



Is it possible to achieve
sustainable impact
through hosting major
events?

EGEMEN ÖNEN – JUNE 7TH, 2022



Is it possible to achieve sustainable impact through hosting major events?

What am I going to cover

- ▶ A bit about me
- ▶ Brief review of major events
- ▶ Legacy of major events
- ▶ Event impacts
- ▶ Key issues and challenges
- ▶ Conclusions
- ▶ Social Value of Sport – Swim England

Is it possible to achieve sustainable impact through hosting major events?



Learning outcomes

By the end of the session, you will understand:

- ▶ Different event types
- ▶ What we mean by legacy
- ▶ Different event impacts and how to measure them
- ▶ The connection between major events and cities
- ▶ Key issues and challenges facing host cities
- ▶ Trends in measuring social value of a sport

A bit about me

A sports business practitioner.

Roles:

- ▶ Global Head of Basketball & Sport Consulting, KIN Partners (current)
- ▶ Independent Board Member, Basketball England (current)
- ▶ Global Sports Economy Specialist, UK Department for International Trade
- ▶ Director, 4 Global Consulting
- ▶ Project Manager, Turkish Basketball Federation

Areas of expertise:

- ▶ Sports economy
- ▶ Talent management
- ▶ Commercial partnerships in sport
- ▶ Bidding for and hosting major sporting events

A bit about me

Project and client examples:

- ▶ Milwaukee Bucks
- ▶ Managing prominent European basketball talent
- ▶ Alex de Minaur
- ▶ City of NEOM, Saudi Arabia
- ▶ Tokyo 2020 Olympic & Paralympic Games
- ▶ Santiago 2023 Pan American Games
- ▶ Panama 2022 Central American and Caribbean Games
- ▶ Lima 2019 Pan American Games
- ▶ London 2017 World Athletics Championship
- ▶ England 2015 Rugby World Cup
- ▶ Glasgow 2014 Commonwealth Games
- ▶ Ashgabat 2017 Indoor & Martial Art Games
- ▶ FIBA 3X3 World Tour Final 2013
- ▶ FIBA 2010 World Basketball Championship



WHY MAJOR EVENTS?

Indonesia – emerging destination for major events

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July 23, 2021
8:56 AM GMT+1
Last Updated 10 months ago

Sports

Indonesia to launch new bid to host 2036 summer Olympics

Reuters

2 minute read

JAKARTA, July 23 (Reuters) - Indonesia's National Olympic Committee plans to launch a bid to host the summer Olympics in 2036 after losing out this week to a bid by Brisbane to hold the 2032 Games, the head of the committee said.

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Major events



Event typologies – Sports Industry Research Centre:

- Irregular major international spectator events generating significant economic activity and media interest. e.g. [Olympic Games](#)
- Major spectator events generating significant economic activity and media interest and part of an annual domestic cycle e.g. [FA Cup, Super Bowl](#)
- Irregular, one-off major spectator / competitor events generating an uncertain level of economic activity e.g. [Grand Prix Athletics](#)
- Major competitor events generating little economic activity as part of an annual cycle e.g. [the national championships for most sports](#)

Major events

Event typologies – Urban Land Institute:

	'Large' Examples	'Smaller' Examples
Trade	World Expo	World Flower Expo
Culture	European Capital of Culture	Eurovision
Sports	Olympic Games, Commonwealth Games, FIFA World Cup	America's Cup, Mediterranean Games, Indian Ocean Island Games, Universiade
Political	G8/G20	World Summit on Sustainable Development

Major events

Event typologies – my preferred categorisation:

Based on the number of sports they feature and geographic representation of participating countries.



Major events

Typical timelines:

	Pre-Bid	Bid	Hosting	Legacy
Olympic and Paralympic Games	-20 to -10 yrs	-9 to -7 yrs	-7 yrs to Event	+1 to +10 yrs
Youth Olympic Games	-7 to -5 yrs	-5 to -4 yrs	- 4 yrs to Event	+1 to + 5 yrs
FIFA World Cup	-19 to -14 yrs	- 13 to -11 yrs	-11 yrs to Event	+ 1 to + 7 yrs

Major events

In summary;

- Events so large that they affect whole economies
- Are reported in the global media
- Highly prestigious
- Occur on a regular basis
- Usually require a competitive bidding process
- Can have positive and negative impacts
- Almost always occur only once in a destination (although increasingly less so)



SUSTAINABLE IMPACT THROUGH MAJOR SPORTING EVENTS
(EASIER SAID THAN DONE!)

Major sporting events are not hosted only for two weeks of competition



Legacy is about;

- Impact
- Change
- Long term benefits
- Catalyst
- Sustainability

Major sporting events are not hosted only for two weeks of competition

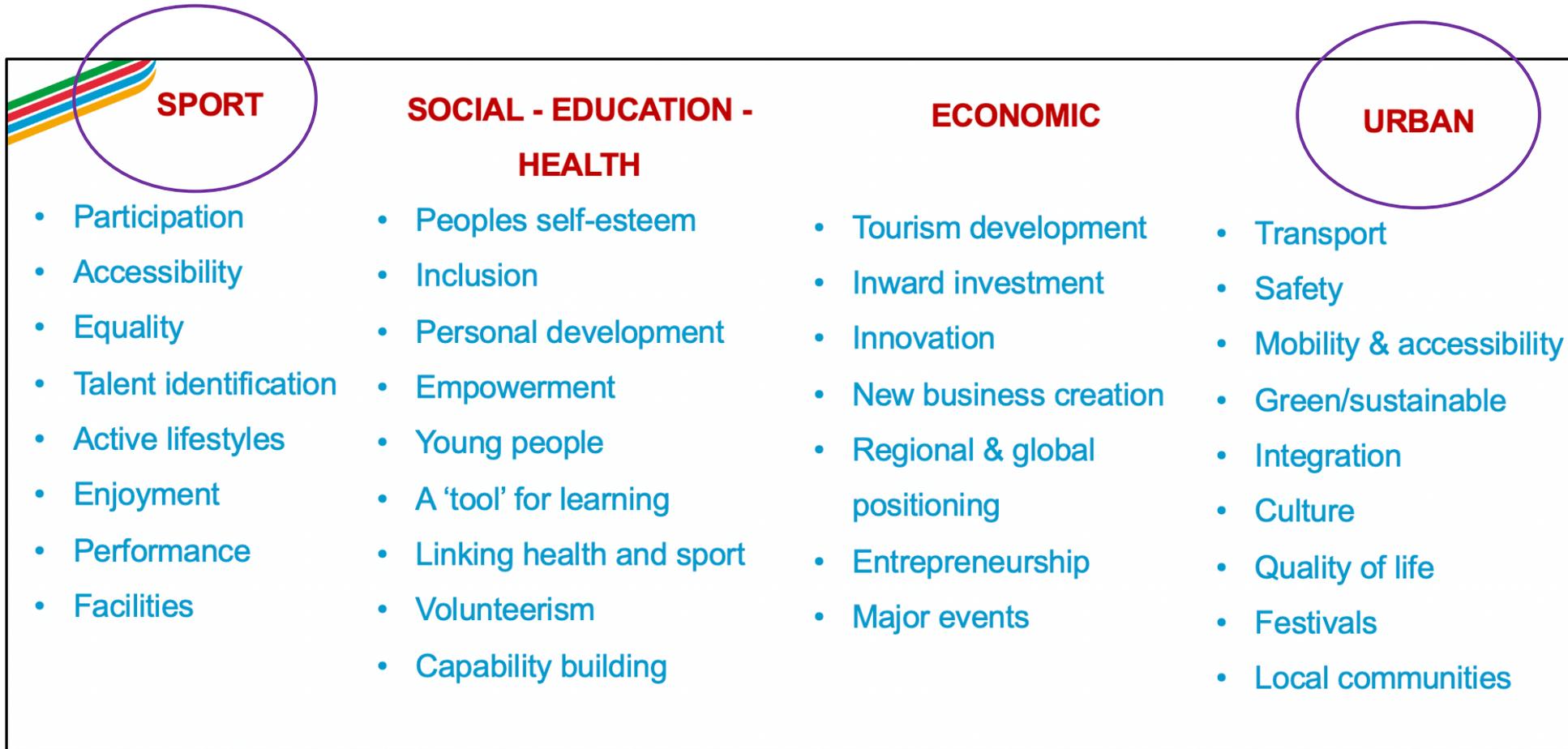


Legacy is NOT about;

- Referring just to the 'after use' or exit strategies for key facilities
- Building permanent venues and then trying to find a use for them post-event
- Short term, unsustainable projects
- Expenditure rather than investment

Major sporting events are not hosted only for two weeks of competition

Legacy pillars:



Legacy pillars



Urban regeneration:

- Opportunity to 'fast track' regeneration and urban development projects
- Events can act as an accelerator – a rigid deadline
- Unification around a single purpose

however ...

- Analysis of long-term regeneration effects are notable by their absence
- Event-based regeneration projects are symbolic and may be highly temporal in a city's evolution
- Genuine regeneration is not the same as urban renewal

Legacy pillars

Urban regeneration – London 2012 Example



Today



A new heart for East London.

Before the Olympic Games



Legacy pillars

Urban regeneration – London 2012 Example

JOBS - 40,000 jobs on and around the Park by 2025

HOUSING - 24,000 new homes with 96,000 living in LLDC planning area by 2031

PARK & VENUES - 125 million visitors by 2031

CULTURE & EDUCATION DISTRICT - £1.1bn investment with £1,5bn return to local economy (and world-renowned institutions)

17.6 MILLION VISITORS SINCE 2013

The London Stadium, Aquatics Centre, Copper Box Arena, Hockey And Tennis Centre, Velopark

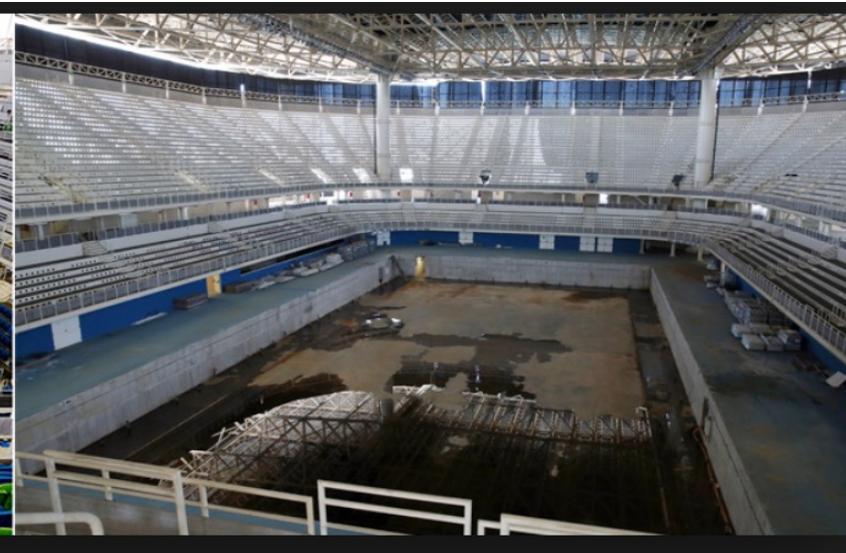
Legacy pillars

Urban regeneration – Rio 2016 Example



“A very well planned legacy that didn’t materialise...”

Christophe Dubi, Executive Director, International Olympic Committee.



Legacy pillars

Sports participation and physical activity:

- Watching major sporting events inspires people
- Increases propensity to take part; the so-called 'trickle down' effect
- Often creates role models

however ...

- Converting interest and propensity into sustainable activity is more of a challenge
- Overall, little evidence of a positive long-term sporting benefit from hosting a major sporting event

Legacy pillars

Sports participation – London 2012 Example

- Legacy aspiration was for a ‘step change in participation’
- By 2015-16, a very small overall increase in participation in sport (34.6% to 36.1%)
- Positive association generally only for those already active
- No change at all in participation among 16-25 year-olds.

What do you need to do to leverage the opportunity that the Games bring?



Legacy planning starts in the bidding phase and continues until long after the Games!

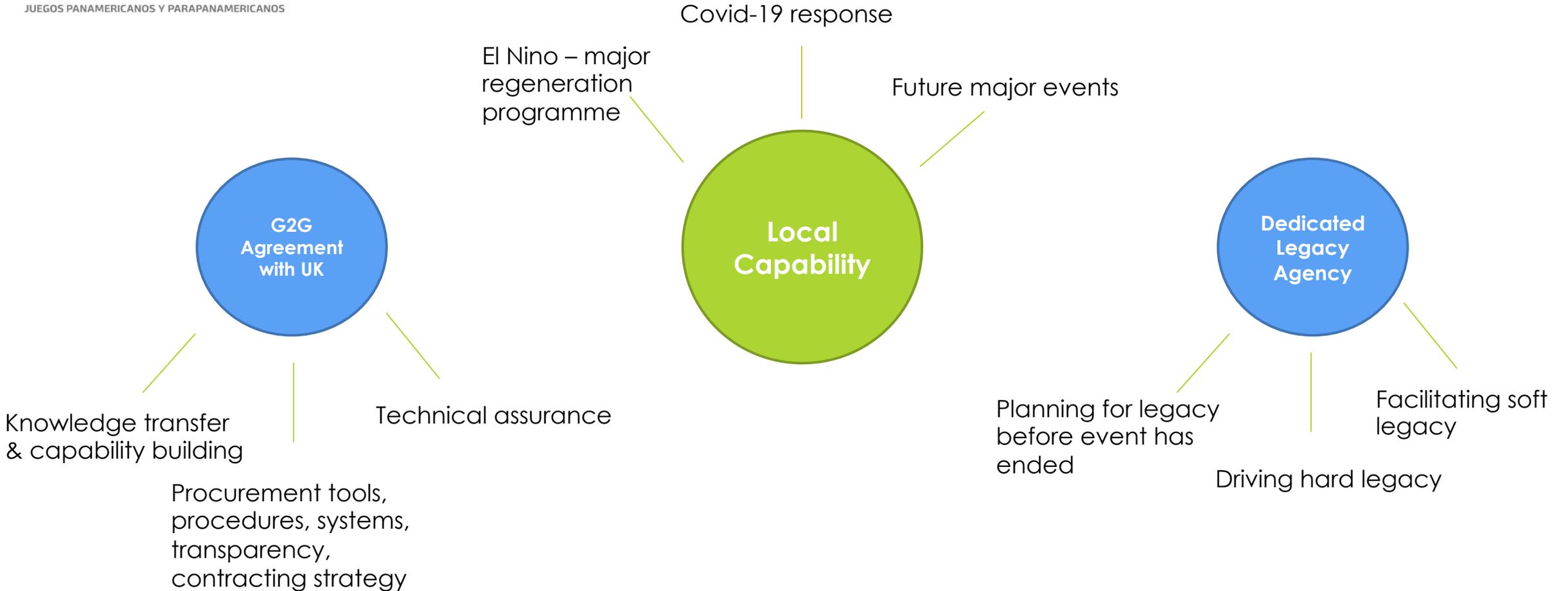
- ▶ Define and document;
 - the impact you want the Games to create
 - how you will achieve sustainable impact

- ▶ Engage;
 - large group of stakeholders

- ▶ Create;
 - a dedicated legacy agency (a sunset organization)

- ▶ Commit!

Lima 2019 – doing it right



MEASURING IMPACT

Measuring impact

Why measure?

- Justification of spending / public investment
- Improve the evidence base
- Transfer of knowledge – what works
- Address host community issues

Measuring impact

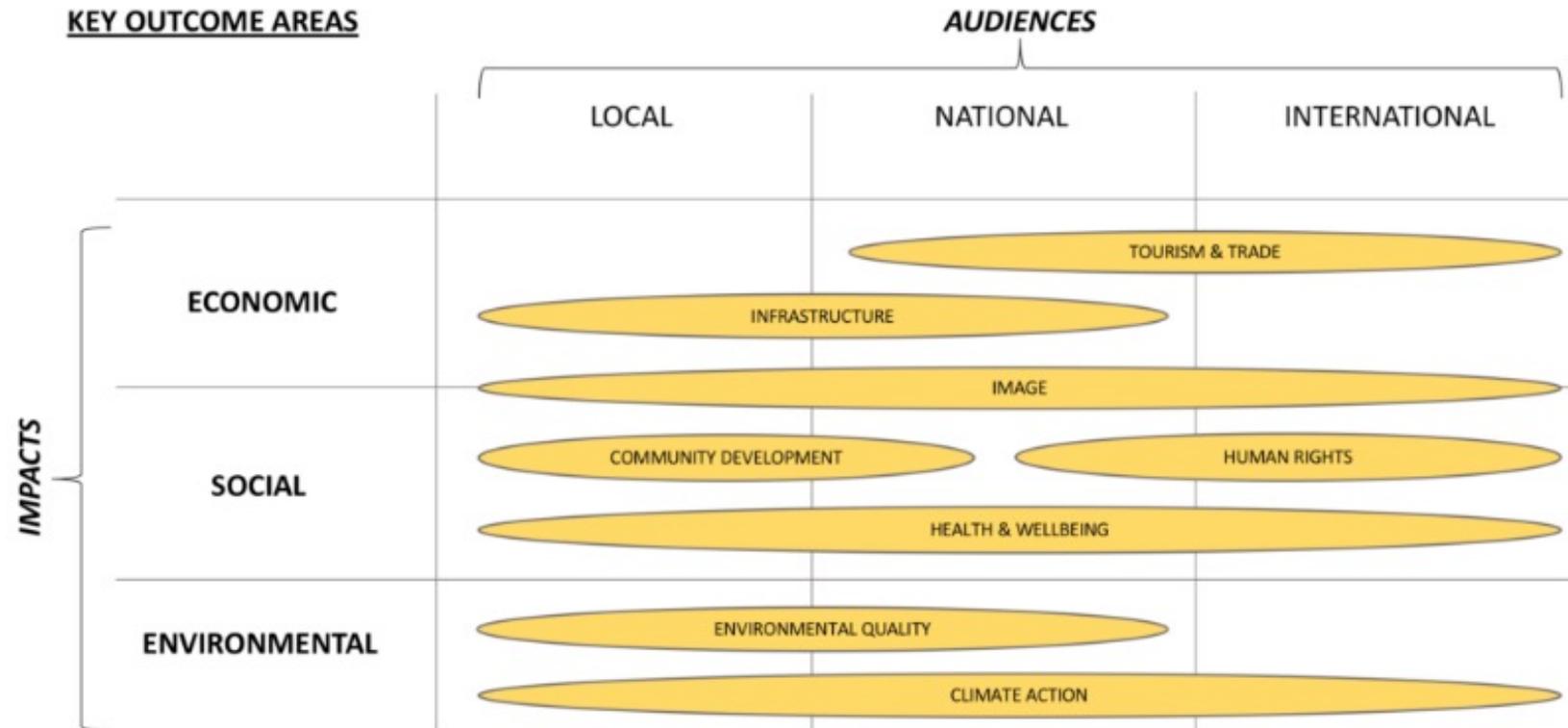
How to go about it?



- From a 'nice to have' to 'must have'
- Historically restricted to economic impact forecasts rather than post event analysis
- Little emphasis on negative impacts or the 'intangible'
- More recent attempts to develop long term evaluation frameworks to include environmental and socio-cultural impacts

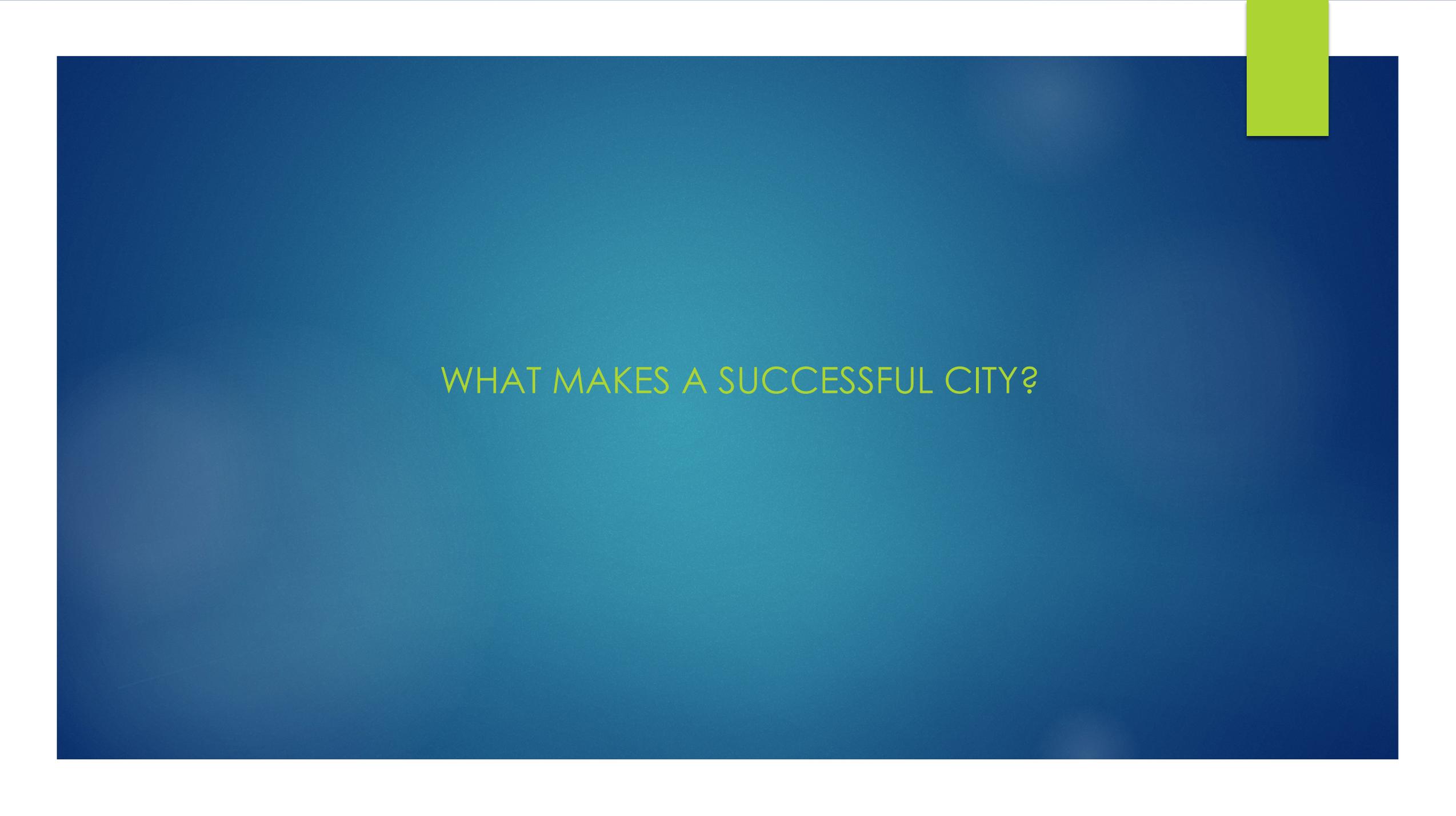
Measuring impact

What to measure?



© International Association of Event Hosts & Legacy Delivery Ltd. 2018





WHAT MAKES A SUCCESSFUL CITY?

Major events and cities

What makes a successful city

- Diversity
- Good governance
- A skilled workforce
- Quality of life
- Connectivity
- Physical renewal
- A culture of innovation
- A business-friendly culture



KEY ISSUES AND CHALLENGES

Key issues and challenges

Cost of bidding and hosting

Bid	Bid Budget	Event	Overall Cost to Host
Salzburg 2014 Winter Olympics	\$8.5m	Beijing	\$44bn Est
Sochi 2014 Winter Olympics	\$27.5m	Vancouver 2010 Winter Olympics	\$5.7bn
PyeongChang 2018 Winter Olympics	\$35.2m	S. Africa	\$4.6bn Est
Los Angeles 2024 Olympic Games	\$49m	Delhi 2010 CWG	\$10bn Est
Madrid 2020 Olympic Games	\$40.4m (\$55.8m)	Kazan 2013 Universiade	\$4.5bn (Est)
Rio 2016 Olympic Games	\$42m	Sochi 2014 Winter Olympics	\$51bn
Tokyo 2020 Olympic Games	\$48m	Russia 2018 FIFA World Cup	\$20.8bn (Est)

Key issues and challenges

Cost overruns

- At 156 percent in real terms, the Olympics have the highest average cost overrun of any type of megaproject.
- Moreover, cost overrun is found in all Games, without exception; for no other type of megaproject is this the case.
- 47 percent of Games have cost overruns above 100 percent.

Saïd Business School
Research Papers



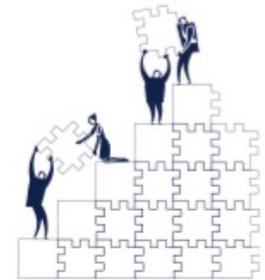
July 2016

The Oxford Olympics Study 2016: Cost and Cost Overrun
at the Games

Bent Flyvbjerg
Saïd Business School, University of Oxford

Allison Stewart
Saïd Business School, University of Oxford

Alexander Budzier
Saïd Business School, University of Oxford



Saïd Business School RP 2016-20

Key issues and challenges

Public perception

- City of Boston and the United States Olympic Committee (USOC) decided to end the 2024 Olympic bid in July 2015 based on results of public referendum
- Calgary became the ninth straight Olympic bid city to lose a public vote
- Cities bidding for mega events need to create a stronger narrative around the potential positive impacts and not just the 'price tag'.



Key issues and challenges

Issues of scale

‘With increasing scale, the potential for sporting events to create negative impacts increases’

Olds 1998, Shapcott 1998

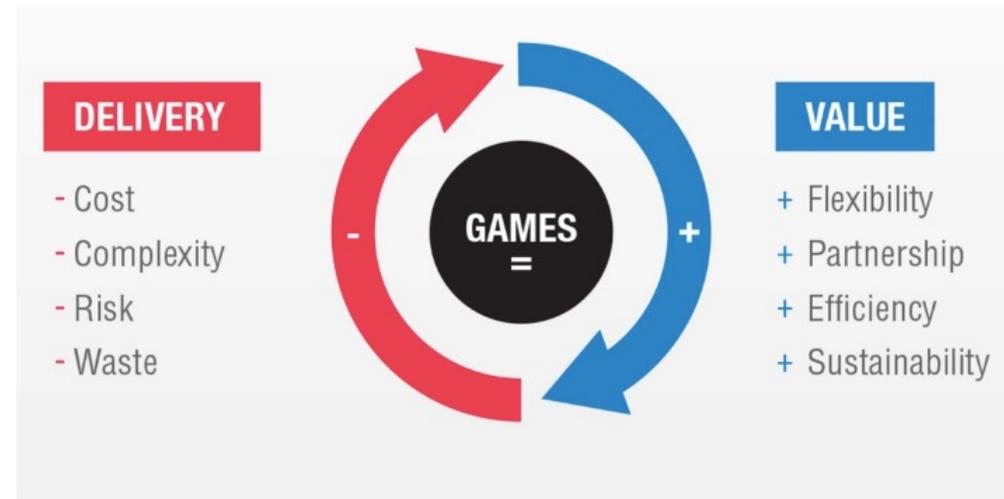
‘In short, hosting the Olympic Games as an economic development strategy for the host city doesn't’ work in the vast majority of cases.

Lucas, 2004

Key issues and challenges

The IOC Response

- Agenda 2020
- The 'New Norm' report
- 118 reforms or initiatives
- Aimed at reducing the cost of bidding and hosting the Olympic Games by up to \$1bn.
- First introduced for Paris 2024



DATE
06 FEB 2018

TAGS
IOC NEWS,
PRESS
RELEASE,
OLYMPIC
NEWS

IOC NEWS

THE NEW NORM: IT'S A GAMES CHANGER

"THE NEW NORM", AN AMBITIOUS SET OF 118 REFORMS THAT REIMAGINES HOW THE OLYMPIC GAMES ARE DELIVERED, WAS PRESENTED TO THE MEMBERSHIP OF THE INTERNATIONAL OLYMPIC COMMITTEE (IOC) AT ITS 132ND SESSION.

SHARE

SHARE

Key issues and challenges

New sports and formats

- Sport climbing is just one of the new generation of fast-growing youth sports coming to the fore in the inaugural World Urban Games in 2019 in LA, followed by its Olympic debut at Tokyo 2020.
- Skateboarding, surfing, karate and baseball / softball, FIBA 3X3 made their debut in Tokyo.



Key issues and challenges

Theory vs reality

New independent study claims Rio 2016 Olympic Games provided significant economic benefit to host city

By Daniel Etchells

Tuesday, 15 January 2019

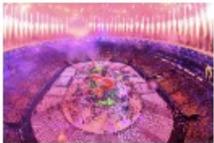
1 comment



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26



A new study has concluded that the 2016 Olympic Games in Rio de Janeiro had positive economic impacts on both the host city and its wider metropolitan area.

The research by Brazil's Institute for Applied Economic Research (IPEA) found that without the Olympics, the city's Gross Domestic Product (GDP) per capita would have been 7.5 per cent lower - on average BRL\$3,700 (£778/\$1,000/€875) per person annually - in the period

leading up to the event, 2012 to 2015.



CONCLUSION

In conclusion

Challenges facing the sector



- Public opinion in relation to expenditure levels - referendums and protests
- Cost overruns
- Displacement effect
- Post event downturn
- Impact of political changes on post event legacy

In conclusion

Benefits can be increased by

- Hosting the 'right' events in the town, city or region
- Developing events which are sufficiently 'special' to attract visitors from outside the town, city or region
- Developing the supply chain to ensure that expenditure benefits the town, city or region

In conclusion

Cities need to;

- Select the right events to bid for
- Honestly evaluate and then challenge weak preconceptions of the city image
- Establish a structure with responsibility for legacy implementation from the start
- Use the event to improve political / cultural relationships with other countries



SOCIAL IMPACT OF SPORT

Social impact of sport

Putting \$ value against the social value of sport

Whilst the health and social benefits of sport and physical activity are widely recognised, there is a need to build a robust evidence base around the specific benefits in order to build an investment case and plan for further improvement.



In the UK, The Government's 2016 Sporting Future strategy seeks to encourage greater levels of activity. It has a clear focus on **five outcomes**:

- physical wellbeing,
- mental wellbeing,
- individual development,
- social and community development and economic development.

Recommended reading: Value of Swimming

<https://www.swimming.org/swimengland/value-of-swimming/>

QUESTIONS?