

MANAGEMENT OF THE OLYMPIC GAMES: THE LESSONS OF SYDNEY

According to general opinion, the Games of the XXVII Olympiad in Sydney were a complete success. To quote the words of the IOC President at the Closing Ceremony, they were the “*best Olympic Games ever*”. And yet, before the Olympic fortnight began, success was far from assured in the eyes of many observers who, for whatever reasons, enumerated countless potential problems: train derailments, Aboriginal demonstrations, nuclear terrorism, sharks in the harbour, wind in the stadium, cold weather, unsold tickets, high prices, disgruntled sponsors, latent scandals, and so on. After the many shortcomings of the Centennial Games in Atlanta in 1996, some people feared a repeat failure for the simple reason that the Games had become so complex that they inevitably involved many potentially risky elements that were difficult to control.

But in the end, like Barcelona in 1992, the Sydney Games became a new yardstick against which future organizing committees (OCOGs) will be measured. So to what do we owe this success, apart from the good luck that caused the southern sun to shine almost every day throughout the Games? What are the main managerial lessons it is possible to draw, hot off the press as it were, from this great achievement?

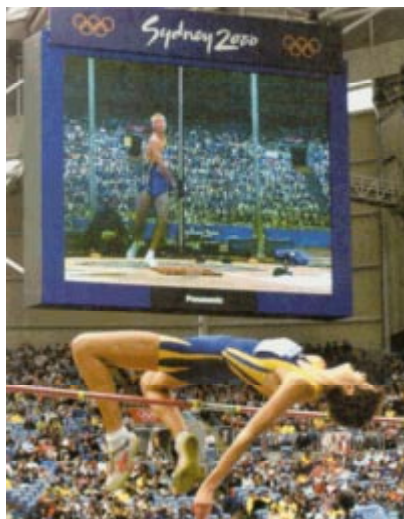
It is clearly not within the scope of this article to look into the detail of the day-to-day management of SOCOG (Sydney Organizing Committee for the Olympic Games), which certainly played an important role over the years of preparation and during the Games themselves. Moreover, this day-to-day management will not be easy to trans-

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fer to other shores, other national cultures and management styles. We will therefore focus on the major management options that were followed, and that can be used to advantage by other OCOGs, and adapted to their particular circumstances.

To this end, following the lead of many previous authors, we shall define management as the optimization of the resources available to managers. These resources can be divided into four main categories: time, money, human resources and information. The main features of the management of



A double showing.

each of these resources for the Sydney Games will be examined below. Comments will then be made on the organizational structures put in place to manage these resources.

Time

Time is the rarest resource of any major event-type project as, by definition, such an event cannot be postponed, even by a single day. The Games of the new millennium were scheduled to open on 15 September 2000, and this date had been virtually carved in stone over six years earlier. For an OCOG, every additional day is a day less... In this respect it is important to note that SOCOG was very quickly set up by virtue of a law enacted by the Parliament of New South Wales on 12 November 1993, less than two months after the IOC's decision to award the Games to Australia's biggest city. A new record for diligence had been set! One and a half years later the OCA (Olympic Coordination Authority) was created, with the principal task of building most of the sports facilities that were required, including the Olympic Park in Homebush, which would host fifteen of the twenty-eight sports on the programme. All of the sports venues for the Sydney Games were thus ready around one year before the Games, except for the temporary beach volleyball stadium on Bondi Beach. This meant that test events could be organized well in advance, and provided the opportunity to correct *in situ* all manner of unanticipated organizational problems.

These dress rehearsals undoubtedly contributed to the success of the sports management of the Games. They did away with the need for last-



minute fixes, which are a source of stress and additional expense. In Atlanta, the Olympic stadium was opened just three months before the Games, and work began on fitting out the Main Press Centre just three days before the Games opened. The contrast is striking.

The time spent on preparation in Sydney in a sense resulted in time saved during the Games. The daily coordination meetings with the IOC each morning became progressively shorter. One was even cancelled.

Money

Although it is still too early to draw any definitive conclusions, initial figures suggest that SOCOG's budget will balance at around A\$ 2.5 billion. (In September 2000, the exchange rates were approximately A\$ 1 = CHF 0.97, US\$ 0.56.) This certainly owes something to the limitations placed on operating expenditure, but also and above all to the optimization of the Games revenues themselves.

After the disappointment — an understatement — that greeted the announcement of the total figure negotiated by the IOC for television rights to the Games in the United States (which were sold to NBC rather than Fox Network), SOCOG turned to other possible sources of revenue, mainly sponsoring and the sale of tickets for the competitions.

Nearly A\$ 700 million were obtained from the 24 *Team Millennium* sponsors (including the 11 partners of the IOC's TOP programme), the 19 Sydney 2000 Supporters and the 60 official providers (including 23 sports equipment companies). To this sum was added some A\$ 70 million in royalties from the three thousand or so products manufactured with SOCOG's emblems by around a hundred licensed businesses. This licensing programme remained within the bounds of good taste and was a considerable success. Even during the

Games, long queues formed outside various "Olympic Stores" set up specially to sell these products.

A total of A\$ 770 million in revenue was therefore attributable to commercialization in the strict sense of the word, compared with the A\$ 1039 million SOCOG received for the television rights. This represents approximately A\$ 40 for each inhabitant of Australia, or thirteen times more than the commercial revenue from Atlanta, in terms of population. As far as tickets were concerned, SOCOG beat the sales records set by previous OCOGs despite the major difficulties caused by a multi-tiered distribution programme that proved to be needlessly complicated. While over two million tickets remained unsold three months out from the Games, an average of 50,000 tickets were sold each day during the Games. For the first time in Olympic history, SOCOG's internet site was also made to pay its way, as was the case for sales of licensed merchandise. The sight of the 110,000-seat Olympic stadium being filled almost to capacity during the athletics heats was particularly impressive. Approximately 87% of the Olympic tickets were finally sold, almost meeting the budgetary objective of A\$ 566 million. The tickets for the cultural programme also sold well.

The success of the commercial programme, built up over the years of preparation and boosted towards the end by the ticketing programme, enabled SOCOG to avoid digging too deeply into the A\$ 140 million reserve allocated in June 2000 by the government of New South Wales to enable SOCOG to balance its budget. This reserve also undoubtedly had a psychological effect. It helped to avoid a situation in the final months where SOCOG had to base its operational decisions solely on financial criteria, as was the case in Atlanta in 1996. We now know that, in order to avoid the slightest hint of a deficit, the organizers

of the Centennial Games economized as much as possible during the final year leading up to the Games, to the point of jeopardizing the transport and information systems.

The icing on the cake in terms of optimizing financial resources came when SOCOG had the good fortune of seeing the Australian dollar decline sharply against the US dollar as the Games approached, contrary to the historical tendency of host country currencies to appreciate during the Olympic year. Although the television rights negotiated in US dollars had been prudently hedged against exchange rate fluctuations, this stroke of luck nevertheless provided additional revenues of the order of A\$ 50 million.

Human resources

Preparations for the Games require putting in place an organization that in six years grows from a handful of personnel to several thousand (2,500 in Sydney), only to drop one month after the Closing Ceremony to a few hundred staff, who virtually all disappear in the year following the Games. During the Olympic period, the core staff is augmented by an army of volunteers (47,000 in Sydney). It is not difficult to imagine the enormous challenge of managing the human resources of such a business, which has virtually no past, and no future at all as soon as the Games are over.

SOCOG encountered major difficulties in this area. It went through two presidents before the appointment, after the Atlanta Games, of Michael Knight, who was already the Olympics Minister for New South Wales. The controversial management style of the last president led over the years to the voluntary and involuntary departure of several staff members, including one chief executive. Evidently, however, SOCOG's second chief executive, Sandy Hollway, was able to maintain the motivation of the majority of his troops right up to the



Sydney's volunteers.

end. This was to the detriment of his relationship with the president, who withdrew a large part of his prerogatives one month before the Games and sought to limit public recognition of the man he had appointed as his “number two”.

In contrast, the volunteer programme was perfectly conducted, and most certainly contributed to the success of the Games. Word quickly spread among the Olympic Family, the media and the spectators about the spontaneous friendliness of the thousands of young and less young Australians (and foreign nationals) who had volunteered their services. The volunteers were the shop window of the Games, and the main point of contact between the organization and its “clients”.

Planning began almost three years before the Opening Ceremony (compared with 18 months before in Atlanta), and they were recruited through a national campaign in October 1998. A complete training programme was set up by the public training agency TAFE NSW, based on manuals, videos and an internet site. The programme began in June 2000 and enabled Sydney's volunteers to fill the majority of posts during the Games,

unlike in Atlanta, where the volunteers had often not been trained for the tasks they were performing. Some of the drivers even used their own leisure time to familiarize themselves with the Olympic routes. The volunteer leaders, often volunteers themselves, were also given leadership courses.

The low drop-out rate for volunteers during the Games, far lower than in Atlanta, is an indication that this fundamental human resource was well managed. Although it was not announced in advance, most of the volunteers were compensated with tickets for sports competitions or rehearsals for the Opening Ceremony. Five thousand of them were also able to attend the Closing Ceremony free of charge. They also had free use of public transport. One of Sydney's daily newspapers even published all of their names, from Naseem Aadil to Warren Zylstra, in a special section entitled: “47,000 heroes”.

Information

Information is still all too seldom identified as a managerial resource on a par with human and financial resources. And yet it is a vital resource in today's post-industrial society, which is a ser-

vice society whose main raw material is information. It is such information, in the broad sense, that the media broadcast during the Games in the form of text, images and sound, and which, after the Games, constitutes the only tangible trace of the Games apart from the Olympic facilities.

Information management proved particularly disastrous at the beginning of the Centennial Games: the results sent out to the Olympic Family and the media by the information system were full of errors, which meant that the press agencies were obliged to re-enter them manually for transmission around the world. Unsatisfactory transport and accommodation conditions for the journalists only increased their recriminations which, in a few short days, irretrievably damaged the reputation of Atlanta and its Games. Rightly or wrongly, IBM was held responsible. Not wishing to see a repeat of the fiasco, IBM proposed to SOCOG that it would take charge of systems integration, a role that had been filled in Atlanta by the OCOG itself.

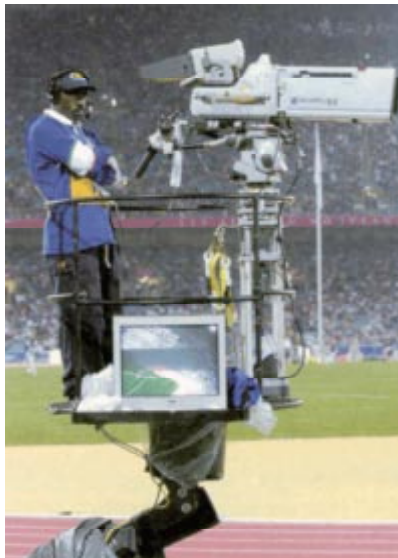
The information system for the Sydney Games comprised four sub-systems: 1) for generating the competition results; 2) for broadcasting information on the Games to the internet; 3) for communication within the Olympic Family through two thousand ‘INFO’ terminals; 4) for management of SOCOG services (accreditation, accommodation, ticketing, transport, recruitment, etc.). These systems included some systems provided by other technology partners, such as Xerox for data printouts, Swatch Timing for competition time-keeping, Kodak for 200,000 accreditation photographs, and Panasonic for broadcasting text and images on giant screens. Overall, the information system for SOCOG and the Games was implemented through the efforts of 850 experts, and was accessed by nearly seven thousand networked personal computers.



We should not omit to mention the great success of the official Sydney 2000 website, managed for SOCOG by IBM (www.olympics.com). The site welcomed some 8.7 million visitors from the day before the opening until the Closing Ceremony of the Games, most of them from the United States (38%), Australia (17%) Canada (7%) Great Britain (5%), Japan (3%) and 136 further countries. These visitors - the great majority of them women - spent an average of 17 minutes on the site, and downloaded a total of 230 million pageviews. Fans from 199 countries sent 371,654 e-mails to the participating athletes, over four thousand of whom created a personal page on the computers available in the Olympic Village.

The site of the TV network NBC (www.nbcolympics.com), the only site, along with Australia's Channel 7, authorized to webcast short video sequences of the Games, attracted 2.2 million Americans during the Olympic fortnight. In comparison, 59 million people saw NBC's recorded coverage of the competitions. (Television viewing figures were lower than usual because of the time difference.) These statistics are particularly impressive considering that the first internet browser became available the same year that the Games were awarded to Sydney. Thanks to the internet, results, sound, still and moving images of the Olympic festival undoubtedly constitute a mine of new rights to be exploited by the IOC and the OCOGs, while respecting the public's right to information.

This very brief overview of information management by SOCOG would not be complete without a mention of the TOK programme (Transfer of Olympic Knowledge), which was launched one year before the Games to synthesize the bulk of information essential to their organization. This work, in the form of around 100 manuals drafted during the year 2000 by SOCOG's managers, was



Television coverage.

financed by the IOC, and will be used by the OCOGs of Athens and Turin before being updated and passed on to future OCOGs. These TOK manuals will provide a useful supplement to the official report of the Sydney Games, work on which was begun very intelligently well in advance. For the first time, all of the organizational information, all of the tacit knowledge of a complete edition of the Games, will be turned into formalized knowledge for the following Games, in line with the new theories of knowledge management.

Organization

This overview of the management of the Sydney Games would not be complete without a brief comment on their structural organization, that is, the political and administrative arrangement of the various bodies involved in organizing the Games. In addition to SOCOG, these were mainly: the OCA (Olympic Coordination Authority), responsible for building most of the sports facilities since 1995; SOBO (Sydney Olympic Broadcast Organization), founded in 1996 and responsible for producing the sound and image signal for the Games (host broadcaster): ORTA (Olympic

Roads & Transport Authority), created in 1997; and the OSCC (Olympic Security Command Centre), set up in 1998.

Like SOCOG, the OCA, ORTA and OSCC were agencies belonging to the state of New South Wales. SOBO was officially a commission of SOCOG's board of directors. Apart from the OSCC, which was chaired by the state police commissioner, all of these bodies were chaired by Michael Knight, who was also New South Wales Minister for the Olympics and president of the DHA (Darling Harbour Authority), which manages the area where six of the Olympic sports were held.

The Sydney Games thus benefited from a highly decentralized structure, unlike that of Atlanta. Every organization mentioned above was responsible for one of the essential organizational tasks: general operations (SOCOG), construction and management of the facilities (OCA), production of televised images of the Games (SOBO), road and rail transport (ORTA), and public security (OSCC). It is perhaps surprising to see how, over the years of preparation, SOCOG was little by little divested of major responsibilities. Although for operational reasons the minister/president felt the need, a few months before the Games, to bring together the various bodies he chaired under a single central decision-making structure called 'Sydney 2000', it is highly likely that their original autonomy — which guaranteed that they were completely focused on their mission — contributed greatly to the ultimate success of the Games.

Moreover, one can see to what extent the organizing of the Games in Sydney was state-controlled, from both a legal point of view and a personnel point of view, since the main leaders were senior government officials and civil servants. This is particularly striking as the Atlanta OCOG was entirely private (though a non-profit organization). The

lack of coordination with the authorities of the state capital and the state of Georgia contributed to the various problems, particularly in terms of sponsorship, traffic and security. These problems were naturally resolved in Sydney thanks to the active participation of elected government officials and the local and regional administrations concerned, which ended up spending over A\$ 2 billion on the Games, over and above SOCOG's budget. Added to this was the coordinated contribution of some thirty agencies of the Australian

Federal Government, estimated at A\$ 484 million, including, for the record, the first 'official poet' of the Games since Pindar.

Is Sydney's managerial model preferable to that of Atlanta? Yes, probably, because the Games have become an event that affects an entire country. Whatever their legal status, the OCOGs have to work very closely with the public authorities, with whom they have to share their goals of public service and the harmonious development of their city, region and country. The managerial objective should no longer be to

stage bigger Games, because 'gigantism' is an ever-present threat, but to stage Games that are more unique and special, that leave a lasting mark in the collective history of the nation and the human race.

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Some key figures on the development of the Games since 1980

	Moscow	Los Angeles	Seoul	Barcelona	Atlanta	Sydney
NOCs present/ recognized	81/145	140/159	159/167	169/172	197/197	199/199
NOCs with medals (gold)	36 (25)	47 (25)	52 (31)	64 (37)	79 (53)	80 (51)
NOC teams without women	24	45	41	35	26	9
Number of sports	21	21	23	25	26	28
Events on the programme	203	221	237	257	271	300
Men's events	134	144	151	159	163	168
Women's events	50	62	72	86	97	120
Mixed events	19	15	14	12	11	12
Male athletes	4,092	5,230	7,150	7,060	7,006	6,862
Female athletes	1,125	1,567	2,477	2,845	3,624	4,254
NOC teams	8,310	11,120	14,950	17,060	16,238	ca. 16,500
Journalists & photographers	3,860 (from 74 NOCs)	3,840 (from 105 NOCs)	4,930 (from 108 NOCs)	4,880 (from 107 NOCs)	5,954 (from 161 NOCs)	ca. 5,300 (from 187 NOCs)
Broadcasting personnel	4,100	4,860	10,360	7,950	9,880	ca. 11,000
Number of volunteers	-	33,000	27,200	34,600	47,466	47,000
Tickets sold	5,268,000	5,720,000	3,306,000	3,812,000	8,384,290	7,000,000
Total TV rights (million US\$)	87.9	286.8	398.7	635.5	898.2	1,331.6
Broadcasting countries	111	156	160	193	214	220
Worldwide sponsors	0	0	9	12	10	11
National sponsors	35	35	13	24	34	32
Official suppliers	290	64	55	25	65	60
License-holders	6972	65	63	61	125	ca. 100

Sources: compiled by the author from official OCOG reports and SOCOG provisional reports.