

JUDGEMENT DAY

Choosing the right sports event for the right city is a complex task and one where bidding cities need to align rigorous assessment processes with visionary flair in order to get the best possible results. By **Matthew Glendinning**

IT HAS BECOME accepted wisdom that hosting major sports events can help transform cities and the way the world looks at them. But the process of deciding whether to make a bid and, if so, for which event is complex and can be financially and politically demanding.

These days, the process leaves little to chance. Cost/benefit assessments of some kind are par for the course, while economic impact projections can now be channelled through sophisticated economic modelling tools.

A pre-conference survey conducted by TSE Consulting in the lead up to the Sportaccord City Forum in Denver this year, indicated that 72 per cent of cities now use a 'clearly-defined model' to appraise the value of sports events they are considering bidding for.

Yet, intriguingly, the survey also found that only 34 per cent of cities conduct a study to determine the impact of the event, including all costs and revenues, before the bid.

The 'clearly-defined model' does not, therefore, cover all the economic bases. Moreover, the 'output of the model' is not the main factor in determining which event goes where.

According to TSE's survey, the model output was given a rating of 2.7 out of 5 in terms of influence on the final decision, but the biggest influence by far was 'the municipality' with a score of 3.9 out of 5. In other words, local public servants - for better or for worse - are shaping which cities bid for which sports. They are more influential than Ministries of Sport (2.9/5), event companies (2.5/5) and national Olympic committees/ non-governmental bodies (2.3/5).

For those at the sharp end of determining, shaping and delivering city bids to the sporting stakeholders, these results make interesting reading, but do municipal entities necessarily hold all the skill-sets required to make complex judgements on the value of a sports event?

A list of key guidelines for host cities from TSE Consulting itself shows just what a specialist and demanding job it is.

"We always advise our clients of five key guidelines that they must employ in order to mount a successful bid," says TSE Consulting managing director Robin Courage. "Firstly 'you must win - even if you lose', in other words you must clearly identify the secondary benefits to your city simply from going through this bidding process.

"Secondly, you must always remember that 'you are bidding not organising'. So many bid campaigns get bogged down in the technical aspects of organising the event rather than the way that they communicate the benefits of their city for that sports organisation.

"Thirdly, we will always advise cities to 'seek an external viewpoint' in everything that they do. Many bid campaigns are depressingly inward focussed, when it is only 'outsiders' that will decide whether that city is a suitable host.

"Fourthly, you must remember that 'all your strengths and weaknesses are relative'. The event owner must select a host, so a perceived weakness of your bid could turn out to be strength when compared to your competitors or vice versa.

"Finally, you must 'identify the

added value of your bid', and what value you will add to the sport or to the event if you host it."

There would seem to be little point bringing this kind of strategic thinking into play if cities have already made up their minds about bidding for an event, yet more often than not, cities use their internal resources to decide on the event and then add outside expertise once the choice has been made.

According to Peter Mann, executive chairman of pmpLEGACY, this should not be considered best practice. "Timing is everything," he says. "Two studies that pmpLEGACY has carried out illustrate this point well. We were asked by the Singapore Government early in 2000 to look at the merits of a Commonwealth Games bid for the 2010 event. Our evaluation was to focus upon specific economic indicators and impact as well as sporting benefits. Our findings were that staging the event at this time would not meet the stringent economic criteria required and that a much more robust sporting infrastructure was required, in both facilities and sports participation, before a bid should be considered. [Note: pmpLEGACY followed up this work with the development of a major events strategy for Singapore and the early feasibility work on a new Sports Hub, which have both been fully activated].

"Similarly, the (then) Scottish Executive (now Scottish Government) commissioned pmpLEGACY in 2006 to carry out a detailed feasibility study into the merits of Glasgow bidding for and hosting the 2014 Commonwealth Games. This time our findings, using a range of pre-determined economic, sporting and social

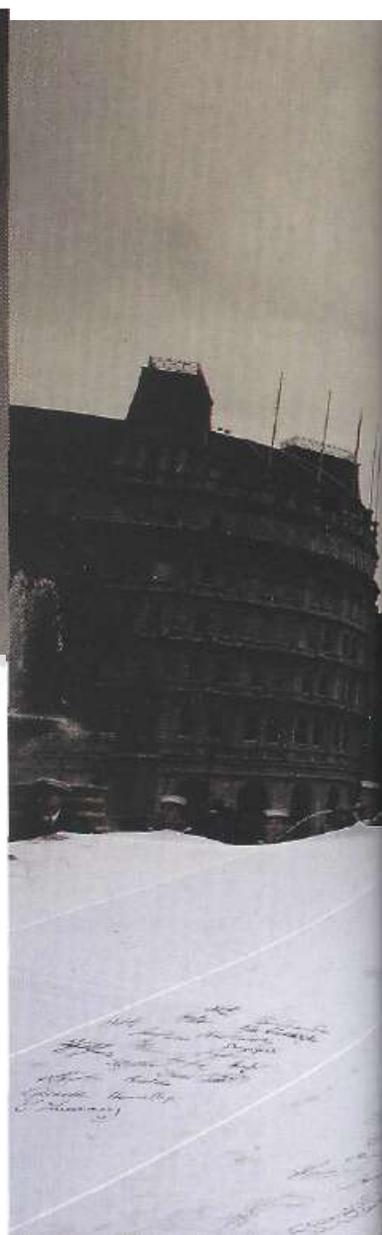
indicators was that Glasgow should proceed as it was clear from our findings that the benefits of both bidding and staging would meet the required criteria and have the impact necessary to justify the investment. The rest, as they say, is history," Mann said.

Mike Lee, chief executive of the campaigning communications company Vero also advises that outside bidding expertise should 'be engaged at the earliest stage of deciding whether to bid'.

Lee explains, "Outside expertise can be vital, from, developing the technical aspects of a bid to constructing a campaign narrative and communications programme.

"Bid timelines vary in length and complexity, but it is important to develop a robust Games event plan and also a consistency of approach and messaging, whoever is engaged."

Early engagement, however, is far from the norm, says Lee. "Most outside expertise tends to be





London's ambitious bid programme confounded the sceptics - Getty Images Sport

integrated after a city has chosen to bid for an event, although increasingly cities and countries go through their own rigorous assessment of whether to bid.

"The evidence from my experience is that cities and countries are taking a much more sophisticated approach in evaluating what they have to offer and what events may be appropriate for their environment.

"In my view, everyone benefits from this more refined approach so that bids have meaning, purpose and potential legacy and those who hold the rights have a better and more meaningful choice."

Evaluation and modelling techniques processes are all the more important given that economic factors are generally the most important in determining whether a city makes a bid for a particular event or not. According to the TSE survey, 'economies' ranked first in this category with a score of 4.3 out of 5, followed

by branding and promotion (4/5), sport development (3.6/5), social development (3.6/5) and infrastructure (3/5).

The pre-bid evaluation models, Peter Mann outlines, can cover a multitude of areas. "Many of our clients are sophisticated event organisations in their own right, such as Visit London, Event Scotland, Singapore Sports Council, Los Angeles Sports Council and Metro Denver Sports Commission" he says.

"They have their own developmental models to assess opportunities such as infrastructure (venues etc), capacity to deliver (skill-sets), expertise (athletes to participate and win medals, spectator interest) and legacy/impact (environmentally friendly, social impact on young people, health and wellness).

"Working in partnership with organisations like these creates the 'best of both worlds'. The days of deciding to bid on a 'political

whim' are hopefully long gone as the event marketplace grows in sophistication and matures on an almost daily basis."

Early evaluation models also have a later role to play in bulwarking a city's public case for taking on an event, says TSE's Robin Courage. "Of course governments must be increasingly accountable to their electorate in terms of professionally assessing the economic value, both tangible and intangible, in hosting a major sporting event," he says.

"Such processes are important and we regularly undertake such activities for governments as part of a feasibility study. When it comes to the bid itself, this will certainly affect the support of the citizens for the bid, which is just one small part of the way that a city can demonstrate its suitability as a host"

Vero's Mike Lee adds that financial projections also have a role to play in telling the story. "For me,

good economic modelling becomes an additional communications weapon," says Lee.

In the currently global recession, this pre-bid appraisal of economic factors can only grow in importance, argues Peter Mann. "The events market is becoming ever more sophisticated with 'more evaluation, less emotion' becoming the norm," he says. "There is and will continue to be a far greater importance placed on the actual economic returns on investment to be secured from a successful bid and on an evaluation of the true cost benefits of the bidding process itself.

"Value for money' will become the mantra over the next decade and even the most prestigious events and high profile rights holders will take a responsible attitude with the advice they give potential bidders."

A good example of this, he says, is the IOC's reported advice to bidding cities for the 2014 Youth Olympic Games to keep costs under

control and use existing stadiums and venues. Interestingly, only three cities, Guadalajara (Mexico) Nanjing (China) and Poznan (Poland) are bidding for this high profile event compared to the nine that made bids for the inaugural 2010 event won by Singapore.

Another good example of this responsible approach, Mann notes is the "robust work the FIBA 2014 World Championship Evaluation Commission is carrying out to ensure that the selected host city adhere to pragmatic and realistic criteria that conforms to best practice legacy planning and implementation."

But economic modelling and fiscal conservatism should not be considered the be-all and end-all of the city/event matchmaking process. People, not systems, make events happen - and there is still some room for visionary flair in the bid decision-making process, according to Jon Tibbs, a consultant to the Sochi 2014 Winter Games and Tokyo 2016 Summer Games bids.

"Some of the long-term visionary reasons for a mayor, local or national government or NOC wanting to host a big Games cannot be measured in advance," says Tibbs.

"If you look at the current Tokyo 2016 plan, they are using the Games to transform both society and the waterfront area of the city. For that sort of long-term, blue-sky thinking, you can pluck a number out of the air, but

(Tokyo Governor) Shintaro Ishihara's long-term vision of the benefits cannot be measured in a purely scientific way. Having said that, it's very important to have the vision and motivation balanced against some form of economic check-list."

If vision remains a vital component, the event owners can also help potential bidding cities in reaching their goals, says TSE's Robin Courage. "We are continuously advising our {international federation and sports organisation} clients to seek ways to adapt their events and their bidding processes to benefit then-host city partners," he says.

"The way that UCI has nominated Copenhagen as its



Torrential rain undermines the 'Visit Malaysia' message at this year's Malaysian Grand Prix - Getty Images Sport

"The events market is becoming more sophisticated with 'more evaluation, less emotion' becoming the norm... and greater importance placed on the actual economic returns."

first 'Bike City' and the host of a number of World Championship events over an extended period of time clearly demonstrates how genuine partnerships between the sports organisation and the host city can bring tangible long term benefits for both parties."

So which cities/countries have really done their homework when it comes to the A-Z of event bidding?

On the plus side, Robin Courage points to two very large events, where TSE advised the successful bidders and which are currently being subjected to considerable negative publicity in the media: the Delhi Commonwealth Games 2010 and Euro 2012 in Ukraine and Poland.

"I am certain they will prove to be enlightened choices as hosts, when the events are actually held," Courage says. "The Commonwealth Games will catapult Delhi and the whole of India in one step into the world of international sport. It will also undoubtedly drive the development of so many sports in this massive market - the clear objective of the Indian Government.

"Secondly, by 2012, Ukraine and Poland will have proved that these two massive countries are not only capable of hosting this huge event but will have successfully used the EURO to re-position their countries, as the modern, commercial hubs of Eastern Europe, simply through the hosting of this event."

Peter Mann, on the other

hand, is impressed by Barbados's successful bid for the 2007 Cricket World Cup final, and Super 8s and Manchester's 2002 Commonwealth Games. He also expects the Singapore 2010 Youth Olympic Games and the Glasgow 2014 Commonwealth Games to benefit from an enlightened pre-bid stage. All are pmpLEGACY clients.

Meanwhile, as the former Director of Communications & Public Affairs of London 2012, Mike Lee plumps for The London • 2012 Olympic and Paralympic Games bid as one of the best managed from the start.

"The whole approach of the bid was based on an understanding of the regeneration possibilities that comes with bringing the Games to the East End of London, where the land available and natural progression of the city made the timing of the bid decision (2005) and Games (2012) fit perfectly with the growth of London and the sporting aspirations of the UK.

Lee continues, "I also think the approach taken by Singapore by building their brand with a heavy focus on sporting events, particularly with emphasis on youth and the next generation, meant their bid for the first Youth Olympic Games in 2010 was a perfect fit. I believe both will be a success and prove that the bids were well placed."

Of course, few consultants in the field are likely to bad-mouth cities that could potentially employ them in the future, but Robin

Courage offers this viewpoint on where things can go wrong. "I do not believe that any city is a 'bad fit' as host of any event. Apart from maybe a city wishing to brand itself as a 'Green city' and then trying to attract a FT Grand Prix, there is no had fit. It is the cities that do not properly use or capitalise on their hosting of an event that could be considered as unsuccessful. If the relationship between the city and the sports organisation develops as a true partnership, there will always be success for all parties."

Peter Mann is also unwilling to condemn. "I don't think any have actually got it wrong," he says. "Where there is room for improvement is where cities and countries have not maximised the genuine opportunities to secure greater impact across the events canvas of sport, social, cultural, economic and environmental.

"If the kind of evaluation criteria and understanding of legacy, existed then as it does today, I am positive that the 1998 Commonwealth Games in Kuala Lumpur would have created many more long-term benefits. Likewise, hindsight tells us that Montreal and Atlanta would love to have their time over again to do things differently in several respects."

As someone so strongly linked to the London 2012 bid, Mike Lee perhaps has fewer qualms in putting one name in the frame - Paris. Whether the Paris 2012 Olympic bid failed in its pre-bid assessment or in its execution stage is debatable, but bearing in mind TSE's first principle of the pre-bid process - 'you must win - even if you lose' - it's perhaps fair to question whether the Paris bid enhanced the city's reputation.