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11 things bankers could learn from the genius of Alex Ferguson

by Sarah Butcher

9 May 2013

Sir Alex Ferguson, who is retiring, was more than just the manager of a football club. In the [words of friend and football writer](#) Glenn Gibbons, he was “to Britain’s football community what the Queen is to the population at large.” During his 27-year career at Manchester United, Ferguson transformed the club from an assortment of [dipsomaniac losers](#) to one of the most successful and best known football clubs in the world.

Ferguson’s stature is such that the [Harvard Business Review](#) (HBR) dedicated an entire case study to him last year. Therein, HBR lauded Ferguson as Britain’s “most successful football manager.”

Banking and football are not dissimilar. Both involve high pay, huge egos, and burnout. Bankers can learn from Sir Alex. If you’re a financier, these are Fergie’s most transferable tactics.

1. Start as a player and move into management

Bankers are notoriously unwilling to give up their client-facing jobs and take a back seat by moving into management. This may be a mistake. Sir Alex demonstrated the wisdom of spending time as a player and learning the ropes before moving into a managerial role later on.

Ferguson’s own football career wasn’t especially illustrious: he started out in second-division Scottish club Queen’s Park aged 16, moved to Dunfermline Athletic and then moved to Rangers. Although Ferguson was a top goal scorer, he didn’t play for any big name teams. His first managerial role began when he was 32, for East Stirlingshire FC, a small club in Falkirk, Scotland.

2. Move around opportunistically early in your career, and then move less

Bankers are known for job-hopping in search of more pay and better opportunities. Ferguson would approve.

He joined East Stirlingshire FC in 1974 and was there for only 117 days before he accepted a better job at a larger club – St. Mirren FC. He stayed there for four years before moving to Aberdeen, where he stayed for eight years, before he went to Manchester United.

3. Join a poor player and turn it around

Everyone wants to work for Goldman Sachs, but Goldman Sachs may not be where reputations are made.

When Ferguson joined Manchester United in 1986, it was more like a UBS: the club hadn't won a league title in over 20 years. Ferguson was able to turn Manchester United around – and in the process to build his reputation. Andrea Orcel at UBS may wish to take note.

4. Stay around for so long that you become irreplaceable

Forget leaping from place to place once you've found your niche. Like Jamie Dimon at J.P. Morgan, you're better off finding a furrow and plowing it.

Ryan Giggs, one of Manchester United's footballers, [has said](#) that Ferguson is far less replaceable than a star player. "You can replace players all the time with more world-class players. Obviously, when you've had a manager who has managed a team for 25 years, that's going to be harder to replace because he's been so successful," said Giggs.

5. Stay around for so long that you become omnipotent

When companies swap managers too often, employees become empowered, in a bad way. Investment banks are big on swapping out chief executives. Last month, banking commentator [William Wright](#) noted that 10 of the 14 largest investment banks had swapped their chief executives since the start of 2012.

Ferguson had a different approach. Harvard Business review quoted him as saying: "Some English clubs have changed managers so many times that it creates power for the players in the dressing room. That is very dangerous."

4. Take a risk on cheap but talented youths

It's not all about proven big name bankers. If you're a senior banker, you need to foster a 'talent pipeline', take a risk on keen associates and VPs.

Ferguson was a big promoter of junior talent. He signed Ryan Giggs on Gigg's fourteenth birthday and 'revolutionized' [in HBR's words] Manchester United's youth training programme. Most notable, however, was Ferguson's decision to oust three top players in 1995 and to replace them with juniors from United's own youth training team.

"On the new season's opening day, six out of the thirteen players used came from United's youth development program, including David Beckham, Gary Neville, and Paul Scholes," said HBR. Initially, the junior footballers lost. And then they won. Ferguson was vindicated.

5. Don't dump the old timers

It's not just about clearing out managing directors in the style of [Credit Suisse](#) or Barclays. If senior staff are performing, let them be.

Hence, [the Economist](#) notes that Sir Alex retained the services of old timers like Laurent Blanc, Teddy Sheringham, Edwin Van De Sar and (latterly) Ryan Giggs.

6. Pay big money for big name mavericks

Success does not come from playing safe. Sometimes it makes sense to take a gamble and hire a [Tom Montag](#) or an Andrea Orcel (who had a reputation for being [a little prickly](#)).

In 1993 Ferguson paid \$2.1m for Eric Cantona, a big name French striker known for being difficult to manager. “Ferguson thought the striker would thrive with a heavy dose of encouragement,” said HBR. Cantona did and was eventually named team captain.

Similarly, in 2003 and 2004 Ferguson invested nearly \$68m in Cristiano Ronaldo and Wayne Rooney. Ronaldo was a relative unknown, while Rooney’s price tag was huge for a young player with supposedly massive potential, but both of whom went onto justify their price,

7. Keep a check on the egos of your stars

Like bankers, footballers earn a lot of money. Like footballers, bankers can become divorced from reality and full of themselves. Ferguson had methods of dealing with this.

Ferguson was well known for his ‘hairdryer’ technique of motivating/disciplining his players by bellowing into their faces from a very short distance away.

[Ryan Giggs said](#) Ferguson’s reality check was important. “He kept my feet on the ground... At 17, 18, 19, you can get big-headed and think that you’ve made it already but of course you haven’t.”

8. Have zero tolerance for politicking

Like banks, football clubs can be nasty, political places. Ferguson came down hard on Machiavellianism.

“When United’s captain Roy Keane publicly criticized his teammates, Ferguson quickly agreed to terminate his contract,” points out HBR. “The following off-season Ruud van Nistelrooy, United’s leading goal-scorer, made it clear he was hoping to leave, and was promptly sold to Real Madrid.”

9. Buy a large Manhattan Apartment in advance of your retirement

Whether you’re a banker or a leading football manager, it’s always good to plan ahead.

[Glenn Gibbons](#) notes that Ferguson has bought himself a, “luxury apartment on the upper east side of Manhattan,” to which he and his wife have flown “at the slightest excuse” for weekends away.

10. Don’t necessarily do what your wife wants

Although Ferguson said he retired for the [benefit of his wife](#), Cathy, he doesn't always seem to have been so solicitous of her opinions.

Gibbons said Cathy hated the idea of leaving Glasgow in 1978 when Ferguson was offered the manager's job at Aberdeen. When he was offered the job in Manchester, Gibbons said Cathy was also loathe to leave the North East.

If Ferguson had followed his wife's wishes, his career would clearly not have happened. Bankers offered big jobs in Hong Kong may want to take note.

11. Stay married to the same person

Much as Ferguson may have overruled his wife in moving to Aberdeen and Manchester, he must have done something right: he and Cathy have been married for almost 50 years.

As we noted last week, a long marriage can be an important grounding force when you're successful and earning big money. Cathy Ferguson is reportedly ['the rock'](#) upon which her husband's career was built.