

TRANSLATION STADIUM ARTICLE

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COVER TITLE

‘GOLD MINES’

Strategies and management models
used by the Europeans to transform
stadiums in money making machines

ARTICLE TITLE

“BLUE ELEPHANT”

The Pan (American games) have ended and Rio now has an opportunity to transform the ‘Engenhao’ (Joao Havelange stadium) in Brazil’s most modern arena.

TEXT

The success of the Pan American Games offer Brazilians a little taste on how to organize a big sports event. And it also worked as an aperitif for a country which is going through double dose dreams: single candidate to host de 2014 World Cup and optimist with Rio’s chances to stage the 2016 Olympics.

But before any of these can happen, the country has a challenge: to learn how to run the infra-structure needed for events of this magnitude. A good test can be the legacy left by the Pan, the Joao Havelange stadium, which has an uncertain future. The great question is: is it possible to make a venue of this size profitable, when the average attendance of the Brazilian championship is around 14,000 per game?

If the ‘Engenhao’ was in Europe, this question would not exist. Because of that, A+ requested two of the top European experts in stadium management to find out how to abort the birth of another white elephant.

Subtitle: Security, the first challenge

The success of a football stadium implies its use as an entertainment venture, a focal point to attract a new public. To achieve that, the country needs to tackle the biggest threat: security. A+ spoke with the two of the biggest stadium

consultants in Europe and they both agree that this is the top priority -- to guarantee peace for the fans and attract a new breed of consumers -- from whom depends the future of Brazilian football.

(BUBBLE PHRASE: "Cinemas make more money with popcorns than with the films. Football still has a lot to learn." From English consultant Ian Nuttall)

Ian Nuttall, from Britain, and Ben Veenbrink, from Holland, are co-founders of EVMI (European Venue Management Institute). Nuttall created 'Stadia' magazine and acts as consultant for Brazilian clubs. He defines what is the ideal stadium.

"It has to be safe, profitable and compelling. Like an object of desire for every supporter."

Veenbrink is considered a 'guru' of the modern stadium. He was a member of the Management board at the Amsterdam Arena, rated as the reference for all stadia built since the last decade. He has his own consultancy and have already worked for Nautico Recife. For him, it is a shame that Brazil cannot realize all its potential.

"Security is a priority to allow fans can go to the stadium without risks. If you proper environment, with good and expensive facilities, the elite would feel compelled to come."

The problem of security goes beyond the frontiers of football but other countries, like England, has a lot to teach. (into page 10 of original JPEG). Forty years ago, at the height of hooliganism, the English did not want to go to matches anymore. After a series of tragedies, all seater and spy cameras were installed in all stadiums. Today, England is the safest and richer football country in the world. In an English, you cannot smoke, swear, hang on or seat in the stairs. Veenbrink thinks that this obligation of staying in your seat all the time is a little bit exaggerate.

" People should not behave like animals but there, you cannot even stand up that you are send away from the stands. "

Chris Whalley, director of Security at the English FA, explains that the key is to be prepared for any scenario e have a control room with complete view of the public to be able to act quickly.

Subtitle: Vicious Circle

Another basic point is the ability to offer good services. Experts believe that, as a reflection of what happens in the Rio metro, people adopt new habits when they are given good services.

"In Holland, they put porcelain in the toilets and people thought it would be

destroyed but nothing happens. When people are treated well, they behave well,” says Veenbrink. For him, in the perfect stadium, stewards act as ambassadors for the club, helping and orientating supporters.

“You can have a stadium that is at the same time functional and beautiful as an architecture project. Functionality is the essence, the base to raise revenue.”

(BUBBLE PHRASE: “I have the dream stadium in my head but the ideal stadium does not exist.” Dutch consultant Ben Veenbrink.)

The subject is not how to make cakes but the word recipe (in Portuguese receita as in ‘revenue’) seems like the magic word of the new stadiums. Long gone is the time when a ground would open for a match to then remain close for most of the time. What we call now the ‘modern arena’ is the consumerist incarnation of globalised football. All to attract new customers.

“Like in a first class in an airplane, some people are willing to pay more so others can travel cheaper in the economy. I think there will be companies in Brazil keen to enjoy the best seats and the money could be used to improve facilities and providing affordable tickets so more people could come to the grounds. Charging too much, the fan will end up watching on TV,” explains Ian Nuttall.

The upgrading of football in Europe takes the rich to the stadiums while it pushes the poor to watch it on TV. In Brazil, this process is on the reverse. Ideally, Brazilian football should keep attracting low income fans, like it happens in Germany, the country that has the highest attendance rate in the world, and it should also win the sympathy of a higher purchasing power clientele (public).

At Wembley, 90% of the seats were sold to people with high incomes. At Old Trafford, Manchester United collects R\$ 12 million (4,2 million euros) from tickets sales on a single match. In Brazil, Fluminense earned a little bit more than R\$ 2 million (700,000 thousand euros) in the whole year of 2006. Flamengo, the best supported team in the country, collected only R\$ 3 million (1.07 million euro) in that same year.

“When day ticket incomes are lower, it is necessary to find other sources of income. A club like Fluminense, with a beautiful clubhouse, could join forces with a real estate group to create new attractions that could generate more income with the use of the alternative space,” tells Veenbrink.

(BOX: GRONINGEN IS THE GREEN HELL)

A little stadium irradiates charm. The Euroborg, in the Dutch city of Groningen (Brazilian spelling seems to be Gronnigen), fits 20,000 spectators in what is a

‘fortress.’ All green inside, the main colour of the club, it provides only 1,000 seats for the visitors and the opposition has to cross the most fanatic section of the home supporters on their way in and out of the changing rooms. Ben Veenbrink, which was involved in the arena’s concept, explains that the idea of the ‘home team’ is followed to the extreme.

“When the roof closes, a deafening noise falls down on the ground. Everybody stays very close to the pitch and the supporters shout a lot.” After the stadium’s opening, Groningen spent a long time unbeaten at home.

“We won an invincible reputation but lately we started losing some matches there,” regrets Ben, proud of the ‘Green Hell.’

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Veenbrink believes that the big cities in Brazil are ready to welcome a more sophisticated public.

“In Rio and Sao Paulo, there is a lot of people with a lot of money. At the moment, however, there are no facilities on offer like in Europe. But if things improve, this new customer will start going more to the stadiums,” says the consultant.

(subtitle The Athletic Track)

The father of the modern stadia is the Amsterdam Arena, the first to look at football as part of the entertainment industry. Veenbrink was a member of the management advisory board and tells why the Arena made history.

“It was the first built under a multifunctional concept. It is the right idea, in the right place, in the heart of Europe, in a city full of tourist attractions. The stadium, which is also used by the Dutch national team, is occupied 75% of the year, almost like a monopoly of entertainment in Holland.”

Despite its name, the Ajax club is only a leaseholder and once manager Van Gaal was out fuming after being told to finish a training session in a hurry. The stadium exists as an independent entity, with its conference centres and hotels, which are part of the complex.

(BOX: COURSE TEACHES HOW TO RUN STADIUMS)

Europe already has a stadium management course. During one week, 20 people from countries like India, South Africa, Kenya, Turkey, Brazil, Sweden, Greece, Italy and Germany took refuge in Frankfurt, to learn the secrets of stadium management. The intensive course provided by the European Venue Management Institute (www.evmi.org), provided talks with the biggest experts in the world and also includes visits to the Frankfurt and Dusseldorf stadiums. The mayor of Frankfurt jokes he has ‘the biggest convertible in the world’

because of the retractable roof that closes like an umbrella in the 50,000 capacity stadium. The 51,000 Dusseldorf stadium, is an arena where 60 foot yachts can get in. The chairs are all multicoloured, like in a Lego toy.

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“With its retractable, it (Amsterdam Arena) can be used the whole year and there not enough dates to satisfy the demands for events there, “ explains Nuttall.

The Stade de France is another pioneer in the principle of multi-functionality. The stage for the 1998 World Cup does not have a so-called ‘home team,’ Instead, there is a whole squad of specialists to create events for the multiuse space, with retractable stands that cover the athletics track. Stade de France Productions (SFP) has made a lot of success with the most different attractions: ice race, football, rugby, horse racing and even Formula Truck. It also offers conference facilities and seminars, with first class food and drinks.

The Ricoh Arena, from English club Coventry, took the concept of multiple use to the limit. Their executive boxes are converted in hotel rooms in no more than an hour after the final whistle.

“A lot of people like to look at an empty ground,” says Coventry director Paul Fletcher.

(BUBBLE PHRASE: “Space for the ticketless fans to watch the matches in big screens? Brasil can use the beaches.” Ian Nuttall, about the organisation for the 2014 World Cup)

(BOX: EMIRATES IS THE HOME OF BRAZIL IN EUROPE)

One of the most beautiful new stadiums in the world has an special appeal to Brazilians. At the Emirates, name of Arsenal’s home, the ‘Selecao’ played two friendlies against Argentina and Portugal. It was such a success that the place started to be known as Brazil’s home away from home -- as the team is forced to play their friendlies in Europe to be able to call the big stars from the big clubs in the continent. The Emirates fits 60,000 people. In opposition to other modern arenas, allows only one sport on its ground.

“Our main business is football. We also welcome conferences but football has priority. In the end, we do not want to damage or risk our turf, “ says stadium director John Beattie.

John says that hosting Brazil is different. ”It helps the club with some extra revenue but at the same time it cuts the days off the staff. The friendlies are good fun but we need to give a of advice and orientation. The first match was a little bit more tense because the Brazilians, sometimes, thought they could

everything they wanted but it is not always like that. We have our responsibilities for the stadium security and sometimes, we have to say 'no.' “

(BOX: WHAT TO DO WITH MARACANA)

To rebuild or knock it down? What to do with Maracana, Brazil's football icon, but at the same time considered outdated for the modern quality standards set by FIFA? Three experts address the question:

”There are two options: One was adopted in Berlin, preserving the Olimpia stadium because of its historical importance. The other example is Wembley, a new stadium built from nothing. Stadiums have to adapt to new security standards and have spaces for VIPs. Physically, maybe there is nothing historical to be preserved at the Maracana.” George Stainton, director of South Africa's Ellis Park World Cup stadium.

“Investment is need. The success of the new Wembley is under scrutiny and there are a lot of people who still prefer the old stadium. I have seen projects in Brazil for Corinthians and Sao Paulo, designed by Americans, trying to take the United States model to Brazil. Nowadays, it is imperative to attract new well off customers and big companies.” Ian Nuttall, Stadia magazine and EVMF founder. “It is important to be careful with the Maracana. It is a delicate subject because of the tradition. If possible, it should be preserved because it is one of the most important in the world. See what happened with Wembley. I am not a fan of this English stadium. I like a little bit of tradition and a good example is Berlin, rebuilt for the same cost of Munich's new stadium.” Ben Veenbrink, Stadium consultant an EVMF founder.

(back to main text, 2nd para into page 14)

England's new football riches came with the Premier League, where half of the teams are now owned by foreigners and the 20 clubs share R\$ 3 billion (one billion) of TV income per season. In countries like Germany, football relies more in an alliance between clubs, business and local authorities -- a model more suited to Brazil.

Ian Nuttall argues that stadiums today are not competing with other stadiums. “They are in competition with other types of entertainment. The options have changed dramatically in the last 20 years. Football faces competition from concerts, theatre, the arts, video games and Internet.

In Brazil, the 'Engenhao' is the most modern arena now. Despite that, it cannot compete with the closeness from television. The athletics track leaves the fans too far away from the pitch, like in the stadium that London is building for the 2012 Olympics.

(BUBBLE PHRASE: "Europeans think that the Maracana is always full but sometimes there is not even 10,000 people there.)

(continue main text)

"Because of the athletics track, nobody seems to be interested in leasing it. It is necessary above flexibility in the concept and design of the new arenas," Nuttall comments.

An athletics track was part of the stage of the last World Cup final but the Olimpia stadium in Berlin is an exception, kept this way to preserve the memory of the 1936 Olympic Games.

To create a good atmosphere and a perfect image, stadium need to work as TV studios. The viewer at home glued in the screen, watching the live spectator also with his face right at the screen. That's the secret of the World Cup, the Champions League, the English and Spanish top leagues transmissions. Full stadiums, the crowd very close to the pitch, almost invading your living room.

(subtitle) Where to Build?

When it comes to build a stadium, there are two schools it two different approaches:

"Those who are in favour are having them at urban centres argue there is more comfortable. This kind of option prevails more in Europe. The other model is the American one of building in the outskirts to create new economic areas. Generous parking is one of the strong points but many of these places are in the middle of nowhere and do not have enough atmosphere or magic," says Nuttall.

Transport is another important aspect. In the end, what does it helps if you have a marvellous arena and no way to get there. In a country of vast distances and aerial and ground system very deficient, Brazil has a task as huge as fighting crime.

Brazilian stadiums need more parking areas but it is a dream to think that the majority of these places will be used by supporters. They are destined to sponsors, guests, media. Veenbrink explains that a space equivalent to original size of the stadium is needed to accommodate this circus quite similar to what you see in Formula One.

"People buy VIP packages, they pay a lot of money and they want to entertain their guests, many times to do business too. The demands for the media are from five to ten times more what is needed for a regular game of the Brazilian championship.

Veenbrink reminds the way Real Madrid paid their debts and suggests that a similar strategy for a club like Flamengo, who wants to build a new ground but do not have enough space at their Gavea location.

"If the land was sold, it would generate enough revenue to finance a new stadium in another place, cheaper and with more space. That's what Real Madrid did with their training pitches, finishing with the clubs debt and building a new training centre outside of the city.

(BOX: NUMBERS:)

Heavy money - 4,9 billion - of reals spent in the construction and modernisation of stadiums for the World Cup in Germany.

Full House - 38.600 - Average attendance in Bundesliga games, the higher in the world.

Full capacity - 92.5% - Average occupancy rates in the English premier league.

Golden Small Change - 35 pounds - average supporter expenditure per match in England.

(ends box numbers, continue text, into page 16)

Ro build or to modernise is another dilemma:

The two options cost the same. The refurbishment of Berlin's stadium came with the same price of building the futuristic Munich stadium, "Nuttall explains. "The life time of stadium nowadays is around 25 years maximum as the customers' expectations are always changing.

A good eating area and shopping centres are good attractions for stadiums who can earn more money from food and other services than with entry tickets. Special clients would be willing to pay more for a superior quality service.

In an initiative of popular appeal, Nuttall imagines that huge areas could be set up for barbecues, pick nicks, live music, helping to bring fans earlier to the stadiums.

"The idea is to party -- before, during and after, promoting maybe a night of music after the match," he suggests.

A strategic plan for building stadiums in Brazil must include social benefits for the local communities.

(BUBBLE PHRASE: The life time of a stadium does not go beyond 25 years because habit and expectations are always changing." Ian Nuttall.)

(back to text)

The World Cup will bring opportunities and investments as never seen before. Stadiums must integrate in their communities and offer something back for people who live in these areas," says Nuttall.

Brazil have a golden chance and need to build profitable, safe and attractive as soon as possible. In the meantime, Veenbrink and Nuttall are already playing in the brave new world of football.

"A new generation of technologies is gradually been incorporated: mobile betting, replays by your chair, the end of the paper ticket and the introduction of magnetic cards that store all the consumers' profiles," Veenbrink predicts.

And so much modernity would not be killing the spontaneity of the crowd?

"It is possible that some new stadiums do not have a great atmosphere, a lack of cultural identity or personality. If the stadium ends up excluding the real fan, we will

end up only with well educated people, but not much fun," Nuttall warns.

The colours, music, the beauty of the female supporters, have always been Brazil's special attractions. The country capable of taking one million people to watch the Rolling Stones or a simple air race now has the golden opportunity to show that our joy is our greatest treasure, to make it the best party of all World Cups. (end main text)

(BOX: CRONOLOGY. 1) 80 AC (BC). The Coliseum is a historical example of an arena. It was used for the fights but also as a market. 2) 1910's - The first grounds in Brazil with the official sizes established in the 19th century. 3) 1950's - Typical example from a time that ground helped to develop urban centres. 4) 21st century - Made for TV, with the fans very close to the action, like in the Amsterdam Arena).

FINAL INTERVIEW

"We are lifting a whole nation"

One of the experts doing the EVMi course in June was George Stainton, executive director of Ellis Park, one of the stadiums to be used in 2010 World Cup in South Africa. In this interview, he says that fighting crime is a big challenge and explains how the construction work is going: "Nobody builds a Porsche from a VW."

Q: What is the best option: to build or to refurbish?

For a country like South Africa, the best option is to modernize because otherwise we would run a serious risk to create white elephants. The modernisation of stadiums will have a direct impact in the development of the cities.

Q: Is the work on time?

The works are in an advanced stage, in comparison to others countries which staged the World Cup recently. The 2010 Cup will be landmark but the quality of service and the transport system still need a lot of improvement.

Q: The criticism about delays is legitimate?

The international media and some countries with direct interest in this subject try to create this fear. But in fact, in five stadiums, the World Cup could really start tomorrow. The others are halfway through and should be ready by December 2009. Maybe even before that.

Q: How Ellis Park, In Johannesburg, is getting ready?

Built in 1928, the stadium refurbished for the last time in 1981, is now being expanded to accommodate 65,000 people. The 218 executive boxes will be used by FIFA, for guests and sponsors. The current parking area with capacity for 1,100 vehicles will be increased and there are plans for a shopping and hotel complex.

Q: What good things the World Cup can bring to your country?

The average citizen will enjoy the benefit from five to ten years after the event. The publicity for South Africa will be immense. The country is investing in infrastructure and creating new leisure areas, increasing the potential for tourism. This positive atmosphere that boosts investor's confidence, will be stronger after the World Cup and would create new job opportunities and increasing income.

Q: What is the biggest obstacle for success?

Criminality is our greatest challenge but the problem is limited to a few areas.

Q: How is the budget expenditure going?

The initial prediction is the so-called bidding book include only basic infrastructure. Nobody builds a Porsche from a VW but in the end, the fan will have an enhanced product. Only eight from ten stadiums were included in the original cost. We are building more than an event, we are lifting a nation. And this costs a lot of money. When you do the estimate for work at your own house, you end up spending more than the original estimate.

Q: What are the lessons for Brazil in 2014?

Our great reward will be the revitalization of Johannesburg, where the crime rate is higher. Brazil would certainly have to indicate 12 cities because the World Cup is expected to grow more until there. The key for success is to choose the best locations to build stadiums that could bring benefits for the communities who need most.

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PHOTOS (caption translation)

(STANTON INTERVIEW: Aerial views of Ellis Park and George Stainton above: work is on time but more hotels and transport is needed.

COMMERZBANK ARENA: The Commerzbank Arena, in Frankfurt: a stadium for 50,000, used in course about stadium management

ARENA'S ROOF (WITH TWO INSERTS): The retractable roof in operation at Commerzbank Arena, in Frankfurt; the biggest convertible in the world.

GRONINGEN: The crowd fills the Euroborg, conceived to be a 'hot pot.'

AMSTERDAM ARENA: The Amsterdam Arena, a landmark in stadium history: it was the first to adopt new concepts to attract a higher profile public.

ARSENAL 1 (crowd/entrance): Forced to play friendlies in Europe because of the stars, Brazil prefers the Emirates.

ARSENAL 2 (name sculpture): Arsenal's Emirates stadium offers conference services but that's it. When it comes to sports, football is the priority.

MARACANA: Specialists are divided about Maracana's destiny: demolition or renovation?

DUSSELDORF: A rock concert at Dusseldorf's LTU Arena: concept of a multiple

use space.

STADE DE FRANCE: Rugby game at the Stade de France, where there is no home team. Football is just another show.