

Working towards greater independence

Now TOP has contributed to the financial security of the National Olympic Committees.



In the early 1980s, it was generally believed that only ten National Olympic Committees enjoyed any form of independent finance by way of sponsorship or other commercial support. Put simply, the vast majority of NOCs were totally dependent upon government support or public donation. To compound the problem, the pressures of a weak world economy at the time caused a reduction in state subsidy for many of these NOCs creating an ever increasing gap between the 'haves' and 'have nots'.

DIVERSIFYING REVENUES

It was against this backdrop and against a growing concern about the almost total dependence of the Olym-

pic Movement on television revenues that the TOP Programme was launched at the initiative of President Samaranch.

The TOP Programme, now in its third cycle, has helped to bring independent fi-

nance to all NOCs, freeing them from the need to defer to government or to rely on the generosity of individuals.

While TOP has achieved its overall objective it has resulted in very significant additional benefits for the NOCs. Firstly, as the programme has matured, the consistency of the TOP revenue flow has become an important aspect for every NOC treasurer. This has been particularly the case during the current economic recession. Even the most sophisticated NOCs have witnessed a decline in revenue from local sponsors and in many cases have seen long-term local sponsors cancel agreements because of their own economic difficulties. As a direct consequence, many NOCs, both large and small, faced significant cash difficulties going into 1993.

TOP BENEFITS

The TOP Programme, however, was not so severely affected by recession. The corporate commitment made by TOP Sponsors is fundamentally different than is found at domestic sponsor level. Put simply, TOP is part of a long-term marketing strategy for most of its sponsors and as such is far less vulnerable to short-term economic considerations.

As a direct result of these factors, plus an early start to the sales process for TOP III (Coca-Cola for example signed its TOP III agreement as long ago as the Albertville Games), ISL was able to assist a large number of NOCs with early commitments of sponsorship fees and accelerated cash flow.

The second additional benefit of TOP is that it has caused an overall increase of interest in Olympic sponsorship both within the NOCs

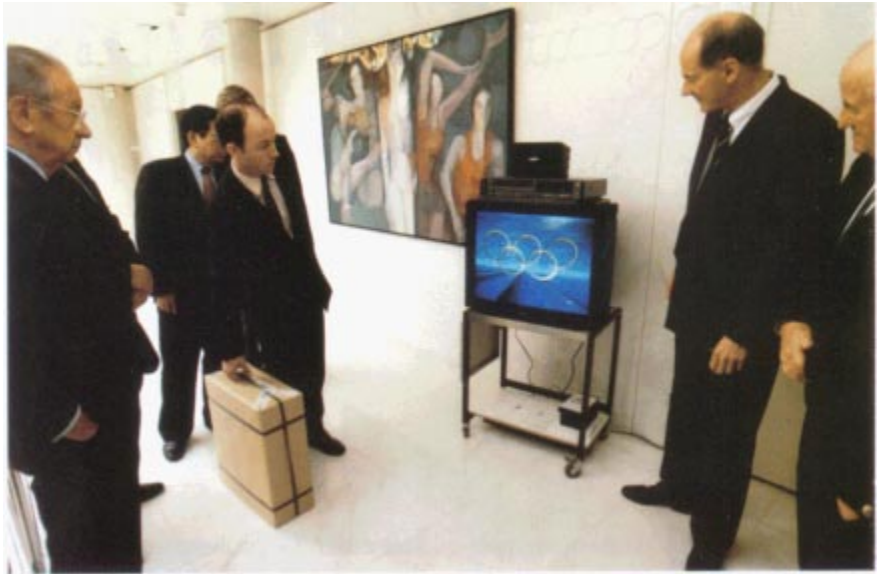
Messrs Laurent Scharapan and Andrew Craig



and within the business community in each NOC's country. So, compared to that situation ten to twelve years ago when just ten NOCs benefited from sponsorship, today the vast majority of NOCs enjoy some form of locally generated sponsor revenue. This revenue comes in part from additional local activities by ISL but also as a result of the NOCs' own marketing initiatives, many of which are based on the same marketing disciplines to be found in TOP.

In summary, the IOC's vision under the stewardship of this New Sources of Finance Commission has resulted in greater financial independence for the NOCs, has provided consistent revenue even during the most severe recession since the 1930s, has created a solid base upon which local sponsorship initiatives have been built and has reduced dependence on television rights as a source of revenue. This has to be regarded as a remarkable result to have been achieved in the 10 years of the TOP Programme's life to date.

ANDREW CRAIG
Managing Director, ISL Marketing



A TOP Programme partner, **Matsushita** recently gave the IOC electronic equipment, notably the **Panasonic** televisions in the photo.

THE IOC IS CARRIED AWAY BY LUFTHANSA

The German airline company Lufthansa has been signed up as the official carrier of the International Olympic Committee. Lufthansa will be the number one company in charge of the IOC's air travel arrangements for important events round the world, such as annual sessions, commission meetings and the extensive Solidarity programme.

The airline, whose network serves more than two hundred destinations in ninety-three countries, has made a name for itself in the highly specialized field of sports cargo, which includes the tricky business of transporting horses to competitions. Its expertise in freight operations will be invaluable to the new Olympic Museum in Lausanne, which is now heavily engaged in collecting sports artwork and memorabilia from round the globe and has plans to set up a programme of exhibitions that will be sent out on loan to NOCs.

Lufthansa will also provide a welcome promotional boost to the international Olympic Movement, by featuring it in publications and on in-flight videos.

This comprehensive agreement is an extension of Lufthansa's long-standing support of sport. A partnership that is a welcome new addition to the IOC's supplier programme, which includes John Hancock Insurance and Daimler-Benz.

