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## **MANAGING RISKS DURING PLANNING AND IMPLEMENTATION PHASES OF MEGA-SPORT EVENTS**

**Анотація.** Мета цієї статті — ідентифікація проблеми управління ризиків виникнення небезпек у великомасштабних спортивних спортивних подіях і надання способів їх запобігання організаційній команді. Наведено результати порівняльного аналізу під час вивчення чинників небезпеки на прикладі двох великих спортивних подій: перша спортивна подія — Євро УЄФА 2016 у Франції; друга у — Олімпійські Ігри в Ріо-де-Жанейро 2016 року. Аналіз виконано на базі архівної інформації матеріалів і повідомлень з офіційних веб-сайтів. Ідентифіковано поняття «управління ризиками» у сфері спортивних і визначено найбільш суттєві категорії, які є складниками оцінками в процесі управління ризиками: види змагань, людські ресурси, традиції, засоби інформації, спортивна інфраструктура, рівень організації. Показано, що управління ризиками є основним способом, який дає можливість запобігати та обмежувати небезпеки різного виду та походження та сприяє виконанню прийнятих зобов'язань з боку організаторів.

**Ключові слова:** небезпека, управління ризиками, великі спортивні події.

**Abstract.** The purpose of this paper is to identify the risk management issues in large-scale sporting events from the perspective of the organizing management team. A comparative case study analysis of two mega sport events: one is a single sport event (UEFA EURO 2016 in France) and the other — multi-sport event (the Olympic Games in Rio 2016) was conducted through analysis of archival material and reports from the official websites. The definition of the risk management in the field of events was identified, alongside with determining the most influential issue categories (environment, human resources, legacy, media, infrastructure, sport, organizing, vis-

*ibility and participation. Risk management is the primary tool for reducing the incidence of injury and managing an organization's potential exposure to loss and legal liability.*

**Keywords:** *risk of life, to identify the risk, the large-scale sporting events*

Sport event management is viewed as a specific sector within event management. It is a diverse field which incorporates the four functions of management — planning, organizing, leading and controlling — in conjunction with project management, marketing, communications and risk management. As its core is the brief for the sport management professional not only to plan a successful event milestone and then to execute it, but also to create a feasible risk management plan.

Risks are particular threats that might affect budget, compliance, reputation and the operation of the sport mega event. According to the Economic Times risks management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk. In the event literature, the objective of risk management identifies controlling the impact of unforeseen issues or accidents that take place within a project.

Risk management is the overall process of assessing and controlling risks within an organizational setting and includes the sub processes of risk assessment and risk mitigation. It was firstly developed as a concept in the late 1950s and was initiated in connection with space programs, finances, and nuclear power [1]. Insurance industry was also among the first to implement the process of the managing risks. Later it was applied to other disciplines, such as project, clinical/medical, energy, and operational risk management. From the 1980s risk management was included within sporting events and now plays a crucial role in the overall sport program which includes budgeting, scheduling, insurance coverage, eligibility, equipment and facility management, contract, and other duties.

Effective risk management, within such a context, is unlikely to receive the attention required. A particular problem is that the necessary skills set are likely to be missing. However, risk management is a simple process that should be a part of effective event management [2].

From a practical perspective there are a number of steps required to manage risk effectively:

Step 1. Concerns identifying hazards and threats — A hazard is something with the potential to cause harm or a 'source of harm'. They

can be identified by using various tools and techniques such as brainstorming, reviewing records of past events, collecting feedbacks from staff, volunteers, talking to other event organizers, attending other events, hiring a risk consultant, etc.

Step 2. Concerns assessing the impact of such hazards upon business activities – The table of determining the probability or likelihood of a risk incident or risk event occurring might be helpful by assessing the risks.

Step 3. Concerns measuring the risk, assessing its probability and deciding upon priorities. – The Risk Matrix is a perfect tool to map the impact and probability parameters against pre-determined risk categories which have corresponding risk management requirements. Effectively this creates a defined set of tolerances to work within when managing risks for events. Evaluating risks is about understanding your risk exposure and setting priorities to manage your exposure within acceptable tolerances. Low risks should be acceptable with routine procedures. Medium or high level risks should be managed to reduce the probability and/or potential impact. Extreme risks are unacceptable and must be eliminated (typically by ceasing the event or activity), or reduced (such as adapting the rules, length, duration, course etc.) regardless of costs or implications.

Step 4. Concerns considering alternative options, ranging from avoidance (withdrawing from an activity), deferment (wait and see), reduction (improve prevention and control measures, for example, through a continuity plan) or transfer (via insurance).

The scope of risk management can be narrow or broad, reflecting the managerial mindset of an organization.

The football stadia disasters of the past thirty years and the deaths of spectators and drivers in Formula 1 highlight the threats associated with sport which go beyond those faced by participants. These are the most tangible of hazards. However, as the sports industry has become more professional, the threats from other categories of risk have become more obvious, as Manchester United's insurance policy indicates. Within the football industry the growing separation of coaching from business management is a response to this.

Two broad approaches to risk assessment have emerged, the heuristic and scientific approaches. The heuristic (rule-of-thumb approach) is qualitative and based upon judgement. The scientific approach utilizes statistical modelling.

Although risk analysis and assessment may be aided by complex mathematical modelling these can only aid judgement as they are based

upon many subjective assumptions. The aim of such tools is to help managers arrive at a considered understanding of the hazards and threats their organisations face together with an understanding of the potential impact upon operational and strategic objectives. The tools are, perhaps, best used, to frame the discussion of hazards and risk management and ensure that such issues are not ignored. Resulting from analysis and discussion a strategy for risk management should be developed.

The most demonstrative way to find out which risks do sport events try to minimize during their planning and organizing is to take two different events as the examples. It is essential to choose all events in one size and scale (mega-event, hallmark, major).

The first method to apply during the process of choosing the analyze objects was 'Problem Statement Guidelines'. This method is applied to sharpen the definitions of any problem into its what, when, where, who, why, and how dimensions. Problem Statement Guidelines also included the part of brainstorming at the moment of identifying appropriate events for each type. The following method has shown the overall information of the sport events of different size and scale. Meanwhile, another method was implemented to measure the organizational spheres of the events, constructing those steps into a frequency table of comparing how many times one event is superior to other options. That method is called the comparison matrix.

After conducted analyze the mega-events were chosen and evaluated in order to see the contrasting influential moments in managing with single and multi-sport risks events. Mega event is by virtue of their size in terms of attendance, target markets, level of public functional involvement, political effects, extent of television coverage, construction of facilities, and influence economic and social fabric of host communities, in addition, being a multidimensional phenomenon – simultaneous urban events, touristic events, media events and international or global events. These events are generally developed following competitive bidding. They include the Olympic Games, the Paralympic Games, the FIFA World Cup, the IAAF World Championships and World Fairs. In this work, the latest Summer Olympic Games and UEFA EURO tournament were appointed.

The modern Olympic Games are leading international sporting events featuring summer and winter sports competitions in which thousands of athletes from around the world participate in a variety of competitions. The Olympic Games are considered the world's foremost

sports competition with more than 200 nations participating. The Olympic Games are held every four years, with the Summer and Winter Games alternating by occurring every four years but two years apart. (Olympic Games, 2017).

The UEFA European Championship (known informally as the Euros) is the primary association football competition contested by the senior men's national teams of the members of the Union of European Football Associations (UEFA), determining the continental champion of Europe. It is held every four years since 1960. UEFA EURO 2016 is the final tournament of the UEFA European Football Championship 2014–16 including all related official events and activities. (UEFA, 2018). The table 1 below provides us with the information of comparison of both events.

*Table 1*

**Comparison of the analyzed objects**

<b>Name of the event</b>	<b>Host city (country)</b>	<b>Dates</b>	<b>Events</b>	<b>Nations participated</b>
Olympic Games Rio 2016	Rio de Janeiro, Brazil	5 August – 21 August	306 in 28 sports	207
UEFA EURO 2016	10 cities in France	10 June – 10 July	306 in 28 sports	24

The sport events were analyzed according to their official reports from the websites and by reading the sport specialist reviews in magazines and sport blogs. The theoretical information was received by gathering information from the special literature concerning sport business and evaluation of risks during the events.

According to the Rio 2016 Olympic Games Integrated Report, their work started with the identification and effective management of unpredictability, by evaluating and periodically monitoring the risks mapped and the respective mitigating actions and contingency plans. Then following the results a risk classification according to severity level (high, medium or low), made through the analysis of probability versus impact. Risk management, confer to sport event management theory, are grouped into corporate risks (those that might affect the planning phase) and operational risks (those affecting operations during the event implementation).

During the UEFA EURO 2016 in France the risk management team established the following main corporate risks: underestimation of

costs and budget deficit due to reduction of expected revenues (sponsorships and ticket sales). Corporate risks are mostly connected with the financial threats as this part of event planning directly influence the execution of the upcoming event. Rio 2016 confronted the subsequent operational risks as water conditions in the venues with aquatic competitions in natural environments, which were monitored regularly; strikes and disruption of public transport, which could affect the mobility of the workforce and spectators; and compliance with food safety standards to avoid the contamination of food destined to athletes due to improper handling or storage. As a result, operational risks are frequently resulted from failures, fraud, deficiencies or inadequacy of internal processes, people and systems.

Lasting from couple of weeks to months mega-sport events require not only feasible budget stating, but also the sporting venues that are the main place of action. Rio 2016 operated 185 venues during Games time, considering competition, noncompetition and training venues, meanwhile, EURO 2016 had ten football stadiums with the average capacity of 55 000 seats. Each venue was classified as sensitive or non-sensitive according to their environmental, social and immediate surroundings.

The environmental and social aspects, during each event preparation, were considered and evaluated, which included environmental regulations, existing flora and fauna, land and water quality, historical heritage and social aspects around the venue were analyzed. The methodology the organizers of both events used was based on information from the venue development and temporary structures team, field visits and specific technical documents that have been published about each location, as well as alignment meetings with governmental partners and regulation institutes. The analysis defined the sensitive areas for construction, operation and monitoring, identified risks and found solutions that are sustainable and economically viable.

A four-stage process has been implemented during risk management of both events. According to the events practice stage one should consider the widest range of possible failures in all of the areas of risk identified. The second stage is concerned with assessing the impact of a failure, understanding the organization's objectives is a vital prerequisite to this. The third stage is concerned with calculating the probability of failure. The fourth step involves managers considering alternative options for action ranging from avoidance (withdrawing from an activity), deferment (wait and see), reduction (improve prevention and con-

trol measures, for example, through a continuity plan) or transfer (via insurance).

### **Conclusion**

The purpose of this article was to examine how the chosen two mega sport events identified the risk management issues. It was crucial to choose the same dimension of sport events and to compare whether they both manage risks during planning and implementation the identical way. After analyzing it is seen that the kinds of risks are, actually, the same, although, the Olympic Games required more detailed risk identifying for the sport matches and games as there were more than three hundred activities, having more than one at the same time. During the planning phase, event management team should identify risks in the most intricate approach, so that the whole specter of potential risks will be covered and the ways of solutions created, in order to be more flexible during the implementation of the event. To conclude, every mega-sport event must take into serious considerations the preparation of risk management plan as it focuses on the minimizing unpredictable economic, environmental and social concerns. In addition, the anticipation of risks has the potential to encourage event body to look inwards, informing the incorporation of risk into decision-making processes, as is expanded upon later. However, despite the power of risk as an object of management and governance, its shaping of new methods and definitions cannot guarantee that a given mega-event will pass without serious incidents and consequences.

### **References**

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