

The summer olympic games: management



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It is widely believed that Summer Olympic Games is one of the biggest sporting events in the world as it has the largest number of sporting events, numerous participants and millions of spectators across the world. The world cup is also a very big event and ranked among top three sporting events in the world of sports and has millions of followers. In the space of two years, Brazil will host these two biggest events. Although, Brazil is not the first country to achieve this feat, but it is the first country in South America to host this event. However, it is the only USA that has hosted world cup games before the summer Olympic Games while it is the reverse in the case of other countries. Other countries as detailed below have hosted these two events in the space of two years as well.

Even in the midst of global recession and recovery, Castro N. J. et al (2008) affirms that Brazil's economy has considerably improved and can be said to be stable and firm in the past ten years. Since 2000 the per capita income of Brazil has consistently increased. It is currently ranked in the top ten economies and expected to be among the top five in the world by the end of the Olympic Games in 2016. With the convenient state of the economy, one may be tempted to think hosting two mega events in a row will be an easy ride. The question is “ How prepared is Brazil for this task?”

The FIFA world cup, Brazil 2014 will definitely be a test call for the Olympic Games Rio de Janerio 2016, as USA 1994 was for Atlanta 1996. The two upcoming events are the catalyst to development and urbanisation in Brazil. The transformation of urban centres such as the case of Barcelona (1992) and Mexico city (1968) due to the hosting of the Olympic Games is a source of inspiration for Rio de Janerio as diverse views believe this could be the

aftermath of this mega-event in 2016. Obviously, urbanisation is one of the potential legacies and benefits as well as an argument for Brazil to host this event. The added value of hosting is a reflection of Harvey's (2001) view of the mega event as a strategy for stimulating the economy of the host country, construction of all range of infrastructure and facilities, revitalization of the cities and venues, the attraction of entrepreneurs, tourism and business.

This write-up will attempt to evaluate and examine a commercial integrity review of the potential financial, procurement, contractual, supply chain management and legal issues in hosting this mega-event as well as the effective response to these issues. This will be discussed within the project management boundaries with an emphasis on legacy, value, benefit, achievability and dimensions.

1. 2 PROJECT AIM

The aim of this write-up is to appraise the commercial integrity review of hosting this mega-event with respect to the potential financial, procurement, contractual, supply chain management and legal scenarios as well as the effective response to these scenarios and advise Organising Committees of the Olympic Games (OCOG).

1. 3 PROJECT OBJECTIVES

Naisbtt J. (2000) sees objectives as tangible and measurable milestones by which the vision and mission of projects can be achieved. Lock D. (1992) suggests that the objectives of any project can be summarized into three categories. The objectives of this write-up take into cognizance the

performance and quality of pre-hosting and post-hosting in terms of the justification of the end result, budget with respect to reasonably staying within the authorized expenditure of the Olympic Games Committee and time to completion which refers to ensuring the actual progress is in line with planned progress.

To carry out a business environment appraisal that will ascertain the viability and feasibility of Rio de Janeiro 2016 in the short term, medium term and long term. Legacy or Fallacy?

To examine the accuracy of the existing capital structure for Rio 2016 by identifying viable cost control activities.

To ensure that the key legacies, benefits and values of hosting this mega sports event as stated in the vision and mission of Organising Committees of the Olympic Games (OCOG) are achieved.

To identify potential scenarios and exposures as well as proffer effective and efficient solutions.

To assess the performance of the existing suppliers, contractors, consultants and vendors (SCCV) and proffer selection criteria for subsequent SCCV.

To critically evaluate the supply chain management strategy adopted for the mega-event.

To examine the scheduled procurement processes, contractual procedures and already drafted legal framework and implications involved.

To appropriately advise the OCOG of all findings, conclusions and recommendations.

1. 4 BENCHMARK

The success of hosting sporting events has gone beyond the economic impact and now included intangible effects such as legacy. With respect to benchmarking, legacy impact is very key and to achieve this feat it is necessary to look backwards to the trend in previous Olympic Games.

Analysis of the debriefing of the London 2012 Olympics exposed diverse issues ranging from security, transportation, logistics, supply chain (challenge in procurement and supplier diversity), management of stakeholders for potential legacy among others.

Proper social and economic interpretation of the post-hosting of previous games such as Beijing 2008, Athens 2004 and Sydney 2000. Some Chinese hosting cities leaped from agrarian society (Change in mode of transportation – tube to buses), aftermath of Athens 2004 saw the Greek economy in a devastated state and still trying to pick up.

Evaluation and appraisal of the impact and influence of FIFA world cup “ USA 1994” on Olympics Games “ Atlanta 1996”.

A thorough analysis of the above will create a strategic monitoring and controlling framework thus providing an escapism to previous problems associated with pre and post-hosting of mega-event of this magnitude.

1. 5 KEY SUCCESS FACTORS

The Olympics Games provide opportunities for investments in infrastructure and development of programmes that will improve the standard of living now and in the future. Brazil is not an exception, thus some key factors by which the success of the Games will be measured are summarized below with respect to the society and the environment, and the sustainability of the impact in the future (Brown A. et al, 2011).

Key Factors

Sub-Factors

Social Integration

Wealth Dispersion

Sports Involvement of Population

Job Creation

Accessibility to Quality Infrastructure

Social Engagement

Global Engagement

Sport Event Attendance

Global Audience Engagement

Business, Entrepreneur & Investors

Tourism Impact

Showcase Brazillian Culture

Environment & Sustainability

Air & Water Quality Improvement

Solid Waste Recycling Programme

Public Safety

Reforestation

Green Buildings & Technology

Table 2: Key Success Factors

Source: <http://www.sloansportsconference.com/wp-content/uploads/2012/01/Dartmouth-Tuck-1.pdf>

2.0 PROJECT PLAN

Field M. & Keller L. (2002) simplified project plan as a comprehensive document which clearly communicates the project manager's intentions to the stakeholders, the clients and the project team members.

2.1 PROJECT MANAGEMENT TEAM

Apart from the several committees that co-ordinating the planning of the hosting of Rio de Janerio 2016, there are other key project team members that will be actively involved in this Olympic Games Project. A graphical representation of these key project team will be shown in the figure below.

KEY TEAMS

Procurement, Supply Chain, Contract & Legal Team

Commercial

Human Resources

Operations

Design, Engineering & Infrastructure

Finance

Recruitment

Risk Management Team

Integration

Architects

Partners

Health, Safety & Environmental Team

Security

Electrical

Sponsors

Shared Services

Technology

Mechanical

Transportation

Structural & Civil

Venue

Figure 3: Key Project Management Team

Source: Adapted from

2. 2 PROJECT STAKEHOLDERS

Field M. & Keller L. (2002) sees stakeholders as a group of people who have keen interest in a project. They are very important and influential to the success of the outcomes of the project, thus the need to clearly identify, map, assess and manage them. The key stakeholders analysis of Rio de Janeiro 2016 project will be carried out using the itemized processes.

Identification of all stakeholders

Prioritisation to determine relevance

Visualisation and mapping of stakeholders

Engagement through effective communications

Monitoring the effect of the engagement.

(Weaver, 2012)

2. 2. 1 STAKEHOLDERS IDENTIFICATION

The stakeholders can be classified into five groups as listed below:

Government: Federal, State and City governments of Brazil

Non-governmental: Community groups, Environmental groups, Private service providers, Volunteers, Research groups

Olympic Committees: International Olympic Committee (IOC), Organising Committee of Olympic Games (OCOG), Olympic Development Authority (ODA), Local Organising Committee (LOC)

Project Team: Engineering team, Operations team, Health & Safety team, Contractors, Sub-contractors, Suppliers, Employers, Financial Institutions

General Public: Spectators, Audience, Media, Tourists, Business Owners, Citizens of Brazil especially the Cariocas (People living or from Rio de Janeiro) and indigenes of other venues.

Corporate Organization: Sponsors, Supporters and Partners.

2. 2. 2 STAKEHOLDERS ANALYSIS

Having clearly identified and mapped the stakeholders, this section will assess each stakeholder using the four Is (4-Is), Interest, Influence, Importance and Impact. (Adapted from APMBOK, 2008). See details in next page.

IMPORTANCE

INFLUENCE

Low

High

Finance Team

Federal government

Partners

State government

Supporters

City government

Tourist

IOC

High

Media

OCOG

Athletes

ODA

Business Owners

LOC

Citizens & Residents

BOC

Sponsors

Environmental group

Community groups

Private Services providers

Redcross

Employees

Volunteer

Researchers

Engineering team

Low

Operations Team

HSE Team

SSCV

Legal Team

Figure 3: Stakeholders Analysis

Stakeholder

Interest

Importance

Influence

Impact

Grid

Government

Federal

1. 00

1. 00

1. 00

1. 00

4. 00

State

1. 00

1. 00

1. 00

1. 00

4. 00

City

1. 00

1. 00

1. 00

1. 00

4. 00

Olympic Committee

IOC

1. 00

1. 00

1. 00

1. 00

4. 00

OCOG

1. 00

1. 00

1. 00

1. 00

4. 00

ODA

1. 00

1. 00

1. 00

1. 00

4.00

LOC/ BOC

1.00

1.00

1.00

1.00

4.00

International Federations

1.00

1.00

1.00

1.00

4.00

Non-Government

Community groups

0.75

0.75

0.75

0. 75

3. 00

Environmental groups

0. 50

0. 75

0. 25

0. 75

2. 25

Private service providers

0. 50

0. 50

0. 50

0. 50

2. 00

Volunteers

0. 75

1. 00

0. 50

0.75

3.00

Research groups

0.75

0.75

0.75

0.75

3.00

Redcross

0.50

0.75

0.25

0.50

2.00

Project Teams

Engineering Team

0.75

1.00

0.75

1.00

3.50

Finance Team

0.75

1.00

1.00

1.00

3.75

Operations Team

0.75

1.00

0.75

1.00

3.50

HSE Team

0.50

1.00

0. 50

1. 00

3. 00

SSCV

0. 75

1. 00

0. 75

1. 00

3. 50

Legal team/Arbitors

0. 75

1. 00

0. 75

1. 00

3. 50

Employees

0. 75

0. 75

0. 75

1. 00

3. 25

General Public

Spectators

1. 00

1. 00

0. 25

0. 75

3. 00

Athletes & Participants

1. 00

0. 75

0. 75

1. 00

3. 50

Audience

1. 00

1. 00

0. 25

0. 75

3. 00

Media

1. 00

1. 00

1. 00

1. 00

4. 00

Tourist

0. 50

0. 75

0. 50

0. 75

2. 50

Business Owners

1. 00

0.75

0.75

1.00

3.50

Citizens & Residents

1.00

0.75

1.00

1.00

3.75

Corporate Organizations

Sponsors

1.00

1.00

1.00

1.00

4.00

Partners

1. 00

1. 00

1. 00

1. 00

4. 00

Supporters

1. 00

1. 00

1. 00

1. 00

4. 00

Figure 3: Stakeholders Matrix

2. 3 ROLES AND RESPONSIBILITIES

The Brazil Olympic Games consist of a range of stakeholders with differing interest, impact, importance and influence. A clear definition of roles, functions and responsibilities of the will not help reduce complexities and conflict but also enhance the reporting line and the success of hosting the Olympic Games. The roles and responsibilities have been categorized as stated on the next page.

TITLE

STAKEHOLDERS

ROLES

RESPONSIBILITIES

Project Board

Brazilian Government (all Tiers)

Consist of the project executive committees and ensures proper supervision and monitoring the progress of all Rio de Janeiro 2016 projects.

Raises awareness of Brazil as host at the global level

All organising committees

Champions, promotes and supports Rio de Janeiro 2016

Financiers

Sources for funding for executing Olympic projects

Supporters

Has approval authority for strategic issues with respect to ongoing projects

Partners

Drives and manages change in the course of the Olympic project

Sponsors

Compose mission statement with emphasis on legacies, deliverables, value and benefits

Communicates with other key project stakeholders

Programme Manager

All heads of projects for each project of the Olympic games.

Oversees the management and co-ordination of the programmes of projects with respect to a successful hosting of the Brazil Olympic Games in 2016

Ensuring the maintenance and sustenance of the brand drivers (Value, Benefits, Legacies, Achievability) before, during and after the Brazil Olympic Games.

Has budgetary control of the programme of projects.

Monitors and responds to issues at the programme level

Provides intermittent and regular status reports to the Brazil Olympic planning board

Contributes and implement strategic planning

Manages all suppliers and contractual relationships

Project Manager

Ensures the delivery of all facilities that will be required for hosting Brazil 2016 with respect to the agreed specifications.

Manages and leads diverse project teams.

In charge of human resources for Brazil Olympics (Project staffs, Engineers, Architect, Consultants)

Directors of Projects

Implements detailed planning & control using productive project plan

Co-ordinators of Projects

Provides regular status report to the board

Project Supervisors

Has a level of approval authority (Design specifications)

Monitors progress and performance in line with deliverables

Escalates issues where necessary

Project Team

Commercial Team

Actively carries different tasks on specific projects as regards Rio de Janerio 2016. Roles depend on the unit or project of the team.

Provides functional expertise in delivering the required facilities for the Olympic Games

Human Resource Team

Carries out activities as stipulated by the project manager and as specified in the project plan.

Operations Team

Documents and analyses issues and complexities.

Design, Engineering & Infrastructure

Escalates complexities to project manager

Transport

the games

HSE

Identifies needs and reports to project manager

External Teams

Contractors

Provides support to the execution of various projects to enhance a successful Olympic Games

Applies special skills and expertise to assist local workers.

Sub-Contractors

Develops collaborative relationship with project and programme managers

Consultants

Ensures clear communication among all teams

International Agencies

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Carries out activities with respect to quality and magnitude of Olympic Games

Expatriates

Enhancement of reputation and personal growth as a significant contribution to the success of Brazil Olympic Games will add to their CV.

Other Interest Groups

Brazillian citizens and residents

A group of people that benefits from the pre and post Brazil Olympic Games

Enjoy the aftermath of Rio de Janeiro (Legacies, Values and Benefits)

Athletes

Communicates project information

Regulatory bodies

Contributes to the success of Rio de Janeiro 2016

Community group

Environmentalist

Determines the economic and social climate for Brazil Olympics.

Media

Participates actively or passively in the Olympic Games (depending on the category in the group)

Global audience

Figure 3: Roles and Responsibilities

Source: http://www.gla.ac.uk/media/media_26397_en.pdf

2.4 COMMUNICATION PLAN

Communication is an integral part of any successful project and Rio de Janeiro 2016 being a mega project is not an exception. The need to deliver Rio 2016 as a world-class event requires efficient and effective communication strategy in all dimensions. Proactive communication and timely briefings enhance synergy among stakeholders. The development of a communication strategy that is committed to open and constructive dialogue will aid the success of Brazil Olympic Games as all views will be heard. Below is a summary of the communication plan.

Category of Stakeholder

Objectives of Communication

Frequency of Communication

Medium

Format

Project Board

Review project objectives in line with deliverables as well as management approach

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Monthly

Face-to-Face

Soft copy archived on shared point site and project website.

Programme Managers

Detailed progress on programmes of projects

Bi-Weekly

Face-to-Face

Soft copy archived on shared point site and project website.

Project Managers

Projects update status and supervisory reports

Daily & Weekly

Face-to-Face

Soft copy archived on shared point site and project website.

Project Teams

Daily tasks report

Daily & Weekly

Face-to-Face

Soft copy archived on shared point site and project website.

Consultants

Update report on complexities

Bi-Weekly

Face-to-Face

Soft copy archived on shared point site and project website.

SSCV

Update report on complexities

Weekly

Face-to-Face

Soft copy archived on shared point site and project website.

2. 5 RISK MANAGEMENT

Field M. & Keller L. (2002) sees stakeholders as a group of people who have keen interest in a project. They are very important and influential to the success of the outcomes of the project, thus the need to clearly identify, map, assess and manage them. The key stakeholders analysis of Rio de Janerio 2016 project will be carried out using the itemized processes.

2. 6 WHOLE PROJECT LIFE CYCLE AND FINANCIAL WHAT IF SCENARIOS

The whole project life cycle consist of six phases and these provide the structure and approach for progressively delivering the project (APMBOK, 2000). The whole life cycle will be used to critically analyse and discuss what if scenarios for the financial, procurement, supply chain, contracts and legal aspects of Brazil Olympic Games.

Table 3: Whole Life Cycle of Project

Source: Adapted from APMBOK. 2000

WHOLE PROJECT LIFE CYCLE PHASES

Project Life Cycle

Concept (Pre & Post Bidding for Hosting Right, Formation of OCOG)

Planning (OCOG reels out Whole Master Plan)

Execution (Detailed Implementation of Master Plan by OCOG)

Handover (Conclusion of Projects and set for the Olympic Games)

Extended Life Cycle

Operation & Maintenance (Olympic Games – The Competition)

Termination (Aftermath of Olympic Games – Legacy, Benefits, Values)

Table 3: Whole Life Cycle of Project

Source: Adapted from APMBOK. 2000

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Project Life Cycle

Conceptualization

Planning & Development

Implementation & Execution

Hand over (Commissioning)

Gather Information

Appoint Key Project teams and members

Set up Organization & Communication, Build Deliverables

Review, Evaluate & Accept Project

OCOG establishes – Vision, Mission & Goals, Analysis of Feasibility & Viability of Hosting, Stakeholders, Risk Level, Strategy, Potential Team

Carry out studies and analysis

Detailing of Technical Requirements, Motivate Team

Identify need, key resources & possible alternatives

Develop Scope Baseline (End products, Quality Standards, Resources, Activities)

Establish & Execute Work Packages with Detailed Schedule

Lessons Learnt, Document Results

Present Proposal

Establish Master Plan which include Project Plan, Resource Plan, Financial Plan, Quality Plan, Risk Plan, Procurement Plan, Communication Plan & Acceptance Plan.

Monitor & Control of Project Management Processes (Time Management, Risk management, Cost Management, Issue management, Quality Management, Procurement Management, Change Management, Communication Management, Stakeholder management & Acceptance Management

Obtain Appropriate Approval

Perform Phase Review

Release Resources & Reassign Staff

Contract Suppliers

Establish Budget, WBS, Policies & Procedures

Assess Risk

Confirm Justification

Present Project Brief

Obtain Appropriate Approval to Proceed

Figure 2: Project Life Cycle

Source: Adapted from Project Management; Planning and Control Techniques

Burke R. 2003

3. 0 FINANCIAL SCENARIOS AND ISSUES

Finance is a key aspect that makes any project a reality, a project that is conceived without funding will remain a mirage. However, for any meaningful project, there is need to appraise and examine why investment is being made. Brazil Olympic Games is a mega project with global audience and cannot risk achieving below the required standard. A thorough scanning of the internal and external environment with respect to the viability of hosting the games in 2016. This section of the report will focus on the business environment appraisal by applying the PESTLE and SWOT analysis techniques.

3. 1 BUSINESS ENVIRONMENT APPRAISAL

A clear understanding of the business climate in Brazil will not only reveal economic challenges that may hinder the success of the project but also assist to structure a strategic plan to achieve the mission and vision of hosting the Olympic Games in Brazil in terms of legacies, values and benefits. The Ex-ante model is also a good framework to analyse viability of the games (Fellinghan & et al, 1984). The appraisal of the business environment will carried out in three categories.

Macro influence: These are basically external factors that may positively or negatively have an impact on the Olympic Games. They include political, economic, social, cultural, legislation and other external factors outside the control of the project co-ordinators of Rio 2016.

Meso influence: These are internal and external factors that of significant impact on the hosting of the games but within the control of the project

teams. These include contractors, subcontractors, consultants, suppliers and vendors.

Micro influence: These are internal factors within the control of the project teams working on the Brazil Olympic Games.

3. 1. 1 PESTLE ANALYSIS

This framework analysis will be used to critically appraise the macro environmental factors in terms of achievability of Rio 2016 with respect to legacies, values and benefits.

POLITICAL

ECONOMIC

SOCIAL

TECHNOLOGY

LEGAL

ENVIRONMENTAL

Political Stability

Economic Growth

Age Distribution

Automation

All existing laws in Brazil

Weather

Tax Policy

Interest Rate

Population Growth

R&D

Employment and Labour

Inflation Rate

Security

Technological incentives

Climate

Trade Restriction

Foreign Exchange Rate

Social behaviour

Rate of change of technology

Diplomatic Relations

Per Capita Income

Education, Culture (Carnival)

Technological Advancements

Ecology

Gross Domestic Product

<http://businesscasestudies.co.uk>

POLITICAL: Although, undermined with a period of military regime, the long standing and coordinated political structure in Brazil makes it one of the largest democracies in the world. This was exhibited in the last transition of the presidential power. The political stability and government policies in Brazil reflects a supportive role for the hosting of the Olympic Games. Brazil has three tiers of government; Federal, State and City, and they are committed to the successful delivery of the upcoming event. Brazil also operates a multi-party system but in the spirit of unity in diversity, all political parties have pledged their support to the hosting of the games.

The President of Brazil, Governor of Rio and Mayor of Rio represent the interest of all tiers of government in this mega event. They have empowered different committees to carry out designated roles and responsibilities through government undertakings in view of sustaining Rio 2016. These responsibilities include ensuring the achievability of legacies, values and benefits both before and after the games. One of these committees is Olympic Development Authority (ODA) saddled with the responsibility of delivering and co-ordinating government support. Having fully carried out an analysis of previous Olympic Games, the Brazilian government extended the life span of ODA to four years after the competition (2020). This was done so as to ensure a long term and sustainability of the legacy, value and benefits of the infrastructures and facilities.

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Government undertakings include

Political Support

Financial Commitments

Transport Infrastructure and Operations

Venue Infrastructure

Accommodation

Security

Environment

Marketing

Accessibility for Games

Customs and Immigration

Health

Telecommunications

Utilities

Legacies, Values and Benefits

ECONOMY: Brazil's monetary policy is governed by the Central Bank of Brazil which enhances cash flow. As the largest market in the Latin Americans,

Brazil is ranked among the first ten economy in the world with a Gross National Production (GNP) of \$1. 3 Trillion. Brazi