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**STRATEGY DEVELOPMENT FOR FOOTBALL CLUB
RABOTNIČKI SKOPJE**

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LIST OF ABBREVIATIONS

sl. – Slovene

CRM – (sl. Centralni register Republike Severne Makedonije); Central Registry of the Republic of North Macedonia

DZS – (sl. Državni statistični urad Republike Severne Makedonije); State Statistical Office of the Republic of North Macedonia

IFFHS – (sl. Mednarodna zveza za nogometno zgodovino in statistiko); The International Federation of Football History & Statistics

FFM – (sl. Nogometna zveza Republike Severne Makedonije); Football Federation of Republic of North Macedonia

FIFA – (sl. Mednarodna nogometna zveza); Fédération Internationale De Football Association

FML – (sl. Prva makedonska nogometna liga); First Macedonian Football League

NGO – (sl. nevladne organizacije); non-governmental organizations

UEFA – (sl. Zveza evropskih nogometnih zvez); Union of European Football Associations

1 INTRODUCTION

Strategic management as a term can be defined as “the science of formulating, implementing, and evaluating functional decisions that enable the organization to achieve its goals and objectives”. (David, 2011, p. 6-7). The main objective of implementing strategic management systems and its tools is to explore and create new and better opportunities for future growth and development of companies and organizations. Generally, strategic management is used as a term to encompass three main ideas: (1) strategy formulation, (2) strategy implementation, and (3) strategy evaluation. The first stage in strategic management is called strategy formulation. It includes (1) developing a strong vision and mission for the organization, (2) identifying external opportunities and threats of that organization, (3) identifying internal strengths and weaknesses, (4) establishing sustainable long-term objectives as well as (5) defining and choosing alternative strategies to pursue (David, 2011, p. 7-8). The second stage in the strategic management process is called strategy implementation and it is described in short as the “action stage”. The term “implementing strategies” can be defined as the process of mobilizing and motivating company employees (managers and laborers alike) to follow and implement formulated strategies, i.e., put them into action. Finally, strategy evaluation, as the final stage in strategic management, is a process of evaluating how well the strategy (chosen by the organization) has been implemented in practice, as well as to evaluate the success of that strategy.

“Just as a football team needs a good game plan to have a chance for success, a company must have a good strategic plan to compete successfully” (David, 2011, p. 6). Strategy planning or strategy formulation, is actually the process of developing strategies and creating the organization’s mission, vision and its objectives and priorities. More precisely, it defines in which direction will the organization be moving towards and forwards. “I define strategic planning as a deliberative, disciplined approach to producing fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why ” (Bryson, 2011, p. 8-9). Strategic planning can be useful in many ways for sports organizations, as many of them have the same general purpose, which is establishing and obtaining positive relationships between the organization itself and its environment and society (Ilić, 2013, p. 114). Planning provides opportunities for sports organizations to be proactive and autonomously define the purpose of their operation, to define their mission and to formulate the direction of their activities; further executing those activities. It is often the case with sports organizations to be submitted under scrutiny and pressure when activities and strategies are not guided in the right direction; changes then are certainly necessary. “The organization under pressure is the reason and the planning is the outcome from this pressure” (Ilic, 2013, p.115). Strategic planning can thus be used to provide an adequate response to these changes as well as to carry out the objectives and plans of the managers that will positively impact the internal and external environment, i.e., the company itself and its focus group. With strategic planning, one may also present conditions for organizational planning. Furthermore, strategic planning is expanded to envelop several

activities such as: (1) defining the mission of the company, (2) situation management (SWOT analysis), (3) establishing purposes and directions in terms of operative tasks, (4) developing strategies related to operational tasks and (5) monitoring the strategic plan. All of these activities are vital for efficient planning, which will lead to successful management in sport organizations (Ilic, 2013, p.116).

In the world of today, there is a great number of academic books written on the topics of strategic management, strategic planning and developing strategies. Based on some of those books, which are quoted in this paper, I had the opportunity to properly consider and choose the sports organization, i.e., choose the type of legal entity that I am going to write about. Studying the principles of strategic management, two main types of organizations are encountered: for-profit and non-profit organizations. Both types of organizations are different from a legal standpoint, however from the viewpoint of strategic management and its core principles, i.e., the processes of strategy formulation as well as implementing and evaluating, there is almost no difference between the two types of organizations.

After careful consideration and analysis, I have chosen FK Rabotnički Skopje as the sports organization for which I would like to analyze and develop strategies. FK Rabotnički is a 'football club in North Macedonia that falls into the category of a non-profit organization. As a student I have learned about numerous theories and models intended for strategic management of non-profit organizations, and choosing from those I decided to use the Bryson model as a benchmark for analyzing and developing strategies for my chosen organization. According to the Bryson model, the steps in the process of strategic management are: (1) initial agreement, (2) identifying the mandates of the organization, (3) clarifying the mission and vision of the organization, (4) assessing the external and internal environment, (5) determining goals and objectives and (6) developing strategies as well as their implementation. (Bryson, 2011). In this thesis, I will try to cover the abovementioned steps of strategic planning, however the main focus will be on analyzing and developing strategies for the chosen football club.

From the aspect of organizational environment, a distinction is made between external and internal environments. The analysis of the external environment can be further divided into three separate parts: (1) the study of forces and trends in the external environment, (2) the study of key resources for the organization and (3) the study of its main competitors and collaborators. The PEST analysis is used for analyzing key forces and trends, and it includes the analysis of political (P), economical (E), social (S) and technological (T) effects from external organizational environment. (Kolar & Jurak, 2014, p. 92-94). Internal environment analysis, on the other hand, consists of (1) business performance analysis, (2) examination of internal resources and (3) analysis of current (present) organizational strategies (Čater et al., 2011, p. 138-140). These two methods of analysis provide enough data for conducting a SWOT analysis, which is consisted of strengths and weaknesses - which arise from internal environment; then opportunities and threads as external environment factors (Wheelen et al., 2015, p.198). Based on the analysis results of the internal and external environment of the

organization, strategies can be formulated to achieve the desired strategic goals. The process of developing strategies for an organization is divided in three stages: (1) identifying alternative solutions; (2) identifying obstacles in implementation of the alternative solutions and (3) formulating propositions (Čater et al., 2011, p. 141).

The theoretical framework, which I will be following in my master thesis, is briefly described. I will use that framework for analyzing my chosen organization, as well as for developing realistic strategies. My goal will be to create systematic strategies, which will enable the football club Rabotnički Skopje to grow and survive in the global and competitive environment of the football world.

The football club Rabotnički Skopje was founded back in 1937, and it is among the most successful clubs in the history of Macedonian football. Hugely successful in the past, nowadays FK Rabotnički is fighting to survive relegation for several years in a row. It is currently competing in the Macedonian first league and the Macedonian domestic cup. In March 2012, IFFHS¹ named Rabotnički as the best football club of the 21st century in Macedonia. Currently serving as general president of the club is Dragan Popovski, and general secretary is Nenad Monev. They are responsible for managing and representing the club domestically and internationally. The football club has defined its mission, vision and strategic plan for the club in its status ten years ago and it hasn't been changed or revised since then. Besides competing in first Macedonian league, FK Rabotnički is active in youth leagues as well, where the club is quite more successful compared to the first team. There have been financial problems within the club for a prolonged period of time, which indicates that major changes with huge reconstructions are needed. In my opinion, it is the only way for this club to survive in today's football world and be able to compete for the highest honors in Macedonian football once again.

The main purpose of this master thesis is to help the selected sport organization to find the best formula for improvement in order to massively increase its success and potentially repeat its glory days when it was regarded as the best sport collective in the country. The thesis further aims to redirect Rabotnički's current trajectory by emphasizing internal and external refinement and reorganization. The overall idea is to demonstrate that, even in a small country like North Macedonia, an organization can boldly transition and transform a football club into a structure that closely aligns with modern European football clubs.

The main goal of this thesis is to develop an optimal strategy for the football club Rabotnički Skopje, which is categorized as a non-profit sports organization according to its legal status. I will try to achieve my goal by analyzing the external and internal environment of the aforementioned organization, its strengths, opportunities, weaknesses and threats, and finally examine the results of those analyses. All of that will provide me with the data and enable me to define new strategic goals and develop achievable strategies.

¹ The International Federation of Football History & Statistics.

This thesis will answer the research question: Which strategic plan is optimal or most appropriate for improving the overall performance of the selected organization? I will try to solve this question by developing several strategies for improvement of my chosen club, and by choosing the most suitable one based on the results of the analyses.

In the process of finding answers for my research question, I will primarily use a compilation of literature and resources for the theoretical part of my thesis. With literary description I will point out phrases and authors, which are most suitable for my topic. Further on, in the empirical part of the thesis, I will perform analysis of the data obtained and I will synthesize the main findings and results. Lastly, I will use a comparative method with the purpose of juxtaposing data of the same or different study units (sport organizations).

This master thesis will consist of data acquired from primary as well as secondary sources. In the beginning I will use secondary sources on which the theoretical part of the thesis will be based. Most of the literature acquired for this thesis is coming from an online database from our faculty's library (COBISS). Other resources used for this thesis are retrieved from online articles that research topics such as strategic management, sports in general and management in sports organizations. Another set of secondary data used for this thesis will be acquired from institutions such as: The Football Federation of North Macedonia (FFM), State Statistical Office of the Republic of North Macedonia, PE Official Gazette of Republic of North Macedonia, websites of the chosen club and its competitors' websites. The primary set of data will be acquired based on the interview with general secretary of FK Rabotnički Skopje. Besides that, I will also use observation as a primary source, which can supplement areas without any records or data, that are relevant to the effect of development and improvement of the organization in question.

2 STRATEGIC MANAGEMENT IN NON-PROFIT ORGANIZATIONS

2.1 Non-profitable organizations

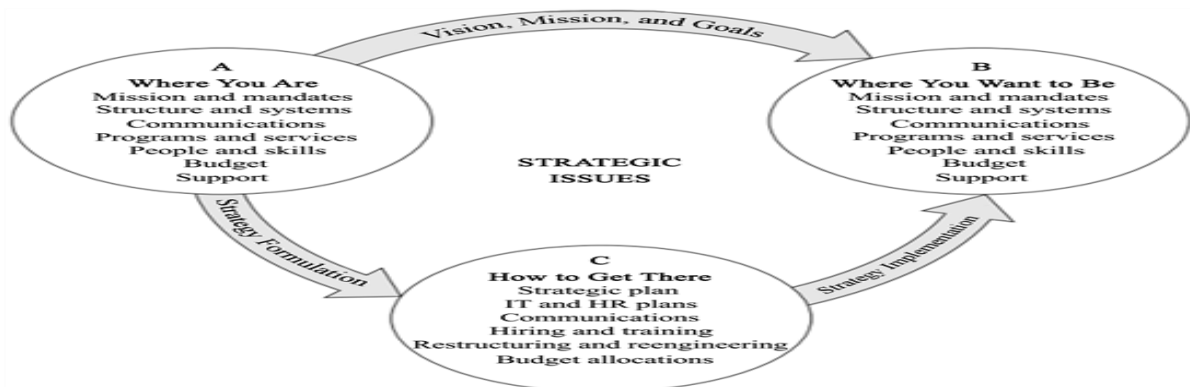
The term strategic management can be described as an objective, logical process which empowers managers to make major decisions in an organization. This process organizes qualitative as well as quantitative data in a way that effective decision could be made in uncertain situations. Feelings and past experiences could be some of the reasons why many of us define intuition as vital for making good strategic decisions, especially in conditions of uncertainty and little precedent (David, 2011, p. 7). Intuition is also a quite useful tool in situations when it is necessary to choose from several plausible alternatives. Strategic management is based on integrating intuition and analysis for the decision-making process. Analysis and intuition complement each other, to make strategic management as beneficial as possible (David, 2011, p. 8). Also, strategic management teaches us that organizations should constantly monitor all the trends and events in internal as well as external

environments, so that necessary changes could be made on time. All organizations must learn to adapt to changes, in order to survive in business environment.

Strategic management can be divided into three main parts: strategic planning or formulation, strategic implementation and strategic evaluation. Strategic planning could be labelled as most crucial part of strategic management process. As already described by many scientists, strategic planning represents a component of strategic management which deals with clarifying goals and objectives, determining policies for distribution and acquisition of organizational resources, as well as setting up a basis for translating policies and decisions into action commitments (Allison & Kaye, 2015). Strategic planning also includes identifying long-term needs of the organization in addition to formulating strategies to maximize the positive and minimize negative aspects of the foreseeable future (Steiss, 2003, p.10). On the other side, strategic planning requires deliberation informed by broadscale but also effective information gathering, analysis and synthesis. Exploration of choice among strategic alternatives and emphasizes of future implication of present decisions (Bryson, 2011, p. 10).

Useful way to understand strategic planning is presented below in Figure 1. Point A can be described as deliberative process of figuring “where you are”, point B describes “where you want to go” and point C “how to get there”. Points A & B are composed of organization’s new or existing mission, structure, programs and services, people and skills, relationships, and budgets. Point C is composed of strategic plan; plans to restructure, reframe or reengineer and budget allocations. The path from point A to point B involves mission clarification, vision and goals of the desired organization. From A to C is a process called strategy formulation (strategy planning) and from B to C is strategy implementation. In order to understand strategic planning at best, it is crucial to understand these points and how they are connected between each other. Strategic planning is not step-by-step, rigidly sequential process, but an approach that requires effective leadership and deliberation (Bryson, 2011, p.11).

Figure 1: The ABCs of Strategic Planning



Source: Bryson (2011).

Regardless why organizations tend to use strategic planning in practice on regular basis, several benefits might be the reason for it. The most obvious benefit of strategic planning is promotion of strategic thinking, acting and learning. (Bryson, 2011, p. 14). Bryson defined strategic thinking as a method of thinking how to pursue objectives and achieve goals. Strategic acting is defined as an acting in course of future consequences to achieve goals or to facilitate learning. Last but not least, Bryson defines strategic learning, as any change in system that adapts to its environment, might result in permanent change in capacity to achieve desired goals.

Second important benefit is improved decision making. Strategic planning emphasis crucial issues and challenges that organization faces, and helps managers in finding accurate solutions for those challenges. “It can help them make today’s decisions in light of their future consequences” (Bryson, 2011, p.15). Third important benefit of strategic planning is enhanced organizational effectiveness, responsiveness and resilience. Organizations are stimulated to define, clarify and address major organizational issues, respond to all external and internal pressures, and effectively deal with rapidly changing circumstances. Moving forward, according to Bryson, fourth benefit is enhanced organizational legitimacy. Organizations that have earned the right to exist are those that regularly satisfy their key stakeholders and those that create real public value at reasonable cost. Finally, strategic planning can benefit the people involved. Helping managers to fulfill their roles, building teamwork and expertise among those involved in the process. Additionally, it leads to increase in human, social and intellectual property. It reduces anxiety, strengthens relationships, and increases competency. There are many ways how strategic planning is improving the people involved in the process itself (Bryson, 2011, p.16).

When it comes to organizations, two types of organizations exist: for profit and non-profit organizations. There are several differences between them. To begin with, for profit organization’s major goal is to make profit, which is later on shared among owners as dividends, or used for new investments. On the other hand, non-profit organizations have different goals. Most of the money these organizations generate, are usually transferred for further improvement and development of the organization itself. Another difference between these two types of organizations, is their ownership structure. For profit organizations are owned and controlled by one or several owners. They are solely responsible for decision making process, but also, they are the ones who mostly benefit with higher profit earned. In non-profit organizations there are not owners, but elected bodies or people, who are responsible to follow the mission and goals of the organization, and manage it at best way possible. In case they do not contribute enough toward organizational goals, they can always be removed by the organization’s board. One thing that is common for both type of organizations, is that they hire labor and foreign services form the market (Kolar & Jurak, 2014).

Non-profit organizations in every society can be quite different from each other, but all of them exist with same purpose, to contribute to society. Non-profit organizations can be

churches, public schools, public hospitals, labor unions, humanitarian organizations, volunteer organizations and mostly important, sport organizations (either federations or sport clubs). As they all have common purpose to give additional value for the society, they are freed from certain tax obligations. Their success is measured or evaluated based on their activities and effective projects, but not on profit they might make. Non-profit organizations have diverse stakeholder structure. Beside active members and managers, these organizations might have part time staff, volunteers or professionally employed staff (Čater, 2019a). Beside their missions and success evaluation, one of the fundamental properties of these organizations are strategic planning and decision making. Non-profit organizations are not capable of rapid changes, which might occur regarding their future, goals and strategies. Reason could be influence from external environment and limited financial resources (Plank, 2020).

Professionalization of the sport lead to professionalization of sport associations. “Sport organizations account for a part of the global economy and influence other areas of society” (Ratten, 2018). Sport association by definition is incorporated association representing sportsmen or sportswomen which provides resources and opportunities for its member to engage in their sporting endeavors. Successful development of professional athletes, and their success in the game, requires many pieces of puzzle to be strictly correlated. Greater scope of specialists from different industries are compulsory in every sport club. Sport coaches, managers, financial specialists, doctors are just a few of the necessary professionals that every club must have in order to sustain long-term (Horch, 1998). Nowadays sport entities (sport clubs or sport federation) operate as non-profit organizations, at least some of them. They do generate profit, however that profit in most of the cases is converted into reinvestment with purpose of reaching new goals and targets of the club (further improvement of the organization). As non-profit organization, sport organizations (especially successful ones), follow the principles of strategic management as core guidelines for improvement of organization itself.

Strategic management is decisive for non-profit organizations. Benefits are many, such as: faster and more effective response to the external environment changes, better performance of the organization’s activities, improved decision-making process, easier recognition of the organization’s challenges (Bryson & Alston, 2015). Strategic management is based on actions and decisions with purpose of strategies fulfillment. It determines the path toward achieving competitive advantages over competition. Each organization has its own defined strategy which describes its development, its competitors, its customer satisfaction, management of all organizational departments and its response to external changes. Organizational strategy is crucial towards archiving desired goals, strategic and financial ones (Plank, 2020).

Organizations in North Macedonia that offer sport related content (clubs, federations, associations) can be declared as non-profit public or private sport organizations. In North Macedonia anyone is allowed to take part and work within sport organizations, however

certain laws, legislation and regulations, as well as organizational statute need to be respected and esteemed. Sport organizations in North Macedonia must operate according to Law on Sports, prescribed by the Agency for Youth and Sport (as the only government body that is responsible for regulations and laws regarding sport in North Macedonia). Besides that, sport organization need to respect other legal regulations issued by the government (Law of Institutions, Law of Companies), as well as legal regulations issued by National Sport Federations (Football Federation of Macedonia).

There were 2388 organizations active in the field of sports in North Macedonia in 2015. That number continuously increased over the years, and in 2022, that number reached 3130 organizations with sport related purpose. Majority of them, over 96% of sport organizations, were non-profit organizations (Central Registry of the Republic of North Macedonia, 2023). In this master thesis I will try to highlight the most common form of non-profit organizations. They all represent voluntary and independent associations of people with purpose of realization of common goals and interests, but according to the Law of Companies. They operate based on defined vision and mission, clearly described in their organizational acts and based on legal order of the Republic of North Macedonia.

2.2 Strategic management in sport organizations

“General purpose of strategic management in sport is to improve the compatibility of the sport organization using the chances provided by the environment and by internal potential as it avoids dangers from external environment and as it removes internal weaknesses and disadvantages” (Ilic, 2013, p. 116). In order to be able to achieve its desired goals, every sport organization that wants to be efficient and recognized as trustworthy partner in business and sport environment, must define its own vision, mission and strategies for further improvement and development. Vision is the beginning of every sport performance and it is the direction which sport organization needs to follow in the future. Vision represents the desired state or long-term aspirations of the sport organization. It serves as source of inspiration, provides clear picture of what organizations aim to become as well as achieve. Vision helps stakeholders, including athletes, staff, sponsors and fans, to understand and align with the organization’s ultimate goals, and to create shared sense of purpose. Furthermore, mission outlines the fundamental purpose of the sport organization. Mission defines core values, principles and activities of the sport organization by reflecting its commitment to specific stakeholders and its broader role in society. With clearly defined mission, all stakeholders are able to understand organization’s identity and value it strives to deliver. It provides precision and guidance in decision-making, and it ensures that organizational actions are consistent with already defined objectives (Slack & Parent, 2006).

Similar to all other non-profit organizations, strategic management plays vital role in success and sustainability of sport organizations by providing structured and forward-thinking approach to navigate the challenges and opportunities in the sports industry, to adapt to

changing trends and market dynamics, and to stay ahead of the competition. Strategic management in sport clubs includes formulating strategic objectives concerning the satisfaction of stakeholders and increasing the competitiveness, effectiveness and sustainable development of the club (Coskun et al., 2020). It provides a framework for resource allocation and utilization within the sport organizations. With strategic allocation of financial, human and physical resources, sport organizations are empowered to optimize their operations and enhance their overall performance. Effective resource management, such as investment in talent development, infrastructure and marketing initiatives, ensures that organizations can operate efficiently, maximize its potential, and maintain competitive advantage. It also facilitates effective decision making and risk management, by enabling sport organizations to assess potential risks and uncertainties in the sport industry. Strategic management also fosters a culture of innovation, learning and continuous improvement in sport organizations. Sport organizations are encouraged to explore creative solutions, to monitor and evaluate effectiveness of strategies, to seek out new ideas. In that way, sport organizations can learn from past experiences, adjust their approaches and continuously improve their performance (Chelladurai & Beech, 2014).

As previously mentioned, strategic management as term is used to encompass three broader ideas: (1) strategy formulation, (2) strategy implementation, and (3) strategy evaluation. (David, 2011, p. 6-7). Strategic planning is vital for the long-term success of any sport organization. It enables the organization to establish its direction, to optimize resources as well as gain competitive edge in dynamic sports industry. Sport organizations use strategic planning to define their goals and objectives and allocate their own resources effectively. It allows them to align their activities with their mission, prioritize initiatives, make informed decisions in order to stay competitive in today's highly competitive sports environment. To move forward, strategic planning is a process that enables sport clubs to assess their strengths and weaknesses, to identify external opportunities and threats and develop strategies that capitalize on their strengths and opportunities while mitigating challenges they face. Sport clubs hugely benefit from this proactive approach, since it enables clubs to stay adaptive, responsive, to engage all stakeholders effectively and finally to achieve their long-term goals. Potential effective implementation of strategic planning in sport clubs, allows them to fully optimize their resources, enhance their operational efficiency and reach their desired targets. Moreover, strategic planning empowers sport clubs to make right decisions regarding investments and partnerships, to ensure that their actions are in line with their overall strategic direction and contribute towards sustainable growth and success of their organization (Covell et al., 2007).

Moving forward, strategy implementation in sport clubs can be described as complex process that requires effective leadership, clear communication throughout the organization and alignment of organizational resources and capabilities with strategic goals (Shilbury et al., 2014). Leaders play crucial role in strategy implementation. They must ensure that strategic vision and mission of the club is effectively communicated to all stakeholders, which

includes coaches, staff, athletes, volunteers and fans. Leaders or managers are responsible to provide clear direction, to set performance expectations, and to foster a culture of accountability. In this way they create common understanding of strategic goals, and they motivate everyone to work towards achieving those goals. Strong leadership and effective communications significantly increase the likelihood of successful strategy implementation, fostering a sense of purpose and unity among club stakeholders (Shilbury et al., 2014).

Successful strategy implementation involves assessment of the club's current resources, including financial and capital assets, along with ensuring that they are strategically allocated to support the desired initiatives. Identifying potential areas for improvement and acquiring necessary resources are another crucial component of strategy implementation. The engagement of all stakeholders, such as coaches, athletes, sponsors and fans, is crucial for effective strategy implementation in sport clubs. Regular communicational channels, such as surveys and hall meetings can provide platform for stakeholders to express their perspectives and contribute to the implementation process. Engaging stakeholders can also help towards leveraging diverse expertise, anticipating potential challenges, and building strong relationships within the club that will only boost and support the execution of the strategic goals (Shilbury et al., 2014).

Strategic evaluation in sport clubs involves assessing the results and impacts of implemented strategies, in order to determine their effectiveness and make informed decisions for the future. Systematic and objective examinations of performance indicators, such as athlete performance, competitive rankings, financial metrics and fan attendance, are required. By analyzing these metrics, the clubs can easily identify areas for further improvement. Examination of the alignment of implemented strategies with previously established mission and visions is done throughout the process of strategy evaluation. With regular and comprehensive strategy evaluation, the club can stay agile and responsive to all the changes in external and internal environment. With monitoring performance and evaluating the strategies effectiveness, leaders can identify new opportunities or potential threats. Evaluation process give club's leaders opportunity to adapt their strategies in timely manner, ensure that they remain competitive and maximize their chances to achieve long-term success. Evaluating stakeholder satisfaction helps leaders to recognize the impact of their strategies on key stakeholders and make certain adjustments in order to boost stakeholder support and engagement. Strategy evaluation also serves as learning process that allows leaders to capture insights and lessons for improved future strategic planning. By reflecting on past outcomes and strategies, leaders can learn why certain strategies failed while other were success. Those knowledges can be applied for the future decision-making processes. Through the ongoing evaluation of strategies, leaders can enhance their strategic agility, adaptivity, as well as overall performance in the competitive sports industry (Shilbury et al., 2014).

Management sport organizations requires the use of traditional techniques and strategies, that are used in modern companies, governments and non-profit organizations. The job of

managers in sport organizations includes strategic planning and implementation of those strategies, supervision of the work done by all members of the organization, cooperation with sponsors and media and evaluation of existing strategies. The role of managers in sport organizations is also to find top athletes, that might improve the quality of the team, can provide additional value for the club and represent competitive advantage over competitors. The possibility to work in and manage sport organization, can be described as specific phenomenon, as it is not similar with any management role in any other type of organization nor company. The level of passion, loyalty and dedication that millions of fans have towards their chosen club, is sometimes breathtaking, and that is why managers in sport organizations must be prepared to take advantage of such a mass group of people that feel connected with the sport (Hoye et al., 2012).

Besides that, managers in sport organizations must obtain the required know-how of strategic management principles and successfully implement them within the sport organization. Manager position in sport organization requires many roles and huge responsibilities. Implementing ethical and moral values in every decision made is mandatory. Managers in sport organization are the ones that can decide the future of the organization, since they are responsible for directing the activities of the club. They handle strategic planning, they access organization's strengths, weaknesses, opportunities and threats. They are responsible for managing organization's resources and try to allocate them as efficient as possible. The relationship among the stakeholders of football clubs are considerably more tangled than any relationship between employee, client and company (Perechuda & Čater, 2021). Managers are ones that are expected to provide leadership, guidance and motivation for all the stakeholders. Furthermore, managers are responsible for controlling and monitoring organization's performance and to take corrective actions when necessary. Finally, managers also deal with managing relationships with external stakeholders (sponsors, media, governing bodies), they also negotiate contracts, cultivate partnerships, and represent the organization's values and interests by contributing to organization's financial stability and brand development at the same time.

2.3 Developing strategies in sport organizations

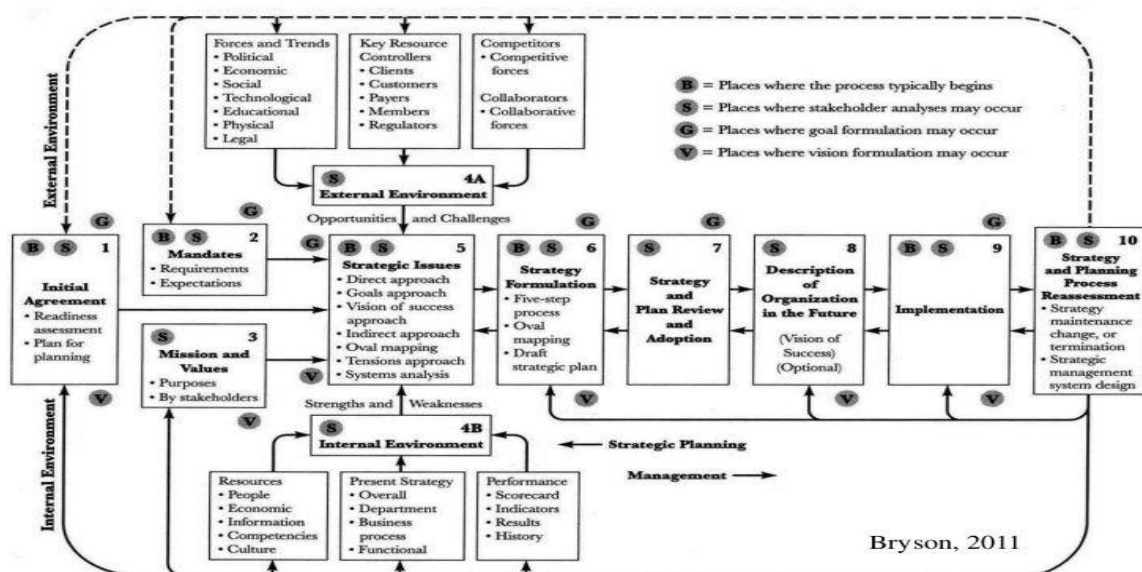
Various strategies for innovation exist and are already applied by some sport organizations. Those strategies hold the potential to radically change how we play, view and organize sport (Tjørndal, 2016). The success of each sport organization depends on the quality of their strategic decisions. The concepts of strategic management are not easily applicable on sport clubs, just because of sport, as a very turbulent field, largely related to competitive performances and results. Nevertheless, managers in sport clubs still need those concepts on constant basis, especially for quality market analysis, for defining clear direction of the club, and for creation of strategies that correspond to the utilization of quality opportunities (Hoye, et al., 2012).

Strategic management concepts serve as guidelines for football clubs for creating strategic goals, which satisfies all shareholders, but also for increasing efficiency, competitiveness and stable long- term development of the football club. All football clubs have different strategic goals, which have to correspond to the club's mission and vision. Due to the intertwining of various performance indicators (sport, financial, commercial, etc.), it makes sense for clubs to develop multidimensional performance management system, that covers most important interest of shareholders (Žohar, 2022).

Jurca (2009), in his master thesis explained several approaches for developing and implementing strategies in non-profit organizations. He described Burkhart & Reuss approach, Nutt & Backoff approach, Martinelli approach and Bryson approach. The decision which approach is most appropriate for chosen organization depends of its characteristics and needs. Each sport organization have to study all these approaches, and chose the most practically useful one. In this master thesis, I have decided to follow Bryson approach of developing strategies for my chosen sport organization. As already mentioned, I will try to develop most optimal strategy for Football club Rabotnički Skopje, which is non-profitable sport organization by its legal status. "Bryson approach can be acknowledged as one of the most effective in practice of non-profit organizations" (Čater, 2019a).

John M. Bryson has developed model of strategic planning precisely for public and non-profit organizations. This model covers a wide range of managerial approaches, depending on the environment in which organization operates and conditions that determine business success (Bryson, 2015). "The Strategy Change Cycle may be thought of as a process strategy, processual model of decision making, activity-based view of strategy or just an approach to identify and respond to challenges in which a leadership group manages the main activities in the process and often leaves much of the content of the responses and implementation methods to others" (Bryson, 2011, p.46).

Figure 2: Strategy Change Cycle



Source: Bryson (2011).

As shown in the figure 2, “Strategy Change Cycle” is a process composed of 10 steps and is systematically organized. By relying on the model, the management of organization can transparently monitor the development and implementation of the strategies (Plank, 2020). The ten steps are:

- initial agreement,
- identifying organizational mandates,
- clarifying organizational mission and values,
- accessing the organization’s external and internal environments,
- identifying the strategic issues facing and organization,
- formulating strategies and plans to manage the issues,
- reviewing and adopting the strategies and plan,
- establishing and effective organizational vision,
- developing and effective implementation process,
- reassessing strategies and the strategic planning process.

2.3.1 Initial agreement

The purpose of initial agreement is to negotiate agreement among key internal as well as external decision makers regarding the overall strategic planning process and key planning steps (Bryson, 2021). The decision regarding initial agreement in most organizations is taken by key decision makers or the director of the organization. First of foremost, there is a need to identify exactly who the key decision makers are. Following to that, the next task should be identifying which people, groups, units or organizations should be involved in the process. There is also need of preliminary stakeholders’ analysis, which help director to figure out whom to include in the preparation of initial agreement. The purpose of the procedure and its shape, the key steps that would be implemented in the process, deadlines for the preparation of the analysis, plans and reports on the implementation of the strategy, must be clearly defined and stated. After that, the directors and key decision makers decide who will participate in this process. Finally, the necessary resources are approved for the implementation of the approved agreement (Plank, 2020). The broadest possible consensus is desirable in the process of preparation of initial agreement (Čater, 2019b).

2.3.2 Organizational mandates

The purpose of this process is to outline formal and informal mandates, which are determined by external factors (legislation, sport federation, sponsors, municipality), and which represent restrictions, laws, expectations and pressures. The mandates are stated in statutes, regulations or legislation and determine the competence and independence of the organization in its decision-making (Železnik, 2019). The definition of mandates has 4 following tasks:

- define formal and informal mandates of the organization, including who is mandating what and with what force,
- interpretation of what is required as a result of the mandates,
- clarification of what the mandates forbid,
- outline what is not excluded from the mandates.

2.3.3 Clarifying organizational mission and values

“An organization’s mission, in tandem with its mandates, proves the organization’s most obvious *raison d’être* and social justification for its existence” (Bryson, 2011, p.50). Both mission and mandates also point out the way toward achieving organizational goal of creating public value at reasonable cost. Despite that, clarifying organization’s mission or purpose, does more than just identifying organization’s existence. Mission or purpose eliminates great deal of unnecessary conflict in an organization and boost channel discussion and activity productively. Mission statement defines areas within which the organization will compete and collaborate, as well as, it charts the future course of the organization. (Bryson, 2011).

Non-profit organizations differentiate from for-profit organizations primary based on their mission, which is much broader and encompasses broader social benefits. Defining mission in non-profit organizations (especially in sport organizations), depends of all participants (shareholders), especially those who have expressed desire to contribute towards improvement and development of the organization. Those participants can be athletes, sponsors, employees, volunteers, etc. Defining the mission must aim to show and ensure that it will be different or unique and that it will provide special quality, resulting in certain competitive advantage in the market (Jurca, 2009).

According to Bryson (2011), the mission statement should contain answers to the following question:

- Who are we? (Clarity about identity is crucial because the most efficient way to influence somebody is not to tell them what to do, but to communicate who they are).
- What are the basic social and political needs we exist to meet or what are the basic social or political problems we exist to address? (The answer to this question provides the basic social justification for the organization’s existence and its legitimacy. The purpose of the organization is to meet the needs or address the problems).
- What do we do to recognize, anticipate and respond to these needs or problems? (Organizations should be encouraged to stay in touch with the outside world that justifies their existence and provides the resources to sustain them).
- How should we respond to our key stakeholders? (Organization has to decide what relations it wished to establish with its key stakeholders and what values it seeks to promote through those relations).

- What are our values, philosophy and culture? (Only strategies that are consonant with the philosophy, core values and culture are likely to succeed).
- What makes us distinctive or unique? (Organizations need to be clear regarding what makes them distinctive or unique, otherwise they might find themselves at a competitive disadvantage).

2.3.4 Accessing the organization's external and internal environments

In Bryson's Strategy Change Cycle, forth step in the process, is reserved for comprehensive strategy analysis. For the need of this comprehensive analysis, additional analyses of the organization's external and internal environment are also carried out. SWOT analysis is one of the tools that makes those analyses possible. "If we assume that we know organization's substructures and its external environment, using the aforementioned analyses will help us determine strengths, weaknesses, opportunities and threads of the organization" (Čater, 2019c). Strengths and weaknesses are related to the present, while characteristics of opportunities and threads, are applied for the future. Full comprehensive analysis of the organization can be seen as a condition for formulation of strategic goals (Plank, 2020).

2.3.4.1 *Analysis of external environment*

External environment represents all features that occur outside the organization, and ones over which the organization does not have influence. It covers all political, economic, social and technological changes, which can affect the organization directly or indirectly. In this analysis, all external variables that can influence the organization are taken into account. External environment is divided in two separate subparts - broader and narrower external environment. In the broader environment all factors that affect the organization indirectly and in the long term, are included (taxes rates). It is quite opposite for narrower external environment, which includes all factors that affect organization directly and in short term (industry in which organization operates) (Plank, 2020).

Comprehensive analysis of the external environment includes three parts (Pučko, 2006):

a) Analysis of trends in broader environment

Recognition and understanding of the changes in the selected sub-environments mean acknowledgement of the opportunities, as well as threats of the organization for its future actions. It is necessary to distinguish key trends and tendencies, that influence the organization's operation and development (Jurca, 2009). Many authors of same or similar topic, have declared PESTEL analysis as the best tool for recognition of the trends in the broader environment (Čater, 2019c). PESTEL is composed of several sub-environments that influence the organization and its regular operation. Those sub-environments are: political, economic, social, technological, environmental and legal environment.

b) Analysis of competitors and partner organizations

It is very important to understand how competitors operate and what are their development intentions, especially for the process of strategic planning. Further on, it is crucial for each organization to compare its own market shares with its competitors' ones, to outline the main tendencies in those analysis of market shares, to study main strengths or weaknesses of the competitors, as well as their partnerships with other organizations. If organization is able to answer these several questions, then it will be able to understand their competitors' nature and what should be done in order to improve its position against the competition. Besides competitors, it is also vital to study and analyze the partnerships established with other organizations. It is quite important to clarify what kind of partnerships are those as well as what are the tendencies in those collaborations. Based on that, organization must ensure that in its further development, the strategy would be based on collaborations that enable exploitation of potential opportunities while exposing possible threats (Jurca, 2009).

c) Analysis of clients

For the analysis of the clients, I obtained demographic characteristics and tendencies of the population in the environment, in which the selected organization operates. Acquired data, such as age, nationality and educational composition of the population, migration flows as well as socio-economic characteristics of the population, serve as important variables in the process of strategic planning in non-profit organizations. Special attention is required in the analysis of the part of population, that could potentially become part of the organization, and those that might use the services of the organization in the future (Pučko, 2006).

2.3.4.2 Analysis of internal environment

The value of each organization is determined by its shareholders and relationships among them. Internal analysis refers to organizational structure of the organization, its function and general operating processes. This analysis requires subjectively defined and evaluated tangible or intangible resources, as well as abilities and knowledge of individuals, strongly correlated to human and structural capital of the organization (Žohar, 2022).

Internal environment analysis includes three key parts (Čater, 2019c):

a) Analysis of available resources

The analysis of available resources within the organization, can be represented in the form of review on strengths and weaknesses of the organization, evaluation on the management effort, examination on available resources quality. The work of each substructure in the organization is also analyzed, based on its contribution towards success of the organization. Most sport organizations are effective in defining and explaining their available resources.

The most common division of substructures in sport organization is on: technological, financial, organizational, personnel substructure (Pučko et al., 2009).

b) Analysis of past success

Examining the success of non-profit sport organization is difficult, since sport is complex industry and responsibility for results is mostly unclear. Nevertheless, a clear picture regarding the success of each organization can be obtained by comparing it with its competitors. In that way, assessment on organization's strengths and weaknesses, is possible (Jurca, 2009).

c) Analysis of the current strategy

The analysis of current strategies is possible if the organization which I analyze has clearly defined strategy for improvement and further development of the organization. Many organizations and their management teams find difficult to explain their current strategies, or why they come up with exactly those strategies. In situations where sport or any other non-profit organization, do not have clearly defined current strategy, or answer to question why they have formulated exactly that strategy, it is difficult to examine whether that strategy is appropriate for the future of the organization (Jurca, 2009).

The analysis which includes list of external or future-oriented opportunities and threads, internal or present strengths and weaknesses, is called SWOT analysis. SWOT analysis together with shareholder analysis, form the key indicators of success for any organization (Jurca, 2009).

2.3.5 Identifying the strategic issues facing and organization

After all previous steps in the process of strategic management identifying strategic issues and strategic goals is the next crucial task in the process. Strategic issues relate to all fundamental matters in the organization, such as: organizational mandates, vision and mission, program of services as well as their scope and quality, clients, users, costs of financing, technological structure, organizational solutions, etc. Strategic issues represent challenges, which organizations must deal with decisively and effectively, if they want to survive and improve. Identifying strategic issues also contains conflicts resolution. Among those strategic issues, there are some of them that can easily trigger contradictions in the determination process. Those issues are: what to give priority to; what resources to use in order to achieve desired goal; deadline to reach the goal; how to solve certain problem. These issues can be answered with communication, discussion, argumentation or manipulation (Pučko, 2006, p. 136-137).

There are eight approaches which deal with identifying strategic issues within the non-profit organizations (Bryson, 2011, p.194-208):

- Direct approach - it analyses organization's mandates, mission and SWOT analysis. This approach is best if (1) there is no agreement on goals; (2) no preexisting vision of success; (3) no hierarchical authority; or (4) environment is turbulent.
- Indirect approach - it is mostly useful when major strategic redirection is needed, and many members cannot sense where the changes might lead.
- Goals approach - keeps traditional theory of planning (first identify goal and objectives, then issues that need to be addressed). This approach needs fairly broad and deep agreement on organization's goals and objectives, which need to be specific and detailed enough, in order to provide useful guidance. Hierarchical authority in organization could be beneficial, as well as no divergence between organization's official goals and its operative goals.
- Vision of success approach - is most useful when it is particularly important to take a holistic approach to the organization and its strategies (integration across a variety of organizational boundaries, levels or functions).
- Action-oriented strategy approach - involves creation of word-and-arrow diagrams in which statements about potential actions the organization might take, how they might be taken and why, are linked with arrows. That indicates cause-and-effect and influence relationship between them.
- Alignment approach - clarifies gaps, inconsistencies or conflicts among various elements of and organization's governance, management and operating policies, system and procedures
- Issue tensions approach - There are four basic tensions around strategic issues: (1) human resources and their equity concerns; (2) innovation and change; (3) maintenance of tradition; and (4) productivity improvement.
- System analysis approach - is composed of three steps: (1) plan for the modeling conference; (2) schedule the day; and (3) follow specific scripts for specific tasks.

Beside these approaches, there are some alternative approaches for identifying issues and goals in sport clubs (Ivašković,2021). Most of the sport clubs are non-profit organizations by their statute, and their wider range of activities, create a dilemma regarding their future orientation and revenue distribution. Sport clubs in practice have five different prospects where they can reinvest their profit:

- amateurs,
- professional staff,
- infrastructure,
- local community,
- club reserves.

These five prospects in which sport clubs can reinvest, represent five fundamental strategic alternatives. Sport clubs rarely decide for only one alternative, they try to relocate resources available in order to satisfy as much as possible, all departments in the club (Ivašković,2021).

2.3.6 Formulating strategies

Organization's decision on what goal it will focus on is followed by another strategic question - how to achieve that goal. Organizations should always focus on gaining spot, which is favorable and creates competitive advantage over competitors (Hoye et al., 2012). Bryson (2011) states that strategy can be labelled as pattern of actions, intentions and programs that defines the three foundations of the organization: what the organization is, what it does and why it does it. Strategy is also a bond between organization itself and its environment, as well as extension of the organization's mission. Five-step process is an approach that enables organization to proceed with strategy development process, by answering to following strategic issues (Bryson, 2011, p. 235-238):

- What practical alternatives, dreams, or visions can we pursue to address this strategic issue, to achieve this objective, or to realize this idealized scenario?
- What are the obstacles to make these alternatives, dreams, and idealized scenarios reality?
- What major proposals might we pursue to achieve these alternatives, dreams, or idealized scenarios directly or to overcome the barriers to their realization?
- What key actions need to be taken (with existing staff within existing job descriptions) in the next year (or two) to make this happen?
- What specific steps should be taken within the next 6 months in order to implement the key proposals and who is responsible?

Pučko (2006) has very similar view of the strategy development process. He divided it into three separate phases. First and foremost, alternatives need to be identified, followed by recognizing possible obstacles for implementing those alternatives. Lastly, process is concluded with final strategy proposals.

Identifying supportive alternatives requires certain degree of business imagination, which can stimulate large number of ideas regarding implementation of strategic issues. Chosen strategy has to meet the ethical and moral standards, as well as high consensus of internal management and external environment. Among many possible alternatives, the chosen alternative has to satisfy all mentioned criteria (Pučko, 2006). In the strategy development process, the organization has to outline the fields in which it tends to develop and improve, and fields in which it wants to reduce its activities. Chosen strategy has to be developed into different alternatives, which will serve as basis for making decisions regarding achieving strategic goals. This is followed by evaluation of each individual alternative, and their impact in achieving strategic goals. The decision on most appropriate alternative is crucial, since this alternative will represent organization's strategy in the future (Varmus et al., 2021).

Defining possible obstacles for implementing these alternatives and focus on their realization, is of vital importance for the strategy development process. Focusing on

obstacles is not typical step in strategic planning process, however it makes possible for strategy to directly connect with the issues of its realization (Pučko, 2006).

Final strategy proposals are the essence of organization's strategic plan. Since the alternatives, intentions and vision are defined, together with issues of their realization, last step is preparing final proposals for the best possible strategic performance of the organization. Final proposal includes directly stating strategic alternatives or indirectly overcoming potential obstacles, which will lead to realization of a strategic goal.

2.3.7 Strategy implementation

In order to meet its desired strategic goals, organization should adapt strategy based on what it wants to achieve and what its capabilities are. It could be significant for organization if it accelerates proper redistribution and orientation of the available organizational resources. Sport clubs are complex organizations, in which there are frequent changes of organizational cultures and management. Special attention must be directed to factors outside the sport organization, such as opponents, referees and pure luck. These outside factors play key role in implementation of activities, that are connected to sport success (success on the pitch). Strategy implementation is the last process in strategic management, in which the formulated strategy is being implemented, enabling organization to achieve its anticipated goals and fulfill its desired activities (Varmus et al., 2021).

Strategy implementation process is not always straightforward, as problems may arise during the process. Those problems may lead to certain adjustments, non-fulfillment or total cancelation of the defined strategy. All strategic activities are constantly followed by responsible person, who tends towards realization of the chosen activities. That is why appropriate reward system is recommended to exist in every organization (Čater, 2019b).

Strategic control is composed of two fundamental components. First component is related to checking the precision of the strategy and whether it is the right one for the chosen organization. Second component is focused on control of strategy implementation process, and whether the organization follows the planned route (Čater, 2019b). Strategic control ends the phase of formulation and implementation and leads towards gathering feedback information about the strategy implemented. It is vital to set milestones for evaluating strategic activities, which will indicate to managers of the organization, whether selected strategic activity was executed as planned. In sports, there is one phenomenon, where sport success may blur the reality of the success of certain elements, which were probably not on satisfactory level (Žohar, 2022).

3 PRESENTATION OF FOOTBALL CLUB RABOTNICKI SKOPJE

Established in 1937, FC Rabotnički Skopje is considered as one of the most successful sport clubs in the history of Macedonian sports. The origin of the name “Rabotnički” comes from the community in which the club was established – located in the center of Skopje in a neighborhood called Debar Maalo. During that period, most of the inhabitants of Debar Maalo were predominantly lower-class people, of the working class, i.e. “rabotnička klasa” in Macedonian. More prominent and influential residents of that same neighborhood decided to establish a football club that will embody the spirit of the local community and its people and the name Rabotnički was chosen as most appropriate for that purpose. During World War II, the club managed to survive despite several attempts of the current government to close its operations. Together with FC Vardar, Rabotnički has competed in the first football league of Yugoslavia. The club has one of the largest fans bases in the country called “City Park Boys” (FC Rabotnički Skopje, n.d.c).

After FC Vardar, Rabotnički is the second most successful club in overall history of Macedonian domestic league, with four first league titles and four domestic cups won. Rabotnički is still competing in the first domestic league of North Macedonia, however in recent years the club has not gained positive outcome and as a result has been fighting to avoid relegation for several years in a row. The last domestic title obtained was back in 2014, and the last won cup was in 2015. Table 1 shows all important milestones and achievements of FC Rabotnički Skopje throughout its history.

Table 1: Major achievements of FC Rabotnički Skopje

Season	Achievement
2000-01	UEFA Cup (QR)
2004-05	Champion of Macedonia, UEFA Champions League (Q2)
2005-06	Champion of Macedonia, UEFA Champions League (Q3), UEFA Cup (R1)
2007-08	Champion of Macedonia, Domestic Cup, UEFA Champions League (Q3)
2008-09	Domestic Cup
2009-10	UEFA Europa League (Q3)
2010-11	UEFA Europa League (Q3)
2011-12	UEFA Europa League (PO)
2013-14	Champion of Macedonia, Domestic Cup
2014-15	Domestic Cup, UEFA Champions League (Q2)
2015-16	UEFA Europa League (PO)
2016-17	UEFA Europa League (Q1)
2017-18	UEFA Europa League (Q2)
2018-19	UEFA Europa League (Q1)

Source: Adapted from FC Rabotnički Skopje (n.d.c).

FC Rabotnički's legal status is that of a non-profit organization for sports, operating in the field of competitive football. The club is a member of the Football Federation of North Macedonia. The mission of the club is outright and clear: "To be among the leading clubs in the region and as a deliverer of progress to enable top football for the fans of FC Rabotnički - Skopje" (Statute of FC Rabotnički, 2022). The club organizes its operations under the statute, which was last amended in 2022. The club operates under its logo, shown in Figure 3. It is important to mention that membership is voluntary and open to everyone who feels connected to the club, completed with the submission of an official access statement and a symbolic fee paid (Monev, interview, 26.04.2023).

Figure 3: Club's Logo



Source: FC Rabotnički Skopje (n.d.c).

Rabotnički has the best youth academy in North Macedonia, and one of the most successful in the Balkans. More than 300 kids, aged 6-18, are actively training in the club's youth categories, from U8 to U19. One team is selected from each category to compete in youth leagues organized by The Football Federation of North Macedonia. In recent years, the club's youth teams have won the national league in many categories (U18, U16, U14, U12, U10, U8). Categories up to U9 do not compete in any leagues, because there are no competitions organized for children of that age (FC Rabotnički Skopje, n.d.g).

For a football club that strives to compete for the highest honors in Macedonian football and opts to regularly participate in European competitions, it lacks the proper infrastructure. In past times, the first team used to play its home matches on the National Stadium Tose Proeski, which is a stadium that satisfies the highest standards set by the UEFA. With capacity for 33,460 spectators, as well as a fully equipped pressroom and modern changing rooms, this stadium was the main venue for the UEFA Super Cup in 2017. Due to financial struggles of the club and a relatively high cost of renting the stadium, the club in recent years plays its home matches in Boris Trajkovski Stadium, which has a capacity of only 3000 spectators. The infrastructure for training is somewhat satisfactory, consisting of two natural grass covered fields and two turf fields, located in the central part of downtown Skopje,

where the club's headquarters are also located. Beside football fields, the club's headquarters have offices for the managers, a coffee bar and a restaurant. These facilities are in service of the club, but also public for outside guests. The club does not have a gym in its premises, but rather uses other private gyms via sponsorship agreements that are located in the city (Monev, interview, 26.04.2023).

The largest source of income for the club comes from paid services (training fees, memberships, tournaments, compensations, prize money). Some additional source of income is generated by cooperation with local and state governmental bodies such as Municipality of Centar, Agency for Youth and Sport, Football Federation of North Macedonia, etc. FC Rabotnički Skopje has signed several sponsorship agreements with local companies that provide financial support: SKY WINGS, TOTO Rent a car, SEAVUS and GORSKA Voda; and companies that provide material support: FITOGETHER, JOMA and ZEUS (Monev, interview, 26.04.2023).

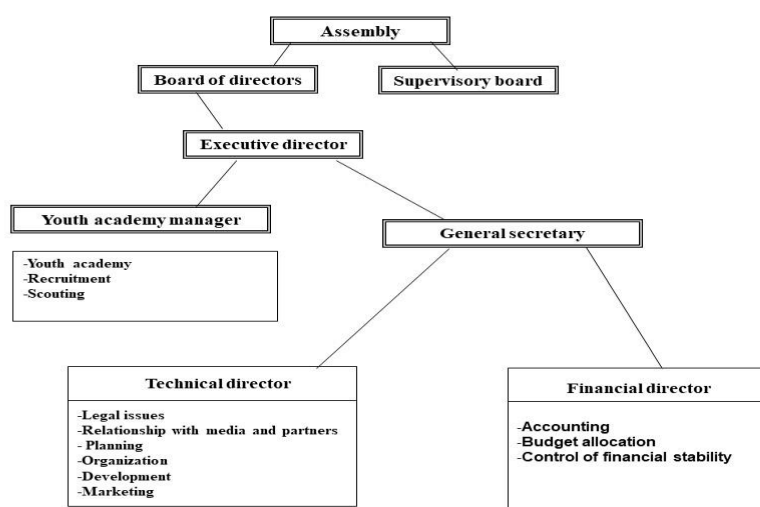
4 DEVELOPING A STRATEGY FOR FOOTBALL CLUB RABOTNIČKI SKOPJE

The theoretical segment of the thesis is concluded with this brief overview of the history and structure of FC Rabotnički. Furthermore, Bryson's model of strategy development for non-profit organizations was chosen. While FC Rabotnički Skopje currently has a developed strategic plan, none the less, after careful consideration and study, numerous revisions and improvements are needed. Consequently, the remainder of this thesis will be dedicated to a detailed analysis of the club, followed by proposed strategies for improvement and expansion.

4.1 Initial agreement and mandates

The mandates of FC Rabotnički Skopje are written in the statute of the club. The statute clearly states the role of each employee and their responsibilities, however, based on a management team decision, only a limited part of the statute is available on their website. The club decided not to make their procedures of operation public, such as the day-to-day activities and position responsibilities of each employee. Everything that was available to me is presented in this section. Figure 4 shows the organizational structure of FC Rabotnički Skopje. Due to the lack of qualified candidates available, the club currently does not have a general secretary employed. The plan is to appoint one as soon as possible, until then the general secretary of the club is also responsible for that role (Monev, interview, 26.04.2023).

Figure 4: Organizational structure of FC Rabotnički Skopje



Source: Own work.

Based on mandate(article) 7 in the statute of the club, the responsibilities of the executive director at the club are:

- to manage and organize the work environment in the club,
- to propose the basics of business policy and organization of the club,
- to execute the decisions of the Board of Directors and Supervisory Board,
- to represent, sign and present the club to third parties,
- to propose a plan and program of work,
- to monitor the legal procedure within the club,
- to decide on the redeployment of employees, depending on the needs of the club.

In the mandate(article) 7, the responsibilities of the general secretary are also stated:

- to directly organize and manage the Secretariat of the club,
- to manage the licensing process of the club,
- to execute the decisions of the Board of Directors and Supervisory Board,
- to represent the club with the authorities from Football Federation, Agency of Youth and Sport and Centar Municipality,
- to prepare acts, decisions and agreements in the interest of the club,
- to execute the whole process of administration and registration of players,
- to negotiate contract renewals or potential transfers (sport director role).

Youth academy managers responsibilities are also stated in the statute:

- to lead and coordinate the work of the coaches in the academy,

- to monitor the trainings of all age groups,
- to lead the recruitment process in the club,
- to monitor the development of youth players in the academy,
- to develop a strategic plan for improvement of the academy,
- to manage a complete documentation for youth teams matches.

The statute of the club is only partially visible and publicly accessible outside the football club. The data provided above was adapted from gathered data of the club's website and from my interview with the general secretary. The statute available on the website is not a completed version, since the decision of the management was to keep some of its organizational procedures unavailable for the public. Unfortunately, the complete statute of the club, together with all of the acts, mandates and regulations was not available to me. For that reason, a broader representation of the organizational structure was not possible. Many other daily operations of the club were not stated above for the same reason, because of the unavailable data.

Based on available information, the club's board consists of key positions, including the executive director, general secretary, financial director, technical director, and youth team manager. Integral to the club for many years, the members of the Supervisory board maintain their anonymity. The club's assembly convenes annually, and according to statute mandate 8, the executive director holds the authority to appoint or remove assembly members.

Article 9 of the statute outlines the prerequisites for club employment, requiring agreement on specific conditions before employment contracts are to be finalized. Any breach of these conditions results in termination. Furthermore, pursuant to statute mandate 10, all decisions regarding club employees, including hiring and termination, fall under the jurisdiction of the executive director, in coordination with the board members.

Mandate 11 specifies that employees must possess or acquire the necessary qualifications for their positions. Failure to meet this requirement within the stipulated timeframe grants the club the right to cancel the employment contract.

4.2 External environment analysis

The analysis of the external environment was divided in three sequential steps. Firstly, a PEST analysis was employed to examine trends within the external environment of FC Rabotnički Skopje. PEST analysis encompasses an evaluation of political, economic, social, and technological factors that exert significant influence on sports organizations and their daily operations. Within the scope of this sports club, factors that typically exert the highest degree of influence were selected. Subsequently, the focus of the analysis was shifted to clients, with particular emphasis on those within the club's local community, employing demographic data. Lastly, an assessment of competitors and partner organizations was included in the analysis. The comprehensive external environment analysis aims to provide

insights into prevailing trends within both the broader and narrower external environments in which the club operates.

4.2.1 Analysis of trends in general environment

In the PEST analysis, five of the most important external factors were selected, which could potentially influence the chosen football club:

- political factors,
- economic factors,
- social factors,
- technological factors,
- demographic factors.

These external factors were analyzed with the help of data, mostly acquired from the official websites of: Central Registry of the Republic of North Macedonia and State Statistical Office of the Republic of North Macedonia.

4.2.1.1 Political factors

Political factors have significant impact on the global industry of sports. These factors play a vital role in the operation and management of football clubs. The power of political entities, government policies and broader political dynamics and relationships within the club are all factors that may strongly influence the future orientation of the club and its long-term vision. It is important to note that the selection of these political factors, identified as the most crucial ones, were based on an objective assessment that incorporates my prior knowledge gained from studying the global impact of political influences on sports.

The primary political factor under examination will be the existing or non-existing governmental relation with sport clubs. Football clubs and sport clubs in general engage with governmental entities at different levels (national, local or regional). There are many reasons for such interactions, from obtaining licenses and permits for stadium construction to funding or tax incentives for infrastructural projects. Positive government relations could only bring benefits to any football club (support for infrastructural development, fostering new partnerships for community initiatives, facilitating smooth transitions within the club, etc.) The next political factor to consider is the legislative and regulatory framework under which the club operates (laws and regulations regarding player transfers, wage structures, taxation, sponsorship regulations or labor rights, etc.) These regulations or laws are compulsory and apply for all sport organizations in a given country, so each football club has to adhere to comply with them in order to function legally and remain competitive.

Furthermore, competitiveness can be levered by public funding and support could potentially boost the club's chances to meet its goals. Public funding and support could also enhance the club's financial stability, improve infrastructure and promote growth across all levels. Public funding could come in terms of direct support from government for infrastructure projects, financial support from local municipality, or technical support from the National Football Federation or the Ministry of Sport. The political stability or instability of a country is another political factor that needs to be mentioned, as it can affect football in various ways. Politically unstable societies affected by conflicts may provide challenges for football clubs, among them being: disrupted match schedules, security concerns, difficulties in attracting sponsors, etc. Additionally, political tensions can spill over into football rivalries, leading to security risks during matches and tensions among fans. Lastly, the social and communal impact is a political factor that has the potential to enhance the club's image and reputation in society. Football clubs are the ideal organizations for the promotion of social inclusion, communal development and diversity. As organizations that rely upon the community around them and strive to eradicate social issues like inequality and discrimination; incentivized through political support, football clubs are paramount to creating a more positive image in society, mainly by promoting the many forms of grassroots football.

FC Rabotnički Skopje is strongly influenced by political factors in the environment in which it operates. Like many other football clubs, FC Rabotnički is not granted any kind of financial or material support from the government. The Agency for Youth and Sport is the only authorized governmental institution for sport in North Macedonia and its main objective is mainly to support individual sports and youth programs. FC Rabotnički is only supported locally by the Centar Municipality, mostly in the form of financial injections during times of financial struggles. Licenses and permits for new infrastructure are not something Rabotnički regularly asks for, since it does not have resources to begin any kind of infrastructural project. However, material support is more than needed, especially in terms of training equipment, which the club receives from FFM, but still in limited quantity (Monev, interview, 26.04.2023).

A major issue in Macedonian football is the political influence, which dictates the momentum and direction of operation in the domestic league. In recent years, many of the champions had owners or directors who were in close connection with more prominent political parties. That situation has been repeating over the course of several years. The political influence is felt when some clubs receive more financial and logistic support from the federation than others do. Furthermore, the clubs that receive more financial and logistic support result in being champions, or among the best teams in the league. That level of inequality, because of political connections and influence, constantly downgrades the level of quality in Macedonian football, and therefore our first national team lacks the normal team positioning according to success, when compared to national teams of countries in the Balkans. Macedonian football only declines over time, and unless somebody puts an end to political favoring inside teams for political gains, better days do not precede us.

4.2.1.2 Economic factors

Data gathered from Centar Municipality was used in the analysis of economic factors for the club's external environment. Data from Centar Municipality were the preferred choice over data from the City of Skopje, mainly because Centar Municipality represents the community in which FC Rabotnički Skopje operates more accurately, and its data provides clear indications of economic, social, and demographic trends within that community. Furthermore, data from the City of Skopje would not be as accurate, as it encompasses the entire city of Skopje and may not yield the specific statistics I am looking for. The data for Centar Municipality was acquired from the State Statistical Office of the Republic of North Macedonia. Centar Municipality is one of the smallest municipalities in Skopje. Table 2 shows clear indications of the economic trends in Centar Municipality for the year 2021. Percentages were calculated in comparison with 2020.

Table 2: Economic indicators for Centar municipality, 2021

Indicator	Statistics
Number of companies	Decrease by 2.23%
Total employees	Decreased by 9.15%
Total Revenue	Increase for 12.3%
Profit	Increase for 5%
Net Added Value	Increased for 20.3%

Source: Adapted from DZS (n.d.a).

In 2021, 7145 active business entities operated in Centar Municipality. Compared to 2020, the number of business entities is lower, when there were 7308 present. The total number of employees in those business entities in 2021 was 15.205, which is a decrease from 17.323 employees in 2020. All these entities together have generated a revenue of 883.435.531 €, out of which 45.055.212 € being reported as profit. Out of 7145 business entities, 3608 were entities of independent entrepreneurs, their total revenue was 108.662.570 € and their profit 6.280.696 €. As shown in Table 4, the number of entities and total employees decreased, however the remaining entities were quite successful in 2021, with total revenue, profit and net benefit increased, compared to 2020 (DZS, n.d.a).

FC Rabotnički Skopje heavily depends on the economic trends in its local community. The increase in overall revenue generated by business entities undoubtedly present an opportunity for the club for cooperation with these entities, carried out through financial or material sponsorship agreements. Its marketing and business activities should be in close collaborations with local entities or entrepreneurs, which will in turn bring additional value to the local community. The club's operating activities comprise more than 85% of its annual revenue. Similar to the economic trends in its municipality, Rabotnički's revenues in 2021 are higher compared to 2020. As previously mentioned, part of its resources and revenue generated comes in the form of support grants either from the Football Federation of North

Macedonia or Centar Municipality, thus the economic stability of its local environment highly affects the financial stability of the club itself.

FC Rabotnički Skopje has a small portfolio of sponsors, which can be divided into two groups, the first one being the financial sponsors and the other one being the material sponsors (Monev, interview, 26.03.2023):

- Financial sponsors: SKY WINGS, TOTO Rent a car, SEAVUS, GORSKA Voda;
- Material sponsors: FITOGETHER, JOMA, ZEUS.

The reason behind the small number of sponsors for FC Rabotnički lies in its recent stagnation with results on the playing field. Its status in the local community and support from fans is still high and noteworthy, however, when it comes to football statistics and results in general, FC Rabotnički lags considerably behind FC Vardar, the most successful and at the same time most supported football club in the country. FC Vardar played in the second division during the 2022-23 season and its matches were always full of spectators and loyal fans, which is not something usual for other football clubs in our country. Yet, football is the most popular sport in the world, and the same can be said for North Macedonia. However, in our country, revenues from TV rights barely exist, since there is no TV house that is prepared to invest in streaming the domestic leagues. Only most important matches are streamed on national television, without additional financial benefit to football clubs that actually play those matches. Macedonian national television stations have the right to broadcast those matches, only as an act of support towards Macedonian football and teams that compete in domestic leagues. In my opinion, marketing activities remain the only option worth pursuing as means to increase the club's revenue. Furthermore, new marketing strategies and activities are more than necessary in that pursuit.

4.2.1.3 Social factors

Under social factors that influence the environment of the chosen organization, most important for this study are the cultural customs and habits of the population in that environment. Lifestyle of the local population in the past is emphasized, their traditions, habits and trends that have been transferred and persist into today's modern way of life.

Centar Municipality is one of ten municipalities that comprise the city of Skopje. It is located in the very center of the city, thus locals logically call it the "heart" of Skopje. The municipality itself covers an area of about 8 km², and it has a northeast-southwest direction. The total number of inhabitants is 45.362 and it represents the most densely populated urban area in our country.

In geographical terms, the borders of Centar Municipality stretch from the foot of mountain Vodno in the south, close to St. John the Baptist church; to the west where Debar Maalo neighborhood (club's headquarters are located there) and city park are located. In the

northwest, it stretches to the Kale Fortress; and to the north to the Old Turkish Bazaar. Due to its location and importance, this municipality is also where the largest number of institutions and constructions with architectural, historical, administrative, cultural, political, educational and commercial significance are located. Such institutions and monuments are: the main city square, the assembly of the Republic of North Macedonia, the government of the Republic of North Macedonia, the National university library "St. Kliment Ohridski", "St. Cyril and Methodius" university, the city's largest park, the Macedonian national theatre, the Macedonian opera and ballet, the archaeological museum, the museum of the Macedonian struggle and fight for independence, the Holocaust Museum, the museum of contemporary art, etc. Throughout the years, this municipality has gone through many changes, formerly called "Idadija" municipality, then re-established as Center municipality in 1976 and again divided in 2004; it has grown into a modern and urbanized city center resembling many European ones. There is a rich and diverse cultural and music scene catered to every taste, making this municipality the most visited one for tourists (Municipality of Centar, n.d.a). "Regions that have greater diversity and are identified with long and consistent histories of associative practices will exhibit more opportunities for the development of non-profit soccer teams." (Mourao & Cima, 2012).

Around 100 non-profit organizations are operating in this municipality, 20% of which are sport organizations. Other types of non-profit organizations that operate in this municipality are organizations such as: NGO's, independent humanitarian organizations, cultural organizations and student organizations.

Being a sport organization, FC Rabotnički Skopje is the leading sport club that local residents of Centar municipality feel connected with. FC Vardar is the most popular football club in the country as previously mentioned, however due to the success in both basketball and football domestic leagues, Rabotnički is the sport organization that boasts with the second largest fan base in the country. The name of their main supporter's group is "City Park Boys" and is comprised mostly of residents in Centar Municipality. "Centars", as locals call themselves, are not part of the support group but are also usually present on the stands; however recent stagnation of both basketball and football teams may have discouraged them to be regularly present at games. In my opinion, one of the main strategic priorities of the club's management should be attracting an even larger and constant affiliation of fans toward the club. That can be achieved by providing better performances on the field, and incorporating innovations into the existing structure of the club itself.

FC Rabotnički has a long-standing tradition in both football and basketball communities. I suppose it is accurate to say that the basketball team has had a larger support from the local community in the past decades. A reason for that could be that the club's basketball team is the most successful one in our country's basketball history, but also because FC Vardar is the number one brand in the football community. In the last decade however, global popularity of football has had a positive impact on the younger generations, rendering them most connected to football rather than basketball or any other sport. Such is the disposition

in North Macedonia as well, if people used to watch and support basketball teams regularly during the golden years of our national basketball team, that is not the case nowadays. Football is undisputedly the most popular sport in our country today, and taking advantage of that trend combined with the highly respected brand image of the club in the local community, could easily gain competitive advantages for the future. Opportunities for attaining that edge over competitors are many, however, the management should start with the following actions:

- To enlarge and improve the capacities of the club's youth academy - based on the large interest from kids in the country to play and practice football.
- To conclude collaborations with local business entities – ones that share the same vision of providing services and products for mutual benefit and to the benefit of the local community.

4.2.1.4 Technological factors

Technical factors that affect the environment in which a given sport organization operates, are actually the technical guidelines that the sport entity follows, based on the competition in which the club participates. Those technical guidelines are usually determined by the governing sport organization, and in our case, the Football Federation of the Republic of North Macedonia. FC Rabotnički Skopje had participated in the first Macedonian football league in the season 2022/23. Every year FFM releases amendments that clearly define rules and propositions which every football club that wants to compete in any of the competitions under FFM must respect. One of those guidelines is also the rule handbook of the stadiums in the Republic of North Macedonia, as the infrastructural guidance that every club needs to follow. Based on the competition rank, each club must adhere to different guidelines, clearly explained and stated on the FFM website. Infrastructural guidelines regarding stadium use that every club in the first MFL must adhere to, are (FFM, n.d.b):

- Right of disposal/ownership - A club competing in the first MFL must, when applying for a license under the First and Second MFL Club Licensing Rules, have the right to use the stadium in which it will be able to play matches from the First MFL, or it can also have a stadium in its possession.
- Stadium and usage permit - The stadium must have a permit issued by the Security Commission, given on the basis of a previously obtained approval from the FFM Infrastructure Administration.
- Security conditions - The security conditions are following: (1) All public crossings and approaches in the spectator area must be painted in a bright color (i.e., yellow); (2) All doors (gates) leading from the spectator area to the playing field area must be painted in a light color (i.e., yellow); (3) Clubs must establish procedures for all public passageways, corridors, stairs, doors, gates, etc., which should be free of any obstructions that may impede the free flow of spectators during the match; (4) All exit doors (gates)

leading from the spectator area to the pitch area must open in the direction of the spectators and be unlocked while the spectators are in the stadium; (5) Each door (gate) must be constantly monitored by a guard who will protect it from abuse and provide an emergency evacuation plan; (6) The stadium must have built-in adequate safety mechanisms to protect the field and stands from lightning strikes; (7) In order to protect the field and other parts of the stadium from a lack of lighting, the stadium should be equipped with appropriate safety devices; (8) The stadium must have a sufficiently strong and evenly distributed sound system, which allows clear communication with the spectators in all parts of the stadium.

- Playing field - The field must be in excellent playing condition, with natural grass, and it shall be completely flat and even, all covered with grass.
- Field dimensions - (1) Length of 100 – 105 meters; (2) Width of 64 – 70 meters; (3) The penalty area in front of the two goals with a dimension of 16.50 meters; (4) The goalkeeper area in front of the two goals with a dimension of 5.50 meters; (5) The point for taking a penalty kick (penalty) must be, measured from the middle of the goal, 11 meters; (6) The height of the corner flag should be 1.50 meters measured from the grass on the field, and the canvas should be yellow or orange with a dimension of 30 X 40 centimeters; (7) There should be a marked line where the coaches can move from the bench, which will be at least one meter away from the longitudinal line of the playing field.
- Goals and a reserve goal - (1) the distance between the posts must be 7.32 m; (2) the distance from the lower edge of the beam to the base must be 2.44 m; (3) the posts and beams must be white in color, and in winter conditions the posts and beams must be marked with a special black strip at a distance of 10 centimeters; (4) they must not pose any danger to the players; (5) A reserve goal must be available within the stadium, which can be easily set up if circumstances require.
- Space for warm-up - There must be a warm-up area for substitute players along the out lines or behind the advertising boards behind the goals.
- Bench box - The stadium must have boxes with two "benches" for substitute players and members of the coaching staff with seating for at least 14 people.
- Access to the field of play - Access to the stadium must be provided for emergency intervention vehicles (ambulances and fire engines) as well as ground maintenance vehicles.
- Spectator area - Each stand of the stadium must be divided into separate, separate sectors, in accordance with the capacity of the stadium in the spectator area, in order to ensure their greater safety and security.
- Covered seats - Out of the total number of individual seats in the stadium, at least 1/3 must be covered (preferably seats in the central stand and the press box).
- Place for fans of the away team - Fans of the away team must be placed in a separate (special) area of the stadium. The away fans area must cover at least 5% of the total capacity of the stadium.

- Toilet - There must be toilets for both genders at each stand. Toilet rooms must comply with the standards and regulations of that area.
- Flag masts - The stadium must have at least 5 masts on which the flags will be displayed.
- General rules - Each stadium must prescribe its own rules of conduct that will be displayed in visible places inside and outside the stadium, accessible to all visitors to the match.
- Provision of benefits for representatives of the electronic and print *media* - Adequate conditions for the work of representatives of the electronic and print media must be provided at the stadium, which will enable smooth and comfortable performance of the work.
- Radio and TV commentary positions - There must be two positions for TV commentators and two positions for radio commentators in the stadium. The commentary posts must be in the central position of the main stand, and have an excellent view of the entire field.
- Space for an official lodge - An official box must be provided in the center stand for visiting representatives and officials, as well as other dignitaries.
- Changing rooms - For players: (1) One dressing room for each team (home and away); (2) Seating benches with at least 25 seats; (3) Clothes hangers or wardrobes for at least 25 people; (4) 5 showers; (5) Hot water for use before, during and after the game; (6) 2 toilets with toilet bowl; (7) Massage table; (8) 1 refrigerator; (9) 1 tactic demonstration board.

For referees: (1) Chairs for 6 people; (2) One table; (3) Clothes hangers or wardrobes for 6 people; (4) 2 showers; (5) Hot water for use before, during and after the game; (6) 1 toilet with toilet bowl; (7) Massage table.

- Medical examination room for players and referees - The room for the medical examination of players and referees, which can be used in emergencies and for the care of injured spectators, should be located in the area where the dressing rooms are located and have easy access to the side entrance.
- Room for the match delegate - The stadium must have a room for the match delegates, which must be located near the dressing room of the teams and referees.
- Parking space - The stadium must also have a parking space that will provide space for parking the vehicles of the clubs, referees and other officials.
- Control room - Within the stadium, there must be a control room, which will allow a complete overview of the interior of the stadium and will allow control of the events before, during and after the match.
- Capacity and seats - The stadium must have a minimum of 1,000 individual seats for the first MFL matches, made in accordance with UEFA norms i.e., in accordance with the document "Safety and security of stadiums for all UEFA club competitions", namely: (1) Attached to the substrate; (2) Separated from other seats; (3) Comfortable; (4) Numbered; (5) With backrest + 200 standing places.

- Disabled spectators - The club applying for a license must ensure that disabled individuals and people accompanying them can watch the match at approximately the same level as other people present in the stadium.
- Spectator First Aid Room - A stadium, depending on its size, may have at least one first aid room for spectators who need medical attention on site.
- Room for doping control - The doping control room must be adjacent to the dressing rooms of the players and referees and inaccessible to the audience and the media.
- Protected access - The exit from the dressing room and the road (passage) to the field must be inaccessible to the audience and media representatives.
- Closed circuit television system (cameras) - The stadium must have cameras to monitor the events inside and outside the stadium.
- Lighting - For non-broadcast matches, the stadium must be equipped with a floodlight system that maintains a minimum average illumination of 350 Ev (lx) towards the main pitch. For broadcast matches, the stadium must be equipped with a lighting system (reflectors) that will maintain the following minimum average lighting: (1) 800 E[~] (lx) towards fixed cameras and (2) 500 E[~] (lx) towards mobile cameras.

From a technical point of view, the game of football on a global level had experienced several changes, especially with the introduction of technology in the game, as additional aid for referees to officiate the game in the most just manner. In the past, football fans have been witnesses of many injustices, or unfair treatments towards one of the opposing sides. With the introduction of technology, the number of such scandalous situations drastically decreased. First thing that was invented was the Goal Line Technology, which clearly indicates to the referees whether the ball fully crossed the goal line. However, the most popular technology invention in football is VAR (Video Assistant Referee). It covers many segments of the game, and gives a clear indication to the main referee what really happened. This technology resolved many questionable situations in the game, like potential penalty, red card, and offside. Regarding offside, UEFA and FIFA have recently developed another technology, an update on VAR, called Semi-automated offside technology. This technology clearly indicates what is offside and what is not (FFM, n.d.b).

The Football Federation of North Macedonia has not yet implemented the abovementioned technologies in its competitions. That is why there are still many scandalous decisions made by referees, and the level of quality in Macedonian football continuously downgrades. I have already mentioned about the political influence in the football community in our country, which is felt outside and inside the playing field. Changes in Macedonian football are more than necessary, and in my opinion, one of those changes could be the implementation of modern technology in the game. I am sure that transparency and quality within the game itself will immediately increase, however not everyone is prepared so make such radical changes with the purpose of improving the overall quality and standards in Macedonian football.

4.2.1.5 Demographic factors

The scope and structure of potential clients of FC Rabotnički Skopje can only be presented using demographic data. Based on the last population census, which took place in 2021, 43,893 inhabitants live in Centar Municipality. The increase of population in 2021, in Centar Municipality is -0.14%, for Skopje City -0.35% and for North Macedonia -0.54 percent. On the other hand, more people immigrated in the Centar Municipality from other municipalities than people emigrated from the same municipality. The average age of inhabitants in 2021 was 39.1 years of age, which is slightly higher than the national average population age of 39 years. The ageing index is also low, which means that people who live in Centar Municipality are younger compared to the rest of the population in North Macedonia. Table 3 shows certain indicators for the inhabitants of Centar Municipality, for the last three years.

Table 3: Population indicators for Centar Municipality 2019-2021

Population indicator	2019	2020	2021
Average age	38	38.3	39.2
Share of population, aged 0 - 14 (%)	16.22	16.12	16.07
Share of population, aged 15 - 64 (%)	69.52	69.29	69.17
Share of population, aged 65 + (%)	14.25	14.59	14.77
Ageing index	84.45	85.5	84.95

Adapted from DZS (n.d.b); DZS (n.d.c).

As shown in table 3, the largest share of the population is between 15 and 64 years of age. In this age group, FC Rabotnički could not expect many new talents, since football players are already active at 15 years of age, and those that are good, are already recognized. The age group of 0 – 14 years of age, with almost constant share of 16% among the population, indicates that Rabotnički could expect new talents in the future, who will come from the same community, and would potentially choose Rabotnički Skopje as their football club for training.

Table 4 shows population growth indicators for Centar Municipality for the period between 2019 and 2021. Evidently, the highest increase of population in Centar Municipality happened in the year 2019. Natural increase is positive, with no emigration of population from this municipality toward foreign countries. There is positive migration in the municipality from other municipalities. That trend continued in 2020, in which there was a negative natural increase, however the total increase was positive again. In 2021, there is a negative increase of population again, followed by a negative number of migrations abroad, which means that more people emigrated in foreign countries than immigrated. Migration from other municipalities is positive again, which results in a positive total population growth for three consecutive years.

Table 4: Population growth for Centar Municipality 2019 - 2021

Population growth indicator	2019	2020	2021
Natural increase	173	-24	-61
Migration in foreign countries	0	0	-29
Migration in other municipalities	199	144	144
Total population growth	372	120	54

Adapted from DZS (n.d.b); DZS (n.d.c); DZS (n.d.d).

Table 5 shows the level of education among the youth in Centar Municipality. In this table there is a huge difference between the years studied. This is attributed to the limited data availability, as the most recent population censuses in North Macedonia were conducted in 2021 and before that in 2002. Consequently, any other years could not have been referenced. In Centar Municipality, there are 23 kindergartens, both private and public. There is a significant rise in the number of young children regularly spending time in kindergartens in 2021, compared to the number almost 20 years ago. There are two reasons for that. Nowadays there are more kindergartens than there were in 2002, and taking kids to kindergarten is more usual and normal than it was back in 2002. The number of kids in elementary schools is pretty much the same as it was in 2002. This statistic could encourage FC Rabotnički to promote new generations in its youth academies, where all the kids that want to play football can try and be accepted. The number of students in high school is again almost the same as it was in 2002. The best high schools are actually located in this municipality, so FC Rabotnički could use this as an opportunity to send coaches and scouts in these high schools, with potential to find talents that were undiscovered before. In my opinion however, this last tactic may not be fruitful at all for finding any potential talents, since this group is already older and has probably already decided to pursue an educational career rather than a professional sport career.

Table 5: Educational level of the youth in Centar Municipality

Educational level of the youth	2002	2021
Number of kids in kindergarten	351	525
Number of kids in elementary school	3,915	3,874
Number of students in high school	1,603	1,574
Number of students in universities	1,585	3,751

Source: Adapted from DZS (n.d.d); DZS (n.d.e).

Table 6 shows trends in population employment. The rate of employment in Centar municipality is higher than the country average. This should come as no surprise, since Centar Municipality is the place where most important companies, government institutions and private banks are located. Due to the same reason, the average salary is higher than in other municipalities, and almost the same as the national average salary. The unemployment rate was highest in 2020. A major reason for that might be the COVID-19 pandemic, a period

in which many companies were firing employees in order to stay afloat. Data from Table 8 may prove beneficial for the plans of FC Rabotnički. Managers should study this data, in order to set training and membership fees that will be affordable for most of the population.

Table 6: Work activity of employees in Centar Municipality 2019 - 2021

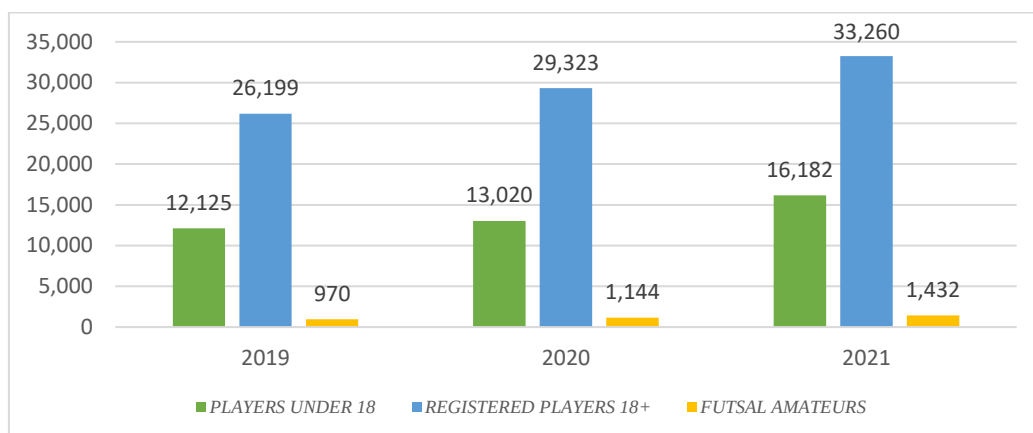
Employees in Centar Municipality	2019	2020	2021
Average salary (gross amount in €)	651.64	688.15	729.53
Average salary (net amount in €)	436.49	460.21	487.03
The number of employed inhabitants	19,242	19,967	20,729
Level of work activity (%)	61.1	62.1	65.5
The number of unemployed inhabitants	1,223	1,350	1,277

Source: Adapted from DZS (n.d.a); DZS (n.d.f); DZS (n.d.g); Municipality of Centar (n.d.b); Municipality of Centar (n.d.c).

4.2.2 Analysis of clients

In this section, FC Rabotnički's main clients and other football clubs are analyzed. These clients fall in two major groups: 1) young individuals who aspire to practice football and compete and 2) professional players aged 18 and above. Young players contribute by paying training fees and are vital for securing the position of any club in the future. Additionally, while not commonly regarded as clients, professional players are indeed a pivotal component of any football club. Football clubs must consistently attract the best possible players to maintain competitiveness. FFM publishes an annual report every year, showing clear indicators regarding the development of football at all levels in North Macedonia. Additionally, every three years, FFM releases a strategic plan for the next 5 years. According to these documents, it is concluded that there is still plenty of opportunities to improve the conditions and infrastructure for football development in the country. However, there is a constant growth in number of professional players, young players under 18, young kids from 5 to 14 age, futsal amateurs and professional women players. This trend indicates that every year there are more young individuals who want to practice football, compared to the previous year. Figure 1 is created based on the data acquired from the abovementioned documents, which is a visual representation of the growth in number of professional players, youth players and futsal amateurs. Other categories such as young kids and women professionals are not represented, since in the documents studied there is no data available for these categories.

Figure 5: Number and status of registered players in North Macedonia



Source: Adapted from FFM (n.d.a).

Young professionals under 18 are the main products of Macedonian football, and as shown in Figure 1, their number is constantly increasing, from 12.125 young professionals in 2019 to 16.182 in 2021. This trend is encouraging for FC Rabotnički and all other football entities in the country. Massive investment in youth academy and youth talents could pave the way toward achieving the strategic goals much quicker than indicated. Young players are the future of any club, but also the future of the national team of any country, and their continuous development should be a priority over signing foreign players for expensive fees. It is worth mentioning that, despite the fact that year 2020 was a year of global pandemic, the number of players in Macedonian football increased when compared to 2019. That undoubtedly indicates a positive trend for Macedonian football, and the presidents of our Football Federation should ask themselves why results are stagnating when there are many young talents at every age group. A similar trend is observed among professional players, with a notable increase of 7,000 players in 2021 compared to 2019 across all competitions under FFM. The rise in number of players across the whole country seeks more infrastructural, financial and material support for the clubs than before. Whether it will happen, it remains to be seen.

Table 7: Football clubs in North Macedonia

Football in North Macedonia	2019	2020	2021
Total number of clubs	183	170	203
Total number of teams	1,212	1,082	1,416
Total number of coaches	970	975	992

Source: Adapted from FFM (n.d.a).

Table 7 shows an evident increase of the total number of professional football clubs that exist in North Macedonia. There were 20 more football entities in North Macedonia in 2021

compared to 2019. Not all football clubs have team that compete in first or second league, but many of them are grassroots football clubs, with teams for young kids up to 16 years of age. Out of 203 clubs, 53 of them are grassroots football clubs. The total number of teams also increased, which is normal due to the fact that there are more football clubs, and each club that competes in first or second league, has its own grassroots section (youth academy), summing up total teams per club of more than 10. Another category shown in Table 9 is the number of football coaches. The trend of rising number of certified football coaches, with at least a C License of UEFA, could be beneficial for the country's football expansion and development, since more qualified football coaches will work with kids. A C+ license is valid only for training grassroots categories, which means more qualified personnel will overview the developmental progress of the brightest talents in the country.

Table 8 shows the number of registered players by age selection, starting from U8 to the first team. Here as well, there is an increase in the number of kids for each age selection in 2021 compared to 2020. In 2022, the numbers are almost the same in each category as in 2021, plus 1-3 kids per category. In 2021, the number of players under 18 was 300, and 312 in 2022. These statistics are encouraging for FC Rabotnički, compared to numbers in the last decade, where they had a maximum of 150 kids in the entire academy, not considering first team players. Knowing that the club has the most successful academy in the country, however, there is still room for improvement. Many of the youth teams are regularly national champions in their category, and that trend should attract even more kids in the future. More affordable training fees could be the key for attracting even more kids, together with more licensed coaches employed. Table 8 shows the specific number of players for each age selection.

Table 8: Display of registered football players in Rabotnički Skopje

Teams in Rabotnički Skopje	2020	2021	2022
U8	12	18	20
U9	16	20	23
U10	18	22	24
U11	20	21	20
U12	16	23	25
U13	20	26	26
U14	16	22	24
U15	30	34	34
U16	21	33	34
U17	24	30	30
U18	29	32	32
U19	18	19	20
First Team	26	24	24
Total	266	324	336

Source: Own work.

4.2.3 Analysis of competitors and partner organizations

In this section, an analysis of the primary competitors of FC Rabotnički Skopje will be conducted, together with their partner organizations. Two football clubs from the Skopje region were selected as main competitors of FC Rabotnički Skopje: 1) FC Makedonija G.P. and 2) FC Shkupi. The selection was based on their current success in Macedonian first division and their historical significance in Macedonian football in general. These clubs were considered as major competitors, especially given that FC Vardar, being the most successful club in North Macedonia - which would definitely be declared as a main competitor in other circumstances - is currently facing the worst period in its entire history of existence. FC Vardar is the only football club in our country ever to participate in group stages of the UEFA club competitions. Back in 2017, they won the game playing against Turkish giants Fenerbahce, for a place in the group stages of UEFA Europa League. That was definitely the biggest success of any Macedonian club in European competitions. Since then, however, the club has only been deteriorating. A change of ownership, political pressure and financial problems have all led to serious organizational difficulties. A culmination of these events was the relegation into Macedonian second division in the season 2021/22. They did earn the promotion the following season and will be playing in the first division in the 2023/24 season, however they are still not strong enough as an organization, both financially and structurally, in order to be able to compete for highest honors in the season that follows.

It is important to mention that football clubs nowadays are categorized in four general groups, from international players (those clubs that regularly win championships and compete in Europe), then national traditional clubs (those clubs with long-term establishment in the league), Training Clubs (those clubs that depend on their youth academies) and Project Clubs (those clubs that exist to satisfy business goals of the owners) (Zülch et al., 2021). FC Rabotnički Skopje definitely falls into category of training club and national traditional club. However, there is long way until it becomes international player, as it once was.

This section of the thesis begins with an introduction of the main partner organizations affiliated with FC Rabotnički Skopje, followed by an overview of the selected main competitors. A comparative analysis will be presented as a conclusion to this section, assessing the football success and financial performance of these two clubs in the last three years in relation to FC Rabotnički Skopje.

4.2.3.1 Partner organizations

FC Rabotnički Skopje has had a long-standing partnership with one of the most successful European clubs, the Italian giant AC Milan. Their partnership is between youth academies. Every year, the most successful youth teams of Rabotnički Skopje are invited to participate in youth tournaments organized by AC Milan in Italy. Several young talents from Rabotnički Skopje were scouted by foreign clubs in the past, and got the chance to take their professional

career on a higher level. Furthermore, AC Milan scouts have the privilege to be the first to evaluate the most talented players coming from youth academy of football club Rabotnički Skopje, before anyone else (Monev, interview, 26.03.2023).

Furthermore, FC Rabotnički Skopje has close partnerships with Serbian clubs FC Partizan and FC Vojvodina. Their collaboration is carried out in the form of regular games or tournaments organized together with the abovementioned clubs. In these tournaments, young talents have an opportunity to test themselves against teams outside the borders of North Macedonia, which stimulates their development on a higher level (Monev, interview, 26.04.2023).

4.2.3.2 Football club Makedonija G.P.

FC Makedonija Gjorce Petrov is a Macedonian club founded in 1932, in one urban district of Skopje called Gjorce Petrov. The first name of the club was Hanrievski Amateur Sports Club, then it was changed several times. In the 1970/1971 season the club was called Yugocockta, and it was competing in the First League of RS Macedonia, which was ranked as forth category in the federal ranking of former country Yugoslavia. In the season 1989/90 the club changed its name again into its current name. FC Makedonija Gjorce Petrov was among 17 clubs that competed in the First Macedonian football league ever since the country got its independence. FC Makedonija G.P. is the only football club in North Macedonia who has its own stadium and does not have to rent one for the purposes of training, playing, etc. The club plays its matches at the Gjorce Petrov stadium, which has a capacity of 3000 spectators. This stadium was built in several phases. The eastern tribune of the stadium was built back in 1970, when the club was called “FC Rudar”. At that time the club had to build at least one tribune in order to be able to participate in the First League of RS Macedonia. The tribune, a sub-stand field and dressing rooms were put into use on March 12th 1971, and the first match was played one week later. After the 2005/06 season, the management team and owners had changed, and the new management team made huge financial and structural efforts to build the western tribune of the stadium. New offices for the management team were opened, together with a fully – equipped gym for exercise and brand-new changing rooms. The reserve field was also renovated, with artificial grass installed. That reserve field is used by youth teams for training purposes today (FC Makedonija G.P., n.d.a).

FC Makedonija G.P. is among the football clubs that have won the FML at least once in its history. They were Macedonian champions in the season 2008/09. Furthermore, the club has won the domestic cup on three occasions, two of them being the last editions of the cup (2021/22 and 2022/23). It has participated in the Qualifiers for the UEFA Champions League on one occasion, prior to the season 2009/10, following their domestic league triumph. They were placed in the second round, during which the club was eliminated from the competition. FC Makedonija G.P. does have one of the best youth academies in the country. Its youth teams are constantly competing for the best places in the youth leagues, thus being the main

competitor of FC Rabotnički, for the highest prices in youth leagues. Macedonia G.P. is the club with most titles in youth domestic cup, has had 9 titles, and with most players who regularly get selected for youth national team. Their competitive advantage over the competition might be that they have their own stadium with an additional reserve field, for training and preparation of youth teams. Other teams in the FML do not have the same infrastructure, which probably results in less successful outcomes in games (FC Makedonija G.P., n.d.a).

4.2.3.3 Football club Shkupi

FC Shkupi was founded by football lovers in the first urban district of Skopje called Cair in 1927, under the name Football Club Zafer. Much like many other clubs at that time, the club played many friendly matches with clubs that also came from the Skopje region. After the Second World War, due to political reasons, the club changed its name to Football Club Sloga (which means unity or harmony in Serbian). During that period, the club was mainly funded by the local community, people who collected money to pay the players and the staff. During that period, the club was competing in the First League of RS Macedonia, which was ranked as forth in the federal ranking of former country Yugoslavia. The first serious move in terms of investment was made during the second half of the 80s, when the main sponsor of the club, business entity Jugomagnat took full control of the club and again changed the name of the club in Football Club Sloga Jugomagnat. In 1991, when North Macedonia got its independence as a country, FC Sloga Jugomagnat was among 17 clubs that participated in the First Macedonian football league, winning the 6th position in the first season. With the initiative of the fans since 2006, and in cooperation with sports workers, former players, local community, civil associations and the municipality of Cair, the club finally changed its name to FC Shkupi in 2013. Today their main sponsor is the municipality of Cair, the Mayor seeing the club as a symbol of the urban district of Cair, and its people. (FC Shkupi, n.d.a).

FC Shkupi is definitely among the most successful clubs in Macedonian football history. It has won 4 titles in the First Macedonian Football League, and it has 3 titles from the Macedonian Cup. Besides that, FC Shkupi had played once in the Champions League Qualifiers, 2 times in the Qualifiers for the former UEFA competition Cup Winners Cup, 2 times in Europa League Qualifiers, and once in Qualifiers for newest UEFA club competition called Europa Conference League. They have passed the first round of Qualifiers for Champions League once, and the first round of Qualifiers for Europa Conference League also once. Their recent domestic title was achieved in season 2021/22. Due to a second position achieved in the FML for the season 2022/23, FC Shkupi will be playing in the UEFA Europa Conference League Qualifiers, starting from the first round (FC Shkupi, n.d.a).

Furthermore, FC Shkupi does have a youth academy, adhering to the rules of FFM that every football club competition in the FML, must have youth academy sector installed in the club. However, FC Shkupi cannot be proud of the success of its youth academy, with only 120

youth players registered in the club. Following this, FC Shkupi has established collaborations with local grassroots football clubs, which accepted to serve as a foundation of youth talents for FC Shkupi in the future.

Table 9: Major achievements of FC Rabotnički Skopje, and its main competitors

Achievement	FC Rabotnički Skopje	FC Shkupi	FC Makedonija G.P.
Titles in FML	4	4	1
Titles in Macedonian Cup	4	3	3
Titles in Youth league under 18	7	0	5
Titles in Youth Cup under 18	4	0	9
UEFA Champions League Qualifiers	3	1	1
UEFA Europa League Qualifiers	6	4	0
UEFA Conference League Qualifiers	0	2	0

Source: Adapted from FC Rabotnički Skopje (n.d.d); FC Shkupi (n.d.a) and FC Makedonija G.P. (n.d.a).

Table 9 shows a comparison between the major achievements of FC Rabotnički Skopje and two prominent competitors in the football milieu. The selection of these two clubs as major competitors is based on objective criteria. FC Shkupi is widely recognized for its exemplary management within the FML (Football Macedonian League). FC Makedonija G.P. represents a formidable competitor to FC Rabotnički Skopje, particularly in youth leagues, and has recently demonstrated commendable results in the FML. Both clubs pose a substantial challenge to FC Rabotnički Skopje, both in terms of on-field performance and youth development. A comparative analysis in Table 11 reveals that FC Rabotnički Skopje and FC Shkupi have each secured an equal number of domestic titles. However, the latter has a higher likelihood of securing an additional title in the near future. FC Rabotnički Skopje maintains the lead in Domestic Cup titles won (one more than its competitors) and boasts the most appearances in UEFA club competition qualifiers. It is worth noting that the majority of Rabotnički's success was achieved in the previous decade, and its competitors are well-positioned to surpass these achievements unless the club undertakes internal and on-field improvements.

In Table 10, financial indicators for FC Rabotnički Skopje and its primary competitors over the last three years are presented. The inclusion of the 2020 financial data is particularly relevant due to the impact of the global COVID-19 pandemic on football clubs worldwide. It is noteworthy to observe the financial challenges faced by Macedonian football clubs during this period, characterized by reduced revenues, decreased sponsorship support, and waning interest among youth players. As evident from the table, all three clubs, including FC Rabotnički Skopje, recorded financial losses in their statements for the year 2020. FC Rabotnički Skopje, in particular, experienced the most significant financial setback, reporting a loss exceeding 100,000 €. While both FC Rabotnički Skopje and FC Shkupi

received some financial assistance from public funds, FC Makedonija G.P. received limited support from its operating municipalities. FC Rabotnički Skopje was able to mitigate its losses to some extent through financial backing from sponsors. FC Shkupi, despite not receiving any grants or donations, concluded the year with a minor financial loss compared to the other two clubs.

Table 10: Financial report on FC Rabotnički Skopje, and it's main competitors

<i>Financial indicators of selected Macedonian clubs in €</i>	<i>Revenues</i>	<i>Expenses</i>	<i>Revenues from sale of goods, products or services</i>	<i>Grants from public funds</i>	<i>Donations from legal entities</i>	<i>Profit</i>
Year	FC Rabotnički Skopje					
2020	785,301	909,106	706,406	0	78,895	-123,805
2021	534,341	727,674	474,732	0	59,609	-193,333
2022	696,569	546,439	588,390	0	108,179	115,463
Year	FC Shkupi					
2020	696,276	697,350	696,276	0	0	-1,074
2021	1,117,495	1,094,130	1,107,512	0	9,951	21,024
2022	1,978,536	1,465,723	1,969,171	0	9,365	461,528
Year	FC Makedonija G.P.					
2020	228,780	248,098	161,919	60,179	6,682	-19,317
2021	411,691	406,748	331,220	59,528	20,943	1,853
2022	785,853	724,699	592,634	124,617	68,617	52,845

Source: Adapted from FC Rabotnički Skopje (n.d.a); FC Rabotnički Skopje (n.d.b); FC Rabotnički Skopje (n.d.c); FC Shkupi (n.d.b); FC Shkupi (n.d.c); FC Shkupi (n.d.d) and FC Makedonija G.P. (n.d.b); FC Makedonija G.P. (n.d.c); FC Makedonija G.P. (n.d.d).

Year 2021 was different for FC Shkupi and Makedonija G.P. and they found the way to recuperate the losses from the previous year, and advance in the new year with positive finances. Both clubs had profits accounted for year 2021, which partially resulted from their good achievements on the pitch, and well-established partnerships with stable business entities. FC Shkupi finished the season 2020/21 as the runner up in FML, which significantly boosted its accounts. FC Makedonija G.P. on the other hand, had both support from local Municipality and from its sponsor. FC Rabotnički had accounted for an even bigger loss in the year 2021 compared to the previous year. There were not any grants from public funds again. The Agency of Youth and Sport decided to invest more in individual sports, Centar Municipality was not interested in helping, neither was the FFM. The only support that Rabotnički got was from its sponsors.

The year 2022 had been more positive for all three clubs. FC Shkupi won the league which massively increased its revenues. With less than 2,000,000 € in revenue and almost half a million € in profit, FC Shkupi had the best year in its history, financially speaking. FC

Makedonija G.P. won the domestic cup and finished in fourth position in the league, which combined with its regular income from sponsor donations, had resulted in positive financial year, compared to the previous two. Over 750,000 € in revenues and over 50,000 € in profit, indicates a good financial year, which could have been better, but the club hopes that from now on every new year will be financially better than the previous one. FC Rabotnički Skopje did account profit in the year 2022, however their revenues did not increase by much compared to the previous years. The management of FC Rabotnički Skopje was able to reduce the organization's expenses, which were substantially increased during the pandemic year and the one after that. Together with its constant revenues and financial support from sponsors, the management of FC Rabotnički Skopje recorded the first accounted profit after 5 years in the year 2022 (Monev, interview, 26.03.2023).

Based on data from Table 10, it is concluded that FC Rabotnički is financially lagging behind its competitors. Its organizational, structural or financial model might not be sustainable enough to be able to constantly generate the revenue that the other competitors are generating. Table 10 shows that FC Rabotnički Skopje struggled to overcome the ceiling of 1,000,000 € in revenue, when the competitors, especially FC Shkupi generated almost 2,000,000 in revenue in 2022. The results on the field and prize money from successful seasons did play a huge role in this difference in revenues, that is why the management of FC Rabotnički Skopje should definitely reorganize with a new strategic plan that would improve the club's performances as well as finances. Better sponsorship agreements, more cooperation with local municipality and the FFM, improved squad roster that should fight for the highest places in FNL are some of my suggestions in order for the club to be more competitive, both financially and on the field. I hope that the strategies I will present further into this thesis might provide solutions for reorganization and an overall improvement to the club.

4.3 Internal environment analysis

The analysis of the internal environment was done based on a review of three key areas of the organization: analysis of past success, available resources, and current strategy. The required data for this analysis was obtained during an interview with the General Secretary of FC Rabotnički Skopje, as well as from the club's website. The observation method was also used in this analysis, as part of my internship in the club, which lasted from March until June 2023.

4.3.1 Analysis of past success

4.3.1.1 *Sport performance*

FC Rabotnički Skopje is the second most successful football club in Macedonian football league history. It has won the FML on four occasions (2004/05, 2005/06, 2007/08 and 2013/14 year) and also the domestic cup on four occasions (2007/08, 2008/09, 2013/14 and 2014/15 year). FC Rabotnički Skopje is the Macedonian club with the most appearances in Qualifications for UEFA club competitions. Their biggest successes in European competition were: round 3 of Qualifiers for 2006/07 UEFA Champions league, where they lost to the French club Lille; round 3 of Qualifiers for 2009/10 UEFA Europa League, where they lost to the Danish side Odense; and round 3 of Qualifiers for 2010/11 UEFA Europa League Qualifiers, where they lost to the historic English side Liverpool (Monev, interview, 26.04.2023).

FC Rabotnički Skopje is also known for its youth academy, which is still recognized as the best one in the country. Rabotnički is the club with the most titles in under 18 national championships, with 9 titles. It has also won the national youth cup under 18 on four occasions. Other youth selections in the club regularly compete for the highest honors in the youth leagues as well. In the last 5 years, titles were won in U8, U10, U12, U15 and U17 leagues. According to Monev, these titles are the outcome of the well-organized youth academy as well as professional and high-quality work of the coaches in the youth academy (Monev, interview, 26.04.2023).

There were more than 300 youth players registered in the club in the year 2022. Monev is encouraged that this number will only grow during next years, based on the regular success of the youth teams in the youth leagues. FC Rabotnički Skopje currently has 5 players that play in U17 national team and 3 players in U15 national team. As already mentioned, FC Rabotnički Skopje has established partnerships with Serbian clubs FC Partizan and FC Vojvodina, with whom international tournaments are regularly organized. Additionally, every year, the best performing youth teams in the club have a chance to participate in the high-quality international tournaments organized by the legendary Italian club AC Milan (Monev, interview, 26.04.2023).

4.3.1.2 *Financial performance*

With the exception of the year 2022, financial indicators show that the management of the football club Rabotnički Skopje regularly struggles with its finances, with accounted loss at the end of each year. The Covid pandemic has further decreased the club's regular income, such as grants from legal entities, sponsorships and commercial income. Table 11 shows that the years 2020 and 2021 were quite problematic for everyone connected with FC Rabotnički Skopje. Their revenue was lower than their expenses, with an accounted loss of 123,805.00

€ in year 2020, and 193,333.00 € in year 2021. Furthermore, the club has not received any help from any legal entity. UEFA did not interact directly with the clubs, but through national football associations. In the Republic of North Macedonia, that association is the Football Federation of Macedonia (FFM). FFM receives financial injection from UEFA every year, however its management is barely interested in helping out struggling clubs. The lockdown destabilized Macedonian football organizations by a large extent and FFM denied to offer support. Additionally, the management of FC Rabotnički Skopje has a very distant relationship with the current management of FFM, which corresponded in barely receiving any financial help, despite the club being at the verge of bankruptcy several times in the recent years. The Centar Municipality was unable to help either, with justification that their balances were also not positive. Sponsorship incomes decreased even more in the year 2021, before recuperating in 2022 when new sponsors arrived to save the club from additional financial difficulties (Monev, interview, 26.04.2023).

The income from ticket sales was at bare minimum, which is not surprising knowing that fans were not allowed in the stadiums for most of the years 2020 and 2021. The income from other operating activities (training fees for youth players, membership fees, renting the training premises of the club, etc.) were stable over the last three years, but not enough to cover the huge expenses. The biggest financial injection was when players were sold, especially those for significant fees. Player David Tosevski was sold to Russian club FC Rostov for 1 million € in 2020 and player called Luka Stankovski was transferred to Turkish FC Gaziantep for more than 600,000 € in 2022. A few other players were sold as well, but for less significant fees, usually under 100,000 €. If these big transfers did not occur, the football club could have potentially driven the administration into bankruptcy, with relegation to the lowest ranks of Macedonian football as one of the consequences. (Monev, interview, 26.04.2023).

The year 2022 was quite more positive than the previous two years. Ticket sales income increased, despite the club playing at the reserve stadium, with only 3000 seats capacity, in the other part of the city. New financial sponsors did materialize their promises, and the other operating activities income was stable as in the previous years. The full breakdown of the revenues of FC Rabotnički Skopje is available below in Table 11.

Table 11: Breakdown of revenues of FC Rabotnički Skopje for the period 2020-2022

Revenues from all operating activities in €	2020	2021	2022	FC Shkupi in 2022	FC Makedonija G.P. in 2022
Ticket sales revenue	520	1,968	3,301	40,472	2,942
Sponsorships revenue	78,895	59,609	108,179	109,366	98,537
Broadcast revenue	0	0	0	0	0
Commercial activities revenue	0	0	0	0	0
Grants from UEFA or FFM	0	0	0	0	0

All other operating activities revenue	128,000	165,512	123,496	355,788	153,748
Net result from players acquisition/sale	577,886	307,252	461,593	1,472,911	530,626
Total revenue	785,301	534,341	696,569	1,978,536	785,853

Source: Adapted from FC Rabotnički Skopje (n.d.a); FC Rabotnički Skopje (n.d.b); FC Rabotnički Skopje (n.d.c); FC Shkupi (n.d.b); FC Shkupi (n.d.c); FC Shkupi (n.d.d) and FC Makedonija G.P. (n.d.b); FC Makedonija G.P. (n.d.c); FC Makedonija G.P. (n.d.d).

The breakdown of expenses of FC Rabotnički Skopje is shown in Table 12. As it is shown in the same table, employee benefits represent a large share of the club's total expenses. In 2020, employee expenses accounted for more than 56% of total expenses, in 2021 that share was around 50% of total expenses. Total expenses in 2020 were more than 900,000.00 €, and if it were not for the substantial injection that the transfer of Tosevski provided, the club would have definitely faced bankruptcy. 2021 was even worse, despite the fact that the club's management did everything to lower the expenses, with major decline noted of employee expenses. Since the management decided to let go of few employees, it did not contribute enough in improving the overall financial situation. Those employees were mostly coaches in the academy who were not sufficiently effective in their daily tasks, and those who did not obtain the recommended licenses for coaching, together with players with the highest salaries in the club. The expenses from amortization and depreciation also decreased in 2021, and additionally in 2022. There was no significant transfer made in 2021, which is the main reason why the club accounted a record loss in 2021, despite lowering overall expenses. The following 2022 was the first year in a 5-year period in which the club has accounted for profit at the end of the year. Many of the players with high salaries were let go or were sold, and they were replaced with young talents or free transfers of players with more realistic wage demands. In total, employee expenses in 2022 decreased by almost 50% compared to 2021, which resulted in the decrease of total expenses. Total expenses in 2022 were slightly above half million €, which is a considerable decline compared to 2020, where expenses reached the highest point ever (Monev, interview, 26.04.2023).

Table 12: Breakdown of expenses of FC Rabotnički Skopje for the period 2020-2022

Expenses for operating activities in €	2020	2021	2022	FC Shkupi in 2022	FC Makedonija G.P. in 2022
Material expenses	1,041	1,545	1,626	2,113	1,425
Employee benefit expenses	516,179	378,407	203,252	435,221	250,473
Amortization and depreciation	51,707	38,033	31,870	32,520	32,450
Other operating activities expenses	340,179	309,689	309,691	995,869	440,351
Total expenses	909,106	727,674	546,439	1,465,723	724,699

Source: Adapted from FC Rabotnički Skopje (n.d.a) ;(n.d.b);(n.d.c); FC Shkupi (n.d.b);(n.d.c);(n.d.d) and FC Makedonija G.P. (n.d.b); (n.d.c); (n.d.d) .

To summarize, the management of FC Rabotnički Skopje found a way to stabilize the club's financial situation, primarily due to their negotiation skills in transfer deals and restructuring the players of the first team. 2020 and 2021 were unfavorable in terms of finances, however the club has survived and profit was generated in 2022. The management is confident that in the following years the overall situation in the club will significantly improve, however, new strategies in the areas of finances, marketing, organization's restructure and collaborations are more than necessary.

4.3.2 Analysis of available resources

4.3.2.1 Personnel area

There are 55 people who have an existing contractual relationship with FC Rabotnički Skopje, including: first team players, coaches of the first team and youth teams, executive director, general secretary, financial director, youth academy manager, doctor and spokesperson. Every other person involved in the daily operations of the club, are either employed part-time, or on loan agreements with their actual employers, such as: the marketing assistant, a physiotherapist, an additional doctor, a fitness coach, an event organizer, security guards, etc. The matches of the first team represent the biggest organizational burden for the club and almost everyone in the club takes part in the process. The coach and his staff are responsible for physically and mentally preparing the team for the match, the others are responsible for the organizational part and to make sure that the team has all the necessities required in order to prepare for the match the best way possible. When the team plays its home matches, the club engages volunteers to help as ball boys, security guards, scoreboard officials. The club pays them based on their activities, not on a regular basis. The Board of Directors are willing to have all these volunteers on part-time employment in the club, however the financial difficulties in the recent years discouraged them from imposing additional financial burdens on the club (Monev, interview, 26.04.2023).

There are more than 300 young players registered in the youth academy, 12 youth teams and 15 coaches for the youth teams. In the first team there are 24 registered players, plus 5 players from youth teams, who are registered on the reserve list. There are 2 licensed goalkeeping coaches, 10 coaches for the younger age selections (1 coach per team) and 5 coaches with best experiences and with at least a UEFA A license who are relocated to work with U19 and U21 teams. The first team coaching staff is a group of one main coach with UEFA pro license (mandatory according to FFM), two assistant coaches, one goalkeeping coach and a doctor. The fitness coach and physiotherapist are employed part-time, and these two positions are the next ones to be converted on permanent employment, once the management improves

and stabilizes the club's financial situation. The coaches of the first team are also included in the squad planning process, in which they give suggestion regarding potential changes of the club. They are also somehow included in the youth academy, as they regularly oversee the youth teams trainings and matches, in order to detect players who stand out and are ready to take on the challenge called "an appearance" in the first team. The coaches in the youth teams are included in the process of organizing friendly games or tournaments. They are solely responsible of arranging and organizing friendly games with local opponents, with the purpose for better preparation for the matches in the national championships (Monev, interview, 26.04.2023).

Most of the young players that are registered in the youth teams of FC Rabotnički Skopje, are coming from the local community, which means they live in the Centar Municipality. However, there are players in the older selections, who are coming from different parts of the city, just because they want to play for FC Rabotnički Skopje. Some of the players in the academy are travelling each day for more than 20 kilometers through the city just to come and train at the premises of FC Rabotnički Skopje, despite the presence of local grassroots club in every neighborhood. With the downfall of FC Vardar in recent years, their academy dropped in quality as well. Most of their best players and coaches in the youth academy decided to transfer to FC Rabotnički Skopje. The reputation of FC Rabotnički Skopje, as a legacy in Macedonian football is still commendable, despite the first team stagnation in results in recent years. The training fees vary based on the age group, yet the average fee fluctuates between 25 and 30 €/month. Additionally, the players in the younger selections, are paying additional fee for each match they play. That money goes to cover the organizational and logistic costs for these matches (Monev, interview, 26.04.2023).

In the past, the club's management used to finance the courses that coaches must enroll and pass, in order to obtain the required coaching licenses. Nowadays, due to the financial struggles of the club and the increased fees of these courses, the club is not able to finance this educational part, and coaches are left to cover that expense on their own. Some of the sponsors in the recent years, (GORSKA Voda and SKYWINGS) were willing to sponsor those courses as well, but not anymore (Monev, interview, 26.04.2023).

4.3.2.2 Technological area

The club's headquarters are located in the city's largest and central park. Inside, there are separate offices for the executive director, general secretary, financial director and first team coach, while the others are placed in one open office. Next to the offices there is a restaurant and a café bar, which is open for the public. The training capacities are right behind the restaurant, two fields with natural grass, on which the first team league, U19, U18 and U17 are having their training sessions. Additionally, there are two fields with turf; on which all other teams in the youth academy are having their training sessions. The club does not have a gym and a massage room in its premises, but is using the premises of a premium hotel,

located just two minutes from the club. If I compare the infrastructure and technological resources of FC Rabotnički Skopje with its competitors in the FML, some of them have way better resources in their premises, with their own gym, more football fields, while others are having the same level of infrastructural resources or even less than FC Rabotnički Skopje (Monev, interview, 26.04.2023).

FC Rabotnički Skopje was using the stadium “Boris Trajkovski” for its home games in FML season 2022/2023. The stadium is located more than 15 kilometers from the club’s premises with capacity for 3,000 spectators. The solution is far from ideal, but due to the unstable financial situation, the management did not have another choice. There are no other available stadiums which are closer to the club’s headquarters. Ideally, the management intends to use the national stadium “Tose Proeski”, which is located close by, for their home matches, as it was used traditionally in the past. However, the municipality of Skopje asks for a 2,000€ rent fee for every match that might take place in the stadium. That is an enormous fee for every football club in the country, not only for FC Rabotnički Skopje. (Monev, interview, 26.04.2023).

A conclusion can be made that the management of FC Rabotnički Skopje has to find a less expensive and better solution than the existing one. They need a stadium that is closer to the club, one with a reasonable rent fee, and one that will suit not only FC Rabotnički Skopje as a brand, but also its loyal fans. City Park Boys have expressed their dissatisfaction with the current stadium on many occasions, and the reasons are numerous. The unfavorable location, the limited capacity and the stadium’s sub-optimal quality are one of the main grievances that the fan group addresses to be unsuitable for a legacy name like FC Rabotnički Skopje. The club’s premises also require complete renovation, and more investments in all areas, so it could finally look like a club that has been a four-time national champion.

4.3.2.3 Organizational area

Similarly, to other types of non-profit organizations, FC Rabotnički Skopje has a statute in which all operating activities of the club are generally defined. The statute is composed of a rulebook or a code of conduct, in which the responsibilities of each member of the board are clearly stated. In the statute you can also find norms and rules regarding the behavior of each employee in the club. The structure of FC Rabotnički Skopje is comprised of the Board of Directors, in which the executive director, general secretary, financial director, and the youth academy manager are all included. Most of the decisions in the club regarding player sales, potential sponsorship agreements, finances, marketing, youth academy, etc., are made by the executive director in coordination with all members of the board. The other full-time employees in the club such as coaches, assistant general secretary, doctors, etc., are required to act on the decisions made by the Board. The club is preparing to open several new positions for the upcoming season, such as one for a sport director, a physiotherapist and a fitness coach. The role and responsibility of the position sport director is already well defined

in the club's statute, however that position was empty in recent years due to financial problems and unqualified candidates. The responsibilities of the sport director were divided among the general secretary and the first team coach. They were responsible for squad planning and finding suitable players for the club, based on the club's credo and available budget. Furthermore, the work of all coaches in the youth academy is being monitored by the youth academy manager, who is eligible to let go of any coach if he does not act according to the rules, or to hire a new coach that he thinks might bring a fresh perspective to the academy. Those decisions are revised and finalized by the board, in any case, he is the one that mostly interacts and works with those coaches, so he has the right to be the main decision maker regarding youth academy employees (Monev, interview, 26.04.2023).

4.3.2.4 Programs and events

As already mentioned, FC Rabotnički Skopje regularly organizes international tournaments in collaboration with Serbian club FC Partizan and FC Vojvodina. Those tournaments are organized for youth teams, from U6 to U15. Each year the tournament takes place on a different location, but mostly in Skopje and Belgrade. Each year, up to 10 different clubs from the Balkans are invited, with three organizing clubs as regular participants. This tournament unfortunately did not take place in the last three years, due to the Covid pandemic, which destabilized not only FC Rabotnički Skopje, but also the Serbian clubs. The plan is to restart the tournament in 2024 year, and if everything goes according to plan, youth teams of FC Rabotnički Skopje will travel to Belgrade in the spring of 2024. In addition, FC Rabotnički Skopje regularly participates in international tournaments organized by Italian club AC Milan, a club which is one of the longest-standing partner and supporter of FC Rabotnički Skopje (Monev, interview, 26.04.2023).

Before the Covid pandemic, the management of FC Rabotnički Skopje use to be one of the organizing parties for Skopje football tournaments for kids under the age of 16 years. The City of Skopje was the main sponsor regarding financing and infrastructure. That tournament took place three years in a row, but due to the Covid pandemic and the changes in the management structure of the municipality, the tournament probably will not be organized again in the upcoming future (Monev, interview, 26.04.2023).

Back in the 2010s, until 2016, FC Rabotnički Skopje had set up its own projects, for improving the brands image, the quality of the youth academy, at the overall satisfaction on the part of its loyal fans and local community. Open day was a regular event twice a year, when all media houses and most loyal fans were invited in the club's headquarters, in order to meet the first team players and interact with them. School day was another event, in which the captain of the club, 5 (five) other first team players, the youth academy manager and first team coaches were visiting the schools in Centar Municipality in order to encourage the kids to start their football education in the youth academy of FC Rabotnički Skopje. The club also

used to organize open training sessions, in which fans were invited to watch the first team training (Monev, interview, 26.04.2023).

Veterans gathering was another event organized by FC Rabotnički Skopje, in which the best players in the history of the club gathered to play a friendly charitable match. The match was played on the national stadium, and all the funds generated were donated to treat children with rare and life-threatening illnesses. As with all other events, once the support from sponsors stopped, this wonderful event also ceased to exist (Monev, interview, 26.04.2023).

4.3.3 Analysis of the current strategy

Based on observations of FC Rabotnički Skopje during my time there as an intern, and based on the interview with the general secretary of the club, it can be confirmed that the management of FC Rabotnički Skopje has already established a strategic plan for the club for the upcoming years. In their strategic plan, the management has clearly stated a vision, mission, values and main strategic goals of the club.

To begin with, the mission of FC Rabotnički Skopje is to be among the leading clubs in the region and as a bearer of progress to enable top football for the fans of FC Rabotnički Skopje. The realization of this mission is questionable at this moment of time, since the club is quite far from being among the leading clubs in the region and the fans currently do not enjoy the football results achieved in the field. FC Rabotnički Skopje is a big football brand in the country and in the region, only due to the success in the past. Currently, the main focus should be improving the position in the Macedonian football league, before thinking more regionally. Furthermore, the vision of the club is expressed as the strive towards perfection, as everybody in the club strives to achieve the best results on the field and beyond. According to Monev, the vision of the club was shaped for achieving the general objectives of the club, which are: (1) regaining the position of the leading sport collective in North Macedonia; (2) enabling positive experience for everyone associated with the club and its development; (3) establishing strategic cooperations with those who can help in the achievement of common goals; (4) organizational and financial stability at all levels; (5) development of internationally recognized players and professionals; and (6) maintaining the importance of the sport in North Macedonia, by gaining the sympathies of the audience and mediums. These objectives are attainable, however the management of the club has a long way to go before achieving some of these objectives, like organizational and financial stability, as well as increasing the affection of the audience and media.

The management of FC Rabotnički Skopje had identified 4 (four) core values of the club. The first core value is unity, as everyone in the club works united and strives towards the same goals. The next one is dignity, as everyone in the club bears responsibility for their actions, based on the high standards of professionalism that they already established. Passion is the next core value. Everyone associated with the club should positively direct and express their desire and love for the club and loyalty. Last but not the least, respect as a core value

that enables everyone at the club to recognize each other and act constructively in any matter, with transparency and honesty in all business activities. “These core values give strength to our mission and enable the pursuit of our vision” (Monev, interview, 26.04.2023).

Another thing noted during the observation was that the club does not have any specific strategies and goals in terms of marketing, finances, recruitment or player development. Maybe I was not allowed to observe and analyze those strategies, however it is obvious that the club needs reconstruction in order to facilitate strategies and goals for each department, for them to be able to achieve their common organizational goals. During the interview, it was revealed that the club management had set their vision and mission of the club, with purpose to address the key priorities of the strategic plan for the period of 2021-2025 year. Those key priorities are:

- To increase the number of active participants in the club, who would contribute with their quality and skills towards the further development of FC Rabotnički Skopje as a sport organization.
- To achieve sport results that will strengthen the sense of belonging.
- To improve organizational capabilities with the aim of educating employees and the efficiency of the overall system.
- To integrate all resources of the club and strive to achieve the objectives.

In conclusion, the current strategic plan requires restructuring, with a comprehensive focus on each department within the club. The vision and mission statements should be reevaluated and refined to align with the current situation and establish sustainable objectives for the near future. It is advisable to maintain the core values unchanged because they represent the club's brand image. In summary, numerous improvements are necessary to propel the club toward greater organizational stability, potentially resulting in improved sporting outcomes and heightened brand recognition.

4.4 SWOT Analysis

The interview with the General Secretary of FC Rabotnički Skopje, observations made during the internship and the prior analysis of the organizational environment have all contributed to the preparation of a SWOT analysis for the abovementioned sport organization. This analysis addresses the club's main strengths and weaknesses, based on the current inter-organizational situation, as well as the opportunities and threats arising from its external environment. These four components of the analysis have empowered me to propose potential strategic goals and the corresponding strategic activities as solutions for achieving these goals. Table 13 shows the SWOT analysis for FC Rabotnički Skopje.

Table 13: SWOT analysis for FC Rabotnički Skopje

Strengths	Weaknesses
• Strong Football Culture - Football is the most popular sport for kids and young individuals in North Macedonia • Brand Recognition - Rabotnički as one of the pillars of the football in North Macedonia has strong brand identity and recognition all over the country • Heritage and Tradition – titles won and long-standing history • Clearly defined hierarchy and decision-making process • Clearly defined values within the club • Loyal fan base • Own training capacities • Strong youth academy - regular success in the youth leagues • Successful products of the academy – players sold abroad for significant transfer fees • Licensed and quality coaches in the academy • More affordable training fees compared to other grassroots clubs in the country • Educated and trained management team • Established partnerships with Italian giants AC Milan and Serbian clubs FC Partizan and FC Vojvodina • Excellent relationship with sponsors • Regularly available volunteers • Other assets that provide additional revenue (restaurant and café bar) • Corporate social responsibility implemented within the club	• Not sustainable mission and vision statements • Low quality strategic plan – no clear strategies regarding recruitment, marketing, finances, infrastructural improvement • Financial Vulnerability - continuous financial difficulties over the last couple of years • Low level of solvency ratio • Limited Financial Resources - no income from broadcasts, commercial activities nor legal entities • Lack of Commercial Opportunities - not many Macedonian companies are interested in commercial collaborations with football clubs • Relatively small portfolio of sponsors compared to the competitors • No financial or material support with local municipality, government or football association • Recruitment - none of the players signed in the recent years proved to be worth the investment • Attraction or Retention of top players - the club is unable to compete with other local or foreign clubs in attracting top players and retaining them • Organization instability - coaches and players can easily get the sack after several bad results • Infrastructure and Facilities - the club is limited in terms of infrastructure and facilities for training purposes • Does not have own stadium - the club needs to rent stadiums in the city for their home matches. • Diminished brand reputation due to below average results in the recent years.

table continues

Table 13: SWOT analysis for FC Rabotnički Skopje (cont.)

Opportunities	Threats
• European competitions - UEFA Conference League makes qualifying for European competitions possible for clubs in the rank of FC Rabotnički Skopje • Revenue from European Competitions - Qualifying for European competition • Foreign sponsors - foreign companies that invest in North Macedonia as potential targets • Infrastructural sponsor – construction companies might be interested to invest in club’s infrastructure in return for being the main sponsor in the club • Development of social media platforms • More integration of legendary players in the club in order to attract even more fans • Data science - modern tool for scouting the best talents are available • Football popularity among kids – Increase the number of registered young players in the academy	• Even less support from sport institutions in the country • Economic uncertainty – another global or national crisis could force the club into bankruptcy • Losing of sponsors – If results do not improve, some of the sponsors might seek more progressive clubs • No broadcast revenue in the foreseeable future • Losing loyal fans – if the situation with the stadium do not improve, the club is risking to lose its loyal fan base • Competitive level in the domestic league is difficult to upgrade • Other clubs operate with larger budgets and consistently generate significantly higher revenues • Corporate or commercial view of the game

Source: Own work.

4.5 Defining mission, vision and strategic goals

FC Rabotnički Skopje has already defined its mission and vision statements, which are presented in the strategic plan available on the club’s website. The current mission statement of the football club Rabotnički Skopje is available on the club’s website and it states the following (FC Rabotnički Skopje, 2023):

“We want to be among the leading clubs in the region and a bearer of progress to enable top football for the fans of FC Rabotnički Skopje.”

This mission statement also needs adjusting, since currently it is not possible for the club to be among the leading clubs in the region. Instead focusing on the region, in my opinion, it is better to focus on Macedonian football, so the suggested mission statement is:

“We are committed to play this beautiful game to the highest standards, securing championships and earning recognition, all while fostering unwavering loyalty among our dedicated fan base, who support us passionately at every step.”

The vision statement of FC Rabotnički Skopje states the following (FC Rabotnički Skopje, 2023):

“We seek perfection, we strive to achieve the best results on the field and beyond. We aim to position the club as one of the leading sport collectives in North Macedonia, to enable positive experience for everyone associated with the club, to establish strategic cooperation with those that can help us achieve our goals, to achieve organizational and financial stability, to develop internationally recognized players/professionals and to receive more affection of the audience and mediums.”

Based on the current situation in the club, this vision statement might not be the best one possible. The proposed vision is the following:

“By 2026 FC Rabotnički Skopje will emerge as the leading sport collective in North Macedonia, both on and off the pitch. Our future entails forging strategic partnerships with industry leaders and creating an inspiring experience for everyone associated with the club.”

The strategic plan and future direction of the club are defined with clearly set strategic goals. Strategic goals for the upcoming 5-year period, starting from year 2023, up until the year 2028 was set. The strategic goals are shown below in Table 14. The strategic goals were divided based on individual departments of the club, and each strategic goal has a deadline until when it should be achieved. After that, the management of the club should determine what should be done and what resources should be used in order to achieve each individual strategic goal. In the process called evaluation, the management team should address and evaluate these goals or even adjust them if it becomes necessary. When all strategic goals are achieved, the management should set up new ones, which will be even more demanding since it is the only way for the club to constantly improve in every aspect of its operations. For each strategic goal in Table 14, there are several proposed strategic activities that could ease the realization of these goals. Those strategic activities will be addressed in the next section of this master’s thesis.

Table 14: Strategic goals for FC Rabotnički Skopje

Strategic orientation	Strategic goal	Deadline
Business success	SG1: Financial stability and long-term growth SG2: Revenues to reach and overcome 1,000,000 € SG3: Comprehensive infrastructure renovation	2028

table continues

Table 14: Strategic goals for FC Rabotnički Skopje (cont.)

First team	SG4: Win domestic title and domestic cup SG5: Earn the right to compete in Qualifiers for European Club Competitions	2025
Youth academy	SG6: At least 3 players from each youth team that will be selected for youth national teams SG7: More than 50% of the coaches in the club with at least UEFA A coaching license SG8: Continuous success in all youth leagues	2024
Brand Image	SG9: Massive improvement of the first team results SG10: Improved promotion and recognition of the brand image SG11: Increased affection of audience and media	2026

Source: Own work.

4.6 Strategic activities with emphasizes of sustainability and marketing

The significance of marketing and sustainability principles in football club management are outlined and summarized in this section. It begins with a discussion of the importance of these principles in global football and how they can be advantageous to any football club. Subsequently, the section illustrates how these principles could be integrated into FC Rabotnički Skopje. In the final portion of this section, a table with potential strategic activities is provided that the chosen club could undertake to achieve the strategic goals proposed in the previous section.

“In the football industry, marketing is a subject that is just starting to grow and, currently, offers a field that has to do more with hope, with being original, with what has to be developed on top of any attractive speeches. I think marketing is not a short-term subject, as it has better chances in the medium or long term” (Desbordes, 2007, p. 483). Marketing concepts explains that in order for an organization to reach its organizational goals it has to be more effective at generating, delivering and informing customers of their value through target markets, than their competitors (Kotler, 2003). Marketing plays a crucial role in the success as well as growth of football clubs. It encompasses various strategies and tactics aimed at attracting and engaging fans, building strong brand image and generating additional revenue (Kotler, 1996). There are many marketing activities that could be successfully added. Only the most important ones regarding the chosen football club will be regarded and highlighted. The first marketing activity that could be beneficial for FC Rabotnički Skopje is the match day promotion. Many football clubs around Europe run various promotions and activities during match days to enhance the fan experience and attract sponsors. Discount ticket offers, halftime entertainment or special themed events, ideas are plenty, only the desire and execution are needed (Shank & Lyberger, 2014).

Many football clubs worldwide have long employed a tried-and-true marketing strategy: local marketing. By acting as ambassadors and showcasing the city's image, any football club can effectively advertise itself. A smart approach is to incorporate the city's name into the football club's title. This not only fosters a sense of connection for many individuals but also ensures a steady influx of new fans. (Roşca, 2010). The next marketing activity could be fan loyalty programs, as a tool to reward and incentivize the most dedicated fans. Priority ticket access, discounts on merchandise, meet-and-greet opportunities, are just few of many ways possible to reward the loyal fans. Digital content creation could be another marketing activity that could easily be implemented in a football club. The best European clubs are constantly investing in creating engaging digital content to connect with fans on various social media platforms. Behind-the-scenes footage, high-quality videos, player interviews and many more media content that could be produced in order for the club to attract even more fans, to increase its online engagement and to expand its reach. Community outreach programs are definitely marketing activity that could prove to be beneficial for any football club. These programs are aimed to connect with the local community, to promote social causes and enhance brand image. Those programs could be grassroots coaching programs, charity partnerships, school visits, participation in local events and much more. Last but not least, there are international tours and friendlies, that can serve for multiple marketing purposes, such as: increasing brand visibility in new markets, expanding global fan base, additional revenue through ticket sales and sponsorships (Beech & Chadwick, 2013).

Regarding FC Rabotnički Skopje, the first thing suggested to the management team is to hire a marketing specialist, who would take the best marketing opportunities available, and create marketing campaigns that would be most suitable for a sport organization such as FC Rabotnički Skopje. All abovementioned marketing activities could be realized with a good marketing plan in place. Match day promotions would definitely attract more fans to the stadium, as previously many of them did not like the lack of entertainment and fans interaction during the matches. At the start, the marketing specialist could propose discounted ticket offers or special themed events for the most interesting matches. If there is good feedback from the fans, other options could be explored as well. Fan loyalty programs would unquestionably return the most loyal fans, as they would see some feedback for their unconditional support over the years. FC Rabotnički Skopje used to organize events when the most loyal fans got the chance to meet and greet the players and staff, and reactivating that option would be a perfect start to show gratitude to the most loyal fans. Digital content is marketing activity that is rarely used by any club in North Macedonia, which is an excellent opportunity for Rabotnički Skopje to be the first to experiment with it. Combining its strong brand image with creative digital content regularly available on social media platforms is a perfect opportunity to reach out to kids and teenagers. They do not find FML attractive or entertaining, they mostly follow top European leagues, since those clubs provide media content in addition to football matches. A good marketing expert could take advantage of this opportunity, and create fun and entertaining content, which may serve as an advantage

for FC Rabotnički Skopje over its competitors. Furthermore, the community outreach programs are necessary for FC Rabotnički Skopje, because it is a club that was born out of the local community. Grassroot programs are already available at the club, but not publicly presented. A marketing specialist could potentially create a community program, so the club would frequently organize events, from sport contests to charity actions. At the end, a marketing expert could take advantage of regular participation of the club in international competitions. FC Rabotnički Skopje used to organize tournaments with Serbian clubs FC Partizan and FC Vojvodina, yet those tournaments were never covered by the media or publicly announced. These tournaments are a perfect opportunity for the club to expand its brand image outside the borders of North Macedonia.

Sustainability is another crucial component for any organization and its continuous growth. Sustainability is also present in sports as many football clubs around Europe have already developed special programs within their clubs regarding sustainability. Sustainability in football clubs could be achieved in many ways. The first option is environmental sustainability, as many football clubs are implementing various measures to reduce their environmental impact. Those measures could be sustainable stadium practices, energy-efficient technologies, reduced waste and promotion of renewable energy sources. Economic sustainability in football clubs is a new trend in European football, as many clubs are striving for long-term economic sustainability by implementing sound financial management practices, such as: responsible spending, avoiding excessive debt and more strategic generation of revenue. These clubs want to maximize revenue streams through ticket sales, sponsorships, merchandising, while simultaneously maintaining a balance between player wages and club budgets. Furthermore, governance and transparency are another way to achieve sustainability in football clubs. Several European clubs are placing greater emphasis on good governance and transparency in order to ensure accountability and ethical conduct. Promoting a fair competition and implementing robust corporate governance structures could be some of the ways to achieve transparency and effective governance within the football clubs (Chappelet & Kübler-Mabbott, 2008).

During the interview with the general secretary of FC Rabotnički Skopje, it was revealed that the club has already established a sustainability strategy. Their strategy is based on 7 propositions which will help the club to be more sustainable in the future. The first proposition is focusing on equality and inclusion. The management of FC Rabotnički Skopje wants to provide equal rights and opportunities for everyone involved in the club, no matter their religion, gender, nationality, sexual orientation or potential physical disability (FC Rabotnički Skopje, n.d.e). The second proposition of the strategy is anti-racism and anti-nationalism. The club will strongly fight against any form of racial or national discrimination in Macedonian football. The third proposition is protection of the kids and youth. The club intends to protect the rights of the youth that plays football, and to prevent any kind of potential violence. Next proposition of the club's strategy is football for all abilities. The aim is to enable people with physical disabilities to participate in football irrespective of their

disabilities, either as players or supporters. Protection of the environment is the next proposition, as FC Rabotnički Skopje wants to protect its environment by implementing the principles of circular economy: decrease, reuse, select, recycle and renew (FC Rabotnički Skopje, n.d.d). These principles are being implemented in all activities within the club. The sixth proposition is health and wellness. The club is trying to promote a healthy way of living and wellness through football activities for all age categories. The last proposition focuses on solidarity and rights as the club encourages everyone in football to share respect, equal rights and dignity among each other and to increase the ability to play this beautiful game with freedom and solidarity (Monev, interview, 26.04.2023).

Table 15: Display of proposed strategic activities for FC Rabotnički Skopje

Strategic goal	Strategic activity	Responsibility
SG1: Financial stability and long-term growth	SA1: Ensure systematic and rational use of resources SA2: Implement responsible spending, avoiding excessive debt and more strategic revenue generation SA3: Marketing activities to attract the best possible sponsors from the country or Balkan region SA4: Invest in young players' development with purpose of selling them abroad for significant transfer fees	Executive director
SG2: Revenues to reach and overcome 1,000,000 €	SA5: Sell TV rights to domestic mediums SA6: Improve the team in order to fight for the title in FML SA7: Introduce main shirt sponsor	Executive director
SG3: Comprehensive infrastructure renovation	SA8: Renovate the current training fields, convert all of them with natural grass, and acquire two additional fields located 300m from the club SA9: Completely renovate club's premises SA10: Try to integrate gym in club's premises	Executive director

table continues

Table 15: Display of proposed strategic activities for FC Rabotnički Skopje (cont.)

SG4: Win domestic title and domestic cup	SA11: Improve the squad with the combination of youth and experience SA12: Use data analysis to find the best solutions regarding transfers SA13: Hire scouts, analysts and sporting director	Executive director
SG5: Earn the right to compete in Qualifiers for European Club Competitions	SA11: Improve the squad with the combination of youth and experience SA12: Use data analysis to find the best solutions regarding transfers SA13: Hire scouts, analysts and sporting director	Executive director
SG6: At least 3 players from each youth team that will be selected for youth national teams	SA14: Organize as many friendly games and tournaments for the youth teams, so players can get more experience SA15: Hire the best coaches available on the market SA16: Sign 3 or more players (under 21) that will play in at least 50% of the matches in one season	Youth academy manager
SG7: More than 50% of all coaches in the club with at least UEFA A coaching license	SA17: Invest in coaches' further education SA18: Propose additional bonuses for the coaches that acquired UEFA A license and developed top talents for the first team	Youth academy manager
SG8: Continuous success in all youth leagues	SA15: Hire the best coaches available on the market S19: Propose additional bonuses for the coaches who would win youth league	Youth academy manager
SG9: Massive improvement of the first team results	SA11: Improve the squad with the combination of youth and experience SA12: Use data analysis to find the best solutions regarding transfers	Executive director

table continues

Table 15: Display of proposed strategic activities for FC Rabotnički Skopje (cont.)

SG10: Improved promotion and recognition of the brand image	SA20: Increase the presence on the social media platforms SA21: Matchday promotions, Fans Loyalty programs SA22: International friendlies and tournaments SA23: Organize grassroots tournaments on regular basis	General Secretary
SG11: Increased affection of audience and media	SA20: Increase the presence on social media platforms SA21: Matchday promotions, Fans Loyalty programs SA23: Organize grassroots tournaments on regular basis SA24: Organize humanitarian events	General Secretary

Source: Own work.

Table 15 shows a list of strategic activities which may serve as key solutions for achieving the outlined strategic goals. Some of these activities are repeated as they can address multiple goals simultaneously. For instance, enhancing the squad by incorporating a blend of youth and experience has the potential to significantly contribute to achieving goals such as winning league titles, securing cup victories, and qualifying for European club competitions. Increased presence on social media platforms could be essential for improved promotion and recognition of the brand as well as an increased affection of the audience and media towards the club. The recruitment of top-tier coaches available in the market is essential for ensuring sustained success within the youth teams and potentially securing representation in various youth national teams. These strategic activities have been suggested based on an assessment of the club's current situation, aimed at providing a comprehensive view of the club's status and recommending practical solutions for the strategic goals.

5 CONCLUSION

The purpose of this master thesis is to help the chosen sport organization, FC Rabotnički Skopje, to develop strategies and methods for its restructuring and overall improvement. At this moment, the football club is at a crossroads regarding its future development. It could continue with the current strategic plan or develop a new one, in which more attention would be directed towards improving all aspects and departments of the club. The club is currently stagnant with results on the playing field, the financial situation has been dire in recent years and its organizational structure is in need of massive changes.

The analysis of the external environment helps us to understand the environment in which FC Rabotnički Skopje operates. Potential opportunities for the club have been identified

based on population trends in the municipality of Centar. Comparisons were made with some of the club's biggest competitors in terms of sporting success and financial stability. These comparisons have revealed that FC Rabotnički Skopje currently lags behind its competitors, both in sporting success and financial sustainability. As a result, some of the club's most loyal supporters have begun to distance themselves from the club.

The analysis of the internal environment aims to portray the current situation in the club, which is far from ideal. Financial data indicates that the club survived a period of potential bankruptcy during the Covid pandemic, with full recovery not yet achieved. The club's existing strategic plan lacks a vision and mission that would be sustainable and realistic given the club's current situation. The strategies employed to date have not yielded the desired outcomes, necessitating the formulation of new ones. My proposed strategies were made based on previously updated mission and vision statements, with a greater focus on current status rather than future desired goals.

In the analytical section of the thesis, a SWOT analysis was conducted to identify the football club's strengths and weaknesses, along with potential opportunities and threats from the external environment. This analysis played a pivotal role in the formulation of the strategies that would be realistic, achievable and sustainable for the club. The development process does not move forward quickly, it requires time and effort. Therefore, the primary emphasis was on the club's stabilization, rather than exclusively contemplating future endeavors.

The objective of this thesis was to develop an optimal strategy for the football club FC Rabotnički Skopje. A strategy that will enable the club to fully recover from the difficulties in the past, and look forward towards reestablishing itself as one of the leading brands and legacies in Macedonian football. As one of the pillars of Macedonian football, the fight for relegation is definitely not where FC Rabotnički Skopje should be. The most loyal fans remember the glory days of the past, when the club was dominant in the domestic championship and regularly participated in European competitions. Nowadays, everything is in the hands of the management, and they are the ones who have to make the right decisions to get the club back to where it belongs. The strategies and analysis will be available to them and I hope that some of the suggested strategies may find a place in the new strategic plan.

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APPENDICES

Appendix 1: Povzetek (Summary in Slovene)

Strateško upravljanje kot izraz lahko definiramo kot *“znanost o oblikovanju, izvajanju in vrednotenju funkcionalnih odločitev, ki organizaciji omogočajo doseganje njenih ciljev”*. (David, 2011, str. 6-7). Glavni cilj uvajanja sistemov strateškega vodenja in njegovih orodij je raziskovanje in ustvarjanje novih in boljših priložnosti za prihodnjo rast in razvoj podjetij in organizacij. Na splošno se strateško upravljanje uporablja kot izraz, ki zajema tri glavne ideje: (1) oblikovanje strategije, (2) izvajanje strategije in (3) vrednotenje strategije. Prva faza strateškega upravljanja se imenuje oblikovanje strategije. Vključuje (1) razvoj močne vizije in poslanstva za organizacijo, (2) prepoznavanje zunanjih priložnosti in nevarnosti te organizacije, (3) prepoznavanje notranjih prednosti in slabosti, (4) vzpostavitev trajnostnih dolgoročnih ciljev ter (5)) opredelitev in izbiranje alternativnih strategij za sledenje. Druga stopnja v procesu strateškega upravljanja se imenuje implementacija strategije in je na kratko opisana kot »faza ukrepanja«. Izraz »izvajanje strategij« lahko definiramo kot proces mobiliziranja in motiviranja zaposlenih v podjetju (tako menedžerjev kot delavcev), da sledijo in izvajajo oblikovane strategije, tj. da jih izvajajo. Nazadnje je vrednotenje strategije, kot zadnja stopnja strateškega upravljanja, proces ocenjevanja, kako dobro je bila strategija (ki jo je izbrala organizacija) implementirana v praksi, kot tudi za ocenjevanje uspešnosti te strategije.

Pri proučevanju principov strateškega managementa naletimo na dve glavni vrsti organizacij, profitne in neprofitne organizacije. Obe vrsti organizacij se s pravnega vidika razlikujeta, vendar z vidika strateškega upravljanja in njegovih temeljnih načel, torej procesov oblikovanja strategije ter izvajanja in vrednotenja, med obema vrstama organizacij skorajda ni razlik.

Strateško načrtovanje (oziroma oblikovanje strategije) je za športne organizacije lahko koristno na več načinov, saj imajo mnoge od njih isti splošni namen, to je vzpostavljanje in pridobivanje pozitivnih odnosov med organizacijo samo ter njenim okoljem in družbo. Načrtovanje omogoča športnim organizacijam, da proaktivno in samostojno opredelijo namen svojega delovanja, opredelijo svoje poslanstvo in oblikujejo usmeritve svojega delovanja; nadaljnje izvajanje teh dejavnosti. S strateškim načrtovanjem se tako lahko ustrezno odzovemo na te spremembe ter uresničimo cilje in načrte managerjev, ki bodo pozitivno vplivali na notranje in zunanje okolje, torej na samo podjetje in njegovo fokusno skupino. S strateškim načrtovanjem lahko predstavimo tudi pogoje za organizacijsko načrtovanje. Poleg tega je strateško načrtovanje razširjeno na več aktivnosti, kot so: (1) definiranje poslanstva podjetja, (2) obvladovanje situacije (SWOT analiza), (3) določanje namenov in usmeritev v smislu operativnih nalog, (4) razvoj strategije v zvezi z operativnimi nalogami in (5) spremljanje strateškega načrta. Vse te aktivnosti so ključne za učinkovito načrtovanje, ki bo vodilo do uspešnega vodenja v športnih organizacijah.

Namen tega magistrskega dela je pomagati izbrani športni organizaciji FC Rabotnički Skopje pri razvoju strategij in metod za njeno prestrukturiranje in splošno izboljšanje. FK

Rabotnički Skopje je nogometni klub v Severni Makedoniji, ki spada v kategorijo neprofitnih organizacij. Ustanovljen je bil davnega leta 1937 in je med najuspešnejšimi klubi v zgodovini makedonskega nogometa. V preteklosti izjemno uspešen FK Rabotnički se danes že nekaj let zapored bori za obstanek. Trenutno tekmuje v prvi makedonski ligi in domačem makedonskem pokalu.

Analiza zunanjega okolja nam pomaga razumeti okolje, v katerem deluje FC Rabotnički Skopje. Potencialne priložnosti za klub so bile identificirane na podlagi populacijskih trendov v občini Centar. Narejene so bile primerjave z nekaterimi največjimi klubskimi konkurenti glede na športne uspehe in finančno stabilnost. Te primerjave so pokazale, da FC Rabotnički Skopje trenutno zaostaja za svojimi tekmeci, tako v športnem uspehu kot v finančni vzdržnosti. Zaradi tega so se nekateri najbolj zvesti navijači kluba začeli distancirati od kluba. Analiza notranjega okolja želi prikazati trenutno stanje v klubu, ki je daleč od idealnega. Finančni podatki kažejo, da je klub med pandemijo covida preživel obdobje morebitnega bankrota, popolnega okrevanja pa še ni bilo. Obstoječemu strateškemu načrtu kluba manjka vizija in poslanstvo, ki bi bila vzdržna in realna glede na trenutno situacijo kluba. V analitičnem delu diplomske naloge je bila izvedena SWOT analiza, s katero smo identificirali prednosti in slabosti nogometnega kluba ter potencialne priložnosti in nevarnosti iz zunanjega okolja.

Cilj magistrskega dela je bil razviti optimalno strategijo za nogometni klub FC Rabotnički Skopje. Strategija, ki bo klubu omogočila, da si popolnoma opomore od težav v preteklosti in se veseli ponovne uveljavitve kot ene od vodilnih blagovnih znamk in zapuščin v makedonskem nogometu. Strategije in analize, ki sem jih naredil v tem magistrskem delu, bodo na voljo vodstvu kluba in upam, da bodo nekatere od mojih predlaganih strategij našle mesto v novem strateškem načrtu.

Appendix 2: Interview

For the purpose of my master thesis, a semi-structured interview was conducted with Nenad Monev, general secretary of Football Club Rabotnički Skopje. Interview took place on 26th of April, 2023 and lasted for 2 hours. During that period, Mr. Monev graciously responded to all my questions (which are listed below), making the preparation of this thesis more efficient.

Questionnaire

1. What is the purpose of your organization?
2. What is the vision of the organization?
3. Do you have defined strategy for further improvement and development of your organization?
4. What is your primary source of financing?
5. What are your organization's acts and regulations?
6. What are your actions regarding financial planning and control?
7. How many external sponsors do you have and what kind of cooperations are those?
8. Do you have marketing strategy?
9. What are your strategies regarding wider and broader promotion of your organization?
10. Does your club focus on selling young talented players for a profit?
11. How many kids are enrolled in each of your youth teams?
12. How many people are employed in your club?
13. What is the average age of your employees?
14. What is the level of education of the leading people in your organization?
15. How much your club take care of personnel development of your employees?
16. Are you satisfied with club premises for training and player development? If not, what kind of improvement is needed?
17. Does your club organize any events?
18. How is the decision process defined in your club?
19. Do you have any cooperations with local or foreign sport organizations?