

EVENT MANAGEMENT: A PUBLIC MANAGEMENT PERSPECTIVE

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Statements and suggestions made in this dissertation are those of the author and should not be regarded as those of the PU for CHE.

ABSTRACT

The hosting of mega events encapsulates different opportunities and benefits for host countries or regions. Event management constitutes one of the most exciting and fastest growing forms of leisure, business and tourism-related phenomena. Their special appeal stems from the limited duration and innate uniqueness of each event, which distinguishes them from permanent institutions and built attractions. Events and festivals have the ability to attract a large number of visitors for a specific time period to a specific destination. The frequency of events is evident for the success of a tourism destination. The hosting of mega events requires a detailed process of bidding for international events. This study focused on the bidding process for hosting such events, with specific reference to the role of government in the bidding process.

The value of this study lies in the key success factors that were identified by a comparative analysis that was done between the FIFA 2006 Soccer Bid between Germany and South Africa. Although South Africa's bid was unsuccessful, the country still delivered an outstanding technical bid and is regarded as a serious competitor for future events. South Africa already proved itself, through hosting the 1995 Rugby World Cup and the 2003 Cricket World Cup.

Two major recommendations were made, including a FIFA World Cup Information Centre and a checklist for successful bidding. The FIFA World Cup Information Centre's aim must be to provide and disseminate information to communities. This will not only encourage community involvement, but also create support for the event. The marketing programme, staff information, maintenance plans, ecological balance, budget concerns, event evaluation process, the role of the organising committee and security matters are the key factors in developing such a centre. The checklist for creating a successful bid cover a number of issues regarding operational planning and management.

OPSOMMING

Die aanbieding van mega-gebeurtenisse hou verskeidenheid geleenthede en voordele vir die gasheergemeenskap in. Gebeurtenisbestuur is tans een van die snel-groeiendste aspekte van rekreasie-, besigheids- en toerisme verwante sektore. Die aantrekkingskrag van mega-gebeurtenisse is gesetel in die feit dat gebeurtenisse slegs oor 'n spesifieke tydperk aangebied word, en dat daar 'n unieke atmosfeer daaraan gekoppel word. Hierdie feit onderskei die aanbied van mega-gebeurtenisse van permanente en geboude attraksies. Mega-gebeurtenisse beskik oor die vermoë om 'n groot aantal besoekers oor 'n spesifieke tydperk na 'n bepaalde plek te lok. Die frekwensie waarmee mega-gebeurtenisse aangebied word kan bepalend wees vir die sukses van die gasheergemeenskap se toerismebedryf. Hierdie studie het gefokus op die bod-proses om groot gebeurtenisse aan te bied, met spesiale verwysing na die rol wat regeringsinstellings in die proses speel.

Die waarde van die studie is gesetel in die sleutel-sukses faktore wat deur 'n vergelykende analise van die FIFA 2006 Sokkerbod tussen Duitsland en Suid-Afrika geïdentifiseer is. Nieteenstaande die feit dat Suid-Afrika se bod onsuksesvol was, was dit nog steeds 'n uitstaande tegniese bod en die land word nou gereken as 'n ernstige mededinger vir toekomstige gebeurtenisse. Suid-Afrika het reeds bewys dat 'n mega-geleenthede met sukses aangebied kan word, waarvan die 1995 Rugby Wêreldbeker-toernooi en die pasafgelope 2003 Krieket Wêreldbeker-toernooi getuig.

Twee belangrike aanbevelings is uit die navorsing gemaak, naamlik die ontwikkeling van 'n FIFA Wêreldbeker Inligtingsentrum en 'n kontrolelys vir die opstel van 'n suksesvolle boddokument. Die doel van die inligtingsentrum moet wees om inligting te verskaf en te versprei na plaaslike gemeenskappe. Dit behoort nie net gemeenskapsbetrokkenheid te bewerkstellig nie, maar ook ondersteuning vir soortgelyke gebeurtenisse. Die bemarkingsprogram, personeelinligting, instandhoudingsplanne, ekologiese balans, begroting, gebeurtenis-evaluasie en veiligheidsaspekte is sleutelaspekte in die ontwikkeling van so 'n sentrum. Die kontrolelys vir die saamstel van 'n suksesvolle boddokument raak aspekte van operasionele beplanning en bestuur aan.

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CHAPTER 1

INTRODUCTION, PROBLEM STATEMENT, OBJECTIVES AND METHOD OF RESEARCH

1 ORIENTATION

Since the 1980's, economies throughout the world have undergone extensive social and economic transformation. One of the most significant of these changes is the increased rate of spending on services. Tourism and tourism attractions are no longer considered a luxury confined to economically developed countries; it has become an integral part of lifestyle and, thus, a global industry, with producers and consumers spread throughout the world (Kandampully, 2000). The potential of mega-events, for example, emphasises the above.

The world of event management constitutes one of the most exciting and fastest growing forms of leisure, business, and tourism-related phenomena. Their special appeal stems in part from the limited duration and innate uniqueness of each event, which distinguishes them from permanent institutions and built attractions. Frequently their celebratory and festive ambience elevates them above ordinary life experiences. Inevitable, spectacular growth in the number and diversity of planned events has given rise to new business opportunities, careers, tourism implications and professionalism (Getz, 1997).

Indoor and outdoor events are an important part of the leisure and tourism industry. Events and festivals have the ability to attract a large number of visitors for a specific time period to a specific destination. Therefore, the frequency of events and festivals are evident for the success of a tourism destination.

Events and festivals have changed drastically in recent years. What have changed are the frequency, themes and location of events. Whereas, in the past, events were arranged to celebrate a specific happening, events may now be presented in order to meet specific *objectives*. Events are transient, and every event is a unique blending of its duration, setting, management, and people. The scope of events has extended far beyond purely recognising the cultural importance of a particular date on the calendar (Lamb, 2000:7).

2 PROBLEM STATEMENT

The global services industry provides a huge growth opportunity, and South Africa has immense potential for it (Ludolph, 1998:12; Swart, 2002:10). This significant growth of the industry has not been achieved without effort, as tourism has had to meet the challenges of economic uncertainties, political upheavals, deregulation and shifts in the level of consumer confidence with a remarkable degree of ingenuity, *management flexibility*, *marketing skill*, *commitment to service quality*, and a responsibility towards the travelling public.

In the event management system for bidding there are continuous interactions between the organisation and its environment. The bigger picture according to Getz (1997:29) is a giant system consisting of many events related to the economy society, politics, and ecology, all interdependent and influencing each other.

Looking at the above, the problem arises of what are the management roles of national government, provincial government and local government in the bidding process? Therefore, this study will investigate the management roles of the above bodies for successful bidding.

3 OBJECTIVES

The objective of this study is to analyse the phenomenon of event management in South Africa through a literature study and to compile core bidding criteria for event management in the public sector. The factors of a successful bidding document will also be determined.

4 HYPOTHESES

Successful management of events plays an integral role in the bidding process in South Africa.

5 METHOD OF RESEARCH

5.1 Literature analysis

In the collection, classification and analysis of the literature, emphasis is put on event management and its contribution to explain successful bidding. The following databases were used:

- Library database;
- South African Periodicals (Repertorium);
- General, dissertations, multi-media; Education;

- Social Science Index;
- PsycLit (ERIC II) – Psychology database;
- ERIC;
- Humanitas Index;
- GKPV-SA dissertations, thesis;
- Human Movement Science's Sport Discus;
- Internet;
- Books.

5.2 Case studies

The bidding document for the 2006 South Africa Soccer World Cup document will be used as a case study. This document will be analysed in order to identify the strengths and weaknesses of the bid, and the reasons why the bid did not succeed. This document provides a good representation of other similar bids in size, scope and overall implementation.

6 CHAPTER CLASSIFICATION

Chapter One, deals with the orientation of the study, which includes a brief introduction on event management as well as a problem statement. The aims and the objectives as well as the research methodology are explained. *Chapter Two*, provides a holistic perspective on event management, nationally and internationally. The scope and importance of event management is discussed, as well as the value thereof for destinations. *Chapter Three*, identifies the role of government in event management in South Africa. The different levels of government have the authority to contribute to the hosting of events in different ways. The value of the event for the host community usually determines the commitment of the public sector to a specific project. *Chapter Four*, includes case studies on the 2006 soccer bid. A comparison of the bid documents of South Africa and Germany was done in order to identify key factors that contribute to the unsuccessful bid of South Africa. *Chapter Five*, concludes this study with a summary and practical recommendations to improve event management in South Africa.

CHAPTER 2

HOLISTIC PERSPECTIVE ON EVENT MANAGEMENT

1 INTRODUCTION

Countries and cities compete vigorously to host mega- or hallmark events. These events produce large economic and tourism benefits. Many local events were originally designed to entertain local residents and have grown to attract many international visitors. Events have the ability to spread tourism geographically and seasonally. Special events allow a region or community to celebrate its uniqueness, promote itself, develop local pride and enhance its economic well-being.

Hosting major international sport and recreation events has great potential to address the challenges and build capacities within the sport codes, communities, provinces and the nation of South Africa. It is the view of the South African government to let the country become a destination of choice for selected events.

Before the importance of these events and its impacts are discussed, it is necessary to cast light on what exactly does events and event management entail. It is thus the aim of this chapter to address these issues. Reference is made to sport events because it is well-known that events such as art and cultural events have not yet received as much international recognition as the sporting events.

2 TYPES OF EVENTS

Events are temporary occurrences, either planned or unplanned. They have a finite length and for planned events this is usually fixed and publicised (Getz, 1997:9). People know and expect that events end, and this fact provides a major part of their appeal. When it is over, one cannot experience it again. According to Kusters (1987:107), events are transient and every event is a unique blending of its duration setting, management and people.

2.1 Special events

It is difficult to develop an universal, standardised definition nor a classification of which types of events are exceptional or special. It is clearly a matter of perspective or preference. Context makes some events special to their organisers or guests, and it is quite possible that organisers

and customers will not agree on the “specialness” of the event. Kotler and Hinder (1993:130) define special events as a one-time or infrequently occurring event outside the normal programme or activities of the sponsoring or organising body. According to Getz (1997:15), a special event for the customer or guest is an opportunity for leisure, social or cultural experience outside the normal range of choices or beyond everyday experience. Smith and Peterson (1988:60) argued that special events are always planned, always arouse expectations, and always motivate by providing a reason for celebration.

2.2 Hallmark events

According to Ritchie (1984:2), hallmark events are those events which have the ability to focus national and international attention on the destination for a well-defined and usually short period of time. The Olympic Games are certainly one of the best examples of such events, as it is also one of the oldest events in the world. Since the ancient Olympic Games the event managed to attract a large crowd of spectators.

According to Kang and Perdue (1994) the direct effects of hosting a hallmark event include:

- Increased mass media coverage in the world community
- Improvements and expansion of tourism infrastructure and tourism services
- An influx of participants and tourists during the event period.

2.2.1 Types of hallmark events

There are several types of hallmark events, including the following (Saayman, 2001:116):

National Sport Events	International Sport Events	Other National Sport Events	Other International Sport Events
Rugby Curry Cup	Olympics	Grahamstown Arts Festival	Cannes Film Festival
Rothmans Soccer Cup	Rugby World Cup	Small Karoo Nationale Kunste Fees in Oudtshoorn	Rio Festival
Engen Athletics	Soccer World Cup	Oppi Koppi	Miss Universe
Comrades Marathon	Nedbank Million Dollar Challenge	Mampoer Festival	Festival of the Dead
Two Oceans Marathon	Three Nations Rugby Series	Cherry Festival	Tomato Festival Spain

The above are only a few examples of the countless hallmark events around the world. Whether national or international they have the power to attract millions of participants and tourists. Getz et al. (1997), identified the following aspects that make events special:

- Uniqueness
- An opportunity not usually available
- Out of the ordinary type of attraction
- Rarity

- Different activities
- Novelty
- Quality
- Well-organised
- Reputation
- Calibre of participants
- Size
- International scope
- Presence of stars or very important persons

Major events carries a number of features which are outlined below:

- All major events are perceived as being something special.
- All events have a starting and finishing point. They are highly bound in time and space.
- Events carry opportunities to improve programming and management. They can be a means of promoting the organisation and creating favourable images.
- Events must conform to regulations – most special events have to meet stringent regulations involving aspects of health and safety and police matters.
- Events pose many problems to all organisers – events are risky, so we have to expect the unexpected. Most problems can be anticipated, but many will be unforeseen.
- Events fend themselves to certain management styles and methods.
- Events have similarities of different organisations in terms of management approaches; the similarities of different events appear to be greater than the differences (Törkildsen, 1999:471).

2.3 Mega events

“Mega” means large or huge. Morris (1987:26) argued that mega events could be defined by reference to their volume of visitors and cost. He further noted that mega events volume should exceed one million visits, their capital cost should be at least \$ 500 million and their reputation should be that of a *must see* event. Vanhove and Witt (1987:42) stressed the economic impacts of the event rather than its costs, size or image.

Rooney (1988:93) has taken an interesting perspective on mega events. Looking at sports only he concluded that all sporting mega events have common features: they are loaded with tradition, they have profound historical significance, they have developed a mystique or have taken on almost mythical proportioning, they benefit from media overload, a sporting event is often complemented by other events such as parades and festivals.

Some events might never attract large numbers, but still generate enormous exposure through media coverage. These 'media events' are gaining in popularity, based on the power of television coverage to reach global or targeted audiences. Such an event can be a *mega* success if it generates exceptional levels of coverage or fosters a strong positive image among key target segments. The definition of mega-events will therefore always remain subjective. It is really more a question of the relative significance of an event, rather than any particular measure of its size or reach.

2.4 Festivals

Festivals are one of the common forms of cultural celebration, and although many are traditional, with long histories, the majority have been created in recent decades. Falassi (1987:29) noted that parades and processions are common elements in festivals, but those that are held on their own also display many celebratory elements. Many of the other major types of events, especially art and entertainment, are frequently found within or as the theme of festivals, and sport and recreational events are also common festival elements. Many festivals with diverse programming are actually celebrations of the community itself. Falassi (1987:30) noted that both the social function and the symbolic meaning of the festival are closely related to a series of overt values that the community recognises as essential to its ideology and worldview, to its social identity, its historical continuity, and to its physical survival, which is ultimately what festivals celebrate.

2.5 Fairs, exhibitions, expositions and shows

Fairs have a long tradition of their own as periodic exhibitions and markets. Although they were often associated with early religious celebrations and now usually contain entertainment and amusements, fairs have more to do with productivity and business than with themed public celebration. Abrahams (1987:16) argued that fairs and festivals are like mirror images. But he also suggested that in modern, urban society they have become almost synonymous because the old ways of production, as celebrated in fairs, have faded.

The most traditional fairs reflect a rural and agricultural theme. Typical elements according to Abrahams (1987:20) of agricultural fairs and exhibitions include agricultural demonstrations and contests, sales and trade shows, amusements of all kind, eating and drinking, parades and a variety of entertainment.

World's fair according to Benedict (1983:11) have a very specific meaning derived from an international agreement in 1928 and regulated by the Bureau International des Expositions in

Paris. This Bureau was mandated to set the policies for bidding on and holding world's fairs, which are often called expos. Their nominal purpose has always been educational.

2.6 Sport events

Like meetings and conventions, according to Graham et al., (1995:120) sport event management is evolving into a field of its own. Although many games are played purely for recreation most types of sport are organised and competitive. As new sports emerge they almost inevitably acquire an organising body and indulge in competitions. These are usually competitive, with the awarding of prizes. Given the enormous number and variety of sports worldwide, it is little wonder that sport events are also big business, involving a great deal of travel by players, their entourages and spectators.

Sport events and other special events share commonalities, including their service orientation, the incorporation of celebration and drama, media coverage and similarities (Graham et al. 1995:122), might also be similar, especially with regard to the ritual of attendance and related traditions.

2.7 Cultural Events

Getz (1997:22) noted that art events have their own terminology and professional associations. FIDOF (International Federation of Festival Organisations) was established in 1967 to serve as a means of connecting the major music festivals and cultural events of the world and to promote the importance of the festival stage.

Art festivals are universal, but for Getz (1997:22) the following categories of art are important:

- Visual (painting, sculpture, handicraft)
- Performing (music, dance, drama, cinema, story telling, poetry)
- Participation
- Professional versus amateur artists
- Mixed or single genre
- Single or multicultural
- Paid or free performances
- Regularly scheduled, periodic or one time
- Temporary versus permanent.

Getz (1997:23) also noted that art festivals are found in virtually every part of the world, reflecting almost unlimited diversity. By definition, they celebrate an art form, artist, or historical event in the art world. Such festivals might bring together an unusual repertoire of

performances or exhibits, top performers and artists in the field, and educational events. Some art festivals are competitive, resulting in the awarding of prizes.

Although there are similarities between the different kinds of events, they all have some unique characteristics. The management of events are in principle the same, but may vary according to the unique characteristics of the different types of events. The rationale for hosting international events will indicate the benefits for the different role players, which include local communities and central government.

3 RATIONALE FOR HOSTING INTERNATIONAL EVENTS

Potential benefits of hosting major international events include the following:

- Building national unity and nationhood
- Creating jobs and economic development
- Building and improving facilities
- Improving infrastructures
- Building capacity within sport codes
- Increasing volunteerism and volunteer skills
- Enhancing athlete and coach preparation
- Strengthening partnership between governments, private and voluntary sectors
- Building the image and credibility of the nation
- Leaving a legacy for the region and the nation, developing expertise and resources that can contribute to the skilled labour force
- Addressing national priorities such as equity and job creation (Sport and Recreation South Africa, 2003).

The risks from overzealous bidding and hosting include:

- Africa, 2003). Inability to follow through on commitments
- Financial loss and/or wasteful expenditure
- Image and credibility loss
- Stress on already limited resources with money taken away from higher priority areas
- Inequity of hosting the strong, getting stronger in some areas/regions of the nation left behind in facilities, infrastructure and capacity development (Sport and Recreation South

From a public sector approach, it is very important that a national strategy is followed to maximise the potential of reaping the benefits and reducing the risks. Without a holistic

approach, sport codes will bid against each other, local governments will bid independently and the risk of financial losses are strengthened.

4 EVENT MANAGEMENT

Event management can be defined as a kaleidoscope of planned cultural, sport, political, and business occasions: from mega-events like the Olympics and world's fairs to community festivals; from programme of events at parks and attractions to visits by dignitaries and intergovernmental assemblies; from small meetings and parties to huge conventions and competitions (Getz, 1997:1).

No event takes place in isolation, and every management tasks impinges on others, hence, managers must learn to think and act systematically (Smith and Peterson, 1988:82). Essentially, a system is a set of interdependent or interacting elements. Any change in key environmental factors will affect the event and its management, whereas the event's impacts on the community, economy, and environment are equally important.

Planning is always future orientated, focussing on the formation of goals and the means to achieve them. Although organisations engage in planning as a continuous process, one-time event organisation works towards a specific target completion.

4.1 Planning of an event

Kestner (1996) illustrates the following procedures in the process of planning for an event (Figure 1.1). The aspects below will determine the objectives of an event. The size of the committee might lead to the formation of a sub-committee. A committee approach can give the assurance that the objectives identified are the most appropriate. Main categories include finances, human resources, facilities, equipment, competitors, risk and emergency plans, registration plans, awards and recognition plans and event evaluation.

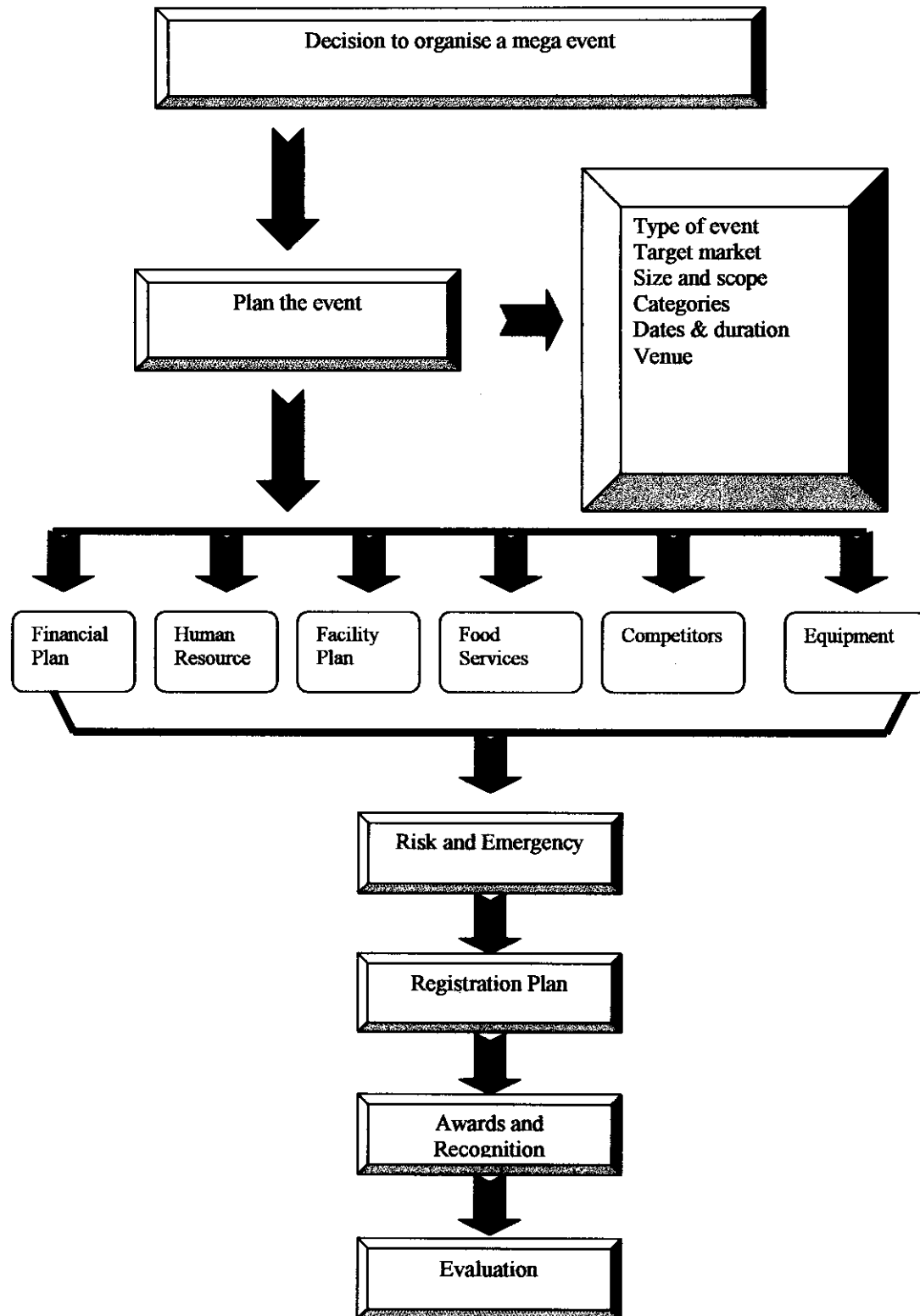


Figure 2.1 Planning of an event

Planning is always future orientated, focussing on the formation of goals and the means to achieve them. The following are important steps and questions to remember. When planning an event it is important to determine the type of event, the target market, the size and scope of the event, the different categories, the duration and location of the event.

The financial planning needs to include an event budget. A plan must also be established on how to obtain income and to accurately record all transactions. Risk and emergency planning should address aspects such as a risk management plan, indemnity forms, risk insurance, emergency care transport, local fire and safety ordinances, food hygiene and spectator management plans. Especially the local government concerned plays a significant role in the formulation of these budgets and plans.

The registration process must determine qualifying regulations, information that needs to be disseminated, registration period, process that needs to be followed with the necessary forms and who is responsible for the registration process. The use of technology must also be determined, for example on-line registration.

Facility planning should address the type of facilities that are required. The maintenance, reservation and supervision of the facilities need to be delegated. Security, parking equipment and equipment maintenance and distributions must be planned in order to ensure a good event.

As competitors compete in events, the ultimate reward is receiving the prize, trophy, reward or money. It is important to determine what achievements will receive rewards as well as the type of reward. This is usually a good way to promote sponsors as well as to receive the rewards as sponsorships. The presentation ceremony reflects on the quality of your event. Prestigious presentations with well-known people or dignitaries to present the prizes, indicates a high quality event.

Providing food to all people involved in events can become a significant managerial task for government. Outsourcing this function may be recommended. Food, refreshments and drinks must be available to participants, personnel and spectators.

Transportation management is crucial to event management. The type of transport required, transport routes and schedules as well as available parking needs to be determined in conjunction with local traffic and security authorities beforehand.

Communication plans include the procedure that is needed to disseminate information to all people involved, including staff, participants, the media and spectators. A publicity plan is very important and press releases, interviews and news and radio briefings can enhance the value of the event. Promotional material must also be developed and distributed.

An event evaluation plan must be put into place and questionnaires need to be developed, distributed and processed. Reports must be compiled and negative points need to be eliminated.

5 ECONOMIC PERSPECTIVE ON EVENTS

Since the 1930's big events such as the Olympic Games changed dramatically when countries started to compete for the honour of hosting events. The reason for this competition was pride and prestige - the Olympic Games became the "hottest" property in the world, and was sold commercially in the form of sponsorship, television rights and for the benefits it can bring to the host country (Crockett, 1998:1).

Bidding for hallmark events is becoming an increasingly competitive industry. The bidding process therefore requires much skill, because competition is tough and there are a limited number of hallmark events. It is thus very important to choose the right event, and governments need to ask themselves why they want to host the event, (e.g. economic outcomes), and what benefit they are hoping to derive from it.

Knowing why one is getting involved in hosting events almost automatically determines the list of events one should bid for. According to Crockett (1998:1) there are basically two significant benefits one should be seeking in hosting sport events:

- **Economic impact**

The calculation of what the sport event is worth to the host area in terms of money. Prior to bidding for an event one should make an assessment of this impact, which will automatically give an indication of not only whether you should bid for the event but also how much you are prepared to pay for it. For example, the 1993 Telkom Rally in Australia had an impact of AU\$19 million on the Western Australian economy.

- **Regional promotion**

Events can be extremely effective in promoting a region in the most effective way. For example, the FIA World Rally Championship in Australia was televised in 93 countries throughout the world, and much of this exposure features the city of Perth and the surrounding countryside.

It would be very difficult to buy this kind of exposure. Those sport events that receive significant television coverage will be the best at promoting one's country or region and should be targeted when bidding for an international sport event.

Crockett (1998:2) also identifies two other aspects that should be considered:

- To find sport events that are special or unique, and
- To give preference to recurring sports events, as these are more valuable than one-offs.

It is also important to understand the event's financial returns. Most events will not always make a profit and that is why funding from sponsors, the government, and other organisations is needed. A good example is the Olympic Games. Although it does not necessarily make a profit in the short run, they are profitable for the country and area in which it is hosted. Hotels, restaurants, retailers, and many other organisations can benefit greatly and make profits from these events, and therefore new money is poured into the local economy.

This process is unique to the specific event you have chosen, and it is seldom transferable to another event. Before one decides to bid, the key question, according to Crockett (1998:2) is: *What is the return on investments?* After one has determined the sports event that is to be bid for, and what the cost benefit for the area will be, the process of bidding for the event starts.

It is further necessary to identify who is going to decide on the location for the event, usually it is not only a single person or group, but more often the decision comes from senior levels and even politicians. For major sporting events, one should get the approval of the national body before the ultimate approval of the international body.

When bidding for an event, the needs of the decision-makers should be identified. A detailed checklist of criteria, which must be met, can make this process much easier. It has been said that, what South Africa and Cape Town could have offered for the Olympic Games by hosting it, should have been accentuated in Cape Town's bid for the 2004 Olympic Games (Anon, 1997).

It is also recommended that one should work closely with the specific sport federations involved in the event, and that it should be included in the development of the bidding process. Appropriate and professional people, both in terms of the actual presentation and the bid documents, should make the presentation. What is done in the presentation is a direct reflection on one's ability to host an event (Crockett, 1998:3).

Fayos-Sola (1997) remarked on economic efficiency and distribution that the evaluation of sports events requires going below the surface and looking at those measures of success not easily identifiable or measurable, such as emotions, friendship and experience. Since the economic impact of an event may be the deciding factor for the continuing of the event, it is an important task for the event manager of the sponsoring community to determine this impact. Events sponsors, such as private corporations, government organizations and non-profit organizations demand proper evaluation of the sports events' economic impact, because of their increasingly tight budgets. In the context of sports tourism, economic impact is defined as the net economic change in a host community that results from spending attributed to a sport event or facility (Crockett,1998:4).

Sport teams and events are business investments both for the individual entrepreneur or the state government department that organises and promotes them and for the community that subsidises and hosts them. Communities may invest public tax money into sport events for a variety of reasons, but economic benefits are likely to be one of the most important. They anticipate that these events will attract visitors from outside the community who spend money while they are there and create an infusion of new money in the community. Communities need to assess benefits in a broader public context, than the entrepreneur or department that has a directly measurable bottom line that evaluates their private economic performance (Crompton, 1995:15).

The following sequence of actions describes the investment of public funds in sporting events and facilities for economic purposes: Residents of a community give funds to their city council in the form of taxes, the city council uses a part of these funds to subsidize the production of an event or the development of a facility. The facility or event attracts out-of-town visitors, who spend money in the local community both inside and outside the event they visit.

This money from outside the community creates income and jobs in the community for residents. This completes the cycle – community residents are responsible for creating the funds, and they receive a return on their investment in the form of new jobs and more household income (Crompton, 1995:15).

5.1 Approaches to economically assessing events

The following table indicates the approaches to economically assessing events according to Getz (1994:437).

Table 2.1: Approaches to event impact assessment

APPROACHES	GOALS	COMMONLY USED MEASURES
Break-even or profit/loss	Short-term assessment of financial efficiency or solvency	Measure direct costs and revenues to organisers Determine surplus or deficit (profit or loss)
Return on investment	Show the benefits of grants or sponsorship Calculate ROI for private investors or owners	Determine the relationships between grants/sponsorships and levels of visitation or economic benefits Used standard ROI accounting practices
Economic scale	Determine the economic scale of one or more events from the destination perspective	Measure total attendance and expenditure of event consumers, plus organisers expenditure
Economic impact	Determine the macro-economic benefits to destination area	Estimate direct and indirect income employment benefits Use multipliers or econometric models
Cost of benefits	Evaluate the cost and benefits from the perspective of the host community and environment Determine the net worth or value of event	Compare tangible and intangible costs and benefits for the short and long term Assess opportunity costs of investments Examine the distribution and the impacts Judge the net worth and acceptability of events

5.1.1 Break-even or profit/loss assessment

According to Getz (1994:437) it is a challenge for many events merely to survive from year to year. Saayman (2001:87) noted that to determine their solvency or to measure their efficiency and effectiveness in achieving goals within their budget, organisers tend to look at the bottom line of their own financial statements at year-end. This is a short-term approach, and the only impacts addressed are those affecting the organisation's financial performance. Direct cost and revenues will be considered, and this might include a statement of how surplus revenues or operating cost were spent; but wider economic impacts are not examined.

A surplus revenue or profit is not necessarily an economic benefit for the destination, depending on the source of revenue. An event might, for example, generate a surplus, but only because of the local government's grants, in which case the surplus does not represent new income for the area.

5.1.2 Return on investment (ROI)

Sponsors of sport events may want to know if their investments in events are paying off. They will be interested in sales, public relations, and other marketing goals. Their main

concern according to Saayman (2001:87) is the amount of money they invested to conduct the special event and how much return occurs. Public agencies giving grants to events will be more interested in how the event achieved certain goals, ranging from qualitative evaluations of changes in public attitudes to full economic impact assessment (Getz, 1994:437).

According to Turco and Kelsey (1993:34) one portion of return on investment for local governments is the tax revenue generated by the event and return to the community. Event organisers and private investors will want to calculate their return on investment using standard accounting practices, but this, too, is only a measure of financial performance and not of economic impact on the destination. It should be kept in mind, that when calculating a return on investment, money earned today can be invested elsewhere. This is why the use of net present value calculations is recommended (Getz, 1994:437)

Thus, according to Turco and Kelsey (1993:34), the return on investment is calculated as the amount by which revenues exceed investment. Revenues brought into the event are therefore divided by the expenditure to conduct the event, to calculate this percentage. This can be very impressive for some events and for others it may be a measure of subsidy.

5.1.3 Expenditure leakage

Sport events, especially those large-scale events, often make use of the businesses of non-residents to provide the necessary goods and services, such as entertainment, food and beverage concessions and souvenirs. After the event these non-resident businesses leave the local economy taking with them a considerable amount of revenue. This is called expenditure leakage or the vendor factor (Turco and Kelsey, 1993:34).

McIntosh et al. (1995:327) and Johnson (1993:37) define leakage as a combination of savings and imports. Savings represents funds retained by households and firms.

Leakages in regional economies result from two main problems. Firstly, rural economies and chronically-under developed, requiring importation of many goods and services. Secondly, individuals sometimes own businesses or companies that are located outside the region and profits from these businesses are not retained in the local economies. Because of chronic leakages in rural, tourism-based economies, the economic benefit of tourism to local residents may sometimes be more apparent than real (Van Harsseel, 1994:165; Niedermeier and Smith, 1995:51).

It is quite clear according to Saayman et al. (2000) that in order for any hosting country to create wealth and jobs, the leakages need to be small as possible, otherwise the country will benefit very little.

6 CONCLUSION

This chapter has addressed aspects of event management. The different kinds of events were discussed as well as key factors that are important in planning events. The economic perspective on event management indicated the importance of not only the benefits that the host country can derive, but also the importance of the bidding process.

In the next chapter the role of the government in event management will be discussed.

CHAPTER 3

ROLE OF GOVERNMENT IN EVENT MANAGEMENT

“The international Olympic Committee chooses a host city seven years before the Olympic games and they bring the experience of different parts of the Olympics movements to help the new organising committee. We want every Olympic games to be even better than the last one. But each will be different. They all have their own character”
Juan Antonio Samaranch (IOC President)
24 July 1984.

1 INTRODUCTION

In South Africa there is a greater awareness of the impact of events on government functions such as the improvement of living conditions, economic growth and wealth creation. Tourism and its related aspects are regarded by the South African Government as a tool to boost the economy and it is aware of the importance of deregulation and the priorities of the private sector, but these must be weighed against the Government's primary concern: the long-term social, environmental, economic and cultural priorities of South Africa (Wood, 1995; Swart, 2002). It thus becomes paramount that more emphasis should be placed on how to organise and manage these events. From a public management perspective the management of major events in South Africa still experiences some limitations or shortcomings.

It is against this background that countries and cities compete to host mega or hallmark events such as the Olympic Games and World Cup Soccer. South Africa used significant resources in the bid for the Olympic Games of 2004 and 2006 World Cup Soccer, but with no success. However, the world has taken cognisance of the readiness of South Africa to stage a world event. The Cricket World Cup 2003 serves as a good example of South Africa's ability to host these kinds of events. It is thus the aim of this chapter to address the role of the different levels of government in event management and the bidding process.

2 TYPES OF GOVERNMENT SERVICES AND FUNCTIONS

The government of the host country are responsible for a variety of tasks and functions. The following will suffice.

2.1 The government

The government on national, provincial and local level, is the key sector in bidding for and hosting an event, as it is required to play a number of roles. The government will be a key player in bidding for and hosting a major event since many facilities and services required for

the event will be the responsibility of the government. The extent of these may vary from situation to situation depending on the extent to which the bid is private sector driven.

Roles the government may play

- A contributor to the operations of the bid through a grant or bridging finance.
- Assistance with marketing an event and the festivities around that event.

Political support

- National broadcasting and television media.
- Support as a national, regional and/or local project.
- Deployment of government officials (for example foreign missions) to assist with lobbying.
- Assistance of politicians and government staff to work actively with the bid.

Supplier

- Provision of publicly-owned facilities.
- Provision of infrastructure and staff at facility.
- Assistance with technical expertise.
- Access to information system and technology.

Guarantees

- Host guarantees.
- Financial and performance guarantees.
- Enabling legislation for protection of event rights.
- Policing, immigration and health care.

The local authority is a key role player, in the following areas:

- electricity provision, in particular temporary connections
- cleansing and waste removal
- parking and traffic management
- staffing
- security.

2.2 Order and protection services and functions

Various order and protection objectives in South Africa can be identified.

Table 3.1: Order and protection functions

ORDER AND PROTECTION FUNCTIONS	OBJECTIVES
Military defence functions	To defend the state against aggression
Police functions	To protect people themselves and their property
Administration of justice functions	To protect the subjects against wrongful action by the state
Correctional services functions	To withdraw criminals from society and rehabilitate them
State security functions	To secure the state's safety against foreign insurgence
Civil defence functions	To protect the public in the case of a disaster
Traffic police functions	To secure road safety

Performing these types of functions, results in services. The services arising from performing the defence function, for instance, are protecting and keeping the state and its citizens safe (Du Toit and Van der Waldt, 1999:76).

2.3 Social welfare services and functions

A variety of welfare functions according to Du Toit and Van der Waldt (1999:76) are performed by governments to promote the personal social welfare of individuals. Gildenhuis (1989:31) argues that the nature and scope of these functions depend on how socialist the policy of the government in power is. Social Welfare functions include the following seven (Gildenhuis, 1983: 31-32)

Table 3.2: Social welfare services and functions

Social Welfare Function	Services Rendered
Health functions	Refuse removal, street cleaning and removal of the carcasses of dead animals; rodent control to prevent the outbreak of pestilence; prevention and combating of infectious diseases; curative health functions; hospitalisation, control of medicines.
Social security functions	Payment of government pensions to indigent senior citizens; cash welfare support to poor, needy and physically and mentally disabled; housing for and care of indigent senior citizens, unemployment insurance; jobs for the unemployed among the less developed communities
Education and Training functions	Fighting the evil of illiteracy - provision of primary, secondary and tertiary education and training institutions for this purpose.
Housing functions	Provision of shelter to the poor and people without an income
Sport and Recreation facilities	Services aimed at promoting sport and recreation
Cultural promotion functions	Provision of subsidisation of libraries, theatres, and city and symphony orchestras
Human sciences research functions	Support and/or subsidisation of institutes such as the Human Sciences Research Council

2.4 Economic welfare services and functions

These functions are aimed at promoting the economic welfare of people. Gildenhuys (1989:33-44) identifies the following welfare functions, among others, which government can perform:

Table 3.3: Economic welfare functions

Economic welfare functions	Examples of services
Regulation of the economy	Monetary and fiscal controls
Stimulation of economic development	Help for industrial and commercial development. Creation of job opportunities.
Maintenance of economic order	Regulating labour relations Ensuring free competition

Provision and maintenance of economic infrastructure	Provision of public transport, telecommunication and postal services
Establishment and operation of public industrial corporations	SASOL for provision of oil and fuel

Taken the above services and functions it can be argued that government has a pivotal role to play in services delivery and improving the quality of life of its people.

3 ROLE OF GOVERNMENT IN HOSTING AND MANAGING EVENTS

Winning a bid to host an international event can catapult South Africa to the world tourism stage and make the country one of the most sought after destinations for wealthy foreign travellers. It can provide the single greatest economic opportunity for South Africa. In order for South-Africa to realise this dream all three tiers of government in South-Africa needs to fulfil the following responsibilities as indicated in Table 3.1 below:

Table 3.4: Responsibilities of government spheres

LOCAL	PROVINCIAL	NATIONAL
Responsible for policy development at local level concerning events and hosting of events	Coordinate the involvement of various stakeholders on the bidding and hosting process, to ensure congruence with the provincial policy on hosting and bidding of events	Must guarantee that the stadia and facilities chosen for the final competition meet international requirements and comply with the standards of safety required for international matches
Responsible to implement policy at local level	Responsible for policy development on hosting of major events	Are requested to conclude adequate insurance cover
Also responsible to make funding available for the hosting of this events	Responsible to implement policy on hosting of major events	Maximising the probability of success in major events
Responsible to create facilities for the purpose of hosting these events	Responsible to effect winning bid documents	Must provide financial guarantees
Ensure the existence of programmes that develop potential to host major	Responsible for upgrading of facilities as created by local authorities for national and international events	The researching, auditing and upgrading of facilities for national and international events
	Ensure the existence of programmes that develop the human resource potential in bidding and hosting of major events	Responsible for the promotion of sport and international events through recognise agencies
	Responsible for the recruitment, training, accreditation of volunteers in hosting for major events	Responsible to monitor the governance of major events in terms of the national government policy
	Responsible for funding of major events	Advance the cause of hosting major international events in Parliament

		Responsible to debate and suggest legislation on the hosting of major events
		Providing funding for building of international standard airports

The advantages for the South African government in fulfilling the above- mentioned responsibilities would lead to the following according to Saayman and Van Niekerk (1996:57):

- South African will become the focus of world attention and will gain prestige within its own country;
- The energies of South African citizens can be harnessed for a common goal;
- Business activity will be stimulated;
- Facilities are improved; and
- Petty political differences can be swamped by patriotic idealism.

4 ROLE OF GOVERNMENT: A CASE STUDY

4.1 The organisation of the FIFA World Cup

A small group of dedicated people within government at the forefront to spearhead the Bid process in the North West Province and a courageous stand by the South African Football Association Bid Committee almost brought the FIFA World Cup games for the first time to Africa, more specifically to South Africa.

The Mmabatho World Cup Bid Committee (MWCBC) proposal was new in that the proposed organizing committee insisted on protective language in the contract to assure its ability to stage the FIFA World Cup games without a deficit. Despite facing a deviant challenge that offended some of its members the South African Football Association Bid Committee accepted the Mmabatho World Cup Bid Committee's bid and capitulated on a number of major demands.

Both ex-president Nelson Mandela and president Thabo Mbeki and the premier of the North West Province, Dr Simon Popo Molefe provided a letter of support addressed to the FIFA president, Joseph S. Blatter.

4.2 Mmabatho World Cup Bid Committees approach to management

The Mmabatho World Cup Bid Committee, with the Provincial government as the main driver, was unique in utilising strategies previously unheard of in organising the World Cup Bid. Given

its responsibility the Bid Committee set out several guidelines on which the management and organisation of the bid were developed (Mmabatho Bid document, 2000).

4.2.1 Architecture

The local Bid Organising Committee was determined to utilise as many existing facilities as possible and to keep construction of new facilities to an absolute minimum; the use of existing facilities was a key element of the Mmabatho World Cup Bid Committee. Where permanent construction was necessary, the emphasis was on facilities which would leave a lasting legacy for the future, rather than service only the FIFA World Cup Games.

4.2.2 Commercialism

The Mmabatho World Cup Bid Committee determined that it would seek much higher commitments of cash in kind contributions and services from a number of sponsors, suppliers and licensees like the Provincial and Local Government in Mmabatho, financial institutions, etc. The commercial nature of the FIFA World Cup bid was done in line with the requirements of FIFA.

4.2.3 Finance

Spending and staff size were constrained as much as possible for as long as practicable during the planning stages. This allowed the Mmabatho World Cup Bid Committee to understand both its fiscal resources and the tasks to be accomplished before allocating any funds to non-essential items.

4.2.4 Government

The Mmabatho World Cup Bid Committee was heavily dependant on utilizing government funding for the operation of the World Cup. Governmental agencies were also obliged to contribute towards the operation of the World Cup as part of its responsibilities to the public.

4.2.5 Protocol

The emphasis in planning would be for the arrangement of proper environment for the Competitors. FIFA Executive Committee members, foreign dignitaries were judged less important than the participants and would be eligible for subsidized services only after the competitors needs had been arranged.

4.2.6 Provision of Services

The Mmabatho World Cup Committee Bid (MWCBC) recognised the expertise of existing companies in service areas such as broadcasting, food service, medical care and transportation, to name a few. Where possible, the organisers endeavoured to contract with such companies, leaving the MWCBC to arrange the competition aspects of the World Cup and those services which could not be contracted out.

4.2.7 Venue Management

Prior World Cup games had shown that sports experts were not always good site managers and that the transition from centralised departmental planning to on-site operation was very difficult. The Mmabatho World Cup Bid Committee (MWCBC) determined that a long-term site manager programme was necessary to place experienced and successful businessmen at sites.

There should be sufficient time for extremely heavy training in different sports and sufficient background to event running during the World Cup games. The Commissioner programme grew out of this concept and should have provided a single point of contact for the International Federations from the date of their appointment and a focus for site management during the time of the World Cup games.

Notable by its absence from the list of operating strategies above was any national or even political focus. The overriding goal was the staging of a modest but successful World Cup without a financial deficit.

4.3 Management during planning period

Prior to the bid, the MWCBC focused on the acquisition of revenues and upgrading of sites. Once these basic tasks were completed, attention was turned to development of the individual operating plans for each site and the detailed programme for staging the World Cup. In gross oversimplification, the major phases of the planning period can be summarized as follows (Mmabatho Bid Document, 2000).

4.3.1 Acquisition of revenue

The initial task was to acquire funding. With government in the driving seat, funding from government, financial institutions and some governmental agencies had been the leading producers of revenues. The corporate licensing programme emphasised a very profitable

sponsorship programme, which promised to generate a substantial amount of cash and in-kind commitments from sponsors plus suppliers and licensees.

The delivery of these amounts to the MWCBC was also weighted to assist the organisers in their start-up period. Large payments were also envisaged to be made early to give to MWCBC much needed start-up cash. The idea of investing some of this revenue to generate interest was also part of the MWCBC tasks to acquire funding.

4.3.2 Acquisition of sites

The acquisition of sites or stadia was a high priority for the MWCBC. The stadia were for official matches and training matches. Detailed planning immediately started after each site was named.

4.3.3 Initial planning

During the remainder of the pre-bid planning period, individual state departments planned services to be offered at each operating site and commissioners familiarized themselves with the task of gathering the multiple elements required for each site.

Each operating department prepared a brief description of the services to be provided at all the sites. These documents were combined into preliminary operating manuals.

4.3.4 "Live" testing

Although these operating plans were continually revised, attention was focused on "live" testing of many of the assumptions underlying many of the plans in the early months of 1999. The meeting of the FIFA inspection team in 2000 brought leaders of the FIFA Executive Committee to Mmabatho for the first time and allowed face to face interaction between the MWCBC, the FIFA Executive Committee and the South African 2006 World Cup Bid Committee. The protocol and logistical aspects of the meeting tested a number of departments in the operational realities of the World Cup for the first time.

4.3.5 Planning completed

After the completion of each venue development plan, the staff members responsible for each site began the final planning phase, drawing up detailed procedural manuals and preparing training materials and sessions for potential recruited staff members.

4.4 Management during the bid period

It was agreed that once the functional departments dissolved into site management teams at the venues, a centralized communications and decision-making mechanism was needed. This was filled by the Mmabatho World Cup Bid Committee's Operations Centre. Typical incidents that were anticipated by the Mmabatho World Cup Bid Committee pertaining to the sites were:

- Access problems (Transport, disabled, etc)
- Bomb scares and other security threats
- Electrical problems, whether from overloaded circuits or lines that had been damaged
- Games staff payroll problems, especially involving transportation workers
- Requests for additional technology equipment.

The formal extent of the commissioners' authority at this site over various areas was codified in the "Commissioner's Authority Memorandum". The overall mandate was clear: "The primary objective is to make the Bid a success. Whatever emergencies occur, the show must go on. The events at the venue should be staged at an affordable cost, not a minimal cost, not a Spartan cost, not a lavish cost; but a cost which provides for an unforgettable show" (Mmabatho Bid document, 2000).

In the end, because the commissioner's programme placed resourceful, talented managers in charge of each venue, the Bid period ran smoothly. Though there were a myriad of small problems, few major problems were encountered.

5 CONCLUSION

In this chapter the role of the different levels of government in event management and the bidding process were discussed. It is evident that the government plays an important role in bidding for and hosting of events on local, provincial and national level.

It is also clear that the bidding process must be approached strategically, as it is an expensive matter, which can only be refunded once the bid was successful. The different aspects that need to be addressed in planning a bid document and hosting a hallmark event were discussed. The most important aspects that the public sector (government) needs to address are the aspect of infrastructure and the services that are accompanied.

CHAPTER 4

SUCCESSFUL AND UNSUCCESSFUL BIDDING: A COMPARATIVE ANALYSIS

1 INTRODUCTION

As the importance and benefits of event management was indicated in the previous chapters, it became apparent that bidding for these events is not only important but also a process that needs careful planning. The preparation of a bid-document must be planned well in advance, as it is in most cases the only document that must not only show a country or region's competency to host the event in question, but also "sells" the country as a whole. A holistic approach is therefore needed - especially when bidding for international events.

This chapter will seek to address the key factors that determine successful and unsuccessful bidding through a comparative analysis. This will be done by analysing the South African Soccer Bid as a case study in comparison to the successful bid of Germany.

2 THE SPORT CONTEXT IN SOUTH AFRICA

In recent years sport has become increasingly popular and professional, increasing its global reach. The growing impact of ancillary issues to sport such as television rights, sponsorship, brand development, sports development and hosting events presents an expanding range of opportunities for the development of the sports industry in this country (South African Sport Commission (2002:1).

South Africa is experiencing a particularly noticeable boom in the sports industry. According to the South African Sports Commission (2002:1), some of the factors peculiar to this country are

- a focus on national sport teams and individuals after South Africa's full introduction to international sport
- interest created by incoming and outgoing sports tours
- successful participation in the Rugby World Cup, African Cup of Nations,
- soccer, Cricket World Cup, Paralympic Games and the Olympic Games among others,
- sport has been a unifying force in our social transformation,

- sports development in previously disadvantaged communities is a focus area in South Africa
- South Africa's importance in the African context (SADEC and/or NEPAD programme contributions) is particularly evident in sport.

The large sums of money generated by the sport industry present significant opportunities for the development of sports and the communities participating in them through bidding for and hosting major events.

South Africa has been successful in hosting numerous international sport events such as the Rugby World Cup, World Junior Cycling Championships, World Fencing Championships, Africa Cup of Nations and the World Softball Championships. These key events placed Cape Town and South Africa, respectively, on centre stage internationally, providing a vital boost to the national economy and sport industry.

South Africa has bid for two major sport events: the Olympic Games 2004 and the Soccer World Cup 2006. These two high profile bids were unsuccessful. The failure to win the rights to host these events was primarily due to two perceptions:

- the perceived lack of appropriate facilities and infrastructure; and
- a perception that South Africa does not possess the organisational ability to host events of this nature and scale (South African Sport Commission, 2002).

Despite this criticism, much experience was gained through the bidding processes for these events. In particular, proactive and creative thinking has gone into the provision of appropriate facilities and infrastructure as well as into new forms of organizing events and South Africa's promotion internationally.

2.1 The bidding challenge

Figure 4.1 illustrates that the bidding for and hosting of events in South Africa, with specific reference to the South African World Cup Soccer Bid, was not strategic and therefore not effective. If a bidding document is unclear, unstructured and amorphous, it can result in uncoordinated and unprofessional hosting of sporting events.

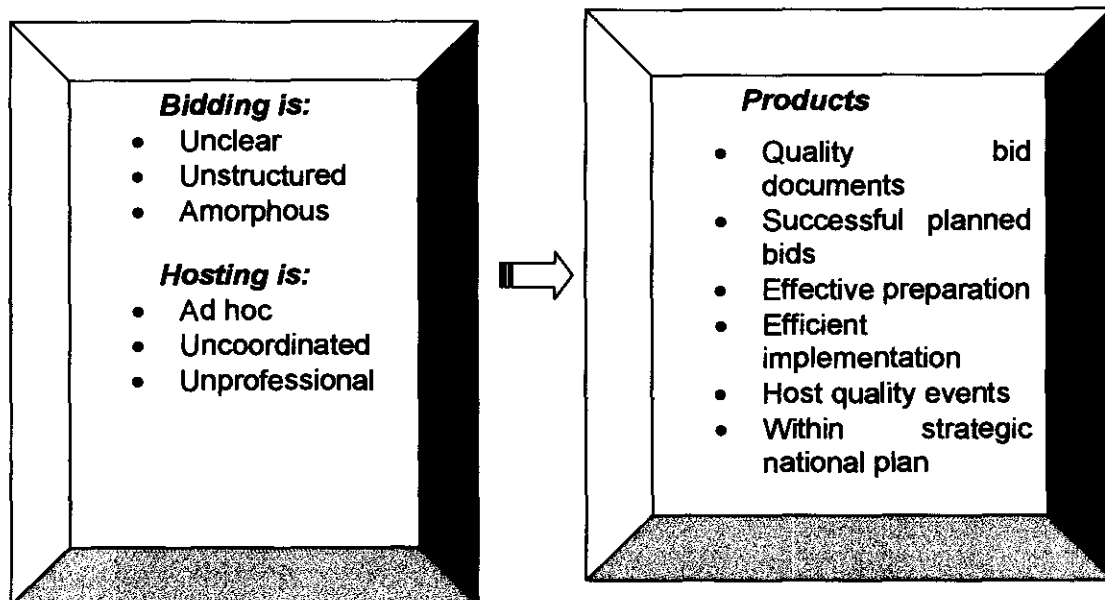


Figure 4.1: Bidding in South Africa (South African Sport Commission, 2002)

A holistic plan is needed to co-ordinate and streamline bidding for and hosting international sports events.

3 FACTORS THAT LED TO THE FAILURE OF SOUTH AFRICA TO STAGE THE FIFA WORLD CUP GAMES

All national soccer associations affiliated to FIFA, *the Federation International de Football Association*, can bid to host the World Cup in Soccer. The bid documents must contain answers to questions asked by FIFA. The candidate file to FIFA must be sent to the FIFA general secretariat.

A comparative analysis between an unsuccessful bid document, the South African Soccer World Cup bid, and a successful bid document, the German football World Cup bid, will be drawn in this section. Table 4.1 will illustrate the readiness and organizational ability of both South Africa and Germany to host the soccer World Cup.

Table 4.1: Readiness and organisational ability of South Africa and Germany

FINANCIAL PLAN <ul style="list-style-type: none"> • Cost and revenue management • Financial Control systems • Financial forecast and risks, etc. 		SA	G
HUMAN RESOURCES <ul style="list-style-type: none"> • Organising committee • Volunteers 			G SA
FACILITY PLAN <ul style="list-style-type: none"> • Stadia 		SA	G
SITE / VENUE FACTORS <ul style="list-style-type: none"> • Availability, cost • Access • Sustainability • Flexibility 		SA	G
EXPERIENTIAL FACTORS <ul style="list-style-type: none"> • Theme and design • Desired ambience 		SA	G
GOVERNMENT GUARANTEES			G SA
ACCOMMODATION <ul style="list-style-type: none"> • Availability • Standard 			G SA
TOURISM			G SA
TRANSPORT <ul style="list-style-type: none"> • Air • Road • Rail 		SA	G
TECHNOLOGY <ul style="list-style-type: none"> • Telecommunications • Information technology • Broadcasting 		SA	G
SECURITY		SA	G
MANAGEMENT FACTORS <ul style="list-style-type: none"> • Budget • Staffing • Maxim crowd size • Degree of control 			G SA
OTHER CONSTRAINTS <ul style="list-style-type: none"> • Potential external impacts • Political considerations 		SA	G
VENUE SETTINGS <ul style="list-style-type: none"> • Design • Décor • Programme support 		SA	G
FOOD AND BEVERAGES <ul style="list-style-type: none"> • Vendors • Health 			G SA
TECHNICAL SUPPORT <ul style="list-style-type: none"> • Traffic utilities • Security comfort 			G SA

<ul style="list-style-type: none"> ● Emergency response ● Communications ● Equipment 			
SERVICE QUALITY <ul style="list-style-type: none"> ● Staff ● Information ● Hospitality and special needs 			G SA

G – Germany

SA – South Africa

It is quite clear that Germany's bid document in terms of answering the question set by FIFA was in line with the FIFA requirements. What counted in Germany's favour was the experience they gained from hosting two previous international events, the 1974 World Cup and the 1988 EURO Competition.

South Africa has also played host to numerous international sporting events. In 1995, South Africa hosted the Rugby World Cup. Following this, South Africa has staged the most successful African Cup Tournament in the history of the Confederation of African Football. In 1998 South Africa had extended its sporting hospitality to the Athletics World Cup. South Africa in 1999 successfully hosted the All Africa Games and also played host to the Cricket World Cup in 2003.

Germany has provided an *on par* performance of their programme to host the Soccer World Cup. In terms of the venue factors Germany has recommended sixteen top class stadia; far more than the twelve needed by FIFA (German bid document, 2000). These stadia already existed and in the case of South Africa top class stadia existed, but additional stadia had to be erected to meet the requirements of FIFA.

Germany has provided a superior standard of their programme in relation to FIFA requirements to host the Soccer World Cup. In terms of the venue factors as illustrated in Table 4.1 Germany has recommended 16 top class stadia, four more than the 12 needed by FIFA. These stadia already existed and in the case of South Africa there was a need to build some of these stadia, with only a few world-class stadia existed (South African bid document, 2000).

In terms of the experiential factors in Table 4.1, the German bid has superceded the norm set by FIFA. The management factors were also well taken care of by both countries' bid food and beverages section was also a top priority for both countries.

Germany's Technical Support document was also worldclass because they had submitted a working document with their bid document for the organization of security at the 2006 FIFA World Cup in close co-operation with the governments regulating security before, during and after the matches. South Africa has also done exceptionally well in this department. The South African bid team have organized a security summit involving top international event experts to review the SA 2006 security proposals (South African bid document, 2000).

Germany's bid was in competent experienced hands of a former world class footballer, Frans Beckenbauer, while the South African bid was mainly driven by experienced soccer administrators.

Germany's bid was underwritten by many key successful factors that have eventually secured the privilege of staging the World Cup in 2006. There was no doubt in the minds of the six FIFA inspectors when they remarked that Germany has optimally prepared for the last phase of the bidding procedures (German bid document, 2000).

The citizens of Germany discovered a new pride in themselves, their cities and their country. The international guests who will travel to Germany to watch the World's greatest spectacular will find themselves at home in a city with significant hospitality (German bid document, 2000).

The organizing committee, the support of Government, the responsible people of the stadia, the population on all levels have contributed much to realise their dream to play host to the Soccer World Cup in 2006. Some of the most important key successful factors that lead to Germany winning the bid to host the Soccer World Cup will now be analysed.

3.1 Financial success

Exemption from profits tax has been positively granted to the organizing team of the 2006 World Cup in Germany. Thus all revenues for FIFA and participating associations in connection with the World Cup finals being held in Germany would not be subjected to the laws relating to income and profit taxes. This was an important requirement set down by FIFA for World Cup candidates. This tax exemption granted for the 2006 World Cup simply means that from ticket sales alone an estimated 40 million marks from turnover tax revenues would go to the government treasury. Taken into consideration all financial aspects such as cost of investment, possible income from renting out stadia, operational cost, degree of stadia capacity, ticket sales,

tourist spending and others, the analysis reaches the conclusion that the total benefit could amount to an optimistic 4.6 million marks (German bid document, 2000).

3.2 Popular success

For the mere fact that Germany will be the next hosting city an estimate of 2.6 million (degree of stadia capacity 75 per cent) and 3.1 million (degree of capacity 90 per cent) visitors can be expected for the World Cup trails, including 850 000 to one million from abroad. The German Football Association enjoys broad approval amongst the German population to host the 2006 World Cup final. Sixty four percent of the interviewed 1138 people aged between 16 and 60 were in favour of a second World Cup in Germany, after playing host in 1974 (German Bid document, 2000). If South Africa have won the bid to host the FIFA World Cup a poll conducted by AC Nielsen MRA found soccer to be the most popular sport in the nation with 77% of South Africans supporting a South African World Cup in 2006.

3.3 Facilities and infrastructure

Alan Rothenberg, chief inspector of FIFA for stadia, eluded that if planned modernizations are concluded, there is no country in the world that could compete with Germany's stadia (German bid document, 2000).

Depending on already agreed investment some stadia could host a World match tomorrow, others need basic innovations, or even new construction which could cost up to 500 million marks according to estimates from stadium proprietors (German bid document, 2000). South Africa has also state-of-the- art facilities but others are still under construction which will be ready to play host to the next international event.

3.4 Accommodation success

No less than 323 hotels have signed the standard contracts with the organizing committee of Germany. The total number of reserved rooms for the FIFA delegation team and media representatives for the 2006 World Cup in Germany is almost 6000. The German organizing committee handed FIFA a list of recommended team hotels and training venues one month prior to the draw for the World Cup finals for forwarding to national associations (German bid document, 2000). The South African organizing committee has developed transportation schemes that have linked all major accommodation centres with the smaller host cities. The SA 2006 have also contracted specialized game park accommodation in South Africa and

neighbouring countries, to facilitate guests access to the total African experience. Both Germany and South Africa's accommodation arrangements were effective and not far from training venues, hosting stadias and other social tourist attractions (South Africa bid document, 2000).

3.5 Security success

Security was a top priority for both organizing committees. Both of them have allocated more than 10% of the planned 2006 World Cup operating budget to ensure the safety and security of World Cup guests. The South African organizing committee, according to the South African bid document (2000), has involved top international event experts. They have consulted security experts from the 1996 Olympic Games, the 1998 FIFA World Cup, and EURO 2000. While the German organizing committee, according to the German bid document (2000), has developed a working paper for the "organization of security at the 2006 FIFA World Cup" in close co-operation with the Federal and State governments regulating security before, during and after the matches. It is quite clear that all these security structures will play a meaningful role in the security of the World Cup. It is evident that in both countries security services will involve all the countries' security structures and emergency services at national, provincial and local levels.

Both bidding cities have promised to provide security services that will cover aspects of:

- Ticket sales and distribution
- Accreditation
- Access control
- Crowd management
- Asset protection
- Emergency response
- Venue security
- Prevention of criminal activities
- Security at parking lots and transport centres
- Transportation security.

3.6 Technology

The 2006 German World Cup will offer the ideal opportunity to improve to the highest standard the working conditions and technical facilities for the media in each stadium. Germany's gigantic media landscape, according to the German bid document (2000), entails more than 20

television stations with constant lengthy programmes, and around 150 radio stations and the fact that 35 million newspapers are sold everyday. South Africa on the other hand, according to the South African bid document (2000), is the undisputed telecommunications leader in Africa, offering state of the art digital, fibre-optic and satellite technological infrastructure. South Africa has also met the requirements and needs of broadcasting the 2006 FIFA World Cup by offering five major broadcast networks and has approximately 60 regional radio stations (South African Bid document). There is no doubt that both countries have superceded the requirements of FIFA in terms of technological expertise. Germany will undoubtedly welcome the thousands of FIFA – accredited broadcasters, print journalists and photographers, with quality working systems, designed to ensure that the reporters, technicians and officials can work in comfort and with maximum technical and economic efficiency.

Germany is also well above the FIFA requirements of providing media centres, media transport, telecommunications, media hotels, media hospitality and in-stadium installation.

3.7 Politics

Sport is a powerful force for change, in both Germany and in South Africa, and the social mood of the nations can be read in the achievements of both countries' sportsmen and sportswomen. Sport stars in both countries comprised 80 percent of the nation's heroes and the majority of these are football players (German bid document, 2000).

Recognising that political changes will determine the quality of the transition, the World Cup is an ideal vehicle for driving social or political transformation. The 2006 FIFA World Cup will thus provide a strong foundation to substantially enhance football, particularly at the grassroots level, and will strengthen bonds between countries, people and the game.

4 CONCLUSION

This chapter addressed the key factors that led to South Africa being unsuccessful in hosting the FIFA World Cup. The reasons for an unsuccessful bid were discussed by comparing the South African Bid to the German Bid. It is clear the German bid was more advanced than the South African bid. For most of the German bid, FIFA requirements were not only met but exceeded. From the German Bid it is also evident that the German Government not just supported the bid, but contributed in many areas. The next chapter will focus on recommendations and a conclusion.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

1 INTRODUCTION

It was the aim of this study to compile a core bidding criteria for events in the public sector. In Chapter One, the problem concerning the role of government in event management was discussed. In Chapter Two, a closer look at the types of events as well as event management was taken. It becomes clear that hosting events has enormous benefits, including economic as well as socio-cultural benefits. Before hallmark events can be hosted, the host country/region should prepare a bid document. In Chapter Three, the role of the government with regard to the bidding for events was discussed. This chapter indicated the core functions of the different levels of government regarding the bidding process. Chapter Four identified the key success factors which led to successful bidding through a comparative analysis between the FIFA 2006 Soccer Bid between South Africa and Germany. This chapter indicated why Germany was successful, and also highlights some shortcomings of the South African Bid. These shortcomings can serve as a lesson for future bidding documents.

This chapter will aim at drawing conclusions of the research done in this study and suggests possible recommendations that a hosting country must adhere to in the bidding process.

South Africa is well positioned after completion of an outstanding technical bid. South Africa is a serious competitor for future events – provided that a stabilized political situation can be maintained in the whole of South Africa. The democratic elections in South Africa have brought to its people a vision of renewed hope and opportunity. The South African Bid Company 2006 had a development approach to demonstrate a philosophical and practical advancement of human dignity and opportunity for the unity of all people. The argument to stage any World Class event in South Africa, is a strong motivation for any World Federation.

Though it seems so compelling, South Africa's natural beauty is not nearly enough to win any bid. The argument for getting any World Class event to Africa for the first time is very strong. The views of FIFA president, Sepp Blatter, and IOC president, Juan Antonio Samaranch, to see the World Cup and the Olympic games awarded to Africa, would carry some weight, but it will definitely not be sufficient to sway the vote. South Africa will bring a unique cultural legacy to any event. But most importantly, our biggest assets- the people will offer verve, enthusiasm and passion to any world event (South African bid document, 2000).

2 RECOMMENDATIONS

Two major recommendations regarding bidding for major events can be made. Firstly, a FIFA World Cup Information Centre should be established, and secondly, more extensive bidding criteria will be proposed.

2.1 FIFA World Cup Information Centre

It is recommended that a FIFA World Cup Centre should be established in all the major cities and towns by the local organising committees with government as the main driver, for people to receive any information, state their problems or become involved in any way they can. These Information Centres must be accessible by phone, fax or Internet or by personal appointments and visits. Communities continually need to have access to information, plans and decision-making. They want to know how the organizational plans are advancing, what they can expect during the FIFA World Cup games, and how they could handle the impact of the FIFA World Cup.

2.1.1 Key considerations for the establishment of a World Cup centre

Marketing programme - A marketing programme should also be established that will focus specifically on attracting volunteers. This can include people from all walks of life.

Staff problems - Problems like staff strikes can be prevented. The management should have excellent (not average) relationships with their volunteers, paid staff and with Union Leaders, and be committed in establishing respect, pride and dedication amongst the whole World Cup bid team. Strikes can ruin a lot more than just the World Cup games. During recruitment and interviews of potential staff members, an additional list should be kept of people who nearly succeeded. This list must be used if staff problems should occur.

Maintenance plan - The maintenance responsibility plans and funds which is a government responsibility should be finalised five years before the start of this event. These are extremely responsible tasks of all spheres of government that need thorough planning. If planning is finalised well in advance, any problems that could occur can then be controlled without pressure from time.

Ecological balance - An ecological balance with the assistance of government should be maintained in every area. The over use of the best tourism attraction in South Africa could permanently damage the environment. The semi-dispersed venues will play a positive role in establishing this balance. The quality of water and air should not be affected as a result of the World Cup games; and effective waste managements should be implemented through recycling, etc. Government should consider all action plans as to the impact they could have on the ecology.

Security - Security forces from both government and private sectors should be more visible to the public. At present law enforcement personnel are not even noticed on our streets. Detailed security and emergency plans must be designed in accordance with FIFA security regulations. Government as well as the Organising committee needs to invest more money in the safety of spectators and also to build a positive image of South Africa as an attractive tourist destination.

Budget - The organizing committee must access funding from both government and corporate sectors and they must also be able to work with a budget and ensure control over costs, expenditure and revenues. They must also adhere to financial planning and control because it is critical to all event organizations, especially when most expenditure precedes the building of revenue earnings at the event. Risk management is essential to the organizing committee, both to protect the organization in financial terms and to ensure a safe and pleasant experience for the guests.

Event evaluation - Event evaluation must be implemented by the organizing committee for the following reasons:

- To identify and solve problems
- To find ways to improve management
- To determine the worth of the event or its programmes
- To measure success or failure
- To identify costs and benefits
- To identify and measure impacts
- To satisfy sponsors and authorities
- To gain acceptance, credibility and support.

Role of the organising committee - The organising committee must adhere to the important key successful imperatives. The organizing committee must secure proper, sufficient and affordable accommodation. The hosting country must have a sophisticated transportation network system that can meet the demands of the over 5 million possible

visitors that will tour the hosting country. The hosting country must also make sure that the FIFA World Cup is a truly affordable experience in terms of ticket prices. Detailed security and emergency plans must be designed in accordance with FIFA security regulations.

2.2 Checklist for successful bidding

The organising committee must also consider setting up a checklist that will cover many of the elements in operational planning and management. Table 5.1 suggests such a checklist:

Table 5.1: Checklist for successful bidding

Activity requirements, setting types	YES	NO
Stages and assembly: dressing rooms; trailers; rehearsal area; special technicians; seating arrangements; viewing quality; acoustics		
Processions: parade marshals; crowd controls; seating; staging and activity are requirements; viewing		
Open spaces: paths versus free movement		
Exhibition and sales: optimal site arrangement for viewing and line-ups (floor plan)		
Decorations; design elements		
Permission and special provision for fireworks, loud music, lasers, balloon releases, oversize balloons or equipment		
Special provisions for animals		

Infrastructure	YES	NO
Power needs (generators and dedicated lines; amperage for special equipment; protection from weather; outlets; heat or air conditioning; lighting and sound system; backup and contingency plans); consultations with suppliers; need electricians or permits? Covers to protect people and lines		
Water: for drinking; food and beverage preparation; washrooms; participants; check legislation; backup supply		
Sewerage: existing lines and capacity; toilet requirements		
Gas availability		

Equipment, tools, and supplies	YES	NO
Ticketing and financial control		
Merchandising, food and beverage		
Command and communications functions		
Programme activities		
Suppliers and participants		
Customer services and information		
Volunteers		

Accessibility and flow	YES	NO
Number and arrangement of entrances and exits; gate controls		
Direction and signs		
Parking: number of spaces for cars, buses, trucks, bicycles; loading zones; reserved spots; special needs; emergency vehicles; parking permits or fees; collection and control personnel; directions and signage; vehicle repair and emergency services; barriers; appropriate legislation checked? Overflow and other contingency plans; entrance and exit segregation; avoiding congestion		
Shuttles and public transit (special or extra services? Schedules posted)		
Special needs (wheelchair access; others)		
Crowd control devices (barricades, signs)		

Fire regulations; capacity (persons, vehicles, etc)		
On-site vehicles for staff (and identification of)		
Accreditation	YES	NO
For: media, VIPs, staff and volunteers, officials (police, fire, etc.)		
Types: badges; tickets; uniforms; wrist bands		
Authority to issue; controls (eg. Pre-approved lists, photo ID)		

Safety, security, comfort and health	YES	NO
First aid; lost children; lost and found articles		
Emergency response and accessibility; evacuation procedures		
Comfort stations; toilets; water; sewerage		
Shelters from weather		
Police or security presence		
Waste disposal and recycling; green solutions; hazardous substances and the law		
Safe storage spaces		

Merchandising and financial control	YES	NO
Special equipment (booths, cash registers, computers, kitchens, ice, refrigeration, storage, carts, canopies, seating, etc.)		
Security guards and vehicles; special accessibility and identification		
Supervision or electronic monitoring		
Safe money counting, storage and removal		
Deposit slips and receipts		
Foreign exchange rates posted and accounted for		
Credit card validation machines and computer linkups; validation slips		
Alarms and emergency signals		
Bonding of key personnel		
Cashiers and cash registers		

Hospitality	YES	NO
VIP, sponsors, officials, and performers; facilities		
Separation from other activities		
Special viewing requirements		
Special transport to, from, and on site		
Protocol for VIP's		
Food, beverages, gifts		
Host/servers; any tour guides needed?		

Command and operation facilities	YES	NO
Office and communication centre		
Visibility in and out		
Centrality and accessibility		
Links to staff, emergency response teams		
Refreshment and rest areas for staff, volunteers, participants		

Communication	YES	NO
Needs assessments (users, especially security, media, suppliers)		
Types: telephones; radios; computers; pagers; photocopies; signs; notice boards; maps; audiovisual.		
Special needs (e.g. telecommunication device for the deaf)		
Emergencies		
Translation services		

Quality control, supervision and evaluation	YES	NO
Rehearsals		
Supervision		
Evaluation		

Cancellation or venue change procedures	YES	NO
Weather forecasting and monitoring		
Crowd and vehicle counts; observation to identify problems		
Ways of instantly communicating changes (e.g. loud speaker systems; signs)		
Policy and procedures for re-issuing tickets, rain checks, etc.		

Storage and movement	YES	NO
Tools, equipment, and vehicle storage		
On- site movement		
Structures needed (permanent or temporary)		

Technicians needed (and related equipment)	YES	NO
Electrical; lasers and special effects		
Sound systems		
Fireworks		
Plumbing (water and gas)		
Audiovisual equipment		
Communication equipment		
Computing		
Video and photo; audio recording		
Broadcasting		
Timing and scoring		
Registration and ticketing		
Emergency response; police, fire, ambulance, first aid, medical and dental		
Vending machines		
Cooking/heating		
Mechanics		

Format and size	YES	NO
Most business plans are short; up to 40 pages in length plus appendices		
The format should be professional and easy to use		
Provide detailed contents, executive summary, and useful support material		
State the intended uses and distribution of the plan; is it confidential?		

Background on the organization and event	YES	NO
Outline the origin and development highlights		
Describe the organization as a legal entity		
Describe the management team; profile key leaders and key staff; document volunteer support; stress the partners and sponsors; provide an organizational chart		
Highlight the existence of a strategic or marketing plan; state the mission, vision key goals; note the existence of human resources or operations plans, strategic and site plans		
Give evidence of sound management.		
Append a fact sheet, concluding contract		

The event	YES	NO
Explain the event's purpose, programme and benefit; stress its uniqueness and tourist appeal, if applicable		
Mention any competitors		
Describe plans for developing and improving the event		
Outline quality control measures		
Provide tangible evidence of attendance and growth; append photographs		

Marketing	YES	NO
State marketing and communication goals and objectives		
Highlight the marketing budget and innovations		
Summaries positioning and marketing mix strategies, especially as they related to revenue generation		
Highlight research efforts and result of past market research; profile the audience		
Forecast demand/growth in attendance		
Stress key target market segments and their financial importance to the event (e.g. income levels; willingness to pay)		
Describe integrated marketing with sponsors		
Show tourist-oriented promotions and packaging; mention the distribution system (of tickets, etc)		

Financial management	YES	NO
Explain cost and revenue management efforts and successes		
Explain financial control systems		
Note cash flow issues		
Document the organization's assets and available collateral		
Give financial forecasts and risks		
Provide: the current budget; cash flow statement; income/loss statement; balance sheet (assets and liabilities); key performance ratios		
State financial needs		
Explain plans and methods for repayment of any desired loans		

Summary	YES	NO
Make the case for financial assistance, if applicable		

Appendices	YES	NO
Photos and other tangible evidence of the event and the organization; highlight successes and uniqueness		
Research highlights		
Organisational chart		
Examples of media coverage (or summary of its value)		
Endorsements and testimonials		
Resumes of key leaders and staff		

All national soccer Associations affiliated to FIFA, the Federation International de Football Association, can bid to host the World Cup Soccer. These bid documents must answer the questions asked by FIFA. The organizing committee must adhere to the criteria for the bidding as dictated by FIFA. Table 5.2 illustrates the criteria that any hosting city must adhere to in the bidding process.

Figure 5.2: Criteria for Bidding

CRITERIA	LOW	MEDIUM	HIGH
FINANCIAL PCAN ✓ Cost and revenue management ✓ Financial control system ✓ Financial forecasts and risks etc.			
HUMAN RESOURCES ✓ Organizing committee ✓ Volunteers			
FACILITY PLAN ✓ Stadia			
PROGRAM FACTORS ✓ Nature of the programme ✓ Activities ✓ Inter-relationships			
SITE/VENUE FACTORS ✓ Availability, cost ✓ Access ✓ Suitability ✓ Flexibility			
EXPERIENTIAL FACTORS ✓ Design ✓ Desired ambience			
MANAGEMENT FACTORS ✓ Budget ✓ Staffing ✓ Maximum crowd size ✓ Degree of control			
OTHER CONSTRAINTS ✓ Potential external impacts ✓ Political consideration			
VENUE SETTINGS ✓ Design ✓ Décor ✓ Programme support			
FOOD BEVERAGES ✓ Vendors ✓ Health			
TECHNICAL SUPPORT ✓ Traffic utilities ✓ Security comfort ✓ Emergency response ✓ Communications ✓ Equipment			
SERVICE QUALITY ✓ Staff ✓ Information ✓ Hospitality ✓ Special needs			

From the above it is clear that the bidding process is a strategic process that must be driven and funded in part by the government on the one side, and on the other side, private sector and community involvement are also important.

“There is a very large gulf between the high performance athlete who stands on the podium to receive his gold medal and the school child emulating him on a farmac yard in the back street of a city or on the sands of a desert. However, it is our ideal that from the most difficult beginnings it should be possible for everybody to have equal opportunity to eventually reach world high standards, although naturally it is only a small fraction who will stand on the Olympic podium”

(Lord Killian – President of the IOC).

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