Expectations of Mega Sport Events and their legacy in the 3rd decade of the 21st century

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JOHANNES GUTENBERG
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V. SKEOF Conference

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Content of this key note …

Expectations of Mega Sport Events and their legacy in the 3rd decade of the 21st century

1. Expectations of benefits from Mega Events 2022–2026

2. Problems / Reasons against Olympic Games

3. New Norm – New ways to bid & organize mega events & Olympics

4. Digitalization

5. Long term benefit – Legacy

OECD Recommendation on Global Events and Local Development

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Adopted by the Council of Ministers on 30 May 2018

1 Develop and implement a framework for global events that leverages economic, social and environmental benefits

Pre-bidding phase

Operational & delivery phases

Bidding & planning phases

3 Ensure effective multi-level governance, coordination, collaboration and institutional capacity
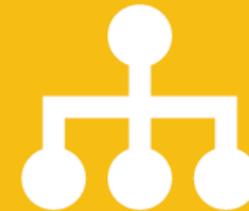
2 Evaluate the global event with a view to assess its impact, legacy and ultimate contribution to local development and citizen's well-being
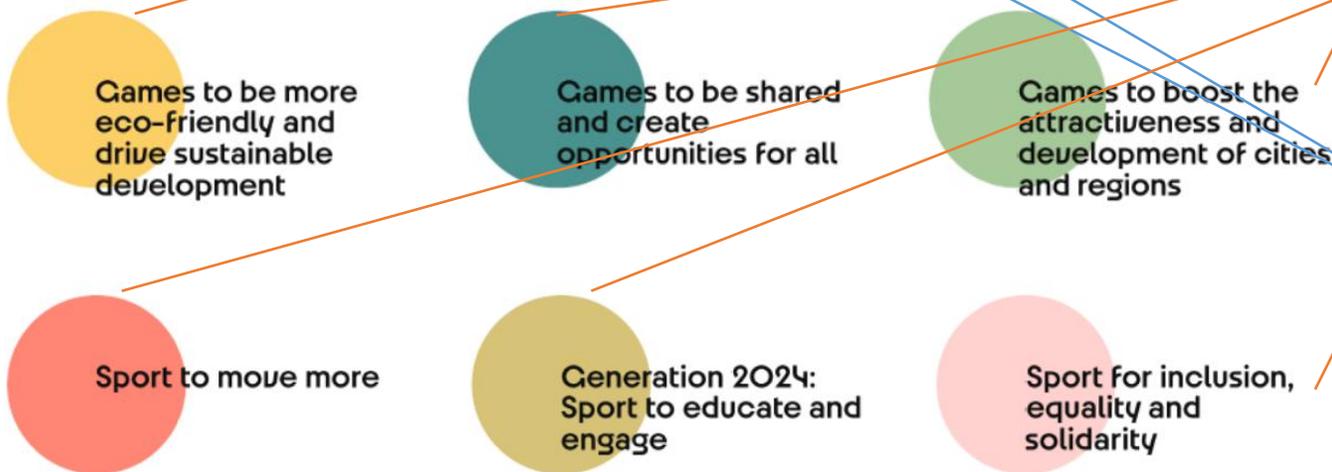
4 Establish collaborative partner relations with international event owners

Milano/Cortina 2026

Goal 1: Games for all
Goal 2: Sustainable development and cooperation
in the macro-alpine region
Goal 3: To champion the Olympic spirit
Goal 4: Alps as a major Sports Hub
Goal 5: To strengthen the Olympic brand and add value
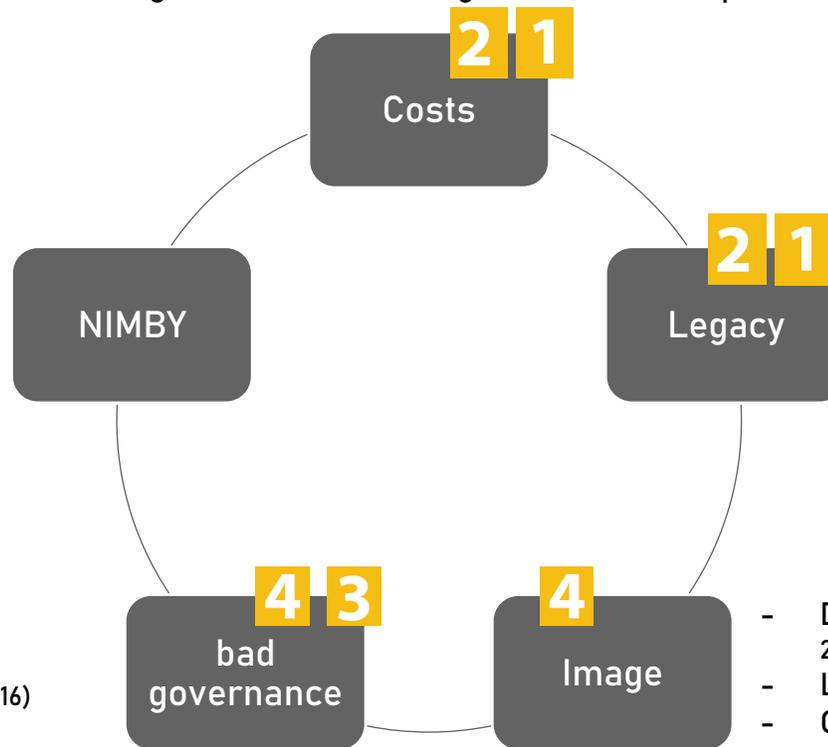to the Olympic Movement.

Paris 2024

Games to be more eco-friendly and drive sustainable development

Games to be shared and create opportunities for all

Games to boost the attractiveness and development of cities and regions

Sport to move more

Generation 2024: Sport to educate and engage

Sport for inclusion, equality and solidarity

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State of research on referendums and the Olympic Games

– Citizens fear high costs and cost overruns (Könecke, Schubert & Preuß, 2016; Scheu & Preuss, 2018)
– Need for investment is seen in grassroots, not high-performance sports (Könecke et al., 2016)
– Expected costs have stronger influence on voting behavior than expected benefits (Wicker & Coates, 2017)

2 1 Costs

2 1 Legacy

– Citizens do not see any individual benefit (Scheu & Preuß, 2018).
– Citizens fear negative legacy, e.g. environmental damage, white elephants (Könecke et al., 2016; Scheu & Preuß, 2018)

NIMBY

– Rejection of staging/construction in the immediate area (Wewer, 2017)

4 3 bad governance

– Greed for profit / corruption
– Lack of transparency (Könecke et al., 2016)

4 Image

– Distrust of federations, officials and politics (Könecke et al., 2016; Wicker & Coates, 2017)
– Loss of the Olympic idea/ideals in modern Olympic Games
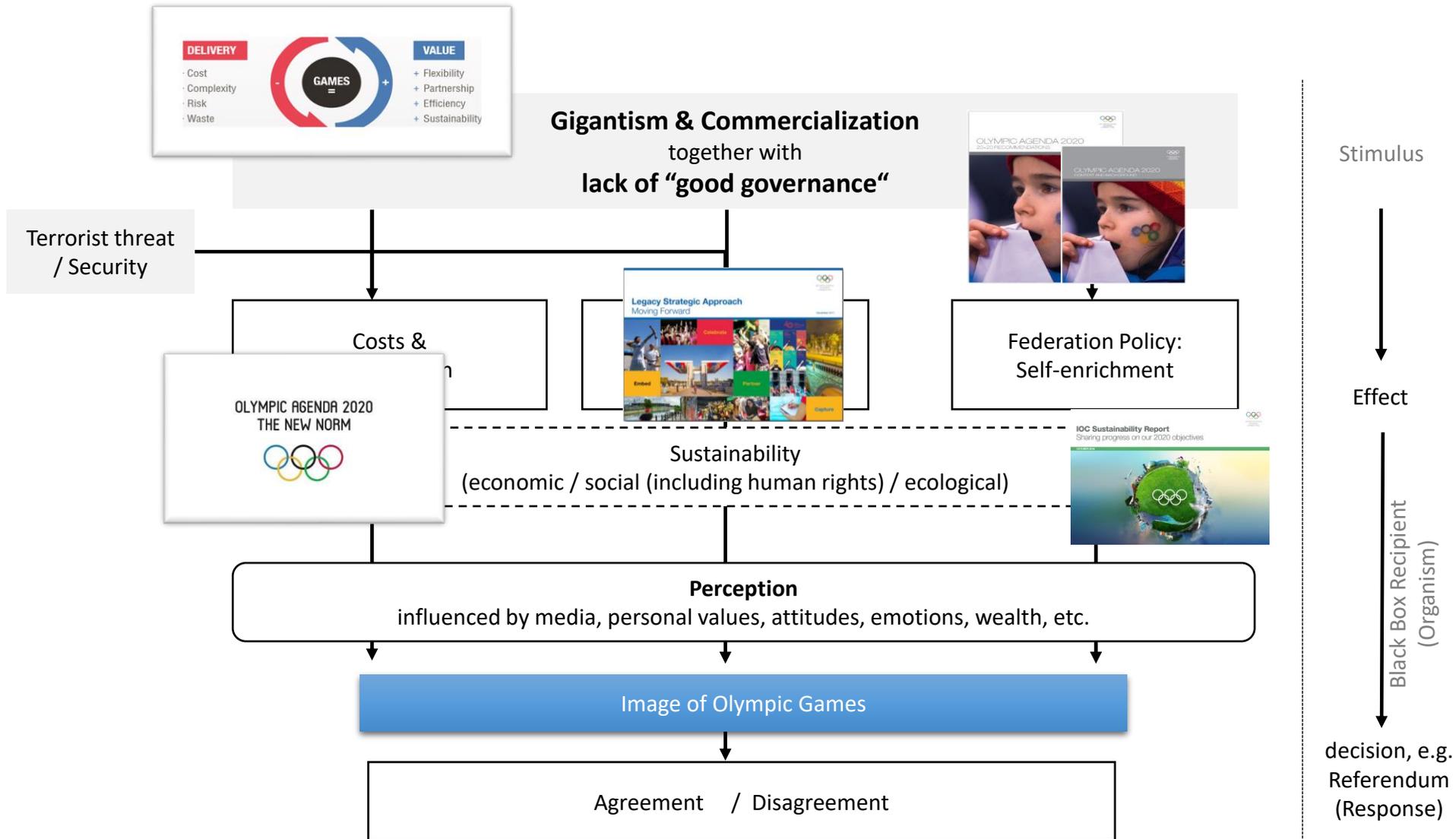– Gigantism (Könecke et al., 2016)

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DELIVERY
- Cost
- Complexity
- Risk
- Waste

GAMES =

VALUE
- + Flexibility
- + Partnership
- + Efficiency
- + Sustainability

Gigantism & Commercialization
together with
lack of "good governance"

Terrorist threat / Security

Costs &

Federation Policy:
Self-enrichment

OLYMPIC AGENDA 2020
THE NEW NORM

Sustainability
(economic / social (including human rights) / ecological)

Perception
influenced by media, personal values, attitudes, emotions, wealth, etc.

Image of Olympic Games

Agreement   / Disagreement

Stimulus

Effect

Black Box Recipient (Organism)

decision, e.g. Referendum (Response)

Source: Holger Preuss & Anja Scheu (2019)

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OLYMPIC AGENDA 2020
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OLYMPIC AGENDA 2020
20+20 RECOMMENDATIONS

OLYMPIC AGENDA 2020
CONTEXT AND BACKGROUND

Seven of the most important Agenda 2020 points in implementation :

1.   Shape the bidding process as an invitation
2.   Evaluate bid cities by assessing key opportunities and risks
3.   Reduce the cost of bidding
4.   Include sustainability in all aspects of the Olympic Games
5.   Sustainability in the Olympic Movement
12. Reduce the cost and reinforce the flexibility of Olympic Games management
13. Maximize synergies with Olympic Movement stakeholders

**2017 – 2020
Implementation & Continual Improvement**

2016 – Foundation & Alignment

2015 – Initiation, Discovery & Consultation

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2026 Process

A New way of doing business

The 2026 process was shaped by Olympic Agenda 2020 around key principles:

- **Contextualisation and Flexibility**: Games Concept to align with local long term development plans

- **Cost Reduction** through increased IOC expertise

- **Sustainability and Legacy**:

  - Maximum use of existing venues

  - Use of venues in other Cities/countries if no proven legacy for new constructions

- **Dialogue and Partnership**

- **Transparency**

Redesigning of the Candidature Process
- Approved by the IOC Session in June 2017, fully implemented for the Olympic Winter Games 2026

10 measures

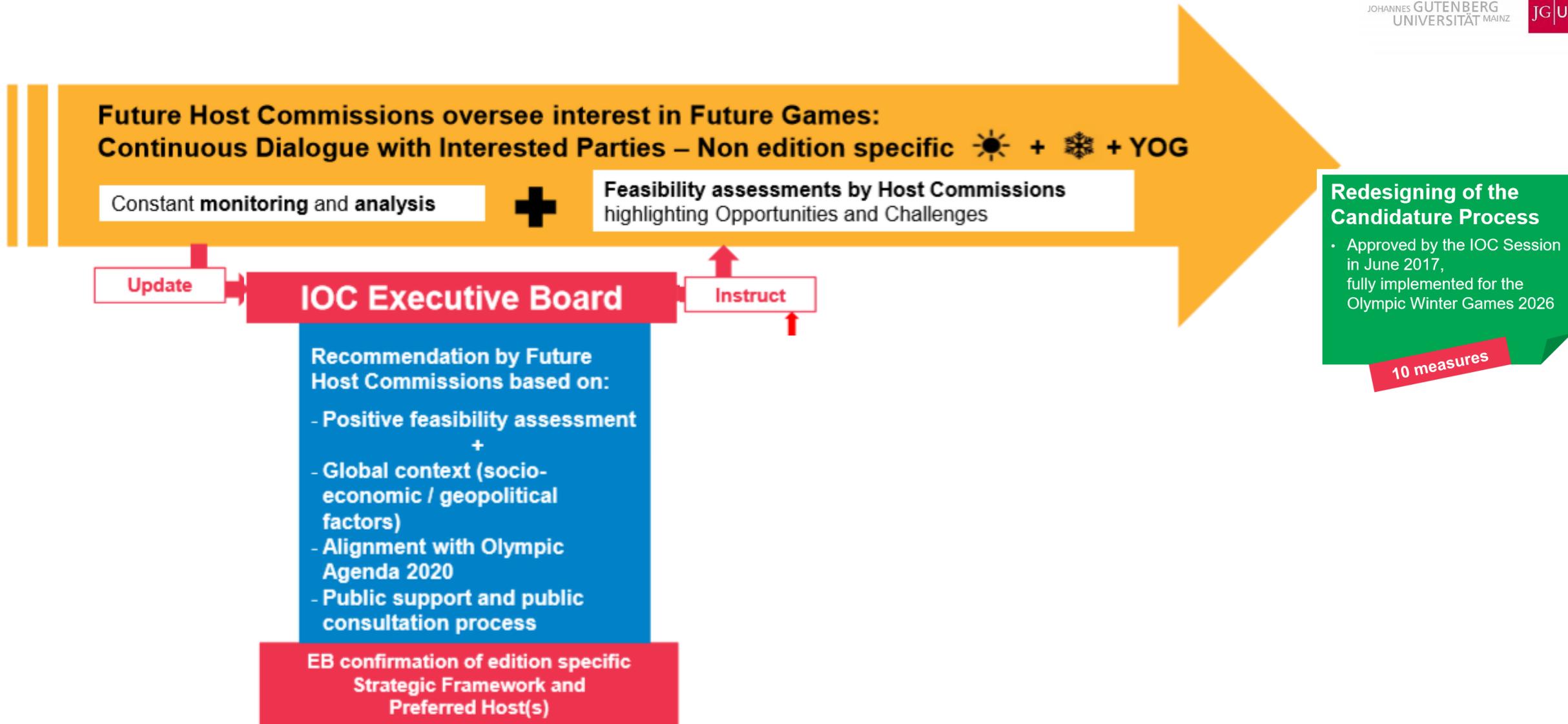→ Games adapt to the City, City does not adapt to the Games

Projected **2026 Candidature Budgets** over **75% lower** than average budgets of 2018 and 2022 Cities
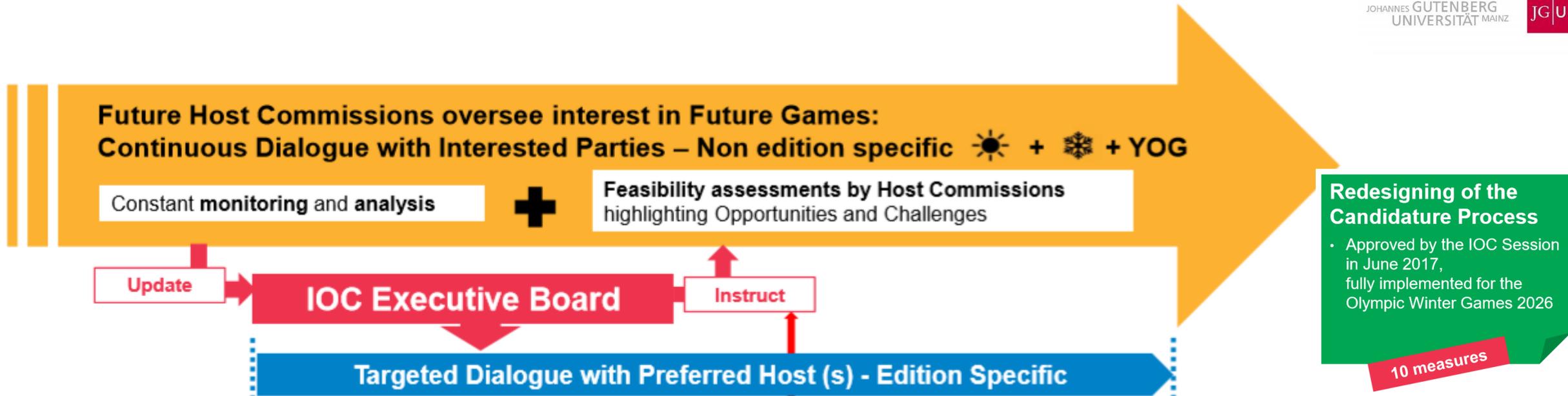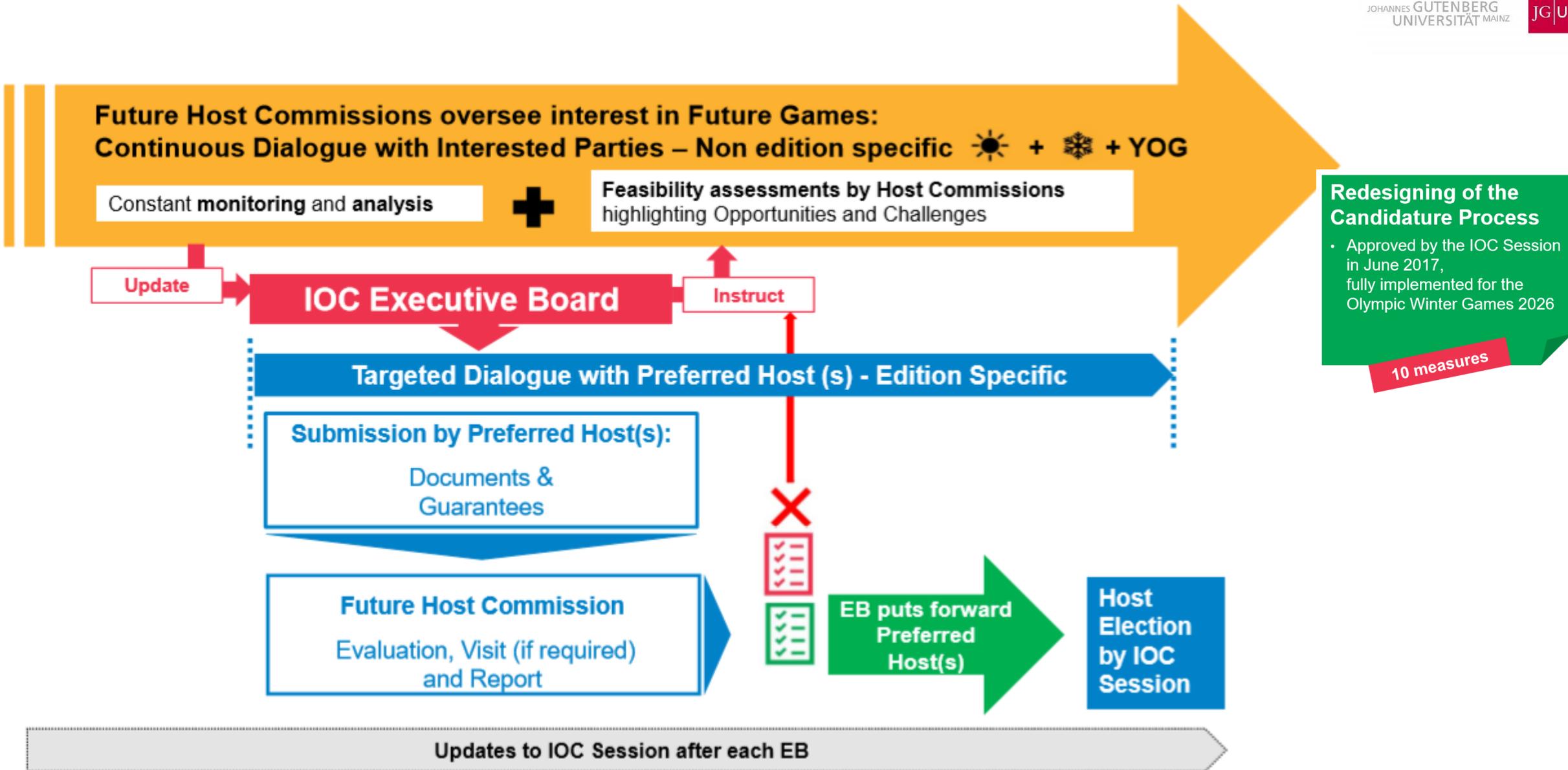
↓ **75% Reduction**

Source: Gilbert Felli (2019), IOC Senior Advisor.

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Future Host Commissions oversee interest in Future Games:
Continuous Dialogue with Interested Parties – Non edition specific ☀ + ❄ + YOG

Constant **monitoring** and **analysis**

+

Feasibility assessments by Host Commissions
highlighting Opportunities and Challenges

Update

IOC Executive Board

Instruct

Redesigning of the Candidature Process
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Source: Christophe Dubi (2019), OG Executive Director

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Recommendation by Future Host Commissions based on:

- **Positive feasibility assessment**
+
- **Global context (socio-economic / geopolitical factors)**
- **Alignment with Olympic Agenda 2020**
- **Public support and public consultation process**

EB confirmation of edition specific Strategic Framework and Preferred Host(s)

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Update → **IOC Executive Board** ← Instruct

Targeted Dialogue with Preferred Host (s) - Edition Specific

Source: Christophe Dubi (2019), OG Executive Director

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Targeted Dialogue with Preferred Host (s) - Edition Specific

Submission by Preferred Host(s):

Documents & Guarantees

Future Host Commission

Evaluation, Visit (if required) and Report

EB puts forward Preferred Host(s)

Host Election by IOC Session

Updates to IOC Session after each EB

Source: Christophe Dubi (2019), OG Executive Director

Proposals of the Candidate Cities reflect the new approach

|	Candidature Processes 2018 & 2022	Candidature Process 2026	
Projected **Games Organisation Budget** (average)	USD 1.95 bn	USD 1.55 bn	⬇ 20% Reduction

7-year Journey Together
- A transformation of organisation and delivery of future Olympic and Paralympic Games, rooted in the analysis of previous editions

100 measures

Source: Gilbert Felli (2019), IOC Senior Advisor.

Pyeongchang 2018

Revenues

Categories	C. F. (t-8)	t-6	t-5	t-4	t-3	t-2	final
IOC Contribution	0%			-8%	4%	4%	2%
Top Sponsorship	0%			-8%	-8%	14%	23%
National Sponsorship	0%			36%	39%	36%	33%
Ticket Sales	0%			-40%	-44%	-41%	-42%
Licensing	0%			-19%	120%	130%	118%
Lotteries	0%						
Donations	0%			627%	156%	155%	664%
Disposal of Assets	0%			-8%	-6%	14%	123%
Subsidies	0%			93%	97%	146%	194%
Other	0%			9%	73%	74%	92%
Total	0%			19%	21%	27%	39%

Expenditure

Categories	C. F. (t-8)	t-6	t-5	t-4	t-3	t-2	t-1	final
Venues	0%			-5%	22%	65%		61%
Workforce	0%			64%	4%	26%		17%
Technology	0%			5%	-7%	6%		5%
Services	0%			-11%	-6%	32%		34%
Marketing & Events	0%			35%	45%	87%		76%
Administration & Coordination	0%			50%	70%	51%		82%
Other	0%			26%	64%	105%		21%
Total	0%			19%	21%	48%		38%
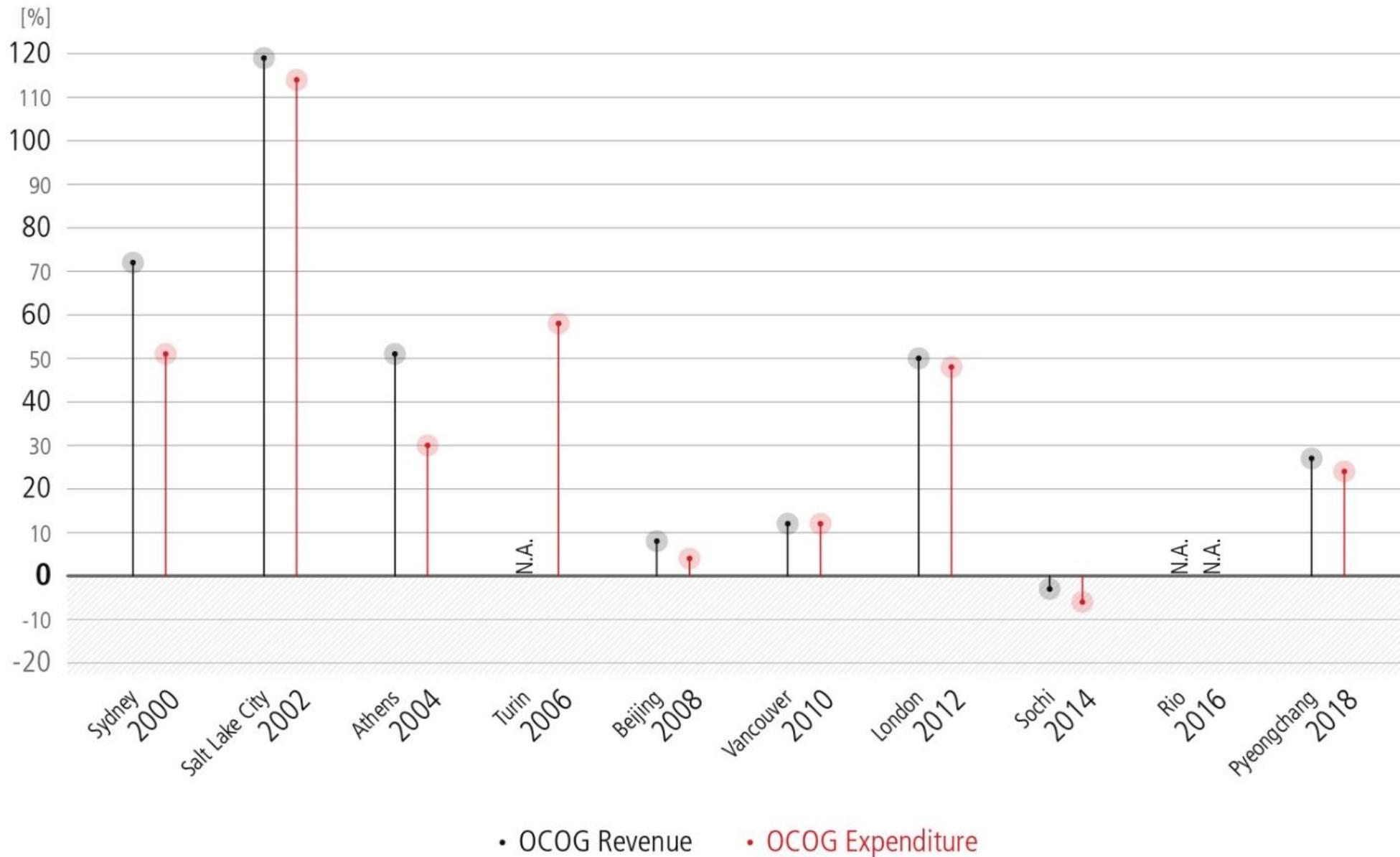
Proposals of the Candidate Cities reflect the new approach

	Candidature Processes 2018 & 2022	Candidature Process 2026	
Proposed **existing or temporary venues** (average)	60 %	80%	⬆ 33% Increase

7-year Journey Together
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Source: Gilbert Felli (2019), IOC Senior Advisor.
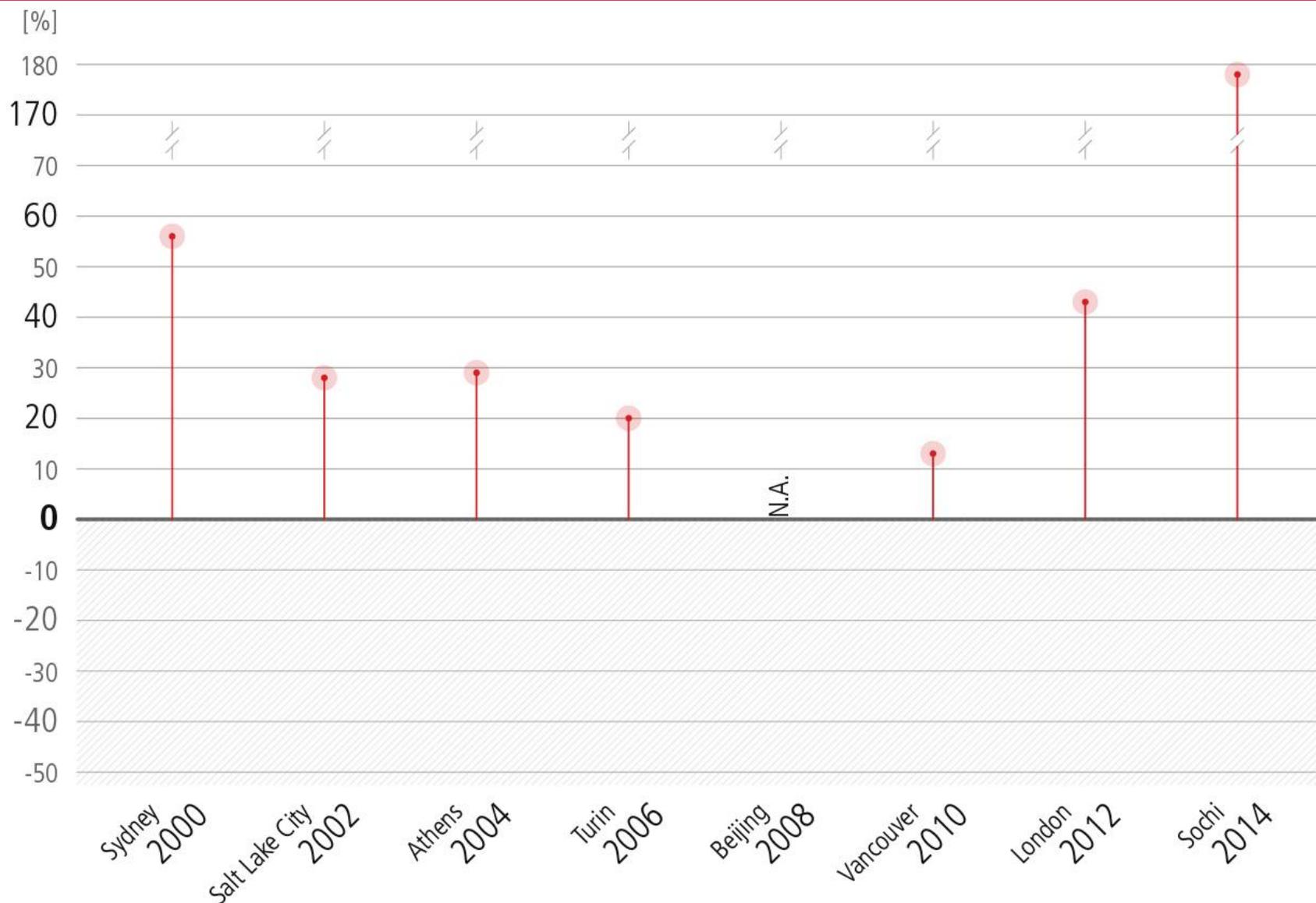
7-year Journey Together
- A transformation of organisation and delivery
  of future Olympic and Paralympic Games,
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100 measures

• Non-OCOG Investments

Foucs Areas with potential cost savings (in million USD 2017)	Olympic Winter Games	Olympic Games
Games Governance	85	134
Games Requirements	389	731
Competition and	121	228
Test Events		40
Olympic Village		
International		
Technology		
Brand, Identity		
Ceremonies, Culture and Education		
Hospitality and Ticketing		
Games Services		
Paralympics		
Support to Organisers	53	
Total	527	959

Games governance
- Reinforce IOC and IF / NOC assistance to Organisers
- Enhance Business Integration (with IOC TMS and TOPs)

10 measures

Games requirements
- Review venue requirements, capacities, sharing opportunities, rental periods
- Adapt service levels to actual needs and use

81 measures

Support to Organisers
- Streamline planning cycle
- Enhance IOC and IF support to Organisers
- Provide Turnkey Solutions

9 measures

- IOC as „news producing company" – OBS !
- Technology – Use of own & sponsors knowledge
- Data collection – All data any time any interest group
- OBS Cloud – access to everyone from everywhere / global access
- Virtual engagement – IFs and digitalisation

IOC Digitalization: News Producing Company

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OBS is the only news producer at Games

Full service for RHB

IBC & MMC will become severely smaller

2019 New IOC department „digital engagement"

Corporate Strategy

Business Processes

Marketing Capabilities

Roles and Skills

Access to customers all ages, 365 days through non-linear content

OLYMPIC MOVEMENT
Help IFs and OCOGs to produce content, share data, give access to archive

Sale of data, content, news, videos etc. to private and broadcasters

OBS = Olympic Broadcasting Service
RHB = Rights Holding Broadcasters

IOC Digitalization: Technology & Partners

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IOC can independently produce 100% of digital content

OBS Cloud for all Broadcasters with 12 data centres all over the world (Data centers and zones are inter-connected for a seamless cloud experience)

Building up own technological equipment to broadcast and using sponsors high-tech technology

Digital Transformation Accelerators

Evolving Technology

Increased Availability and Usage of Data

Digitalisation of the IFs

International Federations
1. Change their sport formats (e.g. UPM), sport equipment, VAR (NFL vor 25 Jahren), speed Mnigolf – Instargam
2. Change the field of play (Volleyball – Hawk Eye …) … https://www.hawkeyeinnovations.com
3. Change the data about the match (Hawk Eye collects personal data about everything…)
4. Change to non-linear media, people centric content
5. Crypto currency. Tokens as a digital currency for sport federations (Link: https://www.ex-sports.io)
6. Digitalization in Sponsoring
7. Bock Chain & Sport (Link with Examples)

The IOC Legacy Strategic Approach

- Adopted by the IOC Executive Board in December 2017 and presented to the IOC Session in PyeongChang

8 measures

2015: Sustainability and Legacy Commission

2017: IOC Legacy Strategic Approach:

- – Embed legacy through the Games lifecycle
- – Document, analyse and communicate the legacy of the Olympic Games
- – Encourage Olympic legacy celebration
- – Build strategic partnerships

Legacy Strategic Approach
Moving Forward

December 2017

Celebrate

Embed

Partner

Capture
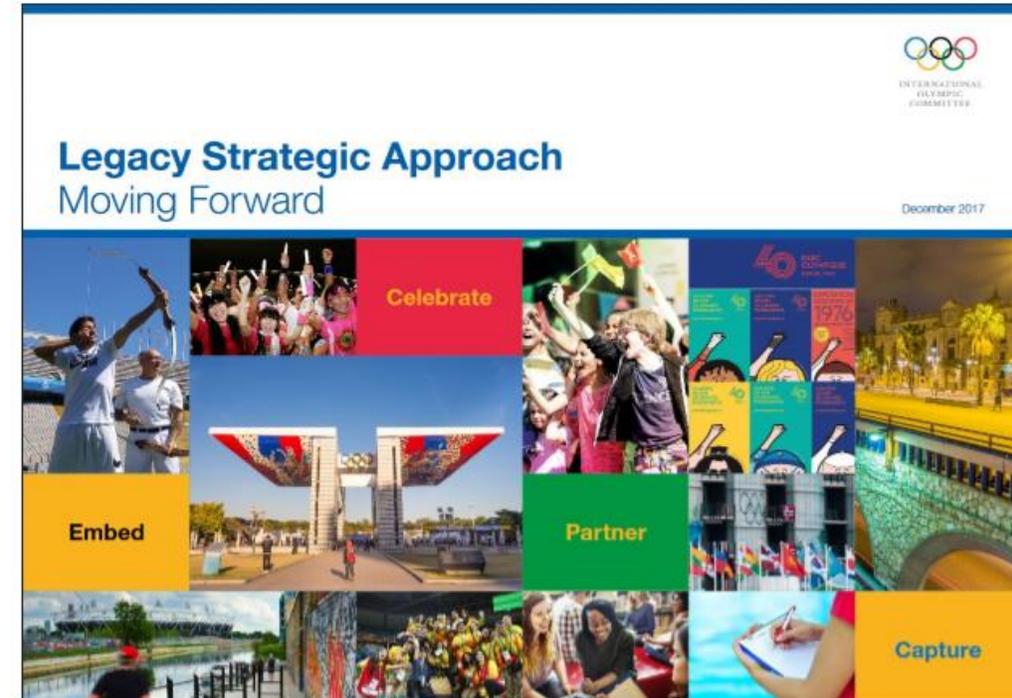
For the 2026 Olympic Winter Games and beyond, Legacy will be fully embedded from the outset. The IOC EB will anchor the inclusion of Legacy contractually (in the Host City Contract). It is also important to consider the roles and responsibilities of the local administration and the NOK after the OCOG is wound up.

The IOC Legacy Strategic Approach
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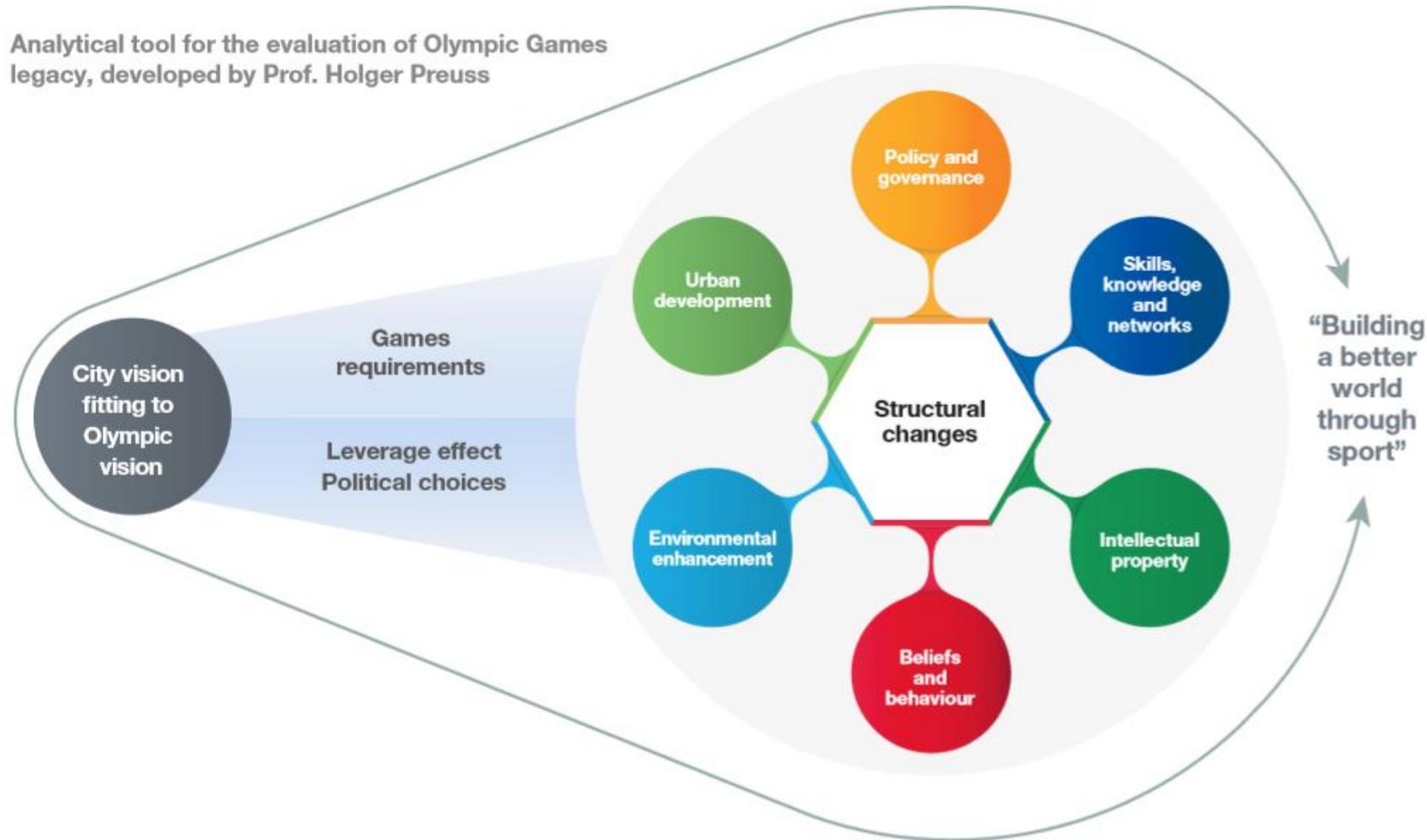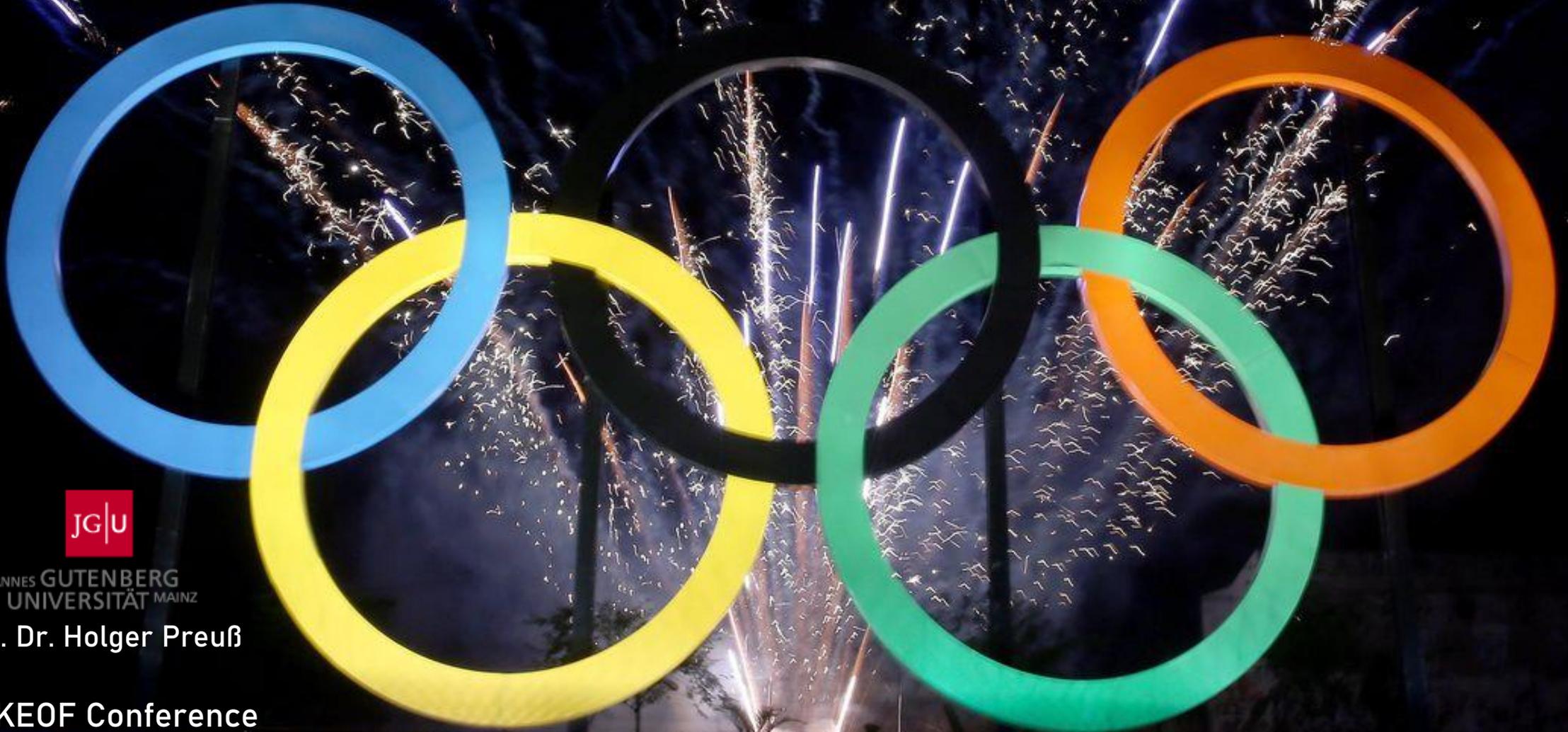| Vision	Planning	Governance	Funding
Legacy vision is defined as early as the Dialogue Stage and is a key element to the Olympic Games value proposition. Cities clearly define how the hosting of the Olympic Games will initiate and accelerate long-term benefits for people, the territory and the Olympic Movement. The IOC supports interested and Candidate Cities through tailor-made advice and access to expert networks.	Legacy planning is strengthened through the definition of an overall programme and priority actions during the Candidature Stage. These are further detailed in the form of a legacy plan. Host cities and legacy entities implement, evaluate and review the plan through the lifecycle. The IOC supports host cities and legacy entities with tailored advice, follow-up and access to expert networks.	Legacy governance is enhanced through the implementation of the organisational structures (entities and interfaces) directly responsible for legacy planning and delivery early in the lifecycle. Legacy entities are made resilient to operational and political pressure and participate in the main Olympic Games decision-making forums.	Legacy delivery is ensured through early definition of the roles and responsibilities of local authorities as regards the financing of the overall legacy programme and its specific initiatives. Long-term funding could be strengthened with any surplus from the Olympic Games.

Source: IOC (2017). Legacy Strategic Approach. Moving Forward. p.26

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