

INTERNATIONAL SKATING UNION – FOUR YEAR PLAN 2014/15 – 2017/18

Project/Function/Area of activity:

ISU Event Management & Marketing

Committee/Commission:

**Council / Sports Directors
Director General/Secretariat**

Statement of specific results & benefits to be obtained:

- Ensure fair allotments of ISU Events respecting a fair rotation among geographical areas and ensure proper organization and conduct of all ISU Events.
- Maintain appropriate and balanced competition formats of ISU Events from the sports as well as marketing/media point of view.
- Ensure best possible participation of eligible skaters.
- Maintain a balanced Standardized Event Calendar.
- Maximize financial incomes resulting from TV rights and sponsorship without compromising fair sporting rules.
- Maintain fair and efficient participation criteria for Skaters and Officials.
- Ensure timely and accurate judging, timing, ranking and reporting services at ISU Events.
- Ensure appropriate assistance to ISU Event organizers.
- Ensure appropriate control by ISU Officials/Office Holders of ISU Events.

Recommended activities to obtain benefits:

2014/15 2015/16 2016/17 2017/18

	2014/15	2015/16	2016/17	2017/18
1. Allotments by the ISU Council of ISU Events to Members able to properly organize and conduct the respective Events and by respecting a fair geographical rotation criteria.	X	X	X	X
2. Establishment, maintenance and publication by the Sports Directors and the Director General in cooperation with assigned Office Holders, of Guidelines (Memorandums) for holding of the different ISU Events (including ISU Series such as the Grand Prix and Junior Grand Prix of Figure Skating and the Speed Skating and Short Track Speed Skating World Cups).	X	X	X	X
3. Periodic review and assessment by the ISU Council and Sports Directors, in consultation with the respective Technical Committees and other appointed groups if necessary, of the ISU Event formats and implementation of appropriate changes and/or preparation of corresponding proposals for changes to the Congress.	X	X	X	X
4. Periodic review by the ISU Council and Sports Directors of the Standardized Calendar as well as participation, eligibility rules including for Open International Competitions and Medal Winners International Competitions. Implementation of changes as appropriate.	X	X	X	X
5. Continued monitoring by the President and Director General of the marketing for ISU Events in order to maximize TV rights and sponsorship incomes without compromising fair sporting values.	X	X	X	X
6. Periodic review by the ISU Council, Sports Directors and Director General of the financial support given to the organizing Members of ISU Events as well as the Prize Money to be made available. Periodic updating and harmonization of these ISU contributions.	X	X	X	X

Recommended activities to obtain benefits:

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	2014/15	2015/16	2016/17	2017/18
7. Maintenance and improvement by the Sports Directors in cooperation with other internal ISU bodies, the ISU Secretariat and if necessary external consultants, of standardized, fair and performing judging/result/rankings systems (including Video Replay System) including timely publication of the results and standings on the ISU web-site.	X	X	X	X
8. Assignment by the President of ISU Officials and Officer Holders to officiate (Referees, Technical Panel members, Starters, Competitors Stewards) and monitor (assist organizers and control) specific ISU Events (ISU Representatives, Event Coordinators, Regional Event Coordination Assistants and ISU Staff).	X	X	X	X
9. Review by the Sports Directors and/or other designated Office Holders of ISU Event reports/statistics, evaluation and, if required, follow-up as to problems encountered.	X	X	X	X
10. Training of Event Coordinators, Assistant Event Coordinators and/or other designated Office Holders of members from Members as Regional Event Coordination Assistants (RECA) in order to serve as RECA in ISU Events and/or within local Organizing Committees as liaison to the ISU.	X	X	X	X
11. Appointment by the ISU Council of ad-hoc commissions to monitor ISU Series and/or other special projects. Commission members to include individuals with competencies in technical, marketing, organizational and administrative areas and to be available to invest sufficient personal time. The mission of the commissions to be: Working out and proposing to the Council and, after Council decision, implementing under the supervision of the Vice Presidents: - the competition format in line with ISU Regulations and in consultation with the respective TC; - the skaters participation criteria in line with ISU Regulations and in consultation with the respective TC; - the Officials appointment criteria in line with ISU Regulations and in consultation with the respective TC; - the financial framework of the series (allocation of ISU contributions and prize money) within an overall budget decided upon by the ISU Council; - the allotment of individual events and Final (if applicable) including competition calendar; - the implementation and servicing of agreed sponsorship and/or TV agreements; - the preparation of General Announcements and Guidelines for the series.	X		X	
Lausanne, April 2014				

Status Report to the 2016 ISU Congress on the Four Year Plan 2014/15-2017/18

Committee/Commission: ISU Council
ISU Secretariat
ISU Sport Manager Figure Skating
ISU Event Coordinators

Project/Function/Area of Activity: Marketing & Event Management

MARKETING

The marketing activities (mainly the licensing of rink-board advertising rights and TV/media rights) of the ISU continued to be directed by the ISU President actively supported in the area of Speed Skating by Vice President Dijkema and in general the ISU Secretariat and Marketing/Sports Coordinator Pierre Eymann in particular.

Market Environment

The marketing task of international sports organizations has been negatively affected by the world-wide difficult economic situation. The negative consequences of the financial crisis of 2008 are still being felt, in particular in the chronic budget deficits of many countries in Europe, the United States of America and Japan. In addition, emerging markets including China also show worrisome signs of slowing economies or in the case of Brazil, even an unprecedented economic crisis. Painful austerity measures and slow economic growth prevail and give commercial companies little incentive to invest and also force them to limit their possibilities in the field of marketing, including the sponsoring of sports events. Furthermore, big corporations focus in their sport marketing strategies on the prime Events such as the Soccer World Cup or the Olympic Games. Finally, big brands are finding new ways of engaging with fans and potential customers through social media which eliminates the need to sign costly traditional sponsorship deals with sports organizations.

In additions to the above-mentioned challenging environment, there has been a breakdown in confidence in sports leadership. Reports of organized doping, match-fixing and corruption and the engagement of the FBI and the US justice system, arrests and imprisonments in world sport have amounted to a tsunami of daily non-stop scandals. During his key note speech at the annual SportAccord convention last April, Sir Martin Sorrell, founder and Chief Executive of WPP, the world's largest advertising group noted that *"sponsors are questioning their investment and they remain unconvinced that sports legislators and federations are taking matters as seriously as they should. There are few new sponsors, existing sponsors are exiting and fans are taking notice. New generation of so-called millennials and centennials have much less tolerances for scandal than earlier generations. Moreover, brands are finding new ways of engaging with them, through social media and other means, which eliminates the need to sign costly traditional sponsorship deals with sports organizations. The implications are catastrophic, not potentially catastrophic, but catastrophic. In years past, the main concern of host cities and sponsors was return on investment. Now, it is whether their brand is negatively affected"*

Last but not least, the ISU is currently subject to an EU Commission investigation relating to the ISU's eligibility Rules. The Legal Advisors will report in detail on this subject and different Council Proposals in the Agenda refer directly to this investigation. The EU Commission investigation has clearly the objective to set an example relating to the

sanctioning power of International Sports Federations (IFs). The case does therefore not only involve the ISU, but all IFs. Consequently, the ISU has reached out to the IOC and other IFs in order to convince the EU Commission of the necessity of a certain sanctioning power of the IFs. Loosing this power would clearly undermine the IFs role in administrating and especially investing and developing its sport. A positive outcome is essential to preserve the current basis allowing IFs to secure the necessary incomes to fulfil their mission.

The above-mentioned critical macro-economic and political situation has obviously also an impact on the ISU and as usual, where there are threats, there are also opportunities to iron out weaknesses and strengthen the organization.

In this light, the Council recognized the need for reforms in order to comply with the principles of good governance. Some basic steps have been taken and if successfully completed, an ISU with an impeccable governance and transparency record will have a sound basis and a competitive advantage over sport organizations suffering from scandal driven news and failing to adapt to the new good governance standards of the international sports community.

Television/media rights

The negotiations and licensing of the TV/media rights are directed and supervised by the ISU President in cooperation with the ISU Director General and the Marketing/Sports Coordinator.

The revenues emanating from Japan could be increased compared to the previous budgeting period. The incomes emanating from the territories of the United States and Korea remained stable. On the negative side, the latest agreement with the European Broadcasting Union (EBU) resulted in a lower income for the ISU. Likewise, the market situation in Canada also deteriorated and resulted in lower TV rights fee incomes emanating from this country.

Further to the Chinese Governments intentions to increase the popularity of winter sports throughout China and the election of Beijing as host city for the 2022 Olympic Winter Games, the ISU specially focused on the Chinese market. Meetings with major Chinese Digital/Internet companies took place in order to elaborate digital distribution strategies and identify new sources of revenues for the upcoming seasons. As an initial result, digital media/internet streaming rights were granted to the Chinese company Tencent for a limited number of Events. Also, additional Speed Skating Event rights were granted to CCTV beyond the traditional package in place for many years. At time of preparing this Status Report, the negotiations with Chinese entities for the coming season are ongoing.

Thanks to the cooperation with the EBU, ISU Events have been broadcasted in new territories such as Latin America, South Asia, South East Asia, and Oceania.

The market segmentation between TV and digital rights offer new opportunities in terms of distribution, and the ISU has therefore strived to carve out some digital rights from its exclusive TV agreements. It must however be reminded that the bulk of ISU media rights revenues are still generated by agreements with traditional TV broadcasters.

The agreement for the ISU Skating Channel was renewed, and record number of hours were streamed during season 2015/16 (see media report). The ISU also started discussing with the IOC the conditions of a partnership with the Olympic Channel.

The ISU continuously communicated with its TV partners as to Events' time schedules and Events presentation with the objective to increase broadcast hours and viewership.

Advertising rights/Sponsoring

The Figure Skating advertising rights for ISU Championships and the ISU Grand Prix of Figure Skating Final continue to be licensed to and handled by the company IMG. The advertising rights for the Synchronized Skating Championships are left to the organizing Member. An advertising and television's rights agreement for the Junior Grand Prix was concluded directly between the ISU and TV Asahi.

The ISU mandated several sport's marketing agencies to search for a Short Track title sponsor during the 2014/15 and 2015/16 seasons. There was no World Cup title sponsor signed during this period, however, the ISU sold individual sponsorship packages at World Cup and Championships as well the title sponsor rights for the World Short Track Championships 2016 to KB Bank for the first time in ISU history. Due to the lack of interest from global sponsors for the World Cup Short Track 2015/16, the Organizing Committees were granted the right to sell additional rink-board positions to their local sponsors. The ISU also reviewed its sponsorships strategy in consultation with Infront, and thus elaborated among others combined sponsorship packages including Short Track and Speed Skating Events to offer a wider geographical reach to sponsors in the upcoming seasons. Negotiations for the sponsorship rights of the World Short Track Championships 2017 and for World Cup rinkboard packages are already well advanced, and agreements are expected to be concluded in summer 2016.

In Speed Skating, the ISU sold to Infront approximately 75% of the rinkboard positions at ISU Championships and respectively 60% at ISU World Cup in seasons 2014/15 - 2015/16. Organizing Committees have also been granted the right to use for their local sponsors 60 meters of rinkboard advertising at World Cup competition. Vice President Jan Dijkema and Infront have been actively looking for a title sponsor for both World Cup and Championships.

Event's data, broadcast reports, audience demographic and media value calculation were collected and compiled in cooperation with professional agencies for review purposes and for inclusion in sponsorship presentations.

For more information, please refer to the biennial report of the ISU President and the Budget Proposal 2016-2018.

EVENT MANAGEMENT

Considering the medium and long-term future and being a medium-sized International Federation (IF) it is herewith reiterated that the ISU must keep reasonable control of the organization and conduct of its ISU Events, which remain its major source of revenue. Other options, such as delegating the entire organization and conduct of the ISU Events to the local organizers, would constitute a high risk, not only for technical issues but also with regard to the protection of all other critical business interests. The ISU's commercial partners and their satisfaction with the service provided by the ISU are commonly acknowledged to be the key factor for a continued successful commercial strategy. On the other hand, an extremely high level of control and presence on site, as for example adopted by UEFA for the Champions League, would constitute a substantial cost which, for ISU Events (contrary to the incredible lucrative UEFA Champions League), cannot be justified. A healthy balance is therefore required between the organizer's responsibility and ISU autonomy and ISU guidance and control. Over the past few years the ISU has gradually improved its guidance and control of the local organizers. Event Coordinators are now in place for all ISU disciplines.

Figure Skating

The Event Coordination team was successfully directed by the Sports Manager Figure Skating supported by the Event Coordinator, the Assistant Event Coordinators, the Regional Event Coordination Assistants (RECAs) and the ISU Secretariat.

In Figure Skating, the constantly necessary fine tuning of the ISU Judging System and the increasingly demanding expectations of commercial and TV partners continue to require an increased level of consistent ISU involvement at ISU Events. Also, more emphasis has been given to improving Event presentation for both the public on site and TV spectators. This has required a dedicated and detailed coordination and liaison function on the part of the ISU Event Coordination team.

Considering the decision of the Sports Manager Figure Skating, Peter Krick, to basically retire in June 2016 and in line with the 2014 Congress decision, the position of the Sports Manager Figure Skating was limited to a two years transition period between the 2014 and 2016 Congresses. In the meantime, the Event Coordinator, Mario Meinel, also announced his decision to discontinue his Event Coordinator function effective the end of June 2016.

During the past two seasons, the training of the Assistant Event Coordinators, Wieland Lüders and Dingding Liu, the Regional Event Coordinator Assistants (RECAs) and Patricia Mayor from the ISU Secretariat, has been intensified in order to ensure a continuation of the necessary Event Coordination in the best possible manner. However, replacing two extremely experienced, efficient and loyal members of the Event Coordination team, who year after year accomplished an incredible workload, definitely constitutes a major challenge for the ISU and requires the cooperation and understanding of the Members and local Organizing Committees.

Speed Skating

In Speed Skating, Event coordination was supervised by the Vice President Speed Skating and handled by the Speed Skating Event Coordinator (Anna Piskunova during the season 2014/15 and Daria Kamelkova during the season 2015/16) in cooperation with the Speed Skating Technical Committee and the ISU Representatives appointed to the Speed Skating ISU Events. Organizers and ISU commercial partners positively acknowledged the activity of the Event Coordinator.

Short Track Speed Skating

In the area of Short Track Speed Skating Event coordination, the coordination in the sports technical area was performed by the Event Coordinator, Hugo Herrnhof, in consultation with the appointed ISU Representatives and the Representatives of the Short Track Technical Committee. The commercial coordination role was performed by the ISU Secretariat (Pierre Eymann). A number of initiatives were launched to improve spectators' experience (on TV and at the venue) and to better connect the Skater's image and personality with the Event. These initiatives included Skaters keeping the same helmet number for the entire season, a finalist area, a TV camera in the heat box, Skater's clips on the video board, entertainment for spectators during ice resurfacing breaks, and the participation of top Skaters in promotional initiatives. Photos and videos of top international Skaters produced by the ISU were also used for the Event promotion and Event branding.

Result and other Event support Systems

The results service continues to be provided for all ISU Figure Skating Championships and senior/junior Grand Prix events through an agreement with the company ST Sportservice (formerly WIGE).

For the Short Track ISU Events, the ISU currently contracts ST Sportservice for timing, results, and TV graphics, whereas Global Television Services is the provider for video Replay & Race Reports System. In Speed Skating, Sport Computer Graphics is the official TV graphics & results provider.

Online entry systems are used for all ISU Speed Skating and Short Track Events.

During the seasons 2015/16, an on-line entry system for ISU Figure Skating Championships has gradually been implemented and will be further improved and fine-tuned during the coming seasons.

Lausanne, May 2016