

Mondial Consultants (Pty) Ltd

Soccer World Cup

Some risk considerations

Specialist Risk and Business Consultants



Mondial

Introduction

Although the events taking place in South Africa in June and July 2010 bring about some element of excitement, national pride and general jubilation, the events equally bring about a number of changes in the external environment we are typically used to in the day-to-day operations of our organisations and businesses.

Change, in the internal or external environment, brings about risk. Have you considered the risks that these events may pose to you ?

Have you considered the positive impact or negative impact that such changes may bring?

Have you planned for it ?

Have you instituted response and back up plans ?

The notes that follow intend to provide some thoughts and questions as to possible sources of risks that require further consideration.

Some basic questions ?

- How many games are played in your City(ies) of operation and when will these take place?
- Will any teams be based in your City(ies) of operation? What is the number of supporters likely to support these teams ?
- Are any of your operations responsible to deliver something to the event(s). If so, what happens if there is a failure in the value chain ?
- Are your operations within a zone of influence of either the matches, training facilities, fan parks or other event related activities ?
- If so, can you expect any interruption to the logistics chain of your business ?
- What is the availability and safety of transport for staff ?
- Which internal events are planned for your organisation during the period – i.e. board meetings, financial year end, management and other meetings, legal submissions, wage negotiations, etc? Can we expect any conflicts or problems ?

Consider impact on each operation for:

- Production
- Logistics
- Movement
- Security
- Health & safety
- Reputation
- Revenues
- Governance & Legal

Possible risk scenarios (1)

- Deliveries and general road traffic flows/routes will be affected negatively on match days and during the entire event.
- Availability of emergency services – hospitals, SAPS, ambulances – during the period should your organisation experience an emergency?
- Is there a risk of protest actions on your organisation's doorstep (whether internally or externally motivated) using worldwide platforms created by a World Cup event?
- Are there any internal issues staff or third parties may wish to expose to the international media during the event ? (e.g. environmental issues)
- Consider the security of your organisation's property – close to stadiums or related events?
- Are you potentially affected by event related terrorism attempts ?

Upside risk

What is your organisation's possible improved reputation / market share due to direct participation i.e. use of facilities, sponsorships, assistance for employees to participate in events, other ?

Possible risk scenarios (2)

- What will the impact of a possible stronger Rand have on your supply and exports?
- Will transportation by road, rail, air, sea be affected?
- Suppliers' and other service providers' readiness and ability to deal with the effects of the World Cup?
- What is the increased epidemic risk (H1N1 – Austral winter, HIV Aids, etc)?
- Are you potentially affected by reduced labour availability through absences, sick leave, school holidays, general spirit of the game
- Safety implication of employees or contractors coming to work tired or under the influence of alcohol or other substances
- Cellular phones, land line and internet service supply constraints

Flu

A number of private pharmacies have already noted a shortage in stocks of annual flu injections, due to an increase in demand for the public sector. Can you therefore expect higher medical related absenteeism in this period ?

Possible risk scenarios (3)

- Are tourists likely to request a tour or visit to your operations? Are you ready for it?
- Construction activities on the go in the boundaries of the host cities, may need to be slowed down or stopped as a result of city beautification requirements.
- Certain Government departments may not be available due to closure and some have already indicated that they would operate on a skeleton crew for the entire event period – consider the impacts on your organisation.
- Difficulty in accommodating personnel, consultants and contractors or visitors close to host cities.
- Are you planning to do any advertising, signage and branding and are you comfortable that this does not infringe FIFA's guidelines/agreements with government ?

Water and electricity

It is well documented that the delivery of energy and water requirements to the event will be a national priority. Can you therefore expect a stable and continuous supply of water and power to your activities ?

Mondial contact details

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Visit our Website : www.mondialcons.com

Our website also contains information regarding other specialist Risk and Business Consulting services provided by Mondial