ENTREPRENEURSHIP IN RECREATIONAL AND PROFESSIONAL SPORT

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Abstract
Professional sport in itself incorporates two forms of activity: Entrepreneurship and Management. According to this, sport is subject to all economic laws of business and profit acquisition. Sport can be considered a very profitable productive activity, on the other side sport entrepreneurship is a special type of entrepreneurship. It is concentrated toward better organization of sport collectives in order to reach a level where sport entrepreneurs expect profit from them.

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Sport as a social activity and a characteristic of people is liable to laws of economy. Excluding amateur sport and sport as a hobby, leaves only professional sport. Professional sport is dominant in all civilized societies; therefore it is necessary to identify some preconditions that make sport a professional activity. Considering certain social and political changes in world society recently we come to direct conditions for sport as a profession if we aim not only for sport results but also for survival of sport as a particular business branch.

Sport as a free human activity has been transformed in a profession and it necessary is a subject to all laws of professional activity. It is almost impossible and unbelievable to encounter competitors in sport competitions that aren’t professional sportsmen. On contrary, eminent sportsmen today belong to world elite when it comes to profit they made in sport.

Best illustration for this is English national team player David Beckam and his capital. Further this means that sport today is a source of profit and, therefore, a special type of business activity. According to this, sport is subject to all economic laws of business and profit acquisition.

From this aspect, sport necessarily incorporates two types of activity: entrepreneurship and management. Entrepreneurship is one of the most active business activities in sport and therefore deserves our attention.

Entrepreneurship in general is a process of investing resources in certain business activity in order to gain certain benefits. Hence, entrepreneurship can be considered as a new form of reproduction with a goal to create or gain or extract maximal profit. It implies novelty in business policy of the firm (to be innovative and informed, new types of jobs, new products).

Accordant to this, entrepreneurs assume all business risks, found new firms and expand their activity. Institutional space where entrepreneur activity takes place is firm, organization, company, etc. The investor in all this business creations is the entrepreneur. Entrepreneurship is a complex category and demands detailed definition in every activity.

Personality of an entrepreneur should have: creativity, sense of subordination to laws of economy in market conditions, successful managing skills, sense for business responsibility, control and risk he has to face. Entrepreneur, in his own way, is “spiritus movens” of the firm, which motivates, organizes, manages and assumes risks of making business.

Modern entrepreneurship doesn’t necessary assume the entrepreneur to be the owner of the capital.
It is possible for professional manager who realize profit through their activity to assume the role of an entrepreneur.

Fundamental question of entrepreneurship in sport is:

How to incorporate the process of entrepreneurship in sport?

The author of this question overlooked the fact that the process of transformation in sport clubs in former socialistic countries is nearly finished and therefore the question loses significance.

Considering definitions of entrepreneurship it is noticeable that sport is welcome only if it brings profit. In this aspect, a large specter of sport disciplines is competitive on market. It is hard to say whether it is useful to develop other (unprofitable) sport disciplines. If we consider the possibility of profitable sport disciplines supporting unprofessional sport, we are afraid that it would not benefit the society.

If we add to this private property (its transformation from public to private, present in sport in former socialistic countries) we realize that there is small possibility of individual owners showing interest in investing capital in other sport disciplines, less attractive and less profitable. Certainly, this doesn’t assume total elimination of unprofitable sports. They would still exist, but organized on other principles (voluntarily, amateur, donations, sponsorships, legacies for financing of these sport activities).

This way we’ll have a gradual differentiation of sport as business activity that brings profit (benefiting economy of the whole country) and sport as voluntary activity (recreation). The latter is more massive than any other sport activity everywhere and beside the benefit it has on individual mental and physical health and even on whole community (in China it is connected to religious convictions) it still doesn’t have the significance of professional sport. Professional sport has a special place in national aspect but also in the world society.

Professional sport motivates a whole line of different industry segments and thus enables world production of sport requisites and creates possibility of expansion of productive capacities all around the world. Professional sport is especially developed in progressive countries where it is directly and indirectly profitable, and its realization is subjected to laws of economy and world sport market.

The indicators of sport profitability are not only the actual sport results, that bring bigger auditorium and profit, but also its incorporation in other complementary activities, like sport industry, truism, hotel management, sport equipment and clothing, production of healthy food and different services. Sport becomes this way propulsive force of business and economy success. Sport is, therefore, activity that can and does bring profit when approached from the aspect of entrepreneurship.

Certainly, guided by principle of profit, sport as a sector of production can bring business results that often exceed business results of other production sectors. Still there is a bitter fact that participants in sport (sportsmen) often finish their career early because of unreasonable constrain in order to achieve sport victory. This way, sport as economic activity becomes equal to other sectors of production in aspect of exploitation of work force and everything else negative that occurs in the relation between employer and employee (between capital and exploitation of work force).

This negative aspect of sport is still minimized and compensated with possible great gain on other hand – with those sportsmen that get possibly win entrance to higher rank of competition or win certain medal or something else in the process of competition. Precedent personal or collective invested effort in sport winning is annulled and fading in comparison to possible big money gain received in return.

From all this we can draw the conclusion that sport can be considered a very profitable productive activity which makes more and more progress in modern world. Sport entrepreneurship is a special type of entrepreneurship. It is concentrated toward better organization of sport collectives in order to reach a level where sport entrepreneurs expect profit from them.

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