Filippo BAZZANELLA Egon THEINER

# NUST HAVE

## HOW TO ESTABLISH BIG SPORT EVENTS ON A HUMAN SCALE AGAIN

CONTRIBUTIONS BY: Sergio ANESI · Ottavio CINQUANTA · Frank DASSLER · Christophe DUBI · Alain FERRAND · Claude Louis GALLIEN · Gian Franco KASPER · Alberto TOMBA · Michele UVA



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## PREFACE

Alain Ferrand PhD. is Professor of management at the University of Poitiers, France, and Director of the Executive Master in Sport Organisations Management conducted in French (MEMOS). He is a visiting professor at the Catholic University of Louvain-la-Neuve, INEFC Catalunya, and "Scuola Dello Sport" in Rome (Italian Olympic Committee - CONI Servizi). His areas of expertise are strategic management, marketing and sport event management. He is an expert for the UEFA and a specialist adviser to the National Center for Sports Development (French Ministry of Sports) with regard to major sporting events management and marketing. Alain Ferrand has undertaken consultancy projects for international sport organisations, and local authorities. He has authored 12 books and over 30 journal articles. His most recent book is Olympic marketing (with Jean-Loup Chappelet and Benoît Séguin) Routledge 2012.

When I was asked to write the preface for this book, two thoughts came to my mind.

The first related to innovation through knowledge transfer (ITKT) in the field of major event management. The first time I met Filippo was in MEMOS 2003 (Executive Masters in Sport Organisations Management). At that time, he was the General Manager of the Marcialonga. This crosscountry skiing spectacle takes place in Val di Fassa and Val di Fiemme (Trentino - Italy), is part of the Worldloppet and has become an event not to be missed in the world of winter sports. MEMOS' mission is to help professionals working in national or international sports bodies develop the knowledge required to improve the management of their organizations. The primary goal of sports event management is to deliver quality to the main stakeholders, provide the right experience for everyone involved and raise the event's brand profile. The organizing committee has to manage a complex system of stakeholders, resources and activities. "This organization must incorporate extremely severe constraints, not least of which is the need to deliver the event on time, the watch cannot be stopped! It must guarantee results not resources," state Charmetant, Bergeri, Sordet and Geffroy in their guide about the organization of major sporting events.<sup>1</sup> Major sports events are getting increasingly resource consuming. Such growing demands constitute a major risk to an event's rights holders, the organizing committees and their partner committees. In the introduction, Filippo and Egon stress an important and highly frequent managerial issue, namely:

"How to manage a growth spurt and, in some cases, the uncontrolled, organizational costs imposed by this, in the face of sometimes uncertain returns, which are not necessarily sufficient to ensure the sustainability of the event".

This book is part of the legacy of organizing the Winter Universiade XXVI 2013. The organizing committee demonstrated that it is possible to put on a big, high-quality international event (numbers) with only limited resources. This marks the transition between effectiveness in terms of the capability of producing a desired result to efficiency, which describes the extent to which time, effort or costs are well used for the intended task or purpose. The sub-title "towards a new model for managing major sporting events on a human scale" is a call to confront different experiences, share best practices and make everything we have learnt from the recent past available to improve management effectiveness through developing innovative solutions so that we can deliver high-quality events and reduce the resources required for their organization.

This challenge is a call for innovation. Innovation can be a continuous process, consisting of a series of changes made gradually in regards to their format and characteristics, organization and operational processes. This can be achieved by combining three types of innovation to achieve more with fewer resources. First, there is process innovation through implementing new or significantly improved methods in event organization. This refers mainly to functional areas and includes significant changes in techniques, equipment and/or software. Second, organizational innovation will bring new way of coordinating and putting on the event. Third, marketing innovation will promote a concept or strategy focusing on organizing mega sport events on a human scale in a sustainable perspective. Alternatively, innovation can be radical and correspond to the creation of an entirely new event.

My second most immediate thought on large-scale sports event management concentrated on changes in the meaning and scope of major sporting events. In 1995, I stated that sport events were much more than just competitions between participants. I wrote: "A sports event is a collective celebration with an uncertain outcome, where men and women gather to attend a sporting spectacle"<sup>2</sup>

During that period, organizers wanted to demonstrate that sport events were much more than just competitions between athletes and teams. Their aim was to turn competitions into shows mainly for the public, media and sponsors. Furthermore, the uncertainty of the outcome made it essential to create and maintain levels of public interest.

Having said all this, the area of sports events has evolved considerably in the last 20 years. There are now many different kinds of sports events. They are social and media events that bring together anything from a handful to a huge number of people and involve different activities, depending on their scale. Sports events provide entertainment and can be festive occasions, but they are also showcases for communities and regions. They can forge an identity and create solidarity, bringing people together, giving them a sense of belonging and contributing to the development of the host region. They have both short- and long-term impacts. Indeed, the years of preparation required to produce a few days sporting celebration can have far-reaching effects that are felt for more than a generation. All of these facets have to be taken into account by the organizers before starting preparations.



Alain Ferrand - Director MEMOS and Professor of Management, University of Poitiers

Four dimensions need close attention:

First, a sports event is a social fact consisting of ways of acting, thinking and feeling. Sports events bring people together and create a sense of community, socializing each of that community's members. Fans embrace the normative community behavior and share its values.

Second, participants are at the heart of the event because without their activity it would not exist. This is a shift in the organizers'

priorities, as they have tended to favor the media and sponsors in the recent past.

Third, sports events provide a unique branded experience -- an experience that is private and/or social that occurs in response to some form of stimulation. Such experiences involve the entire living being. They often result from direct participation in and/or the viewing of the event. The process of strategically managing the event and providing the desired experience for targeted stakeholders is in the hands of the organizers. The Stakeholders Experience Management (SEM) framework is an extension of the Customer Experience Management (CEM) framework<sup>3</sup>. It is based on five steps.

1) Analyzing the experiential world of the event's main stakeholders

2) Building the experiential platform

3) Designing the event's brand experience

4) Structuring the prioritized stakeholders' experience and

5) Engaging in continuous innovation to demonstrate to the event's main stakeholders that the organizers can create new and relevant experiences based on a collaborative process.

It is this experience that is branded and is the encapsulation of the combination of attributes (tangible and intangible), benefits, values and ideals and injects them into the event to give it the life and energy it needs.

Last, an event creates both short- and long-term value for the stakeholders involved. Sports events are managed from a stakeholder's perspective)<sup>4</sup>. Consequently managers act to create value by taking into account the interests of all the targeted stakeholders. This value creation is the result of the integration of resources supplied by several different actors during exchanges. It

centers on event legacy, which relates to what is left after the event has finished and whether this is of benefit to the event's stakeholders, especially the host city and local community.

The integration of these dimensions leads to the following definition:

"A sports event is a social fact with an uncertain outcome, where participants are involved in a situation of achievement, performance or competition, which provides a unique branded experience and creates short- and long-term value for the stakeholders involved".

In conclusion, effective mega sports-event management on a human scale leads to the development of new models to design and carry out operations so as to minimize the resources allocated and maximize benefits to all stakeholders, as well as society in general.

This book by Filippo Bazzanella and Egon Theiner is an initiative to promote and raise the profile of knowledge transfer and innovation, to manage mega sports events in a sustainable way. Enjoy the book.

Alain Ferrand Professor of Management MEMOS Director conducted in French University of Poitiers - France

<sup>&</sup>lt;sup>1</sup> Charmetant, R., Bergeri, P., Sordet, P. & Geffroy, D. (2005). Guide to the organisation of sports events for sports officials, politicians and administrators. Lausanne: Sentedalps, p. 43).

<sup>&</sup>lt;sup>2</sup> Ferrand, A. (1995). La communication par l'événement sportif: entre émotion et rationalité, in A. Loret (Ed). Sport et management (280-294). Paris: Dunod. 1995, p. 281).

<sup>&</sup>lt;sup>3</sup> Schmitt, B.H. (2003). Customer Experience Management: A Revolutionary Approach to Connecting with Your Customers. New York: Wiley Schmitt

<sup>4</sup> Parent, M. M., & Smith-Swan, S. (2012), Managing major sports events: Theory and practice, Oxfordshire, England: Routledge.

## INTRODUCTION

How high is the revenue earned from major sports events? Billions of dollars? Perhaps, but no one knows precisely. There are some more detailed studies available, but in most cases we only use estimates to gauge money in sport. The machinery churning out more and more major occasions has ballooned in size over time, creating mass-produced mega experiences challenging and reshaping sports event management. The event rights' owners, among them many federations, have grown wiser and have experienced and achieved organizational standards unimaginable 20 years ago. Television and the web have changed people's approach to sports occasions and the value of the events they watch.

The debate is certainly very open. Most recently, one of the most prevalent topics has been the ambivalence surrounding the bidding for major events at a time of economic crisis, with the fragmented race for the 2022 Winter Olympics and Paralympics a perfect example of this phenomenon. Four of the original six candidates dropped out, most of them citing financial concerns.

Just a short time ago, my attention was grabbed by an article on insidethegames.biz, which analyzed the People's Republic of China's reasoning behind its bid for the 2022 Winter Olympics and Paralympic Games. An opinion poll commissioned in January 2014 by the Beijing 2022 Bid Committee showed that 92 percent of the residents of the Chinese capital supported the bid, as did a whopping 99.5 percent of those living in the neighboring city of Zhangjiakou, where snow sports events would be scheduled to take place. This is in contrast to the citizens of Oslo, who vetoed a bid to host the same Winter Games and - although the case for and

against Oslo 2022 is different to that of Beijing 2022 - it signals a shift in the local population's expectations for large-scale, multidiscipline sports occasions. Against the backdrop of the recent economic crisis and stories of major event arenas turning into decaying white elephants, the real challenge facing potential organizers is to adopt a model that communicates why bidding for the Olympics or other multi-discipline events can be a good thing and can benefit the residents of a host city rather than just cause chaos and create costs.

The IOC voted in favor of reforming the bidding process for future Summer and Winter Olympic Games using a 40-point action plan at its meeting in Monaco in December 2014. Prior to this, recommendations made for this IOC Olympic Agenda 2020 were published, which were developed by four national Olympic associations (Austria, Germany, Sweden and Switzerland). They evaluated the bids for Games from 2010 to 2018 and analyzed all the strengths and weaknesses of the candidates involved, providing possible solutions or suggestions for shortcomings in the bidding processes. Redefining such processes is a key to the success of the Olympic Agenda 2020 reform, and with how to communicate the benefits of large-scale sports events to local populations that are reluctant to back an organizing committee's efforts being a particular area of concern. In reality, reforming the bidding process could certainly help raise public awareness, but it will be not enough to reconnect the general public to the world of largescale sporting occasions by itself. Being part of the world's sports circus is a potent way for cities to get financial support from national governments, but given the many white elephants that have been created at high expense over recent years, there are only a few rare cases where clear benefits can be shown.

Big events suffer from a concentration of targets. Too many expectations are bundled together and create a real problem vis-à-

vis local populations and stakeholders. Issues like legacy, peace, marketing, advertising, TV and economic returns on investment must be ultimately supported with real data that can satisfy those who put their faith in the event. Why not concentrate on the sports themselves and begin again from this central point? And start building the local legacy from the very beginning of the bidding procedure? This was what London did so successfully and it may make a difference elsewhere.

One year after the Olympic Games 2012, I read an article published in Le Monde by Prof. Jean-Loup Chappelet of the IDHEAP Lausanne, a member of the Scientific Committee of the Trentino 2013 Universiade Conference and author of many scientific papers on the Olympic movement. It was called "The Olympic Dilemma"i.

It read: "More and more sports wish to be included in the Olympic Games - an event that already has grown too big is at the center of reflection, especially in the face of rising costs of the Olympics and 'agenda 2020', says IOC Secretary-General Thomas Bach. On the eve of Sochi 2014, we held a brainstorming session of the IOC and some ideas are emerging - for example, the idea of organizing the Olympic Games in one country and not in a single city (abandoning the idea of an Olympic village and using only existing infrastructure)".

He continues: "The real problem for the long-term is to keep the Olympic Games in phase with the society in which we live. To request this is a significant innovation. We need to bring back the games in keeping with the spirit of the twenty-first century, focusing on sustainable development, human rights, fair trade maybe reducing the size and/or costs, instead of putting the center on competition and growth. Instead of insisting exclusively on elite sport, more space could be given to Paralympic sports, popular sports (i.e. mass participation in the marathon), culture (as in the Francophone Games), non-Olympic sport (as in World Games) and young people (such as in the Youth Games the IOC and the renewed Universiade) that is why the IOC has set up a Working Group to see what lessons can be drawn from these events."

As a response to the lucid and authoritative analysis provided by Prof. Chappelet, we will discuss our experiences and make our proposals on the future of large-scale sporting occasions in the following book, which has emerged from our work at the Winter Universiade Trentino 2013 and Youth Olympic Winter Games Innsbruck 2012-- because we believe it is important not to ignore the ideas that have emerged from these experiences and incorporate them into the ongoing discussion. Before describing the two case study events in detail, we will take stock of the current situation, through the views and comments of a range of leading personalities from the world of sports, all of whom have been directly involved in major games and events either as organizers, sports federation officials or athletes. We will then follow our examples with a new organizational model that could help create genuine sustainability in the world of sports events.

To achieve our goals, we interviewed presidents of international sports federations, managers and top athletes to try to fully understand the different visions of the major events taking place today and what the future prospects hold for all stakeholders and participants.

If we extend our reasoning to other major events, festivals worldwide, as well as continental and planetary events, we could imagine that the problem is common to all of them to some degree and that its core question is: How to manage a growth spurt and, in some cases, the uncontrolled, organizational costs imposed by this, in the face of sometimes uncertain returns, which are not necessarily sufficient to ensure the sustainability of the event? These elements also should be seen within the context of the current global economic problems and require arguments that have to be beneficial to all the stakeholders: to the rights holders and organizers, as well as the athletes and public as a whole. On the positive side, the crisis has helped national governments and institutions to make an accurate assessment on their domestic situation in regards to the viability of bidding for sports events. The word "programming" in terms of event timetables, the events themselves and other potential value-added (e.g. cultural events) has to be given greater emphasis and must become a top priority once again. Objectively, there is little more room for improvisation as key factors such as experience and human resources cannot be "bought" or constructed in just a few months. It takes years, a schedule of activities, clear objectives, fundraising and financing strategies and the right people in the right places to make it all really work. All these things are increasingly a must and not a "nice to have" any more.

In the case of sports institutions, judgment is required as regards the format and calendars of major events, whether they are organized by national associations, international federations, Olympic committees, rights holders or clubs. There are too many events with standards that are so high in some cases that they do not match the real value of the occasion and can only disappoint all those involved. There is a need for humility and awareness, especially as the times we are facing will not allow infinite growth, but are more suited to stabilization, to reducing the cost impact on the overall value of the event. Sport itself must become the focal point and there are times it makes sense to have the courage to say "no" or to lower the bar. This does not mean a worse event -it means that it will be in a different category and not necessarily inferior to others -- just different. This category may benefit more from a sponsor with other characteristics and motivations than grand-scale extravaganzas. We must not make the mistake of wanting to bring everything to the level of the Olympic Games. The Olympics is an event, certainly the largest and, perhaps, the best, but other occasions are different and just as significant for their target groups. The Universiade speaks to the world of the students and the universities, the Youth Olympics speak to young athletes with dreams and aspirations that are completely different to people of other age groups and, therefore, have special value both for the public and corporate sponsors at that level.

#### **ABBREVIATIONS**

FIFA	International Football Federation
FIS	International Ski Federation
FISU	International University Sports Federation
IOC	International Olympic Committee
ISF	International Sports Federation
ISU	International Skating Union
MMC	Main Media Center
MOC	Main Operation Center
MPC	Main Press Center
WADA	World Anti-Doping Agency
WUOC	Winter Universiade Organizing Committee
YOG	Youth Olympic Games

# PART 1 The Future

Interview with Claude-Louis GALLIEN Gian Franco KASPER Ottavio CINQUANTA Christophe DUBI Alberto TOMBA Frank DASSLER Michele UVA

## CLAUDE-LOUIS GALLIEN

President Fédération Internationale du Sport Universitaire

**Claude-Louis Gallien** is the President of Fédération internationale du sport universitaire (FISU), which is responsible for the organization and governance of worldwide competitions for student-athletes between the ages of 17 and 28. Founded in 1949 as the world governing body of national university sports organizations, it currently has 167 member associations. It is the only international federation with more than 50 sports on its competition program. A former field athlete (thrower) and trained scientist, Frenchman Gallien has been involved in FISU activities since 1990 and has been President of the Executive Committee since 2011.

What is your view of the global sports event situation, given the many problems (economic, social, etc.) at present?

Sport today is subject to new social, technical, medical, commercial, media, financial, legal and even ideological pressures, both as an actor and the target of the continually expanding liberalization, commercialization and globalization process.

These pressures will create an even greater responsibility for everyone involved in sport, and will create a need for greater qualifications in a wide variety of fields. The higher level and diversification of skills required are desirable from an absolute standpoint, but they can only make sense when based on knowledge, understanding and respect for ethical principles and the cultural and educational project that underpins the legitimacy of events such as the Olympics. The idea is not to hold on to obsolete values, but demonstrate that these values are stronger and more relevant than ever, that physical and sports education can supply an alternative to the market and the "profit for profit" model that is attempting to transform sports into an ordinary commercial "product", and society into a huge market for fools! We are currently observing the increasing development of dangerous networks of wheelers and dealers in and around the sports' movement that combine strong business, political and financial powers and even criminal mafias within sport, all having common transnational economic interests. It is not so much the profits they can take directly from sports that interest them, they want to take power in the sports movement, encroaching into decision-making bodies, dressing rooms, stadiums, social networks and the media, and use sports events as a tool to develop a much more lucrative side business based on money laundering, illegal betting, match fixing, bribery, corruption, politics and ideology. Clean sport is in danger, the Olympics and sports movements already have to face the problem and even our federation, FISU, is not immune to this.

#### What is the link between sports and politics?

Sports are, of course, closely linked to politics in every aspect to the extent that this represents an inescapable fact of society. Sports are a powerful tool, and as such they are a major positive force if used to support positive projects (socio-educational projects, cultural projects, and sustainable development projects), but a formidable negative force if they are used to promote negative political actions (ideology, intolerance, and corruption). At the political level, a crisis in representative democracy may be observed in the rich countries, due to declining social capital and trust, new ways of organizing work and distributing income, and the development of transnational corporate power. In less developed countries, however, autocratic and/or theocratic systems may be reinforced. Right or wrong, globalization raises fears and launches a withdrawal to identitarisms.

fundamentalisms, integrisms, communautarisms and nationalisms. In fact, the global societal project for the 21st century appears to be well adapted to a supranational plutocratic system (government by the rich, for the rich), in which inequity is a standard and profit is considered as part of ethics.

Ethics: is it right that those who are wealthy can spend a huge amount of money achieving their goals? If yes, what about ethics?

If a sport is "rich", using the money it has to achieve its goals is certainly not objectionable when the source of funding is honorable and the goals worth encouraging. It is on these two points that ethics can and must intervene and be taken into consideration.

Why is it difficult to explain the long-term legacy of public investment in infrastructure to the population?

The long-term investments made at the infrastructure level during the organization of a major sports event are of two main types: investments related to sports facilities (stadiums, swimming pools, and gyms), and investments related to improving urban infrastructure (airports, hospitals, housing, roads, railways, water supply, and sanitation ...). The public often sees (rightly?) that the new sports facilities are oversized and do not necessarily reflect the real needs of the population once the event is over; these facilities are considered "white elephants".

Sports events can also be used as a pretext to accelerate the creation of new infrastructure, improve urban design and communications and answer economic needs. This policy can be considered positive as it allows the promotion of sustainable development and provides a useful legacy. However, the cost of heavy equipment produced in small batches in a relatively short