Summary of the study

Mapping of sport “clusters” in Europe

A Deloitte Group entity

Introduction

The sport sector is steadily growing and starting its structuring

While the sport sector (and its subsectors) is growing rapidly, it suffers from a lack of statistical and economic data that would clarify its economic potential. Nevertheless, the growing attention that Europeans are paying to their health, well-being and leisure, and recent investments in the French and European economic grid in the field of sport have changed the vision of this sector. Once limited to the leisure sector, sport is now an integral part of the economic network and is even an important vector of growth, particularly in view of the many other sectors impacted (medicine, industrial innovation, tourism and travel, real estate, land use development etc.). Sport plays an important role in the development and revitalization of the territories and represents on average 1.6% of the GDP (gross domestic product) of countries in the European Union. Yet, significant disparities between countries remain in terms of investment and consequently in terms of the number of dedicated structures and jobs creation. However, the study reveals slight disparities in cultural approaches and orientations rather than a real heterogeneity between territories. In France, the government encourages the grouping of structures into "clusters" to energize and structure the sport sector, which is also done in many other European countries, with more than 50 "clusters" identified in this study.

At first sight, the European sport sector still seems fragmented today, with entities isolated from their environment and focused on the digitalization of activities. Ultimately, the study shows that, although the structures are still focused on their internal market, there is a genuine desire to structure and collaborate on a European scale and to develop additional services beyond their core business. The sector is therefore beginning to pay increasing attention to collaborative innovation. Indeed, despite different typologies, "clusters" have common goals. It is therefore necessary to better understand them, in order to bring them closer together around common projects and thus encourage collaboration. There are many opportunities for collaboration, particularly around European coordination on specific themes, or around dedicated tools, services, financing levers...

The French Ministry of Sports therefore commissioned a study in 2018 from Deloitte and In Extenso Innovation Croissance, in order to map, characterize and classify clusters and competitiveness centers, to clarify the economic potential of the sector and better define the current European network. The study report makes recommendations to position France as a key player or even a leader in the European structuring of the sector.

Study Methodology

The study took place from November 2017 to June 2019.

A monitoring committee made it possible to manage the study by meeting at the end of each key phase.

The preliminary analysis of the European sport ecosystem was based on a combination of data from thematic meetings, a literature review and consultations with experts in the sector. The study was therefore largely open to interactivity between the actors of the sport ecosystem in its different dimensions: researchers, industrial actors, federations, clusters, clubs and public structures. It gave a large place to international comparison (benchmark) since phase 1, conducted over a six-month period, analyzed 10 European countries and 50 clusters.

In order to ensure the exhaustiveness of the identification phase of the most significant and relevant clusters to be studied, the approach was twofold:

- On the one hand, an inventory of clusters indicated during the preliminary interviews with experts in the sector, then with French clusters and finally with European clusters.
- On the other hand, directly identifying the most active European clusters via their sites, their presence on social networks, the start-ups already incubated, events organized or via their partners or their connection to structures with high media coverage (football clubs).

Each cluster identified as relevant was then interviewed face-to-face or by phone. This phase of interviews was completed by sending a questionnaire to the established contacts. In total, more than 110 people directly contributed to this study.

A structuration initiated by clusters

Over the past ten years, many clusters have emerged throughout Europe in the field of sport. Today, there are more than 50 clusters registered at the European level. In France, they are labelled by the government under the name of "Competitiveness centers", through calls for proposals that aim at creating "groupings of companies" or simple concentrations of companies in a territory. Some "clusters", such as the "outdoor" cluster in Rhône-Alpes, or the "sliding sport industry" in the Aquitaine region, are particularly active, thus encouraging groups of players to get together.

In Europe, the transformation of the sport sector into a real player in the economy has led to various initiatives, such as the ClusSport project in Scandinavia, to pool national initiatives and encourage "open innovation" while promoting youth employment. However, it appears that, despite the multiplicity of European initiatives, the establishment of a common reference framework is necessary to analyze them qualitatively and quantitatively.

Various typologies of cluster that share common goals

The study reveals 4 key cluster models:

- Academic clusters that focus on the transfer of academic knowledge to private actors in sport to generate innovations. This type of cluster encourages an exchange between companies and the academic world: the private sector relies on research to innovate, and in exchange brings its knowledge from the field to guide researchers. Knowledge sharing is at the very heart of this cluster typology, which includes, for example, **Sportinnovator (The Netherlands), Sports and Technology**

(The Nthds), Delft University of Technology (The Nthds), University of Porthsmouth (UK), University of Ulster (UK), the Valencia Biomechanical Institute (Spain)...

- Industry-oriented clusters, which ensure the competitiveness of the sector, the visibility of members and participate in collaborative projects. The pooling and optimization of tools is at the heart of industrial clusters: companies, mainly VSE/SMEs, join forces to innovate and exchange ideas in parallel with other actors in the ecosystem to generate knowledge. Among this type of cluster, we identified **Flander's Bike Valley Cluster (Bel), INDESCAT (Spain), Global Sports Innovation Center (Spain), Inesport (Esp), Insporthealth (Portg), Peak Innovation (Sweden), Scandinavian Outdoor Group**...
- Clusters linked to practices, focused more on centralizing the skills of sports infrastructures, clubs, federations and other actors in order to boost innovation. Above all, this grouping allows them to gain visibility in order to increase the number of members, and to allow sponsors and brands to carry out commercial actions. **Sports and Technology (The Nthds), London Sports (UK), Arsenal Innovation Lab (UK), or the Maison du sport international (Switzerland)** are examples of clusters related to uses.
- Entrepreneurial clusters, which encourage and support the development of startups or innovative projects, in particular through the actions of incubators, accelerators, "technopoles", incubators, etc. that are part of this ecosystem. Academic actors also participate in technology transfer to companies. Entrepreneurial clusters include **le Tremplin (Fr), LeAD (Germany), Sport eXperience (The Nthds), HypeSports (UK), The sport Hive (UK), Sports Innovation Network (UK), Think Sport (Switzerland)**...

Public authorities are the main financers of these groups, although the private sector is sometimes involved, particularly in the growth phase of industry-oriented structures.

It should be noted that depending of the sport that the cluster is dedicated to, there are significant differences. Football clusters, for example, involve actors and resources that are generally more important than others, and already have a good structuration of lucrative initiatives and different objectives that are often focused on the strategic and economic issues that clubs face. It is therefore necessary to take into account the organizational disparities of clusters (particularly in the strength of the links between actors and their interdependence within the cluster) in order to best characterize their needs, expectations, objectives and resulting opportunities.

Despite differences in functioning, governance and even in the typologies of members, clusters share several common goals, such as community leadership, capitalization on existing infrastructures, improvement of the exposure of actors or even interactions with partners (companies, federations, etc.), to generate innovations and projects and give them genuine development opportunities.

Key success factors and recommendations

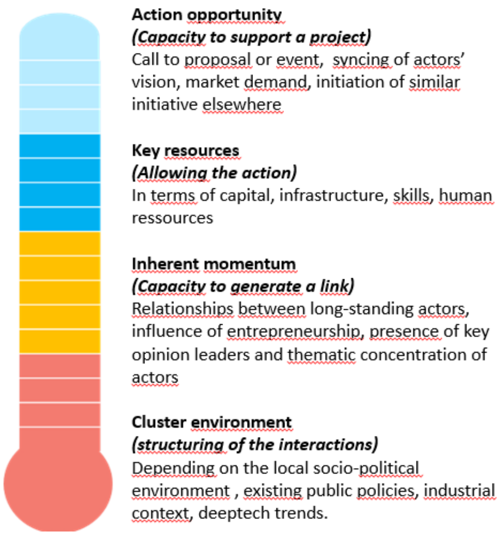

Figure 1: **Modelling of key success factors, classified in 4 distinct groups**

The ability to create links between actors (structure, incubated or supported entities, and external entities) remains the main key success factor. In most cases, the link between the structure and start-ups is strong and well established. Contacts with external actors, such as sport federations for example, are often too little involved, and represents a differentiating factor, that distinguishes the most efficient clusters. This is the case, for example, with GSIC (Spain) or Wylab (Italy), which bring potential customers (private partners or federations) closer to start-ups through concrete innovative projects initiated by the partners.

Good practices highlighting

The link with the environment

Above all, the link with the environment is an essential element to ensure the sustainability of the cluster business model. The relationship between sports federations and start-ups is a good example of the interest and complexity of this relationship. Indeed, sports federations represent one of the main sources of business development for start-ups, but the two entities are still very far apart in terms of culture. Bringing them together through clusters, and in particular through event organization is absolutely essential. This link requires at least the organization of annually recurring events to bring stakeholders closer together, a real recognition by federations of the added value of startups in overcoming their challenges, but also the establishment of genuine collaboration structures.

It should also be noted that while this grouping is taking place globally in Europe, it is of several kinds:

- On the one hand, Europeans tend to promote strategic integrations to catalyze their development, while France is counting on the inclusion of a large number of actors, without specialization.

A business model that has yet to be consolidated

European clusters generally rely on service provision to guarantee a source of income that allows them to invest without public subsidies. On the other hand, France is struggling to break away from this mode of financing and not all French clusters have yet established a sustainable economic model. However, the level of public support and the origin of the cluster influence the choice of the business model.

Various influences and interconnections

North America can positively influence European cluster models, as the clustering process is more advanced although recent. However, France tends to be more inspired by its European neighbors. This influence transcending state borders has enabled some clusters to initiate networking initiatives to detect innovations as early as possible, particularly with the EPSI (European Platform For Sport Innovation). But to achieve greater visibility, it would be worthwhile to scale up French clusters via connections with nearby European clusters.

Recommendations

Strategic focus 1: improving the efficiency of French clusters

The location of the cluster is key, because the geographical link between the actors requires the organization of events, the hosting of start-ups... which can only be done in a propitious environment, close to the stakeholders. Only after this place has been defined can it be possible to structure the cluster's organization, its infrastructures and the education of environmental actors through mutual acculturation between those who are part of the cluster and those who are not. This incorporation into the environment then allows the diversification of project leaders' profiles to encourage more diverse influences upstream, or to enhance and/or pool the various resources. Clusters must indeed be more open to the various actors, for example through real workshops on innovation, hosting start-ups or training to envision an economic sustainability in the medium term.

Strategic focus 2: channeling of financing opportunities

Innovation in sport suffers from the difficult access to development funds. Clusters must therefore drive innovation through several levers of action such as:

- Lobbying actions, in particular by strengthening contacts with the EPSI and encouraging the establishment of a specific funding window, emphasizing the importance of integrating sports innovation into the transformation of the regions.

- Structuring private financing for maturation and growth by bringing together companies seeking funding, but also by considering the possibility of a reduced tax rate or the creation of a dedicated fund.

- Implementing of performance indicators to measure the actual economic impacts of the sport sector.

Strategic focus 3: Strengthening the role of clusters in the industry grid and in innovation

The short-term priority is to use the approaches initiated abroad as a model to be applied in France, in particular by directing R&D towards calls for proposals, and by bringing research closer to the actual needs on the field.

In the medium term, the structuring of clusters in support of technology transfer would encourage the creation of a European platform for the promotion of innovation.

In the longer term, the establishment of a thematic network close to the market will make it possible to create a common European offer to support innovation, provided that the behavioral obstacles identified in the study are overcome.

Conclusion

The sportive context in France is currently particularly attractive, due to a global recognition of its organizational capacities for major sporting events, culminating in the Paris 2024 Olympic Games, but also thanks to the sporting performances of French teams and athletes, which have generated a significant popular craze, and have thus helped reach a wider audience and greatly improved the image of sport among the general public.

These events (and their positive consequences in terms of investments, infrastructures, economic spinoffs, national interest, etc.), the multitude of active clusters in France and the scope of activities covered, the initiatives already carried out at European level by the “Le Tremplin” cluster, which has just hosted its 5th annual promotion of start-up incubated companies, represent a strong base for the active collaboration between the French and European clusters.

The example of “Le Tremplin”, which partners with key companies in the sports sector such as Decathlon, Nike, the Amaury Group, Havas Sport, the Professional Football League and the CNSOF in its partners, illustrates the ongoing links around this ecosystem of sports clusters.

Lastly, 2020 marks the end of the H2020 call for proposals cycle, and therefore the launch of a new wave of European calls for proposals. This study is therefore timely, and its conclusions are particularly encouraging for the development of collaborative projects funded by Europe. Although this subject is still at the stage of reflection and not yet a generalized good practice, it appears that the development of a European path of innovation in sport is a subject taken up and shared by many European actors and on which French actors should seek to take the lead.

However, this stance must be based on key success factors. First, it is necessary to take advantage of the existing facilities, by mobilizing the various administrative levels to promote innovation. Involving experts from federations and clubs is also a crucial factor in understanding the needs and expectations of the sector, in particular by capitalizing on their feedback, and those of licensees, athletes and other stakeholders in the sports industry. Finally, it is essential to measure the actual economic, social and societal impact of clusters on the different fields of influence and on the territories, in order to better understand and grasp the challenges of this rapidly developing sector.

Finally, all these elements converge towards the importance of building a genuine collaborative European sport sector, in which France has an important role to play.