board members, head coaches and managers; and in concert with our highly experienced leadership consultants, we also provide assessment, team effectiveness consulting and succession planning services.



## HEIDRICK & STRUGGLES

Heidrick & Struggles is the leadership advisory firm providing senior-level executive search and leadership consulting services. For almost 60 years, we have been building deep relationships with the world's most talented individuals on behalf of the world's most successful companies. Through the strategic acquisition, development, and retention of talent we help our clients – from the most established market giants to the newest market disruptors – build winning leadership teams.

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