



A strategic review of the FEI World Equestrian Games™

Consultation report: Executive Summary

November 2014

FINAL



The Sports Consultancy

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Executive summary (1/5)

Background

The FEI World Equestrian Games™* has grown substantially since its inaugural competition in 1990. The current format undoubtedly delivers against a number of key FEI objectives, such as inclusivity and global universality. However, as competitor numbers and disciplines have grown, so too have the challenges associated with hosting the Event. The FEI recognises that, as a result of these challenges, the Event risks becoming unsustainable and questions have arisen from a number of sources about its future. Should the FEI World Equestrian Games™ continue to exist? If the answer is yes, how can it sustain and enhance its attractiveness to its stakeholders? Consequently, the FEI has commissioned a strategic review of the FEI World Equestrian Games™ to deconstruct the Event and understand what, if any, changes should be made in order for its flagship event to remain an attractive proposition and grow into a truly global major event.

When it was created in 1990, the FEI World Equestrian Games™ had a clear objective – to bring together all FEI disciplines, to celebrate the sport and to promote equestrianism to the world. The first FEI World Equestrian Games™ in Stockholm in 1990 were hailed a success and there was a clear appetite for the Event to continue. This appetite has undoubtedly grown and continues to grow. Athletes see it as a pinnacle of the sport, spectators enjoy a unique opportunity to see such a wide variety of high quality equestrian sport in a condensed period, broadcasters are attracted by the format and the Event attracts a number of high quality sponsors. However, the Event has been plagued by problems in recent years. Kentucky experienced lower than expected spectator numbers, forcing the FEI to subsidise the Event, the 2014 bidding process only had one Candidate, whilst the host procurement process for the 2018 Event had to be re-run in order to secure the guarantees required. The spread of the venues and the negative stakeholder experience in Normandy has prompted further questions about the viability of the Event.

It is important to note that this strategic review has not been instigated by the experiences in Normandy. Whilst there were logistical issues in Normandy, the sport shone and the numbers of athletes and spectators were at record levels. The power and spread of equestrianism is growing, and research shows it is appealing to a broader global demographic. The FEI wants to harness this. Therefore, this consultation is a proactive review to understand how this flagship Event can be re-aligned to meet its original objectives and to help the sport continue to grow. The outcome of this consultation is clear; stakeholders want this Event to remain – 97% of consultees were in agreement on this. The FEI World Equestrian Games™ are unique and should remain the pinnacle of the equestrian calendar. The challenge the FEI now faces is how to ensure that this Event can be delivered sustainably and thrive.

In order to understand what changes are required to appeal to the next generation of spectators, hosts, athletes, broadcasters, National Federations and sponsors, The Sports Consultancy conducted a comprehensive consultation, interviewing representatives from all stakeholder groups to understand what should be retained and protected, what causes the challenge and complexity involved and what needs to be changed to increase the appeal.

'There is a real risk that WEG will cease to exist. Bidders can't afford it any more and Governments will not support it. Something big has to change.'

Consultee

*Throughout this report, the FEI World Equestrian Games™ may be referred to as WEG or the Event



Executive summary (2/5)

In total, The Sports Consultancy has conducted interviews with 63 stakeholders and collected further feedback from an electronic survey answered by 15 by Chefs de Mission and 49 Officials. Additionally, The Sports Consultancy collaborated with Deloitte to gather feedback from 586 spectators on certain aspects of the Event. The Sports Consultancy has supplemented the information gathered during the consultation with its own industry experience and research to:

- Understand the challenges the Event is facing, what impact they have and their causes;
- Understand why and how the Event needs to change;
- Articulate how these challenges can be overcome whilst balancing stakeholder needs; and
- List a series of recommendations for how the Event can be changed to meet FEI objectives.

Consultation findings

The Event format is too expensive and too complex

The Event has become too expensive to deliver. The sheer scale, associated cost and required independent / public sector investment is preclusive to the majority of prospective hosts. This high cost is driven by a number of factors:

- The number of disciplines;
- The length of the Event;
- The number of competitors;
- The number of venues; and
- The unpredictability of athlete numbers.

In order for the overall operating budget to be lowered and for the Event to continue, some or all of these factors need to change. The consultation made it clear that the number of disciplines should not change. 83% of stakeholders want all eight disciplines to remain – it is WEG's unique and defining factor. However, the consultation revealed that the stakeholders want, and will support, format change.

In order for the Event budget to be reduced, the length of the Event must be shortened (ideally to 9-10 days), the number of competitors must be reduced and the host must have the certainty of a defined number of athletes. Reducing competitor numbers has sensitivities; however this report suggests ways these can be managed without affecting the universality needed for IOC status. In particular, the FEI should use other FEI-sanctioned events to create a 'Road to WEG', formally integrating existing regional / continental events into the calendar as a way in which competitors can qualify for WEG.

83%
of stakeholders believe
all 8 disciplines should
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73%
of past / future bidders
think there are too
many competitors

9-10
days The
suggested
new Event
length



FEI should review their financial contributions to the Event budget

The FEI commercial model offers hosts market-leading access to rights in comparison to similar events tendered by other International Federations. Despite this, the budget deficit is still a barrier to bidders and a risk to effective Event delivery. The FEI needs to decide what other contributions it is able to make through further host revenue retention or direct Event investment. Opportunities include:

- Reducing the commission on title/top partner rights categories;
- Enhancing the host's access to broadcast revenues;
- Allowing the market to dictate the level of hosting rights fee (if one exists at all);
- Codified contributions to LOC costs including prize money and other FEI event costs; and
- Aligning installment payments more favourably to the Organising Committee's cash flow profile.

Implement sponsorship guarantees and move away from a 'Title' sponsor model

The current sponsorship model is overly reliant on a single title sponsor, leading to an imbalance in presence and influence. It also does not allow best use of the broad commercial partnerships that the FEI possesses across its portfolio of other events. The FEI should pursue its plan to develop a 'Top' partner model that secures 5 – 7 equal sponsor partners. The 'Top' model approach should be used to:

- Provide a guaranteed sponsorship revenue to WEG hosts – this will significantly de-risk delivery and allow hosts to engage local guarantors with greater certainty and confidence;
- Provide a broader, more globally diverse platform of sponsors that can activate the WEG brand (including codified expectations of activation responsibilities);
- Diversify the sponsor revenue streams, de-risking reliance on a single brand;
- Create a consistent sponsor presence across all FEI events, allowing the FEI more control over a smaller group of key partners; and
- Re-establish the FEI brand presence in the Event title.

The FEI must take increased control of their own Event

Some of the negative feedback in Normandy was incorrectly directed at the FEI. Many of the issues that were encountered at Normandy were out of the FEI's control, but stakeholders consider this an FEI-owned event and have an expectation that the FEI is able to influence the Event effectively. Consequently, the FEI should take further control of the Event by:

- Creating a clear, functional governance structure that puts FEI subject matter experts at the heart of the Event – the Director of Events and Championships model has worked well and should be extended across other key functional areas;
- Implementing a WEG Steering Committee that has formal jurisdiction to review, steer and, ultimately, approve Event implementation;
- Formally partnering with the LOC and others (e.g. sponsors) to deliver critical elements such as International Marketing; and
- Implementing and policing the delivery of key operational policies such as sport / broadcast schedules and spectator experience.



Executive summary (4/5)

The Event needs to be engaging, accessible and understandable

The consultation made it clear that the competition has becoming slightly boring (even to established fans), less attractive to broadcasters and inaccessible to new fans. Prospective future hosts identified that a key criteria for event selection is that the Event has a broad appeal. The FEI should ensure that:

- Competition formats are as engaging as possible, through the elimination of non-essential compulsory elements and reduction of session length;
- Some discipline formats are re-designed to ensure that they retain interest for live and TV audiences (ideas included the introduction of speed rounds etc.);
- The competitor field is of the highest quality through increased qualification standards; and
- The live and TV sports presentation concept is significantly improved, implementing industry-standard innovations from other sports.

The objectives of the FEI World Equestrian Games™ need to be reestablished

The Event exists to promote equestrianism and to unite the sport. It unites the FEI family and creates a community among equestrian fans. However, as the Event has grown, so has the scale. Consequently, the key objective for hosting WEG has been lost. Equestrianism is not united if disciplines are spread across a large region – athletes can not watch their compatriots compete and spectators miss out on the special atmosphere created a compact event. 82% of stakeholders believe the venue footprint has become too big and that the Event must become compact again. The FEI should:

- Develop an Event format and schedule that can be implemented in no more than 3 – 4 venues;
- Set requirements on maximum transit times between venues (with an expectation of being able to transit by foot as the default position);
- Implement programmes that encourage spectators to experience as many disciplines as possible; and
- Integrate the Retail Village as a core delivery element of the WEG format.

There is untapped potential in the WEG format

The economic impact of this event is substantial – the estimate for Kentucky in 2010 was \$396 million. However, there are opportunities not only to increase this number but to broaden the appeal of the Event. Hosts want spectators, sponsors and athletes to stay longer and this can be achieved through the FEI working with the host and other local partners (e.g. NFs) to stage ancillary events such as:

- Coaching clinics, athlete development clinics, sports science events and best practice development workshops. This would provide a platform for non-competing nations to benefit from the Games;
- FEI owned events such as the General Assembly / Sports Forum or other conferences; and
- Sponsor conferences and showcases.

'WEG exists to promote equestrianism and to celebrate the sport coming together...at the moment we are not achieving that.'

Consultee



Executive summary (5/5)

The focus of the FEI World Equestrian Games™ should be on the core components of the Event

The Event format has a range of additional elements – the Opening Ceremony, the Closing Ceremony and the demonstration disciplines. However, these are not fundamental to the format of the Event. Instead, they add cost and complexity. These elements should be significantly pared down in order to help reduce the overall Event budget.

Support bidders to improve the quality and number of bids

Bidders want more information during the bidding process and, crucially, also want the information contextualised and explained. The FEI must equip the National Federations to sell the Event to public and private stakeholders. The FEI should introduce a programme that continually supports bidders through the provision of data, insight, updates and subject matter expertise.

An appetite for change

The consultation has indicated that there is much change needed in order to create a sustainable and attractive event format, but it is clear there is a significant appetite for change. All consultees were engaged and enthusiastic about this process; all are invested in the success of the Event and want it to remain. Many believe that now is the time for the format to change and are excited about the opportunity. Stakeholders also indicated that this change needs to happen. No sport can take its IOC status for granted and the FEI must demonstrate that they are modernising the sport and meeting their stakeholders' expectations.

Our observations

This report was commissioned with the bidding process for the 2022 edition of the FEI World Equestrian Games™ in mind. However, the challenges faced by Normandy indicate that the need for change is more pressing. Consequently, this report highlights changes that could be made to the 2018 edition, subject to discussion with the organisers. The FEI World Equestrian Games™ in Bromont in 2018 will undoubtedly be smaller - fewer horses will travel from Europe due to the costs associated. Additionally, the proposed venue set-up is considerably more compact. However, the problems highlighted in Normandy should not be forgotten and changes to the format should be proactively made.

The innovations introduced for WEG will impact other FEI events. Therefore, if changes are made to the format of this event, further work will need to be completed to ensure these changes are implemented consistently throughout other equestrian events and that the impact is managed.

The Sports Consultancy observes from the consultation that there is a clear passion for the FEI World Equestrian Games™. It is an event that unites the equestrian world, that athletes strive for and that is crucial to the development of the sport. It is also an event that has great potential. With appropriate changes to the format, this Event can remain the flagship event of the sport, one that drives participation in equestrianism and attracts new audiences. The FEI needs to know it is taking the best possible product to market that will attract the optimum number of bidders and deliver the equestrian showcase stakeholders expect.