Steps to success
PwC and the Sochi 2014 Organizing Committee

January 2014
PwC Russia has been providing professional services to the Organizing Committee of the XXII Winter Olympic Games and XI Winter Paralympic Games of 2014 in Sochi since late 2008. We are proud that our team has won the right to be the Official Professional Services Provider and a Partner to the Sochi 2014 Organizing Committee.

In over five years of working together, PwC and the Sochi 2014 Organizing Committee have jointly carried out over 200 projects related to the planning, preparation and staging of the Games, with our firm devoting more than 200,000 consulting hours to these projects.

The goal of our joint efforts is to ensure the efficiency of the Organizing Committee’s preparations for the Games in the following areas: integrated planning of the Games, human resources, risk management, financial planning and budgeting, and taxation.

Many of the projects that we have implemented with the Organizing Committee have proven to be innovative for these types of events. One of our key decisions was to introduce the concept of a project-based organisation as the basis for the Organizing Committee’s activities at every stage. In addition, we have applied a new integrated, client-oriented approach to preparations for the Games, which focuses on each group of people and organisation directly or indirectly involved in the Games.

By applying the so-called “Sochi model”, which was created to coordinate and manage multiple stand-alone projects and activities, we have helped ensure that the Sochi 2014 Organizing Committee’s activities are integrated into a single complex of interrelated programmes and projects. While separately pursuing diverse goals, collectively these projects are aimed at implementing the overall strategy of the Games.

This model may be used for organising major sporting events in Russia and other countries in the future.
01: Planning the preparation for the games

Strategic planning of the Games preparation

The PwC working team helped the Organizing Committee to develop a plan for the Games’ preparations. The plan, as instructed by the Russian Government, was based on information provided by over 20 external organisations. We are proud that we were able to coordinate the efforts of every party involved and ensure their effective teamwork, as well as to organise the process of collecting, treating and discussing the information.

PwC specialists were in charge of any amendments made in various versions of the document, making tables for reaching a consensus on separate issues and preparation of meeting reports, and they also took part in developing resolutions after approval of the plan to follow up on its implementation. The final document was successfully approved by the State Committee for the Preparation and Staging of XXII Olympic Winter Games and XI Paralympic Winter Games 2014 in Sochi.

Tactical planning of Sochi 2014 Organizing Committee activities in 2011-2014

PwC team was also invited to take part in preparation of a document of primary importance: the tactical plan of Sochi 2014 Organizing Committee activities. The tactical plan is a document that contains a list of events in over 50 functional areas from 2011 until 2014, and a description of the control points, timelines, stakeholders and reasons for holding each even. This came to over 2,600 items in total.

An innovative methodology for project-based organisation developed by PwC underlies the tactical plan, which helps to separate Games preparation work into projects, processes and actions using standard criteria. The general schedule developed was used for monitoring and controlling the Games preparation process.

Performance management system development

PwC specialists, in cooperation with Sochi 2014 Organizing Committee, created a simple and transparent Performance Management System. The project covered concept development, detailed design, implementation and testing of the system, as well as its operational support.

This system was used to assess the projects implemented by the Organizing Committee at the end of each year using three key performance indicators: timing, quality and budget. The workload per Organizing Committee employee was reduced thanks to the implementation of this project. The PwC working team also helped the Organizing Committee to develop a relevant regulatory framework that ensures the full integration of the Performance Management System with the existing project organisation system.
02: Taking care of the spectator experience

Programme for maximum spectator attendance

The programme for filling up spectator stands as much as possible, which was developed by PwC specialists and Sochi 2014 Organizing Committee, is aimed at the extensive planning of the spectator experience, which is the largest client group that will be immediately present at the venues during Olympic and Paralympic events.

PwC specialists helped the client create a programme for filling up spectator stands in an optimum manner by developing a road map of actions to improve service quality and the spectator experience at every stage. A strategic document formulating the approach to planning the “spectator experience” during the Olympic Games was developed at a later stage.

During the next operational planning stage, the client was provided with the appropriate tools for bringing this concept to life. Specific elements of the programme included detailed forecasts of the number of spectators per event, an analysis of demand on hotel services and hotel bedspace for spectator accommodation, a checklist of services, a concept for creating a festive atmosphere, and information on other operational planning documents.

In addition, thanks to PwC working team’s efforts, the needs of spectators as a client group were analysed in documents on service planning developed by the Sochi 2014 Organizing Committee’s functional areas. PwC specialists also helped the client to comply with IOC requirements and to create an effective programme that achieved its key strategic objectives.
03: Ensuring a comprehensive approach to planning

**Functional operational planning with consideration of service levels for client groups**

In 2009, PwC specialists together with the experts from Sochi 2014 Organizing Committee, started developing the Functional Operational Plan (FOP), which contains detailed descriptions of the various types of work, such as guest seating, transportation, staging of sporting competitions, Olympic venues management, medical care, etc. We developed a detailed FOP and integrated it with other projects, such as operational planning of Olympic venue operations, risk management, transition period planning and ensuring the operational availability.

As a result, effectiveness of communications between functional blocks improved while their direct responsibilities and means of communication were clearly set out thanks to this project. The FOP also sets a foundation for planning resources in terms of budgeting, staffing, planning materiel supplies procurement and technology use.

**Development of Service Level Agreements**

The Organizing Committee instructed PwC to develop and carry out an innovative service planning approach for the Olympic Games that primarily considers client interests (this category includes all groups of people and organisations directly or indirectly involved in the Games). Client interests must be described in each Service Level Agreement (SLA).

Our specialists developed detailed parameters for all services and, together with the Organizing Committee, they also created and implemented a client service planning methodology and prepared a document on SLAs, which included a structured description of services provided to specific clients during the 2014 Winter Olympics. When preparing the document, we considered the staging of the 2012 Summer Olympics in London and made sure that it was compliant with the new statutory requirements.

Robert Gruman, Leader of PwC’s Russia Advisory practice:

“It is a big honour to work on Sochi 2014 project for me personally and the whole PwC team. In our work with the Organizing Committee, we were able not only to provide strategic consulting, but also to implement practical solutions in management, sustainable development and planning. We have done our best to ensure that Russia stages the greatest Olympic and Paralympic Games of all time. We also want the country to showcase its achievements and enormous potential to the world.”
**04:** Boosting efficiency of Olympic venue operations

*Operational planning of non-competition venues*

The key point of success in staging the Games is the operational planning for both sporting, and non-sporting venues. PwC staff helped the Sochi 2014 Organizing Committee develop a methodology and organise the preparation of operational plans for operating venues not used in sporting competitions, including Sochi International Airport, the main distribution centre, transportation hub, three Olympic villages, hotels for the Olympic and Paralympic national sports teams, etc.

In our work, we assessed the stakeholders, analysed the client needs, organised operational and commission inspections while also factoring in any recommendations and preparing detailed plans for operating the venues during the Games. As a result, PwC specialists provided the Organizing Committee with a full picture of how the non-competition venues will be operated in winter of 2014.

---

**05:** Organising the games’ readiness inspections

*Operational readiness programme*

PwC specialists were actively involved in planning, preparing and implementing the operational readiness programme for the Games. This programme is a set of training events to test operations, thereby ensuring Games readiness. This included educational seminars, on the job training, simulation modelling and training exercises.

Our working team helped determine the scope and schedule for the entire operational readiness programme, contributed to the training course for the programme instructors, as well as prepared and held a series of real-time simulation modelling events for the Organizing Committee, partially in respect to the operation of the Olympic venues.
06: 
Taking part in preparation of test events

Planning test events in Sochi and preparations for their staging

The test events programme was realised from February 2011 until December 2013 in Sochi. It provided for modelling over 70 real-time test events for all Olympic and Paralympic sports across 10 Olympic venues.

PwC specialists also took part in the development of the strategy for staging the test events, monitoring programme implementation, developing tactical preparation plans, advisory support, budgeting, reporting and integration of accumulated experience into the Games’ preparation. The implementation of this project enabled the Sochi 2014 Organizing Committee to successfully plan the test events and stage them with maximum effect.

07: 
Assisting effective in games management

Development of a games management system

Together with the Sochi 2014 Organizing Committee, PwC specialists developed a framework for Games management and a system for coordinating the activities of all management bodies, including the Organizing Committee, IOC/IPC, the City of Sochi, the transport and security systems.

We made a comprehensive analysis of the various technical data and, based on this, and together with the Organizing Committee, we developed a management framework for the Games, including a roadmap for the transition period, an organisational structure of the Main Operations Centre, an operational plan for operating the venues, documents regulating the work of the management bodies, etc. Thanks to this project, the Organizing Committee was provided with a full picture of how the Games management system will function during the staging of the Winter Olympics and Paralympics.
08: Deploying the workforce

**HR planning for Games time**
It is well known that human resources are a keystone in any endeavour. For the Games in Sochi this is especially true. Properly organised and well aligned staff performance is a major success factor for the Olympic and Paralympic Games. Personnel expenses account for 30% of the Games budget and include recruitment, payroll, meals, training, transport and other expenses.

PwC was deeply engaged in HR planning for the Games. We developed individual HR plans for each venue and made up schedules for the Games and test events. Thanks to the project, the staff size was optimised by 20%. As a result, the costs were reduced, and the Games preparation efficiency was enhanced.

09: Helping to find employment for people with disabilities

**Employment strategy for people with disabilities**
Around 3,000 people with disabilities were unemployed before the Games. PwC, together with the Sochi 2014 Organizing Committee, developed an employment strategy for people with disabilities to engage them during the preparation and staging of the Olympic and Paralympic Games.

The strategy is aimed at socialisation of the disabled and focuses on education, training, and social assistance.

The project helped the Sochi 2014 Organizing Committee to structure an employment strategy for people with disabilities in compliance with equal opportunity principles.
10: Training managers of sports venue

**Professional development programme for venue managers**

Together with the Sochi 2014 Organizing Committee, we’ve come up with a professional development programme for venue managers called Path to Success. The programme is aimed at developing competences in large-scale national sporting project management. Top experts in leadership and professional development assisted in delivering the programme that consisted of four modules and was based on case study.

With this programme, we improved the provision of management decisions related to sporting events preparation and staging. During the project, PwC and venue managers shared their knowledge and experience, while the Sochi 2014 Organizing Committee’s lead managers learnt new leadership skills.

11: Risk awareness

**Risk management advisory**

There are certain risks associated with the Games. Therefore, effective risk management was a critical objective for the Sochi 2014 Organizing Committee. PwC Russia was engaged to develop a risk management framework.

The project team updated the risk management policy, reviewed risk matrices and functional area operating plans, developed incident matrices, and drew up contingency plans. In total, we developed 28 internal contingency plans for the Games period, as well as 11 plans for test events and nine multi-agency contingency plans.

12: Enhancing commitment to sustainable development

**Sustainability reporting**

Large-scale events like the Olympic and Paralympic Games inevitably impacts the environment. The Environment and Sustainability Report prepared by PwC in accordance with Global Reporting Initiative (GRI) principles explains how the Organizing Committee has approached environmental management issues.

We also assisted the Organizing Committee in developing and implementing a sustainable development management system and designed a relevant training programme for the Organizing Committee’s employees. The training programme included introductory courses for the Organizing Committee’s nine functional areas, key partners, contractors and volunteers of the Olympic Games. The programme also offered recommendations on sustainable development principles.
13: Financial advice

**Games budgeting**

PwC Russia has been engaged in designing and implementing a new budget management procedure for the Sochi 2014 Organizing Committee. We have developed an operational concept and control procedures for the Operating Contingency Fund. The effort helped to improve transparency in the budgeting process and facilitated prompt amendments to the draft Games budget in compliance with IOC requirements.

Furthermore, the PwC project team developed procedures to regulate the Operating Contingency Fund for 2013–2014. As a result, the Sochi 2014 Organizing Committee received an effective funds management tool with respect to allocation of responsibility and authority.

**Sochi 2014 Organizing Committee internal audit**

The Sochi 2014 Audit (Revision) Commission engaged PwC to conduct an internal audit of the Sochi 2014 Organizing Committee. During our audit, we reviewed primary and supporting documentation, accounting records, as well as the Organizing Committee’s financial and business performance reports.

The project was primarily aimed at identification of issues and risks related to performance of the financial plan, compliance with IOC requirements, and reconciliation of management reporting and financial statements.

The PwC team conducted an internal audit in key areas: the Organizing Committee’s charter documents, an overall review of the Organizing Committee’s performance, the financial plan for the Games, procurement procedures, tax liabilities, etc. The project helped the Sochi 2014 Organizing Committee and Audit Commission to get better insight into key issues and risks.

**Systematisation of the host country’s liabilities**

PwC helped identify, analyse and systematise the Sochi 2014 Organizing Committee’s financial liabilities. These liabilities were also prioritised and integrated into the Tactical plan so that they would become part of the overall Games preparation and delivery process. As a deliverable of the project, the Organizing Committee got a full picture of specific financial liabilities and their respective owners.

14: Streamlining import and export operations

**Customs project**

The Olympic Games in Sochi revealed the need to streamline export and import operations. In order to achieve this objective, the Sochi 2014 Organizing Committee engaged the PwC tax and legal team.

We’ve performed relevant analytical studies and helped the Organizing Committee identify the key barriers and challenges imposed by law. We also designed a project to simplify import and export procedures. PwC’s contribution was recognised at the Sustainability Award Ceremony held in March 2013 as part of the XXII Olympic Winter Games and XI Paralympic Winter Games Preparation Programme. At this ceremony, PwC was presented with the Economic Prosperity Award.
Better together

In this document PwC refers to OOO PricewaterhouseCoopers Advisory, or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate legal entity.
PwC Russia (www.pwc.ru) provides industry-focused assurance, tax, legal and advisory services. Over 2,600 professionals working in PwC offices in Moscow, St Petersburg, Ekaterinburg, Kazan, Novosibirsk, Rostov-on-Don, Krasnodar, Voronezh, Yuzhno- Sakhalinsk and Vladikavkaz share their thinking, experience and solutions to develop fresh perspectives and practical advice for our clients. The global network of PwC firms brings together more than 195,000 people in 157 countries.
“PwC” is the brand under which member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide services.
“PwC Russia” refers to PwCIL member-firms operating in Russia.
© 2014 OOO PricewaterhouseCoopers Advisory. All rights reserved.