What Makes a Winning Team?

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ABSTRACT

Ferrari, the biggest and historically most successful Formula One team, has yet to win a race this season, even though the popular notion is that money can buy success in the elite racing series.

FULL TEXT

Formula One returns this weekend to the Italian Grand Prix in Monza, the spiritual home of Ferrari, the biggest and historically most successful team in the series. But with the formerly dominant Ferrari in yet another of its occasional periods of rebuilding, it seems that nothing other than a miracle could bring happiness to the team's famous fans on Sunday.

Ferrari has not won a race so far this season, and the more nimble Mercedes team is steamrolling all competition again — with the exception of the surprising resurgence of Red Bull, which is the only other team to have won a race this year.

This situation raises yet again a recurring question: What, precisely, are the ingredients of a winning team in the world's richest — and most expensive — sporting series?

The popular notion about success in Formula One is that money can buy success. This idea is often used by critics to denigrate the series as not being a sport, since a team budget, rather than athletic talent, decides the competition.

But then why is it that even though Ferrari receives the largest subventions from Formula One and generally has the healthiest budget – of nearly \$300 million – as well as a vast staff, it is still struggling to regain the supremacy of its glory days?

What really makes for a winning team in Formula One: a large budget, a large staff, a combination of the two, or something else?

Several Formula One team directors said that in this elite racing series, just as in any team sport, what counts is teamwork.

"I put people above everything," said Pat Symonds, the chief technical officer of the Williams team, which is the third-most successful team in Formula One history, behind Ferrari and McLaren.

"To me a racing team is about people," he said. "It is about getting a bunch of like-minded people working together, being creative, being broad-minded, thinking out of the box. You can't go and employ -- no matter how much money you've got -- you can't just employ robots."

"Numbers are important," he added, "but if you've got really, really good people you make better decisions." Nevertheless, there is a link between a high budget and high-caliber people.

"It goes hand in hand, I would say: If you've got a lot of money you can have a good staff because you can pay them more," said Günther Steiner, the team principal of the Haas team. "But I think it is a combination to have a fair budget and good people. And good people, it's not only money that gets you good people, it's a good environment, it's good what you're doing."

Steiner returned to the series this season with a new concept for running a team. While most teams build the entire car and its parts in their own factories, Steiner has tried to buy from other teams as many of the racing car parts as



the rules allow, such as suspension and drivetrain as well as the engine. The idea is to have fewer staff members, pay less and buy other people's expertise.

Steiner knows firsthand what it means to fail by having everything and throwing money and people at a Formula One program. He worked at Jaguar in 2001 and 2002 after the team had quickly ballooned into a huge structure in the single year after Ford bought the team from Stewart and renamed it Jaguar.

"I can tell you what happened at Jaguar because I had to let the people go," Steiner said. "At the time, I think it was about 270 staff members when I got there, and Ford and everybody said, 'Firstly, I need people, I need people, then we go and win.' They just employed people, and I got there and we had to clean up. And that's never a nice job."

"They just threw people at it," he added, "but nobody really knew when I got there who was doing what."

Before the global financial crisis of 2008, most of the top teams had let their staffs grow from the mid-1990s levels of barely 200 to 1,000 or more. In addition to Jaguar, there were teams like Toyota, which, racing from 2002 to 2009, had a huge staff and an annual budget that had reached half a billion dollars.

The financial crisis required immediate action in the series to reduce staff sizes and team budgets. But some teams — including Toyota and Honda — just quit Formula One. In recent years, staff sizes have crept up again, with Ferrari at close to 1,000 — including the engine manufacturing part of the company — and Mercedes at around 800. But some teams, like the last-placed Manor, are still at the low levels of the 1990s. Dave Ryan, Manor's sporting director, said that size alone definitely is not a virtue.

"I think you would find that some of the teams that are massive, with big budgets, probably wish that they weren't quite so big," said Ryan, who worked for decades at McLaren.

"It's a big mouth to feed," he added. "But it's a problem with successful teams. Because you have loyalty as well, and you have people that have grown up with the team, and you want to be loyal to them so you find places for them within the business as you get bigger."

"It's all about getting the best return you can from the money that you have," he said.

Symonds said that teams with smaller staff and budgets have to be much better at pinpointing what needs to be done. But that is also where having the right people pays off.

"Unlike the Mercedes and the Ferraris and Red Bulls of this world, we can't scattergun," Symonds said, referring to choosing what aspects of the car to develop. "We can't just go on every approach. We have to be selective."

"Numbers are important, but if you've got really, really good people you make better decisions," he added. "Let's say there are 10 avenues that we would like to investigate. And those same 10 avenues Ferrari want to investigate. Ferrari might have to say, 'Well let's take eight of them' because we haven't got enough people to do all 10. And Williams says, 'Well let's do three of them.' Well, there is a hell of a trick with being able to choose the right three. And that's down to people. And I don't mean me. I mean our engineering group who say, 'Look, this is where we should be looking.' So having the right people is more important than having lots of people."

But getting good people and more people is also something that depends on the team and where its current ambitions lie. Steiner said that a new team like his, Haas, would not attract some of the best people, such as James Allison, who last month left his post as Ferrari technical director after three years of trying to rebuild the team.

"James would not be happy, because he cannot do what he is used to doing," Steiner said. "Because he is used to having 800 people. Our plan is not to have 800 people."

Steiner also pointed out that simply adding numbers of people to a team would not be productive either.

"Throwing a hundred people in the short term could be bad for us," he said. "Because we would mess up everything that we are doing."

He said that if he hired more people, it's possible that the expanded staff would want to develop in areas where the team already had a good program. For example, he said new employees might suggest that the team build its own suspension parts rather than buy them from Ferrari, as it does now. But then the team would have to test the suspension, and invest even more money to do so. In the end, would the suspension be better than what is purchased already made and tested?



In fact, because of its practice of outsourcing, Haas has the smallest staff of the 10 Formula One teams, with about 110 people. This has naturally allowed the team to keep the budget lower.

In an article in Autosport magazine in June, it was estimated that a team needed 220 million pounds, or about \$290 million at current rates -- an estimation made before the Brexit vote lowered the value of the pound -- to build a winning Formula One car. It broke down the costs into staffing, building the car, research and development and running the car, which means going racing.

Although a certain level of budget is necessary to compete with the best on the grid, it is still not so easy to say that budget is everything, Symonds said.

"I don't like to just blame budget," he said. "I'm not saying that to beat Mercedes you have to spend \$250 million. I really, really don't believe you do. But I guess all of us are -- and I bet even Mercedes and Ferrari are -- saying, 'I wish we had a few more people to look at this and that and the other."

But Ryan suggested that staff and budget need to grow slowly, in the right way.

"In terms of head count, we are still way under," he said of Manor. "We've got to be really careful we don't just grow for the sake of it. We've got to take our time to grow, we've got to pick the areas that we need to grow in, that we're going to get the best return out of, we've got to put a huge effort in to make sure we get the right people."

And doing that, according to Symonds, is where the secret of the challenge lies.

"Unless you are on the sharp end of this business, it's very hard to believe how difficult it is," he said. "One incorrect decision and you live with it for months as you try and develop the car."

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