



UNIVERSITY
OF
JOHANNESBURG

<u>FACULTY</u>	: Health
<u>DEPARTMENT</u>	: Sport and Movement Studies
<u>CAMPUS</u>	: DFC
<u>MODULE</u>	: SPB14X7/HMS8X18 STRATEGIC MANAGEMENT IN SPORT
<u>SEMESTER</u>	: First
<u>EXAM</u>	: May 2019

<u>DATE</u>	: 23 May 2019	<u>SESSION</u>	: 08:30
	DR N JANSE VAN		
<u>ASSESSOR(S)</u>	: RENSBURG		
<u>MODERATOR</u>	: DR JT WEILBACH		
<u>DURATION</u>	: 3 HOUR	<u>MARKS</u>	: 100

NUMBER OF PAGES: 14 PAGES

INSTRUCTIONS:

1. This examination is an open book examination.
2. Students are allowed to bring their *textbooks, notes and/or other resources* into the exam room.
3. All resources must be *hardcopies/print format* (no computers, tablets or cellphones are allowed).
4. Students will be given 3 hours to complete the test. There are 2 questions. Students should allocate their time approximately as follows:
5. Question 1 – 36 minutes
6. Question 2 – 144 minutes
7. Read all questions carefully and make sure you understand the facts before you begin answering.
8. Write legibly, number correctly and be concise.
9. Deal with all the issues raised even if you believe the disposition of any one of them is controlling. If there are ambiguities in the facts, make whatever assumptions are necessary to resolve an issue; if additional facts are needed, state what these facts are and why they are needed.
10. Good luck and have a nice vacation

QUESTION 1 (20 MARKS)

Choose the one best answer from each of the various options presented to you. Only write down the option that you have chosen.

- 1.1) Which of the following is *not* descriptive of strategy?
- A) Long term direction.
 - B) A pattern in a stream of decisions.
 - C) A means to achieving strategic goals.
 - D) Ironing out operational problems.
 - E) Change.
- 1.2) African nations' main strategic drive focuses on:
- A) Cheaper.
 - B) Greater utilization of technology.
 - C) Better infrastructure.
 - D) Wealth creation.
 - E) Water supply.
- 1.3) The main difference between sustainability and corporate social responsibility (CSR) is:
- A) CSR looks at the nature of the company and sustainability at the actions of the company.
 - B) CSR looks at the actions of the company and sustainability at the nature of the company.
 - C) CSR implies a retroactive attitude, whereas sustainability implies a forward trajectory.
 - D) B and C.
 - E) A and C.
- 1.4) The biggest critique of the strategic management process perspective, is that:
- A) It is a non-linear process.
 - B) It processes too much information.
 - C) It causes unhappiness amongst employees.
 - D) It does not consider the complexity of the environment.
 - E) A and C.
- 1.5) The conceptual framework for strategy-as-practice can best be described as strategic alliance.
- A) Praxis, practitioners and practice which interacts, with "strategizing" as a result.
 - B) Praxis, practitioners and practice which creates an organisational equilibrium.
 - C) Praxis, practitioners and practice as a result of "strategising".
 - D) "Strategising" as a strategy which is stuck in the implementation phase.
 - E) B and C.

- 1.6) One benefit for an organisation being a learning organisation is:
- A) Affording employees the chance to improve their skills.
 - B) Aiding the organisation to meet its corporate social responsibility goals.
 - C) To enhance the ability to adapt more quickly to environmental changes.
 - D) All of the above.
 - E) None of the above.
- 1.7) Dynamic capabilities can best be described as:
- A) Capabilities normally associated with a dynamic brand.
 - B) Capabilities which allow employees to work faster.
 - C) Capabilities which allow the organisation to learn new capabilities.
 - D) Capabilities which creates expectations from consumers.
 - E) None of the above.
- 1.8) When undertaking a study of the organisation in relation to its environment and key role players, strategic decision making and planning should:
- A) Take advantage of internal strengths and identified opportunities arising from the external environment.
 - B) Overcome weaknesses, or neutralise identified threats found in the external environment.
 - C) Ensure the strategic 'fit' or consistency between its external and internal environments.
 - D) None of the above.
 - E) All of the above.
- 1.9) Corporate strategies can broadly be classified into:
- A) Internal growth strategies.
 - B) External growth strategies.
 - C) Corporate combination strategies.
 - D) Turnaround strategies.
 - E) All of the above.
- 1.10) Which of the following is *not* a main element of the cultural web?
- A) Routines.
 - B) Symbols.
 - C) Power.
 - D) Office politics.
 - E) Control systems.
- 1.11) _____ refers to the way managers and other employees cooperate within the organisation in order to realise organisational goals.
- A) Internal architecture.
 - B) Strategising.
 - C) Sense making.
 - D) A matrix structure.
 - E) A divisional structure.

- 1.12) Typically, in strategy implementation, strategies are translated into...:
- A) tools to plan a new strategy.
 - B) projects that need to be completed as part of the organisation's day-to-day operational activities.
 - C) people's hopes and dreams for a better, more profitable future.
 - D) None of the above.
 - E) All of the above.
- 1.13) Which of the following is not part of the strategic control process?
- A) Resource management.
 - B) Organisational effectiveness.
 - C) Organisational efficiency.
 - D) Organisational maturity.
 - E) B, C and D above.
- 1.14) Measures of organisational effectiveness include:
- A) an internal focus of control.
 - B) measures relating to sales, market share and customer retention.
 - C) measures relating to stakeholder satisfaction, competitive success and excellence.
 - D) preliminary, concurrent, rework, damage, feedback, capacity and quality control.
 - E) measurements of customer satisfaction.
- 1.15) When aligning strategy with individual behaviour, which of the following is an appropriate tool?
- A) Recruitment process.
 - B) Politics and procedures.
 - C) Developing.
 - D) Awards.
 - E) None of the above.
- 1.16) Which one of the following factors will lead towards decentralised authority and decision making?
- A) Low costs are associated with the decision and it has little impact on the success of the organisation.
 - B) A complex and volatile environment.
 - C) The organisation is doing business in a predictable industry.
 - D) Lower managers do not illustrate maturity in executing their responsibilities.
 - E) A small organisation with little complexities.
- 1.17) Which of the following is *not* a characteristic associated with good strategic leadership?
- A) Articulation of the business model.
 - B) Being well informed.
 - C) Astute use of power.
 - D) Solid self-esteem and ethical use thereof.
 - E) Willingness to delegate and empower.

- 1.18) Strategies can be evaluated against three key evaluation criteria, namely:
- A) Suitability, accessibility, and feasibility.
 - B) Suitability, acceptability, and feasibility.
 - C) Sensibility, acceptability, and fallibility.
 - D) None of the above.
 - E) All of the above.
- 1.19) Which of the following best describes the limitations associated with the industry life cycle?
- A) Some industries re-invent themselves.
 - B) Some industries are stuck in a certain phase.
 - C) The industry structure is a determinant of a firm's performance.
 - D) None of the above.
 - E) All of the above.
- 1.20) Which of the following activities are considered support activities in terms of the value chain?
- A) Inbound logistics.
 - B) Marketing and sales.
 - C) Customer service.
 - D) All of the above.
 - E) None of the above.

[20]

QUESTION 2 (80 MARKS)

CASE STUDY:
SA domestic cricket changes
(Appendix A)

Study the case study (all news articles) and then answer all of the following questions accordingly.

- 2.1) Was the decision by Cricket South Africa (CSA) to return to the 12 provincial teams and do away with the franchise teams strategic? (10)
- 2.2) Briefly evaluate the sustainability of CSA's strategy against the six elements important in developing sustainable strategies. Provide an example for each element from the case study. (12)
- 2.3) Critically evaluate the vision and mission statements of CSA against the theory relating to strategic direction. (8)
- 2.4) Use Porter's five force model to determine the strategic implication for CSA if they continue with this new plan. (20)
- 2.5) Should CSA make use of an centralised or decentralised approach to decision making of this new plan? By using the considerations proposed by Venter (2014), which approach will work best for CSA? What are the advantages and disadvantages associated with this approach? (20)
- 2.6) From the limited information, which barriers to strategy deployment can be anticipated with CSA's proposed plan. (10)

[80]

TOTAL: 100 MARKS

About CSA

Vision & Mission

Vision

Cricket South Africa's vision is to make cricket a truly national sport of winners. This has two elements to it:

- To ensure that cricket is supported by the majority of South Africans, and available to all who want to play it.
- To pursue excellence at all levels of the game.

Mission

As the governing body of cricket in South Africa, Cricket South Africa will be led by:

- Promoting and protecting the game and its unique spirit in the context of a democratic South Africa.
- Basing our activities on fairness, which includes inclusivity and non-discrimination.
- Accepting South Africa's diversity as a strength.
- Delivering outstanding, memorable events.
- Providing excellent service to Affiliates, Associates and Stakeholders.
- Optimising commercial rights and properties on behalf of its Affiliates and Associates.
- Implementing good governance based on King 3, and matching diligence, honesty and transparency to all our activities.

Source: <https://cricket.co.za/cat/23/About-CSA>

About SACA

The South African Cricketers' Association (SACA) is the official Players Association and collective representative of South Africa's 317 professional cricketers. SACA is a registered trade union and is the voice of the Players in South African cricket. SACA operations are managed by a team based in Cape Town, South Africa. The team reports to a Players Executive Committee, which is comprised of current Players elected annually by the Players themselves.

SACA Mission and Objectives

SACA's mission is "To Protect and Promote the Interests of South African Professional Cricketers, and the Game." In order to achieve this, SACA has the following key objectives:

- To be a visionary role player in the game of cricket in South Africa
- To actively influence the direction and sustainability of the game, internationally and domestically
- To maintain the integrity of the game
- To ensure secure and optimal employment contracts for Players
- To optimise Player financial benefits in all viable markets
- To develop and deliver comprehensive and relevant player services
- To develop and deliver a collective commercial programme for Players
- To represent Players on all collective matters and promote their stakeholding in the game
- To represent Players on regulatory issues
- To ensure international representation of South African Players through FICA, and participate in FICA's activities
- To build and maintain Player affinity
- To further develop the SACA brand for it to be seen as respected, strong, supported by Players and principle and values-driven
- To sustain the Players Association and its representation of Players for the future

Source: <http://saca.org.za/about-saca/>



4.4.2019 11:36 am

Eight outvoting six: The death of franchise cricket?

Ken Borland

If Cricket SA's members get their way this weekend, the domestic landscape could change dramatically.

Never mind increasing the number of franchises from six to eight, a vital meeting of the Cricket South Africa (CSA) Members Council this weekend is set to see the eight non-franchise provinces vote for the entire franchise system to be dismantled and for domestic cricket to return to a 12-team competition.

For the last couple of years, CSA have been talking about increasing the number of franchises mostly in order to provide increased player opportunity, but their own feasibility studies said seven franchises would just about be financially viable, but not eight. Which caused an enormous, politicised hot potato because they found it impossible to decide between a second Eastern or Western Cape franchise, or the cases put forward by Kimberley and Potchefstroom.

So now it seems CSA will do a U-turn and return to the 12-team system that was done away with in 2004 in order to make South African domestic cricket more competitive, professional and financially viable. Except CSA chief executive Thabang Moroe claimed on Wednesday that the whole process is being driven by the provinces, where eight non-franchise votes hold sway.

“The Members have asked us to look at domestic cricket again, they have their concerns and we need a directive from them. It’s about player opportunity, the pipeline is producing enough cricketers but they aren’t getting enough playing time. It’s lopsided in that contracted players are playing way less than the guys who are not contracted.

“I’m hearing a lot of rumours about the franchises – do we keep it the same or expand; there are those who want eight to 10 franchises and those who want to go all the way back to 12 teams. But as CSA management we don’t know until they tell us. We can’t say no to the Members, but obviously we have a responsibility to show them the financial implications.

“We will be meeting on Friday and Saturday and I do believe some decisions will be made, although we don’t know how far the presidents’ mandates extend in terms of their respective provinces. Depending on the level of changes, the horse may have bolted for next season especially because contracting has to be done now, and then we will only do this for the 2020/21 season,” Moroe said at the launch of the T20 Challenge at CSA headquarters.

Even though Moroe would not confirm it, the players and franchises are treating the 2018/19 CSA T20 Challenge that starts at the weekend as the last one because the arrival of the Mzansi Super League has made it superfluous.

The fact that it has been tagged on to the end of the summer shows the lack of interest in a competition that has basically been taken over by the MSL, with Moroe admitting they are concerned that both players and spectators are already suffering from cricket fatigue.

Source: <https://citizen.co.za/sport/south-african-sport/sa-cricket-sport/2111764/eight-outvoting-six-the-death-of-franchise-cricket/>

Domestic cricket in SA set for dramatic restructure?

2019-04-05 09:41

sport24



Cape Town - Domestic cricket in South Africa could be set for a dramatic shake-up.

A report on Netwerk24 suggests that a change as early as the 2020/21 season could see a return to a more traditional product that would see 12 provincial teams competing against each other.

Photo 1: Thabang Moroe

It would effectively mean the death of the current franchise system.

There are presently six franchises operating at the highest level of domestic cricket in South Africa, while there are a further 13 semi-professional outfits playing in Cricket South Africa (CSA) competitions.

A move to 12 teams, according to the report, could save CSA around R70 million.

Currently, the semi-professional sides can offer contracts to 11 players each while all six franchises have their own contracting models.

Under the new system, the 12 provincial sides would be allowed to contract 18 players each, which would significantly lessen the total amount of professional contracts in South African cricket.

When asked about the proposal, Cricket South Africa (CSA) CEO Thabang Moroe could not confirm anything.

He acknowledged, however, that CSA's 14 member unions had asked for intervention.

The thinking is that the new 12-team system would give more playing opportunities to more players in South Africa.

Any change would not be able to happen before the 2020/21 season given that player contracting has already been done for the 2019/20 season.

The six franchises currently playing in the top tier of South African domestic cricket are the Cape Cobras, Warriors, Dolphins, Knights, Highveld Lions and Titans.

The 14 semi-professional provinces include Western Province, Boland, South Western Districts, Eastern Province, Border, KwaZulu-Natal, KwaZulu-Natal Inland, Free State, Northern Cape, Gauteng, Northerns, Easterns, North West and Mpumalanga

Source: <https://www.sport24.co.za/Cricket/Proteas/csa-confirms-plans-to-restructure-domestic-cricket-20190408>

CSA confirms drastic plans to restructure domestic cricket

2019-04-08 14:24



Photo 1: Thabang Moroe

Cape Town – The Cricket South Africa (CSA) board has approved plans that will see South Africa's six franchise teams expand to 12 provincial teams from May 2020.

It would be a fundamental change to the domestic cricket landscape in South Africa and would effectively be the death of the franchise system.

CSA CEO Thabang Moroe confirmed this past weekend that CSA's predicted losses over the next four years sat at R350 million (down from R650 million) thanks largely to the proposed restructure.

While the plans have been approved at board level, CSA must now consult with the franchises as well as well as the South African Cricketers Association (SACA) before anything can start moving forward.

"We have a three-phased process where we will see Cricket South Africa go back to 12 provinces and we plan in the third year to either have Limpopo, Mpumalanga - or both - become part of the first-class structure, which will take us to the 14-member competition," said Moroe.

"Franchise cricket has been a huge burden to CSA's coffers.

"We are pinning most of our work and commercial strategy on the Mzansi Super League to be the programme that is actually going to fund domestic cricket."

The thinking is that the new 12-team system would give more playing opportunities to more players in South Africa.

General manager cricket of CSA Corrie van Zyl further announced the termination of the T20 Challenge, which is currently ongoing.

"Obviously with us collapsing the franchise system into the senior provincial system, you will have lesser competition costs associated with the competitions," said Van Zyl.

"Next year, we'll already be saving because of the termination of the T20 Challenge. From May 2020, we'll be moving to a 12-affiliate first-class structure, which enables us to have a saving.

"From a cricket perspective, the strength versus strength was very important. In our plan we will structure the new competition in such a way that we have strength versus strength, eventually getting to an A and B section at first-class level," said Van Zyl.

The six franchises currently playing in the top-tier of domestic cricket are the Cape Cobras, Warriors, Dolphins, Knights, Highveld Lions and Titans.

The 14 semi-professional provinces include Western Province, Boland, South Western Districts, Eastern Province, Border, KwaZulu-Natal, KwaZulu-Natal Inland, Free State, Northern Cape, Gauteng, Northerns, Easterns, North West and Mpumalanga.

Source: <https://www.sport24.co.za/Cricket/Proteas/csa-confirms-plans-to-restructure-domestic-cricket-20190408>



CSA TO SCRAP FRANCHISES FOR PROVINCIAL SYSTEM

The decision is related to CSA's new austerity measures which have seen it revise their four-year loss from R654 million to R350 million.

Carl Lewis | 08/04/2019

CAPE TOWN – Cricket South Africa (CSA) announced that they will terminate the current domestic franchise system and reintroduce the old provincial system from next year, consisting of 12 teams and eventually moving to 14.

The decision is related to CSA's new austerity measures which have seen it revise their four-year loss from R654 million to R350 million.

The likes of the Titans and the Cape Cobras will be no more, with Western Province making a return. The Mzansi Super League will continue, as will the newly created six franchises.

CSA Cricket manager Corrie Van Zyl explained the changes.

“Obviously with us collapsing the franchise system into the senior provincial cricket system, you will have lesser competition costs.

“Over the next year, we will already be seeing a saving because of the termination of the T20 challenge. From 1 May 2020, we will be moving to a 12-team affiliate first-class structure which enables us to have a saving.

“We will structure the new competition in such a way that we can still have strength vs strength by eventually getting to an A and B section of the 12 teams at first-class level.”

Limpopo and Mpumalanga were recently accepted as full members but should only be competition ready it 2022, explained CSA CEO Thabang Moreoe.

"We have a three-year phased process where we will see CSA going back to 12 provinces with obviously a plan on working very hard to make sure that in the third year.

"We are at a point where either Limpopo and Mpumalanga or both will become part of the first-class structures, which will obviously then take us to 14-member competitions."

Source: <https://ewn.co.za/2019/04/08/csa-to-scrap-franchises-for-provincial-system>



SCA: PLAYERS' UNIONS NOT CONSULTED OVER CSA MOVE TO DITCH FRANCHISE SYSTEM

The decision to move to the provincial system is related to CSA's new austerity measures, which has seen the body revise its four-year loss from R654 million to R350 million.

Carl Lewis | 09/04/2019

CAPE TOWN - Chief executive of the South African Cricketers Associations (SACA), Tony Irish, told **EWN Sport** that Cricket South Africa (CSA) has not consulted the players' unions regarding their decision to collapse the current domestic franchise system and reintroduce the old provincial system from next year consisting of 12 teams and eventually moving to 14.

SACA and CSA have had their run-ins in the past, most notably over the revenue sharing model that CSA wanted to introduce but the two organisations eventually found common ground.

The decision to move to the provincial system is related to CSA's new austerity measures, which has seen the body revise its four-year loss from R654 million to R350 million.

Limpopo and Mpumalanga were recently accepted as full members but will only be competition ready in 2022.

While Irish is not against the decision, he feels that the players' unions should be consulted considering the number of elements involved in such a seismic shift in domestic cricket.

"I'm not saying I'm not for it, I'm saying there's a lot of detail to that restructuring. There's also the financial position. CSA has financial challenges and everyone knows

that. They're forecasting a deficit over the four-year period; we've asked several questions and information relating to that and we haven't been provided with it.

"On the restructuring itself, we haven't been properly consulted over the restructuring. There may be some positives and there may be a lot of negatives."

There could be trouble for CSA as Irish states the Memorandum of Understanding (MoU) signed by the parties last year requires the green light from SACA.

"We have an MOU in place at the moment with CSA, a four-year MoU, if there is going to be any restructuring then there would have to be changes to that agreement and we would have to agree to those changes."

Irish and SACA are desperate for more information and detail considering the semi-professional system would collapse as well.

"To say we're just going to move to 12 provinces, there's a lot of detail about how that happens. Does that mean that there is a loss of player contracts because what they're actually doing is they are merging the provincial system and the franchise system? So, what are the implications of that?"

"Do they use the same number of players or less players? Are all players going to lose jobs? Are players going to earn less? There are many questions which determine whether this can be successfully done or not before you actually make the decision, and those are things that they should have been speaking to us about."

Irish also says that CSA's precarious financial position requires informed decision making from all stakeholders. Last year, CSA forecasted a R650 million loss over four years but have revised that figure to R350 million.

"Whether it's the right decision or not actually depends on a number of the questions that we have around that, including whether it's necessary to do this financially. The financial position is critical to this. What's it going to cost? Is it going to be a cost saving or is it actually going to cost CSA more money because that's a critical question given that they're already budgeting for a heavy loss over the four years."

Source: <https://ewn.co.za/2019/04/09/saca-players-unions-not-consulted-over-csa-move-to-ditch-franchise-system>



SACA not convinced by CSA changes

Published on April 9, 2019 |

The South African Cricketers' Association isn't convinced that Cricket South Africa's decision to exchange franchise cricket for provincial competition will succeed.

Earlier this week, CSA CEO Thabang Moreo confirmed the franchise system will be replaced by provincial cricket next year.

The Lions, Cape Cobras, Knights, Dolphins, Warriors and Titans will effectively be replaced by Gauteng, Western Province, Free State, KwaZulu-Natal, Border, Northerns and others.

'We have expressed our concerns and have not heard anything back from CSA as yet,' Irish told Sport24.

'We need to feel comfortable that the finances and predictions are correct. That will determine how we respond to the proposed changes.

'We want to act responsibly from an informed basis, but need CSA to respond to our queries in order to do this.

'We know that there are financial challenges, but we need to be comfortable that the way it is being dealt with will actually ensure the long-term sustainability of cricket in the country.'

Limpopo and Mpumalanga will likely join the 12 other provincial teams in 2022. While the T20 Challenge will be terminated, the Mzansi Super League will continue. The MSL was introduced late last year – and the Jozi Stars claimed the inaugural title after beating the Cape Town Blitz in the final.

'Franchise cricket has been a huge burden to CSA's coffers. We are pinning most of our work and commercial strategy on the Mzansi Super League to be the programme that is actually going to fund domestic cricket,' said Moreo.

'We have a three-phased process where we will see Cricket South Africa go back to 12 provinces, and we plan in the third year to either have Limpopo, Mpumalanga, or both, to become part of the first-class structure, which will take us to the 14-member competition.'

Source: <https://www.sacricricketmag.com/saca-unconvinced-by-csa-changes/>

CSA needs SACA buy-in before any change to domestic set-up

2019-04-09 12:06

sport24



Photo 1: Thabang Moroe

Lloyd Burnard - Sport24

Cape Town - Cricket South Africa (CSA) will have to get the South African Cricketers Association (SACA) on board before any changes to the current domestic cricket landscape can happen.

That is the view of SACA chief executive Tony Irish, who says that there has still been no proper engagement by CSA over the proposed changes.

CSA, as announced by CEO Thabang Moroe on Saturday, has through its board approved a movement to scrap the franchise system by 2020 and return to a more traditional landscape that would see 12 provinces compete.

SACA, Irish says, currently represents around 320 professional cricket players in the country.

In addition to the six franchises that operate in South Africa, there are a further 14 provincial sides that play in the CSA 3-Day Cup and CSA 1-Day Challenge.

The shift to 12 provincial sides would ultimately mean that there are less spots available for professionally contracted players in South Africa, with the total number of professional/semi-professional teams going from 20 down to 2.

Even more concerning, Irish adds, is that because the revamp would be geared at cutting costs, the current franchise players would likely face pay cuts once they signed with one of the 12 proposed provincial teams.

CSA announced over the weekend that these plans would help to significantly lower the organisation's predicted loss over the next four years from R650 million to around R350 million.

SACA wants to see in detail how CSA arrived at those figures.

"We have expressed our concerns and have not heard anything back from CSA as yet," Irish told Sport24 on Tuesday.

"We need to feel comfortable that the finances and predictions are correct. That will determine how we respond to the proposed changes."

CSA and SACA entered into a revised Memorandum of Understanding (MoU) in July last year which, according to Irish, means that no changes to existing player contracting models can go ahead without SACA agreeing to the change.

"We want to act responsibly from an informed basis but need CSA to respond to our queries in order to do this," Irish said.

"We know that there are financial challenges, but we need to be comfortable that the way it is being dealt with will actually ensure the long-term sustainability of cricket in the country and know that any changes we agree to going forward will contribute directly to that."

Another potential stumbling block for CSA could come in the form of the existing franchises themselves, given that they have their own sponsorship deals and stadium agreements in place, all of which have been secured independently.

Source: <https://www.sport24.co.za/Cricket/csa-needs-saca-buy-in-before-any-change-to-domestic-set-up-20190409>

CRICKET**Times
LIVE****CSA ‘must restructure because franchises never became self-sustaining’**

13 April 2019 - 14:21 BY KHANYISO TSHWAKU

Cricket South Africa chief executive officer Thabang Moroe has said that restructuring of the domestic game has been informed by the financial burden the franchise system has put on CSA.

When the franchises were formed in the 2003-04 season, there was an expectation on them to be self-sustaining after a three-year cycle.

According to Moroe, this hasn't been the case and with the provincial affiliates also being funded by CSA, the 20-team structure (six franchises and 14 affiliates) was becoming unsustainable.

The 2019-2020 season will be the last one to have franchise cricket, with domestic cricket returning to its previous structure of 11 unions with South-Western Districts joining the fray as the 12th side.

Mpumalanga and Limpopo will join the domestic first class scene at a later stage.

“When franchise cricket was started, they were given R4-million each and that amount was supposed to decrease to a point where they could operate by themselves. We're at a point where we're giving each franchise R15-million with nothing in return for CSA,” Moroe said.

“Not only are we funding franchises, we must pay for productions for the competitions that you see on TV and there's nothing coming back. Even when the CSA T20 Challenge had a sponsor, CSA were still making a R22-million loss.

“If you look at the franchise system, it's become a heavy burden on CSA. We're saying that let's not wait too long to reset. Let's reset now because change is needed.

“We should have made a call on the franchise system around 10 years ago.”

CSA's chief operating officer, Naasei Appiah, said the national body aren't going to be impacted significantly as the shredding of the franchises means there will be less teams for CSA to service financially.

“The cost containment isn't around player remuneration, but it's in regards with the logistics of the system,” Appiah said.

“When you have 12 teams playing against each other, you have 132 matches, and when you have two extra teams entering, the number of matches increases.

“When we remove the franchise layer, it's not from a franchise perspective, but from a logistic and travel perspective. The cost was always there with the 11 teams because they continue to play their various forms of cricket.”

Source: <https://www.timeslive.co.za/sport/cricket/2019-04-13-csa-must-restructure-because-franchises-never-became-self-sustaining/>