



CEO Blog – The Phoenix is Rising

The debate about the efficacy of Project Phoenix seems to be ‘hotting up’. In my previous blog I explained why the project is in no way connected with the current match-fixing allegations. If anything, the allegations reinforce the importance of Project Phoenix which is about improving the quality of football and ‘professionalising’ the 1st Division by introducing a new league based on a licence system. The licence criteria will demand transparency in; governance, management and financial arrangements. Ultimately, the Premier League should result in more money coming into the sport through increased gate receipts, sponsorship etc and as this cascades down to player wages, they will hopefully be less susceptible to corruption. So rather than saying ***‘the sport is corrupt in Hong Kong and this proves Project Phoenix is not working’***, people should be saying ***‘football has a world-wide problem with corruption, Hong Kong is no different, but if we are to limit and reduce the problem, Project Phoenix and the new Premier League are essential’***.

There are many other misconceptions about Project Phoenix and I hope through this blog to dispel some of them.

Let’s look at the timescale first. The Membership of the HKFA approved the plan in April 2011. It then took a few months for the Government to approve funding of HK\$60m in total spread over three years at HK\$20m per annum. The project ‘kicked-off’ in November 2011 when the first CEO took up his position. So year 1 was Nov 2011 to Oct 2012, year 2 was November 2012 to October 2013 and year 3, which is what we are in now is November 2013 to October 2014. Therefore at this point in time (end January 2014) we are 75% of the way through the three-year cycle. It is really important to understand that the first CEO was only in position for 6 months, the last two months of which were spent outside of Hong Kong. The second CEO took up his position in September 2012. The ‘teething’ difficulties experienced during this initial period inevitably impacted negatively on the speed of implementation and it is fair to say that the project got off to a ‘stuttering’ start. The results of Project Phoenix need to be seen in this context. In reality it has only been in ‘full swing’ since towards the end of 2012, just over a year.

A second misconception relates to the money spent. A maximum of HK\$20m was earmarked per annum for three years, giving the HK\$60m total. The majority of this money is intended for additional headcount with the balance being used for marketing, legal services etc. It was not given for football development activities and programmes because this is sub-vented separately by LCSD and ‘topped up’ by other sponsors. Similarly it was never envisaged that money would be given directly to football clubs because many are commercial entities and cannot be directly funded from tax-payers’ money. In the first year, the HKFA drew down HK\$11.78m. It was not possible to draw down the full HK\$20m because

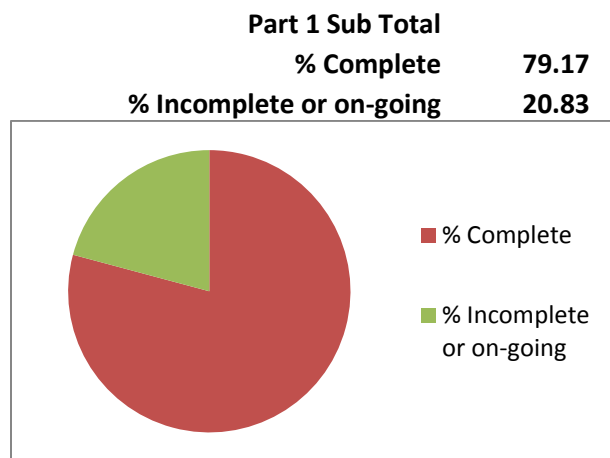
of the ‘stuttering’ start and the fact that the recruitment of new staff was delayed due to the lack of an incumbent CEO. In the second year HK\$17.6m was drawn down as the head count expanded in line with the project objectives. This final year it is estimated that HK\$19.3m will be required. The remaining HK\$11.32m is committed beyond October 2014 to honour contracts entered into. Therefore the full amount will be spent. As of now around 55% of the total HK\$60m has been drawn down.

What has been achieved?

Transformational change is never easy and always takes time to implement. The Project Phoenix report was sub-titled ‘**Develop – Deliver**’ because it was recognized that if the HKFA was to lead the change process it needed to be ‘developed’ first to address its weaknesses and to get it ‘fit for purpose’. Only when this internal change process had been concluded was it possible to ‘deliver’ the external changes. In other words, it was always envisaged as a ‘two-stage’ process. This was reflected in the 33 recommendations of Project Phoenix which were broken down into four main areas as described below.

Part 1 – Governance Structure and Constitution – 6 recommendations

Four of these recommendations have been completed including widening the scope of the HKFA to incorporate Women’s football (rec 1), restructuring the HKFA departmental structure (rec 2), the adoption of a new Board structure (rec 4) and improving the relationship between the Board and the Secretariat (rec 6). The two recommendations in this section that have not been finished; re-writing the constitution (rec 3) and extending the Membership (rec 5) are both receiving attention and are ‘work in progress’. The table and graph below illustrate progress on Part 1 and shows that around 80% has been completed.



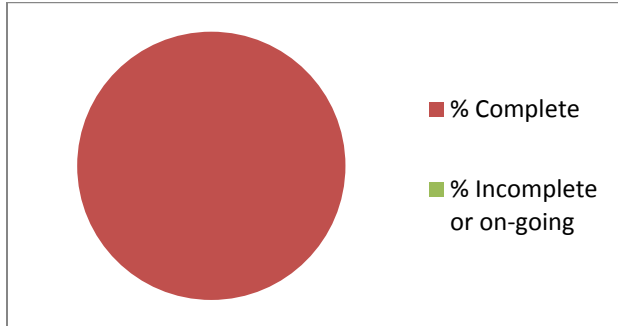
Part 2 – Vision, Strategy and Business Planning – 4 recommendations

Part 2 of Project Phoenix was about enhancing the strategic and business planning of the HKFA and improving the leadership. All four recommendations; vision (rec 7), planning (rec 8), day to day management (rec 9) and appointing an experienced CEO (rec 10) have been fully implemented as shown in the table and graph below.

Part 2 Sub Total

% Complete 100.00

% Incomplete or on-going -



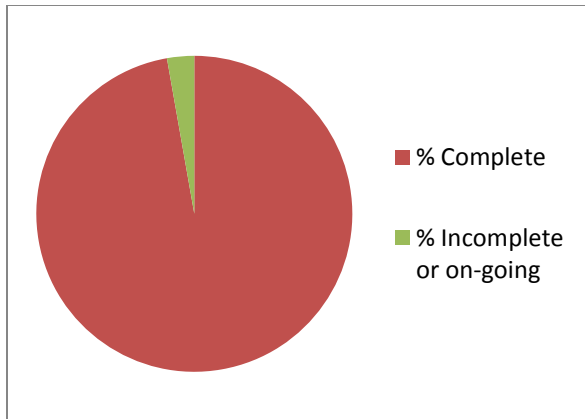
Part 3 – Organisational Development – 9 recommendations

As previously stated a large part of Project Phoenix involved the transformation of the HKFA into a modern, efficient and effective National Sports Association. There were a number of weaknesses to be addressed. A considerable amount of work has gone into this aspect of the project as a pre-cursor to delivering change in the sport itself. Of these 9 recommendations, only 1 remains ‘work in progress’; improving the working environment (rec 19) and this will be complete within the next month as the refurbishment of the HKFA office is concluded. Incidentally, the renovation work has been paid for by FIFA, not Project Phoenix or tax-payers. All of the following Part 3 recommendations have been completed; organizational structure (rec 11), financial management (rec 12), HR management (rec 13), team briefing (rec 14), CPD (rec 15), staff remuneration (rec 16), systems and resources (rec 17), and public relations (rec 18). Of course organisations do not stop developing and many of these recommendations will remain on-going but the important thing is that all have been addressed. The HKFA is now well organized and well managed with a dedicated team of professionals. To have achieved so much internal change so quickly whilst continuing to operate day to day services, activities and programmes is actually a remarkable achievement as anyone who has been involved in organizational development will testify. This has happened seamlessly and because it is largely ‘internal’ to the organization, most people will never know the extent of the change. It has not gone unrecognized by the football authorities though and FIFA recently inspected us and approved our participation in their ‘Performance Programme’, a reflection of their satisfaction with us as a Governing Body. Similarly our organization was recently commended by the AFC as part of their SMT inspection. We are proud of what we have achieved and we will continue to strive to be even better. No organization is ever perfect.

Part 3 Sub Total

% Complete 97.22

% Incomplete or on-going 2.78



So in terms of the ‘**Develop**’ stage and the transformation of the HKFA, it is virtually complete.

Part 4 – Raising the Standard of Football – 14 recommendations

Arguably the most important part of Project Phoenix as far as the public is concerned is the 14 recommendations designed to have an impact ‘on the pitch’. These are the most ‘visible’ changes and relate to the ‘Delivery’ phase of the Project. We have not waited until the ‘Develop’ phase of the project to commence these initiatives and things have been moving forward in parallel. A summary of the Part 4 recommendations and the work we have been doing is set out below.

Recommendation 20 – Budget for Football Development: In addition to securing the Project Phoenix money we have received a 40% increase in the subvention for LCSD and secured additional sponsorship from the HKJC.

Recommendation 21 – Hong Kong Representative Teams: We have played more friendly and competitive matches and risen in the FIFA Rankings. We have a new Technical Department and a Head Coach. Our Women’s team has also risen in the rankings and played more matches. Our Academy teams have trained more often and played more games. They have done well in recent tournaments.

Recommendation 22 – New Professional (Premier) League: Substantial progress has been made here and the new League is due to ‘kick-off’ this year. AFC approval has been given to the criteria.

Recommendation 23 – Structure of Football in Hong Kong: We will be re-structuring the other Divisions when the Premier League starts, we have extended the FA Cup to include ‘junior’ teams. We have expanded the number of age groups in the youth league and we have established an accreditation scheme for commercial soccer schools which will be rolled out in the near future.

Recommendation 24 – Football Development: The new Technical Department has completely reviewed all of the football activities and programmes and had the changes approved by the Technical Committee. Much work has been done in this area including the preparation of a National Curriculum, the development of plans for grassroots football, women’s football, futsal and coach education. We have appointed a Referees Manager who is recruiting, training and assessing more match officials.

Recommendation 25 – Eligibility for National Teams; The HKFA has reviewed the criteria and is considering a written submission to FIFA.

Recommendation 26 – National Football Training Centre; As long ago as last May, we presented a concept, business plan and financial model to the HKJC. This had been approved by the HKFA Board and the Football Task Force. We continue to be in dialogue with our partners on this scheme but delivery is outside the control of the HKFA alone.

Recommendation 27 – New National Stadium: We have actively participated in the Government’s consultation process and are keen advocates of the project. Again delivery is outside our control.

Recommendation 28 – Community Facilities: The HKFA has agreed ‘home and away’ venues for 1st Division Clubs with LCSD and we have prepared a five-year facility development plan for other community facilities. Again, this cannot be delivered in isolation because there are many stakeholders, not least the Government.

Recommendation 29 – Player Status and Welfare: We have set out plans within the new League criteria to improve the welfare of players and we have met with Fifpro who are interested in helping us to develop a Players Association as part of the new League.

Recommendation 30 – China League: The HKFA is developing closer relationships with the CFA and has had preliminary discussions about potentially including Hong Kong teams in the CFA FA Cup. One of our staff is helping the CFA in a technical capacity. This recommendation was always seen as a long term aspiration.

Recommendation 31 – Partnership Working: Over the last two years the HKFA has fostered excellent working relationships with the Government, the HKJC, sponsors, media and fans and has significantly improved its PR and communication with stakeholders.

Recommendation 32 – Targets and Measures of Success: The HKFA has set targets for all its financial and operational areas and these are regularly reviewed.

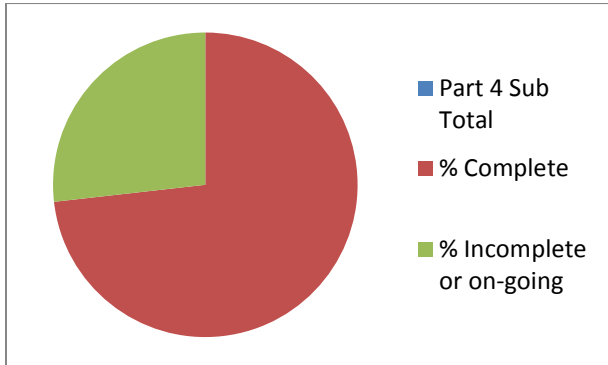
Recommendation 33 – The Way Forward: The HKFA approved the Project Phoenix Strategy and consulted with partners and stakeholders.

It is clear from the above summary that there has been significant and tangible progress on the recommendations designed to improve football on the pitch. Five of the fourteen have been completed and substantial progress has been made on others. It needs to be recognized that in some cases delivery is beyond the control of the HKFA (recs 26, 27 and 28). Similarly other recommendations are a ‘journey’ and not a ‘destination’ (recs 31 and 32). Taking these factors into account it is estimated that around three-quarters of the part 4 recommendations have also been delivered, as illustrated below.

Part 4 Sub Total

% Complete 73.21

% Incomplete or on-going 26.79

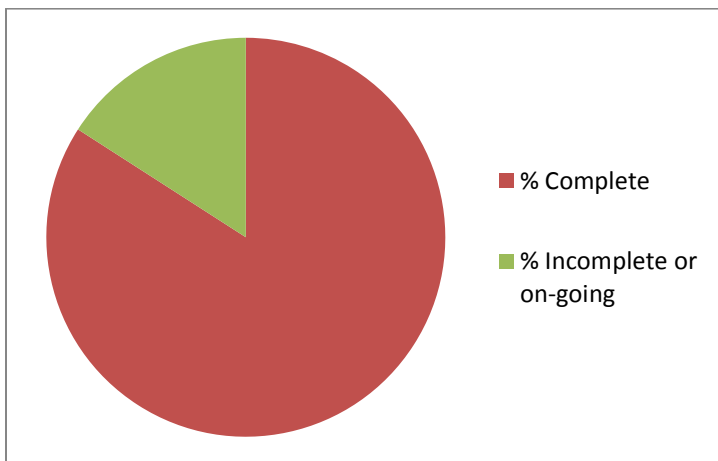


Parts 1, 2, 3 and 4 of Project Phoenix are all equally important and are being expedited simultaneously. By aggregating the results of the four parts it is possible to confirm that 22 recommendations have been completed in full while the rest are well underway. In some cases they will always remain on-going. A considerable amount of work has been done as illustrated below.

ALL recommendations

% Complete 84.09

% Incomplete or on-going 15.91



‘The proof of the pudding is in the eating!’

We understand that people want to see tangible results – so do we. However, everybody has to be realistic because it takes time to change the culture of a sport as well as structures and systems. It takes even longer for positive results to stem from those changes. Other countries that have embarked on a football transformation process have taken ten years to reap the benefits. As they say, patience is a virtue, it is also in short supply!

That said, it is already apparent that positive developments are underway. In terms of improving the corporate governance, management and productivity of the HKFA the existing (pre-Project Phoenix staff) have been joined by additional headcount and collectively they have moved the Association forward.

Head Count - Corporate Services (14 posts)

The following essential posts have been filled: CEO, Personal Assistant, Financial Controller, Head of Corporate Governance, Accounting Officer, Assistant Accounting Officer, HR Manager, HR Officer, Administration Officer, Head of Marketing and Communications, Marketing Manager, Assistant Marketing Manager, IT Manager, Corporate Services Officer. It has taken time and diligence to recruit these people. They have already completed the following initiatives in addition to the normal day-to-day duties.

- Review of Policies and Procedures completed and changes implemented
- Backlog of Audited Accounts sorted
- New Financial/accountancy system introduced
- Finance Manual prepared and issued
- Staff Handbook prepared and issued
- Performance Appraisal System designed and implemented
- Salary Benchmarking undertaken
- Terms and Conditions of Service – harmonization exercise carried out
- Marketing Strategy prepared and significant improvement
- New Website created
- Office Refurbishment (2 phases carried out)
- IT Strategy implemented and new FIFA system being evaluated.

Head Count - Technical – (10 posts)

To complement the above positions we have also recruited a team of technical specialists who have been working extremely hard to implement the recommendations included in Project Phoenix. This includes; Technical Director, National Team Head Coach, Coach Education Manager, Grassroots Manager, Futsal Manager, Academy Head Coach, Referees Manager, Women’s Football Manager, Special Projects Manager, Representative Teams Administrative Manager. There are many positive developments that have already come to fruition as a direct result of these new experts using their skills, expertise and qualifications. It is highly probable that none of these would have come to fruition without Project Phoenix. Anybody that doubts the project should consider the following:

Youth Development

Youth Leagues Competition: One more age group in the District programme. Back in 2011/12 101 teams competed in four age groups, in 2013/14 there are now 129 teams competing in 5 age groups equivalent to an additional 700 boys playing competitive football . In 2010/11 there were 446 matches played in 2013/14 there will be 814 (82% increase). Therefore there is already a big increase in the frequency of participation.

We have organized an AFC Grassroots programme/festival.

Youth Academy: Competitive matches of National Teams (all age groups). In 2010 there was a total of 30 matches, in 2013 there were 53 matches (77% increase).

HKJC Youth Football Programme; 386 players tested to establish benchmarks; the HKFA now has fitness benchmarks to be used for the longitudinal training of players.

Our U18 team was the Champion of 2013 EAFF U18 tournament held in Guam in 2013. Our U16 team qualified for the AFC Finals for the first time ever by finishing second in the group stages, hosted here in Hong Kong.

National Teams

FIFA Ranking; Senior Men's Team 2011 was 169, now Dec 2013 it is 137. An increase of 32 places (20% improvement).

FIFA Ranking; Senior Women's Team 2011 was 70, now Dec 2013 it is 61. An increase of 9 places (13% improvement).

Women's Football

We have successfully integrated the two Associations (Men's and Women's) thus making a unified and integrated Governing Body.

Girl's grassroots participation; in 2010/11 a total of 227 girls were on the programme. In 2013/14 there is a total of 652 (187% increase)

Girls development programmes; in 2010/11, there were no development squads, in 2013/14 there are now 9 teams and 179 players.

Girl's elite programme; in 2010/11 there were 18 'elite' players, now there are 95 (427% increase).

Girl's elite training camps; in 2010/11 there were none, in 2013/14 there were 3. We also held a FIFA Grassroots programme (150 girls),

Women's Football Manager and Coach of Women's National Team have recently successfully completed a FIFA Pro Licence.

Coaching

Coach Education; In 2010 there were 408 coaches trained, in 2013 there were 742 (82% increase). There are now 250 more qualified youth leaders than in 2011. In 2013 we organized 5 Coaching seminars (over 500 people attended). We have introduced a new coaching syllabus, and have 5 FIFA Instructors, 10 AFC Instructors which is much higher than the regional average.

Registered coaches; in 2010 there were 690, now in 2013 there are 749. (8.5% increase).

Refereeing

Refereeing; In 2011 there were 19 Class 1 Referees, at the end of 2013 there are 26 (37% increase). In 2011 there were 25 Class 2 Referees, now there are 36 (44% increase). In 2011 there were 66 Class 3 Referees, now there are 70 (6% increase). In 2011 there were 94 'new' referees, in 2013 there were 180 (91.5% increase). In total in 2011 there were 204 registered referees, now there are 312 (53% increase).

Professional Football: We have prepared the Criteria for the new Premier League which have been endorsed by the AFC. One of our Clubs, SCAA have been awarded a play-off place in the AFC Champions League (another first for Hong Kong)

In 2013 Hong Kong hosted the Barclays Asia Trophy which included two of the top 5 Clubs (Manchester City and Tottenham as well as Sunderland. The Stadium was virtually a sell-out for these matches. Another one of our Clubs, Kitchee played against Manchester United (top teams want to come here).

Futsal; we have introduced a new primary schools initiative and intra-district competition.

The HKFA hosted a FIFA/AFC **Football Medicine Programme**

The achievements highlighted above represent a summary of the revitalization of football in Hong Kong. This has been achieved in a relatively short space of time and has involved many people within the HKFA and beyond. For example our own Competitions Department has coped with a 25% increase in workload because of the increased volume of matches and events to organize.

Summary of what has been achieved to date

According to my analysis, we are 75% of the way through Project Phoenix in terms of timescale. So far because of the slow start we have spent around 55% of the money but all of it is allocated and will be spent. We have completed 22 of the 33 recommendations (66.6%) and made good progress on the others. If you add the 'work in progress' on the uncompleted recommendations together with the completed recommendations, my estimate is that the project is around 80-85% complete in total. That's not bad going considering the slow start.

Of course many of the completed recommendations relate to 'internal' changes that fall below the public radar. Similarly some of the incomplete recommendations are important and high profile such as the new Premier League and the Football Training Centre. The Training Centre project is a good example of where the implementation of Project Phoenix is outside our control. We finished the revised concept,

business plan and financial model last May. It needs to be recognized that we require the cooperation of other parties to deliver some of the recommendations.

There is no doubt that as Project Phoenix promised the HKFA has 'Developed'. Indeed it is now radically different with a redeveloped HQ, improved culture and significantly enhanced systems and procedures. The staff resources have almost doubled in two years and levels of expertise are at an all-time high. I think all of the team needs some recognition for the great progress we have made as an organization. The incorrect assertion made by some people that Project Phoenix has had no impact is not only erroneous, it is demoralizing for our team that is doing so much to enhance football. I have nothing but admiration and pride for all the staff of the HKFA.

Not only are we now in a position to 'Deliver' changes in football, we have been doing so in parallel with the internal changes. The new staff have 'hit the ground running' and are using their skills and passion to change the sport for the better.

It is an undeniable fact that we now have more people playing at all levels, (boys, men, girls, women), more frequently and at a higher standard. That alone should convince people that this initiative is working. We also have more coaches and coaching activity and more officials. That is what I call success.

Conclusion

Many people have a natural tendency to be cynical about Government-funded projects and this one appears to be no exception. In fact it is probably exacerbated because it is football-related and the sport doesn't enjoy the best of reputations. However, what people need to understand is that things are changing and changing for the better. We all know that there are difficult challenges to address and that it is impossible to transform a sport overnight. It is easy to be critical but the people that are doing so are usually stating an opinion without any intimate knowledge of the facts. Also, conveniently for them, they never suggest an alternative. Without continued Government support, football in Hong Kong will 'wither on the vine'. Is that what people want? We have to realize that in making a decision as to whether or not to continue supporting local football, the Government will listen to public opinion. Public opinion is often reflected in the media. It is critical therefore that the public and the press make objective rather than subjective statements about Project Phoenix. I have said publically that we have been so busy implementing Project Phoenix that we haven't had time to communicate all of the positive things that it is delivering. I hope this blog will change some of the unfounded negative perceptions by providing more information on what we have been doing and the benefits that are being brought about. The next few months will be critical for the future of football in Hong Kong. Please get behind us and give us your vital support.

Mark Sutcliffe January 2014