

Chapter 6.

Bidding to Host a Global Event but Not Winning?

There is no doubt that the competition from cities around the world to host major world events, be they trade-related, cultural, sporting or political, is more intense today as ever. Arguably, the competition is actually even greater in the 21st century as cities in developing countries, previously without the resources or capacity to take on the responsibility of hosting a global event, are increasingly successfully bidding for events. At the same time, some of the oldest venues around the world (London, Shanghai, Madrid) continue to energetically seek the right to host events.

Associated with bidding for a global event are both economic costs and also therefore political risks. Preparing the best bid possible inevitably incurs costs with investment in human resources, research, consultancies, marketing, policy formation and even urban infrastructure all being common expenses. Politically, there is the risk that these costs will not be seen as, or actually turn out to be, beneficial for the city or nation or that expenditure will not yield sufficient returns. Either scenario can result in electoral challenge.

In this context, cities not supremely confident in their ability to win a bid for a particular event *may* conclude that it will not be a rewarding experience for them to make a bid in the first place. It is inaccurate to conclude that bidding for an event will only yield benefits if the bid is successful. This is especially true for cities looking to progressively and rapidly develop their events and internationalisation strategy, but also holds on a number of other levels, including city planning, health and environment. This chapter looks at a few examples of city bids and tracks seven distinct benefits enjoyed by the candidate city before the decision was made about whether its bid was successful or not.

What are the benefits of bidding but not wining?

i. Bidding for a global event immediately raises the international profile of the city and puts it on the map.

The high profile nature of London's bid for the 2012 Summer Olympics, competing against such world-renowned cities as Paris, New York, London and Moscow, was enough to ensure that the sporting strengths of England's capital were reinforced in its city brand the world over, well before the decision was made to award London the Games.

During the stage when the city authorities were considering making a bid for the 2012 Olympics, there was a concern amongst the city authorities that many of London's key sporting assets, like Wimbledon, Twickenham, Wembley and Lord's, were not necessarily known the world over for being in London, although they are undoubtedly known in their own right. As such, there was a perceived need to re-brand London as a true sporting capital to highlight the city's long sporting history in the international arena.

By putting together a bid that was successful enough to compete healthily with other leading cities around the world, London's Olympic Bid Committee (along with the other candidate cities) was able to attract extensive media coverage in the time leading up to the final decision being made. The desire to raise London's profile as a leading sporting city was therefore already largely fulfilled by this international exposure. Winning the Games was of course an added bonus, but significant branding benefits had already been secured.

ii. Bidding raises your game

Bidding for a global event encourages the adoption of new benchmarks for city development, changing the rules of engagement and prompting real progress in city development. The imposition of multiple external deadlines actually helps the city to achieve disciplined and rapid progress.

Athens made an unsuccessful bid for the 1996 Summer Olympics, which was set to be the 100th anniversary of the modern Olympic Games. Although many people believed Athens had a right to host the event because of this, the International Olympic Committee (IOC) was not convinced that the city's infrastructure would be improved in time for the 1996 Games. By the time the 1996 Games had been and gone, Athens had prepared another bid, this time for the 2004 Olympics, but with improvements already having been made in the city. This was enough to convince the IOC that it was time for the Games to return to Greece, but dramatic benefits were already being experienced in Athens. Improvements were made to the notoriously poor air

quality in the city, quickly improving public health, and previously unregulated building projects, which had littered the cityscape but largely remained incomplete, were brought under control.

These moves must really be seen as the setting of new benchmarks within the city and were undertaken by the city authorities primarily in order to make their bid credible - in other words, they were entirely independent of Athens actually winning the Games for 2004. The key reason that the politicians were able to take on these deeply contentious issues on the urban political agenda was the rules of engagement were changed by the fact that they were bidding for the Games. The authorities *knew* that they had to resolve these problems before the IOC would take another Athens bid seriously and this, combined with the potential benefits of winning the Games, gave the Athenian authorities the political courage and momentum they needed to follow through their plans for reform.

iii. Bidding for a global event means that city, regional and national authorities have to work together to plan the full range of logistics.

Salzburg - Austria - bid strongly for the right to host the 2010 Winter Olympics, losing out narrowly in the IOC vote to Vancouver, Canada. The Salzburg bid follows an impressive history of having recently hosted many other world-class winter sporting events, including the Alpine Skiing World Cup in 2004, the Ice Hockey World Championships in 2005 and the Luge and the Snowboarding World Cups in 2006. Salzburg also bid for the 2006 Winter Olympics, but lost then too.

Available at www.salzburg2014.com is, however, a copy of the full 500 page bid document that the city authorities submitted. This gives an excellent indication of the full range of logistical challenges that must be tackled for a bid to be ready for proposal. The contents include:

- An interpretation of the event concepts and legacy.
- The legal requirements of hosting the event.
- Proposals for customs and immigration arrangements.
- Environmental considerations.
- Financial and budgetary projections.
- Marketing proposals.
- Detailed documentation of the suggested venues, along with development plans for each.

- Detailed documentation of improvements to accommodation sites to house the athletes.
- Assessment of the security provisions required.
- Plans for investment in upgrading aspects of the transport infrastructure.
- Consideration of how best to use Salzburg's technological infrastructure to accommodate the needs of media crews.

As can be seen, the contents of this bid, and indeed a bid for any major world event, cover a huge range of logistical problems. Going through the process of formulating the bid does involve an investment of capital, personnel and resources, but the benefits include not only a portfolio of well-researched proposals for urban development and event logistics that can be taken up in the future but also invaluable improvements in the collaborative governance and managerial capabilities required to host such an event in the future. The head-start that this can give cities in bidding again for other events is borne out by the discussion below. Furthermore, the degree of co-operation between tiers of government and between public and private partners is a mobilisation of people and institutions that should not be underestimated in terms of importance.

iv. Bidding accelerates development planning

Bidding for a global event requires that venue development plans must be drawn up in advance, setting out budget projections and long-term usage, and often that sites and land must be assembled and prepared before the final bid outcome is known.

Halifax - Nova Scotia, Canada - put together a comprehensive bid for the 2014 Commonwealth Games but, rather than being beaten by competitor candidate cities, unfortunately had to pull out in 2007 due to sponsor withdrawals. Even though the team was not able to complete their bid to the stage of competing with other cities, there are some very important lessons to be taken from the stage that they had got to with a view to appreciating the benefits that Halifax will already have earned.

As was the case with the Salzburg 2010 Winter Olympic bid, detailed plans for the modification and development of venues within the city were drawn up by the Halifax Commonwealth Games bid team. As such, budgeting for the projects, along with specifications and long-term, post-Games plans has already been done and any requirement to upgrade facilities in the future will be able to draw on this work and start work much quicker. For example, the Halifax Forum, currently a multi-use facility for

sporting events, concerts and trade shows, was to be used to host the boxing competition of the Commonwealth Games. Plans, costing approximately CAD 6.6 million, involved a new entrance and lobby, new washrooms, upper level lounges and seating area, electrical upgrading, painting, re-flooring, paving and landscaping - all proposals that would have enhanced the value of the venue in its multi-use capacity within the city. The committee intended the Forum to be “completely renovated and the spectator experience significantly enhanced, along with improved wheelchair accessibility to the entire facility” (Halifax 2014 Commonwealth Games Bid, 2007).

v. Learning from doing

Experiencing the bidding process firsthand yields vital lessons in time and project management

Drawing on experience from the Halifax 2014 Commonwealth Games bid team, there are important lessons to learn with regards to the time it takes to prepare a bid compared to the usual timeframes of the selection process. The team reported that:

The timeframe of the domestic phase presented an extreme challenge. Fundamentally, the lead time from the domestic phase to the completion of the international phase was insufficient to both complete the exhaustive detailed planning and financial costing required by the bid process and government funding partners and mount a successful, competitive bid process, complete with an effective international relations strategy and a community and public awareness campaign. (Halifax 2014 Commonwealth Games Bid, 2007)

Similar experiences are reported by many other teams preparing bids for a number of global events - it is quite simply the case that the amount of preparation required can be daunting and key recommendation is that countries should select their national candidate city early (in their report, the Halifax team retrospectively advised at least 36 months between the internal selection of a candidate city for Canada and the completion of the international bidding stage).

This is a vital lesson for other potential candidate cities to learn from but in the case of Halifax, having already been through the process themselves, not only will they give themselves more time in the future, but they will have less work to do, having already done extensive preliminary legwork in the preparation of their 2014 bid.

vi. *Defining clear goals*

Formulating a bid forces candidate cities to identify their own metrics for success.

A final lesson from Halifax's Commonwealth Games experience is borne out by the 'metrics for success' that the committee found essential in managing, and assessing, the various decisions that must be made as an event bid is developed. As already noted several times in this report, having a set of fundamental aims and goals clearly set out from the beginning of the event-hosting process is a vital factor in ensuring the best possible outcome for the city. The bidding process *forces* city authorities to identify their own metrics for success and even if the bid is not successful, these metrics remain as an important focus for future development plans.

vii. *Constructive criticism*

Bidding for, but not winning, an event can yield constructive criticism of a city's proposals that allow / encourage it to successfully bid another time

When a bid to host a big global event is unsuccessful via whatever voting or decision system the relevant authority uses to select the winning candidate, it is common practice for a full review to be issued to the failed bid committees as to what improvements might have been made to their project. Often, this experience can be highly fruitful for candidate cities because selection committees respond well to a city that takes on board constructive criticism and returns for the next bid with an improved set of proposals, closer to the committee's suggestions. At the same time, candidate cities and countries receive healthy international exposure on the back of their bidding efforts.

By way of example, South Africa lost out narrowly to Germany in its bid to host the 2006 FIFA World Cup - what would have been the first football World Cup to be staged in Africa. At the time, the South African team placed a lot of emphasis on the public relations and diplomatic benefits on offer to FIFA of selecting an African host nation for the competition and a significant number of the committee were inclined to agree. In fact, South Africa only lost to Germany in the third round of voting and even then, only by one vote.

Taking on board the committee's suggestions for ways to improve their bid, the South African team returned to bid for the 2010 FIFA World Cup and was this time successful. This is not to say that a return-bidder will naturally enjoy the 'sympathy' of the selection committee, however, since

there are examples (such as Paris, which bid unsuccessfully for both the Summer Olympics in 2008 and 2012).

The benefits of experiencing constructive criticism are not, of course, restricted to those cities wishing only to bid again for the same event - suggestions can often be broad enough to be applicable to a different type of event altogether, particularly those relating to management techniques, funding proposals or urban infrastructure investments. Putting together any bid will therefore yield ‘experience benefits’ that can be applied in slightly different contexts in the future. A case in point is Toronto, where the City of Toronto Tourism Division has set up its own ‘events strategy department’ (Toronto International) to “proactively facilitate bidding on major events” (Toronto International website). Toronto has clearly identified the cumulative benefit of experience in this area by implementing a dedicated department that contributes to all major events bids.

xiii The catalyst starts early

Most importantly, the ‘catalytic’ effect on urban transformation that is derived from hosting a global event is, to a large degree, experienced from the earliest moments of bid-formation

All of the above discussion has demonstrated elements of how hosting a global event can accelerate projects of urban transformation, as discussed at length in this report. The key process at work here is forced prioritisation of urban development goals in order to achieve the most successful, pervasive and long-lasting change to urban environments. It is at the earliest stages of planning a bid for a global event that city authorities must consider which goals to prioritise and how to implement them. Even if the bid is subsequently not successful, being forced to go through the bid process will produce a much clearer set of urban development targets for city authorities to focus on. For cities that are really enthusiastic about their internal, and international, development achieving this focus is fundamental.

x. Justifying the cost of bidding with the immediate returns

City and national leaders that have sought to bid for major events have found it very helpful to understand and articulate the benefits of bidding itself. Bidding for an event involves a gamble; substantial local and national resources are invested in a process which has an uncertain outcome. However, if some of these costs can be clearly off set by immediate gains that occur, by an immediate ‘bidding dividend’, this reduces the nature of the gamble and makes selling the costs of bidding much more palatable, and retains local support, which is critical to winning and to maintaining a string and enthusiastic bid.

The kinds of dividends are described above. However it is essential for there to be accuracy on what they are and what additionality the bidding has brought. This requires both good planning and imagination. For example, feasibility work undertaken on sites and infrastructure for a bid should encompass alternative scenarios, thus providing useful intelligence for multiple scenarios, branding work done for a bid should really expose existing strengths and opportunities of a place, not just those that the events would bring, if won. The bidding process must be designed to serve longer term development whether or not the event is won.

How to prepare for bidding but not winning?

In order to ensure that benefits of ‘bidding but not winning’ are fully secured cities, nations, and others who bid, must have a plan that can be operationalised when the outcome is announced. This will appear as obvious but it is not always followed. The ‘Plan B’ or contingency plan is essential to realising the full benefits of having bid for, but not won, the right to stage a global event.

Having no obvious contingency or recovery plan can both erode benefits achieved during the bidding phase (for example demonstrating preparedness for what may occur) and it can unintentionally communicate over-confidence or lack of foresight about potential outcomes.

Key elements of a Plan B should be:

1. Anticipate all scenarios and be ready for each. There is a difference between losing badly and nearly winning. Coming second offers promise for the future, but coming last suggest some explanation is required. It is essential to have a contingency plan for each and every scenario, even if the plan’s existence is not widely known. Cities that are favourites to win certain event often fail to do this and are not ready if they do not win.
2. An Active Media Strategy is essential. It is through the media that the conclusions on the bid and the whole venture will be made, so it is essential to inform and influence the media coverage of a failed bid with the positive stories that need to be projected.
3. Be a ‘good loser’. It is essential to know what being a good loser means. It is important at least to formally and fully congratulate the winner, but it is also important to give credit to all the other bids and reflect values of recognising what others have achieved.
4. Offer a positive assessment of why the bid did not succeed and be open about any shortcomings. It is important to show a willingness to be self

critical and to learn. Do not blame others. But most important to offer a positive assessment of what was learned and how the capacity of the bidding city or national was enhanced by bidding against its own base.

5. Thank everyone for their support. This is an easy thing to forget when losing. A variety of stakeholders support a bidding process and it is essential that they are recognised and thanked.
6. Take forward relationships with sponsors. This is essential for future active engagement in wider local development processes. It is also critical that there are real outcomes for sponsors when a bid is not won. Some of this can be achieved through active follow up events and activities.
7. Define and emphasise what the benefits of bidding have been. What have we gained from the exercise? This is the core of the Plan B. To demonstrate that there were real and tangible benefits that from bidding that justified the costs of doing so, as explained above.
8. Define which projects or initiatives will be taken forwards. Be concrete and precise. Focus on both local areas/site and wider promotion of the city or region. It is important to have some lasting initiatives which will happen anyway and be a tangible and visible outcome. These should be initiatives with broad local benefits.
9. Define how resources initially allocated to event might be used instead and what the benefits will be. It is important to show the resources that would have been spent of the event are still, at least in part, available to the city or nation, and that there is an opportunity now to find ways of using the resources to secure some of the benefits that the event would have brought.
10. Set a framework for potential future bids. It is not necessary to announce immediately an intention to bid again, but it is important to demonstrate an openness to do so and a process through which to reach a decision to bid or not, for the same or another event, which is transparent.

Bibliography

- America's Cup Official Site, www.americascup.com.
- Bureau International des Expositions Site, www.bie-paris.org.
- Commonwealth Games Federation, www.commonwealthgames.com.
- European Capitals of Culture,
http://ec.europa.eu/culture/eac/ecocs/cap_en.html.
- Eurovision Song Contest Official Site, www.eurovision.tv.
- FIFA World Cup Official Site, www.fifa.com/worldcup.
- Halifax 2014 Commonwealth Games Bid (2007), www.2014halifax.com.
- Official Website of the Olympic Movement, www.olympic.org.
- Palmer/Rae Associates (2004), "European Cities and Capitals of Culture",
www.palmer-rae.com/culturalcapitals.htm.
- Rugby World Cup Official Site, www.rugbyworldcup.com.
- Toronto International website,
www.toronto.ca/toronto_international/mandate.htm.
- World Petroleum Council, www.world-petroleum.org.

Table of contents

Preface	11
Executive Summary	15
Chapter 1. Introduction: Making Global Events Work Locally	19
Are global events still important?	19
Why have global events become more popular not less?	22
What are the local benefits of hosting global events?	23
How cities and nations can capture local benefits from global events	26
Bibliography	31
Chapter 2. A Framework for the Local Benefits of Global Events	39
Costs and benefits	39
Key ingredients	40
Bibliography	50
Chapter 3. Learning from Experience: Case Studies on Hosting Events	51
Trade fairs and exhibition events	51
Case studies	53
Cultural events	61
Case studies	72
Sports events	94
Case studies	96
Political summits and conference events	120
Case studies	122
Bibliography	134
Chapter 4. Comparative Analysis: Do Different Types of Global Events Yield Distinctive Benefits?	137
Chapter 5. Making a Habit of It: Hosting More than One Event?	147
What goes into the first event?	147
So how can hosting two or more events benefit the city?	148
How does already having hosted one event affect the bidding process for the second?	149
But how can cities actually proceed given the uncertainty of securing a second event?	150
What about cities that host the same event every year?	153
Bibliography	158

Chapter 6. Bidding to Host a Global Event but Not Winning? 159

What are the benefits of bidding but not winning?	160
How to prepare for bidding but not winning?	166
Bibliography	168

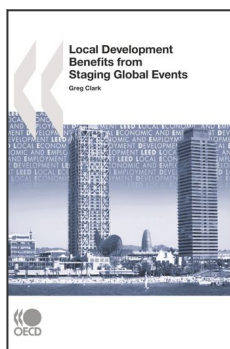
Chapter 7. Leveraging Local Benefits for Global Events:**Conclusions and Principles for Success 169****Tables**

Table 1.1. Visitor numbers to two global events.....	20
Table 1.2. Summary of events case studies.....	32
Table 3.1. Expo evolution.....	52
Table 3.2. Capital of culture time line and funding structure.....	64
Table 3.3. ECOC visitor stays.....	70
Table 3.4. City of Culture rankings.....	72
Table 3.5. Copenhagen key data	73
Table 3.6. Visitors to Greater Copenhagen.....	76
Table 3.7. Thessaloniki key data.....	77
Table 3.8. Trends in visits to Thessaloniki Prefecture	79
Table 3.9. Porto key data	80
Table 3.10. Serralves Museum visitor numbers, Porto	84
Table 3.11. Bruges key data.....	85
Table 3.12. Salamanca key data.....	88
Table 3.13. Salamanca Office of Tourism Information requests	90
Table 3.14. Athens Eurovision turnover	92
Table 3.15. Stockholm Eurovision visitor economy	93
Table 3.16. Sporting events.....	96
Table 3.17 Application and use of economic resources of the 1992 Barcelona Olympic Games	98
Table 3.18. Ranking of European cities	101
Table 3.19. Sydney, summary costs and revenues.....	106
Table 3.20. Economic impact of the 2000 Sydney Olympic Games.....	107
Table 3.21. Statistical benefits of 2002 Commonwealth Games, Manchester.....	111
Table 3.22. Expenditure for the 2006 Turin Winter Olympics	115
Table 3.23. Economic benefits of 2002 FIFA World Cup, Japan	117
Table 3.24. Economic impact of the 2003 America's Cup	120
Table 3.25. Case studies: Political summits and conference events.....	121
Table 3.26. Forecasted economic impact of 1995 G7, Halifax	123
Table 3.27. Investment from the 2002 World Summit on Sustainable Development.....	128
Table 3.28. Economic value of G8 Summit, Edinburgh 2005	131
Table 4.1. The benefits of hosting different types of events	141
Table 4.2. The timing of benefits by event	142

Table 4.3. The geographical scale at which benefits of hosting different types of events are experienced.....	144
Table 5.1. Financial flows into Toronto.....	155
Table 5.2. International Events in Toronto.....	155
Table 5.3. Economic impacts of Edinburgh Festival.....	157
Table 7.1. Urban development benefits over the next eight years.....	170
Table 7.2. Key principles for optimising success.....	175
Table 7.3. Recommended principles for success in capturing local benefits from global events.....	177
Table 7.4. Risks to address in capturing local benefits from global events.....	178

Figures

Figure 2.1. Ten key stages in managing a global event.....	42
Figure 2.2. Process to brand image.....	44
Figure 3.1. The Biosphère - United States Expo '67 pavilion, Montreal.....	55
Figure 3.2. Alamillo Bridge, Seville.....	56
Figure 3.3. Which events benefit cities the most, in order of priority.....	63
Figure 3.4. Programme expenditure per city.....	66
Figure 3.5. Programme expenditure per city in relation to their total expenditure.....	66
Figure 3.6. Income sources across all cities.....	67
Figure 3.7. Average breakdown of public sector income.....	67
Figure 3.8. Glasgow index of bed nights.....	69
Figure 3.9. Map of Denmark.....	73
Figure 3.10. Cutty Sark Tall Ships' Race.....	74
Figure 3.11. Map of Greece.....	77
Figure 3.12. Map of Portugal.....	80
Figure 3.13. Casa de Musica, Porto.....	82
Figure 3.14. Portuguese Centre for Photography, Porto.....	83
Figure 3.15. Map of Belgium.....	85
Figure 3.16. Map of Spain.....	88
Figure 3.17. Regional economic impacts of 1994 Winter Olympics, Lillehammer.....	103
Figure 3.18. Tourism development in the core area of the Lillehammer Olympic region.....	104
Figure 3.19. Sydney Opera House.....	105
Figure 3.20. Visitor numbers to Australia.....	108
Figure 3.21. Downtown perception: Origins of increased revenue.....	112
Figure 3.22. Museum of Modern Art, Rio de Janeiro.....	126
Figure 3.23. Political protests during the 2002 World Summit on Sustainable Development.....	129
Figure 3.24. Anti-globalisation protesters at the G8 summit, Edinburgh.....	132
Figure 5.1. Visitor numbers to the Edinburgh Festival.....	156



From:

Local Development Benefits from Staging Global Events

Access the complete publication at:

<https://doi.org/10.1787/9789264042070-en>

Please cite this chapter as:

OECD (2008), "Bidding to Host a Global Event but Not Winning?", in *Local Development Benefits from Staging Global Events*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264042070-8-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.