

## CEO Succession Planning and Leadership Development- Corporate Lessons from FC Barcelona

**Amanpreet Singh Chopra**  
Phd. Research Scholar, UPES, India

**Abstract:** Author studied the development program(s) and leadership succession planning strategies of FC Barcelona, one the most successful club in Spanish Football history and analyzed that success of club is deeply rooted in its strategies from grooming of homegrown talent at La Masia to the appointment of coaching staff. Taking cue from club strategies author identified 5 lessons for Corporate- Developing organizational belief in growth strategies, Developing young executive through structured T&D programs, Present career progression opportunities to young employees, Develop 'inward' succession planning framework through grooming in-house talent and above all nurturing the philosophy of "Más que una empresa" (More than a company).

**Key Words:** Succession Planning, Leadership Development, Sports Psychology

### 1. FC BARCELONA

Futbol Club Barcelona also known as FC Barcelona and familiarly as Barça, is a professional football club, based in Barcelona, Catalonia, Spain. Founded in 1899 by a group of Swiss, English and Catalan footballers led by Joan Gamper, the club has become a symbol of Catalan culture and Catalanism, hence the motto "Més que un club" (More than a club). It is the world's second-richest football club in terms of revenue, with an annual turnover of €398 million (2011). The unique feature of the club is that unlike many other football clubs, the supporters own and operate Barcelona.

Jack Greenwell was the first fulltime club manager from 1917 to 1924 under which club grabbed 6 tournament honors. From 1917 onwards club has performed under 61 managers of 11 nationalities which includes 47.54% or 29 managers from home country 'Spain'. However, the real success story of the club stated with their 50 manager- Johan Cruyff, a charismatic midfielder of Netherland which had become synonymous with the playing style of "Total Football". Cruyff introduced during his tenure at 8 year tenure as manager at FC Barcelona during which club won 11 titles including 4 La Liga. This was later surpassed by his pupil Josep Guardiola, who continued the grass root football style at the club and went on winning 15 titles.

List of 4 longest serving managers of the club is presented below.

S.No.	Name	Tenure	Years	Honors
1	Jack Greenwell	1917 to 1924	7	(6)- 2 Copa del Rey, 4 Chamionate de Catalunya
2	Johan Cruyff	1988 to 1996	8	(11)- 4 La Liga, 3 Supercopa de Espana, 1 European Cup, 1 UEFA Super Cup, 1 Copa del Rey, 1 Cup Winners Cup
3	Frank Rijkaard	2003 to 2008	5	(5)- 2 La Liga, 2 Supercopa de Espana, 1 UEFA Champion League,
4	Josep Guardiola	2008 to 2012	4	(14)- 3 La Liga, 2 Copa Del Rey, 3 Supercopa de Espana, 2 UEFA Champion League, 2 UEFA Supe Cup, 2 FIFA Club World Cup,

## **1.1 Succession Planning Perspective**

Succession planning, as defined by **Butler and Roche-Tarry (2002)**, is an ongoing dynamic process that assists a business or organization in aligning its goals and its human capital needs. Succession planning can prepare companies for future critical vacancies of middle and senior management positions. Forecasting the talent necessary for these roles can provide the groundwork and understanding of the characteristics needed to maintain and grow a company's strategic plan.

This planning prepares for future critical vacancies of management positions by forecasting the talent necessary for these roles to provide the groundwork and understanding of the characteristics needed to maintain a company's strategic plan. Historically, succession planning concentrated on upper level management. Today, companies are utilizing this planning for all levels of their organization.

An important issue for the corporation, its shareholders, and employees, is the question of succession - who will lead the corporation in future. Orelleno & Miller (1997) states that three basic goals of succession planning include

- a) Identification of critical management positions within the organization
- b) Identification of future vacancies in those positions
- c) Identification of managers who would potentially fit into these vacancies.

Three traditional approaches followed by organizations around the world for succession planning are "Inside," "Outside" and "Outside-Inside" approach to succession planning. **Brown (2007) and Davis (2008)** that both insiders and outsiders have their own strengths and weakness in entering new positions. New ideas come from outside but at times they do not know organization enough to implement their ideas.

**Conference Board (2009)** while discussing role of Board in the succession planning noted that no one "owns" succession planning. While other important functions of the board specifically assigned to the committees, succession is often not. The report analyzed that only 2.5% of the companies in financial services have committee for succession planning while none of the companies in manufacturing and non financial services have that committee. Internal promotion is also preferred by 83% of S&P 500 companies in 2008 as compared to 17% cases where CEO was an outside candidate. Board also noted that a critical difference between companies that manage succession well and those that don't is the understanding that succession is a process, not an event.

**HBR (2007)** noted that the leadership pipeline begins with recruiting from diverse pool of individual. Over the years they will learn to manage effectively in their areas of specializations and in terms of company's strategy culture and become good insiders. Grooming these insiders should be the fundamental goal of executive development of an organization.

Another significant difference between the traditional and integrated succession planning is highlighted by **Corporate Leadership Council (2000)** wherein the target segments for the two planning systems were identified as top rank of organization for Traditional approach and high-potential talents at all ranks of the organizations as Integrative approach.

## **2. METHODOLOGY**

Author in this paper through the analysis of succession planning strategies of FC Barcelona for its coach which we identified as CEO (Inside Approach) for the team and also the talent development at the club at La Masia- the place for development of leadership pipeline both on the field and off the field. Taking cue from the club strategies Author will draw parallel to the business world and draw some lessons for the corporate world.

### **2.1 La Masia – The Talent Factory**

*"The player who has passed through La Masia has something different to the rest, it's a plus that only comes from having competed in a Barcelona shirt from the time you were a child." - Pep Guardiola, Barcelona Coach 2008-2012.*

‘Scouting’ , ‘Identifying’ and ‘Developing New Talent’ are the three pillars on which **La Masia de Can Planes** usually called **La Masia**, has been developed. La Masia is the training facilities of FC Barcelona's located near the Camp Nou in the Les Corts district of Barcelona, and is often used to generically describe the youth academy of Barcelona.

FC Barcelona has a professional team in lower Spanish division and various soccer teams for kids aged eight and above. Club has scouts throughout the world that would spot the young talent to bring to FC Barcelona’s boarding La Masia. The club takes care of all their needs- schooling, boarding and soccer training – knowing that only 10% would make to Barca’ first team rest will make their living outside.

It is the place where the players are trained in the fundamental playing style of the club ‘Tiki-Taka’ so that they can take can seamlessly gel into the first team with similar playing style.

It trains more than 300 young players, and has been praised as one of the best in the world, being a significant factor in FC Barcelona's European success as well as the Spanish national team's success at the 2010 FIFA World Cup. In 2010, la Masia achieved a record breaking honour becoming the first youth academy to have trained all three finalists for the Ballon d'Or in one same year, with Andrés Iniesta, Lionel Messi and Xavi Hernández. On 11 July 2010, Spain won the World Cup final with eight players from Barcelona; seven were from La Masia, and six of them were in the starting line-up: Gerard Piqué, Carles Puyol, Andrés Iniesta, Xavi Hernández, Sergio Busquets, and Pedro Rodríguez. This set a record for the most players to be provided by a club side for a team in a World Cup final.

In the 30 years since La Masia's inauguration, more than 500 youngsters have left their homes and families to stay at the academy. One of the first graduates of the academy was the midfielder Guillermo Amor, followed by goalkeeper Carles Busquets and midfielder Pep Guardiola. All three made their first team début under Cruyff, who was made manager of the first team in 1988.

The team played to Cruyff's tiki-taka philosophy, derived from total football, which has often been attributed as a key component in Barcelona's later success and international appeal.

### Strategic Lessons

Lesson	Strategy at FC Barcelona	Lessons for Corporate
1	Create ‘One Philosophy, One Mentality from Top to Bottom of the club’ .  Develop Long term vision of application of playing ‘Total Football’ mixed with traditional Spanish one-touch play (tiki-taka).	Develop long term growth strategy of organization.  Develop execution strategies for realizing long term
2	Developing pipeline of players for First Team to execute playing strategies.	Develop pipeline of multi-disciplinary managers to execute growth strategies through structured training & development programs

### **2.2 Era of Josep Guardiola (Pep)**

As a player, Guardiola played as a defensive midfielder and spent the majority of his playing career with FC Barcelona. He was part of Johan Cruyff's "dream team" that won Barcelona's first European Cup. Guardiola was appointed the new coach of **FC Barcelona B** in May 2007. At that time, the team was in organizational disarray as it entered the fourth tier of Spanish football. The relegation of the B team was a cause in the disbanding of FC Barcelona C, which played in that league. In Guardiola's re-organisation of the reserve side, he made places available in Barcelona B to players above the age of 21; his aim was to increase competition within the team and help it advance into a more competitive league. He divided the players into two categories: "**pearls**", which was composed of the young players, and the "**backbone**", which was mostly composed of those who were more mature. The "backbone players" were between 21 and

26 years old and they stayed in the B team for a maximum of two years before being sold. The two-year duration, according to pep, was to allow for room to constantly develop youth players.

When Guardiola re-organised the reserve side, he set up a **three-staged** program to formalize the advancement from

**Juvenil** —————→ **Barcelona B** —————→ **Barcelona First Team**

The **first stage** of a youth player's career involves a **rotation scheme with Barcelona B**. The **second stage** involves making the player aware of his importance to the team, and expects the player to improve cohesion and performance within the reserve side. In the **last stage**, he is designated a "key" player of the B team and might be called to the first team.

Under Guardiola the team has become more disciplined with a greater focus on possession and a disciplined and aggressive pressing style.

Guardiola quit as Barcelona manager, after achieving 14 titles in four years in charge of the club. He was succeeded by his second-in-charge Tito Vilanova.

**Strategic Lessons**

Lesson	Strategy at FC Barcelona	Lessons for Corporate
3	Increase competition within the team and develop “pearls” and “backbones” players of the team.	Increase in-house competitions and develop the experienced group to take onus to develop young executives
4	Develop 3 stage program for advancement of players from Juvenil to First Team	Develop career growth plan for executives at all level and let the executives know

**2.3 Tito Vilanova- Leader in Waiting**

Vilanova like Guardiola was product of La Masia and joined FC Barcelona’s youth system in 1984, curiously enough in the same year as Guardiola. At La Masia, he was part of a Juvenil (U18) class that experienced a lot of success on the pitch.

Tito Vilanova took control of FC Barcelona’s first team on June 15, 2012, on the day he was officially presented as the manager at the Camp Nou’s Sala Paris. Up until that moment he was the Josep Guardiola’s assistant manager. Guardiola and Vilanova took the reins of Barça B together in 2007 and as an assistant coach under Pep Guardiola, is part of the groups which won 14 titles. In the 2008 summer, after leading the reserve side to promotion to Segunda División B, the pair (Pep and Tito) were assigned to the first team, replacing Dutch duo Frank Rijkaard and Johan Neeskens. Guardiola has highlighted the impact that Vilanova - whose way of doing things is “simple and discrete” - has had on the team on more than one occasion.

Managerial Year	Tito Vilanova	Josep Guardiola
2012-13	FC Barcelona (Manager)	
2011-12	FC Barcelona (Asst Manager)	FC Barcelona (Manager)
2010-11	FC Barcelona (Asst Manager)	FC Barcelona (Manager)
2009-10	FC Barcelona (Asst Manager)	FC Barcelona (Manager)
2008-09	FC Barcelona (Asst Manager)	FC Barcelona (Manager)
2007-08	Barcelona B (Asst Manager)	Barcelona B (Manager)

**Strategic Lessons**

Lesson	Strategy at FC Barcelona	Lessons for Corporate
5	Leadership pipeline: Development of Tito Vilanova as “understudy” of Josep Guardiola for 5 years from 2007 to 2012.	Develop ‘inward’ succession planning framework and groom in-house talent

### 3. CONCLUDING DISCUSSIONS

Author studied the development program(s) and leadership succession planning strategies of FC Barcelona, one the most successful club in Spanish Football history and analyzed that success of club is deeply rooted in its strategies from grooming of homegrown talent at La Masia to the appointment of coaching staff. Taking cue from club strategies author identified **5 lessons** for Corporate.

Lesson	Strategy at FC Barcelona	Lessons for Corporate
1	Create 'One Philosophy, One Mentality from Top to Bottom of the club' . Develop Long term vision of application of playing 'Total Football' mixed with traditional Spanish one-touch play (tiqui-taka).	Develop long term growth strategy of organization. Develop execution strategies for realizing long term
2	Developing pipeline of players for First Team to execute playing strategies.	Develop pipeline of multi-disciplinary managers to execute growth strategies through structured training & development programs
3	Increase competition within the team and develop "pearls" and "backbones" players of the team.	Increase in-house competitions and develop the experienced group to take onus to develop young executives
4	Develop 3 stage program for advancement of players from Juvenil to First Team	Develop career growth plan for executives at all level and let the executives know
5	Leadership pipeline: Development of Tito Vilanova as "understudy" of Josep Guardiola for 5 years from 2007 to 2012.	Develop 'inward' succession planning framework and groom in-house talent

### REFERENCE

- Brown (2007), Solve the succession crisis by growing inside-outside leaders, Harvard Business review , pp 90-96
- Butler & Roche-Tarry (2002), Succession planning : Putting an organization knowlwdge to work. Nature Biotechnology, 2(2), pp201
- Conference Board (2009), The role of Board in Turbulent times. CEO succession planning , Executive action Series, No 312 Aug 2009
- Corporate Leadership council (2000), Developing a succession planning capability, Corporate Executive Board, January 2000, Catalog No 070-240-201
- Davis N. (2008), Succession planning not limited to C-suit, HR Magazine, pp.69-70
- Joseph Bower (2007), Solve the succession crisis by growing Inside-Outside leaders, Harvard Business Review, November 2007