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Sir Alex Ferguson: Managing Manchester United

*For a player – and for any human being – there is nothing better than hearing ‘well done.’
Those are the two best words ever invented in sports. You don’t need to use superlatives.*

– Sir Alex Ferguson

In July 2012, Sir Alex Ferguson, the most successful manager in British football history, stepped out of his office at Manchester United’s Carrington training ground. It was his team’s first day of training for the 2012-2013 season—his record-setting 26th as manager of one of the world’s most decorated professional football clubs (see **Exhibit 1**) and one of sport’s biggest franchises.

During his time as manager of Manchester United, Ferguson had won almost every honor in the club game. He had taken over at United when the club was at perhaps its lowest point ever, having experienced a startling fall from grace and not won an English league title in nearly twenty years. By prioritizing youth-player development, rebuilding the team, being shrewd on the transfer market, emphasizing attacking football, and bringing the best out of his players, Ferguson turned United’s fortunes around. Now, United was the most successful club in English football with nineteen league titles, and had reclaimed its place among Europe’s elite clubs with two Champions League trophies. Millions of fans around the world idolized former and current United players such as Eric Cantona, Cristiano Ronaldo, and Ryan Giggs. Revenues had soared, too, and by some estimates United had become the world’s most valuable football club in 2012 (see **Exhibit 2**).

Over the years Ferguson had overcome several major challengers to United: knocking close rival Liverpool FC off its perch as the club holding the most English league titles, successfully battling the fluid style of play which had brought London-based Arsenal FC three titles in the late 1990s and early 2000s, and triumphing over the hundreds of millions of dollars Russian billionaire owner Roman Abramovich had invested in Chelsea FC. The newest challenger could be found closer to home. Ever since Manchester City, the same-town rivals Ferguson once famously referred to as United’s “noisy neighbors,” had switched owners, the club had invested unprecedented amounts of money in new players. The 2011-2012 title race had been closer than ever, with City grabbing the title in the season’s last two minutes, beating United on goal difference. “It is just another chapter in the history of Manchester United,” said Ferguson.

As Ferguson arrived at Carrington that morning, renovation and expansion work was going on all around on him. United was improving on and adding to the already top-notch sports science, medical, and other facilities, and even installing a special viewing area for handicapped fans. “They

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will have the best views of the pitch,” Ferguson said, clearly pleased with the construction plans. The now 70-year old manager approached the new challenge with the same determination he had shown throughout his career. How could Ferguson lead his team to another victory, and bring the next chapter in United’s illustrious history to a successful end?

The Game and Business of Football

Football¹ was the most popular sport in the world. The International Federation of Association Football (FIFA), the game’s global governing body, estimated that one out of every 25 people on the planet played football regularly. The number of spectators was even higher, with an estimated 2.2 billion people tuning in to watch at least part of the 2010 World Cup, and 620 million watching the tournament’s Final.² Football was also big business. The European football market recorded revenues of nearly \$23 billion during the 2010-2011 season.³ Clubs derived income from three broad sources: stadium-based revenues, broadcast and other media revenues,⁴ and commercial revenues. They could also make (or lose) money through the buying and selling of players.

The English Premier League

England’s top division, the English Premier League (EPL), consisted of 20 teams. Over the course of one season, they each played each other twice – once at home, and once away. A win yielded three points, and a draw one. At the end of the season, the team with the highest number of points would win the league (or, in case of a tie, the team with the most favorable difference between goals scored and incurred), while the three teams with the lowest total of points were relegated to the lower division (and replaced with the three promoted teams from that division). EPL and lower-division clubs further annually competed, in a knockout system, for the Football League Cup (commonly called the ‘League Cup’) and the more prestigious Football Association Challenge Cup (or ‘FA Cup’).

The EPL had been the first league to capitalize on football’s globalization and continued to generate the highest revenues of all European leagues. It had seen tremendous growth, fuelled by ever-increasing broadcast revenues. The agreement to broadcast the 2010-2013 seasons was worth \$5.4 billion – a massive increase over the \$480 million five-year deal struck nearly two decades earlier. This growth had enabled EPL clubs to import some of the world’s greatest players and improve on the in-stadium experience. By 2012, the EPL was football’s most popular product with an estimated 1.5 billion fans.⁵

The Champions League

Although England was the world’s most popular overall league, the Union of European Football Associations (UEFA) Champions League was the game’s most lucrative tournament. Despite its name, the Champions League was a knockout tournament for Europe’s elite clubs who could qualify for it each year by finishing in one of the top positions in their domestic league.⁶ A seeded round-robin phase was used at the beginning of the tournament to determine which teams would progress to the competition’s knockout stage.

The Champions League was extremely popular: 300 million people tuned in to the final in 2012, nearly triple the audience of American Football’s Super Bowl.⁷ Revenues from the sale of broadcasting rights and sponsorship made the tournament extremely lucrative for its participants. For example, finishing as runner-up in the Champions League during the 2010-2011 season brought

Manchester United \$72 million in prize money alone,⁸ not counting the substantial additional stadium-based and commercial revenues. With no limits on transfer spending in place, the financial returns from the Champions League gave Europe's top clubs a huge advantage in attracting the world's best players, in turn helping them sustain their on-field performance.

"It's difficult to marry the two competitions in one season," said Ferguson. "We are in a country where tribalism is rife. There is strong competition between regions and top clubs, with Arsenal, Chelsea, and Tottenham based in London, two clubs here in Manchester, and Liverpool. That puts tremendous pressure on you to win your league. But the European Cup is the biggest trophy."

The Role of the Football Manager

Although the exact role and responsibilities of a manager (outside England often also referred to as "coach" or "trainer") of a football club could vary substantially from one club to the other, a manager was usually responsible for running the first team, consisting of at least two dozen players that were eligible to play in matches, and overseeing assistant coaches, doctors, physiotherapists, and other support staff. On a day-to-day basis, the manager determined how the team should be trained, chose which players would start the next match and which would serve as substitutes, decided on the tactics to be employed in that match, and gave pre-game, halftime and post-game team talks.

More generally, football managers were often tasked with setting up the organization around the first team, from the coaching staff to the youth development and scouting structure. Because of his long tenure and accomplishments, Ferguson had a wider scope of control than any other manager in the EPL. He was the ultimate decision-maker on almost every football-related aspect at United. "Steve Jobs was Apple. Sir Alex Ferguson is Manchester United," said chief executive officer David Gill, who had been at the club since 1997, first as finance director, and since 2003 in his current position. Ferguson was in close contact on a daily basis with Gill. "My best relationship in this club is with David," he said. "Sometimes we disagree, but we respect each other, and we know that arguments are just arguments. He's very fair." "He moves on quickly – we can speak half an hour later and it is as if the issue was never there," said Gill, who also credited Ferguson for the time and dedication he showed his staff. His long-time secretary Lyn Laffin agreed: "If someone knocks on his door and they have a problem, the first thing he does is turn the chair around and say 'Sit down, let's talk.'" "He's an unbelievable man, he knows how to look after people," added kit manager Albert Morgan.⁹

Football managers also served as their clubs' representative to the outside world on football-related (as opposed to business-related) matters, handling press conferences and otherwise interacting with the media. "There is no way they are going to get my team tactics when I go to a pre-game press conference," Ferguson said with a smile. Referring to post-match television interviews, he added: "Really, why would I reveal my thoughts to the press when we have another game coming up on Wednesday?" "I know there is a time factor in these interviews, so my response is long and doesn't give them anything that is critical. And I certainly never discuss an individual player. The players know that – it stays indoors."

At most clubs, the manager could give recommendations on the buying and selling of players, but ultimate decisions on such transfers were usually subject to approval from a chief executive officer or chairman, board members, or one or more owners. Many clubs employed a director of football who negotiated deals with other clubs. Even in those cases, the manager would often play an instrumental role in transfers, from liaising with the scouting staff to speaking with prospective players. At United,

the club's owners, the US-based Glazer family, had final approval on transfers. "The Glazers decide. They have generally been very supportive," said Ferguson, adding: "The Glazers are very low-key. If I owned United and they won the league, I would be over the moon. I remember when I played with Rangers, when the directors were under the shower with their clothes on, dancing about. But the Glazers shook a few hands and had some photographs taken, that was it."

Managing a top European club was a high-pressure job. If on-field results were disappointing managers often bore the brunt of the blame—and could face dismissal by the club's leadership. The average tenure of coaches in Europe was relatively short, making Ferguson's record all the more remarkable (see **Exhibit 3**). "Some English clubs have changed managers so many times that it creates power for the players in the dressing room. That is very dangerous," he observed. "Football management," he added philosophically, "in the end is all about the players. You think you are a better player than they are, and they think they are a better manager than you are."

Sir Alex Ferguson: British Football's Most Successful Manager

Early Life and Playing Career

Alex Ferguson was born on December 31, 1941 in Govan, a tough working-class area of Glasgow, Scotland's largest city and industrial heartland. Ferguson's father worked in shipbuilding, an industry that dominated the local area's economic and social life. The younger Ferguson showed a love of and talent for football from a young age. He and his brother Martin could always be found playing football on the streets, and often accompanied their father to watch games played by Celtic FC, one of the two major teams in Glasgow. Alex Senior took a keen interest in the development of both his sons' football talents, being vocal during and after their game about how they could each improve. Even at a young age, Ferguson's deep determination to win shone through.

Ferguson made his professional debut at second-division Scottish club Queen's Park at age 16. He soon moved on to first-division club St. Johnstone. Despite maintaining an excellent goal scoring record (see **Exhibit 4**), Ferguson's career initially failed to ignite, and he had several fallings out with the team's management. Named a starter because of an injury crisis, Ferguson scored three goals in a match-winning performance against Glasgow's Rangers FC, the club he had supported as a boy and Scotland's top side at the time. That performance earned Ferguson a transfer to Dunfermline Athletic, where he became a record-breaking goal scorer, which in turn won him a dream transfer to Rangers. His time there would prove to be more difficult than he had hoped. He fell out of favor with a new manager who had joined the club shortly after his arrival, and left Rangers three years later with only a Scottish Cup Final runner's up medal to show for his time there. "The adversity gave me a sense of determination that has shaped my life," he said. "I made up my mind that I would never give in." Ferguson finished his playing career at two smaller clubs, Falkirk and Ayr United.

Despite never reaching the highest echelons of the game, over the course of his playing career Ferguson had been a prolific goal scorer. When asked whether his performance as a striker was useful to his later career as a manager, Ferguson responded: "Do you think [star striker Wayne] Rooney cares? He'll laugh at me and say 'Boss, it was so long ago, and in Scotland. Are they still part-timers up there?'" Ferguson added: "But if you've been at a big club—and I was at Rangers—that shows you what high standards are. When I played for Rangers, we had a brand new strip every game, in a cellophane package. And training gear warmed every morning, when it was freezing cold outside. Just brilliant."

Early Years as a Football Manager

Ferguson started his managerial career in 1974, aged just 32, at East Stirlingshire FC, a small club in Falkirk, Scotland, for a weekly salary of \$95. He was there for 117 days before accepting an offer from a larger club, St. Mirren FC, where he would stay for four years, and would assume a high level of control over all of the club's football and administrative functions. In his third year, he won promotion to the Scottish Premier Division with an exceedingly young team that he had put his trust in. "It was about building a club, not just a team," said Ferguson. However, a clash with the club's new chairman led to Ferguson's firing. "It taught me a big lesson. Before that, I did not believe I could ever get the sack," he said. He would not allow the same situation to arise again.

Aberdeen FC, a stronger club from Scotland's North East, immediately moved to install Ferguson as its new manager. He would form a strong bond with the club's chairman, Dick Donald. Ferguson's tenure at Aberdeen would not only be the most successful in the club's history, but also remarkable in the history of Scottish football itself. With Ferguson at the helm, Aberdeen won three Premier Division titles, four Scottish FA Cups, one Scottish League Cup, and the European Cup Winners Cup, beating European giants Bayern Munich and Real Madrid along the way. For his accomplishments, the Queen of England appointed Ferguson to the Order of the British Empire (OBE).

Manchester United before Ferguson

Founded in 1878, United won its first English league title in 1908 and England's major domestic cup competition, the Football Association (FA) Cup, one year later. On the back of this success, in 1910, the club moved to a new 80,000 seat stadium, officially named Old Trafford, but now often referred to by its nickname, 'The Theatre of Dreams.' United struggled to sustain its initial success: the club did not win another title for over forty years.

After the Second World War, the club appointed Matt Busby as their new manager. Busby negotiated a far greater degree of control than managers had traditionally been allowed: he was assured he would be largely free from interference in first-team affairs, and took sole control of team selection, training, and player transfers. It had its effect: Busby finally brought the title back to United in 1952, and he gradually introduced a strong generation of homegrown youth players, known as the 'Busby Babes,' into the first team. Disaster struck shortly after the club won two more league titles in short succession, however, when an aircraft carrying United's players crashed at Munich airport. Seven players died, including the prodigiously talented Duncan Edwards, England's youngest ever international. Busby, who himself was badly injured but made a full recovery, set about rebuilding United's squad—and led United to its crowning achievement in 1968, when it became the first English club to win the European Cup.

When Busby departed a year later, United fell into a period of decline, only to return to respectability in the 1980s. But when United again found itself in the relegation zone fourth months into the 1986-87 season, then manager Ron Atkinson was swiftly fired. The situation for a new manager arriving at the club did not seem promising.

Ferguson at Manchester United

1986 – 1994. "United was the kind of club I should have gone to. My old chairman at Aberdeen said exactly the same thing to me," said Ferguson about his arrival in Manchester on November 6, 1986. He soon realized he had a huge challenge on his hands. He found a squad lacking

fitness, star players with reputations not justified by their performances, and a pervasive drinking culture. Ferguson sold several players, including fan favorites Paul McGrath and Norman Whiteside, and invested in younger players. "I made it plain that I meant to put an end to United's reputation of being almost as much a social club as a football club," Ferguson said.¹⁰ He also made changes to the way the senior squad was run, introducing intensive fitness sessions, detailed positional training, and a new disciplinary code. And he made efforts to establish a 'family atmosphere' where everyone from the star player right through to the kit washer was considered a valuable part of United's organization.

The new manager immediately set about revolutionizing United's youth program which he thought was a shadow of what a club of United's standing required. For instance, United had only four scouts working to identify young talent in the local area, compared with thirteen at Aberdeen. Ferguson established two new 'centers of excellence' and recruited new scouts, urging them to bring him the best young talent. One of the first young players identified and recruited was a willowy thirteen-year-old named Ryan Giggs, who would go on to become one of the greatest British footballers of all time, playing his entire club career under Ferguson's management. Ferguson also made United's youth program visible in the organization: for example, he ensured that academy players warmed up alongside senior players every day in order to foster a 'one club' attitude.

It appeared Ferguson's methods were bringing the results the supporters so craved when, in only his second year in charge, United finished second in the league behind a dominant Liverpool FC. However, United regressed again the following season and finished only mid-table. A subsequent run of six defeats in eight games saw fans and pundits alike calling for Ferguson's dismissal. But Ferguson had the support of United's directors, including former star player Sir Bobby Charlton, and paid back their trust by leading United to an English FA Cup victory within a few months and, a season later, to a European Cup Winners Cup win over Spanish champions Barcelona.

Ferguson took a gamble when he paid \$2.1 million for the French striker Eric Cantona in 1993, a player with a reputation for lacking discipline and being a troublemaker. Ferguson thought the striker would thrive with a heavy dose of encouragement. When Cantona was suspended for many months as punishment for attacking a fan, Ferguson visited him in Paris to reassure him that he remained a valuable part of the club's plans. Ferguson's approach had its intended effect: from day one, Cantona arrived on time for club activities and stayed late at training to perfect his technique. He generally became an example to others in the club, prompting Ferguson to name him team captain. In the 1992-1993 season, Cantona helped United capture the league title it had been seeking since 1967. And the following year, Ferguson's United stormed to another EPL championship and secured another FA Cup.

1995 – 2001. In the summer of 1995, to the bewilderment of many supporters, Ferguson signed off on the departures of three fan-favorite senior players—and made no major acquisitions to replace them. Instead, on the new season's opening day, six out of the thirteen players used came from United's youth development program, including David Beckham, Gary Neville, and Paul Scholes. It seemed the beginning of an unmitigated disaster as United lost 3-1 to Aston Villa. "You can't win anything with kids," is what a respected television commentator famously told the nation that evening. But United's youngsters kept their places, won their next five matches in a row, and went on to win the EPL title twice in a row. Seeking to strengthen his side further the next year amid more intense competition at home (Arsenal captured the 1998 EPL title) and in Europe, Ferguson spent \$46 million on three players, including Dutch defender Jaap Stam and Trinidad & Tobago forward Dwight Yorke, who went on to form a lethal partnership with England international Andy

Cole.¹¹ Their goals helped fire United to another EPL title and FA Cup win. Between 1995 and 2001, United were EPL champions on five out of six possible occasions.

Ferguson, meanwhile, had set his sights on an even greater prize. In 1999, for the first time in eight attempts, United had reached the final of the Champions League.¹² The club faced a tough task against German champions Bayern Munich, which took the lead after just six minutes. Seeing the prized trophy slip away before his eyes, Ferguson reminded his players at halftime of what was at stake, telling them: "When that cup is going to be presented just remember that you can't even touch it if you're the losers—you'll be walking past it with your loser's medals, knowing someone walking behind you is going to lift the cup." A player later recalled Ferguson's words as "one of those inspirational speeches that turn fearful men into world beaters." As time ticked away in the second half Ferguson threw on two more strikers as substitutes, but United remained behind as the match entered injury time. With many Bayern supporters already celebrating, a David Beckham corner produced a scramble in front of the goal, and Teddy Sheringham, one of Ferguson's substitutes, tucked away the loose ball to score the equalizing goal. Incredibly, one minute later, another substitute, Ole Gunnar Solskjaer, scored the winner after getting on the end of one last Beckham corner. In a span of 107 seconds, United had grabbed victory from the jaws of defeat. "I can't believe it, I can't believe it. Football. Bloody hell," was all Ferguson could say to the cameras at the time.

In dramatic fashion, United became the first side from a major European league to win the 'treble' of European Cup, domestic league, and domestic cup in a single season. In recognition of his role in United's achievement, Ferguson was knighted, becoming Sir Alex Ferguson.

2002 – 2009. On the back of such spectacular success, Ferguson announced his intention to retire after the 2001-2002 season. When Ferguson discussed his retirement with his family during a Christmas spent at home, he soon realized he had made a mistake. "That decision was an absolute disaster. I wasn't ready to retire," said Ferguson. And so he enthusiastically took up the task of renewing his team.

Ferguson had already sold Stam in 2001. It was a decision Ferguson later acknowledged as perhaps the biggest mistake of his tenure at United. "He had had an Achilles operation that previous season, and initially he didn't seem the same. That can happen with an operation like that. Then Lazio came through with a \$24 million offer, so I sold him. It turned out to be a big mistake because he played at the top for another six years," explained Ferguson. In 2003, he also sold Beckham. Ferguson had nurtured Beckham's career and guided him from United's youth ranks to become a key member of the first team. However, after another season in which United captured the title, Ferguson felt it was time to let Beckham pursue his career elsewhere. Real Madrid acquired Beckham for \$46 million.

Ferguson put the revenues from those player sales to good use. He invested close to \$68 million, in two promising, but mostly unproven youngsters: Portugal's Cristiano Ronaldo in 2003 and England's Wayne Rooney in 2004, in the process making Rooney the world's most expensive teenager. The duo would become a dominant force in the EPL, but it took a few years to get there. United endured three seasons without winning the league title (Arsenal and Chelsea claimed those honors), causing some pundits to suggest that Ferguson's best days were behind him. More player sales followed. When United's captain Roy Keane publicly criticized his teammates, Ferguson quickly agreed to terminate his contract. The following off-season Ruud van Nistelrooy, United's leading goal-scorer, made it clear he was hoping to leave, and was promptly sold to Real Madrid.

Such departures would have been devastating to any other club, but United surged back to winning habits and captured the league title for the first time in three years, only to repeat that feat

the following year. Even more impressively, in the very last game of the season, United beat Chelsea on penalties to win the Champions League—the second such trophy under Ferguson’s management, solidifying his position as one of Europe’s most prominent managers ever. Ronaldo earned the FIFA ‘Ballon d’Or,’ the prize awarded to the world’s best player. The next season, United became the first team in history to have won three consecutive English titles on two separate occasions.

2010 – 2012. In the summer of 2009 one of United’s most devastating attackers left the club. Real Madrid pulled out all the stops to lure away Ronaldo, whom Ferguson eventually sold for a world record \$125 million. The club subsequently struggled to match big-spending Chelsea’s experienced and free-scoring squad, and finished only as runners up in the league. United’s lack of spending on new players caused some supporters to question the impact of the club’s capital structure on the club’s future prospects. United had been taken private in 2005 by the Glazers, a family of American investors, as part of a leveraged buyout which put more than \$900 million of debt onto United’s balance sheet. The \$70 million interest payment owed annually on this debt ate up a significant portion of United’s free cash flow.¹³ The worried fans made their discontent known during games at Old Trafford, but both Ferguson and Gill publicly stood behind the owners.

Ferguson became United’s longest-serving manager during the 2010-2011 season, in which the club would go on to win yet another league title. He celebrated being 25 years at the club the next season—an occasion that, to his great surprise, was marked by club executives naming one of Old Trafford’s stands after the manager—a first in the club’s 134-year history.

Ferguson’s Formula

Managing a Game

For a typical Sunday afternoon game, Ferguson selected his team by Wednesday. “But we never reveal the team to the players until the day of the game,” he said. “We think of the media and the players’ agents. And my job is to give us the best chance possible of winning the match, so why should we alert our opponents to what our team is? For a 3 o’clock game, we tell them at 1 o’clock.”

In the days leading up to the game, the coaching staff came up with a tactical plan. “Tactics can change depending on whom we are playing,” said Ferguson. “I tend to concentrate on one or two players of my opponents—the ones that are the most influential. Who’s the guy who is taking all the free kicks? Who’s the guy who’s on the ball all the time? Who’s the one urging everyone on? The rest of the time I concentrate on our own team.” He added: “On Friday we take our players through a video analysis of our opponents: their strengths, their weaknesses, their set pieces, what their team is likely to be, and so on. On Saturday, we might give them another, shorter version—just a recap of the previous day.”

The night before the game the team stayed at a hotel, and had lunch together three hours before kick-off. “It’s interesting to see all the foreigners sit together, and the British players sit at another table. That’s not because there is a division—it’s just that players tend to migrate towards familiarity. It’s fantastic to watch them have fun,” said Ferguson. After lunch, the manager talked to the players who were not starting but might have been expecting to. “I do it privately. It’s not easy, but I do them all myself. It is important. I have been dropped from a Cup final in Scotland as a player at ten past two, so I know what it feels like,” he admitted. “I’m not ever sure what they are thinking, but I tend to say ‘Look, I might be making a mistake here,’—I always say that—‘but I think this is the best team

for today.' I try to give them a bit of confidence, telling them that it is only tactical, and that there are bigger games coming up." On a given match day, Ferguson might have four to six of such talks.

Next, he spoke to the whole team. Ferguson liked to change the themes of his talks: "I once heard a coach start with 'This must be the thousandth team talk I've had with you,' and saw a player quickly responding with 'And I've slept through half of them!' So I like to tell different stories, and use my imagination. But generally, it is about our expectations, their belief in themselves, and their trust in each other." He gave an example: "I remember going to see Andrea Bocelli, the opera singer. I had never been to a classical concert in my life. But I am watching this and thinking about the coordination and the teamwork, one starts and one stops, just fantastic. So I spoke to my players about the orchestra—how they are a perfect team." An avid reader, Ferguson also found inspiration in books about the Civil War (one of his great passions), biographies of leaders in politics, business, and sports including John F. Kennedy and Vince Lombardi, as well as other works about history and politics. And he let players take an active role in motivating teammates. "You can get help from some of the players. Bryan Robson was a great captain—he spoke with each player," said Ferguson, "That's brilliant."

The 15-minute break between the game's two 45-minute halves provided another opportunity to connect with the team. "There are maybe eight minutes between you coming up through the tunnel and the referees calling you up on the pitch again, so it is vital to use the time well. Everything is easier when you are winning: you talk about concentrating, not getting complacent, and small things you can address. But when you are losing, you know that you are going to have to make an impact." Ferguson gave great thought to his approach to the halftime talk. "The last few minutes of the first half I'm always thinking of what I'm going to say. I'm a little bit in a trance. I am concentrating." He did not believe in taking notes: "I see other coaches do it, but I don't want to miss any part of the game. And I cannot imagine going into the dressing room, looking at my notes, and saying 'Oh in the 30th minute, that pass you took...' I don't think it's going to impress the players."

Although the press most often associated Ferguson with ferocious halftime and post-game talks, Ferguson preferred a more varied approach. "You can't always come in shouting and screaming," he said. "That doesn't work." "If you lose and Sir Alex believes you gave your best, it's not a problem," agreed former player Andy Cole, "But if you lose [in a] limp way... then mind your ears! There are no degrees of anger, no scale; when he loses his temper, he loses his temper." Cole added: "He will make it abundantly clear that is not what he expects at United, and then move on."¹⁴ "No one likes to get criticized," said Ferguson, "But in the football dressing room, it's necessary that you point out your players' mistakes. I do it right after the game. I don't wait until Monday, I do it, and it's finished. I'm onto the next match. There is no point in criticizing a player forever." "You can never tell what he is going to say," said Giggs. "I remember we once lost to Southampton even though I had scored. We were expecting a tough post-game talk, but he just said 'Ryan's goal might have just won you the league on goal difference.'"

If United were behind in the latter part of a game, Ferguson would often direct his men forward, encouraging them to attack. "We don't want to take the risk too early," he said, "but if we're in the last minutes of a game, we go for it." As United matches went into injury time, fans and opponents alike often counted on what the media had dubbed 'Fergie time'—extra minutes seemingly added by fearful referees to give Ferguson's team a chance to score. The phenomenon stemmed from a single game against lowly Sheffield Wednesday FC in which a staggering eight minutes of extra time allowed United to turn a 1-0 deficit into a victory, leaving the opposing manager fuming. An analysis by English newspaper *The Guardian* suggested United received on average a minute more extra time when they were behind at Old Trafford than when they were in front, but whether the same was true

for other clubs playing at home was not examined.¹⁵ “All I do is point at my watch to help the referee make the right decisions,” said Ferguson.

After the game, Ferguson spoke to his team, and then gave a short television interview. Fellow manager and friend Jose Mourinho claimed Ferguson was the master of the “second game,” using the media to motivate his team and to begin, as he put it, “to play the next game before it starts.”¹⁶ After his media obligations, Ferguson typically concluded the evening by having a glass of wine with the coach of the visiting team in his office in the stadium. “You have to get the game out of your system quickly or it becomes an obsession,” he said. “Win, lose, or draw. We show our face, and keep our dignity. We are Manchester United.”

Managing a Season

If United advanced through the early rounds of its domestic and international cup competitions, the team could easily play up to 65 games in a season. Maintaining a high level of consistency was a challenge for every club (see **Exhibit 5**). “We don’t start the preseason training at one hundred miles an hour,” said Ferguson about his approach. “We do a gradual buildup. And we’re not normally the strongest in the early part of the season, but October is usually a month where we get ourselves going again. I always tell the players, every season, that if we are within three points from the top come New Year’s Day, we’ve got a great chance at the title.”

The demands of competing for multiple trophies meant Ferguson had to make tradeoffs. “I work sometimes two games ahead—I might rest key players for a game that may be less important. There is a risk element in doing that, and it can backfire, but you have to accept that. You have to trust your squad.” One such mishap came in the 2011–2012 season, when Ferguson relied on younger players in the Champions League group stage so as to keep his players fresh for what he anticipated would be a challenging second half of the season—causing United to crash out of the competition against Swiss minnows FC Basel. “I made a mistake,” said Ferguson. “I was playing a lot of the young players. Although that had worked in the past we got careless in our games this year. It was a shock, because it was only the third time I’ve not qualified for the knockout stage.”

Throughout the year, training sessions were focused on repetition of skills and tactics. “Some managers are ‘pleasing managers.’ They let the players play 8-a-sides or 10-a-sides—games they enjoy. But here, we look at the training sessions as opportunities to learn and improve. Sometimes the players may think ‘Here we go again,’ but it helps to win. The message is simple: we cannot sit still at this club.” Rather than leaving it to chance, United’s players were also made to practice how they should play if a goal was required with ten, five, or three minutes remaining. “We practice for when the going gets tough, so we know what it takes to be successful in those situations,” said assistant coach Rene Meulensteen (also see **Exhibit 5**).

Ferguson had delegated more of the training sessions to his assistants over the years. He explained that taking a step back allowed him to better observe the players and their performance: “As a coach on the field, you don’t see anything.” He walked onto the pitch for at least a part of most training sessions. “You notice it when the manager steps onto the field. Everyone is just a little bit sharper,” said Giggs. During training sessions, Ferguson and the assistant coaches emphasized positives in what they saw: “There is no room for criticism on the training field,” he said. “For a player—and for any human being—there is nothing better than hearing ‘well done.’ Those are the two best words ever invented in sports. You don’t need to use superlatives.”

Over the course of a season, Ferguson had numerous short meetings and conversations with his players, in his Carrington office—where they walked past dozens of pictures of Ferguson's captains over the years to reach his door—in the hallways, in the cafeteria, on the training pitch, or wherever else the opportunity may arise. "Some players like to have the coach's shoulder," he said. The nature of managing a football club meant that dozens of issues could pop up on any given day. Ferguson prided himself on his ability to make quick decisions and move on: "Why should I go to my bed with a doubt?"

Discipline-related issues on or off the pitch were among those. When players got in trouble, Ferguson explained, "We fine them, but we keep it indoors."¹⁷ He was known to respond forcefully when players violated the standards he sought to maintain at the club. It spoke to one of Ferguson's beliefs about what it took to effectively manage his team, he explained: "You can't ever lose control—not when you are dealing with thirty top professionals who are all millionaires. And if anyone steps out of my control, that's them dead."¹⁸

Managing a Club

Looking across his seasons with United, Ferguson was most proud of his efforts to reestablish the club's youth program. "The first thought for 99% of newly appointed managers is to make sure they win—to survive. They bring experienced players in, often from their previous clubs. But I think it is important to build a structure for a football club—not just a football team. You need a foundation. And there is nothing better than seeing a young player make it to the first team."

Finding the right balance in the team between younger and more experienced players was a constant focus. Ferguson distinguished three layers of players, he explained: "The players from 30 and above, the players from roughly 23 to 30, and the younger ones coming in (see **Exhibit 6** for United's transfer spending by age groups compared to that of other clubs). The idea is that the younger players are developing and meeting the standards that the older ones have set before." Managing the process unavoidably involved cutting players. "The hardest thing is to let go of a player who has been a great guy. But all the evidence is on the football field. If you see the change, the deterioration, you have to start asking yourself what it is going to be like two years ahead."

In Ferguson's view, players had changed over the years. "They have lived more sheltered lives, so they are much more fragile now than 25 years ago." He felt he had changed, too: "I was very aggressive all those years ago. I am passionate and want to win all the time. But today I'm more mellowed—age does that to you. And I can better handle those more fragile players now." Not all players were fragile, of course, and Ferguson also had to learn how to deal with players who, as he put it, "have a bit of evil in them": "One of my players has been sent off several times. He will do something if he gets the chance—even in training. Can I take it out of him? No. Would I want to take it out of him? No. If you take the aggression out of him, he is not himself. So you have to accept that there is a certain flaw that is counterbalanced by all the great things he can do."

During his time at United, Ferguson had worked with the world's biggest stars. "I tell them that hard work is a talent, too," Ferguson said. "They need to work harder than anyone else. And if they can no longer bring the discipline that we ask for here at United, they are out." He added: "I am only interested in players who really want to play for United, and who, like me, are 'bad losers.'"

More generally, in his quarter century at United, the world of football had changed dramatically, from the financial stakes involved (with all its positive and negative consequences) to the science behind what makes players better. Ferguson had massively expanded his backroom staff, and had

appointed a team of sports scientists to support the coaching staff. He could talk enthusiastically about the new Vitamin D machine (which perhaps most resembled a tanning booth) in the players' dressing room at Carrington, put there to help them counterbalance the lack of sunlight in Manchester, or his plan for the new season to give players staggered one-week breaks in the winter months to replenish their Vitamin D. And he embraced sports science's discovery that players should avoid running long distances ahead of a new season (as was traditionally done) and instead focus on sprints, and had championed the use of player vests fitted with GPS systems that enabled an analysis of a player's physical performance a mere twenty minutes after a training. "He has demonstrated a tremendous capacity to adapt as the game has changed," concluded chief executive officer Gill.

Looking Ahead

With a victory in the 2010-2011 season, United secured its nineteenth league title and became the 'most winning' club in English football history – a remarkable feat given that when the club won their first EPL title under Ferguson in 1993, the all-time title tally stood at 18-8 in Liverpool's favor (see **Exhibit 7**). By 2012, United also led the all-time rankings for FA Cup wins. Off the field, United had also gone from strength to strength. United consistently ranked among the highest-grossing football teams in the world in recent years (see **Exhibit 8**). The club was among the world's most recognizable brands, and reported 660 million 'followers'¹⁹ around the globe.

A Coming and Going of Rivals

Over the course of Ferguson's quarter of a century in charge of the club, several rival teams had challenged United's hegemony – but none quite managed to keep up with Ferguson and his men for very long. Tellingly, during Ferguson's time at United, his four main rival clubs in England had seen a total of 48 managers.²⁰

Liverpool FC. When Ferguson joined United in 1986 Liverpool FC was football's biggest powerhouse, having lifted the European Cup on four occasions and having won the English league eight times in the previous eleven years. Ferguson experienced Liverpool's ability firsthand while he was manager of Aberdeen, as his side was beaten 5-0 on aggregate in the 1980 European Cup, with Liverpool's skillful forward Kenny Dalglish their chief tormentor. Dalglish continued his success as manager of Liverpool in the late 1980s, leading the team to two more league titles. But since the early 1990s, Liverpool had not won the English league once. "My greatest challenge was knocking Liverpool right off their [expletive] perch," Ferguson famously told the press in 2002, adding: "And you can print that." Liverpool did collect two European trophies in the 2000s, but could not turn those victories into sustained success. The club was acquired in a leveraged buyout in 2007, and had to be rescued from its debtors in 2010 after it had made some unfortunate moves on the transfer market and had failed to qualify for the Champions League.

Arsenal FC. In the early 2000s, Arsenal seemed to be the new century's club to beat. Frenchman Arsène Wenger had introduced possession-focused tactics and successfully molded a team out of young foreign players such as Dennis Bergkamp and Thierry Henry and the team's older and more experienced English base. Arsenal won the league in 1998 and again in 2002, but the team only reached its full potential in 2004 when Arsenal secured the EPL title while remaining unbeaten. In this period, the rivalry between Ferguson and Wenger, and between both teams of players, was intense—boiling over on several occasions. But with several of Arsenal's core players departing for higher salaries elsewhere, and Wenger sticking to his philosophy of developing young talent in-

house and only spending within the club's means, Arsenal had not managed to win the league since. The relationship between Ferguson and Wenger appeared to have mellowed over the years, with both managers defending each other publicly in the face of criticism from the press.

Chelsea FC. Not traditionally a strong force in English football, Chelsea's fortunes changed dramatically when Russian billionaire Roman Abramovich bought the club in 2003 – and showed an unprecedented willingness to fund Chelsea's activities from his own pocket. Between 2003 and 2011 Chelsea reportedly spent a staggering \$1 billion on new players. The club also recruited talented manager Jose Mourinho. The spending had its desired effect: Chelsea dominated English football between 2005 and 2007, winning two league titles and an FA Cup, and did not lose a home game for more than four years.

But just when it seemed that Chelsea would be at the forefront of English football for years to come, Mourinho was fired in September 2007 after apparently falling out with the club's owner over the team's style of play and its inability to win a Champions League, a trophy Abramovich coveted most. In the next four years the club employed five new managers. Although Chelsea did recapture the league title in 2009 it was unable to repeat its performance – despite attempts to 'parachute in' a youth program with some of Europe's best young players, a project on which \$110 million was spent but that had not yet yielded even one first team regular. In 2012, Chelsea's experienced team finally captured their first Champions League title after miraculous comebacks earlier in the tournament. In the league, however, the club finished an astonishing 25 points behind United. Chelsea had now again moved aggressively on the transfer market, spending \$100 million on three young talents.

Manchester City. United had always held clear bragging rights over its bitter local rival City, which until 2009-2010 had never finished higher than ninth in the EPL, and had in fact been playing in the third tier of English football as recently as 1998. However, the arrival of a new owner, Abu Dhabi's billionaire Sheik Mansour, had ushered in a new dawn. City spent more than \$235 million on new talent in the first offseason after Mansour's arrival. The club then recruited talented young manager Roberto Mancini, the winner of three Italian league titles with Inter Milan, to lead their quest for domestic and continental supremacy. In his first full season in charge, Mancini spent another \$240 million on a mix of young and more experienced players. City's performance steadily improved, and the club qualified for the Champions League for the first time in 2011.

In the 2011-2012 season, City captured the league title on goal difference in the dying minutes of the last game – surely the most dramatic end to a season the EPL had ever seen. City's fans were ecstatic with their first title in 44 years. "Another day in the history of Manchester United, that's all it was", Ferguson said calmly, "It created the drama that only United can produce. Who would have thought that Blackburn, being bottom of the league, would beat us 3-2 at Old Trafford? Or that Everton would draw with us when we were up 4-2 with seven minutes to go?" He knew the dynamic of the 'Manchester derby' had intensified, however, and that this latest challenge could not have hit any closer to home. "I've still got a wee bit of anger in me, thinking of how we threw the league away last season. My motivation to the players will be that we can't let City beat us twice in a row."

Real Madrid CF and FC Barcelona Outside the EPL, United's biggest challengers were the Spanish giants Real Madrid and Barcelona. Madrid's "Galacticos" strategy, so named for the star caliber of players the club had recruited, had brought Madrid strong commercial growth. With Mourinho now in charge at Real Madrid, and Cristiano Ronaldo as its biggest star, Madrid was a strong contender for domestic and European titles. Ferguson reflected on Mourinho's style: "He is very intelligent, he has charisma, his players play for him, and he is a good looking guy. I think I have most of those things, too, apart from his good looks. He's got a confidence about himself, saying

'We'll win this,' and 'I'm the Special One.' I could never come out and say we're going to win this game. It's maybe a wee bit of my Scottishness?"

Barcelona, powered by its famous *La Masia* academy that had produced such world-class players as Lionel Messi, Andres Iniesta, and Xavi, and known for its attractive football, had had an impressive string of successes both domestically and in Europe, including winning three Champions League titles between 2006 and 2011 – the latter by convincingly beating United in the final. But the club was now struggling under the burden of debt and with the resignation of coach Josep "Pep" Guardiola, it was unclear whether they could sustain their success. "Guardiola is an impressive guy. He's brought about change in Barcelona, urging the team to always work hard to get the ball back within seconds after losing it. They are gifted but work hard. It was a fantastic achievement. He elevated the status of his players," said Ferguson.

Manchester United's Next Chapter

As Ferguson walked further onto the field on the first day of training for the 2012-2013, greeting players and coaching staff alike as he went, all of Carrington seemed abuzz with activity. Ferguson was confident that the team he had built over the years was capable of mounting a strong challenge for trophies, but also keen to add one or two new signings before the season's start.

Ryan Giggs, returning for his record 23rd season with the club, said: "The situation with City is similar to what we faced with Chelsea a few years ago. We overcame that and won the EPL three seasons in a row. Our manager is always planning ahead." Chief executive officer Gill offered his thoughts: "It's on our backdoor so the challenge from City seems more immediate. But Barcelona is just as much of a challenge, because Europe is a key part of our football and commercial goals," he said. "There are always challenges, that's the beauty of top level sport."

An optimistic Ferguson was determined to do everything in his power to win the English league title and make a successful run in European football. "I never say we will win the league, but I would be very disappointed if we did not seriously contend for it," he reflected on the challenges ahead. "And I will not be taking the risks I took in Europe last year." If the past was anything to go by, he would find a way to overcome the latest challenges, and write a glorious ending to United's next chapter. How could Ferguson lead his team to victory yet again?

Exhibit 1a Europe's Most Decorated Football Managers

Rank	Club	Citizen-ship	Champions League Trophies	Other European Cups	Domestic League Titles	Domestic Cups ^b	Total
1	Sir Alex Ferguson	Scotland	2	2	15	9	28
2	Jose Mourinho	Portugal	2	1	7	4	14
3	Ottmar Hitzfeld	Germany	2	--	7	3	12
4	Pep Guardiola	Spain	2	--	3	2	7
5	Carlo Ancelotti	Italy	2	--	2	2	6
6	Vicente Del Bosque	Spain	2	--	2	--	4
7	Arrigo Sacchi	Italy	2	--	1	--	3
8	Giovanni Trapattoni	Italy	1	3	9	3	16
9	Fabio Capello	Italy	1	--	9	--	10
10	Louis van Gaal	Holland	1	1	7	3	12
11	Guus Hiddink	Holland	1	--	6	5	12
12	Marcello Lippi	Italy	1	--	5	1	7
13	Raymond Goethals	Belgium	1	--	3	--	4
14	Rafael Benitez	Spain	1	1	2	1	5
15	Frank Rijkaard	Holland	1	--	2	--	3
16	Roberto Di Matteo	Italy	1	--	--	1	2
17	Roberto Mancini	Italy	--	--	4	5	9
18	Arsène Wenger	France	--	--	4	5	9
19	Kenny Dalglish	Scotland	--	--	4	2	6
20	Graeme Souness	Scotland	--	--	4	1	5
21	Gérard Houllier	France	--	1	3	1	5
22	George Graham	Scotland	--	1	2	1	4

Source: Case writers' analysis, UEFA.com, leagues' websites.

^a Only includes managers who since 1992 either won the Champions League or the English Premier League. Includes all relevant trophies and titles won by each manager over the course of their entire managerial career in England, France, Germany, Holland, Italy, Portugal, Scotland and Spain. Ranked by Champions League wins, then Domestic League wins, then Other European Cup wins, then Domestic Cup wins.

^b For the purposes of comparability, only includes the most prestigious domestic cup under Domestic Cups.

Exhibit 1b Europe's Most Decorated Football Clubs^a

Rank	Club	Country	Champions League Trophies	Domestic League Titles	Domestic Cups ^b	Total
1	Real Madrid	Spain	9	32	18	59
2	AC Milan	Italy	7	18	5	30
3	Liverpool	England	5	18	7	30
4	Ajax	Holland	4	31	18	53
5	Bayern Munich	Germany	4	22	15	41
6	Barcelona	Spain	4	21	26	51
7	Manchester United	England	3	19	11	33
8	Inter Milan	Italy	3	18	7	28
9	Benfica	Portugal	2	32	24	58
10	Juventus	Italy	2	28	9	39
11	Porto	Portugal	2	26	16	44
12	Nottingham Forest	England	2	1	2	5
13	Celtic	Scotland	1	43	35	79
14	PSV Eindhoven	Holland	1	21	9	31
15	Feyenoord	Holland	1	14	11	26
16	Marseille	France	1	10	10	21
17	Aston Villa	England	1	7	7	15
18	Borussia Dortmund	Germany	1	5	3	9
19	Chelsea	England	1	4	7	12
20	Hamburg	Germany	1	3	3	7

Source: Case writers' analysis, UEFA.com, leagues' websites.

^a Only includes clubs that compete in major European leagues and have won the Champions League. Ranked by Champions League wins, then Domestic League wins, then Domestic Cup wins.

^b For the purposes of comparability, only includes the English FA Cup under Domestic Cups.

Exhibit 2 The World's Highest-Grossing Football Clubs (as of April 2012)

	Club	Country	Estimated Brand Value (\$M)	Total Revenues (€M)	Match Day Revenues (%)	Broadcasting Revenues (%)	Commercial Revenues (%)
1	Manchester United	England	2,235	367	33	36	31
2	Real Madrid	Spain	1,877	480	26	38	36
3	FC Barcelona	Spain	1,307	451	25	41	34
4	Arsenal	England	1,292	251	41	39	20
5	Bayern Munich	Germany	1,235	321	22	22	56
6	AC Milan	Italy	989	235	15	46	39
7	Chelsea	England	761	250	30	45	25
8	Liverpool	England	619	203	22	36	42
9	Juventus	Italy	591	154	8	57	35
10	Schalke 04	Germany	587	202	18	37	45
11	Tottenham Hotspur	England	564	181	26	51	23
12	Internazionale	Italy	490	211	16	58	26
13	Manchester City	England	443	170	17	45	38
14	Borussia Dortmund	Germany	394	139	20	23	57
15	Olympique Lyonnais	France	385	133	15	52	33
16	Hamburger SV	Germany	355	129	32	21	47
17	AS Roma	Italy	354	144	12	64	24
18	Olympique Marseille	France	349	150	17	52	31
19	Valencia	Spain	288	117	23	57	20
20	Napoli	Italy	283	115	19	51	30

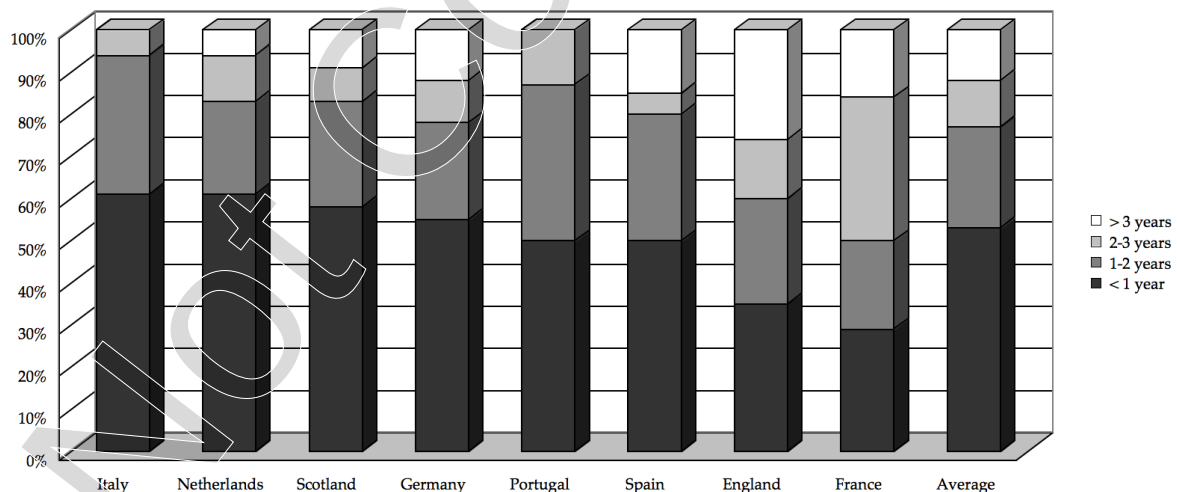
Source: Adapted from "The World's Most Valuable Soccer Teams" by Forbes (April 2012), "Football Money League" by Deloitte (February 2012), annual reports.

Exhibit 3a The Tenure of Football Managers in Europe (as of August 1, 2011)^a

Rank	Name	Club	Country	Age	Years of Service
1	Sir Alex Ferguson	Manchester United	England	69	25
2	Arsène Wenger	Arsenal FC	England	61	15
3	David Jeffrey	Linfield FC	Northern Ireland	48	15
4	Thomas Schaaf	Werder Bremen	Germany	50	12
5	Vitali Kvaratsiany	Volyn Lutsk	Ukraine	58	10
6	Manolo Preciado	Sporting Gijon	Spain	53	10
7	Kurban Berdyev	Rubin Kazan	Russia	58	10
8	David Moyes	Everton FC	England	48	9
9	Pekka Lyyski	IFK Mariehamn	Finland	58	9
10	Nanne Bergstrand	Kalmar FF	Sweden	55	9

Source: Adapted from UEFA, "The European Club Football Landscape, Benchmarking Report FY10," page 50.

^a Guy Roux holds the record for longest-serving manager in modern professional football history, having coached French club AJ Auxerre from 1961 to 2000.

Exhibit 3b The Tenure of Football Managers in Europe (as of August 1, 2011)^a

Source: Adapted from UEFA, "The European Club Football Landscape, Benchmarking Report FY10," page 50.

^a The average covers 525 top-division head coaches from a wider set of European countries.

Exhibit 4a Sir Alex Ferguson's Playing Career

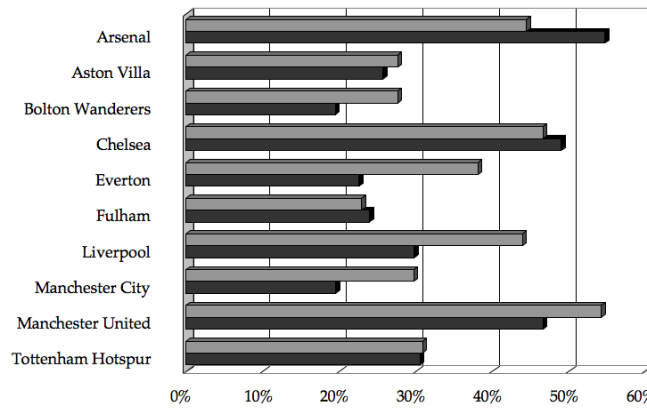
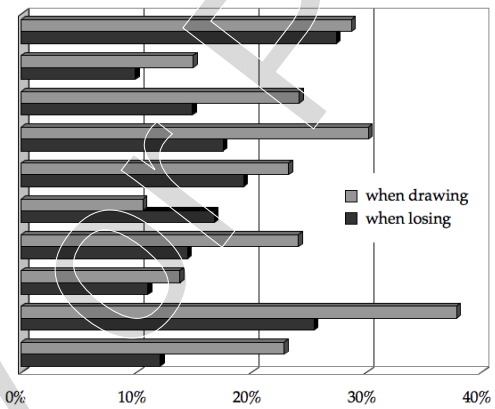
Club	City, Country	Period	Appearances	Goals Scored
Queen's Park FC	Glasgow, Scotland	1957-1960	31	15
St. Johnstone FC	Perth, Scotland	1960-1964	37	19
Dunfermline Athletic FC	Dunfermline, Scotland	1964-1967	89	66
Rangers FC	Glasgow, Scotland	1967-1969	41	25
Falkirk FC	Falkirk, Scotland	1969-1973	95	36
Ayr United FC	Ayr, Scotland	1973-1974	24	9
Total			317	170

Source: Case writers' analysis.

Exhibit 4b Sir Alex Ferguson's Managerial Honors

Club	Title/Trophy	Times Won	Years
St. Mirren	Scottish First Division	1	1976-77
Aberdeen	Scottish Premier Division	3	1979-80, 1983-84, 1984-85
	Scottish Cup	4	1981-82, 1982-83, 1983-84, 1985-86
	Scottish League Cup	1	1985-86
	UEFA Cup Winners' Cup	1	1982-83
	UEFA Super Cup	1	1983
Manchester United	English Premier League	12	1992-93, 1993-94, 1995-96, 1996-97, 1998-99, 1999-2000, 2000-01, 2002-03, 2006-07, 2007-08, 2008-09, 2010-11
	FA Cup	5	1989-90, 1993-94, 1995-96, 1998-99, 2003-04
	League Cup	4	1991-92, 2005-06, 2008-09, 2009-10
	FA Charity/Community Shield	10	1990, 1993, 1994, 1996, 1997, 2003, 2007, 2008, 2010, 2011
	UEFA Champions League	2	1998-99, 2007-08
	UEFA Cup Winners' Cup	1	1990-91
	UEFA Super Cup	1	1991
	Intercontinental Cup	1	1999
	FIFA Club World Cup	1	2008

Source: Case writers' analysis, clubs' websites.

Exhibit 5a United's On-Field Performance: Selected EPL Clubs' 'Improvement Rates'^a**Improvement Rate^b ... After 45 Minutes****... And after 75 Minutes**

Source: Compiled from ESPN's English Premier League data (ESPN.com), case writers' analysis.

^a Based on English Premier League games played in the ten seasons from 2001-2002 to 2010-2011.

^b The 'Improvement rate' reflects whether a club changes a losing score after 45 minutes (left) or after 75 minutes (right) into a win or draw, or changes a draw after 45 minutes (left) or 75 minutes (right) into a win.

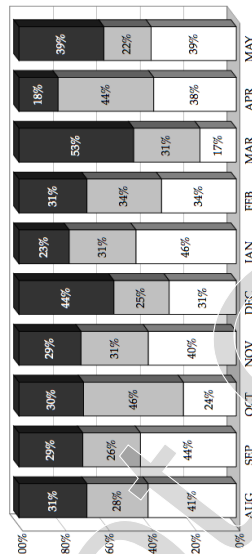
Exhibit 5b

United's On-Field Performance: Selected EPL Clubs' Performance by Month^a

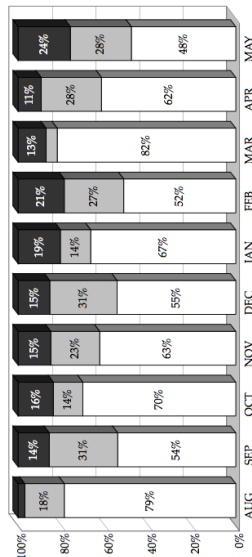
Arsenal



Aston Villa



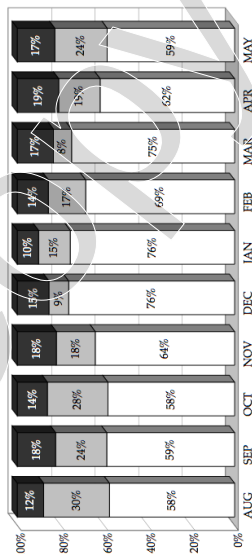
Chelsea



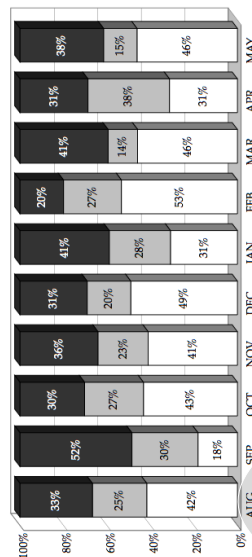
Liverpool



Manchester United



Tottenham Hotspur



Win % Draw % Loss %

Source: Compiled from ESPN's English Premier League data (ESPN.com), case writers' analysis.

^a Based on English Premier League games played in the ten seasons from 2001-2002 to 2010-2011.

Exhibit 6 United and Selected Other EPL Clubs' Ingoing and Outgoing Transfers

Incoming Transfers											
Club	Number of Transfers, by Age Group				Expenditures (in € million), by Age Group						
	14-18	19-24	25-28	29-32	33+	Total	14-18	19-24	25-28	29-32	33+ Total
Arsenal	13	17	8	2	1	41	40	147	86	7	4 284
Chelsea	6	24	17	6	--	53	19	354	338	100	-- 811
Liverpool	5	29	20	4	--	58	6	306	201	14	-- 526
Manchester City	--	23	19	9	3	54	--	305	291	45	5 646
Manchester United	7	24	9	1	1	42	30	270	198	2	4 504
Tottenham Hotspur	9	35	24	6	2	76	29	275	178	27	4 513

Outgoing Transfers											
Club	Number of Transfers, by Age Group				Expenditures (in € million), by Age Group						
	14-18	19-24	25-28	29-32	33+	Total	14-18	19-24	25-28	29-32	33+ Total
Arsenal	1	20	7	8	1	37	3	47	89	56	0 195
Chelsea	--	16	11	4	3	34	--	89	98	15	8 210
Liverpool	--	25	22	5	1	53	--	74	246	25	1 346
Manchester City	--	23	11	5	3	42	--	89	60	10	3 163
Manchester United	--	26	10	8	1	45	--	153	101	74	2 330
Tottenham Hotspur	--	23	17	9	--	49	--	58	148	34	-- 240

Source: Compiled from www.transferleague.co.uk, case writers' analysis.

^a Data covers the ten seasons from 2001-2002 to 2010-2011. Only includes first-team transfers for which a fee was paid or received (and thus excludes Bosman or free transfers).

Exhibit 7 EPL Clubs' Final League Standings: A Twenty-Year Overview

Club	'92-93	'93-94	'94-95	'95-96	'96-97	'97-98	'98-99	'99-00	'00-01	'01-02	'02-03	'03-04	'04-05	'05-06	'06-07	'07-08	'08-09	'09-10	'10-11	'11-12
1 Manchester City	9	16	17	18	-	-	-	-	18	-	9	16	8	15	14	9	10	5	3	1
2 Manchester United	1	1	2	1	1	2	1	1	1	3	1	3	3	2	1	1	1	2	1	2
3 Arsenal	10	4	12	5	3	1	2	2	2	1	2	1	2	4	4	3	4	3	4	3
4 Tottenham Hotspur	8	15	7	8	10	14	11	10	12	9	10	14	9	5	5	11	8	4	5	4
5 Newcastle United	-	3	6	2	2	13	13	11	11	4	3	5	14	7	13	12	18	-	12	5
6 Chelsea	11	14	11	11	6	4	3	5	6	6	4	2	1	1	2	2	3	1	2	6
7 Everton	13	17	15	6	15	17	14	13	16	15	7	17	4	11	6	5	5	8	7	7
8 Liverpool	6	8	4	3	4	3	7	4	3	2	5	4	5	3	3	4	2	7	6	8
9 Fulham	-	-	-	-	-	-	-	-	-	13	14	9	13	12	16	17	7	12	8	9
10 West Bromwich Albion	-	-	-	-	-	-	-	-	-	-	19	-	17	19	-	-	20	-	11	10
11 Swansea City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11
12 Norwich City	3	12	20	-	-	-	-	-	-	-	-	-	19	-	-	-	-	-	-	12
13 Sunderland	-	-	-	-	18	-	-	7	7	17	20	-	-	20	-	15	16	13	10	13
14 Stoke City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	11	13	14
15 Wigan Athletic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	14	11	16	16	15
16 Aston Villa	2	10	18	4	5	7	6	6	8	8	16	6	10	16	11	6	6	6	9	16
17 Queens Park Rangers	5	9	8	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17
18 Bolton Wanderers	-	-	-	20	-	18	-	-	-	16	17	8	6	8	7	16	13	14	14	18
19 Blackburn Rovers	4	2	1	7	13	6	19	-	-	10	6	15	15	6	10	7	15	10	15	19
20 Wolverhampton Wanderers	-	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-	-	15	17	20

Source: Compiled from ESPN's English Premier League data, case writers' analysis.

Exhibit 8 Football's Money League^a

	Club	2005-06		2006-07		2007-08		2008-09		2009-10		2010-11	
		Rank	Revenue (€M)	Rank	Revenue (€M)	Rank	Revenue (€M)	Rank	Revenue (€M)	Rank	Revenue (€M)	Rank	Revenue (€M)
1	Real Madrid	1	292	1	351	1	366	1	401	1	439	1	480
2	FC Barcelona	2	259	3	290	3	309	2	366	2	398	2	451
3	Manchester United	4	243	2	315	2	325	3	327	3	350	3	367
4	Bayern Munich	8	205	7	223	4	295	4	290	4	323	4	321
5	Arsenal	9	177	5	264	6	264	5	263	5	274	5	251
6	Chelsea	6	221	4	283	5	269	6	242	6	256	6	250
7	AC Milan	5	239	6	227	7	210	7	197	7	236	7	235
8	Internazionale	7	207	9	195	10	173	9	197	9	225	8	211
9	Liverpool	10	176	8	199	8	207	7	217	8	225	9	203
10	Schalke 04	13	123	14	114	13	148	16	125	16	140	10	202
11	Tottenham Hotspur	14	107	11	153	14	145	15	133	12	146	11	181
12	Manchester City	16	89	--	--	--	--	18	102	11	153	12	170
13	Juventus	3	251	12	145	11	166	8	203	10	205	13	154
14	Olympique de Marseille	--	--	16	99	16	127	14	133	15	141	14	150
15	AS Roma	12	127	10	158	9	175	12	146	18	123	15	144
16	Borussia Dortmund	--	--	--	--	17	108	17	104	--	--	16	139
17	Olympique Lyonnais	11	128	13	141	12	156	13	140	14	146	17	133
18	Hamburger SV	15	102	--	--	15	128	11	147	13	146	18	129
19	Valencia	--	--	15	108	--	--	--	--	--	--	19	117
20	Napoli	--	--	--	--	--	--	--	--	--	--	20	115

Source: Compiled from Deloitte "Football Money League" reports.

^a Clubs are ranked by their 2010-2011 revenues.

Endnotes

¹ Football, a sport played between two teams of eleven players who each compete to maneuver the ball into the opposition's goal without using their arms or hands, is more commonly known as 'soccer' in the United States.

² "Almost half the world tuned in at home to watch 2010 FIFA World Cup South Africa", *Fifa.com*, July 11, 2011, www.fifa.com/worldcup/archive/southafrica2010/organisation/media/newsid=1473143/index.html.

³ "Annual Review of Football Finance 2012", *Sports Business Group*, Deloitte, 2012

⁴ Some leagues, including the English Premier League, negotiated a collective agreement for all teams. Other leagues, including Spain's La Liga, allowed clubs to negotiate broadcast agreements individually. Clubs participating in European competitions could gain additional media-rights income in the form of prize money.

⁵ "What we do—a growing fan base", *Premierleague.com*, November 17th 2011, www.premierleague.com/en-gb/about/a-growing-fan-base.html.

⁶ The number of places available to each country's league varied according to a ranking of the league's strength. In 2011-2012, teams in England, Spain, and Germany competed for four places in the tournament.

⁷ George Ankers, "The most watched club game in the world?," *Goal.com*, May 16, 2012. www.goal.com/en/news/1717/editorial/2012/05/16/3106275/the-most-watched-club-game-in-the-world-how-chelsea-v-bayern.

⁸ "UEFA Champions League: Distribution to Clubs 2010/11", UEFA, August 16, 2011, www.uefa.com/uefa/management/finance/news/newsid=1661038.html.

⁹ Sir Alex Ferguson: 25 Years at Manchester United, Private recording of event.

¹⁰ Sir Alex Ferguson, "Managing My Life: My Autobiography," 2000, Hodder & Stoughton.

¹¹ All transfer fee estimates in this document were compiled from www.transferleague.co.uk, and converted to dollar amounts using the average exchange rate in the year (or the years) the monetary figure refers to.

¹² Including its previous incarnation as simply 'The European Cup.'

¹³ "Manchester United—Tuning In To Capital Radio", *The Swiss Ramble*, July 9, 2012, swissramble.blogspot.co.uk.

¹⁴ Andy Cole, "Fergie's ferocious temper, City's spend and Coyle's class," *Sporting Intelligence*, January 7, 2010, www.sportingintelligence.com/2010/01/07/fergies-ferocious-temper-citys-spend-coyles-class/.

¹⁵ D. Taylor, "Revealed: Manchester United get more injury time when they need it", *The Guardian*, September 22, 2009, www.guardian.co.uk/football/2009/sep/22/manchester-united-goals-stoppage-time

¹⁶ Andy Mitten, "Mourinho: I owe it all to Fergie!" *Manchester Evening News*, October 11, 2010.

¹⁷ Fining players was standard industry practice in European football.

¹⁸ Sir Alex Ferguson, Speech at Trinity College Dublin, 2009.

¹⁹ United defined "followers" as individuals for whom "Manchester United was either their favorite football team in the world or a football team that they enjoyed following in addition to their favorite football team." A "follower" must either watch "live Manchester United matches, highlights coverage, or read or talk about Manchester United regularly." "Source: "Amendment to Form F1, Manchester United LTD", filed with the SEC July 30, 2012.

²⁰ Sir Alex Ferguson: 25 Years at Manchester United, Private recording of event.