



Global Open Innovation in the Silicon Valley of Sport



By [L. Felipe Monteiro](#) , INSEAD Affiliate Professor of Strategy

One of the world’s biggest football clubs has set out a pioneering collaborative strategy of innovation.

With annual revenue of more than one billion dollars last year, FC Barcelona is one of the biggest football clubs on Earth. In terms of global reach, the Catalan team has 300 million followers on social media, more than six times the population of Spain. Globalisation is a priority for the club, with an outpost in [China](#), a [New York office](#) and a special focus on Latin America. As part of its continued expansion, the club has created the [Barça Innovation Hub](#) to envisage the future of football and the sports industry as a whole.

“More than a club”

[Javier Sobrino](#) (INSEAD MBA '02J) is Chief Strategy & Innovation Officer for the club. The joint responsibilities of strategy and innovation are unusual in a

single role and telling in this instance – the club thinks strategically about the role of innovation.

In 2017, the Barça Innovation Hub was created as part of the corporate strategic plan (2015-21). The club's motto, "*Més que un club*" (Catalan for "more than a club") is meant to embrace the community of Barcelona, but has expanded to mean much more. Sobrino said that as the project leader, he was aware of the in-house innovation: "So what we did was to try to structure all that innovation that was already there. By that time, for instance, there were more than 35 people developing their PhD, and we said to ourselves, 'We have to define a project that organises everything to develop the whole innovation strategy of the club.' That's how Barça Innovation Hub was set up as one of the key strategic projects within the corporate strategic plan."

Global open innovation is the key framework to implement Barça's innovation strategy. The Innovation Hub prioritises sharing and incorporating knowledge with third parties and dispersing it to an even larger audience. One example is the standardisation of match data created by the Hub and **shared with FIFA**. This openness can help elevate football via analytics, and the hope is that the industry will use this type of open standard.

"Our mission is to become the biggest sports innovation centre in the world," Sobrino explained, describing how the Innovation Hub looks to universities, research centres, hospitals and other third parties. "On the business side we also count on start-ups, and we contribute to develop different start-ups in different fields."

Aspects of innovation

In a recent interview on INSEAD's Europe campus, Sobrino described the domains of the Innovation Hub.

1. Healthcare & wellbeing

"Canon is a company that uses our medical facilities as a test lab to improve their machines in order to prevent and treat injuries. We also work with Allianz, the big insurance company, in order to develop their innovation strategy together with FC Barcelona."

2. Sport performance

"For instance, with MIT, right now we're developing a research project

on how to analyse the spaces in football. Very briefly, it's not only the question of how a player moves in the pitch, but it's to what extent one single player generates space for the rest of the team," Sobrino said.

3. Big data & fan engagement

The club is focused on fan engagement, thinking of ways to connect with the fans more deeply, through .

4. Smart facilities

FC Barcelona is in the midst of a €600 million of its facilities, including its famous home of Camp Nou. "We want these facilities to be a true innovation space where companies from different sectors can come to our facilities and research and implement new technologies and new products and services, so definitely smart facilities and smart venues is another area," Sobrino explained. It will be a 5G-enabled, futuristic sports complex that keeps the fans in the arena or surrounding area before and after a match.

5. Social impact

Sport is seen as a force for good by the club. "We also support our foundation. FC Barcelona has a very active foundation that is specialised and devotes projects to children's issues. What we do from an innovation perspective is to research how a sport can make a social impact, and this for us is absolutely critical," he said.

Looking outside to incorporate inside

With the Innovation Hub, FC Barcelona is a pioneer in the sports industry by creating this expansive global ecosystem and also providing a network of insiders for innovation to reach within the club.

Firms must realise that as powerful and successful as they may be, innovation on a larger scale is happening outside. From a cyclical approach to **team members**, to **cross-cluster collaboration**, to **cross-departmental** collaboration, we have a wealth of data that assures us that in order for innovation to succeed, it cannot occur in a vacuum.

The most effective open innovation is a two-way street. The Barça Innovation Hub accepts new ideas from outside, experiments with them and when they

are successful, the resulting products or techniques first benefit the club before being marketed to the world with the FC Barcelona stamp of approval.

When an organisation tries to create innovative ideas in secret, it has a **deleterious effect** on innovation. Looking at data provided by more than 12,000 companies to the U.K.'s Community Innovation Survey (CIS) between 2002 and 2006, we examined how secretive behaviour influenced the correlation between external knowledge sourcing and the introduction of new products. The results showed that using secrecy as a strategic knowledge protection hinders the innovation benefits deriving from external knowledge partnerships. Firms with an international reach should inject the principles of open innovation into their business model to enrich their knowledge pool and improve the possibility of **creative synthesis**.

Incorporating innovation in a safe way is crucial to the strategy of large organisations. My case study about **BT** is an excellent example of how firms go to different parts of the world to learn and the importance of having a “landing pad” for the innovation to germinate in the firm. At BT, it was necessary to formalise the integration process and to develop a set of tools to help integrate external technologies.

The Silicon Valley of sport

FC Barcelona is a global company in terms of its fans and brand. Starting with its huge fan base, the club is learning from the world. Chinese fans are buying Messi shirts, of course, but China is also seen as a knowledge base. It's a different type of relationship than traditional sports clubs with international supporters.

Sobrino explained, “Our vocation is to be very global in terms of sources of knowledge and sources of talent. China is a very relevant place for us. Not only because it's one of the strategic markets for the club, but also all the innovation and the technology that is evolving in that space.”

Although the hub has an international vision, it is also interested in cultivating talent at home. Sobrino said, “We have incubated a very small start-up in the south of Spain. They have an amazing GPS, and we have developed this player-tracking system with them. We have improved the product together, and now it has been sold around the world.” Partnerships like this have led to Barça being known as the **“Silicon Valley of sport”**.

Sobrino said that the club is working with firms in the U.S., Israel and throughout Latin America, targeting different areas where it can leverage innovation. For the hub, Israel, in particular, is a source for sport-related blockchain and AI tools to analyse football.

FC Barcelona is a **trendsetter** of sorts, off the pitch as well as on. Now that it has established itself as the core of the sport innovation arena, PSV Eindhoven is following suit with its own **dedicated centre**. But rather than looking to start-ups for solutions, the Dutch club seems to be connecting with established brands within its immediate circle. Other clubs, like **FC Liverpool**, focus on player or game analytics, but this vision and that of PSV Eindhoven do not build on global open innovation like the Barça Innovation Hub.

The importance of openness for sharing knowledge

The example of FC Barcelona's growth while engaging in global open innovation sends a clear message about how innovation needs fresh air to flourish. As we have seen, secrecy doesn't contribute to creativity.

Attention from the top, as we observe at the club, is another vital aspect in the cultivation of innovation.

The Barça Innovation Hub's access to overseas innovation can be thought of as a knowledge-seeking foreign direct investment. As my colleague **Yves Doz** points out, with global firms, the idea of "think local, act global" is better than the reverse. When firms can give the attention necessary to a local idea, it can flower and that new knowledge can then spread throughout the larger organisation.

Firms should consider how they can cultivate open innovation not only locally but across regions, in order to **create more value** for their global organisations.

*The case study "**Barça Innovation Hub (BIH) Goes Global: Innovation On and Off the Pitch**" by Felipe Monteiro, John Davies and Anne-Marie Carrick is available on the **INSEAD Publishing** website.*

*Javier Sobrino will speak at the **Alumni Forum Europe** in Geneva in June 2019.*

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