

CONFERENCE NEWS

DAILY NEWSLETTER #2 WEDNESDAY 17.06.20

MAKING A SUCCESSFUL RESTART







SPORT PLENARY: RESTART YOUR ENGINES BUILDING THE FOUNDATIONS TO RESTART

While the world has been on lockdown due to Covid-19, the work being done behind the scenes has been key to the restart of global sporting competitions.



Getting motor sport back underway has been the key challenge for those in the highest levels and much like governments worldwide, strict measures are having to be put in place to ensure the safe return of competition.

For Formula 1, much of the challenge has come from working with countries to establish a calendar and providing the building blocks to restart the championship. Formula 1® Managing Director of Motor Sports Ross Brawn outlined this by kicking off the first of the sporting sessions.

"The situation is different throughout the world and I think the fact that we were prepared to accept closed races in the early part of the season gave us more opportunity," said Brawn. "That's not totally ideal for any sport, because the fans are such a crucial part of it.

"Approaching closed events gave us the bulk of the European season. We can adjust that as we progress and understand where we are with this pandemic," explained Brawn. "The first half of the season is European-based and we're still pretty fluid on the second half. I think we're confident we're going to finish in Bahrain and Abu Dhabi, but we're filling the space in between."

This pandemic has brought economies to a standstill around the world but while it has impacted the big car companies that compete in F1, Brawn is optimistic that the new Financial Regulations introduced by the FIA will help teams moving forward.

"Before this ever happened, we said that, if we ever have a crisis in the future, we can adjust the budget cap to take account and all accept that the ideal level of the equilibrium changes," said Brawn. "Without the ability for these teams to go back to their boards and go back to the manufacturers saying 'Look, F1 is vital, it's important, and it's going to cost less in the future', I don't think we would have retained the number of manufacturers or big teams that we have."

One of the first elite sports to make a return to action was the German Bundesliga in May, and CEO of the Deutsche Fußball Liga Christian Seifert was on hand to explain the main advantages they had being a national competition.

"From the structure of our sport, we had a chance to come back because less than 50 % of the turnover of clubs in average is ticket sales, and around 60 % combined is TV and sponsorship revenue," said Seifert. "Coming back on the screen, on the one hand, addresses the source of TV revenue, but on the other hand, it delivers also a value for the sponsors who already paid for it.







"We had the big advantage of the German healthcare system and medical infrastructure," explained Seifert. "The second thing is that the German government in the beginning managed this crisis very well — from my point of view — and we had a very fast lockdown. The third point is that the 36 clubs of the Bundesliga and Bundesliga 2 allowed me to grow to a relatively strong league organisation. I had the full support of the top teams in Germany."

A panel of senior motor sport executives was present to talk about their restart plans, with President of the RGMMC Group James Geidel opening the discussion to talk about the plans for the FIA Karting European and World Championships and how media is going to take centre stage.

"What we're going to really try to do is to provide a lot more content on the streaming," said Geidel. "We have a lot of under eighteens and we have a lot of family members coming to the track. For that reason, we are going to increase our streaming services, doing about 15 to 20 hours of live streaming from Friday to Sunday."

On the UK front, where non-essential businesses have started to re-open this week as part of lockdown easing measures, Chief Executive of the British Touring Car Championship and President of the FIA Touring Car Commission Alan Gow said the biggest challenge has been to work with broadcasters on the timetables. "On each race day, our broadcast starts at 10:30am and finishes at 6pm — that's seven and a half hours of live radio and nationwide TV coverage," explained Gow. "That amount of air time is not something we can just squeeze into an existing TV schedule. Of course, most other televised sports in the UK were rescheduling their events into the same second half of the year as us. Finding dates that work for both the BTCC and ITV was incredibly difficult."

Rescheduling events also means having to conform to a country's regulatory guidelines on mass gatherings and statutory access, something that has been a key issue affecting the FIA World Rally Championship restart according to WRC Promoter's Event Director Simon Larkin.

"It's a bit more difficult for us to secure 150km worth of stages per day and it's for that reason that our restart has probably been a little bit more affected than others — with the lead times to reschedule a WRC event, the regulatory timelines, and the statutory requirements for us to be able to close and have a unilateral access to public roads," said Larkin.

Motorsport Australia CEO Eugene Arocca noted that three elements have enabled them to restart competition and provide key confidence builders for spectators watching motor sport again.

"From the learnings point of view, the three C's for us have been: Collaboration, with everyone from sponsors, other sports, government, the medical profession officials," said Arocca. "Communication, as we have really kept a constant stream of information for all of our stakeholders from government, right down to our officials, and our ordinary everyday small sized Clubs. And finally, Change, as we've created a task force and are looking at everything from a change of structure, a change of operation, and a change of process."

The discussion panel was rounded off with a practical presentation in which FIA Safety Director Adam Baker and FIA Head of Medical Pau Mota discussed the recently released 'FIA Return to Motor Sport' guidelines.







MOBILITY PLENARY: PREPARING MEMBER CLUBS FOR THE NEXT NORMAL INNOVATING FOR THE FUTURE

From new insurance offerings to international travel guides and enhanced digital services, Clubs around the world are planning for a post-Covid-19 reality.



Yesterday's first Mobility plenary session provided a fascinating insight into how the FIA Member Clubs are dealing with the effects of the Covid-19 crisis and planning for the future.

Launching the discussion, Deputy Dean of ESADE Business School Luis Vives, moderator of the session, first focused on the immediate response made by Clubs to the arrival of the pandemic.

CEO of the Royal Automobile Club of Western Australia (RAC VVA) Robert Slocombe explained that the first step for his Club had been to ensure continuity of service by properly equipping its call centres for mobile work. He explained that the Club has some 550 staff in its call centres and with work place shutdowns, it was necessary to equip staff with laptops and headsets. "All of those staff are working from home and there's been no lack of service," he said.

FIA President of Region III and President & CEO of the Canadian Automobile Association (CAA) Tim Shearman revealed that, in light of the reduced transport needs of the motoring public, his Club had promoted a new offering, *My Pace*, an insurance scheme in which members pay only for the distance driven. "The scheme has proved very popular," he said.



In the Netherlands, Director of Marketing of the Royal Dutch Automobile Association (ANWB) Charlotte Zelders explained that the Club's research indicated that, during the crisis, its members had been particularly concerned about planning for holiday and how their plans might be affected. As such, the Club developed an online guide detailing the travel restrictions in place across Europe. Compiled in coordination with 36 Clubs from across the region, the guide has so far received 6.8 million views.

Director of the Touring & Automóvil Club de Colombia (ACC) Alfredo Albornoz said that as the impact of the coronavirus was felt, the Club acted on its position as a leader in mobility safety to organise a series of five conferences focused on the structure of mobility in a post-Covid-19 environment. "We had almost 2,000 attendees across the five days of conferences, with representation from government, private companies and interested organisations," he said.

Meanwhile, at the Automobile Association of South Africa (AASA), CEO Willem Groenewald explained how the enforced isolation resulting from the crisis had spurred the Club to accelerate plans for the roll-out of a range of digital solutions. "In rapid time, we deployed a host of initiatives, from remote call centres to hosting a virtual AGM voting process, which is running effectively, and others."

At the Automobile Association of Cambodia (AAC), President & CEO Bora Moeu emphasised communication with members as the key early action taken by the Club. It was important, he said, to reassure members about the continuity of service as well as to proactively share safety information.

Attention then turned to the mid- and longer-term impacts of the pandemic and the session was joined by EY-Parthenon Associate Partner Oleg Tschernizki who looked at the possible outcomes of the crisis. He outlined three possible scenarios – a V-shaped outcome in

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which the virus is effectively controlled and economic recovery is rapid, a W-shaped scenario, in which a second wave of the pandemic leads to further health and economic hardship, and a 'tick' scenario in which the pandemic spreads until a vaccine is found and in which recovery is gradual. Session viewers were then asked to vote on which scenario they felt was most likely, with 48% opting for a W-shaped recovery, 41% choosing the 'tick 'option and only 11% expecting a rapid return to normal.

Mr Tschernizki then looked at sectors within the scope of Mobility Clubs' operations and while he said that any traditional retail provisions might be badly affected as the crisis accelerated the pace of the public's migration to online shopping, he pointed to opportunities elsewhere. Chiefly, he identified a shift away from public transport due to health concerns as a potential driver of micro-mobility uptake. This, he said, could be an area Clubs might be able to exploit. He also pointed to growing demand for insurance products and for 'risk mitigating' travel services. He added that Mobility Clubs are by and large not greatly reliant on travel services and that more exposure elsewhere in the traditional travel sector could lead to vacuums that need to be filled.

With the session now looking to the future, Club representatives were asked to outline new initiatives their organisation is developing to meet changing demand.

Tim Shearman said that the CAA has primarily been working on the development of new membership models and a new mobile app that focuses on rewards.

At the ANWB, Charlotte Zelders said the main areas of investigation are the rejuvenation of its member base and a greater focus on home services as she said the Club believes that security and safety will continue to be a prime focus of existing and potential customers in the wake of the pandemic. Safety is also a focus at the AASA, with Willem Groenewald pointing to a range of security-focused digital offerings being developed by the Club. These include its *Rescue Me* recovery app, connected home services, and a Telemedics healthcare advice service. He also outlined a track and trace app being developed for the bikes of the country's huge population of sports cyclists.

Bora Moeu from the AAC also pointed to telemedicine as a potential growth area and added that his Club has been developing online Safety and Driving Tests for members.

At the RAC WA, Robert Slocombe said the Club is focusing on growing online engagement and sales through a range of digital initiatives. He explained that the Club is developing a five-year member-centric programme which would provide unique benefits to members and give them a voice in how the Club operates. "It's all about treating members as assets and not customers," he said.

Finally, the session heard about the FIA's new 'Mobility Worldwide' project, which seeks to harness the creativity and knowledge of its network of Member Organisations in order to assess the impact of Covid-19 on Clubs, create a 'toolkit' of development options aimed at providing growth and security in a post-Covid-19 business environment, and finally to engage in follow-up action where needed.

Explaining that an announcement letter and an invitation to participate were sent to Clubs last week, EY-Parthenon Partner Irvin Faneyte concluded by saying: "Today we've already heard 15 to 20 totally different ideas of how to deal with impact of Covid-19 and strengthen Clubs – it's incredible! If this is an indication of the innate power in FIA Clubs then I would urge you to unleash that."



For more information about support for Clubs, or to participate in Mobility Worldwide, please contact Viktoriya Karpenko at <u>vkarpenko@fia.com</u>





ADDITIONAL SESSION - FIA ENVIRONMENTAL STRATEGY CONSULTATION COLLABORATING FOR A SUSTAINABLE FUTURE

This additional session focused on the work of the FIA Environment and Sustainability Commission to define an Environmental Strategy for the FIA.

FIA Environment and Sustainability Commission President Felipe Calderón opened the meeting by presenting the key features of the FIA's Environmental Strategy that is being formulated as part of the key mandate of the Commission. Mr Calderón outlined the aims of the strategy, and said, "We must strive to achieve safe and sustainable Motor Sport and Mobility for all by creating a single voice and collaborative advocacy. We will guide FIA Members towards competitive practices and activities to demonstrate environmental leadership, apply sustainable innovations, and also promote sustainable Motor Sport and Mobility to contribute to global targets of the environmental and sustainable agenda."

With three areas of focus – climate action, technology and innovation, as well as sustainable practices – the session explored some of the short-, medium- and long-term objectives for the FIA and its Members, before a series of live polls were conducted with the participants, providing vital feedback that will contribute to the formulation of SMART objectives. Many participants engaged with the online survey and their comments and suggestions will be taken into account as the FIA Environmental Strategy develops further.

Finally, it was announced that an FIA Environmental Strategy Working Group will be established in July, tasked with developing SMART objectives and measurable targets for the coming years. The project will be presented to the Commission before the overall strategy is submitted to the World Motor Sport Council and World Council for Automobile Mobility and Tourism later in 2020.



ADDITIONAL SESSION - FIA ENVIRONMENTAL ACCREDITATION CALL TO ENVIRONMENTAL ACTION

Tuesday morning's first additional session dealt with the FIA Action for Environment, specifically explaining the FIA Environmental Accreditation Programme and encouraging Clubs to apply.

Garry Connelly, FIA Environmental Delegate, World Motor Sport Council Member and Formula 1 Steward, began by setting out the key points of the programme, highlighting how easy it is for Clubs both on the Sport and Mobility sides to begin on the path to Environmental Accreditation, and how vital this topic is for the future of all FIA Members.

"Concern for the environment is increasing in all age groups, but it is at the top of the agenda, especially for the younger generations" said Mr Connelly. "These younger people are our future members, competitors, and mobility users. They will be driving the thinking of governments, of sponsors, of all of our stakeholders, and I think, especially over the last year or so, we are really starting to see the power of their passion for the planet."

Attendees were then given an explanation of the 3-Star system – a process that begins with self-assessment using the FIA's <u>online resources</u> and remote auditing for the first 2-Star ratings, up to the full audit by FIA experts for the top level 3-Star accreditation.

Several examples of Clubs, events and organisations who have achieved varying levels of accreditation were then presented to the

session participants as case studies, including the Royal Automobile Club of Jordan, the Royal Automobile Club of Western Australia and the Deutscher Motor Sport Bund e.V.

The session closed by highlighting the work of the FIA Environment and Sustainability Commission, the ongoing efforts to define the global FIA Environmental Strategy, and the long-term goal to have every FIA Championship fully environmentally accredited by the FIA.





ADDITIONAL SESSION - 2020 FIA SPORT GRANT PROGRAMME APPLICATIONS ENSURING SUPPORT THROUGH CHALLENGING TIMES

Tuesday morning's third additional session provided an update for ASNs and ACNs on the impact of Covid-19 on the scope and content of the 2020 FIA Sport Grant Programme applications overseen by the FIA Sport Funding Commission presided by FIA Deputy President for Sport Graham Stoker. The conference also addressed how the FIA is working to ensure that the funding and support continues, as we all work towards a resumption of normal activities.



Head of FIA Sport Grant Programme and Accreditation Kate Robson opened the session by explaining that the scope of 2020 applications has been widened in response to the Covid-19 situation, with some additional options available to Clubs to help them with the restart of motor sport and with their recovery planning.

Specific note was paid to the continued availability of grants for the Karting Slalom Kit, designed to encourage ASNs and ACNs to use this grassroots discipline to get new participants into the sport. Clubs

were also invited to request funding for Digital Motor Sport projects that have become even more important during the crisis.

In swift and proactive response to recent events, Clubs can apply for grants to fund projects with the International Federation of Red Cross and Red Crescent Societies to implement a number of medical measures for the resumption of motor sport.

Following earlier presentations regarding FIA Environmental Accreditation, attendees were informed that, this year, the programme is offering Clubs the chance to apply for an environmental grant in addition to the normal €50K funding amount in order to encourage engagement with the FIA's environmental campaigns and strategies.

Ms Robson closed the session saying, "We appreciate that Clubs are going through very difficult times and we are open to a wide range of funding requests to help the resumption of motor sport. We ask that Clubs contact us and discuss their project ideas before making their application in order that we can give them tailored guidance."

Applications are open until 21 August and can be submitted on the **FIA Grants Portal**.

ADDITIONAL SESSION - FIA ROAD SAFETY GRANTS PROGRAMME PLEDGING SUPPORT FOR ROAD SAFETY GLOBALLY

The FIA Road Safety Grants Programme additional session outlined the practical guidance for the new 2020 Transformation call for applications.

€500,000 will be allocated under this stream in support of road safety projects worldwide, as well as projects developed by FIA Member Clubs in cooperation with the International Federation of Red Cross and Red Crescent Societies (IFRC).

FIA Head of Road Safety and Global Advocacy Luca Pascotto, FIA High Level Panel for Road Safety Consultant María Seguí Gómez and FIA Mobility Grants Coordinator Anaïs Aïte highlighted the restructured criteria, the new procedural aspects of the call for applications, as well as provided insight on the assessment of the applications.

This year, the focus will be put on policy implementation to tackle road safety behavioural risk factors, emerging risks encountered in deploying new safety vehicle technologies, and proposals to implement FIA existing programmes such as the FIA School Assessment Toolkit or Child Safety in Cars initiative.

Applications are open until 6 July and can be submitted on the **FIA Grants Portal**.



