

## Chapter 3 Strategic Analysis of NOCs

### 3.1 Strategic Analysis

This chapter introduces tools, with which to analyse an NOC (internal analysis in subchapter 3.2) and its environment (external analysis in subchapter 3.3). The environmental examination is based on the stakeholder analysis (subchapter 3.3.2). Then, the so-called SWOT analysis (subchapter 3.4) gets introduced, which is an analysis that matches the strengths and weaknesses of an NOC, with the opportunities and threats that are driven by the environment. This is important, in order to fully understand the position of an NOC, and the interaction forces of an NOC and its environment. In this way, an NOC gains strategic recommendations, which should be considered when developing a strategic plan.

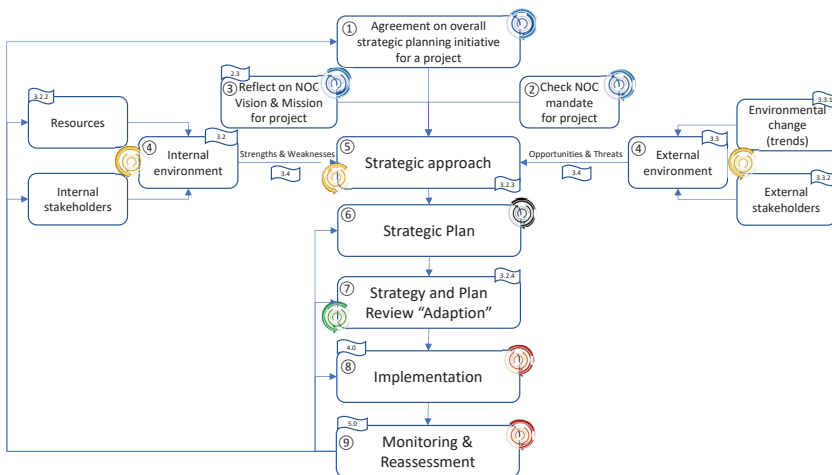


Fig. 17: Overview of Strategic Management

### 3.2 Internal Analysis: Strengths and Weaknesses of an NOC

The purpose of the organisational (internal) analysis is to provide information about the strengths and weaknesses of the NOC (Fig. 17, ④), which can guide the strategic actions (known as the “strategic approach”; Fig. 17, ⑤).

#### 3.2.1 Strategic Action Fields and Strategic Action Units

Each NOC has a particular view of its stakeholders, and a routine in its business activities.

The purpose of the organisational (NOC) and environmental (external factors) analysis is to provide information about a) type, b) strength, and c) interplay of the influencing forces of the NOC and its environment.

When analysing an NOC, you decompose the following two components:

- 1) The environment (subchapter 3.3) into **strategic action fields (SAFs)**. This conveys a market-related structuring of an NOC’s current activities in the environment. It illustrates which fields are not covered by an NOC, and which are.
- 2) The NOC as organisation into **strategic action units (SAUs)**. This visualises the departments (staff working units) inside the NOC, and shows in which fields the NOC is active.

The segmentation and delineation of the SAFs and SAUs are critical to success. Here, it is not only defined in which activities an NOC sees itself, but it is also decided in which form of internal structuring (SAUs) the NOC would wish to work on the environment (SAFs).

#### Illustration: Lithuanian NOC (LNOC) and its athletes

The Lithuanian NOC (LNOC) has an independent “Athletes Commission” since 2001, where elite athletes are represented. Some athletes believed that the representation in the LNOC (SAU) is not enough. Then, in 2018, a few elite athletes established the separate entity “National Athletes Association” (which is funded by government resources), the purpose being to represent elite athletes at the government level, to organise qualification improvement seminars, etc. The SAF is comprised solely of elite athletes. Inside the LNOC the athletes have their commission (SAU), which represents the athletes and, therefore, the LNOC views them as important stakeholders. However, the athletes (as the stakehold-

er group) have built their own government-financed association, as they felt that their representation was inadequate. Hence, this association builds the environment of the LNOC.

The same happened at the German NOC (German Olympic Sports Confederation, DOSB), where the “Athletes Commission” (six members) is the SAU of the DOSB, and the “Athleten Deutschland e.V.” (founded 2017, 1400 members) is an association that is independent of the DOSB, and is financed by the government (SAF).

As the illustration shows, SAFs are areas of an NOC’s environment. Here, the NOC has a professional unit, which works with the important issues of the environment. Usually, an NOC creates an SAU (this would be a department, or at least one person) to be responsible for the respective SAFs. The SAU shows which fields of the environment are important for an NOC (e.g., an ethics commission or integrity officer will duly inform us that the NOC takes care of overseeing good governance).

#### **Illustration: DOSB structure of SAU**

The organigram of the DOSB shows which SAUs the DOSB formalised due to the goals it would wish to achieve; refer to this document: [https://cdn.dosb.de/user\\_upload/www.dosb.de/uber\\_uns/Organigramme/DOSB-Geschaftsstelle.pdf](https://cdn.dosb.de/user_upload/www.dosb.de/uber_uns/Organigramme/DOSB-Geschaftsstelle.pdf)

The structure is typical for NOCs. The 19 SAUs are structured in five areas:

1. Development of the NOC (federation development, communication, international relations)
2. Sport development (venues & ecology, prevention & health, education, diversity, gender, inclusion, integration)
3. High-performance sport (consultancy/finance of NSF, organisation & management & digitalisation, science & HR at federations, athletes’ dual career)
4. Finance (administration, finance & controlling, human resources, IT, legal matters)
5. Youth sport (finance of youth sport, society politics, international youth sport)

By looking at Agenda 2020+5, you can identify the environmental challenges (SAFs) that the IOC would consider as important. The following list of recommendations is highlighted (bold letters) where the DOSB has a strategic action unit (SAU) installed:

1. Strengthen the uniqueness and the universality of Olympic Games (not appropriate for NOCs)
2. Foster **sustainable** Olympic Games (SAU environment)
3. Reinforce **athletes' rights and responsibilities** (SAU non-existent; but there is the athletes' commission)
4. Continue to attract **best athletes** (SAU high performance sports)
5. Further strengthen **safe sport and the protection** of clean athletes (SAU prevention and health)
6. Enhance and promote the Road to the Olympic Games by **qualifying events** (SAU federation development)
7. Coordinate the **harmonisation of the sports calendar** (SAU federation development)
8. **Grow digital engagement** with people (SAU digital communication)
9. Encourage the development of virtual sports and further engage with video gaming communities
10. Strengthen the role of sport as an important **enabler for the UN Sustainable Development Goals** (SAU venue and ecology, diversity, inclusion, and education)
11. Strengthen the **support of refugees** and populations affected by displacement (SAU Integration, international relations)
12. Reach out beyond the Olympic community
13. Continue to lead by example in corporate citizenship (e.g., **sustainability, gender, human rights**) (SAU environment, diversity, gender equity)
14. Strengthen the Olympic Movement through good governance (SAU federation development)
15. Innovate **revenue generation models** (SAU Marketing outsourced)

Many of the relevant SAFs are addressed in Agenda 2020 and Agenda 2020+5. In all of these fields, an NOC can develop an SAU and then take action. This provides opportunities and may reduce risks for the NOC.

An NOC shall ask itself:

- 1) In which area (SAF) do we want to operate?
- 2) How attractive is this area (SAF) for our NOC?
- 3) Who are the key stakeholders in this area?
- 4) What is our current position towards those stakeholders? What position do we want to take?
- 5) How do we want to achieve this position?

These questions will be addressed in the stakeholder analysis in subchapter 3.3.2. Here, it helps to better understand the NOC's activities and position.

### 3.2.2 Analysis of NOC Resources

An analysis of NOC resources is useful, to better understand the NOC's competencies and the value of its resources. But what are those "resources", and what should an NOC achieve?

The missions of non-profit organisations (NPOs) are not about revenue assurance, but rather they are about value creation (Moore, 2009). This applies to NOCs and the Olympic Movement in general. The central NOC asset is its ability to create public value.

#### Fact Box: Public Value

Public value refers to the value and benefits that an organisation provides to a society, and answers the question of what makes an organisation valuable to that society. The decisive factor here is the new understanding of "value" creation, which arises solely through appreciation and social acceptance. Public value is intended to provide the management team with a guideline, that promotes entrepreneurial activity for the benefit of the common good.

#### Case Study: Public Value and the IOC

A number of firms use public value to obtain management information, that helps in making strategic decisions. For example: The football club FC Bayern Munich uses a public value approach to systematically assess the challenges pertaining to its societal role, which are concomitant with its growth from a regionally embedded football club to a global entertainment brand. For a football club that enjoys permanent public attention, and is seen as a role model by many people, such questions are especially relevant. In this regard, there are different public values involved, such as "Mia san mia" (Bavarian for "we are who we are" or "us is us"), which is the identification at the *local level*, and the "global brand image" which is the high-performance success and the identification at the *international level*; and both are partly in tension with each other. The structured compilation and full awareness of these conflicts of the club's societal value can be used as management information for strategic decision-making.

This is similar to the IOC, which faces challenges that are connected with an Olympic-Value driven, historically-rooted sport event versus a multi-billion-dollar generating brand, and an organisation which coordinates and rules world sport. The public value of the IOC is partly fixed in the fundamental principles. However, it is very broad. It becomes apparent that the public values, as listed below, cannot be viewed in isolation from one another. In some cases, those values overlap and are in tension with each other.

- Strong values (fair play and participation, peace building, non-discrimination of any kind, see also Fig. 10)
- Citius (faster), altius (higher), and fortius (stronger) - sporty striving for success, performance culture, social role model for success orientation
- Strength of the brand (Positive advertising carrier for the Olympic Games, international flagship as sport event, entertainment brand, one of the most known global brands)
- Olympia as a social melting pot (promotion of integration (refugees, all nations), socially focused as a topic of conversation, the Olympic Games as community experience for all social classes)
- Community through polarisation (together against the Olympics, daily friction with the IOC, arrogance and superiority, IOC as an enemy image)
- Olympic Games as event (Olympic Games as celebrations of the Olympic fans, fun and joy, emotional anchor, different needs of the fans pleased by wide sport programme)
- Role model for economic success (solidarity with all sports, independence from external investors, risk awareness, economic role model for associations)

Topics to be worked on:

1. Analyse the conflicting values that the IOC and the Olympic Games have.
2. Discuss what the public values of your NOC are.
3. Look back at the visions of NOCs' statements, and identify where they address public value (Tab. 3).

Source: Beringer and Bernard (2013)

Considering its own available resources is a necessary step for an NOC, before planning any of its actions. In other words, the NOC should become aware, regarding whether the currently available set of supplies, either support or hinder the actions that it plans.

Results of studies on organisational capacity, show five main variables that describe resources (De Vita et al., 2001; Wigboldus et al., 2010). NOC resources can be viewed as:

|                 |                                                                                                   |
|-----------------|---------------------------------------------------------------------------------------------------|
| Financial:      | Funds, investment, subventions, lottery shares, sponsors, licences.                               |
| Human:          | Demographics, skills, motivation, knowledge base, experience, social capital, social interaction. |
| External:       | Relationships, trust, networks, legitimacy capital.                                               |
| Infrastructure: | Buildings, sport venues, office space, IT.                                                        |
| Intellectual:   | Brands, athlete data, other databases, processes, NOC culture, strategies.                        |

Many of these NOC resources are intangible. Some of them shall be explained here, to better understand their value. Resources that are often overlooked are social capital (Uslaner, 1999; Nicholson & Hoyer, 2008) and social interactions.

#### Fact Box: Social Capital

Social capital is trust, norms, mutual support, and informal relations in a society (or an NOC), that enable the coordinated behaviour of members. Social capital characterises the relationships between persons or groups. An association can be regarded as an organised example of social capital. Associations are part of the infrastructure of well-established relations, and contribute to cooperation, compromise, information, and advocacy through negotiations.

Social interactions are central for any engagement with the Olympic Games. Turner (1998, 13-14) defines social interactions as “the process whereby the overt movements, covert deliberations, and basic physiology of one individual influence those of another and vice versa”. It follows that when an NOC articulates a vision for sport, that NOC is inviting its constituencies (i.e., athletes, members, sport organisations) to interpret it, and to react accordingly.

Social interactions shape people’s consumption of sport and the development of their lifestyles, which certainly is part of a vision for each NOC. People’s experiences of events are predicated on social interactions (Marques et al., 2021), and as Downward and Riordan (2007) demonstrate, interactions are also important for understanding the demand for sports,

and the accumulation of personal and social capital, opportunities, information, and support.

In the context of NOC's relationship with its stakeholders, eight types of social interactions that are stimulated by the Olympic Games can be identified:

1. motivational (i.e., how the process of interaction is affected by different motivations),
2. knowledge generation/dissemination,
3. advocacy,
4. service provision and consumption (i.e., interactional),
5. partnerships,
6. celebrations,
7. collaborations, and
8. structural (i.e., ability of an NOC to sustain/extend their interactions with different target groups).

To reflect the type of interaction for each stakeholder an NOC is working with, can help to better shape the strategic actions with this stakeholder, and promote their better functioning.

### 3.2.3 Analysis of the Importance of NOC Projects

NOCs usually have many projects running at the same time. It is useful for an NOC to sometimes reflect on the importance of each project. Here, we introduce the BCG (Boston Consulting Group) portfolio matrix, which is a common tool in strategic planning for FPOs (for-profit organisations). It is typically used for the identification of business units, in order to estimate the current and expected profitability.

In this book, the BCG portfolio is used to analyse the NOC's activities, and evaluate them with regard to their future prospects for success, in creating public value and achieving the vision of the NOC. For this purpose, all NOC projects will be presented together in an overall portfolio, to make it easier to visually compare among them. This enables an NOC to make strategic decisions for each project.

The tool suggested here, is used to resolve the question of whether the currently existing portfolio mix of projects/activities is sufficient to secure the future of the NOC, and to achieve its vision. The portfolio matrix (Fig. 18), can be used to determine the extent to which other, more promising projects and action areas should be promoted. Consequently, this means that resources are withdrawn from less promising projects. These can then



be invested in new or existing activities to better achieve the NOC vision. In other words, the portfolio matrix is a tool for setting the correct priorities, when allocating the limited resources that are available to the NOC.

The performance portfolio of an NOC is shown in a matrix on the basis of three dimensions:

- Environmental dimension: the ordinate shows the future importance of a project. It must be reflected whether the project can reach the vision in future.
- NOC dimension: the abscissa shows the real proportion (percentage) of people the NOC wants to reach via a project.
- Project success: each project (circles) has a different importance (blue quadrants). The size of the circles symbolises the success of the project (success is the degree of target achievement).

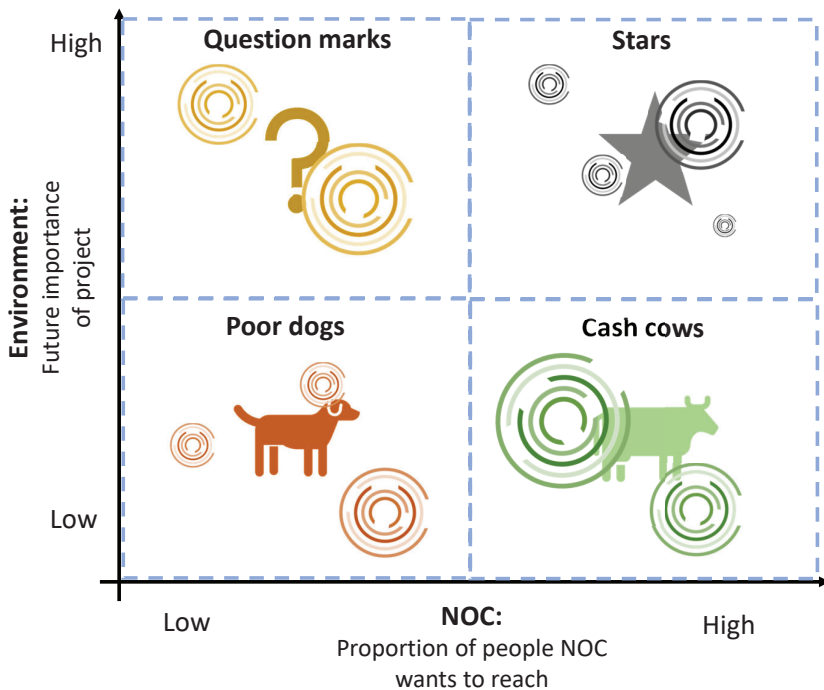


Fig. 18: Portfolio Performance Matrix of NOC Projects

The four areas (blue quadrants) lead an NOC to different strategic considerations.

Question-Mark projects are those that are just being introduced, or are in the early growth phase of the importance of that field (e.g., good governance, safeguarding athletes). At this stage, the future of the projects in this segment is still uncertain, as it can develop into either a success or a failure. In this phase, a lot depends on the resources which the NOC can invest in this project, under the condition that the degree of importance of the project remains high. The projects in this field are not yet developed well enough to attract a sufficient number of people, that the NOC wants to reach as the final goal.

Stars refer to projects that are facing increasing importance, regarding being undertaken, and where the many people who should be reached, have already been reached successfully. These are projects that are in the growth phase. Here, high investments of resources are necessary to maintain the well-running project, and to further increase the number of persons reached. Stars are largely self-supporting and, politically, they are absolutely wanted.

Here, the size of the circle will be explained: the black circles represent projects that already reach a large population (e.g., all Olympic athletes), and are very important for the future (e.g., Whistleblowing portal, sustainability guidelines). The satisfaction of the NOC is represented by the size of the black cycle, and the small circle means that the NOC is not satisfied, and the target is not reached, as it should have already been.

### **Recommendation: CONI and its portal for Whistleblowing**

Whistleblowers are vital for maintaining an open and transparent society, as they expose misconduct or hidden threats. To ensure that they are better protected against negative consequences, EU Directive 2019/1937 on the protection of whistleblowers came into force on 16 December 2019 (Refer to the checklist there that can be used for each NOC).

The goals of the EU Whistleblowing Directive are:

- To detect and prevent misconduct and breaches of laws and regulations.
- To improve law enforcement by establishing effective, confidential, and secure reporting channels to effectively protect whistleblowers from fear of retaliation.
- To protect and enable whistleblowers by helping them to confidently raise concerns without fear of retaliation, by ensuring anonymity.

In cooperation with UNODC, the IOC published a study “IOC-UNODC Reporting Mechanisms in Sport: A Practical Guide for Development and Implementation”. This guide provides information on good practice for

sports organisations, regarding receiving and handling reports of wrongdoings, and provides an overview of current practices and frameworks. At the IOC hotline one can report:

1. Competition manipulation
2. Abuse and harassment
3. Infringements of IOC Code of Ethics and other integrity issues
4. Press freedom violations

The EU directive and IOC's practice was transformed from CONI (NOC Italy) into a whistleblowing reporting centre. However, the centre is limited to issues of corruption and competition manipulation, and is not directed to the athletes, which is a good step, but one that is missing the above-mentioned points 2-4 of the IOC. [Thus, it makes it a small black circle in the portfolio of CONI, see Fig. 18]. In the CONI reporting centre, all employees, collaborators, goods and service suppliers of CONI can learn about Whistleblowing, competition manipulation, and how to make a report. The reports that are submitted to this platform are forwarded, as strictly confidential, to the appointed Department, which notifies the Authorities in charge. However, alternatively, the report can also be sent to the National Anticorruption Authority (ANAC).

Sources: EU White Paper on Whistleblowing <https://www.integrityline.com/en-gb/expertise/white-paper/eu-whistleblowing-directive/>; CONI Whistleblowing reporting centre <https://www.coni.it/en/whistleblowing-en.html>

Cash cows operate in a mature “market”, where the number of people that need to be reached are successfully reached. This part of the portfolio matrix is characterised by the fact that the projects usually already run longer, and synergy effects and knowledge are built up. Thus, the use of resources has already fallen (e.g., projects are designed, and just need to be repeated). Only a small investment is needed to continue generating success in these projects. However, only if the size of a circle is small, can it then be discussed regarding how to make the project better to achieving the target.

Poor dogs represent a project area in which the NOC has a low reach to people it needs to reach. At the same time, the degree of importance of the projects in this area is in relation to questioning, stagnating, or even decreasing. High investments of resources are necessary to maintain the project; therefore, it should be considered whether or not to cancel these projects (if no other political issue is hindering that direction).

In practice, it is difficult to correctly classify all NOC projects and services in a four-field matrix. Firstly, it is important that the NOC is able to quantify the two most important basic terms of the portfolio matrix, “the proportion of people you want to reach” and the “future importance of a project”. The proportion of people you want to reach, is the actual number of people you successfully reach, in relation to the population-reaching extent that could have been achieved. You calculate this key figure using the formula:

$$\text{proportion of people you want to reach} = \frac{\text{number of people you reach}}{\text{total number of people that can be reached}}$$

The “future importance” of a project can be expressed in a scale in the portfolio matrix. For example, Very important, Important, More-or-less important, Unimportant, Not at all important. The units of your axis should be based on the global future importance of a topic, but also reflected on the local (cultural) circumstances. Here, specific topics and projects can have a high relevance in one culture or geographical region, but no relevance whatsoever in other cultures/regions (e.g., the number of gold medals to be won is important for the French NOC, but not for the Andorran NOC). Each NOC should orient itself on important project areas in Agenda 2020+5 or – if available – you can inspect other NOC’s vision and mission statements (Tab. 3).

The portfolio matrix is not the tool of choice for tracking the NOC development over the long term. Rather, it serves to analyse and record the current states of projects and their results, that are represented in a snapshot. Nevertheless, you can use the portfolio matrix to a limited extent to monitor changes. To do this, you need to collect the figures mentioned at regular intervals. You can reallocate the positions of the individual projects.

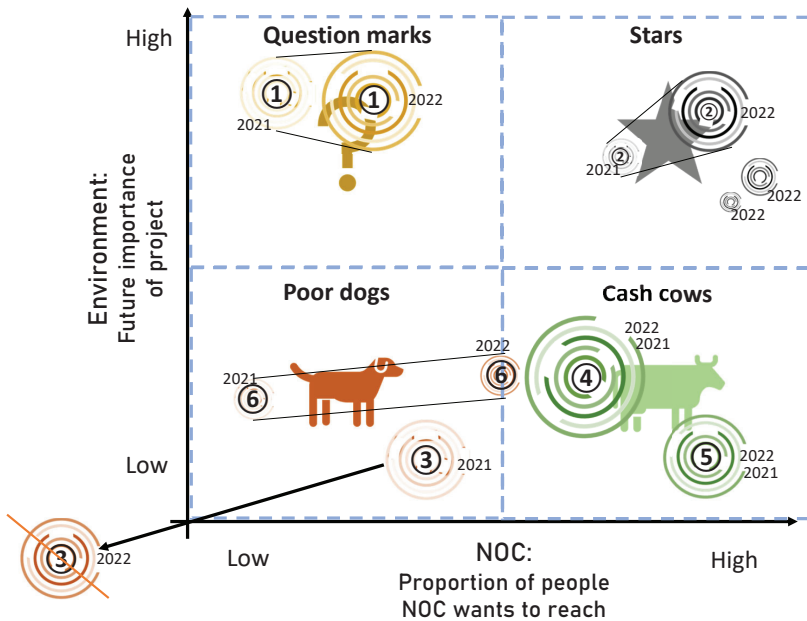


Fig. 19: NOC Project Performance Portfolio 2021 and 2022

Figure 19 shows the projects 2021 and 2022. Project 1 is now reaching more people and the success of the project became improved (larger size). Similarly, regarding project 2, after reassessment in 2022, it was found that the topic will become more important in the future. Project 3 was quite large and was cancelled in 2022. Projects 4 and 5 stay the same as the year before. It was discussed that Project 6 should be cancelled, but as it is a duty for an NOC to keep that project (perhaps, it was the organisation of Olympic Day), the NOC made efforts to reach more people. However, the size of the circle is the same, which means that the target is still not reached. It moved up a little (in degree of importance), because Agenda 2020+5 stresses the issue as being important.

#### Strategies Driven from the 4 BCG Matrix Quadrants

The division into the four quadrants of Question marks, Stars, Cash cows, and Poor dogs serves not only as an overview of the current NOC project situation, but also to (potentially) develop strategies for the future. Each of the four quadrants is assigned to a strategy that an NOC can take for the assigned projects:

**Selection strategy:** This strategy is used for Question marks, where the future importance of the project and the development to reach more people is uncertain. Here, the NOC should select which projects seem most important to develop. The NOC should invest in these projects to reach more people. In other words, the NOC should make these projects to become Stars or, later, Cash cows. Projects where such a development is unlikely (e.g., due to the difficulty of reaching more people with the given resources), should be considered for elimination. The NOC should withdraw resources from these projects and remove them from the programme.

**Investment strategy:** This strategy is used for Stars, where the NOC reaches a high number of persons in an area of ongoing high importance (e.g., this can be the promotion of the national Olympic team). The investment of resources should be increased if the importance of the project is staying high, or even increasing.

**Levee strategy:** For Cash cows, the NOC can reduce investments to the required minimum, to maintain the number of people reached. The input into the project can be checked for saving as the project runs well, but is not of high importance for the future. The resources saved can be used to support the expansion of Stars and Question marks.

**Disinvestment strategy:** This is applied to the Poor dogs. The NOC should consider withdrawing all resources from projects in this quadrant. However, it must be checked if there is a mandate (i.e., a must do project written in Olympic Charter or NOC statutes) to keep a project alive. The NOC may even try to bring it into the area of Cash cows. Investments for projects in the Poor dogs area no longer bring any significant improvement, but take up resources. Therefore, the NOC should put these resources and capacities to better use in other projects.

### Workshop: Project Portfolio of an NOC

**Preparation:** Meet with a group of persons from different departments. Take care to have people involved who oversee all projects, and others who are well informed about the projects.

1. Determine which projects or services you want to consider in the portfolio matrix. Show the list to the board members to check for completeness.
2. Then, determine the proportion of people you want to reach, and the importance of the project for the future, related to your country and culture, for each project in step 1.

3. Enter the corresponding values on the two axes and mark the point where the two lines meet as the project under consideration.
4. Define for each project the targets you want to reach. The higher the success/satisfaction with a particular project, the larger the size of the circle you draw. The determination of “success” is difficult, and should be discussed among members of a small group (independent from the project leader). Then, draw the circle with a specific size over the point from step 3. Keep in mind that a project can also serve to satisfy an external stakeholder, or to maintain relationships, etc. and, therefore, it also can be named as successful.
5. Draw lines to define quadrants. The line must not be in the middle of each axis. It is better to orient a line that is related to projects that are around the middle of each axis. Get the group to agree on the positions of the lines.
6. Analyse each project following the suggested strategies. Before deciding on a strategy, check whether there are binding mandates, contractual bindings, or promises (from board members), indicating that it would be better to keep a particular project running, even though it appears in the Poor dogs area.

### 3.2.4 Analysis of the Key Competencies, Strengths, and Weaknesses of NOCs

Analysing and finding key competencies (strengths) is an essential part of NOC analysis. Knowing the NOCs’ strengths allows better decision-making, strategic planning, and management. The awareness of competencies and strengths are needed for the SWOT analysis (subchapter 3.4).

The McKinsey “7S Model” (Müller-Stevens & Lechner, 2005, 218) is a well-fitting tool, with which to analyse an NOC’s strengths and weakness. It is an organisational tool that assesses the well-being and future success of an NOC. It looks to seven internal factors (7 Ss) of an NOC as a means of determining whether or not an NOC has a good potential to be successful in the future. In particular, it also helps the NOC to analyse what it needs to do to reach its mission.

In the following, the 7 Ss of the model are explained. Firstly, the central S is Shared Values.

**Shared Values:** These are the commonly shared values, the so-called NOC “corporate culture” values, defining the key beliefs and aspirations that form the core of the NOC culture. Shared Values unite, challenge,

and give direction to all NOC staff. Shared values are the motivational drivers, and they are likely related to the Olympic fundamental principles. However, each culture and each organisational culture also has values that need to be considered. The shared values are important to all of the other six S areas.

The following six assets contribute to the shared value. Hard elements are easier to change and include:

**Strategy** is defined as the set of projects/actions that an NOC plans in response or anticipation of changes to its external environment (Channon & Cooper, 2015). That means it should be “stakeholder led”; in that, the NOC must have a deep recognition that achieving the NOC vision depends on meeting the needs of the stakeholders that are addressed (the member federations, the athletes, the sport development, or the Olympic success-related persons). To find your strengths or weaknesses, you can compare your own NOC achievements (i.e., projects) to those of other NOCs (that have a similar vision and similar projects).

**Structure** refers to how people in an NOC are organised to work together. It is also the structure of all available resources.

**Systems** refer to the processes of the daily activities. It is how information moves around the NOC and its network partners. It is about the daily activities people do. It is important to react appropriately and to produce responsiveness, e.g., to properly react to demands from athletes (rewards or resource allocation) or the government.

Soft elements are human-related and, therefore, are more difficult to change. They include:

**Staff** concerns the background and culture of people who work for the NOC. The staff can be seen as a valuable pool of resources, who need to be nurtured, developed, guarded, and allocated into projects. In other words, the term “staff” includes all of the NOC’s human resource, demographic, educational, and attitudinal characteristics (Channon & Cooper, 2015).

**Skills** of your staff and board members are competencies and distinctive capabilities that the people possess, and which are the basis for the NOC’s ability to create value. Many different skills are a strong point in your NOC. However, it is argued that old skills can often act as hindrances in developing new skills (Channon & Cooper, 2015). In analysing the skills, an NOC can better decide on what should be outsourced more successfully. All NOC competencies depend on the staff and board members.

**Style** refers to the behaviour pattern(s) of the executive board and NOC directors and, in particular, how effectively they communicate the values and priorities of the NOC. Style defines the way in which the NOC does



things and what the organisational roles are, e.g., who has which responsibilities, who needs to report to whom, and what freedom there exists for decision making. Style is highly influenced by culture, e.g., general leadership styles can be collegial (Scandinavian countries) or hierarchical (Eastern European countries).

### Workshop: Analysing your NOC using the 7S Model

This workshop needs time and effort. Data need to be collected, interviews with staff need to be undertaken, etc. You need to take top management people on board.

1. Analyse every “S”
  - Shared Values: What are the common and shared values in the NOC? Are they still up to date?
  - Strategy: Do you know the NOC strategy? Do you think that the strategy is sufficient to master the upcoming challenges?
  - Structure: How is your NOC structured? Where is this structure helpful, where is it a hindrance?
  - System: Which systems that you use are up to date, old, or insufficient?
  - Staff: What are the strengths/weaknesses of your staff? Which staff members are missing?
  - Skills: Where is your NOC really strong?
  - Style: What characterises leadership and collaboration? Where do they fit, where do they hinder or encourage?
2. Compare the current situation (internal analysis), as best you can, with other of the NOCs that have a similar vision.
3. Write down your brief analysis and aim at using the facts, that you really can observe, such as the levels of education of your staff members, communication systems you use, IT infrastructure you have, or a typical leadership style.
4. Each of the points from step 3 should end with a paragraph entitled: “Choice through Degree of Importance: The substance of the development, or the degree of development?”. Here, you reflect upon where you are, in comparison to where you could be, in a “perfect” world. Relative to your desired situation, your “S” can be high/low, average, or strong/weak.
5. Then, draw a conclusion regarding which “S” needs to be developed. Keep in mind what your strengths and weaknesses are – these are needed in the SWOT analysis, where you reflect strengths and weaknesses against the environmental changes.

Source: Workshop taken from <https://www.youtube.com/watch?v=yGceFEDmtIM> retrieved 1.8.2022

At the end of the internal analysis, the strengths and weaknesses of the NOC should be clear.

### 3.2.5 Internal NOC Analysis by External Stakeholders – Image

The Olympic system has become extremely complex: power, money, and image have inevitably brought far-reaching changes on what was once a gathering of athletes, for athletic purposes, from around the world (Chappelet & Kübler-Mabbott, 2008, 3). With the corruption scandals in 1999 the reputation of the IOC, and thus the Olympic Movement, started to decline. The first reactions, such as the founding of the IOC ethics commission (1999) and a large restructuring of the IOC and its Olympic Charter, were not enough. A few years later the Games were awarded to Beijing and Sochi. Due to political issues (freedom of press, homophobia, etc.), these Games put additional pressure on the credibility of the IOC. In 2010, FIFA awarded the World Cup to Russia 2018 and Qatar 2022. This marks a turning point regarding the credibility of international sport federations. Many consumers do not differentiate FIFA from IOC or other sport organisations, even though the IOC started serious reform processes with Agenda 2020 (in 2014) and Agenda 2020+5 (in 2021).

For strategic management, it can be important to understand how the image of the NOC is perceived by an important stakeholder, in particular, when the NOC is looking for winning arguments in stakeholder relations. Often, the self-perception of an NOC (the so-called identity) is different from the perception of a stakeholder (the so-called image) regarding that NOC.

Methodologically, there are many ways to measure an institutional image (see Elouali et al., 2020). The measurement is always based on the implicit or explicit associations that the respective stakeholder attributes to an NOC (as a brand). The stronger the associations are, the stronger the NOC brand equity is. The associations should be strong and varied. The measurement of an institutional brand is complex due to the fact that NOCs relate to the successes at the Olympic Games, and the Games change from edition to edition, which is relative and dynamic and, therefore, varying over time. For example, in the positive case, the winning of

many medals, and in the negative case, a scandal at the NOC (and doping cases are serious issues) that can directly impact the image.

The measurement tools that have been developed to measure the image of an organisation, are based on tangible and intangible elements. Tangible elements include e.g., number of medals won, events organised, athlete services, money received. The intangible elements refer to the ideas and sensations that a stakeholder would experience, when they see or hear about the NOC.

The attitude scale refers to the attractiveness of the NOC brand. The rating scale considers brand preference, and characteristics that distinguish the NOC from other sport organisations.

The measurement of NOC brand image can be done indirectly through the study of perceptions, or directly, through the analysis of preferences and direct questions. An NOC brand image is considered to be strong in this indirect measurement approach, when the population (segmentable into sport-interested vs. not-sport-interested persons, for example) associates many attributes with it. In other words, the indirect approach to brand measurement refers to the measurement of brand (attitude) awareness (Abyre & Allaoui, 2015).

Psychometrics is a branch of psychology that focuses on the objective measurement of latent constructs (i.e., an NOC brand), that are immeasurable and unobservable directly. Psychometric measurements have the advantage of being practical, operational, and direct. The measurement technique is based on questions about the opinion of the population through a pre-established questionnaire. This is the easiest method. You simply ask the population or a stakeholder of your interest about rating attributes of your choice concerning your NOC or any project, or the Olympic Games itself.

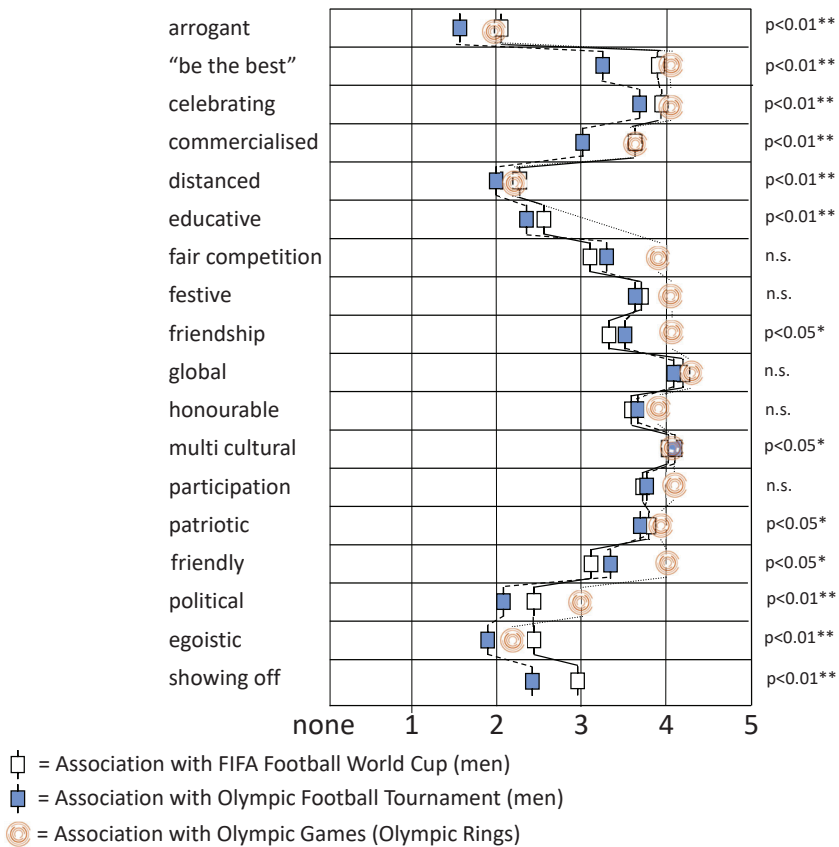


Fig. 20: Image Profiles of Olympic Football Tournament, FIFA World Cup, and Olympic Rings

Source: Modified from Preuss (2014, 4)

The brand influences our attitude towards an organisation, event, project, product, or service through the ideas in our own heads. Accordingly, the image of a brand is transferred to individually-perceived organisational characteristics (the so-called halo effect, see Kroeber-Riel & Weinberg, 1996). This is exemplified by a survey of spectators at the 2004 Olympic football tournament in Athens ( $n=1,096$ ) (Preuss, 2014). The spectators were asked about the image of the Olympic Games, the Olympic football

tournament, and FIFA football World Cup (5-Point Likert scale and the value zero).

Comparing the Olympic Football Tournament (blue) with the FIFA World Cup (white), shows that many attributes are significantly different (last column in Fig. 20), even though both tournaments feature national teams competing against each other to win the tournament. With few exceptions, the perceived attributes of the Olympic Football Tournament are influenced towards the perception of the attributes (rings) of the Olympic Games. The fact that the football match which was seen, was played in the context of the Olympic Games, influences the image attributes of the Olympic Football Tournament.

A more sophisticated method, that also reflects the culture of a country, is the Repertory Grid Technique (RGT) (see case study).

#### Case Study: Image of the DOSB

The Repertory Grid Technique (RGT) was used by Scheu et al. (2020) to analyse the view of the German population on the German Olympic Sports Confederation (DOSB). The RGT allows the combination of qualitative and quantitative research, which leads to novel results. Importantly, the bipolar constructs (blue dots below) are set by the culture of the German population. Therefore, the positioning of the DOSB is unique, as seen by the German population, in this case. For this purpose, 30 Repertory Grid interviews were conducted. The results show the negative image of the IOC, FIFA, and DOSB. Other organisations were included, in order to see the relative position of the DOSB.

Currently, there is a large discrepancy between the Olympic Games of today, and the ideal Olympic Games as desired by the German population. That provides information on what the ideal Olympic Games should look like, and how the Olympic Games of today should change, in order to regain acceptance in Germany. While the DOSB, IOC, and FIFA are seen as being rather critical, boring, not needed, and even corrupt, the study also showed that the sport itself is evaluated positively, and the Olympic Idea is viewed as representing positive values within the population (see Fig. 21).

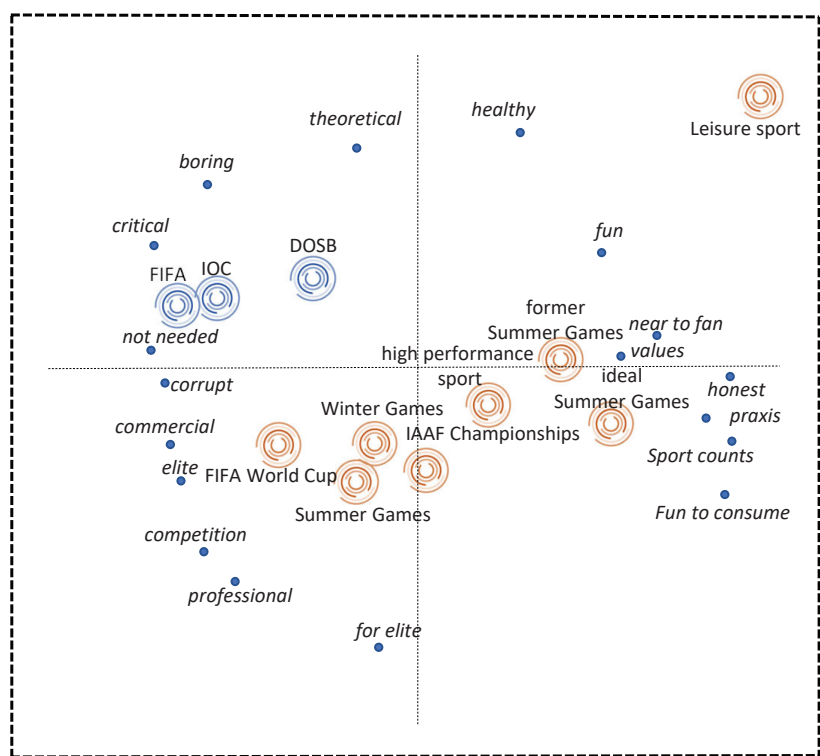


Fig. 21: Repertory Grid Analysis for Sport Events and Organisations by the German Population

Source: Adopted from Scheu et al. (2020)

Questions to discuss. You should conduct an image analysis:

1. For which stakeholder do you wish to know the stakeholder perspective of your NOC image?
2. What kind of research is appropriate to collect information you need to study your NOC image?
3. When is the right time to initiate an image study, while considering that actual media news, staging of Olympic Games, or an actual crisis can influence the result severely?

Another similar, but more advanced, image analysis is called the “CAE-SAR<sup>®</sup> Model” (ONE8Y, 2019), which stands for “Concept of Archetypes,

Emotional Stories And Regions". In essence, it is about an image analysis and the associated localisation of brands in a 3-dimensional perception space, which consists of four different motif dimensions (Fig. 22). As with the other image analyses, the NOC brand can be analysed; but so can projects, target groups, events, etc.

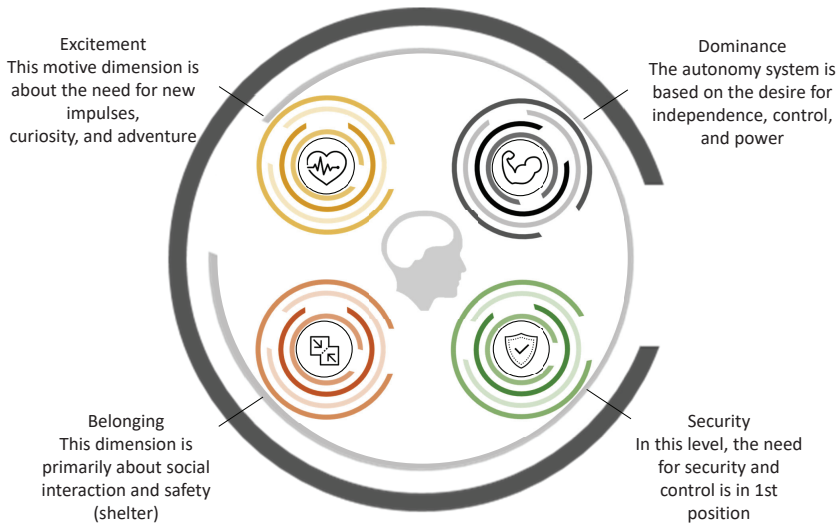


Fig. 22: Four Different Motif Dimensions

Source: Adopted from ONE8Y (2019)

In order to analyse brands on the basis of different attributes, ONE8Y semantically located 49 terms (attributes) in the perception space, with regards to the four motive dimensions, and placed a grid behind them. This allows to precisely locate the image attributes in the CAESAR<sup>®</sup> model. That is based on a 2-step research procedure. In the first step, all attributes are surveyed among brand connoisseurs, and evaluated with regards to their fit with the brand which, here, is the NOC. Attributes get mentioned and the interviewee has to approve if those attributes fit, or not, as soon as possible. The time of approval is decisive (< 800 msec), as the speed of approval is seen as a criterion for clarity or freedom from contradiction (implicit measurement method). In a second step, all attributes that were assigned in a period of time shorter than 800 msec are evaluated with regards to the level/strength of agreement on a 10-point scale. The result is a 3-dimensional image of the brand.

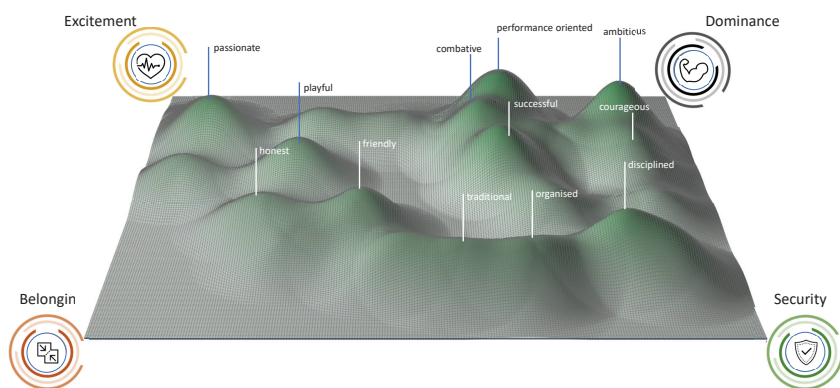


Fig. 23: *Visualised Hypothetical Image Profile of the German Olympic Team by the CAESAR® Model*

Source: Modified from ONE8Y (2019)

This image analysis is powerful, as it combines explicit and implicit measurements. It has a strong visual image of the brand, which generates much more understanding in the discussion, than a typical spider diagram or simple bar charts.

Lastly, it may be of interest to get an idea about what the local population is thinking, concerning the Olympic Games and Olympic Values. In that way, an NOC gains information on how the Olympic Movement is perceived in its own country.

Koenigstorfer and Preuss (2018) developed an “Olympic Values Scale” (OVS), which is an easy assessment tool. The OVS contains twelve items that load onto three factors: (1) Appreciation of diversity, (2) Friendly relations with others, and (3) Achievement in competition (see Fig. 10). The scale is scientifically tested and reliable in the UK, the USA, Germany, and Brazil. It can be assumed that it is also reliable for most European countries. All three OVS dimensions relate to individuals’ perceptions, attitudes, and intentions. The NOCs and their stakeholders can use the OVS to assess and monitor value perceptions in relation to the Olympic Games, the Olympic Movement, and how the perception may fit to sponsors’ image, etc.



### Workshop: Measuring the Olympic Values perceived by a stakeholder

1. Identify a good sample of persons representing the stakeholder.
2. Run the questionnaire, which should consist of three parts:

**Part 1:** Socio-demographic data. You need these data to check if you have gathered a good sample, and you may also need them to differentiate the results by subgroups. It may be of interest what youth versus mature persons think, or sport fans versus non-sport fans.

**Part 2:** This part is related to the Olympic Value measurement. You start in this way: "Please look at the Olympic Rings (Olympic Games symbol), and think about the values of the Olympic Games, as well as how they are similar or different. Please think of values of the Olympic Games, in general, and refer to what ... (here you put in your project, or your NOC, or Olympic Games) stands for. Please do not refer to specific Olympic Games.

On the following you show a variety of values. Ask the interviewee: "Rate how the following values describe the ... (your project, or NOC, or Olympic Games). Please think carefully about how applicable each individual value is in describing the project (NOC, the Olympic Games). Do not assume that all values are equally applicable to describing the Olympic Games. Please differentiate between those values that are highly relevant and those that are less relevant to characterising the ... (project, or NOC, or the Olympic Games)".

Please rate the extent to which each of the following items could be used to accurately describe the values in relation to the ... (project, or NOC, or the Olympic Games), measured on a 7-point scale from 1 = 'does not describe the values of the ... at all' to 7 = 'describes the values of the ... very well'.

- Anti-discrimination / Tolerance / Diversity / Equality
- Friendship / Warm relations with others / Brotherhood / Understanding
- Achievement / Competition / Achieving one's personal best / Effort

**Part 3:** Here, you can ask about any other topic that you like to attach to the values. For example, Koenigstorfer and Preuss (2019) asked whether the people wanted an Olympic Games bid, and whether they see IOC as a corrupt organisation. Later, it could be shown that persons who see particular values more than others would support a Games bid more, or see IOC as more corrupt. Learning from that, the

promotion of certain values could provide a stronger support of your NOC.

3. Analyse the data and start activities to promote certain values.

### 3.2.6 Analysis of an NOC's Organisational Culture

Each NOC should also understand its organisational culture, which has to be differentiated from the culture of a nation (see subchapter 2.5). Both have an effect on the strategic behaviour, stakeholder treatments, etc.

First, the analysis of the organisational culture is needed, and then an analysis of the (national) cultural habits of an NOC. The latter can provide a first glance towards its openness to change.

Here, the principle of the concept of culture is transferred to organisations (NOCs). Culture develops through the actions of people. In general, an organisational culture is a system of shared patterns of thinking, feeling, and acting, as well as the norms, values, and symbols that convey them within an organisation.

There are common cultural influences that are similar for all NOCs:

1. All NOCs have Olympism as their basis, and they follow the Olympic Charter, have the IOC as umbrella organisation, spread the Olympic Values, and send teams to the Olympic Games.
2. All NOCs are “sub cultures” of their national culture.
3. All NOCs are non-profit organisations, and are focusing on the interests of the members (Horch, 1983; Kaiser & Schütte, 2012)
4. All NOCs have a slowly-grown organisational culture:
  - With a specific role of the founder (often an early IOC member). Many organisations were shaped by strong founders or had a strong leader for a period of time. They may have a remaining myth.
  - The development of how to organise an organisation is closely connected with the organisational structure of the society. Each society breeds the type of leader it wants, develops organisations and their culture, and expects him/her to keep to the well-worn path which their age-old cultural habits have chosen. Religion, language, and climate have some influence, as do crises, successes, and reforms. This can be seen in the formal structures (e.g., rules, hierarchies, principles) (Lewis, 2006, 105).
  - Daily interactions create informal rules, norms, and values, which become patterns and then solidify into structures that are difficult to control or change.

- New presidents, board members, or executive staff are not solely new individuals that get socialised by the NOC's organisational culture. Change happens whenever a socialised new person comes in, and brings new habits into the organisation. For example, lawyers will likely urge caution and contribute to the NOC's bureaucracy, while businessmen would likely tend to be more risk taking in their approach. Former Olympic athletes probably have other sport values and Olympic passion, that are different from those of grassroots athletes.

These points illustrate that each NOC – even having a common pattern - has developed a different organisational culture. Therefore, it is valuable to analyse the NOC's organisational culture, to learn about its strengths and weaknesses, as well as about its potential resistance to change (subchapter 4.1). If the NOC can benefit from what was slowly developed over the years (e.g., connecting with the founder or Olympic Idea), it becomes easier to find and implement a new strategy that fits the organisation.

Organisational cultures can vary a lot. One aspect is the strength of the culture. In this context, the stronger an organisational culture is, the more deeply rooted it is among the members of the NOC (degree of anchoring), the more widespread those members are - i.e., no strong subcultures are developed (degree of diffusion), and the stronger the conciseness and scope that are developed (Schreyögg, 2000, 451ff). Peters and Waterman (1982) identified the importance of a strong organisational culture as a success factor.

The striving towards a strong organisational culture is justified, by the fact that it leads to a uniform orientation of action. In addition, strong organisational cultures ensure a uniform language and an understanding of language, which should lead to smooth communication. This, in turn, results in a complex and powerful communication network. Important information spreads without regard to titles or positions, and it is reliably interpreted, and also passed on without distortion. Action corrections can be easily communicated through the network, and are effective due to the acceptance of equal values. This leads to fast decision-making and implementation, as long as the plans are compatible with the basic patterns of the culture. Overall, a low level of control can be assumed, due to the internalised common orientation patterns. In addition, strong cultures strengthen employee motivation and team spirit, since the same values and goals are shared (Schreyögg, 2000, 451ff).

### **Workshop: Identification of the NOC organisational culture and its strength**

1. Facilitator first explains the objective of the workshop and what organisation culture is. Then, the team reflects individually on the following questions
  - What are the key values of your NOC?
  - What are the symbols of your NOC?
  - What is the biggest mistake a newcomer/new staff/beginner can make in your NOC?Exchange the findings in your team and aim to find a common ground.
2. To find the degree of anchoring, you look at the answers from step 1. How many members of your NOC would give the same answer in Step 1? Answer: \_\_\_\_\_ %
3. To find the degree of diffusion you should reflect upon: Are there groups of members (or are there departments) that have their own spirit, own language, or own particular values?
4. To find the degree of conciseness you should reflect upon: Is it part of your NOC leadership to communicate the core values, the symbols, and the norms of what should definitely not be done?

Typically, sports organisations, like NOCs, have strong cultures. They have been formed over a long period of time, and are aligned with the values of sport and, in this case, Olympism. The Olympic Rings unite their members under the same symbol, which is part of each NOC logo. Strategy development must address these, especially in the case of strong cultures. On the one hand, there is the chance of easy implementation if the strategy fits well with the existing culture, and on the other hand, there is the danger that the new strategy will fail in implementation, because fundamental values and norms of the culture are violated. Strong cultures can, therefore, be beneficial or detrimental to strategic management.

Besides the organisational culture, each NOC is a subculture of its national culture and, therefore, is affected by it through the persons acting in that organisation. As long as the NOC staff members are not highly internationally oriented (as with the IOC), then the common national cultural patterns will influence the strategic management of that NOC.

Harris and Ogbonna (1998) associate, in general, cultural influences with a low degree of willingness to change. However, Elwing (2005) has shown, that a communicative culture and the feeling of belonging to a community, had a favourable effect on readiness for change.

In most strategic plans, the idea is to change things. However, different cultures have a different level of “uncertainty avoidance”. This defines the society’s tolerance for ambiguity, i.e., how much people embrace or avert an event of something that is unexpected, unknown, or away from the status quo.

According to Hofstede (2004), the societies that score a high degree in “uncertainty avoidance” will opt for stiff codes of behaviour, guidelines, and laws. In a change process, they need good analysis and theory. Therefore, the change needs time. These cultures generally rely on absolute truth, or the belief that one lone truth dictates everything, and that people would know what that truth is. For a change process, this means that arguments must be well reflected, and any “what if?” questions should be answered, as it is not “ok” to fail.

A lower degree in “uncertainty avoidance” shows more acceptances of differing thoughts and ideas. They rely more on concrete facts. As these cultures accept mistakes, they become faster decision makers. The change process can, therefore, be quicker. Here, the NOC tends to impose fewer regulations, is more accustomed to ambiguity, and the environment is more free-flowing.

In other words, the tolerance for change is different. Most European cultures are avoiding uncertainty, with the highest scores in this regard, from Greece, followed by Portugal, and Belgium, then France. Germany, Finland, and Switzerland are midway; while Denmark, Sweden, the UK, and Ireland have the lowest scores in uncertainty avoidance in Europe (Hofstede, n. D.).

Here, NOC culture is seen as a link or transition between individual and collective behaviour. This refers to the idea that an organisational culture is “embodied” in individuals, but shared by the collective (Miettinen & Virkkunen, 2005) and, here, the collective is the NOC as the organisation.

Cultures that are developed in organisations function as stabilisers, in order to resist change (Schein, 1993). Change represents a situation of imbalance and is considered to be a threat (see chapter 4). This relationship is especially evident in public organisations, such as NOCs. They are often highly governmentally supported, and they are also monopolies, therefore, they are stable and rarely threatened by bankruptcy. Thus, NOCs as organisations tend to have a culture that is more resistant to change.

### 3.3 External Analysis: the Environment

The purpose of this analysis is to gain information about the external environment, and how that creates opportunities and risks for an NOC.

#### 3.3.1 Analysis of Macro-Environmental Changes

Although all NOCs are part of the Olympic Movement, each operates in a unique cultural and legal environment. The environmental factors lead to opportunities, threats, and challenges. To effectively deliver its services and projects, each NOC should evaluate its operating environment.

PESTLE+M is a mnemonic which in its expanded form denotes P for Political, E for Economic, S for Social, T for Technological, L for Legal, E for Environmental, and finally M for Media. It gives a bird's-eye view of the whole environment, from many different angles, that an NOC wants to check and keep a track of while contemplating a certain idea/plan. This subchapter is here related to subchapter 1.4, as the challenges for an NOC can also be sorted into the PESTLE+M scheme.

#### *Political Factors*

Political factors refer to policies issued by organisations that affect an NOC. This can be the IOC, World Anti-Doping Agency (WADA), Court of Arbitration (CAS), IPC, European Union, or the national authorities with their laws, policies, and the attitudes of ruling politicians towards sport development. For example, if a nation wants prestige by winning gold medals, or uses the staging of an event as soft power to improve its image, then support for high performance sports or event organisation is highly financially supported by the national government. It is a similar situation when a government wants to use sport to improve national health. Then, an NOC or NF will easily get funds, to deliver such activities.

#### **Illustration: Political Factors influence NOCs**

There are several examples how politics influenced NOCs.

1. The introduction of quotas for women in management in Norway. Norway was the first country to pass a legislation on gender quotas, whereby women must comprise 40% of corporate boards.
2. A greater commitment to sport, added public money to the German Olympic Sports Confederation (DOSB) for high performance sport.

However, that money is bound to criteria which the government wants to see fulfilled.

3. In the USA, the government does not pay anything to support the United States Olympic & Paralympic Committee (USOPC), or any high-performance sports.

Changes of laws also have an impact on NOCs; for example, tax policies may affect income, subvention policies may affect the possibility to get extra funding, lottery laws can change NOC revenues, or legislation relating to gambling, alcohol, or tobacco may reduce the number of potential Olympic sponsors.

Overall, government policy has a big impact on an NOC's operating environment. Conversely, if the relationship between the government and an NOC is poor, it is difficult to get funding, legislative support, and promotion. An improvement in public affairs is needed, in this case.

#### **Fact box: Public Affairs (PA)**

Public Affairs (PA) refer to the strategic management of decision-making processes at the interface between politics, business, and society. PA describe that part of the professional communication of NOCs, which analyses and plans the relationship with political groups, and with social influence groups. The definition of PA in this context is the organisation of an NOC's external relationships (with governments, authorities, communities, other sport federations, etc.). It implies representing the NOC's interest(s) in a political context. It uses the methods of both classic public relations (press and (social) media relations, etc.), and specific instruments (communication with and consultation of relevant decision-makers, directly or via opinion leaders, media, CSR, etc.).

In RINGS Public Affairs Guidelines, it is explained that PA are all about strengthening the NOC's reputation, legitimacy, relationship with key stakeholders, and ability to influence bodies and decision-makers, thereby gaining political influence. Simply put, good PA are about having and keeping good relations. They are all about the ability to make your interests relevant for the right decision-makers. You need to find the interest and perspective that you and the decision-maker share, to enable both of you to win on the solution you propose. The challenge and solution you propose must be relevant for the decision-makers' own agenda and policy.

For further information, check RINGS Public Affairs Guidelines, which provide information on ten key elements to consider for successful public affairs of an NOC.

To make their group of organisations (IFs, NOCs, etc.) more influential in negotiations with the IOC, umbrella organisations have formed (e.g., Association for NOCs (ANOC), European Association of NOCs (EOC), or Association for Summer Olympic IFs (ASOIF)).

#### *Economic Factors*

Each NOC is managing within a national economy. Many potential revenues for an NOC are related to the economic strength of a country, such as public subventions, sponsor acquisition, and the overall size and professionalisation of the sports market. The employment rate, offer of sport opportunities, plus the wealth and education levels of the population, determine the desire to attend sport events, or the ability to practice sport. High tax revenues enable a government to invest in sport infrastructure and high-performance sports, and then provide stronger support of an NOC.

#### **Illustration: The United States Olympic & Paralympic Committee (USOPC) and its IOC funding**

The USOPC receives nearly 25% of the funding that all of the other 205 NOCs receive from IOC. This is due to a contract that entitles the USOPC to 20% of the revenue from the TOP programme (global marketing programme). Since the TOP programme revenues (2017-2020) have increased extremely, the USOPC should be much better off financially for the coming years (Owen, 2019).

In some countries, the economic factors are such that the respective NOCs cannot generate much money. Thus, their services are limited to the mandatory deliveries that are written in the Olympic Charter.

NOCs compete for funding and visibility against other national sports and events, which people consume in their leisure time. Most importantly, the governmental funding has a significant economic importance for NOCs.

The value which public authorities see in sport (see political factors above), severely influences the financial situation of an NOC and the NFs. The government as organisational environment should, therefore, be constantly observed, and relations should be maintained through public



affairs (PA). Each NOC should take into account the opportunities and threats it may face when cooperating with the government, without losing its autonomy.

**Illustration: Financial and economic dependence of the Italian Olympic Committee (CONI)**

According to a changed law, the Italian government was authorised to reorganise CONI, its activities, and its internal organisation. CONI's previous government funding was then divided between the Olympic Committee, and the newly-formed company Sport e Salute S.p.a. (i.e., Sport and Health), which is entirely state owned by the Ministry of Economy, that distributes the income from state funds and financing. In practice, this gave the Italian government greater control over how much money goes to CONI, and how that money is used.

CONI has historically been primarily funded by the Italian government via a scheme that includes revenues from sports betting, television rights, tickets from football matches, and other sports-related ventures. As already noted in subchapter 2.4.7, the annual CONI budget was approx. 400 million euro, but CONI was then reduced to receiving only 40 million, while the rest will be distributed through the new entity (i.e., Sport e Salute S.p.a.).

The changed law also states that the Italian Olympic Committee's activities and responsibilities would depend on governmental decisions. The new law further indicates that, the federations which make up the Italian Olympic Committee should abide by the government's statutes, rather than those of the Olympic Charter and the International Federation (IF), with which they are affiliated. Lastly, Italy's government would have specific control over the Italian Olympic Committee's financial activity.

In the Cabinet meeting in January 2021, former Prime Minister Giuseppe Conte managed to push an important legal amendment. By this, he secured for CONI, the necessary financial and administrative independence, as requested by the IOC.

Source: O'Kane (2019)

It is equally important to understand how the government funds sport and supports NOCs, and how NOCs can benefit from IOC resources (directly and through Olympic solidarity). As the illustration above has shown, it is also important to keep political independence, and to aim at diversifying the financial resources.

### *Sociocultural Factors*

Cultural factors have a great impact on an NOC's environment. The demographic structure of the society, and the population's interests in sport, affect the manner in which people behave. This can influence the power and position of any NOC. Gender and age distribution, sport interest, family structures, income distribution, and education all differ across countries and cultures. That does not only affect the NOC, but also the interest of sponsors, the political support to construct sport venues, and the desire to have large sport events in the country.

For strategic planning, the NOC should consider the societal interest in sport, and how it is changing.

### *Technological Factors*

These factors pertain to innovations in technology, that will affect the operations of the NOC and the Olympic Movement, either favourably or unfavourably. An example is the ongoing digitalisation, where the IOC will use the Alibaba Cloud, which provides almost unlimited features and information to the NOCs. Additionally, technological development plays an increasingly important role for athletes' equipment and training. Technology will enable eSports, Gaming, and Metaverse. The technology in sports becomes ever more important, and NOCs have to address this development in their strategic planning.

Communication technology, social media, and information challenge the way an NOC interacts with its stakeholders. Social media is continually expanding – both in the number of users and in its dissemination reach. Most people and organisations have accounts on Twitter, Facebook, and LinkedIn, and the younger generation uses Telegram, YouTube, Instagram, and TikTok. The target groups on the different social media channels are constantly becoming more fluid. Data-based communication will be the essence of WEB 3.0. That is an idea for a new iteration of WEB 2.0, which incorporates concepts such as decentralisation, blockchain technologies, and token-based economics. The IOC is already looking into that by striving to have customer-based Olympic communication.

### *Environmental Factors*

The relevance of sport in the society is already known over the ages. However, for the NOCs it lately became crystal clear and affirmed, when it was acknowledged in 2015 by the United Nations (UN). In that, the UN said that sport is an “important enabler”, with which to achieve the ambitious agenda of the UN Sustainable Development Goals. This recognition called all NOCs to make sustainability an integral part of all their activities. IOC

Agenda 2020+5 also emphasises this development and, therefore, increased the expectations towards the NOCs.

Climate change also affects the NOC activities regarding sports and sport events. Training for Winter sports is becoming more difficult in several countries and heat waves or other extreme weather conditions hamper the practice of sport.

#### *Legal Factors*

NOCs should consider, in their strategic management, that they must keep the power to determine the internal governance rules in their own statutes, their operating procedures, the holding of meetings, decision-making mechanisms, election rules, etc., in accordance with the general principles of national laws, and the basic rules of the IFs and IOC, to which they are affiliated. In other words, in brief, the NOC must comply with national laws, and is bound to the regulations of the Olympic Charter. An NOC does not operate in a space free of regulations and cultural expectations. Thus, it must respect the national laws and also, its stakeholders must act in a legally bound environment. For example, an Olympic Games bidding may be bound to governmental guarantees in terms of security, tax exemptions, or financial shortfalls.

Each NOC is also affected by the legal rules and policies of its external environment. This can be a sponsor's company law, the national laws of the Olympic Games host country to which an NOC sends its athletes and officials, employment laws for NOC staff, national doping laws, data protection and intellectual property laws, laws for not-for-profit organisations, etc.

#### *Media Factors*

Each NOC acts in a culturally-formed media environment. The power of social media and influencers is as important to consider, as the degree to which the media are sport-critical. As the media is the central connection to the society, and a strong influencer to the government, the best means of communication should be considered (see subchapter 4.4.5). Here, we can also add the degree of digitalisation of a country. This is related to the capability of accessing (unlimited) Olympic information (OBS cloud), using non-linear broadcasting (streaming), reaching all consumers and stakeholders to best offer the NOC services. The operating environment is very different from one NOC to another, and this should be considered in strategic planning.

### 3.3.2 Stakeholder Analysis

This subchapter explains why NOCs should go about using stakeholder identification and analysis. It helps them to meet their mission and create public value. Stakeholders form the external environment of an NOC (subchapter 1.2.3), and need to be accurately analysed to successfully develop and implement a strategic plan (subchapter 2.4).

No matter their size, all NOCs work with a great variety of stakeholders, and should meet their different interests. However, the interests of stakeholders and an NOC can be contradicting. Therefore, it is important to understand the opinions and expectations of stakeholders, no matter whether a stakeholder supports or opposes the NOC.

Taking that into consideration will improve the strategic plan, and also an organisational change, because it allows the NOC to better serve and interact with its stakeholders. NOCs rely on their supporters, and can anticipate the concerns of their detractors (Robinson, 2020, 56).

A stakeholder analysis can be undertaken for the NOC as an organisation, for a specific issue (e.g., digitalisation), and also for a particular project (e.g., sending the Olympic Team to the Olympic Games). Before starting an analysis, the subject for which an analysis is planned must be made clear.

#### *Step 1: Identification of Relevant Stakeholders*

The first step is to identify the stakeholders that are related to the project. If a central stakeholder is missing, then the strategy may not work, because actions and relations regarding that important stakeholder are not considered. In subchapter 1.2.3, the stakeholder environment of an NOC is shown. Additionally, project-specific stakeholders may be added (e.g., planning the Olympic Day together with the sport youth organisation, and staging it in a fair ground (e.g., Messe Hamburg) adds two stakeholders that are usually not relevant for an NOC).

#### **Fact Box: Automatic assisted tool available in RINGS – Stakeholder Analysis**

In RINGS you will find a tool that helps you to select and rate relevant stakeholders. The tool will automatically position each stakeholder in the “Power-Interest Map” with further elements regarding your “Ability to Influence” them and their “Alignment” with your position on the project in question (see handbook in the RINGS webpage). The tool will work

by guiding questions to identify the relevant stakeholders (see below) and position them.

- Political actors
- Athletes
- Member Organisations (individuals, Sport Organisations)
- Board members
- Staff
- International Umbrella Organisations (e.g., IOC/EOC, IFs, ANOC)
- Sponsors
- Media
- Other actors in sport (not members, but e.g., sport clubs, leagues, agents)
- NGOs (e.g., Transparency International, Greenpeace)
- Furthermore, the stakeholder tool will provide a mapping grid proposed list of actions with each stakeholder group, depending on their “Power”, “Interest” and your “Ability to Influence” them and their “Alignment” in the project in question.

Link: <https://rings-project.com>

Care should be taken, when deciding on the relevance of stakeholders for a project, that some stakeholders are not automatically classified as irrelevant, simply because there is no direct benefit relationship with them. In order to make the selection of stakeholders ethically viable, attention should be paid to stakeholders who have no influence on the NOC (or the project), but who have legitimate interests in the NOC, because they are affected by the strategic action. This also applies if they are not in a position to articulate their interest themselves. For example, the “next generation” is a stakeholder with legitimate interests on how an NOC should deal with the environment. Another example is that of nature (i.e., natural environment, see Laine, 2010) as stakeholder when it comes to construction or pollution. For example, Driscoll and Starik (2004, 65) argue that “organizations must interact with the natural environment for their physical survival, making nature a ubiquitous stakeholder of all human organizations”.

#### *Step 2: Analysis of Relevant Stakeholders*

The next step is to map the stakeholder importance. That is not an easy task as there are four dimensions to consider. The NOC needs to analyse, for each stakeholder, the

1. **power**, which indicates the power the stakeholder has over the NOC (or the project under consideration);
2. ability to **influence**, which means the potential NOC liability to influence the stakeholder, in general, or regarding the respective project;
3. **interest**, which means the interest the stakeholder has in the NOC (or the project under consideration);
4. **alignment**, which means the nature of the stakeholder's attitude (support versus opposition) towards our NOC (or the project).

Interest and alignment are not the same. Interest is a feeling that accompanies or causes special attention towards the NOC or the respective project. Alignment then defines whether the interest is in the same direction as that of the NOC (supportive), or a counterargument (in opposition). For example, the media can have a high degree of interest in reporting about an Olympic Bid, but may not aligned with the NOC (i.e., the media are in opposition).

Further, it is also important to consider the power which the stakeholder has over the NOC (or the respective project). Taking the two dimensions of alignment and power together, we can design a "Stakeholder Support-Opposition Grid" (Fig. 24; Bryson, 2018, 415).

One project often has several challenges (e.g., organising an Olympic Day means to get many people involved, get funding, get high social media coverage, get member federations involved). For each challenge the stakeholder can have another position, relative to that of the NOC. Therefore, the same stakeholder may be recurrent several times over in the "Stakeholder Support-Opposition Grid".

Figure 24 shows how stakeholders can be categorised by simply looking at their alignment to the NOC's position, with respect to the project (and each of its challenges) (ordinate). The abscissa shows how powerful the respective stakeholder is regarding the project. The NOC can be pleased when many stakeholders appear in the upper right and lower left corners. Stakeholders in the lower right corner cause problems, as they are powerful and not aligned. Here, a strategy is needed to either align them, or reduce their power.

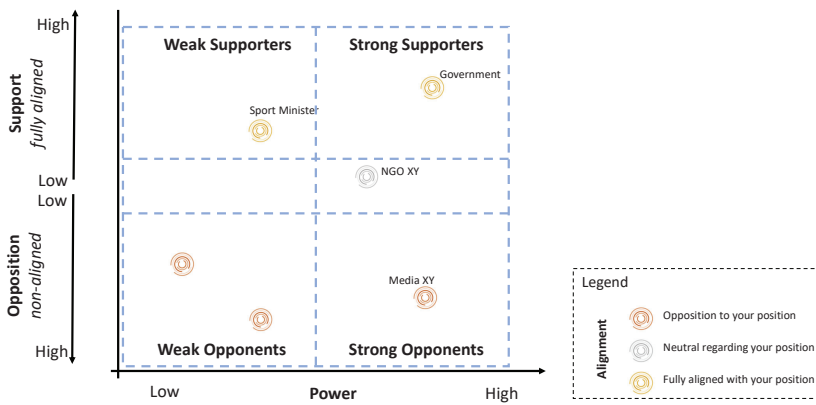


Fig. 24: Stakeholder Support-Opposition Grid with Fictive Stakeholders

Source: Adopted from Bryson (2018, 418); Nutt and Backoff (1992, 198)

According to Weber (1972), power means every chance to impose your own will within a social relationship, even against reluctance, whatever that opportunity is based on. There are different types of power. For this stakeholder grid, it is not important to define what kind of power a stakeholder has; however, when it comes to strategic consideration, it is necessary to know the source of the power. French and Raven (1960) differentiate five types of power:

#### Type 1: Legitimate power

Based on the general belief in the formal correctness of rules and those who enacted them, this is considered to be a legitimised authority (e.g., the IOC). Cultural values serve as common basis of this power. In some cultures, aged persons are granted the right to prescribe behaviour, in other cultures it may be a caste, religion, or education.

Legitimate power refers, for example, to the power of superiors, by virtue of their relative position in an organisational structure (e.g., NOC president, state parliament). Thus, legitimate power is identical to authority, and is dependent on the acceptance of the position holder. Legitimacy for that position can be created through election, adjudication, or other processes.

Type 2: Reward power

This power depends on the ability of the power exerciser (e.g., the government) to provide rewards. In addition to material or financial rewards, praise, and attention may also be applied. Reward Power exists also inside an NOC (e.g., the ability of an NOC board to provide employees with benefits, or promotion, or to increase their salary or scope of responsibility).

Type 3: Coercion power

This means the exercise of negative influence, e.g., by demotion or dismissal or withholding of rewards. Dependent obedience is achieved through the desire for valued rewards, or the fear of their denial (e.g., an NOC is gate keeper for governmental money given to NF).

Type 4: Power through identification (also called referent power)

This form of power refers to the power wielder's ability to evoke a sense of attachment in caregivers (e.g., an NOC identifies with the IOC). The power exerciser (e.g., here, IOC) influences attitudes of the reference organisation (e.g., here, an NOC) towards the power organisation (IOC); and thus, the emotions as well as goals and intentions (e.g., here Olympic Values) of the reference organisation (NOC).

Type 5: Power through knowledge (also called expert power)

This power arises from situational, valuable knowledge of the power exerciser. This power of experts is based on their skills or experience. Unlike the other bases of power, this is highly specific, and limited to the particular area in which the expert is experienced and qualified (e.g., an IT company running an NOC's webpage; attorney's advice in legal matters).

It should be considered, that in stakeholder relationships, power is not limited to one source. Normally, the relationship between two stakeholders is characterised by several qualitatively different variables, which are the bases of power.



### Workshop: Developing a “Stakeholder Support-Opposition Grid”

1. The facilitator introduces the project proposals – The grid in Fig. 24 is drawn, and the axes are explained.
2. The team reflects on all specific project proposals. For each project proposal, a separate grid should be available.
3. The team identifies the relevant stakeholders for each project proposal. Each stakeholder is written down on one label.
4. Each stakeholder will get placed, for each proposal, on its grid (you may repeat this; one proposal after another).
5. The facilitator pins the stakeholder label on the grid(s) after discussion in the team. If the team is large, then build sub-teams (three to five members each) to create more proposals for step 7
6. Team members should discuss the implications of the resulting stakeholder placements. Specific tactics should be discussed, and deployed based on the analysis with which to build a stronger coalition. Find arguments on how powerful opponents can be weakened or even converted into supporters.
7. At the end, the different proposals are compared, and those with the most (strong) supporters in coalitions, or those with the least (strong) opponents, can be decided on, either for or against.

The strong supporters of a project proposal build a so-called “winning coalition” (Bryson, 2018, 418). However, it should be considered that the larger the winning coalition is, the more concessions or trades there are that have to be made, to please the supporters. Often, a project proposal can get diluted, to the point that it can no longer achieve its original purpose (Brams, 2011), due to the fact of too many compromises and concessions.

Next, is to include the fourth dimension – the influenceability of a stakeholder. Stakeholders that are relevant for a particular project need to be more deeply analysed and categorised. The “Power-Ability to Influence Map” (Fig. 25) visualises the categorisation of the stakeholder. The map shows all four dimensions:

- Ability to influence: The ordinate shows how much influence the NOC has over the stakeholder.
- Power: The abscissa shows how much power the stakeholder has over the given topic or project, and the power is measured based on the types of power (see above). Here, only the power that a stakeholder has on the project under consideration, will count.

- Stakeholder alignment with NOC view: The colour of the circle shows how likely the stakeholder agrees with the NOC on the topic/project (colours are defined by “Stakeholder Support-Opposition Grid” above)
- Interest of the stakeholder: The size of the ring shows the degree of interest the stakeholder has in the NOC (or project)

Figure 25 illustrates this for a fictive project with fictive stakeholders.

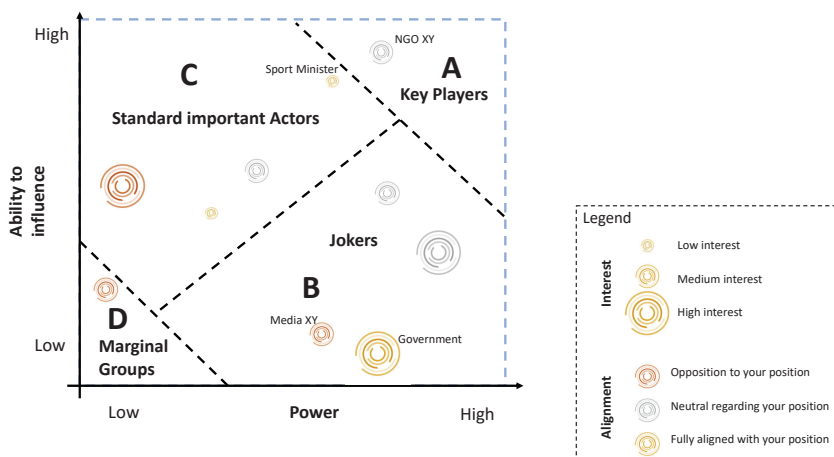


Fig. 25: Power-Ability to Influence Map with Hypothetical Examples

Source: Adopted from Müller-Stevens and Lechner (2005, 179)

The four areas in the diagram are not absolutely defined, but roughly show the meaning of a stakeholder (Müller-Stevens & Lechner, 2005, 179-180):

**A – Key Player:** This stakeholder is in a position to have a great influence over the NOC’s project. The NOC thus has a certain dependency on this stakeholder (e.g., resources, access, permission, policies). However, this is also true regarding the vice versa sense. The stakeholder is highly dependent on the NOC’s project, and thus can be influenced, i.e., the NOC and stakeholder are highly interdependent. Therefore, it is a positive factor if there is good communication between these two and, if necessary, even common principles or agreements.

**B – Jokers:** Stakeholders in this category can exert a high degree of influence (they have power), but are difficult to influence. However, the power clearly lies with the stakeholder. In order to assert its interests in the project, a Joker can threaten to withdraw its commitment, resources,

or even close important access points. Such a threat is definitely recognised by the NOC. This stakeholder is called a Joker because the NOC will have to aim to gain more ability, in order to properly influence this stakeholder. This can be achieved by aligning interests, by getting involved in the project, or even by the NOC seeking a replacement or an additional partner, so that it is not solely dependent on the initial partner.

Here, stakeholders which are in opposition, and in the worst case have a large interest in the project, are the most dangerous, while vice versa, those that have no interest and are in alignment, probably do no harm.

C – Standard Important Actors: Here, the power clearly lies with the NOC. The stakeholder is dependent on the NOC's project. This can be a supplier that provides the necessities for the NOC projects. While the supplier does need the business; effectively, the NOC can also use other suppliers.

D – Marginal Groups: These stakeholders are not game changers for the project, as there is no resource dependency in either direction. Such stakeholders will be kept informed without much effort. However, it should be borne in mind that stakeholders in this group can become important through certain incidences (i.e., they become a Joker).

In the RINGS stakeholder tool (see <https://rings-project.com>), the axes of Fig. 25 are “power” and “interest”. Variables “alignment” and “ability to influence” are shown in the box that is opening next to each stakeholder, with the possibility to click the action list. Stakeholder groups will have a neutral colour (black), whereas “alignment” and “ability to influence” are either “green” or “red” depending on whether the response is “yes” or “no”. Overall, this differently designed tool follows the classical design and diverts the stakeholders in the groups: “manage closely”, “keep satisfied”, “keep informed”, and “monitor”.

#### **Workshop: Development of “Power-Ability to Influence Map” (if not done by automatic tool in RINGS)**

- *RINGS provides an automated stakeholder analysis platform where the stakeholders can be picked, and the four dimensions of power, interest, influenceability, and alignment for each of them gets evaluated. Then, after you have completed the questionnaire, you would get the visualisation grid, where there can be seen, a dot for each stakeholder, with a pop-up opening, and showing that stakeholder's interest, alignment, and influenceability, with traffic-light colours as signals, and a link to proposed actions.*

In case you do not like to use the web-based proposal, you can run the following workshop

1. The facilitator introduces the project for which the map shall be developed.
2. The team identifies the relevant stakeholders for the project. The stakeholders can be internal and external. Be detailed here, so as to not forget important stakeholder groups. Some stakeholders may have to be split up into subgroups (e.g., national media versus international media versus social media, etc.).
3. Each stakeholder will get a score (scale 1-5), regarding the power it has on a given project, and then a score (scale 1-5) on the ability of the NOC to influence the stakeholder regarding the respective project. By doing that, a new stakeholder may come to your mind, and shall be added; or a stakeholder may have to be split up into more subgroups. The facilitator dots a point for each stakeholder on a map by using the scores.
4. Think about the interest a stakeholder has in the project (size of the cycle), and also about the alignment of the stakeholder with your project (colour of the cycle). The facilitator draws a differently-sized ring in a particular colour over the dots on the map.
5. After discussion, the facilitator draws the lines on the map, splitting the chart into four areas. The position of the lines should be made based on the stakeholders; e.g., the team may decide that a particular stakeholder shall count as a “Joker”. In principle, the positions of the lines are similar to those in Fig. 25.

After becoming clear about the stakeholder’s position on the map, the NOC can develop a strategic action list, which includes how to work with the different stakeholders.

### *Step 3: Strategic Action List I – Understanding Stakeholders’ Interests and Power*

To become strategic and to work with the stakeholders, it is mandatory to analyse each of the important stakeholder groups for the project (Key Players, Jokers, and some standard important players). The suggested technique, is to use a “Power-Directions of Interest Diagram” (Fig. 26), which should be drawn for each important stakeholder. That diagram indicates the sources of power that are available to a stakeholder, and the goals or interests the stakeholder seeks to achieve or serve. Thus, the NOC can use that for its internal analysis, with the NOC itself at the centre.

Differently to the way in which Bryson developed the diagram in Fig. 26, here the NOC is at the centre. The lower part of the diagram, shows the power a particular stakeholder has towards the NOC/project,

and the upper part shows the interests the stakeholder has, in order to be interested in, or aligned with, the NOC or its project.

Power can come from access to, or control over, various support mechanisms. The power a stakeholder has over the NOC can come from the five power theories (see above), or the power of voters (for an NOC, the members) and the connection to media or influencers. Here, first an analysis is needed regarding which types of power a stakeholder has.

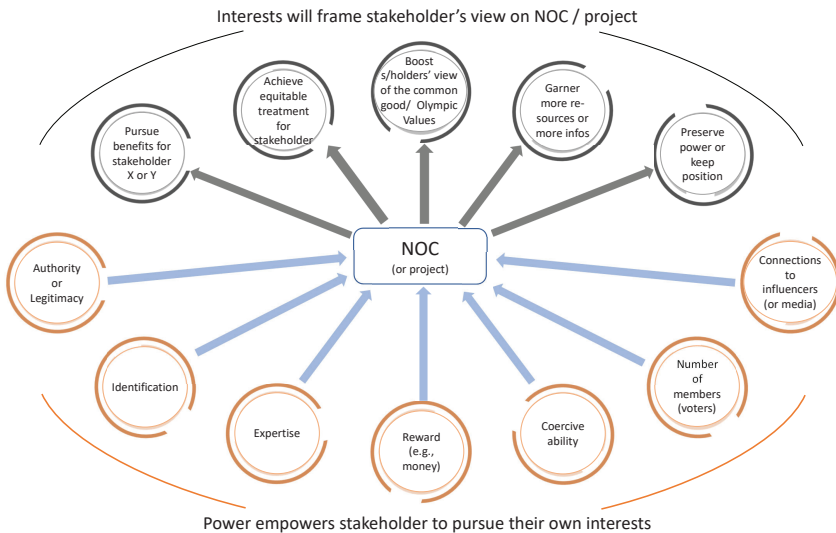


Fig. 26: *Bases of Power-Directions of Interest Diagram (with examples)*

Source: Transformed from Bryson (2018, 410)

The direction of the interests of the stakeholder would indicate the stakeholder aspirations (see also Tab. 5)

There are three reasons to construct this diagram for each (important) stakeholder:

1. It helps the NOC to find a “common ground” in terms of interest. The identification of commonalities across several stakeholders helps to find “winning arguments”, and would move a Joker stakeholder to become a key stakeholder.
2. The diagram helps to collect and provide background information (partly, to be included in the table below), in order to know how to

tap into the stakeholder's interest, or to make use of the stakeholder's power over the NOC's project.

3. The diagram can also help to understand or foresee stakeholder's reactions to the project, or specific problems, or proposals to change. For example, what power the stakeholder can use if he/she is in opposition.

#### **Workshop: Development of "Power-Direction of Interest Diagram"**

1. The facilitator attaches a flip chart to a wall and writes the stakeholder's name in the corner of the sheet. This is the stakeholder we are to assess. The facilitator then writes the name of the project or the NOC in the centre of the sheet.
2. The team brainstorms possible bases of power for the stakeholder (particularly as they affect the NOC's purpose or interests). The facilitator writes them down on the bottom half of the sheet.
3. Following the team discussion, the facilitator draws arrows on the diagram from the power base to the NOC/project, and between power bases, to indicate how one power base is linked to another. The width of the arrow symbolises the strength of the power.
4. The team brainstorms goals or interests, which they believe the stakeholder has. Here, it is of particular interest if they are also relevant to the NOC's purposes or interests. Then, you find a "common ground". The facilitator writes the stakeholder interests on the top half of the sheet, and marks the interests with "common ground".
5. A thorough discussion of each stakeholder diagram and its implications should follow. The facilitator records the results, as they are needed in the strategic table, which is developed later.

Source: Workshop developed and strongly modified according to Bryson (2018, 410-411)

Figure 27 explores which interests or themes appear to garner support from stakeholders. For the work with stakeholders, it is also important to find "common goods and the structure of a winning argument" (Bryson, 2018, 411). By finding those, the potential to gain some degree of influence over a stakeholder increases. Bryson created a technique to develop a viable political strategy, based on the above "Power-Directions of Interest Diagram". Therefore, the interest part has to be explored more deeply, to determine which interests or themes appear to find persuasive arguments, that would show how support for specific policies/projects will further the interests of a significant number of important stakeholders, and how to garner their support.

The following considerations apply only to the NOC stakeholders, and no longer to individual projects.

The NOC needs to search for common themes, which are called “super interests”. These are at a meta-level (meta-interests). For each theme from the stakeholders, the NOC should create a label, that appears to capture or integrate the specific stakeholder interests which make up the theme. The identification of common themes is a subjective exercise. The NOC needs creativity, discernment, and judgement. After identifying these themes, the NOC should then create a map, which identifies all of the super-interests that tie together the individual stakeholders’ interests, and indicates how to emphasise on win-win situations (winning coalition), or how to gain some degree of influence over the other stakeholders (Bryson, 2018, 411).

Developing a variable political rhetoric is a key visionary leadership task (Crosby & Bryson, 2005), and should help an NOC to understand how it can pursue its mission and create public value. It is, therefore, important to understand how specific stakeholders might be inspired and mobilised to act in such a way that the common good is advanced. Thus, an analysis is needed to understand how each stakeholder’s interests connect with the super-interests.

To gain influence over stakeholders, the NOC should be very clear about the goals and interests of those stakeholders. Parent (2008) collected the core interests regarding “event management”, which may be financial, human resources, infrastructure and operations, legacies, media/visibility, planning and organisation, policy, relationships and participation, or sport.

The interests of the stakeholders can be diverse, and can basically be grouped into 5 areas:

- Affiliative: They want contact and cooperation regarding the project; interest in human relationships, and needing to belong.
- Informative: They want information. Interest is knowledge-based.
- Material: They want gain/loss of tangible benefits.
- Political: They want political power and distribution of influence.
- Symbolic: They want to be associated with a symbol, or an image.

Table 5 shows a choice of stakeholders and their interests towards an organising committee of an event (e.g., trials, Olympic Day, the Olympic Games).

Tab. 5: Organising Committee External Stakeholder Interests

| Stakeholder Group Stakeholder |                                         | Interests                                                                                                                                                              |                                                                                   |                                                                                   |                                                                                                                                                                        |                                                                                                                                                                        |
|-------------------------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                               |                                         | Material                                                                                                                                                               | Political                                                                         | Affiliative                                                                       | Informational                                                                                                                                                          | Symbolic                                                                                                                                                               |
| Governments                   | Federal, provincial, & municipal        |                                                                                       |  |                                                                                   |                                                                                       |                                                                                       |
| Community                     | Residents, sponsors, & Community groups |                                                                                       |                                                                                   |  |                                                                                       |                                                                                       |
| Sport Organisations           | International, National, & Provincial   | <br> |  |                                                                                   | <br> | <br> |
| Media                         | Television, print, & radio              |                                                                                       |                                                                                   |                                                                                   |                                                                                       |                                                                                       |
| Delegations                   | Participants & support staff            |                                                                                       |                                                                                   |                                                                                   |                                                                                       |                                                                                                                                                                        |

Source: Parent (2008)

So far, the stakeholder mapping provides a good understanding of the wider strategies that could be applied. An issue that must not be overlooked is whether or not the particular stakeholder is aligned with the NOC position.

It may be that the NOC and a stakeholder have different positions on the project; however, there may also be issues that are of common interest. The technique discussed here refers to finding a common position, or creating a public value, by searching themes, concerns, or goals that are shared by key stakeholders. This intends to downplay opposition to the project. The technique explained here addresses the ways in which opposition to the project need to be taken into account.

Figure 27 shows the “Stakeholder-Issue Interrelationship Diagram” (see Bryson, 2018, 413). It helps the NOC to understand which stakeholders have an interest, and in which issues, and how some stakeholders might be related to other stakeholders through their relationships with a particular issue.



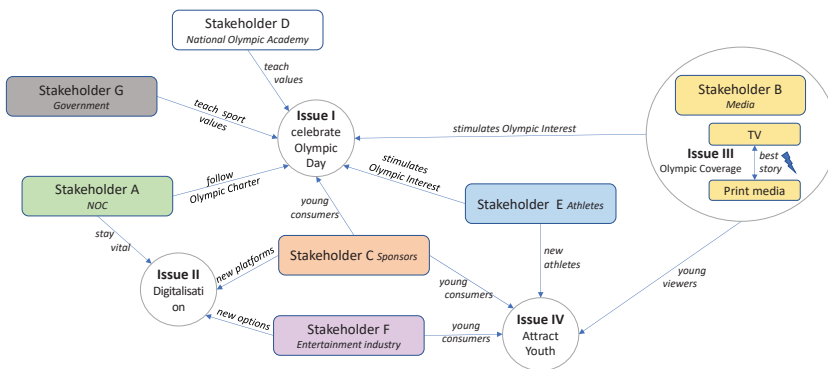


Fig. 27: Fictive Stakeholder-Issue Interrelationship Diagram

The diagram in Fig. 27 provides structuring of the areas of issue. It visualises a number of actual or potential areas for co-operation (or conflict). An arrow in the diagram indicates that the stakeholder has an interest in an issue. The specific interest is likely to be different for each stakeholder. Some interests may even be in conflict. Therefore, it is even more important to understand which stakeholder interests need to be prioritised, and which issue(s) would fare better if they were not overly addressed.

Fig. 27 illustrates that stakeholders A, B, C, D, E, and G each have an interest (or stake) in issue I (celebration of the Olympic Day). Stakeholder A is also related to stakeholders C and F, because of their joint relationship to Issue II (these want more Olympic digitalisation activities). Here subgroups of stakeholder B have a further issue between them (issue III; regarding the Olympic Games coverage media fights to gain exclusivity over the best story). Issue IV is interesting for B, C, E, and F. In general, many more stakeholders may be interested in all of these issues, but here only the most important were picked. All arrows should be labelled to explain what exactly the interest of the stakeholder is. It should be marked whether there are any conflicting interests.

### Workshop: Developing a Stakeholder-Issue Interrelationship Diagram

Have a facilitator with a flip chart. Equip yourself with different coloured pens and self-adhesive labels.

1. Start with agenda setting. It must be explained what the diagram shall show. It can be projects, trends (e.g., Agenda 2020+5), or challenges of the NOC.
2. Relevant stakeholders are taken from the “Power-Ability to Influence Map”, or have them brainstormed by the team. Write all stakeholders on labels.
3. The team brainstorms issues that appear to be present and related to the project (or to the trends or challenges of the NOC), and will write them down on other coloured labels.
4. Following team discussion, the facilitator places the issues (which can be small projects in themselves) on the flip chart, and then places stakeholders all around and connects them with arrows to issues. An arrow indicates a stakeholders’ stake in an issue. The content of each arrow – that is, the stake or interest involved – should be identified and written down on the arrow.
5. The team thoroughly discusses each issue, stakeholder, and arrow, and any implications for the framing or reframing of issues and management of stakeholder relationships should be noted.

Source: Workshop developed and modified from the work of Bryson (2018, 414)

#### *Step 4: Strategic Action List II: Developing Strategic Work with Stakeholders*

Finally, all of the information that is collected in this subchapter, will build the basis for the strategy that is applied to each stakeholder. All of the maps, grids, and diagrams that are introduced, are useful when working with the various stakeholders, and when implementing a project, or initiating change. They can help the NOC to develop project proposals, that are likely to garner significant stakeholder support. But, it is still important to also maintain a focus on stakeholders during the implementation. To collect all information for a clear picture, the NOC can develop a table (see Table 6), which displays information on perspectives, power and controlling, etc. It is exemplary and can be extended by using additional information (for example, contact persons, historical incidences).

Tab. 6: Strategy Development and Implementation Table

| Stakeholder                                    | NOC's perspective                                                                                                    |                                                                                                                                | Stakeholder's power                                                                |                                                                                                                                      |                                                                                                                                                | NOC's power                                                                                                                                | <br><b>Strategy for engaging the stakeholder</b> | Controlling                                                            |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|                                                | Interest/<br>stake<br><br>(What is our benefit from this stakeholder? How can stakeholder contribute to project/us?) | Influence<br>Channel<br><br>(What influence channels are open to stakeholder? What kind of power do we have over stakeholder?) | Influence<br><br>(How much influence does the stakeholder have on the project/us?) | Damage<br>(What damage/harm can be caused to us? On what is the power of the stakeholder based? Can stakeholder block the project?)  | Opposition<br><br>(With whom and in what issues is this stakeholder in opposition?)                                                            | Interest<br><br>(What are the interests of the stakeholder – what is needed to win them?)                                                  |                                                                                                                                   |                                                                        |
| Government<br>(contact person/<br>email/phone) | 100,000 Euro                                                                                                         | <ul style="list-style-type: none"> <li>Sport attracts Youth</li> <li>Expert power</li> </ul>                                   | very high                                                                          | <ul style="list-style-type: none"> <li>Loss of 100,000 Euro is 30% of finance</li> <li>Reward power</li> <li>Cannot block</li> </ul> | No opposition                                                                                                                                  | <ul style="list-style-type: none"> <li>Political influence</li> <li>Symbolic (become related to project)</li> </ul>                        | Involve government visibility in project, keep them informed, & have regular contact                                              | CEO talks regularly with contact person                                |
| Media<br>(contact person/<br>email/phone)      | Visibility in TV                                                                                                     | <ul style="list-style-type: none"> <li>Provide interesting stories/news</li> <li>Legal power as we have the rights</li> </ul>  | medium                                                                             | <ul style="list-style-type: none"> <li>No coverage in that media</li> <li>Coercive power</li> <li>Cannot block</li> </ul>            | <ul style="list-style-type: none"> <li>In opposition with other media</li> <li>We want a large audience; the media want exclusivity</li> </ul> | <ul style="list-style-type: none"> <li>Good stories</li> <li>Interest of viewers</li> <li>Symbolic (visibility through project)</li> </ul> | Work on delivering news/stories via a functioning media centre                                                                    | Head of media department meets 3 times before project with stakeholder |
| IOC<br>(contact person/<br>email/phone)        | ...                                                                                                                  |                                                                                                                                |                                                                                    |                                                                                                                                      |                                                                                                                                                |                                                                                                                                            |                                                                                                                                   |                                                                        |
| Sponsors<br>(contact person/<br>email/phone)   |                                                                                                                      |                                                                                                                                |                                                                                    |                                                                                                                                      |                                                                                                                                                |                                                                                                                                            |                                                                                                                                   |                                                                        |
| ...                                            |                                                                                                                      |                                                                                                                                |                                                                                    |                                                                                                                                      |                                                                                                                                                |                                                                                                                                            |                                                                                                                                   |                                                                        |

Table 6 includes a brief description of the strategy that should be implemented. These strategic actions (see black ring) should be developed and formulated with great care, and be much more detailed than shown. This table helps managers and NOC board members to stay attuned to their stakeholders, and to think, act, and learn strategically. It also helps to keep the need for ongoing responsiveness clearly in mind (see Bryson, 2018, 421-22).

### 3.4 Strategic Analysis and Action Plan Development (SWOT)

SWOT is the acronym for **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats. Up to here, we have primarily looked at the “inside” of an NOC, and the external influencing forces of the environment of the NOC, in relative isolation from each other. In this paragraph, we will now combine the two areas. Thus, we examine the interactions that occur between the environment and the NOC, and obtain indications of how an NOC can proceed strategically, in order to react adequately to environmental changes.

A SWOT analysis is a tool, with which to assess the internal and external environments of the NOC, and should be part of an NOC's strategic planning process. In addition, a SWOT analysis can be done for an NOC project, a place (e.g., to locate an Olympic training centre), or even a

person (e.g., find a new social media manager). A SWOT analysis helps with both strategic planning and decision-making, as it introduces opportunities to the NOC, by way of being a forward-looking bridge with which to generate strategic alternatives.

Strengths and weaknesses refer to the *internal* analysis of the NOC. Opportunities and threats are a result of upcoming changes of the *external* environment.

### *Strengths*

Strengths are those things that the NOC does well. Strengths are based on resources that the NOC controls, and they must be maintained and developed through good strategic management (Robinson, 2020, 59).

Strengths are a property of every NOC, and represent the answer to the question “What do we do well?” or “What is good about us/our Olympic actions?”. Strengths can be determined via an internal NOC analysis. Subchapter 3.2 addresses strengths. This can be, for example, stakeholder support, good public image, satisfied sponsors, motivated staff with expertise, good government relationship, sustainable NOC premises, effective promotional strategy, or lack of competitors.

Strengths differ from opportunities, in that opportunities are external factors. In other words, NOCs have no control over the presence or frequency of opportunities (but, in fact, NOCs do have control over whether or not, and how, they would choose to use any encountered opportunities); however, they do have control over strengths (by choosing to either neglect or improve certain areas).

### *Weaknesses*

Weaknesses are the things that the NOC performs poorly, and the resources it lacks related to the projects and public value it wants to achieve. Those shortcomings can, and should be, corrected through better management (Robinson, 2020, 59).

Every NOC, potentially, can do some things poorly, or may focus on things that are not so beneficial or effective for its members. Weaknesses are particularly noteworthy if they prevent the NOC from achieving its mission. This might mean finances leaking unnecessarily, hidden agendas of some directors, adding high work load to staff, having a low level of professionalisation, having a lack of rooms, improperly targeting member federations or athletes, losing money by not dealing well with government, IOC, or sponsors. Weaknesses harm (or prevent benefit), and are related to how the NOC is managed. Therefore, weaknesses are a part of the internal analysis of the NOC.

The difference between weaknesses and threats, is that the threats are external factors. In other words, every NOC faces the same global trends which may produce threats, but weaknesses are unique to how the NOC is run/structured.

#### *Opportunities*

Opportunities are positive factors that are outside of the NOC's control, but can be used to its advantage (Robinson, 2020, 59).

Opportunities are a combination of different circumstances (from the external environment) at a given time, that can offer positive outcomes, if they are properly adopted and used to good advantage. Indeed, the NOC cannot create opportunities. It can only choose how to position itself, to gain the maximum benefit from an opportunity that comes up. Examples here are new governmental sport investment programmes (bringing new programmes), a positive change in the public authorities that value sport more (bringing more financial support), or an increase in the awareness of the population that sport is healthy (bringing new sponsors).

#### *Threats*

Threats are negative factors outside of the organisation's control, and which must be rebuffed or blocked through good strategic management (Robinson, 2020, 59).

Threats are anything from the external environment, that could cause damage to the NOC. For example, this can be anything from other organisations which might intrude on the NOC's sphere, such as athlete unions or competitors for sponsors. Because threats develop externally, there is nothing an NOC can do to stop them from materialising. Also, while the NOC cannot change the frequency of threats (or it might intentionally bring them about), each NOC can still choose how to approach such threats, and then deal with them. Examples of threats are a negative attitude towards sport due to new politicians, doping scandals, decrease of IOC/Olympic Games reputation, Covid-19 postponement of the Olympic Games, or refugees arriving in massive numbers due to the Russian invasion of Ukraine.

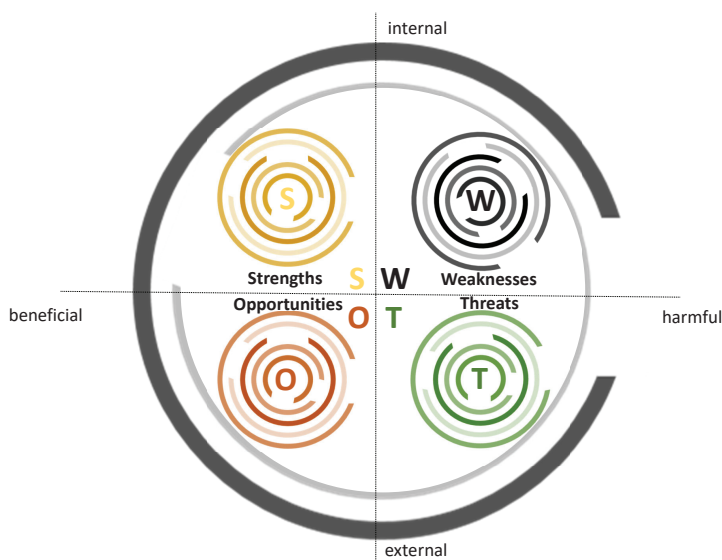


Fig. 28: SWOT Matrix for an NOC

Figure 29 gives only a rough overview of potential strategies that can be applied when strengths meet opportunities (SO-Strategy), or threats (ST-Strategy) and weaknesses meet threats (WT-Strategy) or opportunities (WO-Strategy).

*SO-Strategy: Using strengths to seize opportunities*

The SO-strategy is the ideal case. The NOC identifies opportunities that match the NOC's strengths. For example, existing knowledge in the area of environmentally friendly event hosting (strength), can be optimally aligned with the need towards greater environmental awareness of the population regarding the event hosting (opportunity).

*WO-Strategy: Reduce weaknesses to exploit opportunities*

Regarding the WO-strategy, the idea here is how opportunities can be realised, despite internal weaknesses. In this strategy, the NOC should consider which weaknesses need to be reduced and how that would be achieved, in order to be able to profit from external opportunities. In a fast-growing, innovative event environment (opportunity), for example, a missing support of regional government, and slow bidding processes (weakness), are great hindrances to attracting a sport event, but their impacts can be reduced by entering into co-operation with the national

government, by developing a national event strategy (such as in Canada, the UK, or Denmark).

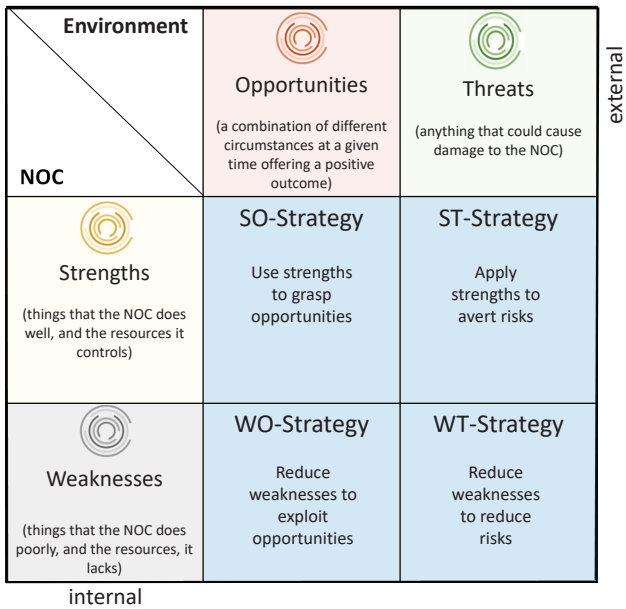


Fig. 29: Strategies Taken from SWOT Analysis

**Illustration: National Strategy to attract events**

The establishment of Sport Event Denmark (SEDK) was in 2008. The aim of SEDK is to strengthen Denmark’s position among the world’s leading hosts of international major sport events. The motivation for a strategy for the period of 2019-2022, was to define the overall direction of SEDK. Further, SEDK establishes goals and prioritises development areas, in close collaboration with experienced stakeholders.

The key framework conditions identified were:

- Internationally, only a few countries have established a similar national event organisation, yet some countries are already in the development phase (Germany, Switzerland, Austria, etc.).
- Despite a current lead, an increase in competition for major sport events is anticipated.
- Significantly lower financial resources of Denmark in international comparison.
- Increasing costs of promoting and hosting major sport events.

The result was, that SEDK had a success rate of 80% for its event-applications. Winning events:

| year | number of events in Denmark |                                                          |
|------|-----------------------------|----------------------------------------------------------|
| 2008 | 39                          | 1. IOC Session and Olympic Congress 2009                 |
| 2009 | 60                          | 2. UEFA Congress 2009                                    |
| 2010 | 26                          | 3. Taekwondo World Championships 2009                    |
| 2011 | 31                          | 4. Track Cycling World Championships 2010                |
| 2012 | 28                          | 5. Women's Curling World Championships 2011              |
| 2013 | 24                          | 6. BMX World Championships 2011                          |
| 2014 | 14                          | 7. UCI Road World Championships 2011                     |
| 2015 | 38                          | 8. European Dressage and Show Jumping Championships 2013 |
| 2016 | 28                          | 9. Short Course Swimming European Championships 2013     |
| 2017 | 30                          | 10. European Handball Championships 2014                 |
| 2018 | 22                          | 11. Half Marathon World Championships 2014               |
|      |                             | 12. BWF Badminton World Championships 2014               |
|      |                             | 13. Archery World Championships 2015                     |
|      |                             | 14. Women's Handball World Championships 2015            |
|      |                             | 15. Ice Hockey World Championships 2018                  |
|      |                             | 16. [...]                                                |
|      |                             | 17. Handball World Championships 2019                    |

*ST-Strategy: Apply strengths to avert threats*

The ST-strategy means to use existing strengths to counter external risks. For example, stable and financially independent sport clubs and federations (strength) can be advantageous in countering pandemics, such as COVID-19 (threat).

*WT-Strategy: Reduce weaknesses to reduce threats*

The WT-strategy is the least favourable, and is about which threats the NOC must avoid, at all costs, because the corresponding strengths are missing. The strategy, in this case, is to reduce weaknesses in order to mitigate risks. For example, if an NOC is not good in governance (weakness), and the population is increasingly sceptical and against the Olympic Games (threat), it should be considered how the governance can be improved, or whether it may be necessary to give up bidding to host the Olympic and Paralympic Games.



### Workshop: Conducting a SWOT analysis

#### 1. Choose the right candidate

A SWOT analysis should be conducted by someone from your NOC, internally. This person may be someone who oversees internal departments. He/she may have direct access to personnel, projects, data, and research. That person should be able to examine processes, work-flows, and task management, without showing bias.

#### 2. Start with the strengths

Begin with examining the NOC strengths or the 'S' in SWOT. These can be found by gathering data, specifically by examining results from previous projects. Additionally, the analyst will also interview staff and board members, and also athletes, to hear their perspectives. It is important to gather insight from staff, as they will have strong opinions on where NOC strengths lie. Then, identify how strengths can be increased or leveraged.

#### 3. Rank the strengths

Not every strength is equally dependent on your NOC's expectations. Rank the strengths by pinpointing your top three to five choices. Limit the list to focus on primary advantages, because it is difficult to maximise the potential of every strength on the list.

NOCs have limited funding and resources. Shortening the list of strengths can help to focus on what is important.

#### 4. Summarise findings

With your now concentrated list of strengths, you should highlight:

- What are the chosen strengths?
- Who do they affect?
- What are the potential benefits from those strengths?
- Why are these strengths in your chosen list of top items, above others?

#### 5. Repeat steps 2 – 4 for the rest of the analysis

Follow the above steps for each phase of the analysis. Replace strengths with weaknesses. Then focus on opportunities and threats.

Note: The questions in step 2 will differ:

- Weaknesses: Consider how they can be eliminated, reduced, or altered. If they cannot be removed, how can they be reduced? If they cannot be reduced, can they be converted to a strength or an opportunity?
- Opportunities: Assess them on how they can benefit the NOC. But also, assess how they could become threats. Remember that

opportunities are not real yet. In SWOT, opportunities are about acknowledging and utilising their benefits as they develop.

- Threats: Examine them to mitigate risk, and to prepare for any adverse impact.

#### **6. Develop strategic actions**

Meet with a group of three to five adopted persons and discuss the lists from steps 1-5. Then, combine the strengths/weaknesses with the opportunities/threats, and think about potential strategies which you could adopt and implement.

- Strategise strengths opportunities
- Strategise weaknesses opportunities
- Strategise strengths threats
- Strategise weaknesses threats

Source: Adopted from <https://pestleanalysis.com>

### *3.5 Strategic Risk Assessment and Risk Management*

Risk and crisis management are different, but they are interrelated. Risk assessments enable the NOC to be a little more prepared for crises. Whether your NOC is in a sudden crisis, or in a situation that could have been anticipated, it is good practice to perform a risk assessment. In a risk assessment, the following four points are important to consider:

- What is the potential economic impact?
- What are the expected societal consequences?
- What is the potential loss of credibility, and devalued image and reputation?
- What is the degree of probability (low or high) of the above points happening?

Crisis management is the identification and effective response of an NOC to threats, in order to mitigate any adverse impacts on the NOC and its stakeholders (you can read about crisis management in chapter 6). Individuals, organisations, stakeholders, and industries can all be affected by crises. As the global COVID-19 pandemic continues to affect the different societies around the world, the need for NOCs and NFs to react to, adapt to, and address a multitude of existing crises becomes increasingly imperative. In essence, COVID-19 in itself has been a crisis that the entire global and Olympic sport industry was struggling with, had to deal with, and had to overcome (see case study on COVID-19 and NOC in subchapter 6.3.2).

This chapter aims to give a better understanding of risks, and how to consider them in strategic planning.

Risk (management) is “the proactive process that involves assessing all possible risks to events and their stakeholders by strategically avoiding, preventing, reducing, diffusing, reallocating, legalising and building/managing relationships to minimise identified risks” (Leopkey & Parent, 2009).

The terms, risk and uncertainty, are often confused, but with risk you would know all potential outcomes and their likelihood, while with uncertainty you have no idea of outcomes or their possibilities. For example, for Olympic Games there is a certainty of cost overruns (Andreff, 2012), but an uncertainty concerning their magnitude, which is never taken for granted, as it depends on many factors. Often, the media will report on a risk of cost overruns at Olympic Games but, as aforementioned, uncertainty has nothing to do with risk. If the Olympics were indeed “a risky business”, we would actually observe no cost overrun at all for some editions, and even some cost underruns for some other editions.

According to Leopkey and Parent (2009) and Robinson (2020, 26-27), there are different risk types. Although each NOC has a unique environment and structure, NOCs face some common risks. In the following, the questions formulated indicate a risk:

- **Environmental:** How independent are NOC projects from weather conditions and air pollution? Is the Olympic team able to handle a pandemic?
- **Financial:** Do NOCs rely on only one main 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? Think about sponsorship, lotteries, governmental support, media rights, etc.
- **Good governance:** The efficient use of resources for their intended purposes (written in statutes), is an ethical responsibility for every NOC. Does your NOC follow financial procedures? Are these procedures formally documented? Does your NOC have financial controls in place, and are you sure that these controls cannot be circumvented by those in power? Can your NOC account for all its revenue and expenditure? Does your NOC present audited accounts to its members and stakeholders?
- **Human resources:** The way an NOC operates may lead to risks, such as an inappropriate recruitment of staff and volunteers. Does your NOC have a clear and appropriate strategy for achieving its objectives? Is it backed up by appropriate human resource operating principles?

- **Infrastructure:** Your NOC administrative building or stadiums may be owned by your NOC. Are these properties insured for damages, vandalism, or natural disasters?
- **Interdependence:** It consistently occurs that the government takes too much control over your NOC's autonomy, but also sponsors may make you dependent. How can you avoid that risk and, at the same time, keep your autonomy?
- **Legally:** The manner in which an NOC 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 NOC, even those of a low value, should be reviewed by a legal expert to identify legal risks. An NOC must also ensure that it complies with all applicable legislation, in areas such as employment, data protection, and health and safety. Is your NOC an unincorporated association, in which the individual members have personal liability, or is it an organisation with its own legal capacity 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 NOC's assets properly protected by law (this is especially important in relation to intellectual property protection for all NOC brands, NOC merchandising, or national Olympic sponsorship rights)?
- **Media:** NOC projects, the Olympic Team, and Olympic bids are well covered by the media. Have you considered how to react in any cases of negative coverage? What if a negative incident occurs (corruption, doping, nomination scandals, etc.), and there are questions from the media, asking for reasons? Are you prepared to react positively if your Olympic team is successful, and you can meet the sponsors' interests?
- **Political:** Policy- and strategy-related risks arise from both the inside and the outside of an NOC. 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 the society. Does your NOC have an appropriate strategy for the resources it controls, and the services it must provide? What if the government changes? What if the government decides to boycott the Olympic Games?
- **Sport:** Some risks may be directly connected with the sport itself – for example, combat sports are more likely to have more inherent health risks than badminton. At the Olympic Games delegation, members or athletes can be injured or involved in lethal accidents. An NOC's future

funding may be at risk if your athletes' performances are considered to be insufficiently successful, from the perspectives of the sponsors or the government.

- **Threats:** Have you thought about risks caused by epidemics, or even pandemics, terrorism, natural disasters, etc.?
- **Workflows:** What if the logistics (travel, transport, catering, or accommodation) do not function correctly, and materials that are required by persons do not arrive on time at the Olympic Games? How is the location/facilities management organised to stage events successfully? Is enough security in place, and did you already consider the safety of your staff?

All management of an NOC should have a responsibility to take well-judged, sensible risks to develop the organisation. However, to ensure that those risks are, indeed, well-judged and sensible, an NOC must ensure that its general procedures include the need for risk management. According to Robinson (2020, 26), risk management procedures may follow these three steps:

1. Assessment of risks facing the NOC, including the identification of key risks
2. Risk management strategies
3. Periodic review of the programme

### 3.5.1 Assessment of Risks Facing the NOC

One common approach to risk management is impact-probability assessment. The aim is to estimate the range of possible impacts, of an event or trend, on the NOC.

| Consequences/Impact for NOC |                                                                                       |                                            |                                                                 |                                                  |                                                  |
|-----------------------------|---------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
|                             | Negligible<br>(minor problem,<br>easily handled by<br>normal day to<br>day processes) | Minor<br><br>(some disruption<br>possible) | Moderate<br><br>(significant time<br>and resources<br>required) | Major<br><br>(operations<br>severely<br>damaged) | Catastrophic<br><br>(NOC survival is<br>at risk) |
| Probability                 | Watch out!<br>(> 90% chance)                                                          | High                                       | High                                                            | Extreme                                          | Extreme                                          |
|                             | Likely<br>(50-90% chance)                                                             | Moderate                                   | High                                                            | Extreme                                          | Extreme                                          |
|                             | Moderate<br>(10-49% chance)                                                           | Low                                        | Moderate                                                        | High                                             | Extreme                                          |
|                             | Unlikely<br>(3-9% chance)                                                             | Low                                        | Moderate                                                        | High                                             | Extreme                                          |
|                             | Very<br>Unlikely<br>(<3% chance)                                                      | Low                                        | Moderate                                                        | High                                             | High                                             |

Fig. 30: Risk Assessment Grid

Source: Own investigation

Quantifying risk involves multiplying the likelihood (or frequency) of the risk event occurring, by the extent of its potential impact: Risk = Likelihood  $\times$  Impact.

### 3.5.2 Risk Management Strategies

There are different ways to work with risks. Managing risk then involves selecting tools to prevent or minimise each individual risk, by reducing its likelihood or its impact.

Leopkey and Parent (2009) introduced five risk management strategies. These mitigate the risks affecting an NOC:

1. **Reduction:** Many risks can be reduced by being aware of them. A better planning, clear business objectives, training, staff deployment, controlling, test events, communication, and using previous experience are good. Often, a change of operating style can reduce a risk.
2. **Avoidance:** Other risks can be avoided if you are aware of a risk area. This includes the fact that it would be better to not start projects that appear too risky. Overall, this limits the number of options you have

in your strategic decisions. Avoidance of “catastrophic” risks should be undertaken.

3. **Redistribution:** This strategy demands that you transfer the risk or responsibility for the risk to another person/institution outside of the NOC.
4. **Dissemination:** Here, the NOC spreads the risk by becoming less dependent on one stakeholder, or sharing the risk with the stakeholder or other entities. NOCs can also create backups, in the case where any incident occurs. Thus, the consequences would be reduced.
5. **Prevention:** Similar to avoidance, an NOC can aim to avoid a risk by setting up rules and regulations to educate the respective party and, therefore, this places the risks back on them. This is not always working, as certain damages (e.g., reputation loss) can also occur when regulations are set up. Another way to prevent this, is a substitution of the risky entity/person (e.g., not picking a risky sponsor, but rather picking another and less-risky sponsor). Finally, the NOC can prohibit actions that involve too much risk. For example, there may be travel restrictions to dangerous countries, or risky investments for the available NOC budget. Prevention can also be done by way of contracts. The NOC can severely decrease the potential damage, by having the right insurances or having contracts/agreements. For example, in many countries, officials are insured against liability for injuries that occur to athletes under their responsibility, and most NOCs that stage events (Youth Olympic Day, etc.) insure themselves against injury to participants and spectators (Robinson, 2020, 28).

By using the strategies to control the risk, the assessment will show a different risk situation. The NOC can either aim to reduce the probability that an incident will occur, or that NOC can reduce the potential consequences that the incidence has over it.

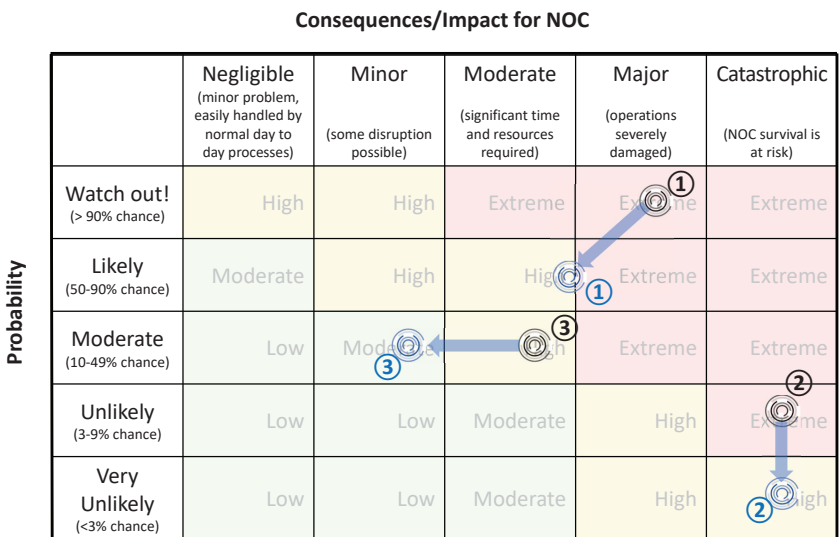


Fig. 31: Risk Assessment Grid Before and After Taking Action

Source: Own investigation

To visualise the actions undertaken, and the monitoring process behind the action, Robinson (2020, 27) suggests to develop a risk register.

Tab. 7: Risk Register for an NOC

| Risk                                                 | Proba-<br>bility<br>of risk | Conse-<br>quence/<br>Impact | Over-<br>all risk | Action un-<br>dertaken                                                | Monitor                                                         | Responsi-<br>bility    | Further<br>action                            | Date of<br>reassess-<br>ment   |
|------------------------------------------------------|-----------------------------|-----------------------------|-------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------|------------------------|----------------------------------------------|--------------------------------|
| ① Covid19<br>affects spon-<br>sor pay-<br>ment       | almost                      | major                       | ex-<br>treme      | Offer local<br>VIP ar-<br>rangements                                  | Sponsor<br>workshop                                             | Head of market-<br>ing | Report to<br>board be-<br>fore Paris<br>2024 | Septem-<br>ber 2023            |
| ② Loss of<br>government<br>support<br>post-Covid     | unlike-<br>ly               | catas-<br>trophic           | ex-<br>treme      | Promotion<br>of impor-<br>tance of<br>sport in<br>post-Covid<br>world | Regular<br>talks to<br>govern-<br>ment rep-<br>resenta-<br>tive | President              | Report to<br>board at<br>next<br>meeting     | End of<br>year                 |
| ③ Loss of<br>director<br>high-perfor-<br>mance sport | moder-<br>ate               | moder-<br>ate               | high              | Increase of<br>salary; more<br>responsibili-<br>ty                    | Communi-<br>cation<br>with di-<br>rector                        | Head of<br>HR          | Review<br>HR salary<br>plans                 | After next<br>Olympic<br>Games |

Source: Own investigation



As explained above, you also can add columns anticipating the economic, societal, and reputation impacts of each risk in a few words. This would underline, and give an immediate understanding of, the column on “overall risk”

### 3.5.3 Review of the Risk Programme

Settings dates for reassessments of risks is important. As the environment and stakeholders change, risk will also change. Successful action and risk strategies also change former risks. Therefore, risk management is a process that needs evaluation and renewal.

Robinson (2020, 28) demands that, as with all aspects of governance, the process of risk management should be transparent and communicated throughout the NOC. This is in line with Agenda 2020+5 - the demand for credibility. Trust in the NOC can be built, by including an acknowledgement of the Board’s responsibilities in the annual report. Additionally, the process followed, and a confirmation of the systems in place to control areas of major risk, should be included. This allows all stakeholders to be comfortable with the risk management of the NOC, and can eventually strengthen relationships.

#### Workshop: Risk Management at NOCs

1. Identification of risks: Meet with your Board members and management, and have appropriate conversations with external consultants and auditors, and make a brainstorming session to identify risk areas.
2. Understand the probability of occurrence and impact of risks: Quantify risks by placing them in the risk assessment grid.
3. Realise the degree of severity of a risk. It can be economic, societal, or reputational: Aim to put a “price” on each consequence. The price can be any resource (money, time, relations, reputation, etc.). Then calculate the risk.
4. Work on a risk strategy: Consider for each risk, how you would control issues to avoid the risk. Discuss how you would set up a “control procedure”, and then set a date for a review.
5. Control: Dedicate a responsible person to each risk area. This person is in charge of observing the risk development, initiating further action, or calling for a meeting. The person in charge must control the date of review.

6. Develop a “risk register” with all data from steps 2-5 for your NOC board, in order to keep the members informed.

Another part about risk management, regarding organisational change, will be described in detail in subchapter 4.4. Chapter 6 will have a closer look at crises and crisis management.