

concept

DECISION MAKERS, DOERS AND ADVISORS
– JOINING FORCES TO ENHANCE UTILITY OF INVESTMENTS

Concept Symposium 2010
Oscarsborg, Norway
16 – 17 September 2010

Symposium web-site: <http://www.conceptsymposium.no/>
Concept Research Programme: <http://www.concept.ntnu.no/english/>



Photo: Bård Løken, Destinasjon Tromsø

A Bid to Become Olympic

Tromsø - Small Town and Big Stakes

The 4th Concept Symposium on Project Governance
Henning R. Vahr, 16 September 2010

Sub-topics for the presentation

- **Introduction**

 - the Project Governance regime in Norway*
 - application of the regime for this project – a major sport event*

- **The initiative**

 - the driving forces behind the application*

- **The realism**

 - how idealism faced realism*

- **The QA-process**

 - size and complexity of the project, QA-organization*
 - integrated risk analysis model*

- **The outcome**

 - how to present the results live on TV focusing on more than just one number*

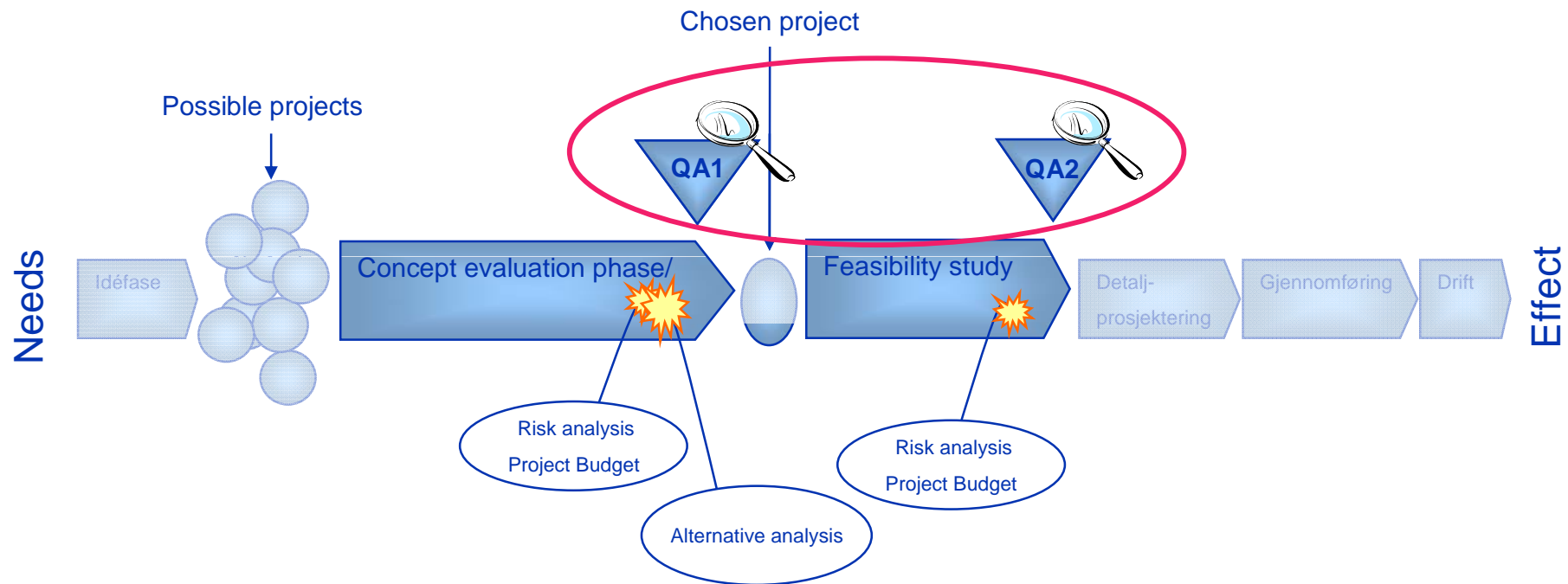
- **Reflections on future application process and possible alternatives**

 - lessons learned from application of the regime on a major sport event*
 - dilemma – compact games versus continued use of Olympic facilities*

Project governance regime in Norway – scope and procedure

■ QA1 – Concept selection

- Needs (analysis of the needs identified)
- Strategy (identified goals supporting the needs)
- Requirements (Specifications based on requirements to the project)
- Alternatives analysis (Economic and socio-economical analysis of the different alternatives)



Previous Winter Olympic games in Norway



Photo: Scanpix



Photo: LOOC



Oslo 1952

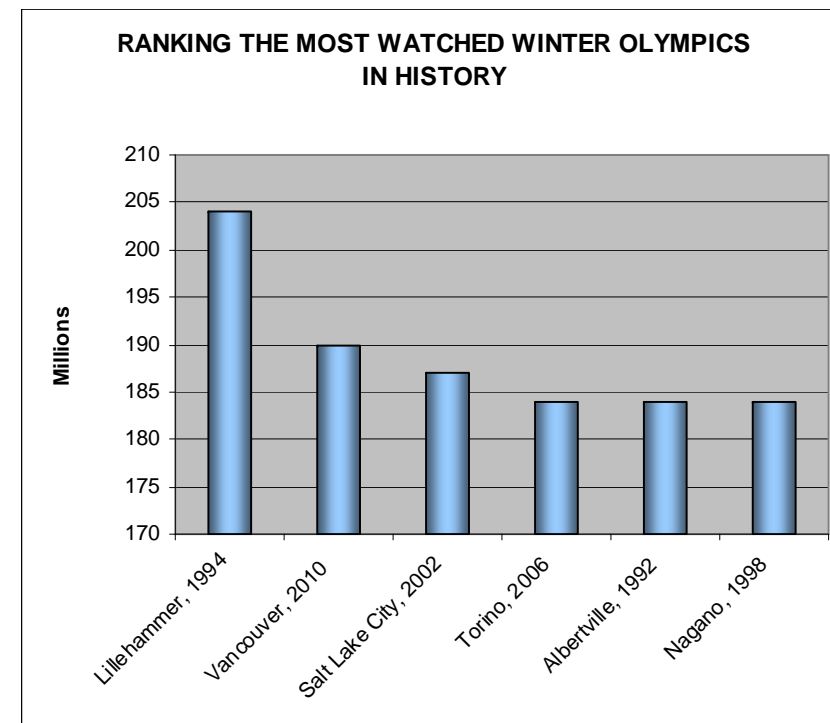


Why should Norway apply for the Winter Olympics?

Medals - accumulated

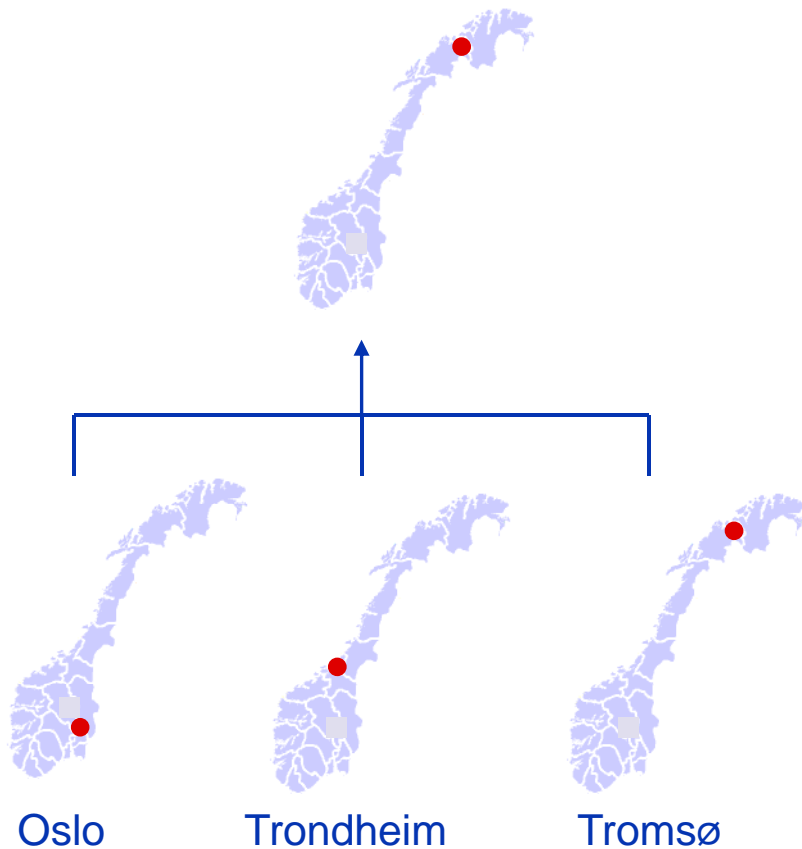
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# 2	United States:	193
# 3	Austria:	162
# 4	Finland:	142
# 5	Germany:	125
# 6	Sweden:	108
# 7	Switzerland:	103
# 8	Canada:	96
# 9	Italy:	89
# 10	France:	72
# 11	Netherlands:	69
# 12	Russia:	58
# 13	Japan:	31
# 14	United Kingdom:	26
# 15	China:	22
# 16	Korea, South:	20

Broadcasting



The initiative

National selection process – Norway's candidate for 2018 games



Driving forces behind the application from the city of Tromsø for 2018

One city – one Olympic Winter Game

TV broadcasting

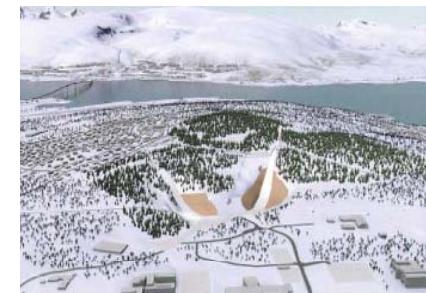
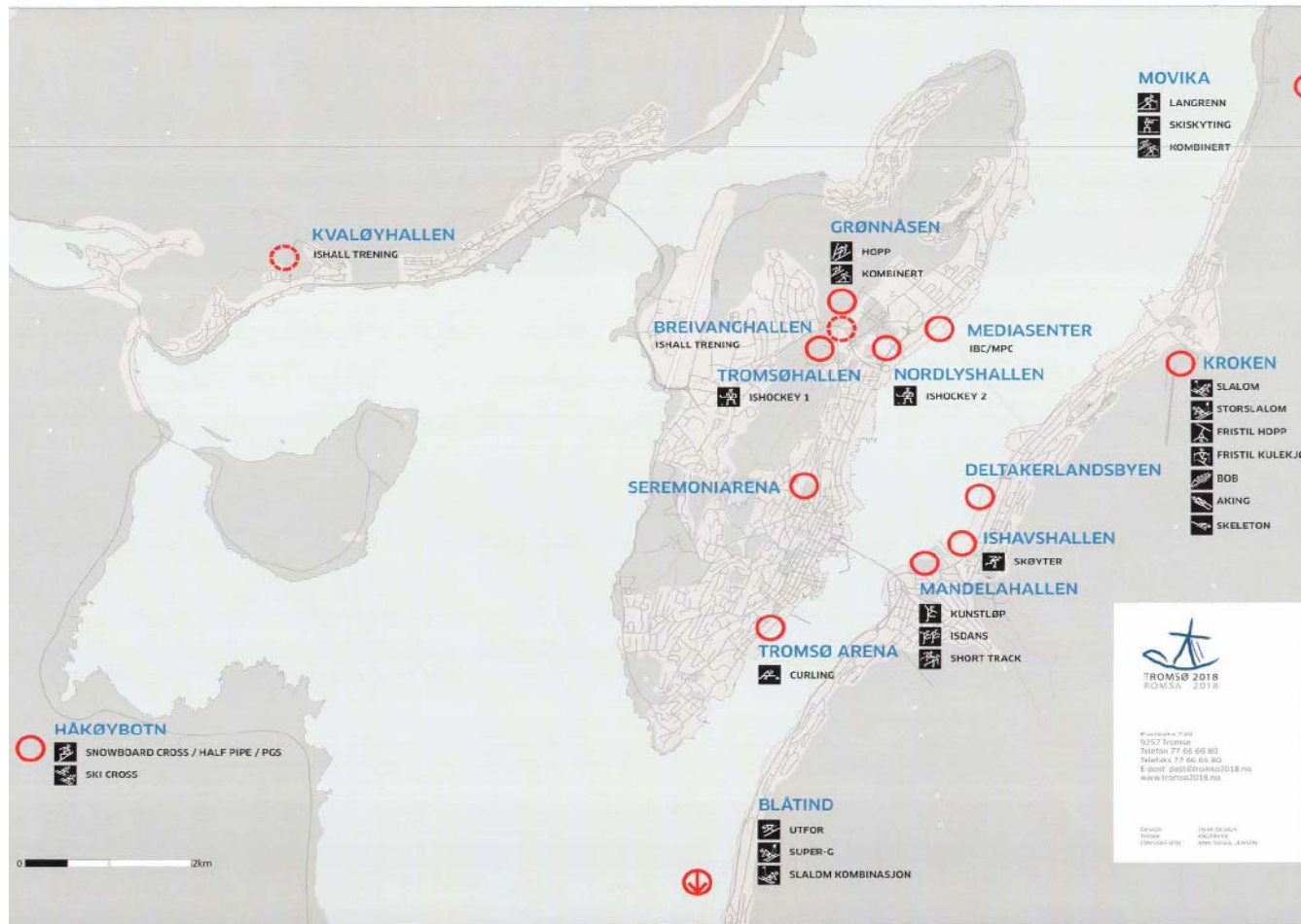
Atmosphere

Societal development of the region

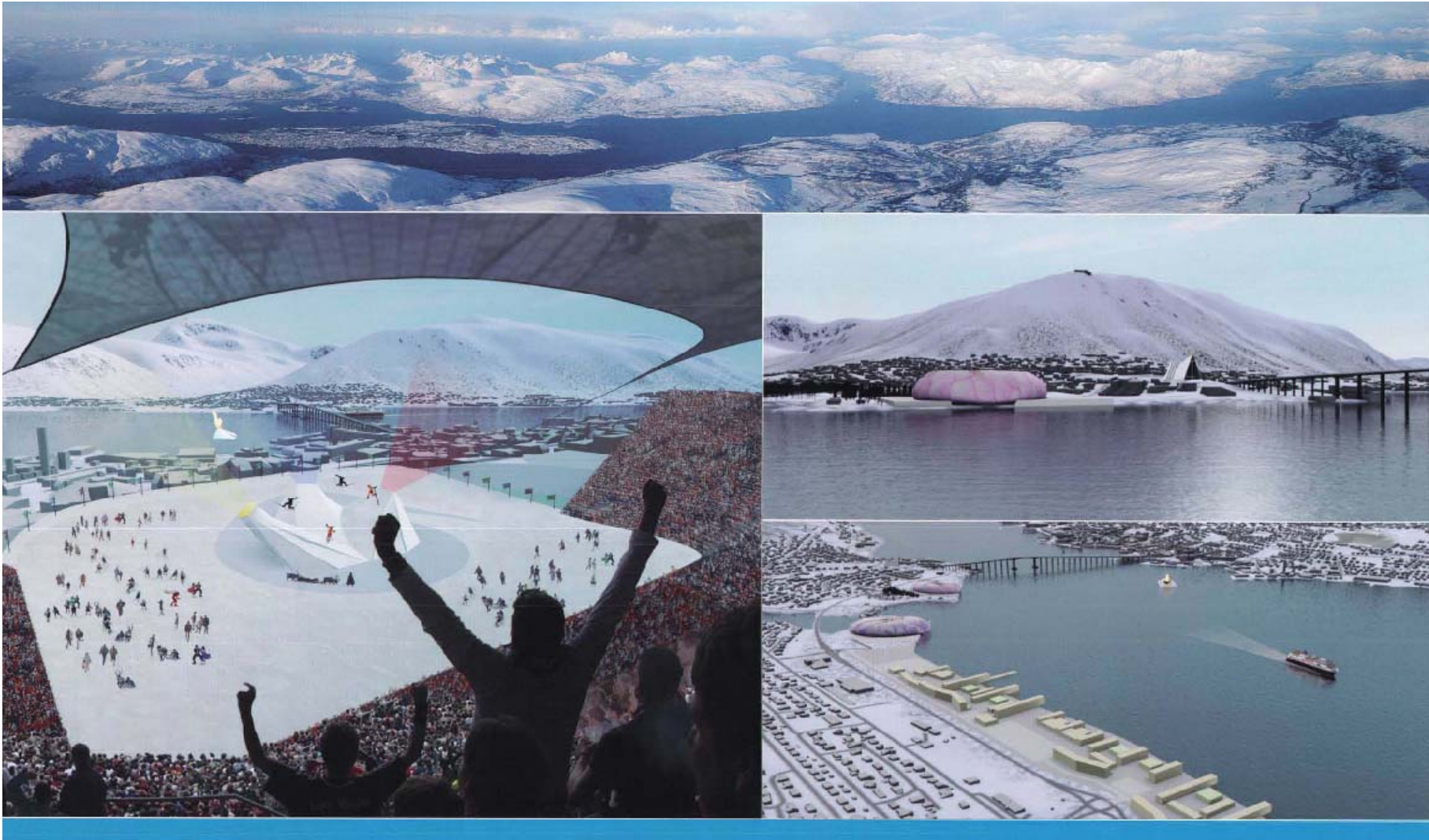
Environmental display window

One city – one Olympic Winter Game

In Tromsø, the Olympic family will be gathered in one city (first time since 1960)



TV broadcasting



A Bid to Become Olympic

16 September 2010

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Illustrations: Tromsø 2018

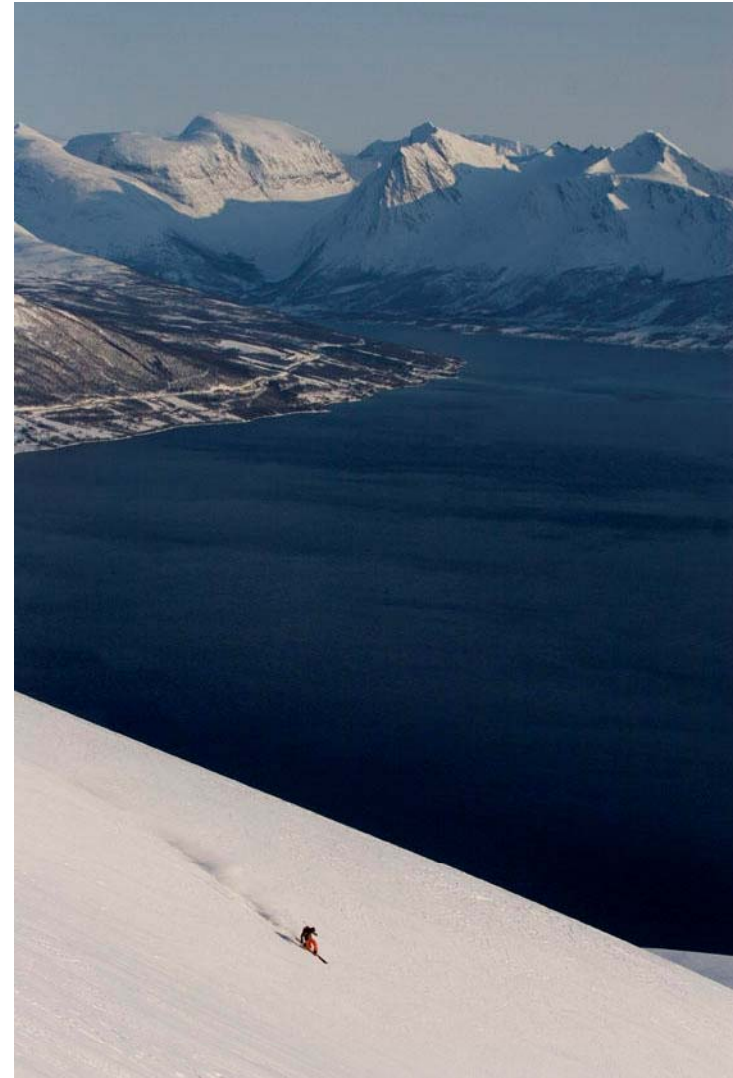
Atmosphere – arctic scenery



Photo: Kjell Skogli



Source: Tromsø 2018



Source: Tromsø 2018

Atmosphere – Tromsø, a small and nice city (“The Nordic Paris”)



▲ Source: NHO Ung

Source: Tromsø kommune



▲ Photo: P. Weaver

Photo: T. Richardsen/Scanpix



Environmental display window



Source: Flickr.com



Source: Biosphere

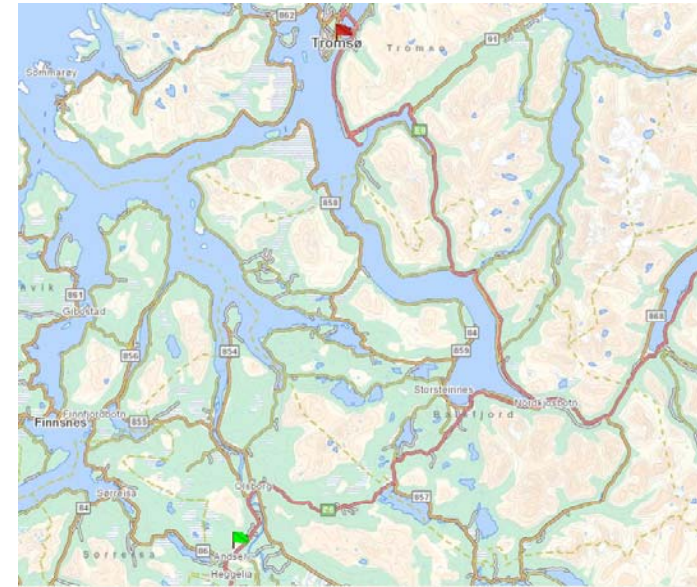
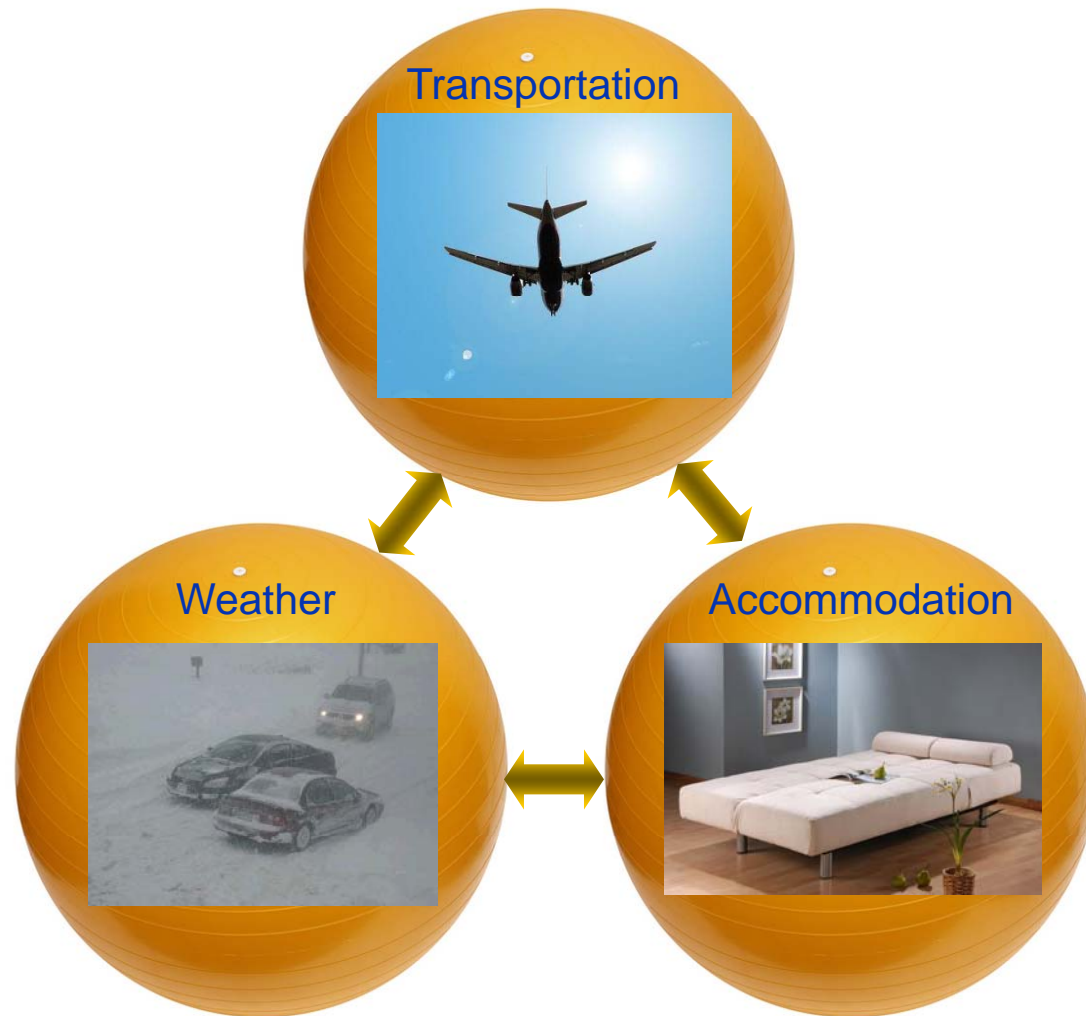


Source: Ice News



- **Vision:**
“The Olympic family shall leave Tromsø and Norway in a more sustainable condition than before the games started”
- **Introducing two new ambitious goals to IOC:**
 - *“Clean Games”*
 - *“Environmental Fair Play”*

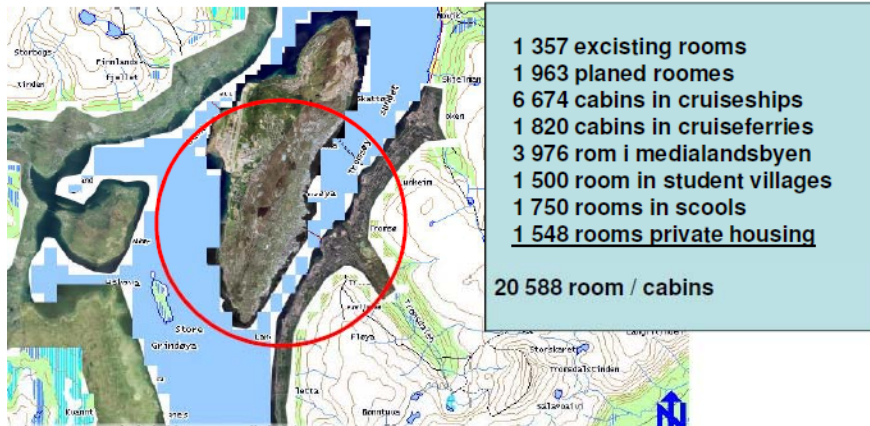
The realism – conceptual challenges during the Olympics



Accommodation

Accredited personnel

90 % of the 22 800 rooms will be offered within a radius of 4 km from the IOC headquarter



Source: Tromsø 2018

All the rest – up to 70.000 per day



- Survey performed by Tromsø 2018
 - 53% were positive to rent out their house/apartment
 - Representing 70.000 beds (6 beds per house)
- Weakness of survey
 - 600 households not sufficient number being representative
 - Persons renting out their house must have a place to stay
 - Additional volunteers (not recruited locally) must find lodging
 - Standard offered (6 beds per household)

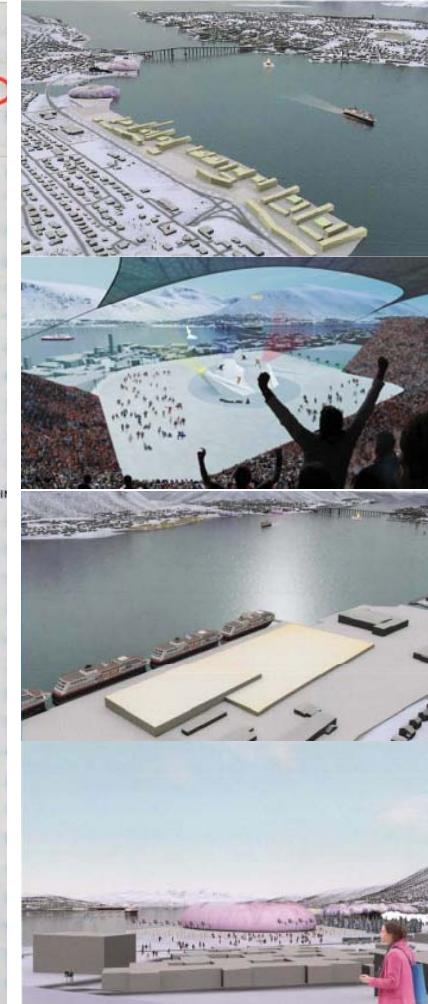
Continued use of sport facilities and infrastructure



Source: Wikimedia



Photo: G. Dunseth



Source: Tromsø 2018

The QA-process - we defined the following questions:

What will be the expected net governmental subsidies and the most likely size of the governmental gross guarantee?

What will be the most likely social economical cost/benefit?

Are there any major weak points in the chosen arrangement concept?

The basis for the QA

QA documents
from 9
Ministries

Application from
Tromsø 2018

371
documents

Information from
IOC, NIF,
LOOC, VANOC

Q&A's in writing
from various
Parties

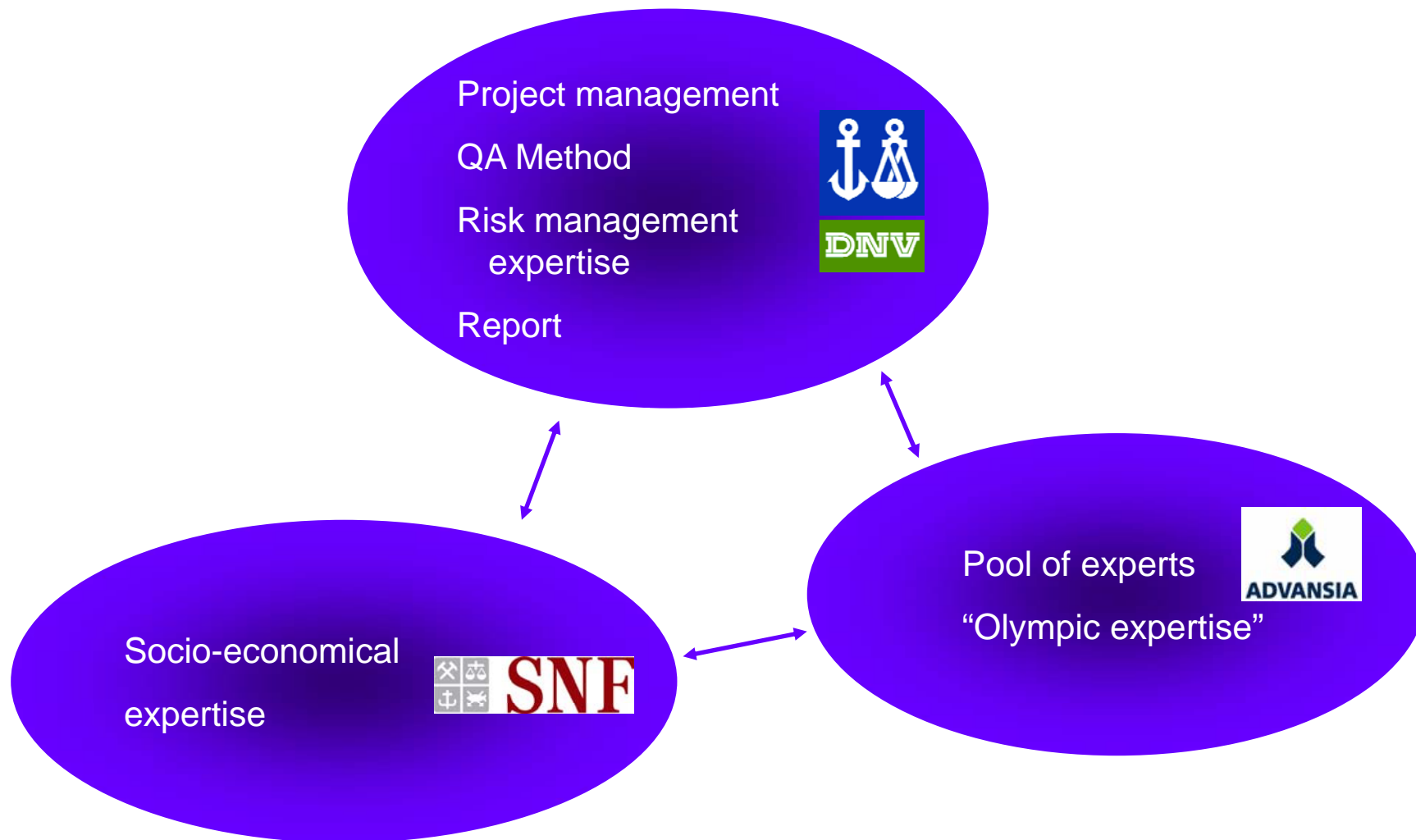


Source: Tromsø 2018

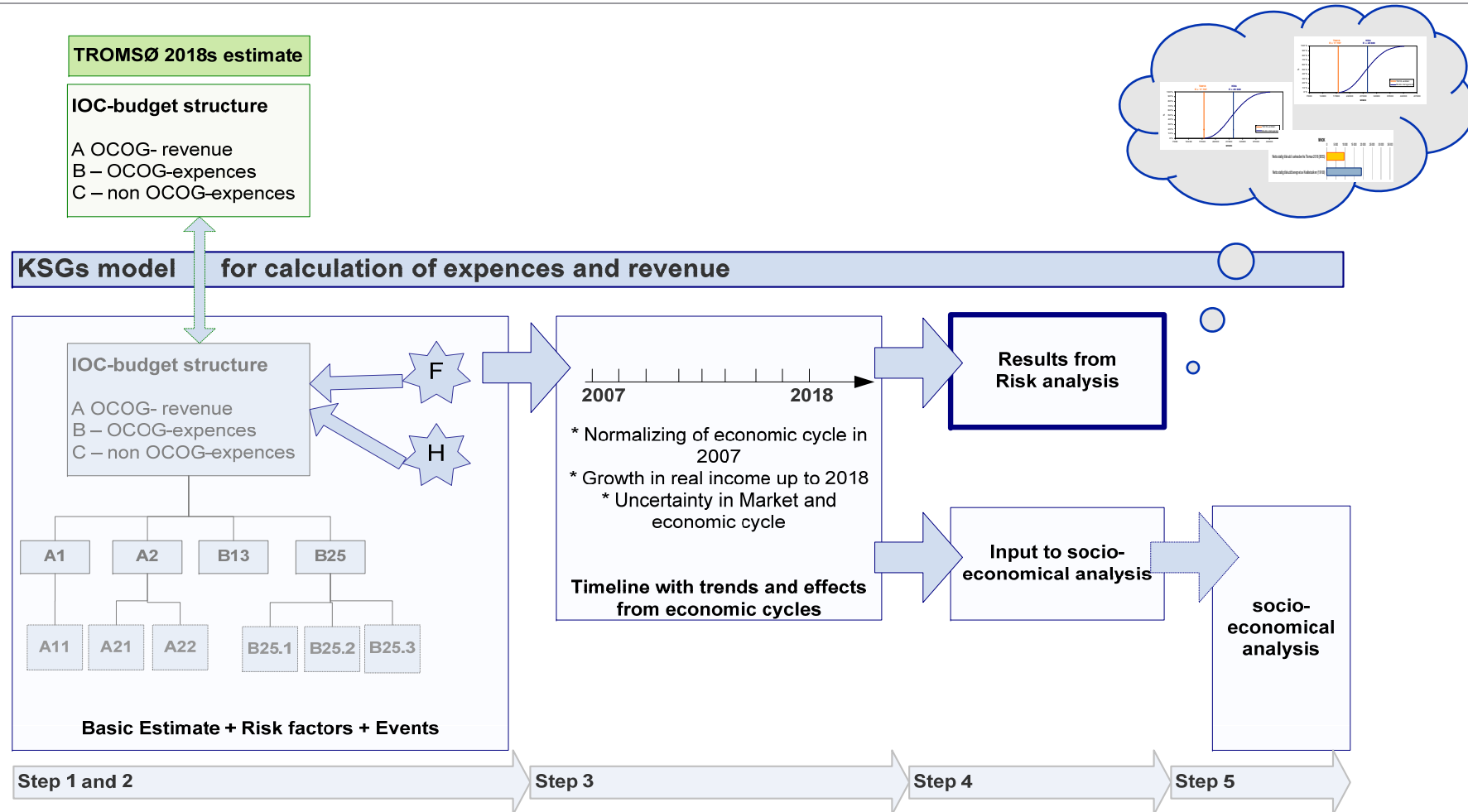


Meetings with NIF, Tromsø 2018, Ministries and underlying agencies

How we organized the project...



An integrated risk analysis model



OCOG: Organising Committee for the Olympic Games

The Outcome

Important issues for DNV and partners

- *Making our results comparable to the results presented by Tromsø 2018*
- *Indisputable report covering all aspects*
- *How to present the results from a project that has such high attention in media and to an audience that is so broad?*



Photo: Scanpix



Photo: Scanpix



Photo: Scanpix

Morning headlines...at the day of the press conference

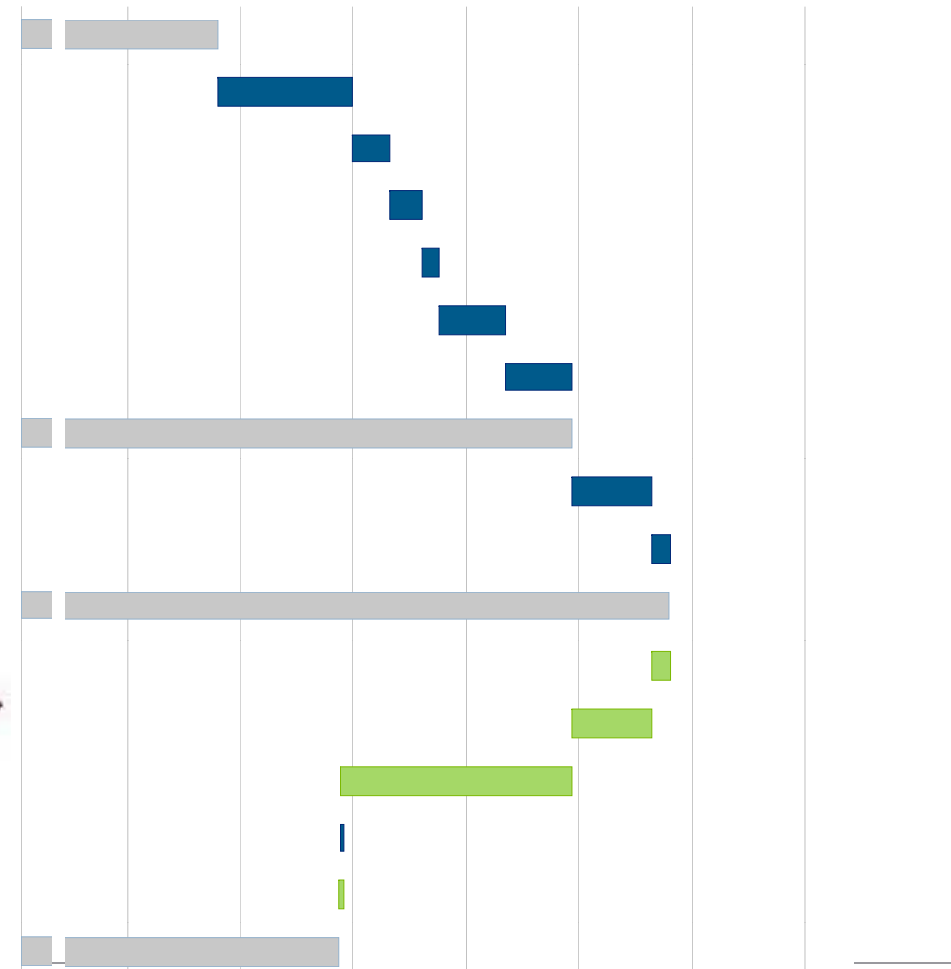


How we built trust number by number...

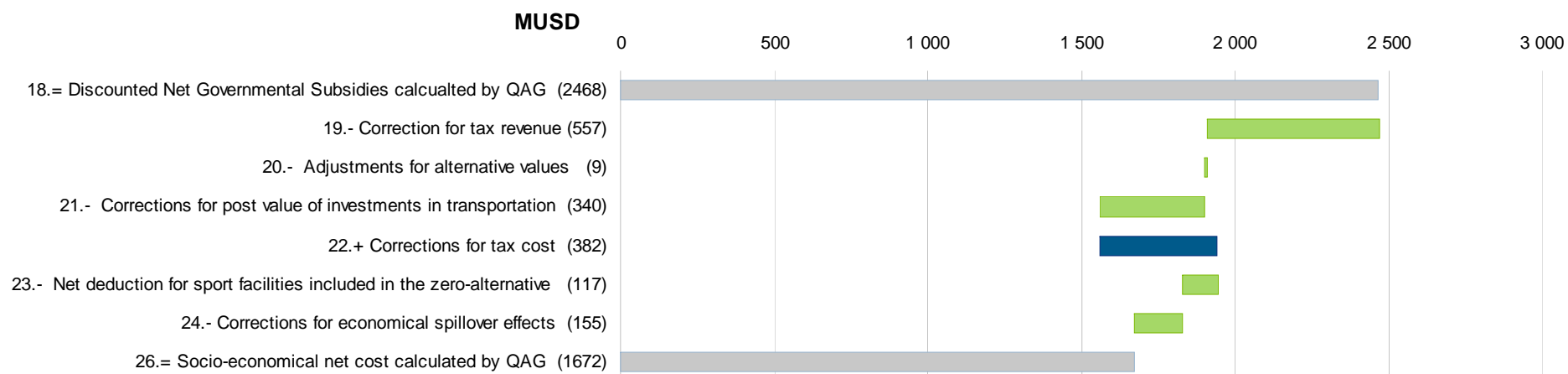


MUSD

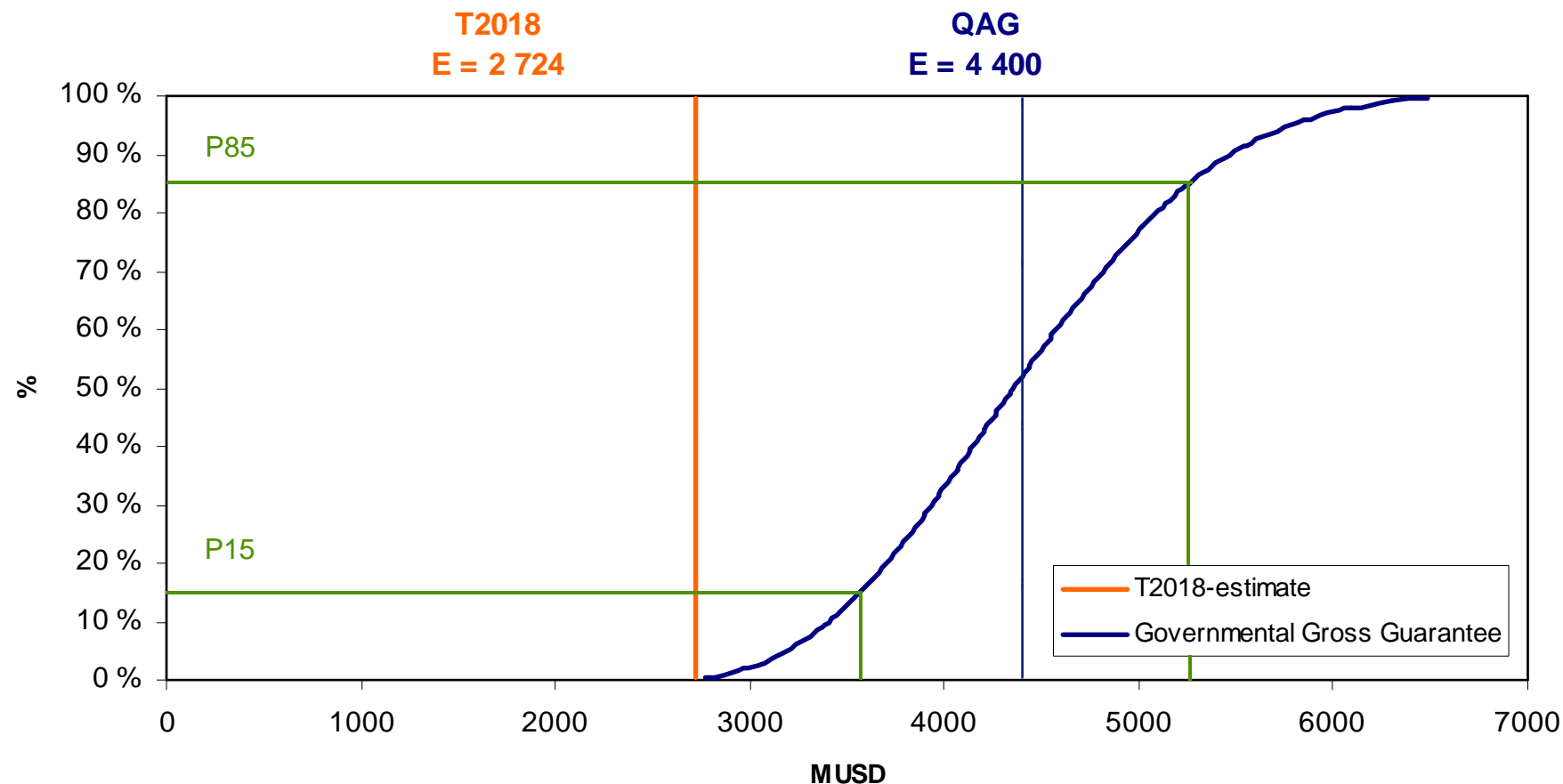
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Net Social Economic Cost



Governmental Gross Guarantee – budget uncertainty



The risk analysis shows that the level of the governmental gross guarantee by a likelihood of 70% will be in the interval of MUSD 3 565(P15) and MUSD 5 258 (P85)

Media.....after the presentation

Provoked by Olympic-"cheating"

The Government split....

- Tromsø will only cost 500 MUSD more than the 1994 Winter Olympics at Lillehammer

Game over, Tromsø

Too expensive and far too little chance to win the international competition becoming the host city. Next Monday the tiny Olympic spark can forever be put out.



Giske speak highly of Tromsø 2018

- They do not deserve all the criticism -

Olympic bill: 4 400 MUSD

Today Tromsø 2018 can be called off

The olympic funeral

(VG) Today the Government will be handed over the chock-report that in fact will bury the dream of the winter olympic games in Tromsø in 2018

The "Olympic lesson"

..Tromsø would not have been awarded the games anyway..

A disowned project

Almost no one has in the current olympic debate found it worthwhile to look at the QA reports view on the socio-economical effects of the olympic winter games in Tromsø in 2018

Lessons learned from the QA



Photo: T. Pedersen, ANB

- The project governance regime works - also for event type of projects
- A well structured and transparent process pays off – but requires no holes in the documentation – all topics must be verified and documented
- Solid competence within the type of project analysed is necessary
- High media focus – leaving contact with media to a dedicated and skilled person – preventing leakages of information to the press
- Simplifying the decision process by finding the important questions to be answered
- The report formed a solid basis for the decision makers – the report was not questioned and enabled trustworthy decisions

Reflections on future application processes and possible alternatives



Photo: Scanpix



Photo: LOOC



Photo: LOOC



Photo: Scanpix

Areas of improvement for future application processes

- Collective decision in the sports association before moving on
- The sports association should be the “owner” of the application process
- The general assembly being the responsible body for decisions – not the board.
- Professional project organisation needed in the application phase
- Governmental involvement at an early stage – agreement on process and frame conditions
- Sufficient involvement of stakeholders other than the sports association.
- Realistic schedule for the application process
- Budgeting process using a risk based approach (uncertainty analysis)

Reflections on future application processes and possible alternatives



Photo: Scanpix



Photo: LOOC



Photo: LOOC



Photo: Scanpix

Important issues to be raised for future applications

- Continuous use of sport facilities, accommodation and infrastructure is an important issue.
- Only a limited number of locations for “national sport facilities” is needed (fulfilling the requirements from IOC)
- Realistic view on logistical challenges – transportation concept in combination with harsh weather conditions must be robust and flexible

“Will the report be the end for Winter Olympics in Tromsø in 2018?”

No, we will handle this case and the report in a professional manner says Tove Paule – who also emphasize that the independent consultants have carried out a very thorough and trustworthy job”

VG Nett 30.9.2008

“Do you believe the report was crucial for the decision Gerhard Heiberg?”

Yes, it turned out that way. The report was a neutral representation based on facts. It was indisputable”

VG Nett 6.10.2008

Thank you for the attention..

henning.vahr@dnv.com, www.dnv.com



MANAGING RISK