

Table Of Contents

Tool Kit	Page 1-2
Model 1: Association	Page 3-5
Model 2: Majority Ownership (The 50+1 Model)	Page 6
Model 3: Minority Ownership	Page 7-8
Model 4: 'Golden Share'	Page 9
Model 5: Board Representation	Page 10-11
Model 6: Supporter Liaison Officer	Page 12
Model 7: The Lobby Group	Page 13
Bonus + 1: Non-Supporter Influence	Page 14

Introducing The 7+1 Models Of Supporter Influence Tool Kit

The purpose of this tool is to help supporters and club members get a better understanding of the different models of supporter influence, identify the model that is currently relevant to them and plan for the one they would like to implement for their club.

It should be noted that there is no one perfect model that fits all. Each country is different and within each country the possibilities and potential for each club are also different. What works in Germany may not work in Cyprus and what works in Italy may not work in Ireland. Similarly, what the fans of club A in Spain believe their club stands for is different to what the fans of club B believe for their club. It is important therefore to acknowledge what is possible and what not, in your specific situation, if possible breaking the process in shorter steps (short, medium and long-term).

Supporter ownership and involvement already exists in numerous countries in Europe. Supporter ownership is not a barrier for investment, but a safety net for the clubs. Football clubs are cultural cradles and therefore cannot be run like any other company. Supporter ownership and involvement is not about running your football club on a daily basis or deciding which player to buy or when to fire the coach. Similar to how you do not run your country or municipality but decide who the best people to run it are, the safety net of supporter ownership ensures that the people elected to run the club represent the interests of their constituents (club fans and members) and are held accountable. What would happen if your country was owned and controlled by one company and you had no right to vote or be heard?

Investment and ownership are two different concepts and should not be confused; for example, sponsors have been investing in football for a long time by financially supporting clubs and expecting a bigger return (improved recognition, positioning, revenue, reduced taxes etc) in the short and medium term. Supporter ownership will never stop a well-intended investor, who is in line with the club's historical and future interests and fight for the club's success on and off the pitch, from being involved in the club.





Each country has a different legal and fiscal system, therefore this guide provides a general overview of the structure/purpose of each model. Some of the issues to keep in mind are:

- The laws that govern sport/football. What types of law apply in your country (it could be a combination). Consider company, association and sports law.
- Does the legal system provide any type of protection of the interests of an association's members or of a company's minor shareholders?
- What kind of shares can a company have in your country e.g. ordinary, deferred ordinary, non-voting, redeemable, preference, cumulative preference, redeemable preference, class A/B shares. What rights and obligations derive from the ownership of those shares? Is (can) your club, or a connected entity, be listed on the secondary market (eg stock market)?

At the same time, supporter ownership, participation and information has its own challenges. Where it exists, supporters rely on their representatives for answers and solutions to the problems, however these do not stop individuals from manipulating the processes and information shared to their benefit, or to discredit the supporter representatives.

It is also important to note that not all supporters understand at all times that their football club is also an organisation competing for resources. Supporters (and members) cannot have all the information at all times, especially since it can be subject to disclosure limitations, legal (e.g. GDPR, NDAs etc) or informal (e.g. competing clubs). The gap between the level of information supporters/club members and board members have, can lead to misunderstood and misinterpreted decisions.

Finally, this document is a general guide, not a textbook or a how-to manual. It will give you a good understanding of your position and potential, however for the specific details of how your project can be achieved in your country, you should contact SD Europe.





Model 1: Association

In this model the members of the club have full control of the major decisions of the club, through the club's AGM. Members can attend the AGM where they are informed about and assess the club's progress and participate in key future strategic decisions. These decisions are mainly focused on club decisions, that affect the members and future of the club such as:

- Financial performance (profit, short-term debt, long-term debt, accumulated debt, budget for next season(s) etc)
- Policies (sponsorship, representation at the governing bodies, matchday such as ticket prices and away travel etc)
- Major decisions (stadium name and/or location, crest redesign, youth team, training ground etc)
- Elections of the club's main bodies

The usual main bodies of an association that must be appointed/elected by the members are;

- The supervisory board (often elected by the members, with the possibility to co-opt), with the responsibility to appoint and review the performance of the executive board. Though not liable against anyone, the supervisory board's approval is often needed for certain decisions of the executive board, often related to budget, operational structures, club policies and long-term agreements
- The executive board (usually appointed by the supervisory board), with the responsibility to run the club on a daily basis. The executive board represents the club in all its operations, is authorised to sign documents that bind the club and liable against third parties. It is often possible that for certain decisions the approval of the supervisory board is also needed. The executive board is also responsible for the club's administrative and sporting staff
- The election committee (usually appointed by the members), with the responsibility to vet the candidates for the supervisory and/or executive board. The criteria can either be mentioned in the club's statutes (preferred), or approved by a previous AGM



• The internal auditors (usually appointed by the members), with the responsibility to provide an independent report of the club's financial and administrative performance for the members. Depending on the size of the club's revenue and activities, this function is often outsourced to independent external auditors appointed by the supervisory or executive board and approved by the members.

In smaller associations, the supervisory and executive boards can be one in the same.

In the majority of the cases, each member of the association has one vote, regardless of their contribution. As cultural contexts often differ, it is possible for other (non necessarily one-member-one-vote) democratic systems to exist, as long as they are accepted by the significant majority of the membership. For example, some associations might offer one extra vote, or a dedicated board member, to individuals who contribute more to the association (financially, voluntarily etc) or have been members of the association for a longer period of time (eg 5 or 10 years).

In order to be representative, associations need to be open to everyone and against any form of discrimination or violence. This does not mean that a vetting process shouldn't exist, however the criteria needs to be clear and mentioned in the club's statutes.

The legal structures of the clubs in this category are mainly:

- Associations, traditional 'clubs'
- Companies whose shares are 100% owned by a supporters organisation

The members of the association are supporters, however they can also comprise representatives of local community organisations.





Association Pros and Challenges



Pros

- Supporters (members) hold the full decision making power of the club (board members, statutes etc)
- Allows members to set transparent structures to allow accountability of the board members
- Enhances the sense of community and identification of the supporters with the club, boosting volunteerism as well as financial contributions
- Encourages supporters to be more active in the community (active citizenship)



- The model can be deterring to investors; this can be partly tackled in case of companies whose shares are owned by the supporters through the issuing of voting and dividend only, or non-voting, (eg A and B) shares
- Requires close management and education of the membership and the fanbase
- Some club supporters are not concerned by governance issues, only about the result on the pitch
- Can cause conflict among the fanbase
- Majority decisions means that often minority opinions/votes aren't respected





This model refers to clubs formed as companies in which at least 51% of the shares are owned by a democratic supporters organisation. The remaining shares and up to 49% can be bought by one or more investors (individuals or companies).

In this model, the supporters maintain the control of the club and its bodies, while allowing external investment and direct influence of minority shareholders; these have at least the minority ownership rights and obligations deriving from the legal framework plus those from the club's statutes (also see model 3).

Majority Ownership Pros and Challenges





Pros

- Allows external investment and investor representation on relevant bodies of the club (board, management, staff etc)
- Supporters (members) have the main decision power of the club (board members, statutes etc)
- Allows members to set transparent processes to allow scrutiny of board member decision-making
- Enhances the sense of community and identification of the supporters with the club, boosting volunteerism as well as financial contributions
- Encourages fans to also be more active in the community (active citizenship)

- Though to a lesser degree when compared to the Association model, this model can also be deterring to investors
- Requires close management and education of the membership and the fanbase
- Some club supporters are not concerned by governance issues, only about the result on the pitch
- Can cause conflict among the fanbase
- Investor influence can cause conflict between board members & down the club pyramid
- Majority decisions means that often minority opinions/votes aren't respected



This model is observed in clubs formed as companies in which supporters have ownership of less than 50% of the shares, through a democratic organisation. The remaining shares can be owned by different shareholders, with one majority shareholder or many smaller shareholders.

From the perspective of the supporters organisation as minority shareholders, this model comprises three levels:

Significant Minority

330/0+

In this level, the supporters organisation owns at least 33% of the shares of the company. This threshold provides the supporters with increased minority rights such as blocking certain decisions (such as capital increases or statutory changes) or having a right to appoint a board member (minority representative). The threshold can vary dependent on the legal framework of each country.

Reduced Rights Minority



In this level, the supporters organisation cannot block decisions, or be entitled to appointing a board member or other preferential rights, however they are covered by national legislation relevant to the protection of minority shareholders. This level may not be available in all countries (depends on the legal framework of each country).

Small Minority



In this level, the supporters organisation do not have any decision-making power influence, apart from participating at the company's annual shareholder meeting & receiving the financial information the club management provides to its shareholders.



Minority Ownership Pros and Challenges



Pros

- A very common model for many countries. Most supporters organisations and supporters are familiar with this model and some even prefer it compared to others bigger level of control
- Depending on the level of participation, supporters can still have some decisionmaking and regulatory power within the club



- Transparency and accountability standards are still set by the individuals who control the majority of the club's shares
- Challenging the club administration, or the investors, can be a lengthy (and often public) process which can result in conflict

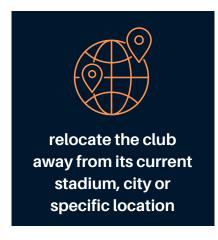




Model 4 'Golden Share'

In this model a democratic supporters organisation and the management of a (almost always) privately-owned club sign a binding agreement granting veto rights to the supporters organisations.

The agreement refers to key club issues that are of concern to the supporters, without the approval of which, the club management cannot:







'Golden Share' Pros and Challenges



Pros

- A very common model for many countries. Most supporters organisations and supporters are familiar with this model and some even prefer it compared to others bigger level of control
- Depending on the level of participation, supporters can still have some decisionmaking and regulatory power within the club



- Depends on the goodwill of the club owner, who has absolute control over the statutes or the club agreements
- No agreement can be binding forever, if not protected by the legal framework
- Can be used to encourage the supporters compromise with the least preferable option that is relatively painless for the club owner



In this model, a democratic supporters organisation has an agreement with the club owner (or management) to appoint a number of representatives on the board of the club.

The representatives can be selected:

Democratically



- through elections among the supporters organisation members with immediate acceptance by the club
- through elections among the supporters organisation members pending approval by the club. In this case, it is possible to offer the club with more than one option to choose from

Directly



- appointed by the board of the supporters organisation with immediate acceptance by the club
- appointed by the board of the supporters organisation pending approval by the club. In this case, it is possible to offer the club with more than one option to choose from

Proposed



• by the club and accepted by the supporters organisation



Board Representation Pros and Challenges



Pros

- It can be combined with the other models, to allow representation on the boards of the clubs of different 'internal' interest groups, or ensuring that democratically organised supporters organisations also have representation
- Depending on the level of participation, supporters can still have some decisionmaking and regulatory power within the club



- The club might withhold information from the representative(s) of the supporters organisation, compromising them in front of the supporters
- No agreement can be binding forever, if not protected by the legal framework
- -The supporters and club owners need to decide the criteria/characteristics of the relationship.



Model 6: Supporter Liaison Officer

All clubs participating in UEFA competitions need to have one appointee (employee, or volunteer) dedicated to facilitating dialogue between the supporters and the club, but also other stakeholders (eg the police).

Supporter liaison officers (SLOs) act as a bridge between football clubs and supporters by providing a two-way flow of information around key topical issues.

The role, first created in Germany, ensures that fans' voices are heard within every club's internal structures while working to ensure an enjoyable match day experience for everyone in the stadium.

SLOs work with many different departments within a football club but their expertise is focused on supporters. An SLO needs to have a deep insight into their club's fan culture but also the capability to establish and maintain trusting relationships with different stakeholders including a variety of supporter groups, club staff, police representatives, social workers and their counterparts at other clubs.

Experience shows, and SD Europe and UEFA recommend, that the SLO should come from the fan base in order to achieve the position's full potential.

For more information on the SLO role, visit the SLO section on SD Europe's website here.





Model 7: The Lobby Group

A supporters organisation acts as a lobby group when it can influence the club ownership, management and staff regarding specific issues that are on their agenda through official or unofficial channels. A lobby group can also influence other stakeholders. The negotiating power of a lobby group depends on many factors, such as its size, cohesiveness, level of activity, history, personal relationships of key individuals and more.

The agenda items of a lobby group vary and cover two (sometimes over lapping) main areas:

- Governance related to policies and procedures on how the club (and/or football) is managed (financially, socially, environmentally) such as decision-making, accountability and stakeholder dialogue
- Match-days related to policies and procedures on kick off times, ticket prices, away travel etc

Lobby Group Pros and Challenges





Pros

- If they cannot have significant power with the different models, this is a safer alternative for supporters groups that do not want to be held accountable for the decisions of their club's or football's leaders
- Keeping it relaxed can be very rewarding both for supporters and the stakeholders, but also the individuals, involved in the process

- Can often result to conflict situations between supporters and the stakeholders
- Sometimes individuals can feel pressured or be stigmatized from either the supporters or the stakeholders, even if they're trying to help



Similar to the 'lobby group' model, a company or individual does not need to own shares in order to have significant influence on the club or football. Influence is very often connected to financial dependence of the club from an individual or company, or their personal relationships to individuals in the club (or football).

For example, a club's ownership or management can be influenced by:

- A sponsor or individual that contributes a significant percentage of the club's budget
- A sponsor or individual that finances an important activity (social, or sporting) of the club
- A player agent, that represents several players of a club or a player the club wants in its ranks
- A sponsor or individual that can also influence the non-football business of the owners or management of the club
- Any group of sponsor or suppliers with significant negotiating power; especially in oligopolistic or monopolistic markets such as television, betting companies, sportswear, automobiles etc



