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## The Mission of Sport

### *Min Protocol Opening*

I have been asked to give the key note address – entitled the ‘Mission of Sport’ – opening Sport Accord’s Digital Summit. I believe that events of the past 12 months – where sports governance has been placed under the media spot light like never before, is placing at risk the very mission of sport. The crisis currently engulfing international sport is undoubtedly the most serious challenge it has faced in our lifetimes. The break down in confidence in sports leadership, the escalating doping scandals, the on field match fixing or manipulation of results, the engagement of the FBI and the US Justice System, with the ensuing arrest and imprisonment of numerous sports leaders – world sport has been faced with a tsunami of daily non-stop scandals. Sponsors are questioning their investment: few new sponsors are coming forward, some existing sponsors are withdrawing. Fans are also taking notice and the implications of this are catastrophic.

Have sports gone bad or has society changed and sports just failed to keep up? We live in a world where the 24/7 scrutiny by the global media and the continuous attention of social-media-enabled fans demands transparency and accountability. Or, in simpler terms, get your house in order and start leading by example. The corporate and political worlds have lived in this fishbowl for some time. Now sports governing bodies face the same challenge: adapt or die. If FIFA and other Federations fail to implement real reform, there is nothing to stop a movement to replace them with an entirely new organization.

So the question is, as leaders of world sport, are you ready to face this challenge? Much of the responsibility for restoring the reputation of sport falls on your shoulders, and on the response taken by your organisations. But are you willing to adapt?

These are uncharted waters you find yourselves in, but I want to guide you by posing the key questions that I raise when talking to business and political leaders and that are just as essential for you to address if you are going to plot a course away from the current turbulence:

- What is your organisation’s fundamental Purpose and how do you measure your success?
- Which core values are guiding you toward fulfilling this Purpose?
- How do you turn the current crisis into an opportunity?

In the Chinese language, the word "crisis" is composed of two characters, one representing danger and the other, opportunity – and that is how you should view your challenge.

While there is no doubting the extent and seriousness of the current crisis, it also presents a watershed moment: an historic opportunity for sports organisations to rebuild their relationship

with their fans and to promote the true values of sport in society. Then, with the opportunities presented by the evolving digital environment, you can take these relationships to a whole new level, so that fans and your stakeholders can see the results of your actions.

As a company, WPP is responsible for investing \$73 billion on behalf of our clients in 112 countries around the world in media of all sorts, so we understand this relationship between danger, or risk, and opportunity. Some of this investment is within and around broadcast sports events – and let's not forget that sports content is still some of the most watched live content available and generates unique passion and emotion among those watching.

Talking to CEOs, three of the issues they tend to raise as being most important to them are credibility, sustainability and responsibility. I would argue they are just as critical for you. They run to the heart of good governance as values that can restore faith and confidence at a time when sport is experiencing a serious trust deficit.

So how serious is the problem of trust? Will the current crisis simply disappear with time? The media coverage of the recent doping and corruption scandals has been so extensive that surely such intense pressure and scrutiny cannot last? In short: the problem of trust is very serious; no, the current crisis won't disappear; and yes, the pressure and scrutiny is here to last so if you think you can simply sweep any issues under the rug, you're wrong.

Facing such intense scrutiny, and seeing the federations responsible for sport's most watched and cherished showpiece events found wanting, has dealt a mighty blow to public trust in these institutions, and to sport and its governing bodies more widely.

If the people responsible for policing sport can't be trusted, then who can be? That is the question the public is asking and one that deserves an answer.

There is no quick fix solution. But ignoring the problem and hoping that it will go away is not an option. And neither is merely replacing one head of an organisation with a new face enough to placate the critics. Nor should it be. With new leadership needs to come a new way of doing things, from ethics to governance and the vitally important area of communications. All three of these need to be addressed together – they are inextricably linked. Any reforms you carry out to your ethics or governance will not make an impact unless you understand how to make these changes resonate with fans in the media. Having strong communications is vital if you are to respond to and stay ahead of issues in the rapid-fire world we now live in. And, conversely, having an excellent media strategy will be undermined if you haven't addressed your ethics and governance. In the current climate, the public has never been more skeptical of sport and will see through any reform that is not genuine. Anything less than wholesale reform is just papering over the cracks.

In the Catholic Church, the appointment of Pope Francis has transformed the Church's image. Not simply because of his charisma, but also because of the new spirit of openness and reform he has brought to an institution previously associated with secrecy and tradition. And to the point about the importance of communications, tellingly, he has overhauled the Vatican's media operation.

In an era when sports are already faced with myriad competition from on-line games, e-sports, films, TV, celebrity / social influencers and other entertainment options, especially among Millennials and Centennials, the point has surely come for you to have these issues at the top of your meeting agendas?

Millennials and Centennials see the world very differently to previous generations. Their 'antennae' are extremely sensitive to issues involving trust; they require organizations they support to be purpose-driven. But purpose must be genuine and authentic. The millennial generation has come to view corporate responsibility initiatives as being mere spin; Burson-Marsteller research together with the business school IMD – also based here in Lausanne – indicated that unless actions are aligned with words, an organisation's 'Purpose' is meaningless. The bottom line is that, for younger fans, there is a much lower tolerance for scandal, much less loyalty and many more options.

Added to this, fans are starting to engage more directly with their sporting heroes through today's new digital channels. Brands are therefore finding new and alternative ways to engage with this younger generation of fans without needing to pay vast sums to be official partners or sponsors, (for instance through social media and working directly with athletes). Potential sponsors have discovered therefore that they have less need to work with governing bodies or organisations. And, in part due to brands' lack of trust in many sports governing bodies, they are testing these new models through technology that exists today – and finding very good results.

Here too, is another threat – and also opportunity – for sports organisations. You are guardians of one of the most precious assets that any organisation can own: vast amounts of data and insights that could be used to serve fans, or to attract commercial partners. What are you doing with it and how are you making it an integral part of your traditional sponsorship offerings? This will become increasingly important in the digital world we are all operating in. Your organisations are ideally placed to sit at the heart of this and manage the data and insights for the benefit of fans, sports stars and commercial partners.

Judging by the struggle to find sponsors for the next two World Cup tournaments – 2018 in Russia and 2022 in Qatar – companies are clearly already asking whether being associated with tainted competitions is worth the outlay of millions of dollars. The IAAF is facing the same problem with Adidas, its largest sponsor, threatening to end its relationship unless it sees genuine reform, and Nestlé having already announced it wants to sever ties.

For further evidence of the impact that the endless negative headlines are having on stakeholders' appetites to do business with national and international sports federations, it is worth sharing with you the findings of a new survey launched today by Burson-Marsteller and TSE Consulting – yet another Lausanne-based organisation which has recently become part of WPP as we continue to expand our work in sport

This survey questioned two of the most important revenue-generating stakeholders: host cities and sponsors. It spoke to more than fifty of these key stakeholders from around the world. You should find the results alarming.

As many as 92 per cent of the potential host cities polled said that the crisis in sports governance constitutes a major concern when they consider bidding for a sport event. Just stop for a second and think – if potential host cities decide that they do not want to bid for your events, you will quickly become very limited indeed in your choice of suitable locations to stage your events. In years past, a city or government's main concern would have been cost and return on investment. Now, the very idea of hosting an event brings with it inherent risks from negative brand and political attributes. If

you don't fix this issue, and rebuild confidence in being host, the consequences will be severe indeed.

In addition, 60 per cent of the sponsors who were questioned in this latest survey said that the current reputational crisis would affect their decision on whether to partner with a national or international sports federation.

In summary, more than three quarters of the cities surveyed (77%) and 40% of the sponsors replied that the current situation affects their desire to host a sport event, or partner with a national or international sports federation.

If you find those statistics alarming, I'm glad. To anyone who has been wondering whether reform is truly necessary, this should leave you in no doubt.

However, as I said at the beginning, amidst this crisis there is also opportunity. If the appropriate reforms are made in sports governance – and properly communicated – reputations can be restored.

So the challenge is, adapt or die.

Too many organisations have become complacent, and with complacency has come arrogance. You have enjoyed a privileged existence of autonomy and unaccountability, but this status quo is now unsustainable in the modern world.

Each of you needs to look in the mirror, and look at the people around you, and ask yourselves whether you are capable of reform? If the events of the past year have taught you anything, it must be that skeletons cannot be kept hidden in the closet in the new world we live in.

We live in an age when companies have never been more scrutinized, answerable to the public and vulnerable to the whims of social media. CEOs are held accountable by their shareholders, just as politicians are beholden to the electorate. But sports organisations have never experienced this before. It is only now that you are being placed under such relentless scrutiny that you are beginning to appreciate that what has been common practice for decades is no longer acceptable in the world of Facebook, Twitter and 24-hour news.

Adapt or die... but also adapt to thrive.

Genuine reform is more than simply ticking off a check-list of good governance compliance criteria. As I alluded to earlier, you must first examine the fundamental reason for your existence: in other words, your 'Purpose'.

Sport has the ability to heal divisions, to transcend cultural differences and inspire generations. It is the only arena where the seemingly impossible is made possible. Think of Nelson Mandela embracing the victorious Springboks rugby team after becoming president of post-apartheid South Africa, or Tiger Woods winning the 1997 Masters at Augusta – a club where African Americans couldn't even join until 1990.

Sport is about unifying people. It is about hope, commitment, and fulfilment. These are values that are incredibly powerful for your organisations. These are the sort of core values that you should be identifying when defining your Purpose and maintaining your relevance.

Having first defined your fundamental purpose, all of the other reforms – whether of leadership or structure – flow from this clear and unequivocal definition. Aligning your core values with your overarching political and commercial strategies will result in creating a clear sense of direction that brands will want to associate with and that sports fans will potentially be inspired by.

As the governing bodies of sport, you have the delicate task of balancing politics and policy-making with a commercial need. Historically, federations were only focused on the politics of sport, as well as its rules and organizing competitions. In recent years, however, with the new responsibility of managing the fast-rising commercial value of your assets, the temptation of corruption has crept in. Good governance means that you need to separate these two different roles of the modern IF from each other: politics and policies in one corner, maximizing your commercial assets in another. You must also ensure independent, impartial and transparent supervision of each role in the same way that any company, or political body does as a matter of course today – and you must become fully accountable to your many and varied stakeholders.

I recognise that the diversity of stakeholders in sport is particularly large, including ‘shareholder’ proxies (members), athletes, sponsors, host cities, politicians, and many more – all of whom expect to be involved in the decision-making processes. Nevertheless, genuine reform requires that you listen to all of them and act on their recommendations when merited.

The IOC’s Olympic Agenda 2020 designed by its President, Thomas Bach, had 40 detailed recommendations about the future of the Olympic Movement. The reforms followed a year of discussion and consultation with all stakeholders of the Olympic Movement, as well as external experts and the public.

More than 40,000 submissions were received from the public during the process, generating some 1,200 ideas. Fourteen Working Groups synthesised the discussions and debates throughout the whole Olympic Movement and wider society before the recommendations were finalised. That’s a lot of listening, and a real commitment to a strategy vision and reform process.

Then, to deliver this vision, you will need both inside and outside actors working together in the same manner that a non-executive independent board chair oversees the chief executive officer of a corporation. You must retain the knowledge of people who know the system, but you must also have people from the outside to provide oversight.

Finally, two-way communications – with fans, policy makers, participants, sponsors, employees, and media – must be a core part of the plan, reassuring, educating, engaging all those who will play a role in getting sport back on track.

In the end, people want sport to get back on track. While the recent scandals might have made for good headlines and helped to sell newspapers, the public want their faith in sport restored. From children being inspired by their heroes, to adults enjoying its escapism, sport should be a force for good. At a time when the global obesity epidemic among young people continues to grow, and when society continues to fragment, sport should be central to promoting healthy living and providing a social glue.

Your organisations can and should be taking a leading role in this. That is why the scandals of the past year have been so damaging. They have left the image of global sport tainted. They have shown how inextricably linked federations are with their sports. Media has been obsessed with stories of corruption and cheating – understandably so – but at the expense of spreading sport’s message of ambition, competition and participation.

Fans should be proud of the organisations representing their sports. They should look to you as arbiters and guardians of their sport, setting the standard for the values that sportsmen and women should be aspiring to and that they themselves should be striving for. Such buy-in from fans could encourage them to embrace organisations in a new way, as a vehicle for their voices to be heard. And it is a chance for you to bring the fans ever closer to the experience of sport, engaging them creatively in the digital world so that they feel part of a movement.

So there is a great upside here for you, but it does require you to re-establish trust with the wider world. The responsibility for regaining the narrative rests with you and your organisations. It will require a proactive and forward-thinking approach.

The IOC is an example of an institution that has continuously adapted, frequently because radical change has been forced upon it. That reform process hasn’t always been easy, but the IOC has survived and prospered for more than a century.

*Citius, altius, fortius.* These words were chosen as the Olympic motto by Pierre de Coubertin on the creation of the International Olympic Committee in 1894. They were seen to represent a programme of moral beauty and, as he said, “The aesthetics of sport are intangible.”

Even back in the nineteenth century, de Coubertin was aware of the importance of building an organisation on solid principles. Yet this is what has been lost by federations since then, and it needs to be rediscovered.

So, to summarise.

Sports governing bodies need to accept that Purpose (what you stand for and why you exist), transparency (welcoming external scrutiny) and accountability (to all of your stakeholders) must all be part of your organisation’s DNA – that is if you want to remain in existence in the long term.

I believe in the power of sport for good. I believe that you will undertake this genuine and authentic reform. And I believe that the many sports based here in Lausanne, as well as elsewhere, will increasingly get the governing bodies they truly deserve: transparent, accountable, professional, and serving with integrity.

I wish you well on your journey. Sport and all of society will be the better for it.

Thank-you.