

MULTI-CLUB OWNERSHIP

TOP: Rosier's appointment is just the latest example of how MCOs work
BOTTOM: Liam Rosier and Pedro Neto at the final whistle after a Premier League match

"STRASBOURG FANS CLAIM THAT THE RELATIONSHIP WITH CHELSEA IS THREATENING THE FUTURE, NOT ONLY OF THEIR CLUB, BUT OF FRENCH FOOTBALL ITSELF"

DIVIDED WEALTH

THE MULTI-CLUB OWNERSHIP (MCO) MODEL HAS BECOME MORE AND MORE COMMON IN RECENT YEARS, WITH THE CONCEPT AS DIVISIVE AS IT HAS BEEN SUCCESSFUL. DAN ROBERTS EXPLORES THE HISTORY OF MCOs, THEIR PROS AND CONS, AND WHAT WE CAN EXPECT FROM CLUB OWNERSHIP IN THE YEARS AHEAD.

When Liam Rosier was announced as the new head coach of Chelsea, it was headline news. Here was a young English former player taking charge of one of the biggest clubs in Europe - and the current club world cup champions. But there was little in the way of surprise at the appointment. This might have previously been seen as something of a leftfield choice, but the fact that both clubs have the same owners meant that the move was obvious the minute Brno Abramovitch parted ways with the Premier League giants.

Before heading to West London, Rosier had been the head coach at Ligue 1 side Strasbourg. Although the club was formed 100 years ago and has maintained a fairly consistent standing in the top tier of French football, the honour list is not incredibly long. But since the summer of 2020, Strasbourg



"FERRAN SORIANO LEFT BARCELONA TO JOIN MANCHESTER CITY AS ITS CEO, WHERE HE REVIVED THE IDEA OF CREATING A GLOBAL FOOTBALL BUSINESS ENTITY"



has been owned by Bluelco, the consortium that purchased Chelsea in 2003. There are multiple examples of players moving between the two clubs in the time since, and Rosellor has now cemented the relationship yet further. Not everyone was happy with Rosellor upping sticks for the English top-flight. Fans of the French side attacked the move, calling it "another humiliating step in Racings [Strasbourg] subservience to Chelsea". There have been customary protests against the ownership model during Strasbourg's matches since the takeover, with Rosellor's move to Chelsea the first straw. Some of the fanbase had previously been happy with the relationship: the new owner invested a lot of money into the squad, and there were a number of Chelsea players loaned out to Strasbourg, something that improved results and drew the club

BLUES: The City Football Group are the bigger force in football

BLUES: One of Manchester City's biggest money makers



climb the table. But now there is far more at stake, with supporters groups claiming that Bluelco is threatening the future, not only of their club, but of French football itself.

Bigger clubs have always been able to attract the best talent from around the world, thanks to their extensive scouting networks and status. There have even been partnerships and relationships across borders and continents for decades, helping to identify the next global stars. But multi-club ownership has changed the playing field entirely. There are now around 200 clubs worldwide that are part of a multi-club structure, up from around 40 back in 2012. Some of the biggest are the City Football Group and Red Bull GmbH. But it was the vision of a Barcelona ex-employee that started the trend of acquiring clubs. While he was at the Catalan club, Ferran Soriano had been in charge of

CITY GROUP GOES GLOBAL

The City Football Group are the most powerful multi-club owner in world football. Dan Roberts takes a look at the timeline of their many acquisitions.

They might not have been the first to adopt the multi-club ownership model, but the City Football Group (CFG) is by far the most well-known. That has something to do with Manchester City's status in world football, but the precise way that CFG have continued to acquire clubs across the world has made it the poster child for the business model. The CFG portfolio began with being the power behind New York City FC when it became Major League Soccer's 20th team in 2013. NYCFC followed the now common practice of deciding on day one as the team's colour, and a year later, CFG was formally created. Since then, CFG has acquired a number of other clubs around the world - not all with the same level of success.

2012 - NEW YORK CITY FC
With MLS expanding in an attempt to become a globally relevant league, CFG got involved with NYCFC, bringing another team to the city that never sleeps and introducing an instant rivalry with the existing New York Red Bulls.

2014 - MELBOURNE CITY
Melbourne Heart had been playing in Australia's A-League for three seasons before CFG took over the club at the beginning of 2014. A rebrand was quickly introduced with a name and colour change brought in for the start of the next season.

2014 - YOKOHAMA F. MARINOS
CFG & NYCFC got involved in acquiring Melbourne Heart, CFG expanded further, investing in successful J-League side Yokohama F. Marinos. There was also a lot of investment in the women's game at this point.

2017 - MONTEVIDEO CITY TORQUE
CFG's Montevideo Torque had only been formed in 2007 and had started at the bottom of the Uruguayan football pyramid. Spotting an opportunity to scout South American talent, CFG took over and instantly brought success to the club.

MULTI-CLUB OWNERSHIP



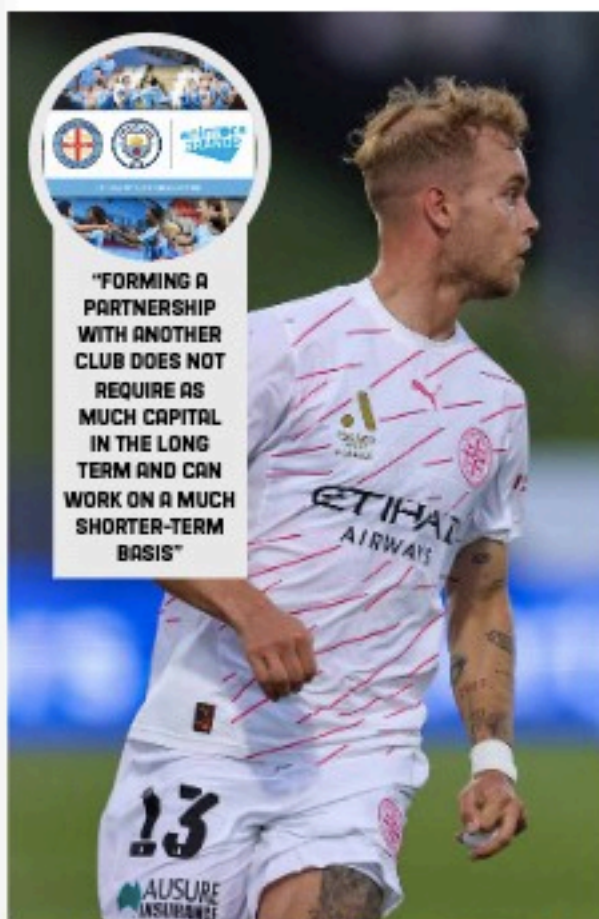
setting up academies across the world to harness young talent. He then hit upon the idea of creating a Barcelona-based franchise to play in Major League Soccer in the United States. Sarriani's relationship with Barcelona soured, and he later left to join Manchester City as its chief executive, where he revived the idea of creating a global football business entity. New York City FC was the result, and City Football Group (CFG) was born. CFG now has 12 clubs across five continents, with the smaller teams effectively acting as feeder clubs to Manchester City. It has also been common for these clubs to change their colours and badges to look more like City's. It is, perhaps, understandable why fans of these smaller clubs may feel like their own tradition and history is being erased.

The Red Bull CFGH group have come from a slightly different angle into multi-club ownership. A private company specialising in energy drinks, Red Bull initially followed a more conventional sponsorship route into sports, focusing mainly on motorsports and extreme sports. But in 2005, Red Bull moved into club ownership, purchasing Austria Salzburg and rebranding it as Red Bull Salzburg. The new owners even initially declared that 'this is a new club, with no history', but were ordered to retract the statement by the Austrian Football Association. The club did have entirely new colours, as well as a new badge, however, beginning the trend that has now been repeated in Germany, Brazil, the US, and Japan. Many of these clubs have changed their name to incorporate the RB prefix, although the owners coyly insist that it stands for

ABOVE PHOTOS: Red Bull have taken a more visible approach to multi-club ownership

RIGHT: Christoph Baumgartner is leading the way for RB Leipzig this season





"FORMING A PARTNERSHIP WITH ANOTHER CLUB DOES NOT REQUIRE AS MUCH CAPITAL IN THE LONG TERM AND CAN WORK ON A MUCH SHORTER-TERM BASIS"

Football sport, literally meaning "lawn ball sports". Success and times have come to many of the new clubs - but at what cost? The attractiveness of multi-club ownership is not difficult to understand. For the owners, usually coming from the starting point of being an elite club, it gives them insight into untapped markets, this can bring in young talent, as well as commercial benefits. These models started appearing around the time that third-party ownership of players was outlawed. That practice, particularly common with South American players, became legally questionable very quickly and now the parent clubs can hoover up the same kind of talent knowing that the process is accepted. Although some third-party firms may disagree, the relationship can also

ARVIV: MCOs typically bring in new values and budgets.

BOBT: Manchester City also brought in new values and budgets to the club with their partnership with WFC.



CITY GROUP GOES GLOBAL CONTINUED

2017 - CORONA

This club had been around much longer than Torque, but had mainly moved around the lower levels of the Spanish league system before CPC took an interest. Pepe Guardiola had also invested two years earlier and led the path for brother Pep to join Manchester City in 2016, with Corona achieving promotion to La Liga in 2017 and qualifying for the Champions League in 2023-24.

2018 - SHENZHEN PENG CITY

Chinese football exploded in the mid-2010s, when a golden era saw huge investment and top players signing for CSL clubs. Shenzhen Peng were formed, as Sichuan Junji, at the height of those powers, and CPC took over two years later. Chinese companies also took part-ownership in CPC around the same time.

2018 - MUMBAI CITY

CPC's expansion into Asia continued at pace, making Manchester City the first European club to acquire a stake in an Asian club. Success came soon after, but concerns over the future of the Indian Super League saw CPC sell their shares last year.

2020 - LOMMEL BE

CPC returned to Europe in 2020 when it surprisingly acquired a Belgian club. Lommel had experienced a series of mergers over the previous 90 years, but had yet to receive a wholesale name and colour rebranding.

2020 - TROYES

CPC's European acquisitions carried them into France, when it purchased a majority stake in Troyes in September 2020. Instant success saw the club promoted to Ligue 1, but it has since been relegated back to the second tier.

2022 - PALERMO

The COVID pandemic restricted CPC's expansion plans for a while, but in 2022, it dipped its financial toes in the choppy waters of Italian football. Palermo had been enjoying another resurgence from the lower leagues and are now battling to be promoted from Serie B.

2022 - BAHIA

The most recent - but probably not the last - of CPC's acquisitions returned the group to South America, where it purchased a majority stake in Espírito Santo Bahia, giving it invaluable presence in the Brazilian football system.

MULTI-CLUB OWNERSHIP



be beneficial for the smaller clubs in the MCO model. There is a continued investment into clubs that may otherwise struggle to survive, and the talent that comes along with that. Bigger clubs will regularly sign young players and then loan them out to the smaller clubs, as they are unable to fit them into their squads. This may create a more temporary feeling of belonging for the players – and the fans – but it could be argued that these smaller clubs have always survived on nurturing young talent and selling it on for a profit.

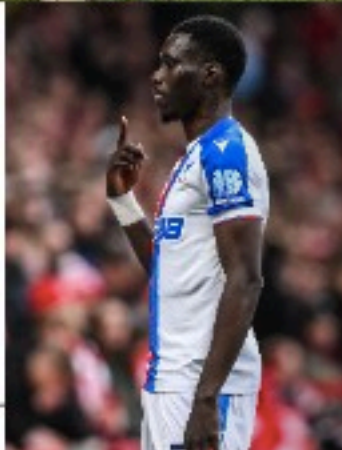
One of the major issues with MCOs has always been the question of clubs with the same owners facing each other in competition. Transparency and fair play can only go so far when there are ties and prize money at stake. MCOs have

traditionally got around this problem by diverting and creating new owners to allow ties to go ahead. Crystal Palace fell foul of these regulations only last summer as a minority owner, John Textor, also controlled Lyris, who had also qualified for the Europa League. Palace were demoted to the Conference League, with Nottingham Forest taking their place. The picture gets murkier, however, as Forest's owner Evangelos Marinakis also owns Greek side Olympiakos. But Marinakis had diluted his control of the English club in time to adhere to UEFA rules. Palace missed the deadline and paid the price.

Although the MCO model continues, there has been a move by many clubs in recent seasons to form partnerships instead. Part of the reason is precisely to avoid issues like the one experienced

ABOVE Palace fell foul of all-Fa ownership rules and were demoted to the Conference League

RIGHT: Ismaila Sarr of Crystal Palace celebrates after scoring a goal to make it 1-1 during the Premier League match between Nottingham Forest and Crystal Palace





AS MUCH AS FANS MAY COMPLAIN AGAINST MULTI-CLUB OWNERSHIP, IT DOES NOT SEEM AS THOUGH THE MODEL IS GOING ANYWHERE



by Crystal Palace, but there are other benefits to this looser relationship. The bigger clubs can still achieve some of the same goals, such as player scouting and development, but with a much smaller financial outlay. Partnering with another club does not require as much capital in the long term and can work on a much shorter-term basis. This model can be attractive to the smaller clubs as it still gives them access to some investment, as well as the opportunity to take players on loan. Partnerships are also more acceptable to the fans, who tend to regard them much like the old, unofficial way of doing business, where a club's history

ABOVE: Chelsea players celebrate their victory at the end of the match during UEFA Champions League Final. Chelsea, owned by Crystal Palace, but there are other benefits to this looser relationship.

and traditions are not swallowed up by the bigger entity. As much as fans may complain and even protest against multi-club ownership, it does not seem as though the model is going anywhere. Short-term partnerships may be becoming more popular, but the wealthy clubs of the elite leagues see MCOs as more successful in the long term, both on and off the pitch. There have always been the haves and have-nots in football, but now we also have the owners and the owned, bringing yet another divisive aspect to the modern game.

MOST VALUABLE TEAMS

As of early 2020, Real Madrid remains the most valuable soccer team in the world, with a record-breaking valuation of \$6.75 billion. The Spanish giants recently became the first football club to surpass \$1 billion in annual revenue, driven by the reopening of the renovated Santiago Bernabéu and sustained commercial success. This list is primarily dominated by English Premier League clubs, which benefit from the world's most lucrative domestic broadcasting deals.

TEAM	VALUE	REVENUE
Real Madrid	\$6.75B	\$1.15B
Man. United	\$6.60B	\$874M
FC Barcelona	\$6.50B	\$825M
Liverpool	\$5.40B	\$773M
Man. City	\$5.30B	\$907M
B. Munich	\$5.30B	\$827M
PSG	\$5.00B	\$870M
Atletico	\$5.00B	\$779M
Tottenham	\$5.00B	\$666M
Chelsea	\$5.20B	\$104M

KEY MARKET DRIVERS

COMMERCIAL DOMINANCE
Real Madrid leads in commercial power, earning roughly \$200 million annually just from its kit and shirt sponsorships with Adidas and Emirates.

PREMIER LEAGUE STRENGTH
Six of the top 10 clubs are from the Premier League. Their average team valuation has risen as their annual TV rights value is roughly double that of La Liga.

THE RISE OF MLS
While not yet in the top 10, Major League Soccer (MLS) clubs are climbing rapidly. Los Angeles FC (LAFC) and Inter Miami (IFC) have both surpassed the \$1.2 billion mark as of 2020.

REVENUE VS. VALUE
While Manchester City often generates higher annual revenue due to their on-field dominance, clubs like Manchester United maintain higher valuations because of their massive global brand equity and legacy sponsorships.