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Organising and Resourcing

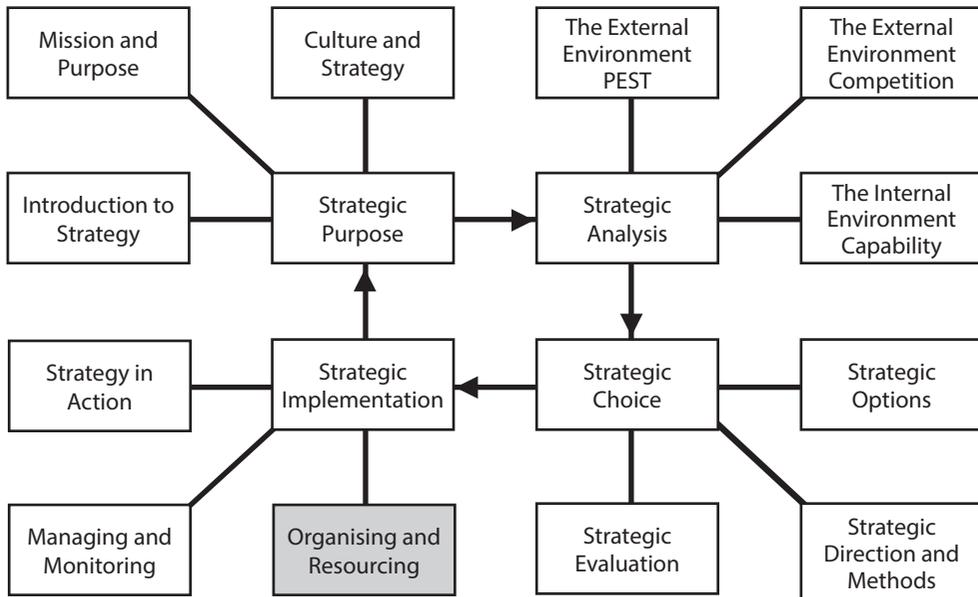


Figure 10.1

Learning outcomes

After studying this chapter and related materials you should be able to understand:

- Resource planning
- Formulation of a coordinating plan
- Design of an organisational structure
- Issues in organisational design

and critically evaluate, explain and apply the above concepts.

Introduction

This book has previously addressed the issues that enable an entity to make a reasoned choice of a strategy that is appropriate to its mission. In this chapter, issues of how to put a strategy into practice are covered and two important aspects of strategic implementation are addressed. The first is resource planning, where emphasis is on identification of the resources needed to support a strategy, issues of resource fit, and the formulation of a co-ordinating plan. The second aspect of strategic implementation involves designing an organisational structure that can best support a particular strategy. This in turn prompts a discussion of structural types, structural elements and issues in organisational design.

The following case study on organising and resourcing for the London and Rio Olympics illustrates some of these issues. Crucial matters for implementing the strategy for the London Games included choosing an organisational structure for the games, questions of funding and the co-ordination and logistics challenges posed in delivering such a highly complex project. For Rio a key challenge has been meeting deadlines for construction projects.

Case Study 10: The London and Rio Olympics

In 2005 the Games of the XXXth Olympiad for 2012 were officially awarded to London against strong competition from Madrid, Moscow, New York and Paris. The main site of the Games and the Olympic village is situated in Stratford in East London and the Games promised substantial regeneration benefits to a previously run-down area of London, as well as the promise of a lasting legacy.

Each of the bidders had to submit a strategy in the form of a candidate file covering the following aspects:

- ◆ Olympic Games concept and legacy
- ◆ Political and economic structure
- ◆ Legal
- ◆ Customs
- ◆ Environment and meteorology
- ◆ Sports and venues
- ◆ Paralympic Games
- ◆ Olympic Village
- ◆ Medical services
- ◆ Security
- ◆ Accommodation
- ◆ Transport
- ◆ Technology

- ◆ Media operations
- ◆ Olympism and culture

Organisation

Execution of the Games project was a highly complex task and the main organisational structure was divided into two key organisations:

- ◆ The London 2012 Organising Committee
- ◆ The Olympic Delivery Authority

The Olympic Delivery Authority was responsible for providing the venues and infrastructure, and the London 2012 Organising Committee was responsible for staging the Games. These two organisations were in turn supported by:

- ◆ The Mayor of London who leads the Greater London Authority group to ensure Londoners benefit from the Games.
- ◆ The Department for Culture, Media and Sport which is the department responsible to the government for the Games.
- ◆ The Nations and Regions Group which ensures that all parts of the UK benefit from the Games.
- ◆ International and UK commercial partners which provide sponsorship to fund the Games.

Funding

The London 2012 Organising Committee budgeted about £2bn for the staging of the Games. It receives most its funding from the International Olympics Committee and by its own revenue generation through sponsorship, ticket sales and merchandising. On the other hand the budget needed by the Olympic Delivery Authority to provide the infrastructure was around £9.5bn. This represented a substantial increase from the original estimate of around £3.4bn. The Olympic Delivery Authority relies upon public funding and the sources of this (and the increase over the original estimates) are as follows:

- ◆ Central Government £5975 million (increase of £4931 million)
- ◆ National Lottery £2175 million (increase of £675 million)
- ◆ Greater London Authority £925 million (increase of £300 million)
- ◆ London Development Agency £250 million (no change)
- ◆ Total £9325 million (increase of £5906 million)

The Government also underwrote the overall cost of the Games in the form of a guarantee as required by the International Olympics Committee.

Co-ordination and logistics

An Olympic Board, made up of representatives of the above organisations and other key stakeholders, provided overall strategic coordination and monitoring of the 2012 Games project and was responsible for ensuring the delivery of the commitments made to the International Olympic Committee.

The first meeting of the Olympic Board determined that common objectives should be agreed, mechanisms for reporting and monitoring the delivery of the objectives should be set up and progress reported to the Board. So, for example, the Olympic Delivery Authority had in place various milestones with target completion dates for different parts of the project. These included:

- ◆ 2009: 'The big build: foundations' milestone goal to ensure building had started on all permanent venues in the Olympic Park.
- ◆ 2010: Completion of the structure and roof of the Olympic Stadium, the Aquatics Centre, Velodrome, the new Energy Centre and the majority of homes in the Olympic Village.



Plate 10: Logistics of the London Olympics: Building the Stadium. Picture: Graham Miller

The complex Olympic Delivery Authority programme included burying of power lines, site preparation, relocation of unwanted existing infrastructure, upgrades to transport infrastructure and building of facilities. The management of the complex logistics was supported by a GANT schedule and a Games time masterplan showing the timing of procurement activities, design, construction and test events.

Rio 2016

The 2016 Olympics were awarded to Rio de Janeiro by the International Olympic Committee – the supreme authority of the Olympic Movement which ensures the regular staging of the Olympic Games. In Brazil the Organizing Committee for the Olympic and Paralympic Games Rio has the role of promoting, organizing and delivering the Games in line with the guidelines of the host city contract and the International Olympic Committee. It is working within a budget of R\$7.4bn.

The International Olympic Co-ordinating Committee (IOCC) met regularly to report on progress. In April 2014, a senior IOCC official criticised Rio's preparations as the worst in living memory but by October 2015 the IOCC inspection team reported that the construction of hotel rooms and of Olympic venues were 'on track'. However they still had concerns about 68