

Esports Global Strategy: Designing and Governing Satellite Offices for International Esports Organizations

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July 2026

Abstract

Research on esports governance has concentrated on the centre, examining how authority is constituted in a field where the competitive product is privately owned. The complementary question has gone largely unexamined: once a central esports body exists and operates globally, how should it design and govern its own regional units?

This paper addresses that gap through a theory-elaborating study that brings the international-business literature on headquarters-subsidary relationships into a field where its scope conditions do not hold. It develops a nine-dimension design grammar for regional units, assessed from the perspective of the satellite relative to headquarters, validated through a two-round expert panel of more than twenty practitioners drawn from four international sport federations, from esports governing bodies, and from international expansion practice, and applied to four federation benchmarks and to a live esports case.

Four findings emerge. First, esports satellites are **bounded subsidiaries**: units whose authority ceiling over the core product is set not by their own headquarters but by parties outside the organisation, a configuration neither parent literature captures. Second, two such ceilings operate rather than one; intellectual property authority applies uniformly across markets, while national representation legitimacy is market-specific and independently binding. Third, an esports satellite faces a **plurality-mandate gap** of +7 on the study's scale, more than double any benchmark, carrying maximum coordination burden with minimal transactional authority. Fourth, federation regional units are near-uniformly cost centres, which makes the value-creation mandate proposed for esports satellites unprecedented rather than incremental.

The paper contributes a transferable design instrument, the bounded-subsidary construct, and a documented operating model with governance architecture, expansion index, sixteen-hub network design, and staged cost estimates.

Keywords: esports governance, subsidiary roles, international federations, intellectual property, operating model design, regional strategy

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1. Introduction

1.1 The problem

International esports has arrived at a structural moment its scholarship has not yet caught up with. A decade of debate about whether esports needs governance, and who is entitled to provide it, has been overtaken by organisations that have simply begun operating at global scale. Multi-title flagship competitions now run annual and biennial calendars, assemble portfolios of independently owned game titles, convene national representation across more than a hundred countries, and relocate between host states. Whatever the unresolved questions of legitimacy, the operational reality is that centrally directed esports bodies are building global footprints.

Building a global footprint requires answering questions the literature has not addressed. Where should regional units be located, and how many are needed? What may they decide, and what must they refer upward? How are they staffed, funded, and measured? What happens when a regional unit encounters an authority the central organisation does not control, whether a publisher that owns the competitive product or a national body that owns the right to represent a nation?

These are not peripheral administrative matters. They determine whether a global strategy is executable at all. The governance literature has been about the centre. This paper is about the periphery.

1.2 Why the question is tractable now

The question becomes empirically tractable because a substantial instance now exists in the field. The Esports Foundation, a non-profit funded by Saudi Arabia's Public Investment Fund, operates the Esports World Cup as an annual multi-title club competition and launched the Esports Nations Cup as a biennial national-team competition. In constructing the latter, it has deployed a tiered national representation layer across more than 150 countries and territories, appointing National Team Partners as national organising bodies, National Team Managers as operational contacts, and centrally appointed regional coverage where neither exists.

Three developments during the study period make the case unusually informative. The organisation relocated its 2026 club flagship between host countries within weeks under external pressure, demonstrating that flagship location is now variable and that in-market relationship capacity, rather than fixed event infrastructure, is what confers operational agility. It experienced a public dispute with an established national governing body over national-team selection, which ruptured and resolved within approximately three weeks, exposing the limits of what a central body can delegate. And it assembled a multi-publisher title portfolio spanning rights-holders who compete with one another, which bears on whether a convening body can accumulate durable standing in a field where the competitive product is externally owned.

The organisation is therefore running, in public, a version of the design experiment this paper analyses.

1.3 The gap in the literature

Three bodies of scholarship bear on the problem, and none resolves it.

The **esports governance literature** establishes the field's defining structural feature, that authority over the competitive product rests with private intellectual property owners rather than with governing bodies, and traces the consequences for legitimacy, stakeholder inclusion, and regulatory fragmentation. Its most direct challenge to any federating project, Novák et al. (2025), argues that publisher authority is structurally stable and that lighter, community-organised models have proven more durable than institutional ones. But this literature analyses the field, not the internal architecture of organisations operating within it.

The **sport governance literature** describes regional architecture in international federations, distinguishing strong quasi-autonomous confederations from weak continental bodies, and notes that the quality of collaboration across levels determines developmental effectiveness. Its transferability to esports is bounded by two conditions no esports body satisfies: a rule-making monopoly over the sport, and a settled national-federation membership base.

The **international-business literature** studies precisely the structural problem at issue, a central organisation deploying differentiated regional units while balancing global integration against local responsiveness (Prahalad and Doz, 1987; Bartlett and Ghoshal, 1989), and offers validated typologies of subsidiary roles based on knowledge flows and mandate (Gupta and Govindarajan, 1991; Birkinshaw and Morrison, 1995). Its scope condition, however, is that the multinational's authority over its own product is internally held. In esports it is not.

The gap is therefore specific. No existing framework describes a regional unit whose authority ceiling over the core product is set outside the organisation entirely.

1.4 Research questions and approach

RQ1. How should an international esports body design and govern regional satellite units, given that authority over the competitive product is held externally by game publishers?

RQ1a. Which design mechanisms from international sport federations transfer to this setting, and which are blocked by the

structural differences of esports?

RQ1b. How does the presence of an established national governing body in a market alter the satellite's viable decision rights?

The approach is qualitative theory elaboration with abductive inference, moving between an established theoretical grammar and the empirical record of a live case, and adjusting the framework where the record resists it. Evidence is documentary and publicly available throughout, supplemented by a structured expert panel used to validate the scoring instrument.

1.5 Contributions

Theoretically, the paper introduces the **bounded subsidiary**: a regional unit whose authority ceiling over the core product is set by a party outside the organisation rather than by its own headquarters. This extends the integration-responsiveness tradition by adding an externally imposed cap that no internal governance choice can lift, and identifies a second such ceiling, national representation legitimacy, operating on a different axis and binding only in some markets.

Analytically, it develops the **plurality-mandate gap**, a derived measure of the distance between the number of independent authorities a unit must operate among and the mandate it holds to transact with them.

Methodologically, it specifies a reproducible protocol for satellite-perspective assessment and documents a systematic bias the protocol was built to catch: the tendency to attribute central organisational capability to peripheral units. Correcting for it changed eight of forty benchmark positions, every one in the same direction, and those corrections converged with independent expert input.

Practically, it offers a complete operating model: a satellite typology mapped to subsidiary roles, a three-layer architecture reconciling satellites with an existing national representation layer, a catalogued governance architecture, an expansion index with separated readiness and complexity components, a market-clustering test including a political viability gate, a sixteen-hub network design, and a staged cost model.

1.6 Structure

Section 2 reviews the three literatures and develops the framework. Section 3 sets out the method. Section 4 reports benchmark findings across four federations. Section 5 establishes the esports position and its structural findings. Section 6 develops the operating model. Section 7 develops the expansion framework and network design. Section 8 discusses the principal tensions and returns to the study's propositions. Section 9 states limitations and concludes.

2. Literature Review and Theoretical Framework

2.1 Positioning the problem

Scholarship on esports governance has expanded rapidly, concentrating on a single question: how authority is constituted at the centre of a field where the competitive product is privately owned, and what that means for legitimacy, transparency, and stakeholder inclusion. Far less attention has been paid to a complementary and increasingly practical question. Once a central esports body exists and operates at global scale, how should it design and govern its own regional units?

This gap is not merely academic. A concrete instance is now visible in the field, described in Section 1.2. The paper therefore sits at the intersection of three literatures not previously brought together: the governance of esports under publisher intellectual property authority; the regional architecture of international sport federations; and the theory of headquarters-subsidiary relationships in multinational organisations.

2.2 Publisher primacy as a boundary condition

The defining structural feature of esports, distinguishing it from every traditional sport, is that the underlying competitive product is privately owned intellectual property. In traditional sport, the rules of the game are a public good administered by a governing body. In esports, the game is copyrighted software controlled by a commercial publisher (Abanazir and Shinohara, 2025). This single difference cascades through the entire design question.

Abanazir and Shinohara (2025) formalise the consequences into governing principles for esports law: an inextricable link between esports and legal governance; a stakeholder hierarchy in which developers and publishers hold primary authority through their intellectual property regimes; a prevalence of non-state, private regulation; and only selective state intervention. Recent systematic work identifies intellectual property as a distinct, esports-specific governance dimension with no equivalent in the traditional sport literature.

The most direct challenge to any project building federation-style structures in esports comes from Novák et al. (2025). Analysing what they term the “esports illusion,” they argue that competitive gaming has not become an independent, traditionally governed industry because publishers retain authority over their intellectual property, and that the ecosystems proving most durable have been lighter, community-organised, lower-fixed-cost models rather than heavily institutionalised ones. On their account, the contraction widely described as the “esports winter” is a market correction toward a stable equilibrium rather than a crisis.

This paper takes the boundary condition seriously. Publisher intellectual property authority is treated as a fixed constraint on satellite design rather than as a dimension to be optimised: satellites are structured so that binding commitments on licensing, broadcast, and major commercial terms remain with the centre, consistent with WIPO guidance that tournament organisers must secure authorisation beginning with the game’s intellectual property owner. Section 8.1 examines where the equilibrium claim is contestable, and does so on grounds of complementarity rather than displacement.

The esports economics literature supplies the risk register. The ecosystem is characterised by volatility, with teams and rosters turning over within seasons and financial models that remain precarious. For a body operating from a state-linked capital base, a further literature is directly relevant: the geopolitical economy of esports frames Saudi investment as state-led intervention and cautions that as organisations grow reliant on this capital, the resulting entanglements warrant scrutiny. Section 8.2 addresses this directly.

2.3 Regional architecture in international sport governance

If esports lacks a federation tradition of its own, the established international federations offer the closest institutional templates for the regional-unit problem, provided transferability is bounded carefully. The governance-of-federations literature describes a federal pyramid operating across international, continental, national, and local levels, and notes that the quality of collaboration between levels determines developmental effectiveness (Mrkonjic, 2015). This literature distinguishes models of continental organisation ranging from strong, quasi-autonomous confederations to weak continental bodies whose links to the centre are ineffective. This variation is the analytic space within which a satellite model must locate itself.

Among the four federations examined, the IOC is the most instructive analog for a structural reason developed in Section 4.3: it is the only benchmark governing multiple, independently administered disciplines under a single umbrella. FIBA contributes controlled decentralisation, in which regional offices are locally incorporated legal entities that implement central decisions, may receive binding instructions, and are barred from representing the federation before third parties (FIBA, 2025). FIFA contributes the regional development office as first point of contact and intelligence conduit (FIFA, 2024). World Rugby contributes a reform-oriented, representation-widening trajectory.

The limits of the analogy must be stated as plainly as its uses. Sport governance concepts do not transfer cleanly to esports, because private entities own competition-defining intellectual property spanning multiple jurisdictions, and because national federation legitimacy in esports is uneven and contested. The federations are used to identify mechanisms, not as a constitutional template. The theoretical weight of the framework rests elsewhere.

2.4 Subsidiary roles and the integration-responsiveness problem

The problem this paper confronts, a central organisation deploying differentiated regional units under varying degrees of autonomy while balancing global coherence against local adaptation, is the problem the international-business literature has studied for four decades. That literature is the paper's theoretical spine.

Its foundation is the integration-responsiveness framework of Prahalad and Doz (1987), which frames the central strategic tension for any multinational as the simultaneous pull toward global integration and toward local responsiveness. Bartlett and Ghoshal (1989) developed this into a typology of four strategies (international, multi-domestic, global, and transnational) and argued that integration and responsiveness can in principle be pursued together. Subsequent scholarship has qualified that optimism: several exemplar firms later reverted to more integrated structures, and much of the field now treats the transnational solution as difficult to sustain, with most organisations forced into real trade-offs. This qualification supports a governance-leaning, integration-first posture in an early-stage network rather than a premature push toward the transnational ideal.

Where Bartlett and Ghoshal analysed the multinational as a whole, Gupta and Govindarajan (1991) shifted the unit of analysis to the individual subsidiary, proposing a typology of subsidiary roles based on the direction and magnitude of knowledge flows between subsidiary, headquarters, and network. Their scheme distinguishes the local implementer, characterised by low knowledge outflow, from the global innovator and the integrated player. Birkinshaw and Morrison (1995) offered a complementary typology of local implementer, specialised contributor, and world mandate, and a related stream examined how such mandates are won and lost through subsidiary initiative (Birkinshaw and Hood, 1998). Empirical work confirms that both the level and direction of knowledge flows meaningfully differentiate subsidiary roles, and that control mechanisms should be matched to role rather than applied uniformly (Harzing and Noorderhaven, 2006).

Two implications carry into the framework. Subsidiary roles are heterogeneous and should be governed differentially, which legitimises deploying distinct satellite packages by market maturity. And autonomy is not a virtue in itself but a variable to be matched to role, capability, and the direction of value creation, which reframes decentralisation as a calibrated design choice rather than a goal.

2.5 Framework: the esports strategy satellite as a bounded subsidiary

We define an **esports strategy satellite** as a regional subsidiary of a central esports body whose role is to execute regional strategy, build and sense the local ecosystem, and interface with local stakeholders, under decision rights deliberately bounded by central control of intellectual property relationships.

Its distinctive theoretical claim is that the esports satellite occupies a position neither parent literature fully captures. Unlike the classical multinational subsidiary, its authority ceiling on the core product is set not by its own headquarters but by parties entirely outside the organisation. Unlike the sport-federation regional office, it operates without a rule-making monopoly or a settled national-federation membership base. The esports satellite is thus a **bounded subsidiary** whose integration-responsiveness position is capped from outside the organisation.

To make this position designable, the framework operationalises the tension as a nine-dimension design grammar assessed from the satellite's perspective relative to headquarters. The dimensions are: centralisation to decentralisation; governance-driven to market-driven; physical to virtual infrastructure; long-term stability to agile expansion; single-authority to multi-stakeholder ecosystem; cost centre to value-creation hub; standardisation to localisation; execution hub to strategy hub; and permanent to event-based presence. Section 5.2 splits the fifth dimension following the findings.

Consistent with the qualification of the transnational ideal and with the early-stage, externally constrained condition of esports, the framework does not treat the most decentralised or most market-driven positions as targets. It treats them as bounded possibilities, several of which are structurally unavailable while intellectual property authority remains external.

The framework also inherits a role typology. Mapping the subsidiary literature onto satellite types, the Representative Hub approximates the local implementer; the Growth Hub approximates the specialised contributor; and the Main or Strategic Hub approaches the integrated player. The Event Delivery Hub is not a standard subsidiary role but a time-bound project vehicle analogous to an Olympic organising committee.

3. Method

3.1 Research design and logic of inquiry

This study adopts a qualitative, theory-elaborating design. It takes an established body of theory and elaborates it into a domain where its scope conditions do not hold cleanly: an organisational field in which the authority ceiling over the core product sits with parties outside the organisation. Theory elaboration is appropriate where a phenomenon is novel enough that existing constructs require modification, but not so novel that they must be abandoned.

The logic of inference is abductive, moving between the theoretical grammar of Section 2 and the empirical record, adjusting the framework where the record resists it. Two features of the setting made this necessary. The field is changing faster than the publication cycle of the literature describing it, and the focal organisation has been building its regional architecture during the period of study. The framework is therefore time-stamped to mid-2026, and Section 9.2 states the consequences.

3.2 Propositions

Three propositions are carried into the analysis and returned to in Section 8.5.

P1 (bounded autonomy). Satellite decision rights will be constrained less by headquarters preference than by the external location of intellectual property authority, producing an autonomy ceiling no internal governance choice can lift.

P2 (platform complementarity). A central convening body that accumulates ecosystem infrastructure, audience, host-market relationships, and national representation capacity supplies complements that rights-holders would otherwise finance individually, altering its relative position without contesting intellectual property authority.

P3 (legitimacy is not delegable). Where national representation legitimacy is held by a state-recognised body, the central organisation cannot confer or substitute it through commercial appointment, and satellite design must accommodate this as a hard constraint.

3.3 Data sources and evidence hierarchy

Sources are treated in a four-tier hierarchy, and claims are graded by the tier supporting them.

Tier 1, constitutional and doctrinal instruments. The FIFA Statutes (2024), the Olympic Charter (2024), the FIBA General Statutes (2025), the World Rugby Bye-Laws, and WIPO guidance for esports tournament organisers. These are authoritative as to what an organisation is constitutionally required or permitted to do, and are the sole documentary basis for benchmark scoring.

Tier 2, primary organisational sources of the focal case. Official competition announcements, National Team Partner and Manager programme terms, published national-team setup and partner listings, the 2026 relocation announcement, and club partner programme releases.

Tier 3, peer-reviewed scholarship, as reviewed in Section 2.

Tier 4, trade and general press, used only for event chronology and for the reported positions of parties to a dispute. Tier 4 sources never establish a governance rule that a Tier 1 or Tier 2 source could establish, and where a Tier 4 claim is contested by the parties, the contest is reported rather than resolved.

3.4 The nine-dimension design grammar: scoring protocol

Dimensions are scored on a bipolar scale from -5 to +5, where negative values denote central authority, standardisation, and permanence, and positive values denote satellite autonomy, localisation, and variability. Five protocol rules govern scoring.

Rule 1, unit and perspective. Every score is assigned from the perspective of the satellite or regional unit relative to headquarters, not from the perspective of the organisation as a whole. A federation may be highly decentralised at member-association level while its regional offices hold almost no authority; only the latter is scored.

Rule 1a, organisational-level exclusion. Where a justification rests on a property of the centre rather than on the position of its regional units, the score is invalid regardless of the accuracy of the underlying claim. The commercial scale of a federation, the reach of its brand, and the value of its media portfolio are properties of the centre, scored only to the extent that regional units hold a mandate over them.

Rule 2, decision rights over participation. Scores respond to allocated decision rights, not to consultation, representation, or voice. A regional body consulted extensively but unable to decide, commit, or veto scores toward the central pole.

Rule 3, documented anchors. Each score is justified against the written anchors for -5, 0, and +5 on that dimension, citing the specific instrument and provision relied upon. Scores without a traceable Tier 1 or Tier 2 source are not recorded.

Rule 4, trajectory notation. Where evidence supports a current position and a directional expectation, the score is recorded as a transition rather than a point estimate.

The dimensions are treated as **interdependent design axes, not orthogonal constructs**. Several are conceptually correlated by construction. No claim of statistical independence is made, no factor structure is asserted, and no composite index is computed across the nine. The instrument is a design grammar for making trade-offs explicit and comparable, not a measurement scale.

Annex A contains the full dimension definitions with anchors, including three corrections made during the study: the anchors on Dimension 9 were inverted relative to their use and have been rewritten; Dimension 3 bundled physical footprint with shared-services ownership and has been re-specified to measure footprint alone; and Dimension 5 was scored on two different constructs across cases and has been split as described in Section 5.2.

3.5 Expert validation

The scoring instrument and its outputs were validated through a **two-round modified Delphi process** with a panel of more than twenty practitioners.

Panel composition. The panel comprised three to five experts per benchmark federation, five esports experts, and a group of international strategy and expansion directors drawn from outside sport and esports. Roles were concentrated in regional office directors, heads of strategy for regional development offices, football association directors, heads of esports federations and associations, and international strategy and expansion directors at international brands.

Coverage. Federation experts addressed all nine dimensions for their own federation only. Esports experts addressed the esports position. Strategy and expansion experts addressed the instrument as a general design tool.

Round one. Experts scored the relevant dimensions independently, without sight of the researcher's positions, working from the written anchor definitions in Annex A.

Round two. The researcher's scores and justifications were then disclosed and discussed. Experts were free to revise or retain their positions. Revisions occurred in some cases and not in others.

Reported output. The positions reported in Sections 4 and 5 are the post-validation consensus scores.

What this design supports and does not support. The process establishes that positions were tested against practitioner judgement of how regional units in these organisations actually operate, which materially strengthens a documentary instrument. It departs from a classical Delphi in one respect that must be stated: round-two feedback was the researcher's own score and reasoning rather than an anonymised panel median, which introduces potential anchoring toward the researcher's position. Because round-level data are not reported, the study **does not claim measured inter-rater reliability** and cannot identify which dimensions were most contested. Section 9.2 records this as a limitation.

Convergent validity. Eight benchmark positions were restated during the study following systematic reapplication of Rule 1a. These corrections converged with the expert panel's input on the same positions. Two independent checks producing the same adjustments is a stronger warrant than either alone, and the convergence is reported here rather than in the results because it is a property of the method.

Participation and consent. Participants took part voluntarily and consented to their input being used in publication. No institutional ethics review was sought, as the study was conducted outside a university affiliation and does not involve sensitive personal data. Participants are not named, and validation outcomes are reported at instrument level rather than attributed to individual federations or individuals, so that no position is traceable to a specific participant or employer. Annex C sets out the protocol and panel profile in full.

3.6 Benchmark case selection

Four federations were selected purposively and on theoretical grounds.

The **IOC is the primary analog** because, of the available federations, it alone coordinates multiple independently administered disciplines under a single umbrella, with International Federations retaining genuine authority over their own sports subject to Charter conformity while the IOC preserves supreme authority, direct relationships with National Olympic Committees, and delegated event delivery through time-bound organising committees. One central body convening many independent rights-holding constituents is the closest institutional parallel available to a central esports body convening many independent publisher intellectual properties.

The remaining three are **supporting cases** selected for specific mechanisms: FIBA for controlled decentralisation, FIFA for the proximity and intelligence model, and World Rugby for its active governance-reform trajectory.

Two boundary conditions constrain what these cases can support. All four hold a rule-making monopoly no esports body holds over any title, and all four rest on a settled national-federation membership base whose equivalent in esports is uneven. The federations identify transferable mechanisms and locate the esports position by contrast. No inference runs from a federation practice to an esports prescription without an explicit transferability argument.

3.7 Embedded case analyses

Two embedded analyses test propositions against evidence that could disconfirm them.

The platform complementarity probe (P2) assembles observable indicators of a central body's position and asks whether the pattern is more consistent with a fixed publisher-dependent equilibrium or with accumulation of complementary assets. The rival explanation is stated explicitly and tested. Section 8.1.

The national-layer critical incidents (P1 and P3) examine two publicly documented instances in which a central body's delegated national layer met national representation authority. Chronology is established from Tier 2 sources where available and

Tier 4 otherwise; contested attributions are reported as contested; unverified speculation about individuals is excluded entirely. Sections 8.3 and 8.4.

3.8 Analytical strategy

Analysis proceeded in five passes: doctrinal coding of Tier 1 instruments against the nine dimensions; expert validation as described in Section 3.5; pattern matching between benchmark and esports positions to isolate departures; rival-explanation testing on the embedded cases; and a disconfirming-evidence pass in which each proposition was interrogated for contrary evidence, the results of which are reported in the analyses rather than suppressed.

3.9 Positionality and declaration of interest

The author works as a strategy consultant within the broader ecosystem that includes the focal organisation, and previously led programme management and business intelligence functions at the Saudi Esports Federation, where his responsibilities included support to the development of the national gaming and esports strategy and to the delivery of the inaugural Esports World Cup. This is a closer relationship to the focal case than ecosystem proximity alone, and it is stated here rather than left to the author biography at the end of the paper.

That history is the source of the study's access to practitioner framing and of its awareness of live developments. It is equally a source of potential bias toward the focal organisation's strategic premises, and toward reading its decisions as considered rather than contingent. Three safeguards apply. All empirical claims about the focal organisation rest on publicly available sources, so that any reader may verify them independently. No confidential material from any current or former employer has been used at any point in the study. And the strongest available academic challenge to the paper's central premise is engaged directly in Section 8.1 rather than noted and set aside.

4. Benchmarking Findings

4.1 How these scores should be read

Nothing in this section should be read as an assessment of a federation’s overall governance quality or performance. Scores are satellite-perspective positions under the protocol rules in Section 3.4. Because they derive from constitutional instruments validated against practitioner judgement, they capture organisational tendency as constituted and as operated, but not confidential internal practice.

4.2 Composite positions

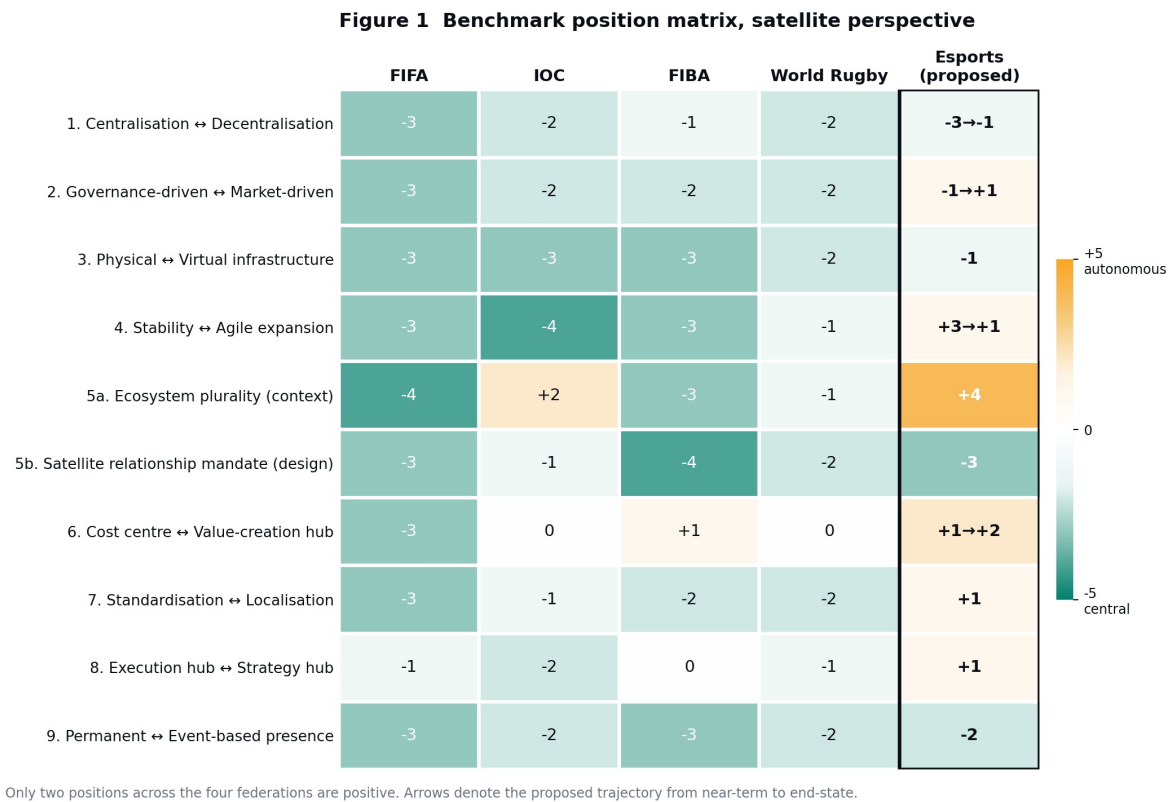


Table 1. Benchmark and proposed positions across the design grammar, satellite perspective

Dimension	FIFA	IOC	FIBA	World Rugby	Esports (proposed)
1. Centralisation ↔ Decentralisation	-3	-2	-1	-2	-3 → -1
2. Governance-driven ↔ Market-driven	-3	-2	-2	-2	-1 → +1
3. Physical ↔ Virtual infrastructure	-3	-3	-3	-2	-1
4. Long-term stability ↔ Agile expansion	-3	-4	-3	-1	+3 → +1
5a. Ecosystem plurality (<i>context</i>)	-4	+2	-3	-1	+4
5b. Satellite relationship mandate (<i>design</i>)	-3	-1	-4	-2	-3
6. Cost centre ↔ Value-creation hub	-3	0	+1	0	+1 → +2
7. Standardisation ↔ Localisation	-3	-1	-2	-2	+1
8. Execution hub ↔ Strategy hub	-1	-2	0	-1	+1
9. Permanent ↔ Event-based presence	-3	-2	-3	-2	-2
<i>Derived: plurality-mandate gap (5a – 5b)</i>	-1	+3	+1	+1	+7

Per-score justifications with provision-level citations are in Annex B.

4.3 The IOC as primary analog

The IOC coordinates multiple independently administered disciplines beneath a single umbrella. Its International Federations retain genuine authority over the rules, formats, and eligibility of their own sports subject to Charter conformity, while the IOC preserves supreme authority, retains direct relationships with National Olympic Committees, and delegates Games delivery to time-bound organising committees (IOC, 2024).

The parallel describes the shape of the coordination problem without describing the source of the authorities involved. International Federations derive their standing within the movement from IOC recognition; publishers derive theirs from property law and owe the central body nothing. The IOC's constituents are non-profit bodies pursuing a shared mission; publishers are commercial firms pursuing returns on titles they may discontinue at will. This is why the IOC scores +2 on ecosystem plurality, the highest in the benchmark set, while esports scores +4: the Olympic environment is genuinely plural, but its plurality is bounded by a recognition framework the centre controls.

The IOC's satellite layer is **bifurcated**, and the framework treats this as its most directly transferable feature. National Olympic Committees are permanent constituent bodies; Organising Committees are time-bound delivery vehicles that scale to thousands of personnel and dissolve. The stability position of -4 scores the permanent layer. The separation of permanent satellites from Event Delivery Hubs in Section 6.3 is modelled directly on this bifurcation.

A second transferable principle is the preservation of direct central relationships alongside intermediate structures: recognition of continental associations does not sever the IOC's direct relationship with each National Olympic Committee. An intermediate regional layer must not become a mandatory channel through which national relationships are routed.

4.4 FIBA: the controlled-decentralisation mechanism

FIBA contributes the mechanism this study adopts most directly. Its zones exist explicitly to ensure proximity and act through regional offices constituted as locally incorporated non-profit legal entities owned by the federation. Three provisions define the control envelope: central decisions prevail in conflict, the Executive Committee may issue binding instructions, and regional offices are not authorised to represent the federation before third parties (FIBA, 2025).

The value of this arrangement lies in separating two things usually bundled together. **Legal localisation**, enabling compliant hiring, contracting, and operation in a jurisdiction, is decoupled from **representational authority**, which remains central. A satellite may be locally real without being locally sovereign.

FIBA records the **most restricted relationship mandate in the set at -4**, and simultaneously the **least centralised position at -1**. This combination, high operational latitude paired with near-zero external representational authority, is precisely the configuration the esports model requires, and it is why FIBA supplies the governance mechanics even though the IOC supplies the

structural analogy.

4.5 FIFA: proximity, first contact, and intelligence

FIFA's regional development offices are framed as conduits for implementing a flagship global development programme, as first point of contact for member associations, and as instruments for gathering information from the field, staffed locally and aligned to regional time zones, languages, and cultures (FIFA, 2024). They were established as a programme-era structure rather than through constitutional amendment, which is why the architecture scores as highly stable (-3) despite the offices' relative recency.

Two elements transfer: the designation of intelligence-gathering as a **named function** rather than a by-product of presence, and the **host-agreement approach to footprint**, in which the centre secures enabling conditions through formal arrangements rather than constructing every capability from scratch.

FIFA records the **lowest ecosystem plurality in the set at -4**. International matches require prior central permission, and confederations derive authority from delegation. The eight-point spread between FIFA's -4 and the esports +4 is the sharpest structural contrast available in the comparison.

4.6 World Rugby: the reform trajectory

World Rugby is the only benchmark undergoing active structural governance evolution, producing the least rigid stability position in the set (-1). Its architecture rests on 134 national member unions affiliated through six regional associations. The transferable element is the combination of geographic representation with skills-based appointment, offering a template for the Regional Advisory Councils in Section 6.4.

Its regional associations function primarily as representation channels rather than as constitutionally empowered implementation bodies. They hold no identified independent decision right and, unlike FIBA's regional offices, are not owned legal entities with delegated implementation mandates. The result is a profile **more centralised than FIBA on Dimension 1 despite appearing more participatory**, which is a substantive finding rather than a scoring artefact: participatory architecture and delegated authority are independent variables.

4.7 Cross-case patterns

The benchmark band is almost entirely central

Across four federations and ten dimensions, exactly **two positions are positive**: the IOC's ecosystem plurality at +2, and FIBA's value creation at +1. Every other position lies between 0 and -4, with a central tendency between -2 and -3.

International federations, whatever their sport, size, or commercial scale, converge on regional units that are proximate but subordinate, permanent but not autonomous, locally staffed but centrally directed, constitutionally stable, and **not commercially mandated**. The convergence holds across a range in commercial scale of well over an order of magnitude, suggesting it reflects something structural about the coordination problem rather than the resource position of any one body.

Regional units are cost centres, not value creators

The most consequential correction in this study concerns value creation. Three of four federations were originally scored on the commercial scale of the centre rather than the mandate of the regional unit. FIFA's regional development offices are funded conduits for a development programme with no revenue mandate; restated on satellite mandate, they score -3.

The corrected finding is that **federation regional units are overwhelmingly cost centres**, and that FIBA's +1, resting on an explicitly aspirational self-sustainability mandate, is the only positive commercial mandate identified anywhere in the benchmark set. Section 5.7 develops what this implies for the esports proposal.

4.8 What the benchmarks cannot supply

Two specific gaps deserve naming. No benchmark supplies a precedent for a regional unit operating beneath an external authority the parent organisation does not control, which is the publisher condition. And no benchmark supplies a precedent for a commercially mandated regional unit. On both, the framework extends beyond its comparative base rather than transferring from it.

5. The Esports Position

5.1 Position relative to the benchmark band

The proposed esports position sits **inside or adjacent to the benchmark band** on centralisation (-3 moving to -1, ending where FIBA’s regional offices sit), physical footprint (-1, marginally lighter than any benchmark), permanence (-2, matching the IOC and World Rugby), and relationship mandate (-3, within the band of -1 to -4).

It sits **well outside the band** on ecosystem plurality (+4 against a benchmark maximum of +2), agility (+3 moving to +1, against a band of -1 to -4), market orientation (-1 moving to +1, against -2 to -3), localisation (+1 against -1 to -3), strategic contribution (+1 against 0 to -2), and value creation (+1 moving to +2, against -3 to +1).

Four of these positions are trajectories rather than fixed points, as recorded in Table 1: centralisation, market orientation, agility, and value creation each move between a near-term and an end-state position. Where a single value is cited elsewhere in this paper it is the end state, and the near-term position is stated wherever the difference is material to the argument.

5.2 Splitting the fifth dimension

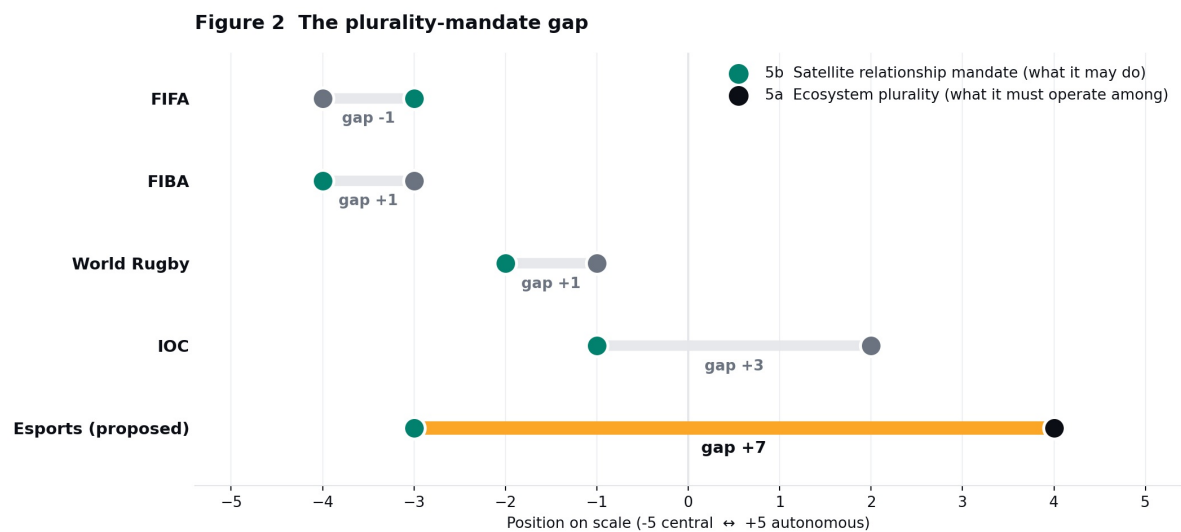
The original single-authority dimension was scored on two different constructs across cases. Some scores measured the plurality of the surrounding ecosystem; the anchors described the satellite’s own authority to manage relationships. These are different constructs that can move in opposite directions, which the esports case demonstrates acutely. The dimension is therefore split.

Dimension 5a, ecosystem plurality (contextual). The number and independence of external authorities among which the unit must operate. Esports scores +4: multiple publishers holding independent authority derived from property law rather than from the organisation, each able to veto activity in its title; national governing bodies holding authority over national representation; and state regulators in several markets. It is reserved from +5 because a functioning central coordination layer exists across titles.

Dimension 5b, satellite relationship mandate (design). What the unit may do with those authorities. Esports scores -3: satellites cultivate, sense, and support relationships but may not bind the organisation or represent it before third parties.

Stating these separately makes the central design tension explicit rather than burying it in an averaged score.

5.3 The plurality-mandate gap



The esports satellite carries a coordination burden more than twice that of any benchmark while holding a mandate as restricted as the most tightly bound.

The difference between 5a and 5b measures the coordination burden a unit carries without corresponding authority. It runs at -1 for FIFA, +1 for FIBA and World Rugby, +3 for the IOC, and **+7 for the esports proposal**, more than double the largest benchmark value.

Its meaning is precise. An esports satellite must operate among more independent authorities than any federation regional unit, those authorities derive their standing externally rather than from the organisation, and the satellite holds a mandate as restricted as FIBA’s most tightly bound regional office.

This gap is the structural condition the governance architecture must absorb, and it explains why the mechanisms in Section 6.4 are load-bearing rather than administrative. A unit with a gap of +7 fails in one of two predictable ways: **mandate breach**, where it acts beyond its authority to settle the coordination problems in front of it, or **referral paralysis**, where it refers everything upward and ceases to function as a regional interface. Section 6.4 maps each mode to the mechanisms that prevent and detect it, and shows why the two cannot be designed against independently.

5.4 Two external authority ceilings

The framework originally anticipated a single external constraint. The evidence establishes two, and the case analysis supporting the second is at Section 8.3.

Ceiling 1, intellectual property authority. Publishers hold legal authority over the competitive product. All binding commitments on licensing, title portfolio, broadcast, and major commercial terms sit at headquarters. The observable governance of the national-team competition reflects this division: game partners retain authority over title-specific rules, eligibility, and competitive integrity where their licences so provide, while the central body owns the unified cross-title national framework.

Ceiling 2, national representation legitimacy. Where national representation is held by a state-recognised body, the right to represent the nation cannot be conferred by commercial appointment. A central organisation may grant participation; it cannot grant representation. This binds independently of any contract the organisation writes.

The two differ in a way that governs design. Ceiling 1 is **uniform**: it applies identically in every market and to every title, and can be handled by a single global rule. Ceiling 2 is **market-specific**: it binds where mature state-linked sport institutions exist and is largely absent where they do not. Satellite design must therefore be uniform with respect to the first and differentiated with respect to the second, which is the argument for the separated complexity axes in Section 7.3.

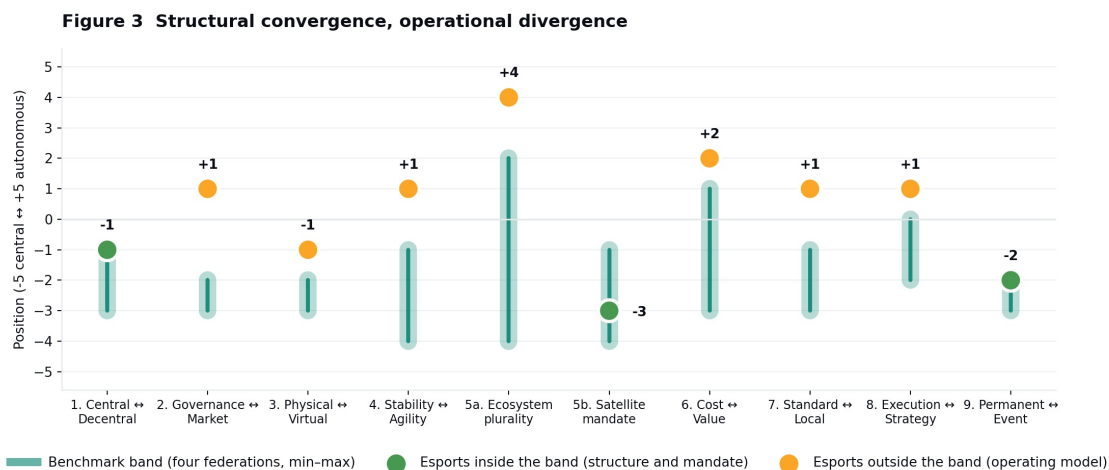
The framework's central construct is accordingly restated. The esports satellite is not a subsidiary with one externally imposed ceiling but a subsidiary operating beneath a **layered external authority structure whose composition varies by market**.

5.5 Publisher asymmetry: why “multi-stakeholder” understates the position

The multi-stakeholder label conventionally applied to esports governance is analytically inadequate for design purposes, and the Dimension 5 split shows why. Publishers are not stakeholders among others. They are **gatekeepers over a specific object**, namely the licence without which competition on a title cannot occur, and their authority derives from property law rather than from participation in any governance arrangement. National governing bodies are gatekeepers over a different object, namely the right to represent a nation. Both hold effective veto within their domain and neither holds veto in the other's.

Treating these as one undifferentiated category of stakeholder conceals the asymmetry that matters most for design: **different authorities must be managed through different mechanisms, at different levels, with different escalation paths**. The decision-rights matrix in Section 6.5 is disaggregated by object of authority for this reason rather than by stakeholder identity.

5.6 Structural convergence, operational divergence



Esports positions are end-state. Centralisation, market orientation, agility and value creation each move from a more central near-term position (Table 1). Bounded like a federation regional office in footprint

The esports satellite should be **bounded exactly like a federation regional office, while operating in an environment nothing like one and delivering a role nothing like one**. Its authority limits, footprint, and prohibition on binding the organisation externally are conventional and borrowed with little modification from FIBA. Its adaptability, stakeholder posture, localisation latitude, strategic mandate, and commercial expectation are unprecedented in the comparison set.

Designs that invert this pattern, granting structural or representational autonomy while constraining operational adaptability, are the predictable failure mode. The governance architecture exists principally to prevent that inversion.

5.7 The value-creation departure

Section 4.7 established that federation regional units are near-uniformly cost centres, with the only positive commercial mandate being explicitly aspirational. The esports target of +1 moving to +2 is therefore a four-to-five point departure from a near-uniform benchmark position, with no demonstrated precedent.

Three candidate mechanisms are available. **Partner activation attribution**, where locally originated sponsorship revenue is traceable to satellite effort. **Cost avoidance**, where in-market presence reduces the cost of event delivery, market entry, and compliance failure, with the 2026 relocation offering a concrete instance. And **ecosystem multiplier effects**, where club capability uplift and pipeline development raise the commercial value of centrally owned properties.

The second and third are measurable only indirectly and will be contested by any finance function assessing the network. This paper specifies the mechanisms without committing to an attribution methodology, and records the gap as the framework's most serious unresolved internal challenge.

6. Proposed Operating Model

6.1 What a strategy satellite does

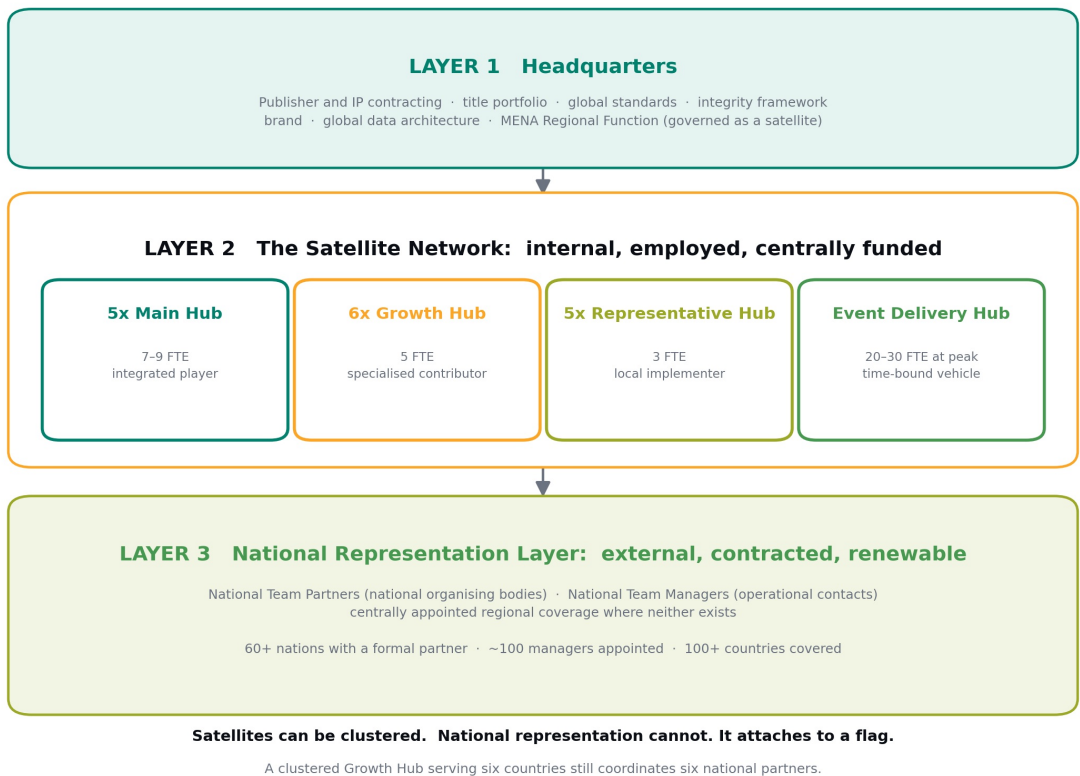
A strategy satellite is not a miniature headquarters. It is a tightly scoped unit executing regional strategy under central direction, with seven core functions.

1. **First point of contact and stakeholder interface**, staffed to local time zone, language, and culture.
2. **Regional intelligence and sensing**, treated as a named deliverable rather than a by-product of presence.
3. **Programme localisation and execution support**, within defined non-negotiables.
4. **Partnership pipeline development**, without authority to close.
5. **Regional risk and compliance radar**, escalating on defined triggers.
6. **Ecosystem capacity building** through workshops, education, and tooling.
7. **National partner portfolio management**, selecting, supporting, monitoring, and renewing national representation partners, and managing relationships with incumbent national governing bodies.

The seventh function responds to the fact that the focal organisation has already constructed a national layer, now the single largest source of both distributed capability and governance exposure in the network.

6.2 The three-layer architecture

Figure 4 The three-layer architecture



The expansion problem is not greenfield.

Layer 1, headquarters. Owns publisher and intellectual property contracting, the title portfolio, global standards, integrity frameworks, brand, and the global data architecture.

Layer 2, the satellite network. Main, Growth, and Representative Hubs. Internal units, centrally funded, permanently staffed, regionally scoped. Bounded in authority, but they are the organisation.

Layer 3, the national representation layer. National Team Partners acting as national organising bodies, National Team Managers as operational contacts, and centrally appointed regional coverage where neither exists. Contracted, not employed: externally resourced, locally legitimate where it works, and renewable.

Partner status was awarded across more than 100 countries and territories from over 630 applications spanning more than 150 countries, with roughly 60 nations holding a formal partner and approximately 100 managers appointed. Partner structures vary: national federations in some markets, club-led coalitions in others, hybrid public-private alliances elsewhere, and in some markets individual national management without an organisational partner.

Four design consequences follow.

Satellites can be clustered; national representation cannot. This is the sharpest architectural distinction between Layers 2 and 3. National representation is inherently per-nation, because it attaches to a flag and a national eligibility framework. A satellite serves a market, and markets can be defined regionally. A single Growth Hub may serve six countries, each holding its own national partner.

The centrally appointed regional coverage function is a transitional Representative Hub. Its specification, covering multiple territories without local partners, providing intelligence and relationship seeding with no independent execution authority, is exactly the Representative Hub definition. The rollout should absorb and formalise it rather than build a parallel structure.

The national layer supplies distributed capability at near-zero fixed cost. Partners are externally funded organisations bearing their own costs, and manager compensation is performance-linked, scaling with titles qualified. This variable-cost structure attached to a fixed-cost network partially answers the fixed-cost critique in Section 8.1, and the funding model in Section 6.7 adopts the same principle.

The tier structure is a deadlock-resolution mechanism, not merely a coverage fallback. The descending sequence from organisational partner to individual manager to central regional coverage was designed to ensure coverage in under-served territories. Section 8.4 shows it performing a second and more valuable function: in a market where competing organisational claimants could not be reconciled, descending one tier preserved both participation and representation without requiring the centre to adjudicate between claimants, which it lacks the legitimacy to do. This should be written into the National Partner Review Cycle as an explicit option rather than treated as an exception.

6.3 Satellite typology

Main Hub (Strategic satellite). Approximates the integrated player role. Seven to nine staff. Owns execution of regional objectives, supports publisher relationships as a local interface without contracting authority, develops commercial partnerships within central templates, builds club and federation ecosystems, manages the national partner portfolio, and supports subordinate hubs. Governance: strong central control over intellectual property and publisher matters, high execution autonomy elsewhere.

Growth Hub (recommended default). Approximates the specialised contributor. Five staff. Market intelligence, publisher ecosystem mapping, early commercial pipeline development, community activation, club and federation support. Governance: centrally led strategy supported by the regional Main Hub, limited execution authority, strong reporting cadence.

Representative Hub. Approximates the local implementer. Three staff, or centrally appointed regional coverage in transitional form. Intelligence, relationship seeding, institutional engagement. Governance: directed by the regional Main Hub, no independent execution authority.

Event Delivery Hub. A time-bound project vehicle analogous to an Olympic organising committee. Twenty to thirty staff at peak: a core team of eight to twelve plus functional managers scaling with event size, supplemented by temporary workforce and vendors. Established under central authority, operating within central event standards and centrally held publisher agreements, with high execution autonomy during the event lifecycle following bid approval and no long-term strategic authority.

The separation of the fourth type is load-bearing. It allows the permanent network to be sized for ecosystem development rather than event peaks, and event delivery to scale and dissolve without destabilising the permanent structure.

Permanence reframed: both flagships are now mobile

The permanence position was originally justified on the reasoning that the flagship was centrally hosted in a fixed location. That premise no longer holds for either property. The 2026 club flagship was relocated between host countries under external pressure, announced in May and delivered from July, preserving scale, structure, and competitive integrity. The national-team competition debuts in Riyadh in November 2026 before moving to a rotating host model.

This strengthens rather than weakens the case for permanent satellites. Relocating an event of that scale within weeks required in-market relationships, state-level access, venue capacity, and operational reserve that cannot be assembled on demand. The dimension is reframed from a question of buildings to a question of standing relationships: **permanent relationship capacity is what enables mobile event delivery.**

6.4 Governance architecture

The full inventory of governance mechanisms is tabled in **Annex D**. This section states the design logic and the mechanisms that carry the most weight.

The architecture is sized to the plurality-mandate gap. A unit carrying maximum coordination burden with minimal transactional authority requires more coordination machinery than one operating beneath uniform authority. Economising on that machinery does not produce a leaner satellite; it produces one of the two failure modes identified in Section 5.3.

Designing against the two failure modes. Section 5.3 held that a unit with a gap of +7 fails either by exceeding its mandate or by referring everything upward. Each mode has a distinct cause in the gap itself, a distinct set of preventive mechanisms, and a distinct detection route. The mapping below is the substance of the claim that the governance architecture is load-bearing rather than administrative.

Table 2. Failure modes arising from the plurality-mandate gap, with preventive and detection mechanisms

Failure mode	Why the gap produces it	Preventive mechanisms	Detection route
Mandate breach. The unit acts beyond its authority to settle the coordination problems in front of it.	The unit faces demands from many independent authorities while holding no authority to settle any of them. Acting beyond mandate becomes the only visible route to progress.	RACI matrix with explicit thresholds; Delegation of Authority schedule; prohibition on representing the organisation before third parties; Publisher and IP Office as sole owner of licensing; standard contract playbooks supplying a compliant path to the same outcome	Quarterly Regional Governance Review; published decision log; commitments surfacing outside the escalation record
Referral paralysis. The unit refers everything upward and ceases to function as a regional interface.	Every consequential matter formally belongs to the centre. Where referral carries no cost, it becomes the default, and the sensing and interface functions erode into a post box.	Standard contract playbooks and approval thresholds that pre-authorise routine action; Cross-Regional Account Protocol removing ownership ambiguity; Inter-Satellite Coordination Forum enabling lateral resolution; Regional Insight Brief as a named monthly deliverable	Monthly Satellite Operations Review tracking escalation volume and blocker ageing; Annual Satellite Tier Review testing whether the unit still generates knowledge outflow

The two modes pull in opposite directions, and this is the design constraint that matters. Mechanisms that suppress mandate breach by tightening authority tend to induce referral paralysis, and mechanisms that suppress paralysis by widening latitude tend to induce breach. The architecture therefore pairs a **hard ceiling**, stating what a satellite may never do irrespective of circumstance, with a **pre-authorised floor**, stating what it must do without asking. A design that specifies only the ceiling will produce a post box; one that specifies only the floor will produce a mini-headquarters.

Controlled decentralisation is adopted from FIBA essentially unmodified: satellites may be locally incorporated for hiring and compliance, may receive binding instructions, and may not represent the organisation before third parties.

Regional Advisory Councils are constituted as explicitly non-governing bodies, capturing representation and legitimacy without building membership bureaucracy or conceding decision rights. In markets with mature national governing bodies, council membership should include those bodies by design, providing a standing forum in which friction surfaces before it becomes public.

Bidirectional escalation. The original design anticipated escalation flowing upward, on the assumption that the dominant risk was units over-reaching. The Korean case demonstrates the opposite exposure: the centre reaching into a domain a local body already occupied. Escalation must run in both directions, with a defined trigger requiring central review before any central intervention in nationally sensitive matters, including team selection, national symbols, and relationships with state-recognised bodies. A satellite's regional knowledge is the organisation's primary early-warning system for this class of exposure, and a protocol that only listens upward will not hear it.

Four mechanisms added during inventory because the design requires them and the source materials lacked them: a **Cross-Regional Account Protocol**, since publishers and major clubs operate across multiple territories and without an ownership rule the network will produce contradictory approaches to the same counterparty; an **Inter-Satellite Coordination Forum**, since a network with no lateral knowledge mechanism is a hub-and-spoke structure and the subsidiary literature identifies knowledge flow as the defining feature of higher-order roles; a **Delegation of Authority schedule**, since decision categories and spend thresholds are distinct controls; and a **speak-up channel**, standard governance practice and material for a network spanning jurisdictions with varying norms.

6.5 Decision-rights matrix

Table 3. Decision rights between headquarters and satellite, by object of authority

Decision category	Headquarters	Satellite	Governance mechanism
Publisher and game licensing, title portfolio, IP terms	Own and approve	Recommend, monitor compliance	Publisher and IP Office; Title Portfolio Council
National representation and team selection	Set framework and integrity standards only	Support and monitor; no influence over selection	National Representation Protocol; bidirectional escalation
National partner appointment, renewal, and tier descent	Approve	Recommend, assess, manage performance	National Partner Review Cycle
Local government and institutional relationships	Set principles, objectives, limits	Lead execution within guardrails	Quarterly Regional Governance Review
Local sponsorship activation (non-publisher)	Approve thresholds and templates	Execute within playbooks	Standard contract playbooks; escalation
Integrity incident handling	Global standards, central oversight	First response, local liaison	Integrity Committee; incident escalation
Data collection and processing	Global architecture and policy	Execute under local compliance wrapper	Privacy governance aligned to GDPR and PIPL
Event hosting bids and delivery	Approve bid, own standards	Execute post-approval	Event Delivery Hub Charter
Cross-regional accounts	Own relationship; designate account lead	Contribute intelligence; execute locally	Cross-Regional Account Protocol
Satellite tier change, downgrade, closure	Decide	Recommend; provide market evidence	Annual Satellite Tier Review

The bolded row specifies that the centre sets the framework and integrity standards for national representation but holds no authority over selection outcomes, and that the satellite likewise supports without influencing. This is a deliberate self-limitation, written into the matrix because the incident that made it necessary arose from the centre rather than from a satellite.

6.6 Staffing and cost structure

Staffing packages. Representative Hub: three staff (regional strategy lead, partnerships and programmes manager, analyst and operations coordinator). Growth Hub: five (adding an insights analyst, ecosystem programmes manager, and partnerships manager). Main Hub: seven to nine (adding an ecosystem director, local legal and compliance specialist, dedicated sponsorship and partnership lead, and data analyst).

The local legal and compliance specialist at Main Hub level, and the routing of commercial interfaces through a partnerships lead escalating to central legal, reflect a deliberate departure from a purely centralised model. Publisher and licensing interfaces operate more efficiently when satellites can triage, shape proposals, and localise terms, even though final authorisation remains central. **The distinction is between preparing a commitment and making one.**

Cost drivers. Salaries at sixty to seventy per cent, offices at ten to fifteen per cent, operations and travel at twenty to thirty per cent, with employer loading of forty to fifty per cent above base salary and regional salary multipliers from 1.0 at the United States baseline to approximately 0.25 in the lowest-cost markets. Tier ranges are United States-baseline figures; per-market costs apply the regional multiplier to the salary component. Full cost detail and assumptions are in **Annex F**.

6.7 Funding model

Funding is two-part.

Baseline capability funding, allocated by satellite type, covering the fixed cost of presence, staffing, and compliance. Centrally provided, stage-gated at establishment, reviewed annually.

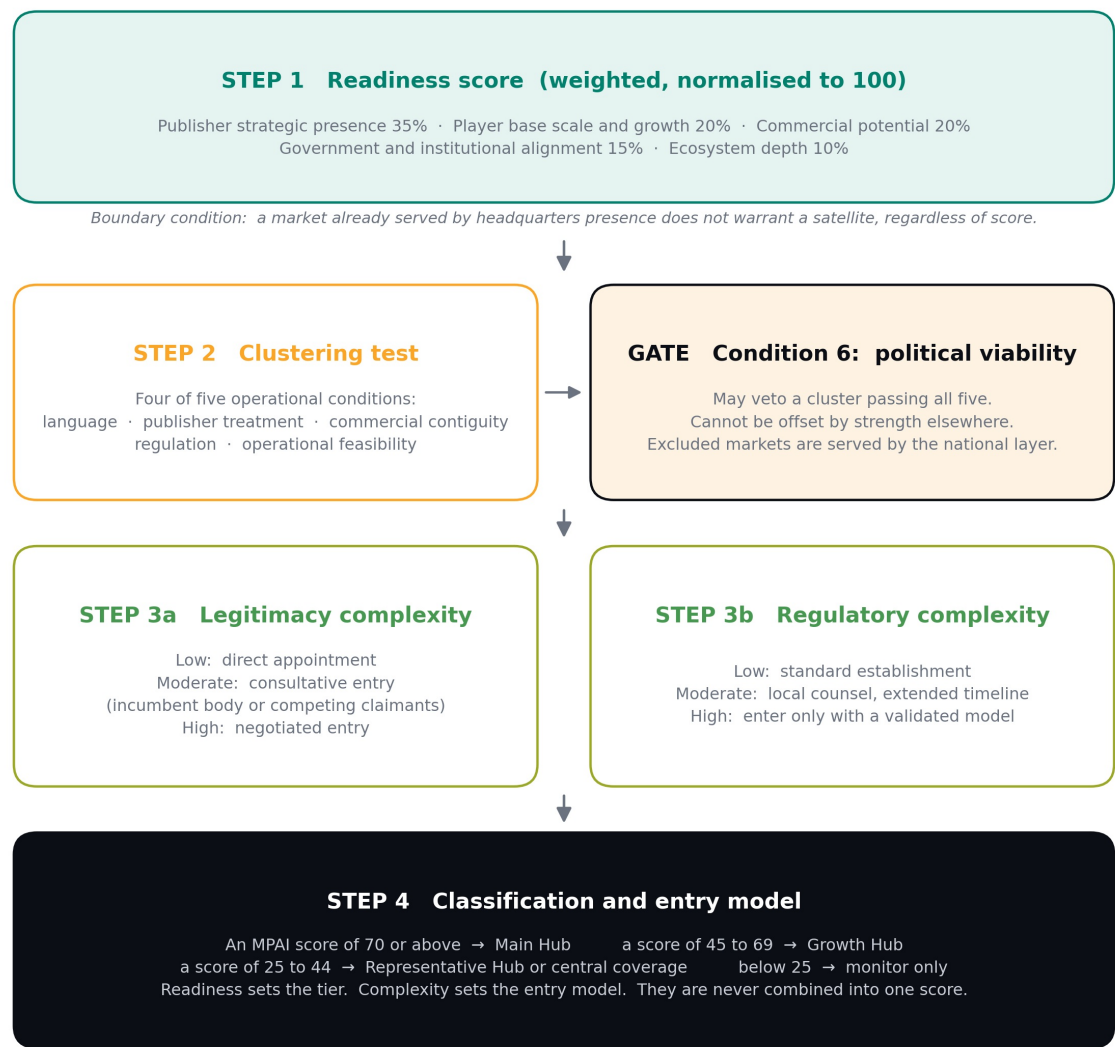
Performance and optionality funding, unlocked against readiness signals and delivery, structured to scale with demonstrated outcomes rather than headcount, following the logic of the performance-linked national manager compensation model.

Emphasis evolves across phases. Phase 1 is entirely centrally funded and pilot-focused, measuring intelligence cadence, stakeholder satisfaction, compliance performance, and pipeline created. Phase 2 adds a gated expansion tranche, measuring pipeline conversion, localisation outcomes, integrity maturity, and partner activation return. Phase 3 introduces co-funding optionality, measuring sustainable levers such as co-hosting and partner cost-sharing, forum maturity, and resilience.

The transition from central funding toward ecosystem co-investment is presented as a **testable hypothesis rather than an assumption**. Section 8.2 addresses it directly.

7. Expansion Framework and the Market-Publisher Alignment Index

Figure 5 Market-Publisher Alignment Index: decision flow



7.1 The readiness component

Table 4. Market-Publisher Alignment Index: readiness factors and weights

Factor	Weight	Scored on
Publisher strategic presence	35%	Regional league or circuit presence; localised servers and content; publisher regional staffing; title overlap with the flagship portfolio
Player base scale and growth	20%	Title-specific active player base; audience size; three-year growth trajectory
Commercial potential	20%	Sponsorship market maturity; media rights value; endemic and non-endemic brand presence
Government and institutional alignment	15%	National strategy support; event hosting appetite; regulatory posture
Ecosystem depth	10%	Club density and professionalism; organiser capability; talent pipeline

Each factor is scored 1 to 5 against the rubrics in **Annex E**, weighted, and normalised to 100. Thresholds: 70 and above indicates Main Hub readiness; 45 to 69 Growth Hub; 25 to 44 Representative Hub or centrally provided coverage; below 25 monitoring only.

A boundary condition on the index. A market already served by headquarters presence does not warrant a satellite regardless of readiness score. The index measures whether a market deserves presence, not whether additional presence adds anything. No benchmark federation operates a regional office in its own headquarters market.

7.2 Regional clustering

Scoring at country level produces a network with more hubs than the economics support. The index therefore permits scoring at cluster level.

Operational conditions. A cluster may be scored as one unit where it satisfies at least four of five: linguistic and cultural proximity; unified publisher treatment; commercial contiguity; regulatory compatibility; and operational feasibility within reasonable travel and approximately three time zones.

Condition 6, political viability (gate). A cluster must not require a single unit to represent the organisation across markets with active bilateral hostility or competitive state rivalry, or in any market where the unit's location is legible as alignment against another market in the cluster. **This condition may veto a cluster passing all five operational conditions and cannot be offset by strength elsewhere.**

This condition has no precedent in the benchmark federations, because they were founded as multilateral membership bodies with no single national sponsor. A centrally funded body headquartered in one state carries that state's bilateral relationships into every location decision it makes. This is a structural feature of the organisational form, not an incidental political constraint, and a framework derived only from federation statutes would miss it.

Condition 6 also has an operating-model consequence. Where a market is excluded from satellite coverage on political viability grounds but remains competitively active, coverage is delivered through the national representation layer with headquarters oversight. **The national layer reaches markets the satellite layer cannot,** which is a further argument for the Layer 2 and Layer 3 distinction.

Aggregation rules. Additive factors (player base, commercial potential, ecosystem depth) sum across the cluster, then take a **fragmentation discount of ten to twenty per cent** where the cluster requires multiple legal entities, language localisations, or regulatory postures. Without this, clustering mechanically manufactures readiness. Non-additive factors (publisher presence, government alignment) take a weighted mean by market size; government alignment in particular does not aggregate, since a strong relationship with one government confers nothing next door.

The clustering ceiling. Clustering applies to the satellite layer only. A clustered hub serving six countries still coordinates six national partners, so the seventh satellite function scales with country count rather than cluster count, and staffing must reflect that.

7.3 Complexity modifiers

Complexity is recorded separately from readiness and adjusts the entry model rather than the score. Two independent axes are required, since a market may be high on one and low on the other.

Axis A, legitimacy complexity.

- *Low:* no established national body and no state-linked representation constraint; direct appointment viable; standard entry.
- *Moderate:* an established body without binding authority over national symbols, **or multiple competing claimants to national representation**; consultative entry, advisory council inclusion from establishment, published selection boundaries, and tier descent available as a deadlock resolution.
- *High:* a state-recognised body holding authority over national representation, flag, and national-team designation; negotiated entry, pre-agreed selection boundaries, central-level relationship ownership before establishment.

Axis B, regulatory and operational complexity.

- *Low:* straightforward entity formation, no material data localisation or content approval requirements.
- *Moderate:* significant data protection or employment complexity requiring local counsel.
- *High:* content approval regimes, data localisation, foreign entity restrictions, or licensing requirements materially constraining operation.

Separating the axes is what makes the pilot logic in Section 7.4 possible. Under a single combined score, a market with low legitimacy complexity and high regulatory complexity is indistinguishable from its inverse, and the two require entirely different responses.

7.4 Phasing and pilot selection

A pilot exists to validate an operating model before committing to scale, and validation requires that failure be **attributable**. If the first satellites underperform in the most regulated and institutionally complex markets, the organisation learns nothing about whether its model works, because market difficulty and model deficiency are indistinguishable in the result.

Phase 1 (validation, approximately six months): Americas Main Hub and Brazil Growth Hub.

Four advantages. Both markets have club-led national representation with low legitimacy complexity, isolating model performance

from institutional friction. It validates two of three permanent templates simultaneously, the anchor tier and the default tier. Both sit within the Americas region, so it also tests the Main-to-Growth support relationship, which no cross-region pairing could exercise, and does so across the hemispheric span the Americas Main Hub is designed to cover. And the pairing exercises different satellite functions in each market: the United States supplies the deepest commercial market in the network, while Brazil supplies ecosystem depth and player base scale.

Brazil’s readiness score should be computed before establishment, since its player base, ecosystem depth, and club density may place it above the Main Hub threshold.

Markets deliberately deferred. China carries the highest regulatory complexity in the network, though its legitimacy complexity is low, its national representation being commercially led. Korea carries high legitimacy complexity, as Section 8.3 documents. France carries moderate legitimacy complexity of the competing-claimants type documented in Section 8.4. All are important markets; none is a valid pilot.

Phase 2 (structured expansion, approximately one year). Europe Main Hub, South Asia Main Hub, Turkey Growth Hub, Indonesia Growth Hub, Mexico Representative Hub. France enters here under a consultative entry model within the European footprint.

Phase 3 (coverage completion, approximately one year). China and East Asia and Pacific Main Hubs under negotiated entry with central relationship ownership established before setup; North Africa Growth Hub; Philippines and Vietnam Growth Hub; Sub-Saharan Africa Representative Hub; Oceania Representative Hub; and the European cluster hubs.

Year 4 onward. Steady-state operation, with the Annual Satellite Tier Review governing upgrades, downgrades, relocations, and closures.

7.5 Regional alignment and network composition

The competition’s qualification structure operates across seven regions: NA and CAC, South America, EU West, EU East, MEA, Asia, and SEA and OCE. The satellite network is anchored on five Main Hubs. Forcing one-to-one alignment would be a mistake: competitive segmentation optimises for balanced qualification fields, market-development segmentation for ecosystem depth and commercial potential. China, Korea and Japan, and India are one qualification region and three distinct development markets.

The governing rule is weaker and sufficient:

Every qualification region must have exactly one designated satellite owner. A satellite may own more than one region. A region may contain more than one satellite, provided one is designated owner. No region may be unowned. Headquarters may be the designated owner, provided it operates under the same charter, objectives, and review cadence as a satellite.

Network composition

Sixteen permanent hubs: five Main, six Growth, five Representative, plus a headquarters regional function.

Figure 6 Global Satellite Network

16 permanent hubs and headquarters, steady state (Year 4 onward)



Table 5. Target network composition by tier

Tier	Count	Markets
Main Hub	5	Americas (Miami), Europe (Berlin), South Asia (Mumbai), China (Shanghai), East Asia and Pacific (Seoul)
Growth Hub	6	Brazil (São Paulo), Turkey (Istanbul), Indonesia (Jakarta), Philippines and Vietnam (Manila), North Africa (Cairo), Balkans (Belgrade)
Representative Hub	5	Mexico (Mexico City), Nordics (Stockholm), Central Europe (Warsaw), Sub-Saharan Africa (Johannesburg), Oceania (Sydney)
HQ function	1	MENA Regional Function (Riyadh), governed as a satellite

Hub cities are indicative of market coverage. Final city selection should follow publisher regional office locations and entity-formation conditions.

Four scoping decisions warrant explanation.

Americas sited in Miami. The Americas Main Hub is the only unit in the network designated as owner of two qualification regions, NA and CAC and South America, and its location should therefore be governed by hemispheric reach rather than by proximity to any single market. Expert panel input was unanimous on this point and on the conclusion: Miami is the established base for organisations managing both American continents. It sits within a workable time-zone band for the whole hemisphere, holds the densest air connectivity to Latin American markets, and operates as a bilingual commercial centre. A West Coast location would offer closer proximity to several publisher headquarters, which matters for the publisher interface function, but that advantage is outweighed by span of control across two regions and is addressable through scheduled liaison travel rather than permanent presence.

No Gulf satellite. The satellite's foundational justification across every function is proximity. Headquarters already holds proximity, language, and the deepest institutional relationships for the Gulf. A Gulf satellite would purchase proximity the organisation already owns. Condition 6 supplies an independent second constraint. The role-conflict objection, that a centre acting as its own regional operator creates asymmetric resourcing and blind spots, is answered by governance rather than geography: the **MENA Regional Function** operates under a satellite charter, reports against the same objectives, appears in the same review cadence, and is subject to the Annual Satellite Tier Review, at no incremental fixed cost.

India scoped to India. India is the largest single national market in the network by player base, with a domestic ecosystem publishers already treat as a distinct region. South Asia as a cluster fails four of five operational conditions. Pakistan is excluded under Condition 6 and served through the national layer under headquarters oversight, reviewed for independent Representative Hub status at a future tier review.

Africa split. The former single Africa hub was, geographically and commercially, a North African unit. Sub-Saharan Africa fails the clustering test against North Africa on every condition. South Africa is preferred over Nigeria for a three-FTE intelligence unit on operating environment and regional reach, with **Nigeria named explicitly in the coverage mandate** and identified as the upgrade location if the title portfolio shifts decisively toward mobile.

Designated ownership by qualification region

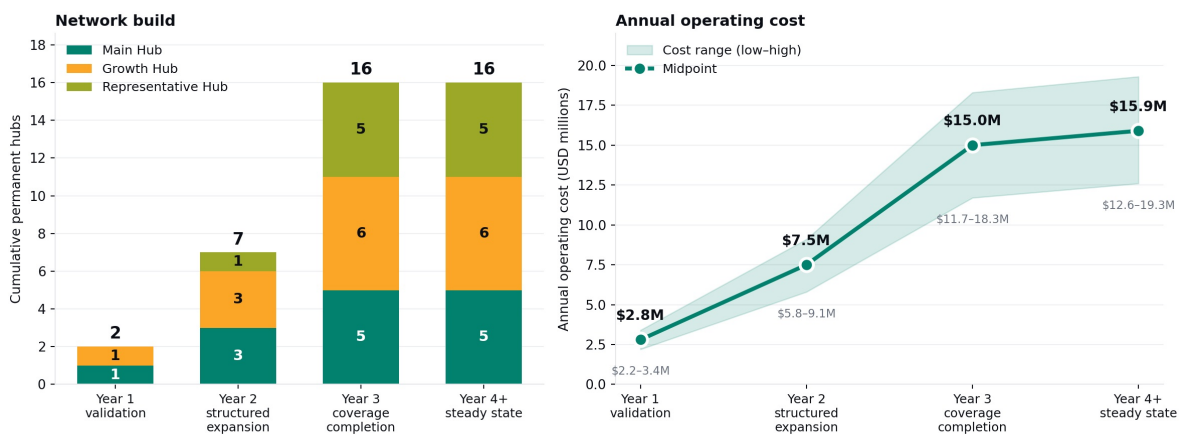
Table 6. Designated satellite owner for each qualification region

Qualification region	Designated owner	Supporting units
NA and CAC	Americas Main Hub	Mexico Representative Hub
South America	Americas Main Hub	Brazil Growth Hub
EU West	Europe Main Hub	Nordics Representative Hub
EU East	Europe Main Hub	Turkey Growth Hub, Balkans Growth Hub, Central Europe Representative Hub
MEA	HQ MENA Regional Function	North Africa Growth Hub, Sub-Saharan Africa Representative Hub
Asia	China Main Hub	East Asia and Pacific Main Hub, South Asia Main Hub
SEA and OCE	East Asia and Pacific Main Hub	Indonesia Growth Hub, Philippines and Vietnam Growth Hub, Oceania Representative Hub

Designation for the Asia and SEA and OCE rows is a governance choice rather than an obvious one and should be confirmed with the competitions function. Turkey is placed with EU East on market-development logic while its qualification placement sits with MEA, which is itself a worked illustration of why the two segmentations should not be forced into alignment.

7.6 Multi-year cost model

Figure 7 Multi-year build and cost profile



Excludes ecosystem activation and Event Delivery Hubs. Cumulative Years 1-4: \$32.3M low, \$41.2M midpoint, \$50.1M high.

Steady state, sixteen hubs.

Table 7. Steady-state annual operating cost by tier, sixteen hubs

Tier	Hubs	Annual range
Main Hub	5	\$6.70M – \$10.20M
Growth Hub	6	\$3.95M – \$5.95M
Representative Hub	5	\$1.95M – \$3.10M
Total	16	\$12.60M – \$19.25M

Midpoint approximately **\$15.9M**. The MENA Regional Function adds no incremental fixed cost.

Build profile. Launch-year hubs are modelled at seventy to seventy-five per cent of annual run rate; one-time establishment costs are added per hub.

Table 8. Multi-year build profile and annual operating cost

Year	Phase	Added	Cumulative	Low	Midpoint	High
Year 1	Validation	2	2	\$2.2M	\$2.8M	\$3.4M
Year 2	Structured expansion	5	7	\$5.8M	\$7.5M	\$9.1M
Year 3	Coverage completion	9	16	\$11.7M	\$15.0M	\$18.3M
Year 4 onward	Steady state	0	16	\$12.6M	\$15.9M	\$19.3M
Cumulative Y1 to Y4				\$32.3M	\$41.2M	\$50.1M

Five caveats apply wherever this table is reproduced. It excludes ecosystem activation, which the working assumptions identify as the largest discretionary driver and which requires a separate budget line. It excludes Event Delivery Hubs entirely. Establishment costs are order-of-magnitude estimates. No inflation or currency adjustment is applied. And it assumes the network completes on schedule, whereas the stage gates may legitimately defer or cancel hubs.

Phase 3 carries nine establishments in a single year, which is operationally demanding. Deferring the two new Representative Hubs and the European cluster hubs to a Year 4 completion phase flattens the Year 3 midpoint from roughly \$15.0M to approximately \$12.5M.

8. Discussion

8.1 The Esports Illusion tension

The rival account

Novák et al. (2025) argue that the contraction described as the esports winter was a market correction following speculative investment, revealing a stable arrangement rather than a broken one. Because competition rights derive from copyrighted software, publishers hold legal authority over formats, entry, and monetisation, and no third-party organiser can acquire that authority without a licence. Any transition toward a traditionally governed sports model would require publishers to relinquish control, which the authors consider improbable. They note further that the most durable ecosystems have tended to be lighter, lower-fixed-cost, community-organised models.

Applied to this paper, the implication is direct: a permanent, physical, multi-region satellite network is the category of institutional overhead the correction punished.

Where the account holds

Two elements are accepted without qualification.

The legal foundation is not in dispute. Publisher intellectual property authority is real, external, and not susceptible to organisational design. This is why the framework treats it as a boundary condition rather than a variable, and why the decision-rights model places binding commitments with the centre. The observable governance of the national-team competition confirms the division rather than contradicting it. **The satellite model does not contest publisher authority. It is designed around it.**

The fixed-cost caution is well taken, and it disciplines the model in three concrete ways: tiering, so most markets receive the lightest viable footprint; stage-gating against readiness rather than ambition; and treating relocation and dissolution as designed capabilities rather than failures.

Where the account is contestable

The argument's weakness is not its legal premise but a behavioural inference the analysis does not examine: that because publishers hold the licensing right, the position of any counterparty is structurally fixed. Legal authority determines who must grant permission. It does not by itself determine what the permission is worth, who else can supply what the rights-holder needs, or how surplus is divided.

The relevant question is therefore not whether publishers will relinquish authority, since they will not and the framework assumes they will not, but whether a convening body can assemble **complements** that rights-holders value. Four observable developments bear on this.

Multi-title convening at scale. Sixteen titles were selected in collaboration with a group of publishers who compete with one another. Publishers surrender no authority by participating, but they accept a coordination layer they neither own nor control, indicating it supplies something they value.

National representation infrastructure. This is the strongest instance, because it is an asset publishers structurally cannot build for themselves. National representation requires a cross-title, country-level organising layer, and no single publisher can constitute one without conceding relevance to competitors' titles.

Host-state relationship capital. The 2026 relocation, executed within weeks while preserving scale and competitive integrity, demonstrates a capability not reducible to licensing. It also demonstrates the asset's fragility, having been exercised under duress rather than by plan.

Club-side commitment. A funded club partner programme represents recurring investment in the participant base on which every publisher's competitive scene depends.

The proposition, and the evidence against it

These support P2 in a qualified form, and the mechanism is **complementarity rather than substitution**. The platform does not compete for intellectual property authority. It supplies audience aggregation, national organising capacity, host-market access, and cross-title calendar coordination that rights-holders would otherwise finance individually or forgo. This is a collaborative relationship, not a displacement of authority.

Three qualifications must be recorded.

First, and most importantly, **the counter-evidence sits inside the same body of facts**. The position described rests substantially on capital deployment rather than demonstrated self-sustaining demand, and much of it is recent. Nothing in the current record distinguishes decisively between publishers valuing the infrastructure and publishers valuing the subsidy. Only a reduction in that subsidy would separate the two, and that test has not occurred.

Second, the position is asset-specific and non-transferable. It attaches to the convening body, not to esports organisations generally, and says nothing about the club and organisation models the correction did punish.

Third, Novák et al. remain correct on the terminal question. Nothing observed suggests movement toward a rule-making monopoly of the kind traditional federations hold. The plausible destination is not a federation in the traditional sense but a **coordination platform with negotiated, title-by-title standing**.

The appropriate scholarly claim is therefore narrow. Novák et al. accurately characterise an equilibrium that held while no counterparty had accumulated complements at scale. The emergence of such a counterparty is a change in the conditions their model assumes, not a refutation of its logic.

8.2 State capital and the sustainability question

The geopolitical economy literature frames Saudi investment in esports as state-led intervention and cautions that as organisations grow reliant on this capital, the resulting entanglements warrant scrutiny. This is the most serious external challenge to the model's long-run viability, and it deserves a direct answer rather than distributed handling.

The challenge, stated fairly. A satellite network with an annual steady-state cost in the order of sixteen million dollars, funded from a single state-linked source, is exposed to a change in that source's priorities in a way a commercially funded network is not. Central funding is not merely the current arrangement; it is the arrangement on which the entire model rests, and its continuity is assumed rather than argued.

What the framework does about it. Three responses, of ascending strength.

The weakest is diversification of legitimacy rather than of funding: building a coalition across publishers, clubs, national bodies, and integrity partners so that the organisation's standing does not rest on any single external endorsement. This reduces reputational exposure but not financial exposure.

Stronger is the **phased funding transition** in Section 6.7, moving from full central funding through gated expansion to co-funding optionality, with measurement emphasis shifting from activity to sustainable levers. This is a plan rather than an achievement.

Strongest, and the only element with supporting evidence, is the **national layer's demonstrated co-investment**. National partners are externally funded organisations bearing their own costs to secure national representation, drawn from over 630 applications across more than 150 countries. This is ecosystem participants paying to participate, which is precisely the behaviour the co-investment hypothesis predicts. It is early evidence, drawn from one programme, and it does not establish that the same willingness extends to funding permanent regional infrastructure.

What remains unresolved. The paper cannot demonstrate that the funding transition will occur, and it does not claim to. The honest position is that central funding is a **stated assumption with a specified transition hypothesis and one supporting data point**, and that the model's long-run viability is contingent on that hypothesis proving correct.

There is also a design implication that follows regardless. Because the model's principal financial exposure is over-investment in permanent presence in markets whose conditions deteriorate, the Annual Satellite Tier Review with defined downgrade and exit thresholds is not an administrative nicety. It is the mechanism through which the network remains re-sizable if funding conditions change, and it should be specified with thresholds rather than left as a review.

8.3 The Korean case: legitimacy conflict

Why this case

A national representation layer was introduced to a field that had not previously had one, delegating country-level organisation to appointed partners. In most territories this was constituted without incident. In the Republic of Korea it collided with an established national governing body, producing the clearest publicly documented test of what a central esports organisation can and cannot delegate. Korea has mature domestic esports institutions with a formal relationship to the national sport system; the dispute became public and was reported in detail; and it reached negotiated resolution within roughly three weeks, allowing analysis of repair as well as rupture.

Chronology

The partner programme opened for applications in January 2026, and the Korea e-Sports Association was appointed as Korea's National Team Partner in March. Partner responsibilities encompassed operational organisation of national representation, including appointing coaches across titles, nominating players through those coaches, and acting as national point of contact. Coaching nominations were submitted and included in the organiser's published announcements.

In late April the relationship broke down publicly. Reporting originating with a Korean outlet described concerns within the association that the organiser had sought to influence national roster composition by pressing for inclusion of specific players, which the association regarded as incompatible with its established and independent selection process.

The attribution of the split is contested and is reported as such. Korean reporting characterised the outcome as the association withdrawing; the organiser stated it had informed the association it would not be moving forward together as national partner for the 2026 edition. Published national listings were updated to show the Republic of Korea without a listed partner or manager. **The allegations of interference were reported, not adjudicated, and this study does not treat them as established fact.** Contemporaneous community speculation attaching the dispute to particular named players is unverified and excluded from the analysis.

A significant secondary constraint then surfaced. Although programme rules permit territories without a partner to participate under centrally appointed regional coverage, reporting indicated that the national Olympic body's position was that any team assembled outside the official national system could not use the Korean flag, the national name, or national-representative status. The fallback mechanism could restore participation but not representation.

In early to mid May the parties resolved the dispute. A joint position confirmed the association would serve as Korea's National Team Partner and lead the national selection process, with the roster competing under an official national banner.

Analysis

The case confirms P3 and locates a hard limit on delegation. Both instruments available to the centre, its appointment power and its regional coverage fallback, proved insufficient to generate the one thing at issue: the right to represent the nation. That right rested with bodies the organiser did not control and could not appoint. **Participation and representation are separable goods, and a central body can confer the first without being able to confer the second.**

It confirms P1 from an unexpected direction. The framework anticipated that satellite autonomy would be capped externally by publisher authority. This case shows a second external ceiling on a different axis, imposed by national sport institutions over national symbols and representation.

The resolution is as instructive as the rupture. Restoration of the original partner within weeks indicates the incumbent was not substitutable at acceptable cost, which is itself evidence about where authority sat. It also demonstrates institutional learning under exposure, and supports a design principle: in markets with mature domestic institutions, the realistic posture is **negotiated coexistence rather than appointment**.

The exposure ran in the unanticipated direction. The risk register anticipated satellites over-reaching as mini-headquarters. Here the exposure arose from the centre reaching into a domain a local body already occupied. This is why escalation protocols must be bidirectional.

8.4 The French case: competing claimants and tier descent

A second national-layer difficulty presents a structurally distinct problem and, unexpectedly, a demonstration of the architecture performing correctly.

In France the difficulty was not an incumbent body in conflict with the centre but **competing organisational claimants to national representation**: a national esports federation and a professional club coalition, with the coalition withdrawing over disagreements on project organisation and selection rules, leaving no agreed organisational partner well into the cycle.

The resolution is the analytically interesting part. France operates without an organisational National Team Partner. National efforts are instead led through the programme's **National Team Manager tier**, with an individual of standing in the domestic competitive community organising French participation.

Analysis

The tier structure absorbed an organisational deadlock by descending one level. The three-tier design of organisational partner, individual manager, and central regional coverage was constructed as a coverage mechanism for under-served territories. Here it performed a different and more valuable function: it resolved a contest between organisational claimants without requiring the centre to adjudicate between them.

This matters because adjudication was not available. Choosing between a national federation and a club coalition would have required the central organisation to rule on which body legitimately represents French esports, which is precisely the judgement Section 8.3 establishes it cannot make. Tier descent sidesteps the question. It preserves participation and national representation while leaving the organisational contest unresolved and, importantly, still open for later resolution.

The design implication is that tier descent should be formalised. It currently reads as a coverage fallback. It should be written into the National Partner Review Cycle as an explicit, available response to organisational deadlock, with criteria for when it is triggered and how an organisational partner may subsequently be reinstated. A mechanism this useful should not depend on being improvised.

Two failure modes, two responses. A legitimacy **conflict**, as in Korea, calls for negotiated coexistence, pre-agreed selection boundaries, and central-level relationship ownership. **Competing claimants**, as in France, calls for tier descent, published selection criteria, and refusal to adjudicate. A single appointment process calibrated for one will fail in the other, which is why Section 7.3 specifies both under moderate legitimacy complexity while distinguishing their responses.

The French case also carries a methodological caution recorded in Section 9.2: an unfilled organisational partner position is not evidence of low institutional complexity. It may indicate the opposite.

8.5 Synthesis: returning to the propositions

P1, bounded autonomy: supported and extended. The constraint operates as predicted, and the Korean case adds a second ceiling on a different axis. The two differ in a way that governs design: publisher authority is uniform and can be handled by a single global rule; national representation authority is market-specific and cannot. The construct is restated as a **layered external authority structure whose composition varies by market**.

P2, platform complementarity: qualified support with an unresolved test. The evidence is consistent with the accumulation of complements rights-holders value, but the current record cannot distinguish infrastructure value from subsidy value. Only changed funding conditions would separate them.

P3, legitimacy is not delegable: supported, with two failure modes and one architectural response identified. Korea establishes the proposition. France identifies a second, structurally distinct mode and demonstrates that the tier structure supplies a response to it.

What the cases jointly establish. The constraint on esports satellite autonomy is not a single publisher ceiling but a layered, market-variable external authority structure, and the design consequence is that satellite governance **cannot be standardised across the network** in the way federation regional-office governance can. Benchmark federations achieve uniformity because their external environment is uniform: one rulebook, one membership structure, one source of legitimacy. An esports body faces a different composition of external authorities in every market it enters.

This is the deepest reason the framework treats ecosystem plurality as contextual rather than as a design choice, and why the plurality-mandate gap is the study's most operationally useful measure. It is also why the governance architecture is extensive rather than lean. A network operating beneath variable external authority requires more coordination machinery than one operating beneath uniform authority, and attempts to economise on that machinery surface as the failure modes the two cases document.

9. Limitations and Conclusion

9.1 Contributions

To subsidiary-role theory. The bounded subsidiary extends the integration-responsiveness tradition to a setting its scope conditions exclude. Classical subsidiary theory assumes the multinational holds authority over its own product and allocates it internally; the strategic question is how much to devolve. In esports the ceiling is external, and no internal allocation decision can raise it. The paper further shows such ceilings can be plural and market-variable, suggesting the construct may travel to franchising, licensed manufacturing, platform intermediation, and other settings where regional units operate beneath third-party authority.

To esports governance scholarship. The paper shifts the unit of analysis from field to organisation and identifies a distinction the literature has not drawn: participation and representation are separable goods.

To the study of this organisational form. It documents, from public sources, the first large-scale national representation layer in esports, identifies two distinct failure modes in its early operation, and shows that a tiered delegation structure can function as a deadlock-resolution mechanism where central adjudication is unavailable. It introduces political viability as a constraint on regional structure that the federation literature does not contain, because centrally funded single-sponsor bodies carry their sponsor state's bilateral relationships into every location decision.

Methodologically. The design grammar with its satellite-perspective protocol is offered as a reusable instrument. Its most transferable element may be Rule 1a and the demonstration of why it is needed: reapplying it changed eight of forty positions, all in the same direction, and those corrections converged with independent expert input. Any single-rater instrument assessing organisational sub-units is exposed to this bias.

Practically. The operating model, governance inventory, expansion index, clustering test, network design, and staged cost model constitute a design package an organisation could implement and subsequent research could evaluate.

9.2 Limitations

Validation design. The expert process was a two-round modified Delphi in which round-two feedback was the researcher's own score and reasoning rather than an anonymised panel median, introducing potential anchoring toward the researcher's position. Round-level agreement and divergence data are not reported. The study therefore **does not claim measured inter-rater reliability** and cannot identify which dimensions were most contested. Validation establishes that positions were tested against practitioner judgement, not that agreement was quantified.

Documentary evidence base. Constitutional instruments describe formal authority, not operating practice. Expert validation mitigates but does not eliminate this, since participants spoke to their own organisations and no confidential material was accessed.

Interdependent dimensions. The axes are conceptually correlated by construction, precluding composite scoring and any claim to psychometric validity.

A moving target. The focal organisation restructured its architecture during the study period, its club flagship changed host country mid-cycle, and its national-team flagship is scheduled to adopt a rotating model. Findings are time-stamped to mid-2026 and framed directionally.

Single-organisation focus. The prescriptive model is developed for a centrally funded body with a global flagship and a national-team layer. Transferability to a commercially funded or publisher-owned circuit is untested.

Asymmetric trade-press record. Reporting on national-layer disputes is denser in some markets than others and frequently rests on single-outlet sourcing. Korea and France are analysed as illuminating instances, not a representative sample. Relatedly, an unfilled organisational partner position may indicate contested legitimacy rather than its absence, a distinction that required verification to detect.

The value-creation target is unvalidated. It has no demonstrated precedent, and the paper specifies candidate mechanisms without committing to an attribution methodology. This is the framework's most serious unresolved internal challenge.

The model is untested in implementation. No satellite has been built to this design. Cost estimates, staffing packages, and governance mechanisms are derived rather than observed, and establishment costs in particular are order-of-magnitude estimates.

No institutional ethics review. The study was conducted outside a university affiliation. Participation was voluntary and consented, participants are unnamed, and validation outcomes are reported at instrument level so that no position is traceable to an individual or employer.

9.3 Future research

Independent re-scoring by analysts working from the same anchors with inter-rater agreement reported. Given the demonstrated Rule 1a bias, this is the highest-priority methodological follow-up.

The subsidy question. Whether publisher participation reflects valuation of the infrastructure or of the capital funding it is the

decisive open question, empirically answerable only under changed funding conditions.

Comparative national-layer study across the full partner population, to establish the prevalence of the identified failure modes, test whether institutional maturity predicts which appears, and assess how often tier descent is used.

Predictive testing of the plurality-mandate gap against subsidiary populations in other externally constrained industries.

Longitudinal evaluation of the value-creation mandate, settling the question the benchmark evidence leaves open.

9.4 Conclusion

International esports organisations have begun operating at a scale that requires regional architecture, and they have been building it faster than scholarship has described it. This paper set out to specify how such architecture should be designed and governed, and found the answer cannot be borrowed intact from either tradition that appears closest to hand.

Sport federations supply mechanisms, and the most useful transfer with little modification. Controlled decentralisation, in which regional offices are locally incorporated, may receive binding instructions, and are barred from representing the organisation before third parties, is the single most transferable construct in the comparison set. The Olympic separation of permanent constituent bodies from time-bound delivery vehicles supplies the second. But federations achieve their characteristic uniformity because their external environment is uniform, and an esports body's is not.

Subsidiary-role theory supplies the analytical frame, and the esports case extends it. The regional unit described here is a bounded subsidiary: its authority over the core product is capped from outside the organisation, by publishers whose standing derives from property law rather than delegation, and in some markets by national bodies whose standing derives from state recognition. It carries a coordination burden more than double that of any federation regional unit while holding a mandate as restricted as the most tightly bound among them. That combination, high plurality with low mandate, is the defining condition of the role, and every design choice in the proposed model follows from it.

The practical implication is that governance machinery in this setting is not overhead to be economised. It is the mechanism by which a unit with maximum coordination burden and minimal transactional authority remains functional. The cases examined here show both what happens when it is absent or misdirected, and what happens when it works: the centre reaching into a domain a local body already occupies, and a tiered delegation structure resolving an organisational deadlock the centre had no standing to adjudicate.

Two questions remain genuinely open, and the paper is stronger for leaving them so. Whether a convening platform's position reflects durable infrastructure value or contingent subsidy will not be settled by argument, only by observation under changed conditions. And whether regional units in this field can generate value where federation regional offices have not is a proposition without precedent, which the paper specifies but cannot validate. Both are stated as testable rather than resolved, and both are offered as the agenda that should follow.

About the Author

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The views and analysis presented in this paper are those of the author and do not necessarily represent the positions of any current or former employer or affiliated organisation. The author's relationship to the focal case, and the safeguards applied in consequence, are set out in Section 3.9.

Acknowledgements

The author thanks **Jordan Whitaker**, Consultant, Experienced Esports Professional, and Esports Educator, for his contribution to the analysis of the data underpinning this study. His work on the benchmark scoring dataset and the interpretation of the expert panel returns materially shaped the findings reported in Sections 4 and 5.

The author also thanks the practitioners who took part in the expert validation panel described in Annex C. They are not named here, in accordance with the anonymity undertaking given to them at the point of participation.

Contribution. Jordan Whitaker's contribution is recorded in the CRediT taxonomy as formal analysis and data curation.

Responsibility for the framework, for the arguments advanced, and for any remaining errors rests with the author alone.

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ANNEXES

Annex A. Dimension Definitions and Anchors

All dimensions are scored -5 to +5 from the perspective of the satellite relative to headquarters, under the protocol rules in Section 3.4. Three dimensions were corrected during the study and are marked accordingly.

Dimension 1. Centralisation ↔ Decentralisation

Defines: organisational structure. Where authority sits and what is delegated.

- **-5:** Executes direction with no independent authority. All strategic and operational decisions made at headquarters. No authority over budget, partnership development, or strategy.
- **0:** Manages day-to-day operations autonomously but defers all strategic, financial, and partnership decisions. Budget approval sits with headquarters; partnerships are headquarters-led; strategy is headquarters-defined.
- **+5:** Operates as a fully autonomous regional entity, setting its own strategy, budgets, and partnerships within the general mission scope of headquarters.

Sensitivity: responds to decision-rights allocation, not participation. Moves positive as the unit gains control over budget, partnerships, and local strategy.

Dimension 2. Governance-Driven ↔ Market-Driven

Defines: decision authority and commercial model.

- **-5:** Operates entirely in accordance with global governance rules, regulatory frameworks, and compliance mandates, with minimal responsiveness to local market conditions.
- **0:** Balances global governance standards with selective responsiveness to local signals, requiring headquarters approval to deviate.
- **+5:** Empowered to adapt operating model, commercial agreements, and programming entirely in response to local market dynamics, with governance serving only as general guideline.

Sensitivity: responds to the unit's target-setting framework. Moves positive where revenue and partnership targets dominate; negative where compliance and structural targets dominate.

Dimension 3. Physical ↔ Virtual Infrastructure (*re-specified*)

What changed. The previous anchors bundled physical footprint with ownership of IT, human resources, and finance functions. These do not covary in practice: a satellite may occupy a substantial local office while consuming entirely centralised back-office services, a configuration this framework recommends. The dimension now measures footprint alone; shared-services allocation is recorded separately as an operating-model parameter.

- **-5:** Operates from a substantial permanent facility in-market, with locally based staff as the primary operating mode. In-person presence is the default for stakeholder engagement.
- **0:** Maintains a functional physical presence, typically a staffed office without significant venue assets, alongside substantial remote coordination.
- **+5:** Operates entirely virtually. Personnel are remote or headquarters-based; no dedicated in-market facility.

Recorded separately (not scored): shared-services allocation, on a three-point scale of locally owned, hybrid, or centrally provided.

Dimension 4. Long-Term Stability ↔ Agile Expansion

Defines: change and growth model.

- **-5:** Operates under a centrally determined multi-year mandate with no authority to pursue local opportunity or launch independent initiatives.
- **0:** Operates to a headquarters-set annual strategy but may propose and seek approval for expansion opportunities based on regional developments.
- **+5:** Full authority to enter new markets or pursue self-identified initiatives, including reshaping regional partner agreements. Headquarters receives mandated reporting after the fact.

Dimension 5. Single-Authority ↔ Multi-Stakeholder Ecosystem (*split into 5a and 5b*)

Defines: governance model. The degree to which authority is concentrated within a single governing body versus distributed across multiple independent stakeholders.

Original anchors, as applied before the split:

- **-5:** The satellite defers all decision-making and partnership authority to headquarters. It maintains no direct relationship management with regional governing bodies, commercial partners, or other regional stakeholders.

- **0:** The satellite maintains working relationships with regional governing bodies, commercial partners, and other regional stakeholders, but collaborates with headquarters to formally settle agreements and governance arrangements.
- **+5:** The satellite independently cultivates and manages relationships across its regional ecosystem at every level, with headquarters playing almost no role in that relationship management.

Why it matters: it determines how a satellite manages relationships with publishers, clubs, partners, and governments, and therefore whether coordination or hierarchical control is the governing logic of the role.

Why it was split. Applying the anchors above across the five cases revealed that the dimension was being scored on two different constructs. Several positions were justified by reference to the plurality of the surrounding ecosystem, which is a property of the environment, while the anchors describe the unit's own authority to act within it, which is a property of the design. These two can move in opposite directions, and in the esports case they do so sharply: the environment is the most plural in the comparison set while the mandate is among the most restricted. Averaging them into one score conceals precisely the tension the governance architecture exists to absorb. Dimension 5 is therefore replaced by two dimensions. **5a records context and is not a design choice. 5b records design.** Their difference is reported as the plurality-mandate gap.

Dimension 5a. Ecosystem Plurality (*contextual, from the split of Dimension 5*)

What changed. The original single-authority dimension was scored on two different constructs across cases: some scores measured environmental plurality, while the anchors described the unit's own relationship authority. These can move in opposite directions. The dimension is split; 5a records context, 5b records design.

Defines: the number and independence of external authorities among which the unit must operate.

- **-5:** Operates under a single unified authority. No independent external body holds a veto within its domain.
- **0:** Operates among several bodies, most deriving authority from the central organisation by delegation or recognition.
- **+5:** Operates among many independent authorities whose standing derives from sources external to the organisation, each able to veto activity in its own domain.

Sensitivity: responds to the *source* of external authority, not merely the number of stakeholders. Bodies deriving standing from the organisation score negative even where numerous. Bodies holding standing from property law, statute, or state recognition score positive even where few.

Dimension 5b. Satellite Relationship Mandate (*design, from the split of Dimension 5*)

Defines: the degree to which the unit may independently cultivate, negotiate, and bind the organisation in external relationships.

- **-5:** Defers all relationship management and partnership authority to headquarters; maintains no direct external relationships.
- **0:** Maintains working relationships with regional stakeholders but collaborates with headquarters to formalise any agreement.
- **+5:** Independently cultivates and manages relationships at every level, including authority to bind the organisation.

Sensitivity: responds to binding authority, not relationship activity. Per Rule 2, consultation and representation do not count toward a positive score.

Derived metric. The difference between 5a and 5b, the **plurality-mandate gap**, measures coordination burden carried without corresponding authority. A large positive gap identifies where escalation architecture and central relationship ownership must be strongest.

Dimension 6. Cost Centre ↔ Value-Creation Hub

Defines: funding and performance model.

- **-5:** Fully funded through headquarters allocation, generating no independent revenue. Evaluated on cost efficiency.
- **0:** Creates some value and generates revenue offsetting operating costs, but relies on headquarters as primary funding mechanism.
- **+5:** Retains independent budgetary control, generates revenue beyond operating costs, and contributes net surplus to headquarters.

Dimension 7. Standardisation ↔ Localisation

Defines: operating-model flexibility.

- **-5:** Relies exclusively on globally standardised templates for product management and delivery. No local adaptation.
- **0:** Balances conformance to global process and branding with approved basic local adaptation, such as culturally reflective events and regionally recognised talent.
- **+5:** Full operational autonomy over regional products, non-universal event formats, and broad brand latitude.

Dimension 8. Execution Hub ↔ Strategy Hub

Defines: role of the unit.

- **-5:** Exists solely to execute headquarters directives, with no input on regional strategic planning.
- **0:** Provides region-specific strategic reporting, then collaborates with headquarters on planning and implementation.
- **+5:** Autonomously evaluates, plans, and executes on regional conditions while feeding insight into global strategy.

Dimension 9. Permanent ↔ Event-Based Presence (*anchors corrected*)

What changed. The previous anchors were inverted relative to both the dimension label and every score assigned on it, defining -5 as maintaining no fixed presence and +5 as full permanent staffing. All scores in the study treat negative values as denoting permanence. The scores were internally consistent; only the anchor text was wrong. **No scores required restatement.**

Defines: market-entry and footprint strategy.

- **-5:** Maintains full permanent staffing, a fixed regional office, and continuous in-market activity that does not vary with the event calendar.
- **0:** Maintains a modest permanent footprint, typically a basic office and small core staff, scaling up for event-driven deployments.
- **+5:** Maintains no fixed presence. All deployment is event-triggered under headquarters mandate and dissolves after delivery.

Note on interpretation. Permanence here refers to continuity of the unit's presence and relationships, not to fixity of any event location. A permanent satellite network is compatible with, and supportive of, a mobile flagship.

Annex B. Per-Score Justifications

Each position cites the anchor relied upon and the specific instrument. Restated positions are marked with their basis.

B.1 FIFA

Table 9. FIFA: per-score justifications

Dim	Score	Justification	Source
1	-3	Confederations and regional development offices are subordinate constitutional bodies, not autonomous stakeholders. The Council issues a binding match calendar; statutes include control of football as a primary objective; member associations cannot override central rule-making.	FIFA Statutes 2024
2	-3 (<i>restated, Rule 1a</i>)	Original score of -1 reasoned from FIFA's organisational mandate and commercialisation, both central properties. Regional development offices implement a development programme and hold no commercial or market-facing target.	FIFA Statutes 2024; regional office materials
3	-3	Regional development offices have named physical locations with locally staffed presence. Digital initiatives sit within a physical office infrastructure.	FIFA regional offices
4	-3	The confederation system is embedded in the Statutes; regional offices were added as a programme-era structure rather than a constitutional change. Architecture is highly stable.	FIFA Statutes 2024
5a	-4 (<i>new</i>)	Single sport, single rulebook, central permissioning of international competition. Confederations derive authority by delegation, not independently. Lowest plurality in the set.	FIFA Statutes 2024
5b	-3 (<i>new</i>)	Regional offices act as first point of contact and manage member relationships but hold no authority to commit the federation.	FIFA regional offices
6	-3 (<i>restated, Rule 1a</i>)	Original score of +3 cited FIFA's multi-year budget and broadcasting, marketing, and licensing revenue, all central. The original justification itself acknowledged the regional office model is not primarily commercial. Regional offices are funded conduits with no revenue mandate.	FIFA budget materials
7	-3	Laws of the Game are universal; the international match calendar is binding; competition regulations are standardised globally. Localisation occurs in implementation timing and communication, not in rules.	FIFA Statutes 2024
8	-1	Regional offices administer programmes, oversee implementation, and provide operational guidance. Strategic direction remains centrally defined,	FIFA Statutes 2024; regional office materials

		with an advisory intelligence-feeding dimension. Recent host-delivery models show growing execution autonomy without strategic devolution.	
9	-3	Regional offices are presented as embodying ongoing worldwide presence, with named locations open since 2017. Not event-only constructs.	FIFA regional offices

B.2 International Olympic Committee

Table 10. International Olympic Committee: per-score justifications

Dim	Score	Justification	Source
1	-2	The Charter places the Movement under IOC supreme authority, while the International Federation and National Olympic Committee architecture creates genuine functional decentralisation. The IOC cannot be overruled by either.	Olympic Charter 2024
2	-2	The Charter prioritises ethics, good governance, and Olympism. The redistribution model, returning approximately 90 per cent of revenue to the ecosystem, is the clearest signal of governance-first orientation.	Olympic Charter 2024; IOC finance materials
3	-3 (<i>restated, Rule 1a and re-specification</i>)	Original score of -2 partly rested on the IOC's central digital media rights. Scored on satellite footprint alone, National Olympic Committees and Organising Committees are heavily physical.	Olympic Charter 2024
4	-4	The Charter describes the Movement as universal and permanent. Fixed multi-year cycles are constitutionally mandated; host selection is multi-year. Reform initiatives prevent -5. Scores the permanent constituent layer; the time-bound delivery layer is captured at Dimension 9.	Olympic Charter 2024
5a	+2 (<i>new</i>)	International Federations hold genuine independent authority over their sports; National Olympic Committees hold sole authority over athlete selection; Organising Committees are time-bound co-governance bodies. Highest plurality in the benchmark set. Capped at +2 because plurality is bounded by a recognition framework the centre controls.	Olympic Charter 2024
5b	-1 (<i>new</i>)	National Olympic Committees and Organising Committees manage extensive local relationships including national marketing and host-country arrangements, but operate under Charter and Host City Contract and cannot bind the IOC.	Olympic Charter 2024
6	0 (<i>restated, Rule 1a</i>)	Original score of +2 cited central broadcasting and sponsorship revenue and the redistribution model. At satellite level, National Olympic Committees hold national	IOC finance materials

		marketing rights and Organising Committees generate substantial local revenue, but both operate to centrally framed budgets.	
7	-1	The Charter creates a common constitutional layer with significant delegation to International Federations for sport-specific rules and to National Olympic Committees for national representation. The IOC does not standardise competition formats across sports.	Olympic Charter 2024
8	-2	The IOC defines the Charter, selects hosts, and sets direction and commercial framework. Delivery is delegated to National Olympic Committees and Organising Committees, which scale to thousands of personnel. From the satellite perspective, structures are execution-heavy with limited strategic involvement.	Olympic Charter 2024
9	-2	The Movement is permanent with a Lausanne headquarters and continuous operations, while its peak is the periodic Games delivered through Organising Committees.	Olympic Charter 2024

B.3 FIBA

Table 11. FIBA: per-score justifications

Dim	Score	Justification	Source
1	-1	Central decisions prevail in conflict and the Executive Committee may issue binding instructions, but zones hold genuine operational authority. Delegation is real but bounded. Least centralised position in the set.	FIBA General Statutes 2025
2	-2	Zone missions extend central strategic objectives with explicit governance compliance requirements. The self-sustainability mandate is present but aspirational.	FIBA General Statutes 2025
3	-3	Zones exist to ensure proximity; regional offices are legal entities with a formal seat and staffing to implement decisions.	FIBA General Statutes 2025
4	-3	The five-zone structure is constitutionally defined with central approval required for zone regulations. Institutionally stable architecture.	FIBA General Statutes 2025
5a	-3 (new)	Single sport, central rule authority, zones as sub-bodies. Provisions prevent formation of unauthorised international leagues.	FIBA General Statutes 2025
5b	-4 (new)	Regional offices are explicitly not authorised to represent the federation before third parties. The clearest such restriction in the benchmark set and the most restricted mandate recorded.	FIBA General Statutes 2025
6	+1	Zone mission includes developing strategies for regional offices to become financially self-sustainable. The only positive commercial mandate in the benchmark set, and explicitly aspirational; operational reality may sit closer to 0.	FIBA General Statutes 2025
7	-2	Zone decisions must comply with statutes and regulations, while zone development plans are explicitly adjusted to regional conditions. The most precisely calibrated hybrid in the set.	FIBA General Statutes 2025
8	0	Regional offices implement decisions while central bodies supervise performance and allocate resources. Distributes both planning and execution while keeping ultimate authority central.	FIBA General Statutes 2025
9	-3	Regional offices are owned legal entities with permanent operational status; zones are standing constitutional divisions rather than event-only constructs.	FIBA General Statutes 2025

B.4 World Rugby

Table 12. World Rugby: per-score justifications

Dim	Score	Justification	Source
1	-2 (<i>restated, Rule 2</i>)	Original score of 0 noted that regional associations hold representation and some operational authority but cannot override Council. Representation does not count toward autonomy, and no independent decision right is identified.	World Rugby Bye-Laws
2	-2 (<i>restated, Rule 1a</i>)	Original score of -1 reasoned from Rugby World Cup financial success and central investment capacity. Regional associations hold no commercial mandate.	World Rugby governance materials
3	-2	Frames itself as a global movement of national unions with major in-person events as growth engine. Relies more on member unions than owned regional offices.	World Rugby membership
4	-1	Governance reform since 2015, an independent review, and skills-based directors produce the least rigid stability position in the set.	World Rugby governance
5a	-1 (<i>new</i>)	134 national unions and six regional associations with Council representation across tiers plus independent skills-based voices. More plural than FIFA or FIBA, within a single-sport federation.	World Rugby membership; governance
5b	-2 (<i>new</i>)	Regional associations manage member relationships and hold representation, but no identified authority to bind the federation.	World Rugby Bye-Laws
6	0 (<i>restated, Rule 1a</i>)	Original score of +2 cited the Rugby World Cup surplus and central investment. The surplus is centrally captured and redistributed; regional associations are not commercial vehicles. Member unions are financially independent but are members rather than regional units.	World Rugby overview
7	-2	Bye-Laws vest supreme legislative authority in Council including the Laws of the Game. Regional execution adapts delivery within universal competitive rules.	World Rugby Bye-Law 9
8	-1 (<i>restated, Rule 2</i>)	Original score of 0 credited Council representation. Representation is participation, not decision right. Delivery sits with unions and local organising committees; strategic authority sits with Council.	World Rugby Bye-Law 9
9	-2	Combines permanent union and regional architecture with event-driven growth and financing. Governing infrastructure is permanent; the World Cup cycle is the financial heartbeat.	World Rugby membership

B.5 Esports (proposed)

Table 13. Esports (proposed): per-score justifications

Dim	Score	Justification
1	-3 → -1	Controlled decentralisation avoids fragmentation

		while enabling local execution. Higher centralisation is required in early phases while the ecosystem is forming; the end state sits approximately where FIBA's regional offices sit today. Risk: without explicit RACI documentation, units either over-reach or defer everything.
2	-1 → +1	Esports is genuinely more market-driven than any benchmark, driven by publisher-led title-by-title negotiation and annual ecosystem evolution. But institutional immaturity requires a governance lean early. Premature market orientation risks strategic divergence, local optimisation against global priorities, and weakened central positioning.
3	-1	Digital-native field, but decisive relationships with clubs, publishers' regional staff, governments, and national partners remain in-person. Marginally lighter than any benchmark. Fully virtual satellites would fail the stakeholder-interface function.
4	+3 → +1	Annual cohort dynamics, shifting title portfolios, and stage-gated rollout justify high near-term agility, the widest divergence from the benchmark band. Later-phase units must be relocatable or dissolvable as title and club participation shifts. Moves toward stability as the portfolio settles.
5a	+4	Multiple publishers holding independent authority derived from property law, each able to veto activity in its title; national governing bodies holding authority over representation; state regulators in several markets. Reserved from +5 because a functioning central coordination layer exists across titles.
5b	-3	Satellites cultivate, sense, and support relationships across publishers, clubs, governments, and national partners, but may not bind the organisation or represent it before third parties. Marginally less restricted than FIBA owing to the local publisher interface and national partner portfolio functions.
6	+1 → +2 (<i>trajectory corrected</i>)	Original notation of "+2 → +1" reversed its own justification, which describes pilot-phase units at +1 building toward +2 at maturity. A four-to-five point departure from a near-uniform benchmark position, with no demonstrated precedent. See Section 5.7.
7	+1	More localisation than traditional federations is warranted; programme and sponsorship activation require genuine adaptation. Central standards for brand, compliance, and intellectual property remain strict. The absence of a universal Laws of the Game equivalent means localisation, not standardisation enforcement, is the primary satellite value-add.
8	+1	Satellites combine intelligence gathering with programme localisation and partnership execution, consistent with the FIBA model and trending toward execution ownership of regional objectives. Without a cadenced insight brief, units default to pure execution and lose the function justifying their existence.
9	-2	Primarily permanent in structure, with event-based operations isolated in a distinct Event Delivery Hub layer. Justification inverted following the 2026 relocation: permanence is warranted not because the flagship is fixed but because it is mobile, and mobility at scale is

purchased with continuous presence.

Annex C. Expert Validation Protocol

C.1 Purpose

The panel was convened to test the scoring instrument and its outputs against practitioner judgement of how regional units in the benchmark organisations actually operate, addressing the principal weakness of a purely documentary instrument.

C.2 Panel composition

More than twenty practitioners participated.

Table 14. Expert validation panel composition

Group	Size	Profile
Federation experts	3 to 5 per benchmark federation	Regional office directors; heads of strategy for regional development offices; football association directors
Esports experts	5	Heads of esports federations and associations
Strategy and expansion experts	Supplementary group	International strategy directors and expansion strategy directors at international brands, drawn from outside sport and esports

C.3 Coverage

Federation experts addressed all nine dimensions for their own federation only. Esports experts addressed the esports position. Strategy and expansion experts addressed the instrument as a general design tool rather than any single case.

C.4 Procedure

Round one. Experts scored the relevant dimensions independently, without sight of the researcher’s positions, working from the written anchor definitions in Annex A.

Round two. The researcher’s scores and justifications were disclosed and discussed. Experts were free to revise or retain their positions. Revisions occurred in some cases and not in others.

Output. The positions reported in the paper are post-validation consensus scores.

C.5 Design limitations

This is a **modified** Delphi, and two departures from the classical form are material.

Feedback source. Round-two feedback was the researcher’s own score and reasoning rather than an anonymised panel median. This introduces potential anchoring toward the researcher’s position. Where an expert revised after explanation, the revision may reflect either genuine clarification of an ambiguous anchor or deference to the researcher.

Reporting. Round-level agreement and divergence data are not reported. Consequently the study **does not claim measured inter-rater reliability** and cannot identify which dimensions were most contested.

The validation establishes that positions were tested against practitioner judgement. It does not establish that agreement was quantified.

C.6 Convergent validity

Eight benchmark positions were restated following systematic reapplication of Rule 1a. These corrections converged with panel input on the same positions. Two independent checks producing the same adjustments is a stronger warrant than either alone.

C.7 Participation, consent, and anonymity

Participation was voluntary. Participants consented to their input being used in publication. No institutional ethics review was sought, as the study was conducted outside a university affiliation and does not involve sensitive personal data.

Participants are not named. Validation outcomes are reported at instrument level rather than attributed to individual federations or individuals, and no score change is attributed to a specific organisation, so that no position is traceable to a participant or employer. Role descriptions are given as bands rather than as unique titles.

Annex D. Governance Mechanisms Inventory

The complete governance architecture. Mechanisms specified across separate design documents are easily lost in assembly; this inventory exists to prevent that. Each entry maps to the dimension or ceiling it serves.

D.1 Central forums and offices

Table 15. Governance mechanisms: central forums and offices

Mechanism	Cadence	Purpose	Serves
Global Steering Committee	Monthly	Ultimate decision forum for network strategy, tier changes, escalated matters	D1, D8
Strategy Directorate and Strategy Management Office	Continuous	Owns operating model, satellite charters, RACI, planning cycle	D1, D8
Publisher and IP Office (Central Legal and Licensing Desk)	Continuous	Sole owner of publisher contracting, licence templates, escalation lanes	Ceiling 1, D5b
Title Portfolio Council	Quarterly	Sets and reviews title portfolio direction; absorbs publisher portfolio shifts	D4, Ceiling 1
Global Data and Intelligence function	Continuous	Owns global data architecture, metric definitions, insights stack	D3, D7
Integrity Committee	Monthly, plus on incident	Global integrity standards, investigations oversight, sanctions	D2, D7
Ethics and Compliance Committee	Quarterly	Mission-versus-market legitimacy tension; conflicts of interest; reinvestment reporting	D2, D6
Public Trust and Stakeholder Forum	Quarterly	Published principles, transparency, reputation and geopolitical risk posture	D2, D5a

D.2 Regional and satellite forums

Table 16. Governance mechanisms: regional and satellite forums

Mechanism	Cadence	Purpose	Serves
Regional Advisory Council	Quarterly	Non-governing advisory body capturing local legitimacy without conceding decision rights; includes incumbent national bodies by design in mature markets	D5a, D7, Ceiling 2
Quarterly Regional Governance Review	Quarterly	Performance against objectives, risk register, compliance, reputation exposure	D1, D8
Monthly Satellite Operations Review	Monthly	Delivery cadence, pipeline, blockers, escalations	D8
Regional Insight Brief	Monthly	Named intelligence deliverable protecting the sensing function from erosion into pure execution	D8
Inter-Satellite Coordination Forum <i>(added)</i>	Quarterly	Lateral knowledge transfer, shared playbooks, cross-regional account alignment	D8

D.3 Ecosystem and stakeholder forums

Table 17. Governance mechanisms: ecosystem and stakeholder forums

Mechanism	Cadence	Purpose	Serves
Clubs and Teams Council	Advisory from late Phase 2; consultative Phase 3	Anticipates elite-team formalisation into representative bodies; inclusion mechanism against breakaway behaviour	D5a
National Partner Assembly	Annual	Collective forum for national partners within a satellite's territory	D5a, Layer 3
Publisher Regional Liaison	Ongoing	Structured local interface with publisher regional staff; no contracting authority	Ceiling 1

D.4 Governance instruments

Table 18. Governance instruments

Instrument	Purpose	Serves
Satellite Charter	Per-satellite purpose, decision rights, objectives, authority limits, operating cadence	D1
RACI Decision Matrix with thresholds	Explicit statement of what satellites decide, recommend, or execute only	D1, D8
Delegation of Authority schedule <i>(added)</i>	Financial approval thresholds by role and tier, distinct from decision categories	D1, D6
Bidirectional Escalation Protocol	Triggers for upward escalation by satellites and for central review before intervention in nationally sensitive matters	Ceiling 2
National Representation Protocol	Published boundaries on what the centre and satellites may and may not influence in national selection	Ceiling 2
Standard Contract Playbooks	Templates for federation, club, publisher, and sponsor engagement	D5b, D7
Localisation Playbook	Non-negotiables (brand, integrity, IP compliance) versus adaptables (community format, partner mix)	D7
Compliance Baseline	Minimum regulatory, data, advertising, and employment standards per market	D7
Privacy and Data Architecture Standard	Single global architecture with local compliance wrappers; privacy by design	D3, D7
Crisis Communications Playbook	Reputation and geopolitical incident response	D2
Green Procurement Playbook	Vendor standards, travel policy, energy sourcing for activations	D9
Move, Scale, and Downsize Playbook	Pre-defined procedures for relocating, expanding, or dissolving a satellite	D4
Event Delivery Hub Charter	Standing template for time-bound delivery vehicles, including dissolution terms	D9
Cross-Regional Account Protocol <i>(added)</i>	Account ownership rules for publishers and clubs operating across multiple territories	D5b
Standardised Reporting Templates	Comparable reporting across satellites	D7, D8
Published Decision Log	Transparency mechanism for council and committee outputs	D2, D5a

D.5 Cadences, gates, and registers

Table 19. Governance cadences, gates, and registers

Mechanism	Cadence	Purpose	Serves
Stage gates (Stages 0 to 4)	Per stage	Approval checkpoints on mandate, capability, pilot performance, repeatability, unit economics	D4
Annual Satellite Tier Review	Annual	Assesses each satellite against readiness thresholds; triggers upgrade, downgrade, relocation, or closure	D4, D6
Annual Title Portfolio Review	Annual	Reassesses market priorities against publisher portfolio shifts	D4
National Partner Review Cycle	Annual, aligned to term	Performance assessment, renewal, replacement, or tier descent for national partners	Layer 3
Reputation Risk Register	Quarterly	Embedded in satellite reviews; tracks geopolitical and legitimacy exposure	D2
Integrity Incident Drills	Semi-annual	Tested escalation and response readiness	D7
Market Review with downgrade and exit thresholds	Annual	Guards against over-investment in deteriorating markets	D4, D9
Speak-Up and Whistleblowing Channel (<i>added</i>)	Continuous	Independent reporting route bypassing local management	D2

D.6 Mechanisms added during inventory

Four mechanisms were absent from the source design and have been added: the **Cross-Regional Account Protocol**, because publishers and major clubs span multiple territories and without an ownership rule the network produces contradictory approaches to the same counterparty; the **Inter-Satellite Coordination Forum**, because a network with no lateral knowledge mechanism is a hub-and-spoke structure, and the subsidiary literature identifies knowledge flow as the defining feature of higher-order subsidiary roles; the **Delegation of Authority schedule**, because decision categories and spend thresholds are distinct controls; and the **Speak-Up Channel**, standard governance practice and material for a network spanning jurisdictions with varying norms.

D.7 Unresolved gap

One mechanism the design requires remains unspecified and is carried as an open question.

Satellite closure and continuity. No procedure covers relationship handover, data retention, or national partner impact when a satellite is downgraded, relocated, or closed, despite the Move, Scale, and Downsize Playbook assuming such transitions occur.

The previously identified gap concerning satellite and national partner conflict is partially addressed by the tier-descent mechanism formalised in Sections 6.2 and 8.4, which supplies a response to organisational deadlock without requiring the centre to adjudicate between claimants.

Annex E. MPAI Scoring Rubrics

E.1 Readiness component

Each factor is scored 1 to 5, weighted, and normalised to 100.

Publisher strategic presence (35%)

Table 20. Scoring rubric: publisher strategic presence

Score	Criterion
5	Multiple flagship-portfolio publishers operate regional leagues or circuits; localised servers and content; dedicated regional staffing
4	At least one flagship-portfolio publisher operates a regional circuit; partial localisation; some regional staffing
3	Publisher presence via regional qualification or localised content, without a dedicated circuit
2	Market served from an adjacent regional structure; minimal localisation
1	No meaningful publisher regional presence

Player base scale and growth (20%)

Table 21. Scoring rubric: player base scale and growth

Score	Criterion
5	Top-decile active player base in flagship titles; strong three-year growth
4	Substantial player base; above-average growth
3	Moderate player base; stable growth
2	Small player base; flat or uncertain growth
1	Marginal player base

Commercial potential (20%)

Table 22. Scoring rubric: commercial potential

Score	Criterion
5	Mature sponsorship market; established media rights values; strong endemic and non-endemic brand participation
4	Developing sponsorship market; some media rights value; endemic brands active
3	Early sponsorship activity; limited media rights market
2	Minimal commercial infrastructure
1	No addressable commercial market

Government and institutional alignment (15%)

Table 23. Scoring rubric: government and institutional alignment

Score	Criterion
5	Explicit national strategy support; active event hosting appetite; enabling regulatory posture
4	Supportive policy environment; some hosting interest
3	Neutral posture; no obstruction
2	Restrictive or uncertain regulatory posture
1	Actively adverse regulatory environment

Ecosystem depth (10%)

Table 24. Scoring rubric: ecosystem depth

Score	Criterion
5	High club density with professionalised operations; strong organiser capability; established talent pipeline
4	Several professional clubs; competent organisers; developing pipeline
3	Emerging club scene; limited organiser capability
2	Few organised clubs; minimal infrastructure
1	No organised ecosystem

Classification thresholds

Table 25. Readiness score classification thresholds

Score	Classification
70 and above	Main Hub readiness
45 to 69	Growth Hub readiness
25 to 44	Representative Hub or centrally provided regional coverage
Below 25	Monitoring only

Boundary condition. A market already served by headquarters presence does not warrant a satellite regardless of readiness score.

E.2 Clustering test

Operational conditions. A cluster may be scored as one unit where at least four of five are met:

1. **Linguistic and cultural proximity.** Shared or mutually intelligible language; shared media consumption; shared creator ecosystems.
2. **Publisher treatment.** Publishers already treat the territory as a single region through shared servers, a single regional league, or combined qualification.
3. **Commercial contiguity.** Sponsors and media buyers operate across the cluster rather than country by country.
4. **Regulatory compatibility.** No material divergence in data protection, content regulation, gambling adjacency, or employment law requiring separate compliance postures.
5. **Operational feasibility.** One team can service the cluster within reasonable travel and approximately three time zones.

Condition 6, political viability (gate). A cluster must not require a single unit to represent the organisation across markets with active bilateral hostility or competitive state rivalry, or in any market where the unit's location is legible as alignment against another market in the cluster. **This condition may veto a cluster passing all five operational conditions and cannot be offset by strength elsewhere.**

Aggregation. Additive factors (player base, commercial potential, ecosystem depth) sum, then take a fragmentation discount of ten to twenty per cent where multiple legal entities, language localisations, or regulatory postures are required. Non-additive factors (publisher presence, government alignment) take a weighted mean by market size.

Clustering ceiling. Clustering applies to the satellite layer only. National representation remains per-nation, so the national partner portfolio function scales with country count, not cluster count.

E.3 Complexity modifiers

Recorded separately from readiness; adjusts entry model, not score.

Axis A, legitimacy complexity

Table 26. Complexity modifier, Axis A: legitimacy complexity

Level	Condition	Entry model
Low	No established national body; no state-linked representation constraint	Direct appointment; standard entry
Moderate	Established body without binding authority over national symbols, or multiple competing claimants	Consultative entry; advisory council inclusion from establishment; published selection boundaries; tier descent available for deadlock
High	State-recognised body holding authority over national representation, flag, and national-team designation	Negotiated entry; pre-agreed selection boundaries; central-level relationship ownership before establishment

Axis B, regulatory and operational complexity

Table 27. Complexity modifier, Axis B: regulatory and operational complexity

Level	Condition	Implication
Low	Straightforward entity formation; no material data localisation or content approval	Standard establishment timeline
Moderate	Significant data protection or employment complexity	Local counsel required; extended timeline
High	Content approval regimes, data localisation, foreign entity restrictions, or licensing requirements	Materially constrained operation; enter only with validated model

Annex F. Cost Model Detail

F.1 Cost drivers and assumptions

Table 28. Cost drivers as a share of total

Component	Share of total
Salaries	60% to 70%
Offices and facilities	10% to 15%
Operations and travel	20% to 30%

Employer loading: 40% to 50% above base salary (taxes, benefits, compliance).

Regional salary multipliers against United States baseline:

Table 29. Regional salary multipliers against United States baseline

Region	Multiplier
United States	1.0
Australia	0.9 to 1.0
Western Europe	0.8 to 0.9
China, Korea, Japan	0.7 to 0.9
Brazil, Mexico	0.5 to 0.7
South Africa	0.4 to 0.5
India	0.35 to 0.45
Southeast Asia	0.3 to 0.5
North Africa	0.25 to 0.4

Reconciliation note. Tier ranges below are United States-baseline figures. Per-market costs apply the regional multiplier to the salary component, which is why some Main Hubs are costed below the stated Main Hub tier floor.

F.2 Tier cost ranges (United States baseline)

Table 30. Tier cost ranges at United States baseline

Tier	Headcount	Annual operating
Main Hub	7 to 9	\$1.37M – \$2.90M
Growth Hub	5	\$640K – \$1.27M
Representative Hub	3	\$250K – \$500K
Event Delivery Hub	20 to 30 at peak	Event-funded; excluded from network totals

F.3 Per-market annual operating cost

Table 31. Per-market annual operating cost, sixteen hubs

Market	Tier	Annual range
Americas (Miami)	Main	\$1.80M – \$2.50M
Europe (Berlin)	Main	\$1.50M – \$2.30M
East Asia and Pacific (Seoul)	Main	\$1.40M – \$2.20M
China (Shanghai)	Main	\$1.30M – \$2.00M
South Asia (Mumbai)	Main	\$0.70M – \$1.20M
Brazil (São Paulo)	Growth	\$0.70M – \$1.10M
Indonesia (Jakarta)	Growth	\$0.65M – \$0.95M
Turkey (Istanbul)	Growth	\$0.60M – \$0.90M
Philippines and Vietnam (Manila)	Growth	\$0.70M – \$1.00M
North Africa (Cairo)	Growth	\$0.50M – \$0.80M
Balkans (Belgrade)	Growth	\$0.80M – \$1.20M
Mexico (Mexico City)	Representative	\$0.30M – \$0.50M
Nordics (Stockholm)	Representative	\$0.50M – \$0.75M
Central Europe (Warsaw)	Representative	\$0.50M – \$0.75M
Sub-Saharan Africa (Johannesburg)	Representative	\$0.25M – \$0.45M
Oceania (Sydney)	Representative	\$0.40M – \$0.65M
Total, 16 hubs		\$12.60M – \$19.25M

Midpoint approximately **\$15.9M**. The MENA Regional Function adds no incremental fixed cost.

F.4 Establishment costs (one-time, per hub)

Table 32. One-time establishment costs per hub

Tier	Range
Main Hub	\$200K – \$400K
Growth Hub	\$120K – \$250K
Representative Hub	\$60K – \$120K

Covers entity formation, legal and registration, recruitment fees, office fit-out, and systems provisioning. These are order-of-magnitude estimates requiring validation against actual costs in the relevant jurisdictions.

F.5 Multi-year build profile

Launch-year hubs modelled at 70% to 75% of annual run rate to reflect staggered establishment.

Table 33. Multi-year build profile, detailed

Year	Phase	Added	Cumulative	Low	Midpoint	High
Year 1	Validation	2	2	\$2.2M	\$2.8M	\$3.4M
Year 2	Structured expansion	5	7	\$5.8M	\$7.5M	\$9.1M
Year 3	Coverage completion	9	16	\$11.7M	\$15.0M	\$18.3M
Year 4 onward	Steady state	0	16	\$12.6M	\$15.9M	\$19.3M
Cumulative Y1-Y4				\$32.3M	\$41.2M	\$50.1M

F.6 Exclusions and caveats

Five exclusions apply wherever these figures are reproduced.

1. **Ecosystem activation is excluded.** The working assumptions identify ecosystem activation, regulatory compliance in complex jurisdictions, and relationship-building travel as the largest hidden cost drivers subject to management decision. A separate activation budget line is required. **These figures are a personnel and fixed-cost floor, not a programme budget.**
2. **Event Delivery Hubs are excluded** entirely, being event-funded and sized to the specific competition.
3. **Establishment costs are estimates** requiring validation.

4. **No inflation or currency adjustment** is applied.
5. **On-schedule completion is assumed**, whereas stage gates may legitimately defer or cancel hubs, in which case steady state arrives lower.

F.7 Phasing sensitivity

Phase 3 carries nine establishments in a single year, which is operationally demanding. Deferring the two new Representative Hubs and the European cluster hubs to a Year 4 completion phase flattens the Year 3 midpoint from approximately \$15.0M to approximately \$12.5M, with steady state arriving in Year 5.

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