

# Bcci and strategy change in india business essay



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Change in organization is really the norm today. In order of continuous existence and to retain potential the organization has to step up with the current situation of market. According to Senior and Fleming (2006) organization is influenced by a multitude of factors, which are influenced by both the internal and external environment. To face unsteady changes and to construct a strong management process and to cope up with the external environment, change in strategy is important for an organization.

“ Strategic change is reshaping of the strategy, structure and cultural of an organization over time, by external forces or by simply drift”. Grundy(1993)

Strategy change is the result of careful, objective analysis and planning by top management and is implemented down through the organization. The potential for the organization change and renewal is a struggle between this diversity and cultural inertia. ( Hailey and Balogun, 2004)

BCCI (Board of Control for Cricket in India), is an organization which is responsible for all the cricketing action in the India, undergone a recent strategic change. In this essay we look the case study of the BCCI. We look at the change of strategy of the BCCI, the new strategy acquired by the organization, the result of change in strategy, formation of the IPL and the model used to form the IPL.

## **The case study**

### **BCCI and Strategy Change**

(Transform a sport)

In India cricket is like a religion. And all the cricketing events like international and domestic matches and other decisions in India are control by the BCCI (Board of Control for Cricket in India). BCCI is the member of ICC. The game of cricket is a passion for Indian people and passion is one thing after which everything is secondary. In cricket world India is the economic force.

Till 2007, All nations team plays the top level cricket which is control by the ICC whereas all national boards controls the domestic leagues by using the national talents and the best from those also play for national teams. But in 2007, BCCI took decision which turns the cricket world. BCCI announced the formation of IPL. BCCI was being inspired by the English Premier League which led to the formation of IPL. It had to start in 2008 and the model was basically a tournament in which the city-based teams had to participate. The participation of the international players made this league a successful business. For the first three seasons auction was conducted for team franchises it generates \$718 million. \$1 billion came from the television rights and all the international players were paid \$45 million by the teams during an auction. The IPL is predicted to bring BCCI an income of approximately \$1. 6 billion over a time of 5 to 10 years.

## **The revenue distribution till 2017**

**IPL – 40%**

**Franchise – 54%**

**Prize Money- 6%**

## **The revenue distribution after 2017**

**IPL- 50%**

**Franchisee- 45%**

**Prize money- 6%**

All these figures show the performance of the IPL brand for the BCCI. All these things change the salary structure of the cricket world by player getting more for a season of six weeks than what they used to earn over a year by their national duties and this led to change the finance point of the world in cricket. The first season of the league fascinate the whole world with the combination of cricket and entertainment and was become remarkable success.

## **IPL : Cricket + Entertainment**

With the idea of EPL and the threat of survival and competition, BCCI started to plan the IPL with the support from the ICC and the different Cricket boards of different countries. The officials and the players from all over the world have been permitted to participate in IPL and could earn huge money by doing that. The total amount drawn in was so big because of the venture of Bollywood and entrepreneurship that enormous word will be misleading. All big guns from all over the world attracted to the IPL.

## **Reason for the change in strategy and formation of IPL**

To develop quality the only method is the competition. Same thing happen with the IPL. Emotional and unreasonable response is the bottom of the formation of the IPL. One expressive response led to other. It was not form from a long term planning. Such type of thing wasn't even imagined by anyone.

The IPL give an impression as a response to the league from the ESSEL Group called ICL (Indian Cricket League). Large population of cricket lover in India, rising economy and by not getting the TV rights of world cup cricket and on seeing the attractiveness of the other format of the cricket, ZEE TV intended to create a league of its own called ICL (Indian Cricket League) by using the international as well as domestic players. It was all about business and money. With the fear of the abandonment and fight to survival BCCI had to respond. BCCI wanted something to wrap the cracks which they forget to attend in the structure. And this fear of competition enforces them to change their strategy and which makes a way to the new generation of cricket led to formation of IPL. To break the ICL, the BCCI's response was the IPL.

## **Learning Objective**

In this case study

This case can be used to discuss entrepreneurship in which a fresh approach is taken to a traditional activity.

It can be used to discuss the relationship between international governing bodies (such as sports governing boards) and national organizations, which

can share common objectives and activities, while simultaneously pursuing projects that may have conflicting interests.

It can also be used to discuss responses to changes in the basic underpinnings of a business (in this case, the economic and security situations)

## **BCCI's NEW STRATEGY**

### **Blue Ocean Strategy:**

“ Success comes not from battling competitors, but from making the competition irrelevant by creating ‘ blue oceans’ of uncontested market space. ”

(Kim and Mauborgne, 2005)

The BLUE OCEAN Strategy involves the creation of the uncontested market space which creates the competition inefficient. (Kim and Mauborgne, 2005). BCCI used this strategy and made IPL and exploit the unexploited market i. e. the domestic market of the Indian cricket, by introducing the new format of the cricket 20 – 20 combined with entertainment. In that market the chance to grow was higher and size of profit was huge.

According to Kim and Mauborgne, (2005) first thing in the blue ocean strategy is to look for the different market that was the same thing what BCCI did by introducing IPL which form a new market of cricket in the domestic cricket and combined cricket with the bollywood i. e. entertainment and passion together. Other thing is to produce an unchallenged market and BCCI's IPL did the same thing because the format which is use in IPL is 20 –

20 and it is a shortest version of the cricket so IPL improve the format which was supplied to the whole market rather than just the existing costumers. Next thing what BCCI did was produce a new demand in the market same what Blue Ocean strategy said. IPL produce a new demand of costumer by making the game more entertaining and watchable with the family. The step of using the shorter version of the game in IPL makes the competition with other format of the cricket really irrelevant because other form of cricket i. e. 5 days test cricket and 50 over one day international cricket are time consuming but the newest format of the game is the shortest version of the game and people love to see the newest version. They also provide the additional product with the same sport and additional service i. e. they provide the additional service of the entertainment with the game of cricket. Other thing on which BCCI worked was the introduction of the emotional appeal. The involvment of the movies stars, introduction of the big guns of the world and the cheer leaders are the factors which introduce emotional appeal to the IPL.

## **The Model Involved In the Formation of the IPL**

### **Transformational Change Model**

The crescendo change model basically aimed at the transformation change in the sense of a rejuvenation of an existing organization. According to Baden, Fuller and Stopsford (2004) the core of the transformational change is the necessity of making the corporate entrepreneurship.

### **Galvanise:**

This step includes the change of each aspect and every side of the association that's mean from the upper management to the lower level. One

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vital aspect of this step is the dedication of the leader, managers or upper management to regenerate the whole process. This aspect carries the best outcomes throughout the association. After the formation of parallel league from the ZEE TV group BCCI took a decision of making of IPL. For doing that the top management officials of the BCCI worked on proper plan and generate a new league of cricket and entertainment that was IPL.

### **Simplify:**

This step includes the creation of simple things. It gives the necessary idea regarding the wrong strategic action and the information about step needed to be taken to go on right path. BCCI worked on this method and find out the solution of the parallel league. They worked on the same plan which was used by the ICL by providing the new format of the cricket to the existing costumers.

### **Build:**

This process includes the way out of the wrong strategy. The new strategy has to be implementing by the top management of the organization to reach on the common objective and face the challenges in the market. To attain the success in their objective the leader of the organization has to be aware of the model to find the solution of the situation. The same thing had been done by the BCCI that is new leader with the new mission, new objective, and new strategy to compete in the same market. Gain the new skill from the ICL, get inspiration from EPL and implement all this things in creating a new model of their own IPL.



## **Leverage:**

It is the last step of the model, which bring the perfection and the development. The development depends on the growth of the market. After the successful first season BCCI try the IPL in the other market i. e. in South Africa, with the new costumer for the their domestic league and made the IPL a global product.

All the steps taken by the BCCI to make IPL was according to the crescendo model.

## **Visionary Leadership Model**

According to Prahlad and Ramaswamy (2004) the leaders of the organizations should restructure and reexamine the conventional strategies of their organizational approach because by doing so the outcome could be the efficient use of the opportunity in the way of achieving the objectives. The integrated leader always encourages marginal ideas in the hope of finding something which can be useful in achieving the goal. According to Moment (n. d.) each business wants a aim to find the way to success and a leader is the one who works on that aim to make it possible and gettable for the business. The important thing about the vision is not its inimitability but the outcomes generate from that vision and the amount to which it is useful for the customers and the organization and the easiness of converting into strategy to increase the efficiency of the organization. .(Kotter, J P, 1988).

The vision which was seen by the management persons of the BCCI was fulfilled by the chairman of the IPL Mr. Lalit Modi. The parallel league formed by the ZEE TV group was a real pain for the BCCI and they had to made

something bigger than the ICL and the better model for the business at that moment Mr. Lalit Modi came as a leader with the new idea and new strategy. By changing the strategy of the BCCI and by acquiring the new strategy for the IPL he made that happen. Form a new model by combining the cricket with the bollywood and form a new league of entertainment only in 4 months. The work by Mr. Lalit Modi was exactly the same as what Prahlad and Ramaswamy (2004) said. He re-examined the whole strategy used by the BCCI and restructures the organization and then the efficient use of the resources made a way to the success for him in the form of IPL.

### **Conclusion:**

The innovative concept of IPL utilized all the above model partially or completely. Undoubtedly it was a great strategic move in a larger business stand point. Implementation of Blue Ocean Strategy generated a massive business opportunity globally. On the other hand innovative auction and bidding of franchise and players brought huge cash flow in the business. As the result of television coverage through print and electronic media a new cultural view of sports have created. IPL is not only concept of sports and entertainment but also an idea which changed the integrated macro and micro level culture of the society. The charismatic leadership of Mr. Modi and his team has proved through IPL the new transforming business culture of India in a global platform. Instead of various controversies which some time turn into publicity move for the business rather developed the business from the national to international level.