

Understanding the emergence of sport entrepreneurship: policy considerations and agenda setting

Introduction

In the nascent sport entrepreneurship literature, there is much work to be done on public policy. Whilst there is a considerable body of research on sport policy, comparatively little work exists on sport entrepreneurship and public policy. The chief goal of this special journal issue is to foster more dialogue and conversations about sport entrepreneurship and public policy. A broad definition of sport entrepreneurship is adopted by taking the view it involves innovation, risk taking and proactiveness in the sport context (Ratten and Ferreira, 2017). This means the focus is not restricted to a narrow view of the sport entrepreneurship process but a holistic perspective is undertaken in order to take into account policy variations. Before discussing the importance of public policy in sport entrepreneurship, I would like to thank the Editor Professor Joshua Hall for his help and guidance with this special journal issue.

Sport policy is complex because of the interdependencies amongst athletes, clubs, businesses and government agencies (Miragaia *et al.*, 2017). There has been a tendency in recent sport policy making toward emphasizing value innovation and market strategies. This is evident with the public sector being seen as needing to act more like a business (Audretsch *et al.*, 2018). As a result, there are more political campaigns being used in sport policy to shape decisions to suit specific needs. This has led to sport policy being adjusted to suit a myriad of economic and social problems (Potts and Ratten, 2016). By celebrating an innovative culture in sport policy decisions, it can lead to better economic circumstances.

Policy is contextually based and has the power to influence entrepreneurial behavior (Foss *et al.*, 2018). Entrepreneurship research can influence public policy through emphasizing a proactive approach (Zahra and Wright, 2011). Policy makers sometimes make errors so being innovative in their decision making can reduce the chance of mistakes. In addition, there has been a shift in sport policy attention to more risk taking ventures that have better long-term payoffs. This means a more selective sport policy is required in order to pick winners that produce the most effective results. To do this, policy needs to focus on helping sport businesses, which are also the most entrepreneurial. Thus, sport policy needs to value entrepreneurship and be confident in the change it produces.

This paper contributes to the sport entrepreneurship and public policy literature by highlighting the importance of entrepreneurship in sport policy decisions. This furthers our understanding about how sport entrepreneurship relates to public policy. Future research needs to move beyond just adding an entrepreneurship perspective to embedding it within sport policy studies. To do this the introductory article is structured as follows. First, I begin by reviewing the literature underpinning sport entrepreneurship. The next section discusses policy entrepreneurship and the way to link sport entrepreneurship to public policy. The articles in this special journal issue are then discussed followed by some policy implications and suggestions for future research.

Entrepreneurial policies

Acs *et al.* (2016) suggest that entrepreneurial policies can be bad policy if they encourage those already intending to be entrepreneurs. Thus, in order to create meaningful change, entrepreneurial policies need to be strategic. Entrepreneurship is defined broadly as “how



opportunities to create future goods and services are discovered, evaluated and exploited” (Cumming *et al.*, 2009, p. 283). In a policy setting, the entrepreneurship means identifying opportunities that lead to new market growth. However, on a number of measures sport policy is not as entrepreneurial as it should be. This is due to the waste of tax payers’ money on low-growth sport projects. As a result, the impact of entrepreneurial sport policy may take a long time to emerge and is influenced by other environmental factors. Sometimes factors unrelated to the sport policy can impact its effectiveness in society. This includes market changes made evident from economic turmoil. Sport institutions need to embed a spirit of entrepreneurship in order to enact change.

Macro policies focus on creating an environment conducive to entrepreneurship (Fotopoulos and Storey, 2019). The economic and social environment needs to create the right context for sport entrepreneurship. This means implementing appropriate regulatory frameworks that enable strategic change. In order to do this, there should be an environment that improves the ability of sport entities to be entrepreneurial. An appropriate strategy might be the changing taxation rates or making subsidies available to sport organizations. Micro policies involve focusing on individuals or groups of entities (Fotopoulos and Storey, 2019). Examples of this in sport include sport teams being more risk taking in the types of consumers they target and the way they build their fan base.

The scope of sport entrepreneurship research is expanding with new studies emerging in the literature. Entrepreneurship policies range from encouraging an entrepreneurial culture, fostering entrepreneurship education and help starting a business (North and Smallbone, 2006). Policies regarding entrepreneurship provide a way to influence the economic and political context of a region. The sport industry has a strong entrepreneurial tradition that is evident in its culture but more emphasis on its impact on policy is required. This is due to sport being one of the largest industries in the world and influences the public policy debate of many countries. Sport is broadly defined as the use of physical activity for competitive reasons. However, new forms of sport such as electronic sport are emerging that involve more mental than physical forms of activity. The main segments of the sport industry are performance, production and promotion (Pitts *et al.*, 1994). Sport performance involves individuals participating in sport as a competitor or spectator. Sport production involves the making of products whilst sport promotion refers to marketing and communications.

The sport business industry covers a wide spectrum of activities from tourism, education, coaching and sponsorship. The idea of this special journal issue is to get researchers, practitioners and policy makers thinking about how to use sport entrepreneurship in public policy discourse. I hope more researchers will follow on from the research reported in this special issue to build momentum on the topic of sport entrepreneurship. There is much potential for further research into the phenomenon of entrepreneurial sport policy. To do this, we need a separate theory of sport entrepreneurship and public policy because of its distinctive nature. This will enable the study of entrepreneurship in sport policy assisting in the current debate around public spending. The research on sport entrepreneurship and public policy can go beyond the current comfort zone of looking at policy innovations and applying it to a certain industry.

Overview of articles

The first article, titled “New ways of sports entrepreneurship in the university,” by Antonio Jesús Sánchez-Oliver, Pablo Gálvez-Ruiz, Moisés Grimaldi-Puyana, Jesús Fernández-Gavira and Jerónimo García-Fernández discusses sport policy from an education perspective. This is important as education initiatives drive changes in sport policy. There has been an increase in entrepreneurship programs generally in universities due to the practical training they offer students. This article discusses how this trend is affecting sport education

programs that instill an entrepreneurial mindset. The second article, titled “Entrepreneurial growth in elite team sport SMEs in Finland,” by Aila Ahonen discusses sport policy through looking at high performance athletes. Much of the sport policy funding initiatives have gone toward strategically trying to enhance performance results at the upper echelons of sport. Thus, this article makes an interesting contribution to the literature by focusing on entrepreneurial initiatives are affecting elite team sports. The third article, titled “How to detect potential sport intrapreneurs? Validation of the intrapreneurial intention scale with sport science students,” by Maria Huertas Gonzalez-Serrano, Ferran Calabuig Moreno, Irena Valantine and Josep Crespo Hervas focuses on measuring entrepreneurship through individual dispositions. This helps to understand how sport policy can focus on encouraging more people to take an entrepreneurial approach. The emphasis in the article is on understating the intention of sport students to be entrepreneurial. The fourth article, titled “Global brands in soccer: Identifying low-risk business opportunities,” by Alice Aguiar-Noury and Pedro Garcia-del-Barrio takes an econometric approach to measure the performance of soccer leagues. As soccer or football is the most popular sport in the world, it is an important part of sport policy but less is known about how low-risk opportunities are identified. Thus, the article contributes to a better understanding about how global brands develop ideas that are entrepreneurial but take a low-risk approach. The fifth article, titled “Interactions between financial efficiency and sports performance: Strategic data for a sustainable entrepreneurial approach of European football clubs,” by Dina Miragaia, João Ferreira, Alexandre Carvalho and Vanessa Ratten focuses on the financial performance of football clubs. Taking a European perspective, the article analyses the impact of institutional policy on sport. The sixth article, titled “Does the organizational climate predict the innovation in sport clubs?,” by Paloma Escamilla-Fajardo, Juan Núñez-Pomar and David Parra-Camacho takes an organizational perspective to understanding sport entrepreneurship. This is innovative as it focuses on the organizational climate and its impact on innovation. The seventh article, titled “The universal transformational management framework (UTMF): Facilitating entrepreneurship in and through sport to leave no one behind,” by Gerard Masdeu Yélamos, Catherine Carty, Úna Moynihan and Breda ODwyer focuses on social responsibility and its effect on sport policy. The eighth article, titled “Intentions of entrepreneurship in sports science in higher education: Gender moderator effect,” by Moisés Grimaldi Puyana, Pablo Gálvez-Ruiz, Antonio Jesús Sánchez-Oliver and Jerónimo García Fernández discusses the impact of sport entrepreneurship on gender. More sport policy is focusing on gender equality so this article makes an interesting contribution to the literature. The ninth article, titled “Sports sponsorship: Scientific coverage in academic journals,” by Claudia Patricia Maldonado-Erazo, Amador Durán-Sánchez, José Álvarez-García and María de la Cruz Del Río-Rama discusses the role sport sponsorship has on policy. The tenth article, titled “Exploring service quality and its behavioral consequences in sports spectating sector,” by Konstantinos Koronios, Athanasios Kriemadis and Andreas Papadopoulos discusses the impact of the service sector on sport policy. The 11th article, titled “Sport entrepreneurship and public policy: Future trends and research developments,” by Vanessa Ratten concludes the special journal article by making some suggestions for future research and policy trends.

Conclusions

This introductory paper to the special issue can be concluded in three ways: first, by showing that a more progressive view to sport policy is required that takes into account entrepreneurship. Sport policy has become an important part of societal development but needs to change in order to facilitate improved performance outcomes. The future of the sport industry will be dependent on the ability of public policy managers to take into account new ideas. It is therefore necessary to re-interpret sport policy as having an

entrepreneurial nature in the light of an increased emphasis on how financial resources are allocated to sport bodies. The key guiding principle to sport policy decision makers should be in the embedding of entrepreneurship in communities.

Second, the formation of entrepreneurial sport policy requires a reconstruction of traditional public policy debates. The flow of more liberal and market orientated sport public policies has changed the way funding is allocated to sport interests. There is a degree of path dependency in sport policy decisions due to the need to consider timing and resource needs. Therefore, as more citizens are voicing their ideas regarding public policies, taking an entrepreneurial approach can encourage broader thinking. Instead of having an arm's length communication channel between citizens and policy makers, there needs to be an open communication dialogue.

Third, there is much practical relevance of using sport entrepreneurship in public policy because of the knowledge spillovers the sport industry has on other areas of the economy. It is not sufficient to just be a bystander to public policy but a more interactive approach is required. This means sport policies should be studied taking an entrepreneurial lens. The ideas for sport entrepreneurship may be inspired by past success or be visions of the future. In order to take into account emerging technologies, a more entrepreneurial concept to sport policy is needed. This will facilitate a more flexible approach to how sport entrepreneurship is viewed in society.

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