

Strategy

STRATEGIC TRANSFORMATION AT TENNIS CANADA

BY ROGER MARTIN

Montreal, Canada.
August 7, 2011
Uniprix Stadium. Main tennis court
at the Canada Masters tournament



ROGERS

SAQ

ZONE
MUNICIPAL

ROGERS



IRIS

CASINO
MONTREAL

SAQ

CALIFORNIE

LA PRESSE

Partenaires
Québec

Xoplait

ROGERS

ROGERS

BANQUE
NATIONALE

BELLE
GUEULE

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TV
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Aside from the small percentage of hugely successful game-changing start-ups like Apple, Microsoft and Google it can be hard for a small organisation to compete with giants in a competitive market. Below Roger Martin uses his game-plan for achieving growth for Tennis Canada (the governing body of tennis for Canada) to demonstrate just how a small organisation can start playing to win.

Size is luxury. Achieving a critical mass is perhaps the most important variable in continued market dominance. Companies like General Electric, Procter and Gamble, IBM, and Coca-Cola have remained among the 20 largest market capitalisation companies on the Standard & Poor's list for the last half-century. Internationally, companies like Samsung provide a similar example, using its heft to enter new markets, learn them and then dominate them. The continued success of these companies is unsurprising; we would be much more surprised if they failed.

Of course, game changing start-ups like Apple, Microsoft and Google frequently unseat leaders. But perhaps the most vexing and challenging question is how can an established competitor with a tiny fraction of the resources of the dominant players successfully compete from such a disadvantage? A great strategy can be the ultimate equaliser.

The Challenge for Tennis Canada

Consider the world of competitive tennis federations. The epitome of a small organisation trying to succeed against giants in a competitive market, Tennis Canada had never achieved relevance in the sport. As of 2005, in men's singles Tennis Canada's most recent player to rank in the top 50 achieved that ranking 21 years earlier and Canada had never had a top 25 player. The women's side was a bit better, with a 48th ranked player five years earlier and two top 25 players in history (#8 in 1985 and #13 in 1989), but still distinctly lagging. In team play, the top 16 countries in the world qualify for the Davis Cup World Group for men and 8 countries for the Fed Cup World Group I for women. Canada had only qualified for the former three times in history and the last time it qualified for the latter was 17 years earlier in 1988. In the four premium Grand Slam tournaments that define tennis greatness, Canada had only one player get as far as the semi-finals in history – 21 years earlier in 1984.

The business side of the organisation was in a similar state of despair. The Association of Tennis Professionals (ATP), the governing body of men's professional tennis, had recently threatened to strip Tennis Canada of its lucrative Masters level tournament (the set of prestigious global tournaments one rung below the Grand Slams) mandate if Tennis Canada did not upgrade the facility in Toronto, an upgrade that required taking on \$18 million of debt. The crippling debt load combined with

the modest revenue sources at Tennis Canada's disposal meant that it had only \$3 million/year to spend on high performance tennis development. In stark contrast, the national tennis federations of the Grand Slam countries (France, the United States, Australia, and England) routinely garnered in excess of \$100 million in funding for their high performance tennis from those single events.

A New Strategy

In the face of this mediocrity and the threat of being banished into further irrelevancy from the world tour, new Chairman Jack Graham, new CEO Michael Downey, director and future Chairman Tony Eames, and I (a new director and also future Chairman) decided the only productive way forward was a complete overhaul of our strategy.

The traditional business strategy employed by Tennis Canada was one more typical of the Canadian way of life – based on fairness and complacency – than what was required to win in an ultra-competitive global arena. In short, Tennis Canada played to play, not to win. Any player in Canada with decent promise received funds from Tennis Canada for development, so that its scant resources were spread across a broad population, without goals or focus. The new team organised itself around a single – and then revolutionary – principle: play to win.

The leadership group set out ambitious new goals centred on how Tennis Canada, a poorly funded enterprise, could produce talent to compete against the giants in the game. Canada would become a leading tennis nation that would never be without both men's and women's players within the top 50 world rankings. It would always be part of the world group in the Davis and Fed Cup tournaments and it would produce a Grand Slam singles winner. A tennis federation with heretofore-anonymous players and immaterial resources intended to be in the international conversation of leading tennis nations.

Nine years later, however, those goals, which appeared almost preposterous at the time, seem like they don't stretch far enough. Canada now boasts not one player of both sexes in the Top 50 but rather one each in the Top 10. Milos Raonic reached a high of 6th and Eugenie Bouchard 5th, and both ended 2014 as the youngest player in the Top 10. Starting in 2012, Canada has consistently qualified for the Davis Cup World Group, and

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returned to Fed Cup World Group I in 2014 for the first time in nearly three decades. In terms of Grand Slam performance, 2014 was a breakout year with one finalist appearance and three semi-final appearances between Bouchard and Raonic. In addition, the player pipeline beyond Raonic and Bouchard is rich with new talent.

While various small countries out-produced Canada for decades – the likes of Belgium, Switzerland, Serbia and Chile all developed championship talent – Tennis Canada now punches dramatically above its weight. We are winning, and poised for continued success. All of which, of course, begs the question, how did Tennis Canada play to win?

We succeeded because of a unique strategy, the approach that small organisations must follow to take on a dominant leader. To benchmark and attempt to pursue the same strategy as a much bigger leader is to guarantee failure. Unlike the more powerful nations, Tennis Canada could not rely on bottomless resources to cultivate competitive talent. To win as a small country, we had to tack away from the common approaches developed by the historical talent leaders like France and the United States and build our own model of success.

France, a nation that consistently produces top-level tennis talent, has a strictly defined high performance development program. Junior players who demonstrate ability and a desire to win are funnelled into the system at a young age. From that point onward, through to eventual adult career success, the French system controls their tennis lives. The location and the nature of training is prescribed by the French Federation and enacted entirely within France under French control.

The United States Tennis Association operates in a manner that is the polar opposite to the French system. With a massive tennis-playing population (individual counties in Florida and California have more tennis courts open for all 12 months of the year than does all of snowy Canada), and very large-scale for-profit tennis academies such as the Bolletieri Academy and Saddlebrook, the United States Tennis Association (USTA) has

TENNIS CANADA START PLAYING TO WIN

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2014

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Milos Raonic reached a high of 6th in the Top 10



Eugenie Bouchard reached a high of 5th in the Top 10

TOP 10

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historically waited for the talented players to bubble to the top of the junior heap. Once the best players rise to the top, money, training and other resources are amply supplied. (Because of the abject failure of this system in the past decade, the USTA has become more interventionist recently.)

Both systems have produced many winning players – but both require massive resources to do so. France and the United States both dwarf Canada in terms of tennis participants, favourable weather for training, and cash flow. If Canada copied either of these approaches, it would guarantee failure.

From 2005 onward, Tennis Canada followed an explicit path based on unique answers to the five key questions any organisation must answer to create a winning strategy. The answers to the five winning strategy questions work dynamically, with each objective informing and reinforcing one another. This set of choices, which I call a strategic choice cascade, is a powerful framework for guiding an organisation toward a winning path – one that provides clarity to all operational decisions the organisation makes on a daily basis.

The Five Key Strategy Questions

What is your winning aspiration?

We set out with the goal of becoming a leading tennis nation. For Tennis Canada, that meant always having players ranked in the top 50 men's and women's singles world rankings, being part of the elite world groups in the Davis and Fed Cups, and winning a Grand Slam tournament.

It is important for an organisation to be focused and working towards its aspiration at all times. Only with a clear and specific vision will it be able to move towards its goal.

Where to play?

We focused on the very hardest game – singles. Singles is the most important market in international tennis; doubles cannot match its prestige, funding and professional opportunities.

We also chose to identify and develop talent in an organised fashion at a young age

(8–9 years of age) rather than waiting until a later age, as had historically been the case. Our players needed support earlier in order to compete globally.

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How to win?

There were two major thrusts to our approach to winning. The first was to adopt select practices of our key competitors. Alone, these practices were not intended to win, but rather to ensure that we did not have debilitating weaknesses that would undermine our uniqueness.

- We needed to earn the highest possible funding from our two big tournaments in order to funnel the resources to high performance tennis. Our new CEO, Michael Downey, brought his business skills as a sports business executive to building our resources from \$3 million to \$12 million in 9 years.

- We opened a national tennis center for full-time residential coaching of our promising juniors. We needed a formal training centre to simply be in the game. Instead of hiring a local coach to run the national tennis centre, we realised that we needed to go outside Canada to hire a seasoned professional who had coached Top 10 players before. So we hired Louis Borfiga, who headed the junior national centre in France.

We also pursued a course that was distinctive from our large and more lavishly funded competitors on two fronts.

- Alongside Borfiga, we hired Bob Brett, one of the most experienced and successful professional coaches in the world. Rather than deploy Brett the way he had always been deployed – i.e. against top tier touring professionals – we put him in charge of our Under-14 program. As one of the world's top coaches of top ten players, Brett was in a privileged position to identify the under-14 players with truly world-class potential. We focused our development spending on only those with the highest likelihood of success, creating a narrow, but rich, funnel of young players.

- We followed neither the French nor the US system for development but rather a unique and productive hybrid of both. We supervised and funded the development of our high performance players. But we didn't control the process or keep it

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PLAYING TO WIN

Clockwise from right: Milos Raonic in pair with Vasek Pospisil play against Novak Djokovic and Rafael Nadal in the Rogers Cup on August 09, 2010; Eugenie Bouchard celebrates victory after third round match on August 30, 2014; Canadian tennis fans celebrate win by Milos Raonic on August 30, 2014




within Canada. When Raonic was 16 Tennis Canada organised and funded coaching and training with a former Top 50 player at his Spanish tennis academy, where he could further develop his game. A similar approach was taken with Eugenie Bouchard, who did much of her development in Florida, funded and coordinated by Tennis Canada. Their foreign coaches and Tennis Canada managed both players collaboratively. In doing so, we took the best of the "free market" US system and the "totalitarian" French system.



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path and criteria that players had to achieve to gain and maintain funding. This enabled us to focus our very limited resources on the players with the brightest futures.

At Tennis Canada, the belief is strong that the best is yet to come. The excitement exists because the organisation is winning on the world stage – producing more talent with significantly fewer resources than the largest federations. Despite a budget one-tenth the size of key competitors, Tennis Canada has built a sustainable platform for success and, like any organisation that effectively competes for success, continues to play to win. 

About the Author



Professor **Roger Martin** was formerly Dean of the Rotman School of Management and is currently Academic Director of its Martin Prosperity Institute. In 2013, he was named Global Business School Dean of the Year. The most recent of his eight books is bestseller *Playing to Win* written with AG Lafley (HBRP, 2013). In 2013, Roger placed 3rd on the Thinkers50 list, a biannual ranking of the most influential global business thinkers. Roger is a trusted strategy advisor to the CEOs of companies worldwide including Procter & Gamble, Verizon, Lego, and IDEO.

What capabilities must be in place?

It was clear that great coaching and a modified national tennis centre were needed. For the first time in its history, Tennis Canada hired international coaches and focused our development dollars toward our best young players, rather than toward mid-level touring professionals.

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What are our management systems?

We developed a unique development