When Money Reaches Scale:
Five Governance Lessons for Boards

ABOUT THE AUTHOR

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Mark is a consultant who specialises in Sports Governance. He built FIFA's global transfer business company, that moves hundreds of thousands of players and billions of dollars a year across the globe. In his consultancy work he addresses the impact that money at scale has on sports and the organisations that run them. Specifically, around player exploitation and market distortions. He has spent the past few years building a coalition of like-minded leaders looking at the impact that money has on the global sports market, working to build transparent, sustainable solutions that preserve the athlete experience and public trust in sport worldwide.

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I spent nearly two decades working around and inside FIFA, including building and running the company that operates football's global transfer market. Later, at Salesforce, I saw a very different organisation wrestling with some surprisingly similar leadership problems.

The common denominator was not sport or technology. It was success.

Success creates money, power and confidence. And, if governance does not evolve at roughly the same speed, it creates problems.

FIFA Forward Enterprise was a recent example. FIFA proposed creating a separate commercial company and raising up to USD 4.2 billion from outside investors despite record revenues, substantial financial assets and no obvious financing crisis.

The proposal collapsed within days.

The private-equity element attracted most of the headlines. For boards, I think the more useful lessons sit elsewhere.

1. Start with the problem, not the opportunity

A board should be able to answer one fairly boring question before approving any major transaction:

What problem are we actually solving?

FIFA could make a credible argument for greater commercial expertise, a dedicated subsidiary and more professional management of its rights.

But why external equity?

If an organisation already has capital, strong cash generation and other financing options, selling part of its future economics requires a very clear explanation.

"More money" is not a strategy.

Boards should force management to compare alternatives: retained cash, debt, partnerships, internal investment, joint ventures and equity. If the answer is still external capital, everyone should understand why.

2. You don't need a conspiracy when interests align

FIFA proposed raising up to USD 4.2 billion while potentially making up to USD 20 million available to each of its 211 Member Associations.

At maximum participation, those distributions came to almost exactly the amount being raised. Those same Member Associations form FIFA's electorate.

None of this proves anything improper. FIFA development funding genuinely transforms football in countries where commercial revenues are limited. But the governance lesson is important.

When the people approving something are also significant beneficiaries of the outcome, good intentions are not enough. Governance needs to recognise aligned interests before they become conflicted interests.

3. Compensation changes behaviour — including at board level

This is not limited to executives.

Equity compensation for board and advisory-board members can be entirely sensible. It aligns people with the success of the company and is particularly common in growth businesses. But success creates a second-order problem.

Once meaningful value has accumulated, directors compensated in equity are no longer economically neutral when deciding what happens to profits.

Should cash be reinvested? Distributed? Used for acquisitions? Held as reserves? Returned to shareholders?

Board members may genuinely believe they are acting in the company's best interests while simultaneously benefiting personally from the decision.

That does not mean equity compensation is wrong. It means boards need to acknowledge the conflict explicitly: independent decision-making, clear capital-allocation principles, appropriate recusals and remuneration structures that do not turn oversight into self-interest.

The same principle applies to executives designing new entities, compensation models or potential future roles. Good governance does not assume people have no personal ambition. It assumes they do. Then it designs around it.

4. Extraordinary success requires more challenge, not less

I watched Sepp Blatter transform FIFA commercially over decades. By the end, FIFA increasingly appeared inseparable from the person leading it.

I later saw a different version at Salesforce under its founder.

I call it founder syndrome, although you do not actually need to be the founder.

Long periods of success reinforce confidence. Boards, employees and stakeholders become accustomed to the leader being right. Challenge becomes harder precisely when it becomes more necessary.Boards should become more sceptical as organisational power concentrates, not less.

If governance only works when the person at the top behaves exactly as everyone hopes, you do not really have governance. You have a personality cult forming.

5. Governance has to work when it becomes inconvenient

Perhaps the most important lesson is consistency.

Governance principles are easy to support when they produce the outcome we want.

Consultation. Independence. Transparency. Conflict management. Oversight.

Their value is tested when applying them slows us down, costs us money or blocks something we personally support. That is when boards earn their keep.

Money at scale can transform organisations. It funds growth, infrastructure, people and innovation.

It also changes incentives, entrenches leaders and introduces new interests into decisions that were previously simpler. You do not want to stifle ambition and, is your governance structure capable of keeping up with it?

Sometimes the biggest risk created by having more money is believing that more money must be the answer. What is the “right” size for the organisation to achieve its purpose? Not build principalities inside the organisation or further someone’s individual career.