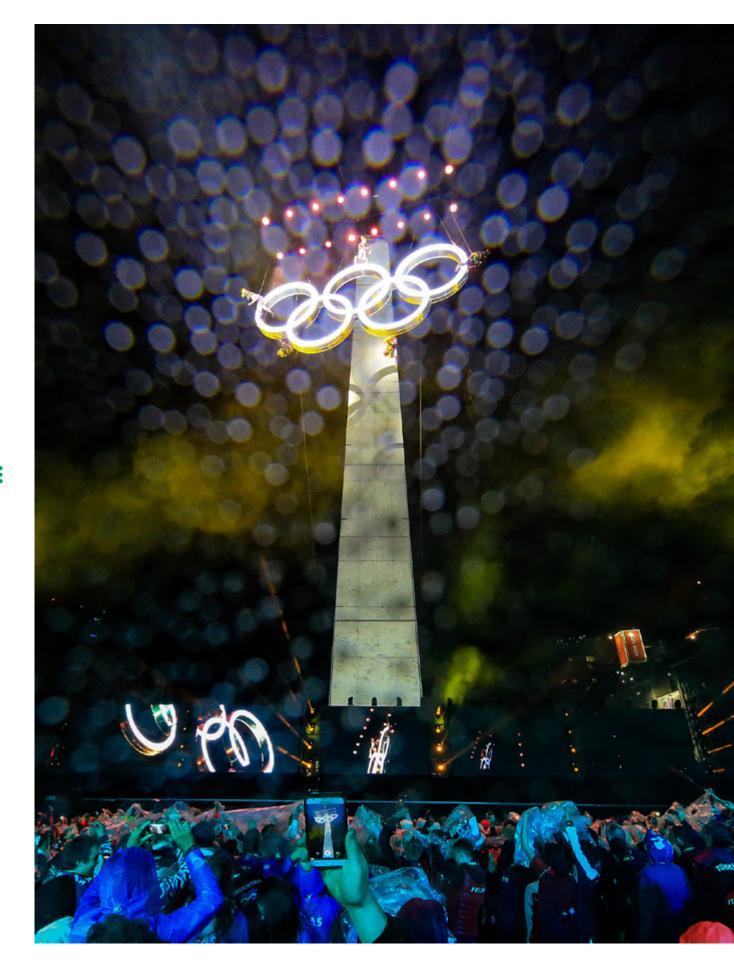


# Managing Olympic Sport Organisations



## MANAGING OLYMPIC SPORT ORGANISATIONS

Editor Leigh Robinson



## Foreword



More than ever before, sport is an essential part of our modern, diverse society – which is more global and changing more rapidly than at any previous time in history.

In response to some of the new and complex challenges facing society, Olympic Sport Organisations (OSOs) must develop more sustainable business models. A proactive and creative mindset is essential, as are increasing partnerships and cooperation with stakeholders, from government agencies to the private sector. It is also essential that OSOs demonstrate high standards of governance in order to maintain confidence in their activities and protect the integrity of their sports.

These challenges will require the next generation of sport administrators to be focused on the latest trends and as global in their outlooks as the world of sport itself. For this reason, Olympic Solidarity provides the National Olympic Committees (NOCs) with the tools to take action and make a difference for the good of both sport and their local communities. Among its programmes that reinforce NOC structures and global management capacities, Olympic Solidarity offers educational training opportunities such as the Advanced Sport Management Courses (ASMC), of which *Managing Olympic Sport Organisations* is the base textbook. Through these courses, Olympic Solidarity supports the concept of a learning community in which NOCs' main stakeholders – athletes, coaches, managers – learn from each other and interact in line with the objectives and interests of the Olympic Movement.

Sport needs the expertise of well-educated and dedicated sports managers. This is why I encourage all those who delve into *Managing Olympic Sport Organisations* to study each of the topics with a view to strengthening the role of the Olympic Movement – and especially the role of the NOCs and their affiliated members. Everyone in the Olympic Movement has a shared responsibility to be as fully prepared as possible to shape the future of sport and build solidarity within our communities and around the world.

This is even more true today. As this updated version of *Managing Olympic Sport Organisations* goes to print, the world is in the midst of an unprecedented global crisis with the COVID-19 pandemic. The uncertain times we are going through are a stark reminder that we need symbols of hope and inspiration more than ever. Sport is intrinsically connected to promoting peace and solidarity in the word, and it is this mission that makes the Olympic Movement values-based and solidarity-driven. We can only overcome tremendous challenges if we show more solidarity with one another and strive to build a more humancentred future.

My thanks and gratitude go to the team of contributing authors and organisations for their great work and invaluable insights into the functioning of sport administration, and for their understanding of the important role played by sport in today's society.

**Pere Miró** Deputy Director General, IOC

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## Introduction

The aim of this book is to present, in a simple and practical way, the current knowledge of management that has been developed by and for Olympic Sport Organisations (OSOs) worldwide. For the purpose of this publication, OSOs are organisations that work within Olympic sport: the sports of the Olympic Summer Games and Olympic Winter Games, and sports that are not incorporated into the Olympic programme but are recognised by the International Olympic Committee (IOC). OSOs include the IOC, National Olympic Committees (NOCs), associations of NOCs at regional and continental levels, National Federations (NFs) and International Federations (IFs), as well as organisations with complementary aims and activities.

This book does not cover the whole range of managerial competencies that can be found in OSOs or present them in great detail. Rather, it highlights and formalises the core dimensions of a managerial culture that will help you to run your OSO effectively and to further develop its structure.

This book outlines the principles of good management as perceived by the authors, who are experienced researchers and managers in the areas about which they write. However, these principles are not the only ways to successfully manage an organisation, and OSOs should not attempt to operate only along these lines. Your own experiences may be different from those in the book but may have previously proven effective for your OSO. Only you can decide which principles are practical and relevant for the operations of your OSO.

To create this ambitious book, the editors undertook a collaborative process to gather material and feedback from more than 100 OSOs and around 150 individuals. The book is composed of six chapters that cover six key competencies expected of OSO managers:

- Organising an OSO by understanding its environment, internal structure and operations.
- Managing an OSO strategically by preparing, carrying out and evaluating a strategic plan.
- Managing human resources in an OSO through the development of rules and regulations, recruitment, motivation and training.
- Managing an OSO's finances using appropriate and transparent procedures.



- Managing marketing in an OSO in line with the global strategy of the organisation, stakeholders' requirements and sponsorship opportunities.
- Organising major sport events, when appropriate for the organisation's strategy and when compatible with available human resources and facilities.

Each chapter is divided into five sections covering specific topics relating to the overall theme of the chapter, and most sections end with illustrations that show how OSOs have applied some or all of the section's key principles. All six chapters end with case studies that give comprehensive overviews of how an OSO has dealt with the issues covered within them. The illustrations, case studies and other examples featured elsewhere in the text come from all five continents.

This book is just the starting point of an OSO's education and development process. It is part of a programme of learning that brings together those who work within OSOs so they can share their experiences and learn from one other, with the ultimate intention of creating a learning community that benefits Olympic sport as a whole.

We hope this book will be a cornerstone in the development of this worldwide learning community – serving both as a valuable reference work for OSOs and as a guide that expresses the richness and diversity of the management of OSOs.

Good management is composed of techniques that serve the mission and values of an organisation through their application as part of a time-limited strategy. We have tried to make clear that any single managerial activity must be related to an organisation's mission and values if it is to have fundamental meaning.

INTRODUCTION

















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For the purposes of this publication, Olympic Sport Organisations (OSOs) are those organisations working within Olympic sport: the sports of the Olympic Summer Games and Olympic Winter Games, and sports that are not incorporated in the Olympic programme but are recognised by the International Olympic Committee (IOC). OSOs include the IOC, National Olympic Committees (NOCs), associations of NOCs at continental and regional levels, National Federations (NFs) and International Federations (IFs), as well as organisations with complementary aims and activities.

Although they differ in size and complexity, OSOs generally have a number of characteristics in common:

- They are all responsible to a voting membership that has the responsibility to determine the way they are run. Members have the ultimate power to make decisions, which is why the most important decisions about the organisation must be ratified by the General Assembly (which may also be known as the Annual General Meeting, Annual Council or Annual Congress).
- They are overseen by a Board, which is usually established by the membership and responsible for governing in line with the membership's wishes. In NOCs, IFs and NFs, many members of the governing Board will be elected, but other Board members may be appointed – for example, people from outside the sport who bring specialist skills. In smaller OSOs, the Board will be small and may consist almost entirely of elected officials.
- They may operate an executive office as part of the governing Board. This will usually comprise the Chair or President, a Secretary General or Chief Executive Officer (CEO), and a Treasurer.
- They are guided by a set of rules known as a constitution, setting out how the organisation must operate and including rules regarding membership and the election of Board members.

## oo Objectives

After reading this chapter, you should be able to:

- Understand how the environmental context affects your organisation.
- Evaluate the governance of your organisation, particularly the role of the Board.
- Manage information to assist with the operation of your organisation.
- Manage organisational change effectively.

All OSOs must be organised in such a way that they can operate effectively. This chapter identifies the key operational principles on which an OSO should be built, and is broken into five sections. The first section considers the external context within which an OSO operates, before the second and third sections discuss the governance of OSOs, issues that affect it and practical tools that may help with it. The fourth section addresses information and information management, and the fifth section deals with the management of change – a key feature of the OSO environment. These issues are illustrated by a case study of the Trinidad and Tobago Olympic Committee.



## The Operating Environment of Olympic Sport Organisations

To understand how an OSO can be managed effectively, it is necessary to understand the environment in which it operates. This section begins with a brief description of the modern Olympic Movement and continues with a discussion of other factors in the operating environment that must be taken into account when managing an OSO. It ends with an explanation of Olympic Agenda 2020, the strategic roadmap for the Olympic Movement, which has a major impact on an OSO's operating environment.

## The Olympic Movement

The Olympic Movement encompasses organisations, athletes and other persons who agree to be guided by the Olympic Charter. Their shared goal is to contribute to building a peaceful and better world by educating youth through sport practised in accordance with Olympism and its values.

Led by the IOC, the main constituents of the Olympic Movement are the IFs and the NOCs. The Olympic Movement also encompasses the Organising Committees of the Olympic Games (OCOGs); the national associations, clubs and persons belonging to the IFs and NOCs, particularly the athletes, whose interests constitute a fundamental element of the Olympic Movement's actions; and judges, referees, coaches and other sports officials and technicians. It also includes other organisations and institutions as recognised by the IOC.

Olympism and the modern Olympic Movement date from the founding of the IOC on 23 June 1894. Originally based on the writings of Pierre de Coubertin, the principles and values of Olympism support the Olympic Movement in its mission to ensure the regular celebration of the Olympic Games, place athletes at the heart of the Olympic Movement, educate youth through sport and promote the Olympic values in society. Together, INTERNATIONAL OLYMPIC COMMITTEE

## OLYMPIC CHARTER



the mission, values and working principles showcase a vision that resonates deep within the Olympic Movement, contributing to its ultimate goal of building a better world through sport.

The most well-known symbol of the Olympic Movement is the Olympic rings, which symbolise the union of the five continents and the meeting of athletes from all over the world at the Olympic Games. When Pierre de Coubertin created the rings in 1913, the five colours of the rings – blue, yellow, black, green and red – and the white background represented the colours of the flags of every nation in the world.

### **Olympic Charter**

Every member of the Olympic Movement is guided by the Olympic Charter – the codification of the Fundamental Principles of Olympism, Rules and Bye-laws adopted by the IOC. It governs the organisation, actions and functioning of the Olympic Movement and establishes the conditions for the celebration of the Olympic Games.

In essence, the Olympic Charter serves three main purposes. Firstly, as a basic instrument of a constitutional nature, it sets forth and recalls the Fundamental Principles and essential values of Olympism. Secondly, it serves as statutes for the IOC. And thirdly, it defines the main reciprocal rights and obligations of the main constituents of the Olympic Movement – the IOC, the IFs and the NOCs – as well as the OCOGs, all of which are required to comply with the Olympic Charter.

For more information on Olympism and the Olympic Movement, visit www.olympic.org.

## Each organisation faces different opportunities and challenges.

## Your Organisation's Operating Environment

Although all OSOs are part of the Olympic Movement, each organisation operates in a unique environment, with different factors that present both opportunities and challenges. For an OSO to be effective in delivering its activities and programmes, known as its "services", it must carry out an evaluation, known as an external and/or internal audit, of its operating environment.

Environmental audits help an OSO to analyse the environments in which it operates; to identify the opportunities, threats, challenges and changes it faces; and to be proactive in delivering services to its stakeholders. A stakeholder is any individual or organisation that has a stake or interest in the OSO. That interest may not be material or financial - it could be emotional, such as the interest that the general public has in the performance of their country at the Olympic Games, which in turn means that stakeholders include everyone who is affected by the organisation. For example, the stakeholders of an NF could include members (athletes and officials), parents, schools, sponsors, volunteers, staff, Board members, the government and the general public.

OSOs use audits to collect data on their environments, identify trends within them and assess areas in which the OSO should change the way it operates (*see Section 1.5*). Audits can cover large areas, such as an OSO's entire competitive environment, or they can be more focused, such as financial or governance audits.

By making itself aware of the threats and opportunities in its external environment and the strengths and weakness of its internal environment, an OSO will be better equipped to plan for any changes it must make. Some of the external factors detailed below may affect an OSO's operating environment.

### **Political factors**

Political factors might include policies issued by organisations such as the IOC and the World Anti-Doping Agency (WADA), or political values expressed by a government through legislation. The introduction of quotas for women in management and a commitment to Sport for All could both be classed as political factors.

Government policy significantly affects OSOs. The attitude of politicians towards sport, the prominence of sport in government policy and the relationships between government and national sport organisations will all have a big impact on an OSO's operating environment. For example, if a government values sport as a way to improve health or decrease crime, an OSO may find it easier to access funds to deliver its activities. Conversely, if the relationship between government, the NOC and NFs is poor, or if physical education for children is not a government priority, then an OSO may find it more difficult to promote sport.

Other political factors are also important. The stability of governments and key politicians will affect an OSO's ability to plan and fund its activities; tax policies may affect an OSO's income; and legislation relating to alcohol, tobacco and fast-food advertising may require OSOs to seek new sponsors.

### Sociocultural factors

Sociocultural factors describe the manner in which a society is structured and behaves. They might include demographic features, such as a country's gender and age make-up, prevailing family structures, income distribution, education and social mobility; and cultural factors, such as attitudes towards sport – and particularly parents' attitudes towards children's participation.

### **Economic factors**

The strength of the economy, unemployment levels, inflation, how much people are prepared

to pay for activities, the cost of living and people's levels of disposable income will all affect the operating environment of an OSO, which must compete for income left over after people have met their basic needs for shelter, food and clothing. In some countries, the economic factors are such that OSOs cannot charge for their activities, which in turn affects the type and extent of their offer.

One significant economic factor is the level of competition faced by an organisation, and OSOs operate in a highly competitive industry. As mentioned, OSOs compete for people's disposable income after they have met their basic needs – but so do many other organisations. OSOs may also have to compete not just for money but for people. If football is the country's most popular sport, for instance, it is often difficult for other sports to attract large numbers of participants. Similarly, if religious or cultural events are an essential part of society, people will spend more of their leisure time taking part in these events than they do with sport.

Perhaps most importantly, the value that government places on sport will have a significant economic impact because many OSOs are directly funded by government. This value dictates whether an OSO's economic context is good, poor or even changing, and every OSO must assess this value in order to take into account the opportunities and threats it may be facing. It is equally important to understand how the government funds sport: it may offer funding directly to every OSO, or only to the NOC or other large OSOs to distribute to member organisations. Understanding this will influence how an OSO accesses funding, the people or organisations with which it will be accountable and how it is evaluated.

#### Legal and regulatory factors

Without prejudice to the regulations and decisions an OSO must respect by virtue of its membership of a parent organisation, OSOs must comply with local laws. No OSO operates in a vacuum separate from the rest of society: in its interaction with its stakeholders, an OSO will be affected by the legal rules of its external environment. As such, OSOs should make themselves aware of the following areas of law.

Association or company law

The laws that apply to the rights, relations and conduct of persons, companies, organisations and businesses. An organisation's activities and operations, as well as the obligations it must fulfil, may be affected by the type of association or company it has chosen for its incorporation among the range of choices available in domestic law.

Delict or tort law

The failure to perform a duty of care to the required standard. A particular type of delictual or tort action relates to negligence, perhaps the most likely cause of legal liability for a sport organisation. What is considered negligence varies between countries, and an OSO must understand how its country's legal system defines it.

Employment law

Laws that affect the employment and treatment of staff. For example, the Bosman ruling requires free movement of workers among European



OSOs must protect their brands.

Union (EU) countries and thus affects many European OSOs.

- Drugs and doping laws Laws regarding the use of banned substances.
- Intellectual property laws
   Laws that ensure an organisation's brand is
   protected. They are discussed in Chapter 5.
- Health and safety laws Health and safety laws that provide a framework for the safe running of the OSO and the activities it offers.
- Defamation, slander and libel laws Laws relating to the protection of a person's reputation.
- Laws associated with integrity Laws related to safeguarding of athletes, sexual harassment and anti-corruption, which all help to ensure the integrity of the OSO.

There may be a perception that such legal concerns are more applicable to jurisdictions with sophisticated and litigious legal environments. However, it is important that OSOs everywhere fully understand the legal frameworks within which they operate, and it is particularly vital for the Board and its members to be aware of the potential legal liabilities they face.

## Impact of the Operating Context

It is important to understand your OSO's operating context, as the country, region, city or town in which the OSO is based will give rise to factors that will influence the way in which it should be managed. These factors are unlikely to stay the same, and so you may need to change the way you manage and the direction of your organisation. To ensure that your OSO is being managed as effectively as possible, you should frequently ask yourself the following questions:

- What importance does the government place on sport? How is this evident in its policies?
- What is the relationship between your OSO and the government?
- Does your OSO have the opportunity to contribute to sport policy-making and lawmaking in your local area/region and country?
- How do your OSO's objectives contribute to your government objectives for sport? How does your OSO respond to changes in governments and/or government objectives?
- Is the collaborative relationship between sport organisations and governmental

authorities the subject of comprehensive or ad hoc agreements?

- How important is your OSO to sport in your country?
- How does the way that sport is structured in your country affect the delivery of sport? What would improve this?
- Do government policies regarding physical education in schools encourage participation?
- Do people in your country value sport?
- In particular, do parents value children's participation in sport?
- How is sport funded in your country?
- What must you do to get funds?
- Could you try to increase your funds, or are you at risk of having them taken away?
- How can you prove that your OSO is effective?
- What activities draw people away from your OSO? Can you do anything about this?
- What sports are your major competitors? What can you do about them?
- Can you charge for your activities?
- What are the legal responsibilities of your OSO and its Board?
- What risks are associated with your sport? How do you manage them?
- What is considered to be negligent activity in your country's legal system?
- Do any health and safety concerns affect your OSO?
- How can you protect your brand?

The illustration on the following page sets out Olympic Agenda 2020. Adopted by the IOC in 2014 to provide a strategic roadmap for the future of the Olympic Movement, it has a significant impact on the operating context for every OSO.

## ••• Key recommendations

- Identify where your OSO fits into the Olympic Movement.
- Be clear about your OSO's role in the development and delivery of sport policy.
- Review your operating context annually.
- If necessary, adjust your OSO's operations in response to these reviews.
- Understand the implications of Olympic Agenda 2020 for your OSO.

# Illustration 1.1 Olympic Agenda 2020



Olympic Agenda 2020 was developed in order to provide a clear picture of the future of the Olympic Movement. A total of 14 working groups, led by IOC members and made up of stakeholders from the Olympic Movement, including the general public, contributed to the elaboration of Olympic Agenda 2020. The IOC received 1,200 ideas that were shared with the working groups. This process led to the development of 40 recommendations, intended to "give us a clear vision of where we are headed and how we can protect the uniqueness of the Games, and strengthen the Olympic values in society". A number of the recommendations and their implications are set out below in Table 1.1. These are just some of the implications of Olympic Agenda 2020 for OSOs. Although the nature and importance of many of these implications will vary by the type of organisation, all OSOs are expected to implement the mandatory recommendations, such as *Comply with basic principles of good governance* and *Spread Olympic* values-based education. It is important that every OSO is aware of Olympic Agenda 2020's recommendations and how these recommendations might impact them.

For more information on Olympic Agenda 2020, please visit www.olympic.org/olympic-agenda-2020.

Recor	nmendation	Possible implications
1	Shape the bidding process [for the Olympic Games] as an invitation	Candidates to host the Games are encouraged to plan and present a bid that best matches their long-term needs. This recommendation gives candidates more flexibility in order to stage the Games, allow greater consideration of the needs of the country, its sporting infrastructure and its OSOs.
5	Include sustainability within the Olympic Movement's daily operations	The IOC encourages Olympic Movement stakeholders to integrate sustainable practices into their daily operations, including using athletes and the Olympic symbols to promote sustainability.
13	Maximise synergies with Olympic Movement stakeholders	Synergies with Olympic Movement stakeholders should be maximised to ensure seamless collaboration and reduced costs. This will require OSOs of all types – NOCs, NFs and IFs – to communicate and collaborate more closely in order to be more efficient and effective.
22	Spread Olympic values-based education	The IOC will work in partnership with the Olympic Movement to spread Olympic values-based education. OSOs should identify how they can help with such projects and how they should develop plans to support this initiative.
27	Comply with basic principles of good governance	All organisations within the Olympic Movement must comply with the Basic Universal Principles of Good Governance of the Olympic and Sports Movement.
28	Support autonomy	The IOC has created a template to facilitate cooperation between a country's national authorities and its OSOs. The template explains how the concept of "responsible autonomy" works, and encourages NOCs and governments to define in writing the rights and obligations that each party has in developing sport in the country.
39	Foster dialogue with society and within the Olympic Movement	The IOC's first Olympism in Action Forum was held in 2018, and the forum will take place again in the future. As well as engaging with the forums, each NOC should consider holding a similar event at local level, gathering its own stakeholders.

Table 1.1: Excerpts from Olympic Agenda 2020





# Governance

Governance can be difficult to define but is easier to recognise in practice. It involves the use of power to direct, control and regulate activities within an organisation, and deals with high-level issues of strategy, policy, transparency and accountability. Governance is less concerned with daily operations, which are primarily the responsibility of operational management.

The IOC has taken a firm stance on the need for good governance within OSOs. In 2008, Jacques Rogge, then the IOC President, launched the Basic Universal Principles of Good Governance of the Olympic and Sports Movement (see Illustration 1.2), a regulatory code to help develop good governance.

This section looks at the concepts associated with the governance of OSOs, considering the impact of organisational culture, power and politics on the way OSOs are governed and then discussing the principles that underpin the concept of governance. The section finishes with an explanation of the Basic Universal Principles of Good Governance of the Olympic and Sports Movement.

## **Understanding Governance**

Governance refers to systems and processes designed to ensure proper accountability, probity and openness in the conduct of an organisation. It might include such areas as the ways in which committees are selected, monitored and replaced; the capacity of committees to effectively formulate and implement sound policies; and the respect of members for the structures and procedures that govern economic and social interactions.

Good governance can result in efficient, effective and ethical management. It will not solve all an OSO's problems, but it may create the conditions necessary for success by enabling an OSO to make the most effective use of its resources, and to increase its chances of securing additional resources by fully considering the interests of its stakeholders.

To better understand the nature of governance in your OSO, consider the following:

#### Governance processes

Clear, documented policies and processes that reflect best practice will help an OSO with its governance, providing clarity and consistency to operations. These policies and processes may relate to decision-making; meetings and minutetaking; the remits of the Board, committees and commissions; and scope and executivedelegated authority, among other areas.

- Governance controls
   In order to guide and focus an OSO's activities, there should be agreement about its mission, vision, values, goals, strategy, operational objectives, key performance measures, risk management, legal compliance, accounting and financial auditing, reporting and evaluation systems, and performance-review processes.
- Board evaluation

If appropriate, regular development training for all Board members and staff may benefit the OSO. However, this issue should only be broached carefully: some people may feel that they already have the skills required to fulfil their roles and responsibilities.

 Member responsiveness
 Good member–stakeholder relationships are important to an OSO's effectiveness. They will develop and grow through transparency and accountability, good internal and external communications, prompt responses to feedback and other concerns, and the preparation of a published annual report that covers aspects of an organisation's governance, finance, activities and sport performance.

OSOs may need to address a number of issues in order to achieve better governance, such as:

- traditional and outdated governance and management practices;
- a resistance to change within the organisation (see Section 1.5);
- the professionalisation of sport, which leads to higher expectations from stakeholders;
- tensions between paid staff and volunteers;
- the inability to confront and manage risk (see Section 1.3);
- outdated technology;
- unclear definitions of roles; and
- a lack of knowledge or understanding of governance roles and responsibilities.

The governance of an OSO should be based on a number of key themes that are set out in the IOC's Basic Universal Principles of Good Governance of the Olympic and Sports Movement. The full set of themes is discussed in Illustration 1.2, but three in particular – accountability, transparency and democracy – are essential for ensuring the governance of the OSO follows and reflects best practice.

#### Accountability

Accountability refers to the obligations of an individual, body or organisation to explain what has been done and why it has been done; to accept responsibility for its activities and actions; and to disclose the results of its activities in a transparent manner. Within the Olympic Movement, accountability means that all bodies, whether elected or appointed, are accountable to the members of its parent organisation and, in certain cases, to stakeholders such as funding agencies.

In particular, Boards should be accountable to the OSO's General Assembly; management should be accountable to the Board; and employees should be accountable to management. Every OSO must have adequate accountability standards and processes in place, and must ensure they are applied and monitored consistently. In addition, it must set clear and measurable objectives and targets for its Board, management and staff, and must provide appropriate tools for assessment.

#### Transparency

A key aspect of accountability, transparency refers to openness – ensuring the OSO operates in such a way that it is easy for others to see its actions and understand the reasons behind them. Transparency also refers to the ease of access an OSO allows to its information: for example, by circulating minutes of meetings among its members and publishing reports on its website.

#### Democracy

The principle of democracy sets out the need for an OSO to develop rules for electing and replacing its Board members through free and fair elections that observe the rule of law, ensuring all rules and procedures apply equally to all stakeholders. Its implications for the Olympic Movement can be seen in Illustration 1.2, which discusses the section titled Structures, Regulations and Democratic Process from the Basic Universal Principles of Good Governance of the Olympic and Sports Movement.

More information on these principles can be found in the Basic Universal Principles of Good Governance of the Olympic and Sports Movement, which are available on the IOC website. Although the principles are applicable to all OSOs, it is important that they are introduced and used in a way that is appropriate for your OSO and the context in which it operates. Any discussion of governance should be considered a guide to improving practice rather than as a set of rules the organisation must follow. The OSO's effectiveness will be best improved by applying the principles in a way that is acceptable to the culture and power systems within the organisation.



Accountability refers to the obligations of an individual, body or organisation to accept responsibility for its activities and actions.



## Organisational Culture

Organisational culture refers to members' assumptions and beliefs about an organisation and the way these collective assumptions and beliefs affect members' individual behaviour. The ways that the members of an organisation value volunteers, address Board members and believe in Olympism are all examples of organisational culture.

Organisational culture shapes an organisation's goals and objectives. For example, objectives regarding drug testing are based on an assumption that the organisation values drug-free sport. Organisational culture also affects the relationships that exist within the organisation because it dictates who and what is important. For example, interactions with the secretary of a Board may be perceived as more valuable than those with the President because the secretary controls the flow of information within the organisation.

Although it can be difficult to grasp and understand organisational culture because it is often hard to see, it is possible to create a picture of what it might be by considering:

- stories about the behaviour of members at General Assemblies or about the value of decisions made by elected Board members;
- the organisation's choice of spokespeople;

- its use of logos on posters, pamphlets and advertising, which suggests professionalism and a corporate image;
- the use of first names or last names when addressing seniors;
- the use of acronyms such as IOC and WADA, which indicates that some issues are so well known that they can be referred to in shorthand;
- staff celebrations, social events for volunteers and the announcement of teams for major events;
- the office layout, and the condition and age of the building; and
- its uniforms, trophies and mascots.

These factors make it possible to identify an organisation's unwritten rules and what it considers to be important.

Organisational culture affects how resources are allocated, and provides explanations for why certain decisions are made, why some groups appear to be more important than others and why some staff members are promoted while others are not. A successful Head Coach may be able to behave towards the Board in a manner that would not be acceptable from the CEO, for example, and funding may be diverted from development programmes to elite teams if the Board considers elite sport to be the OSO's main ambition. Understanding organisational culture and using this understanding to frame your management activities will make you and your organisation more effective.



One example of organisational culture is the use of logos, which can help an organisation to suggest professionalism and a corporate image.

## Power comes from six main sources: size, position, personality, resources, skills and refusal.

## Power

Individuals' and groups' influence on decisionmaking depends on the relative power they are perceived to hold within the organisation. Elected Board members can insist that paid staff implement decisions made by the Board, since Board members are ultimately responsible for decision-making in most OSOs. However, if those decisions are contrary to the wishes of funding bodies, the funding body can veto the decision.

Power comes from six main sources:

• Size

Members may vote in an organised block to force a policy change even if the elected Board advise against it.

Position

The CEO is more powerful than administrative staff, and the elected Board is – or should be – more powerful than any member of staff. Some less obvious positions can also be considered powerful: the personal assistant to the CEO, for instance, who controls access to the CEO.

- **Personality** Some people are powerful within organisations simply because of who they are and how they behave.
- Resources
   Power can stem from the control of resources, such as money, volunteers, equipment and facilities.
- Skills

Power can come from knowledge or abilities that are limited within an organisation. For example, the person who knows how to set up a new piece of equipment has expert power; however, this power only exists for as long as there is a need for the expertise.

Refusal

An organisation relies on the goodwill of volunteers and staff to follow decisions and guidelines. They can exert power by refusing to do what they are asked. Within an OSO, it is helpful to understand who has power and why they have it. The way power is distributed and used affects an OSO in a number of ways, not least in the way that those people or groups with the most power can determine the OSO's strategic direction. For example, an OSO's General Assembly can effectively block the introduction of a policy by voting against proposed changes.

Similarly, those with power can determine who and what gets resources and thus what activities and programmes can be developed. Power also affects who is involved in an OSO's decision-making process – even to the extent of affecting who is elected to the Board.

Finally, those with power determine what behaviours are considered acceptable. If the Head Coach, for example, does not communicate well with the Board, it signals to others that they also don't need to communicate well to the Board.

The illustration on the following page sets out the second principle of the IOC's Basic Universal Principles of Good Governance of the Olympic and Sports Movement.

## •••• Key recommendations

- Regularly ask yourself fundamental questions about the governance structures of your OSO.
- Understand how your OSO demonstrates accountability, transparency and democracy.
- Understand what your OSO values and how this affects its culture.
- Be aware of who is powerful in your OSO and how this affects its governance.

# Illustration 1.2 Basic Universal Principles of Good Governance of the Olympic and Sports Movement



The Basic Universal Principles of Good Governance of the Olympic and Sports Movement were created in 2008 following discussions between IOC Members, IOC staff and representatives from IFs, NOCs and their respective member associations about ensuring and safeguarding the autonomy of sport and the Olympic Movement. During the discussions, it was agreed that good governance was crucial to justify and claim autonomy, which led to the development of the principles below to serve as a framework for all sport organisations. The framework covers seven themes that impact on the governance of an OSO:

- Vision, mission and strategy
- Structures, regulations and democratic process
- Highest level of competence, integrity and ethical standards
- Accountability, transparency and control
- Solidarity and development

- Athletes' involvement, participation and care
- Harmonious relations with governments while preserving autonomy

Table 1.2 opposite sets out the second theme in more detail.

The principles above require OSOs to define their membership and create a document that sets out the regulations by which the organisation will be governed and managed. It also seeks to address a number of issues that undermine governance – for example, conflicts of interest (*see Section 1.3*). It also highlights the need for regular elections, and for members to express their opinions and be involved in the decision-making process. If your OSO follows these principles, you can be assured that it is being governed well.

www.olympic.org/integrity/universal-principles-for-integrity



Along with the Executive Board, the Session is responsible for the IOC's main decisions.

Them	е	Elements to be considered
2.1	Structures	<ul> <li>All sports organisations in the Olympic and Sports Movement should be based on the concept of membership within entities established in accordance with applicable laws.</li> <li>The sports organisations should include as members legal or physical persons who constitute the organisation and contribute to form the will of the organisation.</li> <li>The stakeholders of the organisation encompass all members who make up the organisation as well as all external entities who are involved and have a link, relation with or interest in the organisation.</li> </ul>
2.2	Clear regulations	<ul> <li>All regulations of each organisation and governing body, including but not limited to, statutes/constitutions and other procedural regulations, should be clear, transparent, disclosed, publicised and made readily available.</li> <li>Clear regulations allow understanding, predictability and facilitate good governance.</li> <li>The procedure to modify or amend the regulations should also be clear and transparent.</li> </ul>
2.3	Governing bodies	<ul> <li>The size of the governing bodies should be adequate and consistent with the size of the sports organisations.</li> <li>The tasks and responsibilities of the governing bodies should be clearly defined in the applicable regulations and should be adapted and reviewed as necessary.</li> <li>Governing bodies should be entitled to create standing or ad hoc committees with specific responsibilities, in order to help them in their tasks.</li> <li>The organisation should set out and adopt reliable and appropriate criteria for the election or appointment of members of the governing bodies so as to ensure a high level of competence, quality and good governance.</li> </ul>
2.4	Representative governing bodies	<ul><li>Members of the organisation should be represented within the governing bodies.</li><li>Special care should be taken for protection and representation of minority groups.</li></ul>
2.5	Democratic processes	Democratic processes, such as elections, should be governed by clear, transparent and fair rules.
2.6	Attributions of the respective bodies	<ul> <li>A clear allocation of responsibilities between the different bodies such as the General Assembly, executive body, committees or disciplinary body should be determined.</li> <li>There should be a balance of power between the bodies responsible for the management, supervision and control of the sport organisations.</li> <li>Principle of checks and balances.</li> </ul>
2.7	Decision-making	<ul> <li>All members of the sports organisations shall have the right to express their opinion on the issues on the agenda through appropriate channels.</li> <li>Members shall have the right to vote and be able to exercise that right in appropriate form as defined in the regulations of the governing body.</li> <li>Decision-making bodies should be fully aware of all relevant information before taking a decision.</li> <li>Bodies of the organisation should meet on a regular basis taking into consideration their specific duties and obligations (e.g. the holding of an annual General Assembly is recommended where possible).</li> </ul>
2.8	Conflicts of interests	<ul> <li>As a general principle, members of any decision-making body should be independent in their decisions.</li> <li>No one with a personal or business interest in the issue under discussion should be involved in the decision.</li> <li>Adequate procedures should be established in order to avoid any conflicts of interests.</li> </ul>
2.9	Election or renewal of Board members on a regular basis	<ul> <li>The duration of the terms of office should be predetermined in order to allow election/renewal of Board members on a regular basis (e.g. every four years).</li> <li>Access for new candidates should be encouraged.</li> </ul>
2.10	Decisions and appeals	<ul> <li>Any member affected by a decision of a disciplinary nature taken by any sports organisation should be offered the possibility to submit an appeal to an independent body within the sport's jurisdictions.</li> <li>When decisions are taken against a member, special attention should be paid to the appropriate balance between transparency and protection of privacy.</li> </ul>

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# Governance in Practice

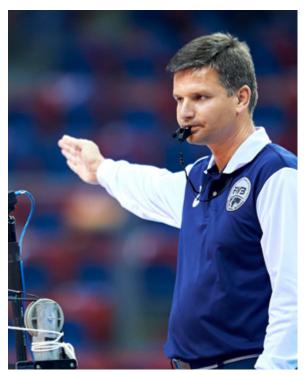
This section looks at how OSOs should be governed. It considers the need for governing documents or constitutions and the role of the Board, highlighting the need for transparent and democratic elections. This is followed by a discussion of the principles and practices of risk management, a concern that is likely to directly affect those involved in running an OSO. The section finishes with an explanation of the conflict of interest policy of Hockey Wales.

## Governance Documents and Constitutions

All OSOs are run in accordance with a set of rules known as the statutes or constitution, which sets out how the institution should conduct its affairs. The key elements of most OSOs' constitutions include:

- Aims and objectives
- Details of membership (and therefore who is eligible to vote at the General Assembly)
- Rules for the admission, suspension and exclusion of members
- Details on the regularity of meetings
- The business of the General Assembly, such as:
  - o Elections of Board members and their regularity
  - o Approval of the annual report for the preceding year
  - o Approval of audited annual accounts for the preceding year
  - o Appointment of auditors
- Roles and responsibilities of main bodies, including the General Assembly, the Board, individual Board members and the CEO, if any
- Dissolution
- · How the constitution may be amended
- How disputes are settled

The constitution requires the OSO to hold a general meeting at which members elect the President/Chairperson and the other members of the Board, who become legally responsible for the conduct, activities and strategic direction of the organisation.



Good governance relies on strong systems of control.

Many organisations' constitutions are decades old. Due to changes in the law, the OSO's circumstances and the environment in which it operates, such constitutions may have become out of date and not fit for purpose. The Board must ensure that the constitution is assessed at least every four to five years to ensure it remains relevant to the current circumstances of the organisation, and should seek appropriate legal advice to ensure all aspects of the OSO's responsibilities are covered and comply with relevant current legislation.

## The Board and Governance

The General Assembly (GA), also known in some countries as the Annual General Meeting (AGM), is the OSO's highest decision-making body, and the Board is accountable to it. As such, the Board is responsible for implementing decisions made by the GA, providing guidance and implementing the OSO's strategy.

As outlined previously, governance is improved if there is clear separation between the OSO's Board and its operating staff. Ideally, the day-to-day management of the organisation should not be a Board function and should instead be delegated to the paid staff or volunteers who are responsible for delivering the Board's decisions. If possible, OSOs should have a head of staff (Secretary General, CEO or equivalent), as well as specialist administrative

## Board members should understand their legal duties, responsibilities and liabilities.

support in areas such as financial or legal, to provide assistance to both the Board and the head of staff.

Board members should have a clear understanding of their legal duties, responsibilities and liabilities, and a good working knowledge of the many ways in which the governance of their OSO can be improved in order to manage and reduce risk in their daily operations and decision-making. As such, they should possess the skills and experience necessary to make strategic decisions. Providing new Board members and new members of staff with the same or similar induction training may help new Board members who may have little understanding of their legal duties, the potential liability their position places upon them or the governance mechanisms operating within the OSO.

Having clear rules on who can be admitted or removed from the register of members fosters democracy. These rules usually include democratic elections; the process by which members of the Board are elected, set in writing and communicated to all those who are entitled to vote; and a fair and transparent process for nominating candidates. The organisation should normally make reasonable attempts to encourage members to vote in elections and should widely communicate election results to all members. It is good practice to appoint Board members for a set and limited period of time, and to have term limits. Reappointment should not be automatic.

#### Size of the Board

Electing a large Board of 15 or more people may allow an organisation to bring together a group of people with diverse backgrounds, viewpoints and skills, but it may also mean that decision-making processes take longer and become increasingly unwieldy and unsatisfying – and that some Board members may be crowded out of discussions.

On many large Boards, an inner circle eventually emerges naturally and takes the lead in all decisions. This smaller group may be officially mandated as an executive Board for emergency purposes, but it may also over time assume effective control over all decisions.

A large Board may also make communication difficult. Formal meeting procedures tend to reduce the free exchange of ideas and healthy dialogue, and to increase the possibility of combative debate or distracting points of order. However, your OSO may be required to have a larger Board in order to ensure that all areas or minority groups are represented on it. If this is the case, the OSO must ensure that all Board members have an opportunity to discuss policy and issues.

#### Member involvement

The Board must remain proactively engaged with all the OSO's members, and must invest time and effort in developing and strengthening those relationships to ensure it represents all of its members and not simply those on the Board.

It can do this by ensuring regular and transparent communications on strategies, policies, elections and so on, and through occasional open Board meetings that members may attend. Both these methods ensure that members have an opportunity to make their voices heard.

Good governance relies on sound leadership, accountability and strong systems of control. OSOs that attempt to follow principles of good governance increase their chances of efficiently and effectively meeting the needs of their members and key stakeholders.

## **Risk Management**

Everyone involved with an OSO has a responsibility to take well-judged, sensible risks in order to develop the organisation. However, to make sure that those risks are indeed well-judged and sensible, an OSO must ensure its general procedures include the need for risk management.

Risk management is a fairly straightforward process, but it should be included in the Board's functions and responsibilities to ensure it is carried out properly.

Risk management procedures may follow these three steps:

- 1. The assessment of risks facing the organisation, including the identification of key risks.
- 2. The creation of a programme to deal with risks.
- 3. The periodic review of the programme.

Assessment of risks facing the organisation Although each OSO is unique, most sport organisations face some common risks.

- Effectiveness of the Board
   The Board must operate effectively in order to
   provide strategic direction. Does your Board
   have the right type and level of skills needed
   to ensure the OSO works effectively? Are its
   members fully aware of their responsibilities
   and liabilities?
- Financial climate
  - The importance of finances to OSOs is discussed in detail in Chapter 4. Does your organisation rely on one source of funding? How easy would it be to replace that source of funding, and what would happen if the major funder withdrew its support?



Everyone has a responsibility to take well-judged, sensible risks.

Policy and strategy

Policy- and strategy-related risk arises from both inside and outside an OSO. The organisation may have a policy that leads to risk, such as poor communication with stakeholders, or it may be affected by a change in government policy towards physical education in schools or the role of sport in society. Does your OSO have an appropriate strategy for the resources it controls and the services it must provide?

External factors

As outlined above, an OSO's external context can have a major impact on its operations. Use the questions suggested in Section 1.1 to evaluate the risks of your OSO's external environment.

• Operating effectiveness

The way an OSO operates may lead to risks such as a loss of sponsorship, a loss of membership, the poor use of resources or the inappropriate recruitment of staff and volunteers. Does your OSO have a clear and appropriate strategy for achieving its objectives? Is it backed up by appropriate operating principles?

- Financial prudence and probity The efficient use of finances for their intended purposes is an ethical responsibility for an OSO. Does your OSO follow financial procedures? Are these procedures formally documented? Does your OSO have financial controls in place, and are you sure that these controls cannot be circumvented by those in authority? Can the organisation account for all its revenue and expenditure? Does your OSO present audited accounts to its members and stakeholders?
- Legal risks

The manner in which an OSO is constituted will greatly determine the extent of the legal liability it can bear as an independent legal entity, as well as the corresponding extent to which individual members or Board members may bear personal liability. All contracts binding an OSO, even those of a low value, should be reviewed by a legal expert to identify legal risks. An OSO must also ensure it complies with all applicable legislation in areas such as employment, data protection and health and safety. Is your OSO an unincorporated association in which the individual members have personal liability, or is it an association with its own legal personality shielding its members from personal liability? Are Board members aware of the extent of their personal legal liability? Are contracts reviewed for legal risk? Are the OSO's assets properly protected by law (this is especially

important in relation to intellectual property protection for your brand and merchandising or sponsorship rights)?

Any other identifiable risks
 Some risks may be directly connected with the sport itself – for example, combat sports are more likely to have more inherent risks than badminton. Other risks may relate to the OSO's activities, such as attending major events. And others may relate to systems, such as computer systems, on which the organisation depends and the failure of which could cause major difficulties. In this example, does your OSO have appropriate data back-up and disaster recovery procedures in place? What are the information technology (IT) maintenance and support service levels?

In order to identify potential risks, you may find it useful to review the OSO's history in order to identify areas where things have previously gone wrong – or where they might have gone wrong if they had not been identified as problem areas. The experiences of other OSOs may also highlight potential areas of risk – and if funding has previously been cut to OSOs that have not achieved Olympic success, you can be fairly certain that your OSO's funding may be at risk if your athletes' performance is not considered to be sufficiently successful. Brainstorming sessions with the Board and management, and conversations with external consultants and auditors, may also allow you to establish a detailed picture of potential risks.

#### Managing risk

Quantifying risk involves multiplying the likelihood (or frequency) of the risk event occurring by the extent of its potential impact:

Risk = Likelihood × Impact

Once a risk review has been carried out, each risk must be quantified. Managing risk then involves selecting tools to prevent or minimise each risk by reducing its likelihood or impact; for example, through taking out insurance. Of course, an OSO could choose to accept risk, but only after carefully assessing the risk and its possible consequences.

Although it is best that the Board is responsible for risk management, OSOs may also find it helpful to appoint a risk officer to take the lead. This risk officer should be responsible for preparing and updating a risk register, as outlined below in Table 1.3, which should form the basis of the OSO's risk management strategy.

A number of methods mitigate the risks affecting an organisation. First, by carrying out the evaluation required by the process, the risk management process itself makes it possible to avoid some risks and to properly manage others. Changes in the way the organisation is governed may also mitigate potential risks: if the organisation is governed in a transparent and accountable way, many risks associated with public image, funding and

Risk	Likelihood of risk	Potential impact	Control procedure	Monitoring process	Ownership	Further action	Date of review
Athlete testing positive for banned substances	Low	High	Regular testing of athletes in and out of competition	Schedule of testing developed and reviewed by Head Coach	Head Coach	Report to the Board on success of procedures after 12 months	12 months from start of procedure
Withdrawal of sponsorship	Medium	High	Meetings with sponsors every quarter and after every major event to ensure their expectations are being met	Board to monitor reports of meetings	Marketing	Respond to issues raised in meetings	12 months from start of procedure (review sponsor satisfaction)
Loss of volunteers with specific expertise	High	Low	Regular communication with volunteers to reinforce their commitment; succession planning to ensure skills are not lost	Senior management to monitor process	Volunteers' manager	Review plans for succession in six months	12 months from start of procedure

#### Table 1.3: Sample risk register

## Every OSO should have rules to prevent, manage and sanction conflicts of interest.

stakeholder satisfaction can be avoided. It may also be possible, if not necessary, to change the strategic direction of the organisation. For example, if government policy is turning towards elite sport rather than grassroots sport, an OSO that supports grassroots sport may wish to reconsider its objectives and should at least consider how to manage the risk associated with the change in policy.

OSOs can reduce or expand services and change their way of operating to reduce risk. For example, introducing evaluation and control procedures will assist greatly with risk management. Finally, if the sport is inherently risky, or if there are significant risks facing the organisation, it may be possible to take out insurance. For example, in many countries, officials are insured against liability for injuries that occur to athletes under their responsibility, and most OSOs that stage events insure themselves against injury to spectators.

As with all aspects of governance, the process of risk management should be transparent and communicated throughout the organisation. The OSO's annual report should include an acknowledgement of the Board's responsibilities, the process followed and a confirmation of the systems in place to control areas of major risk. This allows all stakeholders to be comfortable with the risk management of the organisation.

## **Organisational Ethics**

Organisations are increasingly adopting ethical codes in order to help their members understand the difference between "right" and "wrong", and how they can apply that understanding to their decisions. The IOC Code of Ethics is an integral part of the Olympic Charter, and all constituents of the Olympic Movement must comply with it.

The code focuses on aspects of ethical behaviour, including:

- respect for the universal fundamental ethical principles;
- integrity of conduct;
- integrity of competitions;
- good governance and resources; and
- candidatures.

The code sets out an obligation of confidentiality for the IOC Ethics Commission and any person concerned by its activities, and details how parties have an obligation to report suspected ethical violations to the IOC's Chief Ethics and Compliance Officer.

The IOC Ethics Commission defines and updates the IOC's framework of ethical principles, including the Code of Ethics, based on the values and principles enshrined in the Olympic Charter. It investigates complaints raised in relation to the possible violation of such ethical principles, including breaches of the code, and may also propose sanctions to the IOC Executive Board.

All OSOs should adopt the IOC Code of Ethics, or implement their own internal code or set of ethical rules inspired by the IOC Code of Ethics that apply to Board members, all paid and voluntary staff, officials, athletes and other members. Such a code should address the principles set out above and develop practices and structures that uphold them.

In line with the IOC, an OSO may decide to set up an ethics commission (or similar entity) with the support of a qualified and independent person to monitor in particular the compliance of the organisation, its members, its office-bearers and its staff with its code of ethics or the ethical rules in place. The ethics commission (or similar entity) should be composed of independent people (including external people) elected/ratified by the General Assembly for a specific term of office (e.g. four years). It should report regularly to the Board and General Assembly about its activities. It may receive questions or complaints from any individual or entity. When considering your OSO's code of ethics, you should ask the following questions:

- Does your OSO have its own code of ethics or ethical rules inspired by and compliant with the IOC Code of Ethics?
- Does your OSO have an independent ethics commission or similar body?
  - If no, why don't you have one?
  - If yes,
    - Are its terms of reference/rules of procedure approved by the General Assembly of your OSO?
    - Are the members elected/ratified by the General Assembly of your OSO?

#### **Conflicts of interest**

An OSO should develop conflict-of-interest procedures to preserve its integrity and that of its members.

Within an OSO, conflicts of interest may occur when there is the possibility of an individual benefiting from their role in the OSO: for example, when a Board member, stakeholder or staff member participates in making a decision that could result in personal or organisational gain, and particularly when Board members have a financial interest in potential service providers. For example, if a Board member owns a clothing company, it would be a conflict of interest for that Board member to decide which company should supply the team's uniforms.

Other examples include situations in which an interested party participates in decision-making related to:

- buying or leasing goods, services or property from the interested party, such as renting headquarters from a Board member;
- providing substantial gratuities or favours to the interested party;
- granting the use of the OSO's facilities, properties or services to the interested party for free or at reduced rates; and
- adopting policies that financially benefit the interested party, such as including a company run by a staff member's husband on an approved list of suppliers.

Every OSO should have rules that aim to prevent, manage and sanction conflicts of interest. If an individual is aware of any possible conflicts of interest, he/she should announce them at the start of all relevant meetings. Many OSOs even keep an ongoing interests register on which Board members and other individuals can make the OSO aware of any potential future conflicts of interest.



Organisations should help their members distinguish between right and wrong.



Make sure that all individuals have clear objectives.

## **Governance Checklist**

Consider the following questions when examining your OSO's governance procedures.

#### Roles

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- · Is there a clear organisational structure with no overlap of powers between two or more individuals or bodies?
- Is there clear delegation of power from the members to the Board? Do Board members understand their roles and responsibilities and their collective and individual personal liability?
- Is there clearly defined separation between the Board (strategic direction) and the management (operational level) of the OSO, and a documented outline of their respective roles?
- Is there documentation explaining the roles and the authority, if any, held by committees and commissions?

#### Processes

- Are Annual General Meetings, Board meetings and committee/commission meetings properly conducted and documented? Are minutes produced, circulated and systematically filed?
- Are decision-making processes clearly documented, democratic and transparent?
- Are election, appointment and recruitment processes transparent, fair and nondiscriminatory? Is there efficient succession planning to replace staff, volunteers and Board members who leave?
- Are decisions and policies quickly and ٠ effectively communicated?

#### Controls

Has the OSO agreed and communicated • its mission, vision, values and strategic plan? Are they periodically reviewed?

## Good governance is vital for any organisation in an industry that utilises public monies.

- Has it documented, communicated and regularly updated its operational, financial, communications and development plans, as well as its annual reports and financial statements?
- Do all individuals in the organisation, including Board members and the CEO, have job/role descriptions, clear objectives and regular appraisals?
- Is organisational performance regularly reviewed against the OSO's strategic plan?
   Is individual performance reviewed against the individual's objectives, and does the OSO have a corresponding rewards system in place?

#### Improvements

- Do Board members, management and staff attend regular and collective training sessions to ensure individual and organisational development?
- Does the OSO have a knowledge management plan to ensure institutional knowledge is recorded and developed? In particular,

are volunteers and staff properly debriefed before leaving the organisation?

Responsiveness

- Is there a good relationship between the General Assembly and the Board? Are there regular meetings of these bodies?
- Does the OSO periodically present its annual activity report, audited financial statements and other information to members?
- Has it carried out a detailed stakeholder analysis, and is this analysis regularly updated?
- Is the OSO regarded as transparent, accountable and responsive by its members, staff and stakeholders?

Good governance is vital for any organisation in an industry that provides role models for children, offers worldwide entertainment and utilises public monies. Following the principles discussed above should help your OSO to be more effective.



Ensure that meeting minutes are produced, circulated and filed.

Key recommendations

- Identify whether your Board has the necessary knowledge and skills to govern effectively for the benefit of the OSO.
- Use the governance checklist to evaluate and improve the governance of your OSO.
- Carry out risk assessments of all the OSO's activities.
- Maintain a risk register and a conflict-of-interest register and ensure both are updated.
- Regularly ask yourself fundamental questions about your OSO's governance structures.

## ••• Illustration 1.3 Conflict of Interest Policy of Hockey Wales



Hockey Wales is committed to maintaining the highest standards of governance and to conducting its business in an open and transparent manner. The aim of its conflict of interest policy and process is to protect both Hockey Wales and the individuals concerned from improper behaviour perceived or otherwise. This policy, key parts of which are reproduced below, explains what Hockey Wales views as a conflict of interest and the procedure it should follow where a conflict of interest arises.

For an OSO, there are many advantages to such a policy. The OSO can demonstrate its commitment to good governance and its understanding of conflicts of interest, providing clarity for Board members, staff, volunteers and everyone else who comes into contact with the organisation. In addition, by setting out clearly what constitutes a conflict of interest and what should be done as a consequence, such a policy mitigates the risk of a conflict of interest having an impact on the OSO.

The policy applies to all persons associated with the activities of the organisations and has been developed in order to avoid situations where Hockey Wales or individuals associated with the OSO could be open to suspicion of dishonesty or conflict. The policy is comprehensive and clearly expressed, and is therefore an important tool in the governance of the organisation.

## Policy (Extracts)

It is Hockey Wales' policy that "Directors, committee members, key volunteers, employees, consultants and others acting on behalf of Hockey Wales must be free from conflicts of interest that could adversely influence their judgment, objectivity or loyalty to the company in conducting Hockey Wales business activities". This policy applies to all of the following Hockey Wales personnel:

- directors and sub-committees of the Board;
- regional chairs and regional committee members;
- members of committees, working groups, task forces or similar appointed by Hockey Wales for any purpose;

- volunteer national coaches and team management;
- full-time, part-time and casual employees; [and]
- any person contracted to undertake work for Hockey Wales who has any other voluntary role within the organisation or its affiliated bodies.

This policy applies whenever a person identified above recognises, or should reasonably recognise, that he/she has a Conflict of Interest.

A **Conflict of Interest** is a situation in which a person has an Interest (defined below) which may compromise that person's obligations to Hockey Wales or to any other person or body with which Hockey Wales has a relationship (e.g. GB Hockey, Sport Wales). A Conflict of Interest includes perceived and potential conflicts as well as actual conflicts of interest. A *perceived* conflict of interest is one which a reasonable person would consider likely to compromise objectivity. A *potential* conflict of interest is a situation which could develop into an actual or perceived conflict of interest.

An **Interest** is a financial or non-financial interest involving the Person, or a Connected Person (defined below). A *financial interest* refers to anything of non-trivial monetary value including but not limited to salary, commission, consultancy fees, contractual interest, discounts, property and royalties. A *non-financial interest* refers to any non-financial benefit or advantage including but not limited to access to privileged information or services, property or intellectual property rights and enhancement of a career, education or professional reputation. In a sports environment this may include the training and selection of athletes and coaches.

A Connected Person is anyone with whom the individual in question has a relationship which is likely to appear to a reasonable person to influence the individual's objectivity including but not limited to close family, their partner and close personal friends.

If an individual has a Conflict of Interest, they have a duty to disclose it under the procedure set out below.

Interest	Financial	Non-financial	Perceived	Potential
Self	Paid by clothing contractor	Coach at largest club	Child on national team	Manager of facility where team trains
Connected person	Partner works for main sponsor	Brother is national team manager	Friend is supplier of hockey sticks	Mother works for funding agency

#### Table 1.4: Conflict of Interest categories

The Company Secretary (or other appropriate individual the role is delegated to) maintains a register of those individuals who are required, on appointment, and at least annually to complete and sign the Hockey Wales Conflict of Interest form. On receipt of the completed forms, the Company Secretary will update the register with the information declared by each individual [using the categories in Table 1.4 above].

#### Managing conflict

The Hockey Wales Conflict of Interest Panel shall consist of the Company Secretary, the Chair of the Board and one other. The panel is responsible for reviewing the Conflict of Interest forms and Register and advising of any action required in addition to the standard management process for any particular conflict. If a conflict can be managed, the agreed management process must be clear and reported in the register.

The register information and examples of ways to manage conflict are provided at least annually to the Chairs of all Hockey Wales committees, Hockey Wales national coaches, each director and to any other person that the Conflict of Interest Panel decides requires it to fulfil their Hockey Wales responsibilities.

Conflicts of Interest can arise in various scenarios; the most likely is in a committee situation, therefore Hockey Wales has set up the following process to be followed at every meeting:

The Chair of the meeting is required to ask those attending (including non-committee member invited attendees) to declare any interest(s) linked to any item on the agenda. All notifications must be reported in the minutes of the meeting, along with actions taken by the Chair to manage the conflict.

If a conflict decision is challenged after the meeting, all information must be referred to the Conflict of Interest Panel, who will be responsible for reviewing the decision made by the Chair of the committee and providing written recommendations for any action.

Below are examples of how [conflict may be managed]:

- not taking part in discussions of certain matters, o either staying in the room, or
  - o vacating the room until the particular item is finished;
- not taking part in decisions relating to certain matters,
  - o either staying in the room when the decision is made, or
  - o vacating the room whilst the decision is made having stayed for the discussion;
- if the conflict relates to the Chair of the meeting, he/she must vacate the role of Chair and the room, until the particular item is finished or a decision is made;
- stepping aside from any involvement in a particular task;
- declaring an interest in a particular sponsor or third party (this may be following discussion with, or recommendation of, the Conflict of Interest Panel); and/or
- temporarily suspending authorised consultancy work until a decision is given by the Conflict of Interest Panel.

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## Information Management

This section begins by outlining the importance of information in OSOs and the characteristics of good information. It continues with a detailed discussion of information management – what it is and how OSOs might successfully engage with effective data management.

## Information in OSOs

Accurate information is vital for good governance. It allows an OSO to manage its resources effectively and to communicate with key stakeholders, staff and volunteers at all levels of the organisation. Up-to-date, relevant information increasingly comes from electronic sources, including the mass media and information technology. Every OSO, however, must guard against creating and capturing too much information while also ensuring that the information it does receive and process is accurate and well managed.

Once an OSO has acquired information, it must interpret it in order to decide how it affects decision-making and organisational operations. For example, information about changes in international drug-testing procedures may or may not require a change in an OSO's procedures. You should be sceptical of some information – never take it at face value, particularly if you do not know or do not trust the source. Finally, every OSO must use its information wisely.

Clear, accurate and relevant information is essential for the effective management of an OSO, helping to facilitate planning and decision-making at all levels. This section addresses how an OSO should manage and utilise the information it receives.

#### Managing good information

Good information has the following characteristics:

Accuracy

This is the most important characteristic of good information – it must be as accurate as possible. However, this may not always be possible: for example, organisations may use estimated figures when considering how or whether to stage an event, as the exact costs may be unknown. • Authenticity

Wherever possible, you must be sure that your information is correct, in that it can be demonstrated that the information comes from a credible source. Associated with this is the integrity of the information, which is an assessment that the content is complete and unaltered.

• Completeness

The more informed you are about the choices on offer and the consequences of your actions, the better your decisions will be. Always collect information from a wide variety of sources before making decisions.

- Relevance Information must be relevant to the task at hand, or it may divert your attention away from the issue or lead to an incorrect decision.
- Timeliness

Information is only useful if it is available at the right time – it can be produced too often as well as too infrequently.

• Usability

It is important that information is easy for all users to understand, not least because you may not have time to use it. Information that assumes too much prior knowledge or that contains jargon is not always helpful in decision-making.

Contextualisation

The context in which the information is created or received must be taken into account in order to make it relevant and usable.

## **Information Management**

Information management is concerned with the three-part cycle of organisational activity around information: the acquisition of information from one or more sources; the custodianship and distribution of that information to those who need it; and its ultimate disposal, either through archiving or deletion. The term "information management" encompasses all an OSO's systems and processes for the creation, collection and use of information. OSOs should focus on improving information management practices: they improve business efficiency, meet regulatory demands and offer opportunities to deliver new services.

The speed with which information can be obtained, and the speed with which it can become irrelevant or inaccurate, means it can be a challenge to use it correctly. When you are confronted with information, it's worth keeping in mind four "D"s: do, delegate, drop and destroy.

- If the information is relevant and useful to you, do something with it.
- If not, delegate it to an appropriate colleague if they can use it; drop it into storage or the archives; or destroy it.

The following tools can help OSOs manage their documents:

Naming convention

Rules to allow users to name their documents in a standard way. Use a standard naming structure for selected types of documents and explicit names to make the documents more easily searchable.

• Filing plan

A tool to organise by function: a shared and logical filing system to help the OSO locate and control its documents. An OSO's filing plan must reflect its activities and should be created with the input of someone who has in-depth knowledge of the OSO.

Retention schedule

A tool that identifies which documents must be kept and for how long, as well as those that must be kept due to their historical value. A retention schedule must be based on the value of the content (proof of activities, information necessary for conducting activities) and any legal obligations that apply to it.

• Access policy

A tool that defines who has access to which type of information.

**Use of information technology (IT) solutions** Thanks to the internet and to digital storage, it may not be necessary to retain hard copies of all information. OSOs should find the right balance between hard information (paper) and soft information (electronic), a balance that fits in with the organisation's culture and meets the expectations of its stakeholders.

When considering how to manage their IT, OSOs may face several issues. In many OSOs, Board members and staff work and save files on their own computers instead of using a shared network, which may prevent efficient information sharing, create confusion around several versions of the same document and run the risk of data loss through computer faults. OSOs must also consider not just if but how to keep data such as stakeholders' contacts and competition results centrally located, up-to-date and accessible to those who need it. A database system may be part of the solution – but IT systems may bring about new difficulties and challenges, such as:

- Disparate and uncoordinated information management systems
   OSOs may have a mix of paper and electronic systems, or may find themselves using different and incompatible versions of an existing system.
- Legacy systems that require upgrading or replacement
   Technology solutions require frequent updating in order to remain effective. You must be prepared to set aside sufficient resources to deploy, manage and improve your IT systems.
- Poor quality of information
   This may include duplication, outdated information and a lack of consistency. No technological system can overcome such problems.
- No clear strategic direction An OSO may suffer from a lack of direction when it comes to technology, or from a lack of recognition or support given to information management by Board members or staff.
- Staff issues Management and staff may be slow to learn and may find it hard to change their working practices and processes.

The last two points may be the greatest challenges: without Board member and staff commitment to a programme of good information management and the use of a consistent system across the organisation, there is little chance that any information management system will become fully integrated. The principles of managing change, outlined in Section 1.5, can help to overcome these challenges.

## **Implementing IT Practices**

Implementing and managing IT projects can be a complex task. OSOs should seek the help of someone knowledgeable or, depending on the scope of the project, work with a specialised IT company. Common difficulties include:

- limited technical knowledge among Board members and/or staff;
- lack of financial resources and/or time;
- the absence of an organisation-wide IT strategy, leading to a reliance on inappropriate programmes;
- difficulties managing and integrating different IT tools; and
- disorganised, duplicated or missing data.

### Project management

When developing IT infrastructure and programmes, you should consider a number of factors.

- Organisational culture, attitude and expertise Technology may be poorly used not because of bad design or a lack of functionality, but because people within the organisation do not adopt it.
- Training New IT tools require training.
- External factors The availability of internet access and broadband may be limited.
- Budget, time and human resources Do you have sufficient time, money and people?

### Understanding your needs

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It is important to begin each IT project with a clear view of what your organisation needs and what you want to achieve. For example, if you plan to improve your data management system, you must set out to understand:

- your objectives (the nature and scope of the project and the problems it will solve);
- your needs (assessing them at the start will reduce the need for costly changes later);
- your current data management process, practices and system (strengths and weaknesses):
- your users (consult with them to determine what they need from the system);
- your data (what it covers, who needs it, when and why they need it, how it should be structured); and
- your expertise (the availability and level of IT expertise within the organisation).

You should put these elements in writing in case you need to provide precise information to the IT company/expert, and to ensure all parties have a thorough understanding of the project. The development of the IT tool should not only lie in the hands of the IT company/expert - you should conduct a thorough business analysis in advance, as only those involved in the organisation's daily activities are fully familiar with the data they handle and will have the knowledge to determine the type of information they need to retrieve.

It can be a challenge to make sure that the IT company/expert understands the organisation's needs. However, if you don't clear up misunderstandings at the beginning, the final product may not meet your expectations,

and it will be hard to make changes without additional costs and possible delays.

### Stakeholder analysis

Who are the project's stakeholders? Who needs to be satisfied with the outcome? For example: athletes, coaches, clubs, General Assembly members, fans, media, volunteers, organising committees, etc.

### Choosing an IT company/expert

Once you have analysed your needs, you may need to select an IT company/expert. You should contact several companies and ask for offers. Once your organisation and the expert have agreed on the scope of the project, the expert must present a proposal covering the project, its budget and its timeline.

The IT company/expert should:

- help you to analyse your needs and objectives;
- help you to select an appropriate IT tool;
- define the project's phases and deliverables;
- develop and/or install the tool;
- provide training sessions and user guides; and
- regularly maintain the system (if necessary).

### Budget

IT systems can be expensive and new IT projects may require more money than anticipated, particularly if the initial needs analysis is incomplete and/or the scope was not fully agreed with the IT company/expert.

Always carry out a comprehensive cost analysis at the start, ensuring your organisation has the funds to complete the project, and always consider maintenance costs: the project may incur additional costs to fix problems (bugs, software not working as expected) or change its functionality. You may also need to replace hardware and upgrade software.

Once the project's scope, timeline, specifications and budget have been finalised, you should co-sign an agreement with the IT company/ expert, setting out the terms of reference and project specifications.

### User training

The introduction of a new IT tool often requires a change in an organisation's working culture. If your users do not see the value of the tool, they may continue working as they have done in the past. It is therefore important to identify everyone who will use the new IT tool in any way and ensure that they all receive adequate training and support.

# Establish policies and procedures to ensure that your organisation's security is not compromised.



Security is vital for OSOs.

## **Information Security**

You must ensure that your information is secure.

### **Physical security**

Every corporate and personal IT system needs an external back-up location where computer data is copied and archived in case it is lost from the main location due to problematic software, data corruption, hardware failure, hacking or other unforeseen events. Aim to schedule a back-up at least once a week.

Cloud storage solutions, which let users store and sync their data to an online server, are becoming increasingly common as back-up systems. Because the files are stored in the cloud rather than on a specific local drive, they are available to everyone with password access to the cloud.

You should also secure your primary hardware and databases to prevent theft, and consider the likelihood of damage due to power outages, fire or other natural disasters.

### **Technical security**

You should install security systems such as firewalls and anti-virus protection to protect your systems from technical intrusion, while allowing for application upgrades, back-ups and access management.

### Human security

Establish policies and procedures to ensure that your organisation's security is not compromised by its users. For example, consider allowing only administrators to install software. Make sure that the people in charge of maintaining your IT infrastructure and developing IT solutions have sufficient expertise and are capable of delivering adequate results.

The effective management of information is above all a human matter, and effective information use should be part of the internal managerial culture. You must be able to identify and capture information that is crucial to success, translate it into something of value for the organisation, ensure easy access to it and keep it safe.

### $(\bullet \bullet)$ Key recommendations

- Identify and use sources of trustworthy information.
- Investigate how your OSO can better manage information.
- Develop and implement an information system that helps to deliver your OSO's objectives.
- With the Board's commitment and support, encourage good information management within the OSO.
- Carefully plan your IT projects before you implement them.

## <sup>1.5</sup> Change Management

One of the few constant factors in the management of OSOs is the need to continually respond to changes that occur inside and outside the organisation. In order to continue to operate effectively, OSOs must be vigilant for management practices, organisational procedures and services that need to be amended – a process known as change management.

To be effective, OSOs must recognise when change is either desirable or inevitable and must respond accordingly. For example, in the past 20 years, managers of OSOs are likely to have:

- responded to at least 10 new directives from stakeholder organisations such as the IOC or the IFs;
- continually introduced new working practices or refined existing practices to take account of innovations in sport science;
- continually updated anti-doping procedures in response to WADA;
- developed objective criteria for selecting athletes and recruiting volunteers;
- developed strategies for athlete retirement;
- seen at least one change of major funding provider; and
- handled the fallout from an athlete scandal.

Some of these changes may have been introduced willingly while others may have been forced on the OSO by circumstances beyond its control. If an OSO ignores the need to enact such changes, it may face criticism and censure – and the OSO may not be able to operate as it always has without becoming much less effective in its work.

Major changes must often be introduced while the OSO continues its day-to-day operations. OSOs must therefore carefully plan and manage the introduction of any such changes.

This section discusses how OSOs can effectively manage change. It begins by outlining how to prepare for the possibility of change and the reasons why people resist it, and also discusses how change can be introduced successfully, before ending with an explanation of the UMAP tool developed by the IOC for assessing



OSOs must constantly respond to change.

the internal operating context of NOCs in order to identify areas ripe for organisational improvement.

### Preparing for Change

Everyone involved with an OSO must be able to work in a constantly changing environment. However, in order to help its volunteers and staff to be effective in such an environment, the OSO must encourage a state of readiness for change. There are two key ways in which an OSO can help accomplish this.

- Be aware of events that are occurring inside and outside of the organisation, then communicate details of them to volunteers and paid staff. This will help an OSO identify any potential changes in advance and will allow appropriate time for planning what change(s) should be implemented and when.
- Encourage an organisational culture that is willing to accept change, which will help to reduce resistance to any changes that must be implemented.

### **Environmental auditing**

In order to identify potential changes, you must understand and appreciate the OSO's internal and external operating environments. This can be done through the environmental auditing process, discussed in Section 1.1, in order to identify trends that may suggest a need for change.

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# Everyone must be able to work in a constantly changing environment.

The accuracy of an environmental audit will only be as good as the information upon which it is based. It is therefore important to have access to current and relevant information on trends and changes that may affect the organisation. In addition, the success of environmental analysis relies on a structured approach to the review that ensures all key aspects of the environment are addressed in full. Without a structured approach, important changes may be missed, which is particularly vital when auditing the external environment given its size and scale.

Asking the questions posed in Section 1.1 will help greatly when auditing the external environment and will allow managers to identify changes that may affect the way the OSO operates. Analysing the internal environment, meanwhile, will provide information on the OSO's mission, values, internal culture, permanent objectives, corporate and business strategies, organisational and human resources, facilities, finances and sport results, and the questions in Section 1.3 can help with the evaluation of the decision-making structures.

Internal auditing should also encompass a review of the following areas:

• Physical resources

Equipment, facilities and other items to which the OSO has access, their age and condition, and the OSO's potential to use these items to gain or enhance its competitive advantage.

- Human resources
   The OSO's paid staff and volunteers, taking
   into account the required roles, the available
   skills and experience, and the ability of staff
   and volunteers to adapt to potential changes.
- Financial resources Details of how the OSO is financed and funded, how it manages income and expenditure, and its relationships with key financial stakeholders such as sponsors, other commercial partners and banks.

• **Operational resources** Details of how and where the OSO operates, the resources required by different services and how the services are perceived.

The OSO should examine and evaluate its past performance in these areas in order to understand its past successes and failures. It is not enough simply to be aware of such successes or failures – an OSO must be able to explain why they succeeded or failed in order to learn from them.

The OSO should also evaluate its current practices. This evaluation should focus on what is actually happening, not on what policies or strategic documents say should happen. This will ensure that the evaluation accurately reflects the internal environment. Once the OSO has collected the relevant information, it must identify factors that may require changes in its operations or services and should prioritise them.

Finally, the OSO should evaluate the effect of any changes on its operations. Some changes may require an immediate response, while others could be planned and implemented over a longer period of time. For example, if your OSO works with elite athletes but discovers that government policy is about to change from funding elite sport to promoting grassroots participation, you must identify other sources of revenue or change your operations accordingly.

Environmental auditing helps you to be proactive when delivering services. By being aware of the threats and opportunities in your external environment and the strengths and weakness of your internal environment (a SWOT analysis; see page 58), you will put yourself in a better position to anticipate and plan for any required changes. You can gather information about the internal environment by talking to colleagues, making sure you are aware of what is going on within the organisation. Information on the external environment is harder to obtain, but you may be able to source it through outside organisations

such as your NOC or IF, or by networking with others who work in the industry.

**Developing a culture that supports change** You must develop an organisational culture that facilitates change. Everyone involved with the OSO must feel that they are fully involved in or fully informed of its decision-making processes so that the introduction of change does not come as a surprise.

You must be clear about what can and cannot be changed without great resistance. For example, the colour and style of team uniforms may have historical or local significance, and so attempts to change them may meet with strong resistance. Conversely, if you know what aspects of the OSO can be changed more easily, you can use these changes to introduce change to other areas of the organisation. For example, if people within the organisation value the use of objective selection criteria for national teams, you can use this desire for objectivity to introduce similarly objective-led systems of performance measurement.

## **Resistance to Change**

Most change will be resisted by some or all of those in the organisation. The need for change suggests that the current way of working is no longer adequate, and often those carrying out the work will take this personally. In some ways, resistance is a natural reaction to change because people and organisations function best in stable circumstances. However, this resistance must be identified and overcome if change is to be fully integrated into the organisation.

People resist change because of the following:

• Differences

There are likely to be concerns about what will be different in the working environment. Volunteers and paid staff may be unclear about or dislike what the change means for their position, their workload or their working practices.

• Competence

People may have concerns about their ability to carry out new tasks or use new equipment or technology.



Everyone must feel fully involved in or informed of decisions.

# OSOs must develop a strategy for dealing with resistance to change.

### • Ripples

Resistance to change may not come solely from those directly affected by it. The introduction of change in an organisation usually has a ripple effect: if change is introduced in one department, further changes are usually required in other areas. For example, if the finance department implements a new system for claiming back expenses, the change will not only affect those employed by the organisation but may also affect volunteers.

Workload

Most changes require more work. New procedures or ways of delivering services must be learned, which inevitably requires more work. Volunteers and paid staff must often attend training courses if new technology or new objectives are introduced while also completing their usual workload.

• Resentment

The introduction of change may give staff or volunteers the opportunity to express resentment about what has happened to them in the past. For example, if a member thinks that he or she has missed out on an elected position, he or she may take the opportunity to express resentment by undermining the need for change among other members.

Real threats

In some instances, change represents a real threat to those who work with the organisation. For example, a change in regional structure may mean that some volunteers will lose their positions on a committee or have their influence significantly reduced. In this instance, resistance to change is understandable and is likely to be significant.

Resistance to change is inevitable, and OSOs must develop a strategy for dealing with it. It is vital to communicate your reasons in order to convince those affected of the need for change before they become resistant to it. Providing information about why change is necessary and how it will be carried out will help volunteers and paid staff to see the logic of what is being proposed – a particularly useful strategy for overcoming concerns about what will be different in the working environment.

The most effective strategy in overcoming resistance, however, is to encourage those affected to participate in designing the required change – after all, it is difficult for people to resist changes that they have helped to develop. Involvement can occur at any stage, but the more people are involved at the initial stages, the more committed they will be. However, this involvement must be meaningful, otherwise resistance may be even greater when those affected become aware that they have been given only a token role in determining their future.

Not all resistance is bad. Opposition to change may bring forward issues that had not been considered and that may eventually have had a negative impact on the proposed change – for example, raising the qualification standard for a national event too high. In most cases, resistance should be viewed as a means of identifying problems, which you must then find ways to resolve. If resistance can be dealt with effectively, commitment to change is likely to be stronger than if there was no resistance in the first place.

### Implementing Change Successfully

Once an OSO has identified the solution to a problem, it is easy to become fixated on what must change rather than how to go about making the change. A number of factors, however, make it more likely that an OSO will implement change successfully.

### Change as a good idea

Although it seems obvious, change must be perceived by those within the organisation as being a good idea. Not all potential changes

# An understanding of people is also key to the process of change.

will be appropriate, even if they appear to be a suitable response to changes in the operating context. For example, although the certification of volunteers may be a sensible way to address an increase in litigation, it may be unacceptable to the volunteers themselves and could lead many to stop volunteering. In this instance, you must involve the volunteers in deciding what changes should be introduced, and you must also seek feedback from them on any changes you propose.

## Knowledge of factors that will promote and prevent change

You must identify factors that can be used to promote a particular change, such as the support of the President, and those that may prevent it, such as a lack of funding. Generate a list of these factors through discussions with people with a vested interest in the change so you understand all possible concerns.

### Effective change teams

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If you are implementing a large change, such as organisational restructuring, or a series of smaller changes that need coordination, such as the



OSOs can introduce changes rather than changing their whole team.

introduction of new technology, you must bring together a team of people who are responsible for promoting the change.

An effective change team has a variety of members:

- The organisation's leaders, who are either part of the change team or who support it. For example, it will be impossible to introduce changes that are not supported by the Board.
- The Board, aided by the Financial Director or the Treasurer. Without the commitment of those who control the OSO's resources, including its money, facilities and staff, it will be hard to bring about change.
- Spokespeople staff, volunteers, athletes and others – from the areas of the organisation that will primarily be affected by the proposed change.
- It may also be necessary to include people who represent the organisation's main stakeholder groups, such as funding bodies, sponsors and members.

### Introducing change at the appropriate level

There are three levels at which change can be introduced: the individual level, where a staff member or volunteer may require new training; the group level, where it may affect a particular team, region or department; and the organisational level, where it may result in a change in organisational priorities, the introduction of new technologies or the introduction of operating procedures that affect the organisation as a whole.

OSOs must identify exactly what and who needs to change in order to bring about their desired outcome. For example, if certain staff members are performing poorly, they must change their behaviour rather than asking colleagues to help with their work. If a particular part of a team is performing poorly, it is important to introduce changes into the team rather than changing the team as a whole.



OSOs must understand their volunteers so you can understand how change can be achieved within the organisation.

### Sufficient resources

Change requires money, staff training and time. Although money is important, allowing adequate time to develop and implement the change is even more crucial: competition from alternative activities can lead a planned change to fail.

Staff members must usually continue with their day-to-day duties while also preparing for the proposed change. It is natural for them to continue to prioritise their daily tasks: they know how to do them, and the work must be done so the organisation can function. However, such a state of affairs often leads staff to give a low priority to change-related activities. In order to overcome this, you should consider delegating some of your everyday work or ensure that other team members are also involved in developing and implementing the change. You must then ensure these team members have adequate time to devote both to their own work and to the extra activities you've asked them to do. During the change process, you may need to extend deadlines or reduce workflow.

### Implementation strategy

When introducing large-scale change, it is important to have a well-developed implementation strategy. All of the activities required to bring about the change must be identified and prioritised; all necessary tasks must be allocated to individuals who will be responsible for them; and the whole change process must be communicated to all those who will be affected by the change. The implementation strategy should also include a period of evaluation in order to ensure that the change has been implemented successfully and is achieving its intended outcome. Preparation is key to successful change management. If you are consistent and thorough in your environmental auditing, you can be proactive in anticipating how and when your practices will have to change.

An understanding of people is also key to this process. You must understand your volunteers and paid staff well so you can anticipate where and why resistance may arise and how to deal with it – and, most importantly, so you can understand who must be involved in the process, what can be changed in the organisation and the most successful way to go about it.

The illustration on the following page describes UMAP, a tool developed by Olympic Solidarity to help NOCs and NFs provide a structured approach to auditing their operating contexts.

### •••• Key recommendations

- Work with the Board to ensure a culture of readiness for change.
- Identify sources of information to help with environmental auditing.
- Ensure you know why some people may resist a particular change.
- Involve others in planning and implementing the change.
- Make sure that the change is planned thoroughly.

## ••• Illustration 1.5 UMAP — Auditing the Environment for Changes



Olympic Solidarity has developed an organisational auditing tool called UMAP, which is short for Understanding, Managing, Auditing and Planning.

UMAP allows the Board of an NOC to evaluate the level of development of their internal environment; to compare what they have in their OSO with what they need to be successful at an activity; and to evaluate the OSO's capabilities in selected areas of activity. Developed in consultation with NOCs, UMAP is available as a web application for NOCs and NFs.

UMAP assesses the current level of organisational development of an NOC or NF across eight pillars of OSO activity:

- Administration
- Governance

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- Finance
- Human Resources
- Marketing
- Services
- Sporting Environment
- External Relations

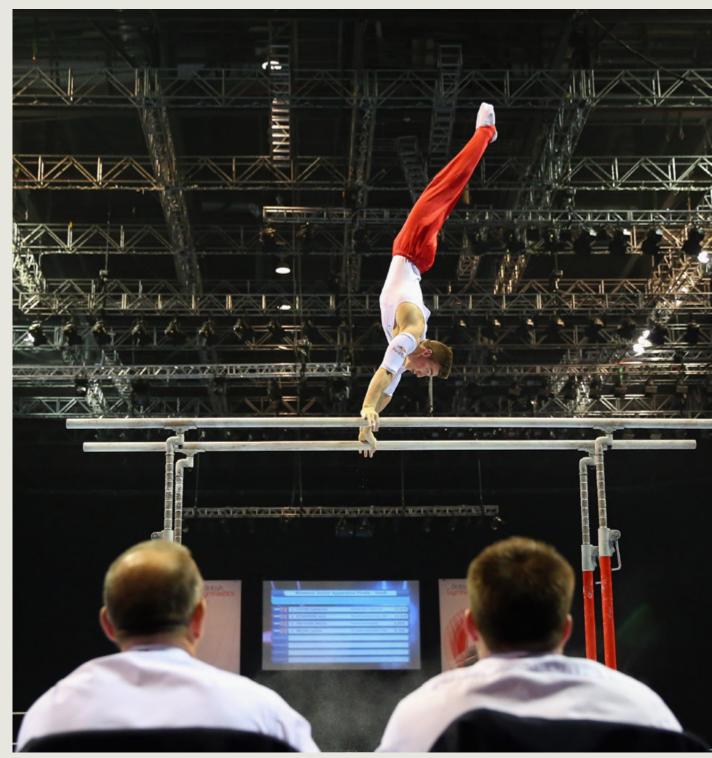
Each of these pillars is made up of a series of elements that focus on activities taking place under each pillar. Activities grow in complexity as the OSO develops, showing a hierarchy of organisational development in the activities an OSO undertakes. For example, the elements in Table 1.5 below would fall under the External Relations pillar. The Board considers each question, then decides which of the four statements best reflects their OSO. Once the Board has completed the self-assessment, they compare their OSO's level of activity with benchmarks that set out what is necessary to be successful at a number of typical OSO activities and events. The web application then generates recommendations for the OSO to help develop and improve its activities.

UMAP has a number of benefits:

- It gives OSOs a structure for its internal auditing. Along with the external auditing that should be carried out using the information in Section 1.1, it provides the basis for a systematic review of the OSO's operating contexts – essential to identify issues that require change.
- The tool allows OSOs to easily identify areas where they can improve, as the recommendations it generates focus on areas of development. As such, any proposed changes that result from the recommendations are likely to be perceived by those within the organisation as a good idea, which is essential in the successful implementation of change.
- As the Board has carried out the audit, the changes they recommend are more likely to be supported.
- The tool's recommendations focus on specific areas, which means changes will be introduced only at the appropriate levels.

Element	Emerging	Developing	Established	Embedded
How does the NOC cooperate with government?	The NOC has no formal relationship with government	We work in cooperation on community initiatives	We cooperate over a range of initiatives	There is a complementary relationship between the activities of the NOC and the government
How does the NOC work with the country's NFs?	Our NFs are not involved in the delivery of NOC activities	Our NFs work with the NOC to deliver targeted sport activities	Our NFs work in cooperation with the NOC to deliver a range of sport activities	Our NFs are full partners of the NOC in the delivery of sport





In order to improve, it is important for OSOs to evaluate and assess their success in line with a series of predetermined benchmarks.

- It allows an OSO to target its funding in areas that need improving, ensuring that it allocates sufficient resources for the changed activity.
- Ongoing use of UMAP allows an OSO to measure trends and track progress over time and can evaluate the success of the changes.

The case study on the next page applies many of the key points covered in this chapter to the Trinidad and Tobago Olympic Committee. The purpose of this case study, and others in subsequent chapters, is to demonstrate how the material covered in each chapter is applicable to OSOs. Although your organisation may not be the same type of OSO, these case studies will highlight how the concepts covered in each chapter can be put into practice.

## ••• Case Study 1 Organising the Trinidad and Tobago Olympic Committee



The Trinidad and Tobago Olympic Committee (TTOC) is an independent organisation responsible for providing Trinidad and Tobago (T&T) athletes with the necessary resources to achieve sporting excellence. It was recognised in 1947 and affiliated to the IOC at the IOC Session the following year, on the occasion of the Olympic Games London 1948.

TTOC's mission is to "inspire excellence in the athletes of Trinidad and Tobago and to enable them to realise their full potential". TTOC athletes compete at the Olympic Games, the Youth Olympic Games (YOG), the Central American and Caribbean Games (CAC Games), the Pan American Games, the Commonwealth Games and the Commonwealth Youth Games.

## **Organisational Context**

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TTOC is made up of the country's 43 NFs whose sports are recognised by IFs. The NFs are responsible for the training, competition and the development of their sports, as well as for selecting athletes for Team TTO at national, regional and international competitions. T&T's national Ministry of Sport creates policy, while its national Sport Company distributes funds.

There is overwhelming interest in sport within T&T, with 85 per cent of the public claiming to be sport fans. Sport is also perceived to bring value to society: 89 per cent of the public believe that sport can be used as an anti-crime tool, while 97 per cent believe it can teach important skills. TTOC has a favourable reputation with the public and is perceived by most of the population to be integral to T&T sport. TTOC has an active social media profile on Twitter, Instagram and Facebook, and also has a YouTube channel.

## Governance

TTOC has been particularly active in addressing the need for improved governance in the Olympic Movement. It has held a number of activities to highlight this need, such as running regular social media campaigns focusing on good governance.

As part of the drive for good governance, TTOC's Board led a project to develop a framework for improving governance in its member NFs, particularly in regard to several key areas:

- there were a variety of constitutional arrangements and little constitutional review;
- Board members had a range of term periods ranging from 12 months (too short) to undefined lengths of time;
- very few NFs had limits on the number of terms an individual can serve in a particular position;
- there was no succession planning for Board positions, which allowed incumbents to hold positions for a number of years on the basis that "there is no one else"; and
- a number of NF Boards appeared to lack skills in finance, marketing, governance, people management and leadership.

The review led to the development of a Commitment to Good Governance (CtGG), set out below, which emerged through discussions with TTOC and its members, government representatives, administrators, athletes, members of the press. The decision to use the word "Commitment" rather than establishing a Code of Good Governance was deliberate: while organisations sign up to codes, individuals make commitments, and it was felt that this more personal approach would encourage Boards to take individual responsibility for the governance of their NFs.

As a National Federation, we commit to:

- carrying out a constitutional review at least every four years to make sure that our constitutions are fit for purpose;
- reflecting annually on our performance as a Board to identify how we might improve the way we work in the following year;
- monitoring the performance of the NF against the strategic plan and reporting back to members on this annually;

- having Board term limits of four years and limiting each member of the Board to two terms;
- planning for succession by actively recruiting new members on to the Board whenever appropriate;
- having roles outlined for all Board positions so that Board members are clear about what they are required to achieve; and
- supporting Board members to gain the skills they need to carry out their role.

The proposed principles were designed to be enshrined within NFs' constitutions.

## Change Management

The CtGG was introduced in line with many of the principles associated with implementing change successfully.

- The introduction of the CtGG into the NFs' constitutions was perceived to be a good idea because stakeholders identified the increasing concerns of the IOC, the T&T government and other key stakeholders with the governance of sport organisations. The CtGG was seen as a solution to and evidence of a focus on governance.
- A consultant worked with the Board to identify the factors that would promote and prevent the change in governance procedures. From this emerged the concept of embedding a governance focus into the constitutions of the NFs, which was further developed into the CtGG.
- The change team included the TTOC Board, heads of key NFs and a consultant, and was publicly supported by the Minister of Sport – all of which made the change team effective.
- It was felt that changing the NFs' constitutions introduced change at the appropriate level as it was something to which all OSOs and their stakeholders would be required to sign up.
- Resources were not perceived to be an issue as the changes to the constitution could be made through the NFs' normal governance processes.

• Finally, the CtGG was presented to NFs with a clear strategy, including a timetable, for action and evaluation.

This case study shows how an OSO can work towards developing a commitment to good governance among its member organisations.

In recognition of a number of areas of governance improvement, TTOC adopted a structured approach to gaining acceptance of the need for good governance by following the principles of implementing successful change.



Keshorn Walcott won gold for Trinidad and Tobago at London 2012.





# MANAGING **•48 : STRATEGICALLY**

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Diversification in practices and sport's growing marketing potential have resulted in increased competition between traditional and modern sport organisations to attract and keep followers and sponsors. To answer these challenges, sport organisations have turned to strategic management.

Strategic management refers to the implementation of a strategic plan designed to achieve longterm goals, and the allocation of the resources necessary to meet these goals. Most National Olympic Committees (NOCs), International Federations (IFs) and National Federations (NFs), as well as many other Olympic Sport Organisations (OSOs), now use strategic management as a cornerstone of their operations.

Strategic management is a simple five-step process consisting of:

- preparation;
- diagnosis;
- objectives;
- planning; and
- monitoring and evaluation.

This process, outlined in Figure 2.1 below, must focus on the OSO's vision and mission.

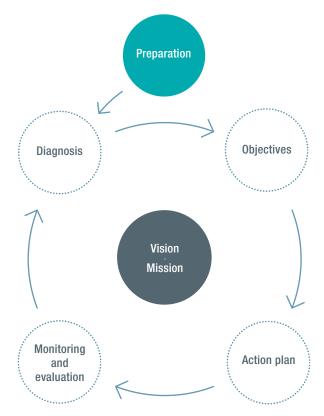


Figure 2.1: Strategic management process

### •••• Objectives

After reading this chapter, you should be able to:

- Work with your Board to develop a strategic plan.
- Prepare effectively for the strategic planning process.
- Carry out a strategic diagnosis of your organisation.
- Develop and implement plans to achieve your strategic objectives.
- Assist your Board in evaluating the effects of your strategic plan.

While following the process, every OSO must answer four key questions:

- What is your situation?
- What are your objectives?
- How can you achieve these objectives?
- Have you achieved your objectives?

Organisations must commit to following the strategic management process on an ongoing basis. Strategic plans generally run for four-year periods – and as each period ends, the Board and OSO management must review the plan and revise it for the next four years.

This chapter presents the principles and techniques that OSOs can use in strategic management. The five sections correspond to the five aforementioned stages in the development of a strategic plan – preparation, diagnosis, objectives, planning and evaluation – and concludes with a case study of the strategic plan established by the Cape Verde Olympic Committee.

# Preparing for the Strategic Planning Process

The success of a strategic plan depends on the quality of the planning behind its creation. OSOs must formulate a detailed political and administrative plan that addresses four key questions:

- 1. Why do you need a strategic plan?
- 2. How will you develop your plan?
- 3. How much time do you have?
- 4. What is your budget?

# Why Do You Need a Strategic Plan?

An organisation's need to develop a strategic plan may be motivated by one or more internal problems, such as vague objectives, unclear priorities, poorly defined roles and responsibilities, and an overall lack of organisational cohesion. Alternatively, it may be motivated by external factors, such as the need to demonstrate good governance and to communicate goals, values and key objectives to partners. The strategic planning process is not only the domain of managers: it should be initiated and promoted by members of the Board, and may also be requested by the OSO's wider membership.

The development of a new strategic plan will show partners that an OSO is doing everything it can to fulfil its goals, values and objectives – and may even be required by funding agencies to show how it will use the resources allocated to it. Such a plan will also help an organisation to use its resources more efficiently and effectively, which is particularly important in an environment of dwindling public funding for sport. Externally, a strategic plan is a communications tool to reshape or reinforce the public image of an organisation and its activities.

It is important for an OSO to clearly communicate its need for a strategic plan to staff, members and stakeholders at all levels, from volunteers and paid professionals up to members of the Board. To help foster understanding and appreciation, it may be useful to invite an external expert, or perhaps a director of another OSO, to explain the principles, methods and benefits of strategic planning to the team, helping to ensure that all stakeholders are committed to helping with its development if required. Only once the team are on board can an organisation decide how to develop its plan.

## How Will You Develop Your Plan?

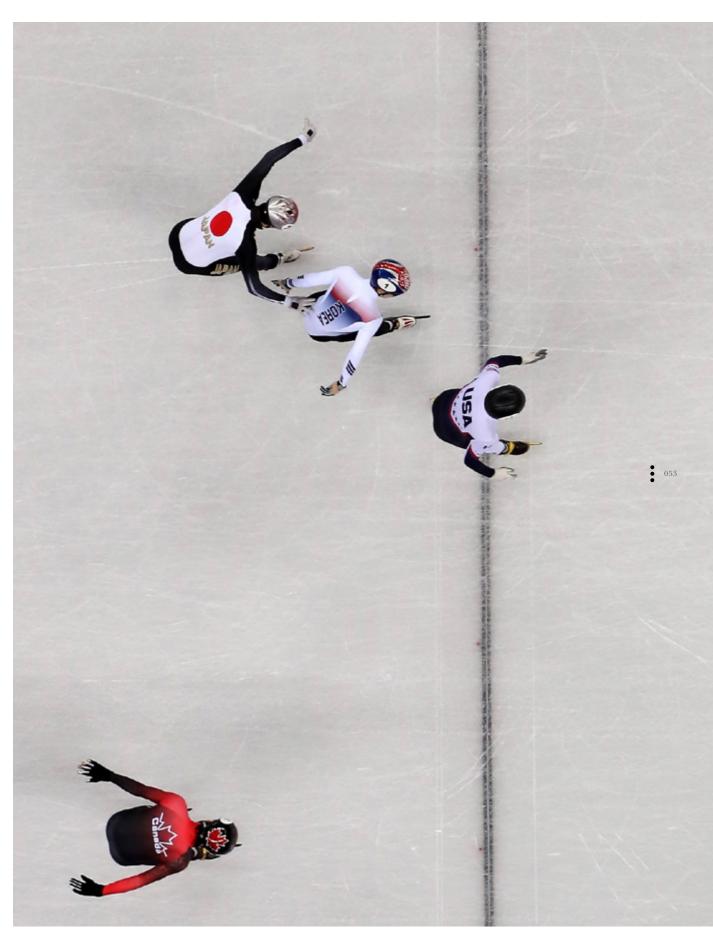
An OSO must first decide on the steps and methods for gathering the information it needs to develop a strategic plan. If an organisation is not sure what is required, it can seek advice from other OSOs, its NOC or a relevant government department, or it can look online for information and guidance.

The organisation must also determine who will be involved in the planning. The Board must be part of the process, as should any paid staff or key volunteers. The process should be coordinated and supervised by a senior Board member, or by a strategic committee working with the Board and any paid staff and key volunteers. Board members and the General Assembly must approve the strategic plan.

External consultants can help to establish a plan for the strategic development process, and can also lead on the consultation process: stakeholders sometimes feel more comfortable talking to someone who is not directly involved with the organisation. However, an OSO must clearly define the role of any consultants it employs, and must communicate their responsibilities to all involved with the organisation so that everyone understands what they are doing. It is important to employ a consultant who understands the special nature of sport organisations and the environment within which they operate. Consultants who try to apply ready-made commercial solutions are rarely successful in OSOs.

## How Much Time Do You Have?

Once an OSO has decided how to develop its plan, it must set a time frame to define who will be involved and at what stage. This time frame could be:



The development of a new strategic plan will help an OSO to fulfil its goals.

# Ideally, at least three months should be allocated to analyse and develop a new strategic plan.

- a quick exercise, such as a week, where minor amendments can be made to an existing strategic plan;
- a relatively short process, such as one month during which diagnosis and strategic development will be compressed; or
- an in-depth analysis, lasting nine to 12 months.

Ideally, at least three months should be allocated to analyse and develop a new strategic plan. Most OSO strategic plans require collaboration with other OSOs, which in turn requires frequent dialogue between the Board and key OSO personnel. All participants within the organisation must collaborate on the plan to ensure all stakeholders are committed to following it.

It is essential to seek and retain the support of the Board and the General Assembly. If there is only a limited period to develop the strategic plan, such as three months, the Board may approve the planned procedure and then communicate key information to its management team and members.

Task	Person responsible	Time frame
Prepare to plan	Board makes commitment, establishes planning committee to develop approach and timeline	Start
Develop scope of strategic planning process (who, what, when, where, how) and recruit external consultant if required	Internal leader or committee responsible for strategic planning	Start
Approve process and budget	Internal leader or Board	As soon as possible after scoping
Develop, review, revise and validate mission, vision and values	Board, usually with input from staff and/or membership; Board should then approve mission and vision statements to guide the development of the plan	Start
Collect and analyse data; prepare draft strategic plan	Internal leader or committee, or external consultant (if recruited)	Once approval has been given; allow 3-6 months
Submit draft strategic plan	Internal leader or committee, or external consultant (if recruited)	3-6 months after data collection
Discuss the draft plan with the Board, soliciting contributions and amendments	Board	At Board meeting following submission
Submit final strategic plan for Board/ General Assembly approval	Internal leader or committee, or external consultant (if recruited); Board to present to General Assembly	Usually within three months

#### Table 2.1: Strategic planning responsibilities

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It is important to communicate the need for a plan to your team.

### What Is Your Budget?

Your budget should include costs associated with the development of the plan, such as the costs of data collection and human resources, and, if feasible, the cost of an outside consultant.

By the end of this planning stage, the OSO should have obtained political support, with the approval of its Board and General Assembly, for:

- the rationale for the strategic planning process;
- the methodology for creating the strategic plan; and
- the budget, time frame and human resources necessary to complete it.

This will allow the OSO to begin developing its strategic plan.

### (•••) Key recommendations

- Work with your Board to clarify why you need a strategic plan and how much work it may require.
- Identify the Board members who will lead the strategic planning process.
- Look for outside help from other OSOs, consultants or students if necessary.
- Ensure that all stakeholders are willing to be involved.
- Develop clear procedures for involving the necessary people and collecting the necessary information.
- Do not rush ensure that the process is thorough.

2.2

# Diagnosing the OSO's Environment

The second step in the strategic management process helps the OSO to assess and understand its internal and external environment. It is important to fully understand your organisation's immediate environment so that you can take advantage of your strengths and opportunities, counteract your weaknesses and avoid threats (a process also known as a SWOT analysis; see the next page).

This section considers ways in which an OSO can diagnose its environment. It begins with a detailed discussion of the concept of stakeholders, followed by a discussion of how you can organise the material obtained by the environmental audits outlined in Chapter 1. The section concludes with an illustration of the Slovenian Gymnastics Federation.

## **Identifying Stakeholders**

No matter their function and size, all OSOs must identify their stakeholders in order to accurately analyse their external environment. Understanding the opinions and expectations of stakeholders that both support and oppose your organisation will improve the strategic plan, allowing the OSO to better serve your stakeholders, rely on your supporters and anticipate the concerns of your detractors.

Stakeholders are individuals, groups or organisations that can directly or indirectly affect the organisation's present or future situation (see Figure 2.2 below). They might include:

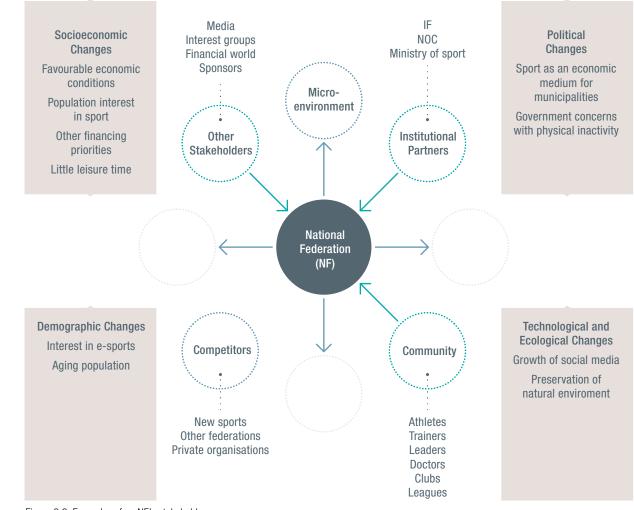


Figure 2.2: Examples of an NF's stakeholders



Stakeholders may include public officials such as New Zealand Prime Minister Jacinda Ardern (right), launching the ICC Women's Cricket World Cup 2021.

- Board members;
- General Assembly members, who elect Board members;
- staff;
- volunteers;
- beneficiaries of the organisation's services, such as athletes, parents and officials;
- public authorities that subsidise sport and expect positive contributions to health, education and social integration;
- donors;
- sponsors;
- · suppliers; and
- the media.

Although the Board is likely to know who the main stakeholders of the OSO are, it is useful to confirm this through discussions with people familiar with the organisation. Sport organisations undergo frequent situational (political, economic, social, international) and structural (demographic, cultural) changes on national and international levels, which is why regular reviews of their key stakeholders are necessary.

Stakeholders fall broadly into two areas:

 those relatively close to the organisation in what is known as the microenvironment, such as members, athletes, clubs, leagues, institutional and financial partners, suppliers of goods and services, the public, and direct and indirect competitors; and

• those at a greater distance from the organisation in what is known as the macroenvironment, such as the broader demographic, sociological, economic, technological and legal factors outlined in Chapter 1.

Once you have identified your stakeholders, you can categorise them according to their interest in and level of influence on the strategic plan. The Stakeholder Influence-Interest Matrix (Table 2.2, over the page) helps to classify stakeholders according to how much attention they should receive from an organisation in line with four priorities:

• Priority 1

Stakeholders you should always consider while developing your strategic plan, and whom you should keep informed during its implementation.

- Priority 2 Stakeholders you should keep satisfied during the strategic development phase.
  - Priority 3 Stakeholders you should keep informed during

the development and implementation of the strategic plan.

• Priority 4 Stakeholders you should monitor from a distance.

# Threats must be rebuffed or blocked through good strategic management.

Little influence	<i>Priority 4</i> General public	<i>Priority 3</i> Sponsors
	Some suppliers	OSO competitors
Much influence	<i>Priority 2</i> NOC IF	<i>Priority 1</i> Community

Priority 1 stakeholders are essential to any strategic plan. OSOs must understand their strategies and motives – they have the power to prevent the organisation from proceeding with its strategic plan if they are not committed to it.

# Conducting an Internal and External Analysis

Chapter 1 outlines a structure for auditing an OSO's internal and external environments. In addition, an organisation should ask the following questions:

- What is your organisation's history?
- What is its current mission?
- Is this mission well formulated and appropriate for its activities?
- Who are its members, beneficiaries, clients, suppliers and, more generally, other stakeholders?
- Who are its potential allies and competitors?
- What are its strengths and weaknesses?
- What are its current and potential threats and opportunities?



Good volunteer involvement can be one of an OSO's key strengths.

Answering the last two questions requires a technique known as a SWOT analysis. This technique involves identifying an organisation's internal strengths and weaknesses, which must be analysed in terms of their organisational, human, technological and financial resources; and its external opportunities and threats, which can be identified by analysing the external environment (see Chapter 1).

Figure 2.3 opposite shows a sample SWOT matrix for an NF.

- **Strengths** are those things that the organisation does well and the resources it controls, and must be maintained and developed through good strategic management.
- Weaknesses are those things that the organisation does poorly and the resources it lacks, and can and should be corrected through better management.
- **Opportunities** are positive factors that are outside the organisation's control but that it can use to its advantage.
- Threats are negative factors outside the organisation's control, and which must be rebuffed or blocked through good strategic management.

This simple technique can be applied to OSOs of every function and size, and is most effective when it is developed via discussions with a variety of stakeholders. This will help ensure that all vested interests are considered, and will widen the range of issues that can be entered in the SWOT matrix.

It is sometimes difficult to distinguish internal factors from external ones, or even strengths from weaknesses or threats from opportunities. When in doubt, you can temporarily place a specific factor in any of the matrix borders. Once you have refined the matrix, you can use it to present your strategic diagnosis and determine the future key challenges to development.

This diagnostic step will allow an OSO to identify its organisational abilities, which should be linked to the requirements of its strategic plan.

Once you have completed this step, you will be able to establish clear strategic objectives for your organisation.



### •••• Key recommendations

- Identify all the stakeholders (individuals, groups and organisations) that have an impact on your organisation.
- Determine their priorities in terms of an influence-interest matrix.
- Together with the Board, carry out a thorough internal and external diagnosis by asking yourselves the questions presented in this chapter and in Chapter 1.
- Use a SWOT matrix to organise your information.

## ••• Illustration 2.2 Environmental Diagnosis of the Slovenian Gymnastics Federation



The Slovenian Gymnastics Federation (GZS) is the NF that oversees the professional, organisational, managerial and developmental aspects of gymnastics in Slovenia.

Extensive research showed major negative changes in the physical characteristics and motor abilities of young people in Slovenia over a 30-year period, particularly in the areas of strength and endurance. Although gymnastics forms a part of the school curriculum in both primary and secondary school, physical education teachers had neglected it. The GZS wanted to establish a strategic plan for addressing this neglect.

The first step was to implement a SWOT analysis. Carried out as a project on the Advanced Sport Management Course (ASMC), the exercise involved consultation with key stakeholders in both the microenvironment and the macroenvironment. (When developing a strategic plan, it is crucial to invite all stakeholders or partners to take part in order to reduce the danger that some parties may resist change. This will only become obvious during the implementation stage, when stakeholders may be unwilling to cooperate.) This led to the development of the SWOT analysis in Figure 2.4.

The SWOT matrix allowed the GZS to organise the findings of its environmental audits and identify key areas that went on to constitute the backbone of its new strategic plan.



Figure 2.4: SWOT analysis of the Slovenian Gymnastics Federation

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Slovenian gymnast Saša Golob competed at London 2012.



## Defining Your Vision, Values, Mission and Strategic Objectives

Internal and external analysis make it possible to determine potential strategic actions that target one or more SWOT factors – and actions that address several factors are the most important. It is necessary to structure these actions by defining the mission, vision, values and strategic objectives that the organisation wishes to adopt.

This section considers how an OSO's vision, values and mission can help it to develop and define its strategic objectives, and goes on to discuss how such objectives can guide the development of a strategic plan. The section concludes with a discussion of the vision, values and mission statement of the Malawi Olympic Committee.

### **Vision and Values**

An OSO's vision and values allow its members and partners to share its dreams for the future. An organisation's vision defines what it wants to be in the long term – for example, the British Olympic Association's (BOA) vision statement is "to inspire the nation with Olympic athletes in the pursuit of excellence". Its values are the underpinning beliefs that it follows and promotes.

To establish a vision, an OSO must be very clear about the values it wants to protect and promote. Values, such as those that guide the Olympic Movement (friendship, respect, excellence), are the essence of an OSO's vision, working both as principles and as a framework that will inspire the formalisation of its objectives and the implementation of its strategic plan. They represent a collective belief that inspires individuals' behaviour, and are often a reflection of society's contemporary concerns, such as equality, transparency and accountability. An OSO's vision and values provide a framework for the rest of its strategic planning process, which is why it is important to be sure of the values your organisation wants to promote.

For example, Figure 2.5 (right) shows the mission, vision and values of the Lesotho Olympic Committee, demonstrating the inter-relationship between these three parts of the planning process.

### Mission

The mission is what the organisation does, and emerges from discussions about what it wants to do. Many OSOs centre their mission on the idea of sport performance, winning medals and organising events. However, OSOs should also



Your mission, vision and values help you reach your objectives.



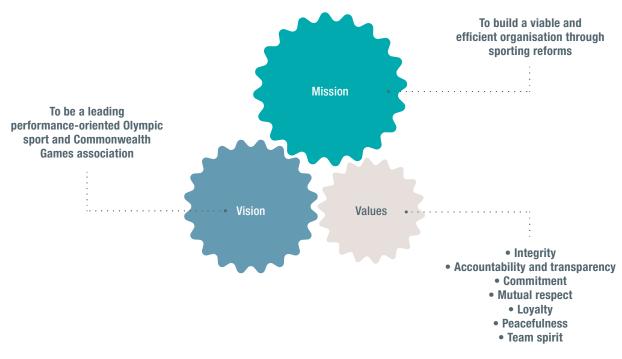


Figure 2.5: Mission, vision and values of the Lesotho Olympic Committee

integrate humanistic, social and environmental concerns to reflect the values of the Olympic Movement, give social meaning to an OSO's mission and allow it to connect with different areas of society, which in turn will help to reinforce and validate the mission to stakeholders. For example, an OSO's mission could include:

- supporting and safeguarding athletes;
- educating young people;
- training responsible volunteers who share its vision;
- contributing to environmental protection and land-use planning;
- fighting inactivity through sport practices; and
- reinforcing the home country's image in the wider world.

This type of social and educational contribution is not only explicitly stated in the mission of the Olympic Movement – it is its driving force. This is evident in the Malawi Olympic Committee's mission, set out later in this chapter.

In order to develop a good mission statement for the OSO, you must answer four questions:

- Why does the organisation exist?
- What are the goals it strives to achieve?
- For whose benefit does it aim to function?
- How does it fulfil its functions?

If the OSO already has a mission statement, it is useful to verify its relevance and purpose by regularly asking:

- Is it still appropriate in the current circumstances?
- Does the organisation exert the desired influence within its domain of activity?
- Should its mission statement be modified?

If your mission statement no longer accurately reflects your organisation's current reality, it must be amended. In addition, in order for its vision, values and mission to be achieved, the OSO must set out its organisational objectives.

### Strategic Objectives

Strategic objectives set out how an OSO will achieve its vision, values and mission. They focus both externally and internally, and relate to significant stakeholders, markets, services, or technological opportunities and challenges.

Broadly stated, they are what an organisation must achieve to become or remain competitive, ensuring its long-term sustainability. Strategic objectives set an organisation's direction, guiding the allocation and redistribution of its resources.

Often politically important, strategic objectives help to define an OSO's mission while also outlining its

# Strategic objectives help define an OSO's mission while outlining its values.

values in detail. They are usually determined by negotiation among key decision-makers, a period of reflection and dialogue that is essential to the strategic planning process.

An OSO may have multiple strategic objectives that may appear to contradict each other. For example, the objectives of providing athletes with educational support while also encouraging them to reach their performance peak can lead to conflict if an important competition is scheduled at the same time as academic examinations. An OSO's long-term goal carries a political dimension, and there is usually no single measure for judging the success or failure of its strategic plan.

The organisation may depend on many volunteers, will be governed by an elected Board and must be open to the scrutiny of public opinion. The motivations of elected officials who decide on the strategic plan may be different from those of the staff who are responsible for carrying it out. It is therefore necessary to reconcile the multiple and sometimes contradictory external and internal objectives of the different stakeholders involved with the OSO. This will allow the OSO to develop its set of strategic objectives.

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To help with this task, an OSO must carry out the following four tasks and then use the matrix



An OSO must achieve its objectives to be competitive.

outlined below in Table 2.3 (below) to define its strategic objectives:

- Establish your strategic objectives.
- Analyse the impact they will have on your organisation.
- Consider the feasibility of each strategic objective.
- Evaluate the risks that your organisation could face as a result of each objective.

Strategic orientations	Strategic objectives	Impact	Feasibility	Risks	Decision: yes/no
Good governance	Embed the Basic Universal Principles of Good Governance into the organisation	High	High	Lack of understanding of key concepts Loss of funding if not embedded	Yes
	Move to a skills-based appointed Board	High	Low	Against constitution Resistance from members	No

#### Table 2.3: Matrix for determining an NOC's strategic objectives



Many OSOs set objectives such as winning medals.

Once an OSO has gauged the impact, feasibility and risk of each objective, it must assess these factors and decide whether to pursue its objectives.

It is important to choose only objectives that help the OSO achieve its vision and mission, which also means that changes to the vision and mission require changes to the objectives. In addition, bear in mind that organisations work best with continuity, so at least some objectives should maintain continuity with the past.

The illustration on the next page shows how the Malawi Olympic Committee's objectives relate to its stated mission, vision and values.

### (\*\*\*) Key recommendations

- State your OSO's future aspirations as a clear vision.
- Underpin this vision with value statements and use them to create a mission statement.
- Use the mission statement to develop organisational objectives.
- Evaluate your organisation's vision, values and mission regularly to ensure they reflect what is important.



••• Illustration 2.3

## Vision, Values, Mission and Strategic Objectives of the Malawi Olympic Committee: Strategic Plan, 2017-2020 (Extracts)



This illustration shows how the Malawi Olympic Committee (MOC) has defined its vision, values, mission statement and strategic objectives.

## **Vision Statement**

We provide excellent sport services and champion Olympism.

## **Core Value Statements**

• Excellence

We are driven at all times by the will to do our best, the desire to succeed and the urge to reach our full potential.

- Team spirit We promote a sense of belonging and feeling of togetherness among our members for effective collaboration.
- Lifelong learning We believe in continuous learning and the development of our people and organisations.
- Ethics and integrity We are governed by fundamental moral principles of the right human conduct that projects us as credible and reliable.
- People welfare We believe that our people are our greatest asset. We invest our effort and resources in developing and motivating our people.
- Environmental consciousness We are concerned about conserving the natural environment and protecting it from destruction or pollution.
- Transparency and accountability
  We believe in openness in our decisionmaking and operations. We are responsible
  for what we do and what we fail to deliver.

## **Mission Statement**

Develop and promote sport excellence, Olympism and Olympic education within the Olympic and Commonwealth spirit. We pride ourselves in developing sport through innovation and providing a conducive sporting environment.

The second sentence highlights the role that the NOC takes in leading sport within the country and reinforces that the organisation is more than simply a deliverer of athletes to multi-sport games.

## Strategic Objectives

The mission requires a number of key performance areas that address sport in Malawi and the MOC's mandate. These six areas are associated with key objectives.

• Governance

To ensure compliance by all Board members and staff to agreed corporate governance standards at all times.

Sport development

To implement grassroots Sport for All programmes and activities that promote physical activity, sport and a healthy lifestyle by 2020.

- Marketing To increase marketing revenue by 30 per cent based on 2016 revenue figures.
- Strategic partnerships To ensure that the MOC secures a minimum of five long term partnerships by 2018.
- Olympic legacy To establish at least two Olympic legacy projects by 2020.
- Financial sustainability To ensure prudent resource planning and utilisation, and maintain genuine financial reporting and accountability as evidenced by annual external audit reports.



Kefasi Chitsala carried the flag for the Malawian team at Rio 2016.

This example illustrates how an organisation's vision, values and mission guide strategic planning. These values are underpinned strongly by the intention to contribute to Malawi's sport system in addition to the Olympic Movement, helping to ensure that the MOC's stated vision is given sufficient importance. The mission statement provides additional clarity and gives direction for a wide range of strategic objectives.

# Action Plans

In order to achieve its strategic objectives, an OSO must develop plans that set out the actions needed to deliver them. Depending on the resources at the OSO's disposal, these action plans may be small or large, simple or complex – but they must cover all of the OSO's strategic objectives.

This section begins by identifying why action plans should be developed and what they should contain. It goes on to outline how they might be developed and put into action, and ends with an illustration of an action plan that might be developed by a small NOC.

## **Defining Action Plans**

After defining its strategic objectives and communicating them in its strategic plan, an OSO must develop an action plan to ensure its objectives are delivered. Actions plans describe the ways an organisation will use its resources to meet its strategic objectives. Each action plan should include details of:

- what actions or changes will occur;
- *how* they will be carried out;
- *who* will carry them out;
- when they will take place, and for how long;
- *which* resources are needed to carry them out;
- *who* should know what at any given time (communication); and
- *how* they will be evaluated.



Organisations must develop plans and set out how to deliver them.

# Actions plans describe the ways an organisation will use its resources to meet its objectives.



After defining your objectives, you must develop an action plan to ensure they are delivered.

Actions must be feasible. Table 2.4 shows how the required information could be set out for an NF.

Each proposed activity must be in line with the OSO's strategic objectives, and it is important to clearly identify responsibilities and allocate resources so that these objectives can be met. It is also important to set and meet deadlines in order to ensure that action plans are achieved within required time frames – not least because such plans may require working in partnership with other organisations, and the OSO will need to follow their schedules as well as its own.

Carrying out an action plan can be difficult if an OSO has few or no staff and relies primarily on volunteers, but two things can help: following principles of good time management; and keeping actions simple to ensure planning is more straightforward.

Table 2.4: Developing action pla	ans
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	, i				
Action (what)	Tasks (how)	Responsibility (who)	Deadline (when)	Resources (which)	Communication
Promote Sport for All	Introduce new leisure activities into clubs and new services (hosting events, youth education)	Regional sport governing body (person in charge of development)	Begin within one month, in line with club capacity to implement new activities	Human, logistical and financial resources Support from the regional sport governing body	Clubs Members Government Sponsors

# Strategic partnerships can help to implement action plans more effectively and efficiently.

## **Developing Action Plans**

The process of developing an action plan requires three steps.

- First, develop an overall, top-level action plan that sets out how each strategic objective will be achieved. This must contain the information outlined in the previous section and will provide direction for the OSO as a whole.
- Second, develop an action plan for each major function in the organisation, such as human resources (see Chapter 3), finance (see Chapter 4) and marketing development (see Chapter 5), and for each programme and service. These plans should set out how the function will contribute to the overall action plan and move the OSO towards achieving its strategic objectives.
- Third, each individual should develop a personal plan that contributes to the overall action plan.

It is sometimes the case, particularly in OSOs with no staff, that there are not sufficient resources to put in place the action plans that have been developed. For example, an NF may decide to promote its sport by running a number of events, but the clubs responsible may not have the necessary resources.

To avoid these problems, umbrella organisations such as NFs should involve local stakeholders in developing their action plans, allowing these stakeholders to define their level of involvement and ensuring that the NF can then take into account any local constraints.



Partnerships help you make the most of your assets.

## Working in Partnership

As suggested above, OSOs may need to work in partnership, with other OSOs or with public and private partners, in order to implement action plans that allow their strategic objectives to be delivered. Strategic partnerships or collaborations can help to implement action plans more effectively and efficiently, which may increase the impact of objectives, despite limited resources.

Strategic partnerships exist in different forms and on different levels, as shown in Table 2.5 below, and it is possible to differentiate between two types of strategic alliances:

### Table 2.5: Examples of possible partnerships for an NF

Internal	OSOs in the	Other OSOs	Other non-profit	Public and
collaboration	same family		organisations	private partners
An NF, its regional structures and member clubs (or affiliated clubs) agree to work together on a programme to develop youth sport	Develop shared practices by sharing equipment and training programmes	Save money and resources by sharing a location, IT support and reception with its NOC	Work with universities to provide coaching for the programme	Establish sponsorship for the programme

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Partnerships exist in different forms and on different levels.

- Internal partnerships with organisations in the OSO network. For example, NFs can create internal collaborations with regional leagues and clubs to deliver programmes for youth sport.
- External partnerships with agencies in the same family of sport activities (for example, outdoor sports); with other OSOs, such as NOCs; with other non-profit organisations, such as healthcare non-governmental organisations (NGOs); or with public partners and private partners, such as sponsors.

Partnerships and collaborations allow an OSO to make the most of its assets in order to overcome the resources it lacks.

The illustration on the next page shows an action plan developed by a small NOC to achieve its objectives.

#### (\*\*\*) Key recommendations

- In conjunction with the Board, develop action plans, beginning with the overall OSO action plan and finishing with individual plans for those who have to deliver services.
- Involve all parties who will have responsibility for actions during the development process.
- Define actions, procedures, responsibilities, resources and outcomes for each plan and implement them.
- Establish partnerships wherever possible to maximise resources.

## ••• Illustration 2.4 Action Plans

This illustration shows how an NOC's action plan can help it meet its objectives, clearly setting out what must be achieved, who is responsible and how its success will be measured. As a first step, the NOC develops a strategic plan, outlining a number of key performance areas and corresponding objectives. These are further developed into an action plan listing a series of actions and tasks. Ideally, this table would be further strengthened by a column setting out the resources required to deliver each action.

Table 2.6: Example of an NOC's action plan

	1			
Action (what)	Task (what)	Responsible (who)	Deadline (when)*	Measure/KPI
	Reorganise and optimise the current administrative structure	Secretary General (SG)	January	Adoption of a new organisational chart, validated by the Executive Committee
	Write job descriptions	SG	February	Job descriptions created according to the validated organisational chart
	Audit human resources and review administrative situation of all staff (service providers vs. full-time staff)	SG	April	Full audit and decision to keep or let go staff taken by the Executive Committee
	Provide staff with optimum working conditions (office, IT equipment, etc.)	SG	January	Suitable equipment
Put in place a structured	Revitalise the commissions	President	July	Commissions restructured and their objectives and resources established
and efficient administration	Strengthen financial management in line with the principles of good governance	SG/Treasurer (TR)/ Accountant	February	Accounting system operational, production of reports accordingly
	Ensure accounting documents are secure	Accountant	February	Security effective
	Draw up action plans	Commissions Coordinator	March	Commissions and departments adopt their specific plans
	Update the financial and administrative procedures manual	SG/TR/Accountant	January	Manual validated by the Executive Committee and applied
	Train staff members	SG	May	Training plan drawn up and activated
	Secure and put computers on a network	SG	January	Network operational



#### Table 2.6: Example of an NOC's action plan

Action (what)	Task (what)	Responsible (who)	Deadline (when)*	Measure/KPI
Put in place a structured and efficient	Set up an intranet network	Marketing and Communications Manager (MCM)	March	Effective communication between members and between NOC, NFs and athletes
administration (continued)	Adopt an annual budget forecast	SG/TR/Accountant	January	Budget template adopted, workshop organised and budget validated by the Executive Committee
	Recruit a Marketing and Communications Manager (MCM)	SG	January	MCM recruited and active
	Create a website	MCM	March	Website activated
	Create a Facebook page	MCM	March	Facebook page activated
	Create a Twitter account	MCM	March	Twitter account activated
	Adopt a communications and marketing plan	SG/MCM	March	Plan validated and applied
	Adopt a communications budget	SG/MCM	March	Budget validated
	Create a database of potential partners and sponsors	МСМ	Мау	Database created
Place marketing and communications	Set up revenue-generating activities and events	SG/MCM	Мау	Events set up and communicated to partner
at the heart of the NOC's development	Establish a partnership proposal	SG/MCM	Мау	Proposal created and communicated to partner
	Set up a media database	MCM	May	Mailing list available with phone and email details
	Strengthen partnerships with national TV and other local media to promote the NOC's activities, the Olympic values and partners	SG/MCM	June	Programmes presenting the NOC's activities
	Improve internal communications	SG/MCM	Мау	Strategy established, communicated and applie
	Create an NOC partners club	SG/MCM	September	Partners secured
	Acquire equipment to support the marketing communication efforts	SG/MCM	March	Purchase of camera, video camera, software
	Organise a seminar with the state, NFs, private partners and other public institutions related to sport in the country	SG	May	Seminar organised and information shared
Forge solid and profitable relationships	Sign partnership agreements with the Ministry of Sport/Ministry of Health and other key organisations	President	February	Agreements signed and implemented
	Sign partnership agreements with international partners	President	June	Agreements signed and implemented
Make sport facilities the driver for sport development in the country	Sign contract with the state and validate a strategy to renovate sports facilities	President	July	Strategy adopted and join committee functional
	Repair	President, Secretary of State, private partners	December	Sports Hall operational

### Table 2.6: Example of an NOC's action plan

Action (what)	Task (what)	Responsible (who)	Deadline (when)*	Measure/KPI
Make sport facilities the driver for sport development in the country (continued)	Renovate team sports areas (basketball, handball, volleyball) via cooperation between the NOC, the state and private partners	President, Secretary of State, private partners	December	Five team sports areas renovated in the capital and two in the regions
	Redefine the profile of the Technical Director's position	SG	February	Description of tasks validate and communicated
	Identify and rank all athletes based in the country and overseas	Technical Director (TD)	June	Athlete database created
	Obtain financial support from the state to fund international campaigns	President	September	Guarantee obtained
	Draw up and sign performance contracts with all NFs	TD	March	Signed contracts implemented
	Assist NFs with organising regular competitions	TD	October	At least one annual competition organised per N
Coordinate and support sports development	Help to set up and increase the number of clubs across the country	TD	December	Each NF has active clubs
	Acquire sport equipment for NFs	TD	March	Sport equipment obtained
	Help each NF to draw up a strategic plan	TD	June	Strategic plans effective
	Win three African Games medals	TD	Date of games	Three medals won
	Get an athlete in the Olympic judo and/or wrestling finals	TD	Date of games	Finals reached and/or medal won
	Win two African Youth Games medals	TD	Date of games	Medals won in athletics, canoe, judo or wrestling
	Win a Youth Olympic Games medal in judo or wrestling	TD	Date of games	Medal won
	Organise an annual walk	MCM	June	Event organised
	Organise the NOC's annual gala	MCM	November	Gala organised
	Celebrate International Day of Sport for Development and Peace	МСМ	April	Event organised
	Organise an Olympic Solidarity forum	President	August	Event organised
Create longstanding national events and attract	Organise Olympic Day/ Sport for All Day	Sport for All Commission Chair	June	Event organised
international events	Organise a national sport, health, education and environment week	Medical, Culture and Environment Commission Chair	October	Event organised
	Contribute to/participate in the organisation of school games	TD	July	Contribution/ participation effective
	Organise national youth games	TD	October	Event organised
	Organise a national sports festival	TD	October	Event organised

\* Dates are indicative





Clockwise from top left: the NOCs of Lesotho, Belize and Latvia hosted Olympic Day celebrations in 2019.



## <sup>2.5</sup> Monitoring and Evaluating Your Strategic Plan

Control and evaluation are central to the management of every organisation, and are key responsibilities for the Board of any OSO. The final step in the strategic management process, evaluation involves comparing strategic objectives with the actual results, and should be carried out by the Board. As Figure 2.6 (right) shows, the evaluation and control process is not closed but continuous, taking place regularly as required.

This section considers the role of evaluation in monitoring and assessing strategic plans. It discusses how plans can be evaluated and how these evaluation measures should be used, and also highlights why evaluation may be sometimes difficult. The section concludes with an illustration of the evaluation criteria used by the International Netball Federation.

### How to Evaluate

In addition to presenting annual financial statements – balance sheet, profit and loss statement – to the General Assembly (see *Chapter 4*), the Board must report the results of the OSO's activities to its members, as well as to its public and private partners. The role of the Board in evaluation is paramount, and Board members should be involved in the systematic evaluation of the strategic plan on a regular basis. This helps with the governance of the OSO (*see Chapter 1*), and makes it both accountable and transparent.

Performance must be measured before it can be evaluated. All possible actions should be evaluated in order to control the strategic process, preferably through measurable performance indicators and benchmarks that have been set with the objectives attached to the mission. These indicators will help assess the use of resources in pursuit of the desired goals. The performance indicators should give a balanced picture of the organisation's performance so that the Board can accurately assess it.

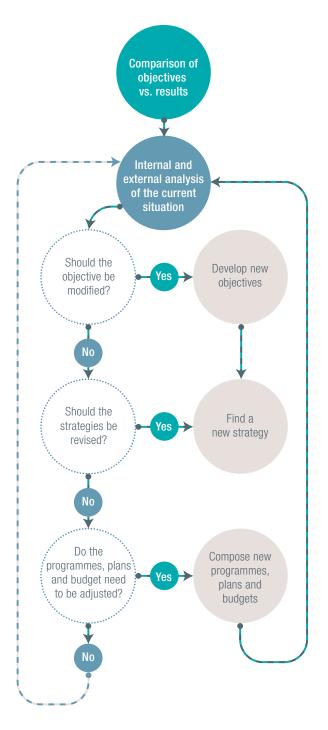


Figure 2.6: Strategic control

## Control and evaluation are central to the management of every organisation.

An OSO must develop performance indicators to accurately evaluate the success of each action in its strategic plan. These performance indicators should correspond to the acronym SPORTS:

- Specific
- Pertinent
- Objective
- Representative
- Transparent
- Simple

They should also be quantitatively and qualitatively measurable. For example, to measure the success of Sport for All programmes, an OSO could use a performance indicator such as "a one per cent increase in participation among school-aged children by October". In addition, an OSO should establish milestones, which are performance indicators analysed at regular intervals to see what has already been achieved in the strategic plan, in order to see whether its strategies, programmes and budgets need revising accordingly.

### Key Performance Indicators

Key performance indicators (KPIs), which serve as the headline indicators showing whether an organisation is meeting its objectives, can help evaluate success – but only if the data on which the KPIs are based is trustworthy, accurate and relevant. For example, if you are measuring financial performance, your records must be accurate and meet standard accounting conventions; or if you are reporting on events encouraging children to take part in your sport, you must decide whether your measure of success is the number attending the event or the number joining clubs afterwards.

KPIs must be carefully chosen and constantly assessed for relevance or they may lead to mistakes in decision-making. For example, an OSO's membership numbers may not be an accurate reflection of participants in the sport, as they do not include non-members who play the sport but often include people who are no longer active.

Perhaps most importantly, KPIs do not provide an explanation for performance. For example, a KPI will show that your athletes won three silver medals at the Olympic Games, but it will not explain why they didn't win gold. KPIs indicate areas of strengths and weaknesses but do not provide explanations for either.

An organisation must compare its performance to its objectives. For example, an OSO may secure sponsorship, proving its financial effectiveness – but it may have used its resources to secure this sponsorship instead of promoting participation in sport, meaning it has been ineffective at providing Sport for All. Performance evaluation must sit within the context of what your OSO is trying to achieve.

### **Barriers to Evaluation**

There are several reasons why some OSOs neglect monitoring and evaluation. Both processes take time: Board members may prefer to look to the future instead of evaluating the present, and staff members or volunteers simply may not have time to conduct a thorough evaluation if it is not prioritised. There may be deficiencies in information systems, and Board members may not always have access to the required information. Finally, monitoring and evaluation are not very interesting tasks that may require Board members to stop doing activities in which they and/or their members are interested.

However, a lack of strategic monitoring and evaluation means an organisation fails to learn the lessons of its experience. Every organisation should attempt to conduct some type of evaluation using basic performance indicators, which can be developed with the help of other OSOs, local university students or the internet if necessary.

In addition to assessing an OSO's objectives and actions, evaluation can help to quantify the

## Strategic management gives Board members a clearer vision of the OSO.

organisation's contribution to society. Indeed, the clear mission of many OSOs is to have a positive impact on society by sharing educational values related to sport, such as fighting against social exclusion and inactivity or improving a country's image. Areas for evaluation could include:

- the financial value of voluntary contributions, which could be evaluated by measuring the number of volunteer hours dedicated to developing sport;
- job creation, both directly (within the OSO) and indirectly (in related industries such as tourism, hospitality or public organisation);
- contributions to the environment and health, which could be assessed by measuring actions designed to protect nature or improve individuals' health; and
- the inclusion of former high-level athletes and young Board members in the organisation.

Not all sport's effects on society can be evaluated objectively, and it is difficult to link such effects to the actions of a single organisation. However, it is possible to evaluate certain contributions through specific reviews, and OSOs should attempt to do so in order to reinforce the Olympic values.

The strategic management process that follows the phases shown in this chapter has several benefits. Strategic management gives Board members better control and a clearer vision of the OSO. It sets out clear plans for the use of resources and creates a culture that focuses on the OSO's performance rather than inputs such as funding. This means that Board members, staff and volunteers must be responsible for the effectiveness of their actions.

However, OSOs' strategic management practices often clash with two issues: a lack of clarity in the organisation's goals; and the difficulty of getting a group of people with different statuses and



OSOs should evaluate contributions made by volunteers. Here, the German Football League says "Thank you to the volunteers" at a 2019 fixture.



The clear mission of many OSOs is to have a positive impact on society.

interests to work together, which can arise as a result of differences in the levels of development and professionalism within an OSO's network. This is why it is important to focus on creating conditions that will allow the strategic planning process to run effectively. To ensure this happens, the mechanisms of governance and strategic management must be clear, so everyone understands their roles and responsibilities; and the strategic plan must be promoted internally and externally, which will allow the OSO to communicate what it wants to achieve with its available resources.

The illustration on the next page shows the evaluation criteria developed by the International Netball Federation to measure the success of its strategic objectives.

### (\*\*\*) Key recommendations

- Work with the Board to develop indicators that directly measure the achievement of your OSO's objectives.
- Make sure these indicators cover all key areas of activity.
- Ensure you do not have too many indicators, and that the indicators you use are relevant.
- Use indicators to explain performance, and communicate this to key stakeholders.



## ••• Illustration 2.5 International Netball Federation – Key Performance Indicators



The vision of the International Netball Federation (INF) is to be "a socially responsible sports movement, recognised universally for its positive impact on people and communities around the world". To support this vision, the INF has built its strategic plan on three pillars:

- governing with integrity;
- thrilling world-class events; and
- empowering through netball.

These pillars provide the foundations for the work the INF is doing to lead world netball towards the next decade. Empowerment is a key focus: the plan aims to use netball to change the lives of women and girls, and the communities in which they live. To further their ambition to use sport to support and develop the lives of women and girls, the INF has developed goals designed to achieve its strategic vision, along with clear indicators that will enable an evaluation of its strategic plan.



The International Netball Federation plan aims to use netball to change the lives of women and girls, and the communities in which they live.



#### Table 2.7: Goals for the International Netball Federation

No.	Goal	КРІ	
1	Maintain an exemplary governance framework that is the benchmark for the sport of netball	Governance framework and policies that are the best in sector, assessed through internal and external benchmarking utilising the IOC and other appropriate guidelines	
2	Engaged and proactive members and regional federations	Members and regional federations that are clear on their role and responsibilities within the overall governance framework for netball, and are active and dynamic participants at Congress and regional annual general meetings (AGMs) and within their local associations	
		Member federations engaged in safeguarding programmes	
3	Netball – a drug-free sport	No Anti-Doping Rules Violations (ADRVs)	
5	Netball – a drug-nee sport	Education programmes that promote drug-free sport and celebrate the clean athlete	
		Event income from INF events exceeds income for 2012-2016	
		Increased sponsorship income	
		Increased player, member, fan and spectator satisfaction	
		Increase in worldwide viewership	
4	Ensure a profitable and engaging event portfolio delivered through	Adherence to the standards defined in the INF Event and Commercial Operation Manual	
	capable event management	Transfer-of-knowledge programme that inspires and prepares our members and regional federations to become successful future hosts	
		Growth in regional competitions and national leagues	:
		Development of alternative forms of the game	•
		Inclusion of netball in the programmes of more global and regional multi-sport games	
5	Fair and transparent bid process	Continuous improvement of the bid process in line with INF requirements and sector best practice	
		Development of selection criteria that support the INF vision and mission	
6	World-class standards in officiating for	Establish a benchmark for world-class officiating and create a target for future years against which we will measure our performance	
	international events	Create a programme to improve the standard of umpiring in all of our regions	
7	To achieve recognition from our stakeholders, through our communications and actions that netball, the INF and our members are seen as a force for good	Measure the percentage of respondents in an annual stakeholder survey who endorse the key statements relating to our vision, mission and strategic priorities	
	Effective, frequent and meaningful dialogue with all	Annual key stakeholder survey to assess our relevance	
8	our stakeholders, including INF members, regional federations, sponsors, funders, media, key global organisations and opinion formers to ensure our activities	Congress participation and satisfaction survey	
	remain attractive and relevant to their developing needs	Website/social media engagement metrics	
		100 member federations with a regional development manager in each region by 2020 with associated funding	
9	A Netball World Development Programme in place to grow membership and build capacity through the regions,	Netball development partners in place to assist in funding and delivery of our programme	
	particularly in countries with little or no opportunity for women and girls to develop outside the family home	INF-accredited grassroots programmes available for our members in governance, coaching, officiating, event management and sport administration	
		Growth in members' grassroots events, local competitions and national leagues	

## Good governance requires an OSO to communicate its strategic plan.

## Conclusion

The key steps required to create a strategic plan are presented in Table 2.8. Principles of good governance require an OSO to communicate its strategic plan to its public and private partners, stakeholders and the media, but such communication should be managed with caution. If an OSO is unable to fulfil its expected objectives and actions due to factors outside its control, the organisation may face censure.

The case study on the next page applies many of the points covered in this chapter to the Cape Verde Olympic Committee's planning process. Although your organisation may not be the same type of OSO, the case study highlights how these concepts can be put into practice.

	Step 1 Prepare the strategic plan	Step 2 Conduct an internal and external diagnosis	Step 3 Determine the strategic objectives	Step 4 Develop the action plan	Step 5 Schedule the evaluation
Objectives	Explain the reasons for engaging in a strategic planning process Present the chosen methodology and the data to gather Define the time frame, budget, roles and responsibilities	Understand your internal and external environments Define your strategic capacity	Develop strategic objectives in line with your mission and values	Identify actions to be implemented to realise each strategic objective	Develop performance indicators Decide how to report your actions to members and partner
Tools	Identify a Board member who will be responsible for the process Create a strategic committee Define a budget Gain internal approval of your method (Board)	Analyse key stakeholders who should be kept satisfied Perform a SWOT analysis	Formalise the strategic objectives by restating, and revising if necessary, your mission and values Prepare the final version of the strategic plan Present the strategic plan to members and stakeholders	Create an operational action plan linked to your strategic objectives Define work plans and procedures, responsibilities, and resources for implementing them	Report to members and other stakeholder on the performance against the key performance indicator

#### Table 2.8: Strategic planning steps



Creating and implementing a strategic plan is a highly effective way for an OSO to achieve its goals.

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### Case Study 2

## Developing the Strategic Plan of the Cape Verde Olympic Committee



The Cape Verde Olympic Committee (COC) has, as its vision, a desire "to be an independent core agency for the development of national sport". In order to achieve this vision, the COC went through a comprehensive planning process, led by consultants, to help develop the organisation and to ensure that it uses its resources effectively.

The development of its strategic plan was at all times guided by the need to:

- comply with the Olympic Charter;
- promote the Fundamental Principles of Olympism and the Olympic values;
- encourage the establishment of institutions dedicated to Olympic education;
- encourage the development of elite sport and Sport for All;
- assist in the training of sport managers by organising courses that follow the Fundamental Principles of Olympism;
- take measures against all forms of discrimination and violence in sport;
- adopt and apply the World Anti-Doping Code;
- represent Cape Verde in the Olympic Games and in regional, continental or worldwide multi-sport competitions; and
- preserve the COC's autonomy and resist political, juridical, religious or economic pressures that could prevent it from acting in accordance with the Olympic Charter.

The strategic plan is intended to serve both as an internal management tool and as a guide for strategic alignment with partners, allowing the organisation to create integrated action plans.

# Diagnosis of the OSO's Environment

In order to develop a strategic plan, the COC adopted an approach that focused on understanding the environments in which it operated and the capabilities and weaknesses of the organisation. This environmental and organisational analysis was carried out using the UMAP (Understanding, Managing, Auditing, Planning) tool, described in Chapter 1. The information from these audits allowed the COC to conduct a SWOT analysis (see Figure 2.7 opposite).

### Vision, Values, Mission and Strategic Objectives

After assessing its cultural environment and the results of its SWOT analysis, the COC established its vision, values and mission.

• Vision

To be an independent core agency for the development of national sport.

Vocation

The development of national sport with a broad area of social intervention, being a valuable aspect in human development.

- Values Friendship, respect, equality, community, integrity, excellence, determination and courage.
- Mission

To develop, promote, protect and enhance the value of the Olympic Movement in Cape Verde, in compliance with the Olympic Charter.

- Slogan
   Sport
- Sport, a podium for all.
- Service

Sport associations or through casual participation.

The COC also established a set of strategic objectives based on the audits:

- to develop the COC's management systems;
- to develop its administrative operations, activities and control;

- to promote the recruitment, selection and training of human resources;
- to increase the volume of business and good financial practices;
- to promote commercial activity;
- to attract funds and sponsors, guaranteeing effective communication;
- to develop criteria for the selection of delegations, monitoring athletes' careers and promoting the development of sport organisations and the COC's legacy;
- to increase partnerships and the COC's representation in international organisations; and
- to promote sport, together with the identification of talent and services available to athletes, leading to enhanced performance in international competitions.

These objectives led to the development of the extensive action plan set out in Table 2.9 on the next page.

## Monitoring and Evaluation

Monitoring of the strategic plan is led by the Secretary General and focuses on progress towards the measures for success set out in the plan. If progress is not made, action is taken, as the COC places a strong emphasis on ensuring that its action plan helps keep the organisation focused on achieving its strategic objectives.

This case study shows that strategic planning should be well organised. The process followed by the COC in order to develop its strategic plan was thorough, inclusive and well planned, and can be followed by all types of OSO.



Figure 2.7: SWOT analysis of the Cape Verde Olympic Committee



The inaugural African Beach Games took place in Cape Verde in 2019.

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### Table 2.9: Action plan of the Cape Verde Olympic Committee

		Strategic priority			Action plans (45)
#		Axis	Code		
			1.1.1.1	Marketing planning	To create a long-term internal marketing and communications plan
	1.1	Communications and marketing	1.1.2.4	Sponsors	To draw up a sponsorship programme in formal categories, attracting one sponsor for each of the categories drawn up
1		and marketing	1.1.3.7	Commercial activity	To obtain 5-15% of total revenue through sponsors and commercial activities
			1.1.4.2	Fundraising	To create five differentiated opportunities to increase the COC's funds
	1.2	Finance	1.2.1.1	Volume of business	To increase the volume of business
			1.3.1.3	Strategic planning	To prepare a long-term strategic plan
	1.3	1.3GovernanceOrganisation of Board member succession		-	To prepare a plan for the regular rotation of Board members, supported by induction and training
			2.1.1.3	Merchandising	To construct three distinct COC brand products
			2.1.2.13	Publications	To develop a publication covering COC activities
		Communications	2.1.3.6	Creation of the COC trademark	To register the COC logo, legally protecting the COC brand in order to promote its image
	2.1	.1 and marketing	2.1.4.14	Web presence	To create a web platform with connections to social networks
			2.1.5.5	Sponsorship activation	To create five opportunities for sponsorship activation through the COC's activities in different sponsor categories
			2.2.1.8	External financial audit	To require the auditing of financial statements by a nationally recognised independent auditor
				2.2.2.2	Non-IOC funding sources
	2.2	Finance	2.2.3.5	Financial procedures guidelines	To create a financial policy that covers all aspects of finance, including planning, budgeting and accounting
			2.2.4.9	Accounting procedures	To create a cost centre for all accounting procedures in which resources can be allocated to specific projects
2			2.2.5.7	Periodic financial reports	To produce formal financial statements, with explanations and comments on these accounts
			2.3.1.4	Performance indicators	To implement a system to monitor and assess the performance of the COC, covering its plan and all its activities
			2.3.2.15	Code of conduct	To establish a specific code of conduct for various functions to which Board members, staff and volunteers must sign up
	0.0	0	2.3.3.17	Risk management	To establish a formal risk management plan covering all aspects of the organisation
	2.3	Governance	2.3.4.2	Statutory regulations	To update the NOC Statutes to guide its operations, rules and procedures while reflecting its values
			2.3.5.8	Areas of responsibility	To create and maintain a management structure for the COC with allocated areas of responsibility
			2.3.6.6	Permanent and consultative commissions	To create an integrated structure for the COC's various commissions
			2.3.7.11	Organisational integration	To implement periodic training and assessment of the COC's members

#### Table 2.9 continued

		Strategic priority			Action plans (45)
#		Axis	Code		Action plans (45)
			2.4.1.1	Volunteers	To put into effect a volunteer programme, managed by a member of the COC, that increases the COC's volunteer base
	2.4		2.4.2.8	Management of human resources (HR)	To create a HR framework that covers all HR management aspects (recruitment, selection, assessment, training, discipline, payment)
		Human resources	2.4.3.2	Assessment of functional aptitudes	To undertake an annual audit of organisational skills requirements
			2.4.4.4	Human resources recruitment guides	To develop a recruitment framework
			2.4.5.12	Diversity and equality criteria	To draw up a plan with proactive strategies that promotes diversity and equality in recruitment
			2.5.1.4	Athlete career support	To create a support and advisory service available throughout athletes' careers
			2.5.2.3	Selection of athletes/delegations	To draw up formal selection criteria for athletes and members of delegations
			2.5.3.6	Organisational development of NFs	To draw up a partnership programme with NFs and NAs to develop their capacities
	2.5	Services	2.5.4.7	Identification of opportunities for NF support	To draw up an advisory and support programme for the activities of NFs and NAs
			2.5.5.8	Organisational outreach events	To create an internal or external team to present organisational events
			2.5.6.12	History and legacy of the COC	To prepare a formal collection of material for the COC's Olympic Museum and/or Olympic World Library that represents both the COC's athletes and its involvement in the Olympic Movement
2			2.6.1.6	Representation in national agencies	To promote the COC's representation in national and international agencies, with the guarantee of one member becoming part of a national and/or international agency
	2.6	External relations	2.6.2.4	Institutional partnerships	To create a network with a minimum of five institutional partners to meet the objectives of promoting the Olympic principles and values
			2.6.3.8	Commercial relationships	To draw up a strategic commercial relations plan with the COC's suppliers
			2.7.1.8	Administrative control	To draw up a plan to combat mismanagement and political fraud, which covers all aspects of work and encourages whistleblowing
	2.7	Administration	2.7.2.2.	Planning of activities	To draw up a plan for each operational area within the COC to deliver its long-term strategy (projects, finance, and marketing and communications)
			2.7.3.3	Regulation of operations	To produce an Operations Manual that covers all organisational aspects (projects, finance, and marketing and communications)
			2.8.1.7	Elite athletes' scientific services	To promote a scientific service structure that includes a varied range of partners through support programmes
			2.8.2.2	Performance in international competitions	To promote the training of high-performance athletes through support programmes
	2.8	Sport Involvement	2.8.3.9	Talent identification and development of athletes' potential	To promote a structure for the identification of talent and sports development in the country through support programmes
			2.8.3.13	Promotion of sport	To promote social and gender equality in sport participation and sport as an aspect of human development through support programmes

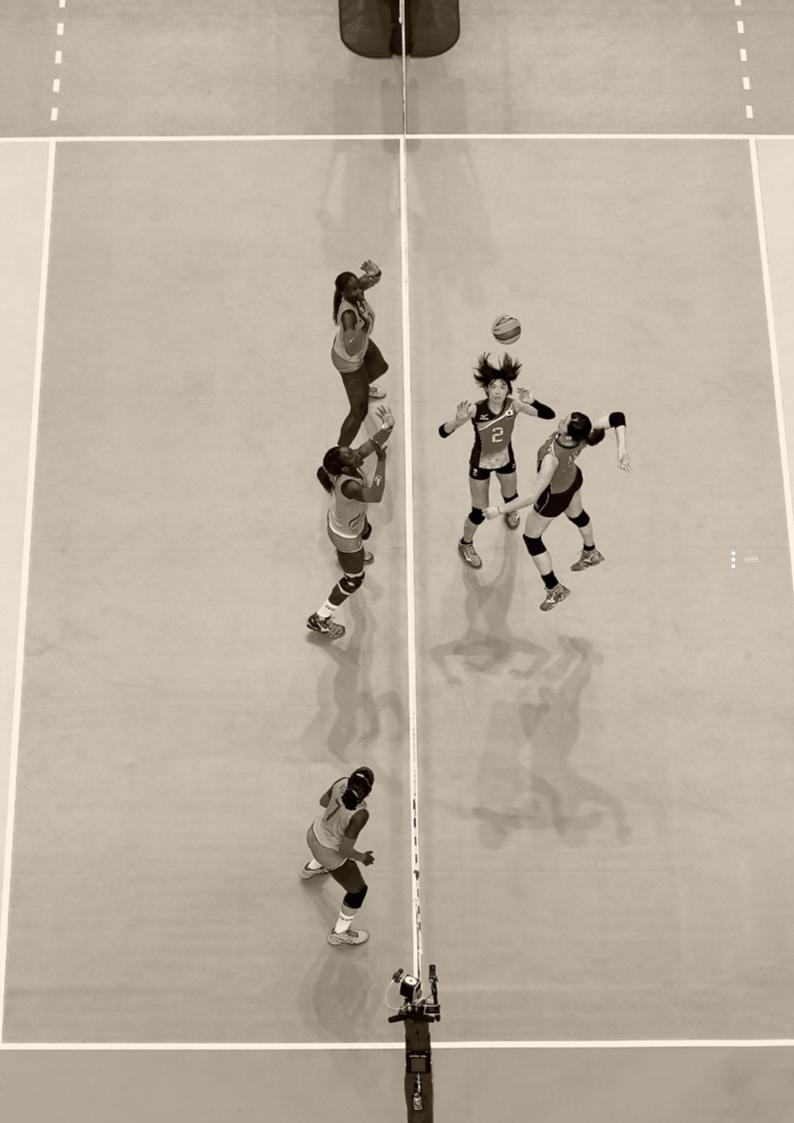




# MANAGING HUMAN RESOURCES

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People are an Olympic Sport Organisation's (OSO) most important resource, essential for its efficient operation and long-term sustainability. Human resources management (HRM) refers to the processes designed to guide the activities of an organisation's human resources so it can achieve its mission and goals. HRM provides a framework for recruiting, selecting, retaining, rewarding and managing people within an organisation, while also aiming to develop and nurture these same employees and volunteers within an ethical, safe, positive and high-performance working culture.

Small and medium-sized OSOs provide both human resources opportunities and challenges. Many OSOs are small, informal organisations, and the majority of National Olympic Committees (NOCs) have fewer than 20 paid staff members. Likewise, National Federations (NFs), clubs and leagues are likely to have small employee bases. The majority of human resources (HR) for most OSOs are volunteers, and relying on volunteer labour brings challenges related to day-to-day operations, commitment, motivation and time – especially for volunteers who are employed full-time elsewhere.

Most OSOs do not have an employee dedicated purely to HR. Instead, the President, Secretary General or other senior team member responsible for implementing the OSO's strategy may fulfil the HR role, taking responsibility for HR planning, recruitment, training, remuneration and policy. Irrespective of how HR is structured, effective people management should be every OSO's goal.

### ooo Objectives

After reading this chapter, you should be able to:

- Understand the role of human resources management in your organisation.
- Develop your skills and capabilities in managing people effectively.
- Support Board members to manage people effectively.
- Devise a human resources strategy.
- Identify the key principles and actions for attracting, selecting and motivating volunteers and staff.
- Assess training and development needs for your organisation and devise plans to address them.
- Develop and implement good people management practices.

This chapter looks at effective HRM. It begins with a discussion of how to develop an HR strategy, then considers how to organise human resources, how to recruit and select new human resources, and developing and motivating human resources through training and rewards. The final section looks at the personal skills necessary to lead and manage an OSO, before a closing case study of the NOC of Bosnia and Herzegovina.



People are an OSO's most important resource.



## Developing a Human Resources Management Strategy

An HRM strategy provides the basis for an OSO to effectively plan for and manage its human resources. Based on the OSO's current needs and future plans, the strategy leads the implementation of specific human resources functions, guiding personnel decisions that ensure the best fit for the OSO. The HRM strategy must be aligned with the OSO's overall strategy, vision, mission and values.

The process for creating an HRM strategy is similar to the strategic planning process outlined in Chapter 2. For OSOs, which are characterised by educational, cultural and social missions and objectives, an HRM strategy must not only ensure the efficient use of resources, but must do so in accordance with the Olympic values.

This section details the steps necessary to develop an HRM strategy, beginning with the need to analyse human resources to determine what the organisation already has and what it lacks. This is followed by a discussion of possible HRM objectives, which are then related to action plans. The section concludes with an example of an HRM strategy from the Croatian Olympic Committee.

### Analysing Human Resources

The first step in developing an HRM strategy is to analyse the organisation's existing human resources. No action can be undertaken without a clear understanding of the OSO's strengths and weaknesses in terms of human resources and how they are internally managed. For example, if the OSO aims to use social media to connect with its stakeholders, does anyone in the OSO have skills or responsibilities for this area, or is there a training and development plan to build the skills of the current workforce? A human resources analysis should also identify any obstacles to the



The use of volunteers may require a volunteer management plan.

implementation of the organisation's strategic plan, including any issues that are not aligned with the OSO's values. For example, if the OSO is building capacity through more effective use of volunteers, is this supported through a volunteer management plan that includes training and development?

Table 3.1 (right) gives an example of an HR audit derived from the IOC's UMAP tool (see Chapter 1). Such an audit could evaluate the OSO's overall situation, or it could address the main areas of HRM activity within a specific activity or project such as a sporting event hosted by the OSO. Responsibility for the analysis should sit with the Board. In all cases, the Secretary General, President or General Manager, Human Resources Director (if there is one) and representatives from the organisation's paid staff and volunteers should be involved in order to validate its results.

You may conduct your analysis drawing on information such as that listed above, and/or using internal administrative documents, questionnaires, and individual and group interviews. An in-depth analysis should be carried out at least every four years and updated every year.

Performing such an analysis properly requires both time and money, particularly if you use an external consultant. Small OSOs should engage the workforce in the process and ensure their strategy is embedded in all HR activities.

#### Table 3.1: Human resources pillar – UMAP

Elements	Nothing or n/a	А	В	C	D
How do you manage your volunteers?	_	Our volunteers manage themselves	The Board manages volunteers	We have a specialist volunteer or member of staff who manages volunteers	We have a paid Volunteer Manager
How often do you carry out a skills audit?	_	We rarely consider the skills we may need	We do an occasional review of skills needs	We carry out an audit of skills needs every four years or so	We do an annual audit of skills needs
From where do you recruit new staff and/or volunteers?	_	From friends and family	We recruit known contacts or via known contacts	We encourage external recruitment	Candidates are sought from a range of places, internally and externally
What kind of recruitment procedures do you have?	_	Nothing is documented – recruitment is informal	We have some guidelines for recruitment	We have guidelines for all aspects of recruitment	We have a recruitment framework including a recruitment plan
What kind of job descriptions do you have?	_	Nothing is written – we explain jobs verbally	Job descriptions are a written description of key tasks	Job descriptions contain a description of key tasks and basic qualifications	We have full job descriptions for staff and Board members that include competencies, responsibilities and tasks
Do you have paid staff?	_	No, it is fully voluntary	We have limited administrative/ support staff	We have a number of paid staff, including a General Manager/ Executive Director	We have a full complement of paid staff organised in departments
What selection procedures do you use?	_	No procedures – family and friends are appointed	We carry out an informal interview of candidates	We have detailed selection criteria and interview candidates	There is a comprehensive selection process that uses a number of mechanisms for making decisions
What HR procedures do you have?	_	Nothing is documented – we manage informally	We have simple guidelines covering some aspects of HR management	We have an HR policy that deals with key issues such as recruitment and selection	We have an HR framework that covers all aspects of HR management, such as recruitment, selection, appraisal, disciplinary procedures and rewards
What personnel development do you carry out?	_	Individuals decide what development they need and arrange it	We take up external development opportunities whenever they arise	Staff/volunteers are offered development opportunities to fill gaps in the expertise to which we have access	Personnel development is based on mutual agreement of what is best for both the individual and the organisation
What are the competencies available to you?	_	Competencies are limited to existing volunteers	We are dependent on significant external support to get all the competencies we need	We make limited use of external support as most competencies are available from within	All required competencies can be found within, although we continuously seek additional complementary competencies
What rewards and incentives do you offer?	_	We informally recognise the efforts that people make	We pay expenses and make small awards of recognition	We recognise the efforts of volunteers and staff are paid for services	Staff receive a package of incentives including salary
How do you approach diversity and equality?		We are aware of the issues	We have strategies for diversity and equality that are a response to external requirements	We have proactive strategies to promote diversity and equality	We are an equal- opportunity employer



## Defining human resources objectives is a major responsibility.

### Defining Human Resources Objectives

Setting objectives for human resources involves identifying the actions needed in the relevant areas of HRM, choosing priorities and then precisely describing what the actions cover. When determining your objectives, you should attempt to build on the strengths and/or address the major weaknesses found in the analysis, particularly those with a significant impact on operations. For example, if the OSO does not have role descriptions for its workforce, whether paid or not, they should be developed.

Defining human resources objectives is a major responsibility for the person who is in charge of HRM, and the objectives must have the approval of the Board. Achieving these objectives will require leadership support, financial input and human resources. Therefore, the Secretary General and/or Chief Executive Officer (CEO) are integral to the process. Here are five sample HRM objectives for an OSO, some of which could have been created in response to criticisms from existing staff:

- Ensure that monthly staff meetings have an agenda and action items allocated to specific persons.
- Recruit an information and communications technologies (ICT) officer in the coming year.
- Carry out social media training in order to implement a social media engagement strategy.
- Develop a framework for yearly performancereview interviews.
- Ensure appropriate selection techniques are used in recruitment.

### **Developing an Action Plan**

When the objectives have been defined, they must be translated into specific actions. If, for example, you have defined the implementation of an internal communications policy as a priority, it may be necessary to recruit someone with the required skills to define the objectives and practices of the policy. If an action plan involves multiple tasks, it should be broken down into several basic actions that are developed and carried out by various units/departments.

As outlined in Chapter 2, an action plan requires a schedule and appropriate resources. For example, training senior managers in performance management, developing a recruiting campaign for volunteers and revising employee remuneration all require careful planning in advance. An action plan cannot be put into effect without Board approval since it will affect the global policy and strategy of the organisation.

### Implementing and Evaluating the HRM Strategy

Once the HRM action plan has been developed, agreed on and resourced, it must be implemented. This may require the management of change, as outlined in Chapter 1.

The implementation of the plan should be recorded in order to show what has been carried out. For example, if an OSO brings in a new internal communications policy, the person in charge should keep track of the process, its practical initiatives, the reactions to it and any amendments it requires.

After the plan has been put in place, it must be evaluated, perhaps by seeking opinions from staff, volunteers and stakeholders. The evaluation of HRM objectives should follow the principles outlined in Chapter 2, and you should set a mix of qualitative and quantitative performance indicators against all objectives.





Objectives must be translated into specific actions.

For example, consider two of the HRM objectives previously set out:

- Ensure that monthly staff meetings have an agenda and action items allocated to specific persons.
   This objective could be evaluated by keeping records of agendas, tracking actions and consulting staff.
- Carry out social media training in order to implement a social media engagement strategy. This objective could be evaluated by asking the trainees to evaluate how useful their training was, or by monitoring social media outputs to see what training gaps exist.

OSOs often undertake too many initiatives without seriously evaluating their effects. Even if it is sometimes difficult to develop simple and reliable indicators for evaluating human resources, without such indicators it is impossible to evaluate the success of the HRM strategy and its contribution to the overall direction of the OSO. The illustration on the next page shows the Croatian Olympic Committee's response to managing people within a challenging operating environment.

### ···· Key recommendations

- Carry out an analysis of your OSO in terms of its head count, skills levels and labour turnover.
- In consultation with your Board, develop objectives for your HRM strategy that link into the overall organisational strategy.
- Put actions in place to meet these objectives.
- Evaluate the impact of your HRM strategy on achieving the OSO's objectives.

### •••• Illustration 3.1

# A Strategy for Managing HR at the Croatian Olympic Committee



The Croatian Olympic Committee is the highest non-governmental umbrella sport organisation in the Republic of Croatia. The NOC:

- creates conditions for the development of sport and the Olympic Movement in Croatia;
- is responsible for the national implementation of elite sport, including the organisation of national championships and international sporting competitions of a representative level, and care of top-level athletes; and
- allocates funds to NFs for both Olympic and non-Olympic sports.

The Croatian NOC utilises human resources that are both paid (Secretary General, staff) and unpaid (President, Executive Board, Supervisory Board, Ethical Committee, Athletes' Commission, Council for Sports Arbitration, Disciplinary Commission, other commissions). The everyday business and operations are carried out by the NOC's staff, led by the Secretary General.

The Assembly has 122 members: 73 NFs, 21 regional umbrella sport organisations, six athletes' representatives, 10 other associations whose activity is significant for the development of Croatian sport, five associated members and seven temporary members.

The President is elected by the Assembly and performs his/her duties on a volunteer basis. The Executive Board members and vice-presidents are elected by the Assembly at the proposal of the President, and currently have expertise in different areas such as governance, science and research, legal matters and strategic planning.

The Secretary General is the CEO in charge of the NOC's staff and HRM, according to its Statutes. The Secretary General is appointed by the Executive Board via external recruitment, and is paid.

The organisation's tall and narrow hierarchical structure is suited for the complex and varied tasks it performs, which require differing skills and middle-management supervision. The job descriptions for the 55 employees mandate particular education backgrounds and competencies, and the NOC's rules regulate the requirements of every position in order to ensure that competent candidates are appointed. More than 66 per cent of employees hold a university degree. The NOC is certified under the ISO 9001:2008 Quality Management System.

### **New Strategic Directions**

According to the Croatian NOC's Statutes, the programmes and activities of the NOC and its member organisations, the NFs, are financed by the NOC's activity, funds drawn from the budget and other sources in accordance with the law (the Croatian Lottery, other games of chance, etc.). The government transfers lottery revenue to the NOC, which is responsible to the government for the proper use of these funds. A financial audit is carried out every year by an external agency, and a state audit is carried out as determined by the state bodies. The NOC submits annual reports to the government and to the Croatian Parliament.

The economic crisis resulted in a substantial decline in public investment in the NOC, which in turn led to a ban on hiring new employees and stopped increases in salary. The Secretary General focused on preserving jobs, and discontinued the reward system and overtime payments. Staff workloads increased continuously, requiring a new strategic approach to HRM.

In response, six key strategic directions in HRM were established. These were to:

- 1. maintain all jobs and attempt to maintain employees' salaries;
- maintain open and honest communication with employees to help them understand and accept the situation;
- 3. promote intrinsic rewards (see Section 3.4);
- where applicable, make the most of internal human resources to optimise work processes and meet the demands of the constantly increasing workload;

- 5. shift the focus from employing people to developing the skills of NOC volunteers and NF team members; and
- 6. promote the employment of athletes through a range of activities within the career-after-career programme, in which more than 300 athletes were involved over a five-year period.

# Internal Changes and Challenges

During this time, the Croatian NOC's main goal was to keep jobs safe. In order to do this, the Secretary General informed employees of all developments that concerned them and their jobs, either directly or indirectly through senior team members who organised weekly meetings with employees. The goal was to spread information efficiently in order to prevent disruptive misinformation that might destabilise the working environment. Managers were encouraged to evaluate their direct reports on a monthly basis. An evaluation system was put in place to reward employees for their good work, and also to identify weaker performances in order to find solutions for improvements. These evaluations were predominantly positive.

Over the past decade, the NOC has rotated existing employees between roles in order to identify the best person-job fit and maximise their potential. The Secretary General's strategic approach, carried out in cooperation with the President and the Executive Board, was to match individuals' specific competencies with the organisation's work requirements. Employees were offered the opportunity to move to roles that were identified as a better fit for their talents, but they also had the freedom to refuse the move.

## **External Focus**

During this period, the Croatian NOC has had little choice but to accept stagnation in HR development, overload existing employees and shift its focus towards developing human resources in NFs so that they are better placed to support the NOC and sport in Croatia.

The NOC organised a range of educational programmes, and one of the most popular was the Advanced Sport Management Courses. The NOC decided to focus on NF Secretary Generals, Presidents and Board members as participants. Another non-formal educational programme was organised to support top coaches' work with elite athletes. The programme was open to all coaches interested in learning more about the latest techniques and methods in coaching.

The Croatian NOC used different opportunities to improve competencies of human resources in NFs. It participated in the EU-funded project SCORE, which was dedicated to improving competencies of female coaches. It has also developed SUCCESS, its own EU-funded project aimed at strengthening the competencies of women in top executive and leadership positions in sport organisations. A total of 48 women from six EU member states have participated in the Sport Management and Leadership Training Programme, part of SUCCESS, which has helped not only to improve their competencies but to create connections with other women in the world of sport – potentially beneficial for their further advancement within sport.

In addition, the NOC regularly organised nonformal training with NF representatives to help them with their legal and financial requirements, which change relatively frequently in Croatia.

### Conclusion

HRM is always a challenge, especially in times of economic crisis. During the past decade, the Croatian NOC's staff have demonstrated a strong commitment to work and to the values of the organisation. Despite challenges, they have continued to improve their competencies through self-education.

One of the Secretary General's most challenging tasks was to maintain employee motivation in this demanding environment. Although a number of people agreed to take on additional work, the Secretary General was aware that this situation was not sustainable in the long term. He has proposed that recruitment restarts in the future, especially in the case of retirement, and has maintained a clear strategy of communication and job rotation to manage human resources.

This illustration shows positive outcomes can come from difficult times. Rotating employees within the OSO gave all employees a better understanding of the organisation, and the NOC was able to utilise the potential of its individuals. NFs' human resources received more focus than they might otherwise have had, while the NOC managed to work well with its existing workforce while also increasing the scope of services offered to stakeholders.

### 3.2

## Organising Human Resources

This section provides an overview of how an OSO can best organise its human resources, and examines five areas:

- formalising relationships;
- formalising positions and responsibilities;
- formalising hierarchical and operational relationships;
- · formalising hours of work; and
- formalising remuneration conditions.

The section also discusses HRM policies, regulations and rules, which have a significant effect on an OSO's operations, and ends with a discussion of the Uganda Olympic Committee's HR manual.

### Formalising Relationships

OSOs should put procedures in place to formalise the relationships of its Board members, volunteers and staff within the organisation. For paid employees, this generally involves an employment contract, which usually addresses:

- the position of the person representing the organisation at the time the contract is signed (for example, the Secretary General or the President);
- the specific nature of the contract, which summarises the person's status (position and level), type of employment (casual, part-time or full-time), contract length (including the effective date and trial period) and level of compensation;
- benefits, including any health, dental or other insurances, annual leave entitlements, sick leave and superannuation or retirement plans;
- notice periods required in the event of a breach of contract; and
- the conditions for termination, which can be initiated by either party, and the conditions allowing the employer to break the contract and dismiss the employee.

By signing the contract, both parties confirm they agree to its terms.

Similar procedures should also be established for volunteers. Documents that establish the volunteers' procedures and tasks should also outline the nature and length of the tasks, the responsible authority within the organisation and the resources that will be allocated, such as personnel, premises, equipment, money and allowances.

The procedures covering elected Board members are usually contained in statutes and fall under



OSOs should aim to outline their staff members' hours of work.

the control of the ruling authorities, such as the General Assembly or the Executive Board. For Board members, some OSOs use documents that formally outline the nature of the appointment (contract terms), which are distributed when the individual takes office.

# Formalising Positions and Responsibilities

Positions and responsibilities are usually formalised in job/position descriptions. There should be a job description for each position within the organisation.

Table 3.2 (below) provides a sample job description for the position of General Manager Sport of Cycling Australia (CA). A general job description such as this will allow you to outline basic responsibilities and should be the basis for recruitment, performance management and appraisal, annual work plan discussions and performance indicators. You should have job descriptions for all volunteers, paid staff and Board members in the OSO.

### Formalising Hierarchical and Operational Relationships

Every position should be defined within the overall structure of the organisation, and duties should be identified and divided among the OSO's members. Relationships within an OSO can be formalised in an organisation chart, internal operating handbook or staff handbook/ HR manual, which should outline how the organisation operates and set out the internal regulations that should guide its employees' behaviour. It should also includes details of employees' duties and rights, as well as suggestions for the best way to adapt or apply these rights.

## Formalising Hours of Work

Although contemporary management is about ensuring that the project or tasks at hand are completed, many OSOs should aim to outline their staff members' hours of work.

Categories	Duties and responsibilities
Management duties	<ul> <li>Provide direction and advice to the CEO on sport matters to ensure that the organisation delivers on its strategic and operational objectives.</li> <li>Manage the national championships and events calendar for road and track cycling, inclusive of para-cycling and all age categories.</li> <li>Manage the UCI (Union Cycliste Internationale) international calendar registration compliance for all cycling disciplines, including road, track, BMX and mountain bike.</li> <li>Manage and oversee the delivery of the championship events and events under contract with CA.</li> <li>Lead, review and implement the National Road Series (NRS) key recommendations and manage the delivery and technical requirements of the annual series.</li> <li>Develop, implement and monitor effective reporting systems, controls, policies and procedures.</li> <li>Actively seek innovative concepts/programmes to grow the sport of cycling.</li> <li>Prepare effective and timely sport reports for the Board, CEO and relevant stakeholders.</li> </ul>
Personnel management	<ul> <li>Manage and mentor staff, and improve the awareness and understanding of sport issues within the organisation generally.</li> </ul>
Financial management and internal representation	<ul> <li>Manage the development of, and monitor progress against, short- and long-term financial budgets.</li> <li>Provide financial input, with CA's Chief Financial Officer, to the development of business cases and activities to ensure all plans are underpinned by robust financial analysis.</li> <li>Provide direction, advice and support to the relevant committee/commissions on sport and technical matters.</li> </ul>
External representation	<ul> <li>Provide input and direction into CA's existing and future contractual obligations with government and commercial partners.</li> <li>Maintain and foster a direct relationship with the UCI and the Oceania Cycling Confederation (OCC) on all international sport, sanctioning and event matters.</li> <li>Build and foster relationships with NRS event owners, private promoters, CA partners and member states in respect of the delivery of the NRS.</li> </ul>

#### Table 3.2: Job description for General Manager Sport of Cycling Australia (CA)

## OSOs should formalise their HRM procedures to support their values and mission.

Such an outline could cover:

- an agreement on the hours to be included, excluded or partially included (daily working hours may be flexible depending on the needs of the employee or the organisation);
- maximum daily, weekly and sometimes annual hours, along with the conditions under which these hours may be changed;
- the conditions for working overtime or for receiving paid overtime; and
- leave benefits, such as paid holidays, family leave or study leave, along with procedures and conditions for approval.

An OSO's rules exist within the larger framework of its country's labour laws, and the HR conditions it sets for its staff are often more favourable than the minimum standards required by law.

While most OSOs formalise the hours of their staff, they do not always do so for Board members or volunteers. However, for an organisation to function efficiently, it is essential that a schedule of meetings, assemblies and sport events is compiled and communicated to all, including Board members and volunteers. This schedule is generally organised around the busiest periods, such as the annual General Assembly, Board meetings or major sport events.

## Formalising Remuneration Conditions

HRM is sometimes described as finding a balance between contribution and remuneration, and it is hard to imagine an organisation being able to function for long if a general feeling of inequity prevails among its members.

An organisation's salary policy usually includes:

- a general remuneration scale for every position;
- the total amount paid for each position;

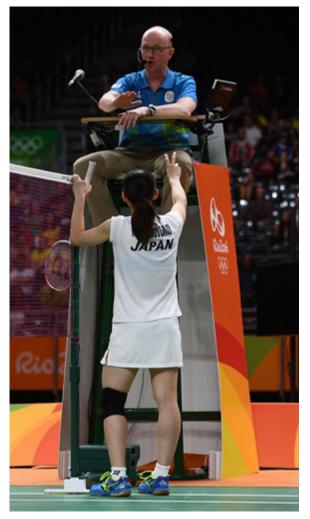
- the form of the remuneration, such as salary, bonuses and benefits in-kind;
- the rules covering changes such as salary increases based on annual increments or individual performance; and
- the methods of payment, which may be based primarily on legal statutes, time worked or results (which can be measured quantitatively or qualitatively using a short-term perspective, such as staging an event, or a longer-term perspective, such as over four years).

Whatever components make up the remuneration policy, they should be organised in a payment plan, which may cover the aspects outlined in Table 3.3 (below). This table shows various factors that can affect remuneration and the ways in which they apply to different categories of Board members, volunteers and staff. It also shows that many of these factors can be used to reward Board members and other volunteers, not just

#### Table 3.3: Sample payment plan

	•
Remuneration: Staff	<ul><li>Base salary</li><li>Statutory bonuses</li><li>Performance-based bonuses</li></ul>
Benefits in kind: Board members, staff and volunteers	<ul> <li>Moving expenses</li> <li>Uniform allowance</li> <li>Mobile telephone or laptop computer</li> <li>Business vehicle</li> <li>Business housing</li> <li>Access to medical care</li> <li>Educational grants</li> <li>Family aid</li> <li>Subscriptions/tickets for sport events</li> <li>Decorations and medals</li> <li>Childcare expenses</li> </ul>
Allowances: Board members and volunteers	<ul> <li>Compensation allowance, accounting for a true loss of earnings</li> <li>Basic allowance/per diem</li> </ul>
Long-term salary: Staff	<ul> <li>Retirement benefit, paid by the organisation</li> <li>Life insurance, paid by the organisation</li> </ul>





Use regulations to standardise expectations.

staff. An OSO must develop a documented policy that covers all paid and non-paid personnel – and, in particular, policies relating to daily allowances and per diems, which may be paid to Board members and volunteers. In addition, OSOs must be aware of the importance of non-monetary rewards, which may be at least as important as remuneration (*see Section 3.4*). They can help motivate Board members, volunteers and staff to perform at the highest levels possible and to stay with the organisation.

Using policies and regulations to standardise expectations among Board members, volunteers and staff can play two important roles for OSOs: they can serve as a common reference point, and they can prevent decisions from being taken based on interpersonal relationships or non-objective measures. For example, they can make sure that everyone has an equal chance of a pay rise or promotion. Clear regulations and rules have a positive impact on operational efficiency and the fairness with which individuals are treated.

OSOs should formalise their HRM procedures to support the established values and mission of the OSO, as well as its operating efficiency. Sport organisations understand how to create high-performing teams, and these same principles should be applied to the way they govern their internal operations. However:

- an inflexible and overly strict reliance on the rules that does not consider the nature of each situation may lead to problems;
- apathy towards rules may lead to unacceptable behaviour and a poor work culture;
- lack of employee and volunteer participation in the development of an organisation's rules may lead to a lack of understanding about both the need for rules and the implications of breaches; and
- polices, regulations and guidelines should be regularly reviewed as the wider context changes.

In order to avoid these problems, OSOs should encourage staff and volunteers to use HRM regulations in a reasonable way, respecting their spirit rather than always blindly following their content. Motivating team members can only be achieved by recognising their ability to adapt to specific situations; by encouraging initiative, calculated risk-taking and innovation; and by seeking their participation in the life of the organisation.

The illustration on the next page shows how the Uganda Olympic Committee formalised its HR procedures by developing a manual.

### ··· Key recommendations

- Establish agreements or contracts for all Board members, volunteers and staff.
- Develop job descriptions for all positions.
- Create a staff handbook to help staff and volunteers understand what is required.
- Review administrative policies and regulations rules regularly to ensure their relevance.
- Closely involve staff members or their representatives in all aspects of HRM.

# Uganda Olympic Committee Human Resources Manual



The Uganda Olympic Committee (UOC) has 23 affiliated members. The UOC has a Secretariat with four permanent members of staff under the supervision of the Secretary General; a Board comprised of 11 volunteer members; and 15 commissions that run several activities supported by Olympic Solidarity.

In 2013, the Board commissioned a human resources firm to help with its restructuring of the Secretariat by developing a range of policies, putting together an HR manual, creating an HR structure and writing job descriptions.

# Development of the HR Manual

After the Board identified the need for an HR manual, the UOC Secretary General led the process of developing it. The process took three months in consultation with different stakeholders, including UOC staff.

The UOC required funding to permit the use of an external consultant in this process, and sought and obtained financial support from Olympic Solidarity. Following an expression-of-interest process, the UOC undertook a thorough evaluation of applicants. NFT Consult, a regional firm, was selected and commissioned to develop the manual.

NFT Consult contacted all stakeholders, notably the UOC's staff and Board, and invited them to give their views on the desired obligations, rights and administrative framework of the UOC. After receiving feedback, NFT Consult developed the manual and presented it to the Board for approval.

# Objectives of the HR Manual

The major objective of developing the HR manual was to properly define the relationship between the

UOC's Board and the staff of the UOC Secretariat. The specific objectives included:

- defining the rights, obligations, roles and responsibilities of the UOC as the employer;
- defining the rights, obligations, privileges, roles and responsibilities of the members of staff of the UOC Secretariat;
- putting in place a governance and administrative framework that regulates the implementation of HR policies, procedures and practices at the UOC Secretariat;
- providing a framework within which decisions promote equity in the way employees are treated while also guaranteeing their individual prospects/aspirations;
- creating and promoting good practice for the proper treatment of employees; and
- providing a conducive environment that will continue to attract, reward, retain and satisfy high-calibre staff.

# Key Elements of the HR Manual

The manual covered policies, procedures and activities in the following areas:

- recruitment and selection of staff;
- employee records;
- types of appointments;
- salaries and wages;
- benefits and allowances;
- annual holidays (leave);
- training and staff development;
- employee/staff performance appraisal;
- reward and recognition scheme;
- employee complaints and grievances;
- employee welfare;
- staff health and safety;
- policy on HIV/AIDS at the workplace;
- employee obligation and code of conduct;

## It is essential that someone champions and leads the process of developing an HR manual.

- staff discipline; and
- leaving the service of the UOC Secretariat.

Specifically, the manual set out the responsibilities of the UOC Secretary General for:

- the appointment and confirmation of staff;
- the establishment of a salary structure;
- the review of allowances and other benefits payable to staff;
- staff discipline;
- the removal of members of staff;
- the need to stand in and cover the duties of the CEO if the position is vacant;
- the review of HR policies; and
- any other issues concerning staff matters.

# Implementation of the HR Manual

The UOC Board, under the leadership of the President and Secretary General, are fully committed to supporting the HR manual's policies and processes. To implement them:

- each staff member was given a copy of the manual;
- the Secretary General held briefing sessions with staff on the manual; and
- each staff member signed a new employment contract and was given a new job description.

### Challenges

The process of developing and implementing the HR manual led to some challenges, including some staff resistance to the new ways of working after years of operating without an HR manual. It is essential that someone within the organisation champions and leads the process of developing and implementing a new HR manual. Although the manual was designed to professionalise the UOC's HR practices, budgetary constraints hampered the UOC's provision of attractive terms and conditions of service to its staff. A small NOC, the UOC does not have the financial depth to pay competitive salaries and instead relies on non-financial incentives, such as training, to keep staff motivated and engaged. However, although the UOC is fully committed to enhancing staff capacity through training, it faces the problem of failing to retain some staff members – especially after training them.

## Conclusion

The introduction of the HR manual has had a number of benefits for the UOC. Board members, volunteers and staff know their roles and responsibilities, which has increased professionalism and motivation – particularly among staff, who now have employment contracts and clear job descriptions. This has greatly helped streamline operations at the UOC and is supporting the organisation to meet its mission.



### 3.3

## Recruitment, Selection and Onboarding

Once an OSO has developed a strategy, it must ensure it has the resources to implement it. Turnover of staff and volunteers is inevitable, and changing contexts mean the strategy requires regular renewal to ensure the organisation's development. For some key activities, such as the staging of events, OSOs will also require an increase in human resources for short periods.

Recruitment is therefore of vital importance for OSOs, and this section considers how to determine an OSO's recruitment needs and design a recruitment strategy to meet them. It looks at how an OSO might recruit personnel, both paid and volunteer, and discusses the concept of "onboarding", a process often known as induction.

### **Evaluating HR Needs**

To evaluate its paid and volunteer HR needs, an OSO must define the services it needs and wants to provide, including any additional projects or initiatives from the strategic plan, then identify the human resources necessary to meet these requirements. This evaluation can be done by listing the current human resources and then identifying any shortfalls. For an example, see Table 3.4 (below).

From this table, we can see that the NF requires 14 qualified national coaches but currently has just 10 national coaches, of which only six are qualified. The OSO is planning to recruit one qualified staff member each year for the next four years and train one existing staff member each year until they are all qualified.

This evaluation is a guide for recruitment and planning, and should be carried out position by position in order to identify the skills both present and required in an organisation.

# Recruitment and Selection Strategies

Recruitment begins by attracting a pool of candidates for a position(s), then selecting the right people for the right positions to cover the organisation's current and imminent needs. When a vacancy occurs or an HR gap is identified, an organisation has three options: recruiting from outside the organisation, filling the position with someone from within the organisation, or deciding that filling the vacancy is either inappropriate or unnecessary.

Table 3.5 (below right) outlines the advantages and disadvantages of recruiting internally or externally.

Some OSOs rarely recruit paid staff and volunteers with no prior links to the organisation, while others rely on attracting people from a much wider talent pool. In many NFs or clubs, athletes become volunteer coaches or team managers and subsequently are appointed to paid positions, while in other instances, the required skill set may not exist within the OSO community and so external recruitment is necessary.

In many OSOs, the path from volunteer to paid employment may take many years. In these cases, loyalty to the OSO's culture and values is assured. With other forms of internal recruitment/promotion, though, a reliance on internal recruitment may lead to groupthink within the OSO, and it is important that the OSO fully considers these matters in the recruitment process.

#### Table 3.4: Evaluating human resources needs in an NF

Position	Current head count	Qualified staff	Optimal head count	Shortfall	Planned recruitment	Number gaining qualifications
National coaches	10	6	14	4	1 each year for 4 years	1 each year for 4 years
Manager	3	2	4	1	1 during the next 2 years	1 during the next 2 years

## To evaluate its HR needs, an OSO must define the services it needs and wants to provide.

# Recruitment and Selection Procedures

For both paid staff and volunteers, recruitment and selection is a structured process that requires the following steps:

#### 1. Identify needs

Analyse the organisation to identify required positions and skills gaps.

- 2. Meet needs Determine how gaps will be filled, including internal or external recruitment or reorganisation.
- 3. Recruit candidates

Advertise the position through appropriate means: internal memos, external advertising (print or online), or, for senior positions, through a recruitment firm or headhunter.

4. Select a shortlist

Use a selection panel to evaluate applicants, perhaps using online screening if there are a large number of applications (often the case for volunteer roles at large events such as the Olympic Games). This evaluation may include asking candidates to take an aptitude test, a personality test or a cognitive ability test. Following this evaluation, the selection panel should interview the shortlisted candidates, considering the skills and knowledge required for the position. The selection panel should typically include an HR director (if there is one), the head of department and, in smaller OSOs, the President or Secretary General.

- 5. Make an offer to the preferred candidate Choose the preferred candidate and offer him or her the position.
- 6. Formalise the contract Prepare a formal contract or assignment letter, which must be signed by the candidate and a representative of the OSO.
- 7. Onboard your candidate Use onboarding (induction) to facilitate the smooth integration of new recruits.

The recruitment procedure for volunteer positions will depend on the organisation's attractiveness and reputation. More recognised organisations may be able to attract a wide range of candidates for certain volunteer positions, then use a recruitment procedure similar to that used for employees. Small local clubs, though, may find it difficult to recruit – for example – a competent volunteer coach, and may only have one candidate. In the case of elected Board members, the procedure is different

Table 3.5: Auvanta	ages and disadvantages of recruitment options		
	Internal recruiting	External recruiting	
	Candidate's knowledge of the organisation	Potential for greater innovation	
	Candidate's knowledge of the organisation	Possible rebalancing of staff composition (gender, age)	
Advantages	Low cost and speed of recruitment	Larger pool of candidates	
	Motivation of employees through promotion	Ability to bring in new skills and knowledge areas	
	Limited choice	Time to onboard and bring up to speed	
	Reorganisation to be managed	Unknown cultural fit	
Disadvantages	Potential for less innovation and new idea		
	Skill sets not optimal	Damage to employees' morale	

Table 3.5: Advantages and disadvantages of recruitment options



Onboarding is the process of integrating a new volunteer or employee - such as through this workbook, given to all volunteers at London 2012.

again in that it requires a vote. Competition is generally lower at local level and stronger at national level.

### Selection

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There are many different methods and techniques that organisations can use to choose the "right" person for any given position. Some of these methods are more reliable and valid than others, and it is always a good idea to deploy a range of different methods. Table 3.6 (below) outlines some of the most common techniques. Interviews are commonly used in OSO selection processes, but unstructured interviews may not be an effective selection technique. To structure an interview, the key requirements of the position should be linked to a set of questions, with follow-up questions probing more deeply into a candidate's experience, skills and knowledge. The interview panel should be properly trained in interviewing skills and should know what questions are best for the particular situation.

The interview should typically include some behavioural questions, inspired by the theory that past performance, actions, experiences and

Selection technique	Cost	Validity	Reliability
Behavioural or structured interview using questions that ask for examples of behaviours	Low	Very good	High
Assessment centre	High	Very good	High
Cognitive ability test	Low to medium	Very good	Medium
Work sample test	Low	Good	High
Aptitude test	Low to medium	Good	High
Standard interview - unstructured	Low	Poor	Low
Personality inventories	High	Poor to average	Variable but average overall

Table 3.6: Selection techniques

behaviours are accurate predictors of future performance and behaviour. Behavioural questions ask for specific examples of a candidate's past experience:

- "Tell me about a time when..."
- "Share with me when..."
- "Give me an example of a situation when..."
- "When have you been ... "

When conducting a behavioural interview, the goal is to have the candidate provide you with an overview of:

- The Situation (what happened?)
- The **T**ask (what was needed?)
- The **A**ction or Behaviour (what did they do?)
- The **R**esult or Outcome (what was the end result?)

An OSO must consider the most appropriate selection method and must evaluate the success of this method, perhaps by seeking the views of candidates who have been through the OSO's selection processes. You can also analyse how well the selection process has worked by assessing the effectiveness and cultural fit of those you have appointed.

Recruitment and selection are critical to an OSO's success, and a good hiring process requires careful attention.

- Recruitment and selection should be linked to other HRM activities.
- Be aware of the advantages and disadvantages of selection techniques, as well as issues relating to their reliability and validity.
- While no single technique is perfect, some are clearly better than others.
- Uncertainty in selection can be reduced by using multiple techniques, providing the time and resources are available.

## Onboarding

Onboarding is the process of introducing and integrating a new volunteer or employee into the OSO, and is a vital step in effectively bringing new human resources into the organisation.

Onboarding ensures that newcomers adjust to their positions and learn the required attitudes, values and knowledge, making them feel welcome and prepared to tackle their jobs. Organisations are increasingly moving this orientation phase into the digital realm, sometimes even using apps to help integrate new arrivals.

Onboarding is very systematic and structured in large OSOs and for major events such as the Olympic Games, while smaller organisations may use a less formal approach. It is good practice to have a formal orientation programme and a written onboarding plan while also welcoming new recruits in less formal ways: for example, you might provide a welcome gift basket with office keys, access to all the OSO's policies and procedures, a branded coffee mug, a mouse pad, a small pack of chocolates, etc.

Good onboarding practices include:

- sending a welcome email after the contract is signed but before the team member starts their job, outlining basic information about the OSO;
- planning something special for their first day, perhaps a welcome lunch with colleagues or a welcome banner above their office/ workstation;
- providing a written onboarding plan or checklist covering day one, week one and the first few months of their appointment;
- providing an overview of their functional area of work – its purpose, structure and goals;
- reviewing their working hours and work-based policies; and
- setting up their voicemail, computer and other devices.

#### ••• Key recommendations

- With your Board, evaluate your paid and volunteer human resources needs on a regular basis.
- Use a recruitment system that provides a wide talent pool and a robust selection process, helping you to choose the most appropriate candidates.
- Use a range of appropriate selection techniques, in particular behavioural questioning, during interviews.
- Have a structured onboarding plan to ensure that paid personnel and volunteers quickly feel part of the OSO.



3.4

## Developing Human Resources: Training and Motivation

OSOs are required to deliver their strategic goals and provide a professional service to their members. The public or private partners that provide the resources for their operations also have expectations about service and performance outcomes. OSOs must therefore consider how to best invest in the training and development of their human resources and how to motivate them.

Training furthers individuals' or groups' development by helping them to acquire new skills and knowledge for their professional and personal development, while motivation encourages people to use the skills they have to best deliver the organisation's objectives.

This section discusses both of these practices, beginning with a discussion of training and development. There are two illustrations – the first focuses on development with reference to the talent and leadership development programme in the Netherlands, while the second sets out the performance alignment and management processes used by the United States Olympic & Paralympic Committee (USOPC) to motivate its employees.

## Training

The purpose of training in an OSO is to ensure individuals acquire the skills they need so the organisation can fulfil its mission and day-to-day operations. When new competencies and skills are required, training provides an organisation with an internal alternative to hiring new people, and also gives employees and volunteers personal development opportunities that feed into career development and performance management processes. Investing in human resources is also important for motivation, commitment and staff/volunteer retention.

Effective training and development require planning, which can be broken down into four stages:

- 1. An assessment of the organisation's needs and human resources, including an evaluation of the current level of skills and capabilities.
- 2. The preparation of a training plan to address identified needs in order of priority and according to a schedule.
- 3. The implementation of training and the monitoring of its success.
- 4. An evaluation of the training and its effects on individuals and the organisation.

These four stages are discussed in more detail below.

#### Stage 1: Assessing training needs

Assessing training needs in an OSO means analysing the skills and competencies of existing employees and volunteers, and identifying those it needs but currently lacks. The gap in skills is assessed against the OSO's priorities, noting any particular areas that impede its efficient functioning and the fulfilment of its mission and objectives. This information is then used to determine if the skills gap can be filled through training or development, or if new recruits are required.

There are many different ways for an organisation to analyse its training needs. They include:

- Organisational analysis Start by looking at your strategies, goals and objectives, then devise training programmes to rectify any problems you identify.
- Person analysis Assess the skills and knowledge of your potential trainees, noting their learning style and establishing how the training should best be designed.
  - Task analysis Assess the skills required to do a job, then develop training that will be relevant to these skills.
- **Performance analysis** Determine whether the current position-holders are performing their jobs at the required standard, then design training to address any performance gaps.

For example, when evaluating its performance, an NF might identify the following difficulties:

- The NF is not communicating effectively with its members.
- Membership details are incomplete and out of date.
- The NF saw poor results in national or international championships.

Analysis	Human resources analysis	Proposed actions
Methods of communication are not relevant for membership	Those responsible for communications do not have good social media skills	Develop a social media training programme
Membership database is cumbersome and not easy for clubs to use	Database development skills are minimal with the NF	Implement training in database management with the support of an outside IT consultant
No regional team qualified for the national championship	Coaches' inexperience is hampering performance	Implement a programme to improve coaches' skills and knowledge

Analysis may show that these failures are due to skills gaps, which need appropriate action of the type shown in Table 3.7 (above).

These skills gaps may arise for a number of reasons. They may be due to the lack of skills of a person holding a key position: for example, if the NF lacks a person capable of designing and implementing a social media strategy. They may occur within a group, such as the committee responsible for creating the NF's overall development strategy. Or they may occur in a group of people associated with the organisation, such as the coaches of clubs that failed to qualify for a national championship.

It is generally possible to ensure that paid employees receive training to deal with skills gaps. However, this is not always true for elected Board members, whose full-time professional activities may leave them with little time for training, or who, having been elected, may not acknowledge their development needs. You may need to convince such members of the need to address any skills gaps that are identified.

To ensure training is successful, it is important to win the support of those affected. You will need to promote the benefits of training, such as the satisfaction of serving the organisation more effectively or of successfully performing a difficult task. These benefits may also be linked to improved compensation, such as a salary increase, or to enhanced career prospects.

Consider the following questions when developing a programme of training and development for an OSO:

- What is the OSO aiming to achieve through the training?
- What training has been conducted in the past 2-3 years?
- What needs/problems will the training address?

- What resources are available for training?
- Who needs to be trained?
- Are there trainers or experts who can deliver the training?

Stage 2: Preparing and implementing a training and development plan

Once an organisation has assessed its training and development needs, it should select the appropriate procedures and implement a programme. Generally, training programmes have very specific goals, while developmental programmes cover broader skills such as leadership, team-building and conflict resolution. OSOs tend to use two general types of training methods: on-the-job techniques and off-the-job training.

On-the-job techniques could include employee coaching, job instruction training and job rotation. This form of training is highly practical and trainees do not need to allocate separate time to attend training sessions. It tends to be delivered by OSO managers, supervisors or more experienced colleagues.

Off-the-job training refers to methods such as workshops, seminars, role-playing, simulations or presentations, which tend to be delivered by consultants or outside instructors (and generally costs money). The trainers are experts in their field, but they may have only limited knowledge of the OSO's operations and stakeholders. Off-the-job training may be delivered to groups or individuals, who may participate in programmes on their own; for example, a finance officer might undertake an accounting course at a local college.

Most training will involve skills that are available within the organisation. For example, a management coaching relationship could be developed where an experienced and competent staff member advises, guides or provides supervision. If there are resources available, a consultant may also lead this type of training.



Training helps to develop and motivate your human resources.

Other ways of providing training within the OSO may include:

- one-hour sessions on various topics, held every other week or every month and led by different people in the organisation;
- one- or two-day intense training sessions on a specific topic (for example, how to use the new computer system);
- regular consultation, guidance or supervision by an experienced and competent staff member within the organisation;
- computer-based training that allows employees to learn at their own pace and during convenient times; and
- job rotation, allowing employees to move through a series of different jobs and tasks in order to gain a broad understanding of the organisation – particularly useful in small organisations that may have less role specialisation than larger OSOs.

**Stage 3: Designing a training session** Once an organisation has decided there is a training need and has identified that a specific session is required, it must ask some basic questions about its potential trainees:

- What are their backgrounds?
- What are their group demographics?

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## An essential part of the process, evaluation measures the impact of training.

- What are their levels of expertise and education on the topic?
- What are their expectations?

Once the organisation has established who is to be trained and why, it must draw up a plan to include:

- specific goals;
- a training schedule;
- · an appropriate training method; and
- a way to measure training outcomes and ensure trainees provide feedback on the programme.

#### Stage 4: Evaluating training

An essential part of the training process, evaluation measures the impact of training and determines if there has been a return on investment. Such evaluations may be made objectively, such as by measuring the transformation of a job, or subjectively, such as by seeking participants' views of the training they received. Evaluations may relate to the effects of the training on the individual, on the team or department, or on the organisation as a whole, and may look at three levels:

- Acquired skills and knowledge Have the trainees acquired skills and knowledge corresponding to the training objectives?
- Skills building Have the trainees been able to use their newly acquired skills in their daily activities?
- Impact on the organisation's operations Has the training resulted in the OSO functioning better?

Most training programmes provide for an assessment of the activity by the trainees, often carried out at the end of the programme by the trainers themselves. However, it is also important that in-house training, such as apprenticeship schemes, is evaluated. Both types of training can be evaluated by means of a questionnaire that includes, for example, the following criteria:

- physical and logistical conditions;
- a choice of teaching methods;

- clarity of objectives;
- applicability of the acquired skills to the work situation;
- relevance of the acquired skills to training needs
- quality of the trainers
- maintenance of the motivation to learn; and
- assistance in the transfer of skills to the work environment.

In order to assess the impact of training on individuals' skills and the wider OSO, an organisation can assess an individual's training through a review interview every year. These reviews are generally carried out by the employees' immediate supervisor, and measure the perceived impact on the trainee and the ways in which they see changes occurring in their daily professional activities.

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The illustration on the next page shows how the sport system in the Netherlands established programmes in order to ensure that it had the skills required to function effectively in the future.

#### ···· Key recommendations

- Identify training and development needs through an assessment of the strategic plans of the OSO and its ability to achieve its goals with the human resources currently in the organisation.
- Ensure that training needs are identified by regular skills audits supported by the Board.
- Develop a range of training methods and activities to suit the skills required and those who are to be trained.
- Evaluate each training session to see if it is meeting its objectives.

# Illustration 3.4.1 Talent and Leadership Development in Organised Sport in the Netherlands



The Dutch Olympic Committee and Dutch Sports Federation (NOC\*NSF) is the umbrella organisation for Olympic sport in the Netherlands. Together with the individual NFs, it forms the country's organised sport sector. In 2017, it was responsible for delivering the Sport Agenda 2017+, with three main objectives:

- Elite sport creating the right conditions for leading athletes to excel on the world stage.
- Sport participation making everyday sport accessible to everyone.
- Sport events organising major international sport events.

The NOC\*NSF required two key resources to achieve these objectives: new sources of funding; and the further development of employees, management, Board members and volunteers in sport.

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Organised sport in the Netherlands is in transition. Sport is well organised, but society and the environment are changing rapidly, participants' needs are different and funding for sport organisations is critical. To stay attractive, OSOs must keep developing and innovating, which requires the people working in and governing sport to develop new abilities and skills. In particular, sport requires new leadership and more entrepreneurship, and must develop Board members, volunteers and employees in OSOs. Figure 3.1 (right) sets out the HR in organised sport within the Netherlands.

Acknowledging the national need for effective talent recognition and the development of its human resources, Sport Agenda 2017+ stated that:

"All sport federations and NOC\*NSF will develop together an HR policy and other development programmes for Board members, management, employees and other volunteers. We will work on improving education and training and presenting the sport sector as an attractive working environment."

Working with NFs and the Dutch Employers Organisation, the NOC\*NSF has recently created several programmes for talent and leadership development. They include:

- introductions (or onboarding) for new employees of the NOC\*NSF and NFs;
- Young Orange, a young professional network;
- Working in Sport, a high-potential programme; and
- Inspired Leadership in Sport, a leadership development programme.

#### Introductions for new employees

Each new employee is welcomed to working in organised sport in the Netherlands with a one-day workshop introducing them to the structure, values, characteristics, policies, funding and procedures of NOS\*NSF and the NFs. The onboarding workshop also allows them to get acquainted with colleagues from other NFs.

#### **Young Orange**

With management and Board members mainly middle-aged or senior, investing in young people is necessary for the future of sport in the Netherlands. Aimed at employees aged 35 or under who work in sport, Young Orange is designed to connect young professionals within sport, helping them to network with business and governmental organisations and adding value to the Dutch sport system. Each year, Young Orange organises several networking meetings, workshops and other events.

#### Working in Sport

Built on cooperation in talent management between the NFs and NOC\*NSF, this high-potential programme is designed to keep motivated and ambitious young professionals aged 35 or under interested and challenged in their jobs in sport.



#### The candidates:

- have a professional view beyond their own organisation;
- take responsibility to develop themselves professionally;
- want to grow in their careers;
- are responsible for complex tasks (for example, roles with financial importance, or roles which involve making significant political decisions or working with large groups of stakeholders); and
- already have such skills as situational and organisational awareness, project management, networking abilities and personal leadership.

The programme challenges participants to outperform expectations and contribute to meeting the goals of their own organisation and to sport in general.

Personal development and leadership, career opportunities in sport and networking are the central themes of the programme, which includes seven group sessions along with personal coaching and is adjusted to the participants' learning goals. Each participant prepares for the programme by completing a self-assessment questionnaire, which is discussed as part of the programme.

#### **Inspired Leadership in Sport**

This leadership development course was developed to enhance and amplify leadership in sport organisations and on Boards. The programme is aimed at employees who are seen as, or expected to become, important to the future of sport in the Netherlands.

These candidates:

- are interested in personal leadership development;
- are change-aware and prepared;
- are willing to contribute meaningfully to the goals of sport in the Netherlands; and
- currently work in a sport organisation or a collaborating organisation.

The main goal of the course is to extend and enhance knowledge, awareness and leadership skills among its participants. The course is also designed to reinforce the networks of the future generation of leaders in sport.

The central theme is "from leading yourself to leading others". Before the course, each

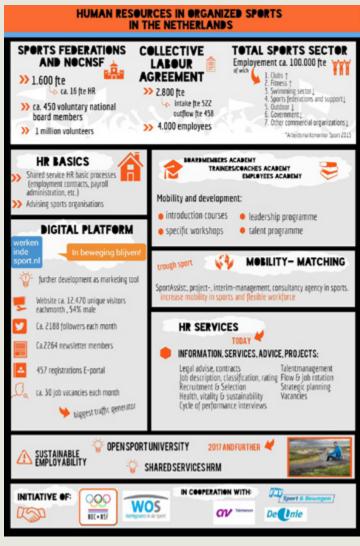


Figure 3.1: HR in sport in the Netherlands

participant is interviewed in order to focus on their personal learning goals and introduce the programme, while also enabling them to get to know each other. The course consists of seven 1.5-day modules, and includes lectures in leadership and management topics, experience sessions, meetings with guest speakers, personal development tasks and reflection. Participants also meet in smaller discussion groups.

Focusing on the talent and leadership development of organised sport employees in the Netherlands, these programmes will improve participants' skills in such areas as innovation, networking and leadership that are considered necessary for the future of Dutch sport. Other initiatives are designed to strengthen the personal qualities and networking skills of Board members and volunteers, reflecting their importance in delivering organised sport in the Netherlands.

## Motivating Human Resources

Motivating employees and volunteers is a critical aspect of managing people, and is central to maintaining a productive and committed workforce. Motivation can be defined as an individual's willingness to make an effort, but is also a psychological state of mind. People exert effort to fulfil unmet needs, such as the need for financial reward, the need to feel involved, the need to help others and the need to demonstrate or build skills.

HRM has a fundamental responsibility to ensure that an organisation encourages and motivates its staff and volunteers, making use of both extrinsic and intrinsic rewards. Extrinsic rewards are tangible items such as financial rewards or bonuses that are given to team members; while intrinsic rewards are intangible, such as an individual's sense of achievement or accomplishment upon completing a particular task.

In an OSO, remuneration is a key extrinsic reward that is often used to build and maintain motivation. Although remuneration is primarily for paid staff, many aspects of the intrinsic reward system can be applied to volunteers. Intrinsic rewards are a direct result of an individuals' performance. The key is to understand what motivates people and why.

Each individual will have a different set of motivators, which the OSO should aim to recognise and understand. While an OSO cannot give intrinsic rewards, it can structure its employees' or volunteers' work so individuals have opportunities to derive intrinsic motivation from their tasks.

OSOs must place great emphasis on intrinsic rewards, particularly for volunteers – such rewards are the best way to retain them. The desire to contribute to sport and the purposes of the OSO are sources of intrinsic satisfaction for volunteers, but the organisation should go beyond these basic rewards and create an environment where volunteers can experience other intrinsic rewards and be motivated further to contribute.

Several activities support or act as intrinsic rewards and are important for both paid staff and volunteers. Intrinsic rewards can take the following forms:

 Direct feedback
 Staff members should receive immediate and concrete feedback when their work has been evaluated. In some cases, the feedback can be built into the job itself. For example, a volunteer recruiting members for the OSO will get direct feedback every time a membership fee is collected.

• New learning

OSOs may provide staff with the opportunity to gain knowledge and learn new ways of doing things, perhaps by assigning them progressively more challenging jobs. For example, an OSO may assign a new recruit the task of keeping account of the day-to-day income and expenses; then, in future, they may be asked to master double-entry bookkeeping and preparing a balance sheet; and then later still, they may be asked to become conversant with the tax laws that govern the OSO's finances, including donations and sponsorships.

Control over scheduling

An OSO may permit some staff to schedule their own work within broader limits. For example, flexible working may require that an employee is in the office between 10am and 12pm, and then between 2pm and 3pm – a total of three fixed hours in a day. The employee is then permitted to schedule the rest of their working hours with the provision that over a period of time, such as a week, the employee must work for a minimum time, such as 40 hours. This allows the employee to work for the stipulated minimum three hours in one day and work for 12 hours the next day as desired.

• Personal accountability Staff must feel personally responsible for the outcome of their work. This sense of responsibility will have a motivational impact.

There are many ways to recognise and reward volunteers' efforts. Examples include:

- celebrating achievements with awards and social events;
- sending a letter of thanks;
- providing them with uniforms, shirts, hats and so on;
- profiling volunteers in newsletters and on social media;
- offering complimentary tickets to special events and functions; and
- providing employer referrals.

## Performance Management

OSOs must ensure that they effectively manage the performance of their staff and volunteers, a process that should enhance intrinsic motivation.



Motivating people is a critical aspect of management.

The performance management process aligns the OSO's strategic goals with the activities, behaviours and outcomes of its employees and volunteers. Encompassing job design, training and development, assessments, and policies for rewarding and improving performance, performance management should motivate individuals to do their best.

Each OSO should develop its own approach to performance management that considers performance appraisal. This important management technique sets formal objectives and key performance indicators (KPIs) and reviews them on a regular basis, including annually. Performance appraisals should clearly specify the required outcomes, which should be linked to the OSO's values and goals.

An OSO's broader objectives should also include development plans that are designed to support their employees. These plans will help individual employees to achieve their required outcomes while also developing the skills and knowledge required both for their current job and for their future career, and are essential if the OSO is to keep them motivated. Organisations should track their employees' progress against their objectives and personal development plans through structured one-to-one sessions over the course of a year.

The following illustration sets out the performance alignment and management process used by the United States Olympic & Paralympic Committee to motivate its employees.

#### ··· Key recommendations

- Make sure you know what motivates your staff, then ensure these factors are present in the OSO.
- In particular, provide intrinsic motivators because these can be more powerful than extrinsic rewards.
- Create a process that manages the performance of employees and volunteers in order to ensure that the OSO's objectives are achieved.
- Develop the OSO as a learning organisation by developing a high-performance work culture.

# Hillustration 3.4.2 Performance Alignment and Management at the United States Olympic & Paralympic Committee



The United States Olympic & Paralympic Committee (USOPC) is a non-profit organisation located in the state of Colorado, with other smaller offices in New York, California and Washington, DC. The USOPC employs approximately 450 fulltime employees, supported by interns, externs, other temporary workers and a robust volunteer programme. The organisation does not receive federal financial support other than for select Paralympic military programmes – unlike most nations, the USA does not have a sports ministry.

The USOPC's Board of Directors and Compensation Committee have oversight of the organisation's talent management programmes, including compensation, benefits and corporate goals as they relate to the organisation's pay-forperformance philosophy. Currently, the USOPC's total rewards philosophy has three strands:

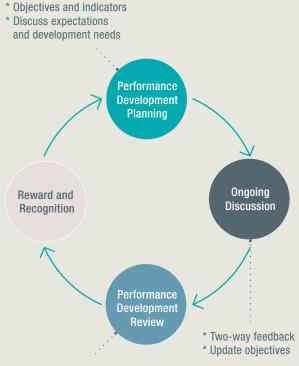
- 1. Drive organisational performance To drive organisational performance and results through market-competitive reward and benefit programmes for team members.
- Create fairness and consistency To create consistency between all USOPC locations by aligning them under one overall strategy.
- 3. Attract and retain talent

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To attract team members that represent "the right hire for the right position" and to increase retention through total rewards.

The USOPC's system to allocate annual rewards to team members, following an assessment of their individual performance, is shown in Figure 3.2.

The USOPC's performance management system is anchored in its strategies and goals, which are set for each four-year cycle and revised annually by key leaders and Board members. The USOPC uses the calendar year (January to December) as its fiscal and performance year. The strategic process is as follows:



- \* Review past performance
- \* Discuss development opportunites
- \* Performance rating

Figure 3.2: The USOPC's performance management cycle

- August-September Draft annual goals for sport, finance/revenue and operations for the upcoming year and refresh quadrennial goals.
- October-November Finalise organisational goals and financial budgets.
- December Obtain Board approval for both organisational goals and budgets.
- January-March Communicate goals, strategies and budgets to team members to create focus on the mission, before team members set individual goals and key responsibilities for the year.

#### The "line of sight" principle

The USOPC's 2017 process is based on the principle that if employees' performance is aligned to the OSO's vision, mission and objectives, paid personnel and staff will have a clear path – or a "line of sight" – towards helping the USOPC and, thus, its athletes to be successful.

The process aims to empower and enable team members to exercise their best efforts and judgment toward the OSO's mission. Each team member's job description details 5-15 key job responsibilities (KJR), but the USOPC asks its team members to focus on three KJRs that will best support the strategic goals in the annual cycle.

In addition to the KJRs, the USOPC requires all team members to focus on four core behaviours, including communication, teamwork, judgment and customer service. This practice reinforces the philosophy that how team members achieve their goals is as important as what they achieve.

These three elements – KJRs, core behaviours and annual goals – form the foundation of the performance management plan on which each team member is assessed informally throughout the year and formally at the end of the year. The year-end assessment also informs decisions on individuals' future base salaries and incentive/bonus awards.

A key communication tool for the USOPC performance management system is the Roadmap, which clearly and succinctly articulates the annual organisational goals in sport, finance and operations, its mission and the guiding principles on which decisions are based. Each team member receives the performance Roadmap during the first quarter, and new employees receive it during induction or onboarding.

## Conclusion

The USOPC's performance management system aims to ensure that all employees understand the organisation's expectations of them while unifying the USOPC's focus so all team members work towards one mission. The USOPC measures the success of performance alignment – or "line of sight" – annually through its Employee Engagement Survey. During 2014-2017, the USOPC asked its employees how closely they agree with the statement "I understand how my job connects to the mission". Overall, employees' responses have consistently been in the 90th to 93rd percentile.

By aligning its broad organisational strategy to individual responsibilities, and by using annual education and clear communication, the USOPC has developed a stable performancemanagement system that connects team members to its organisational mission. This performance management system was designed to support the USOPC to deliver its mission of helping its athletes to achieve sustained competitive excellence, providing rewards and recognition to staff for their work in achieving the NOC's intended outcomes.

By explicitly measuring each person/team's performance and rewarding them accordingly, the USOPC is aligning its resources with its performance, using a transparent HRM system while also clearly stating its employees' KJRs and following principles of equity and consistency.

When designing a performance management process for an NOC or other OSO, you should consider:

- Do your employees have job descriptions that clearly state their KJRs?
- Do employees' responsibilities have measurable performance outcomes?
- Are employees/teams provided with sufficient organisational support/resources to achieve the required outcomes?
- Is there an annual goal-setting process for both individuals and teams (where appropriate)?
- Are employees given regular performance feedback?
- Are employees' rewards and/or recognition aligned with their performance?
- Is there a process for obtaining feedback on the effectiveness and fairness of your performance management system?

In summary, recruiting and motivating human resources are key issues for any OSO. Without people who have the right skills and are motivated to do their best for the organisation, OSOs will fail to meet their strategic objectives. Both aspects of management should be based on a comprehensive evaluation of the needs of the OSO and the expectations of the existing human resources. This requires consultation with volunteers and paid staff to find the best ways to implement these tasks efficiently.



3.5

## Developing Skills for Managing Human Resources

To make an OSO and its human resources more effective, the organisation needs team members with high-level management skills in order to plan, organise, recruit, motivate and develop its volunteers and paid staff. Even as some team members develop these skills, an organisation should use some of the training methods discussed in Section 3.4 to ensure that others in the OSO also develop them.

This section considers the skills that an OSO needs to effectively manage its human resources, with particular reference to the key skills of problem-solving, communicating, networking and managing conflict. The last of these skills is illustrated by a discussion of conflict resolution within a European NF.

## **Problem Solving**

OSOs must regularly solve problems, and taking a structured approach will help the organisation to become more effective. Organisations must first be aware that there is a problem, and this is not always as easy as it sounds: staff and volunteers may hide the fact that they are struggling with their work, for example, or sponsors may be privately disappointed in the publicity they are getting but may not tell you so. In these cases, it is only when something goes wrong or a sponsor withdraws support that you may become aware of the problem.

Once you know about a problem, you can deal with it. However, it is often easy to confuse the symptoms of the problem with the problem itself – for example, trying to raise money to cover a loss of sponsorship rather than establishing why the sponsorship was lost. To do so, you must gather information from those who believe there is a problem, as well as



Once you understand both the problem and the reason(s) why it has arisen, you must determine how to solve it.

on its possible causes. You should consult widely: other people may have different perspectives on the problem and may help you to identify a better solution. For example, for sponsorship problems, you should speak with those responsible for obtaining sponsorship, those who benefit from it and, if possible, the sponsors themselves in order to identify why a sponsor has withdrawn its support.

Once you understand both the problem and the reason(s) why it has arisen, you must determine various ways to solve it. Staying with the sponsorship example, you could seek alternative sponsors, try to re-engage those you have lost, or raise money from other sources (increasing membership fees, for example). You must consider all implications of these alternatives, which may solve one problem but cause other, greater problems in the future (for example, higher fees may lead to a decline in membership).

The next step is often the hardest: making a decision and then communicating it to all of those affected, such as funding bodies, athletes, members and other sponsors. The decision must be unambiguous, communicated appropriately and implemented effectively. Finally, you should check that the problem has been solved. For example, have funds increased as a result of your decision? Occasionally, you may need to change a decision in order to achieve the best result, and may even have to admit you made a mistake and start again.

## Communication

The ability to communicate is arguably the most important skill required from those responsible for HRM. Communication increases efficiency and reduces costs: staff and volunteers make fewer mistakes because they know what must be done, why they must do it and how to go about doing it. Communication is also vital when an organisation works to engage stakeholders and establish what they want, which is particularly important for sponsors and funding agencies.

The ability to listen is a vital communication tool, and is particularly important for appraisal interviews, discipline and grievance interviews, and counselling staff members or athletes. If you can show you are interested in what is being said and have heard and understood its message, the people communicating with you will be more satisfied. You can do this by:

- maintaining eye contact;
- encouraging the person to continue talking by nodding or agreeing with what is being said;

- summarising what has been said before answering; and
- not interrupting.

## Networking

Networking can be defined as interaction with others for the purposes of exchanging information and/or developing new contacts, and may lead to new professional relationships, new opportunities, a new position within an organisation or a new job outside it.

All OSO work requires some form of networking, with internal and external stakeholders. Much more than handing out business cards, networking helps you to build trust and relationships that will be beneficial to both parties in the future.

In order to network effectively, you should:

 have a clear understanding of how a relationship with you will help the person you are trying to connect with;



The ability to listen is a vital communication tool.



 $\label{eq:conflict} \mbox{ Conflict is a part of every organisation} - \mbox{ but it can and should be resolved by the parties involved}.$ 

- be able to articulate what you are looking for and how others may help you;
- listen, smile and ask questions in order to obtain as much information as possible while not hijacking the conversation; and
- follow up within 48 hours in order to see if the partnership can be progressed.

Networking does not come naturally to many people. However, given the importance of forming partnerships within the OSO environment, meeting new people and developing mutually beneficial relationships, networking is a key management skill.

## Managing Conflict

Conflict is a part of every organisation. Individuals and teams compete for financial resources, time from managers, equipment and even customers, and this competition will occasionally result in conflict.

This is not always a bad thing. Constructive conflict can serve a variety of positive functions: it can encourage people to work together to overcome challenges facing the organisation, for example, or it can help to define roles and increase employees' understanding of others' feelings – conflict often arises when individuals are not aware of others' concerns. Alternatively, however, destructive conflict is usually detrimental to an organisation because it tends to be based on personality differences or concerned with the preservation of power. You must identify destructive conflict and have strategies for dealing with it.

You must consider several issues before tackling conflict. First, you must address whether it is worth intervening. If the conflict is not affecting the work of those involved and looks like it may resolve itself, your intervention may inflame the situation. You must develop the personality and communication skills to deal with the conflict in a calm, rational and fair manner. And if you do decide to intervene, you must do so at a time when your intervention may be useful - not too early or too late, when such intervention may escalate or inflame the conflict. For example, if you see an argument between a Head Coach and an Assistant Coach and attempt to intervene, you may look ridiculous if the argument was over something minor or was unrelated to the job. Alternatively, if you ignore a number of arguments, team performance may be negatively affected.

Once you have decided to intervene, you must create a strategy to deal with the situation, which involves five steps:

- 1. Identify the problem Identify who is involved, the issues and why the conflict has arisen.
- Examine the relationships that the protagonists have within the organisation
   This will allow you to identify other people who may help resolve the problem.
- 3. Identify the problems and the costs of the behaviour This may be in terms of time wasted, the demotivating effect on others or an uncomfortable atmosphere.
- 4. Approach those involved in the conflict Work together to search for a solution.
- 5. Implement the solution, then evaluate the situation Evaluate the situation on an ongoing basis until the conflict has ended.

All these skills are necessary for the effective management of OSOs. Fortunately, they can all be developed or improved by personal development activities using the methods outlined in the previous section. It is important for you to evaluate your skills in these areas and then improve them if necessary.

The illustration on the next page shows how conflict has been managed in a European NF. When reading this illustration, which briefly describes the NF and then discusses the specific conflict, consider any similarities to situations you have faced within your organisation. The NF has been kept anonymous to preserve the confidentiality of those involved.

#### ••• Key recommendations

- Make sure you know exactly what has caused a problem and who it involves. Carefully consider ways to solve it and then communicate the final decision to those affected.
- Be aware that communication also involves listening.
- Develop networks and use them to help your OSO deliver its objectives.
- Understand that not all conflict is bad for the organisation, but develop appropriate strategies for intervention if necessary.

# Illustration 3.5 Managing Conflict in NFs

This European NF was founded in the 1930s and is the main governing body for its sport. It has more than 70,000 members and its clubs are structured on a regional basis. Most regions have professional staff to assist the voluntary regional Boards,

## The Conflict

The start of the conflict cannot easily be pinpointed. A discussion about restructuring the NF, which came about following a decline in the numbers of members and affiliated clubs, resulted in a series of proposals that were presented to and discussed by the members of the NF's General Assembly (GA). The Board wanted to modernise the organisation so it would be better equipped to meet the needs of players and clubs, but the programme of change had met tough resistance from two of the eight districts. A new President was elected and then continued the modernisation process, but the GA did not appear to trust him as much as it had trusted the former President.

In September, three years after the President's election, the GA discussed a definitive proposal for modernising the NF. This proposal involved abolishing the regional Boards as part of a complete restructuring of the NF, which would have required radical changes to the NF's statutes.

Before there could be a vote on the proposals, one of the regions resisting the changes proposed a motion of no confidence in the Board, accusing it of sloppy work, withholding financial information and neglecting members' interests. However, a large majority of the GA supported the Board and the original proposal for the restructuring was accepted, albeit with the agreement that several crucial topics required further elaboration. A representative of one of the supportive regions stressed that the trust and communication between the Board and the two dissenting regions must be restored as soon as possible.

The following March, Board members visited all eight regional meetings, where further details of the changes were discussed. Several proposals and suggestions were sent to the Board after these meetings, and were then discussed by the Board during May and June. After the GA convened to discuss the progress in June and September, several working groups were convened to investigate and report on outstanding issues, including the financial questions that had been put forward.

The GA reconvened in December, when a motion was made to halt the entire modernisation process. The motion was proposed by one of the dissenting regions based on their perception of failing communication between the Board and the GA, as well as a lack of crucial financial information. This time, the motion was accepted due to the inability of the Board to establish confidence among members of the GA. Unsurprisingly, the Board considered this to be unacceptable and stepped down.

**The Board's management of the conflict** The Board's handling of the conflict can be analysed by considering their strategy for managing the conflict and the style they adopted.

#### Identify the problem

The changes proposed by the Board would have led to a decrease in the power of the regional Boards. As a result, two regions did not support the modernisation programme. This led to an initial motion against the Board, which was made on the basis of perceived poor communication and financial irregularities. Although the motion failed to pass, it created a schism within the NF and other regions began to question the plans. The failure to identify the real problems that led to the conflict resulted in another challenge at a subsequent GA.

## Examine the relationships that the protagonists have within the organisation

Although the Board had theoretical control over the regions, the regions had the power to affect Board decisions because regional Board members were also delegates of the GA. In this instance, the Board was initially supported by six of the eight regions. It was clear, however, that they felt the Board had to try to restore trust and communication with the two dissenting regions. In the end, the regions supported each other.

## Your organisation must plan, deploy and motivate its employees and volunteers to achieve its mission and objectives.

Identify the problems and the costs of the behaviour The regions had concerns about the costs of the modernisation process and felt that the Board was not communicating effectively enough. However, it is likely that the regions' main problem was the loss of power they would face as a result of the restructuring. These problems undermined the process and led to motions against the Board.

Approach those involved in the conflict and work together to search for a solution In an attempt to overcome the perceived communication problems, the Board met with each of the regions to discuss the modernisation process, and discussed proposals put forward by the regions. In addition, working groups were established to deal with outstanding issues in an attempt to deal with the regions' concerns.

Implement the solution and then evaluate the situation

The regions did not think that the proposed solutions addressed the issues that led to the conflict. As a result of the Board's inability to gain the confidence of the GA, a motion against the change passed and the Board resigned. No changes were made to the structure of the NF, the decline in membership continued and the financial situation gradually deteriorated. The conflict was clearly not resolved.

## Conclusion

This illustration demonstrates how important it is to fully understand the issues involved in creating conflict. In this situation, a lack of understanding meant the conflict was not successfully resolved.

Problems that were expressed by the regions, such as a lack of communication and concerns about finances, were likely to be hiding greater concerns regarding their loss of power and control. Failing to fully understand these underlying concerns, the Board did not manage to find a suitable solution – even though its style of handling the conflict was appropriate. The conflict could have been anticipated, and by working more closely with the dissenting regions before the GA met, the Board could have identified the regions' absolute resistance to the proposed changes and sought an alternative solution.

This illustration shows the importance of developing a strategy for dealing with conflict – and also shows that getting this strategy right may be more important than the management style adopted to deal with the conflict. In this instance, the Board failed to establish the exact nature of the problem, which meant that the conflict was never fully addressed.

This chapter has stressed the importance of ensuring good people-management policies, processes and procedures in any OSO. Your organisation must plan, deploy and motivate its employees and volunteers to achieve the organisation's mission and strategic objectives within a positive and high-performance workforce culture. The size, structure, funding and environmental context of your organisation will shape the approach and design of HR that best meets your needs and those of your stakeholders.

The case study on the next page applies many of the points covered in this chapter to the human resources that deliver sport in Bosnia and Herzegovina. The purpose of this case study is to demonstrate how a comprehensive assessment of organisational needs allowed the NOC of Bosnia and Herzegovina to understand the skills required to support the future delivery of sport in the country and to establish or put in place training programmes to develop them. Although your organisation may not be the same type of OSO, the case study will highlight how such concepts can be put into practice.

#### Case Study 3

## Developing the Human Resources of the Olympic Committee of Bosnia and Herzegovina



## Background

Bosnia and Herzegovina is a country in southeastern Europe, and was part of the Republic of Yugoslavia until 1992. Established the same year, the NOC of Bosnia and Herzegovina (NOC BiH) plays a significant part in the country's sporting system and brings together 36 NFs: 23 Olympic summer sports, six Olympic winter sports and seven non-Olympic sports. The NOC BiH is registered as a national non-governmental organisation (NGO) and receives little or no government funding, which means that it mainly depends on Olympic Solidarity and its own marketing for its financial support.

## Analysis of Human Resources

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The NOC BiH has six permanent employees, including the Secretary General, with little possibility of employing more personnel in the near future. The organisation must rely on the help and support of the country's NFs, which for the most part requires establishing and managing excellent cooperative relationships with them.



The NOC ran a series of ASMC courses.

The NOC's Executive Board decided to improve the human resources of the NFs, and the NOC BiH assisted the NFs to carry out a thorough evaluation of their capacity and resources. The evaluation was designed to gain insight into the current situation and identify what could be changed to improve the general structure and state of both the NFs and their human resources. A total of 21 Olympic NFs were evaluated using the Readiness Assessment Tool (RAT) developed by the Oceania National Olympic Committees (ONOC) for use in developing sport systems. The tool is the NF version of the UMAP audit tool (described in Chapter 1) and assesses the NFs in the following areas:

- Governance
- Management
- Sport activity
- Finance
- Communication
- Physical resources
- Human resources
- Values

The analysis showed that the NFs were below average in all of the fields above, but particularly in terms of human resources (see Table 3.8; right). As such, a decision was made to focus on building HR capacity, given its impact on all other areas.

## Training and Motivation

The analysis of the NFs' human resources focused on management procedures, volunteers, education support, gender equality, athletes, technical officials, coaching staff and administration. The assessment suggested that NFs needed to improve all the above factors. To address this, the NOC agreed to:

- introduce a management course for NFs' administration;
- create more educational opportunities for coaches and technical officials;

Pillar	Number of NFs below benchmark	Three most common elements below benchmark	NFs with more than half of elements below benchmark
Governance	19	Strategic leadership Monitoring and evaluation Board structure	9
Management	18	Risk management Competition management Programme management	13
Sport activity	18	Athlete preparation Competition framework National teams and squads	15
Finance	18	Merchandising revenue Fundraising revenue Money management	21
Communication	20	Social networking Information management Website development and media strategies	20
Physical resources	19	Physical assets Competition venues Uniforms	14
Human resources	20	Gender equality Volunteers Education and training	14
Values	20	Dedication Attitude to sport Allegiances to stakeholders	6

#### Table 3.8: Analysis of NFs in Bosnia and Herzegovina

- create more educational opportunities by organising symposiums on specific topics;
- reinforce collaboration between the NOC and sport faculties in the country's universities; and
- reinforce networking between the NOC and the NFs in order to find proper ways to respond to the political, economic and social conditions present in the country.

As presenting an effective management course was one of the NOC BiH's key commitments following the audit, Olympic Solidarity's Advanced Sport Management Course (ASMC) was introduced in the country. The course was chosen as it both fulfils the primary objectives of improving human resources and also acts as a motivating factor – everyone involved can learn from one other and share their experiences.

## Designing a Training Session

A total of 16 NF Secretaries General participated on the first course, which lasted

one year. The programme featured eight modules and a final diploma awards ceremony, as set out in Table 3.9 (overleaf).

In addition to the course's standard six modules, the NOC BiH introduced a seventh module focusing on PR in response to participant feedback. Away from the course, the NOC BiH has dedicated significant time to PR and organised a meeting with the country's most powerful media – a strong motivating factor for participants, who had the opportunity to establish contact with key journalists. Media attention might not change the inadequate sport system in the country, but it can significantly influence a sponsor's perception of it.

#### Performance management

As well as the case studies required of the course, participants were assessed through every module on their understanding of the objectives (module context), their completed presentations (tasks completed on time or late), their activities during the modules (acquiring personal competences) and their practical application of the acquired knowledge in their NFs. This helped the participants to complete the courses and to achieve the objectives they had set for themselves.

## Developing skills for managing human resources

In Bosnia and Herzegovina, the ASMC has helped many participants develop new skills that are important for managing human resources:

- · Communication and networking
- Although the participants perform the same or similar jobs, the courses have provided them with opportunities to develop their team working skills by requiring them to work together, get to know each other, share ideas and exchange opinions. This has been certainly one of the most important effects of the course, and was recognised by participants who expressed satisfaction with their personal growth.
- The management of change Participants have been able to introduce changes that improved the functioning of their NFs, such as the introduction of proper financial planning and reporting, marketing and PR. The courses have also motivated them to continue working for the benefit of their NFs.

• Presentation skills

Although they occupy senior executive positions within their NFs, many of the participants had little or no experience of presenting in front of an audience. The development of their skills in this area was visible from the second presentation, where they all improved their presentation design and skills.

## Conclusion

The ASMC has helped to raise the awareness about the role of the NOC and its duties within the Olympic Movement in working with the public and with NFs.

The RAT analysis and the ASMC were valuable in creating cohesion between stakeholders. However, most importantly, the courses were a powerful tool for creating a solid basis of human resources within the sport community, and for establishing a positive working environment within the NFs.

Table 3.9: Programme of the first ASMC course held in Bosnia and Herzegovina

Day	Main topic	Activity	Duration
4	Introduction	Introduction to the course	Half-day
I	Case study	Workshop: How to make a case study	Half-day
2	Organising an OSO	Lectures on Chapter 1 of the MOSO	Day
3	Organising an OSO - presentations	Participants' presentations on Chapter 1	Day
4	Managing strategically	Lectures on Chapter 2 of the MOSO	Day
5	Managing strategically – presentations	Participants' presentations on Chapter 2	Day
6	Managing human resources	Lectures on Chapter 3 of the MOSO	Day
7	Managing finance	Lectures on Chapter 4 of the MOSO	Day
8	Managing finance	Lectures on Chapter 4 of the MOSO	Day
9	Managing human resources – presentations	Participants' presentations on Chapter 3	Half-day
9	Where we are? What did we miss?	Motivational presentations	Half-day
10	Managing finance – presentations	Participants' presentations on Chapter 4	Day
11	Managing marketing	Lectures on Chapter 5 of the MOSO	Half-day
11	PR	Lectures on managing PR in NFs	Half-day
12	Managing marketing and PR – presentations	Participants' presentations on Chapter 5	Day
13	Organising a major sport event	Lectures on Chapter 6 of the MOSO	Day
14	Final presentations	Participants' final presentations	Day
15	Athlete of the Year	Diplomas awarded at the Athlete of the Year ceremony	Evening

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Elvedina Muzaferija carried the flag for Bosnia and Herzegovina at the Olympic Winter Games PyeongChang 2018.

**%** 





#### 4.1

**Good Financial Management** 132

Illustration: Principles of Financial Management at the Papua New Guinea Olympic Committee 136

4.2 **Financial Planning** 

#### 4.3

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**Budgeting** Illustration: Budgeting for the ISU World Development Trophy for Short Track Speed Skating 2015 at Ice Speed Skating New Zealand 146 4.4148 Accounting Illustration: Balance Sheet of the Barbados **Olympic Association** 152

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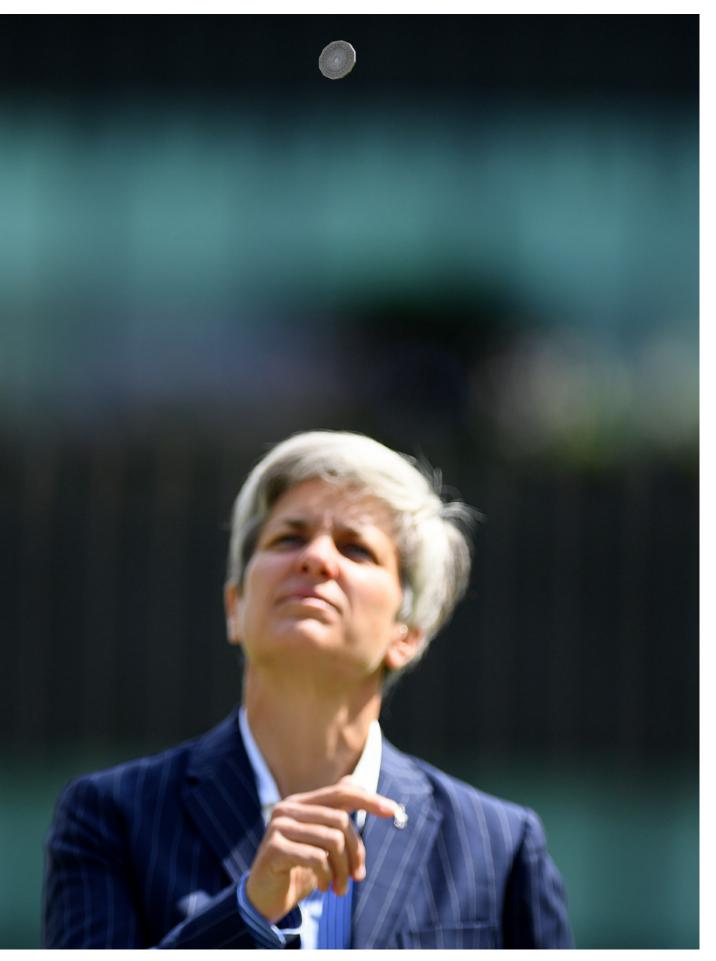
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For an Olympic Sport Organisation (OSO), good financial management is based on an understanding of its core activities, and results in the clear alignment of these activities with the OSO's financial resources. Without good financial planning and management, it is unlikely an OSO will be able to meet its financial obligations or complete its core activities and objectives. Sound financial management underpins an OSO's ability to fulfil its strategic and operational activities within a prescribed timeframe. Simply put, if an organisation's finances are out of control, so is the organisation.

This chapter deals with financial management at OSOs, which are nearly always not-for-profit organisations, and will explain the importance of financial management and financial planning: what it is, what it does, and how and where it sits within an organisation. The first section introduces the financial management cycle and outlines why OSOs need sound financial management. The second section outlines the financial planning process, and the third focuses on the key area of budgeting. Following the fourth section, which looks at how you can account for your organisation's finances, the final section considers the principles of evaluation and reporting.

#### ooo Objectives

After reading this chapter, you should be able to:

- Understand and communicate the importance of integrating good financial management within an OSO.
- Develop and implement sound financial policies and procedures for an OSO.
- Ensure that an OSO's financial plan aligns to its strategic objectives.
- Convey the importance of maintaining accurate, lawful and transparent accounts.
- Carry out monitoring, reporting and evaluation of an OSO's finances.
- Report an OSO's financial performance accurately and transparently.

The chapter concludes with a case study of the Swiss Olympic Association's desire to encourage all its affiliated sport associations to follow a uniform financial reporting system.

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## Good Financial Management

Financial management is the process by which an organisation budgets for, implements and regularly reports on its financial activities. It entails managing an organisation's funds transparently, efficiently and effectively; in line with Board-approved strategic plans and budgets; and in accordance with the law and regulatory compliance (which varies by country). Good financial management is essential for both financial stability and continued income and asset growth, and should always be a component of an organisation's strategic plan.

This section describes a number of factors that make up the financial management process, defining key terms and then presenting the financial management cycle. After considering the roles and responsibilities of those involved in an OSO's finances, the section concludes with a discussion of the principles of financial management adopted by the Papua New Guinea Olympic Committee.

**Key Definitions** 

One of the first key steps towards good financial management is developing a clear understanding of what is being discussed when an organisation reviews its finances. It is therefore important to ensure that everyone with financial responsibility in an OSO understands the following terms and concepts:

• Assets

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Something of value that the OSO owns or has the use of. *Current assets* are only owned for a short time, such as cash, while *fixed* or *long-term assets* are those the OSO owns for a longer period, such as a building.

- Balance sheet (also known as statement of financial position or statement of position)
   A financial statement that is a snapshot of an OSO's assets, liabilities and equity at any point in time (e.g. monthly, quarterly or annually).
   It gives the OSO, management and Board an idea of what the organisation owns and what it owes, as well as details of its net worth.
- Capital expenditure Expenditure that results in the acquisition of fixed assets, such as a building.

- Cash flow The net amount of cash that moves into and out of an organisation during a given period.
- Deficit
- An excess of *expenditure* over *income*.
- Double-entry accounting (also known as double-entry bookkeeping)
   Accounting for every financial transaction or financial event and recording them in at least two account categories within the general ledger. Every debit recorded must be matched with a credit and vice versa.
   For example, if an OSO arranges a bank loan, it will receive cash from the bank, but it must also repay the loan in the future – therefore creating a *liability*. This single transaction affects both an OSO's asset account and its *liability* account.
- Equity (also known as reserves) An OSO's accumulated funds after all debts have been paid. This balance of funds increases by each year's *surplus* or decreases by each year's *deficit*.
- Expenses (also known as costs) Money spent as a result of an OSO's activities.
- Financial disclosures A financial disclosure assists and offers the reader of *financial statements* a greater understanding of how an OSO has distributed and spent its funds.
- Financial statements Structured presentations of historical financial information, intended to communicate an OSO's economic resources or obligations at a point in time and its fluctuations over a period of time, in accordance with a financial reporting framework. Financial statements normally refer to a complete set of documents, including, at a minimum, a *balance sheet*, an *income statement* and notes.
- Funds in advance

*Revenue* received in the current financial year for a project or activity taking place in a future financial year. For example, money received in the 2018-19 financial year for the Olympic Winter Games 2022.

- General ledger The general ledger tracks and collates transactions through account categories, then gathers this information into reports. It shows *income* and *expenditure* on an *income statement*, and keeps track of *assets*, *liabilities* and *equity* on a *balance sheet*.
- Income (also known as revenue) Money received as a result of an OSO's activities – for example, ticket money received through staging an event.

- Income statement (also known as statement of performance or profit and loss (P&L) statement)
   A financial statement that summarises revenue and expenses incurred during a specific period, usually produced at the end of each month, each quarter and at the end of the financial year.
- Liabilities

Something owed by the OSO to someone else (debts). *Current liabilities* must be paid within a fairly short time, such as money owed to suppliers (aka creditors); while *long-term liabilities* must be paid over a longer period, such as money owed for a mortgage on an OSO's office.

• Liquidity

The amount of money the OSO can access immediately to pay its debts.

• Month end and year end

The process by which an organisation closes its financial operations, which includes bank reconciliations (matching the balances in an OSO's accounting records with bank statements), the depreciation of *fixed assets*, reconciling *funds in advance* and other *liability* accounts.

- Overheads (also known as operating costs and/or fixed costs)
   The money an OSO requires to run its daily operations; e.g. heating, electricity and rent.
- Prepaid expenses (also known as prepayments) Expenses paid in the current financial year for a project or activity taking place in a future financial year. For example, money paid in the 2018-19 financial year for activities relating to the Olympic Winter Games 2022.
- Surplus
- An excess of income over expenditure.

• Value in kind

Goods or services donated by sponsors or partners instead of cash; e.g. a uniform sponsor may provide uniforms rather than donating cash for the OSO to buy its own uniforms.

## The Financial Management Cycle

Financial planning involves scheduling and managing finances over time in a way that meets the OSO's needs and objectives. Strategic

#### 1. Financial planning and implementation framework

Financial planning must support Mission, vision and objectives (strategic plan)

#### Structural requirements

- Legally registered status
- Board
- Secretary General/CEO
- Treasurer/Finance Manager
- Bank accounts
- Legal documents: contracts,
- waivers, insurance

#### 3. Building sustainability and credibility

- Prepare accurate and timely financial statements
- Evaluate quantitatively and qualitatively
  Analyse and show where improvement
- is needed
- Report regularly to Board and Secretary General
- Independent auditing
- Public annual report
- Prepare, project and report on future expected surpluses/deficits

Figure 4.1: Financial management cycle



#### 2. Budgeting

Budget categories and types

- Operating and organisation's activities
- Capital

· Identify and treat financial risks

· Internal accounting policies and

Financial and accounting systems

procedures

and processes

- Cash flow and forecast budgeting
- Structural framework of budget
- Accounting
- Income through activities
- Expenditure through activities
- Projected surplus/deficit forecast

Responsibilities of Board and staff

- Govern, manage and adhere to financial policies
- Manage and treat risks
- Advocate for good financial management

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planning (see *Chapter 2*) and financial planning go hand in hand, as the amount of available money determines to a large degree what activities or goals the OSO can achieve. Figure 4.1 (previous page) summarises the financial management cycle, which is discussed in this section and is divided into three stages:

- 1. Financial planning and implementation
- 2. Budgeting
- 3. Evaluation and reporting

It is essential that an OSO's mission, vision and objectives are in place – they will show an organisation where it should place its funds. Good financial management and planning requires an OSO to have:

- legal status as an organisation;
- a Board and a strategic plan;
- all legal, contractual and insurance documentation and requirements, along with bank accounts;
- clear descriptions of the roles and responsibilities of the individuals involved in its finances;
- employed or elected a Secretary General or Chief Executive Officer (CEO);
- employed (or has on their Board) a Marketing Director and a Treasurer and/or Financial Manager;

Table 4.1: Job description for Finance and Accounting Manager at the Uganda Olympic Committee (UOC)

Job Title: Manager – Finance and Accounting Reports to: General Manager/CEO

#### Job purpose

To provide guidance and technical support to the UOC and Secretariat on proper management and accountability for the financial resources in accordance with the current financial management and accountability laws and regulation.

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- Key outputs
  - a) UOC financial requirements forecasted and budgets developed.
  - b) Final books of accounts and accounting records prepared in timely fashion.
  - c) Periodic and annual UOC financial statements and reports prepared.
  - d) Audit queries and mandatory inquiries answered in timely fashion.
  - e) Technical guidance and support provided to UOC on financial management matters.
  - f) Financial management policy, regulations and professional practices in all UOC financial transaction adhered to.
  - g) UOC expenditures financed by the various donors monitored.

#### Key duties and responsibilities

- a) Forecasts financial requirements and coordinates the consolidation of UOC budgets.
- b) Coordinates the preparation of final books of accounts and accounting records.
- c) Coordinates the preparation of and submits periodic financial statements and reports.
- d) Coordinates the preparation of responses to audit queries and mandatory inquiries whenever necessary.
- e) Provides technical guidance and support to the UOC on financial management matters.
- f) Enforces adherence to financial management policy, regulations and professional practices in all financial transactions.
- g) Deputises for the Managing Director/CEO as may be designated from time to time.
- h) Accounts for fiscal and other resources of the Executive Committee.

#### Person specifications: Qualifications

a) An Honours Bachelor's degree plus a full professional accounting qualification, such as ACCA, CPA, ACIS and CPE from a recognised institution. or

- b) A full professional qualification in Accountancy such as ACCA, CPA, ACIS and CPE obtained from a recognised institution and accredited by the Institute of Certified Public Accountants of Uganda (ICPAU).
- c) Membership of a recognised accounting body.
- d) A postgraduate qualification with a bias in a business administration or management field from a recognised awarding institution.

#### Experience: Minimum of five years working experience in a reputable organisation

Competence

- a) Financial management
- b) Planning, budgeting and coordinating
- c) Information and communications technology
- d) Accountability

- e) Problem solving and decision-making
- f) Teamwork
- g) Communicating effectively
- h) Concern for quality and standards, ethics and integrity

- considered financial risks, and developed and implemented controls over its inflows and outflows of funds via policies and procedures;
- clearly identified the revenue and expenses needed to carry out the activities of the OSO; and
- established accurate and regular financial reporting to its Board, stakeholders and management.

## Roles and Responsibilities for Financial Management

As discussed in Chapter 1, an OSO's Board determines its vision, and in turn employs a team of paid or unpaid individuals to deliver this vision using its strategic plan. All Board members and staff are responsible for its financial management. From the boardroom to the stadium, good financial management requires that everyone must use organisational funds effectively, efficiently and transparently.

By establishing an OSO's vision and strategic plan, Board members obviously have an impact on how the organisation's finances are managed. However, it is the Financial Manager (FM) or Treasurer who has the most pivotal role.

The FM is responsible for communicating, reporting, forecasting and delivering finances to the OSO; manages the team responsible for day-to-day financial management; and must be able to communicate and forecast an organisation's planned current and future financial activities. (Please note that this book uses "Financial Manager" (FM) to describe the manager in an OSO who is responsible for its finance. Different organisations use different titles, but the responsibilities remain the same.)

Financial Managers play crucial roles in establishing realistic and accurate budgets, regularly reporting and discussing finances with the senior management team to ensure funds are available so organisational activities and commitments can be delivered on time under the Board-approved budget. Table 4.1 (left) sets out how the Uganda Olympic Committee uses its FM, describing the role's purpose, its key outputs/deliverables and the desired skillset and responsibilities of the person holding the position. The FM's specific tasks might be to:

- identify an OSO's financial risks and ensure controls are in place to mitigate and reduce them;
- write policies and procedures ensuring the organisation has control over its income, expenses and assets;
- maintain accurate accounts, overseeing all financial transactions and communicating these regularly;
- lead in preparing budgets, bringing together all budgets to build and maintain the forecast of an organisation's current and future activities;
- lead in financial forecasting;
- prepare and present accurate and regular financial statements of performance and position for the Board, Secretary General, senior management team, annual audit and annual report;
- recommend and manage investment strategies for surplus funds;
- oversee payroll and income tax payments; and
- ensure annual returns and audited financial statements are filed with relevant authorities, and that the organisation abides by the law.

It is also the role of the FM, along with the Secretary General and perhaps the Marketing Director, to ensure an organisation stays solvent, is able to meet its financial commitments on time and helps its assets to grow. In short, the FM has ultimate responsibility for an organisation's good financial management.

The illustration on the next page considers how the Papua New Guinea Olympic Committee underpins its financial management.

#### •••• Key recommendations

- One person with the right skill set should be responsible for compiling budgets, interpreting and regularly reporting an OSO's finances.
- All Board members, volunteers and staff of the OSO must adhere to and acknowledge good financial practices and be committed to good financial management.
- Make sure that all Board members, management, staff and volunteers follow the financial management cycle.
- Be familiar with financial terminology.



# Illustration 4.1 Principles of Financial Management at the Papua New Guinea Olympic Committee



The 2016-2020 strategic plan for the Papua New Guinea Olympic Committee (PNGOC) outlines several key operational principles on areas including financial management.

The inclusion of financial management in the strategic plan shows that the PNGOC is aware that finances must support the mission and objectives of the organisation, and the presence of several key performance indicators (KPIs) show that it understands the importance of financial performance evaluation. The plan shows the organisation is keen to follow a stakeholder-oriented approach by being accountable to sponsors and members, and by distributing its annual budget and financial report to key stakeholders. Although sound practices are in place, the organisation is aware that these practices could be more efficient.

These clear statements of principled financial management communicate to others that the PNGOC will manage its finances in a sound and prudent manner. This is a very public statement of how the organisation will operate and demonstrates that the PNGOC will be accountable for its financial dealings.

Table 4.2: Key result areas for the Papua New Guinea Olympic Committee – 1. To be the best-performing Pacific National Olympic Committee (NOC)

#### Financial management and sustainability

**Objective 1:** Financial management is done in an accountable and transparent manner **Objective 2:** PNGOC is financially sustainable through its commercial activities **Rationale:** Financial management and sustainability are important to the PNGOC achieving its vision under its strategic plan

Category	Strategic priority	Key performance indicator(s) (KPI)	
Administration	Maintain sound financial budgeting, accounting and reporting practices across the organisation	Timely acquittals and reporting Clean annual audits Development of new, more efficient financial practices Timely adoption of audit recommendations (if any)	
Accountability	Communicate accurate and timely financial information to relevant stakeholders	Present annual budget and financial report in a timely manner to all members and stakeholders	
Revenue	Effectively secure and manage commercial revenue	Increase amount of commercial funders and total value of funding	
Investment	Sustain and grow investment sources	Increase revenue by 10 per cent over four years	





Papua New Guinea made their 10th Olympic appearance at Rio 2016.

## Financial Planning

Financial planning considers an OSO's finances and aligns them to its objectives and core activities, acknowledging the importance of strategies designed to generate and deliver funds to the organisation. It include cash management, budgeting, project management, insurance, capital expenditure and tax planning, ensuring activities are completed within a specific period (as outlined in the strategic plan) and helping an organisation to evaluate its financial position.

Ultimately, financial planning is an extension of an organisation's broader planning process. Through careful management, the financial plan will identify, monitor and reduce risks to an organisation, and will ensure an OSO maintains control over its funds in order to meet its financial commitments and objectives – remaining solvent, staying within the law and ensuring all projects remain within the annual budgets approved by the Board.

This section begins by considering the need for financial policies and procedures to guide financial planning. It goes on to consider concepts and issues that impact on planning, including an assessment of financial risk.

## Financial Policies and Procedures

Policies and procedures form a major element of financial planning and are required by every organisation. Financial policies and procedures give crucial guidance to everyone who works for or with an organisation, helping it to achieve its objectives, meet its commitments and complete its activities while avoiding fraud or the theft of its funds.

It is important to note that even with tight controls, financial mismanagement can occur due to misconduct or collusion. An OSO must ensure that its policies and procedures prevent, wherever possible, these types of risks from occurring. An OSO's financial policies and procedures should be comprehensive, clearly presented and made available to everyone within the organisation. They may include:

- Delegated authorities (budget managers) within the organisation who can approve and authorise approved budgetary expenditure, including invoices.
- Signatories (usually two) authorised to deal with payments. In order to avoid potential financial mismanagement or theft, payment signatories should never be budget managers that may have authorised the budget expense/invoice or could benefit from the payment. It is also good practice to ensure that these signatories have different roles within the OSO, a segregation of duties that helps to facilitate good financial practice.
- An expenditure process that ensures expenditures are only approved if they are part of the Board-approved annual budget and have been signed off by a delegated authority.
- The principle that bank transactions and bank reconciliations must be processed by one position and checked by another, and that these reconciliations must form part of the organisation's month-end processes, checked by the FM and/or Secretary General.
- The principle that the payroll must be processed by one position and checked by another, as above.
- Rules and processes for payments for example, that one of the signatories must be the FM and the other must be the Secretary General or a Board member. (Neither should sign their own reimbursements or per diem/ travel payments.)
- Regulations that ensure all parties abide by the interests register, and that authorising powers can be withdrawn from a party should a conflict exist (see *Chapter 1*; this must be embedded into the payments processes).
- The establishment of a gifts register to track and record all gifts received by the organisation, with an established process that describes how to deal with these gifts.
- Guidance on how the organisation should deal with handling cash – for example, that two positions independent of each other should carry out the cash handling, approved by a budget manager and the FM and/or Secretary General. Cash handling must be budget-approved, and could include petty cash requests, travel allowance distributions, foreign currency banking and/or distribution.

## Understanding Your Assets and Liabilities

Financial planning requires knowledge of the assets owned by an OSO, and an understanding that some of these assets may have the potential to generate revenue. All OSOs should have an asset register that sets out its assets, their worth and the depreciation associated with them. An organisation must carefully manage the ratio between its current and fixed assets so it has enough cash to operate efficiently and run its activities, and must have sufficient funds available to settle its commitments and liabilities. It is important to maintain a careful balance between long-term cash investments and easily-accessible cash in the bank. It is part of good financial planning to consider these factors and incorporate them into the OSO's overall annual planning process.

## Sources of Income

Income allows an OSO to fulfil its mission and deliver its planned activities. When an organisation starts its financial planning process, it must understand where its revenue/income comes from – such as Olympic Solidarity, government, sponsors, trust or foundation grants, and members' fees. Some funds may be provided for a specific purpose, and it is imperative that those funds are spent on that purpose and no other. Olympic Solidarity's Olympic Scholarships for Athletes are an example of such funds: they must be budgeted, agreed, contracted and spent on the designated athletes and their performance programmes, and must not be spent on any other athlete or for any other purpose.

## Expenses

Once an OSO settles on its strategic plan, it can go about identifying how much its plan will cost. Taking into account every possible scenario, an OSO should list the costs of all its activities.

## **Estimating Costs**

It is of paramount importance for an OSO to accurately estimate every operational cost and activity/project cost on specific budgets. All services and goods should be supplied by contract or agreement, whether as value in kind,



Slovakia's Klaudia Medlova was one of 435 athletes who received an Olympic Solidarity Olympic Scholarship for PyeongChang 2018.

through a creditor agreement or via a contra deal (where two parties exchange goods or services with no money changing hands). In addition, all terms should be written down before purchase.

## Budgeting

Once an OSO has decided on the activities it wants to deliver in line with its strategic plan, it must estimate the costs of these activities, along with its operating costs.

All activity/project budgets must be in line with the OSO's strategic plan and annual budget. It is therefore crucial that no activity/project budget is created in isolation from the annual budget or the strategic plan. It is also important that the annual budget is approved by the Board before the financial year begins – any deviation from this annual budget would not be permitted unless it is discussed and minuted by the Board.

#### **Time Frame**

Table 4.3: Mitigating financial risk

The time period covered by an OSO's financial plan is determined by its strategic plan. For example, an NOC might base its strategic plan on an Olympic cycle of four years, but clubs or member organisations may follow an annual planning cycle. Whatever its planning cycle, an OSO must monitor its finances and report on a regular basis agreed with the Board and management – monthly, bimonthly, quarterly or annually.

## Organisational Efficiencies

Planning helps an OSO to understand where it can make internal efficiencies. An OSO must ensure that it has adequate and appropriately skilled human resources, and that its marketing and promotional strategies are effective. An OSO's organisational structure also has an impact on its efficiency, as do the governance procedures under which it operates. An OSO can evaluate its organisational efficiency using the principles of auditing outlined in Chapter 1 and Chapter 2.

## Understanding Financial Risks

Financial risk exists in all organisations, and an OSO must identify, monitor, treat and report on their financial risks. See Chapter 1 for more details. Table 4.3 (below) provides an example of a financial risk and how it can be mitigated.

Once an organisation has identified a financial risk and the factors contributing to it, the organisation can put in place a mitigation plan, preferably with more than one or two mitigation options. Monitoring these risks will allow an organisation to assess whether or not the risk is being reduced and if the mitigation is successful. Reviewing and monitoring the risk must be embedded as part of organisational practice.

	Controls	Treatment
		Deliver objectives to show the OSO is relevant to society
	Focus on earned revenue potential in the strategic plan	Regularly meet with government funders
Dublic costor/covernment funding	Enhance cost controls	Lobby local councillors
Public sector/government funding may be constrained by the economic situation or the decline	Enact a strategic plan flexible enough to enable the OSO to deliver its objectives within changing funding arrangements Discuss, investigate and seek potential funding opportunities	Advocate for the OSO at every opportunity
of sponsorship money, meaning the amount of money available		Ensure a well-managed organisation with good governance
to the OSO may decrease		Look to cut costs
		Increase Board engagement in raising levels of philanthropic and sponsor revenue
		Establish sources of funding to secure the OSO's future

## Managing Risk with Legal Documentation

As outlined above and in Chapter 1, it is sound financial management to accept that risk exists, and an organisation must take prudent measures to control risk in advance: minimising the potential for lawsuits and always conducting its business within the law. The principles of risk management outlined in Chapter 1 are crucial, particularly the use of the risk register. There are, however, other valuable tools for risk management, which are detailed below.

#### Insurance

An OSO can reduce risk by holding insurance policies. One insurance category, known as Directors' and Officers' Liability Insurance (DOLI), limits the liability of Board members, as well as others associated with it (staff, volunteers, members), by covering any allegations of a "wrongful act" being made against an "insured person". Other types of insurance, such as air travel insurance and asset insurance, are more widely known and could be offered to members, athletes, coaches and officials. Since OSOs provide services with inherent risks, membership could also include insurance against equipment damage, health insurance, accidental death or dismemberment. At the very least, these policies could be offered at an additional charge.

#### Indemnification and waivers

If possible, every contract you prepare and sign should indemnify the OSO against any illegal behaviour on the part of a contracted service provider. It is also helpful for an OSO to restrict membership to people who agree in writing to an indemnification clause, which releases the OSO from the legal responsibility of any reckless or illegal behaviour by another party with whom it has a legal relationship. It is a good idea to embed such a clause in waivers and contractual agreements in order to limit the financial risk to an OSO in the event of a lawsuit.

Similarly, an OSO may ask an athlete to sign liability waivers before competing in an event. Liability waivers are often used by OSOs to reduce the possibility of a lawsuit in the event of injury or death as a result of participation in an organisational activity: they ask the participant to acknowledge the risk and in doing so release the OSO from any legal responsibility should such an injury or death occur. Athletes may be required to sign such a waiver in order to participate in an event.

#### **Conflicts of interest**

An OSO must ensure that its Board members, volunteers, staff and contractors operate without any conflicts of interest. Along with the activities outlined in Chapter 1, conflicts of interest may also occur if an interested party:

- obtains a non-financial benefit or advantage that they would not have obtained without their relationship with the organisation;
- tries to obtain preferential treatment for another interested party;
- makes use of confidential information for personal benefit or for the benefit of another party; or
- seeks to take advantage of an opportunity, or enables another interested party to take advantage of an opportunity, that would be of interest to the organisation.

Conflict of interests can lead to corruption, which is why it is important for an OSO to maintain an interests register on which parties can declare any relevant interests or relationships.

Along with adopting a risk management plan, holding insurance, organising waivers and maintaining an interests register, an OSO should develop and maintain an organisational manual that sets out its documented policies and procedures for the benefit of its employees, volunteers and other connected parties.

#### •••• Key recommendations

- Ensure that the Board takes responsibility for financial planning, and that it understands the OSO's policies and procedures.
- Ensure that financial planning is directly linked to the OSO's strategic plans.
- Understand the OSO's income and its sources before planning expenditure.
- Be realistic about the costs of your OSO's activities and the time frames they require.
- Ensure that the OSO has adequate and appropriate insurance for its activities.
- Put in place procedures and policies that show all Board members, volunteers and staff how to manage finances.





Ticket sales are an important part of an event budget.

## <sup>4.3</sup> Budgeting

This section discusses the second stage of the financial management cycle: budgeting. An OSO must consider its annual budget when planning its activities, and must produce future budgets that are aligned to its strategic plan. If an OSO does not follow its budget, it is unlikely to deliver its programmes, activities and services within planned time frames and finances – and if the organisation fails to deliver, its stakeholders may lose trust and faith in it, making it even harder to fulfil actions and build relationships in the future.

This section looks at how an OSO should compile and then control its budget. It considers the four types of budget an OSO might have – operating, project, annual and capital – and discusses the importance of developing, approving, implementing, controlling and reporting on annual budgets. It ends with a discussion of an event budget of Ice Speed Skating New Zealand.

## **Operating Budgets**

In order to carry out its activities, an OSO must first establish its operating costs on an operating budget, which includes expenses such as salaries, rents, insurance, legal costs, website hosting, phone bills, printing and marketing. The operating budget should also state the sources of the OSO's revenue and details of when it will arrive.

## **Project/Activity Budgets**

An OSO must ensure that its project/activity budgets, which show how much money will be spent on a particular project/activity, are part of its strategic plan. Project/activity budgets are divided into income and expenditure, each of which is broken down into categories: for example, the income section of an event budget could include lines dedicated to government funding, sponsorship and ticket sales.

## Annual Budget

An OSO's annual budget shows its total income minus its total expenditure, which includes both operating costs along with the costs of its programmes, projects and activities. The sum of these two figures gives the OSO's budgeted net result, which could be a surplus (more income than expenditure) or a deficit (more expenditure than income). If the net result is a deficit, then the organisation must fund the financial year from its equity. The FM must communicate this information to the Board in advance. The Secretary General and the Board will then advise as to whether they can accept the deficit or whether the budget must be reworked.

## Capital Budgets

When an organisation must spend substantial funds on something that will have a long-term value, it must draw up a capital budget. Capital budgets must be approved or reviewed by the Board at the same time they review the annual budget, and must be subject to annual review.

## Budget Expenditure and Control

An OSO needs a set of rules to control and eliminate organisational risk on the flow of funds. Set out in the form of policies and procedures (see above), they describe who can arrange funds to come into and out of the OSO (positions often known as budget managers), and who can authorise cheques and cash to go out of the organisation (usually a combination of positions, such as the FM and the Secretary General).

Whether budget expenditure is large or small, an OSO must ensure that it does not exceed the projected surplus or deficit approved by the Board. The FM must carry out regular and clear accounting of the OSO's financial transactions, and must report regularly to the Board. Regular reporting promotes discussion around expected revenues and/or funding for projects/activities, and problems with losses or reduced funding can be addressed quickly. Reporting also demonstrates transparency and helps to ensure that spending is in accordance with the OSO's financial plan, approved budget and strategic plan.

If an OSO loses its planned budgeted funding, it must find a solution to increase its income or reduce its expenses immediately. If the fixed costs of a planned project or activity have been prepaid and cannot be reduced or recouped, a decision must be made as to whether the project/activity's timeline must be increased until new funding can be secured.



Clubhouse improvements may help an OSO earn more revenue.

## Compiling a Budget

Creating of a budget is relatively straightforward. You must identify:

- how much money will come into the OSO or project/activity;
- the expenses/costs involved in delivering the project/activity;
- overheads such as salaries and rent;
- other costs such as equipment, maintenance of buildings or equipment, taxes and employee benefits;
- who should sign off on the budgeted expenses (budget managers); and
- how the delivery of the project/activity will be managed, monitored and reported.

Once all the information has been collected, you can develop the budget, outlining areas where funds will be spent. When developing a budget, you must consider factors such as rent increases and salary increases, and the timing of the delivery of specialised equipment or resources required for a project/activity to proceed on time.

An organisation should always avoid:

- spending without a budget, or spending outside an approved budget;
- starting ad hoc initiatives or activities with no approved budget or approved link to the OSO's strategic plan;

Table 4.4: Operating budget of a badminton club

Category	Amount (AUD)
INCOME	
Municipal subsidies	2,000
Membership	1,500
Donations	400
Fundraising	2,000
Sponsorship	1,000
TOTAL	6,900
EXPENSES	
Rent	3,500
Equipment	600
Volunteers	350
Publicity and printing	200
Fundraising	200
Telephone	1,500
Stamps and stationery	300
Insurance	600
Sundries	500
TOTAL	7,750
Projected surplus (deficit)	(850)

#### Table 4.5: Capital budget for clubhouse improvements

TOTAL	32,000	26,500	37,500	127,500	72,500	296,000
Fit out clubhouse extension					60,000	60,000
Clubhouse extension				120,000		120,000
Rectify car park drainage problem	15,000					15,000
Replace and upgrade car park lighting			30,000			30,000
Upgrade gymnasium equipment			7,500	7,500		15,000
Replace heating, ventilation and air-conditioning system		21,000				21,000
Repaint exterior of building	10,000				12,500	22,500
Refurbish lounge area	7,000	5,500				12,500
	Year 1	Year 2	Year 3	Year 4	Year 5	Total

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Your budget will outline areas where funds will be spent.

- reallocating budget resources from one line item to another, which could disguise a lack of financial control;
- asking funders for additional money because budget estimates were inaccurate or underestimated;
- adding contingencies as a line item; and
- adding miscellaneous or sundry line items.

Table 4.4 (left) gives an example of a local badminton club's annual budget, and shows the budget items required by a small OSO. Note that the budget is in deficit, with expenses projected to be higher than income, which means the club must find additional money elsewhere. In an OSO of this size, fundraising activities might address the deficit, as might an increase in membership fees. Alternatively, the club could reduce its costs and/or purchase new equipment at a later date. In this example, the telephone costs appear high and so the organisation may be able to reduce these expenses. Table 4.5 (above) shows a capital budget that a similar club could develop for improvements to its facilities, which it rents out to raise revenue. Although this budget includes maintenance items such as painting, it is a capital budget item because the expenditure will improve the revenue-earning capacity of the clubhouse.

The illustration on the following page provides an example of a project budget from Ice Speed Skating New Zealand for an international competition in 2015.

#### **\*\*\***) Key recommendations

- Identify all sources of income and expenditure, no matter how small or irregular.
- Allocate funds to appropriate areas of expenditure, in particular taking into account income that has been provided for a specific purpose.
- Ensure all approved budget expenditure items are signed off by a manager authorised to do so.
- Promote regular discussions about income and expenses with project and activity managers to ensure accurate spending.
- Ensure that the Board regularly assesses actual performance against budgeted performance.



#### $\langle \cdots \rangle$ Illustration 4.3



## Budgeting for the ISU World Development Trophy for Short Track Speed Skating 2015 at Ice Speed Skating New Zealand

Ice Speed Skating New Zealand (ISSNZ) identified participation in national and international competitions and events among their 2014-2016 objectives. The organisation's strategic plan states:

The strategic direction of ISSNZ is focused around the development of short track speed skaters, coaches and officials. This is being implemented through regional, national and international sanctioned competitions.

The International Skating Union (ISU) World Development Trophy is one such competition. However, because ISSNZ has limited funds, it must carefully consider, prepare and outline each possible expense that may be incurred by taking part in order to ensure no overspending occurs.

Table 4.6 (below) shows ISSNZ's budget, which covers a five-day training camp followed by one day

of competition – a total of six days and seven nights. The first three days are covered by the ISU, leaving ISSNZ to cover the remaining costs. The budget shows two different scenarios – the first in which ISSNZ sends 30 athletes to the event, the second in which 45 athletes travel to the competition.

The budget has categorised each expense to ensure the OSO accounts for all facets of the project spend. You should include all items associated with a project, rather than simply those that are immediately obvious, in order to ensure the budget is comprehensive. The budget also features an exchange rate, which should be included in budgets if funding is received in a currency different from that which is to be used for expenditure.

The ISSNZ must use only the funds specifically set aside for the event and ensure no overspend

Table 4.6: Budget for the ISU World Development Trophy for Short Track Speed Skating 2015

EXPENSES (CHF)				Scenario 1: 30 athletes	Scenario 2: 45 athletes
TRAVEL (air fares)	People		Unit cost		
Officials – New Zealand	2		375	750	750
Officials – China	1		1,500	1,500	1,500
Officials – Korea	1		1,500	1,500	1,500
Officials – Europe	2		2,500	5,000	5,000
ISU office-holders	2		7,000	14,000	14,000
TOTAL TRAVEL				22,750	22,750
HOTELS (including meals)	People	Nights	Unit cost		
Officials – New Zealand	1	8	150	1,200	1,200
Officials – New Zealand	1	2	150	300	300
Officials - China	1	2	150	300	300
Officials – Korea	1	2	150	300	300
Officials – Europe	2	8	150	2,400	2,400
ISU office-holders	2	7	150	2,100	2,100
Skaters	30 / 45	4	70	8,400	12,600
Coaches	10 / 15	4	150	6,000	9,000
TOTAL HOTELS				24,000	28,200

EXPENSES (CHF)				Scenario 1: 30 athletes	Scenario 2: 45 athletes
TRANSFERS AND TRANSPORT					
Airport transportation (fuel, etc.)				350	350
Shuttle (one bus, two services per day)				2,700	2,700
Van hire				500	500
TOTAL TRANSFERS AND TRANSPORT				3,550	3,550
RINK	Hours/day				
Friday official training	2			230	410
Competition	6			1,200	1,200
Training camp – ice	20			4,100	4,100
Training camp – off ice				350	350
Training camp – lecture				_	-
TOTAL RINK				5,880	6,060
TECHNICAL	People	Nights	Unit cost		
Flags				50	50
Lanyards and registration tags				50	50
Electronic equipment				220	220
Electronic technician – travel	1		250	250	250
Electronic technician – hotels	1	1	100	100	100
NZ competition officials – travel	5		210	1,050	1,050
NZ competition officials – hotels	5	2	115	1,150	1,150
TOTAL TECHNICAL				2,870	2,870
MODERATOR	People	Nights	Unit cost		
Travel	1		1,500	1,500	1,500
Hotels (including meals)	1	7	150	1,050	1,050
Honorarium				4,300	4,300
TOTAL MODERATOR				6,850	6,850
OTHER COSTS					
Accreditation					
Medical costs (ambulance, first aider)				700	700
Moving gymnastics mats				460	460
Medals (8 x gold, silver, bronze)				250	250
Programmes and certificates				250	250
Trophies				_	-
TOTAL OTHER COSTS				1,660	1,660
Exchange rate: NZD 1 = CHF 0.71					
TOTAL EXPENSES				64,560	71,940
TOTAL INCOME				64,000	72,000
TOTAL (DEFICIT)/SURPLUS				(560)	60

occurs. As it may need to repay any unspent funds to funders, it is imperative that the budget is realistic, using costings from reputable, reliable and contracted suppliers.

The ISSNZ budget has been designed around two scenarios of different numbers of athletes (30, 45) participating over a nominated number of days. Within these two scenarios, the ISSNZ can clearly identify costs for each category of expenditure. With this type of project, it is important that an organisation the size of the ISSNZ regularly monitors both expenditure and the exchange rate against budget to ensure it achieves the agreed budget outcome.

## Accounting

Accounting is the process of tracking and cataloguing income, expenditure, assets and liabilities. Accounting ensures that an OSO's financial information is accessible at any time, now or in the future. It is important for an OSO to record its income, expenditure, assets and liabilities to ensure that it is spending its resources according to its expressed intent or organisational purpose.

An organisation must be able to retrieve financial information when undergoing a formal external audit (a requirement for most OSOs), and when reporting to the Board, members of the General Assembly and stakeholders. Similarly, it must follow nationally and internationally acceptable accounting standards, procedures and practices in order to ensure that its financial management is transparent, law-abiding, ethical and responsible. If an organisation fails to keep easily retrievable and compliant records, its funding sources may be withdrawn.

This section discusses how an OSO should account for its finances, and considers the role of standardised accounting systems and different ways of accounting for activities. The section ends with a discussion of the Barbados Olympic Association's balance sheet.

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### International Financial Reporting Standards

International Financial Reporting Standards (IFRS) provide a universal language for financial activities, so that accounts are understandable and comparable across all international borders. It consists of a standard set of rules that are followed by accountants, Chief Financial Officers, Financial Directors and Financial Managers to maintain reliable accounts that can be understood and compared to each other in a world context.

Used in over 110 countries worldwide, IFRS are a consequence of growing international shareholding and trade, and are particularly important for OSOs that have international connections or operate in other countries. Although some countries have not adopted IFRS, it is important to note that IFRS are progressively replacing the many different national accounting standards.

## Generally Accepted Accounting Principles

Countries that have not adopted IFRS may instead use generally accepted accounting principles (GAAP), commonly known as Local GAAP. Local GAAP is a region or country's collection of locally accepted accounting principles, standards and procedures that organisations are required to follow when they compile their financial statements.

## Chart of Accounts

Financial transactions are organised via a chart of accounts, which categorises each financial transaction as income, expenditure, assets or liabilities in what are known as ledger accounts. It is standard practice to give numeric codes to each of these ledger accounts – for example:

Ledger category	Ledger account code
Assets	1000
Liabilities	2000
Income	3000
Expenses	4000-7000

Within each of the ledger accounts will sit many other accounts with their own numeric codes. For example, if the ledger account code for assets is 1000, the bank account(s) that sit in the assets category must have their own individual codes in sequence within this category. For example:

Bank account	Ledger account code
Bank account 1	1001
Bank account 2	1002
USD bank account	1010

Once an organisation has established its ledger account categories and codes, it can go about its daily transactional business.

## Receipts or Invoices (Sales and Purchases)

A large part of accounting is keeping legally acceptable, transactional receipts on record. The principle "legally acceptable" varies from country to country, but it is best practice to always produce or retain a receipt of sale or paid invoice for any financial transaction. The receipt should show the address and name of the buyer or supplier, the price and description of the item

## Always produce or retain a receipt of sale or paid invoice for any financial transaction.

purchased or sold, and the change given if the item was purchased with cash. After the transaction has been completed, the receipt or invoice should be handed to the accountant, signed by a budget manager and coded to the project or activity to which the cost relates.

The FM must regularly remind Board members, volunteers and staff about the need to collect all receipts or invoices, and must regularly review the organisational procedures on accounting for them. It is equally important that all are familiar with the processes and policies for spending the OSO's money before purchasing or sales begin.

The FM should divide expenditure and operating costs into ledger account codes (see above). These codes allow the FM to collect and organise financial information against the organisation's

projected approved annual budget, and to report to Board members, management and staff on the progress of the organisation's projects/activities.

### Accrual and Cash-Basis Accounting

Financial statements can be prepared in one of two ways:

 Accrual accounting Under accrual accounting, all recorded revenue and recognised profit reported in a defined period must be matched with the associated costs/expenses in the same period, even if the cash has not actually been received or paid out at the time. For example, if you receive a



International Financial Reporting Standards provide a universal financial language.





Account for all finances in a consistent and transparent manner.

## An organisation must be consistent with its choice of accrual or cash-basis accounting.

utilities bill in financial year 1 but do not pay it until financial year 2, it should nonetheless be accounted for in financial year 1 under accrual accounting. Accrual-based accounts help to ensure that deficits or surpluses are not inflated, and that budgets are aligned and prepared in the same way.

Cash-basis accounting

Under cash-basis accounting, revenue and costs/expenses are allocated to the financial period in which the cash transaction is actually completed. To use the example above, if you receive a utilities bill in financial year 1 but do not pay it until financial year 2, cash-basis accounting means it should be allocated to the accounts for financial year 2.

Both methods of accounting are acceptable and can be used to prepare financial statements. However, please note that if an organisation is reporting under IFRS, cash-basis accounting may not be used. The important point is that an organisation must be consistent with its choice of method. For NOCs, however, bookkeeping must follow the accrual basis of accounting and the double-entry principle.

## **Currency Conversion**

Most OSOs will conduct some transactions in foreign currencies; for example, applying for and receiving support from Olympic Solidarity, OCOGs or other international funders. It is therefore important that the FM understands currency conversions and determines a reliable source for internationally accepted conversion rates for use in the final calculations. The FM must decide on one system for calculating exchange rates and must apply it consistently throughout the year. If a manager is delivering a project/activity overseas or with international funds, the FM must discuss the budget with the manager and convert the budget to ensure that there are no overspends. In turn, it is the responsibility of the budget manager to check expenditure against the currency converted

project/activity budget and keep in contact with the FM in order to prevent any financial problems.

### Recording

The FM must process an organisation's financial transactions using standard lawful accounting practices, and must report these transactions as aligned to its Board-approved budget. No recording should be made in the accounts without corresponding supporting justification. These daily, monthly and annual financial transactions will be recorded via an income statement, which shows whether your organisation is making a surplus or a deficit, and a balance sheet, a snapshot of the organisation's financial position that shows its assets and liabilities.

An example of an NOC's balance sheet is set out in the illustration on the next page. For an example of an income statement, please see pages 162-167.

#### •••• Key recommendations

- Account for all finances in a consistent and transparent manner following recognised norms (IFRS, local GAAP, etc.).
- Ensure all sales and expenditures are supported by the relevant receipts or invoices and are recorded correctly, in line with the Board-approved budget and in compliance with your financial guidelines.
- Ensure your OSO is able to carry out correct financial currency conversions in order to avoid budget overspends.
- Produce annual, audited accounts (balance sheet, income statement, notes) to demonstrate financial integrity, transparency and compliance.

# Balance Sheet of the Barbados Olympic Association



Table 4.7 (below) shows what an OSO might expect to include in its balance sheet. This example shows the assets, liabilities and equity (members' funds) of the Barbados Olympic Association at the end of a calendar year. The balance sheet is divided into categories showing what is owned (assets), what is owed (liabilities), and what remains after subtracting liabilities from assets (equity/members' funds).

The accounting equation is A - L = E, or E + L = A.

Noting that the balance sheet illustrates an organisation's financial health, it is clear that the Barbados Olympic Association is in a healthy financial position. Subtracting liabilities (L) of BBD 663,748 and BBD 665,000 from total assets (A) of BBD 4,426,028 leaves the association with



equity (E) of BBD 3,097,280. Alternatively, using the equation L + E = A, adding liabilities (L) of BBD 1,328,740 to equity (E) of BBD 3,097,280 equates to total assets (A) of BBD 4,426,028.

Table 4.7: Barbados Olympic Association – Statement of financial position

General fund		3,097,280	4,390,978
Members' funds:			
Long-term loan	11	665,000	773,581
Deferred grant			172,809
Total current liabilities		663,748	719,258
Current portion of long-term loan	11	108,560	99,051
<ul> <li>Accounts payable and accrued expenses</li> </ul>		555,188	620,207
Current liabilities:			
LIABILITIES AND MEMBERS' FUNDS			
TOTAL ASSETS		4,426,028	6,056,626
Property and equipment	9	2,591,001	2,730,700
Investment, at cost	8	10,138	
Total current assets		1,824,889	3,325,926
Prepaid expenses		53,182	31,992
Accounts receivable	7	564,890	491,994
Term deposits	6	1,052,039	1,498,330
• Cash		154,778	1,303,610
Current assets:			
ASSETS			
In BBD	Notes*	2014	2013
L BBB	Marker w	0044	0(

\* Details in subsequent notes attached to financial statements.



The headquarters of the Barbados Olympic Association.

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4.5

## Evaluation and Reporting

Transparency, accuracy and regular communication are key elements of an OSO's financial evaluation and reporting. In addition to reporting, you may want to evaluate the OSO's activities and spending to determine if the cost–benefit ratio was favourable. You may wish to deliver activities regardless of their cost and allow for activities that run at a loss, to be supported by other profitable activities. This evaluation and reporting will assist Board members in making decisions about whether they wish to make a loss or surplus, implement some activities earlier than others, and take into account current and/or future organisational resources and funds.

The OSO's activities will require monitoring and financial evaluation to ensure sustainability and delivery of the strategic objectives. Once there is a good picture of the results of the OSO's activities, they need to be reported to Board members, the General Assembly and other stakeholders. The Board may then want to ask themselves whether the outcome of the OSO's efforts and spending was worth the investment in its activities.

This section considers how an OSO can evaluate its activities and then report its evaluation. It outlines the role of reports and forecasting, and concludes with an illustration of the financial forecast and summary for the Board and management of Gymnastics New Zealand (NZ).

## Evaluation

Regular evaluations of income, expenditure and other financial data will help an OSO to remain in control of its budget. The FM can help to maintain this control by compiling monthly financial reports on projects/activities and reporting regularly to the project/activity managers, any senior management team and the Secretary General. These reports, which might include bank statements or financial spreadsheets, should help the OSO to align its budget against actual revenue and expenditure.

After discussions with managers, the Secretary General should prepare a financial and technical summary, listing the OSO's objectives and activities



Reporting financial information is essential.

that should be evaluated along with the budget lines that support them. These evaluations should be both:

- quantitative, encompassing numbers and data such as financial figures and spectator numbers; and
- qualitative, including feedback, suggestions and complaints from spectators and other stakeholders.

These evaluations should show the degree to which each objective or activity is succeeding or failing, and should help to determine whether the OSO is on track to meet its budget and whether the money spent has helped the OSO to achieve its objectives.

#### Reporting

The reporting of key financial information such as income, expenditure and cash flow is essential. An organisation should ensure that several different levels and types of reporting take place, depending on what is being reported.

At the project/activity level, project managers must work with the FM and report monthly to the senior manager in charge of the budget for that project/ activity, providing a financial summary and showing whether the project is on budget (and if not, why not), the expenditure for the given month, the year-to-date spend and the project/activity budget. The figures should be supported by receipts and invoices, organised and easily retrievable, that are aligned to the project/activity or OSO objective. These monthly reports should be easy to read, and should include a summary of the most important information at the front. The FM must then report to

## Transparent decision-making helps an OSO to measure the effectiveness of its work.

the Secretary General, and the Secretary General must report to the Board.

The FM will collate the financial information included in these reports and match it with the OSO's annual consolidated budget and targets, then report to the Board every two months. Such bimonthly reports normally remain confidential – only an organisation's annual reports are made available to staff and the wider public.

#### Confidentiality and disclosure

Transparency is the process by which an organisation records its decision-making and income/expenditure so that others can verify the accuracy of the information. Supported by accounting records, a reporting structure helps an organisation ensure the transparent delivery and implementation of its objectives and activities.

As outlined in Chapter 1, transparent decisionmaking helps an OSO to measure the effectiveness of its work and to solve problems when necessary. Staff will obviously know some financial information about the projects and activities for which they are responsible. However, they are bound both by confidentiality and by the policies and procedures of the organisation, and should not need to be reminded that they cannot share financial information to others outside of the organisation unless they must do so to complete their work.

Reporting the success and productivity of any project/activity or objective should be the responsibility of the Secretary General, who should report to the Board, the General Assembly and stakeholders. To ensure confidentiality, an organisation may ask all those who have access to reports or other data to sign non-disclosure agreements (NDAs). NDAs are particularly useful for sensitive information that absolutely must not be passed to competitors, the media or other parties that may use it for malicious intent, and/or for highprofile projects/activities with large budgets, such



Evaluations help an OSO to remain in control of its budget.

## Audits should be performed by an external independent financial auditor.

as bids for international championships. Staff should not discuss sensitive information in any common areas, and FMs should not speak about it with anyone other than the Secretary General and Board when required. Table 4.8 (below) provides a good base discussion template for how and when to keep information confidential within a working environment.

Sensitive information should only be provided to those who need access to it. Be sure to remind Board members, volunteers and staff to discuss confidential information only in designated areas, such as closed conference rooms. Staff should not discuss sensitive information in common areas, such as kitchens or bathrooms, or close to another person who is on a telephone. FMs or treasurers should not speak about their work with anyone in the office other than the Board.

## Auditing Accounts

In line with the principles of good financial management and good governance, the accounts of most OSOs are financially audited every year.

Audits should be performed by an external independent financial auditor and should be passed by the members at the OSO's annual general meeting, if they approve the accounts. Auditing is necessary for producing a credible annual report to funders.

If your OSO is not an NOC and has limited financial resources, try to find a certified public accountant who enjoys your sport but does not have a conflict of interest to audit your accounts. In such cases, it is important that the public accountant is certified and registered with a national society of chartered accountants (if one exists).

Produced by	With help of	For whom	Time of distribution	Confidentiality
Chair	Meeting participants	Participants	Before meeting	Medium
Appointee	Scrutineer	Participants	After meeting	Medium
Sender	N/A	Recipient	Upon arrival	Highest
Planners	Appointed staff	Board	Before Board meetings	High
Project manager	Staff on project	FM	Monthly	High
FM	Project managers	Board	Before Board meetings	Highest
Board	FM Executive Director	Members Other stakeholders Public	First quarter	Low
FM	Project managers	Board	Before Board meetings	Highest
Board	Executive Director	Staff	After annual reviews	Highest
	Chair Appointee Sender Planners Project manager FM Board FM	ChairMeeting participantsAppointeeScrutineerSenderN/APlannersAppointed staffProject managerStaff on projectFMProject managersBoardFM Executive DirectorFMProject managers	ChairMeeting participantsParticipantsAppointeeScrutineerParticipantsSenderN/ARecipientPlannersAppointed staffBoardProject managerStaff on projectFMFMProject managersBoardBoardFMOther stakeholders PublicFMProject managersBoard	ChairMeeting participantsParticipantsBefore meetingAppointeeScrutineerParticipantsAfter meetingSenderN/ARecipientUpon arrivalPlannersAppointed staffBoardBefore Board meetingsProject managerStaff on projectFMMonthlyFMProject managersBoardBefore Board meetingsBoardFMCher stakeholders PublicFirst quarter PublicFMProject managersBoardBefore Board meetingsFMProject managersBoardBefore Board meetingsFMProject managersBoardBefore Board meetingsFMProject managersBoardBefore Board meetingsFMProject managersBoardBefore Board meetingsFMProject managersBoardBefore Board meetings

#### Table 4.8: Transparency versus confidentiality



Decision-making is heavily reliant on an ability to anticipate the future.

## Forecasting and Future Reporting

The type of in-year reporting outlined above should enable FMs to forecast their OSO's cash flow, expenditure and anticipated annual result. In-year forecasting involves the FM tracking budgets and discussing projects/activities with managers, then advising the Secretary General and the Board about the projected result.

Compiling a future financial forecast and aligning it to the OSO's strategic plan is a very prudent financial practice. Forecasts enable the Secretary General and the Board to make informed decisions based on reliable financial facts, although such predictions are heavily reliant on the FM's ability to accurately anticipate the OSO's future income, expenditure and operating costs, and update its annual budget accordingly. To ensure these updated budgets can accurately project the OSO's future picture, FMs must ask senior managers to help create realistic updated costs and income targets.

#### (\*\*\*) Key recommendations

- Regularly report all finances to the Board in a consistent and transparent manner, assessing the budget against actual performance.
- Recommend changes to financial plans/budgets, if necessary, to eliminate risk or budget "blowouts".
- Ensure financial information is kept confidential as appropriate.
- Have your OSO's accounts audited once a year in line with good financial management and governance.
- Ensure your OSO is sustainable by building future forecasts that are aligned to your strategic plan.

#### ••• Illustration 4.5

## Evaluation, Reporting and Financial Forecasting at Gymnastics NZ



This illustration shows a financial forecast and summary prepared for the management and Board of Gymnastics NZ in October 2016.

Table 4.9 (summary of forecast) shows the organisation's annual budget and variations, with notes to explain budgetary variations for every activity and category item. The forecast column and notes assist the Board in deciding whether to continue with certain activities or whether to make savings. The Board can also see the movement of cash between OSO accounts (Table 4.10) and its expected cash flow (actual and forecast use of cash; Table 4.11), along with explanatory notes.

Table 4.12 (profit and loss) shows a surplus of NZD 110,145 for the year until 31 October 2016, but a predicted deficit of NZD 117,189 for the year overall. Management should aim to identify whether a year-to-date surplus is an accident of timing or whether it is down to the organisation's overall savings to date, and whether it has, as one would expect, boosted the organisation's cash reserves. The CEO should discuss the predicted loss with the Board, who should indicate if it is happy with this prediction. If not, management should look to make further savings. The loss of grant and foundation monies appears to have had an impact on all the activities of Gymnastics NZ, which must research and explore potential new funding opportunities. The organisation appears to have prepared itself for the loss of funds. Through this diligence, Gymnastics NZ has reduced expenditure on all but its very core activities: its international tours and events.

When accompanied by a comprehensive report from the Secretary General, clear and transparent financial reporting – presenting actual figures against budgeted figures, and regularly forecasting and identifying positive or negative variations – will assist both management and Board members in decision-making and organisational planning.

The case study beginning on page 162 discusses the Swiss Sport GAAP, first developed by Swiss Olympic for Swiss National Federations (NFs), and the subsequent adoption of the Swiss GAAP FER 21, used by non-profit organisations in order that all member NFs could use the same accounting framework and follow uniform reporting procedures. This enabled Swiss NFs to show greater accountability and transparency while also making it easier for the NOC to compare them.



Jack Williamson, New Zealand gymnast, competing in the 2018 Australian Gymnastics Championships.

## Clear and transparent financial reporting will assist management and the Board to take decisions.

In NZD	Category	Income/(expense)	Notes
Board-approved budget 2016		27,718	
Education	Income	(9,782)	Loss of grant money
Education	Expenses	36,788	Savings in expenses
International tours	Income	329,558	Third-party service provision for travel and uniforms partially obtained
	Expenses	(333,685)	Third-party service provision for travel and uniforms partially obtained
	National events	(64,649)	Funding deficit from unsuccessful grant applications
National events	National events expenses	(14,906)	Expenses higher due to additional staff contracted
	Programmes	(3,394)	Timing difference only
	Programmes expenses	8,746	Timing difference only
Regional relationship	Regional relationship managers	(99,996)	Funding applications not completed as planned staff were not hired
managers	Regional relationship managers' expenses	159,247	Variance due to time lags in replacing staff and planned staff not hired
High performance	Expenses	21,008	Expenditure less than planned
Operating expenses	Overheads	51,158	IT position is vacant and unlikely to be filled this year
Other organisational income	Income	(197,621)	Walrus Foundation grant application – result pending National funding of NZD 125,000 recorded as income received in advance for 2017 expenditure
Manakandiaa	Income	(7,209)	Volumes down on budget
Merchandise	Expenses	7,548	Volumes down on budget
EXPECTED YEAR-END FORECAS AS AT 31 OCTOBER 2016	Т	(89,471)	

Table 4.9: Summary of forecast from Gymnastics NZ's annual budget 2016

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#### Table 4.10: Cash movement at Gymnastics NZ, 1 January to 31 October 2016

In NZD	September	October	Movement	Notes
Cheque account 00	188,585	19,168	(169,417)	Events expenditure
Call account 02	299,019	49,113	(249,906)	Transfer to 00 for events expenditure
Term deposit # 40	250,000	250,000	0	No change
Term deposit # 41	250,000	250,000	0	No change
Term deposit # 42	250,000	250,000	0	No change
Other deposits # 50 (regional accounts)	17,074	17,074	0	No change
Australian	39,077	37,560	(1,517)	Payments for AU training
TOTAL CASH	1,293,755	872,915		
BALANCE SHEET	1,293,715	872,915		

#### Table 4.11: Cash flow at Gymnastics NZ

In NZD, 000s	September (actual)	October (actual)	November (forecast)	December (forecast)
OPENING BALANCE	1,104	1,294	873	973
Inwards	566	113	500	315
Outwards	(376)	(534)	(400)	(100)
CLOSING BALANCE	1,294	873	973	1,188



Gymnast Kate Nicholson competing for New Zealand at a 2018 Trampoline World Cup event in Japan.

		October			Year	
In NZD	Budget (year to date)	Actual (year to date)	Variance (year to date)	Budget	Forecast	Variance
INCOME						
Affiliation fees	546,666	561,910	15,244	720,000	735,244	15,244
Interest	25,000	16,876	(8,124)	30,000	26,876	(3,124)
National funding	568,334	568,334	-	690,000	565,000	(125,000)
Other grants	83,330	15,255	(68,075)	99,996	15,255	(84,741)
Merchandise	71,250	64,041	(7,209)	95,000	87,791	(7,209)
Education	124,742	114,960	(9,782)	134,132	124,350	(9,782)
National events	767,499	770,276	2,777	834,925	770,276	(64,649)
National programmes	29,700	16,306	(13,394)	33,000	29,606	(3,394)
Regional managers	266,670	183,340	(83,330)	320,004	220,008	(99,996)
High performance programme	-	-	-	55,000	55,000	-
TOTAL INCOME	2,483,191	2,311,298	(171,893)	3,012,057	2,629,406	(382,651)
EXPENSES						
Merchandise (cost of sales)	33,750	26,202	7,548	45,000	37,452	7,548
Education	191,257	154,469	36,788	229,350	192,562	36,788
National events	880,351	895,257	(14,906)	890,321	905,227	(14,906)
National programmes	67,564	58,818	8,746	80,000	71,254	8,746
Regional managers	524,530	381,949	142,581	621,278	462,031	159,247
High performance programme	108,790	54,540	54,250	130,548	109,540	21,008
National office salaries	460,580	364,126	96,454	544,322	447,868	96,454
National office	336,270	381,726	(45,456)	403,524	448,980	(45,456)
Governance	33,330	33,170	160	39,996	39,836	160
TOTAL EXPENSES	2,636,422	2,350,257	286,165	2,984,339	2,714,750	269,589
SURPLUS/(DEFICIT) BEFORE TOURS	(153,231)	(38,959)	114,272	27,718	(85,344)	(113,062)
Tours income	216,670	546,228	329,558	260,004	589,562	329,558
Tours expenditure	216,670	550,355	(333,685)	260,004	593,689	(333,685)
TOTAL SURPLUS/(DEFICIT)	(153,231)	(43,086)	110,145	27,718	(89,471)	(117,189)

Table 4.12: Profit and loss at Gymnastics NZ consolidated with year-end forecasts as at 31 October 2016 (year to date)

#### Table 4.13: Gymnastics NZ – revenue outstanding as at 31 October 2016

Nation Gym	NZD 4,000	Paid in weekly instalments of NZD 200; current invoice is still being paid
Gym 100	NZD 1,300	Paid in monthly instalments of NZD 500; NZD 500 also paid on 1 Nov 2016

## ••• Case Study 4 Development of Generally Accepted Accounting Principles at the Swiss Olympic Association



A few years ago, discrepancies in financial reporting were noticed among Switzerland's 81 Olympic and non-Olympic federations. These discrepancies meant Swiss Olympic was unable to provide reliable and accurate financial information to government and private sector investors, causing a threat to its funding. As a result, Swiss Olympic developed a uniform financial reporting system of generally accepted accounting principles, called the Swiss Sport GAAP, in order to reinforce weakening trust over the financial practices of its affiliates.

The project's key objective was to show greater accountability and transparency and secure sufficient funding for Swiss sport. In addition, Swiss Olympic would also achieve two important yet previously elusive objectives designed to create a financial information bank that could be used to compare and evaluate performance and growth over time:

- the development of a transparent financial reporting structure across all 81 NFs; and
- the generation of uniform standards for data collection.

Led by Swiss Olympic, the Sport GAAP project required all NFs to follow a specific set of accounting guidelines, using the same categories on their balance sheets and thus introducing uniformity across all organisations.

#### The Project

The project team consisted of members of Swiss Olympic, the Zurich University of Applied Sciences and the private financial consulting firm of PricewaterhouseCoopers (PwC).

The first step was to collect as much data as possible on the financial statements of all NFs. PwC reconciled the information from the NFs' balance sheets with the Swiss Code of Obligation regarding limited liability corporations, which was necessary to verify the accuracy and legality of the reported direct costs of sport activities and their associated overheads.

The data collection process proved Swiss Olympic's belief that there were great differences in how NFs were funded, how they carried out the management of their finances and how they presented their financial statements. For example, some performed internal audits; others sought external audits from private companies or contacts; and others did not audit their accounts at all. Much of the collected material was not comparable, reinforcing Swiss Olympic's conviction to develop a uniform system of reporting.

#### Manual for the Establishment of Annual Accounts

Aside from reconciling the financial practices of NFs with Swiss law, the Swiss Sport GAAP project resulted in the publication and distribution of the Manual for the Establishment of Annual Accounts. The manual included a set of classification codes, accounting instructions and other tools for income and expenditure that all NFs had to adopt. The Swiss Sport GAAP model required that all cost items are categorised by cost element, such as salary; cost centre, which can be multiple, such as championships; and cost object, such as elite sport. This was a very structured approach to accounting that increased comparability across time and across organisations.

## Implementation and NF Training

Once the Swiss Sport GAAP manual had been developed, it had to be promoted to and adopted by all the NFs. Communication was critical, as was the identification of serious backers.

#### Table 4.14: Summary of Swiss Sport GAAP

Classification codes	Distribution directives and assessment evaluation	
A	Directives of distribution and evaluation of the balance sheet	
1	Assets	
10	Current assets 100-130 (e.g. cash and equivalents, securities)	
14	Fixed assets 140-180 (e.g. restricted capital, tangible fixed assets)	
2	Liabilities	
20	Short-term obligations 200-230 (e.g. short-term financial obligations, other financial obligations)	
24	Long-term obligations 240-260 (e.g. long-term financial obligations, other financial obligations)	
27	Restricted funds capital 270 (e.g. restricted funds capital)	
28	Federation capital 280 (e.g. capital of the federation)	
В	Directives for auditing the income statement	
30	<b>Operating income</b> 300-330 (e.g. contribution from members, public and private subsidies, event revenues)	
	Direct sectoral costs	
40	Elite sport 400-406 (e.g. world and European championships, training, sports medicine)	
41	Sports development 410-416 (junior world and European championships, competitions, training, sports medicine)	• 163
42	Recreational sports 420-424 (e.g. sectoral management, competitions)	• 105
	Indirect administrative costs 450-476 (e.g. employee wages and salaries, travel, legal and advertising expenses)	
	Financial results 360, 480 (i.e. funds invested and funds generated)	
	Sundry results 370, 490, 499 (e.g. taxes)	
	Funds results	
	910	
С	Cash flow statement	
D	Statement of changes in association's net equity	
E	Notes	
	Summary of the most significant principles for presentation of the accounts	
	Tangible fixed assets table	
	Provisions table	
<u>г</u>	Other notes	
F	Performance report Directives for review of the accounts	
G	Directives for review of the accounts Review of the association's official annual accounts	
1		
1	Review of the association's consolidated accounts	
10	Framework for monitoring the audit	
14	Sample letters	
14	(Includes a variety of templates used in the accounting process according to Swiss Sport GAAP)	

This meant educating the NFs' Presidents on the need for the model and persuading them to back its implementation. Thereafter, Swiss Olympic could begin organising workshops for the Financial Managers and staff members who would be directed to implement the Swiss Sport GAAP by their President or Executive Director.

At the first workshop, Swiss Olympic presented the Swiss Sport GAAP model to the NFs, which each had six weeks to offer their responses and demands to Swiss Olympic regarding compliance. A number of NFs were concerned about the feasibility of and time frame for implementation. Some were better equipped to implement the model faster and more easily than those whose human resources or financial models were less developed or consistent. Upon the introduction of the manual, PwC offered two days of workshops for all NFs' Financial Managers.

Naturally, the better-positioned NFs proved to be critical allies of Swiss Olympic in driving forward the implementation of the Swiss Sport GAAP. These supportive NFs provided reliable environments for testing, incubating new ideas and even setting the same standards for their respective affiliates, such as clubs. They also provided Swiss Olympic with good role models for the less prepared NFs, some of whom were entrenched in the attitude of maintaining the old way of doing things.

### **Project Difficulties**

The four main difficulties faced by Swiss Olympic in the realisation of the Swiss Sport GAAP were:

- Generating a commitment to change The project was more than just a change in a balance sheet – it was a change in the sport sector's entire attitude towards consistency and control as critical factors in financial solvency.
- Overcoming financial pressures
   A few NFs continued to try to receive
   subsidies without fully adapting their financial
   management systems.
- Reconciling accounts from one system to another The existing systems had different financial codes than those required by the Swiss Sport GAAP.
- Generalising budget categories It was necessary to identify the precise terms that NFs had to use for income and expenditure.

## **Project Strengths**

The Swiss Sport GAAP allowed NFs to deal with frequently changing financial officers and staff who often brought their own accounting methods.

Through the Swiss Sport GAAP, Swiss Olympic was able to guarantee the accuracy of information over time despite changes in personnel.

The length of time required to implement the model, tied to the variation in the NFs' ability to do so, also helped to bring about Swiss Olympic's decision to treat the model itself as an adaptable structure. Swiss Olympic recognised that the project involved a dynamic model that would have to be revised from time to time.

## Project Evolution and New Norms

Recently, the Manual for the Establishment of Annual Accounts had to be updated in order to set new rules for the preparation of yearly accounts according to the Swiss GAAP FER 21.

The Swiss GAAP FER are a set of norms developed recently to meet the needs of small and medium-sized companies, while the Swiss GAAP FER 21 specifically meet the requirements for the presentation of accounts of non-profit, community-serving organisations. The manual, as well as various financial templates (balance sheet, profit and loss, changes in equity, annex, etc.), can be downloaded from the Swiss Olympic website: *http://tiny.cc/SwissGAAP* 

Through the application of the Swiss GAAP FER 21, the objective is to enhance transparency, apply the "true and fair view" principle and further improve comparison between annual accounts and reports.

In addition, the Swiss GAAP FER 21 cover a broad range of accounting questions in an easily comprehensible and manageable manner. Reporting has become easier: NFs no longer need to complete additional Excel files based on the Swiss Sport GAAP to report to Swiss Olympic but can use their official profit and loss statements (see Table 4.15 and Table 4.16). The use of the Swiss GAAP FER 21 is one of the points of the agreement that Swiss Olympic has with each NF.

#### Table 4.15: Income statement of Swiss Gymnastics

,						
In CHF	Accounts 2017	%	Budget 2017	%	Accounts 2016	%
OPERATING REVENUE	15,163,003	100	14,510,933	100	14,394,473	100
Grants received	8,000	0.1	15,000	0.1	28,825	0.2
• Of which earmarked	_	-	-	-	-	-
• Of which unearmarked	8,000	0.1	15,000	0.1	28,825	0.2
Public subsidies	2,293,442	15.1	1,889,460	13.0	2,262,378	15.7
Members' contributions	8,766,639	57.9	8,869,000		8,682,428	60.3
Income from deliveries and services	4,094,922	26.9	3,737,473	25.8	3,420,842	23.8
<ul> <li>Of which revenue from advertising</li> </ul>	1,626,082	10.7	1,594,050	11.0	1,552,833	10.8
Of which revenue from events	646,593	4.3	445,800	3.1	375,875	2.6
<ul> <li>Of which revenue from training and further training</li> </ul>	974,578	6.4	1,076,523	7.4	895,837	6.2
<ul> <li>Of which revenue from merchandising/training documents</li> </ul>	204,236	1.3	164,500	1.1	166,124	1.2
Of which miscellaneous operating revenue	643,433	4.2	456,600	3.1	430,173	3.0
EXPENDITURE: Contributions and grants paid	4,746,323	31.8	4,686,409	31.2	4,528,835	30.0
Elite sport areas of expenditure	3,142,386	21.0	3,360,330	22.4	3,727,739	24.7
• Elite sport world/European championships	263,102	1.6	237,100	1.6	453,234	3.0
Elite sport competitions	221,734	1.5	201,550	1.3	199,484	1.3
Elite sport training	155,193	1.0	124,000	0.8	136,079	0.9
Elite sport coaches/technicians	1,398,494	9.3	1,531,450	10.2	1,631,204	10.8
Elite sport management	374,117	2.5	338,865	2.3	346,908	2.3
Elite sport sports medicine	88,962	0.6	117,400	0.8	101,761	0.7
Elite sport projects	667,784	4.5	809,965	5.4	859,069	5.7
Talented junior sport areas of expenditure	2,295,143	15.3	2,233,976	14.9	2,364,676	15.6
<ul> <li>Junior sport world/European championships</li> </ul>	58,839	0.4	17,850	0.1	74,519	0.5
<ul> <li>Junior sport competitions</li> </ul>	145,577	1.0	114,500	0.8	118,146	0.8
<ul> <li>Junior sport training</li> </ul>	1,439,340	9.6	1,424,000	9.5	1,435,971	9.5
<ul> <li>Junior sport coaches/technicians</li> </ul>	601,962	4.0	602,525	4.0	656,730	4.3
<ul> <li>Junior sport management</li> </ul>	10,665	0.1	9,100	0.1	8,689	0.1
<ul> <li>Junior sport sports medicine</li> </ul>	21,254	0.1	22,100	0.1	25,536	0.2
<ul> <li>Junior sport projects</li> </ul>	17,506	0.1	43,901	0.3	45,085	0.3
Mass sport areas of expenditure	3,458,535	23.1	3,412,898	22.7	3,135,776	20.8
Competitions	342,782	2.3	359,930	2.4	327,749	2.2
Training/courses	1,471,029	9.8	1,479,318	9.9	1,385,595	9.2
Management	1,033,165	6.9	1,062,810	7.1	1,004,146	6.6
Projects	611,559	4.1	510,840	3.4	418,286	2.8

Staff costs in contributions and grants paid	-4,149,741	-27.6	-4,320,795	-28.8	-4,699,356	31.1
Staff costs	6,925,322	46.2	7,022,973	46.8	7,302,437	48.3
Salary costs	5,935,322	39.6	5,891,033	39.3	6,152,503	40.7
Indemnification for volunteers/externals	129,460	0.9	138,230	0.9	114,660	0.8
Insurance benefits	-203,595	-1.4	-155,000	-1.0	-114,872	-0.8
<ul> <li>Modification of provision for holidays and overtime</li> </ul>	17,700	0.1	_	_	700	0.0
Social insurance costs	912,170	6.1	1,000,000	6.7	1,008,664	6.7
Other staff costs	133,191	0.9	148,710	1.0	140,782	0.9
Material costs	2,746,597	18.3	2,795,029	18.7	2,849,605	18.9
Travel costs	166,408	1.1	210,120	1.4	174,626	1.2
Entertainment expenses	98,989	0.7	132,800	0.9	131,980	0.9
Promotional expenses	359,621	2.4	284,500	1.9	410,748	2.7
<ul> <li>Goods costs merchandising/training</li> </ul>	138,245	0.9	99,000	0.7	103,147	0.7
<ul> <li>Federation publications</li> </ul>	517,313	3.5	553,050	3.7	490,011	3.2
<ul> <li>Internet/hosting/web design</li> </ul>	369,506	2.5	422,300	2.8	345,659	2.3
Clothing	226,816	1.5	259,729	1.7	353,664	2.3
<ul> <li>Property and room expenses</li> </ul>	130,569	0.9	113,315	0.8	122,226	0.8
Management costs	411,183	2.7	412,415	2.7	360,683	2.4
• Property insurance, taxes, contributions	100,808	0.7	96,800	0.6	90,448	0.6
Legal and consultancy fees	103,684	0.7	83,400	0.6	149,616	1.0
Maintenance costs	89,149	0.6	99,200	0.7	94,494	0.6
Leasing/rents	34,236	0.2	28,400	0.2	22,303	0.1
Depreciation	556,627	3.7	497,740	3.3	429,988	2.8
OPERATING EXPENSES	14,974,869	100	15,002,151	100	15,110,865	100
OPERATING RESULT	188,134	1.2	-491,218	-3.4	-716,392	-5.0
Financial result	75 242	0.5	22 800	0.2	101.004	0.7

OPERATING RESULT	188,134	1.2	-491,218	-3.4	-/16,392	-5.0
Financial result	75,342	0.5	32,800	0.2	-101,094	-0.7
Non-operating result	96,255	_	-1,000	_	99,238	-
Extraordinary result	-35,851	_	5,000	_	138,738	-
Result from big events/projects	-24,636	-0.2	_	_	-60,053	-0.4
Result before change in fund capital	299,244	1.6	-454,418	-3.1	-639,563	-6.1
Change in fund capital	83,817	0.6	80,000	0.4	84,418	0.6
ANNUAL RESULT	383,061		-374,418		-555,145	



Switzerland won gold in the lightweight fours at the Olympic Games  $\operatorname{Rio}\,2016$ 

Table 4.16: Balance sheet of Swiss Gymnastics

	31.12.2017	%	31.12.2016	%
ASSETS				
Current assets	6,331,755	54.5	6,619,855	57.1
Available funds	4,950,789	42.6	4,948,155	42.7
Receivables from deliveries and services	589,615	5.1	697,498	6.0
Other short-term receivables	24,950	0.2	24,649	0.2
Reserves	171,493	1.5	236,170	2.0
Accrued income	594,908	5.1	713,383	6.2
Fixed assets	5,288,994	45.5	4,968,200	42.9
Financial assets	1,313,163	11.3	1,297,587	11.2
Tangible assets	3,079,940	26.5	3,153,310	27.2
Intangible assets	895,891	7.7	517,303	4.5
TOTAL ASSETS	11,620,749	100	11,588,055	100
LIABILITIES				
Short-term borrowed capital	1,694,783	14.6	2,021,333	17.4
Long-term borrowed capital	60,000	0.5	-	-
Total borrowed capital	1,754,783	15.1	2,021,333	17.4
Fund capital	2,708,610	23.3	2,792,427	24.1
Gefu – HH Bächi fund	67,626	0.6	71,412	0.6
Jubiläumshalle Magglingen fund	2,640,984	22.7	2,721,015	23.5
Total borrowed and fund capital	4,463,393	38.4	4,813,760	41.4
Organisation capital	7,157,356	61.6	6,774,295	58.5
Free capital	7,157,356	61.6	6,774,295	58.5
TOTAL LIABILITIES	11,620,749	100	11,588,055	100

### Conclusion

Swiss Olympic managed to address reporting deficiencies among its member NFs and reform their reporting system, responding to pressures for greater transparency and thus securing future funds for the sports movement. NFs can now work in a more stable environment, as they rely on clear and widely recognised norms. They follow a clear set of common norms, as used by non-profit Swiss organisations, which have proven to be practical and easy to use, and at the same time have contributed to harmonising NFs' accounting and reporting systems. In addition, Swiss Olympic has developed tools and provided training and support to make sure that all NFs could implement the new norms in a smooth way.



## MANAGING MARKETING

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Marketing is the process of planning and developing products and services to satisfy stakeholder and organisational goals. An Olympic Sport Organisation (OSO) primarily offers and markets images, values, ideas and services rather than tangible physical products, which means that OSOs' marketing has several unique characteristics. The marketing of services presents four specific challenges:

- Services are intangible, which means that they cannot be touched or seen. Due to their intangibility, services cannot be inventoried, new services can be easily copied, and both communicating and pricing a service can be difficult. An OSO may have difficulty answering the following questions, all of which are important for gathering marketing information: What do we offer? How should we price a sponsorship package? How can we promote our service quality?
- Services change across time, organisations and people, and it can be difficult to ensure consistent service quality over long periods. OSOs' service quality depends on both volunteers and paid staff, and it is impossible to guarantee how staff will interact with stakeholders. Furthermore, many factors are difficult to control. For example, although a National Federation (NF) may make promises to a sponsor about an event, those promises may not be fulfilled if the service is delivered by clubs and volunteers.
- Services are produced and consumed simultaneously – it is impossible to separate the service from the person who delivers it and the person who receives it. All stakeholders, including volunteers, staff and members, are part of a service that must be marketed.
   For example, event spectators are part of the show and may have a positive or negative impact on one other.
- Services are perishable, and so it is often difficult to match supply and demand. For example, because it is difficult to anticipate the number of entries for a marathon, most top events limit the number of participants, which sometimes causes dissatisfaction.

Another major characteristic in the marketing of OSOs is that OSOs promote values such as fair play and friendship, which means that their marketing is more oriented towards society than business. Social marketing (see Section 5.4) may involve changing behaviours in complex economic, social and political climates, often with limited resources. What's more, social marketing tends to emphasise voluntary behaviour, and it deals with services with which the consumer is often either highly involved or not involved at all.

This chapter explains the key principles and operational frameworks that will help you to market your organisation effectively. In their book *Olympic Marketing* (2012), Alain Ferrand, Jean-Loup Chappelet and Benoît Séguin set out the four characteristics of marketing in the Olympic system:

- it involves the stakeholders of the Olympic Movement;
- it is based on the exploitation of exclusive marketing properties and rights;
- it is based on strong brands such as the Olympic rings and the Olympic Games, which are unique to the Olympic Movement; and
- it is designed to produce value for the OSO and its stakeholders.

Value is at the core of marketing. Value represents the difference between a stakeholder's perception of what you offer and what a competitor offers. The creation of value not only affects the OSO – it is the result of the combined efforts and actions of both the OSO and its partners. In marketing terms, there are four steps to creating value:

• First, analyse the activities, objectives, expectations and problems of the OSO and its stakeholders. This is known as "value identification".

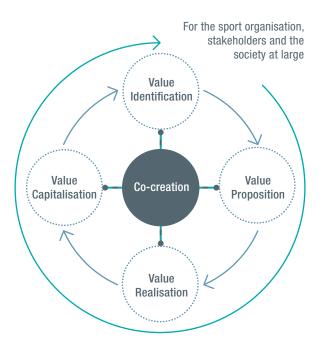


Figure 5.1: The four stages of value creation

- Second, create a "value proposition" by building and promoting a more attractive offer than that of your competitors: an innovation, service or feature intended to make your OSO or the services you offer more attractive to stakeholders and have more value.
- Third, allocate the necessary resources and processes for your offer to succeed.
- Fourth, ensure your offer is a long-term investment with enough funding to maintain its competitive advantage, and develop strong relationships with internal and external stakeholders. This is known as "value capitalisation".

These four steps are presented in Figure 5.1 (left).

Marketing involves many elements, including:

- strategy and planning;
- research;
- branding (creating a name and image that is unique to a product, service or activity in the consumers' mind, such as the Nike "Swoosh");
- integrated marketing communications (integrating all communications and promotional tools so they work together);
- digital marketing;
- customers' and partners' relationship management (practices, strategies and technologies used to manage partner and customer interactions with the goal of improving customer service relationships);
- sponsorship;
- fan engagement (enriching the relationship between fans and the organisation);

#### Objectives

After reading this chapter, you should be able to:

- Analyse the relevance of your current offerings and improve their quality.
- Consider the legal frameworks of your rights and properties.
- Manage effective integrated marketing communications.
- Develop successful sponsorship programmes.
- Consider your marketing from a strategic perspective and make efficient plans.
- merchandising and licensing;
- social responsibility (balancing profit-making activities with activities that benefit society); and
- event promotion.

This chapter considers marketing concepts as they apply to OSOs and their stakeholders. The first section considers what OSOs could market and highlights several aspects of marketing that OSOs should understand, before the second section discusses methods and tools for OSOs to improve their communications. Following sections on sponsorship and social marketing, the final section discusses strategic marketing and finding an attractive position in the marketplace, before a concluding case study of the marketing of the Olympic Committee of Slovenia.



OMEGA first served as the Olympic Games' Official Timekeeper in 1932.

## <sup>5.1</sup> What Can We Market?

The effective marketing of OSOs requires you to be aware of the services your organisation has to offer and how they can be marketed. Like all organisations, an OSO has a relationship with its stakeholders, and this relationship is supported by the organisation's values, products, services and brand. OSOs primarily offer stakeholders services such as sport training, courses, competition organisation, sponsorship programmes and information through digital channels, such as websites, social media and mobile devices. As highlighted earlier, services consist of intangible elements that are consumed during the time they are delivered. Services, however, also require tangible elements related to facilities, equipment and staff, and some services can be associated with training manuals, team uniforms, sport equipment and merchandise.

A "service offering" is the set of tangible and intangible elements of a service, conceived and managed by the organisation in order to satisfy stakeholders' expectations. Stakeholders, though, are free to accept or refuse the service offering.

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This section considers the tools that allow OSOs to analyse the relevance of their current offerings; to consider and secure the legal rights related to their properties; and to increase the value of their offerings for their target market. This four-step process is set out in Figure 5.2 (below). The section concludes with a presentation of the modernisation of the brand of the Argentine Tennis Association.

## Audit the Current Offerings

Successful marketing requires an awareness of the market, an understanding of what the OSO can offer to whom, and a knowledge of how you can create more value than your competitors. The main characteristics that an OSO must market are its mission and vision.

#### List current offerings

It is important to know what your OSO should offer to the market. What services, brand and products can you market to stakeholders?

#### List and prioritise stakeholders

Listing and prioritising your stakeholders allows you to identify targets for marketing activities and highlights the services you could offer to different groups. For more on stakeholders, *see Chapter 2*.

#### List core and peripheral offerings

In order to identify all your offerings, you must determine which of the offerings are core and which are peripheral. A core offering satisfies key motivations and expectations. For example, a spectator expects to have fun when attending an important event. A peripheral offering is related to lesser motivations and expectations, such as the merchandising available for fans to purchase at the event. A peripheral offering could be a core offering for another stakeholder, and vice versa.

#### Relate existing offerings to stakeholders

You must establish how your OSO's offerings relate to your stakeholders. Table 5.1 (above right) shows how the core services of the High Performance Sports National Entity (ENARD) in Argentina may relate to its stakeholders. ENARD is responsible for the funding and infrastructure of high-performance sport and international competition in Argentina.

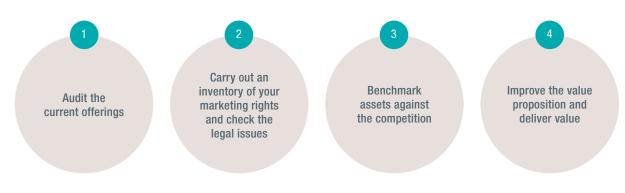


Figure 5.2: A four-step process for managing your offerings and improving their value

#### Table 5.1: High Performance Sports National Entity (ENARD) services related to stakeholders

	Athletes	Press	Suppliers	Government	Public	NFs
Organisation of competitions	Yes	Yes	Yes	No	Yes	Yes
Merchandising	Yes	Yes	No	No	No	Yes
Internet and social networks	Yes	Yes	No	No	Yes	Yes
Specific activities	Yes	Yes	No	No	Yes	Yes
Athlete training	Yes	Yes	No	No	Yes	Yes
Advertising	Yes	Yes	Yes	Yes	Yes	Yes
Sponsorship	Yes	No	No	No	No	Yes

Source: JL Palatnek (2015), Marketing y Comunicación en el Ente Nacional de Alto Rendimiento Deportivo (ENARD), Buenos Aires: Advanced Sport Management Course

#### Assess market portfolio performance

An OSO's market portfolio comprises the combination of services that it offers. Although stakeholders expect OSOs to provide certain services at an acceptable standard, their expectations vary in number and importance. The challenge is to identify which expectations are the most important. Fortunately, stakeholder expectations are relatively easy to gather through interviews and discussions, as an OSO can simply ask what is expected and whether they are satisfied by the services they receive.

The concept of Importance-Performance Analysis (IPA) measures stakeholders' satisfaction with a product or service. Satisfaction, in this concept,

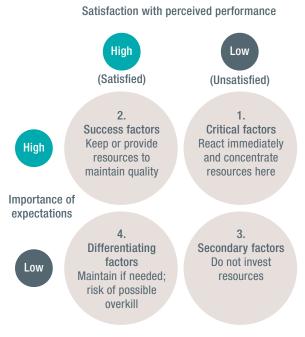


Figure 5.3: Matrix of expectations versus perceived performance. Reprinted from JA Martilla and JC James, 1977, "Importanceperformance analysis", *Journal of Marketing* 41(1): 77-79, by permission of the American Marketing Association is made up of two components: the importance of a product or service to a stakeholder, and the performance of a business in providing this product or service. The combined ratings for these two components (see Figure 5.3, below) then provide an overall picture of stakeholder satisfaction with clear directives for management on where to focus resources.

An OSO can collect its stakeholders' ratings for these two components through questionnaires or semi-structured interviews, which can address such questions as:

- 1. What are your most important expectations related to the product or service? Which of these expectations does the product or service meet, and which are unmet?
- 2. What are your least important expectations related to the product or service, and are any of them satisfied by it?

This method, which is relatively easy to administer and interpret, helps to promote the development of effective marketing programmes and is useful in making strategic decisions.

An assessment of the OSO's market portfolio performance also requires a legal analysis of the associated marketing rights to ensure that the OSO is working within the law when carrying out its marketing activities. This is particularly important for sponsorship and the protection of brands and trademarks.

## Manage Your Marketing Rights and Legal Issues

Marketing rights include the images, symbols, names, values and other distinctive marks that

the OSO legally controls or has permission to use when marketing itself, its products and services within a defined time period and geographic area. For example, according to the Olympic Charter, National Olympic Committees (NOCs) have the right to use the Olympic symbol, i.e. the Olympic rings, as part of their emblem, although they cannot use the Olympic symbol on its own. Its worth noting that an OSO's brand rights are almost certainly limited to its home country.

Marketing rights can appear complicated – but the topic is of key importance to OSOs, allowing them to make the most of what they have to market while working within established legal frameworks.

#### **Marketing activities**

To make marketing easier, an OSO needs a set of symbols or distinctive marks, which should include its name and its main activities. These distinctive marks should be registered as trademarks, which legally distinguish one organisation's products and services from another's. One example of this are NOCs' emblems that all incorporate the Olympic rings but are nonetheless all different, reflecting the different cultures of their respective countries.

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An OSO's trademarks could include:

- logos, words or combinations of words, such as the name of an event;
- images, shapes, symbols and graphics;
- letters, numbers and their combinations, such as the number of an Olympiad;

- three-dimensional forms, which could include wrapping, packaging, the form of the product or its presentation; and
- any combination of the previously mentioned marks or media.

Internet domain names enjoy a similar protection system, also based on intellectual property rights.

#### Legal rights

An OSO must keep four main legal issues in mind when marketing itself or its products and services.

- The range of activities and the degree of control defined in the rules of its constitution. Any legal entity, such as a club, National Federation (NF), NOC or Organising Committee of the Olympic Games (OCOG), is limited in its activities by its constitution.
- The laws in the country or countries where your OSO is active. The scope of an OSO's activities and its ability to conduct business or grant rights will be governed by the rules set by government authorities.
- The principles, rules and guidelines established in the Olympic Charter or sports organisation – an International Federation (IF), for example – of which the OSO is a member.
- The rights of any third-party individuals or groups that interact with the organisation, such as athletes, coaches, NFs and clubs.

Legal positions and rights may vary by country depending on whether local legislation grants more



NOCs' emblems all include the Olympic rings.

## Athletes, coaches, clubs, NFs and spectators have marketing rights of their own.

or fewer rights to each of the parties. For example, the law in one country may consider that the marketing rights of an event belong to an individual team; in another country, the law may grant those same rights to the league or federation that organises the competition; and in a third, the rights may be granted to each of the clubs separately.

#### Limitations due to rights of third parties

Do not forget that the athletes, coaches, clubs, NFs and spectators who participate in your activities also have marketing rights of their own. For example, an OSO may not commercially use or sell the name, image or likeness of its affiliated athletes, coaches, clubs or federations without their consent, regardless of whether the name, image or likeness relates to an activity organised by the OSO.

OSOs should always obtain the express written consent of all participants before using their images or their names. For added clarity, you could outline the potential for this requirement within the rules of the competition or the organising body, and should seek evidence that all participants are aware of any rules or conditions regarding the use of their names, images or likenesses.

#### **Olympic Charter limitations**

Many aspects of the Olympic Movement, and especially the Olympic Games, have great marketing potential. However, the rights to use these aspects, such as the Olympic rings, are very limited. In general, only the IOC, OCOGs and NOCs have the right to use the Olympic rings, and OCOG/NOC use of the rings is only permitted within their emblems as approved by the IOC. (For more information regarding the noncommercial use of the Olympic properties by NOCs, please refer to the relevant IOC guidelines.) Other OSOs such as IFs, NFs, clubs, leagues and event organising committees do not have any rights to market anything related to the Olympic Games.

Within marketing, any and all references to the Olympic Games must remain factual and void of

commercial association. These restrictions exist in order to protect the long-standing Olympic commercial framework and the integrity of both the Olympic symbol and other Olympic properties, which belong exclusively to the IOC.

#### **Negotiating contracts**

Once an OSO has defined its legal boundaries and understood what it can market, it should protect its rights in well-negotiated agreements. All contracts or agreements should contain:

- clear identification of the parties involved;
- the place, date and term of the agreement;
- the purpose of the contract;
- the content of the contractual relationship;
- each party's rights and responsibilities;
- any provisions for dispute resolution; and
- details of the territory or territories covered by the agreement.

An OSO and its partners will generally have several forms of legal marketing relationship. The two most widely used are advertising placements and sponsorship agreements.

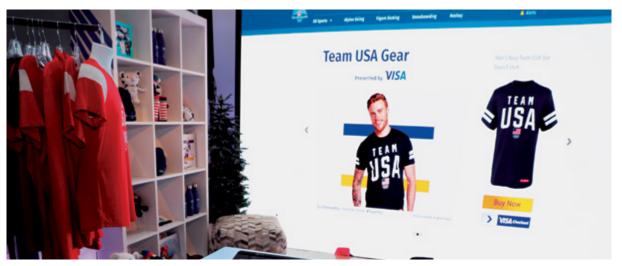
#### Advertising placement agreements

Advertising placement agreements cover the rights of an organisation to make its name, brand, products or services publicly known through an advertisement – for example, in print, on television, on radio or online. All agreements on advertising placement must cover:

- the location or placement of the advertisement, which could be detailed by a drawing or plan in the agreement;
- its timing and duration;
- its display and technical specifications, which might include dimensions, type of paper and suchlike; and
- its technical quality.

#### Sponsorship agreements

When an organisation wants to make its name, brand, products or services publicly known and



Licensing agreements grant permission to use the OSO's name, image or symbols.

chooses to do so in conjunction with an OSO, perhaps using the OSO's mark, name or image to reinforce its communications strategy, it requires a sponsorship agreement.

Sponsorship agreements might simply grant permission to an organisation to use the OSO's name or emblem, or those of the events it organises. For example, if an OSO signs a sponsorship agreement with a travel company to provide value-in-kind (VIK) items such as travel fares for athletes, the travel company may then be able to use the OSO's symbols and perhaps even indicate that it is the official travel agent of the OSO. Both parties should define the conditions of their partnership, and the OSO should reserve its right to review and have prior approval of any communication that uses its name or image.

Some agreements are more complex: they may include the right, by a third party, to use the OSO's name or mark; the obligation for the OSO's athletes to perform promotional and even commercial activities; or the obligation for the OSO to associate the sponsor's name with the competition name, its team uniforms or the OSO itself. These are known as naming rights.

#### Licensing agreements

Licensing agreements grant a third party permission to use the OSO's name, image or symbols for a product or service that it produces or manufactures. These could be tangible products, such as T-shirts, caps, key chains, watches, umbrellas or pencils, or services, such as insurance, investments, transport or accommodation. An OSO can license any mark that it has registered: its name and emblems, for instance, or the names, marks and images of its events. When negotiating a licensing agreement, OSOs should consider:

- whether it carries exclusive rights (this would normally be the case);
- the extent of this exclusivity in terms of time, space and content;
- the type of product or service;
- the technical characteristics of the licensed product;
- the price at which it will be sold;
- the distribution and sales channels;
- the quantity of products that may be distributed or sold;
- whether sublicensing agreements are permitted;
- the level of control the OSO has over licensed products; and
- whether the third party has any specific marketing obligations with regard to quantity or location.

Marketing can create and develop a relationship between an OSO and its stakeholders based on mutual understanding, allowing the development of ideas, products and services under the OSO's brand. OSOs' brands have great marketing value, and OSOs should work within their countries' legal frameworks to make the most of them – while remembering that all rights should be protected in legal agreements.

### Benchmark Assets Against the Competition

All OSOs should try to understand their market environments and competitors through benchmarking, which is a continuous and

Table 5.2	Improving	and deliv	ering value	for a	gymnastics club
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Dimensions	Actions	Resources	Performance indicators
Reliability	Running training sessions on time	Coach, sports hall, equipment	Number of sessions run on time
Responsiveness	Responding to members' suggestions	Procedures for making suggestions, time for responding	All suggestions replied to within one week
Assurance	Having qualified staff	Trainers, money to pay for qualifications, time to do the qualifications	Number of qualified staff
Empathy	Consultation with members about the club	Procedures for carrying out consultation, time for consulting	Number and type of consultation activities
Tangibles	Renewing equipment	Funds/time to purchase equipment	Expenditure on equipment

systematic process of comparing products, services, processes and outcomes with direct competitors and other organisations. Benchmarking enables OSOs to assess their performance, compare and discover innovative practices, improve their quality and gain competitive advantages.

Benchmarking has three steps.

- Evaluate your OSO's performance against the aspects you want to improve.
- Benchmark or compare the OSO's performance against its direct competitors and, if applicable, out-of-sector organisations.
- Apply what you have learned to improve your processes.

### Improve the Value Proposition and Deliver Value

A value proposition is a promise that an OSO makes to its stakeholders about what it will deliver. Every OSO must ensure that it is able to meet its promises, thereby meeting its stakeholders' expectations.

Although stakeholders assess quality in different ways, research has shown that there are five dimensions of service quality (Parasurman, Zeithhaml and Berry, 1988):

- 1. Reliability: The ability to perform the promised service dependably and accurately.
- 2. Responsiveness: The willingness to help customers and provide prompt service.

- 3. Assurance: The knowledge and courtesy of employees and their ability to convey trust and confidence.
- 4. Empathy: The provision of caring, individualised attention to customers
- 5. Tangibles: The appearance of physical facilities, equipment, personnel and communications materials.

OSOs must use the appropriate resources and develop solid procedures in order to deliver the expected quality of service to its stakeholders. These elements are presented in Table 5.2 (above). 177

OSOs differ in their missions, resources, competencies, environments and competition. Nevertheless, developing a quality offering remains one of the most important challenges for all OSOs.

#### Key recommendations

- Ensure your Board is committed to offering quality services.
- Identify what you have the right to market along with any limitations that may affect your marketing.
- Consider all service dimensions in relation to stakeholder expectations to design and deliver a satisfactory service offering.
- Market your core offerings to meet stakeholders' main motives and expectations.
- Carefully negotiate advertising and licensing agreements.

# Illustration 5.1 Modernisation of the Brand of the Argentine Tennis Association

The Argentine Tennis Association (Asociación Argentina de Tenis; AAT) is a not-for-profit civil association founded in 1921 that governs everything related to the sport of tennis and its affiliated bodies in Argentina. With the objectives of promoting, advancing and developing both the sport and the physical and intellectual culture associated with it, the AAT is a member of the International Tennis Federation (ITF).

Several years ago, the AAT identified a massive growth in the sport that they estimated at about two million enthusiasts, going beyond known fans or followers of the sport – all of them fans or followers that the AAT was not reaching. As such, the AAT determined that it needed to raise its profile with this group.

One of the AAT's main actions to help this process was to redesign its logo, which hadn't been changed since the association was founded. The original logo – a combination mark, featuring both graphics and text (see Figure 5.4) – was formal and was considered off-putting for young or new tennis players.



Figure 5.4: Previous AAT logo

The AAT wanted its new logo to help attract a new generation of fans while making the organisation seem more modern in the eyes of its long-time supporters. A marketing agency was invited to develop a new logo and began by investigating other similar NFs that had also renewed their images to appeal to a wider market, such as those in Australia, the USA and France. After analysing various options and consulting both with stakeholders and with the AAT staff and Board, a new combination mark (Figure 5.5) was chosen.



Figure 5.5: New AAT logo

Given the substantial change of image, the AAT initially decided to include its full name on the logo. However, a "clean" combination mark that used only its initials (Figure 5.6) was subsequently developed.



Figure 5.6: New "clean" AAT logo

The combination mark exhibits the following characteristics:

National colours

Identifies with the country and what it represents, showing the AAT's connection with, for example, the Davis Cup and the Fed Cup.



Juan Martín del Potro won silver for Argentina in the Rio 2016 men's singles.

- A moving ball Identifies with the sport of tennis, showing its dynamism and appeal.
- Typography Innovative, modern and attractive, showing the evolution of the AAT.

The new AAT combination mark helped attract the new tennis market while not excluding traditional tennis players and fans, and stands as visual evidence of the AAT's evolution.



5.2

# Developing a Marketing Communications Strategy

Communicating with stakeholders is essential for an OSO to promote its vision, objectives, plans and broader offer; seek sponsorship; and show that it is both transparent and accountable. Managing such communications within an organisation requires a rational approach – and when these communications have a marketing component, this rational approach is known as integrated marketing communications (IMC).

IMC is characterised by three elements:

- the objective (what do we want to say?);
- the target (to whom do we want to say it?); and
- the tone (how do we want to say it?).

The steps of developing an IMC strategy are outlined in Figure 5.7 (below), which shows the four stages of communications planning.

This section considers the role of IMC in the management of OSOs, and discusses methods and tools to increase its effectiveness. The section concludes with a presentation of a social media campaign by the Jordan Olympic Committee (JOC) to engage people with its Living Sport programme.

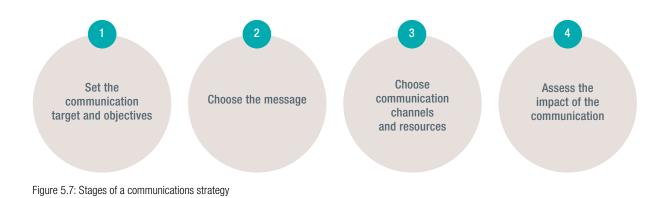
# Set Communications Targets and Objectives

Communications targets are individuals and organisations with whom you want to create or reinforce your relationship. For example, a sport club's communications targets may include parents, physical education teachers and members. Once the OSO has selected its communications targets, it should develop objectives for its future communications with them.

An OSO's communications should be designed to change the behaviour of targeted individuals and organisations across three dimensions:

- Cognitive dimension Educating your audience about the OSO by building awareness of the organisation's aims, activities, image and its offerings in qualitative terms.
- Emotional dimension Creating or reinforcing an emotional bond with your stakeholders so they develop a preference for your OSO over your competitors.
- Behavioural dimension Influencing the decision-making behaviour of your targets to join and remain loyal to your OSO.

When developing marketing communications, it is important to take account of influencers, who are individuals with the power, expertise and reputation to include other people in their orbit. In particular, social media influencers are growing ever-more important, and many of them have built large and faithful bases of followers who trust what they say, do and recommend. Many social influencers can reach a greater and more varied range of people via blogs and social networks that your OSO may currently be able to do.



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# Choose the Message

Once you have defined your targets and objectives, you must then develop a message. There are two main types of strategies to build a message.

- Demonstrative strategies, setting out your promise to stakeholders and how you will achieve it.
- Lifestyle and emotional strategies, which define your organisation's style, values, personality, culture and emotional state.

A clear message that conveys a single strong idea is always the most powerful.

# Select Communications Channels and Resources

Organisations communicate through communications channels, which allow you to develop relationships with your targets. Communications channels include publicity materials, advertising, sales promotions, direct marketing, other printed documents, websites,



London 2012's messaging was designed to "Inspire a generation".

mobile apps and social media. OSOs can also use public relations (PR) in a conscious effort to organise and monitor communications in order to create, maintain and develop a climate of mutual understanding and confidence between the OSO and its stakeholders. PR combines many types of media to develop public support for an organisation.

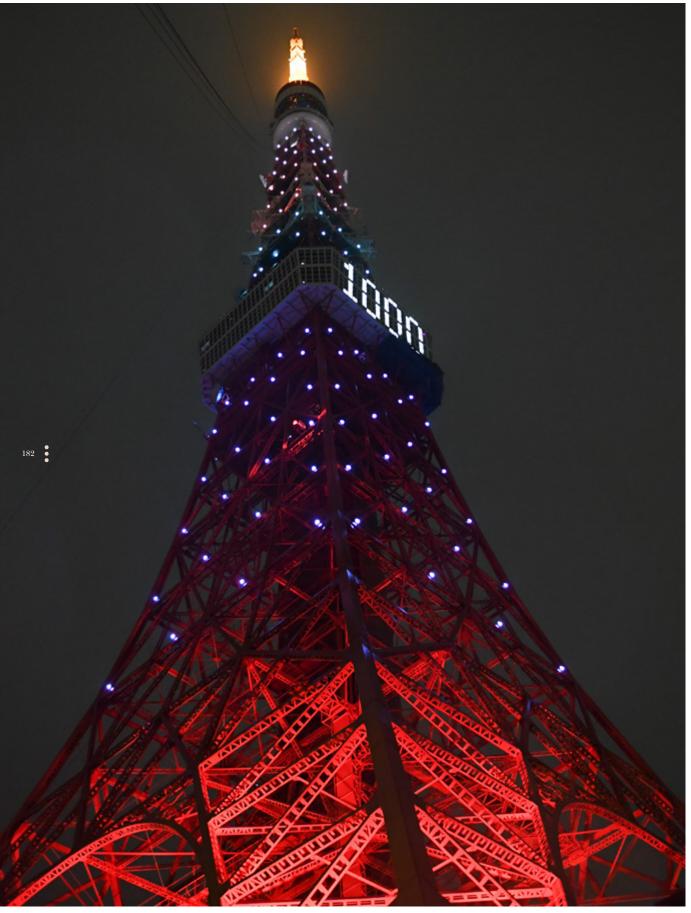
Table 5.3 (below) shows how communications channels can help an OSO create and build its relationships.

Relationship with the target	Channels	Description
	Publicity	Attempting to place news about the OSO in media that is not paid for by the OSO or a sponsor – for example, by issuing press releases and/or by contacting the media
Informing a large audience	Advertising	Paying for messages in the press, on television or radio, in cinemas and online
	Printed materials	Distributing printed documents such as posters, fliers, booklets, folders, press kits, business cards, invitations and cards
Informing a large audience and individuals	Websites	Using the internet to communicate values and inform stakeholders about current activities
	Sales promotion	Developing short-term incentives, e.g. discounts or free merchandise
Informing individuals	Direct marketing	Using personalised marketing techniques – for example, phone calls, direct mail/email and even personal visits – to establish dialogue with a selected target
	Events	Staging events that reinforce social bonds with stakeholders, including influencers
	Test events	Hosting special events that give stakeholders an opportunity to try or test the quality of the offering
Creating relationships	Public relations	Launching events, sales promotions, direct marketing or other activities that create and develop a positive climate within an OSO and its stakeholders
	Social media	Using online communications tools such as Facebook, Twitter and Instagram to reach current and potential fans and supporters, and making the most of user-generated content (UGC) as it creates followers and emotional engagement

### Table 5.3: Communications channels

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Tokyo 2020 illuminated the Tokyo Tower to celebrate 1,000 days until the Olympic Games.

Dimensions	Characteristics	What to evaluate
Which target?	<ul> <li>Evaluate targets to see if communications are effective</li> </ul>	<ul> <li>Number of new members</li> <li>Number of people asking the club for information</li> </ul>
What to assess?	<ul><li>Direct effects</li><li>Indirect effects</li><li>Impact in the media</li></ul>	<ul> <li>Number of new and renewed subscriptions</li> <li>Number of known contacts</li> <li>Website visits</li> <li>Image</li> <li>Perceived quality</li> <li>Satisfaction</li> <li>Number of press articles</li> </ul>
How to evaluate?	<ul> <li>Analyse existing information on subscriptions, number of information requests and number of press articles</li> <li>Specific survey of the awareness and image of the organisation</li> </ul>	<ul><li>Analysis of existing information</li><li>Interviews and questionnaires</li></ul>
When to evaluate?	Consider three periods of measurement: before, during and after the communications plan	Targeted stakeholder perceptions and acquiescence

### Table 5.4: Evaluating communications strategies for a sport club

### **Communications resources**

Always consider the human, technological and financial resources that your communications strategy requires.

- Do you have sufficient budget?
- Do you have enough staff or volunteers to coordinate, implement and monitor the strategy?
- Do you have the necessary technological resources?
- Are you able and/or do you need to involve a partner or an external provider?

# Assess the Impact

Many organisations fail to evaluate the success or failure of their communications strategies, but it is important to do so in order to understand how to improve in the future. To assess the results of a communications strategy, four questions must be answered. Table 5.4 (above) outlines how the sport club discussed previously could use these questions to assess the impact of its strategy.

Your strategy must be adapted to your OSO's culture, resources and competences, and must be accepted internally so your organisation speaks with one voice in the IMC approach outlined above.

A digital communications strategy sets out actions to be carried out on the web, social media and

mobile terminals, and should be an integrated part of any communications strategy.

The illustration on the following page shows how the Jordan Olympic Committee (JOC) implemented a social media campaign to increase awareness of and engagement with its Living Sport programme.

### Key recommendations

- Ensure you have an integrated approach to marketing communications that is developed in consultation with your Board.
- Be clear about who you are targeting with your communications.
- Analyse your stakeholders' behaviours to determine the best mix of media for your communications purposes.
- Take advantage of opportunities for free publicity by developing relationships with key media, who may then be more likely to cover news and events related to your OSO.
- Plan and allocate necessary resources.
- Evaluate the impact of all communications.

# Illustration 5.2 The Jordan Olympic Committee's Living Sport Social Media Campaign



The Jordan Olympic Committee (JOC) created three social media campaigns to increase awareness of and engage the public in its Living Sport initiative. This programme was designed to address concerns over the nation's collective health and well-being by making sport and healthy living a part of people's daily lives.

The three two-week campaigns aimed to:

- establish the most effective platform for engaging an online community with Living Sport;
- increase awareness of Living Sport; and
- engage people with Living Sport and make sport a part of their lives in line with the JOC's vision.

## **JOC Facebook Posts**

The JOC used Facebook posts to drive the campaign. Table 5.5 (right) sets out the posts.

# **Marketing Tools**

The Facebook campaign was supported by a number of other marketing tools:

• Traditional media

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- Press releases were sent to, and published by, a number of major newspapers and sport websites – including Petra (petra.gov.jo), the biggest news agency in Jordan.
- Radio stations
   The campaign was supported by Hala FM (Arabic) and Bliss FM (English), with both stations talking about the campaign.

   Bliss FM also used their Twitter account
- to encourage followers to visit the JOC's Facebook page.
- Athletes

Athletes were asked to promote the campaign among their followers and invite them to engage in the programme, and were also given a chance to write their own message about Living Sport using the hashtag #LivingSportsJO.

- Social media cross marketing The posts on the JOC's Twitter and Instagram accounts asked followers to visit the JOC's
- Facebook page; while radio stations and athletes also used their social media accounts to promote the Facebook campaign. The JOC's YouTube channel was also used to support the campaign.

# **Campaign Results**

The communications campaign was considered to be successful. The number of posts at the start was 9,132, but this increased to reach 25,000 during the campaign – specifically, when the JOC asked people to send pictures showing that they were living sport.

Comparing the first post to the second post:

- the number of Likes increased by 1.1% with 438 new Likes, from 38,922 to 39,360;
- the total number of posts reached 84,424 from in and outside the page;
- more than 5,000 Likes and Comments were recorded;
- 200 Shares were recorded; and
- the engagement level increased to 96.6%, where the baseline was 36.4%.



The programme was designed to make sport and healthy living a part of people's daily lives.



### Table 5.5: Living Sport Facebook campaign

Posts	Content	Results
First	Video link from the JOC's YouTube channel	Engagement of almost 26,000 people with a total of 1,933 Likes, Comments and Shares, and an increase of 200 new Likes during the three days of the post, which had 28 shares
Second	Five pictures designed to represent five different categories of Jordanian society and show that sport can be done anywhere; fans were asked to tag themselves in any picture with which they identified	The post reached 3,772 people with a total of 96 Likes, Comments and Shares; although it didn't reach the same number of people as the first post, it had more engagement
Third	A collection of pictures from different categories of Jordanian society sent to the JOC during the campaign	The post reached 27,344 people, with more than 1,799 Likes, Comments and Shares and 446 post clicks
Fourth	A collection of pictures sent in during the campaign, contained in one post	In one day, the post got more than 19,288 views with 657 Likes, Comments and Shares

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MANAGING OLYMPIC SPORT ORGANISATIONS

# 5.3 Managing Sponsorship

Sponsorship is a marketing strategy with commercial and corporate objectives, establishing and exploiting a direct association between an organisation, a person, a brand or a product with another organisation's brand or product. Sponsorship usually involves a commercial transaction, in cash or in value in kind (VIK), for which one organisation pays another organisation or individual an agreed fee for the right to associate their brand or properties with them.

This section presents and discusses the process for managing sponsorship, which is set out in Figure 5.8 (below). The section ends with a presentation of the sponsorship programme involving the Finnish Olympic team and Pågen, a Finnish food company.

Sponsorship requires a commitment from the entire organisation, and so, as a first step, the OSO must understand how sponsorship management works. It must also ensure that it has the resources and assets to succeed in this highly competitive market.

The next step is to make an inventory of rights and assets that can be sponsored and for which the OSO owns all intellectual and commercial property rights. These rights and assets can be included in a sponsorship package. Such assets can be tangible, such as a logo, an event or even an Olympic team; or they can be intangible, such as an OSO's brand image and values. The OSO can then offer this package to a sponsor, specifying how the sponsor can use these properties across its marketing platforms and territories. Finally, the OSO must develop a long-term relationship with the sponsor.

The OSO must always negotiate to protect its rights before launching any sponsorship. In certain circumstances, an OSO's association with a sponsor could generate new names, trademarks and images that both parties could exploit, but which require protection – for example, when an OSO's event is retitled to include the name of the sponsor. In these cases, it is important to create new structures to exploit the new rights generated by this association.

# **Reasons for Sponsorship**

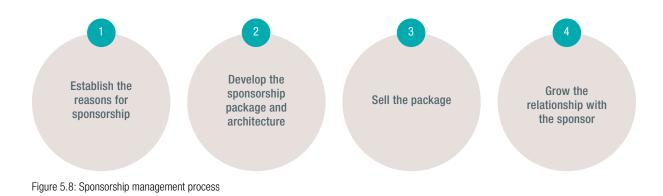
Sponsorship is a match between a sponsored entity and a sponsor. OSOs could sell the rights to sponsor an athlete, a team, an event or the entire OSO to another organisation, brand or product. For example, the Olympic Games have a number of key sponsors, such as Visa. For an OSO to manage its sponsorship effectively, it must consider and understand why sponsors might consider supporting it.

### Sponsors' objectives

Companies sponsor OSOs, events or teams to achieve specific commercial and/or corporate objectives.

Commercial objectives aim to improve the sponsor's function and profitability, and in many cases are the main reasons why sponsors get involved in sponsorship. Table 5.6 (above left) outlines some possible commercial objectives of sponsorship arrangements between OSOs and sponsors.

Corporate objectives, meanwhile, aim to communicate the sponsor's values externally



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### Table 5.6: Commercial objectives for sponsorship

### **Brand-focused objectives**

- Increase brand awareness
- Increase brand loyalty
- Reinforce or change brand image
- · Generate goodwill and a positive attitude towards the brand

### Sales-focused objectives

- Drive sales
- Showcase product benefits
- Promote items at the point of purchase

### **Business-to-business objectives**

• Entertain clients and reinforce their business relationship

and internally. For example, involvement in social causes allows the sponsor to demonstrate its interest in wider society and belief in making it better. As a result, the sponsor enhances its social and political synergies. See Table 5.7 (above right).

Sponsors combine corporate and commercial objectives to achieve their goals: increasing brand awareness, growing their distribution networks, increasing their market share and creating a feeling of pride among their partners.

The provision of opportunities for sponsors to host their stakeholders at events, also known as hospitality, can be important for sponsors because it gives them an attractive opportunity to invite clients, suppliers, prospects and partners to high-profile events and exhibit their association with them. Indeed, the cost of the opportunity to create social bonds using these events often exceeds the cost of the commercial transaction.

Sponsorship arrangements can lead to three types of association between the sponsor and the OSO:

- with the OSO's values, such as fair play and respect, and benefits, such as positive emotions and entertainment;
- for tangibles, such as logo branding on an event or sport facility; or
- for intangible characteristics, such as prestige or ambition.

Sponsorship exploits the associations that are specific to the sponsor, specific to the sponsored body (in this case, the OSO) and common to both entities. For example, Table 5.8 (right)

### Table 5.7: Corporate objectives for sponsorship

### **Objectives for internal stakeholders**

- Promote the company culture, reinforce internal cohesion and stimulate staff motivation
- Recruit and/or retain employees

### **Objectives for external stakeholders**

- Demonstrate community responsibility
- Showcase involvement in social causes

presents characteristics that are associated with an NOC and with a sporting goods manufacturer.

The interaction between the sponsor and the OSO combines the emotions inspired by the OSO with those inspired by the sponsor, reinforcing existing images of the two organisations or generating new ones. The three processes that can result from this interaction are as follows.

- Transfer of the OSO's associations and characteristics to the sponsor
   For example, the sponsor might hope to transfer the NOC's characteristics and associations, such as that of elite performance, to its brand.
- Reinforcement of the common associations and characteristics between the sponsor and the OSO The sporting goods manufacturer is likely to want to reinforce values such as tradition,

Common to NOC Sh	acific to
between an NOC and a sporting goods man	nufacturer
Table 5.8: Associations created by the intera	action

Table C. O. Associations suggested by the interestion

Specific to NOC	Common to NOC and sporting goods manufacturer	Specific to sporting goods manufacturer
<ul> <li>Top sport event and results</li> <li>High performance</li> <li>Sport for All</li> <li>Friendship</li> <li>Courage</li> <li>Fair play</li> <li>Respect</li> <li>Logo with national symbols and Olympic rings</li> </ul>	<ul> <li>Know-how</li> <li>Quality</li> <li>Well managed</li> <li>Tradition</li> <li>Sense of accomplishment</li> <li>An exciting life</li> <li>Ambition</li> <li>Responsibility</li> <li>Capability</li> </ul>	<ul> <li>Clothing for competition and leisure</li> <li>Innovation</li> <li>Enjoyment with top sports and recreational products</li> <li>Ambitious</li> <li>Serious</li> <li>Imaginative</li> <li>Logo</li> </ul>

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quality, accomplishment and excitement, which are also common to the NOC.

 Transfer of the sponsor's associations and characteristics to the OSO
 The NOC might be interested in associating itself with the characteristics linked with the sporting goods manufacturer, such as ambition, innovation and enjoyment.

There must be a match between the associations that the sponsor and the OSO can offer and the associations that each wants from the other. Sponsorship must build shared increased equity and brand or heightened social value.

# Develop the Sponsorship Package

### Sponsorship packages

Once an OSO has identified valuable assets, it must combine these assets into packages for potential sponsors. A sponsorship package will contain the assets and activities that are associated with the sponsorship, such as access to athletes, access to events and how the sponsorship will be demonstrated externally. It is good practice to organise these packages into tiers (see Figure 5.9, below): this system will allow you to give similar rights to a specific group of sponsors.

It may be difficult to manage more than three categories of sponsors. You must balance the number of sponsors in each category, their return on investment and your ability to deliver a quality service to each sponsor.

### Value of sponsorship packages

Deciding how much sponsorship to seek is often difficult because it is hard to place a financial value on what an OSO has to offer to a sponsor. When considering what price to place on a specific

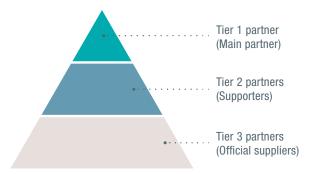


Figure 5.9: An example of sponsorship tiers

sponsorship package, an OSO must consider three components:

- the OSO itself, including its strategy, objectives, positioning, market power and the cost of services to be delivered to the sponsors;
- the potential sponsors, taking into account reference prices and their perceived value; and
- the environment and competition, including the country's economic situation and the pricing policies of any relevant competitors.

When negotiating the value of a sponsorship package, an OSO should consider how much of this value will be contributed as cash and how much will be given as value in kind (VIK). Although an OSO might prefer cash, many sponsors prefer to provide VIK, such as team uniforms or travel. It is also necessary to be aware of what your competitors could offer the sponsor, making sure that you do not overvalue or undervalue your offer.

### **Brand activation**

The initiatives that expose the sponsor's brand to the target audience are known as "activations". To achieve your sponsorship objectives and create the desired associations, you and your sponsor must develop opportunities that expose the sponsor's brand to the desired audience. Activation programmes use a mix of media, such as public relations, publicity, direct marketing and events.

Activation programmes are particularly essential for sponsors of the Olympic Games because they are not permitted to display or advertise their brand in competition venues. Consequently, the OSO and the sponsor must develop activation programmes that raise the profile of the sponsor to the target audience. Table 5.9 (above right) shows one such activation campaign developed by OMEGA, a TOP Partner and the Official Timekeeper of the Olympic Games.

# Sell the Package

After determining the sponsorship packages and defining the price range, the OSO must develop and implement a strategy for selling the packages, identifying potential sponsors and customising each package in order to meet their objectives and expectations.

### Means Content The first of OMEGA's TV spots, "Recording Olympic Dreams Since 1932", was a montage of athletes, moments of achievement, ΤV Rio scenery and OMEGA timepieces and equipment set to the song "Hall of Fame" by The Script. advertisement The second, "OMEGA at the Olympic Games", offered a series of quick cuts of Olympic action showing OMEGA's involvement support through the years. OMEGA's website, YouTube, Facebook, Twitter and Instagram pages all contained videos highlighting the company's role as the Games' Official Timekeeper, some of its sponsored athletes, and short clips with background information about the amount Digital/ of work that goes into making sure each competitive event is timed as accurately as possible. social media OMEGA also used the hashtag #RecordingDreams to highlight the fact that timekeeping is not only about the actual result but is also about recording the journey that leads to that point. On-site OMEGA created OMEGA House in a three-storey building on Ipanema Beach, and used the house to host invited quests, brand ambassadors and VIPs. The venue was a departure from OMEGA's hospitality centres in London and Sochi, which were located presence and in the Olympic Park and also featured a retail operation open to the public. activation OMEGA partnered with Viva Rio, a local NGO, to support a series of what it called "social actions" to help vulnerable youth and young adults - from building care facilities for young mothers to providing classroom technology for impoverished schools. Promotions The company touted the programme through the #OmegaVivaRio hashtag on its digital media channels. As it did for previous Olympic Games, OMEGA created a special-edition Rio 2016 watch featuring the Olympic colours. Athlete Sergio Garcia (Spain, golf), Michael Phelps (USA, swimming), Jessica Ennis-Hill (Great Britain, athletics), Chad Le Clos partnerships (South Africa, swimming).

### Table 5.9: OMEGA activation campaign for the Olympic Games Rio 2016 (source: IEG, 2016)

### Identifying potential sponsors

OSOs can market their sponsorship packages directly or through a marketing agency. The aim is to identify potential sponsors who are interested in the offer and are compatible with the OSO's mission and objectives. The criteria for evaluating this compatibility are as follows:

- a match between the characteristics associated with your organisation and the potential sponsor;
- the acceptability of the potential association to the two parties' stakeholders;

- the compatibility between the sponsor's marketing and communications objectives and the potential achievements of the programme;
- alignment between the objectives and values of an event's stakeholders and the sponsor's targeted stakeholders (when seeking sponsorship of an event); and
- the ability to activate the sponsor's rights efficiently.

Figure 5.10 (below) shows these dimensions and their relationships.

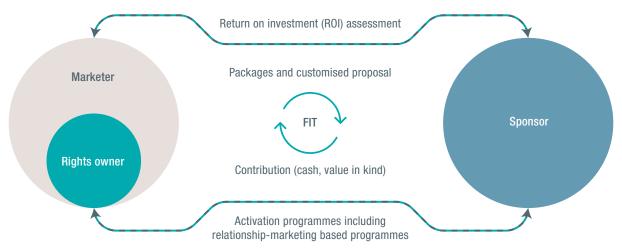


Figure 5.10: Model for managing sponsorship

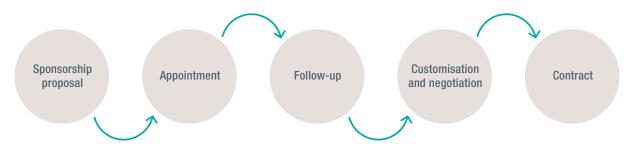


Figure 5.11: Stages of the sponsorship sales process

Once an OSO has defined a list of potential sponsors, it must then collect detailed information about each one so that it understands their business, products and services, customers, competitors, objectives, desired benefits and potential problems. It will also help to understand the company's criteria for sponsorship selection.

Once an OSO has this information, it can develop a specific sponsorship proposal for each company that offers a sponsorship package specifically designed for that organisation. Although this may vary, it includes a number of steps as set out in Figure 5.11 (above).

### Contract

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Once an exchange has been agreed, the OSO should create a sponsorship agreement that covers terms, conditions, and the time and place of the exchange. In addition to the general aspects of

sponsorship agreements detailed in Section 5.1, the OSO must include in the contract:

- a detailed description of the event or activity in which the sponsored activities will be carried out;
- the actions that must be carried out by the event or activity organiser, its commitments to the sponsor and the guarantees for compliance;
- the actions that will be carried out by the sponsor, the sponsor's commitments to the organiser and the guarantees for compliance;
- an understanding of joint actions, responsibilities for them and guarantees that they will be done properly;
- details of when, where and how the sponsorship activations should be developed;
- the rights of supervision and control each of the parties have over the actions carried out by the other party; and
- how each party will measure its return on objectives (ROO) and return on investment (ROI).



P&G is a Worldwide Olympic Partner.

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# Grow the Relationship with the Sponsor

Having negotiated and signed a contract, both parties must now put in place a process to implement and manage the agreement. It is essential that the parties work together by committing resources to ensure that their respective ambitions and goals are fulfilled. This will contribute to sponsor loyalty and encourage advocacy.

Both parties must establish an implementation plan for the partnership, outlining the goals, objectives and actions. The plan will contain details of the planned sponsorship activation programme and the procedures by which each party can evaluate the results.

It is important to dedicate resources to the management and activation of a sponsorship partnership, with a representative from the OSO tasked with managing the relationship with the sponsor and ensuring that contractual obligations are met.

### Sponsorship impact assessment

Impact assessments measure the impact of a sponsorship in line with predetermined key performance indicators (KPIs), which are related to ROO and ROI.

Every sponsorship arrangement must be perceived as providing value to the sponsor in terms of their ROI. This ROI should be evaluated by assessing the "hard" benefits to the sponsor, such as media exposure, the number of participants and the number of spectators. However, "soft" benefits, such as organisational awareness, image and perceived quality, are also important because they allow sponsors to assess the quality of the exposure they have received. ROI assessments also benefit the OSO, which can use the assessments to demonstrate the value of its sponsorship packages to existing and potential sponsors.

Conducted in December 2016, the IEG/ESP Properties Sponsorship Decision-Makers Survey highlights criteria that can be valuable when evaluating sponsorship. Table 5.10 (above right) shows the percentage of respondents who rated each criteria as valuable or extremely valuable, and relates each criteria to ROI or ROO.

After signing a contract with a sponsor, an OSO may feel satisfied and think that the pressure of work will decrease. However, the most challenging

Table 5.10: Valuable metrics in evaluating sponsorship

Criteria	%	Return type
Positive attitude towards the brand	85	R00
Awareness of company's or brand's sponsorship	77	R00
Amount of media exposure generated	70	ROI
Amount of positive social media activity	66	R00
Response to sponsorship-related promotion/advertising	61	R00
Response to customer/prospect entertainment	56	R00
Product/services sales	50	ROI
TV/logo exposure	45	ROI

phase of sponsorship is about to begin – delivering the expected service to the sponsor. To deliver this service, an OSO should focus on the principles discussed in Section 5.2 and aim to meet the sponsor's expectations of quality.

Sponsors can use their sponsorships to achieve commercial, corporate and even societal goals. Discussed on the next page, the sponsorship relationship between the Finnish Olympic team and Pågen, a commercial bakery, is an example of best practice of combining goals into a successful sponsored campaign.

### Key recommendations

- Work with your Board to identify what your OSO has that might be attractive to sponsors.
- Target your sponsors according to their potential fit with your OSO, based on such criteria as quality of the match, acceptability, communications, marketing objectives and target audience.
- Structure sponsorship packages in tiers and ensure they can be adapted to meet different sponsors' needs.
- Customise your sponsorship proposals to each potential sponsor.
- Put in place a process to ensure the sponsorship agreements can be implemented and managed successfully.
- Assess and communicate the impact of each sponsorship to the sponsors.

# Finnish Olympic Committee and Pågen – More Movement to Finnish Schools with Pågen Bread Campaign



A social marketing campaign featuring the Finnish Olympic Committee and Pågen, a Scandinavian baker with a strong presence in Finland, encouraged consumers to buy Pågen bread in order to raise money for sports equipment in Finnish schools. For every packet of Pågen bread sold, EUR 0.2 was contributed to a fund for new sports equipment. The campaign was run on two separate occasions, each occasion lasting for three months.

The campaign had a mix of goals:

- to raise money to support schools in Finland to buy new sports equipment;
- to encourage children to take part more regularly in sports while at school, counteracting a problem in Finland with inactivity among young people;
- to raise awareness of the Finnish Olympic team and its social responsibility; and
- to increase sales for the sponsors, Pågen.

A lack of resources meant that the demand for new sports equipment in Finnish schools was huge. It was hoped that the campaign would raise enough money for more than 7,000 new pieces of sports equipment to be given to schools across the country.

### Implementation

The campaign message was simple: by buying Pågen bread, you can support physical activity in Finnish schools. Any school could apply to receive new sports equipment, which was awarded to schools via a lottery managed by the Finnish Olympic Committee. The sports equipment was then chosen by Finnish Olympic Committee staff, who considered any specific wishes expressed by the schools when they applied.

The two parties worked closely to execute the campaign's marketing and communications. The bread packaging featured the Finnish Olympic



Finland won six medals at PyeongChang 2018.

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Pågen displays in a retail store.

Committee emblem and the wording "in co-operation with the Finnish Olympic Committee", giving the Finnish Olympic Committee exposure and PR value.

The Finnish Olympic Committee communicated the campaign message to the public and to schools, while Pågen integrated the campaign into its broader marketing strategy. The main channels for marketing communications were:

- Finnish Olympic Committee channels, especially social media;
- Pågen marketing on TV, social media, print media and blogs; and
- retail channels, such as supermarkets and other marketplaces.

Retailers made a substantial contribution to the success of the campaign (see image above) while also benefiting from its strong social responsibility message. During the campaign, retailers gave Pågen better space inside supermarkets and other marketplaces, ensuring the campaign was visible to consumers.

# Results

- More than 500 schools applied, and 170 of them received a package of new sports equipment.
- The first campaign raised more than EUR 33,000 with the second raising EUR 35,600.
- More than 7,000 pieces of sports equipment were distributed, and have since been used by more than 50,000 young people.
- Sales of Pågen bread increased by 33% during the first campaign and 22% during the second campaign, with total sales of more than one million packets of bread.
- The Finnish Olympic Committee and Pågen both benefited from positive PR coverage by demonstrating their commitment to reducing physical inactivity in Finland.

The campaign can be considered one of the biggest success stories in the Finnish sponsorship market during 2015-2016. It combined social responsibility and the use of NOC properties in a way that was easily accessible to the public, offering a way for anyone to contribute to new sports equipment for schools simply by buying a particular brand of bread.

# 5.4 Marketing for Social Change

The promotion of an active lifestyle is part of most OSOs' strategic plans. Understanding and promoting behavioural change lies at the heart of social marketing and is a complex issue that requires the collaboration of many stakeholders to be practised successfully. In order to apply social marketing principles to social issues, the marketer must ask themselves the four questions in Figure 5.12 (below).

This section discusses social marketing and the various strategies that can help an OSO encourage social change through physical activity and sport. The Botswana Judo Federation's Judo 2 School (J2S) programme is used throughout the section to show how the questions above can shape marketing for social change.

# Characteristics of Social Marketing

Social marketing:

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- recognises that information alone does not change behaviours;
- focuses on target audiences, including their needs, expectations and problems;
- is concerned with making behaviours easy, fun and popular;
- benefits individuals, groups, organisations and society; and
- engages key stakeholders on social partnerships.

Social partnerships are groups of organisations that come together to solve problems that

typically cannot be addressed by one organisation acting alone. Potentially encompassing sport organisations, local and national government, business, civil society, multilateral agencies, health organisations, the police and judicial services, educational institutions and employment agencies, they bring together a wide variety of skills and resources for the greater good of society.

# Managing Social Marketing Programmes

Stakeholder management is a key factor for success in the four-step social marketing process outlined in Figure 5.12 (below). This process can be illustrated by the establishment of the Botswana Judo Federation's (BJF) Judo 2 School (J2S) programme.

In 2009, the BJF launched the J2S programme, which aimed to increase the number of children playing judo in public schools. Previously, the sport had been predominantly available only to children in private schools. Although there was a demand for judo in many local communities, the programme was hampered by a lack of coaches, a lack of teachers and a shortage of funding. Several key stakeholders already provided support, but there were other potential stakeholders whose resources could help the programme expand further.

### What is the purpose?

J2S was designed to change or maintain behaviour for the good of individuals and society as a whole. The programme provided an opportunity for young people to learn life skills that benefited them both in school and at home.

The programme was supported by a single source of funding, which limited its expansion to other schools and regions in the country, but a stakeholder analysis showed that there were a

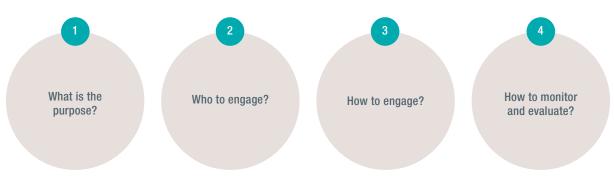


Figure 5.12: Social marketing programmes management process

Table 5.11: Project or programme and stakeholder engagement objectives

Objective of the programme	Why is it necessary to engage stakeholders?	Outcomes
To deliver judo in public schools and the community in order to increase access to the sport and build life skills in young people	<ul> <li>To remove dependency on a single source of funding that impedes the expansion of J2S and support for development of the necessary infrastructure</li> <li>To enrol more children and young people in the sport of judo</li> <li>To make the community aware of the value of judo in addressing community social challenges</li> </ul>	<ul> <li>An expanded programme with more young people taking part in the sport</li> <li>A diversified funding portfolio for the BJF by engaging additional stakeholders such as private sector partners</li> <li>The building of training facilities</li> <li>An increase in the number of young people participating in the sport, building life skills at a community level</li> </ul>

number of other critical stakeholders who were already playing a pivotal role. Table 5.11 (above) shows J2S's objectives, its desired stakeholders and the outcomes of their engagement.

### Who to engage?

An OSO must identify the stakeholders with the potential to be involved in the project. However, they may not all have the same interest in the project, nor will they all necessarily have the same influence. Figure 5.13 (below) shows an interest versus influence matrix for the J2S programme.

In the case of J2S, the BJF's stakeholders held varying levels of interest and influence in relation to the objectives of the project. These stakeholders included the Botswana National Sport Commission (BNSC), the Botswana NOC (BNOC), the Ministry of Youth Empowerment, Sport and Cultural

Teacher - Introduce to school management the idea of starting a judo club

School management - Agree to have the club in the school

Parents and children - Hold meetings with parents and present a demonstration lesson to show how judo is done, then select a parent and teacher committee to oversee the club

BJF Executive Committee - The need to expand the sport of judo

BNSC/BNOC - Consult to request for support through funding and technical guidance

IJF/AJU - Seek guidance and technical support from the IJF and the AJU to implement the programme

MYESCD/MOESD - Contribute to the development of children- and youth-focused programmes to meet national goals

Media - Showcase the J2S programme to different media organisations and invite them for club competitions

Local authorities - Understand the project and its value in the community Japanese Embassy - Engage regarding funding for materials and construction of a national dojo; agree to seek coaching support from the Japanese Development Agency to support the J2S programme

Private sector - Engage with different companies to interest them in funding the J2S programme

Stakeholders' interest

Figure 5.13: Stakeholders' interest versus influence matrix for the Botswana Judo Federation's Judo 2 School programme



The Botswana Judo Federation's Judo 2 School programme launched in 2009.

Development (MYESCD), the Ministry of Education and Skills Development (MOESD), the International Judo Federation (IJF), the African Judo Union (AJU), the Japanese Embassy in Botswana, the media, private-sector organisations, parents and children.

The BJF's stakeholders had varying influence over the organisation. The MYESCD, IJF and AJU focused on operating standards; the BNSC and BNOC concentrated on the legal framework to assist with the governance of the BJF; the BNSC, BNOC and IJF worked on linkage and access to funding and other resources; and the media communicated the successes and the challenges of the programme.

### How to engage?

After identifying relevant stakeholders, the OSO must determine the most appropriate method of engagement, which can be done by developing a strategy that identifies a problem and then

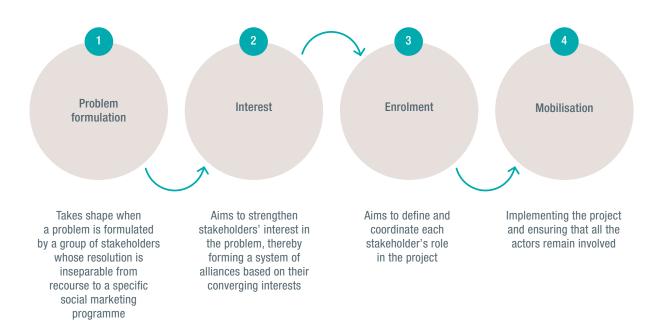


Figure 5.14: Process of engagement

communicates, for example, on social media to interest and involve key stakeholders. Figure 5.14 (above) sets out the need to define the problem, build interest in solving it, establish the key actions that encourage engagement and then implement these actions.

### How to monitor and evaluate?

OSOs should monitor relationships between stakeholders in order to maintain their involvement and perpetuate the programme. Outcomes must be assessed and the whole engagement process itself must be reviewed in order to identify opportunities for future improvement.

The monitoring process should address the following questions:

- Has the programme implementation and its monitoring worked well?
- Has stakeholders' engagement with the social marketing programme worked well?
- Has the programme delivered the intended outcomes?

# **Future Developments**

The BJF received a Cultural Grant from the Japanese Embassy in Botswana, along with funding from the IJF and the BNSC, in order to build a national dojo that would ensure training continuity for children graduating from one of the country's primary schools. This dojo meets the BJF's objective of implementing a long-term athlete development plan. There is a growing body of knowledge on the use of sport for development, detailing how commercial organisations are getting involved in partnerships with OSOs to develop programmes geared towards community development. These programmes help to address social ills and build character in young people. This project shows that stakeholder engagement and interest-building can bring positive results. By having a clear purpose and then identifying and engaging key stakeholders, the J2S project attracted interest and generated income, enabling the BJF to help the long-term future of judo.

Implementing social change through physical activity and sport is a common goal shared by people and organisations across society. It is important that OSOs participate in achieving this objective.

### Key recommendations

- Identify what outcomes you want to achieve through social marketing.
- Perform a detailed stakeholder analysis to determine who to engage.
- Determine the various market segments and analyse their attractiveness to the organisation.
- Choose a suitable method of stakeholder engagement, from problem formulation to mobilisation.
- Monitor and assess the engagement process and outcomes.



### 5.5

# Developing and Implementing a Marketing Strategy

A marketing strategy guides the marketing activities of the organisation. This section discusses how to develop and implement a marketing strategy, a process set out in Figure 5.15 (below) and then detailed further on the following pages.

# Assessing the Current Situation

Before developing a marketing strategy, an OSO must diagnose its market, its resources and its skills. This information will help the OSO set appropriate marketing objectives and allocate its resources accordingly.

### External audit

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To carry out an external audit for marketing purposes, an OSO should consider the following dimensions, which will provide information on opportunities and threats that might affect the organisation.

### The market

An OSO should begin a diagnosis of its operating context by defining its market, so it understands the market in which it operates. In particular, it is important to answer these four questions.

- What is the size of your current and potential market?
- How can the OSO benefit from being in this market?

- Is the market changing?
- What are the key factors for success in this market?

### **Market segmentation**

Once an OSO has a clear picture of its market, it should then collect information about its customers and/or stakeholders. Stakeholders are not homogeneous, and it is important to analyse their characteristics in order to divide them into groups that allow you to target your marketing activities. The division of a market into different homogeneous groups of stakeholders is known as "market segmentation" and will be discussed in more detail later in this section.

### **Competitor analysis**

The next stage of market diagnosis is to analyse your competitors, which allows you to identify other organisations that may appeal to your stakeholders and attract customers or funding. For example, a swimming federation may consider its competitors to be other sport federations, because they compete for resources from the same funding bodies, or private swimming schools, which offer swimming lessons that compete with those it promotes itself. Competitor analysis requires you to collect the type of information outlined in Table 5.12 (above right), which presents a limited competitor analysis for a basketball club hoping to attract the teenage market.

### Market position

Finally, it is necessary to decide where your OSO's services are positioned in the market you have identified and how your stakeholders perceive it, based on important attributes such as quality, image, cost and services.

This knowledge allows an OSO to determine how competitive it is in the market, how its services are perceived and what its stakeholders expect from it.



Figure 5.15: Steps in developing and implementing a marketing strategy

### Table 5.12: Competitor analysis for a basketball club

Service expected by teenagers	Competitors providing the same service	Strengths and weaknesses	Competitive strategy
To improve skills and technique	All sports	<ul> <li>The sport has a well-developed coaching system</li> <li>It is easy to find a club</li> <li>Some techniques are hard to learn</li> </ul>	Differentiate on the basis of the quality of staff and coaching structure
To belong to a group	All team sports	<ul> <li>Basketball is a team sport and is usually part of a large club</li> </ul>	Differentiate on the basis of clubs and team sizes
To have fun	All ball sports and the entertainment industry	<ul> <li>The image of basketball is fun and is associated with a trendy lifestyle</li> </ul>	Differentiate on the basis of image and lifestyle

Market position will be discussed in more detail later in the section, but can be assessed using the following steps:

- identifying your OSO's competitors;
- identifying stakeholder' expectations and the level of importance they assign to those expectations, which can be done by asking stakeholders to rank each competitor on each expectation; and
- situating the OSO's current position in relation to others.

A market diagnosis (Table 5.13; below) ensures that you are fully aware of the market within which your OSO operates, allowing you to focus on the subsequent environmental analysis that underpins the marketing strategy.

### Marketing mix performance

An OSO's marketing mix is the set of tools that it can use to pursue its marketing objectives – the combination of factors that the OSO can control to influence its customers to use or purchase its services. As a service organisation, the OSO should manage a combination of seven factors to properly and efficiently market its products and services. The marketing mix is shown in Table 5.14 (overleaf), using the example of an Olympic Week.

# **Internal Analysis**

An internal analysis allows you to identify the strengths and weaknesses of the organisation and involves a consideration of the OSO's resources and skills.

### Resources

Resources are what an OSO can use to create value through its activities. They can be considered in a number of different categories, the first of which is brand.

Most OSOs manage several brands. An NOC, for example, will have a composite emblem with the Olympic rings, which is often seen as the brand of the NOC, plus brands for different events, brands for grassroots programmes and so on.

Brand equity, a key marketing concept, shows how your stakeholders perceive the value of your

Dimensions	Variables	Current situation
Market	Size, how the market operates, barriers to entry, key success factors (KSFs)	<ul> <li>Traditional sport with a stable number of members</li> <li>Leisure sport market is growing</li> <li>KSFs: tennis is easy to access, has a strong social base, receives good media exposure and has a positive image</li> </ul>
Consumers and stakeholders	Segmentation, expectations, unfulfilled needs	<ul> <li>Segments are competition and leisure</li> <li>Both segments are about belonging and having fun</li> </ul>
Competitors	Strategies, goals, brand equity, marketing policy	<ul> <li>The leading sports are soccer, basketball and volleyball</li> <li>Strong brand equity dimensions exist (awareness, image and stakeholders)</li> </ul>
Positioning	Relevant dimensions used for positioning, positioning related to stakeholder segments	• It is positioned as a fun, clean and educative sport

### Table 5.13: External analysis of the marketing variables of a tennis federation



### Table 5.14: Marketing mix for an Olympic Week

### Product

The OSO must decide on the types of services and products that it makes available and wishes to sell/promote to a specific target audience. For example, Olympic Week in Lausanne, Switzerland, offers more than 30 sports and cultural events to all children aged 9 to 15.

### Price

Price refers to the charge the OSO makes for its products and services. In this instance, Olympic Week is free of charge for children, but sponsorship packages are offered to sponsors who pay in cash and/or VIK. The price should be based on the actual cost of the service, the perceived value of the event and the amount of money the sponsor is willing to pay.

### Place

The OSO must decide how and where offerings will be made available to its marketing targets. In Lausanne, Olympic Week takes place in an area from the Olympic Park to the Elysée Gardens, and more than 90,000m<sup>2</sup> of the Olympic Museum are transformed into a gigantic sports ground.

### Promotion

The OSO must decide how to promote its offerings. Olympic Week is promoted though digital communications (website, Facebook, Twitter, Instagram and so on), poster advertising, flyers and radio.

### People

In the marketing mix, people refers both to those who are involved in delivering the service and to those who experience it. Olympic Week is mainly organised by volunteers, who receive instruction and training from organisers so children can have an unforgettable experience.

### Physical evidence

Physical evidence makes services tangible and gives users something to remind them of the service. In Lausanne, those who enrol are given an entry ticket to remind them of the event. Merchandise is also available to purchase.

### Processes

This element covers how the systems and processes of an OSO affect the execution of its service. As part of Olympic Week, the OSO sets up key processes to ensure the smooth running of the event.

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brand. It has a number of dimensions, as outlined in Table 5.15 (below). The power of a brand is related to the experiences associated with it, and to what stakeholders have learned, felt, seen and heard about it. To build a strong brand, an OSO must ensure that its stakeholders have the right kind of experiences with its products, services and marketing campaigns. This will have a positive influence on the beliefs, emotions, perceptions and opinions related to the brand in question.

There are four other categories of resource that are available to OSOs:

Human resources
 The OSO's staff and volunteers who are
 responsible for delivering its marketing
 objectives. An OSO's analysis of this resource
 should consider skills, experience, judgment

and the quality of relationships, seeking to understand if they are sufficient to meet the needs of the chosen strategy.

- Organisational resources
   This analysis should focus on the formalisation
   of a marketing strategy, the activity planning,
   the methods of collecting and processing
   information and the OSO's control systems.
- Physical resources
   A wide range of operational resources concerned with the physical capability to deliver a strategy, and may include facilities, technology and IT systems dedicated to marketing.
- Financial resources
   The OSO's ability to finance its chosen
   strategy. For example, a strategy that requires
   significant investment in new offerings and
   dedicated staff must be financially managed
   very carefully.

Brand awareness	How well known is your brand?
Brand associations/image	What is deep-seated in your stakeholders' minds about your brand?
Brand perceived quality	To what extent is your brand perceived to provide good quality products and/or services?
Brand loyalty	Are your consumers committed to your brand?
Proprietary brand assets	What other related assets help to maintain your competitive advantage?

### Table 5.15: Brand equity dimensions

# Marketing goals should assist the OSO in pursuing its vision and mission.

### **Distinctive capabilities**

OSOs with distinctive capabilities have attributes that others don't have and cannot replicate. There are three distinctive capabilities that an OSO can use to achieve a competitive advantage through its relationships:

- architecture, meaning a structure of strong relationships (contractual or not) with stakeholders such clubs or an IF;
- innovation, meaning a strong capability to generate innovation, such as new programmes or social media campaigns; and
- reputation, meaning a strong corporate stature that generates positive word-of-mouth, especially among key stakeholders such as sponsors.

As for the external environment, an OSO should gather the essential information concerning the dimensions it has previously analysed and assess its strengths and weaknesses in relation to current and future market requirements (see Table 5.15).

### Situation analysis

The findings from the above audits must be analysed to create an analysis of the marketing situation in which the OSO finds itself. This analysis can then be compared to the vision, goals and objectives of the OSO, as well as any differences between its current and desired positions. This will also allow the OSO to identify key issues that need to be considered, such as:

- How can we involve and retain sponsors?
- How can we raise the appeal of our brand?
- How can we build a closer relationship between our fans and our Olympic team by delivering engaging content through digital channels?

This analysis should become the basis for creating, planning and implementing a marketing strategy and a specific action plan.

# Strategic Marketing Decisions

The process of information-gathering makes it possible for an OSO to make five main decisions regarding its market:

- What are your goals and objectives?
- Which segments will you target?
- Which competitive advantages will you aim to maintain or develop?
- How should you position your OSO in the market?
- What marketing strategy will you use?



Sponsorship establishes a direct association between an organisation and another brand.

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Coca-Cola was a Presenting Partner for the PyeongChang 2018 Torch Relay.

### What are your goals and objectives?

Marketing goals should be based on the outcomes of the situation audit and should assist the OSO in pursuing its vision and mission. They should be focused and clear, and should provide the basis for action. Here, for example, are some of the goals set by an NOC:

- to ensure the independent financial stability of the NOC and the Olympic Movement in the country;
- to create and maintain marketing programmes in order to develop long-term relationships with targeted stakeholders;
- to protect and promote the NOC corporate brand and the Olympic image and values; and
- to enlist the support of partners in the promotion of the Olympic values.

These goals should be translated into objectives. As discussed in Chapter 2, objectives should be specific, measurable, attainable, relevant and time-bound.

### Which segments will you target?

As discussed earlier, market segmentation should be based on the characteristics of your targeted markets. Once an OSO has determined its market segments – for example, youth or adult, leisure or elite – it should then assess which segments to target by using some or all of the following criteria:

• Fit with organisational mission Does the segment reflect the OSO's objectives for sport participation or elite athletes?

- Segment size How many individuals are in each segment?
- Level of involvement in sport Are the individuals casual, regular or elite participants?
- Buying power and expenditure related to sport How much revenue can each segment bring into the OSO?
- Trend for the future Is there likely to be growth or decline in involvement with the OSO?
- Perceived quality of services Does the segment perceive the OSO to offer quality services?
- **OSO capability to improve perceived quality** Can the OSO improve the quality of its services to meet the expectations of the segment?
- **0S0 positioning in the marketplace** Can the OSO attract stakeholders away from competitors?

The competitiveness of an OSO can be assessed on the following criteria:

- the existence of direct and indirect competitors;
- the competitors' capability to satisfy targeted segment expectations; and
- the financial risk involved in targeting a particular segment.

# Which competitive advantage(s) will you aim to maintain or develop?

Marketing strategies should create at least one competitive advantage for your OSO. A competitive advantage arises because an OSO's services'

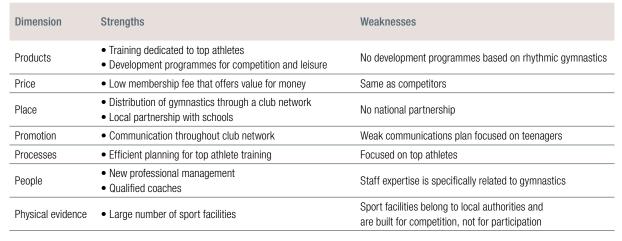


Table 5.16: Diagnosis of the marketing mix of a gymnastics NF

characteristics or attributes are superior to those of its most direct competitors; when an OSO can deliver the same benefits as its competitors but at a lower cost; or when an OSO's offers deliver benefits that exceed those of competing offers.

Developing a competitive advantage requires an OSO to understand its stakeholders' expectations and to deliver services with better value than those of its competitors. A competitive advantage can be created by a variety of factors, such as service quality, membership cost, ease of access to services and the image of the OSO in relation to others. Once the OSO has determined its competitive advantage, it must then market itself through a positioning process.

How should you position your OSO in the market?

As highlighted earlier, positioning refers to stakeholders' perceptions of an OSO's offerings in relation to those of its competitors. An OSO should look to change those perceptions if they are not favourable. You must determine whether your competitors are perceived to be better or worse than you and offer a level of product/service that reinforces your position.

# Defining a Marketing Plan and Mix

Once an OSO has carried out a situation analysis and made strategic decisions, it must develop a detailed marketing plan along the lines of the planning process set out in Chapter 2.

Once the marketing plan has been developed, the OSO must then evaluate the strengths and weaknesses of the organisation's current marketing mix, which, as mentioned above, comprises the components of the service that the OSO uses to promote and deliver its offerings. Seven such components are outlined in Table 5.16 (above), which shows the diagnosis of the marketing mix of a gymnastics NF.

The case study of the marketing of the NOC of Slovenia, which begins on the following page, illustrates four important points. The first relates to the contribution of marketing to the strategy of the OSO. The second focuses on how key activities must be related to stakeholders. The third point is concerned with the management of properties and marketing rights. Finally, the fourth point concentrates on the business marketing model.

### Key recommendations

- In consultation with your Board, perform a situation analysis.
- Analyse your market and monitor your competitors' positions.
- Determine the various market segments and analyse their attractiveness to the organisation.
- Analyse your resources, competencies and distinctive capabilities.
- Develop at least one competitive advantage and position it in your targeted stakeholders' minds.
- Make decision about the marketing strategy you are going to pursue and put in place plans to achieve it after gaining approval from your Board.

# Case Study 5 The Marketing of the Olympic Committee of Slovenia – Association of Sport Federations



At its 33rd meeting, the Executive Committee of the Olympic Committee of Slovenia (OCS) unanimously approved and adopted a new strategic plan. The measures and activities included in the strategy were designed to form five fundamental pillars of operations for the OCS:

- developing values, knowledge, tradition and humanity;
- achieving competitive results;
- developing Sport for All;

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- developing sport at the local level; and
- achieving business excellence.

These five pillars were designed to represent the guidelines for the OCS's future operations, helping it to achieve its strategic objectives.

### Table 5.17: Marketing objectives and KPIs

Objectives	Key performance indicators
Ensuring stable sources of finance	<ul> <li>Increase the amount of revenue that does not come from the OCS's own activities or the state to 75%</li> </ul>
Improving brand value and brand awareness of the OCS and the Slovenian Olympic team	• Increase the number of commercially interesting programmes and Olympic fans
Improving business excellence	<ul> <li>Improve the number and value of benefits for members</li> <li>Develop an updated system of business processes, harmonised with the quality of operations</li> <li>Obtain certification for the quality of OCS operations</li> <li>Increase the number of successfully and efficiently implemented strategic projects and activities</li> <li>Increase the number of staff attending training courses</li> <li>Improve the levels of satisfaction of staff and volunteers</li> </ul>

### Marketing roles and objectives

The Department of Finance and Marketing is an organisational unit of the OCS with responsibility for marketing, finance, legal and information technology. In terms of marketing, the department has responsibility for:

- managing the Slovenian Olympic team's sponsors;
- managing the OCS's partners and donors;
- the marketing and promotion of the Slovenian Olympic team and other teams, Sport for All projects and sport programmes for children and young people;
- marketing sports events organised by the OCS; and
- obtaining funds from Olympic Solidarity and the European Olympic Committees (EOC).

In order to implement its programmes and carry out its operations, the OCS must raise nearly half its funds through the successful marketing of its brand and products. The OCS's sponsors and partners are crucial stakeholders in its operations, which is why the Slovenian Olympic marketing programme is focused on:

- cooperating successfully and preparing joint projects with existing sponsors and partners;
- enlisting new sponsors and partners; and
- assessing the success of its partnerships and improving them for the future.

The programme's activities are connected with three key objectives of developing strategy in the business field:

- ensuring stable sources of finance;
- improving brand value and brand awareness of the OCS and the Slovenian Olympic team; and
- improving business excellence.

Specifically, the unit is tasked with the objectives and KPIs listed in Table 5.17 (left).



### Table 5.18: Key marketing activities

Activities	Activity/project
Analysing and upgrading the content and scope of the sponsorship model	<ul> <li>Development of new guidelines for dealing with business partners that are cooperating with the OCS, and development of a new marketing model</li> <li>Further cooperation with important marketing organisations in Slovenia and through two internal bodies: <ul> <li>Business and Marketing Council, a group of experts that helps develop the OCS's business model</li> <li>Club of Sponsors, a group of Slovenian Olympic team sponsors' representatives that co-create marketing activities for the OCS</li> </ul> </li> </ul>
Strengthening the position of marketing in relationship to the IOC and the EOC	<ul> <li>Implementation of regional marketing activities</li> <li>Presentation of the newly developed OCS brand and redesigned corporate image at a marketing seminar in Lausanne organised by IOC Television and Marketing Services (IOC TMS)</li> <li>Close cooperation with the IOC TMS marketing team in an attempt to persuade TOP Partners to increase their participation in the OCS's activities and projects</li> <li>Preparation for future cooperation with Toyota, a TOP Partner</li> </ul>
Developing new products and services in internal and external environments	<ul> <li>Development of the OCS's commercial brand and preparation of its licensing programme, designed to help promote Olympism in Slovenia and generate new revenue</li> <li>Improvement of revenue from the sales of OCS products</li> <li>Development of new Sport for All products and events, such as an Olympic Festival</li> <li>Development of Slovenian Olympic Educational Centre programmes, which provide education on Olympism and the Olympic Movement</li> </ul>
Preparing new models of business partnership	<ul> <li>Development of a Sport for All partnership system</li> <li>Development of a marketing programme and projects for the Slovenian Olympians Club – all Slovenian athletes who have competed in the Olympic Games have the right to join</li> </ul>
Exchanging good practice from different environments	<ul> <li>Sharing good marketing practices and projects within the OCS marketing group, made up of representatives from regional sport organisations.</li> </ul>
Increasing the number of benefits for members	Continued cooperation with business partners, with the addition of new benefits for members
Developing and upgrading contemporary communications channels to ensure successful marketing	<ul><li>Upgrading the development of social networks</li><li>Website redesign</li></ul>
Developing and managing the brand of Slovenian sports	<ul> <li>Redesigning the colours and use of state symbols in the Handbook of Slovenian Sports made available to the general public, which provides details on all sport in Slovenia, including contact details for NFs and other key organisations</li> <li>Further cooperation with NFs with regard to their sports equipment and uniforms</li> <li>Preparation of the national kit for NFs (supplied by Peak, a major sponsor of the Slovenian Olympic team)</li> </ul>
Expanding the media network on local and regional levels	Provision of expert content support
Ensuring that the OCS has coverage across all forms of media	<ul> <li>Active cooperation with all forms of media in the preparation of content about the OCS</li> <li>Inclusion of an OCS representative on the programme council of RTV Slovenia, the national public broadcaster</li> </ul>
Establishing IT support for competitive sports, Sport for All, local sport, Slovenian Olympic Academy, in business processes and in public authorisations	<ul> <li>Development of the OCS intranet for key stakeholders such as athletes, associations and sports workers</li> <li>Development of the OCS's administration system</li> <li>Development of a system for monitoring sports performance</li> <li>Monitoring and upgrading of the INFO Sport system, which provides information on sports events in Slovenia</li> </ul>

# **Key Activities**

Table 5.18 (above) sets out the OCS's key marketing activities, which are included in the strategic plan. The OCS is responsible for developing, preparing and implementing an exclusive and competitive marketing programme for its sponsors and partners. Commercial contracts with the OCS are for a four-year period associated with the Olympic Games cycle.

### Sponsorship

The scope of sponsors' rights and the level of the OCS's cooperation with sponsors is determined by the value of the contract and the tier to which it is linked:

- Sponsorship Level sponsors of the Slovenian Olympic team
  - o Main Sponsor
  - o Major Sponsor
  - o Sponsor
- Partnership Level partners of the OCS
  - o Gold Partner
  - o Silver Partner
  - o Bronze Partner
  - Partners of the OCS Expert Centre (made up of people who provide services or products that support athletes or those who work in sport)
  - o Institutional Partners of the OCS
- Donors and Patrons

Sponsorship Level offers the closest form of cooperation between the OCS and an external commercial organisation. These contracts bestow exclusive rights to sponsors, which enables them to identify themselves as the sole companies in their commercial fields to be associated with the Olympic brand within Slovenia. Sponsorship Level is primarily defined by:

- exclusivity in the sponsors' commercial field;
- use of the OCS's intellectual property rights (e.g. an identification with Olympism); and
- explicit commercial connections with the Slovenian Olympic team and its Olympic athletes.

Partnership Level offers each sponsor fewer rights, which are defined in detail in each sponsorship contract. Partners may usually participate in OCS projects, contribute to its operations, gain exclusive independent benefits for their products and services, and contribute in other ways to the OCS or its member associations. The Partnership Level is primarily defined by:

- a connection with the OCS's general operations;
- operations of the Expert Centre within the framework of the OCS; and
- partnerships with member sport organisations.

Sponsors of the Slovenian Olympic team receive a package of exclusive rights that connect with the image of the Olympic Movement in all forms of

marketing communications for the sponsor. Specifically, sponsors' rights include:

- the right to use the title of "main sponsor", "major sponsor" or "sponsor";
- the right to use and refer to the OCS's intellectual property within Slovenia;
- the right to co-use and refer to the image of Slovenian Olympic athletes;
- the inclusion of the sponsors' logo on all OCS communications channels;
- the development of joint projects and products with the Slovenian Olympic team;
- connections and commercial synergies with other OCS sponsors and partners;
- active participation in OCS events;
- participation in the OCS's hospitality programme at the Olympic Games; and
- exclusive discounts for advertising in selected media.

In addition, all sponsors and partners have the right to be associated with Sport for All and Slovenian Olympic Academy projects, which represent an important part of the value proposition.

# **Other Business Activities**

**Slovenian Olympic Committee brand** The OCS's marketing programme is designed to improve both the brand value and the brand awareness of the Slovenian Olympic team and the OCS. As set out in Figure 5.16 (right), the OCS took seven steps to improve its brand.

It is exceptionally important to identify key stakeholders when building the brand: who the brand addresses, who is affiliated with the brand and who contributes to co-creating the brand in various ways. In the OCS's case, these stakeholders include athletes, sponsors and fans.

One of the OCS's key decisions was to focus and concentrate on fans, which meant preparing projects aimed at fans that also presented athletes and sponsors. In this manner, the OCS affiliated three key stakeholder groups, a very effective way to increase brand value and brand awareness among them all.

The first steps were to create a Slovenian Olympic team Fan Zone during the Olympic Games Beijing 2008 and the Olympic Winter Games Vancouver 2010. A great deal of content aimed at fans was created for the Fan Zones, and sponsors were



Figure 5.16: The Olympic Committee of Slovenia's seven steps of building its brand

given the rights to activate this content during the Olympic Games.

The development of merchandising played an important role because it allowed fans to identify with the athletes. After changing the company responsible for providing the equipment to the Slovenian Olympic team before the Olympic Games London 2012, the OCS began to build points of sale that allowed fans to buy official Slovenian Olympic team merchandise.

Unifying the visual image of Slovenian sports was one of the most demanding tasks. Slovenian team colours had not been coordinated at either the state or OCS level, which meant that athletes from various sports appeared at events wearing different colours and uniforms. The OCS subsequently asked all NFs to use green, blue and white in their uniforms for unity across the board. It went on to prepare a "National Collection" of clothing in these colours with the image of Mount Triglav, the country's highest mountain, for its NFs.

For the Olympic Winter Games Sochi 2014, the OCS launched a marketing campaign that used the green, blue and white colours, helping to associate them with sport. This campaign connected athletes, sponsors and fans, and even led some sponsors of the Slovenian Olympic team to change their corporate image to match the OCS during the Games. In this manner, the sponsors' strong communications channels were exploited to build the OCS's brand. Two years later, for the Olympic Games Rio 2016, the OCS developed a licensing programme that used its own brand for selling merchandise. Foksi, the OCS's new mascot, was affiliated with different Sport for All and Slovenian Olympic Academy programmes for children and young people. The OCS's brand was also associated with a variety of other projects, with special emphasis on the Slovenian Olympic tradition, and the Slovenian Olympian Educational Centre was developed.

Today, the OCS continues to focus much attention on its sponsors, and is constantly considering how to implement the Olympic narrative into its marketing communications.

# Conclusion

The OCS's marketing activities are underpinned by a number of key points. First, it is extremely important to determine the OSO's key stakeholders. Second, all NOCs should take advantage of the exclusivity of their Olympic intellectual property and try to find ways of monetising it. Third, effort should be invested in identifying and developing the key marketing proposition of the NOC or the Olympic team, as this will help prepare a marketing programme and business marketing model. Finally, value delivery is the most important factor for success, and is necessary in order to ensure long-lasting and positive relations with key stakeholders.

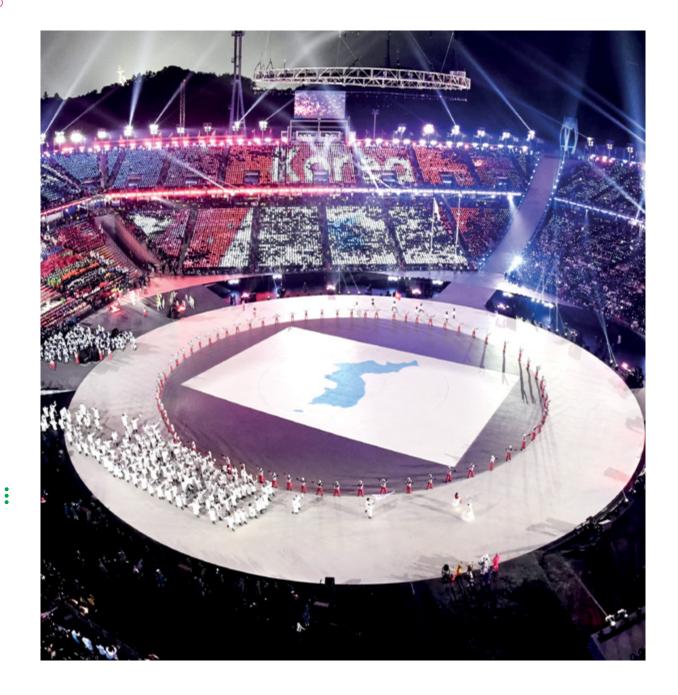


# ORGANISING A MAJOR SPORT EVENT

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A sport event brings together a large number of people, from athletes and coaches to officials and journalists, and features a wide range of activities in multiple venues. Because sport events are planned for and held at specific times, organisers can and should develop a project plan with clear tasks and timelines, which involves four distinct phases:

- 1. Design: conceptualising, designing and organising the event, from the original idea through the bid and on to the event itself.
- 2. Development: developing and setting up the event.
- 3. Implementation: running the event during training and competition.
- 4. Dissolution: closing the event after the competition has ended.

These four phases, which will be discussed in this chapter, provide a useful framework for the activities involved in organising a sport event.

Organising a sport event is:

- an essential objective for a large number of Olympic Sport Organisations (OSOs);
- the provision of a product or service that must satisfy a variety of stakeholders;
- a way of developing the OSO's image;
- a way of obtaining human resources before, during and after the event; and
- a process involving risk management, including human-, financial- and sport-related risks.

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For an event to be successful, it must be integrated into the OSO's medium- and long-term development strategy. Without adequate advance planning, the event will become a one-off activity that falls outside the overall strategic objectives of the organisation.

To understand the risks and opportunities associated with staging an event, organisers must understand how it may affect their organisation. For one thing, events are unique, non-repetitive and specific – even those that are held regularly, such as the Olympic Games. This means that although an OSO can learn from previous Games, it cannot stage its event in exactly the same manner. For another, an event must be completed by a fixed date, which requires a customised and meticulous planning process. Organising an event is challenging because its success depends on the combination and interdependence of several elements and activities.

Events are affected by numerous unknown factors, and are also susceptible to conditions that may be partially or wholly outside the OSO's control, such as the weather, the environment, politics, society, the media, security and transport. OSOs that stage events must operate under significant limitations, such as respecting the rules of the sport, observing the regulations of the governing body - for example, the IOC or an International Federation (IF) – and fulfilling the technical conditions required by the sport. However, these limitations also provide organisers with many opportunities for establishing relationships, and allow them to later exploit the success of the project and any contacts and partnerships made during it.

Finally, organisers should develop a broad understanding of the event in order to better shape its identity, define its intended spirit and master its organisation. Every sport event is unique, and branding the project can help an OSO make the most of the event's identity. Sport events can be classified as:

- global, such as the Olympic Winter Games, or local, such as national championships;
- popular, such as a fun run, or elite, such as the Commonwealth Games;
- sport-related, such as athletics Grand Prix, or promotional, such as taster events for new participants;
- uni-disciplinary, such as national swimming championships, or multi-disciplinary, such as the Olympic Games; and

### Objectives

After reading this chapter, you should be able to:

- Decide whether organising a sport event is appropriate for your organisation.
- Identify the main phases involved in organising an event.
- Identify the main tasks involved in running an event.
- Develop an appropriate legal and operational framework.
- Identify and manage the human resources needed to stage an event.
- Identify the facility resources needed to host an event.
- Schedule, follow up and evaluate the use of these resources.
- single-site, such as a club championship, or multi-site, such as the Paralympic Games.

Once the type of the event has been defined, organisers will be able to identify the areas that may be open for expansion, such as the possibility of including other cultural and celebratory activities. It is important, however, that these activities do not confuse the public about the event or make its organisation excessively complicated or expensive.

This chapter identifies the operational principles an OSO should follow in order to successfully organise a sport event, and considers the following questions:

- Why organise a sport event?
- How can the organisation of an event be structured?
- What is involved in organising an event?
- What human resources are required?
- What facilities are needed?

These questions will be addressed in the five sections of this chapter, and are further illustrated by a case study of a regional event: the 2014 African Youth Games in Gaborone, Botswana.

Note that this chapter does not address two key questions: how financial resources must be managed, and what should be done to promote the event. Vital to the planning and success of any event, these topics are considered in Chapters 4 and 5. 6.1

# Deciding Whether to Organise a Sport Event

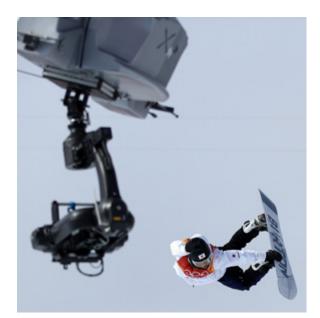
Organising competitions is integral to the missions of National Olympic Committees (NOCs), National Federations (NFs) and regional sport leagues. However, even at the bidding stage, resources are required to prepare a bid and determine its human, financial and organisational risks, which must be balanced against the opportunities that staging an event may provide. Ideally, the decision to organise a sport event should be part of an OSO's overall strategy, meeting its strategic objectives and falling within its available resources. OSOs should only bid for an event after they have established why they want to stage it, and they must be clear about how the event will help them attain their strategic goals.

This section considers the objectives that may be achieved and risks that may be involved in organising an event, and goes on to consider the evaluation process that the French Badminton Federation (FFBaD) went through in order to decide whether to bid to stage the World Championships.

# Goals

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An OSO can accomplish three main goals by organising a sport event.



Hosting an event can increase the visibility of a sport.

### Identifying and challenging talented athletes

Organising a major event is one way of identifying and challenging your most talented athletes, giving them a chance to prepare at home for elite competition. Athletes or teams may not need to qualify for events staged in their home countries, and home events may help an OSO to mobilise popular support behind a national team. Such competitions also serve to help OSOs identify and select top athletes for regional and international competitions.

### Raising the profile of the sport

Hosting an event can increase the visibility of a sport and an OSO, which can raise its own profile by working with local groups and partner companies. It may also help an OSO with both



A major event often leads to more people taking up sport.

# Event organisers should study the risks, objectives and conditions for success.

external and internal communications, giving the OSO a chance to collaborate with its members and with national and international sport authorities, communities and government.

### **Developing the sport**

Staging events helps OSOs develop by providing opportunities to improve and increase infrastructure, build partnerships and generate new resources. They can also help to ensure the satisfaction of private and institutional partners.

Making the OSO more professional, ensuring that the event is technically sound, will make it easier for the OSO to build on the event's successes in the future. At a national level, organising a major event can encourage cohesion and exchange between an NF, regional leagues and local clubs, and often leads to more people taking up the sport and maybe even joining clubs. As such, the NF and its clubs must be ready to welcome new participants, and must have enough equipment and quality training programmes to handle the expected increase in demand.

Organising an event can benefit an OSO in several ways: it can improve the organisation's promotional and financial performance; it can increase the number of members and the quality of sport results; and it can even highlight an OSO's socioeconomic contributions. For example, publicity about basketball tournaments held in schools may highlight how an NF is working with young people. Some sport federations have gained developmental and organisational benefits by organising one major event: the French Tennis Federation's organisation of the French Open, for example, has enabled it to pay for improvements to its tennis development system and training programmes for elite athletes.

# Risks

Organising a sport event involves risks both during and after the event.

### Technical and financial problems

An inability to control the technical and financial requirements involved in staging an event can hurt the organiser's credibility and may hinder future hosting opportunities. As an example, some NOCs organise continental or regional events as a test case to host a future Olympic Games. If organisers face many challenges, the NOC may have doubts about the potential to host major events.

### Legacy

Organisers must be ready to take advantage of increased interest in sport after an event. Too often, beautiful venues built for sporting events are rarely used afterwards.

Organising a major sport event may reveal organisational, financial or human resources dysfunctions in an OSO, which could precipitate a crisis. For these reasons, event organisers should carry out a preliminary study of the risks, objectives and conditions for success – before, during and after the event. The benefits of staging the event must be clearly identified, and managers should carry out a risk assessment (see Chapter 1) before deciding whether to proceed.

The illustration on the following pages shows the process the French Badminton Federation went through in order to gauge whether it should bid to organise the World Championships.

### (••••) Key recommendations

- Clearly define the potential benefits of holding an event.
- Make sure these benefits are expressed as event objectives.
- Carry out a risk assessment before deciding to hold an event.
- Ensure that you have the full support of the Board before proceeding.

# Illustration 6.1 Deciding Whether to Bid: French Badminton Federation



Founded in 1979, the French Badminton Federation (FFBaD) is a medium-sized NF by French standards. Although no French badminton player has won a World or a European adult championship, the FFBaD is active in schools and universities, and badminton is the most popular school sport. About 75 per cent of French badminton players registered at the FFBaD play in a recreational way and not in official competitions. Although the number of players registered with the NF is no longer growing, the practice of badminton continues to develop. Many players now rent courts in private facilities or play in federations belonging to the Sport for All movement.

In the early 2000s, the FFBaD decided to create an event strategy with a particular view to increasing its experience of staging major events. This strategy involved either organising a large competition or creating a strategic development plan centred on competitions. What follows is the evaluation process that the FFBaD went through when deciding whether to bid to hold the World Championships.

# Objectives of the Event Strategy

The strategy had three main objectives:

· Building an identity

At the time in France, badminton was not well known by the general public and was almost completely ignored by the media. It was not fully considered a "real" sport and was seen more as a recreational game. The FFBaD thought that the media attention associated with holding a major event could be used to develop a badminton culture in France.

• Seeking institutional and financial partners The FFBaD needed to seek investment from financial partners because the significant increase in membership brought about by an event would require the organisation to hire and train additional staff, which would have been difficult with its existing resources. In order to attract financial partners, it was also paramount to develop or reinforce partnerships with the Ministry of Sport, provincial governments, city mayors, etc.

• Show badminton practice at the highest level to French competitors

Attracting the top players in the world would allow the FFBaD to develop a real badminton culture among French competitors and make it possible for them to develop a better understanding of what badminton practised at the highest elite level really meant.

# Deciding Whether to Bid for the World Championships

The FFBaD considered a number of criteria when deciding whether to bid to host the World Championships.

### Past experience

Although the FFBaD had limited experience organising major competitions, the organisation of the French Open, a showcase for French badminton that attracted 17,000 spectators over five days, was encouraging. The French Open was technically sound, with a steadfast team of permanent employees and experienced volunteers led by an effective manager. As a result, the FFBaD considered that it was feasible for the OSO to organise an international event.

**Technical and organisational considerations** A group of experts analysed the requisite technical conditions, such as sport facilities, transport, accommodation and meals, and created a projected budget. The FFBaD would have been required to make certain guarantees in its bid application, which would have been judged on criteria covering areas such as:

- the projected budget, which had to show the involvement of institutional and private partners;
- expected spectator interest;



- technical conditions;
- organiser's experience;
- ease of access for international teams and officials;
- accommodation and catering plans; and
- promotional plans.

### **Financial risk**

Finances are a constant threat to the success of any event. The FFBaD examined the budgets and financial results of the previous three World Championships, and it became clear that media and related major production expenses accounted for a large part of the organisers' financial concerns. Although the cost of televising the event was the organiser's responsibility, the rights belonged to the Badminton World Federation (BWF), the sport's IF, and so the FFBaD perceived there was a significant financial risk.

#### Creating an image

The FFBaD wanted increased visibility and an improved image from media coverage, and expected to both mobilise existing partners and

create new partnerships with the IF, sponsors, clubs and communities. However, creating an image is an arduous task, and the FFBaD was aware that it would need to create its own publicity rather than depend on the goodwill of the media; that it would need to work with broadcasters to make sure the sport looked good on television; and that the performance of national athletes would also have an impact. The FFBaD concluded that staging the World Championships would not automatically lead to improvements in the sport's image in France.

### **Final Decision**

After reviewing the results of its thorough costbenefit and risk-opportunity analysis, the FFBaD felt that it had the resources to stage the World Championships but did not necessarily have the required political support, possessing no representatives in the IF and no track record of organising major international events. These key weaknesses led the FFBaD to determine that the IF was unlikely to view the bid favourably, and



Brice Leverdez, now a nine-time French men's singles champion, was among the French challengers at the 2010 BWF World Championships.

## The event must not be an end in itself, but must be used to develop other things.

therefore it was not worth pursuing. Instead, the organisation used its event strategy to reinforce the French Open, and decided to consider bidding once it had established better institutional support.

### **Subsequent Developments**

A few years later, following an extensive debate and considering a number of key elements, the FFBaD eventually bid for and successfully hosted the 2010 BWF World Championships.

While the initial question they considered was whether they should bid to host the World Championships or stage a regular event, the FFBaD finally opted to do both. It joined the new BWF competition circuit and immediately sought to join the highest tournament classification category. It did this with the support of the BWF, which saw France and other European countries as possible means of extending the international calendar across more nations.

The decade that followed the 2010 World Championships in Paris saw France really make its mark on the global badminton map. The country established a new regular event, the Internationaux de France, which each year features the world's best players, and several events on the international calendar, such as the European Badminton Championships (2016) and European Parabadminton Championships (2018). France is now known within the badminton world for its ability to organise major international events.

The Internationaux de France is eagerly awaited by French competitors, who have all seen high-level matches and watched the best French players on the international stage. Another beneficial effect was from the live television coverage of the 2018 World Championships. Badminton is now regarded as a "real" sport in France, with its array of champions and its arenas full of enthusiastic fans and sponsors – in short, a sporting media show on the same level as other disciplines shown on television.

### Conclusion

This illustration shows how one event helped to speed up the development of badminton in France, but following this approach by itself is not sufficient. While an event itself may receive wide exposure, it should be accompanied by other less visible actions: approaches made well ahead of time to institutional partners; invitations and training meetings for leaders; seminars for coaches and the adaptation of training methods; events at local schools; a plan for creating badminton schools within clubs; the development of badminton to reach people who do not practise sport; a policy for a greater international presence through development programmes and bilateral agreements; and so on.

Event organisers should not commit to stage an event just for the visibility it may bring. An event must not be an end in itself – it must be used to develop other areas. Too many event organisers do not really understand why they are holding an event, but understanding the reasons will help organisers to work in a more pragmatic way. When an event's communications aspect is well managed, the event can be a fantastic promotional tool if everything works well. If not, organisers should remember that the public will be aware of any aspect that goes badly.

An event will never help to develop a sport unless it is accompanied by other projects in parallel – perhaps less visible, but often equally important. The key questions should always be: "Shall we organise an event? Yes – but why, and with what end(s) in view?"

Although your OSO may never be involved in a bidding process, the activities and analyses carried out by the FFBaD are applicable to all types and sizes of event. It is important for OSOs to determine their objectives in staging an event, the benefits it may bring and the risks it may involve. A poorly run event brings more problems to an OSO than the benefits brought by a well-run event, so objective analysis is essential. The size and importance of the event should make no difference whether detailed analysis is carried out.





 $Chen \ Jin \ of \ the \ People's \ Republic \ of \ China \ won \ the \ men's \ singles \ at \ the \ 2010 \ BWF \ World \ Championships \ in \ Paris.$ 

## 6.2 Legal and Functional Structures

Organisers of sport events must develop organisational structures that ensure their events run smoothly and successfully. This is a two-stage process, and in many cases begins with the creation of a bid committee. If the bid is successful, an organising committee must then be established, with its primary concern to provide a solid frame of reference for all individuals and partners involved in organising the event. This structure must be flexible enough to respond to changing requirements, which is why organisers sometimes change organisational structures during different phases in the event process.

There are three aspects to developing an organisational structure:

• Legal and political Establish a legal structure that will drive the project and divide responsibilities among key individuals.

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- Functional Create operational units and assign them tasks and functions.
- Organisational Ensure your structure can coordinate the work of individuals and operational units in order to achieve your objectives.

This section considers how event committees can be organised and structured, focusing on legal and administrative functions, and concludes with a discussion of the organisational structure of the 2015 Pacific Games.

## Legal and Political Aspects

The organiser of a sport event does not always "own" it. Events often belong to other institutions, such as the IOC, IFs, NFs or even private entrepreneurs, which entrust the management of the event to an organising institution. For example, the IOC awards each Olympic Games to a host, and each Games is staged by an Organising Committee of the Olympic Games (OCOG). Written regulations are usually established, and contracts might even be drawn up to outline the rights and obligations of the partners.



The IOC awards each Olympic Games to a host city – in 2012, London.

### Who organises the event?

There are two possible scenarios:

• The owner

The institution that owns the event also organises it, which is the most common scenario for smaller events. The OSO that creates the event also organises it at its own risk.

A third party

Alternatively, the owner institution asks for bids to stage the event and then delegates its hosting to a third party, such as a city, a sport group or a private commercial group. The host institution forms an organising committee, as dictated by the owner's written regulations, establishing a legal entity that will be the owner institution's legal partner and will handle the practical organisation of the event.

### Legal entities

There are two possible methods of establishing a supporting legal entity.

The first and simplest method involves using an existing legal entity, such as a sport club or federation. There is no need to create and then later dissolve a new entity – the host OSO is also the organising institution, and can control the project as long as it remains within the bounds

## For sport events that happen periodically, a not-for-profit structure is the best solution.

of the authority delegated by the event owner. The sport bodies assigned to manage the project are already in place and the essential resources already exist within the host organisation.

For the vast majority of competitions, this legal structure will suffice. However, the simplicity of the structure also has drawbacks, such as when dealing with a multi-sport event or world championship, or when significant financial or operational risks are involved for the OSO. In this situation, the organisers may consider creating a new, legally autonomous entity with the specific task of handling the practical organisation of the event.

This solution may be more difficult to put in place, but it has certain advantages. The first is that it ensures that the relationships between the people involved with the project are transparent. The more numerous and diverse these individuals are, the more necessary it becomes to create a unifying legal structure that will ensure all partners, such as governments, sponsors and clubs, are affiliated with the decision-making body and are legally engaged in the organisation of the event.

The second advantage relates to the autonomy and transparency of the event management. The quantity of materials and resources to be used can quickly necessitate the creation of a specific legal structure, and setting up an autonomous legal entity will avoid confusion when it comes to areas such as human resources and financial responsibility. For example, a separate structure allows organisers to outline tasks required specifically for the event rather than as part of staff members' day-to-day activities, allowing for more transparent management.

Creating a specific structure also affects the legal capacity of the new organisation, which will have its own identity, name and address. The resources within the institution belong to this new legal entity and can be managed within a unique budgetary structure. All contractual relationships created during the organisation of the event can be made in the name of the legal entity, which will also have recourse to legal action to ensure that its ethical, intellectual and commercial rights are respected (see *Chapter 5*).

This new legal entity will take on responsibilities relating to the organisation of the event without affecting its constituent organisations. This creates safer conditions for participating organisations to deal with any incidents that cause damage to goods or people because of activities associated with the event. It also provides a framework for dealing with economic and managerial difficulties by separating the financing and management of the event from the other activities of the organisations involved in it.

There are, however, procedural limitations in creating a legal structure that may affect how the group is formed, its eventual dissolution and the management of its obligations, such as accounting and taxes. Procedural limitations may also affect the external or internal systems of control to which any legal entity is accountable. Whatever legal structure is chosen, it must take into account any relevant procedural limitations within national laws.

#### Legal structures

Once the legal entity has been determined, the legal structure of the host organisation can be chosen. Depending on national legal structures, organisers can usually choose from a few traditional options.

The first option depends on the host's status as a for-profit or not-for-profit organisation. The for-profit option is mostly used for recurring sport competitions that generate significant financial revenue, such as professional championships such as Formula One. For sport events that happen periodically, such as continental championships, a not-for-profit structure is a better solution: the organisers are different for each edition of the event, and simply balancing the books (rather than delivering a profit) is the economic criteria for success.

The second option depends on the private, public or mixed nature of the legal structure being used. Organisers rarely opt for a solely public legal structure except in countries where the state plays a major role. For major sport events where investments by public groups play an important role, mixed group structures, which include legal entities from both private and public law, tend to be the norm.

Once the organisers have decided on a structure, the conditions for participation and decisionmaking must be defined in the host's statutes, which identify the members of the group. Within bidding or organising committees, there are often different "families":

- the sport family, containing the relevant local, national or international sport organisations;
- local, regional or national groups who will be associated with the event and whose participation is required as early as the bidding phase, such as the national or local government;
- economic partners and/or public or private companies that will be involved in financing or organising the event, such as sponsors; and
- civil society, which includes members who may not participate in organising the event but whose presence and endorsement validate the organisation, such as professional organisations and unions.

The statutes should also specify the make-up of the decision-making and administrative bodies, as well as the scope of their activities. This body is often called the Board of Directors (BoD), and it is essential that it includes representatives of all groups affected by the staging of the event. When the event requires permanent and professional personnel, the Board makes the strategic decisions involved in developing programmes, passing budgets and authorising major contracts, and is the overriding authority for event-related activities. Everyday decisions are left to the event management, which is responsible for carrying out the BoD's advice and decisions. It should be directed by the president of the BoD, who is also its legal representative.

The statutes may also allow for the creation of other bodies, such as special commissions or committees. Normally made up of experts, these bodies generally have consultative or advisory roles, defining and following up on particular parts of the programme in support of the BoD's activities.

## **Functional Aspects**

When organising an event, a legal structure is not enough – operational needs must also be met by dividing roles and tasks among complementary and coordinated divisions or departments. These departments, and especially the senior managers responsible for the event, must act under the guidance of legal bodies. However, the people who direct these departments should be given the authority to make decisions that allow the members of their teams to carry out their functions.

The organiser's first objective is to define the group's functional needs, which will vary depending on whether it is a bidding or organising committee, and on the different phases of the



Figure 6.1: A divisional structure

Once these functions have been defined and classified, they must be assigned responsibilities through the delineation of command and control paths. Event organisers may use one of several different structures to do this.

• Divisional structures

A divisional structure breaks the organisation chart into highly centralised basic units that create products or services. These units may be divided by activity (sport activities or other activities) or by geography (such as by the sites used during the competition; see Figure 6.1, below left). Each unit is more or less autonomous, with general rules that govern all activities responsible for ensuring coordination between them.

• Functional structures

Traditionally adopted by many OSOs, functional structures are centralised and hierarchical, similar to the structures presented overleaf in Figures 6.2 and 6.3 of the illustration concerning the 2015 Pacific Games. Below the BoD, event management has direct control of the different divisions, departments or services that fill the various functions. These divisions can be further divided into subfunctions.

• Matrix structures Matrix structures tend to combine the advantages and disadvantages of divisional and functional structures. As shown in Figure 6.12 (page 235), an organisation chart can take the form of a double-entry table, with administrative functions on the x-axis crossing the different production and service divisions on the y-axis. The goal is to ensure the line of command and control by allowing resources to be more easily

allocated to project teams.

Finally, organisers must decide whom to entrust with carrying out these functions. As a general rule, the organiser's core responsibility, the operational organisation of the event, falls directly on the organising committee. However, certain functions – most often service tasks, such as accommodation, catering and transport – can be outsourced or entrusted to outside service providers, which respond to formal requests by the organiser according to written criteria that should then be defined in contracts. In addition, commercial functions, such as sponsorship, promotion and external communications, may be entrusted to



Functions such as transport can be entrusted to outside providers.

specialised companies, as may audit and control functions.

The illustration on the following pages shows the legal and functional structures put in place for the 2015 Pacific Games.

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### •••• Key recommendations

- Decide whether a separate legal entity is required.
- Put in place a legal structure that ensures accountability for the event but offers some protection against its risks.
- Ensure that the Board of Directors represents all appropriate groups.
- Identify all tasks required to stage the event and allocate them to functional areas.
- Put in place the most appropriate structure to assist with the success of the event and ensure that it allows accountability to the BoD.
- Decide what work can be outsourced to other organisations.

## $\langle \bullet \bullet \bullet \rangle$ Illustration 6.2 Organisational Structure of the 2015 Pacific Games



Legal Identity

As with many international sport events, there was

a difference between the proprietary aspects of the

The Pacific Games Council (PGC) is the Games'

governing body. Its composition, mission and

organisation are defined in a charter that also

outlines how the decision-making body should be

formed. The members of the PGC are independent

event and its organisational structure.

The Pacific Games is a multi-sport competition held every four years that follows the principles of the Olympic Charter. In 2015, Port Moresby in Papua New Guinea hosted the XV Games, which featured 4,000 athletes and officials from 24 countries competing in 299 events across 28 sports. Around 4,500 volunteers participated in the event, which was covered by more than 50 media organisations and reached an audience of more than four million people. Every day, 20,000 spectators followed the competitions.

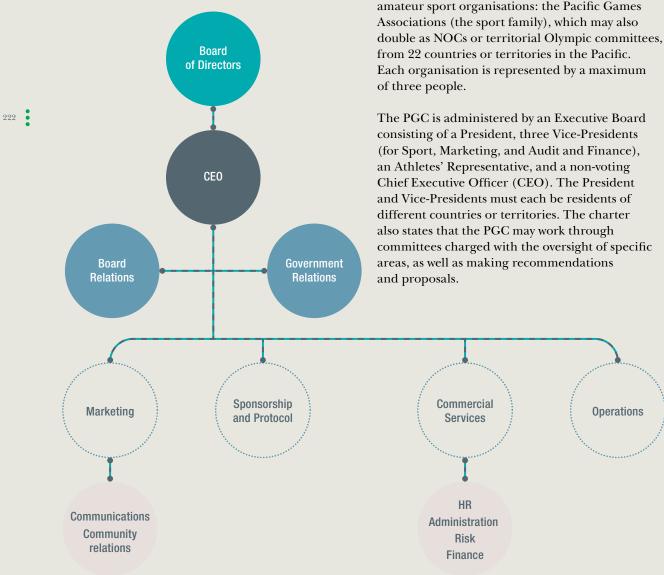
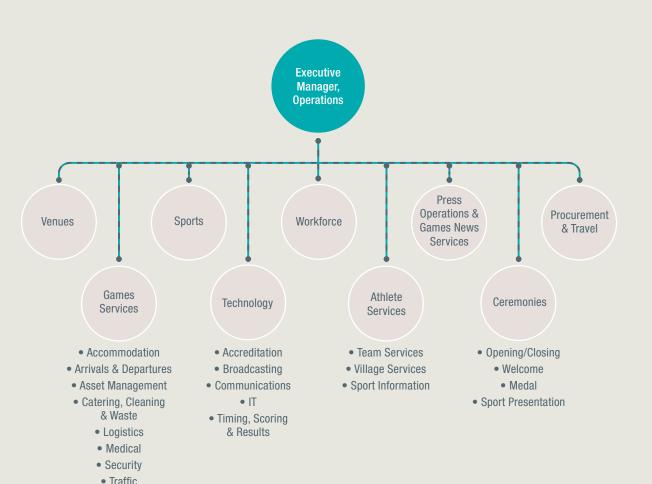


Figure 6.2: 2015 Pacific Games Organising Committee operations structure

**Operations** 



#### Figure 6.3: 2015 Pacific Games OCOG task structure

Transport

### Legal Structure

The PGC Charter states the honour of hosting the Games should be conferred on the national or territorial amateur sport body of the designated country or territory – in this case, the Papua New Guinea Olympic Committee (PNGOC).

The Pacific Games (2015) Authority (PGA) was then formed as an oversight body, and included representatives from the government, the PNGOC, the private sector and the PGC. This body then delegated responsibility to a separate, not-for-profit legal structure, the PNG2015 Games Organising Committee (GOC), to organise and stage the Games.

The GOC reported to the PGA subject to the approval of the PGC. The GOC's Board of Directors comprised representatives selected in compliance with the PGC Charter, including one PGC nominee. The PGC, and by its authority the GOC, had the last word on the Games. The GOC delivered the sports programme and associated operations and ceremonies for the Games; coordinated teams' involvement, venue overlay and signage; and sold and marketed the Games through sponsorship, merchandising, media and ticketing.

As required by the PGC, the Papua New Guinea parliament passed a legislative act that fully committed the government to delivering the venues and providing core funding, legislation and essential services (security, immigration, airport operations, medical services and so on). The Venues, Infrastructure and Equipment Committee (VIEC) was responsible for the provision of all sporting infrastructure, including the Games Village. The VIEC reported directly to the PGA.

### **Functional Aspects**

The GOC was divided into four departments and then into subdivisions, which are outlined in Figure 6.2 (left). All the main functions required were then assigned to a task structure, an example of which is shown in Figure 6.3 (above).

Every event will have a different organisational structure, depending on the depth of experienced leadership and areas of specialisation. A vertical

## Most important Games-time decisions are made at the Main Operations Centre.

organisational chart is more common in places with fewer experienced managers, when senior managers must guide and mentor those under them, while a horizontal or flat organisational chart has more experienced managers taking responsibility and making decisions. Regardless of the structure, all the main functions required for an event must be assigned and carried out (see Figure 6.3).

About 100 days out, the organisation typically changes from a department-based structure to a venue-based structure in a process known as "venuisation", as illustrated in Figure 6.12 (page 235). This change is designed to form teams of people at each venue from different functional areas (security, transportation, catering, press operations and so on). A Main Operations Centre (MOC) is then established, and becomes the central command centre overseeing and coordinating operations and communication across the entire event. It is here that most important decisions are made during Games time.

### Conclusion

This illustration shows the importance of establishing the right legal identity for an event. The PGC's identity is separate from the 22 countries and territories that have an interest in the Pacific Games, and this separation protects OSOs from risk if something should go wrong with the Games.

The creation of an organising committee as a legal structure is also important because it includes local representatives who are directly affected by the Games. In this case, the GOC includes representatives from key members of the sport family: it has a clear decision-making and administrative body, and the Chair has direct control over the functions required to stage the event. The structure is also flexible enough to change for the staging of the event, with the Chair retaining direct control of all functions.



The 15th edition of the Pacific Games were the third to be held in Papua New Guinea – and attracted some passionate local fans (right).



# <sup>6.3</sup> Organising the Event

Although sport events come in different sizes and can take many forms, the staging of nearly all successful events goes through the same four phases: design, development, implementation and dissolution. This section outlines the basic functions involved in organising a sport event and discusses how these tasks should be scheduled.

Sustainability and legacy considerations should be included throughout all phases of the event. Bid documents often list initiatives designed to reduce an event's environmental footprint or outline its expected social and economic impacts, but due to budget constraints and/or lack of leadership, such plans do not always occur.

The section concludes with a discussion of the phases of the 2017 IAAF World Championships.

### **Event Phases**

As mentioned above, sport events can be divided into four major phases.

### Phase 1: Design

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If you are required to bid for the right to host an event, the design phase may be carried out while developing the bid as an essential first step to analyse its feasibility. This can be done by questioning what the event will bring to the OSO while at the same time examining how it fits within the OSO's strategy and priorities. The main objectives are to determine if the event is economically viable, if it answers a true need, and if it appeals to a variety of audiences and partners. At the same time, the conditions for the event's operational feasibility must be estimated, defined and put in place. This will help to create an event regulations document that should be as detailed as possible.

#### Phase 2: Development

The second phase involves planning the tasks necessary to efficiently prepare for the event. At this stage, it is especially important to examine how work is being performed in relation to previously defined time, cost and quality constraints, then make any necessary adjustments. At the end of this phase, tests can be carried out in actual operating conditions, such as rehearsals for opening ceremonies or test competitions, to ensure that everything is ready for the event.

### Phase 3: Implementation

Once the event has begun, it must be efficiently and successfully guided by the event organiser in order to ensure its success. The organiser must identify and anticipate any problems that may have a negative impact, and must both analyse the cause of any problems and implement possible solutions.

### Phase 4: Dissolution

After the event, the organisation must analyse how efficiently it carried out its activities, evaluate its results, dissolve the team and determine what lessons have been learned for the future. The organising committee may also have to report on the success of the event to key stakeholders. In some instances, such as the Olympic Games, organising committees must pass on the lessons they have learned to the next committee.

### Tasks

The tasks involved in staging an event fall into five functions. The five functions are explained in brief below, and their various tasks are shown in Figures 6.4 to 6.8 on pages 228-230.

Figures 6.4 to 6.8 show where each task falls in the event schedule with regard to the four event phases detailed above. The length of each box varies depending on how long each task may take, and some tasks cannot be tackled until the previous task has been completed.

**Function 1: Management and coordination** This function's responsibilities include budget estimates and financial planning; functional organisation, hierarchical structure and personnel management; task planning, follow-up and adjustment; and legal and regulation issues. Figure 6.4 (page 228) shows some of these functions are only part of the design phase, while others continue through all four phases. Evaluation and learning are a substantial part of the fourth phase, and are essential in order to determine if an event met its objectives for the OSO and other stakeholders.

Function 2: Managing sport operations

This function ensures that the event actually happens. It puts in place the plans of the management and coordination function, and its activities involve everything from evaluating the human and material resource requirements to appraising the work performed by personnel, including setting up competition spaces and warm-up areas. As shown in Figure 6.5 (page 229),

## Most events go through four phases: design, development, implementation and dissolution.

this particular function has tasks that span all four phases of an event, from ensuring the competition meets technical requirements to thanking those involved for their work.

## Function 3: Secretarial, administrative and management work

As shown in Figure 6.6 (page 229), this function includes administrative and secretarial tasks, and involves financial relations with service providers, accounting, ticketing management and additional services. It plays an important supporting role for the other functions in all phases. The secretarial tasks – communicating with the public and key stakeholders and record keeping – are vital to the success of the event.

### **Function 4: Logistics**

This function has a limited role in the design phase, and its tasks can be divided into two main areas. As can be seen from Figure 6.7 (page 230), the first area involves setting up the event facilities, with security the number one priority. The second main area of work involves managing and maintaining amenities during and after the event, with the dismantling or transferring of facilities a very important task.

### Function 5: Promotion and sales

As can be seen from Figure 6.8 (page 230), this function deals with marketing, communications and media partnerships. It must fulfil the following tasks, which require substantial work during the design phase:

- creating a marketing strategy;
- defining a communications strategy and a media action plan; and

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• researching, initiating and managing partnerships.



Some tasks cannot be tackled until the previous task has been completed

## Planning tasks is an essential aspect of organising a sport event.

Design	Development	Implementation	Dissolution
Budget estimates and fir	ancial planning		
Studying different financin	g options		
Budget estimates; stu	dying the requirements for financial I	palance; commission-specific budget	S
Controlling exper	nses and revenue; anticipating treasu	ry needs; consolidation	
	Budgetary follow-up and adjustm	nent (performance indicators)	
	Financial balance sh	neet: control; measuring discrepancie	s with the projected budget; financial analysi
Functional organisation,	hierarchical structure and person	nel management	
Functional breakdown; set	ting up a functional organisation cha	rt (division, department, commissions	3)
Defining the hierarchica	al structure with each entity's areas o	of intervention and responsibility	
Defining the human, m	aterial and financial needs of each fu	nctional entity	
Defining the position pr	rofiles; recruiting managers; dividing	up the work, authority and access to	information
Optimising re	<mark>esources</mark> ; formalising tasks and limita	ations to be respected through contra	cts
General coor	r <mark>dination;</mark> follow-up; adjustment; man	aging structural change	
Organisi	ng a kick-off meeting (final guideline:	s for each person's roles); motivating	partners
Мо	bilising and following up on personne	el (motivations, relational issues, exce	ss work)
	Measuring what portion	of the fixed objectives has been achi	eved at both quantitative and qualitative level
	Ca	apitalising on past experiences, diffic	ulties encountered and solutions implemente
		Archivin	g project information, methods and tools use
Task planning, follow-up	and adjustment		
Identifying key tasks in the	e project (cost/deadline/quality limitat	ions, workload, results)	
Organising tasks togethe	er; performing a feasibility study; mal	king chan <mark>g</mark> es with regards to event de	eadlines
Designing a prelimina	ry schedule (key dates) and then an i	ndividual work plan	
Facilitating the pro-	<mark>oject's sm</mark> ooth operation; following u	p; negotiating selected deadlines and	other amenities
F	ollowing up on how tasks are linked;	anticipating problems that could caus	se delays
	Measuring the ability	to meet established deadlines in orde	er to improve the organisation of future event
Managing legal and regu	lation issues		
Taking into account legal a	and regulatory changes that could aff	ect the organisation of the event	
Notifying authorities of the			
Signing agreements v	vith public organisations in the areas	of security and traffic control	
Setting up the cor	nditions necessary for the approval o	f the site; obtaining sports bodies' co	nsent
Managing issues	related to user protection, insurance,	access management, hygiene and se	ecurity
		Measuring the efficiency of	of established mechanisms; thanking partner

Figure 6.4: Management and coordination

Note: in Figures 6.4 to 6.8, the green shaded boxes corresponding to each task indicate the time span in which the task takes place.

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<u> </u>

Design		Development	Implementation	Dissolution
Designing competition	ons that respec	t the regulations of the event owner a	nd the federation authorities	
Eval	uating the nece	ssary logistical resources (referees/u	mpires, panel of judges, escorts) and	materials (timing, posting)
		Organising and setting up practice s	paces that meet regulatory and secur	ity size requirements
Identifying the condi	itions for enterir	ng and participating in the sport progr	amme (levels for selecting athletes)	
Com	municating wit	n different potential audiences (nation	ns, federations, teams, sport participa	ints)
Defi	ning the conditi	ons for transport, reception, accomm	odation and catering for athletes and	delegations
		Setting up areas for training, rest, r	nedical assistance, communication b	etween athletes and the media
			Welcoming athletes and delegation managing disputes; posting sport	
			Developing the entertainment elem smaller events, handing out medal	(1 0 ),
			Facilitating anti-doping control; coordinating volunteers	
		Organis	ing the handing-out of awards; comn	nunicating sport results to the media
			Thanking and commending salaried	and volunteer workers for their work

Figure 6.5: Managing sport operations

Design	Development	Implementation	Dissolution
Secretarial and administrative			
Reminding personnel of their ass	gned roles and functions		
Responding to requests for inform	nation from the public; managing mail/e	email	
Answering the telephone; directing	g people to the correct department and	d resource	
Provid	<mark>in</mark> g logistical support for departments (	handling invitations, accreditations, m	nailings, thank-you notes)
	Participating in receiving and inform	ming the public and designated partne	ers; managing the number of entries
		Thankir	ng people for the work accomplished
Management			
Business relations with service	providers		
Contacting service providers and	suppliers (hotel industry, catering, tran	sport, software/IT)	
Requesting and studying c	omparative estimates; formalising the o	collaboration conditions; writing up co	ntracts
	Managing and following up on the s	ervices provided	
Accounting			
Daily upkeep of accounting	records; relations with suppliers, clien	ts and partners	
Handling payslips, invoices	and tax declarations		
Budgetary follow-up of exp	penses and revenue; creating and analy	sing summary documentation	
Ticketing and additional servic	es		
Evaluating the potential market w	ith the marketing department; preparin	g offers for the public and partners	
Mobilising various broa	adcast networks and partners in order t	to sell seats	
Communicating with ta	arget audiences; setting up promotiona	activities as ticket sales change	

Figure 6.6: Secretarial, administrative and management work

Design	Development	Implementation	Dissolution
Setting up spaces for practice, v	vork, communication, reception		
Defining the event guidelines; plan	ning activities		
	Security		
	Marketing and communication		
	Media and television		
	Sports activities		
	Direction, administration and manag	ement	
Managing and maintaining amer	ities during and after the event		
		Ensuring that the event runs smoothly at the operational level; carrying out scheduled activities	
		Accompanying and following up on services delivered by all outside service providers (sound, activities)	
		Breaking down facilities and co	ordinating with subcontractor teams
	Evaluating how the logistical function	s operated; measuring the quality of t	he services that were subcontracted

Figure 6.7: Logistics

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Design	Developme	nt	Implementation	Dissolution
Setting up a marke	ting strategy for the event			
Gathering and analy	sing key data related to the n	narket, the competition	and the environment	
Market segmentat	ion			
Targeting				
Defining a posi	tion			
Giving an ope	erational form to strategic ch	oices		
Coming up	with, selling and following up	p on business propositio	ons	
Defining a commun	ication strategy and a me	dia action plan		
Identifying targets -	analysing the image of the e	vent		
Defining specific co	ommunication objectives			
Developing appro	priate messages and choosir	ng media outlets		
Researching res	ources and partnerships			
Creatin	ng a media action plan			
		Welcoming and mana	aging the media	
	Contro	lling and adjusting activ	ities	
Researching, mana	ging, following up on and	initiating partnerships	3	
Creating a marketing	g kit			
Identifying poten	tial partners			
Marketing cor	ntact with the right person			
Follow	ving up and ensuring that ap	propriate and visible sur	oport and reception spaces a	are set up
_	Greetin	g and personal escortin	g of partners	
			Debriefing with partne	ers – measuring the fallout, thanking pa
Figure 6.8: Promotion	and sales			



Marketing, promotion and sales are essential parts of any event.

Planning tasks is an essential aspect of organising a sport event. Even if the planning is based on precise event regulations and organisers' past experience, which gives them greater insight, planning is essential for ensuring that the unique characteristics of each event are taken into account, so the organisers can adapt to the inevitable unexpected challenges.

In the illustration on the following pages, you can see how the organisers of the IAAF World Championships took a step-by-step approach that led to the successful staging of the event.

### (•••) Key recommendations

- Ensure that the event is well designed and developed.
- Make sure that the Board is committed to the design phase.
- Plan to follow through all four phases, from design to dissolution.
- Ensure all tasks occur in a timely manner.
- Evaluate your objectives once the event has ended.

## (...) Illustration 6.3

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## Organising the IAAF World Championships London 2017



The World Championships are one of the major events governed by World Athletics (known until 2019 as the International Association of Athletics Federations, or IAAF). London was chosen to organise the 16th edition, staging the event in the stadium within Queen Elizabeth Olympic Park that had been used for the Olympic Games London 2012. Attracting crowds totalling 705,000, the IAAF World Championships was the third largest world sport event in terms of spectator numbers, behind only the Olympic Games and the FIFA World Cup, and included 2,200 athletes from 203 territories.

The organisers followed the four phases outlined in Figure 6.9 (below). This illustration, however, focuses on the middle two phases, planning and operations. Although the terminology is different, it is possible to see how each phase fits within the framework presented in this chapter.



Framework phases

### Figure 6.9: Organisation phases for the IAAF World Championships London 2017

## **Bidding Phase**

London was awarded the opportunity to stage the IAAF World Championships 2017 following a successful bidding phase during which a project team was established. After the IAAF accepted the London bid in 2011, the project moved to the planning phase, establishing the event's conceptual design with some of the elements suggested in the IAAF Guidelines for Environment Protection and Sustainable Development.

## **Planning Phase**

This phase involved planning the functional and operational organisation of the event. As this was the first time that both the IAAF World Championships and the World Para Athletics Championships had been held back-to-back in the same city, two formal organisational vehicles were established to fulfil the role of the Local Organising Committee (LOC):

- London 2017 Ltd, to deliver the IAAF World Championships 2017 (IAAFWC); and
- London Championships Ltd, to deliver the World Para Athletics Championships 2017 (WPAC).

These organisations came together under the trading name of London 2017 to organise and deliver both championships, with an organisational structure discussed below.

At the start of the project, a functional structure was created, comprising five departments corresponding to the organisational activities for the event (see Figure 6.10, right). The senior management team was responsible for these departments. The individual functional areas that formed the operational delivery structure for London 2017 are outlined in Figure 6.11 (right).

As part of the planning phase:

- an inventory was taken of the necessary financial, marketing and administrative tasks;
- an organisational chart and hierarchical structure were created and senior managers were recruited;
- initial responsibilities and roles for each department were established (though some roles changed over the course of the planning phase, such as an increase in the importance and visibility of security following terrorist attacks in the country);
- tasks and deadlines for each department were defined;
- budgets established during the bidding process were adjusted; and
- the organisation's IT needs were evaluated, after which tenders were created and contracts signed.



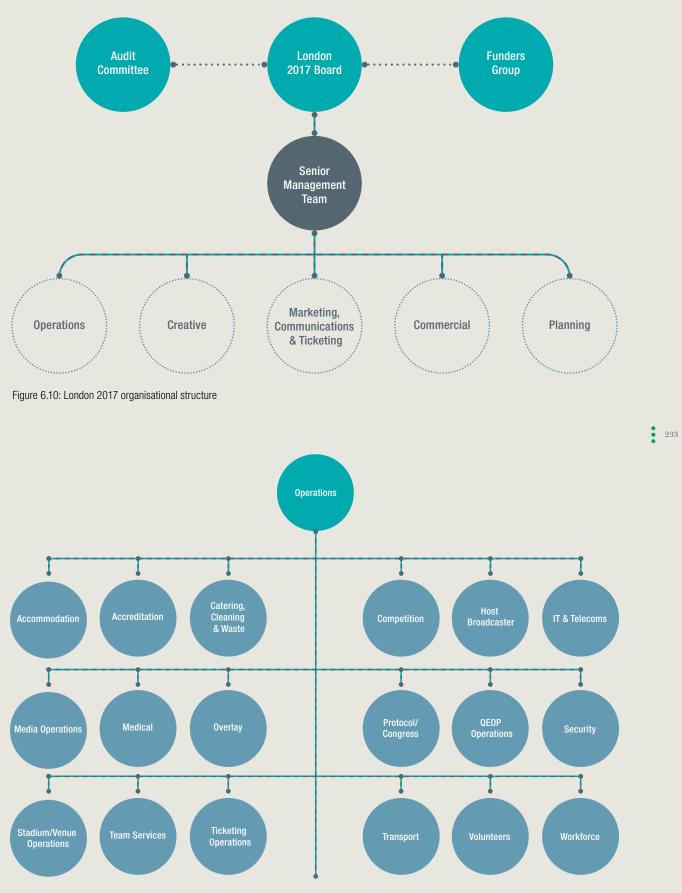


Figure 6.11: London 2017 functional areas



The organisers of the IAAF World Championships 2017 benefited from the city's experience of hosting the London 2012 Olympic Games.

### **Operations Phase**

A few months before the event, the organisers adopted a site-based organisational structure that created the matrix outlined in Figure 6.12 (right). Functional managers were given responsibility for a site or for its functional operation, and a main operations centre (MOC) was established for general coordination. The MOC acted as a decisionmaking authority, able to bring together emergency public-service teams in the event of emergencies such as fires or security threats.

This led to the creation of a site schedule. When the organisational structure changed, the planning manager had to fine-tune the general schedule and detail the operating steps for each site. Figure 6.13 (right) shows the major phases and timelines in the site set-up, which ensured that the event was efficiently managed.

## **Closure Phase**

After the event, the functional organisation returned to close down operations. Only the administrative and finance departments continued to work: finalising the budget, closing all accounts, dismissing the organising committee, placing salaried workers back in their previous organisations and writing the final report.

### Conclusion

The IAAF World Championships 2017 was a carefully planned project that followed the phases outlined above. Note that the planning of the championships was part of both the design phase and the development phase, which is important as a bid should contain initial plans and projections on how an event will run. Also, note that the organisation moved into the operations phase before the championships began, which allowed procedures to be tested (and athletes to train at venues) before the event. Finally, note that evaluation was an essential part of the dissolution of the event.

All events, no matter what type or size, should be organised systematically. This requires moving through the four phases of design, development, implementation and dissolution. You may choose different terminology for the phases of your event, but the tasks required will be similar to those that have been presented here.







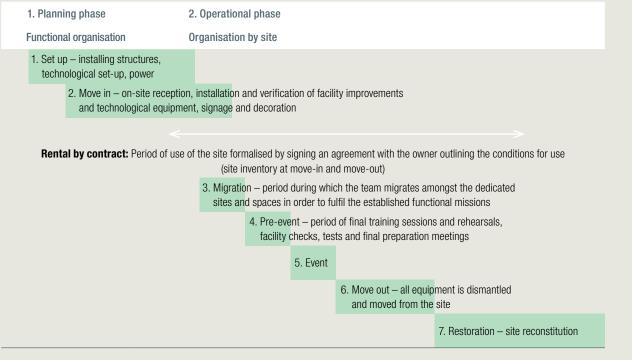


Figure 6.13: London 2017 site schedule

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## Managing Human Resources for a Sport Event

Along with facilities and finances, human resources (HR), especially volunteers, are indispensable elements in the organisation of any sport event, and the management of them is of critical importance. In this section, we will examine the key elements involved in managing HR for an event, with a particular focus on volunteers.

The section begins by outlining the processes required when putting in place an HR plan, and continues with a discussion of how to identify and recruit the necessary HR. The section goes on to consider how to mobilise and motivate HR, and ends with an illustration of how the Winter Youth Olympic Games Innsbruck 2012 mobilised a large volunteer workforce.

## HR Management

As with all human resources management (HRM), a number of activities are required to organise HR for a sport event. The following principles, which should be familiar from Chapter 3, are discussed briefly here and then expanded upon later in this section. Remember that the short-term nature of most events and their reliance on volunteers will present several challenges for HRM.

### **Determining HR requirements**

To determine HR requirements for a sport event, you must review the list of tasks required, which should eventually be included in the guidelines for running the event. HR can be salaried members of the OSO, temporary workers from associated organisations, personnel from outside service providers or volunteers, who can in turn be students, retirees or other members of the general public.

### Recruiting

Organising an event is a unique operation that requires specific HR. First, the people in charge of developing and coordinating the organisation of the event and associated tasks must be recruited. Specialised short- and long-term contractors should then be hired as necessary. Finally, organisers must begin the long process of recruiting volunteers, who are essential to the success of many events.

### Training

The organisation of every sport event is different, and it is often difficult for organisers to find HR with the requisite knowledge. Training ensures that recruits will be able to fulfil their duties to the best of their abilities. It is also an opportunity to communicate the culture of the event, and to encourage team spirit and a sense of belonging for everyone involved.

### Internal communication

Internal communication has three goals: to facilitate team understanding and help with advanced planning in order to avoid problems and make improvements; to share information with the event team; and to encourage individual participation and involvement. Instead of proceeding in a series of uncoordinated steps, organisers should adopt an internal communications strategy that outlines the objectives of internal communication and how they can be met.

### Managing personnel

Organisers must manage their teams in accordance with current legislation, which may include making agreements with those who provide personnel for the project; negotiating, preparing and executing contracts with service providers; drafting contracts for salaried employees and letters of commitment for volunteers; and dealing with insurance.

### Scheduling HR activities

It is important to establish a plan for each area mentioned above (see Figure 6.14, right). Every plan should include objectives; the human, material and financial resources needed to meet those objectives; a schedule; the name of the person in charge; and the methods and milestones for evaluation.

After identifying the areas that must be considered in HRM, it is essential that organisers create a timeline of all required tasks – the event takes place within a very specific period. This scheduling process will allow the organisers to specify how long activities will take, how tasks may overlap, which periods are pivotal and what coordination is needed. Once complete, this schedule will become a point of reference for everyone involved. In the Gantt chart shown in Figure 6.13 (page 235), the beginning and end of each activity is represented by the shaded areas, which gives everyone a clear picture of their tasks and deadlines.

## Organisers' decisions may be affected by the availability of funds and expertise.

## Determining HR Requirements

HR requirements depend on the nature and size of the event. For events requiring more formal organisation, the organiser will receive a set of event regulations that outline the rights and responsibilities of the organising committee.

For events with less formal organisation, it is nonetheless important to identify all requirements. Organisers can rely on similar past experiences, but these requirements should be tied to objectives established by the organising committee. For example, one objective of organising a major championship could be making young people more aware of the sport, and this objective could be met by hosting a parallel event for schoolchildren – which would require additional personnel.

Event organisers should follow a number of steps when deciding which HR are required, and their decisions may be affected by the availability of funds and expertise. These decisions should be made in an ethical, equitable and lawful manner.

#### Start with the required services

Begin by considering which services are needed to satisfy different groups, such as athletes, officials, spectators, VIPs and media. The required services will be in the areas of reception, security, catering and transport, and the plan should include all tasks related to the practical organisation of the event, such as setting up stands, cleaning and transporting materials.

#### Create an organisation chart

Organisation charts enable organisers to specify which HR will be allocated to each function, area or task. Such charts present an organisation's unique hierarchical structure, which may also be defined in documents that provide directives and guidelines.

**Create detailed position and job descriptions** A qualitative position description outlining the required qualifications should be created for each position. These position descriptions should be accompanied by job descriptions for each function, which should include the tasks associated with it; the required qualifications, knowledge and experience; and a general candidate profile.

Position descriptions may also include details of procedures and directives that the holder of the position must follow; and operational reference documents, such as site operation guides, which outline specific operating procedures. Each reference document must be linked to position and job descriptions and must provide details of operational support, such as communications channels and expected behaviour.

											Events		
Tasks/months	-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	D	+1	+2
Recruiting													
Training													
Motivating													
Communication													
Administration													
Figure 6.14: Schedule of	of human rea	sources a	ctivities										

An operational summary document (see Table 6.1, right) should be created from these components, listing both the tasks to be accomplished and the corresponding HR requirements. Since these requirements will vary depending on the phase of the event, they should be included in a daily schedule, which makes the process even more complicated.

### **Identify HR**

Once HR requirements have been identified, organisers should take an inventory of those available to work on the project, which will help identify any gaps to fill. Organisers must then look for additional resources such as volunteers, who could be members of sport clubs; people from certain segments of society that may be interested, such as students; or members of the general public.

Along with these volunteers, organisers will need to recruit contractors for specialised positions, such as legal or financial roles. These personnel could be provided by partner companies or local government, or they could be salaried employees from contracted service providers. The key is for organisers to find capable and reliable people to fill the important roles.

As shown in Table 6.2 (below right), general volunteers typically come from the overall applicant pool and are not required to have specialised skills, experience or licences, while targeted volunteers have more specialised skills in areas such as medical services, IT/technology and sport competition (such as sport-specific field-of-play experience). The organising committee may be the primary recruiting agent for both general or targeted volunteers, but service providers such as hospitals or technology companies could also supply some targeted volunteers with skills in particular areas.

## **Recruiting HR**

The number of people required depends on the phase of the event. Organisers must know how many people they need at any given time, and must keep track of input and output to avoid either mobilising resources unnecessarily or finding themselves short of resources. Organisers must also consider the attrition rate for volunteering. The normal attrition rate is 15-20 per cent, but this rate increases in those countries where volunteering is uncommon and the economy is weak.

### Preparing to recruit

As discussed earlier, organisers should start by creating position and job descriptions. Recruitment information should then primarily be shared using specialised methods such as internal newsletters or intranet sites in order to reach specific audiences. If information is not targeted correctly, it can cause problems during the selection process, leading to inappropriate applications or a surfeit of volunteers.

### **Recruiting volunteers**

The recruitment of volunteers is necessary for most events, and volunteer programmes have become an essential component in organising any large sport event. Organisers must consider several questions when recruiting volunteers:

- When should volunteer recruitment begin? For large events such as the Olympic Games, recruitment may begin with the bid to host the event: the Olympic Games Tokyo 2020 began calling for volunteers on its website as soon as it became a Candidate City. For smaller events, volunteers may not be needed until the event begins, and so recruitment can be left until much later.
- How should volunteer recruitment take place? Organisers must decide how to find and attract volunteers, and must determine the process volunteers must go through in order to be considered, such as applications and background checks. Volunteers can be recruited in the traditional way using CVs, application letters and interviews (telephone, Skype or in person). Organisers should set clear expectations so that volunteers understand the commitment and are willing to carry out the roles required.
- What legal agreements should be established with volunteers?

You must provide volunteers with details of their roles that outline expected duties and behaviour, and technical details (for example, insurance arrangements) and information on any benefits they will receive (meal vouchers, uniforms, free transportation, awards certificates, and so on).

## Training HR

It is rare for organisers to have access to HR with all the skills needed for running a successful sport competition, so training must fill the gaps. When planning training activities, organisers should take into account the availability of individuals, especially volunteers, and any associated expenses.

### Table 6.1: Operational summary

Functions	Service	Service for	Human resources	Number of people	Number of days	Total days
Transportation	Airport*	Athletes Media Officials	Drivers Hosts Supervisor	3 2 1	5 5 5	15 10 5
	Check-in	Athletes	Officials	3	6	18
Entrance	Accreditation	Delegations Media	Officials	2	2	4
	Ticketing	Spectators	Counter clerks	8	5	40
Project management	Developing and carrying out project tasks	_	Project team	5	20	100

\* Transportation services must also be scheduled for training venues, competition venues, accommodation and media centres.

### Table 6.2: Human resources requirements

Functional area	Title	Туре*	Management	Number	Source**
	Caterers	С		137	Varies
	Catering, Cleaning and Waste Managers	Р	Yes	5	00
CATERING, CLEANING	Cleaners	С		588	Varies
AND WASTE	Food Concessionaires	С		1,077	Varies
	Catering, Cleaning and Waste Management and Support	Р	Yes	2	00
	TOTAL			1,809	
	Ceremonies Crew Members	С		250	SP
CEREMONIES	Ceremonies Management and Support	Р	Yes	3	00
	TOTAL			253	
	Media Operations Stewards	V		190	General
COMMUNICATIONS AND	Photo Journalists			30	Targeted
MEDIA OPERATIONS AND	Venue Media Operations Managers	Р	Yes	28	Targeted
	Comms and Media Operations Management and Support	Р	Yes	12	00
	TOTAL			260	
	Credentialing Assistants	V		24	General
CREDENTIALING	Credentialing Crew Members	С		32	SP
CREDENTIALING	Credentialing Management and Support	Р	Yes	1	00
	TOTAL			57	
	Guest Services Attendants	V		275	General
	Guest Services Team Leaders	V	Yes	30	General
	Hosts	V		450	General
GUEST SERVICES	Host Team Leaders	V	Yes	-	General
	Venue Guest Services Managers	V	Yes	32	Targeted
	Guest Services Management and Support	Р	Yes	1	00
	TOTAL			788	

\*\* Sources as follows: OC = Organising Committee SP = Service Provider

## Motivation relies on every person feeling involved in the event.

For large events, organisers often create training packages that could include, for example, event orientation, job-specific training and venue familiarisation modules, each involving a day or a half-day of activities. Such packages help everyone to learn the values and symbols associated with the event; to know how resources will be allocated; to understand how they as individuals will fit within the team or site; and to appreciate the operational details of the event. An online training option should also be considered, especially for volunteers living outside the host city.

### **Motivating HR**

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Event managers must ensure they have allocated people with the right skills to each task, and that everyone knows what must be done. It then becomes important to motivate people to perform to the best of their abilities and to fulfil all their assigned shifts.

#### Factors in motivation

Motivation relies on every person feeling involved in the event, and this involvement is a result of both the drawing power of the event and their sense of belonging to a team. It also depends on the understanding and consideration given to each person. Organisers can be demanding and ask a lot of the people involved, but in return they must deliver any promised benefits, must be interested in what participants are doing, and must encourage and thank them regularly.

Motivation is also a product of leadership. A clear hierarchical structure is compatible with a participative or delegative management style, which works well with competent, experienced managers, or a more controlled style, which works well for people with little autonomy or experience.



Motivating volunteers is particularly important.

#### Table 6.3: Successful volunteer management

Factors for success	Objectives	Approach	Tools
Rely on past experience	Reveal key factors	Make a list of good practices     Fix past mistakes	Relationships among organisers     Interviews
Ensure each site is organised in the same way	Facilitate understanding for all involved	<ul> <li>Start with a clear and efficient organisational system</li> <li>Use the same level of quality and the same values</li> </ul>	<ul><li>Model organisation chart</li><li>Instruction guide</li></ul>
Accurately evaluate HR requirements	Plan ahead in the best conditions	<ul><li>Use past experiences</li><li>Plan during the operational phase</li></ul>	<ul><li>Functions broken down by position</li><li>Job descriptions</li></ul>
Use targeted and controlled communication	Avoid not being able to fulfil requirements	<ul> <li>Use position profiles</li> <li>Open communication to sport arenas</li> <li>Integrate a long-term strategy, such as creating new vocations for sport leaders</li> </ul>	<ul><li>OSO magazine</li><li>Websites and social media</li><li>Media</li></ul>
Use rigorous selection and appointment processes	Avoid preferential treatment	Base processes on the right profiles for the position, availability and motivation	<ul><li> Application files</li><li> Selection and appointment interviews</li></ul>
Provide customised and mandatory training	Prepare all individuals for their missions	<ul> <li>Explain the global vision and culture of the event</li> <li>Ensure new recruits are effective right away</li> <li>Focus on service quality and team spirit</li> </ul>	<ul><li>General modules</li><li>Job-specific modules</li><li>Site modules</li></ul>
Provide appropriate, quality management	Mobilise human resources	<ul> <li>Train the management team to customise its management style</li> <li>Provide motivation via participation in an exceptional project</li> <li>Base management on involvement and human qualities</li> </ul>	<ul> <li>Managing volunteers module (brief, debrief, encourage and thank them, and hold them responsible)</li> <li>Remind people of the overall project, symbols and values</li> </ul>
Use good internal communication	Encourage cohesion	<ul> <li>Picture communication as ascending, descending and lateral</li> </ul>	<ul> <li>Emails</li> <li>Text messages</li> <li>Websites</li> <li>Standard forms</li> <li>Meetings</li> </ul>
Establish a dress code that is consistent and attractive	Reinforce a feeling of belonging and recognition	<ul> <li>Pay close attention to the dress code, which conveys the organisation's image</li> </ul>	<ul> <li>Rules to be respected for the dress code are functional, recognisable (can be worn after the event) and uniform (the same for everyone)</li> </ul>
Provide recognition, motivation and comfort	Ensure volunteers feel acknowledged	<ul> <li>Take care of accommodation, catering and transport</li> <li>Organise celebrations</li> </ul>	<ul> <li>Services provided by partners</li> <li>Allow volunteers to attend some portion of the event</li> <li>Participation in the closing evening</li> </ul>

Managers must keep their central objectives in mind while also adapting to new challenges, modifying individual responsibilities, avoiding fatigue and apathy, and managing pressures. During recruitment stage, it is important to understand people's expectations, especially volunteers, as simply being interested in the event will not be enough.

Motivating volunteers is particularly important because they are not reliant on the organisation for

their income. If they become demotivated, they can walk away, which could cause problems if the event is heavily reliant on volunteer support. Fortunately, volunteers are often motivated by factors such as free uniforms and badges, free meals, access to the competition and the possibility of meeting elite athletes. These factors should not be beyond even the smallest event. However, if you are staging a large event, Table 6.3 (above) shows the key factors for success in volunteer programmes.

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Communication with staff and volunteers is crucial during an event.

## Relationships between volunteers and salaried employees

The relationship between volunteers and salaried personnel inevitably affects how sport events operate. Tensions can form between the two groups, and organisers who ignore these potential tensions may see conflicts arise just when the success of the operation most relies on team cohesion. Managers must strive to unify individuals and create a team spirit founded on a common goal. A successful event is the unifying factor that should serve as a point of reference for all team members.

Organisers must use everything at their disposal to achieve this goal. This means emphasising both mutual respect and the complementary nature of individual roles. The slogan "Turn volunteers into professionals and professionals into volunteers" is a good example of the path to follow. In certain high-performance events such as national championships, the status of individuals falls by the wayside compared with the importance of dividing up roles and responsibilities. Each person has a role to fill, and standards do not differentiate between volunteers and professionals.

## **Internal Communication**

Regular, precise and appealing communication that conveys the image and values associated with the event will help mobilise HR. Internal communication also plays an important role in integrating volunteers and salaried workers through group activities. For events that take place over several days, internal magazines can be used to inform, honour or thank team members. For large events, information is often communicated through a regularly updated

website or Facebook page, the advantage being that they are always accessible. Intranet systems can also help organisers customise information and communicate, including with volunteers.

While communication is important before an event, it becomes crucial during it. Organisers and team leaders must be able to reach everyone involved in organising the event as quickly as possible. Large organisations define communication channels in advance using formalised procedures outlined in precise documents, and may use multiple methods of internal communication. In addition, organisers should hold briefing and debriefing meetings at the beginning and end of each day or competition.

## **Evaluation and Follow-Up**

Event organisers must ensure they have recruited the appropriate people, which means they must evaluate the procedures they have followed while choosing their team. This evaluation will highlight where people are doing great jobs and where they need additional training, and will also identify areas where there is either too much or not enough work to do. Evaluations and follow-ups help organisers to make the best of their HR.

### Continual follow-up

The larger and more complex the project, the more important it is that evaluations and follow-ups are organised and scheduled. Indeed, although organisers must remain focused on their objectives by adhering to the organising plan and schedule, they also must take into account the unexpected when they analyse how the project is going. As far as managing HR goes, organisers can use traditional elements such as appraisals and discussion groups, but it is important to also identify any dissatisfaction caused by inappropriate resource allocation. Finally, it is necessary to motivate people by encouraging them to participate in group events. Follow-ups require both formal events scheduled in advance and a focus on daily activities.

### **Final evaluation**

The post-event phase is important and may be difficult to accomplish successfully if it is not planned at the very beginning of the project. People's motivation drops significantly once an event is over and they go back to their daily lives or become involved in new projects. It is essential that organisers maintain a small team for a few days following small events and for several months following large events, which will allow the completion of the activities outlined below. It may be worth including new people who did not participate in the previous phases of the project and whose energy and objectivity are at their peak.

The post-event phase has several objectives:

- to thank stakeholders and participants, especially important for maintaining the motivation of staff and volunteers who you may want to be involved in future projects;
- to gauge the satisfaction of the people involved, either by using questionnaires or carrying out interviews;
- to help salaried employees find new jobs by hosting workshops and offering career coaching;
- to capitalise on the experience and know-how of those involved for potentially organising future events by collecting, processing, classifying, analysing, expanding and organising different data;
- to finalise contracts with salaried employees, service providers and other entities; and
- to manage financial and accounting issues relating to HR.

People are an essential factor in any sport event. HR should be managed by keeping in mind limitations such as event regulations, budget and space restrictions. However, organisers should allow for individuals' independence and initiative that are so vital to the success of any event.

The illustration on the following pages shows how a large volunteer workforce can be mobilised in order to stage a successful event.

### ••• Key recommendations

- Identify human resources requirements.
- Divide the requirements into paid staff, contract workers and volunteers, and recruit the required number of each.
- Ensure you allocate the right people to each task.
- Motivate volunteers by understanding why they have volunteered for the event.
- Manage your human resources in a fair and equitable manner.

### •••• Illustration 6.4

## Volunteer Management at the Winter Youth Olympic Games Innsbruck 2012



The first ever Winter Youth Olympic Games (YOG) took place in Innsbruck, Austria in 2012, and featured 1,022 athletes from 69 NOCs.

### Organisation

The HR team responsible for volunteers comprised two paid staff who were recruited one and two years before the event, as was an intern.

The team identified 22 functions that needed to be planned, organised, budgeted and staffed. The first estimate suggested 1,200 volunteers would be needed, but a more detailed day-byday estimate (see Figure 6.15, right) revealed the need for 1,400. A safety margin of approximately 10 per cent was added to allow for time off, absence and illness. Ultimately, the Games used 1,347 volunteers, accounting for 28 per cent of the workforce.

Figure 6.16 (right) shows that the number of required volunteers did not stay the same throughout the event. In common with many events, the majority of volunteers were required when pre-competition activities started, with a drop-off in numbers as the event ended. This highlights why volunteers are so important: it would be impossible to recruit paid staff to work for the full length of the event and then leave the organisation. Furthermore, employment legislation in many countries would make this impossible.

## **Scheduling Volunteers**

In order to ensure that organisers did not under- or over-recruit, the organising committee analysed the schedule of volunteer resources. On the next page, Table 6.4 presents some of the tasks that were entrusted to volunteers, the responsibilities they required and the allocation of HR to each task over the course of the event. Note that volunteer training was included in the schedule, as were jobs that did not require volunteer support, whether because they were carried out by contracted organisations or paid personnel. It is important to identify all tasks in order to make sure that no job is forgotten, even if not all tasks will be performed by volunteers.

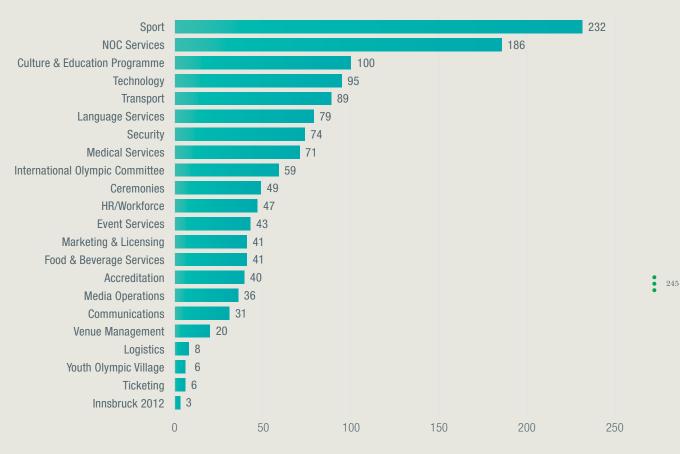
## Recruiting and Mobilising Volunteers

To recruit volunteers, the organisers of the Winter YOG Innsbruck 2012 decided to target the local student population by promoting the event on websites and in newspapers. More than 2,500 online applications were received.

A programme of events and activities designed to motivate volunteers took place before and during the Games, including three cinema nights, a "1month2go" freeze flash mob event, monthly "hotspot" events at local restaurants, the creation of a Facebook page for volunteers, and a Games-time volunteer lounge where daily vouchers for tourist attractions and restaurants were awarded. Volunteers also received a pin and a commemorative certificate from the Province of Tyrol.

It is worth noting that organisers found that gaining experience, expanding their networks and meeting people were the top reasons why students volunteered. Understanding these reasons allowed organisers to put together a programme of activities that ensured that these wishes were met. Note, too, that organisers also had a clear idea how many volunteers they needed, and carefully scheduled these volunteers with the tasks required to stage the event. This systematic planning meant that there was less risk of over- or underrecruitment, which resulted in a more effective use of human resources.

## Systematic planning means less risk of overor under-recruitment.



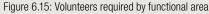




Figure 6.16: Overall volunteer profile

### Table 6.4: Volunteering schedule

Job type	Specification	Maximum number of volunteers per day	Team leaders	Persons/day total
	Timing and results	22	2	264
	Video and sound	5	1	720
A/a-1	Temporary infrastructure	40	4	331
Workers	Advertising	15	2	240
	Opening ceremony	15	2	75
	Side events	-		_
	Accreditation	9	1	154
Access control	Access control	70	6	1,130
	Team	134	47	3,350
) -l:	IOC	53	-	1,219
Administration	Pool of general volunteers	5	4	125
	Official hotel	-	-	_
Deterine	General catering	-	-	_
Catering	VIP catering	-	-	-
	Driver (from pool of general volunteers)	20	2	340
Driver	Transport coordination	5	1	95
Information	Accommodation	15	1	279
	Schools	14	1	116
	Hospitality	20	1	180
	Info service	21	2	315
T support	IT	20	1	340
	Doping control	10	1	110
Vedical	General medical care	3	1	42
	Print and internet	26	1	338
Vedia	Media operations	18	2	234
	Press operations	9	1	135
	Alpine skiing	40	1	560
	Cross-country skiing	15	1	210
	Figure skating	12	1	72
	Ice hockey	18	1	216
	Nordic combined	-	_	-
Sports	Snowboarding/skier-X	30	1	282
	Skeleton	-	1	_
	Ski jumping	15	1	20
	Speed skating	8	1	270
	Short track	5	1	80
	Inventory management	5	1	135
	Finance	4	-	64
Head office	Medal ceremonies	10	2	110
	Head office	28	1	532
Total			97	12,683



Jang Su Ji of South Korea on her way to bronze in the women's 3000m speed skating event at the Winter Youth Olympic Games Innsbruck 2012.

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# Amenities, Sites and Spaces

Organising a sport event requires large quantities of materials, facilities and amenities, some sportrelated and others not. The task of identifying these needs begins at the design phase, and involves defining the event's overall requirements and/or taking a systematic inventory of the facilities and amenities needed to organise a successful event. To do this, organisers must refer to:

- the sport and technical regulations of the relevant federations;
- any event-specific regulations; and
- local legislation and regulations concerning the security of public venues.

At the same time, organisers must take a preliminary inventory of available resources, one of the key steps in deciding whether to bid for the event.

As they grow, sport events can expand from a local to a national or even global scale. In order to ensure a successful event, organisers must therefore consider much more than just the event-specific facilities and amenities, and must instead focus on what are known as the three circles of a sport event (see Figure 6.17, below) when considering their sites and amenities.

Focusing on amenities and facilities, this section begins by discussing the sport zone, the heart of any sport event, before moving on to auxiliary sites and then the impact of events on the environment.

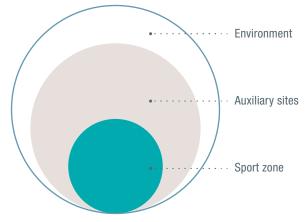


Figure 6.17: The three circles of a sport event

It concludes with an illustration of planning the facilities, sites and spaces for the 2015 Pan American Games.

## Circle 1: Sport Zone

The first circle, the sport zone, is the heart of any sport event. Event organisers should have full and complete authority within the sport zone, but they must pay attention to the contractual arrangements governing the loan or rental of the site – the area to be used, the dates it may be used, the cost of use and any improvements that the owner must make.

The sport zone can be further subdivided into specific areas.

#### Competition grounds and areas

This central zone can only be accessed by competitors, judges and officials. Its dimensions, signage, access rules and other specific requirements will be defined in the regulations of the NF and/or IF that governs the relevant disciplines. It is important to have volunteers or staff with knowledge of the sport and its field of play.

#### Public facilities

The sport zone also includes areas for spectators. Organisers often find that accommodating the public is difficult, and must strike a balance between using a stadium of a size that will guarantee commercial success while dealing with limitations imposed by security, marketing and the stadium's future use ("legacy"). Some limitations will arise from regulations imposed by the event's governing body and the stadium owner, who is also expected to respect the rules of public order that guarantee hygiene and security.

### Service facilities and amenities

Sport zone facilities should include spaces that have been specifically equipped for:

- personal hospitality, such as locker rooms, bathrooms, warm-up spaces, treatment rooms and infirmaries;
- security, such as clearly marked public access, restricted access for competitors and referees, first aid posts and evacuation routes; and
- promotion and commercialisation, such as media rooms, spaces for sponsors and announcers, shops and eating spaces.

Public hospitality facilities vary by event. Stands are usually fixed, but they can also be movable, removable or temporary.

## Event organisers should have complete authority within the sport zone.

Holding competitions in non-dedicated spaces Many sport events are held in locations that are not permanently dedicated to the sport. In this case, defining the sport zone can prove to be more difficult, particularly in events such as road cycling races and time trials, race walks, marathons and motor-vehicle events that generally take place in the public domain. These events are subject to specific rules that require the advance approval of public authorities, and require specific security measures and access restrictions that are generally covered in the regulations of the appropriate NF and/or IF.

The perimeter of the sport zone can be represented physically with barriers or ribbons, or symbolically with signs, signals or the presence of marshals. In addition, temporary facilities such as staging will help define the sport zone.

## **Circle 2: Auxiliary Sites**

Auxiliary sites are mostly dedicated to welcoming and housing participants, and make up the second circle of a sport event. The importance given to these sites depends on:

- the length of the event;
- the number of competitors;
- the size and demographics of the audience;
- the expectations of those supporting the event, as outlined in the regulations; and
- the organiser's commitment to the quality of the hospitality.

A number of auxiliary areas are common to most sport events.

**Event headquarters and administration site** These are amenities that the organisation will use throughout the event. Mostly used for administration, they can include offices, meeting rooms and storage spaces. The size of the area will depend on the different phases in the organisation of the event. They may also change, as the implementation phase requires many more people than the design phase.

#### **Reception sites for sport delegations**

These sites are the starting points for welcoming competitors and their delegations. They may be the same as the accommodation sites (see page 250), with access granted only to delegations. However, reception sites for major events are usually at airports and railway stations. Organisers usually know in advance the arrival locations and times for all sportspeople and officials attending an event. Welcoming delegations is often a good task for volunteers. The delegations' transfer to the accreditation and accommodation sites will also need to be organised, though accreditation may be available at airports for larger events.

### **Accreditation sites**

The nature of accreditation means that different categories of participants, such as competitors, trainers, medical personnel, delegation officials and members of the international sport authorities, will be given different rights to different areas, and delegates will often want greater access than their accreditation levels allow. The access rights for delegation members is often a sensitive area, as the different levels of accreditation dictate the access that delegates have to areas such as the sport zone and VIP hospitality. During accreditation, delegations are often also asked to pay any remaining expenses for accommodation and catering.

Although most organisers now use online registration systems to obtain information in advance, the accreditation process gives delegation members an opportunity to express particular requests at what is the first official contact between the delegations. The organising committee will hand out various official passes that may include photographs of the cardholders. A dedicated and appropriately equipped site with a computer and printer is needed for this process.



Teams are traditionally greeted at the Olympic Village by a welcome ceremony. Here, athletes from Ghana enjoy their welcome to Rio 2016.

### Accommodation sites

Accommodation sites are often hotels, which are managed by hotel personnel and simply used by the organising committee. Depending on the length, size and audience of the event, mobilising hotel capacity can be extremely important. The organiser must ensure sufficient capacity by reserving hotels and rooms in advance for:

- sport delegations made up of competitors, training personnel and officials;
- judges, referees and other competition officials;
- the wider sport family, such as members of the relevant NF/IF and other guests;
- accredited members of the media; and
- organisation members, including salaried and volunteer personnel.

The organiser can recommend certain hotels and tour operators to the public, a process that can lead to economic partnerships between such businesses and the organising committee.

#### Other sites

The organisation may secure various other sites for:

- cultural activities;
- opening, closing and medal ceremonies;
- meetings, such as conferences and assemblies of international sport authorities;
- auxiliary sport areas or training facilities; and
- amenities where the media or sponsors can take advantage of the event, such as a village for sponsors and partners.

#### Athletes' village

The concept of the athletes' village has been developed and successfully implemented at a number of multi-sport games. When a sport event brings delegations together for a long time, such as one or two weeks, it is usual to have the athletes live together in one location. The primary objective is to encourage the values of fraternity, universality and friendship that sport represents, but it also brings other advantages: it helps with security, transport and the enforcement of rules; and it allows various services and activities (personal and medical care, shops, leisure) to be offered as a package to athletes.

#### Links between sites

Organisers of major events must create links between multiple sites. In order to overcome the logistical problems that this creates, event organisers are starting to become more innovative in their designs of sport zones and auxiliary spaces. Many event organisers now group different sites into clusters in order to make transportation easier for participants and spectators.

For example, competition venues and athlete/ spectator accommodation for a specific sport may be grouped together in one location, while competitions venues and accommodation for another sport may be grouped in a second location. In many cases, these clusters require the construction of spaces that will remain after the event, and organisers must consider their future use.

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Organisers also now optimise links between sites through high-performance transport networks, whether mass transit networks or fleets of private vehicles. At larger events such as the Olympic Games, organisers may also establish temporary traffic lanes reserved for accredited vehicles. Organisers must consider the quality of local transport services when bidding to host major sport events.

## Circle 3: Environment

The third circle of a sport event is the environment in which the various sites are located. Organisers must keep the environment in mind during every step of the project because a sport event is likely to disturb the environment in which it takes place. From the design phase, the project must be defined so as to quell any concerns or suspicions about problems the event might cause, and it must gain the support of all those who may be affected.

#### Protecting the environment

An analysis of bids for major sport events shows how much importance is now placed by organisers and governing bodies on protecting the environment. An influx of people into a single location can cause various problems, such as noise, traffic congestion, chemical pollution, water shortages and increased waste. The Candidate Cities for an Olympic Games, for instance, are required to include auxiliary programmes covering public awareness and environmental protection.

#### Sustainable development

The concept of sustainable development was adapted for sport events by the IOC and developed by a number of NOCs. It involves ensuring the development of sport and sport organisations while respecting the interests of future generations. Intrinsic to this concept is the idea of legacy, which is what the event will leave behind once it has finished. Host candidates must highlight the benefits that organising their event will have for local populations, such as improvements to housing and transport, and the creation of new and useful facilities.

**Dismantling or reconverting sites and amenities** Although event amenities are not dismantled until the dissolution phase of the event, planning the dismantling process should begin during the design phase. This process involves restoring all event facilities, sites and spaces to a usable state for the local population or other user groups. Organisers should consider how local populations will use any facilities and sites that have been built especially for the event, and should ask:

- Will the event have a negative or a positive effect on the environment, and will this effect be temporary or permanent?
- How can any negative effects be minimised?
- Will any new buildings be converted for use by the local population? If so, have the transfer of responsibility and its operational expenses been considered?
- Does the project require new road infrastructure?
- Has the event's impact on drainage, water treatment and waste collection/treatment been taken into account?
- Will the event improve local accommodation?
- Will the event reinforce the identity and image of the host city or country?

By focusing on the three circles of a sport event, organisers can take a complete account of the amenities, sites and spaces required by an event, and must consider environmental issues in the design and development of an event. Unfortunately, this circle is often neglected, particularly at small events. Organisers must be aware of their event's impact on the local environment, even when no significant changes – such as the creation of new buildings or transport links – are made to it.

The illustration on the following pages shows how the facilities, sites and spaces for the 2015 Pan American Games in Toronto were planned, as well as how the legacy of the event was taken into account.

#### •••• Key recommendations

- Be clear about the technical requirements of the sport zone.
- Try to avoid the need for the mass movement of athletes and spectators.
- Ensure the environment is not negatively affected by the event.
- Plan for the event's legacy during the design phase.
- Ensure the event's legacy benefits the local community.

#### $\langle \bullet \bullet \rangle$ Illustration 6.5

## Facilities, Sites and Spaces for the Toronto 2015 Pan American Games



The Pan American Games are staged every four years, in the year preceding the Olympic Summer Games. Toronto, Canada was the site of the 2015 Games, which featured 6,132 athletes, 2,200 team officials, 41 NOCs and 36 sports, and were immediately followed by the Para Pan American Games, which featured 15 sports, 1,608 athletes and 800 delegation members.

The same sites and installations for sport and housing were used for both Games, thus guaranteeing the highest level of quality while also economising on space and cost. Athlete and official accommodation was adapted to meet the needs of those with disabilities.

Environment

About three years before the Games, the organisers decided to scrap the original bid plan, which called for approximately 50 competition venues scattered across the province, in favour of a cluster system.

By eliminating 60 per cent of the standalone venues and running multiple events at the same locations, organisers saved money, eased transportation anxiety, helped with security and provided a better experience for the fans.

In total, 30 competition venues were used across 14 municipalities with the majority divided into five zones. As illustrated in Figure 6.18 (opposite), most competition venues were accessible by public transportation. Interestingly, Toronto's largest arena, the Air Canada Centre, was not used because the organising committee wanted to ensure full venues and they believed that none of the events warranted a 20,000-capacity space.

Of the 30 competition venues, 10 were newly built, 15 were renovated to stage the Games, and five were temporary facilities. Some new facilities continue to be used in their original Games form, such as the BMX track, while others were reduced in size – such as the Toronto Pan Am Sports Centre, which is now open to the public and the University of Toronto for training.

### **Auxiliary Sites**

The Pan American Village consisted of six buildings on 35 acres, within walking distance of the downtown core. Five were residential mid-rise buildings and the sixth was a training facility. After the Games, four residential towers became the Canary District housing development, one residential tower became a college dormitory and the training facility became a YMCA.

Learning a lesson from the Olympic Winter Games Vancouver 2010, developers decided that the new residential units would not be fully completed before athletes moved in. Since the athletes were going to eat in central cafeterias, the room that would eventually become the kitchen in each unit could serve as an additional bedroom. And while plans called for hardwood, tile and carpet flooring to be installed after the Games, painted concrete floors were seen as more appropriate for athletes, who could mar the surface of more expensive flooring with spiked shoes or other athletic gear.

The village was built on the site of former railway and industrial lands. After the meat industry moved out in the 1980s, the area was taken over by the



Canadian sprinter Andre de Grasse won two golds at Toronto 2015.

## A major event can make a fundamental difference to its host environment.

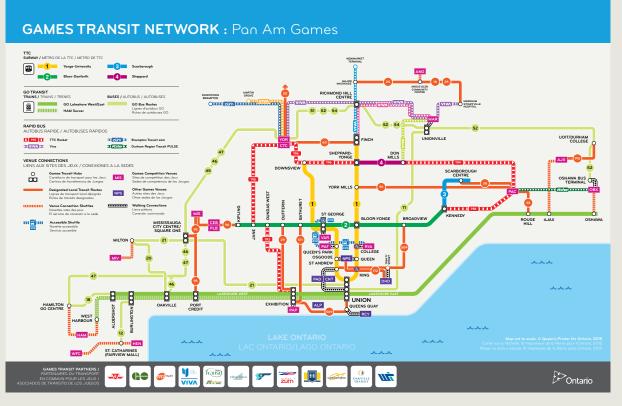


Figure 6.18: Toronto 2015 venue transportation plan

government and earmarked for a public housing project. The project stalled – but it was fast-tracked once Toronto was awarded the Games, changing a 12-year plan for redevelopment into a six-year plan, and the majority of condos in the village were sold to local buyers before the Games began.

Another auxiliary site, the official International Broadcasting Centre and Main Press Centre, was placed in the Exhibition Centre, which also hosted sport competition. The centre featured broadcast studios, control rooms, editing suites, offices and lounge space. During the Games, the Centre was renamed in honour of sponsor Cisco Systems.

In addition to the legacy of the Pan American Village, which is now a completely new neighbourhood, Cisco established a CAD 13 million technology infrastructure legacy plan to drive capacity in the not-for-profit sector and promote economic development across Ontario after the Games, which included the continued benefits of advanced networking technology provided by Cisco at the various competition venues. This illustration shows how a major event can make a fundamental difference to its host environment by leaving a positive legacy.

The case study on the following pages applies many of the points covered in this chapter to the organisation of a regional event: the African Youth Games. Whether for large or much smaller events, the case study highlights how the concepts covered in this chapter can be put into practice.

# Case Study 6 Organising the Gaborone 2014 African Youth Games



The second edition of the African Youth Games, which take place every four years, were held in Gaborone, Botswana in 2014. The Games featured 1,981 athletes from 51 NOCs, along with 1,003 team officials and 1,719 volunteers.

## **Deciding Whether to Bid**

Botswana first considered the idea of bidding to host the 2014 African Youth Games in Gaborone in 2011. A thorough report outlining the benefits and risks was developed and presented initially to the NOC and then to the government, which gave its approval for a bid in January 2012. The task of producing a bid book began immediately, highlighting Gaborone's facilities and projecting Botswana as a country that people would want to visit for tourism and/or business.

The main objective of holding the Games was to contribute towards the promotion of event-based tourism in line with the Botswana Excellence Strategy and Vision 2016. The Games was intended to also contribute to the general diversification of the economy, as well as giving the country experience of hosting major sporting events that could be used to host bigger events in the future.

In August 2012, the bid was presented to the Executive Committee of the Association of

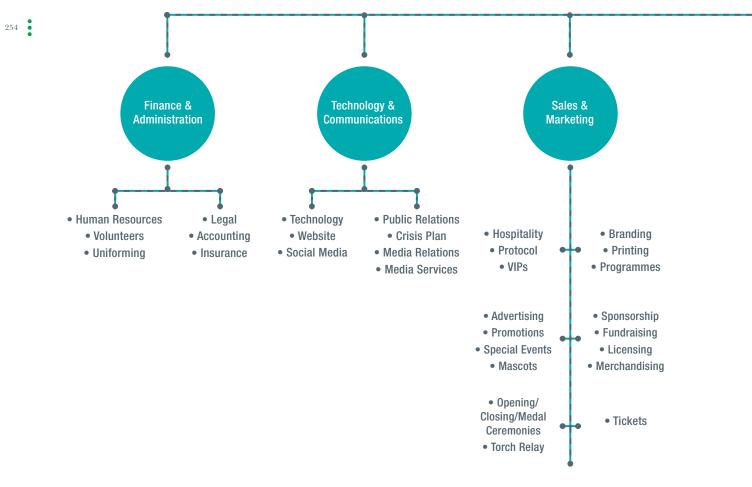


Figure 6.19: Legal and administrative structure

National Olympic Committees of Africa (ANOCA). A series of exchanges between the Botswana Ministry of Youth, Sport and Culture (MYSC), the Botswana National Olympic Committee (BNOC) and ANOCA followed the submission of the bid. In March 2013, the Games were awarded to Gaborone, a historic moment for sport in Botswana. Legal and functional structures ANOCA is responsible for coordinating each BAYCOG Games and for choosing its host city, guided by Board of its Executive Committee. The African Youth Games Directors are the exclusive property of ANOCA, which holds all rights related to any organisation, exploitation, broadcasting and reproduction associated with the event. A separate legal structure called the Botswana African Youth Games Organising Committee (BAYGOC) was established to organise the Games, agreeing a contract with ANOCA that defined CE0 the respective rights, powers and responsibilities. Additional constituent groups included the MYSC, other governmental ministries, the BNOC, the : 255 Participant Transportation **Operations** Services International Access Local Transport • Accommodation • Entertainment • Credentials Awards • Air Games Catering Athletes' Village • Rail Spectators • Services Passport Control Roadways Gift Bags Medical Equipment • Vehicles • NOCs Sports Parking • NFs Security • Sports Coordinators

Venues









Around 2,000 athletes from 51 countries competed over the 10 days of the African Youth Games in 2014.

Botswana National Sports Council (BNSC) and Gaborone City Council (GCC).

#### Legal framework

As outlined in Figure 6.19, the basic structure of the African Youth Games consisted of six departments: Finance and Administration; Technology and Communication; Sales and Marketing; Transportation; Participant Services; and Operations. The decision-making structure of the BAYGOC reflected that of most major event organising committees, bringing together all parties involved in the organisation of the Games and defining all relevant objectives. A businesswoman from the private sector was selected by the MYSC to chair BAYGOC.

#### **Functional structures**

The operational aspects of the Games were delivered by the Operations, Transportation and Participant Services departments. Due to the facts that the organisers had just one year to plan the Games, and Botswana had not previously held a multi-sport event, ANOCA and BAYGOC requested assistance from the United States Olympic Committee (USOC; now known as the United States Olympic & Paralympic Committee) through its international outreach programme. The USOC

## All events require a sport zone and auxiliary facilities, even if limited in size.

provided an expert in major multi-sport events who assisted the organising committee with the development of all the major operations plans for the Games, and oversaw planning and management from the initial Board meeting to the end of the Games. This hands-on assistance and training proved invaluable, not just for these Games but as a legacy for future events in Botswana.

Immediately before the implementation phase, the Chairman appointed an Advisory Council that was made up of key local and international experienced sport leaders. Throughout the Games, the Advisory Council, the Chair and the Vice-Chairs, as well as a few other individuals, would meet early in the morning and in the evening to discuss and eliminate issues relating to the Games. This structure is shown in Figures 6.20 (right).

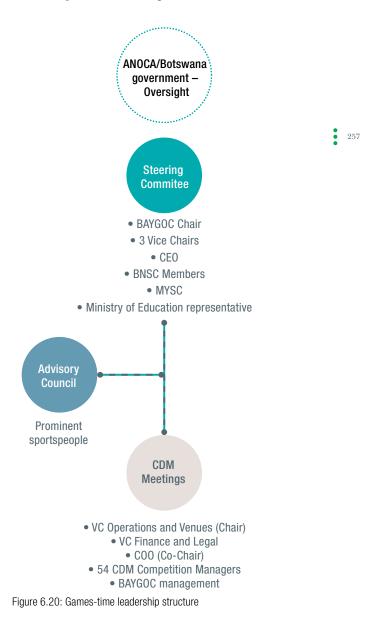
#### **Event partners**

Organising an event as large as the African Youth Games is a complex task requiring skills and resources not always at the disposal of organisers. BAYGOC used a mixture of resources from government, local sponsors and subcontractors:

- accreditation was handled internally by BAYGOC using the Zeus System;
- transport was sourced locally from private operators, government and the military, with the latter also providing some human resource and logistical support; and
- results management was one of the main challenges and may be outsourced in the future.

## Managing Human Resources

The organisation of the Games was entrusted to personnel who were represented in the functional organisation chart (see Figure 6.20, right) and who fell under the authority of the BAYGOC CEO, with the Board (led by the Chair) providing oversight. During the Games, BAYGOC staff and volunteers were supported by Botswana security forces. The human resources plan outlined in the bid relied mostly on the support of volunteers specifically trained for the event, the majority of whom were recruited from the University of Botswana. Two training sessions were provided, one general session on the event and a second session that was more job- and venue-specific.



Position	Responsibilities	Profile	Centre of operations	Associated department	
Protocol assistant	Reception at the Protocol Office at the official hotel	Advanced level in foreign languages (English, French or Arabic) and knowledge of protocol	Official hotel	NOC Relations	

#### Preparing to recruit

Organisers created a general catalogue of volunteer position profiles. As recommended in Section 6.4, each job description listed the position title and its responsibilities, a volunteer profile, and details of the centre of operations and the associated department. Table 6.5 (above) presents the job description for a protocol assistant.

## Amenities, Sites and Spaces

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The 2014 African Youth Games were staged within a 40-mile radius of Gaborone, with the majority of facilities at the University of Botswana. No new venues were required, but a number of existing venues were retrofitted or refurbished: for example, a heater was installed at the existing swimming pool, and a rowing and canoe venue was designed on a nearby dam. This venue is now available for training, and a number of new pieces of sport equipment donated by IFs for the Games have remained in the country for post-Games use. Table 6.6 (right) shows the competition venues and simplified schedule.

#### **Auxiliary facilities**

The University of Botswana had enough dormitory space for the athletes' village, while Gaborone itself had enough existing hotel space to satisfy the needs of spectators, officials and the media.

#### **Environmental impact**

Sport events of this size inevitably have an impact on their host cities. Fortunately, considering the use of existing venues and overlay that remained on-site, the environmental impact of these Games was limited. All events require careful planning and a management structure. Venues must be identified and legacy must be considered. All events require a sport zone and auxiliary facilities, even if they are limited in size.

All events have an environmental impact, which may simply be the impact of car parking on the local community or increased demands on public transport. Human resources should be planned carefully – arguably more important for small events, which may attract limited numbers of volunteers. The size of an event makes little difference to the need to follow these processes.



Athletes competed in 21 sports at the Games, including athletics.

6. ORGANISING A MAJOR SPORT EVENT





IOC President Thomas Bach was on hand to award medals at the Games.

#### Table 6.6: Competition schedule

Venue	Thursday 22 May	Friday 23 May	Saturday 24 May	Sunday 25 May	Monday 26 May	Tuesday 27 May	Wednesday 28 May	Thursday 29 May	Friday 30 May	Saturday 31 May
National Stadium	Opening Ceremony 17:30						Athletics 13:30	Athletics 13:30	Athletics 13:30	Athletics 10:00 Closing Ceremony
BONA		Netball 09:30	Netball 09:30	Netball 10:00		Netball 10:00	Netball 10:00		Netball final 10:00	
Golf Club					Golf	Golf	Golf	Golf	Golf	
Tennis					Tennis	Tennis	Tennis	Tennis	Tennis	
UB Stadium		Rugby 10:00	Rugby 11:00	Football 15:00	Football 15:00	Football 18:00		Football 15:00		Football final 12:00
UB Pool		Swimming 10:00	Swimming 10:00	Swimming 10:00	Swimming 10:00					
BNYC Courts			Basketball	Basketball	Basketball	Basketball				
Youth Centre		Table tennis 10:00		Fencing	Fencing					
Biopuso		Weightlifting	Weightlifting				Karate 08:30	Karate 08:30		
Ditsupo Hall			Judo 10:00	Judo: 10:00		Taekwondo	Taekwondo	Taekwondo		
Botho University				Boxing 14:00	Boxing 14:00	Boxing 14:00	Boxing 14:00			
Dam			Rowing	Rowing	Rowing		Canoe	Canoe	Canoe	
OTSE	Badminton 08:30	Badminton 09:00	Badminton 09:00	Badminton 09:00	Badminton 09:00	Badminton 09:00	Triathlon 10:00	Triathlon 10:00		

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Editor Leigh Robinson

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#### **Contributing Organisations**

International Olympic Committee *www.olympic.org* 

National Olympic Committees (NOCs):

- Barbados https://olympic.org.bb
- Bosnia and Herzegovina *www.okbih.ba*
- Botswana www.botswananoc.org
- Cape Verde *www.coc.cv*
- Croatia www.hoo.hr
- Finland www.olympiakomitea.fi
- Guinea-Bissau www.cogb.gw
- Jordan *www.joc.jo*
- Malawi www.moc.org.mw
- Netherlands *https://nocnsf.nl*
- Papua New Guinea *www.pngolympic.org*
- Slovenia www.olympic.si
- Switzerland *www.swissolympic.ch*
- Trinidad and Tobago *www.ttoc.org*
- Uganda http://nocuganda.org
- United States of America www.teamusa.org

International and National Federations (IFs/NFs):

- International Netball Federation https://netball.sport
- Argentine Tennis Association www.aat.com.ar
- Botswana Judo Federation
   www.bnsc.co.bw/node/266
- French Badminton Federation *www.ffbad.org*
- Gymnastics New Zealand www.gymnasticsnz.com
- Hockey Wales *www.hockeywales.org.uk*
- Ice Speed Skating New Zealand
   http://icespeedskating.org
- Slovenian Gymnastics Federation https://slogym.si

Organising Committees:

- Gaborone 2014 African Youth Games
- IAAF World Championships London 2017
- Port Moresby 2015 Pacific Games
- Toronto 2015 Pan American Games
- Winter Youth Olympic Games Innsbruck 2012

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