



HBS CASES

HBS Cases: Sir Alex Ferguson--Managing Manchester United

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For almost three decades, Sir Alex Ferguson has developed the Manchester United soccer club into one of the most recognized sports brands in the world. Professor Anita Elberse discusses the keys to Sir Alex's long-time success.

Anita Elberse, a Professor of Business Administration in the Marketing unit at Harvard Business School, studies high performers in creative industries—from basketball superstar LeBron James to pop diva Lady Gaga, from actor Tom Cruise to tennis powerhouse Maria Sharapova.

Elberse's latest subject is a British soccer club manager who turns out to be as incredible a performer as any of the lot. For 26 years, Sir Alex Ferguson has kept his Manchester United soccer club either at or near the top of competition, both in England and internationally.

"There is no active coach in the highest echelons of the world of soccer—or, to my knowledge, in sports as a whole—who comes even close to such a lengthy tenure, let alone the number of titles and trophies he has accumulated," says Elberse, who recently authored a business case on Ferguson.

"I think his willingness to develop young talent lies at the heart of his long-run success"

Ferguson's career indeed is an impressive feat. Look around for leading executives in *any* industry who have managed to succeed with the same firm at the highest levels for nearly three decades. Ferguson's talents include deft management and motivation of some of the greatest (and most high-strung) athletes in the world, staying current on the latest training regimens and technology, and plotting strategy both for on-field play and organizational success.

Elberse first taught the case, "Sir Alex

Ferguson: Managing Manchester United," last month to students in her course "Strategic Marketing in Creative Industries," with Ferguson in the classroom. HBS Working Knowledge recently interviewed Elberse about the case, which is now publicly available.

The Ferguson case is part of Elberse's growing body of work on creative industries that include book publishing, film, music, television, video games, the performing arts, sports, and advertising. She has written dozens of cases on firms and businesses as varied as Hulu, Marvel Enterprises, New York's Marquee nightclub, The Metropolitan Opera, and the NFL.

Sean Silverthorne: What was the inspiration for this case and how did it come together?

Anita Elberse: I am particularly fascinated by companies and people in entertainment, media, and sports that have very strong track records over a long period of time. Sir Alex Ferguson is a manager who has been extraordinarily successful in a career that spans decades—he has been at his current club, Manchester United, for over a quarter of a century. Under his leadership, United has become one of the world's most successful franchises in all of sports. So when I learned through an industry contact that there might be an opportunity to write a case on Sir Alex, I jumped at the chance. I figured I would undoubtedly learn a great deal about what it takes to lead and manage a sports team, and that indeed proved to be the case.

Q: The case reads as if you were able to attend some matches in person and see Ferguson in action. If so, what was that experience like?

A: Yes, that's true. It is one of the sacrifices I make in the name of research! But in all seriousness, my coauthor Tom Dye (HBS MBA 2012) and I felt it was important to take our time and do this right.

I first met Sir Alex last fall during one of his trips to the US, and we soon made plans



Sir Alex Ferguson

to visit him in Manchester twice: in March, to see him in action during the season, and in July during the summer break to allow ourselves more time to speak with him and learn about his approach to managing the club. The access we were given was truly remarkable. We got to see his approach to a game, observing him both at Carrington, the training ground, and at Old Trafford, the stadium. He personally gave us a tour of the training ground, and gave us access to parts of the stadium that are normally closed off to visitors. We had a chance to speak with a range of people he works with and values, from the club's CEO to his assistant coaches, the players and the youth team, to his long-time assistant, the kit manager, and even the ladies who take care of washing the team jerseys. All those experiences and interactions proved invaluable to understanding Sir Alex's day-to-day approach.

Q: A big part of Ferguson's story is his amazingly high and consistent performance over time—26 years. What are some of the key characteristics he demonstrates that account for these strings of successes?

A: I think his willingness to develop young talent lies at the heart of his long-run success. Sir Alex speaks of the difference between "building a team and building a club." When he started at United, he immediately set about revolutionizing the club's youth program. He also made it more visible in the organization: for instance, ensuring that academy players warmed up alongside senior players every day

in order to foster a 'one club' attitude. And even early on, despite calls from many observers to play it safer ("You can't win anything with kids" is what a respected television commentator famously said at the time), he gave youth players a chance to win a place in the first team. Many of the players he developed—Ryan Giggs, David Beckham, Gary Neville, Paul Scholes—became true standouts in their generation, providing the club with a strong base on which to build.

Managing this process well over a long period unavoidably involves cutting older players who may no longer be right for the team, which can be taxing emotionally. "The hardest thing to do is to let go of a player who has been a great guy," Ferguson told me.

Many other factors contribute to his successes, too. One factor I am particularly impressed by is his ability to adapt to changing times. You have to realize that the world of soccer nowadays looks nothing like the one he started in as a coach at United 26 years ago. Sir Alex has embraced new technologies and new approaches, hiring sports scientists on his staff, and adopting new ways of measuring and improving the performances of players. That sounds straightforward, but if you have been as successful as he has, I can imagine it is very easy to get stuck in your ways.

Q: Like many managers, Ferguson must manage for the short term (in-game and game to game), intermediate term (for a season), and long term. What advice do you think he would give to other executives about how to balance those requirements?

A: You are absolutely right—there is a constant tradeoff between managing for the short and long run. I can't speak for Sir Alex, of course, but I think he would say that as a manager, you have to take calculated risks. Within a season, the trick is to think ahead. Here's how he described it to me: "I might rest key players for a game that is 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."

When it comes to managing for success across different seasons, the importance of betting on youth—as I mentioned, one of the hallmarks of his approach—is critical. There is a great quote by Sir Alex in the case that is relevant here: "The first thought for 99 percent

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."

Q: Manchester United has no lack of egos—so how does Ferguson earn respect from his players while at the same time driving them to success?

A: He is adamant that a manager should never lose control. There's a telling quote in the case in that regard: "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."

It may seem harsh to state it like this, but I think his clarity on this matter is what earns him the respect from his players, from the biggest stars to the up-and-coming young ones. They know he will not waver from doing what he feels is best for the team and the club.

Sir Alex is also a true master at motivating his players—he seemingly knows exactly what to say when, and understands what different players need. He holds everyone to the same high standards, but will tailor his approach to different personalities. "He knows how to look after people," is how the kit manager put it, and many people at the club spoke about the family atmosphere he creates. I think that allows players of all different backgrounds to thrive.

"Sir Alex himself seemed perfectly at home in our classroom"

Of course he earns respect with his tremendous knowledge of the game of soccer, too. The breadth and depth of his expertise is truly astounding. Over dinner one night in Manchester, I told him about a game I had seen live in the early 1990s in Italy—one between two Italian teams, AC Milan and Napoli. He could speak at length about how the teams played in that period, and could name nearly their entire lineups. And he prepares for everything, even his class visit, in great detail. I can imagine that, in turn, motivates his players

to give it their all, too.

Q: How did the students react to him, and what was his reaction to the experience of visiting your classroom and participating in the case discussion?

A: Yes, that was quite a day! I taught the case in the first half of the class, and Sir Alex spoke and answered students' questions during the other half. There were so many guests in the classroom that they had to sit in the aisles and on the stairs—the room was completely packed. Sir Alex himself seemed perfectly at home in our classroom, and thoroughly enjoyed the experience. They lined up to engage with him after class as well, and he met with many students more informally later in the afternoon. You could tell he has a passion for teaching young people—that comes through in his work at Manchester United, and it was also very evident in the Harvard Business School classroom. It was a very exciting and special day for all of us. I hope to welcome him back next year!

Q: What are you working on next?

A: I am currently putting the finishing touches on my first book, which will be released in the fall of 2013. The book is about the entertainment industry—the idea is to explain how it works, why it works that way, and how the industry may change in the future.

In the meantime, I am working with Sir Alex on a *Harvard Business Review* article that describes his philosophy to building, leading, and managing teams. (I am pretty sure it will be necessary to visit a few more Manchester United matches to collect additional data). I am also hoping to complete a few other new cases in the entertainment, media, and sports sectors. It's such a fascinating field—I am not running out of ideas anytime soon.

And I'm busy with the launch of a new executive education program, aptly called "Strategic Marketing in Entertainment, Media, and Sports" in early June 2013, that promises to be an exciting new way to disseminate the School's latest, groundbreaking research to executives in these sectors. [WK](#)

About the author

Sean Silverthorne is Editor-in-Chief of *Harvard Business School Working Knowledge*.