European Super League Gets a Red Card: 12 Breakaway Clubs

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On April 18, 2021, 12 of Europe’s elite men’s professional football (soccer) clubs announced they were creating a stand-alone midweek European Super League (ESL). The league would be separate and independent from existing governance bodies controlling the sport worldwide. In addition, the league would exist in a closed competition format where only member clubs played against each other. A total departure from the traditional open competition format of relegation and promotion. However, the ESL clubs also proposed to continue playing in their current national weekend leagues. During the next 72 hr an extraordinary drama played out. Enraged fans, players, and football governance officials were unrelenting in their efforts to kill the ESL. This case examines the contextual background, precipitating factors, and intense counter forces that quickly led to ESL’s demise. The case raises five questions: Were there valid reasons for the clubs to seek a new business model? Were elements in the strategic planning process missing in the decision to launch ESL? Were club owners justified in breaking away to form the ESL? Was the decision to create ESL unethical? and What actions can the clubs take to repair relationships with stakeholders?

Keywords: strategic planning, business model, business ethics

On April 18, 2021, the world of football was shocked when 12 of the richest and most popular men’s professional football clubs announced plans to form an elite European Super League (ESL). A league not under the existing governance structure controlling the sport and with competition closed to member clubs only. ESL’s founding chairman and president of the Spanish football club Real Madrid, Florentino Perez, announced that the new league would “help football at every level, take it to its rightful place in the world and save football” (Panja, 2021). The ESL had secured financial investment backing of €3.5 billion (US$4.2b) from J.P. Morgan Chase, a company that would receive millions from investment fees. Founding clubs that signed-on would split these funds to establish “a sustainable financial foundation” for the ESL especially as clubs worldwide struggled with the impact of COVID-19 on revenue (Hellier & Wilson, 2021).

Governance and Structure of Professional Football

In order to understand why 12 of Europe’s premier clubs made the decision to strike out on their own, one needs to understand the structure exercising control over professional football. At the top was the worldwide governing body for men’s and women’s football associations the Fédération Internationale de Football Association (FIFA). Once a year, FIFA’s Congress of representatives from 211 nations meet to decide on changes in rules, approve the annual report, and every 4 years elect FIFA’s president. The FIFA is responsible for upholding the traditions and rules of the sport as well as overseeing Men’s and Women’s World Cup tournaments. FIFA did this through six continental federations that made-up the next layer going down the governance structure. Specifically, the only organization with legal authority over international football in the continent of Europe (including England) was the Union of European Football Associations (UEFA). UEFA consisted of 55 national (domestic) football associations (leagues) and their 700 clubs. UEFA controlled all tournament competition between these leagues and clubs from different nations. This included the regulations and club selection criteria to play in these lucrative Europe-wide tournaments (e.g., Champions League and European Champion Club’s Cup). Especially important was UEFA’s control of distribution of tournament prize money, marketing of media rights, and sponsorship income.

At the base or bottom of the continent of Europe, football governance structure were 55 national leagues each with clubs assigned to tiered divisions (higher and lower) based on performance ranking. This open competition format of club promotion and relegation meant that the best-ranked club(s) in the lower division were promoted to the higher division for the next season, and the worst-ranked club(s) in the higher division were relegated to the lower division for the next season (Noll, 2002). ESL’s 12 founding breakaway clubs were from the top tier division from three different domestic leagues out of the 55—England’s Premier League, Spain’s La Liga, and Italy’s Serie A. The governing bodies for professional football were organized into a hierarchical pyramid that oversaw almost every aspect of the sport, from local club, domestic national leagues, and continental tournaments to international World Cup championship competition (see Figure 1).

UEFA’s Control of Europe-Wide Competition

UEFA’s open competition format, with domestic leagues and Europe-wide playoffs annually provides hundreds of millions of euros in revenue from broadcast rights and sponsorship in addition to game-day and merchandise income. This has encouraged clubs to adopt a sport entertainment business model directed toward worldwide markets. It has also diminished clubs being financially
sustained by a loyal base of local fans using a traditional sport club business model. In the last dozen years, some club owners have invested millions to win tournaments and take home not just the winner’s cup but garner large sums from sponsors, club branded apparel, media contracts, and game-day revenue. The most lucrative tournament which draws a large global fan following is the annual European Champion Club’s Cup. A tournament of Europe’s premier clubs organized by the UEFA. This postseason event brings together 80 clubs with the best records from the top tier of Europe’s 55 domestic leagues to compete for the title of Europe’s best men’s club (Panja, 2021). But in 2019, there were growing concerns by the European Club Association (ECA) General Assembly representing 110 clubs of the UEFA. Specifically, many clubs feared the diminishing of open competition due to the emerging dominance in competition and revenue of UEFA’s “big five” wealthiest domestic leagues: Premier League (England), La Liga (Spain), Serie A (Italy), Bundesliga (Germany), and Ligue 1 (France). Most of the 110 member clubs of the ECA General Assembly wanted the European Champion Club’s Cup (also called Champions League) to increase the guaranteed places in the competition from 24 to 32 starting with the next season. This would open championship playoff competition to more clubs across Europe. Behind the scenes, however, efforts by the big five leagues delayed and tabled these changes (Stone, 2019).

Structure of the ESL

The ESL clubs sought to separate and form a new midweek super elite football league not under the UEFA of FIFA, but to also participate in their UEFA domestic league and postseason continental games. All 12 ESL founding clubs played exclusively in their country’s UEFA top tier domestic league: six from England’s Premier League, three from Spain’s La Liga, and three from Italy’s Serie A. Three more UEFA breakaway clubs were expecting to join before the inaugural season August 2021–May 2022, bringing the number of permanent ESL member clubs to 15. Plus, each year five UEFA clubs with outstanding records from the prior year would be invited to compete in the ESL to bring the total ESL clubs to 20 (Reineking, 2021). Figure 2 provides a depiction of the proposed ESL.

- The 20 ESL clubs would play midweek matches but planned to continue competing in their respective UEFA domestic league matches on weekends, the heart and soul of the sport for their communities and fans.
- The 20 ESL clubs would be divided into two groups of 10, playing home and away round robins with the Top 3 in each group automatically qualifying for the quarterfinals followed by an ESL championship match.
- Oversight of ESL would rest with Chairman Florentino Perez (President of Spain’s Real Madrid) and the two Vice-Chairmen, Andrea Agnelli (Chairman of Italy’s Juventus Turin) and Joel Glazer (Co-Chairman of England’s Manchester United) (Brannagan et al., 2022).

The ESL would be a closed competitive format with competition limited to just 20 clubs and governed by the club owners. This would be like North America’s NFL, NBA, and MLB. It would be the direct opposite of professional football’s worldwide governance structure and an open competitive format whereby lower tier clubs with the best winning records were promoted up and top tier clubs with the poorest records were relegated down. Strategically, the 12 clubs decided to limit their risk of missing out financially by creating their own league.
Why Launch The ESL?

There was no question that breaking away from the governance control and open competition structure of professional football and striking out on their own was an audacious step by the 12 club owners. Strategic planning in undertaking something of the scope and magnitude of the ESL was critical. The process for launching such change would include: agreeing on vision and mission, analyzing the situation, establishing purpose and direction for actions, developing strategies consistent with these actions, and monitoring implementation (Ilić, 2013; Pendersen & Thibault, 2018). Feeding into this process would have been consideration that professional football over the past 12–15 years had experienced change in every aspect of the sport—ownership, fans, sponsors, marketing, media, technology, and so on. Perhaps the greatest and most immediate concern was the negative economic impact created by the COVID-19 pandemic. Together, these external and internal contextual factors were changing how a football club and a league through their business model delivers value to fans (Teece, 2010). To completely change a sport organization’s business model was a monumental undertaking requiring club owners to identify the change needed, formulate steps to be taken, implement a plan, and evaluate its effectiveness (Pendersen & Thibault, 2018). Apparently, the 12 club owners had covertly engaged at some level of strategic management in planning and launching the ESL; but, without club personnel being involved or the news media being aware. This was affirmed by all the owners’ agreeing with ESL’s chairman Perez when he said that the ESL would “save football.” But from what did football need to be “saved” that required 12 club owners to take such bold strategic and innovative action that created shockwaves throughout the football and sports world?

Strategic management entails strategy formulation, strategy implementation, and finally strategy evaluation. Vision and mission are the starting points with an eye toward long-term objectives and goals. According to Wahlström (2018), considerations of all stakeholders and determining the core purpose are essential. Implementation entails project management, staffing, leadership, and choosing tactics to reach objectives. Pushing new business models allow innovative ideas to emerge (Tjønndal, 2016).

Devastating Impact of COVID-19

Extensive upheaval was created by two seasons of the COVID-19 pandemic—the 2019–2020 season and the 2020–2021 season—with canceled matches and games without fans. A spectator sport like football depended on filling stadiums and media broadcasts of matches for survival. Two days after announcing the launch of the ESL, Perez gave reasons why a league with a closed competition format and independent of FIFA/UEFA governance was needed.

The move was made because young people are no longer interested in football. The top teams were losing money and ESL big-name matches would help increase club revenue. The move has been accelerated by the coronavirus pandemic, which has led to matches being played in a bubble behind closed doors. Perez claimed that due to the pandemic 40% of young people lost interest in football. Club Real Madrid to date had lost £344 million because of this. Perez stated that a solution must be found to make matches more attractive for fans around the world as well as profitable for clubs. The Super League would do this by providing more competitive games between Europe’s top clubs. (British Broadcasting Corporation [BBC], 2021b)
The decline in revenue for the 12 founding clubs of ESL between the last normal 2018–2019 season and the first completed pandemic season 2019–2020 is shown in Table 1.

The pandemic seasons had reduced matchday revenue, broadcast revenue, and sales from concessions and merchandise. But it was more than gate receipts. A defining element of professional football had been a stadium filled with vibrant fans applauding, boooing, singing, and emotionally engaged in the match. The lack of fans in the stadium on matchdays during the pandemic reduced the excitement for broadcast viewers. A huge crowd of boisterous fans also helped motivate players and coaches on the pitch to ratchet up excitement for broadcast viewers. A huge crowd of boisterous fans in the stadium on matchdays during the pandemic reduced the booing, singing, and emotionally engaged in the match. The lack of fans and ignite the interest of youth? fans and sponsors? Could the ESL club’s new business model reenergize fans and ignite the interest of youth?

Availability of Financing for ESL

The pandemic accelerated club owner’s insecurity in the existing European football economic model. Twenty of Europe’s biggest clubs had lost more than €1 billion in revenue during the first season of the pandemic due to declines in matchday and broadcast revenue. According to a study by the market analyst KPMG, there had been a 10% decline in the average value of players (Lowe, 2021). There was also no guarantee of additional post domestic season 2020–2021 income of €40 m and €80 m since the UEFA Champions League had a performance-based qualifying process. Therefore, a welcomed safety net came from J.P. Morgan Chase investment bankers. They provided a financial incentive for creating the ESL by committing €3.5 billion (US$4.2b). Founding clubs would receive £250–£300 million up-front just for signing-on. ESL clubs would also share £200–£250 million in broadcast rights plus the potential for individual clubs to market their games themselves on their own channels for broadcast all over the world (Sky Sports, 2021). As Sky Sports reporter Kaveh Solhekol stated:

Europe’s biggest clubs’ finances were hit by the global pandemic. Therefore, a new competition had to come about now, and for one reason only. The pandemic has shown that a strategic vision and sustainable commercial approaches are required to enhance value and support the entire European football pyramid. ESL has come about now for one reason only— it is about money. (Solhekol, 2021)

Table 1: Impact of COVID-19 on European Super League Club Revenue

<table>
<thead>
<tr>
<th>Domestic league and clubs</th>
<th>Club ownership at the time</th>
<th>Revenue 2018–2019* (€m)</th>
<th>Revenue 2019–2020* (€m)</th>
<th>Revenue decrease (€m)</th>
<th>Revenue decrease (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Liga—Spain</td>
<td></td>
<td></td>
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<tr>
<td>Barcelona</td>
<td>Club members</td>
<td>840.8</td>
<td>715.1</td>
<td>(125.7)</td>
<td>15</td>
</tr>
<tr>
<td>Real Madrid</td>
<td>Club members</td>
<td>757.3</td>
<td>691.8</td>
<td>(65.5)</td>
<td>8.6</td>
</tr>
<tr>
<td>Atlético de Madrid</td>
<td>Miguel Gil and Enrique Cerezo (both of Spain) with Ares Management Group of United States (66%) Idan Ofer (Israeli billionaire 33% in 2018)</td>
<td>367.6</td>
<td>331.8</td>
<td>(35.8)</td>
<td>9.7</td>
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<tr>
<td>Serie A—Italy</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Juventus Turin</td>
<td>Agnelli family (Italian) since 1923 through Exor holding company (Dutch)</td>
<td>459.7</td>
<td>397.9</td>
<td>(61.8)</td>
<td>13</td>
</tr>
<tr>
<td>Internazionale Milan</td>
<td>Zhang Jindong (Chinese 68.5%) and Lionrock Capital (Hong Kong 31%)</td>
<td>364.6</td>
<td>291.5</td>
<td>(73.1)</td>
<td>20</td>
</tr>
<tr>
<td>AC Milan**</td>
<td>Elliott Management Corp. (U.S. hedge fund 2018)</td>
<td>241</td>
<td>192.2</td>
<td>(48.8)</td>
<td>20</td>
</tr>
<tr>
<td>Premier League—England</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Manchester United</td>
<td>Glazer family (United States) 2003</td>
<td>711.5</td>
<td>580.4</td>
<td>(131.1)</td>
<td>18</td>
</tr>
<tr>
<td>Manchester city</td>
<td>City Football Group Ltd. British-based holding since 2008 with the majority stake owned by Abu Dhabi United Group</td>
<td>610.6</td>
<td>549.2</td>
<td>(61.4)</td>
<td>10</td>
</tr>
<tr>
<td>Liverpool</td>
<td>Fenway sports group (United States, 2010) Hansjörg Wyss (Swiss)</td>
<td>604.7</td>
<td>558.6</td>
<td>(46.1)</td>
<td>7.6</td>
</tr>
<tr>
<td>Tottenham Hotspur London</td>
<td>ENIC International Ltd. British investment company since 2001</td>
<td>521.1</td>
<td>445.7</td>
<td>(75.4)</td>
<td>14.5</td>
</tr>
<tr>
<td>Chelsea London</td>
<td>Roman Abramovich, Russian oligarch 2003*</td>
<td>513.1</td>
<td>469.7</td>
<td>(43.4)</td>
<td>8.5</td>
</tr>
<tr>
<td>Arsenal London</td>
<td>E. Stanley Kroenke (United States) Sports and entertainment 2007</td>
<td>445.2</td>
<td>388.0</td>
<td>(57.2)</td>
<td>12.8</td>
</tr>
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*The British government forced Abramovich to sell Chelsea on May 7, 2022 to Todd Boehly and Clearlake Capital (United States) because of his connections with Russian president Vladimir Putin. 

Strategic Preemptive Actions by ESL Clubs

On April 12, 2021, three ESL clubs—Real Madrid and Barcelona of Spain’s La Liga and Juventus of Italy’s Serie A—filed an injunction in Spanish courts to restrain UEFA and FIFA from taking disciplinary actions because of their involvement with ESL. The other nine ESL clubs did not institute such precautionary measures (SAM, 2022). Darren Bailey, former director of football governance and regulation for England’s Football Association (member of UEFA) believed that each side could litigate against the other for breaching European competition law, anti-competitive behavior, and abusing a dominant position in the market. The ESL would need a series of approvals from the UEFA to move ahead but that seemed unlikely. More likely would be disciplinary sanctions barring ESL clubs and players from domestic and international competition including Men’s World Cup (Carp, 2021). The announcement of the Super League came on Sunday April 18, just 24 hr before UEFA’s Executive Committee was due to discuss the proposed Champions League tournament reforms. The planned reform was to take effect for the post-2024 Europe-wide championships. It would increase the number of qualifying clubs from 32 to 36 and set up a new format so clubs would play four additional matches. Each club would no longer be playing three opponents twice (home and away) but face fixtures against 10 different clubs (home and away). This would increase the total number of matches from 125 to 225. The UEFA’s proposed reforms were designed to placate clubs like the 12 and keep them within the fold. Furthermore, the plans also included a safety net of four qualification spots for clubs based on their past performance in European competition in case they missed out on qualification through domestic competition (Union of European Football Associations [UEFA], 2021).

72 hr of Rancor and Wrangling

Nonstop negative global reaction to the launch of the Super League erupted immediately. Governing body officials, fans, sports journalist, and non-ESL club owners and players responded with increasing force. Few saw the ESL as an attempt to break the iron grip held by the governing hierarchy of professional football. The ESL club owners had seriously misjudged the response and almost universal perception that the Super League was somehow illegal, immoral, and unethical. That the club owners did not have the right to do this. But no business decision can be without impact and every decision has ethical dimensions (Pendersen & Thibault, 2018). The ethics that frame such a decision usually have a utilitarian (i.e., consequences or value of outcome), deontological (i.e., doing one’s duty), or virtue (i.e., act in ways to develop character, courage, integrity, etc.) orientation (Ratten, 2018). But had the financial needs of their clubs exacerbated by the pandemic and the sport’s monopolistic governance structure caused club owners to veer from ethical decision making?

Trying to set the record straight, several club owners went on the offensive. Andrea Agnelli, chairman of Turin Italy’s Juventus club stated, “The founder clubs represent billions of fans across the globe and 99 European trophies.” But this was immediately countered that collectively the 12 “super” clubs were neither the most historically successful, biggest earners, nor current top-performing teams on the pitch. Four had never won a European Cup or the Champions League. Five did not make the 2020 Champions League elimination matches and two that did, did not make it past the final 16 (Sky Sports, 2021). AC Milan’s chief executive Ivan Gazidis said ESL would be “a new, exciting chapter for the game” and would “provide value and support” across European football.

Those in opposition said ESL was solely motivated by greed. The ESL would destroy domestic leagues and clearly violated the integrity of a sport that gave every club the opportunity each year to go all the way to the top. Former player and British Broadcasting Corporation (BBC) football pundit Alan Shearer expressed hope that the English clubs would consider the negative reaction of their fans. “Clubs talk about being a family and how the fans are the soul of the club.” Polls indicated that “among fans aged between 18 and 24, 71% were found to be against the ESL. Only 19% of respondents saying they were in favour of the closed competition. Only 7% said they strongly supported the creation of the ESL.” Speculation was that fans would withdraw their support from clubs in the ESL, proving the importance of fans (BBC, 2021b).

Perez said that the ESL wanted to start the new league by August if they reached an agreement with the UEFA. If not, it could be delayed by a year. UEFA president Aleksandar Ceferin said it was “not going to happen!” Ceferin called the ESL a “disgraceful, self-serving” plan and a “spit in the face of football lovers.” He said,

I cannot stress more strongly how everyone is united against this cynical plan that is completely against what football should be. We cannot and will not allow that to change. Players involved with clubs in the ESL closed league will be banned from all UEFA and Men’s World Cup competitions.

Perez denied the possibility of expulsion, “It will not happen, the law protects us.” U.K. culture secretary Oliver Dowden weighed in by announcing the formation of a fan-led review of football. He said “the review would cover finance, governance and regulation and while football’s authorities are equipped to handle the proposed the ESL breakaway, the UK government would provide full backing to impede” (BBC, 2021a).

The financing of ESL by J.P. Morgan Chase was painted as helping billionaire club owners line their own pockets while undermining one of Europe’s prized cultural assets with roots in working-class communities. One fan’s Tweet went viral. It used a screenshot of CEO Jamie Dimon’s recent letter to shareholders that stated, “businesses must earn the trust of their customers and communities by acting ethically and morally.” Others slammed America’s efforts to “invade” the European sport, pointing to the ESL’s executive board that included three Americans. These were: Joel Glazer owner of Manchester United and NFL Tampa Bay Buccaneers; John W. Henry owner of Liverpool and MLB Boston Red Sox; and Stan Kroenke owner of Arsenal and seven U.S. sports teams including NFL Los Angeles Rams (Horowitz, 2021).

The concept of the Super League clashed with the historical culture of European football. Fans were convinced that watching the best teams in Europe competing against each other week after week in a closed league would be meaningless. This was given as the reason why UEFA open league competitions were so popular: smaller clubs could compete against the bigger clubs. This was what made football an exciting sport to watch. All teams, regardless of wealth or super star players, competed equally on the playing field (Radiořu, 2022). Anger was especially intense against the six ESL club owners in England perhaps fueled by xenophobic dislike of non-British billionaire club owners. Thousands of football fans worldwide took to social media to vent their rancor. This soon became millions of followers, creating a virtual fire storm against the ESL clubs. For example (Sky News, 2021):

- Cod Saturasayang, Liverpool fan from Thailand: I think the idea that six English clubs could hold the entire game of football in the country hostage by their greed and villainy is...
utterly disgraceful. This new super league is accountable to no one, there is no sense of competition, no spirit of fair play, no relegation, no progression. It is the lack of culture on the part of the Americans who come from a country where sporting institutions are franchises to be taken apart and moved and bought at the discretion of billionaires with no regard for the supporters.

- Moe Htun Oo, Manchester United supporter from Myanmar: The idea of super league is the worst one that can happen in football world. They just think about themselves not smaller teams. It’s a disgrace!
- Michael White, Brit now living in Washington DC: I think it’s pretty disgusting actually. I think that it’ll cause a lot of fans to stop watching the English Premier League. They’ll probably desert their teams. I think it’s more about business than anything else, not about the fans and not about the game.

Thousands of “loyal” fans in England took to the streets to protest their club’s involvement in the ESL. On Tuesday, April 20, protesters surrounded club buses from Chelsea trying to enter London’s Stamford Bridge stadium for a match with Brighton a non-ESL club (Farmery, 2021). Even at week’s end, fans continued to protest, especially against owners of the “Big Six.” On Saturday morning, April 24, prior to a home field kick-off with non-ESL club Newcastle, Liverpool fans protested the handling of the Super League crisis by club owner John W. Henry and the Fenway Sports Group franchise. That afternoon, Manchester United fans gathered at Old Trafford stadium to protest the Glazer family’s ownership, especially Joel Glazer as ESL vice-chairman, and his apology for the club’s involvement in the breakaway scheme (Tanner, 2021).

**Collapse of the ESL**

As pressure mounted, the six ESL clubs from the English Premier League had begun to “cave-in.” On the morning of Tuesday, April 20, the news media reported that the ESL was nearing collapse (Christenson, 2021). In humiliating defeat, each club began to announce they would not participate in the ESL. First Manchester City and then like dominoes choreographed to fall.

- **Manchester City** at 9:23 p.m.—The club confirms that it has formally enacted the procedures to withdraw from the group developing plans for a ESL.
- **Liverpool** at 10:55 p.m.—We confirm that our involvement in proposed plans has been discontinued. In recent days, the club has received representations from various key stakeholders, both internally and externally, and we would like to thank them for their valuable contributions.
- **Arsenal** at 10:55 p.m.—The last few days have shown us, yet again, the depth of feeling our supporters around the world have for this great club and the game we love. We needed no reminding of this but the response from supporters in recent days has given us time for further reflection and deep thought. It was never our intention to cause such distress; however, when the invitation came to join the Super League, while knowing there were no guarantees, we did not want to be left behind to ensure we protected Arsenal and its future. We made a mistake, and we apologize for it. We know it will take time to restore your faith in what we are trying to achieve here at Arsenal but let us be clear that the decision to be part of the Super League was driven by our desire to protect Arsenal, the club you love, and to support the game you love through greater solidarity and financial stability. The system needs to be fixed. We must work together to find solutions, which protect the future of the game and harness the extraordinary power football has to get us on the edge of our seats. Finally, we know this has been hugely unsettling at the end of what has been an incredibly difficult year for us all. Our aim is always to make the right decisions for this great football club, to protect it for the future, and to take us forward. We didn’t make the right decision here, which we fully accept. We have heard you.
- **Tottenham** at 10:55 p.m.—Chairman Daniel Levy stated, “We regret the anxiety and upset caused by the ESL proposal. We felt it was important that our club participated in the development of a possible new structure that sought to better ensure financial fair play and financial sustainability while delivering significantly increased support for the wider football pyramid.”
- **Manchester United** at 10:55 p.m.—We have listened carefully to the reaction from our fans, the U.K. government, and other key stakeholders. We remain committed to working with others across the football community to come up with sustainable solutions to the long-term challenges facing the game.
- **Chelsea** at 12:45 a.m.—Having joined the group late last week, we have now had time to consider the matter fully and have decided that our continued participation in these plans would not be in the best interests of the Club, our supporters or the wider football community.

Other developments and comments continued.

- **Internazionale Milan** on 21 April—According to multiple reports, it seems Inter Milan is the only team to have officially withdrawn having been clever enough to insert a withdrawal clause when signing up (Kemble, 2022).
- **Atlético de Madrid** on 21 April—Today, the board of directors met and decided to formally communicate to the Super League and the rest of the founding clubs its decision to not formally join the project. Our decision last Monday to join the project was based on circumstances that are not applicable today. For the club, mutual understanding between all of the collectives that make up the rojiblanca family is essential, especially our fans. The first team’s squad and its coach have expressed their satisfaction about the decision taken by the club, on the understanding that sporting merit should take precedence over any other criteria (Monino, 2021).
- **AC Milan** on 21 April—The voices and the concerns of fans around the world have clearly been expressed about the Super League, and AC Milan must be sensitive to the voice of those who love this wonderful sport. We will continue to work hard to deliver a sustainable model for football (Reuters, 2021a).
- **JP Morgan Chase Investment Bank** on 23 April—We clearly misjudged how this deal would be viewed by the wider football community and how it might impact them in the future. We will learn from this. A source familiar with the discussions said the bank’s involvement was vetted by an internal committee that assesses potential deals for reputation or credit risks. But clearly underestimated the magnitude of the backlash, which had been “extraordinary” (Horowitz, 2021).
- **Florentino Perez, chairman ESL, and president Real Madrid** on 24 April—The 12 clubs who were to found the ESL cannot abandon it due to binding contracts. The partnership still exists, as do the members who comprise the Super League. What we will do is take a few weeks to reflect in light of the
fury of certain people who don’t want to lose their privileges and have manipulated the project (Reuters, 2021b).

- Real Madrid, Juventus, and Barcelona—Remain backing the Super League and have not given up the fight and continue to do battle in European courts, arguing that UEFA and FIFA are abusing a monopolistic position in violation of competition law by acting as both regulators and competition organizers (Marcotti, 2022).

Questions for Discussion and Analysis

As the case reveals, a number of internal and external factors motivated 12 owners to seek a new business model for their football clubs. To successfully implement such a major change required the club owners to strategically plan and launch the new closed competition league. However, within minutes of publicly announcing the ESL, the club owners were overwhelmed by an avalanche of negative criticism and attacks on the ethically of their decision to break away from the existing open competition and tightly controlled global governance of professional football.

a. What external and internal factors motivated the 12 clubs to seek a new business model?

b. Were steps in the strategic planning process omitted in the decision to launch the ESL?

c. Debate whether the 12 club owners were justified in breaking away to form the ESL?

d. Was the decision to create the ESL unethical? Explain your answer.

e. What action can the clubs take to repair relationships with stakeholders?

References


