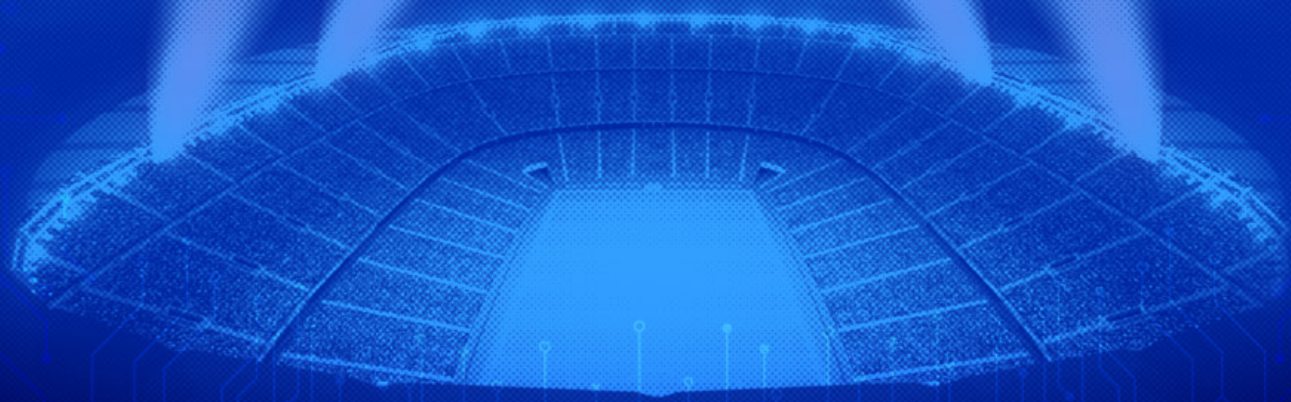


FC BARCELONA REAL MADRID C.F. ARSENAL F.C. MANCHESTER CITY F.C. PHILADELPHIA 76ERS MANCHESTER UNITED

NIX SUNS GOLDEN STATE WARRIORS LOS ANGELES RAMS BROOKLYN NETS TORONTO RAPTORS WASHINGTON NATIONALS PORTLAND TRAIL BLAZERS

ED F.C. ATLANTA BRAVES LIVERPOOL F.C. DALLAS MAVERICKS A.S. ROMA MINNESOTA TIMBERWOLVES BORUSSIA DORTMUND BOSTON RED SOX FC B

TOP 25 MOST INNOVATIVE TEAMS IN THE WORLD



2022

AYERN MUNICH WASHINGTON CAPITALS OLYMPIQUE LYONNAIS CLEVELAND CAVALIERS SEATTLE SEA HAWKS PHOENIX

Discomfort = Growth

Last December, at an internal Sports Innovation Lab staff summit, I shared a lesson from my time as a 4x Olympian with my team. It's a story that I've carried with me throughout my career, and it's about the difference between pain and discomfort. It's a lesson about growth, and ultimately, it's about innovation.

As an athlete, there's a significant difference between pain and discomfort. Pain means there's a problem. If you experience pain when you are moving, it is a warning sign. Pain means you may have an acute injury that needs addressing. Pain means you need to slow down, or even stop, and heal.

But discomfort is different. Discomfort means your muscles are working and growing. Discomfort means you are on the right path, and it's a sign to keep pushing. I have learned to love discomfort; it's the only path to growth.

The same is true for sports businesses. Innovation is not easy. If it were, everybody would be doing it. Many times, pushing for change and innovation is uncomfortable, because it means pushing against the status quo that has been working or that feels natural. But the discomfort of innovation signals that you are moving in the right direction,

and it should be a sign to keep on pushing. At Sports Innovation Lab, we take innovation seriously; so do the organizations on this year's Top 25 Most Innovative Teams in the World list. All of these teams, in one way or another, felt the discomfort of trying something new for their business and created a culture to embrace this discomfort and the uncertainty of venturing into the unknown. That innovative spirit should be acknowledged and celebrated.

But more to the point, that willingness to work through the discomfort of innovation will reward these teams in the future, because one thing is certain:

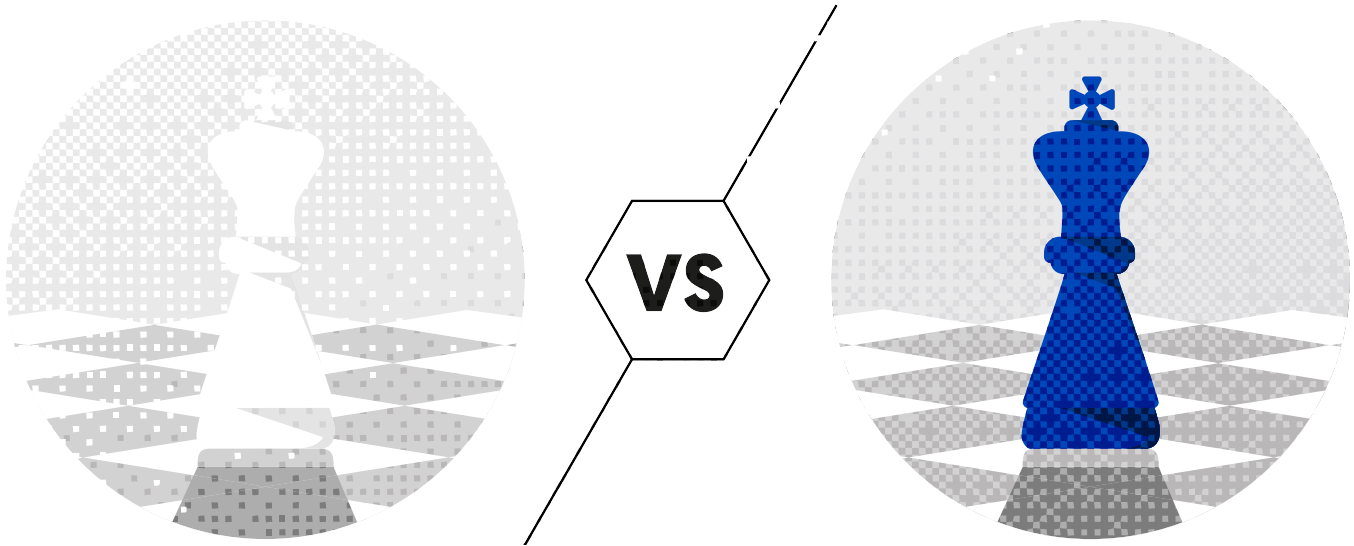
The sports world is changing, the Fluid Fan™ is here, and for sports to continue to succeed, we need to lean into discomfort and innovate.

I want to wish a heartfelt congratulations to the global innovative teams on this list, and I hope you, the reader, are as inspired by their work as I am.



Angela Ruggiero

CEO & Co-Founder
Sports Innovation Lab



A Tale of

Two Approaches



Unpacking this year's Top 25 Most Innovative Teams list reveals a story of two distinct approaches to innovation: one that rewards a team's independence and one that is supported by the governing league's centralizing power. No one way is right, but one conclusion is clear—it's critical to be purposeful in taking advantage of your league's structure when pushing your team into the future.

Sports teams and leagues are not all the same. Throughout the history of professional sports, differing governance structures and organizational models have developed, which means that no two leagues are exactly the same when it comes to innovation.

Throughout our analysis of team innovation for this report, we continuously examine how the decisions and control, or the lack thereof, impacts innovation at the team level. Indeed, after the publication of last year's Top 25 Most Innovative Teams report, we had many conversations with teams on the Top 25 list, and one of the most frequent topics in those conversations was governance—what are teams allowed to do to innovate, and what is restricted or managed by the league.

A pattern has emerged in our ongoing analysis: older teams, like European Association Football (soccer) teams, tend to benefit from a higher level of autonomy than North American sports teams that have been founded in the last century. Specifically, North American sports leagues have

a more centralized, league-controlled approach to certain partnerships and sponsorships that can make it difficult for teams to forge their own path forward on innovation. That said, autonomy is not the only, or even necessarily recommended, approach to innovation, as our analysis shows that centralizing innovation authority at the league level can potentially benefit all teams in a league, thus limiting the gap between the richest teams in the world and those that have less discretionary revenue to invest into innovation.

This year's Top 25 Most Innovative Teams in the World list illuminates this trend and the comparison of these two approaches. While the top of the list is dominated by Association Football teams, when we look across the league-wide averages, we see a more even distribution of innovation success that benefits all.

What is clear is that balancing autonomy and control is of critical importance for sports leagues pushing into the Age of the Fluid Fan.

Our Most Innovative Method

Our proprietary, “Most Innovative” research method is grounded in one foundational principle: you cannot evaluate that which you cannot measure. For the entirety of our company’s existence, we have been engaged in conversations with the sports industry about what constitutes “innovation,” and too often, the responses have boiled down to an expression of “you know it when you see it.”

That simply isn’t good enough for us.

That’s why we spent years developing a method that can continuously measure innovation activities of teams and leagues, to develop insights on the trajectory of our industry, and to benchmark innovation success, so that we might all push forward more effectively. Our goal is to measure innovation, which means that we do not factor or account for the financial success (or challenges) of an organization. There are many variables that can account for the business success of a sports team, and the scope of evaluating an organization’s financial health would require different methods and data sources. Instead, we focus our research

on how a sports team is diversifying revenue streams, empowering Fluid Fan behaviors, and operationalizing their business for agility.

To do this, we continuously collect multiple streams of publicly available data on teams, from press releases, news reports, team websites, LinkedIn, and other freely-available, English-only sources that meet our qualification criteria as defined by our analysts. We then aggregated and algorithmically processed that data into three discrete metrics.

The Three Metrics

RD Revenue Diversification

Revenue diversification means that sports properties are able to go beyond ticketing, concessions, media rights, and traditional sponsorship categories to drive fandom. Some of those metrics include: ownership models, mixed-use development venues, multilingual social media capabilities, sports betting partnerships, owned OTT channels, association with a women’s team, and more.

We track how teams are broadening fan scope and driving revenue through alternative channels.

TE Technology Enablement

The category of technology enablement is about analyzing specific Fluid Fan behaviors through technologies. In order to empower Fluid Fandom, teams must engage on many platforms to attract, maintain, and fulfill the attention of their viewers. Fluid Fans are open to change, empowered to choose, and continuously evolving. Teams that understand how to use technology to enable the ten core behaviors—Access, Bet, Co-Watch, Connect, Create, Learn, Listen, Own/Buy, Participate, and Show Up/Go—are innovative.

We track the strength of association between teams and technologies associated with fan behaviors across the most meaningful and important public data sources.

OA Organizational Agility

The category of organizational agility is about staffing for the future, leveraging new skill sets, and looking to other industries for talent. The teams who are most innovative are able to invest in talent, leverage data, learn from adjacent industries, and launch new ventures. Some of those metrics include: Accelerator Programs, Business Intelligence and Analytics Groups, D/E/I Initiatives, Social Justice Initiatives, Internal Staffing Structure, Talent Development, and more.

We track how team front offices are organized and staffed and how they incorporate data and business intelligence into the operations.

Calculating the Team Score

These three scores are then weighted and fed into a calculation that arrives at a final overall **Team Score**.

At the moment, we limit the scope of our research to the top ten revenue-grossing leagues in the world. Although we continue to collect data on other teams and leagues outside of the top ten, evaluating them requires a different method and approach. The data that is fed into these scores is

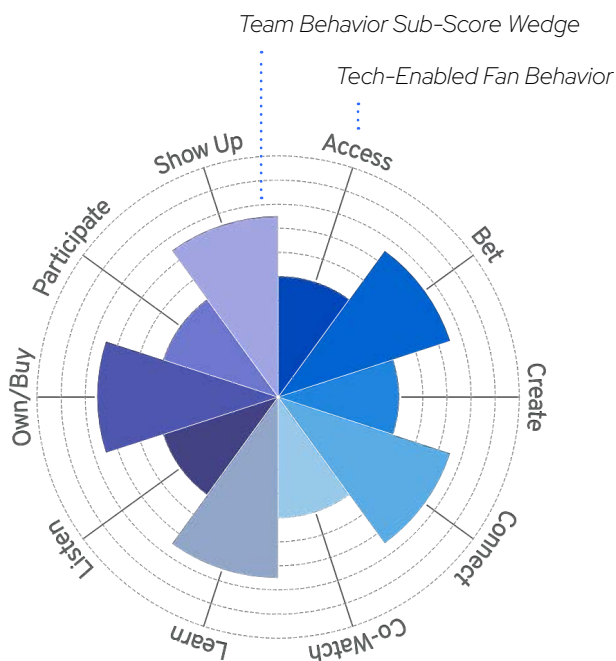
continuously collected and synthesized by Sports Innovation Lab, and the calculation for the final **Team Score** is revisited and recalibrated continuously by our analysts to account for the change in significance of various technological and cultural trends. This means that our annual Top 25 Most Innovative Teams in the World report represents a snapshot in time for innovation benchmarking—because as we all know, trends and technology change quickly.

Unpacking Technology Enablement

A major part of the overall scoring system is the **Technology Enablement** metric, which is a measure of a team's efforts to work with innovative technologies and through partners to reach the Fluid Fan where they are today. We do so by measuring these efforts along **Ten Core Behaviors** that we have identified as critical activities to the Fluid Fan experience. When we've quantified a team's efforts in those Behavioral Categories, we can then represent their success via area using a Nightingale Rose Chart (see below). This visualization allows our analysts to quickly compare the relative Technology Enablement success of teams and provide strategic guidance on what technology areas to focus on to improve innovation efforts.

Technology Enablement Rose Chart

The **Technology Enablement Rose Chart** is a way to visualize a team's success at enabling Fluid Fan behaviors with technology. Each sub-score is shown on its own axis on the radial chart and in relation to the other sub-scores.



Ten Core Behaviors

Access: Empowering athlete/fan interactions, digitally-mediated training/workouts, and gives fans the athlete-centered content they want.

Bet: Empowering fans to bet/wager or play fantasy sports and sites dedicated to betting insights.

Create: Empowering fans to create, manipulate, and share content.

Connect: Empowering fans to connect digitally with one another.

Co-Watch: Empowering fans to digitally watch, participate in a second-screen activity, or otherwise stream the content they want.

Learn: Empowering fans to consume media and acquire more info on events, games, or players.

Listen: Empowering fans to listen to sports or sports-related content.


























Own/Buy: Empowering fans to purchase and own a piece of their fandom or sell to other fans.

Participate: Empowering fans to join a community and participate in the brand's digital activities.

Show Up: Empowering fans during any part of the live-venue fan journey.

Top 25 Most INNOVATIVE TEAMS

from Sports Innovation Lab

Rank	Team	League	Team Score	Year-To-Year
1	 FC BARCELONA	La Liga	887	▲3
2	 REAL MADRID C.F.	La Liga	856	-
3	 ARSENAL F.C.	EPL	833	-
4	 MANCHESTER CITY F.C.	EPL	810	▼3
5	 PHILADELPHIA 76ERS	NBA	747	▲7
6	 MANCHESTER UNITED F.C.	EPL	702	-
7	 ATLANTA BRAVES	MLB	696	NEW
8	 LIVERPOOL FC	EPL	679	▲3
9	 DALLAS MAVERICKS	NBA	674	NEW
10	 A.S. ROMA	Serie A	663	▲5
11	 MINNESOTA TIMBERWOLVES	NBA	661	NEW
12	 BORUSSIA DORTMUND	Bundesliga	657	▲4
13	 BOSTON RED SOX	MLB	654	NEW
14	 FC BAYERN MUNICH	Bundesliga	643	▼9
15	 WASHINGTON CAPITALS	NHL	642	NEW
16	 OLYMPIQUE LYONNAIS	Ligue 1	631	NEW
17	 CLEVELAND CAVALIERS	NBA	629	▲6
18	 SEATTLE SEAHAWKS	NFL	622	▲1
19	 PHOENIX SUNS	NBA	619	NEW
20	 GOLDEN STATE WARRIORS	NBA	618	▼13
21	 LOS ANGELES RAMS	NFL	607	NEW
22	 BROOKLYN NETS	NBA	605	NEW
23	 TORONTO RAPTORS	NBA	604	▼5
24	 WASHINGTON NATIONALS	MLB	604	NEW
25	 PORTLAND TRAIL BLAZERS	NBA	603	NEW



FC Barcelona

League: **La Liga (Spain)**
 Sport: **Association Football (Soccer)**
 Location: **Barcelona, Spain**
 Ownership: **Registered Association**
 President: **Joan Laporta**
 Stadium: **Camp Nou**
 Capacity: **99,354**

#1

RD: 957/1000

TE: 936/1000

OA: 550/1000

Team Score: 887/1000

Innovation Profile:

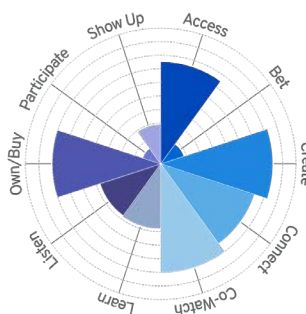
FC Barcelona continues to seek out opportunities to explore innovation, especially in digital, fan-experience domains. Their passionate fans, “Cules,” are sought throughout the world via social channels in more than nine languages. Barça has developed a robust digital fan membership program, which helps to feed data to the organization’s evolving fan-management platform. Additionally, the team has explored opportunities in esports, with the digital twinning of their iconic stadium, Camp Nou.

Additionally, the Barça Innovation Hub serves as an accelerator program through research and education, offering a diploma program for careers in professional association football. Barça’s financial challenges over the last years have been well documented, and yet, despite these challenges, the club continues to push the envelope of innovation in sport, earning them the top ranking in this year’s list.

Beneath the Surface

- Barça Innovation Hub offers a professional diploma for developing football front-office career skills
- Social media channels in over 9 languages
- Fan membership program drives data for business intelligence
- Barcelona esports teams
- Development of Barça+, a team-owned OTT platform

Technology Enablement Rose Chart





Real Madrid C.F.

League: **La Liga (Spain)**
 Sport: **Association Football (Soccer)**
 Location: **Madrid, Spain**
 Ownership: **Registered Association**
 President: **Florentino Pérez**
 Stadium: **Estadio Santiago Bernabéu**
 Capacity: **81,044**

#2

RD: 957/1000

TE: 869/1000

OA: 550/1000

Team Score: 856/1000

Innovation Profile:

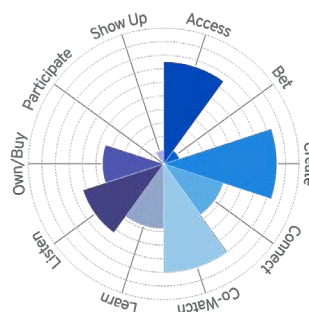
Hot on the heels of their bitter rivals in La Liga, Real Madrid C.F. deserves tremendous credit for their approach to innovation. The La Liga giants put significant innovation energy into supporting and even funding various incubation, acceleration, and education programs. Examples include: Grymes Invest for small businesses; a Sports Management Program partnership with Univ. de Madrid; Madrid Next funding European projects; and the Sports Values Academy, which produces social and economic thought-leadership for the entire sports industry. Real Madrid's fan reach is enhanced by their production of social channels in more than five languages, as well as their team-owned media channels.

Real Madrid also should be recognized for their continued investment in their iconic Estadio Santiago Bernabéu, which has become a model for smart venue innovation throughout the world.

Beneath the Surface

- Grymes Invest accelerator for small businesses
- Sports Management Program in partnership with Univ. de Madrid
- Free interactive, purpose-driven OTT platform in partnership with Adidas
- Madrid Next funds innovation startups
- Sports Values Academy part of foundational arm of club conducting educational activities

Technology Enablement Rose Chart





Arsenal F.C.

League: **English Premier League (United Kingdom)**
 Sport: **Association Football (Soccer)**
 Location: **London, England**
 Ownership: **Private, Kroenke Sports & Entertainment**
 CEO: **Vinai Venkatesham**
 Stadium: **Emirates Stadium**
 Capacity: **60,704**

#3

RD: 814/1000

TE: 878/1000

OA: 750/1000

Team Score: 833/1000

Innovation Profile:

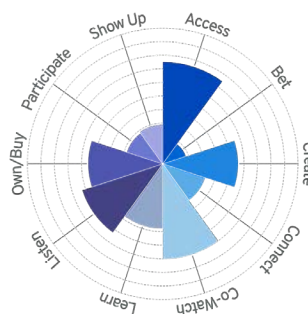
Yet another Association Football team, but our first English Premier League nod, London's Arsenal Football Club holds on to its bronze position from 2020 in our Top 25 list, in large part due to their continued efforts to build a diverse and innovative front-office operation, as reflected in their high Organizational Agility score.

At the time of writing, Arsenal's Women's Team is top of the standings after a third-place finish in 2021, a reflection of the continuous investment that the organization has made in their women's side. Arsenal has also developed the Arsenal Innovation Lab, their own version of an incubator that features a seven-week sprint with mentorship and guidance for startups.

Beneath the Surface

- Multilingual content on all platforms
- Arsenal TV OTT platform
- Partnership with Turner Sports and B/R Live
- Arsenal Innovation Lab supports technology startups by convening leading technology innovators through "Yolo Club"
- Dedicated Business Intelligence group

Technology Enablement Rose Chart





Manchester City F.C.

League: **English Premier League (United Kingdom)**
 Sport: **Association Football (Soccer)**
 Location: **Manchester, England**
 Ownership: **Private, Abu Dhabi United Group**
 CEO: **Ferran Soriano**
 Stadium: **Etihad Stadium**
 Capacity: **53,400**

#4

RD: 814/1000

TE: 826/1000

OA: 750/1000

Team Score: 810/1000

Innovation Profile:

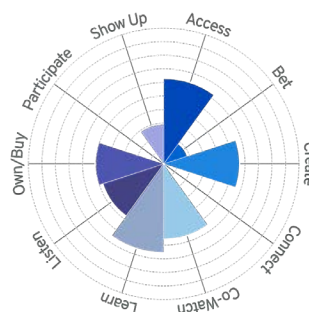
Let there be no doubt in your mind, “City” is a major innovation leader in the sports world. Driven by their collection of soccer teams from across the world, City Football Group is able to leverage intelligence from all of their properties in a model that prioritizes “collaboration” over “competition” when it comes to innovation. Manchester City’s Tech Enablement score, while high overall, showed a less-even distribution across the Ten Core Behaviors than many other teams in the Top 25.

Of note, however, are the high Learn and Co-Watch findings, driven by their work with numerous media outlets and media technology companies.

Beneath the Surface

- Multi-team organization with City Football Group
- Partnership on diversity, inclusion, and sustainability initiatives with Puma
- Fan intelligence system from attendees at Etihad Stadium
- TECNO Race to Manchester fitness challenge

Technology Enablement Rose Chart





Philadelphia 76ers

League: **National Basketball Association (USA & Canada)**

Sport: **Basketball**

Location: **Philadelphia, PA, USA**

Founded: **1946**

Ownership: **Private, Harris Blitzer Sports & Entertainment**

CEO: **Tad Brown**

Stadium: **Wells Fargo Center**

Capacity: **20,478**

#5

RD: 529/1000

TE: 874/1000

OA: 950/1000

Team Score: 747/1000

Innovation Profile:

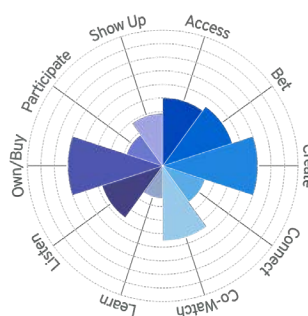
Our first team not in Association Football (soccer), the Philadelphia 76ers charged up the rankings from 2020, climbing seven spots from #12 to #5. With a model similar to the other teams in the top 5, Harris Blitzer Sports & Entertainment has compiled a collection of sports assets beyond basketball, including in the EPL, MLS, NHL, AHL, esports, and outside of sports, that all help to inform innovation strategies across the portfolio. They are also tied for the highest score in Organizational Agility, driven by their diverse and innovative front office and their corporate social responsibility initiatives that showcase cultural leadership across all of sports.

The team has also leaned into the data revolution, developing an integral Business Intelligence team that supports all of their corporate operations.

Beneath the Surface

- Multi-team ownership group
- Esports team
- Agile front office focused on diversity and inclusion
- Dedication to CSR initiatives
- Dedicated Business Intelligence group
- Sixers Youth Foundation strengthens communities and powers engagement

Technology Enablement Rose Chart



The Top 25 Teams: By The Numbers

Beyond comparing teams and leagues, our approach to innovation analysis allows us to analyze macro trends across the sports industry that can provide insights into how the industry thinks about innovation. Looking at trends in the Top 25 teams' innovation efforts shows us that while there is some consensus amongst the top teams about how to push into the future, there's still plenty of room for growth across the board.



40%

... of the Top 25 teams are Association Football (soccer) teams, compared to 56% in 2021



7

... teams from last year's Top 25 improved from their ranking in 2021



17

... of ownership groups in the Top 25 own more than one professional sports team



20%

... of teams in the Top 25 have "fan ownership" opportunities



13%

... of all teams analyzed support an incubator program



46%

... of all teams analyzed have a business intelligence job function



35%

... of all teams analyzed play in a mixed-use venue



56%

... of the Top 25 teams have associated women's teams



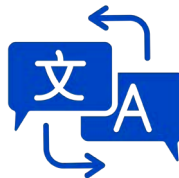
32%

... of all teams analyzed have D/E/I groups and/or roles in their organization



14%

... of all teams analyzed own their own OTT platform



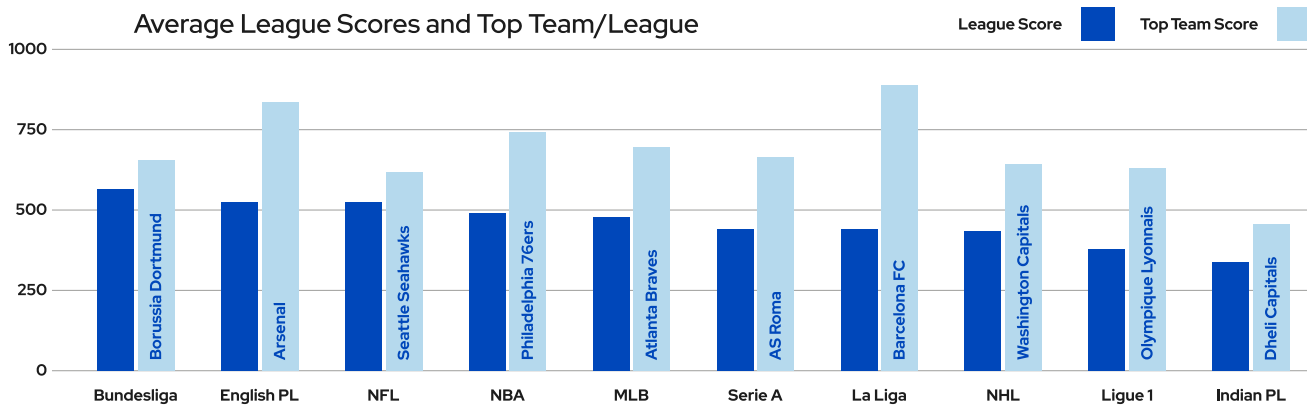
24%

... of all teams analyzed have multi-language social media accounts

League Comparison



One of the most powerful aspects of conducting team-based analysis and measurement of innovation is we can take those scores and, using averages, build a bottom-up analysis of league-wide innovation. While the top of our rankings are dominated by La Liga and EPL teams, when we look at the aggregate scores of all teams across the different leagues, it tells a different story.



Notably, all-league averages fall far below the average score of the Top 25. The average (mean) of all teams, across all 10 leagues is 469, while the average (mean) of the Top 25 is much higher at 678. Despite netting the top two positions, innovation is not nearly as evenly distributed across La Liga, as the Spanish football league ranks 7th among all 10 leagues analyzed with an average score of 437.

Meanwhile, the German Bundesliga came in with the highest overall innovation-score average of all the leagues with 562, despite their highest-scoring individual team being Borussia Dortmund at #12 overall. This suggests that the Bundesliga has a broader distribution of innovation across teams, which may be the result of centralized efforts on the part of the DFL to spearhead initiatives across all the teams in the top flight of Germany.

Upon first glance, it might seem easy to dismiss the NFL as “not innovative” with only two teams in the Top 25—the Seattle Seahawks at #18 (622) and the 2022 NFL Champion, the Los Angeles Rams at #21 (607). But when the league averages are compared, the NFL lands in the top three of all leagues measured, which similarly suggests that the league may be playing a more central role in pushing innovation initiatives across all of their teams.

This league comparison reinforces the challenge, and opportunity, leagues and teams face when making decisions about how to support innovation initiatives. There are benefits and drawbacks to a league pushing for centralized control and support for innovation, versus leaving teams on their own to innovate as best they can. There is no one right way to drive innovation. What is clear, however, is that it should be made a priority at the team and league level.

Timeline of Founding Year for Top 25 Teams



Looking at the Top 25 teams, we can see the distribution of teams and leagues based on their year of founding. While there is not a direct correlation between the age of a team and the centralized authority of a league, there is a trend that demonstrates that younger, North American teams lag behind the older, more independent teams on our ranking.

Racing Into The Future

We're tremendously proud to have developed the industry's first-ever research designed to measure and evaluate innovation. We believe that this work is critically important to help our entire industry evolve and improve.

But we are never ones to sit back and simply celebrate a job well done. We always want to improve our data collection, our modeling, and our scoring. Here are a few areas where we're continuing to test and learn for future iterations of the Top 25 Most Innovative Teams report.

Motorsports Are Team Sports

To date, our data collection and evaluations have focused only on the top ten revenue-grossing leagues, and our focus has been on what are, colloquially referred to as, "stick and ball" sports—association football (soccer), basketball, football, baseball, and hockey.

We do, however, continue testing our approach on other popular team sports like cricket and, interestingly, motorsports. FIA Formula 1 would certainly fall into the category of a top revenue-grossing league—the world's biggest motorsport has seen a surge in popularity and grossed \$2.136B in revenue in 2021, coming out of a shortened season due to the COVID-19 pandemic.

Motorsports are certainly team sports, but their different organizational structure has presented challenges to benchmarking along the same lines as the other teams and leagues in this report. That said, we continue to test our method on F1 for future use.

While we are still testing our confidence in **Technology Enablement** metrics in motorsports (and thus not reporting them here), a preliminary analysis of the Revenue Diversification and Organizational Agility metrics of the top two teams from last year yield interesting results in terms of where, hypothetically, Formula 1 teams might sit were they to be included on the list.



AMG
PETRONAS
FORMULA ONE TEAM

RD: 243
OA: 950



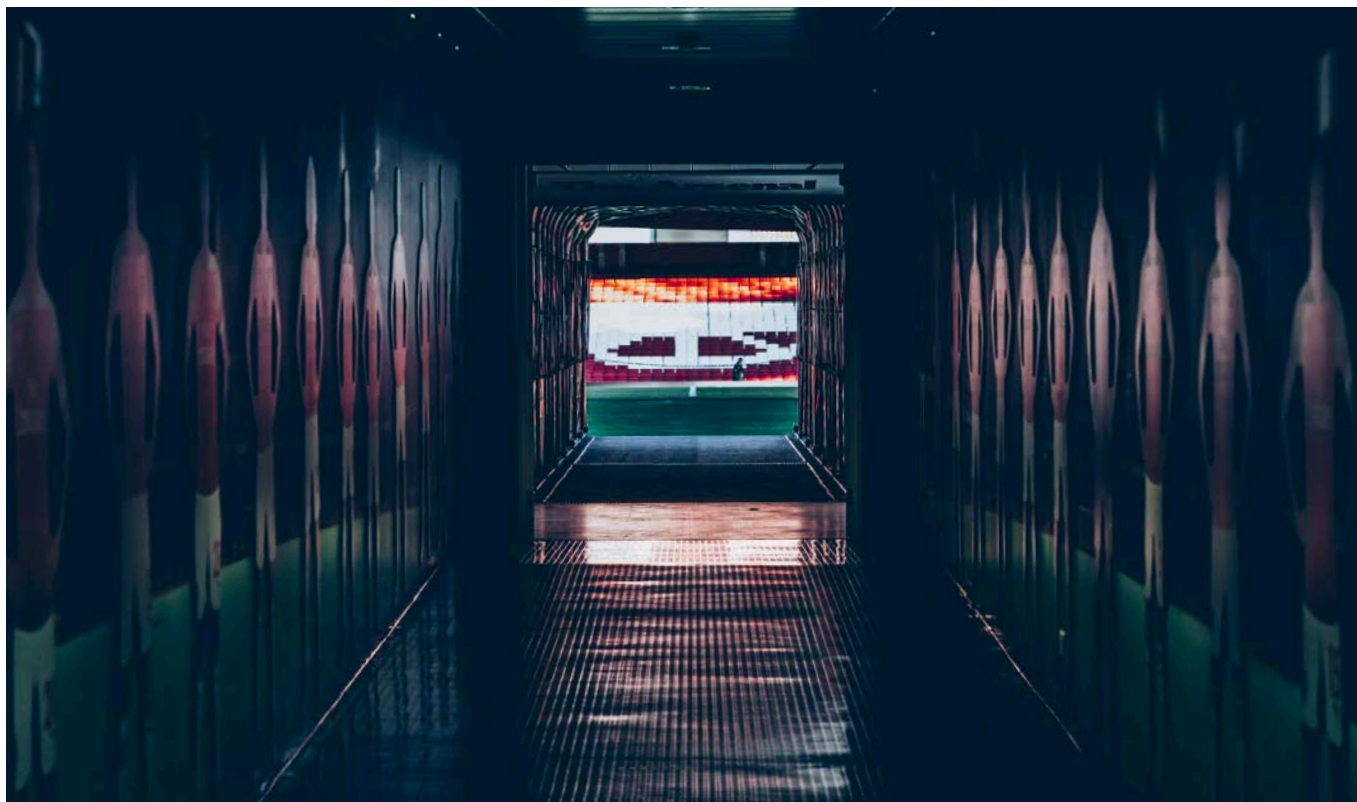
(1st in Constructor's Championship, 2021)

Red Bull 
RACING

RD: 671
OA: 550



(2nd in Constructor's Championship, 2021)



Innovation Is **Continuous**

So Is Our Data

Innovation, by definition, does not stop. A novel idea very quickly ceases to be new as more change comes along. And at the current rate of technological change, the lifespan for the newness of an idea or an initiative is getting even shorter. This is true globally, in all industries, and it's true in sports as well.

The sports industry is undergoing its digital transformation. For all the sexiness and glitz of sports media and entertainment, the sports industry is a laggard when it comes to technology adoption. Few organizations have made investments in collecting, analyzing, and using consumer data to inform product and service design. It's a big deal. In 2021, the pandemic continued to force organizations to look internally for answers and double down on their efforts to get closer to fan insights and stop relying as heavily on consultants and their platform partners to share consumer information.

This means digital tickets are now critical to know who is attending live sporting events; OTT direct-to-consumer platforms are critical to knowing who is watching which events; and digital collectibles are a new way of learning what fans want to buy and own—just to name a few areas for focus.

What's clear to us is that there has never been a better time for evaluating innovation in sports, and to do so correctly and authentically, that work needs to be ongoing. We designed our methods to be continuously updating. Every day, every hour, our scores are changing, because the world moves that fast. This report is an important snapshot for innovation at the time of writing, but for us, the work always continues. We frame this report that evaluates innovation with the spirit of innovation itself—that we must continuously strive to improve, to do better, and to be better.

Sports Innovation Lab

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