

Explaining the Star Times Deal

I have heard many commentators about Sponsorships in Ugandan Football. There has been a lot of wrong information and flawed analysis of the Star Times Deal and I thought I should way in. As the President of the Football Association, I have a duty to forecast and defend football.

Is it not a good thing that we are now talking about over 20 Giant Corporate Sponsors to Ugandan Football?

Over 5 Banks, 2 Telecoms, 1 Television, 2 Betting Companies, 2 Insurance Firms, 2 Hardware Stores, 2 Brewers, 2 Beverages, 1 manufacturer and 1 Japanese company



Whatever way you want to see, there is something that has been done right by the football family to attract these corporates who were not here 5 years ago. You cannot discount the lack of football wars during the period. The game needs more harmony as we are in a take-off stage

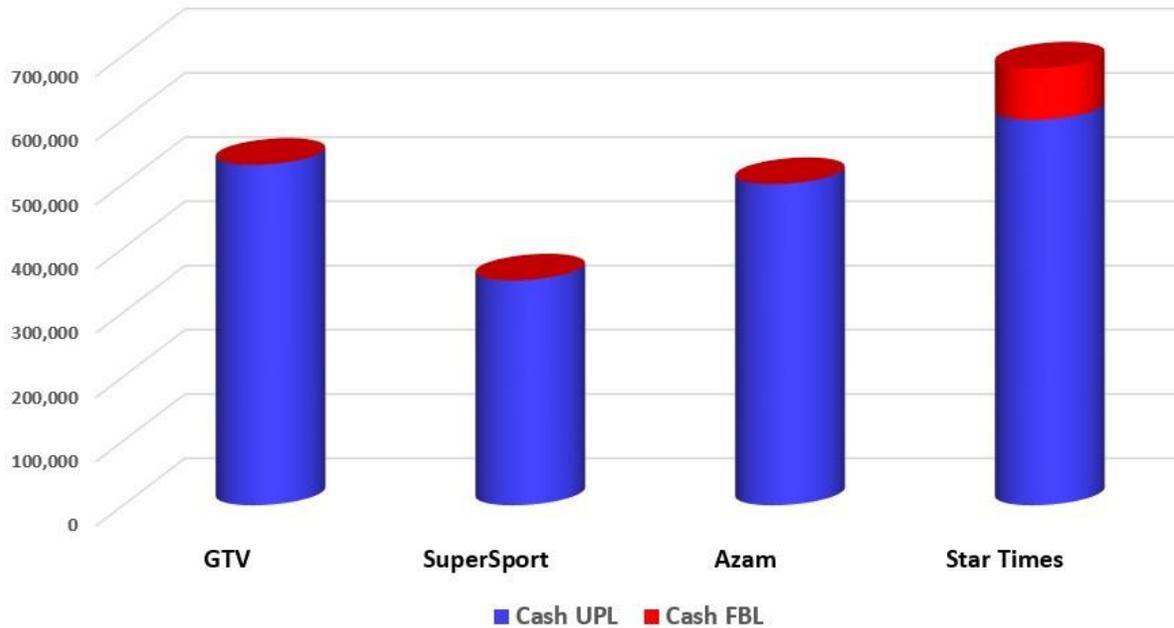
Professional Football requires resources that can only be obtained from commercialisation of football rights. Football must answer business needs of the corporates to bring in more money. Corporate Sponsorship is not charity but business. It is not how much it takes to produce football but what value addition can football make to the business. It is amateur to think that Football should be given without football giving

History of Television in Ugandan Club Football

Below is the summary of Television deals for Ugandan Club Football over the last 10 years;

Period	Buyer	Amount in Cash (USD)	Length of Contract (Years)	Subscriber Base (Uganda)	Period Executed	# of Live Matches per season (About)	Other League	Amount in Cash Other League	Stadiums Used	Reason for Termination	Competitor Association	Origin	Business Success
From 2008 to 2018	GTV	530,000	4	20,000	1.25	32	None	0	2	Bankruptcy	Not Allowed	British	No
	SuperSport	350,000	4	20,000	1	28	None	0	3	Wrangles	Not Allowed	South Africans	No
	Azam	500,000	3.5	90,000	3.5	56	None	0	10	Completed	Allowed	Tanzanians	No
	Star Times	600,000	10	1,300,000	Not Started	100	Big League	80,000	3+	None	Not Allowed	Chinese	?

Cash by Sponsors in USD



When we analyse the history of Television and Clubs Football in Uganda, none of the previous 3 rights holders made business, as they all quit for one reason or the other. The questions are;

- Is football giving the worth of what it is getting?
- Apart from Azam that allowed competition and went to all Stadiums, did the previous ones allow this?
- Did Azam succeed by promoting competition on its TV?

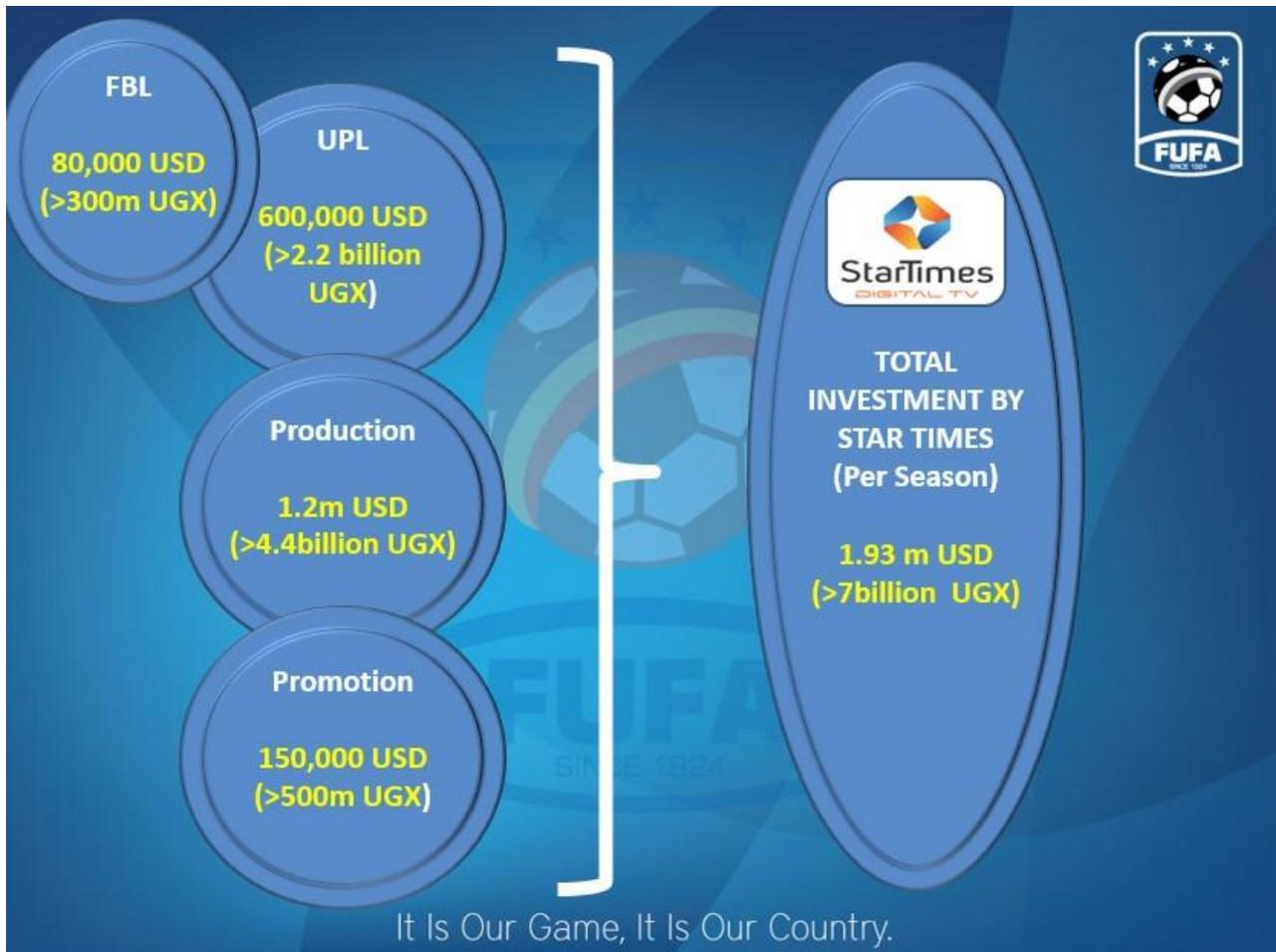
The details of figures of the Star Times Deal

The Investment by Star Times is the biggest media rights deal in the history of Ugandan football and the breakdown per season is as follows;

- Cash of 680,000 USD
- 100 matches of Live Broadcast at not less than 1.2 million USD
- Marketing Expenses to promote the League to a tune of not less than 150,000 USD

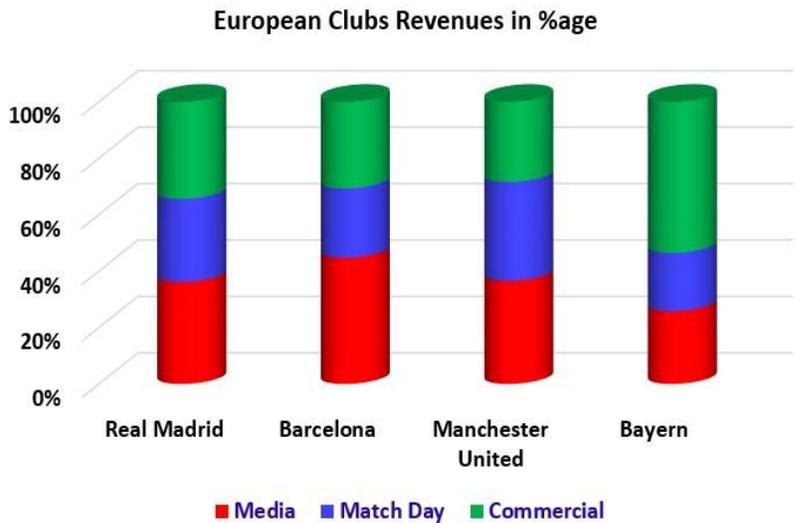
Therefore, it is expected that Star Times will invest not less than 1.93m USD (over 7billion UGX) per year in the Ugandan 1st and 2nd Division Leagues.

Star Times has made this massive investment expecting to increase on its market share leadership of 58% of Pay TV in Uganda using football and consequently make more money than invested over a period of 10 years.



The Net Worth Brand Value of the League

We seem not appreciate that the league value in 2008 that fetched 530,000 USD from GTV has been fetching 500,000 USD from Azam 10 years later. This implies that we did not grow the value of the brand over the 10 years. After this analysis as FUFA, we have decided to undertake the Clubs Pro Agenda to try and re-engineer the clubs sporting and business processes for professionalism



Whether it may be costing FUFA and the Clubs not less than 8b UGX to present a descent season of football, it is wrong to think that the Broadcast Sponsor will foot that bill. It does not even happen in the first world either. Star Times will pay about 2.5b UGX in cash to football but with a host of opportunities for football to make more money

Opportunities associated with the Deal

The 1.3 million Star Times subscribers in Uganda dwarf the previous 3 TV Companies which is an opportunity



for clubs to make more money from Commercial Deals as Club Sponsors and more followings for merchandising and gate collections

There is still more potential for League Sponsors as commercial properties have been reserved for the second and third partner for the league

The Ugandan league will be visible to 20 million subscribers in 35 African and 6 Asian Countries. This attracts more international

companies to Sponsor the League and exposes the players which could fetch more for the clubs in international player transfer deals

The Challenges

There are basically 3 Challenges that the negotiating team failed to pull through in favour of football. They were all deal breakers and standard Star Times Policies and Business strategies. Football had to choose to comprise to take them or miss out on the deal. The team chose the deal over the challenges



1) Competition

Star Times does not allow its sponsored property to associate with competition. They just cannot allow to air competition on their TV. Even Azam had the same exclusive clause in their contract and when KCCA FC & SC VILLA got Star Times and Express DStv we had to ask them for approval and they were magnanimous to accept but they could have chosen to refuse.

2) Stadiums

Considering the quality of the product to be aired on their TVs, a minimum requirement of standards for TV Broadcast are demanded. For 2018/9 Season, only 3 Stadiums meet the standards. But certain key matches may be picked from other stadiums. It is the responsibility of football to improve on our Grounds. We have our own challenge of facilities that we want to blame on the Sponsors!!

3) Term

Let us be realistic with Business, the first 4 years of the deal, Star Times will not be earning over 7 billion per year invested until the Uganda Football Brand grows bigger than what it is. Probably the in the 5th to 8th Year then the Sponsor may recover his investment. If we don't allow the Sponsor to make money, then there is no reason for association. What makes us think without massive investment, the league will naturally appreciate in value in the next 10 years yet the previous 10 years there has been stagnation in value?

Brands War

As football we should not allow to be used as ground for a war of brands. Star Times has been sponsoring clubs in Uganda with huge sums and decided to bite the bullet where others have failed by choosing to broadcast the entire league.



If Competition had tabled a bid, it would have escalated the Contract Sum and more favourable terms may be even the three challenges would have been negotiated better. Ironically there were no other offers from competition that we rejected. That is when we needed competition not now when the terms are decided.

Now by competition choosing to invest less than 4% of what Star Times is investing and expecting to be promoted by Star Times is unfair to football and business. We ought to understand the "good" intentions of competition by this move. Competition can finance Clubs outside the League Property such as Uganda Cup and all other activities not related to the League. Competition can give XXXX FC a club TV Slot and produce and air the club activities but not the league. Football must make a good case for Star Times

Options

As Football we ought to be very careful. A sponsor investing 7b UGX into our football with 2.5b as direct Cash to FUFA and Clubs cannot be earning ridicule as if we have very many options. When did we get to the point to think we are big enough not to need 2.5b UGX. This money is conditional. We can take it or leave it. We don't need to argue. It is Our Choice. Football does not own Star Times. They are in this for business and they understand business by not promoting competition, quality product and long term investment.

If we are not careful, we might end up without Star Times and not even the competition or any other. This is the desire of the football protagonists

Don't say I did not say

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