



WORLD YACHT RACING FORUM

10 – 11 DECEMBER 2008
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WORLD YACHT RACING FORUM

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**Pat Lilley – Chairman
World Yacht Racing Forum**

INTRODUCTION

Good morning, ladies and gentlemen. My name is Pat Lilley and I'm the Chairman of the World Yacht Racing Forum and it's my pleasure to welcome you all here this morning at the Grimaldi Centre. I hope you all had a good night's sleep.

I'd like to make special thanks actually to Goran Petersson, the Chairman of ISAF, who was stuck until about 10:30 last night in Stockholm.

Thanks for all your efforts for coming, but I'd also extend that to



all of you - a thank you for all your efforts to be here in this inaugural meeting.

The concept of the meeting really is to be a forum, and during the course of the next two days we are going to have a number of keynote speakers all of whom are leaders in their field. The idea is for the Forum to be interactive and we will have specific time for you to have Q and A.

I'd like the Forum to have the flavour of relaxed atmosphere, where you can make the contacts and also use them as much as you can, particularly in these difficult times.

Before we get into the body of the meeting, we will be having a short video.

Short video

Applause

Fortunately for you I don't have to make a speech, but there are some notes from housekeeping: WiFi is available in the building. The code for that, not unusually, is WYRF, if you want to logon and use the WiFi that's available.

During the course of the Forum I'd ask please if you could ensure that your telephones are switched off, so as not to interrupt the speakers.

There is no smoking in any part of the building and at all times you will have access to the Motorsport Forum, which is going on the other side. Access to that is via a small escalator – so if you want to go down there during the breaks, you are more than welcome.

Lunch is served in the Forum so there is no reason for you to leave the building. We want to keep you in here, and that's served, if you want it, over there with wine – not too much wine!

There is a function this evening, called the Track and Motion party, which is where the two Forums will meet. That will be held in the Hotel Meridien and that's at 6.30 pm this evening and if you please wear your passes, so that we can know that you are here.

So as I say, I don't have to make a speech. All I have to do is to welcome onto the Forum platform Peter Montgomery, P J Montgomery.

Peter is probably known to a lot of you as the 'Voice of the America's Cup'. He is a broadcaster, for which he received an MBE. He is a New Zealand Yachtsman of the Year and during the course of the Forum he is going to act as your presenter and master of ceremony, referee – call him what you like.

Is PJ there please? Can I ask him to come forward? Thank you very much. Have a good Forum.

Applause



Peter Montgomery:

Greetings, and good morning.

It's certainly a pleasure and an honour to be the referee/moderator/MC and we are looking forward to an enlightening two days. Its wonderful to see so many familiar faces, rather than old faces, but some of the people here I've known for a long time.

Congratulations to the upstanding group who have put this Forum together.

Next door is the fourth edition for Motorsport – the biggest names from Motorsport in the world are here and hopefully this first edition for the World Yacht Racing Forum also takes off as well

and is as significant as what has happened in the last three years for Motorsport.

One of the biggest assets that yachting has, and yachting racing has, is also one of its biggest challenges: so many classes, so many events. This diversity is sailing's strength: from the hot competition of racing round the cans and dinghies to long distance ocean races to the contentment of cruising. But that is also a major challenge: to be able to harness the strength of sailing across the world and make it a force that we all know that it should be and that has attracted us.

It is my pleasure to introduce the first speaker to set things off this morning: Sir Keith Mills who was Deputy Chairman of London 2012 for the Olympic Games. He is also Head of TeamOrigin the British America's Cup Challenge. He is also a very keen amateur sailor and in 1999 was one of the crew that won the Clipper Round the World Race.

Keith, along with Lord Coe, was responsible for developing the bid strategy and persuading the 159 I.O.C. members to give the honour to London 2012.

Naturally Keith received an awful lot of credit and awards for that and even before that he was appointed International President C.E.O. of London 2012, the Company established for the bid for the Olympic Games. So we'll start with Keith and we'll also hear from him later on this afternoon when we talk America's Cup.

Ladies and Gentlemen: Sir Keith Mills.

Photos courtesy of:



KEYNOTE SPEECH

Sir Keith Mills, Deputy Chairman of the 2012 Olympic Games, Team Principal of Team Origin.

Good morning everyone to sunny Monte Carlo! The organisers did tell me last night that they were thinking of holding this inaugural Forum in the UK, but they didn't think quite so many delegates would come to a sunny Gosport Holiday Inn Express. So we arrived here at Monte Carlo and, unfortunately, the weather in Monte Carlo is a bit like the weather in Gosport in the UK.

So I think this is a very exciting, and hopefully regular, conference on our calendar. Everyone knows that the popularity and scale of yacht racing has grown enormously over the last 10 years. By any measure now it represents a major global sport and a major global business, so I am extremely pleased that the organisers have indeed decided that this now warrants a convention on this scale and I hope over the years it will grow.

I would also like to say how pleased I am that I've been asked to make this first presentation at what I hope will be a regular Forum, because our sport needs Forums like this. Our sport, which we all enjoy, is going through an interesting phase of development and I think Forums like this should

flush out all the challenges we face.

The timing of this Forum also comes at a really important time: Firstly yacht racing has come a long way beyond its Corinthian beginnings, because while amateur racing will always be the bedrock of our sport in recent years, like many other sports, it has developed a large professional element - something we were talking about in the speakers room only this morning - and without that large professional element, the grass roots simply won't grow.

So like most other major sports, the scale and the excitement of the professional end of the sport now leads the way for the sport in general.

It is of course the professional end of the sport, which brings us here to Monte Carlo, but I think we should all realise that we all have a responsibility to promote grass roots and to that end my TeamOrigin takes that responsibility very seriously indeed. We sponsor the RYA's Onboard program, which is introducing sailing to over half a million young people over the next few years.

The second reason why this conference is so timely is of course the financial crisis. This is a crisis the world hasn't seen since the 1930s. I think it will have a profound impact on every sport, on every company, on every city, on every country around the world. I believe that this financial crisis is deeper and will be longer than anyone in this audience has experienced in a lifetime.

So discussing its implications this week on our sport and our businesses, I think is extremely appropriate. You'll see as I talk about doom and gloom in your conference facts, the organisers have very thoughtfully provided each delegate with a razor blade so you can slit your wrists after

my presentation! It is pretty serious. We are in for a really rough ride and we shouldn't underestimate it.

I'm an entrepreneur by birth I guess and I'm a born optimist and there are always opportunities in recessions. Indeed three of my biggest businesses I built in the 1970s, 80s and 90s, right in the middle of a recession. So there are opportunities for everyone, but it does mean that I think every sport and every company is going to have to reappraise their strategies.

The key is not to bury your head in the sand and hope it will all go away in a few months' time. To use a sailing analogy, I think we are in for a major storm, the weather is going to get a lot worse, so we all better batten down the hatches, get back to the nav station and see if we can find a different route through it, because business as usual is not going to work, in my view.

We are all aware of what's happening in the Formula 1 racing world right now and across the way there we've got a bunch of people talking about that. Costs have escalated in that sport to such an extent that teams are now going bust and the automotive manufacturers are pulling out.

The global automotive industry is in crisis, car sales have literally fallen off a cliff and the three largest North American manufacturers are now bankrupt. If F1 don't find a way of restructuring their sport and lowering their costs, they will be in even bigger trouble than they are in right now.

Whilst the cost of professional sailing and sailing events and sailing teams is a fraction of F1, we also need to find ways of managing our teams and our events in more cost effective ways. Notwithstanding that, our sport needs to be a more effective sport in general and sailing in particular does represent, I think, a unique

opportunity for companies, for the media, for home cities, to generate some extraordinary benefits. I think we've all seen in recent years the positive impact that sailing has had on companies and on cities that get involved in sailing teams and sailing events.

Last month - you saw a bit of the footage on that film - I was at the start of the Vendee Globe on the west coast of France, where it is a bit like it was today in Monte Carlo. As some of you know too, I play a part in the Alex Thomson Racing Team and our open 60 Hugo Boss was competing in that race.

Now, without wishing to be rude about Les Sables d'Olonne, nobody in their right mind would go there in November. I'm sure it is very nice in July and August, but in November its cold, its windy, it's wet and frankly its thoroughly miserable. And yet for three weeks in November, it was packed, literally packed, with millions of visitors. The hotels and restaurants were full shops were doing a roaring trade - and so were the Gendarmes, unfortunately, issuing huge numbers of parking tickets - but it was a great sight to see a lazy town on the west coast of France absolutely heaving.

At the race start in 30 knots of breeze and a big swell, it brought out 1000s of spectator boats and over half a million people lined the port and the canal out to the start. It was truly amazing. The media coverage was huge and on a global scale and it will be repeated again when the boats return from their singlehanded race in February.

Despite the problems that Alex had with his boat, Hugo Boss were absolutely thrilled and the event and the coverage they got was extraordinary. This was despite the fact that at the start of that race this huge swell unfortunately had its casualties, including the Sponsorship

Director of Hugo Boss who got a little green and had to be taken in - sometimes having sponsorship directors on these boats can backfire on you!

It was an extraordinary event and did demonstrate the power for the Vendee region. I know that the town of Les Sables d'Olonne and the region had concrete evidence that the huge economic impact the event had on the region, at a time of the year when most seaside towns are in hibernation.

Sailing events, such as Cowes [Week], for many years have been fantastically successful both for the Isle of Wight and for its sponsor Skandia. On slightly smaller scale events like the Volvo Ocean Race, the Clipper Round the World Race, also bring huge benefits to the cities that host them.

More recently the Barcelona World Race in 2007, which I think is going to be repeated in 2010, also proved to be a big success for the city, which first realised the benefits of hosting major sporting events when they hosted the Olympics, you remember, in 1992.

In the sailing world, of course, the premier event is the America's Cup. The impact this event has had - from the late nights since 2003, not just on the Auckland, but on the whole country of New Zealand - has been truly remarkable. While it is almost six years now since they held the event the effect on the country both socially and economically has been long lasting.

In fact, as I guess most of you know, in just a few weeks' time most of the America's Cup teams will be competing, including my own TeamOrigin, Alinghi and Oracle and Team New Zealand, down in Auckland in the Louis Vuitton Pacific series. It is going to be great to see the teams back on the water after all the legal nonsense we have had for the last

18 months or so, but we will talk about that later.

Of course the biggest success in recent years has been the America's Cup returning to Europe for the first time since the race started around the Isle of Wight in 1851. I'm sure many of you already have experienced the huge number of events that led up to the Challenge series and Cup matches. It was by any measure an enormous success. The economic impact was huge.

The regeneration of the city [Valencia], and in particular the port, was simply stunning. The general public came to the America's Cup path in their millions. The sponsors were delighted. The media coverage was extensive. The television coverage, in particular, was both extensive and the best quality we've seen. Sailing and the America's Cup had reached a new point.

The economic impact study, which I guess many of you have seen, was commissioned by Allianz and conducted by Professor Tom Canon from the University of Buckingham, followed the America's Cup in Valencia. It showed the economic impact on the city hosting the America's Cup ranked third in the world behind the Olympic Games, who were in first place, and the soccer World Cup, which was in second place. Interestingly, FI or FI cities hosting the events, came fourth. So: third in the world, behind the Olympics and the World Cup.

The report estimated that the economic impact on the port of Valencia, of the America's Cup, was over 2 billion euros, with a net economic benefit for Valencia and Spain of 3.9 and 6 billion euros respectively: So a huge financial impact. The report also estimated that if the America's Cup was hosted in the U.A.E., the economic impact on the host city would be over 10 billion euros, which is probably the explanation

for Abu Dhabi deciding to sponsor this event this week! Just a thought incidentally, they could sponsor the British TeamOrigin when we win the America's Cup. We promise to bring it to Abu Dhabi! So the prize for bidding and ultimately winning a major sporting event is huge.

Now not by accident, as you heard from the introduction, back in 2003 I was asked to run London's bid for the 2012 Olympic and Paralympic Games.

Now I'd never ever been to an Olympic Games. In fact most people in the world haven't, of course. I've watched it on television, like most of you, I guess, but had absolutely no idea what I was letting myself in for.

Hosting a major event, such as the Olympics, is massive, but before I knew it, I was the International President, the CEO, with the job of figuring out how the large, complex and crowded City of London could host the largest sporting event in the world.

Not only did I have to find a way of doing that, but along with Seb Coe, we had to persuade the majority of the 115 IOC members across 80 countries around the world to vote for London.

There were nine cities bidding in what was said to be the toughest Olympic race in history: Paris were the favourites, but we were also up against New York, Moscow, Madrid, Rio, Istanbul, Havana and Liepzig.

The UK Government, the Mayor of London and the British Olympic Association finally agreed to bid, because, potentially, they really believe that the Games will bring substantial economic social and sporting benefits to the country. The UK had bid three times before and lost on each occasion. We last hosted the Games in 1948.

Bidding for a major sporting event requires two essential ingredients: firstly you have to demonstrate that the host city can technically deliver the event, and in the case of the Olympic Games this effectively means hosting 26 simultaneous World Championships at 36 different venues.

And then you break for a couple of weeks, draw some breath, before going on and doing the Paralympics, which in itself is a huge event, larger than the Winter Games and larger than the Commonwealth Games – so two massive events within two weeks of each other.

So the scale is simply breathtaking: 18,000 athletes and officials; 23,000 accredited media, probably another 10,000 unaccredited media; 8,000 volunteers; incredibly sophisticated transport plans; security plans; accommodation plans; catering plans and a huge, huge amount of construction.

In London we are in the process of regenerating a very large part of the east of the city. We are creating the largest new park in Europe for 200 years, incorporating over 3,000 new homes, which house the athletes during the Games, a massive shopping centre, new and upgraded railway stations, new sewage systems and utilities, plus, of course, a number of new sporting venues including an 8,000 seat Olympic Stadium, a Velodrome and Velopark, aquatic centre, indoor sports arenas and a massive broadcast and media centre.

In the bid we had to persuade the International Olympic Committee that our technical plans were sound and that we could deliver the entire infrastructure on time. Following talks on the technical evaluation, the IOC concluded that London, Paris and Madrid had the best technical plans, so we knew then that we were in with a

really good chance. But while the technical plans were being prepared, we also had to work on the second of the two ingredients necessary for success and that was to win over the hearts and the minds of the voters.

We had to develop a vision for an Olympic Games and what an Olympic Games would do for London and the UK and, even more importantly, what it would do for the Olympic movement. By hosting the Games in the UK, we would demonstrate how the Olympic Games could be used as a catalyst for regeneration, by transforming one of the poorest parts of the country, in east London.

We would use the Games to boost sports, both at grass roots level and by encouraging young people - many of these young people we had found to be disengaged by sport and have been, as with young people all over the world, attracted to computer games and television and other distractions. So we used the Games not only as an economic stimulus, but also a stimulus for sport. We also use it to create jobs, increase tourism and I think over the next few years, given the economic climate we're going to be in, that's going to be incredibly important.

Finally, we've run an extensive educational and cultural program to promote the Olympic values.

But what could the London Games do for the Olympic movement? Well, the IOC research shows that in recent years the Games have been seen as less and less relevant to young people around the world. They were switching off and turning to other sports and sports events and even worse, as I say, turning to TV games and computer games. As London is one of the most vibrant cities in the world, the city of pop concerts and trendy fashion, we felt that we could use

the London Games as a way of reconnecting the Olympics with young people. Using the London Olympics Games as a way of inspiring people, young people in particular, throughout the world to choose sport and, in particular, to choose Olympic sport.

Our strategy obviously worked, but reminding you what it was like to win a major sporting event I would like to show you a short film, which highlights the moment when we won the Games in Singapore. If we could see the film, please.

Video

That seemed like hours with Jacques Rogge trying to open that envelope! You will be pleased to know that Seb and I bought the IOC President a letter opener for Christmas last year!

Now we are half way through our preparation for the Games and I'm pleased to say we are three months ahead of schedule on all the major construction projects. Since our Olympic win in 2005, we've also won the 2012 Commonwealth Games, which will take place in Glasgow - which is a bit like Monte Carlo right now incidentally! - and I know that there are a large number of other bids in the pipeline. In fact I sit on the Board now of the England bid to host the 2018 Soccer World Cup.

So you see, despite the relative negative coverage sometimes we get in the UK from the media on hosting sporting events, the appetite for hosting these events is still really strong.

From a personal perspective, of course, the one sporting event that I want to host, more than any other, is the America's Cup. As you all know the first America's Cup took place in the UK in 1851 when the Royal Yacht Squadron in Cowes challenged the New York Yacht Club to a race around the

Isle of Wight. The British boats were beaten and the 100 Guineas Cup was taken to New York, renamed the America's Cup and we've never seen it since, despite numerous efforts over the last 160 odd years. So the oldest major sporting trophy, that predates the Olympics, predates the World Cup, that we started in the UK, is the only one that we have never won and I think its time that we changed that, which is why I decided to form TeamOrigin.

But there were other reasons why I decided to put TeamOrigin together at this particular time.

Firstly the modern America's Cup, as evident I guess in Valencia, was now a professionally-run event that appealed to the general public and the media and, as a result, financing an America's Cup [campaign] could be done, I believe, much more commercially.

Secondly, I felt that I could assemble a Cup-winning team. We have in the UK some extraordinary sailing and yacht design talent, which when supplemented with some of the best international talent, I believe could be a really powerful combination.

Thirdly, I thought that Alinghi, frankly, were likely to take the Cup in 2007 and thus the competition would stay in Europe. So I announced the formation of TeamOrigin in January 2007, six months before the Cup match and used that time, leading up to the AC final, to recruit the team.

I had already had some very positive discussions with Ben Ainslie and Iain Percy, but my first critical appointment was someone to head up the team both on and off the water. That was when I appointed Mike Sanderson.

Now as many of you here know well, Mike was World Sailor of the Year, won the Volvo Ocean Race and has competed in a number of

America's Cup campaigns. But what I saw in Mike in particular, was his extraordinary leadership skills.

So during the first half of 2007 when all the current AC teams were busy racing, Mike and I set about recruiting what I think is an outstanding team - led on the water by our skipper and helmsman Ben Ainslie with Iain Percy as his tactician. We also recruited Andy Claughton from Team New Zealand as our design coordinator and matched him with the immensely talented Juan Kouyoumdjian, who heads up our design team.

By the time Alinghi had won the Cup in July, the majority of the team were in place. By the Boat Show in Southampton in September the team had over a 100 members and was complete and announced.

But of course as, we all know, no sooner had the euphoria of the 32nd America's Cup died down, but the lawsuit from BMW Oracle appeared and over the following months what promised so much, ground to a halt. We, and all the other challengers, were becalmed and as you can imagine I, and the other principals of the other challenging teams, have been mighty pissed off that Alinghi and BMW Oracle have not been able to, or frankly have not been willing, to settle this dispute.

We have all wasted a huge amount of time and a huge amount of money getting absolutely nowhere. The reputation of the Cup has been damaged and the sport has been the loser.

As we are discussing lots of this later on today, I won't go into any detail right now, except to say that BMW Oracle's decision this week not to even see what improvements have been made to the Protocol, that we have negotiated in the last few months by the challengers, but instead to

press on with their appeal - I think is just outrageous. It is clear now that Russell Coutts' strategy from the very beginning of this whole sorry episode was 'my way or no way'.

Well, I can tell you now that if BMW Oracle win their appeal in March - which I hope they don't - and force a DoG [*Deed of Gift*] match in these ridiculous multihulls, then TeamOrigin, and a lot of other teams I suspect, will really review seriously whether they really want to compete in a competition like the America's Cup, where an individual can hijack it. And that would be a very sad day for sailing - it really would be a sad day - but more on that later on this afternoon.

On a brighter note, and assuming that the 33rd America's Cup does get back on track by this lawsuit going away in March, I'm determined to work with the Defender, and indeed the other challengers, to create a new legal operating structure that ensures that this great competition is never again held hostage.

To establish this new structure is not going to be easy and it certainly won't happen overnight. It will of course require the cooperation of the Defender, the Challenger of Record, the New York Yacht Club and the Trustees of the America's Cup. But I do believe we can find a way of bringing this great competition into the 21st century without damaging its unique and historical foundations.

And rather bizarrely actually, in the various conversations I've had both with Ernesto Bertarelli and Larry Ellison, Russell Coutts and other team principals over the last several months, we all share frankly a very similar vision of what we need to do to ensure the future of the America's Cup is fair, is well managed and is exciting - and that really is a bit of a tragedy, because at the heart of it,

everyone wants to get to the same place, but sadly we're not there yet. So, despite the legal mess of the last of the past 18 months and the current dire economic situation, I really am optimistic about the future of the America's Cup and yacht racing in general.

I hope that this conference will help everyone involved in the sport make it bigger and better. We are, after all, the leaders in this sport and I think we all have an obligation to ensure that it thrives both from the grass roots right the way through to the top of the sport.

Thank you very much indeed.

Applause

Peter Montgomery: We'll

certainly talk America's Cup later, but I'm just wondering on the biggest issue of London 2012, what are the key issues of such a demanding challenge to satisfy so many people across the world from different cultures, about the key issue here of steering the business of yacht racing at this forum, because as we will soon hear, and continue to hear over the next two days, people across the world have different perspectives as well to try and put that together.

Sir Keith Mills: Well I think that if coming out of the next day or two we together can build a vision. And you are absolutely right about yacht racing being very fragmented and perhaps this is a role that ISAF perhaps should take more of a lead in, if I may say so, Goran: If there were a more

cohesive global strategy for yacht racing, such simple things like timetables, you know, scheduling of events so that events don't clash, providing a central lobby so that we can get some of things the sport needs globally. I do think there is huge potential, but at the moment it is very fragmented: Individual races, individual competitions, individual teams, generally don't work with each other.

Hopefully one of the outcomes of these few days will be that we perhaps do that in a more concerted way.

Peter Montgomery: Thank you. Ladies and gentlemen – Keith Mills.

Applause



Inshore Yacht Racing



Offshore Yacht Racing



Dinghy Racing

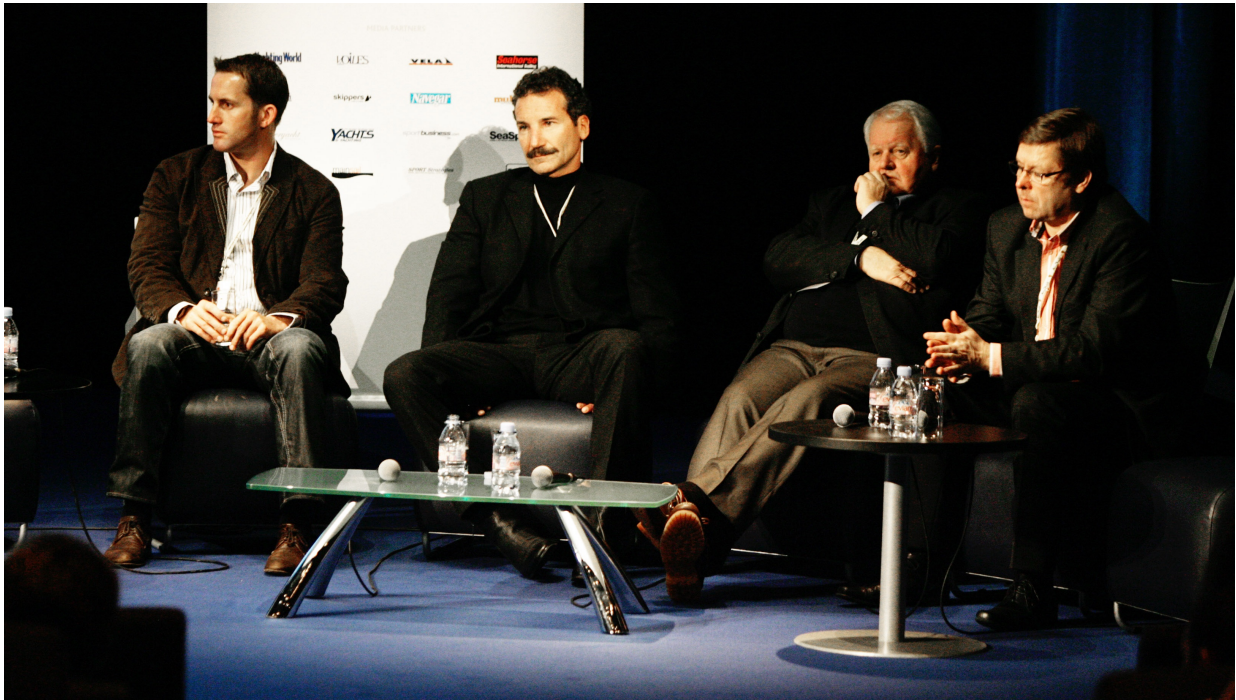


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THE WORLD OF YACHT RACING – HOW DO WE DRIVE THE GROWTH OF OUR SPORT?

Panellists:

Goran Petersson

President of ISAF

Paul Cayard

Olympic, Volvo and America's Cup skipper

Tim Coventry

ISAF Connect to Sailing

Paul Strzelecki

Joint CEO Henri Lloyd

Ben Ainslie

Olympic sailor, AC skipper

Peter Montgomery: And now we start the first of our Forum discussions here. We have a fascinating panel of Goran Peterssen, Paul Cayard, Tim Coventry and Paul Strzelecki and Ben Ainslie.

So if I could introduce them as they come up and, as Keith acknowledged, we do have the President of ISAF here and it was a major challenge through

connections - but welcome Goran Petersson and if you could come up first.

He has had an outstanding career in sailing in junior classes and became in racing rules and Chairman of the Swedish Sailing Federation. And then his administrative career went on into ISAF, and particularly with rules and umpiring, and he has an illustrious career as a lawyer as well. And we will hear from Goran in a moment on the very very many different challenges that ISAF face and how hard it is.

Paul Strzelecki brings a fascinating incite from the industry and as things flourish - thank you Paul - amongst racing and cruising sailors that also helps the industry as well. Paul from Henri Lloyd has also been a competitive sailor, but furthermore, he has been involved with the International Sailing Summit and five years ago with Tim Coventry helped set up the Sailing Industry Group and he has been Chairman of those boat shows.

And to Tim Coventry: Greetings Tim - he has had a lifetime in sailing as well and was Chief

Executive and Chairman of Performance Sailcraft, which, I'm sure most of you know, built the Laser. But he is also Project Manager for ISAF Connect to Sailing, a project to bring industry and sport together, to reverse the decline of participation in sailing on a worldwide basis. And because of this wonderful history and background he has been the adviser to the Korean International Boat Show and the huge developments that are happening in Korea at the moment.

Also Paul Cayard - welcome Paul - an outstanding sailor, as we know, in the America's Cup, for skippering EF Language to victory in the round the world race, of 2005/6 in the Volvo. He has been involved in many high profile events as well. And we'll hear from Paul about the transition from when he started in San Francisco to the professional he's become.

Ben Ainslie is here somewhere? Well, that's about all that needs to be said really - but for the one visitor from Mars here, Ben Ainslie has won four successive Olympic Games the last three

Gold. He was named ISAF Sailor of the Year earlier this year in Madrid. He is obviously one of the stars of our sport.

So, before we have our panel discussion, if I could firstly welcome Goran Petersson as ISAF President – on the challenges faced by the governing body to control the sport, particularly the event organisers and the coordination of the sailing calendar and so many other issues... So it's my pleasure, Goran, to welcome you here to start our discussion.

Ladies and Gentlemen - Goran Petersson.

Applause



Goran Petersson:

Good morning everyone. I'm delighted to be here today representing ISAF on this panel, to discuss one of the most important challenges we face in sailing and the global growth of our sport. We usually don't have any problems with the challenges - it's the solutions that one has to find!

We know that we have a great responsibility to secure the future of our sport, to be sure that all aspects of our work, strategic plans work to achieve this, but it's not easy. We will hear next from Tim Coventry about this ISAF Connect To Sailing program and the new Learn to Sail program.

This is our commitment to the growth of the sport to grass roots participation. And this is ongoing with the help of ambassadors, such as Tim. So I won't touch on that. I will talk to you about some other challenges and initiatives that we have.

We understand that the key element that will draw the sport is exposure through media publicity and a planned broadcast production and distribution of attractive events. The quadrennial Olympic Games is without doubt one of the key shop windows for the sport of sailing, as the Games enter into the homes of 4.7 billion people across the world through TV and online.

The Olympic Games is therefore fundamental to the global profile of our sport. Aside from the media exposure, our status as a sport on the Olympic program, results in sailing being a major sport to invest in, particularly for a country with Olympic champions. One example being our recent discussion with Iran, who are developing a new sailing program with an Olympic focus.

To be on the Olympic program, however, is not an easy task to achieve and maintain and although sailing has been on the program since the very first Games, we can by no means be complacent about our Olympic future.

The exposure generated by the Olympic Games, highlights one of our main challenges: to present the sport in such a way that it engages our audience, the spectators and the media. This year has seen the successful new format of the easier-to-follow Medal Race, but sailing still remains one of the most difficult sports to schedule and capture for television and online.

We are working on a strategy to standardise the technology used for track and trace, reviewing tools such as on board cameras

and recommending best practice for TV crews working with event organisers.

We also aware that sailing, as all other sports, are not yet competing with other sports, but a whole world of new and exciting lifestyle choices. So we recognise the need to move with the times. This means not just TV, which is difficult to achieve, but embracing and utilising all technology that serves our sport the best. There are some excellent examples of how sailing is achieving this, for instance the online Vendee Globe and Volvo Ocean Race games are an opportunity to truly participate from the warmth and safety of your home. Did you know that the winner of the first leg of the Volvo Ocean Race does not even sail?! How is that for a perfect example of how sailing is exciting and engaging for armchair spectators? It is also essential that the event and format of sailing attracts and provides a clear pathway for the future of young sailors.

ISAF created the framework from the Youth Worlds through to the Olympics and beyond. Just think of people like Russell Coutts and Ben Ainslie.

Part of this framework was the ISAF Sailing Classification Code that was created at the request of sailors and event organisers. They wanted a clear worldwide single system of defining sailors in terms of 'degrees of professionalism'. By using the Code many classes and event organisers are able to promote a more Corinthian spirit, but ultimately it helped provide a structure, which is necessary for good sport development. There are now almost 20,000 sailors using the Code at key events around the world.

In the same direction we are also now publishing our new simplified Racing Rules for newcomers, to make the sport easier to

understand and breaking down barriers to participants.

The calendar was mentioned. I think we protect the sport through the regulation of a definite sailing calendar now, thereby providing value for sailors, events, sponsors and the media. One of the new highlights for the sailing calendar is the ISAF creation of an annual ISAF Sailing World Cup, which is starting next week in Melbourne, Australia with top Olympic sailors in the world. After Melbourne, the World Cup will move on to Miami, then to Europe and in September at the 2012 Olympic venue in Weymouth, in the UK.

Earlier I mentioned the quadrennial highlight for sailing at the Olympics. This is closely followed by the ISAF Sailing World Championships, which is also only every four years. The new Sailing World Cup is a definite response to the media demand for annual Olympic sailing outside of the four year Olympic cycle. Our objective is simple: more exposure, greater interest and continued growth of the sport. This year it was good to see growth in emerging sailing nations, in particular with the Olympic effect from Beijing, in that part of the world. Another example is the upcoming 2010 Youth Olympic Games in Singapore - a superb opportunity to promote the sport of sailing in the youth market.

And there is one thing we very often overlook and that is the need of qualified volunteers, mentors, race officials and those who give up their time free to serve their passion for sailing, to meet the ever-growing demands on it. ISAF manage a worldwide system of volunteers, but the effective recruitment and management of these dedicated people will always be a challenge and remain the priority of ISAF. Without respected officials: no events.

At ISAF, you can see our remit is very broad and the challenges are on-going. You will hear about quite a few of them here today and what we, as the governing body, are working to achieve to ensure the growth of the sport. I believe we are all well placed to meet the future. But it is not just ISAF's sport, it is OUR sport, so I would welcome ideas, contributions and opinions to ensure that we can continue our work together.

Thank you

Applause

Peter Montgomery: Thank you, Goran. That's an open invitation: you can catch up with Goran over lunch or cocktails and dinner and tell him how you think he can run ISAF. Later on in this session we will have a chance to ask Goran questions.

Now for the Sailors Perspective. I overlooked before to say that in addition to being a veteran of the Volvo and America's Cup, Paul Cayard has also competed in the Olympic Games. And he is also a father and has children, who look at life differently to when he was growing up in San Francisco Bay. So, to reflect on when he started sailing Lasers on San Francisco Bay and going through the transition of a professional sailor and the influences on young people today - here's Paul Cayard!

Applause

Paul Cayard:

Thank you, Peter. I've been asked to recount, a little bit, my track through sailing, which led to a career and that certainly wasn't a role model - there was no role model for what I've become when I was seven years old and took my first sail in a boat, actually through a community sailing program on a small lake in a town called Oakland, which is across the bay from San Francisco, where I lived.



They had a little wooden El Toro there and I went out and did a couple of laps on the lake and I think what I found at an early age was that it was really nice to get out on a boat and be in charge of your destiny and not have your parents telling you what to do for those two or three hours that I was out there, if I try to think of what hooked me on sailing.

Anyway, we borrowed a boat from a guy for a while, then my dad built me a boat in my garage when I was eight - it was a wooden boat and I raced that boat competitively for a few years. And eventually I won a North American championship when I was 14 in that class of boat and was noticed by the St Francis Yacht Club, which is the biggest yacht club in San Francisco, and they had a youth program at the time and they invited me to join the yacht club. And really it was at that time that I began to get some outside support for my sailing.

The Lasers had just come into being and we had 4 or 5 sailors there - probably noteworthy names were John Bertrand, who won three Laser World Championships - he was three years older than I was, Russell Vestry, Craig Healey, names like that. And later John Kostecky - John's about five years younger than us. But that was our youth movement. And there have been great youth movements around the world - obviously the Royal New Zealand Yacht Squadron's youth program has produced a lot of great sailors, who have been very dominant in the sport.

When I was about 17, a guy named Tom Blackaller noticed me. Tom was 20 years older than me and he was the king of sailing on San Francisco Bay. I crewed for Tom when I was 18 in the Star for a few years there - I was actually fourth in the Star World championship when I was 19 years old as a crew. And I went to college graduated with a degree in Business Administration. Luckily there was no pro sailing because I might not have stuck to it and gotten out of there!

Then Blackaller asked me to do my first America's Cup, which was '83 in Newport, Rhode Island. And I'm actually really happy that my career stretched back that far - to remember those days of Newport and Newport Offshore and the boats hanging in the cranes, the fixed cranes that were there, all un-shrouded, except *Australia II* obviously. But there was such life around the America's Cup and it was so communal. And we weren't paid anything at all.

We had some problems with our boat and cut it in half twice in between each Round Robin and when I say 'we', the shore team was one guy. So the crew basically was in the Newport Offshore shed. We hired people obviously to do the welding, but we were long boarding the boat and fairing the boat to get it back ready. I remember it took nine days, one of the jobs we did, and virtually the next day we were back to racing one of the round robins or 'selection trials', as they were called back in that day.

So I came out of that and, again, there was no role model for professional sailing. Dennis Conner sold carpets. Bill Buchan built houses. Tom [Blackaller] and Lowell North and Dick Deaver were professionals in a way - they had businesses in the industry and they were able to make a living by selling sails or boats to clients and then sailing with them. So that was really the beginning.

I worked for North Sails. I was cutting sails on a loft floor for Vince Brun, cutting out clew patches and sewing them on Snipe sails - that was my first job after the '84 Olympics. Anyway things kept rolling along and one guy finally came up to me and said 'hey, I'd like you to look out for my IOR 54ft boat - I'll pay you two grand a month to sort of oversee it, help me with the crew'. And I was making two grand a month - so it doubled my salary so I couldn't say no to that, I'd just got married. So that was the first sort of inkling of professional sailing, or compensation.

Shortly thereafter I met a guy named Raul Gardini. I started sailing with Raul in '85 and I did the America's Cup in '87 in Fremantle and after that was over he said 'come and work for me, instead of North Sails when you get done with that' and that led to a huge break for me, obviously, sailing and skippering *Il Moro di Venezia*.

So then we get the era of more professionalism in sailing. 1992 was the first America's Cup where we had sponsorship. And things were a little out of hand back then - Bill Koch and Raul each built, well we built five boats, Bill built four boats. It was a little excessive, for sure, and some new rules came in following that to contain some costs. But I really would say that starting in 2000 with Bertelli and then the 2003 and 2007 Cups, you know, the cost of being competitive, of being one of the top teams, really got increased by the billionaires who entered the game. Later I'll come back to it, but I think it's something to pay attention to a little bit.

What I'd like to say is that in the middle of all that - it is a little bit belittling, Goran, to hear that some guy that doesn't know how to sail the first leg of the Volvo Ocean Race [virtually], because up to that moment I was pretty proud of having won the

Whitbread Round the World Race, but I wonder if a guy who doesn't know how to sail could win the Olympics, Ben?!

Anyway the Volvo Ocean Race is a very interesting event in our sport also and I was fortunate enough to stumble into that - got asked by some crazy Swedish guys to get involved in that. Didn't know what I was doing at all. Stumbled into a good program, brought a little different concept to that race in terms of the intensity - I took all my dinghy sailing buddies with me around the world and once we got past the second leg, where we tried to kill Curtis [Blewitt] and we learned from that, we were pretty good, pretty golden.

But that event is interesting in how it has changed itself through time. We had the Volvo 60s. Last time with Pirates [of the Caribbean] we had the 70. And the race used to do traditional lap around the planet and now they are in Asia. Kimo [Worthington] is telling me that the lines for people to come to the race village are two hours long in India and I applaud Knut and Volvo for taking the steps to change and to go into this uncharted territory and see what can be done again, specifically to grow the sport and obviously to grow their event.

Other things that changed: when I raced in the Admiral's Cup in '85 were 19 teams, the Sardinia Cup had 19 teams. Some of those events have gone away, but Key West is a huge event and I first raced in the SORC in 1980 - it died for a while, but it came back. The events that come back, those events come back in the form of three races a day. So the public has spoken and said they want more racing over less time. When I raced in the SORC in 1980 we had six races over six weeks - you were expected to hang out for six weeks. And nobody was paid, so it was quite a big commitment for the crews.

So that's my past - we are here to talk about the future, about how to grow the sport. Well one thing's for sure is that things are going to change. So in change you've got three modes you can be in: you can be innovative - I would say Knut and Volvo are being innovative; you can go with the flow; or you get out of the way. We can't have people dragging things back, so I think you have to look forward with a mindset of change.

I'm speaking a little bit about a subject that I'm passionate about, that Sir Keith Mills spoke a little bit about, so if we move on to the different aspects of the sport – the professional area, obviously the top end of the sport, the part that's on TV, is supposed to be inspirational, whether it's the Olympic Games and Ben - I'm sure a lot of young kids in England look up to Ben and that's inspiration for them to get involved in sailing, as hopefully the America's Cup and the Volvo Ocean Race are also.

So its important that we do manage those events well, that we recognise our responsibility, for those of us who are in those events. We run those events professionally and, yes, some changes are going to have to be made in those events. And all I'll say right now, as I too am on the panel later this afternoon - its just mind boggling to me, without pointing fingers, there is obviously responsibility shared, that we are in a situation today, with the pinnacle event in the sport, which is supposed to be inspirational, which is supposed to be something to shoot for AND on top of it all we find ourselves in the economic situation that we are in too.

So it's clear to me that we don't have independent management. We don't have an entity that is singularly looking out for the best of the event and therefore the

sport that depends on it. And I think that's the fundamental problem. And if you want to go forward into the 21st century, we're going to have to fix that. And I was encouraged to hear Keith say that he is working on a plan to legally or administratively fix that. That always been the excuse: that it is unfixable. But I too believe that if people want to do it, it will happen.

Grass roots – so the pinnacles... There in this morning's meeting in the back room I said something like 'the heart and soul of sailing really takes place on lakes in the middle of Michigan and in small local yacht clubs like the environment that I grew up in': My Mum was the secretary of the yacht club, my Dad was the Port Captain. If I think back to those days, travelling round California my parents were sailing a Snipe and my El Toro was stacked on top of it and we'd all go to the same regattas. To me, that seems like the heart and soul of sport and we do all have to lend a hand, to make a speech, to go to those events, share some of our notoriety and some of our passion for the sport and help the grass roots grow.

I personally am involved with the youth sailing programs in San Francisco Bay. I recently auctioned off all my Pirates of the Caribbean gear for \$16,000 and I wrote a book about Pirates of the Caribbean for the benefit of the local Junior programs of the St Francis and San Francisco Yacht Club. Again the top level of the sport has this responsibility in my opinion.

I would embrace what's new. I think we might hear some conservative comments, but I think the iShares Cup is on the right path. I think we need to make sailing more exciting at the top end. We need to have an event that lasts for 25 minutes, that the average guy who doesn't

know anything about sailing, can sit there and look at that and just go 'holy cow, that is incredible': Action, lead changes, pitchpoling - whatever.

Kiteboarding - I'm really glad to hear that ISAF ratified the speed record. It may just be a fashion, a fad, but its cool. I can tell you that its going off in San Francisco Bay big time, so I think sailing should embrace kiteboarding. The Moths are cool. Multihull sailing is cool – I said the iShares. I think multihull sailing is probably going to be a much bigger part of sport in the next century than it has been.

So I think we need to embrace those things again as part of change, looking forward, feel the trends in our society: skiing became snowboarding, biking became mountain biking. We can kind of see where things are going, see what the kids want: if you want to grow the sport see where the kids are, see what their interests are and lets make sailing something that's exciting and interesting to that group.

I think sailing is...I don't think it's doom and gloom, I don't think we are in a damp sport. Sailing has come a long way in the 40 years that I've been participating, but the point is how do we go forward? What can we do to do better? How can we grab a bigger market share in this business of sports marketing? How do we make ourselves more attractive? And I think we have a responsibility and I'm glad were all here to talk about it.

Thank you

Applause

Peter Montgomery: Thank you, Paul. Tim Coventry has got a major challenge in Connect to Sailing and we'll hear from Tim to tell us about Connect to Sailing.

Thank you, Tim...



Tim Coventry – Connect to Sailing:

Thanks PJ. What a great term 'moderator' is and I'll try and keep my presentation short so that you don't moderate me. It sort of conjures up pictures of neoprene and whips! I wonder if in another part of this conference Mr Mosley is worried!

I would like to talk to you briefly about some of my experiences. As PJ said in his introduction, my part of this industry has been 20+ years running one of the leading sailboat companies, Laser. And we took that company, myself and one or two friends, out of receivership, in 1980, and we spent 20 years growing that into a leading brand.

When we started – when we went to boat shows, we were one of many companies in our sector in our area of shows. And our success, retrospectively, was totally predatory. What we did - and one or two other companies did the same - is we grew our business year on year into our sector, by carefully defining where we were going to go with our products and our strategy and what we effectively did was kill off our competitors. Our success was really based on a bigger share of a smaller market. That really is a summary of those 20 years.

When we sold our interest in the company in 1998, we were then a leader, a significant leader, in our sector, but the sector had just

gone from this to this [*he indicates shrinking*].

I think there are some benefits to getting older, and looking around this as a predominantly certainly younger audience than me, there are two things: firstly you can be a little less careful about what you say, unless you are speaking to your wife. And also you sort of reach a point, where it's a bit like climbing a mountain on a clear day: the higher you get the better the view and the less clutter there is and you begin to see more of the bigger picture, the things that really are the identifying parts of the industry and the sport. There are probably one or two other benefits of being older, but at the moment those escape me - I'll no doubt remember them as I'm going to bed tonight!

From that position, up on the mountain on a clear day, what do we see? Well we see an industry that's become polarised around smaller numbers of bigger companies, all of them dominating their sectors. We see a sport that's hugely successful and during these two days you'll be hearing about all the events, and Sir Keith talked very elegantly this morning about the America's Cup and Goran about the events at ISAF. So we have great successes in our sport and hopefully, in spite of the recession, a lot of that will continue.

But what's really going on? What's the view when you are sitting on the mountain top and you're beginning to look a little longer and a little harder - what's the view of the sport? Hugely successful events - world yacht racing is in great shape. Participation: that's the issue. Looking back on my 23 years of running the Laser company and this situation of polarisation, companies dominating smaller token market size, that's also the picture in participation. What's been happening over the years...

I'm a dynasty sailor and a lot of people of my age group will be the same - we sail because our fathers sailed and we were introduced to sailing that way. As a generation, the baby boomer generation, what we've done is we have progressively swelled every part of the sailing market as we've got older and we've gone through. The scary thing is what's happening behind and the reason why I got involved with ISAF and started the Connect to Sailing program, is that from my mountain top on a clear day, what I thought I could see was probably one or two missing generations in the sailing community. And my generation and maybe the generation behind me, we failed to do the task of bringing enough people into the sport, young people into the sport, to continue a healthy participation. And the issue is, the challenge is, that if we collectively, as the current custodians of the sport, don't do something about that then our sport, long term, is not going to look as good as it looks right now. We just need more young people coming in at entry level.

And that's what Connect to Sailing does. Its now been running for four years and we have some amazing successes, not that I can take credit for that. Our first big success is finding out that around the world there are people who really care about this and are doing some fantastic jobs. Paul - you were mentioning this morning about the San Francisco Bay project. We now have a number of these flagship projects, where people are spending a huge amount of their own time – volunteers, as Goran said, with a passion - that are actually kids into sailing. And why kids? Well, what we've identified is that if you have limited resources - and we do have limited resources – it's very difficult to get sponsorship for the sort of programs that I run. It's very difficult for people in San Francisco, other than on a community basis, to appeal to

their city or to their community to get that sort of support. So what we are all going for is kids in education – that's the low hanging fruit: we know where they are, we know who they are and we have means of being able to speak directly to people who influence their lives and their decisions. So that's our target. What Connect to Sailing is doing is trying to bring more young people into our sport, to replace the two missing generations that our sport, at participation level, currently has.

Thank you

Applause

Peter Montgomery: Thank you Tim.

Paul, if you could just grab a microphone near you, if you've got one. You bring a perspective from in the industry - your success in the industry and your colleagues will be people that are participating and young people are not being lured away to the PlayStation or playing laptop games and all those things we've discussed about. Your perspective from the industry is?

Paul Strzelecki: It's a big concern – I'm Chairman of National Boat Shows in the UK and also of the company Henri Lloyd. If you visit boat shows around Europe and the US, you see the age range of the visitors at the shows. I'd go to Annapolis [Boat Show] almost every year in the US and it is incredibly aging. Its old – you don't get the same number of young people coming through. And I know in my company the amount of product we sell to young people in our sailing collection is smaller. We do a lifestyle collection, which sells on the high street where we sell a lot more to younger people. It is a big concern.

I'm also involved in the International Sailing Summit. as is Tim. We've just had our ninth one

in Paris last week, where we talked about this problem of participation. We hear of various projects: Paul mentioned his, the Grael family has one in Brazil which is very successful, which we donate some money towards and it's a big problem.

The industry is actually is asleep - the industry has probably had to wake up, because of the economic downturn of the industry – they have not been aware that there has been a decline in participation, because we've had 15 years of continual growth, 15 very, very good years. And people have been saying to Tim and myself, particularly in the UK 'what do you mean a decline in participation? Our sales are going like this'. But of course, as we all know, sales are no longer going like this – the sales of a lot of companies are now starting to go down. So maybe now, there is a realisation. There is money in the industry. I think the total sales turnover in the UK for the marine industry - which is power and sail. It's not separated out - is just under £3 billion per year, for all the marine companies that are members of the British Marine Industries Federation, which is a lot of money. ISAF have recognised it recently – we did a presentation there –five years ago was it Tim?

And I also would like to see more support from ISAF in terms for money for Connect to Sailing. I think the industry and sport have this responsibility, which Paul talked about.

Peter Montgomery: Ben Ainslie, if you could grab a mike in your role, with four Olympic medals, the last three golden - we won't embarrass you, but we know all the wonderful things you have achieved - are you invited to speak to elite youth, whether it would be a smaller group than it would have been 20 years ago, to share your knowledge? Or just talk to young kids who just may

not be a rock star sailor going to the Olympics or the America's Cup or Volvo...

Ben Ainslie: That's a great point. I think sailing today in the UK, starting at a very young age, there is a lot of pressure on youngsters to be sailing and to be sailing to be successful. And I think it is very important, that at a young age they have got the opportunities, but it is also fun. I look at it today and its quite scary the pressure that's put on young kids.

Peter Montgomery: Pressure from pushy parents or from their peers?

Ben Ainslie: I think both really, but I think certainly there is an expectation there, from a very young age, to go out and be successful. We have got some great schemes in the UK. We've got the On Board scheme, which Keith mentioned, which is run by the Royal Yachting Association and a number of other schemes to try and get young kids into the sport. My local club, the Royal Lymington Yacht Club, run a scheme on Wednesday afternoons where all the kids can come down from the local schools and use the boats. So there are plenty of good initiatives to get kids into the sport, but I think really what's important is to keep that fun element. For sure we've got the Olympics and all the events out there that they can all go for and reach eventually, but sometimes I'm a little bit worried that its too much pressure too early.

Peter Montgomery: Absolutely. We are running out of time, but maybe for five minutes or so we could take any questions that any of you would like to ask.

Goran I wouldn't be doing my job, while anybody could put their hand up if they would like to ask any questions... Paul Cayard touched on the issue of 'what kids want' which is a very interesting

point, because of the X Games and all these other high profile attractions away from sailing. And then comes the profile of the Olympics. Well, many of you may know I've been a broadcaster and been to eight Olympic Games and this year I was dismayed in Qingdao to see there were only 18 booths for broadcasters. At Athens there were 34. In other words the broadcasters around the world... Australia, for example, who won two Gold medals didn't have a broadcaster in Qingdao and that is a real worry to me.

So I'll ask the hard question, if no one else is going to: the whole issue of the catamaran, the Tornado, the women sailing the 29er, beaten by the 470. I know there are issues around the world and cultural differences, but how do you work that all out in terms of the image for sailing? Have you got a microphone there Goran? I'm giving you easy questions to start with!

Goran Petersson: Well now you have talked about what we don't have. You know how ISAF works: it is not a management led organisation. It has a Board of Directors of 38 people and it is financed, to a very large extent, by the Olympics. And the catamaran issue is based on the fact that the IOC told us that we have ten events instead of 11 and then in a democratic way we have decided that we want ten events and that did not – THIS TIME - include a catamaran. To me, it wouldn't matter which category we would have dropped, it would have been the same story.

Peter Montgomery: The vitriolic backlash, you mean. Whatever you dropped, if you drop the Star, whatever, you would have got criticism.

Goran Petersson: That's right – if you take something away from somebody, they will be upset. I agree with that, I understand that.

We don't want it that way either, but we had to. Now, of course, you will ask what are you doing about this? We are fighting all the way we can to get the 11th medal back, but the IOC has the final word on that and we'll see. Maybe – maybe not.

And the 29er - this is a completely different issue, because if you look at the sailing in the Olympic Games, most of the sports have a western origin: The IOC has a western origin; sailing has a western origin; ISAF have a western origin. But look at the automotive market - it is very similar to our market - where is the expansion? Not in the western countries in my opinion – there they will struggle to increase a little bit - but the main expansion will be in Asia, Eastern Europe, South America and Central America. They are now pushing for more influence in ISAF and anywhere else. And this is a balance between the western countries wanting to be at the extreme front of the development and the other countries wanting to be taking part at all, not being able to afford the newest constructions. And you know that it would be a disaster for us not to be on the Olympic program and one of the main factors to remain on the program is that we don't have 35 countries competing in the Olympic Games, but 60+. That is very important for us. And also that the medals are not only won by Great Britain, but a lot of countries. This time we had 20-22 different countries winning medals. All this is important in the eyes of the IOC, and therefore in our eyes.

Peter Montgomery: Alright thank you Goran – have we got any questions?

Question from the floor **Simon van der Byl – Rear Commodore of the Royal Yacht Squadron:** My name is Simon Van der Byl. I am the Rear Commodore of the Royal Yacht

Squadron. Nobody's mentioned team racing. I know for a fact that that's what the universities do and its very prevalent in the States, its quite prevalent in the UK, its fun, its short term, its exactly what Paul was talking about – 20 minutes, one circuit, great sport – should we be pushing that?

Goran Petersson: Yes, we try to develop team racing as well. The IOC is not that much in favour of team racing: Its difficult to organise, it doesn't include a lot of countries when it comes to that. But we are supporting the team racing – I agree with you that it is an exciting sport.

Peter Montgomery: Is there someone else up there?

Question from the floor - **Sofia Bekatorou:** My name is Sofia Bekatorou. I am a two time Olympic medallist from Greece. I would like to make a question to Mr Petersson, because I'm also involved in ISAF and somehow I realised that ISAF seems that it doesn't have a plan for sailing to stay for a long time in the Olympics, since all the Committees try to make some changes good for sailors, but somehow the sailor's voice was not heard. So the 29er, that looked so very good for the media, didn't have a chance to go in the next Olympics. The Tornado, which is one of the most famous classes, is not in the Olympics. Somehow I feel that America's Cup has such big funds from all over the world, because they have a plan and this plan makes people stay and watch sailing, because it's very attractive. So all the sailors try and change their format while sailing. You have introduced very well the medal race. We are very welcome to make new changes and to sail in a different way, but I feel that at some stage, if things don't go in a way a certain way that they would like to help our sport. And sometimes politics is more influencing the strategy of sailing.

Peter Montgomery: So your point really is that ISAF doesn't have a plan? Is that what you were getting at?

Sofia Bekatorou: Actually not, but it's changing so fast and not in a certain direction that will lead to the success of our sport and will see our sport stronger.

Peter Montgomery: We've covered some of that, haven't we Goran?

Goran Petersson: We certainly have a plan. You are only successful if you reach your goals. So the strategy is to reach the goals: to stay on the Olympic program. And that has not only financial effects, it has relation to the whole aspect of sponsoring, of supporting sailing. If you try to go to a country and have a program for the youth, a program for the newcomers, a program for the schools, you have to have public money and support. And if you can say 'Olympic', then it's possible and if you don't say 'Olympic', the door is usually closed. That is just one effect very important indeed.

The other thing is we have to have a balance - as I tried to describe - between the classes in the Olympic Games that give us the number of countries that we need. They are the boards, the Laser, Laser Radials. And then we try to have classes that will be exciting - which is the 49er and other classes. But again, ISAF is a democratic organisation, it is not led by management that can have a longer strategy. You know very well how it works - now I'm trying to describe to you what it takes two days in ISAF to debate! We are aware of the challenges. We are in constant dialogue with the IOC but what is needed - you should be aware that the IOC actually now evaluates every sport after each Games on a lot of issues. And we have to be very alert on that. But I agree with you - the America's Cup, the Volvo

Ocean Race, the 49er - they are inspirational, but they don't provide the opportunity to sail. You just get give me the boat, the water and the instructors. And that is where Tim Coventry and our programs come in. If you don't start to sail, you don't start to race and if you don't start to race, you don't want to be an Olympian either. I think we are aware of some of the challenges - please give us the answers.

Paul Strzelecki: Can I just answer that? I don't think that it is a particularly healthy thing that the sport is run by a democratic organisation, that has to make these decisions on the basis of what we think and quite understandably, given Goran's position in the sport, what the IOC want: I don't think that that is necessarily the right thing for the future of sailing. I don't know what we do to change it...

I don't envy Goran doing his job, being run by so many people and committees. I just think it's not a particularly healthy thing to have that, that he has to think all the time about what the IOC want and what they don't want. Sailing is much broader than that. Sailing is a way of life. It is recreational as well as a sport and I just think that it's not a particularly healthy situation.

Peter Montgomery: We know some countries vote because that's where they think they may get medals, whether or not it's right for the big picture.

Well unfortunately we are going to have to wrap this up, but Tim Coventry I'd love to just come back to you and the lost generations, the generations as you put it - where are all these sailors going? Is it literally playing other X Games or riding BMXs or other attractions that weren't there 20 years ago, away from computer games that we know that are attracting far too many young men particularly.

Tim Coventry: Well if you could give me another hour, I could probably answer that. The research is mostly anecdotal, but I'd just like to make one comment on the Olympic thing: The programs that I do, which is really working with ISAF's 128 countries that are members of ISAF - without the Olympics and the golden shadow of the Olympics in terms of funding, our sport is in big, big trouble. And it's a really key issue: This business of getting the Olympics right at both ends, satisfying the athletes, but more importantly satisfying the IOC. And the golden shadow - in most of the countries you're talking about seeing the development coming from, those are the countries that are 'resource rich, sport poor'. The funding comes from the government or from Ministries of Sport or from organisations that sound or look like that and the Olympics is the key that unlocks that funding. And what I'm doing is working behind that, trying to get more funding to provide broad based grass roots programs. So the Olympics is hugely, hugely important - don't underestimate that.

The other thing, just a final comment - what we are finding in all these programs that we are doing in Connect to Sailing, is that sailing is a great product. All the theories and all of the stuff - that you need to make the boats more modern, more jazzy, more interesting, more this, more that, more everything - its not the case. If you take kids out of school and you put them into a boat and the experience is well managed - they absolutely LOVE sailing, it's an instant hit. The hit rate from the first experience sailing sessions, to the kids that then want to go on and do more sailing, is over 90%. So we have a great product, we have just got to manage it more intelligently.

Peter Montgomery: And on that positive note we'll pull the curtain down.



THE FUTURE OF YACHT RACING EVENTS

Knut Frostad
CEO, Volvo Ocean Race

Peter Montgomery: Ladies and gentlemen, our next topic sounds glamorous, but it is not that easy. 'Developing the future of a global sailing event'. We are talking about the Volvo Ocean Race and our next speaker is Knut Frostad, who is the CEO of the Volvo Ocean Race, taking over in March of this year from Glenn Bourke.

Knut has an impressive pedigree and background in sailing: two Olympic Games in 1988 and 1992 for Norway and then he's also sailed in what was the Whitbread on *Innovation Kvaerner* and *djuice dragons* in the Volvo '01-'02 and in '05-06 he was watch leader in *Brasil One*. So Knut has been there and done it at Olympic and Volvo level. Now he has gone to the other side running the race and is the administrator.

It is my pleasure to introduce Knut Frostad.

Applause

Knut Frostad: Thank you Peter. First of all it's really humbling to stand in front of the whole sailing world, because to

me the one of sailing's challenges is all the cost and all the events. For me that's also one of the fascinating things of the sport because there's hardly any event present today that I wouldn't want to do myself. And I have done many of them.

I started in windsurfing when I was pretty young and I actually did more racing in windsurfing than any other classes and still my big passion in sailing, I think, is windsurfing. And I still enjoy big boat sailing and I enjoy multihulls and a lot of different sailing. The variety of sailing is to me a great thing, because you can keep on sailing until you are pretty old, and then you jump fence, which I've done - to the dark side apparently!

I would like to start by giving Goran some answers. I think I have some answers for you Goran!

My Olympic past - I did Olympic sailing - one of the biggest things I took with me was the one time I didn't make it. The one time I didn't make it - I lost the Olympic selection by two points - we were 12 guys going for the Olympic Games, and nine of them never stepped into sail racing ever again. To me that bought me something in the future - and I still must say the Olympic Games are fantastic for sailing - but I think the future of recruitment in sailing is outside of the Olympics. And the reason I say that is because the Olympic Games are great for developing good sailors, and the best sailors, but there are a lot of people lost on the way. Primarily its people that don't drive - they don't know how to helm - because if you are not a good helmsman it takes a long time before you find a position in the boat that really gives credibility and gives you great development.

The other side is that there are a lot of kids out there who don't want to sail in Optimists. I went to see one of my friend's kids the

other day and he came down from snowboard training, where he was doing double loops on a snowboard - he's 11 years old. You ask that guy to go out and sail an Optimist - it would be a pretty good challenge!

I am very keen on this whole youth thing, because I think we really have to think fundamentally differently.

I started a program called the Academy, which was started in 2004 where we got a trimaran up to Scandinavia and said we are going to fill this boat with young sailors who have never sailed before, or hardly sailed before. And we had about 50 people through the Academy program and two of them are doing the Volvo Ocean Race today. And they have never been to the Olympic Games. And they are doing really well.

The other thing we started was something called Norwegian Steam in Norway, which was the last thing I was involved in before I took this job. It is a program where we realised that there are a lot of young kids out there who would like to go big boat sailing because they would like to be with other kids - they don't like to sail alone. So then we saw all the sailing clubs having all their boats laying in the marina and the owners couldn't race them because they couldn't get crew. Well - that was a great combination: Norwegian Steam is about merging kids with owners without crew and it works really well. One of the outcomes from Norwegian Steam, that has been up and running now for three years, is a kid who now has his first sponsorship for a Mini-Transat.

I think there is a huge opportunity with boats that need crewmembers and young kids that want to learn sailing and be together. And this we really have to use in the future.

Well we have an issue with youth and the lost generations in the Volvo Ocean Race as well. When I did my first race I was 24 years old and I was, by far, not the youngest. There was a youth crew from England, skippered by Matthew Humphries. All the crewmembers were 19 to 21 years old. And when my predecessor in the Volvo Ocean Race introduced the new rule for this race to have three crew members under 30, it became a huge drama. Before I came in all the skippers managed to negotiate this number down to two! Are you a kid when you are 30? That says a little bit about the lost generations. I can promise you in the next Volvo Ocean Race there will be more young people in the race.

There's a huge advantage with it as well: they are not paid as much and that's something I'll come back to later on.

I joked a little bit that the title could have been "Life in a Bubble". It seems a little bit like life in a bubble when you arrive here, or arrive in Europe actually, from India – you're in the Volvo Ocean Race and these sailors rock up on shore and you've been working with your sponsors and the owners and there's a financial crisis and people are being laid-off, and we have huge problems and the future is looking pretty dark - and these sailors come ashore and they are like "I need a new mainsail." "I just need a new mainsail, you know?" – erm, 'life in a bubble'. This bubble is about to crack and I'm going to say a few words about that, but we do have a plan and I'll tell you a few things about our plan.

First of all, just to bring you back some years - this picture is from 1993. I was actually on board this boat, we won the second leg in the Whitbread Round the World Race into Fremantle. Fremantle 'the home of sailing' – one of the best places in the world you can

go yachting. And we won, we set a new world record – the first boat to do more than 400 miles in 24 hours! That's not so spectacular any more, these days. And there were a couple of journalists on the dock, two microphones as you can see on the left, and our shore crew, at least, was there.

I found this next picture in our image library and the caption on the picture was "Huge crowds on the dock"!

15 years later, we are arriving in India, on the second leg of the Volvo Ocean Race and there's about 10,000 people on the dock waiting for the last boat to finish. If you can dim the lights please...

Video

Well, one week before we arrived in India, I had an interview with the BBC about piracy because we'd just had a supertanker that'd been hijacked off of Somalia and our boats were basically heading parallel to the coast of Somalia and coming out of this interview - we had just done huge piracy briefings with the crew members, we have all our position reports sent to all the coalition forces in the area – it was a pretty big operation staying out of this problem. And then you have the Mumbai attacks happening the day after, two days before the boats arrive in the next city from Mumbai. So Life In The Extreme is certainly in the office as well in this race, it is very clear.

At the same time, I must say that the feeling of arriving in India with a yachting event is probably one of my biggest moments in the whole time I've been involved in sailing. It's just an absolutely amazing experience: So much interest, so great an event, it's organised professionally with the sporting side as well and, yes, there are challenges – massive challenges - but at the same time to give you an idea: when we have been Spain and in Cape Town, by the time we

leave India, we will have had more than 2 million people through the gates of the race villages, after two legs.

In the first two stopovers we had reports of theft and crime almost every day. We haven't had one report in India – not one! And we've had an amazing amount of people through the race village. And it works: these people have never sailed, but... they have sailed, but not raced... I went out a couple of days before the finish and you see all these guys sailing in their canoes from the fishing they have done all day and they have these small triangular sails and are using the apparent wind and building speed, and hiking out. These boats have been developed over hundreds and hundreds of years. You should have seen them when the Volvo 70s arrived. They all stood up and they made drawings, and they came paddling in when we were hoisting them out, and were looking at the bulbs and, yes, their understanding and their interest of the sport is still there and I think it has a fantastic potential.

The media - and Marcus [Hutchinson] is going to say a few words about this later on - but the media side as well is amazing. And the interesting thing, for me, was the reaction of the sailors. From being probably the most criticised event in the whole world of sailing, at least a year ago, for doing this, to the sailors just absolutely loving it – and quite a few sailors said 'this was the best stopover so far'. And also just the sailing - coming in there was really exciting.

Before I talk about the future, I'd like to say a few things about the changes we made to the race we have going on right now, because we have changed a lot and when you change a lot, you learn a lot. Some of those changes are easy, some are really difficult, some are probably very effective and some take a long time to get something

out of. One thing that was very clear for me was the Volvo Ocean Race - we had a need to lift the game on the organisational side and especially on the race management side, because the teams have developed and evolved so much. They are becoming more and more professional and it's always difficult as a race organiser to keep up with the teams, because they become so bloody good and they require so much from you as an organiser. So we spent a lot of time to recruit people on that side.

The other thing was, what I wanted to really change was entertainment. Traditionally, there has been a saying in, at least the Whitbread/Volvo world, is that sailing is a complicated sport to communicate, it's really difficult to understand, so we are going to make a lot of videos with sunsets and dolphins. There have been a lot of dolphins and there have been a lot of sunsets in the past and a lot of clowns and concerts in the stopovers. But I think sailing can be fantastic entertainment, absolutely fantastic entertainment for even someone who has no idea about sailing. And this is something we've been working on and we've done a few things, but we can do a lot, lot more.

I'll show you some examples of what I think really works with entertainment that we have today in our world. To give you an idea, for example, we start with model boat racing here, Mini Volvo 70s racing in the harbours with canting keels and the full Monty, with skippers or sailors steering it, with crowds sitting two metres from the race course, not 200m, and sharing and enjoying it and loving it.

We've started with Multimedia cinemas - the queues we had in India outside the cinemas are just unbelievable. We had two guys who were hiding behind the screen to try to see the film twice - and loving it, absolutely loving it.

Another thing I'd like to say about the complication of the sport: How many soccer experts do you think are living in the UK? I was just astonished when I moved to the UK, that every single person you meet is a soccer expert. And none of them know how to play soccer, but they are certainly soccer experts, and they are really commentators. They are pretty advanced and they discuss the games, they discuss the coaches, they discuss the players, their styles and everything, on a very, very advanced level. So never underestimate the audience. And I'll show you some examples of why we don't have to do that - but it's going to take time.

We spend a lot of time in this race, trying to explain what is happening with the boats: what is the canting keel? How does it work? Why are you doing it? And you realise some people actually get pretty fascinated when they understand it. But if you never take the time to explain how sailing works - we are doing some pretty advanced things that I thought were going to be a lot easier than it was. We are trying to present basically how fast the different boats are.

We have a form guide - you can go on our website and you can read a polar diagram of each boat that is racing. We are collecting the data every minute and then are building a polar diagram for them. It's a pretty complicated procedure, but also the sailors, as you know, those of you who have been racing offshore, the things they are concerned about - it's not really 'who is leading at the moment' - they are concerned about who is going to be leading two days from now.

So we started a program where we are trying to show predictive results: Complicated, very advanced, because basically we are routing every single boat five days into the future, on every single position report. So instead of just

seeing who's leading right now, you'll see who's going to be leading one day from now and who's going to be leading three days from now - so just some examples of the things we are doing. It's on a very high level and sometimes we're shooting way above people, but we have seen a huge growth of people who are playing the game, for example, who love this stuff and they go into it and they ask: "why would he be leading three days from now? I have to understand about the weather!"

So sailing is complicated, but people like complicated things as well, if you teach them and educate them.

We are showing this graphically - you can go in and see how the race developed over the different legs. The interesting thing is that the teams are trying to get all this data from us, now because they know we have very accurate data from each boat in the race. Obviously we are not giving them that!

But new challenges - with a global event is obviously that people don't speak English in China, or Russia, or Spain even. They are struggling, and for us that it is a major challenge - to do our race in foreign languages. We basically do absolutely everything we are doing in foreign languages.

I thought we could translate everything we did, so online translations, but it doesn't work that way, because in China they have a different sense of humour than they have in the UK and they have other things they enjoy. And they want to read about the Chinese sailor we have on board one of the boats. They don't want to read about Ian Walker, they want to read about 'Goua', who's the Chinese person.

So communicating the sport in other languages - sailing is traditionally very, very British, and

some French, but to go to a new world, you really have to be prepared for meeting their needs and that's very important.

The mobile platform is growing very fast. We tried a mobile platform in the last race and the race before, but it wasn't really that successful. I don't think the world was ready for it, the phones weren't ready for it – now they're ready for it: A huge success for us. We have an application for normal phones, we have a special one for Sony Ericsson phones and next week we are launching an iPhone application, which is really cool: you can play the whole race on your iPhone. A huge amount of people are using it all the time. So that works, you have to adapt it and sailing really works for this, it really, really works. I'm sure cricket is struggling much more to make a mobile phone game work properly.

And we have video, we have position reports on the phone, we have news from the race, we have 'voices from the race', etc.

We are just launching this week as well - which will show how sailing works in the future media = we are launching a project together with Google – we will track the race as normal on Google, but we not only track the boats, we're going to track everything delivered. Every video and every still picture and every text from the boat will be on the tracker. And this is a really cool project - you can even like have Google Earth on your phones now, as you know. For example this map here, if I zoom in, it's the first leg, if some of you followed the race at the Cape Verde Islands here *Ericsson 4* had to drop off one of their crew members. So every single one of these symbols symbolises something that came from the boat – right there and then. So if you go into *Ericsson 4* and I push one of the buttons I get, wow, there is Tony Muttter being fixed - and there's a little

video there as well. That's what was sent from the boat right there and then.

Imagine trying to do this with cricket! So sailing has some really amazing features that make it really suitable for future media.

We took on the challenge to do live TV this time – that is a complicated thing, you've got to do it in Asia, it's very, very complicated to get the helicopter in the air with the antenna and transmit frequencies and you name it. And sailing live is interesting when you get a big enough audience. But what is really interesting is what is happening with the TV in general - is TV going to be on TV screens and if it's just going to be online is it going to be IPTV?

And we've done a huge project which some of you know - Marcus is going to say a few words about it – about having an onboard media crew member is actually making more content, much better content and I think sailing is perfect for it. What other sport do you take with you a camera person and be with the guys? Imagine doing that in soccer, having a 12th player running around a soccer pitch filming Beckham or having a camera on his forehead!

YouTube are just launched now a full HD version of YouTube. Some of you know we have done the whole Volvo Ocean Race this time in High Definition, difficult to say – maybe we did it a little early, because it's complicated. High definition means that you have four times as much data to send off the boats, to get proper TV pictures, but we know that in the future everything will be high definition. And I tell you, when you have a high definition TV you watch the images from sailing, the spray of water is just absolutely amazing. I'll show you in a minute some HD footage - and this is not really an HD projector - just to

show you the details you get of the water drops and the skin of the person, when you film in HD onboard a boat. Sailing really stands out when you do it in HD.

My biggest baby at the moment are these guys - the media crew members: taking an extra person in a yacht race, you have just the one job: to film and not contribute a single cent to winning the race. What a challenge.

A lot of people ask me: "That's going to be so difficult. It's going to be so hard to find someone who wants to live onboard a Volvo Open 70 and film?" You know what the difficult part is? The difficult part is to convince those bloody conservative, traditional sailors that this is something you need – that's the difficult part. We have some great camera crewmembers out there, who do fantastic work. Some of them are getting the message through, but it takes time and some of them are being censored by the skippers, and some of them are delivering what we want. But this takes time - we are a very, very conservative sport.

One of my best friends is a top snowboarder (well, his career is finished now) and snowboarding is just so opposite. Snowboarding has developed around movies, cinemas, making films: the best paid snowboarder in the world is a film star, he's not a world champion. And they have just taken so the opposite approach - the second best snowboarder in the world - he wants sometimes just to become a cameraman because then he can film the best snowboarder in the world so they can make the best movie together! And we have to go there, and we can go there, because we can bring these guys with us around the world. And to me there's no doubt that this is the future – and it's slowly happening. It's still sometime before, sorry to say it Peter, we have Kiwi sailors crying on TV. It will take some time.

Well, the biggest change we did to the present race was the route. A lot of people always ask me, you know: "how could you possibly leave the Southern Ocean?" First of all, just to show everyone we are still in the Southern Ocean, we have four or five days of it on this leg, and the leg from China takes us west of New Zealand and we have a proper Southern Ocean leg from New Zealand.

So, why do we go there? I think the images in the little video clip I showed from India tells a lot, and says a lot, that when you make this change, obviously there's a lot of implications. There's risks, there's challenges, but one sailor said after the leg up to India, that this was a really interesting leg to sail. Okay, we're going to have some challenges over the next week to Singapore and then in the winter up to Qingdao. I don't know how that's going to work - it's going to be very exciting to see. And then we have the longest leg in the history of this race - 12,500 miles - from winter to tropical summer to winter in the Southern Ocean and then up to Rio de Janeiro in tropical summer again in one leg.

Is the race hard? Is it easy because we are going not going into the Southern Ocean? It's bloody hard! The interesting thing is that the sailors are starting to understand very quickly why we are doing it.

One of the great comments I had from one of the guys, I think it was Nick Bubb actually on Team Russia. When they arrived and there were thousands and thousands of people, he said "You know, I'm a rock star!" And you see all these Indians and they are celebrating him like he was Mick Jagger, yet they have no idea what he is doing! But these countries are developing and they are really the future - it's been said before.

So what is the future? What is the future of our event? This picture to me symbolises very much the

future. Kids have been mentioned before, but the reason I took this job and jumped fence was really because I see so much potential in our sport and in this race as well.

Here's a thing, some of you who have kids, you will know that Pixar produced this 3D animation movie called *Cars*. Almost every kid loves *Cars*. *Cars* are racing cars with eyes and mouths. Not many people know that the brains behind *Cars* is a very famous race circuit in America called Nascar. It's a very commercial, well thought-through idea of how to build from a kid's level, a kid's interest in a car race. The hero in *Cars* is one of the guys who is an actual hero in Nascar. We should do the same thing in sailing - because kids love boats and they love cars and it always works. And you have to kind of ask yourself - that's a very fundamental thing with kids - you ask a kid to draw a sailboat? They can draw a sailboat. And for me, where do we have to grow the sport? Well, there are two areas where we have to grow the sport and that's media and entertainment. That's where we have to grow the sport.

Why do kids love boats? Well, to look at our future, there's a couple of questions that I would like to throw out and I'm sure we can have some discussion of them in these next two days, but I think it's very essential to understand properly 'who are we in the world of sports?' Are we one of the ten biggest sports in the world? Are we one of the 15 biggest sports in the world? Or are we number 30? Are we attracting middle-aged people? Are we attracting young people - kids, boys, girls? Who are we? Soccer seems to be the biggest sport in the world and Formula 1, I hear is very big, but where are we? Because that has a lot of say in what we need to do.

And where is sailing in its life cycle? Because some sports die and some sports grow and new sports are ruling today that we

didn't hear about ten years ago: Snowboarding is one, mountain biking is one.

Who are we in the sports world? There is a lot of cannibalism in the sports world. Soccer is a great sport, but there's not a lot of commercial winners in soccer - there's very few commercial winners and they take it all. And the rest of us, we included, are paying for that. You know, we don't get paid a huge amount of money for our TV rights, we have to pay to get on TV. Manchester United gets paid to be on TV and we are paying for it. And we may not like it, but that's a fact. If we started to compare ourselves with those guys that get paid...like I had some question yesterday: "Why are we not big on TV in the States? I only see NBA and the big sports" Well, yes you do! Because we're not NBA and it's going to take a long time for us to get there - a long time, because we have to pay for what they are getting paid for. And that's the interesting thing: can we do that in the future, can we get paid for that coverage? Well, you can ask yourself, what do you think is going to get us furthest - very expensive boats or spending money on buying the media? Because we are spending a lot of money on our boats...

Do we try and convince the media that sailing is a great sport or do we change the sport so that the media likes us? Or do we have a choice?

Well, I thought this picture was pretty cool - my biggest hero in sailing, Sir Peter [Blake], on the left side pouring a nice glass of champagne to Pippa [his wife] and on the right side you have him spraying it all over his crew. Well, the sport changes, whether we like it or not. Sailors and crew members are different today than how they used to be and we have to steer it. If we don't steer it, it can go the wrong way - I think it has a high potential of going in the

wrong direction, because I'll give you an example, we need to create personalities on TV.

Peter Blake was a great personality on TV. I think one of the reasons that he became a great personality was that he always had to go out there and find the money himself. And when you have to go out there and find the money yourself, you have to sell yourself – you know you have to sell yourself to the media, to everybody.

There's a new generation growing up today who have never looked for a cent, but they are looking for very well paid sailing jobs, and they don't feel this urge to really perform on the media. And that's a challenge we have to take on. This is an example of how we have to try very hard to steer the future of how we approach media.

Again, I said before, is sailing too complicated? I don't think so and the proof is here. It was mentioned before that there are two sailing games that, almost by accident, have been a huge, huge success. The Vendee Globe game is bigger than our game at the moment, which we are a bit pissed off about, but we are doing some serious work to step up the game. But I tell you, if you have time, go into the games - the Volvo Ocean Race game has a big forum - and read some of the posts on the forums. Just read it for one hour and you will be blown away.

To give you some top stories, we had in Cape Town a Portuguese guy who had two boats I think in the top 20 - he sold one of his boats on eBay! We have guys and girls who are teaming up to try to win this Volvo car we have as the first prize, so they have two guys going west, two going east and the rest going in the middle to cover all the options strategically.

And they are doing the second leg that way and they will share the car, if they win it.

We have a Swedish guy who we know has teamed up with the Chinese so the Chinese can sail while the Swedish is sleeping, because he doesn't want to put his boat on auto pilot. We have, in Cape Town, a huge interview on the website with the leg winner, and you know what he said? "It's been a really hard leg! My wife almost left me and I'm really, really tired - I haven't eaten or slept properly for 25 days – I'm so looking forward to this stop-over!" And that says it all – you can argue that computer games can take kids away from nature and the outdoors, but I think we can teach kids sailing in computer games, absolutely!

I met some of these guys in Cape Town. Some of them flew down to Cape Town, and I realised that these guys have learned a hell of a lot about sailing in one month and they knew nothing when they started. Marcel van Triest, my old good friend and navigator is running a company called UGRIB which basically offers free download GRIB files and he tells me that now one of his biggest group of customers is these guys, downloading weather GRIB files on a daily basis to race their boats.

Sailing is too complicated? 300,000 people are playing this at the moment. It's possible, and sailing is perfect for it - try to do a cricket game online for nine months!

What else about the future? Well, sailing is known to be a lot of hot air and a lot of opinions. It was interesting when I took this job, because I looked at Glenn [Bourke] and he had a lot more grey hairs when he finished than when he started the job. I realised that it is a position where you get heavily criticised. I feel for you, Goran, having all those question - because I am having these questions:

"Why are you doing this? Why are you doing that? You shouldn't do that, I know how to do it, you don't know how to do it, we all

know how to do it better..." For us, as a sport we have a huge challenge to become a bit more professional and base our decisions on facts. What are the facts? What are the REAL facts about our sport? What actually do our sponsors want? How big actually are the budgets and what are we actually spending the money on? And it's bloody difficult to get the facts on the table. But I think that's the only way we can survive properly through the sport nowadays. We have to base our decisions on fact and reality.

The Brit countries have been mentioned, there are surveys being done and some of the races are doing a great job at it. But when it comes to facts, well one thing we are doing is we have announced the next race - that's a fact. We have announced the next race, which I am very happy with it when we did it – it would be even more difficult to do it today, but we have the full support and backing of Volvo to develop the race in the future. We know that we want to develop the Brit countries and we want to keep going back to Asia, we don't know where yet, but we are not going there just once – are definitely going back there. We are absolutely convinced that it is the right thing to do. And if you can prove different, I'm very happy to hear it. And this has nothing to do with the speed in the Southern Ocean, this has to do with the future of our sport.

We did some pretty cool things in Russia. This is a big building in the centre of Moscow and is right now fully branded with the race. It's a huge building to build interest in Russia.

Now, we are right now in preparation and planning for the next race and we have also decided to keep the Volvo Open 70 class for the next time around. We have also decided that we are going to have a schedule where we are going to launch the new

rules in preparation for the next event, which is going to start in 2011.

But I think the most interesting thing thus far is the strategy project, where we managed to get on board a partner in the race, Boston Consulting Group, to stay with us for another four years to develop the race and try to learn more about the facts around what we are doing. And that has been a major project for us, because I just realise why we have never done that in the past - because you have no time when you are right in the middle of a race, to plan the next one. So you finish one and you start from zero and say 'well, what shall we do again?' But it is right now, in the middle of it, we have to learn.

So we have this big strategy and I could speak for a long time about that, where we are, but we are not finished. It's a project with the first phase finished by the New Year.

And our mission is to shape our event so we are a sustainable, healthy, world class event in sailing. We have realised, to do that we have to grow the sport, we can't just grow the Volvo Ocean Race - we have to grow the sport of sailing. It's the only way we can be a sustainable event. Sailing is not big enough yet and we need to grow it. As this survey shows, sailing is not even on the list, so we have a long way to go.

The upside is that sports marketing is growing and growing and growing - that's great news for us. What's not great news for us is that sailing is bloody expensive. And basically, I speak for everybody when I say we need to cut costs and we are going to cut costs significantly in the Volvo Ocean Race - and I mean significantly.

The great position we have, which is a little bit different to the America's Cup, is that we own the

event, and we own the [Class] Rule and we can decide to do exactly as we want. And I think that's the only way right now, that we can quickly change the playing field. And it's not a matter of whether you like it or you don't like it, we know very much today about how little money will be available in 2010, 2011, 2012. We think we know something about it and it's scary to do sailing projects. So we have to make some very, very dramatic changes to the sport - VERY dramatic!

I don't know if some of you have heard it - in Formula 1 they are talking about standardising engines, standardising engines in a sport that is funded by engine manufacturers! If I ask my sailors if you can go standard on a keel they'd go "Standard on a keel? Are you crazy?! That's the cool thing you know, developing keels!" And we are certainly not pampered by keel manufacturers - we are funding them, 100%. And we have to take a deep breath when it comes to these kind of measures. The guys next door, some of them are mentioning cutting their budgets from £200 million a year to £20 million a year. Mr Mosley said that last week. How can we do that in sailing? Maybe we have to.

The other thing, I guess my big message is: we are spending some time trying to map the sailing world, because actually we are all pretty much in the same boat. Sometimes we are in the same boat, sometimes we are in different boats and then we are back in the same boats again. Sometimes we're doing the Volvo Ocean Race, sometimes we're back in the Olympic Games, then some of us try Open 60s and then multihulls and then we're back in the Volvo Ocean Race. And I'm talking about people who actually make programs happen.

And to grow the sport we need to work together - it's absolutely so clear to me. And this event is

great, this seminar, because it is the first time we get to sit in the same room as, I think, every person involved in sailing and we just need to work together on so many different issues - whether it's TV production, whether it's development of media crew, whether it's tracking systems where we can save money instead of developing all our different systems for ourselves. Whether it's saving risks, whether it's all these difference issues we can save so much cost and we can learn from each other and, as has been mentioned before, even have a schedule where we don't clash our events all the time. We need to do that. One event cannot grow the sport, we can only do it together.

I thought I'd show - apparently elephants are the smartest animals on the planet, so I thought this was a good final slide to end my speech, but I guess with these words: we need to cut costs significantly, consolidate and work together. I think that's my big message today and I really hope over the next days that we build some relations and we can start meeting more frequently, and sit down and look at what we're doing and see what we can do together: How can we share things? How can we share knowledge? And how can we develop this sport together, because I think that's the only way we can grow the sport.

I'll just end with a little video clip from the first leg of the Volvo Ocean Race.

Shows video

Applause

Peter Montgomery - Knut, we'll ask you to go across and sit over with the panel please if you would. Boy! Like a breath of fresh air: Stimulating, invigorating, compelling. Sailing's lucky to have you, Knut. Wonderful! Thank you so much indeed.



WHAT ARE THE CRITICAL FACTORS TO ENSURE SUCCESSFUL COMMERCIAL EVENT MANAGEMENT

Panellists:

Christophe Baudry,
Communications Director,
Vendee Globe
Mark Turner, CEO, OC
Group
Stuart Quarrie, CEO,
Cowes Week
Knut Frostad, CEO, Volvo
Ocean Race

Peter Montgomery:

So following along with the future of yacht racing events with Knut we are going to have the 'Critical Factors to ensure a successful commercial event management'. So now to join the panel for our discussion it's my pleasure to invite Stuart Quarrie, Christophe Baudry, Mark Turner and we have already got Knut up there as well.

So Mark Turner is CEO of the OC Group, the Offshore Challenges Group, which he runs together with Ellen MacArthur, started at the same time, the group created to manage Ellen's benchmark sailing campaign

Kingfisher. And Mark and Ellen are running several campaigns that we will talk about and Mark has competed in Grand Prix events including the Whitbread and so I can't help thinking Mark - whatever happened to your Degree BSC in Physics and Maths from Exeter University all those years ago? But it must be helping you somewhere, this after being in the Royal Navy.

Also Stuart Quarrie - well, we are going to hear from Stuart in a moment. Stuart runs Cowes Week, which is the world's most famous and longest serving and largest sailing regatta: 8500 competitors, 1,000 yachts, up to 40 classes - and it goes on. It's a huge undertaking and we will hear from Stuart in a moment about how that all happens. He is a respected author and has a background also in the forerunner to the Volvo, the Whitbread, as well.

Christophe Baudry is a member from Vendee Globe and we are going to hear about that through Christophe and particularly some of the key information, we heard Keith talking about - the huge huge crowds before the fleet sets off around the world. So our panel of Stuart, Christophe, Mark and Knut - we'll open it up. But first we will hear from Stuart about this huge undertaking of Cowes Week and all that's involved.



Stuart Quarrie:

Thanks PJ.

Good morning everybody - it's a real pleasure to be here and an honour as well. Like the other speakers I never thought I would stand in front of so many great sailors. My personal background is that I was a professional sailor for a long time. My last job before Cowes Week was a navigator on one of the slower boats in the '98 Whitbread, *Brunel Sunergy*, where we had success in a couple of legs, but most of the time we were 1000 miles or so behind the leaders. But it was still one of the greatest things I have ever done.

Cowes Week, when I joined, I thought I would go there and do a couple of years, get bored and move on to something else. That's just over ten years ago now and I am still loving every moment of it, pushing the event forward. When

I took over the event it was slightly in the doldrums and what we do now really is listen to our competitors, our stakeholders, and try and make sure the next event and the next event after that, is still what people want.

Cowes Week has been going since 1826 - so there is a lot of history, a lot of baggage that goes with it and what we like to do is to take the best of the baggage with us and leave the worst behind and to try and keep going forward, so it keeps its history and its heritage, but is still meaningful to the modern day sailor. And that's really important.

Since 1964, Cowes Week has been in more or less the same format (I say more or less, very broadly): being run by ten clubs around Cowes and the Solent and we've gradually increased our numbers. Today we have round about 1000 boats. The year before last it was 998, this year it was 996 so we actually dropped a bit.

One of the things with our fleet is that we have a huge amount of return competitors, competitors coming to the event year after year and it is easy to become complacent because of that. But if you look around the world, there are lots of events, as previous speakers have already mentioned, some of them, where you get complacent and you can go fairly quickly from being an event people want to do, to something that is a bit boring and a bit stayed. So we really try to look forward.

We now have 40 classes round about - this year was 36 in fact, but it's that sort of number of classes and that creates its own challenges. 1000 boats in one fleet would be relatively easy to manage in some ways: 1000 boats in 40 classes is really quite hard. It produces challenges that smaller events just don't even start to think about. We have a mixture of one designs and handicap or rated classes, small boats, day boats of 6

metres or so, right the way through to super maxis and each year we have 10 percent international entries.

And we race in one of the biggest shipping channels in the world That is actually a photo during Cowes Week *[shows an image of Cowes Week with a ship in the middle of the racing]* - we try to manage that. In order to be allowed to run a 1000 boat event in the Solent in August – and for it still to be a commercial shipping venue - we have to of course work very closely with all of the commercial harbours around the Solent. That's a big container ship coming out of Southampton Water - and we work very closely with Associated British Ports, who run Southampton and one of their pilots actually works with us the whole week, to liaise with the pilots on the big ships, to make sure what we are doing they understand and the ships speed up and slow down as far as they are able to - normally about ten miles before anyone notices them slowing down or speeding up! - but it really does happen.

The 1000 boats are sailed by 8,500 competitors. Now that's a huge number of competitors and we can't please all of the competitors all of the time, but we do try to listen to as many as possible and to make sure that what we are doing is right. We have Olympic and World Champions racing against weekend sailors, families sailing together. We have 12 year olds right the way through the scale through to people even older than me! Of the crew, although we don't have accurate stats, we think that we have about a 20% international, non-UK crew, which makes it a truly international event.

Key message on that is the diversity. It's an event for everybody. Its not an elite event. It's not a world championship. It's an event where sailors of all levels, all abilities and all types can come

and sail and that's part of what we need to take forward. Above anything else Cowes Week is inclusive and fun, but it's also competitive racing and it's in fleet sizes that most people just don't get to sail in much of the time.

Now as well as the 8,500 sailors, we also have 100,000 visitors who come and visit Cowes, look at the racing and watch the racing. Now compared to what Knut was talking about in India that's a tiny number but, for most events that's pretty huge. We have 400 media accredited media on site during the event in an average year. We have community of sponsors that we work with - not just a title sponsor, but a real community, a family of sporting sponsors as well.

Part of the event, and part of what we try to do, is to attract the crowds and make the event better for the crowds, better for the media and we work really hard at doing that. It is hard with a 1000 boats. If you've got a small fleet, one of the ocean race fleets, you can actually start to look at the individuals within those so spectators can actually have their favourites. With 1000 boats in 40 classes, 8,500 sailors - that's much more difficult, but its part of what we really strive to do.

Probably if you are starting from scratch, Cowes wouldn't be the place you'd run Cowes Week on in the first place. It has its own challenges, but we have nearly 200 years of history, so we are not going to move Cowes...

We do get a lot of people watching the racing and one of the great things about Cowes, compared to a lot of other events, is that we can actually have some of the racing at least close to the shore, close enough where people can watch. And that's what Mark *[Turner]* will, I expect, be talking about later: we've had the iShares Cup at Cowes Week for the last couple years as an add-on to part of the Week and we are working

with OC and I hope that they will be with us next year. We work very hard to make it work for them. Last year in Cowes Week the iShares Cup was slightly out on a limb, it was a bit too far away, it was great racing, it created some great films with boats capsizing, pitchpoling and things, but it wasn't great for spectators. So if the iShares does come to Cowes this year, in 2009, then we have a formula that will make it much better for spectators as well. And that's really the way we are trying to drive Cowes Week forward - it has to be not only good for the competitors, but good for spectators and good for media as well.

In order for an event like Cowes Week to work, it's a logistical challenge - it's great fun though - we have a number of stakeholder groups. The most important of those is obviously the sailors, because without the sailors we don't have an event and without the event all the rest of it falls apart. Spectators are not quite as important, but they are still really important to us. This is not just spectators that come to Cowes, but spectators who visit our website, go online and look at how Cowes Week is working.

We also have a long term responsibility to the Isle of Wight and our local community because, like it or not, Cowes Week is part of Cowes and the Isle of Wight and it brings a huge amount of resource and money into the local economy. So some of the other stakeholders are the Isle of Wight residents and the businesses, especially those in Cowes, because without Cowes Week, Cowes would lose quite a chunk of itself. So we have a responsibility to make sure that side of things works as well.

The great thing is we have a wonderful team and we are all totally committed to making it work. That's not just the

professional team, the small number that work with me, but all the clubs, all the volunteer club members that belong to the ten clubs that manage Cowes Week - everybody is involved in order to make the whole thing work.

We view competitor feedback as absolutely vital and I think if we look back 10 or 15 years into Cowes Week and why it was slightly in the doldrums, I think it had not really taken that onboard. The organisers had got to the stage that perhaps they were organising Cowes Week because they could and they thought they should, not because it was what people wanted. What we do now, every year is we work really hard to get and then listen to the feedback from competitors.

Now we have got some challenges ahead of us and the current economic climate is obviously one of them. We've had a wonderful sponsor in Skandia for the last 14 years and working with Skandia has been a privilege and pleasure and between us we managed to take the event forward quite a long way. Cowes Week is now at the stage where we want to move it forward to the next stage.

After 14 years Skandia had to make a decision internally as to whether they carried on with their sponsorship of the British Olympic Team or whether they carried on with Cowes Week, because doing both was getting too much for them and they chose 2012 and British Olympic Team. So, one of our challenges at the moment is to find a replacement for Skandia.

But one of the things I would really like to say - not just to the people here, but to the media so the message really gets out - is that Cowes Week has been going since 1836. It was going a long, long time before we had a title sponsor and whether or not we have a title sponsor in 2009 - Cowes Week will be there. I might be trimming some of my

budgets, perhaps not quite as much as Max Mosley needs to, but I will be trimming the budgets and Cowes Week will certainly be there. Even in these tough times, we are still pretty hopeful that we will have a title sponsor. It's a great event, it produces great media coverage - it does have all the right elements to make it a sponsor-able event.

One of the other challenges that we face is how to use technology to make the event more interesting. Again we have already gone into looking into some of the things that are possible within a small boat fleet where the budgets are maybe a lot bigger than the budget of Cowes Week. Similarly we need to, and we have worked very hard on, making sure the technology is used in the best possible way for our event, that it doesn't become the driver in itself. It is very easy for technology to start to wag the tail and to drive the event in ways that perhaps you wouldn't want it to go.

So finally the importance of Cowes Week to the Isle of Wight - its worth about £60 million to the Isle of Wight economy, which again in terms of America's Cup is tiny, but in terms of Isle of Wight economy it is a huge chunk of Isle of Wight money and a significant part of that is in Cowes. So without Cowes Week, the Isle of Wight is going to be in a tougher situation.

That £60 million isn't just from people coming to Cowes during Cowes Week, because obviously if you do the maths, you think even sailors don't spend that much money, not even in the beer tents. But what we found, through a study done a few years ago with the South East Tourist Board, is that the media coverage that Cowes Week attracts, has a huge knock-on effect for the local economy, with people who have never heard of the Isle of Wight before they saw Cowes Week on television or in the newspapers,

coming to the Isle of Wight in November or December, in the quiet times when the island economy really needs it, as a direct result of having seen Cowes and the island through our media coverage.

So Cowes Week has evolved to adapt to its changing situation. It has evolved since 1826 when there were seven boats out on a two day Cowes Week and it will continue to do so. And again, as previous speakers have said, change is good. Change is where we need to be. But only change for the better.

Thank you

Applause

Peter Montgomery:

Excellent, thank you, Stuart.

Well to Mark Turner - if you could grab a microphone please and we will also move on with you. Apart your degree in maths and physics, we will get you to be multi-lingual with Christophe alongside you, if needed. But first - your group runs a number of events from the iShares Cup to the Barcelona World Race and the Artemis Transat, so the fundamental question to start - what are the critical factors to ensure successful commercial event management?

Mark Turner: First of all I think there are quite a few different models behind the events. It's pretty important to touch on that - for example to my right with the Vendee Globe (I did promise Christophe I wouldn't say this, but I am going to anyway) - the Vendee Globe is an event that exists for political reasons ultimately. It is a tool of the President of the region. The Volvo is an event that is owned and title sponsored and run by Volvo - which is again a completely different concept. Actually if you look across the breadth of all the different events, there are very

different models. In our own case we are a private company. If we don't actually manage to make it into the black, we will die and with it will go our events. But there you have to dig behind that skin first when you are looking at these different events.

In reality, from a revenue perspective, we are sponsorship funded. We have made a point in the last decade of the company existing of virtually avoided going into anywhere where there is actually private money, not because there is a problem with large parts of sailing being actually funded by private owners and their desires, but actually because I find it quite hard to actually manage that aspect of it, because logic tends to go out of the window and actually in the next few years we are going to see quite a bit of differentiation between those different parts of the sport for that reason.

So we started the commercially-funded space and that means we have to make it work every single day, and however well we make it work for the sponsor we have got to make it work even better the next time round. And sometimes that means it's painful. Sometimes it means you do it very well and sometimes you get it wrong. But from our perspective, while there are other revenue streams for sailing in our events, in reality things like TV rights - let's forget it.

As Knut said: the world we live in right now from a TV perspective, you, more often than not, are paying to be on TV. You are certainly not being paid. In merchandising, yes, there are possibilities going forward, certainly, on an event of the scale of the Volvo. I think probably the Puma deal actually works and pays on a pure commercial basis. In most events all those other revenue streams are pretty hard to make work.

So we are in it with sponsorship. Sponsorship has grown enormously as part of marketing spend in the last ten years. Actually we had some really interesting feedback from sponsors in the last few weeks, where they have been making the tough decisions between reducing advertising, reducing sponsorship and actually sponsorship might just be one of the core parts which hangs in there which they can build other things around. Advertising, unless you are doing it on a very big scale, these days, or you are very, very clever - actually the impact is lost.

So I'm pretty positive looking forwards that sponsorship is the main revenue stream for us, along with related partnerships with cities and venues which we talk about in the same pot. But we have to be better, smarter and there's no question the next few years is going to sort the sport out in a fairly big way, and eventually, a very positive way.

I very much agree with Knut. We change or die. We should have been changing five or 10 years ago, but we were all too greedy and spoilt to do it and now we need to do it. That would be a great thing for the sport in my opinion - from the sailors to the event organisers and everything in between.

Peter Montgomery: Picking up on the point Knut made before about sailing has got so many positive events. When you are selling sailing sponsorship is there a point of difference? When Knut was making this point, did it ring a bell with you?

Mark Turner: I think Knut and I are pretty well on an identical page on pretty well all the issues, to be honest. I think that sailing has absolutely some fantastic attributes. And in a more difficult and tighter budget spending environment...

Peter Montgomery: Which other sports, competing sports, don't have?

Mark Turner: I think with three of those for example. I think in the ocean racing side of things the concept of – a) the emotion which comes from ocean racing, that human story - which is lost in a great deal of sports, it actually sits in Hello magazine in a lot of sports - we've got real human endeavour and motivation and we have it 24 hours a day and we have it sometimes three months without stopping, sometimes for a month, or nine months in a total race. That is something supremely valuable and as Knut pointed out: new media, we were made for new media. It's a fantastic sport for that.

Right back from when Compuserve started in 1993, and all the forums it ran, sailing was the number one forum, all the way back in 1993 - because its just made for it: 24 hours a day following the action.

I think the second thing, which is a slightly dangerous one for us, but we are powered by the wind, we are not powered by oil. We, in theory, should be a fantastic sport from a sustainability and environmental point of view.

Peter Montgomery: Why - is it dangerous?

Mark Turner: Because actually we are not as sustainable as we perhaps would like to pretend: we fly all over the world, we build boats in fairly nasty ways – we are not that clean to be honest. So we need to be very careful about that point. But big picture...

Peter Montgomery: Because of the oil products to make the sails and stuff?

Mark Turner: The way technology is used and the travel – I mean the travel in our industry - we must be one of the worst

sports in the world for travel, in between events and everything else. We have got to get better at that and we have got to be smarter. We can't just ignore that, but at the same time, as a sport, we are supremely positioned because we are powered by the wind and note that the images and values that that portrays it is absolutely fantastic. But we must be careful.

And I think the third thing - there are many other USPes - for me is the ability - many, many sponsorships in sailing are B to B-based. In the Volvo the biggest team [Ericsson] is a B to B funded program. The public side of it is a way to enhance the value of the B to B experience – not the objective per say. What sailing has is a major inspirational value – you put your guests on a boat and they do it themselves.

As Nick Moloney - one of the skippers in the iShares Cup said: you are sticking the guys in a scrum of England versus France in the Rugby World Cup. Shirley's comment: you are putting them in a car with Lewis Hamilton. Very, very few sports have that - absolutely outstanding. And I think the B to B partnerships and sponsorships will endure through the tough years ahead.

For sure hospitality budgets will shrink, like everything else, but actually it's a very interesting fact from the iShares Cup this year: iShares are part of a bank, are very vigorous in the way they do their analysis. They survey every single VIP on their way out of that experience and 93% of the people that attended an iShares Cup as a guest said it was one of the top three hospitality experiences ever. Those guests have been to World Cups, Olympics - the lot, everything. And that is because they are on a boat, they are doing it, they are experiencing it. They are in amongst it, next to World Champions, America's Cup sailors

- they haven't got a clue who they are half the time.

Peter Montgomery: Are they people who have not sailed?

Mark Turner: 90+% are non-sailors – and this is critical. Knut and other people mentioned it this morning. Let's forget the sailing audience. We are only going to survive if we appeal to the non-sailors. That is the only way for the future. So you have got to think differently. And with all due respect ISAF and what it does to the Olympics, I kind of get the impression at the moment that perhaps the tail is wagging the dog – IOC has got a grip on a large part of our sport.

No question of the importance of the Olympics; no question of the great work ISAF do in that pyramid of training and everything that goes in, along with the RYAs of the world, but on the big picture, and where the commercial funding is going to come from - we need leadership and we need change, and that clearly is not going to come from ISAF if we are simply focused on keeping ten boats or 11 boats in the Olympics. We need to look differently on it, and I think there are some people working on that. To my left [he refers to Knut] there are some great things happening in the Volvo and together we need to make that work

Peter Montgomery: Please keep that microphone Mark – just in case you need to translate. How do you explain - we heard from Keith Mills earlier and I know many other people – I would love to go to the start of the Vendee Globe. I know Tim Jeffery, my friend, was telling me - you have got to go to see it to experience it, having half a million people when they start and disappear for all those days... I mean how do you account for such huge interest in France for a race that people don't interact with?

Christophe Baudry: First of all that was not just half a million people - that was one million people coming into the village on the start of the Vendee Globe race in Les Sables d'Olonne – one million.

I come back on one thing that Mark talked about - he says, okay the Vendee Globe is for political reasons. It is not simply for political reasons. The main thing is that it exists for the spectators, the public. The first thing of all - the start village is open to everybody. It's completely open access, including the pontoons. The people have the feeling that they can touch the boats and [come] cross all the skippers on the pontoons. There was a hospitality area of course for this edition, we had a part for the hospitality, but the main part of the village is open. It is an event for the public and for the skippers.

Peter Montgomery: And what role did the local community or the local authorities play in getting all this huge, huge interest?

Christophe Baudry: We belong to the local authority, so that means we have the support - it's the first thing. But it is due to the support of the local authority on all the facts, the things that they can add. For example they add an exhibition area, an education area - they are really involved on the race and on the course.

Peter Montgomery: Now the Vendee Globe has a real reputation for being very, very French. Do you try and encourage international involvement of sailors from other countries, as well, to make it really international?

Christophe Baudry: Indeed we are French and all the things start from France, with French skippers and we take the benefit of 40 years of singlehanded history in France with Tabarly, etc etc.

But due to the fact that we have 13 teams from abroad this year, we change step by step at this level. This means that for this edition all the website is in English and French, with English writers. And all the daily reports, weekly reports, video are provided to broadcasters in French and in English and with an international version.

Also, there is a huge gap between this edition and the last one. We know we have to do more – we have to progress with this internationalisation. The main thing for us is to have international skippers, but we know that we have to do more, but again it's a huge gap between this one and the last one or 1989, the first.

Peter Montgomery: It really is a wonderful event – right we'll open it up now. Are there any questions you would like to ask? If I can't quite see you maybe I can get James and others to give us a shout and I'll find our people that may want to ask questions and will get back to Knut and ask how he is going to cut costs – if no one else asks that, I know I will be.

Thank you, I can see you.

Question from the floor - David Brunskill, FICO:

My name is David Brunskill. I represent an organisation called FICO, which is a sort of loose club of oceanic race organisers and it has been established for quite a long time. Its not very well known in the Anglophile world, but what it does do is provide expertise primarily for people like Mark Turner, who we've worked with, and our members have helped set up the Baltic Sprint Cup.

So there is lots of expertise around, and it is an organisation of organisers, but what it helps people do effectively is control their cost side, which we haven't heard a lot about yet, and it

prevents people from having to re-invent the wheel.

Now what I think I would love to know, because we are in such a time of change, is whether there is perhaps now a need for some sort of organisation, some sort or more visible organisation of race organisers, to help not police the sport, because we found out in FICO that we can't control the calendar - it just doesn't work (organisers have got their own views and they do things when they want to) - but certainly to maintain a body of expertise which could lead into having expertise worldwide in TV development, sailing instructions development - it doesn't really matter, but it's having that body of expertise, so that race organisers don't have to re-invent the wheel all the time and they can network effectively all the time and they can build on the good work that has been done by this Forum, So that's my question - do we need that sort of organisation?

Peter Montgomery: Right Knut, you first please.

Knut Frostad: Yes, it would be great if we had a good and efficient organisation that we could work with. I don't think all sailing events can work together, but I think some of us can work together. And obviously if you have a Forum and could identify the schedule - that is a very clear issue, there are certain conflicts there that could be avoided if possible and we need an organisation for that. So I definitely welcome that, absolutely.

Peter Montgomery: Were you also getting at safety? Is that what you were meaning as well? I wasn't sure whether you had an undercurrent of safety there as well?

David Brunskill: Well, safety is an issue for especially oceanic events. Certainly FICO were very

much involved in the initial changes to the IMOCA rule about 12 years ago after problems in the South Atlantic. And FICO was critically questioned by ISAF after all the problems with ORMA 60 trimarans in the Route du Rhum six years ago. So, yes, there is a safety issue and there are rules issues, where having a body of expertise is certainly very valuable. But I just think in a collection of people like this, it's not just about safety, it's about – how do you run in an oceanic race, a really good Ops room, etc. We've got people who are members – Mark [Turner] is doing that wonderfully with the Barcelona World Race and a number of other events. I'm a member of the Royal Ocean Racing Club - we now have trackers on all of our major events. So there is lots and lots of stuff happening and certainly if it's going to develop into all the new areas and territories, where we think it should, all of those sorts of technologies, there will be event organisers that haven't seen things, that haven't got the contacts, that haven't made them work for themselves. So that's why I think whether it's at a marketing level, TV or safety - I think there is scope for some sort of organisation. FICO are probably the wrong people to do it, it needs a new sort of catalyst. We have got a tiny bit of money, but certainly I think it would be good for the sport.

Peter Montgomery: Mark, what would your response be? And then we'll get Christophe's as well.

Mark Turner: In an ideal world, the Federation which governs the sport would be showing the way. Sadly I think that ISAF is so disconnected with the rest of our world and the sport - if its not ISAF today and I can't see it being ISAF in the next decade, but I would still support development and evolution at ISAF, that meant it could become that leadership figure in the future. Because I

think the sport suffers, because it doesn't have that. Viewed from the outside, there is too much chaos and there isn't a Federation at the top of it, because it is pretty busy doing something very important, but not actually looking at the rest of the sport.

In practical terms I'm 100% with Knut, I think a good thing, which will come from a lot more pressure, commercial pressure, will be more organisations working together. I think we have already anyway in the last five years seen a lot of evolution in the way I guess the separation between the clutter of lots of events, all of them very important and all working very well at different levels, amateur-professional and then the majors that come through to the top. When people say to me, "sailing's so confusing, there are so events, too many classes" - well actually motor sport is pretty confusing as well, if you list all the different parts of motor sport. But there has been a natural order and actually most people in the street can identify two or three events at the top of that tree and it works. It well works well enough.

We can't change the nature of our sport. It is complicated and great by its diversity, which is a strength, but sometimes it's viewed as a weakness. I think that in reality things like IMOCA for example, a decade ago the IMOCA class was pretty disorganised, the rules were pretty dangerous from a safety perspective – the boats were doing pretty dangerous things, so you can't legislate against the danger, its part of the reason why we are there. But the events side of things: ad hoc races here and there, everything built around one race: the Vendee Globe. The Vendee Globe is absolutely the pinnacle in the IMOCA circuit, but today, through hook or crook and a lot of hard work – Luc Talbourdet is here in the audience, who was the President of the class for the last

four years. We are all volunteers in it, but one way or another, there is a circuit now with a dozen events over four years, they are professional, the campaigns are professional, the communications are professional. It has got its politics. It has a French heart and you can't be French without politics – the two go together! I've got a French wife so I know very well! But it has really, really evolved and there is a process for the events that are in the Championship.

All those things are good things and that comes with the professionalisation of the sport and I think those things will endure now and serve us really well going forward.

But it needs more collaboration. There was a discussion four years ago - maybe it was a bit ahead of its time, and it probably has lost its relevance now - where we were trying to actually bring the IMOCA circuit together with Volvo, and actually integrate the two both on a commercial and a sporting level. That would have transformed ocean racing for me. It didn't happen. Perhaps the vision wasn't shared by enough people, but we got as far as a very French IMOCA executive at the time, sitting in Portsmouth having a discussion with Glenn [Bourke] and that was mind-blowing for me that we actually got that far with it. It's a shame it didn't happen, as actually right now we would be looking in really great shape if it had. But I think those kind of things will happen.

So those kinds of discussions are happening. I think that commercial organisations in particular are more able, very sponsorship-focused organisations are able to work more easily together in reality. One things for sure is any organisation – and I'm sorry to pick on you Goran, it's very unfair, but you have inherited that – anything that requires people around a table to agree, or

however many committees, isn't the thing which is going to get us to the next phase in this sport – I mean never, because it doesn't work like that. And that is where the role of the commercial part of the sport is going to be critical for the next few years, because we can get actually on with things, take risks, do the wrong thing sometimes as well and still survive and not actually need to have perhaps quite such a democratic process, which is probably not the best process to deal with the kind of challenges we've got in the next few years.

Peter Montgomery: A lot of ISAF-bashing here, Goran – it's like asking you to dance and play in the orchestra at the same time! I know you have got a difficult challenge. Christophe - what's your thoughts on that, just what Knut and Mark have talked about?

Christophe Baudry: I completely agree on that. I'll just take one example. We should have negotiated with Knut over the provider of the game because we would be richer now! I completely agree that there is a lot of work to do about a way to film on board, the place of cameras, those kind of things which seem to be so simple, but we have to work together. Also we have to work together on the schedule, because this year we are in the same year with the Volvo Ocean Race and the Vendee Race. I saw that with the next one it will not be the case, but we have to work together I think.

Peter Montgomery: Right are there are any more questions just before we break for lunch? Ah sorry yes, can we get a microphone there please?

Question from the floor - **Rune Jacobsen**, Boston Consulting Group: First of all I'd like to say that I think it's is a very, very good discussion and I think lots of key issues and challenges have been mentioned here. My name is Rune

Jacobsen, I am a partner with the BCG, supporting Knut and the management of Volvo Ocean Race, trying to move the course forward. It's a question about - what is really going to drive, what is going to make a difference now - and again you have been touching into a lot of different things here.

If we go into the past now and look into the America's Cup and also the Volvo Ocean Race, we see that it has mainly been the corporate hospitality that has been driving the revenues. What you did mention Knut and you had a lot of nice pictures of the Puma boat there, but this time Puma, one of the strongest global consumer brands, is in the race and they are doing a fantastic job in terms of marketing and branding is.

So my question is - I think that is something that will change the Volvo Ocean Race and also the future of sailing going forwards - if we are able to attract the best global brands, the best companies that know how to market, that know how to communicate - and if you think about that from different perspectives: the consumer brands attracting the kids, attracting the young people. So my question is to Christophe and to Mark – you have touched upon it - from your perspective, how do you best attract those consumer brands in the future?

Christophe Baudry: I think that the exposure of the Vendee Globe race supports that for French companies like that: it is evident, obvious that that is the place to be. You can see that Groupe Bel, for example, on the Vendee Globe, they didn't hesitate to come on this race. For global brands today, it's as I said before, we have to do more in an international way to push.

Mark Turner: I think actually the Vendee Globe is very much a consumer brand event - different

to perhaps a lot of other events that do exist - and it has traditionally been that. The size of the company is growing over time as the budgets have increased. Its ceiling is actually where it is now in that it has to become more of a global property in order for the budgets, if they were to continue to increase, which has got a natural curve that you probably can't stop. Then it has to do more to recoup that, but today the Vendee Globe is full of consumer brands, but perhaps not the global ones that we are all used to seeing.

I think generally it just comes back every time to the same points: we've got to make the sport more sexy, we've got to make it appeal more to young people, we've got to break all the rules, forget the taboos - we've got to change it. Take kite surfing - kite surfing is the coolest thing, it is part of the same gig, and there are various projects going on where we might see some radical change in how kite surfing actually integrates with the sailing from what we are used to seeing.

We have got to appeal to the youngsters. I had a really interesting discussion with Sid Bensala who runs the Dubai Ocean Marine Club. They have in Dubai a lot of funding behind them, managed to get big youth programs going, lots of young kids – great. (We had some good thoughts on that earlier from Tim Coventry. There is some really great work going on.) Do you know what he said? We had all those kids sailing, we had 600 Optimists, we had kids being picked up from school and they get to 15 years old – not sexy enough, we never see them again. Olympic Games? Doesn't work for them. They can't see a future career – they can't see a career after the Olympics – because only a few people get to make a career out of the Olympics, only the very, very top people.

Actually, it may well be working well at getting the kids out and everything else, and I agree the sport is fantastic for that, but we've got to make it sexier and for consumer brands that's everything that its about. We've got to make it interesting for everybody, whether they care about sailing or not. We are a long way from that now. We need lots of ideas and we need to work that very hard. I think you do have to look at this age group issue – where, yes, I think there is some great work going on at the bottom end and encouraging kids to get into it, it is about role models, it is about big events like the Volvo Ocean Race, it is about heroes, whether its ocean racing or Olympic heroes. But actually where we are really not addressing is - how is it cool? What is it that stops you taking up snowboarding instead and not bothering to go back to your boat?

Peter Montgomery: When they are 15 you are saying – they are just lost, they go?

Mark Turner: I am the parent of a very young baby, so I haven't experienced the teenage bit yet - I don't know whether its 14 or 16 or 19, but I don't think we are hanging onto those people very well at all, because we haven't evolved as a sport. We need to change that. But there are a lot of aspects to that. We discovered something really amazing this year in the iShares Cup. We had Ed Baird, we had double Olympic Gold medallists like Shirley [Robertson], all sorts of people. And we had downwind starts, 12 minute races, six races a day, we raced in places where the wind was doing 90 degree wind shifts in four knots of wind. We raced in just about every kind of venue that you would never image sailing in and actually – the good guys won. The sailors absolutely loved it. They had to create new tactics, new ways to do it and everything else. And you know we still had a

P flag up and not a thing that said '3 minutes to go'. Some of those things – we are just so far behind. We have to take it from a different perspective, but the sailors themselves I think are really ready for big change. And if they weren't ready already, then the economic pressure coming up will make them ready, or at least - and at least the ones who are going to still be in the sport with a career in a couple of years. So good things, good change to come I think, but we've got to make it sexier, we've got to make it more interesting and as Knut says, that doesn't mean dumbing down, but it means appealing at some different levels and communicating in different ways to those levels.

Peter Montgomery: It is important that not everyone is going to be a rock star helmsman either, with a singlehanded dinghy at the Olympics or on the handlebars of an America's Cup boat or a Volvo boat, because all those boats need 5 or 18 blokes.

Mark Turner: Nationality is a key driver and unfortunately with the sport becoming very professional, we have lost the nationality play outside of the Olympics. And that is a real shame, because there is no question media-wise, it's a huge driver. I don't know how we can back track from that in the commercially-funded part of the sport and I'm not sure if that is necessarily possible. But when you get to the Olympics - why haven't we got one boat? To be honest I'm not someone who believes we need 11 classes. I'm not an Olympic sailor so I don't have that self-interest, I don't have the drive on that point, but in reality what we need in the Olympics - why haven't we got one boat, it can be absolutely one design, its got 7 or 8 people on it and a very different thing?

I don't understand why we have left the Olympics in that zone. You don't have to have thousands

of those boats all over the world in order to make it make sense, if you keep it cheap and make it work. But it seems we are not even close to having those kind of debates right now.

Peter Montgomery: At the Forum next door right now, all those big campaigns all got multinational teams, but they still retain the nationality thing too as another way.

Right are there any more questions or shall we break for lunch. Very interest stuff – we'll have one more question and then we'll take a break for lunch. Just reminding you that we've got cocktails from around 18.30 along at the Monaco Meridien and before that's set to go at around 16.00 is 'what is the future of the America's Cup?'

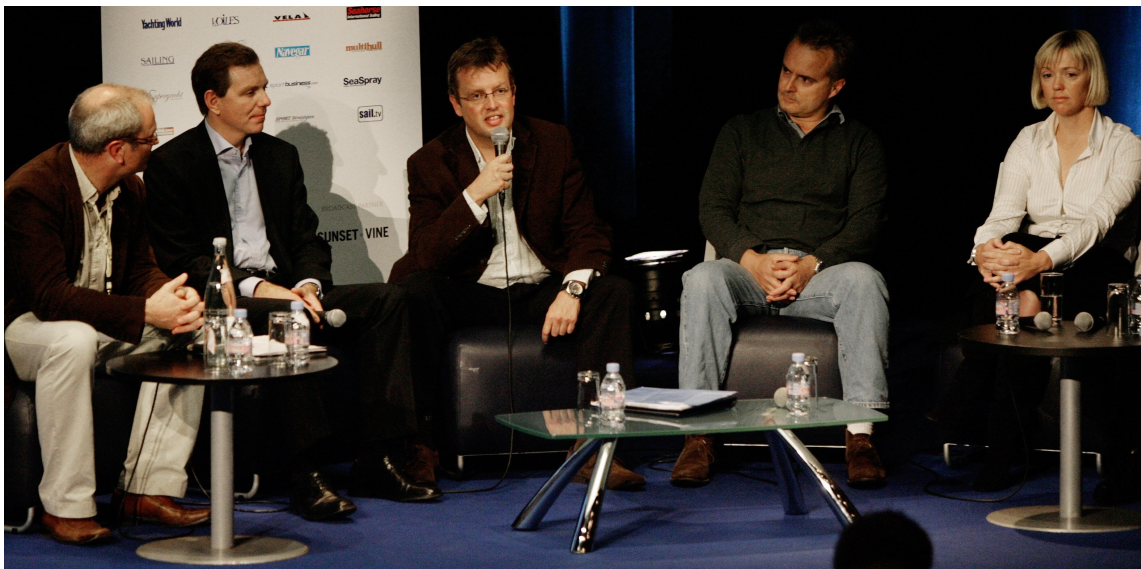
Question from the floor: **Paul Strzelecki**, Henri Lloyd.

This is Paul Strzelecki. Just to pick up on a couple of points that Mark and Knut have mentioned. If a sport like cricket, which is very complicated, very slow, can start to reinvent itself with 20-20, which is amazing that the Volvo Ocean Race is in India, where 20-20 is really taking off – surely sailing can do the same sort of thing with the initiatives like iShares and various other events. But there is a lot more we could do.

Peter Montgomery: You could argue that cricket has more traditionalists than sailing. You could argue that. Your second point?

Paul Strzelecki: No, that was it!

Peter Montgomery: Fine, okay. Very good and a very special thank you to Christophe and to Mark and to Stuart and to Knut – you are a breath of fresh air Knut, you've fired us all up. Wonderful - thank you gentlemen.



HOW CAN WE IMPROVE THE EXPOSURE AND INTEREST OF SAILING TO BROADCAST AND MEDIA?

Panellists:

Shirley Robertson

professional sailor, TV presenter

Marcus Hutchinson

Communications Director, Volvo Ocean Race

Cliff Webb

CEO, 1080 Media

James Boyd

Editor and Publisher, thedailysail.com

Richard Simmons

Joint MD, Sunset & Vine/APP

Peter Montgomery

radio journalist

Peter Montgomery: 'The exposure and of interest in sailing to broadcast and the media' - which is a very good question. It's my pleasure to introduce the moderator for the session - Bernard Schopfer, who is the Media Director here of the World Yacht Racing Forum – Bernard.

Bernard Schopfer: Thank you Peter. If you can immediately

come and join us, because you are such an expert, we wouldn't want to have this debate without you.

Our panellists today are Shirley Robertson, Marcus Hutchinson, Cliff Webb, James Boyd, who replaces Andrew Hurst, who is excused, and Richard Simmons. Thank you all for joining. A few brief words about each one of you:

Shirley Robertson is of course one of the greatest female sailors in Olympic history with two Olympic Gold Medals. Shirley also has a very successful career, completely different, in the media world as a presenter of the CNN Mainsail program, also a commentator on BBC. She commented on the Olympic Games regatta.

Marcus Hutchinson is very well known of course. Currently the Director of Communications for the Volvo Ocean Race, Marcus has been involved at the top level of communications for the America's Cup for many years and also in the TP52 circuit and many regattas all over the world

Cliff Webb is the founder of 1080 Media. Cliff is focused on TV production and distribution on internet and on television, so we will be very interested in listening to his system of bringing sailing to television. He films amongst others, the World Match Racing

Tour. He has been involved with Rolex regattas and with last the America's Cup.

James Boyd is replacing Andrew Hurst, as I said. James is Editor of thedailysail.com, which I was going to say about Andrew Hurst - it's the Bible for anybody serious about yacht racing, but I can say that no doubt about James Boyd's Daily Sail.

Finally Richard Simmons is the joint Managing Director of APP/Sunset & Vine and Richard can be seen on pontoons all over the world, whenever there is a top level regatta. And he produces TV footage also for television and internet.

So we have a great panel of speakers that represent one event organiser, two TV producers, one TV commentator and journalist specialised in the America's Cup and sailing in general, one TV journalist and professional sailor and finally one representative of print/online media. So I think it is very balanced to discuss sailing coverage in the media in general. And of course we want to have your feedback, your input and all of your questions. So I am going to start with a question to all of you: we have been discussing this morning the assets of sailing. I would like to get a little bit more in detail with that. What is actually the media value of the sport of

sailing? What are the sport's main assets? And we start with James Boyd please.

James Boyd – Well good afternoon everyone to this amazing event. It is fantastic to see everyone here. I suppose listening to this morning's debate there have been a tremendous number of occasions where you were thinking 'well, I was about to say that'.

I suppose one of the biggest messages which I can give, as somebody who is involved with the media, is that most general media – we obviously get deeply involved in the sports side of what we do, but really in terms of general media its largely disaster which makes the headlines, which is obviously a very sad thing and unfortunately sports tend to be very much relegated to the sports pages and its very, very rare it actually breaks out.

The most notable exception in the UK has obviously been the Ellen MacArthur phenomenon, when she finished her Vendee Globe and also when she subsequently did her singlehanded round the world non-stop record attempt - she was literally on the front page of the media for two or three weeks, which seems much more than any regular sport events, even possibly the amazing achievements of Team GBR in the last couple of Olympics. So just because we have an amazing sports event, whether it the Olympics up to offshore or whatever it is, you can't guarantee you are going to get coverage. Knut was giving the example earlier on of how, when they started leg two of the VOR it happened to coincide with this piracy act in Somalia and that immediately elevated the Volvo Ocean Race into the news pages rather than the sports pages and I think that not nearly enough is done within our sport generally to actually try and promote it from the sports pages into the news

pages. So that's my main point today.

Bernard Schopfer: Thanks James, Cliff perhaps you want to answer the question a bit more precisely - what are the sports assets? What is the media value of our sport?

Cliff Webb – That's a tough question isn't it? I think from my perspective - I have been working on the World Match Racing Tour for the last few years and I think undoubtedly there the assets are the sailors obviously. I think you are absolutely right, James, that we need to build the characters in the sport and get these out into the general public. On the Tour its effectively one design racing, the boats are all the same and so you can't go on about the big boats and the glamour of the boats and the money that's involved and so on. And we haven't got offshore racing. These guys do an amazing job with the offshore races. They certainly are singlehanded, these are the stars of the sport - we've got to promote the sailors.

As to values – well, its difficult to measure. You can believe whatever statistics you want that people conjure up: how many million households view whatever television stations and so on. Using the same technique that everyone else uses, we are looking at somewhere around the region of \$10 million per World Tour event at the moment for the match racing. And that's not a bad return. But if we get down into the real details of it, it will be interesting to see how the advertisers view that who advertise around the programming and so on. So I think it's a very broad question. Personally I think the events are an asset in themselves, if they are run well, if they are organised well, if the conditions are great - that's a fantastic asset. But for me it's the sailors - they are the stars of the show and we have got to build those guys up.

Bernard Schopfer: Thank you Cliff. Richard?

Richard Simmonds – Thank you Bernard. I guess we were here about a month ago and in this building with about 150 broadcasters from around the world who come to an annual show called Sportel. And it is where you promote what you have got. And what we've got is the sport of sailing. And I made some notes - its quite interesting, what people at that show thought the assets are in this sport. And some of this may ring some bells with, what Mark Turner was saying, in particular.

"Great pictures, inspirational people, compelling narrative" that was Sky. "Jaw dropping images, powerful, inspirational."

How about this one? "Hard to understand, small audience." That's worth noting, isn't it? And that's from an Asian channel.

"Sailing is what we want to use to attract top end sponsorship" - another Asian channel.

What people come to us, when we are talking about this sport, is the people, is the stories and I think what Knut was saying, I could not agree more with the concept of the Volvo Ocean Race. Sailing has got some extraordinary stories and only recently have they started to come out. Technology is helping and technology is an asset, but let's be careful, because technology can almost kill the mystery.

If we use technology, one of the greatest assets, too much, some of the surprise, some of the inspiration/perception will disappear, it will all seem too easy. So to summarise I think you might see a trend here: this sport is about people. It is our combined jobs to make those people, the stars they truly are. Very few get there. Technology is a tool - don't over use it.

And if I may use one more sentence: today at this conference I think is valuable, but it will only be really valuable if there is action afterwards. We have done two things in the last couple of years that resonate and worked - I say 'we', its far more than our company. We took people sailing to meet the sailors. We took people on an Open 60 - they met Alex Thomson, they met Nick Moloney, they met Seb Josse. Those people went on to those boats, intriguing a day out... Every single one of them has committed in some way to cover our sport. Just think after the end of this conference, if between us we could get more people onto our boats, at our events, and sell our sport - because you can't sell it off the page.

Bernard Schopfer: Thanks Richard. We are going to talk in detail about the actors of the sport, the people that you mentioned, later on in this debate, how they can understand the sport and the role that they can play. I think it's a very interesting topic. Marcus Hutchinson - your take on the same question? Travelling the world, you see it from a very different perspective.

Marcus Hutchinson – It's not that I want to challenge what I have heard here from my colleagues beside me, but there are other elements to it. There is no question that all of these sports and all of the media is interested in people nowadays. There is a sort of celebrity culture, which really helps a lot of people to try and get the story: 'you've got to find me an angle here'. I am very anti the dumbing-down of our sport. I think it has huge huge potential that is untapped in all of the elements that it is. It is a mechanised sport - it obviously has its history in sea trade and we have so many parallel agendas, parallel programs we can use for application or helping people understand more about the environment, the

oceans and linking people around the place.

I have had the good fortune to work on the America's Cup for a long time and I have just changed horses to the Volvo Ocean Race, which really couldn't be more different in terms of the kind of media that you are dealing with. I have dealt with - how shall I say it? - a sanitised group of media that have been brought to America's Cup events in various places, which is obviously the very high end level of the sport.

Well Knut and I two days ago where in India. We saw some of the video footage there. One of the people who works with me in the media centre there bought me up a newspaper in the media centre in Cochin the other day and opened up the page and said 'look - the print run of this paper is 1.7 million every day' and she opened up the page and there is a full page inside there with editorial and pictures all about the Volvo Ocean Race. And she was really excited about it. I said 'that's fantastic, but you know what - 1.7 million circulation, that's not even 1% of the population of India. Its insignificant in the big scheme of things. Now if we had a 1.7 million circulation newspaper in western Europe and we got a full page in there - we were in this every day by the way - we would be overwhelmed with positive media comeback. So it's very important to keep these things under control, as to exactly what the balances are. None of that was about people - that was about the race, where they come from, that was about why they do it, that was about why they came to India. We engaged with a lot of people there - I am not going to go on about India too much longer – but we engaged in a lot of people there that never touched the sport before. We are off to Singapore in a couple of weeks and then Qingdao, where obviously everyone knows all about the Olympics. But there is so much

more out there than celebrities and personalities that this sport has to offer and I really want to challenge that this is just about people. It's an awful lot more than that.

Bernard Schopfer: Thank you Marcus, Finally I will ask the same question to Shirley. As well a professional sailor and a TV person and also there's the women's point of view on the same question, which will be interesting. Do you agree with what got said till now?

Shirley Robertson: Coming last is tricky, huh? I present a program called Mainsail on CNN International. A few months ago they had a meeting in Atlanta - our program is made in London - a big meeting in Atlanta, with all of the Directors, and one of the questions that came up was 'why the hell do we do a sailing program?' And they didn't really understand how it sort of fitted in and I really feel that we almost cling to having that program and we just about manage to keep it. The reason that we keep that program is because it's so visual, because it looks so good and we saw an element of that in Knut's presentation - the pictures were fantastic.

In our show we rely on the quality of the production from other people, from Sunset & Vine and from Cliff as well. And you are right, I think it's just not about people, it's about the art, it's about the pictures, and that's something which our sport has and I don't think we should forget that. It was a wake up call for me to see such high quality production today.

It is also about the people and I think another reason we keep our program is that sailing is quite top end. We have an upmarket viewer and for Rolex and CNN that is really important. But it is also important to harness those people.

And I completely agree with Richard. Last week I did an interview with Sam Davies and Mike Golding, who are currently doing the Vendee. And Mike had had a shave and everything, he looked really casual and he told me what he had for his lunch and it just looked too easy. And Richard is absolutely right - like everyone I am absolutely glued especially to the Volvo website and to the game, but we have to be careful with the mystery. I always remember Ellen coming back and we had heard audio from Ellen, but we hadn't seen many pictures and then she appeared and you read her book and there was much more of a sense of adventure than perhaps we have now. So all of us here, and even organisers, have to be careful to maintain that balance.

Bernard Schopfer – Thank you Shirley, PJ, unless you have something to add on that topic, we've pretty well defined the values, the assets of our sport. An element that comes immediately after it is the hierarchy. Unfortunately, or probably it is just a normal thing in every sport, in car racing next door they have the same discussion. What actually is the hierarchy of the sport of yacht racing? From a media point of view? What are the events that will make it?

Peter Montgomery. Well, I think the America's Cup, the Volvo and the Olympics, universally across most places in the world – those would be the big three. But there are others too. Quite obviously in France, the Vendee is huge and some of the other transatlantic races, whether solo or fully crewed get a lot of attention. One of the things is that there are areas like France or Spain, where there is a lot more interest than in other parts of the world. One of the big affairs that I've got is that so many of the sports desks now, whatever persuasion of the media you want to talk with - the written press, or

radio or television - are driven by sports editors with a stadium background and whether or not they are thinking soccer/football or rugby or cricket or whatever it might be and they think sailing is for the rich wealthy elite or they have got the wrong idea about sailing. And I think that is a major challenge and penalised us quite a lot in keeping it in the mainstream.

No doubt we will hear from Cliff and the others about the narrow-casting, but if we want broadcasting - and that is to get it out to the wider area, and to be genuinely in the sports pages or the sports news bulletins - then that is the challenge.

Bernard Schopfer – Marcus, you are fully involved in this right now with the Volvo Ocean Race. Do you feel this hierarchy and this competition for space, fighting other events, like the Vendee Globe, for example?

Marcus Hutchinson – Well, there is no question, there is no point at all in trying to promote the Volvo Ocean Race in France right now, this week. But luckily, we don't have exactly the same time scale. We are going to be running until the end of June next year, so we will be winding up France a little bit later.

There are so many different events and in terms of a hierarchy, it is about the period of time you are talking about. Right now Vendee Globe and Volvo Ocean Race are top of the pile and regrettably America's Cup has fallen off main stream people's radar, but only two years ago, if you think that the America's Cup was the biggest thing that had ever happened to sailing in Western Europe, and it probably was from a financial and commercial and public engagement point of view.

Who is top of the pile at any one time? I think it is a survival of the fittest and the one who's working hardest at that particular time and

who's moment it is, is going to be top of the pops. I don't know we necessarily have to have a hierarchy - there are so many different disciplines in this great sport of ours. It is our challenge, we've heard this morning, but it is one of the riches we have, is that we have a whole range of things we can talk about.

The exploits of Ben and the people at the Olympic Games, who kept us up very early in the morning watching and had many people in tears. And when I saw the boats cross the finish line in India last week and all of the people there and the tears on the last person's boat, because they came into this incredible reception... Emotion is everywhere and it is not about trying to find a hierarchy. It's about who is current or who is active at the moment.

Bernard Schopfer: You are fully active at the moment? Do you struggle to find space in the media or is it fairly easy...

Marcus Hutchinson: ...It is never easy. We are in India right now. There is no point in flying a lot of media from Europe to see what's happening in India, because it is very expensive to bring media to come and see that.

But the Volvo Ocean Race is very different from other events that are in one place. We talk about the Vendee Globe – that starts and finishes in the same port and their headquarters and media centre for the race is in the centre of Paris, so it is very easy to stay associated with that if you are in France. Whereas we are a little bit more challenged, because we are in different time zones, in different hemispheres, in different parts of the world, over the next eight months or whatever remains in this race and it is difficult to engage people when you are on the other side of the world, when you don't have the national interest back at home.

The Volvo Ocean Race now obviously is a brand-led thing. There are not national flags. We have a couple of teams that claim to be Nordic or international or Spanish, but really it is the brands that are driving this and the nationalistic angle is something that works quite well when you can, but when you get to these far flung ports, it is really about the adventure that has gone into getting there.

Bernard Schopfer – James Boyd, you are a publisher, you need to have a readership for your website to work well, subscribers, so you need to have the best news on the homepage. How do you choose? We are going back to that hierarchy question. Some events are more important than others, some will sell better than others. What is it that counts most for you.

James Boyd – Quite clearly there are obviously some major events. An interesting observation is – and I haven't done the maths on it, but I would think that there is something like twice the number of sailing events on the calendar than there were 10 years ago. I don't know if anyone has got any hard numbers on that. If you look at the advent of all the new classes like the TP52, the GP42s, and all these other classes I would think there are getting on for twice the number of events.

In terms of a hierarchy, obviously it is as PJ was saying: America's Cup is top of the inshore match racing world, you have the Olympics which is very high, but this is a constantly evolving thing. I think the America's Cup has grown massively as an event since it came to Europe. Then we have the whole offshore world. But is the pinnacle of offshore sailing the Vendee Globe or is it the Volvo? This is one of the problems which I think faces the broad media – is actually trying to ascertain what is the pinnacle of sailing. And who is the best sailor? Is it Ben Ainslie, is

it Russell Coutts, is it Michel Desjoyeaux? Who actually is the best sailor in the world? I think that this is a question that is probably unanswerable within our sport.

I think another problem in terms of how the general national media look at this at the moment is that we have this ridiculous clash at the moment between the Vendee Globe and the Volvo. It is not like we are looking at twice the amount of space because there are two major events happening. And unfortunately at the moment there is no overall body with the power to say 'yes you will do that on that date' or 'no, you can't do that because it clashes with the Volvo or it clashes with Vendee'. We have seen this in the Open 60 class for a long time where the Around Alone clashed with the Route du Rhum and there are many many other examples within our sport. Referring back to a point Mark Turner made earlier, other than ISAF suddenly being empowered to take on this role with inshore or offshore big boat sailing, I don't how see we are going to come to some resolution of that.

But it is very hard. If you take offshore sailing, round the world sailing – there are a lot of events pitching themselves as being the 'ultimate challenge'. The Volvo, 'Life at the Extreme' - clearly a very tough event, but if you are talking to the sports editor of a national newspaper, is that harder than the Vendee? Is it harder even than the Global Challenge, which sent amateur people round the world in the opposite direction? It is a very hard one to explain to a non-specialist audience. I don't know what the solution is to this. We obviously are a diverse, a rich sport, but also we can be an extreme confusing sport to the general media.

Bernard Schopfer: Shirley and PJ - you have the same questions, editorial meetings where you

discuss the editorial content of your next show. How does it work? What makes you decide to cover one event and not another?

Shirley Robertson: Well, the truth is often that we often don't have the resources to film an event ourselves, so we are reliant on what we get. We know that if we go to Alicante to the Volvo Ocean Race that we will get some really good footage and our piece is going to look great. That so often is actually the reality. It is not always like that. We can only go to the Volvo Ocean Race once. They are selling India quite hard – we are going to have to go there. That is not always the case, but it is hard for us to go to an event that hasn't invested in good TV coverage. For example – I sail in the iShares Cup...

Bernard Schopfer – that's a very interesting point, very important for all the race organisers here. If the event produces very good footage, they have a better chance of attracting CNN Sailing...

Shirley Robertson: That's the reality. I am one of the skippers on the iShares Cup, but also obviously I work on the program and I know that the iShares footage is so good, because we sail, it is like a city break almost: we are in tiny little cities with cranes and helicopters. The footage is excellent for every single month, even if there hasn't been much wind. The pictures will be good and we will use them and that is the harsh reality. But we have done other things. For example we went to the first ever China Cup, and for us that was a first and it was very newsworthy. But it was very challenging for us: they didn't have any RIBs. They had a Jetski boat, which was quite dated. You can imagine the dilemmas – it was hard. But the reality is that if we are guaranteed good pictures, it is quite likely to tick some of our boxes.

Bernard Schopfer: We are now going to discuss the new communication channels. I think that the sport of sailing has always been a pioneer for example with virtual sailing in the America's Cup and now we see it with the games. We've been talking about those games this morning, maybe we will discuss it a little bit later on. Cliff Webb you are a specialist of this topic. Do you think there is a switch - that sailing is becoming more and more broadcast through new communication channels such as internet and less through TV. Or one is more efficient than the other?

Cliff Webb: I don't know if there is a switch per se as such yet. I think it is coming. The word we have been using for the last three or four years is 'convergence' of media. And I think that is still true. It is still developing.

I have to say - what we saw of Knut and what you guys are doing on the Volvo race, I thought was fantastic. I didn't realise it had gone to quite that degree, but it is a lesson for everybody now as to how to attract media, how to get the message out there, how to do viral marketing through emails and internet and so on. There are so many different ways now to get the messages out, that I think you have to embrace all of them as an event organiser now and that goes back to what you said, about how can event budgets accommodate all the different mediums now.

You have got every possible medium, there is no excuse now not to get the message out, if you have got the money to deliver it. TV has always been a problem with sailing. It is always been a battle to get any sort of air time for sailing, unless it is the prime event of the time, which at the moment is obviously Volvo - it was the America's Cup. So I think you have to use everything basically. All the sports around the world - they are battling to get air

time, unless you have got soccer or all the big eight sports as it were, it is going to be a perennial problem with sailing and that is why embracing new technology is certainly the way forward. I don't think you should ignore traditional TV, but there is definitely this convergence of all the different formats coming together.

Bernard Schopfer: Maybe Cliff you want to say a word about the technology that you use. PJ was mentioning 'narrowcast broadcast'. What do you actually do? What are the new trends?

Cliff Webb: There is a huge development. You saw the Volvo Ocean TV there, Premium TV provide that? And they have been on the market for quite some time. Their software platform is really targeted and technically it is well proven and tested. There are all sorts of internet TV channels out there now in sailing. There are probably four or five different sailing channels in different guises and we've seen - my background was in a software company a couple of years ago which was one of the market leaders in developing internet television software over a period of time.

And we broadcast the winter Paralympic Games live - 103 hours for the Paralympics and they were quite early to that game, because the quality of much of the platforms has been a big debate over recent years. I think it is all levelling out now. You are using Flash players more and more and more, which is becoming the norm. And I think there is a tremendous, as I say, opportunity here with the technology to use every facet of it, be it mobile phones, be it internet. Peter Gilmour showed me this morning on his phone some of the footage from Monsoon Cup last week. And I thought 'wow, fantastic - you imagine doing that 10 years ago'. You have to get to embrace everything nowadays, because the technology is there. Knut

mentioned mobile phones as well and I think this is where this whole industry should be looking to a degree, is the new media and traditional television as well. It has got to be a mix. The platforms are there - let's use them.

Bernard Schopfer: When you produce television footage - this is a question for Richard Simmonds - whether it is for internet or for television, finally your job is the same - is that correct?

Richard Simmonds: Our job is to deliver value. If you just take everything away - what are we paid to do? When we started, our job was delivering television to broadcasters who paid us to make a program. That seems a bit weird! And in our home market in Great Britain, our flagship program was called Grandstand. Now it seemed inconceivable that that would ever stop, but it has, because almost no one under 20 was watching it. So a key part of our company, the people who were paying the bills, don't pay the bills any more. And what has changed now is that the bills are paid by the events. So the Volvo Ocean Races, the iShares Cups, the Audi MedCups - they pay the bills. We have heard the guys from those events talk - and they are good at what they do and they are pretty demanding, and we used to be measured by the report from BBC Grandstand, saying 'how we liked that program, could you do more sailing and less links'. What measures us now is the broadcasters still have to like it - because there's no shortage of people with material - don't think it is easy to give a free show away - that may sound a ridiculous, but we are actually measured by the report at the end of the month that says 'where did it go, who watched it, what was the value?' - and that is on television, online and interestingly, the measurement online, in new media, is not as good as it should be and it needs to get better. But that is the sea change. That is how

we are measured and we are almost taking our clothes off and exposing ourselves here.

Yeah, okay, we are a TV production company, but we are not just that. We have to deliver the value so that the sponsors say 'that was worth doing'. And right now, if we are not smarter than ever before with this year, we are in trouble. We've got to go back to some of the sponsors, all of the sponsors, some are in this room and say 'next year, this is our plan. This is where we can take you and sailing is a great vehicle'. It is easy to say 'oh, we can't get on television'. Let's just concentrate on what we can do.

There are a lot of players. I mean look at that – Hugo Boss, Puma, Volvo, Audi, BMW, Rolex, Omega – I mean SERIOUS operations, with serious marketing teams with a serious understanding of what they do. That's your question, because I know that's what you want me to tell you. We do need to offer more than television, but ultimately we need to offer the value so that the sponsor comes back, so that the event grows.

Bernard Schopfer: Can we define – I don't know who wants to answer this question or if there is actually an answer - but can we define a hierarchy within the communications tools available. In other words if you were an America's Cup campaign or a Volvo Ocean Race team or are an events organiser and you don't have an unlimited budget, but you want to communicate and you still have a decent budget – what do you do? What are your priorities? Maybe Marcus?

Marcus Hutchinson: Well I would say without question: TV news. I think we always underestimate the value of TV news and certainly I have been talking about technology, that the simplicity of delivering VNRs and things with FTP servers as opposed to expensive satellite

links is something that has changed and has been developed a lot. Something we have learned just in the last couple of months with the Volvo Ocean Race is quite how valuable it is. We are almost able to do custom news packages for broadcasters in different parts of the world on demand at very little cost. Something we haven't really talked about yet is the fact is that we have got this great range of onboard media cameraman out there 24/7 and they are giving us story ideas all of the time and we are able to co-ordinate that with the team PR and the broadcasters in a particular territory and fashion, a story at any time of the day or night pretty much and get it to the broadcaster at relatively little cost.

Bernard Schopfer: ...just to define what you are saying: What you are calling TV News is a subject of one to two minutes that is not edited or pre-edited and that you distribute through, for example, the European Broadcast Union or Reuters, or this kind of channels. That's what you mean?

Marcus Hutchinson: I'll let Richard answer that. He's a bit more of a specialist. It is many things, but pretty much you are right.

Richard Simmonds: What used to hold TV News back to a point was the cost of the satellite because it is £700 or it could be £1500 to play your tape out from a studio get it up to the sky and down and download it. Now putting it on to FTP to download, it is free, it is just time. So what we can do now – an example being in the Volvo race – *Green Dragon* took the lead. On the national news in two nations they were celebrating their boat winning. *Green Dragon*, of course has Chinese interest. It was on the news in China. Knut was very happy! It was also on the news in Ireland, because they were celebrating. A little bit less of an emphasis of a Chinese boat on

that bulletin and that all the way through – we can deliver the stories and start building the relationships with the broadcasters. They are following people in the race.

Bernard Schopfer: What you are saying is that the cheapest way is also the most efficient, because it is cheap to do a news release.

Marcus Hutchinson: I think we can't just do that in isolation. I think about the weight and volume of the number of people that work in the news agencies, that are the press operations of a race like the Volvo Ocean Race or the America's Cup – they are huge organisations and just 20 years ago there might have been one press officer who wrote a press release and made a few phone calls.

Now we are multi-lingual, we are experts in the sport, we are experts in audio, we have television producers working for us, we have photographers and photo desks, we have IT people, new media people – they are huge, huge organisations. But you can't take one thing in isolation because all of this, from an editorial point of view, feeds into one place. You have to co-ordinate those things. If you wanted to put your finger on one thing that was valuable, I'd say that TV News was the most value.

Richard Simmonds: Perhaps just one thing, Bernard, is that five years ago the group sitting here would have been working in our own positions, doing television, doing the press, maybe doing internet. We can't work like that any more. There needs to be a media ball at every event and the television needs to follow the web, needs to follow the newspapers - but what it basically means is that if we are going to make the story work, we need to work as a team on that story to make sure it goes through all areas of the media and again that is where this sport is fantastic.

Bernard Schopfer: Just a quick word from Marcus as an event organiser, enlarging the debate from just television. There has been, I'm not sure if it is just a fashion, but there has been a trend recently, over the last few years, to communicate in lifestyle media. That was the word if you were doing 'lifestyle', your sponsor or whoever was happy. Is that still the case? Is it a fashion or is it really efficient?

Marcus Hutchinson: Well, it depends a little bit on who's driving it and who wants it. For sure, if you talk about the America's Cup and the kind of brands that are associated with that, they were obviously very interested in that sort of thing. It is a lot harder to do something like that with the Volvo Ocean Race, because you are just itinerants the whole time. The bottom line is that to get that type of lifestyle coverage you have got to invest a lot of money. You have got to have press officers or cold callers or people who are on the phone trying to sell a story and then you are trying to organise a press trip and then you have to manage the journalists when they come on site and prepare the angles for them. For sure you get some beautiful articles and things like that, but it is very intensive and a very expensive return on investment compared to some of the other things that are a little bit more automatic and a little bit less specialised. So yes, lifestyle is a wonderful thing to have, but it has got a huge cost associated with it.

Bernard Schopfer: Any other points of view or in the audience - feel free?

Peter Montgomery: Well, Bernard at no stage have we even mentioned radio. And I think it might sound like steam, radio, way back in the 1920s, but I wouldn't underestimate it. And I realise it differs from country to country, but again that can be, if it is properly organised through the

Marcus Hutchinsons of this world or an event or through a syndicate, then sailing the Volvo – there is nothing like a broadcast, even if it is on a music station, but it could be on sports. I mean the varieties are... I agree with Marcus that as it becomes more and more narrower band on television and focuses really on broadcasting to the aficionados and those who only want to see sailing, still the great market is news and that is for television something to be worked hard at, but that can be applied to radio as well and in some countries where they have sports programs through the afternoon you can get someone [*imitates an SSB radio*] 'talking to you from the deep Southern Ocean' as they will be eventually when they go on that colossal 12,000 mile leg or it could be other whether it is America's Cup, just doing updates.

Bernard Schopfer: And it is also cost effective when you follow any event.

Peter Montgomery: Absolutely. You can do both news and program. And then there is the subliminal response, the 'theatre of the mind' that radio has. It should not be underestimated.

Bernard Schopfer – Talking about costs, let's just get back to internet broadband TV production. Cliff Webb, can we ask the secret question – what does it cost to cover an event, to produce an event?

Cliff Webb – how much have you got?! It really is almost that to a large extent. We were talking earlier and I don't think doing an internet broadcast there should be any significant difference in cost to doing a TV broadcast, if you want to keep the standards up. Yes, you can get away with – let's say, we have done it on the World Match Racing Tour where budgets have been tight: Instead of using a full seven camera set-up that we'd use

broadcasting in Korean, for example, like we did this year, we can get away with two or three, like we did in Switzerland. And you can turn that around live on the internet, but your audience is obviously getting an inferior product in that respect, because it is not giving them all the whistles and bells. If the budgets aren't there – you can't deliver. Now, how much does it cost? Well, it is pretty much the same as TV production, there is no real difference. The only saving I can see, the one we referred to, the satellite cost at the end of the day. And that is a significant cost if you are doing live broadcasting. But it is pretty much the same. Would you disagree [*to Richard*]?

Richard Simmonds: No, I guess there is a product that is in between, where you could almost have your animated radio, which is at a level. There is a pyramid and at the top of the pyramid you have got your full-on America's Cup-style television coverage and that is, I think Mark Turner was saying earlier – we HAVE to keep remembering the mass market, because that is why the sponsors are in the game and that is why we are getting paid and that is why the events are happening. So we have got to think of numbers, but as we go down the line, the enthusiasts – there is a real chance to actually serve the enthusiast, to give great coverage and have a lower level of production but with the ratings, so that they get the benefits of what PJ was saying, but with some pictures.

Cliff Webb: I think that is right. I think that the aficionados will take whatever they can get, because it is so difficult, very often, to find it on TV. They can get it online, especially if it is live, as lots of people are doing now - I think that's a great way to reach the aficionados, to reach the great, unwashed public. That's a big ask to get them to go and watch it on line or anywhere else come to that.

Bernard Schopfer: I guess if people in the audience want to have more precise numbers, Cliff and Richard are available after the debate to discuss this, depending upon your precise projects! Let's now switch and go back what we were talking about earlier on with the main assets of the sport. Some of you were saying its the sailors, its the athletes. How important are they to our sport, to the media and how much do they understand their responsibility? Maybe Shirley you have an opinion on this? You have had lots of media requests when you were an athlete and asking athletes to answer your questions. You know this subject very well.

Shirley Robertson: It is very mixed in the different arenas. If you are in adventure, the Vendee and the Volvo, I think the sailors are really quite accessible, particularly in the Vendee.

It was the first time I went this time - not just in terms of the accessibility, you could interview them more or less when you wanted, but the way they spoke. For sure they had been media-trained, but they were just a whole different breed, they thought differently and they really wanted to share that message. And I suppose coming from the more traditional, not traditional, but coming from yacht racing and the Olympic arena, that was very different. Generally in those arenas the sailors don't really share their emotion and we know, we have interviewed so many of them so often, it is the same answer again and again and as a broadcaster it is really hard to get that emotion. It is hard to do that.

Obviously I sit on the other side of the fence as well and I have raced. I felt I always spoke even when things weren't going well and it was a bad day, it was important for me to put my point of view and to show my feeling. That was just part of the story and I think, our challenge, especially

with the professional sailors, is getting the story or getting that emotion. Certainly at CNN, if I am at the TP52 World Championship, I even will avoid the sailors quite often and go straight to the owners, because they are paying the bills, but they have an emotion about it, they are genuinely excited about whether they win, because often the sailors are struggling...

Marcus Hutchinson: I think we have this problem in the Volvo Ocean Race. In fact the marine environment is pretty hostile for some of those guys and by nature top sailors are humble people - you can only be humble when you are racing in some of the conditions they get there. And somebody who has a larger than life character is going to be shot down by his peers very quickly. We have also got many different groups of people from different parts of the world who have English as the mother language, who we tend to go to and the sense of humour and sense of expression isn't the same everywhere and sometimes we make the mistake of thinking that there is. There is a lack of media, which is something we could work on very very immediately and it wouldn't take an awful lot. I know you have done a lot of work on that, Richard. We are having a lot of problems in the Volvo Ocean race trying to get the winners of legs, or the people who are on the podium, to express themselves well, which is another reason that I say it is not just about the celebrity who won the race.

And we often find that the teams that do have the characters and do have the ability to express themselves well, might be a bit further down the leaderboard, but they are by far the most popular team, just for those little gestures and the honest emotion that they show. So if there is one thing I could put out to people who are running racing teams - for God's sake, get your guys media trained

properly and just think a little bit about what's going on here.

Bernard Schopfer: Richard, do you want to add something to this?

Richard Simmonds: I totally agree, but beware media training, because a lot of media training, what they do is that they see a personality, they sap the personality out of the person and they deliver a product that is not interesting. We just want people to be natural and just express themselves. Not to be turned into a product on the media training.

Can I just make one comment, which I wouldn't have made two years ago. Two years ago we were a 30 strong company and now we're part of Sunset & Vine we are a 300 strong company doing far more sports than sailing. And I think the question we are all answering now, if I went back to the management board now and said that, they would be astonished, because when I see the sort of interviews they have to get in the mainstream sports that they are filming, they would be very pleased indeed to have any of the product we have, any of the sailors, because they are nice to deal with, they are intelligence and they are open for listening. [*For them*] It is not all easy.

Bernard Schopfer: It is a question of desire to want to talk...?

Richard Simmonds: We want that, but actually we are dealing with people. I spent some time going down to a Premiership [*football*] club and I was with one of the producers waiting for the sound bite of the guy who is not prepared to give it and when he gives it, it is poor. It is a real real asset of this sport - the people.

Bernard Schopfer: Talking about the people being an asset, sailing is not a star-orientated sport. Would that help? There are

a few sailors that stick out with their charisma and their extraordinary results, but generally they are not stars. Would that help? Should the media play a role in promoting that aspect? Would the sailors like it? Who wants to answer?

Marcus Hutchinson: It is an interesting question. Certainly sailing for the most part is a team sport. Obviously there are singlehanded races, but you quite often have a situation with the big teams in the America's Cup and the Volvo Ocean Race – you know yourself, Bernard, from when you were working with Alinghi - it is very hard. Teams don't necessarily want to put one person forward as the star. It is a team effort, so the team orders are to keep one person from sticking out above the parapet and being the star.

I don't know. I have mixed views about it. It depends upon the profile of what is going on here. The team is the powerful part of an awful lot of the part of the sport we are dealing with here. I think if we were able to get in tighter to understand how a team functions and how they inter-relate to each other, it would probably be an awful lot more interesting a story than one individual who happens to be a chosen one.

Bernard Schopfer: Peter do you understand all that has been said?

Peter Montgomery: Whether or not we like the Hello magazine of today or the tabloid culture, it has moved to being about people and names. Just recently they had the New Zealand Match Racing championship and Dean Barker came out to race and Ben Ainslie was there and a lot of colleagues in the media, the written press as well as broadcast were all over the top of them – 'this must be important because Barker and Ainslie are in it'. And I explained –

'well, it is the New Zealand Match Racing championship. It is not a stop on the World Match Racing Tour'. But that didn't deter them because there were names you could hang it on. And that comes back to the narrowcasting and looking after the same fraternity in all the fancy new media that Cliff and Richard have been talking about. But in the broader aspect it is names that they will want and it doesn't matter where you go in the world, it is personalities that will sell and yes, it is about teams, I know all that, but in the end, it is a skipper on the handlebars that they want and if you are competing with other sports, then it is all very well supplying TV News, you have actually got to give the editors a peg to hang it on, particularly, as I said, I am well aware of sports editors across the world, on all avenues of the media and mainstream and they all come from a stadium culture, whatever persuasion of football it is – that is just the challenge we've got in terms of personalities.

Cliff Webb: I think if I could follow up on that. I would completely agree with that, as I said earlier. A little story – at the Bermuda Gold Cup recently, another Ben story I'm afraid – they had the Renaissance Junior Gold Cup for a bunch of kids that they'd flown in from all over the world, sailing Toppers and Ben and Iain Percy, who was there – I just happened to catch, as it was going - spent half an hour chatting to these kids, doing a Q&A session and the look in these kids' eyes was absolutely astonishing. To be able to meet a legend, like Ben is, and to be able to have a one-to-one with him in little group sessions, and to get answers - there has been a lot of talk of getting to the kids and getting the youth involved and the future of the sport - those kids, I had a chat with them afterwards, they are all going to go away, they are going to look online and they are going to look up Ben Ainslie and look at what he has done and he is sailing.

If you are talking about the future of the sport, I think having some icons in the sport is essential for the growth of it.

Bernard Schopfer: I can see the time running by, so if there are any questions from the audience. They would be very welcome. Maybe a quick question to PJ on yachting journalism – before we conclude this debate. Somehow yachting journalists, maybe I am wrong, are an endangered species. There doesn't seem to be a lot of new, young sailing journalists, coming and joining the circuit.

Peter Montgomery: That really worries me. Absolutely. When I think of – in the US, I think Angus Philips is the last – there was a group of guys who came from the New York Times, the Boston Globe, the Los Angeles Times, the Chicago whatever it is and now there is only Angus. I am actually old enough to remember in Britain when Barry Pickthall would write something and Tim Jeffery would respond and Stuart Alexander and Bob [Fisher] - now it is coming back to the big five of football, some cricket, more damned football. I mean the domination, it is hard to get that in and that is why the personalities and it is very difficult to get a break. I noticed last year in the media desks in Valencia, whether they are from Spain or Italy, it doesn't matter where they are from, inevitably they are starting to get experience and there are not a lot of young faces. At the Monsoon Cup last week there were a lot of young faces and that is great to encourage it. But on a lot of the traditional areas, it is a worry. It really is.

Bernard Schopfer: James Boyd, is it such a bad job? In other words, do you benefit from the sport you need to make your job?

James Boyd: I have two days in Monaco, a day in Geneva and a day in Paris Boat Show this week,

so it is not too bad a life I suppose. I think there are a few, literally a very few, people coming into yachting journalism in the UK. You can count them on one hand the number of people who have come in over the last five years and I have employed one of them at least. But yes, particularly at the national newspaper level it is becoming increasingly difficult. When I started at Yachting World in 1989 there were at least, two people who were fully staff members on national newspapers. At this stage we have no one who is a staffer on a national newspapers in the UK, who is a full time yachting correspondent. I think the closest is Stuart Alexander who is on a retainer.

So the whole landscape within the national newspapers has changed. The era that PJ was talking about, when Barry Pickthall used to write something in The Times and then the Sports Editor from the Telegraph would get all fired up about it, has gone...

And obviously you have also got to remember that the circulation figures of all the national newspapers, I think globally, as well as the magazines is going down. There are some obvious reasons for that. The advent of the internet being one and instant news and things like that.

I think one other point that I'd like to make before we close – I actually disagree with Cliff when he says that as event organisers you need to embrace every sort of new technology that is out there. At the moment we live increasing busy lives where we have less and less time to deal with things, that's not just the people in this room, it is people generally. So I think you have to be a lot more selective about the actual million and one different technologies out there which you can use to deliver words, audio, pictures, moving pictures or whatever. You have to be much more selective and consider which

one will deliver what your reader or your viewer wants.

Bernard Schopfer: Thanks James. Richard you wanted to answer – really briefly, because we are getting to the end of the debate and we want to answer the question why we are here.

Richard Simmonds: I'll be brief. I think it is important. There are a lot of things that have changed, but we had better react to them. Paul Cayard said, you can innovate, you can go with it or you can get out of the way. Now football is here, it is great and it will stay here. Fine, that's not going to change. It may implode at some point, but it is here.

There should be more yachting journalists. There aren't. That is probably a fact. There probably will be more the Hugo Boss reporter from the Sunday Times, because that is what is going to happen - it will be sponsored reporting. That will happen. That could be good. That's is going to change, but let's just look at the coverage we are getting.

I apologise, this is a British comment – in the Sunday Times two weeks ago – I was in bed with flu, so I counted the sailing coverage: Front page picture, front page main paper; Business section, front page, Carphone Warehouse picture; Sports section, full page, Vendee Globe. And there was one more feature in the paper. Now - niche sport? Yeah, you could say that. Or you could say a sport that has got its eyes open, is seeing new opportunities and delivering value and I think that is kind of where we've got to be, otherwise you sit on this room and you can go on a toboggan down the hill and sure enough we can all meet at the bottom. But a lot of us have got to deliver a bottom line and if we are all on that toboggan, the bottom is not that much fun.

Bernard Schopfer: We have a question from the audience.

Question from the floor - **Hans Genthe** – Director of Gentcom.com

Not a question. I am Hans Genthe and I run a picture agency in Germany. And we get an answer from the market, because we try to sell sailing pictures in Germany and we can't sell because the people don't understand sailing. We have 95% of people who never sailed or who don't understand what is a grinder or a main sheet or something and we sell our pictures because we explain to the people what happens and we get this method, not from the people who produce the pictures. And I think very often, we can produce much more messages, if you see the interest of the target groups and most of the people don't sail.

Bernard Schopfer: Thank you for this comment. Any questions in the audience?

Question from the floor - **Herbert Dercksen** – My name is Herbert Dercksen and I am from Tornado Sport. I have just got a question – do you think there could be a possibility for sailing in general to combine their efforts to buy TV, to set up or at least create something all together and buy into airtime. To create a channel that is driven by the sailing and all the parts below it?

Marcus Hutchinson: I can answer that. There are a couple of points in that question. I think the first thing is that, right now, the whole business of yacht racing needs to look at consolidating many of these events. We have several events that are very similar to each other all in competition for the same media, the same sponsors, the same towns and the same dates and I think if we were to be more intelligent, we could pool our resources in having some of these events going on at the same time in the same place and pooling media resources, be it television coverage or media that

have to decide whether I should go to Barcelona or Rome this weekend. We'll go to Barcelona because there are four classes there. So I think there is a lot of consolidation that we could do, yes. There is the Sailing Channel, Yacht and Sail as it is now called, in Italy. It is there. And there is someone here from there. It exists and it is a cable channel and it is quite widely used. I would just say that the consolidation thing is probably the first thing to do there. Let's not all be in competition with the various media and the various budgets and various timetables. We need to consolidate the number of events, to be at the same place at the same time.

Bernard Schopfer: We'll take one last question from Matt Sheahan, Yachting World.

Question from the floor - **Matthew Sheahan** – Racing and Technical Editor, Yachting World

I was just wondered – does the panel feel that with the development of the Grand Prix events and the really good quality of the coverage and the video and the audio that is actually displacing mainstream events and creating a void behind it, so that mainstream events are suffering because they are being driven off the page or out of the media?

Marcus Hutchinson: I probably agree with you a little bit Matt. There is no question. The Grand Prix events, they have media targets to achieve and sponsors who are on their cases, so they gear themselves up to have big media organisations and contracts with television producers to create and distribute their stuff.

As I said earlier – it is the survival of the fittest and the ones who are most intelligent and get in there and work hardest will get there which will leave the ones who

aren't able to compete at that level without any media exposure. So, yes it does inevitably happen. But I don't see there is any way in this commercial, sponsor-driven world that that is ever going to change now.

Richard Simmonds: I think one of the things we need to remember - I mentioned right at the beginning - that there was this meeting here with 100 broadcasters and there were two words that really summed up that meeting and everyone was using them, which was 'wallet stress'. "We've got no cash". And if we can deliver sponsor value without standing programs, for free, which was almost unheard of five years ago, on some of the events you are talking about, we are in a very strong position, because there are a lot of sports who are not able to do that and I think that both of those points from Herbert and Matt can be answered in that: There are some good events – a lot has been said about the iShares Cup. Right now we are in a very difficult climate. We have got great events and we can deliver free television, but not just television. We can deliver the 360 coverage in this sport and I think, and perhaps I know because I have been exposed to so many other sports, we are in a very very special position and this year we are really going to have to fight to prove that to make sure we stay in our marketplace.

Bernard Schopfer: Thank you, Richard. We are going to conclude. Maybe, Shirley, do you want to answer the question that we are here to talk about. We have been speaking about that all afternoon. How do we maximise the exposure and interest of sailing into the media. Is there a way to summarise what has been said? What advice would you give?

Shirley Robertson: All of us have to work together and work harder. I think, it is interesting also - I work a bit with the BBC and

we just had a big meeting about our lead up to 2012 and what are we going to do? And they have been very pro-active in adopting new mediums. Those of you who live in Britain, we can watch the Olympic live on the 'red button', we have [BBC] iPlayer, the telephone thing. They are already looking at what is going to be the next thing.

If you think four years ago there was no YouTube or Facebook and now there is. Things are moving really quickly and we need to be adaptable. And our sport has always, as Mark said, we adopted Compuserve before anyone else. We need to be adaptable and flexible and we need to work together to keep our sport on the airwaves and on the television and make it better and better.

Bernard Schopfer: Marcus, anything to add to this?

Marcus Hutchinson: I agree with Shirley. I think just more intelligent and creative ways of getting in and hard leg work. There is nothing like time and an intelligence approach to do this, whether it being proactively going to see broadcasters with the star of that country who is about to go and compete in an event and explain to them what is going to happen and engage them beforehand to making sure the quality of your product is the same every day, to following it up afterwards with media accountants, things like that. Just across the board - you have got to work hard.

Bernard Schopfer: Thank you very much. Unfortunately it is time to conclude this debate. James Boyd, Cliff Webb, Richard Simmons, Marcus Hutchinson, Shirley Robertson and Peter Montgomery – thank you very much.

Applause

Coffee break



THE GROWTH OF CLASSIC YACHT RACING

Bernard d'Alessandri
Yacht Club de Monaco

Peter Montgomery:

Welcome. The rise and rise of classic yachts has been quite a phenomenon across the world and particularly here in the Mediterranean, it has been quite stunning with a magnificent fleet being added to year by year. It is my pleasure to introduce Bernard d'Alessandri, who is the Yacht Club de Monaco General Secretary.

Bernard became General Secretary in 1990. He is passionate about classic yachts and Bernard is Founder of the Monaco Classic Yacht Week and the Prada Challenge for classic yachts. He regularly sails in the events as well.

Last but not least, Bernard is President of the Monaco Sailing Federation.

Ladies and gentlemen, Bernard d'Alessandri

Applause

Bernard d'Alessandri

Thank you, Peter. First I would like to say thanks for coming and

thanks to the organisers for organising this wonderful forum, which was a great idea to be here in Monaco.

He continues in French, which is translated...

I would like to take this opportunity to talk about the classic story, something, which happened just over a century ago. It is not by chance that the boats you are actually seeing on the screen remain good racing boats nowadays.

The story began 25 years ago in Porto Cervo with a gathering of classic yachts. The race circuit started with Prada and now Panerai has taken over as the main sponsor for this race circuit of traditional boats.

It is a great pleasure to see more and more boats joining these races and boats come from very very far, from New Zealand, the United States and an increasing number come and join us, which we are really really pleased about.

On the economy side, it is very interesting for us to see that with places such as Cannes their summer and season in general continues with races and with such boats coming increases the economic power to the local towns on the Riviera.

We are very happy to see about 300 different classic yachts during the season coming to the different events. We are quite proud to see the same owners and the same captains are coming to the events. This is how we are working to keep them to continue working with us. We are very proud of what it brings to us, which is a mixture of glamour and yachting personality coming and joining the races as well as the media coverage it brings to us to all the regattas that are taking place.

We have seen small shipyards and specially local shipyards developing

thanks to this business and boat restoration, which again is a great thing for the local businesses and there are quite a few in the Var county, which is the county, next to Monaco.

We have seen with all these boats racing, safety becoming quite an issue and we have come in to put different ratings on these different boats in order to work on security while racing and during regattas.

We have set up and developed an owners club and for all the skippers and captains of all these ships to come and join, called La Belle Classe, which is for all the classic yachts. We have been developing La Belle Classe and in the last 50 years around the Mediterranean, in Corsica and Italy and around the Riviera in order to agree on a charter for the different security issues which happen at regattas.

We have got the agreement of the owners on three main points. One is the maritime heritage conservation. We also agreed on what we call a 'naval maritime etiquette' which basically involves people behaving like gentleman on their yachts, rather than what we have seen sometimes! The last point was – the very important point is that it is the sea, the environment we really want to preserve.

Last but not least is the celebration next year of Monaco Classic Week and importantly the 100th birthday of *Tuiga*, our flagship that you are welcome to come and see in the harbour. Thank you very much for your attention.

Applause

Peter Montgomery: Thank you, Bernard. Very interesting. Some of those boats look just as magnificent today as they did in days gone by.



WHAT IS THE FUTURE OF THE AMERICA'S CUP AFTER AC32?

Panellists:

Alessandra Pandarese

Mascalzone Latino

Sir Keith Mills

Team Origin,

Stephane Kandler

K-Challenge

Paul Cayard

Desafio Espanol

Tom Ehman

BMW Oracle Racing

Brad Butterworth

Alinghi

Peter Montgomery: Right we move now to the last session for this first day on this inaugural World Yacht Racing Forum and the subject 'What is the future of the America's Cup after AC32?'

It is my pleasure to invite the panel up here. And if I could invite first of all Paul Cayard and if we can invite Tom Ehman. I know Tom is here somewhere. I'll introduce them all when they are here. Alessandra Pandarese,

Stephane Kandler, here from the K-Challenge, and Sir Keith Mills, who we heard from earlier today. And Brad Butterworth, please.

Right, going through that: We've got in the corner there Stephane. He is from the K-Challenge. He has been involved in the family business. And just to his left is Tom Ehman who has been involved in the America's Cup for a very long time and, well, he ran the America's Cup in 1992 and been a key player in America's Cup. He is with BMW Oracle as their Chief of External Affairs and looking after and giving advice with rules and matters legal.

And from Tom we have Paul Cayard. Well, that's all that needs to be said really – he has been to six America's Cup and as he touched on, he was the key player with Il Moro de Venezia and subsequently with AmericaOne and he's just so, so experienced in the America's Cup and has come a long long way since Tom [Blackaller] was involved in 1983. Then we have Alessandra Pandarese, who is a specialist in sports law, a highly qualified lawyer and she is an advisor to Mascalzone Latino. And then Sir Keith Mills, who is the head of TeamOrigin and then Brad

Butterworth from Alinghi, who is the Skipper and CEO.

Already there have been some comments, so I think what we'll do is we'll get a couple of comments that I will ask, first to Tom Ehman about some comments made earlier today. Tom you may want to comment on that and then comment on how we go there. And then we'll hear from Brad and then, folks, we'll open it up to you. I know I've been told about 300 times - a lot of people want to ask questions, that's why we are getting into it. That's why we're not having an address.

Greetings Tom. Just your reaction to any comments earlier today and/or how have we got to this situation in the America's Cup as it is, from your perspective.

Tom Ehman, ladies and gentlemen.

Tom Ehman: Good afternoon everybody. Thank you for having us – on behalf of Larry Ellison and Russell Coutts. Russell would have been here today except he is down in Lanzarote racing in the RC44, as is Larry. I spoke with Russell this morning and he asked to give his regards to everybody. Sorry not to be here to defend

himself! But he would have been had he not been racing in the RC44s.

I'd also like to just quickly introduce – many of you have asked me - its nice to see old friends from ISAF and Formula 1 - three of my colleagues are here from BMW Oracle Racing: Stephen Barclay, who is our COO, Russell's deputy in running the team, Jane Eagleson, many of you know who is our Media Relations Manager. And I think sitting next to Stephen is Laurent du Roure who is our Marketing Manager - just so that you can put some names with faces.

Otherwise, Peter I don't have anything else to say except that I think this Forum has been wonderful. It has been a very interesting day. We have learned a lot.

One constructive comment or criticism, is that I think it has been far too Anglo. This last panel was six Anglos, five of whom were Brits and one of the big learnings for us has been about, particularly lately, the French sailing world with the multihulls. The two biggest sailing countries, with all due respects to New Zealand, Brad and Peter - per capita, the two biggest countries in my experience in the interest of the Cup, of sailing - are France and Italy. So I think we need to make a real effort to get more involvement from those two countries as we go forward in this very worthwhile Forum.

The other thing - as we were talking out in the hall over coffee just now, I would hope that rather than sailors coming and talking to sailors, which is a good start and we need to do that, I'd hope that in the future we'd have some interaction with other sports – football, basketball – the things we have heard about today: Sir Keith an expert with the Olympics, as is Goran. It would be great to have some outside input from our

Formula 1 friends and understand that that is something that the organisers are working towards in future years. Thank you.

Peter Montgomery: Tom, the organisers were aware of the composition of the previous panel. They did have other people exactly as you say from France and Italy and other countries as well, but it is a long story and people had to withdraw. I know the organisers will be nodding.

Well Brad Butterworth – how have we got into this situation?

Brad Butterworth: Shall tell it, Tom?! For me it is a bit of a humbling experience, first of all. There are a lot of people here who are very crucial to the game of sailing. I just wanted to acknowledge a couple of them:

Firstly Goran – the sport is in safe hands with you at ISAF and I certainly don't begrudge you your job with the amount of complaints and different ideas that people come up with. But it is great to have someone like yourself running it. There's Knut – we sailed against each other around the world several times. He doesn't probably realise it, but the amount of fans that are watching the Volvo race at the moment. As an old sailor, having done the race years ago, seeing the physical and mental pressure that those guys are under now with the boats at the speeds they're going now and certainly the way it is being portraying in the film footage that you see and the words that are written about it, are great for the sport I think.

And I'd also like to acknowledge Mark Turner - he is, I think, one of the great event organisers that we have got in the sport at the moment. Not to mention the iShares last year and what he has got planned for the future. And I would like to mention Ben [*Ainslie*] – he has been mentioned quite a bit here and, like it or hate it, he is

a bit of a star of the sport and definitely an icon. He has got a lot of fans and he is the sort of guy we should be pushing up there. I'm sure he is going to be bigger than he is now in the sport in the future.

Where we've got to and how we got here with the Cup? You have to go back a little bit here I think. You look at what's happened.

Really the impact that the Cup has had on Valencia: When it went to Valencia, there was a bidding process put out and Valencia won and the Cup wound up there in 2007. And the Spanish, although they were criticised in the beginning, put on a hell of a show. I think there were 5 million visitors to the Darsena [*Port America's Cup*] and \$1.5 billion of impact on the local city, 25,000 jobs were created. And so, they really took the Cup into another stage of its life, which was a lot more marketable, a lot more accessible. I think the Spanish did a great job.

The Spanish, they actually had their own team, which was Desafio of course, and they were a force to be reckoned. They wound up finishing fourth in the competition. They started life as an association of the yacht clubs in Spain and that is how they challenged for the Cup last time. But actually, Oracle – Tom - you took them to the Arbitration Committee, to sort out because it was supposed to be a regatta between yacht clubs, and Oracle weren't that happy about that. So they took them to the Arbitration Committee. But common sense prevailed and they let the challenge carry on as an association of yacht clubs.

So when we won with Alinghi, we had been thinking about how we would move forward with the Cup. Obviously partnering with the Spanish as the Challenger of Record was a no brainer. The club and the country had put a huge

amount of effort and money and infrastructure into making this happen and the bases were all set up. We both had a common vision of a fast turnaround of two years, a new boat, of lowering cost to the teams, by limiting it to one boat.

And the Spanish they were hesitant to continue as an association, because they had had this problem with Oracle at the beginning, so they formed their own yacht club and they wanted to be the Challenger of Record with this yacht club. But that hasn't been taken on so well by you, Tom, and Oracle. So we are in court about this.

So you look at where we are: Really we were working hard at that stage with the Spanish to try and put this thing together and Oracle have been - they had lost their challenge and finished fifth. And in the month between being eliminated and the Cup ending, they used that time to devise an aggressive legal strategy that really put Alinghi and SNG [*Societe Nautique de Geneve*] in a no-win situation when they took us to court, looking for a DoG [*Deed of Gift*] match 10 months later. Well we wouldn't have been able to cope with that and we had to defend ourselves in the courts in New York.

And where we are now? Well, the court in New York has once sided with Oracle and then it went to Appeal and has been sided with the SNG and the Spanish Yacht Club and that means that we have an underlying obligation as the Trustee and the Defender to organise this next America's Cup event and that is what we are doing with 14 teams that are now entered and that is soon to probably change to 17-18 teams.

We have an open process with them. Even old grey haired salty dogs like myself, you learn from your mistakes. When we delivered the Protocol, it certainly wasn't

communicated very well. And we have tried to change things. I talk about the Protocol – but it is not the 10 Commandments. It is a living document. It was changed 14 times in the last edition. It has been changed up to four times already.

So here we are, waiting for this court case. The thing is, it evolves around different personalities. I have had the pleasure of working and sailed with both Larry and Ernesto, who I've been working with for the last seven year. And I look at Ernesto and he is a guy that is just passionate about the sport, whether he is sailing a foiling Moth - which he tells me he is getting quite good at - to a catamaran on the lake [*Geneva*] or Cup boats. He is into sailing and he spends a lot of time with it. I run Alinghi out of his family office in Geneva. I have daily exposure to him, where we talk about the sailing issues, of what we are doing as a team and the Cup.

He has won the Cup twice, under New Zealand rules in New Zealand, when we were a Challenger, through the Louis Vuitton and into the America's Cup, and as a Defender last time in Valencia. In no way does he, or the team, want to create an environment where we win the Cup by default. He is into the sport, into the competition of sailing, into the spectacle that it.

And to me, as I look at this panel and I think it is indicative of our sport, unfortunately: As I sit here and there are two gentlemen here, trying to do their best to get their teams going forward, to create sponsorship, to try and create jobs, with a dream of winning the Cup. And I see two sportsmen, one being an icon of the sport - Paul Cayard - and I see two lawyers that sit here, that spend their time ashore trying to impact the outcome of the event on the water. That's what I think.

Applause

Peter Montgomery: I know I said we were going to open it up. Tom, just touching on what Brad has said, that Ernesto has got daily hands on involvement. How much involvement would Larry be aware of? Would he be aware of it on a daily basis, because we know he is a busy man with huge companies. And part two, the financial crisis has had him in the spotlight in the US, as we all know, in the last two months anyway.

Tom Ehman: Peter, I think you taught me long ago that I don't necessary have to answer the question posed to me by a journalist. Is that fair enough at this juncture?!

I work with a lot of New Zealanders, including of course Russell. There is a word in New Zealand, called a 'porkie'. First of all, first of all. I am not a lawyer. I am a sailor, like everyone else here, including Alessandra, who IS a lawyer.

Secondly BMW Oracle Racing was, for sure, not planning to do anything until the Protocol was released two days after Alinghi sailed a great regatta and beat Emirates Team New Zealand. And then seven teams, including this gentleman [*indicates Stephane Kandler*], including this lady [*indicates Alessandra Pandarese*] including five others, representatives of their teams, signed a document calling that Protocol "the worst text in the history of the sport". It was at that moment that Larry – Russell wasn't even involved yet – Larry started to think about what we could do, as did all of those other six Challengers.

And what do you do when the Defender has created a sham yacht club? And by the way Brad – another porkie: None of us ever took the RFEV to the Arbitration Panel. Alessandra will vouch for that. That was simply not the case. New York YC wrote you a letter, and said "don't ever do that again.

Don't let a yachting federation come in as a Challenger". So I'm sorry, factually it is simply not correct.

But what did happen is that this document [*the Protocol*] called by the Challengers, 'the worst text in the history of the Cup' was created, because Alinghi created a sham yacht club out of old cloth, just in the days prior to their winning. That club, in return for getting the venue, said 'we'll turn over all of the powers to Alinghi, the Defender'. It was unprecedented in the history of the America's Cup.

Because the AC is a different animal. It is not like Knut's Volvo Ocean Race. It's not like the Admiral's Cup. It is not like any other sailing event in the world. It is unique. And it is unique because it is a capital 'C' 'Challenge' and a capital 'C' 'Cup' – that's what the Deed of Gift says. And it provides for a defender to have a strong challenger come and challenge them for the Cup. And then by 'mutual consent' – and I'll use those words today more than once - a strong challenger negotiates the rules with the Defender: A lot of back and forth and give and take: That is the way the Cup has always happened. If for some reason the defender and challenger can't agree on those rules, then there is the default provision that says the teams go off and race one on one. We have never ever - BMW Oracle Racing has never ever ever wanted to have a one on one. We said that in the Challenge Document. We have said that at every stage all along the way. All we want, by mutual consent, is fair rules so that all of us have a chance to win. That is the America's Cup. Create a sham yacht club, write your own Protocol, turn all of the rules over to yourself – that is the Alinghi Cup. And we don't support that.

Peter Montgomery: Okay, Brad, I'll let you have the right to reply in a moment. Otherwise we

won't get questions and I know people...I know we have two hostesses. We'll let Keith and Alessandra and Paul have a comment related to the question. Let's get to it.

Question from the floor, **James Boyd**, Editor and Publisher of thedailysail.com

I have a question for Sir Keith Mills and Paul Cayard. Obviously we have had this court case running for more than a year now. How has it impacted your respective teams and how has it impacted the Cup as a whole?

Sir Keith Mills: It has impacted all the teams to the extent that we have wasted a huge amount of time and a huge amount of money and we have watched the America's Cup, which is the pinnacle of our sport, get dragged through the courts. So nobody involved in the America's Cup or the sport of sailing has watched what has happened over the last 18 months with anything other than disdain and certainly, from a personal perspective, enormous frustration.

From a personal perspective, and I'm sure this is the case for the other challengers, we have quietly behind the scenes tried to find ways in which we could get these two teams to resolve their differences, sadly unsuccessfully. I would perhaps like to ask...I am a very keen amateur sailor, but essential I am a businessman, and in business and in sport it is my understanding that if you have got a grievance with the other side, you spend as long as you can trying to thrash it out before you sue them. It seems to me that - whether it was trigger happy or not I don't know - but the rush for the law suit, which was within a week or two? I guess of the Protocol being issued – it was very, very quick anyway - seemed to me to be a huge sledgehammer to crack a nut.

In fact this time last year, we got very close to a settlement. These guys aren't a million miles apart actually when you go through it point by point. So I think it is a great sadness that a law suit was ever contemplated, because I am fairly convinced that had the teams from the beginning sat down with Alinghi – and I have seen huge movement in the Protocol since last July.

It was, you are absolutely right Tom, an unfair one-sided Protocol when it was released. It has moved a long way since then. It is not there yet, but it is very close to being there and had you participated in that process, I think you would have ended up with a very successful outcome. But instead, for reasons that I don't understand, BMW Oracle decided to go down the legal route and I think that that, James, has damaged our sport.

Peter Montgomery: Keith you are talking, if I've got this right, July 2007 was the sledgehammer? Is that what you mean?

Sir Keith Mills: That is correct.

Peter Montgomery: Alright, Tom I know that you'll want to say something, but we'll get Paul who was asked the question...

Tom Ehman: But again the facts are...thank you for asking those questions, Sir Keith, because it is a big help actually. The truth is, the Protocol came out and as you said, it was awful. And everybody in the America's Cup world and the media knew it. So we asked CNEV, as part of that letter 'please revise that, please stand down, please let one of the proper yacht clubs come in and negotiate a fair Protocol'. Nothing. The CNEV said 'no' – this is the sham yacht club that was created. So nothing happened. So Larry said 'fine, if they are not going to step down - file a challenge'. Not a court case, Sir Keith, but a

challenge. So we filed a challenge, because that yacht club was not valid, we will file a challenge from Golden Gate YC, which IS valid. That was Larry's call. Not my call. Not Russell's call. Russell wasn't even hired yet. We filed a challenge. The defender ignored the challenge and then about ten days later, I think it was, rejected the challenge.

So what do you do at that point? Here's a sham Protocol, a sham Challenger. You file a valid Challenge and they've rejected it. There is no IOC. There is no NFL. There is no FIA. Unfortunately, because of the long history and tradition of the sport, for better or worse, there is a Deed of Gift, that was written originally in 1852 and now has been rewritten and we are under the 1887, the third Deed, that is the governing instrument. It is only four pages long – read the Deed. So, I'm sorry that's simply not true.

Peter Montgomery: Okay, Keith if you could reply to that, then Brad can have a comment and then we'll get to Paul. We'll keep the pace on here with the answers please.

Sir Keith Mills: You say that you issued your challenge and you got no response - there is an alternative and that's picking up the telephone and speaking to people.

Applause

Tom Ehman: Sir Keith, as Alessandro and Paul and Stephane and Brad will all attest, there was a whole lot of talking going

Sir Keith Mills: Not before the law suit...

Tom Ehman: With all due respect, sir....

Peter Montgomery: Brad.

Brad Butterworth: The fact is that it is a Challenge cup but when

you are challenged by another yacht club - and the Spanish challenged - the SNG has to take that challenge and deal with that, until it is deemed not a challenge.

Tom - are you sure you are not a lawyer, because you are speaking like one?! The fact is that you have to deal with each challenge on its own merit. So if somebody comes in and challenges later, like the GGYC did, you have to say 'you've got to wait your turn'. Okay, there might have been a little bit of talk, but that is the story they would have got. You just don't go to court. You try and join the process and get on with it and try and help it get better. But we are in court.

Peter Montgomery: I am very mindful that we haven't heard from Alessandra and Stephane yet, but Paul, please, would you answer James Boyd's question.

Paul Cayard: The answer to the question is, yes, every team has been hurt. It is a complete disaster and now we have piled the economy on top of it all. So it is not clear how or when we are going to come through this. Actually at the risk of leading a little bit here, I just think we could sit here for five days or another year talking about this and we really won't get anywhere positive. Obviously these guys have had plenty of lawyers haggling about this for a year already.

What I have written about years ago and actually the agreement I had with my yacht club, it may not be legally sound, but just the big picture, just taking a step back, going back to my talk this morning: My first America's Cup was 1983, I sanded the bottom of the boat myself every day at 7 o'clock in the morning, I didn't get paid. And back then the yacht club format was probably pretty good, as it was in 1871 when George Schuyler donated the Cup to the New York Yacht Club. That was a great system and a great structure.

But the 'friendly competition between foreign countries' [*quote from the Deed of Gift*] is kind of not on the money any more. It is now a business and it is trying to act like a business.

I don't know what Brad said the numbers were, but I'm sure it was a multi-billion dollar affair in 2007 in Valencia. And it was a fantastic America's Cup. It was the best America's Cup I have ever seen. It was probably the best one ever. But with so much financial interest at stake - corporate, private - we have a situation here where two wealthy individuals, but there are also a lot of corporations involved and there have been a lot of corporations who have put a lot of money over the last 20 years, into the brand that's called the America's Cup. And unfortunately, in my opinion, I think the foundation from 1871 just doesn't hold up in the 21st century. And the big picture is - this is our iconic event, we have all put so much into it, sponsors have put so much into it, we are all counting on it so much - we cannot let this thing do what it is doing to us and our sport. We have to move on.

I heard Keith Mills says something this morning that there is a movement afoot or something, but somehow we have got to come together, and I don't know if this is something that both Tom and Brad would agree - but I think most people in the world would agree, is that we have to come together and get a better administration set up for the America's Cup, so that the rules [*for the next AC*] are even known before the last race of the last Cup and it has already been hashed out and the rules are fair and they are perceived as fair.

We just have to have a professional competition. If you want to spend \$1 billion in sports, you have got to have a proper organisation. So I think that is the big overriding point and one smaller point is just - with the

advent of 2000, 2003 and 2007 and the individuals being so wealthy, we created a property, a product that exceeds its commercial value. And that is a dangerous, precarious situation to be in, because when you lose the philanthropy, which will come and go, as Gardini and Koch did, as Lipton did - people do come and go - you are not standing on a very solid foundation.

So what Knut is doing with the Volvo, getting his costs under control, making sure that the media and all the other sources of revenue to that event produce more than the cost: that is a business and that is what the top end of the sport needs to be.

So like the NFL – you don't think there's rich guys in the NFL? Like the Kraft family? They could pump billions into their team if they wanted to, but there is a salary cap. So the maximum any team in the NFL can spend each year is US\$80 million. That creates a business where the bottom line is black and it creates great competition because things are evened out a bit. So that's my 2 cents worth looking forward. I think that the subject is the Cup after the 32nd?

Peter Montgomery: Alright any other questions out here?

Question from the floor **Jamie Houston**, Royal Thames YC.

Hi guys, Jamie Houston, Yachting Solutions. Brad, you were saying that we have now got 14 teams on side, potentially three more. Tom you are saying that initially you wouldn't do anything because the teams were dissatisfied. Would it not appear now that the teams are satisfied and that it is time for Oracle to think about dropping the challenge and talking to the other 14 teams, who are clearly satisfied, and let's get this ball rolling, get back on the water and win it on the water and then move forward to a new set of rules?

Peter Montgomery: Tom, you answer that. I'd like Alessandra to answer that too, because Mascalzone Latino is holding out as well. Tom, you go first please.

Tom Ehman: First of all - we are not aware of how many teams there are. We've seen some names, but as far as I can tell, as Dennis Conner said in his interview with the Associated Press weeks ago "there are teams and then there are paper teams".

At this stage in the America's Cup in the past, in New Zealand and before the 2000 Cup, Paul when I was with you, and in 1992 when I was running the Cup in San Diego in 1989 – we had 24 team, real teams, teams with yacht clubs, teams with money, teams with designers. So I don't know what they really have and we can't make that judgement, because they refuse to let us come to the meetings. They refuse to give us any information other than what is sent to the press. And we don't understand this.

As Larry said in an interview he did this morning – 'why won't they show us the rules?' Would any of you in this room, go commit even a million dollars, let alone \$100 million, to a project, to a contract, when they won't show you rules. So that is the issues - we hear assurances, 'oh yeah, the rules are fair.' Fine – show us the rules.

Sir Keith Mills – Tom, when the GGYC were Challenger of Record with Alinghi, you kept the rules away from the other Challengers for a year.

Tom Ehman – Sir Keith, that's absolutely not true.

Applause

Tom Ehman: I'm not sure you were involved then. But in any event, you can ask any of the others here. But ask Alessandra. I won't even dignify that.

Peter Montgomery: Now Alessandra, the question is...we have got 12 or 14 teams that know have agreed. Why is Mascalzone Latino on the out?

Alessandra Pandarese: Okay, I will answer your question by saying that first of all that Mascalzone Latino has entered the 33rd America's Cup, more than a year ago. It's document, paper, whatever they required and it is challenged.

Why did Mascalzone do that? It is because at that moment, it looked very very much like there was a good prospect of a negotiation between the two parties, because there was a really good proposal on the table, made just right before the hearing on 22 October [2007] – I can perfectly remember that, because we were so certain that everything would be, that the proposal was really good on Oracle's side, that it looked like something that could be accepted by Alinghi. So the bottomline - we wanted to be involved in the discussions and in the negotiations and basically we, Mascalzone, have always been interested in being in the Cup. And that is confirmation.

But let me take one step back and tell you why we, in my perspective as a person that has been involved in this event and not only as a lawyer - which looks like a devil apparently! I have been involved in this event with passion and in different roles and with the prospective of within the Challenger organisation that come with Prada and recently in the last Cup as the Chairman of the Challenger Commission. So maybe, I can give some input here.

I would like to say that this morning, it was very interesting to hear that sailing is a very good product. Unfortunately it is not managed as it should be. Okay, this principle is clearly applying to the America's Cup and more now than ever in the current circumstances.

If you want to run such a complex event with teams, they should be welcomed, not excluded. You have to have a good organisation, a good event organiser and not an event organiser run by one side or, even worse, by one person. And I think that the crisis that we have got in the America's Cup - now everyone is saying we have two crises, the America's Cup crisis and the global economic crisis - guys, ask ourselves where the mistakes have been, because if you have a crisis it is because there were plenty of mistakes.

Okay, the mistakes in this case are many. But I can identify maybe one - the first mistake was to stop a really helpful discussion, that we started as the Challenge Commission group back in 2006. So during basically the last campaign, where together with Alinghi, we decided to work on a common forum to come up with a evaluation of the current event, the 32nd America's Cup, identifying all the innovation introduced by that event, elaborate these innovations, comment on that and then come up with suggestions that would improve the event the following time.

That process started, as I said, at the end of 2006. In Milan we had a meeting, it was very constructive and you would be surprised to hear, that during that meeting there were three points that were identified very clearly: That the following event should be - of course it was an open discussion, an exchange of ideas, no commitment, but the intention was to have a forum - the three points were: to have an event in a short time, a couple of years, with old yachts and with an organisation that would ensure the continuation of a prospective events after the second round in parallel - the idea was to put up a discussion for a new class that would have been valid for the 34th America's Cup. This was back at the end of 2006.

I will go to the point, saying that probably that was the mistake - for some reason, unfortunately I don't know why, but the Alinghi team stopped that discussion with us, the challengers, and unfortunately, because then probably it would have been brought to a really good process of mutual decision, that would have for sure avoided this.

Finally if I have just a few minutes to add one point - is that I have to read just one statement that [*Mascalzone Latino Team Principa*] Vincenzo Onorato has sent to me, just before this session. Because unfortunately, Mascalzone Latino, as I said at the beginning, has been asked to go through a validation procedure, although I sent the registration one year ago.

In the last few days I have been asked to complete this validation procedure that we don't know what it is, with the scope of giving conclusive evidence of the due corporate and the valid existence of the [*our*] yacht club. On that, I would like to read a statement by Vincenzo Onorato, which I have translated very quickly:

"If anyone has doubts about the legitimacy of the Oracle lawsuits, that we support, I have to inform you about the Mascalzone updated position with respect to registration to the 33rd America's Cup: ACM has not yet issued the Letter of Acceptance of our challenge although the registration procedure was completed more than a year ago.

"And Mascalzone Latino has been asked, through a non-clear procedure of validation, to prove the validity and existence of a club, which originates since more than a century and has participated in the America's Cup. This is an offence to my team, to my club and the city of Naples, that I represent.

Vincenzo Onorato."

Thank you.

Peter Montgomery: Alright, thank you Alessandra. Really, we don't want to live too much longer in the past, because the key issue is: what do we see the vision and how do we get out of this, rather than whatever happened? Put your left foot in, take your right foot out - one year ago or six months ago - and most of the people here are aficionados and actually are aware of the past.

Stephane - I'd like to hear from him and then we'll call for questions. How do you see the future of the Cup. How do we solve this issue?

Stephane Kandler - Well, first I am not a lawyer! That is the first point I wanted to say. The second thing is that I didn't come here to listen again to the arguments of everyone, because probably the judge will have to decide for us, unfortunately. Very proper things have been said. I think Paul did the best summary of what we have to do for the future.

The thing we know right now is that the America's Cup has tremendous value. That is probably why Larry [*Ellison*] and Ernesto [*Bertarelli*] are fighting for it and that is my opinion. We are the sailors and the people who are trying to build a business and a team. Again, the point is not to judge who is right and wrong, the question is 'what is the future of the America's Cup' - maybe not AC32, but maybe AC34.

I think, one of the earlier questions we had in this World Yacht Racing Forum was - who are our stars? Basically I think the America's Cup is the biggest show in sailing - there is no doubt about it. I want to say that Alinghi and ACM have done a great job and it was the best America's Cup ever. And it just showed the path it should go down in the future and I think we all agree on that.

I think as Keith was saying, finally the differences are not so wide,

but it is a question of posture probably, like someone wants to take over the power of this event.

To me one of the things I want to say - the question we have to answer, and I don't have the answers because it is basically beyond my power, because other people will decide that - is how do we build a continuous business? The main problem for a team, is what is my future looking like? We all know each time the winner - and that is really the specificity of the America's Cup and what makes it so special and I don't think we have to change it - is the one who wins gets the rights to organise it and he has to find an agreement with the Challenger of Record. Actually I think also the rule was made, at the time it was very simple because the Challenger came and said 'I challenge you' and there was only one Challenger. Now the problem is that we have more challengers and this is good because this shows the fatality of the sport and we have to say again that the America's Cup is the oldest sports trophy in the world, so it has a lot of value.

So how can we build a model which like in FI, like in soccer, like in rugby, you can build a league where every year you have something happening and our World Cup would be the America's Cup. I know that Alinghi has worked - and again I am saying very frankly, has done a good job with the Louis Vuitton Acts we had. So that is important.

The second thing is to me - is if we manage to build that model - that is probably our goal for the next years or weeks - it will depend - we have to build our rising stars.

We have people like Ben Ainslie, who has four medals in the Olympics. He is 30 years old, but who knows him? It is not an offence to say that. But it is very difficult. He is one of the greatest sailors in the world and he has the

chance now. I have to say I am a big fan of TeamOrigin because they are promoting a new big star. We are trying to do the same with the French guy who is Sebastien Col, but I think that will be the key thing - that the America's Cup sailors - Paul, Russell, etc - for sure have worked to make that happen.

I have to say - and again I am very honoured to be here, as you say the youngest in this presentation - but we have also to give the impression that the America's Cup, for the young guys, is the dream to achieve. This is what TNZ managed to build - a brand and team, which is a national team. Where every kid who sees the America's Cup boat going out is dreaming of this. Probably in England that would be the same, if TeamOrigin were doing it.

So I have to say, we have a lot of work to promote that. I think we have to have new faces coming up. I think the America's Cup right now has to change. So that is probably the reason why we have... every time something like this happens - because it happened in the past as you all know, in 1988, we had the same situation and finally the Cup got stronger.

So that is my optimistic way of seeing things. We will try to give our help in this process and we hope we can find a way. But we have to give a more positive image of our sport, because we all know that again it can't be a huge success, like we had in Valencia, and I have to say that Spain has made and Valencia has put a lot of money in and I don't know which country has recently put so much money into sport, maybe the Chinese for the Olympic Games or London very soon. So basically, I would say around the table we are not here to find an agreement, but at least we have to work hard on the fact that we give a better image of what we are doing, because we all know that sailing is

growing and, as Richard Simmonds says, we have to be careful because this Cup could go down very quickly.

We talked about sustainable development: I don't know ANY sport in the world that can mix competition and sustainable development. So that is a big chance for us, because it becomes a real theme in the world.

So I think we have a lot of work. For me the future is how we can build something that is long lasting, so that the teams are not ending after each event and people like Paul, who has done, although he had to raise the funds, sail the boat, manage the team, know how difficult it is and what a pity it is, because we know that it is difficult to win the America's Cup in one cycle. So that is basically what we have to do.

Peter Montgomery: How do we modernise the Cup, but still respect the tradition? Do we have any other questions out there?

Question from the floor, **Marcus Hutchinson:**

This, whether we like it or not, affects the rest of the sport and everyone in this room is directly or indirectly affected by this from an event management point of view or whatever it happens to be. This obviously isn't going to be resolved overnight, this situation. It looks like it will be down to the judges to decide what is going to come. We believe that will be sometime in March or April or something like that.

I would like to ask a question of Tom and then of Brad: If Golden Gate [Yacht Club] loses its appeal - what will it do then? And then of Brad, if Alinghi loses this case, what will it do? Is what is the time scale here? Are you going to stop when this appeal is over or are we going to be on-going for another few months or years with this saga?

Peter Montgomery: Tom, you go first.

Brad Butterworth: Well, if we lose the appeal we are building this multihull, so we will be racing in a DoG [*Deed of Gift*] match.

Marcus Hutchinson: And the timing for this?

Brad Butterworth: Well, it will be 10 months after it.

Marcus Hutchinson: So, 2010?

Brad Butterworth: Yeah.

Marcus Hutchinson: And Golden Gate, if you lose the appeal what are you going to do then?

Tom Ehman: First of all, if we win the appeal, we will once again - as we have been trying now for 18 months nearly - try to negotiate a normal multi-challenger Cup, as we tried to after the judge ruled last November. We went back... Sir Keith in fact, led a consortium of challengers. We signed, Sir Keith's team signed and Alinghi rejected then an offer signed by a number of the challengers, to sort this out once and for all. We will again, even if we win - and the decision we expect to be in March - we will once again try again. We have been trying all along and we will continue to. If we lose, Larry has said, we will cross that bridge when we get to it.

Peter Montgomery: Tom, I thought the hearing was February 28?

Tom Ehman: February 10, with the decision coming 30-45 days after that, so sometime in March. Marcus asked what happens after that. This is it.

Marcus Hutchinson: I'm just trying to understand the timing. Because everyone here wants to know whether we should be expecting the America's Cup next year or the year after?

Tom Ehman: I think Brad's analysis is correct: If the two sides can't negotiate a normal mutual consent Cup, it will be 10 months after the court's decision in a Deed of Gift match.

Peter Montgomery: So that could be March or April the decision?

Tom Ehman: We would expect it to be in March and 10 months hence.

Sir Keith Mills: I think in practice though, because of the Northern hemisphere rule [*as stipulated in the Deed of Gift*], it will probably be April-May - 10 months from a decision in March.

Tom Ehman: We don't believe so... we believe the subsequent event will be 10 months from the court's decision in March, which means January of 2010.

Marcus Hutchinson: So no time soon...

Peter Montgomery: Good question Marcus, very good. Yes sir - thank you for your patience.

Question from the floor - Nick Masson, Crossinitiatives:

Nick Masson, I'm a salesman basically! And I have got two questions... One word from Tom: We know how many teams SNG say are supporting moving this forward. We know how many teams they represent. How many teams do Oracle or your club represent in holding this thing up now?

And let me just ask the second question so I can put the microphone down - in your statement on Monday, you stated that a "couple of months is not going to make much difference". I can tell you, because I am out there trying to sell these things, a couple of months to a very rich team may not make much difference, but to many other

teams it will make a very big difference and I would be interested to hear what the panel thinks about this.

Tom Ehman: Larry said in a quote again last week, in the interview he did with the New York Times, the Herald Tribune, Nick, and I'm sure you've seen it - he said there's no one who feels worse about this than him. Of course we feel bad. It has been a struggle for him. He has spent a lot more money than he ever imagined. It has put a lot of people out of work. Our team has had to downsize and it has been a struggle. However, the fault is not with Larry Ellison or BMW Oracle Racing.

Why - and I certainly agree with Stephane, and I agree Paul - why, after having the best America's Cup ever, and we all agree that if it was not the best, then it was one of the best - as Alessandra said, 'why would you take the rules and tear them up?' Why wouldn't you just repeat what had been done and in fact what we thought we had agreed, as Alessandra said, in Milano the previous fall - you were there Stephane. Why wouldn't you just repeat what had been so successful in Valencia 2007. We still haven't figured out why Alinghi tore the rules up and started with this whole shambolic operation.

Nick Masson: And how many teams do you represent?

Tom Ehman: I represent Golden Gate Yacht Club. We represent Golden Gate Yacht Club.

Nick Masson: So it is Golden Gate Yacht...

Tom Ehman: We don't know how many teams we represent. We don't know how many of those 12 teams are real. That is not the point. The point is...

Nick Masson: It certainly seems the point Tom...

Tom Ehman: Well it may do you to and I understand that.

Peter Montgomery: And we'll go around the circle – I'm just trying to find the question – and I know Nick was saying 'a couple of months delay doesn't matter'. If we could start with you, Stephane. Another two months delay – does it matter?

Stephane Kandler: Time – you know the only thing you can't buy is time and in the America's Cup we know how important it is especially because you have a deadline. So basically, anyway - to do the America's Cup you have to be a little bit crazy. I am a little bit crazy, when I decided to launch K-Challenge seven years ago. We managed to be in the last Cup. It was very difficult. Today – again I say it is not in my power to make any changes, so that I only hope that there will be a solution.

Again, it will depend on things that we cannot decide, so I just wish that there is an agreement, but I can't make the decision.

I support any ideas that will reduce the cost of the event, will make it, as I said, a continuous business, something we know we can sell, because anyway there is a natural attraction to the event and we have seen that for years.

So, for sure, it is not a good thing that we wait here. Okay, there is an economic crisis, but this is not the first in history and there are sponsors outside who like the America's Cup and just wait. The biggest issue for us is clearly that there is no certainty, and when we will get certainty for sure, and it is always the same issue, it will work.

Peter Montgomery: Right, found it: "As you know, the court has set a date of February 10 for aural arguments and is expected to rule on our appeal by the end

of March". This is the letter from the Commodore of Golden Gate [*Yacht Club*] to the Commodore of Geneva [*Societe Nautique de Geneve*]. "It is expected to rule on our appeal by the end of March. Given the stakes involved for the future of the America's Cup, we do not believe that a few months..." It wasn't 'two' more months, it was a 'few' more months "represent an unreasonably delay". So a few could mean four or five. What is your reaction, Paul Cayard?

Paul Cayard: I think we should have independent management.

Applause

Peter Montgomery: Alessandra – are you ready for a couple more months?

Alessandra Pandarese: It's not the right question here...What product do we sell?

If it is something like a good event, a credible event, then you are going to sell whether it is one months time, now or in four months, so there is always the possibility to sell a good event now. It is a question of if these people open up the discussion so that the interested teams, so that the parties that are in litigation, are not doing this kind of closed discussion that would prevent a change of ideas.

In a crisis you need to discuss, you need to - even if you have a party that doesn't agree with you – that is the best way and to open up the discussion. Now the meetings are secret. We don't know what the discussion was about. So two to three months at this point doesn't change very much. We want to have a good event to sell and proper, good management.

Peter Montgomery: Alessandra, we're not cheating the questions here. If people want to ask those questions, they have the right to ask them. Keith?

Sir Keith Mills – Of course time is of the essence and is two or three months going to make much difference? I think the reality is that these teams aren't going to settle and they aren't going to settle because they don't want to settle. Ernesto, I know, won't negotiate with a gun held to his head. And I know speaking to Larry and Russell – as Tom knows, I speak to them fairly often - they won't negotiate until they have a set of rules that complies with their view of the America's Cup, which is their prerogative. And there you have to two inextricable positions and they are not going to be resolved.

So sadly I think we are going to have to wait until March before we know the outcome of this and then perhaps, if we get the right answer, which I hope is that we can get back racing soon, and probably the thing that is going to accomplish that more is if Alinghi win their case and the 12 or 10 or 15 teams can get back in the water and start racing.

I think the one high point, which we haven't talked about much today, I don't know whether it will be eight, 10 or 12 teams will all be Auckland racing in about six weeks time. And that has to be great for the sport.

Peter Montgomery: Brad...

Brad Butterworth: In fact if you cut the crap, there are 14 teams there negotiating how the event is going to be run in the future and, believe it or not Tom, you won't be at that table unfortunately – but if you do win the court case, then you will be able to negotiate on their behalf, which I am sure they will be happy with. But at the moment there are 14 teams which are open and it is quite a healthy environment to create an event next time that is going to be as good as it was last time, because I can't think it can be diluted just from what has happened in the financial market.

Peter Montgomery: OK. Any other questions?

From the floor: **James Boyd**, Editor and Publisher, thedailyisail.com:

Paul has put forward the idea that there should be an independent version of ACM running the America's Cup in the future. I was just wondering if I could have a show of hands – who else thinks that?

No one puts their hands up – then three put their hands up tentatively.

Sir Keith Mills: I think it is worth saying, and I said so in my opening address this morning, I have spent a lot of time talking to both sides and I have spent a lot of time talking to a lot of the teams. Actually you can hardly put a piece of paper between their views. They actually agree on a huge amount of the future of the America's Cup, which is actually the sadness. That is the tragedy we are in – I think we all agree that the America's Cup needs to move on. We agree that the Deed of Gift needs to be updated, because it is now out of date, it needs to be fit for purpose and my hope, the reason I am hanging in here, is because I really hope that during the course of planning and sailing the 33rd America's Cup, we can make sure that the 34th America's Cup is run under a different structure.

Stephane Kandler: Can I add something just quickly? Our sport had another chance to have Louis Vuitton for many years and they are also prepared to help our sport. I think that is something that we didn't mention. You talked about this event in Auckland, where Alinghi will be and Oracle will be, and so that I hope it will be interesting racing. To see all the teams on the water again - will the case be solved? I don't know. Again I think that is an important part – to attract sponsors. Few sponsors have spent 25 years in

sponsorship like Louis Vuitton did and I think it is very important to thank them first and maybe to think about them as an independent party to join the table.

Applause

Peter Montgomery: Matthew...

Question from the floor, **Matt Sheahan**, Yachting World.

Judging by the applause then and also the applause for the idea that there should be independent management, I would like to ask the panel whether they think that the oldest sporting trophy in the world, the jewel in our sailing crown, can maintain its prestige and appeal if the Deed of Gift is modified?

Paul Cayard: I'll go first on that. I think so. I think it can be done well. First of all I'd like to second what Stephane said – and it was missing up here - we spent an hour haggling about what is going on and not a lot talking about the future. But Louis Vuitton – no sponsor has put in...there is no stakeholder in the America's Cup that has put as much into the America's Cup probably ever, but certainly in the last 25 years, than Louis Vuitton. And the Trustees have come and gone from Newport, to Fremantle – all of them. Louis Vuitton has been there for every single Trustee at every event and every Challenger of Record and they have promoted - their main emphasis has always been to promote the sport, to get the journalists there, to get the word out. And if the America's Cup is a big brand right now, we all owe a lot of that to Louis Vuitton.

I think with clever work, like it should be in an event like this, certainly we can maintain this prestige and allure and the story and the history which of course is quite remarkable about the

America's Cup, but yet run a professional event, like World Cup soccer or the Olympic Games. I mean the Olympic Games also has quite a lot of prestige and it has been going on actually not quite as long as the America's Cup, so I think for me the answer is 'yes'. It will have to be done smartly. There will be a bit of a transition, but where we are going now, and even if these guys stand up right now and shake hands and say 'hey, let's go racing', we still have a problem, we still have an Achilles heel and that's why we should have talked for an hour here about 'what are we really going to do in the big picture', because it isn't about Alinghi and Oracle. That isn't the problem about the future of the America's Cup.

Applause

Peter Montgomery: Well it is about Alinghi and Oracle, because of the stand-off, Paul, at the moment. That has to be resolved. So what is the big picture for the future? How do you marry tradition with modernising the Cup?

Paul Cayard: I actually haven't thought about it terribly. I would say that Louis Vuitton for an example would be a nice partner to have help bridge that transition if the management of the event went independent. I would say also that I think the ACM mechanism was a very well done mechanism. I just think that it should have all been owned by other stakeholders, so that it had objective and independent representation rather than the representation of one of the competitors.

So, for example, one idea could be, that all previous Trustees could be shareholders or stakeholders of ACM going forward. And it can certainly be that the winner of the America's Cup gets to host the America's Cup. That should stay for sure.

Probably a smarter model too is that that should leapfrog. That is how they used to do it in the Star Worlds in the old days. If you won the Star Worlds, you hosted the World Championship in your country two years later. So in this case you could have, no matter what happens in this next Cup, the next Cup is in Valencia, but the winner of the 33rd will host the 35th America's Cup in their home turf. So they have the four years to create the great harbour that Valencia is. So some of the tradition can surely be kept.

We keep the Trustees involved, maybe to keep the stability and the tradition and we have things like Louis Vuitton. But we move forward. We have to change. We have got to adapt. It is the 21st century. It has to be run independently.

Peter Montgomery:
Alessandra?

Alessandra Pandarese – I think one good point about this event is the fact that we have a constitution that is very flexible. So before even looking how to modify and if modify the Deed of Gift, it is really good for the teams to do this exercise of creating a mechanism of an entity that would exist no matter who will become the Defender. And the way to do that is to give this entity a recognition or independency, of economic capability, of looking into all matters of organising an event. Otherwise if every time we finish the America's Cup, there is criticism of whoever organises, because there is always, it is born by one side. So you look into this entity with prejudice.

So the way to go forwards is probably to learn from all the mistakes made from the last months and year and a half and in the past and put together a group with the Defender, with the group of specialists that knows this event and to work for a possible way to go as a mechanism that has this

continuity. I think that discussion should be approached with the real clear mind, recognising the mistakes made, but also recognising the tradition of the mechanism, to have the Defender and the Challenger on the other side, so to have a few starting points and then build up this system.

And then, what I mentioned before, was that any process should have started at that famous meeting. Maybe we have to start from there.

Peter Montgomery: Tom in the past, I know for want of a better description, you have wanted the baseball commissioner type concept of central control going forward. Can you modernise the Cup in the 21st century and still respect the traditions of the Challenger cup?

Tom Ehman: Thanks Peter. This is something we have all talked about for a long time and thanks Paul for dragging us to this topic, because that is what I thought we were coming to discuss today too, not [AC] 32 or the interim. We have some pretty strong views on it and Matt, one thing is, we all know, we have all studied it - amending the Deed of Gift under New York law, is almost impossible. If it is something that the Deed prescribes and it can't be done any longer, then you might have a chance of getting it amended. Other than that - we've all studied it. New York Yacht Club studied it. Sir Keith, I know you've studied it. Paul, you and I worked this thing way back when. And Ernesto has studied it. And it is very very difficult.

So what you have to do is arrive by Mutual Consent. And Sir Keith has been working on this behind the scenes. Larry has some ideas and I would like to articulate six points that moving forward, that we think could work at getting an Amendment to the Deed. These

are principles that we need to achieve – and thank you, again for getting us to this.

We need to preserve the integrity of the Cup, the history and the tradition as a Challenge Cup. It can't be dictated by anybody; not by a challenger, not by the defender, not by a central organising committee, because that is the uniqueness of the Cup.

We have to have fair and competitive rules, as we did in AC32. It was a great event, achieved by mutual consent. Yes, we argued and yes, we fought. Alessandra was the last Chairman of the Challenger Commission. We tried to have a Competitors Commission early on. Now there is one, this is a good new feature of the current Protocol.

We need to have fair and competitive rules. For everybody, not just one challenger or some group of challengers. We have to secure the participation of all teams – top teams and new teams. You need to have the ability for a Shosholozza, who came in this time as a toe in the water campaign and lent a tremendous amount to the success of the 32nd Cup.

We must, as Ernesto has said over and over, as Larry has said and you've all said today: We must find a way to cut costs. We thought after the 1992 Cup that we could cut costs by limiting the boats. As Paul mentioned this morning, there were nine boats total built between the ultimate challenge and defender. So we have limited it now to two boats per team and now we are talking about it and we agree to and we support limiting it to one boat per team.

So these are all things we must do and you can achieve all of this by mutual consent with a strong Challenger representing all of the challenger groups, working with the Defender.

We have to keep this a technology Cup. The America's Cup has always been about technology. You heard it today from the journalists panel. That is one of the intriguing things about the sport, about the Cup: don't dumb the sport down. We've heard that from any number of you today. Keep the latest in sailing technology within cost reasons, keep that in the Cup. And finally make the America's Cup the centrepiece of – you were just saying Stephane - a robust calendar of international events.

This development we did last time with the Defenders, los Actos, the Acts – it is not as nice a word in English as it is in Spanish – these so-called pre-regattas including the one, Sir Keith, we'll be doing together with Alinghi and Louis Vuitton down in Auckland in the first two weeks in February. There were great features, great developments – we need to do more of that.

So these are six principles that we support. We don't think you can reinvent the Deed of Gift, Matt. But with mutual consent – anything is possible.

Peter Montgomery: Keith? Have you got a comment on this please?

Sir Keith Mills – I think that just goes to demonstrate the point, because if you sat down with Ernesto you would have a very similar, not exactly the same, but a very similar list of wishes. So it is a bit galling for all of us I guess, that we all agree, but don't agree and I think we should now talk about the future. And there are many many, in fact, most sports, seem to organise themselves pretty effectively that way already. There are lots of models out there.

One of the things I'd suggest - whether it is during the current Cup or the next one - is that all the challengers agree and pay for,

an independent commission that would go out and study all the sports, study all the structures that exist, look at the legal issues.

I know the Deed of Gift is an incredibly difficult document to change – but look at all of those issues and come back to us all – the Defender and the challengers, with a recommendation on how the America's Cup gets structured in the future. Paid by all the teams and reviewed by all the teams – but I think it has to be done by a third party, because with the best will in the world, Ernesto's vision of what happens in the America's Cup going forwards, is going to be different from Larry's, probably will be different from mine or Paul's or anyone else's. And I think that a neutral commission, that could look at this and make recommendations to the sport, would be enormously valuable.

Peter Montgomery: Brad?

Brad Butterworth: I guess, I'm with Paul on this. I think there should be a board and use the past Trustees and do work that Sir Keith is saying, so that we have some sort of clarity about how we move forward.

Peter Montgomery: We are running out of time. Have you got any more questions?

Question from the floor, **James Boyd**, Editor and Publisher, thedailysail.com

Just going back to my original question – who wants an independent organisation, I think from what you just said – Tom, is BMW the only one that doesn't want an independent organisation or do you want that? Everyone seems to want that – is that right?

Tom Ehman: You can't under the Deed you can't just go out and create an independent... We all want independence and as Paul said, we have gradually, since 1970, when New York Yacht Club

basically ran the show. First of all, the jury was appointed, Beppe Croce. That became independent. That was a good step forward. Then the measurement system – it used to be the New York Yacht Club measurers – that become independent. Then gradually over the years, up until this last time – then we created, by mutual consent, ACM. The problem was – as Paul says – the problem was it wasn't independent. It almost was. By mutual consent we can create this independence and that is what I hear Sir Keith saying as well. So yes, we support that kind of approach – you bet. And it can happen by mutual consent. It could happen tomorrow for the next Cup if there was any willingness to sit down, as we have done every time, all the time, to do just that.

Sir Keith Mills: Well, Tom...can I ask Brad? If they drop their law suit – would you sit down with them and negotiate that?

Brad Butterworth: Well, for sure

Sir Keith Mills: There you go...

Applause

From the floor **James Boyd** – Editor and Publisher of thedailysail.com

Obviously one of the sticking points is over how far Alinghi go up the challenger selection series and the effect that might have on the selection series. Clearly with such a strong challenger selection series it is much harder to defend the Cup these days. What is the solution? I think BMW is of the opinion that the Defender shouldn't be as deeply involved in the Challenger Selection series, but there clearly needs to be some solution to that.

What do the various panellists think is the solution? We've have heard what Alinghi are proposing?

Paul – what do you think about that? What is the solution?

Paul Cayard: Well, it is a tough one. In a way it flies in the face of some of the innuendo that I am hearing through some of the questions, like can we preserve the tradition of the America's Cup and obviously one of the fundamental aspects of the traditional America's Cup is that there is the Challenger and there is the Defender and up until recently it was 'verboden' to sail with the Defender at all by any of the Challengers, the Challengers as a group put a lot of pressure on everybody. I remember when Gillie sailed with Team New Zealand in 2000 down in New Zealand, everybody was very upset about it all.

I think the reality though is that if you want to go to one boat teams, which is a good thing, and you want to have smaller teams and crew, all of which cost a lot, it is something that has to be dealt with. I think it can be dealt with properly. Obviously it is one of the sticking points here. But again the problem is that you have someone who has the power and he has his opinion of how it should go, and the other person thinks – that's not cool, that's not fair, but neither of them can decide on their own. So they are going to court.

The point of it is, again – it is another one of the details that should be sorted out by an independent group of people. The other point I wanted to, I prepared some notes for all of this - we have some very very high quality business people in the sailing world. A couple of names that come to my mind, is of course Sir Keith Mills and without mentioning Larry and Ernesto, but guys like Lindsay Owen Jones or Dominico del Sole or Marco [Tronchetti Provera, CEO of Pirelli] and I'm missing 15 other ones - isn't it possible yes, we need a good sports marketing company

to come and do an assessment. Knut [Frostad] is doing all the right things. He's got Boston Consulting, they're going around and they are collecting data, right now when the race is going on, they are finding out what works and what doesn't work. Fortunately for Knut he just works for one guy up there in Gothenberg and he gets to make the call.

Tom says 'the Deed can't be changed'. Well, I don't want to hear that. I just want it to get fixed. Get someone to figure out how to fix it. The America's Cup is such a valuable property. It is the most valuable property in the sport of sailing. We've all put a lot of elbow grease into that. I sanded boats at 0700 with no money. Brad did whatever he did. Louis Vuitton pumped in millions. It is what it is.

Now, it is stupid not to take that iconic event and make it work for us. It is downright idiotic. It just can't be! So for example, right now we have a crisis, we have the situation we have got. Well right now, the 'Commissioner of the America's Cup' probably should just say 'guys, get back in your old boats, you can build one new boat and we'll see you out there in a year and a half.' And that is how we are going to get through the crisis.

We have got a storm here - it is blowing 55 knots on the nose and we have got to get through the next 18 months. In the meantime we'll figure out a new boat or what else we should do – but get back out on the water before everyone forgets who we are.

Long applause

Peter Montgomery: One last question please. We'll wrap it up on this last question...

Question from the floor: **Knut Frostad**, CEO Volvo Ocean Race:

I wanted to leave the conflict for a little while and talk about the future.

The America's Cup is partly privately funded and partly sponsorship funded. Where do you see that heading in the future and if you think that the future of the America's Cup will be primarily sponsorship-funded, what are you going to do to change the Cup make that happen? How will the Cup change to make that possible? Certainly you wouldn't be sitting here if you were 100% sponsorship funded.

Peter Montgomery: I'd like everyone to make a quick comment on that?

Sir Keith Mills: Believe it or not, most sports have a combination of benefactor and sponsorship. I think in the last Cup, the most successful teams, the ratio got quite high. They were fully funded by commercial revenues, but it was moving in the right direction.

I think we find a format that all these guys have been talking about going forwards - the percentage of commercial funding will rise to a point where benefactors contributions will be on a scale that will enable many many more teams to compete. And that has to be good for the sport.

Peter Montgomery: Stephane... Let's go with you and then go around from there.

Stephane Kandler: Can someone translate the question again. I'm not sure I understood it.

Peter Montgomery: The future of funding, will it be wealthy people like the billionaires or do you expect more sponsorship money? And, Knut, where is it coming from? How are you going to get that sponsorship money? Where do you essentially see the future of the Cup and the funding coming from? Is that right Knut?

Knut Frostad: ...and if you think it is sponsorship. The feeling was that in Valencia it was certainly more commercial than any Cup I've witnessed before. What changes do you think you have to make to the event to make it more successful commercially?

Stephane Kandler: Yes, this is a subject for us, because we are a 100% sponsored team, despite the fact we put a lot of money into the team to start with, because you have to start at some point.

I think the America's Cup has all the ingredients to support the teams. Again the problem is - how do we make it a regular event? Because that is what people want.

How do we raise the stars that people want to see. I see only two stars in sailing that everyone knows in the street: Peter Blake and Ellen MacArthur. They are probably the only brands as people that exist. And now we are talking about other brands which are TeamOrigin, Team Alinghi and Team New Zealand is a brand. Team New Zealand is a very good example of a team that has passed through, had different people, had difficult moments, people left, people came, and they are still there. So it can work. But for sure, most of the ideas are already on the table: The proposal of Alinghi, as Sir Keith said, and Oracle are very similar and we all want to cut costs because we know that with one boat it is much simpler.

So the biggest objective is to keep America's Cup exposure, but that is the brand of the America's Cup itself. Find the right organisation for the event, and find a good format but then I think that one of the important things for us as a smaller team, or 100% sponsored team, I think we have to reduce the difference basically in funding between a team that makes 20-30 million Euros and a team that has 100 million Euros. For sure there

will always be a difference. We also saw that teams with 100s of millions of Euros, didn't win the Cup. That happens as well and is in all sport.

One thing I wish to say as well is - we always say the America's Cup is expensive, it is a billionaire's sport, but Manchester United is owned by a billionaire, who has spent 2 billion Euros to buy the club. But they have a better model right now. That is the difference.

So anyone in any case, every team you build, there is an investor at some point that will put in the money to start with and then you will find sponsorship, because you build a good story about it and you build a good brand and you want the sponsors to join you. It is not only about - will it cost 20 million Euros? You have value, there's your money, but we all know that sponsorship evaluation is not only about how much we have had in the news and so one. So you buy a special story with the team.

We received for example, in Areva, 4,000 people though our base, which is twice as small as Alinghi's or Oracle's bases, but people were happy.

And one thing we had in the America's Cup, which is very different to other sports - is that when people come and watch the guys who are sanding the keel and the guy who is doing the electronics, the sailor, the marketing adviser - it is a real company. They understand what we are doing. Basically what we don't have now and what we have not achieved is to make the whole public understand that we are people with heart, we are not just billionaires, we are passionate people and they do the same for their business. That is the difference. Today what we have to say to the outside world, is that we are normal businesses, we sell some dreams - that is for sure - and you have space for everyone.

Top teams - look in Formula 1, there are only two or three teams fighting for the top scores. It is the same in soccer leagues. And the rest is fighting in this other story.

And don't say that Shosholoza wasn't a success, for example. It was a marketing success. And they had almost nothing. They had more than us, but they did a better job for example.

So I say, very frankly, that on certain parts, we made our sponsors happy with us - but it is much more complex. One thing that I know all the sponsors buy when they come to the America's Cup is essentially, the America's Cup - it is something that is very special and you cannot compare it to the Olympic Games or soccer, because I would say it is even worse: You don't control at all the event. It is someone else who is deciding the rules for you, which is different from the America's Cup, where we have the chance to at least participate in the move forward.

Peter Montgomery: Alright, Tom - the crystal ball on funding.

Tom Ehman: I agree with Keith, there will always be accommodation of both.

Peter Montgomery: Paul, what does your crystal ball tell you on funding and how it's going to be do.

Paul Cayard: I agree there will always be a bit of both, but probably putting cost limits in and taking a little bit of the sting out of the extra 100 million on a 200 million Euro budget, would be a good thing all the way around. It would make the competition, which adds more value to the product and gives the smaller teams a better chance.

Peter Montgomery: Alessandra - what is your crystal ball saying?

Alessandra Pandarese: I would say that for sure we have to agree that it should be a combination. First of all, we don't want to avoid there being billionaires interested and involved with this event. But on the other side, the future, and we have seen it, goes towards sponsorship and probably even an evolution of sponsorship, not just someone that gives money or support, but someone that works together with the teams or even more to enjoy what the team does. We have seen in Valencia one successful aspects of the commercialisation of that event was the hospitality program that we could do at the bases. So, of course, smaller teams have done less hospitality and now they can do more. For sure yes – that is the current situation.

Peter Montgomery: Thank you Alessandra. Brad, you bring, a very interesting perspective because you were with a campaign that was fully-sponsored full stop,

no benefactors at all. And now you have got someone with financial reserves in the current campaign. Having been on both sides – where do you see the future of funding for the Cup going?

Brad Butterworth: Well, none of these teams make a profit - that is the problem. They have either got a rich individual that helps them out or a government backed funding program that helps the team. And it has never been any better than it was last time when the venue was tied to an infrastructure spend. And so that was reflected in how much they paid for it.

But the problem was that the main sponsor of the event, that was Louis Vuitton, left because it got too commercial. So it is a bit of a Catch 22 there. You have an old sponsor there that, for sure, has 25 years in the Cup and it has been a great partnership, but it was too professional. For these

teams to go ahead, there has to be a more commercial spending or more commercial income for them, so that the balance of power of the teams, their budgets become more linear and more even and the event will get better with that.

Peter Montgomery: Thanks Brad. Ladies and gentlemen – I hope you learned something of the current situation and the future if you didn't know it before.

Our special thanks to Stephane, Tom, Paul, to Alessandra, to Keith and to Brad.

I know we have gone over a little time. It is important to announce that the Track and Ocean Cocktail Reception at the Monaco Meridian, starts in the 30 minutes. Thanks for your attention ladies and gentleman, but particularly thanks to our panellists.

Applause



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DAY TWO

Peter Montgomery:

Good morning and welcome to day two of this World Yacht Racing Forum. We're really encouraged by the positive feedback from the first day. And there are a couple of things that may be modified, but overall – very very good reaction and we do appreciate it. The networking also has been outstanding. It was just wonderful last night at the cocktail party and I came across this delightful young lady who said 'remember me?' And it was Sofia Bekatorou - are you here this morning Sofia? Anyway the gold medallist from Athens in 2004 and bronze in Qingdao and it was great to be able to chat to her. We really have got some guests who just...so many people have said "we've never had a group of people like this, who have achieved so much in yachting and sailing, all in the same group".

So we start day two with the key address from Peter Gilmour, a man of many parts: Outstanding sailor; Multiple world champion in fleet racing and in match racing; four time world match racing champion; who competed in the first World Match Racing Championship out of Fremantle in 1988 and just last week won the Monsoon Cup, the last event in the World Match Racing Tour in Malaysia. He has been involved in eight America's Cup campaigns, with his formidable reputation as a starting helmsman – he was on the helm of *Kookaburra* in 1987 against *Stars & Stripes* and because of his feared reputation as a starting helmsman, he was invited by Alinghi to join their team to ginger up the start sequences for Ed Baird. But on the way he has been involved with the Spirit of Australia, with Nippon Challenge, which had a huge influence on his life, and also the OneWorld Challenge.

When he was with the Nippon Challenge, it really said a lot about Peter, that he embraced the Japanese culture, he became fluent in Japanese, has made lifelong friends there – in fact two of his crew last week at the Monsoon Cup were Japanese. And one of them was instrumental in helping Peter secure major sponsorship with Yanmar for next year and beyond, in match racing and fleet racing.

So he learned a lot and also from the America's Cup.

But Peter is much much more than an outstanding sailor with that very quick resume – it goes on a lot, lot longer on things that he has achieved. He is also a thinker from his background when he started studying Engineering at Western Australia University. He clearly challenges himself and all that is around him.

And he is the Joint Founder, along with Patrick Lim, in setting up the Monsoon Cup. For those of you who are not aware – it has just had its fourth edition at a city called Kuala Terengganu, which is an hour's flight from Kuala Lumpur. It is the richest sailing event in the world, the richest match racing event. It is the last stop on the World Match Racing Tour under the ISAF banner, carrying more points than the other regattas, because of the significance of the event.

The television set-up – there is an area much bigger than this stage, twice as big for the broadcast area. It has a footprint that has 1.4-1.5 billion homes going from around Iraq and the Gulf states right through to Japan, taking in India and China, so it is a good start on the reach of this event – and live coverage. And of course right through Europe. I have had several texts from friends saying they were listening or watching the final day of the Monsoon Cup right across Europe on EuroSport.

On the strength of that, Peter was given the highest honour in Malaysia and he is 'Dato' Peter Gilmour – in effect what Sir Keith Mills has, a knighthood.

But that's not all. Last year in Cascais, Peter led a campaign on behalf of his home city, Perth, Western Australia, a successful campaign to secure the rights for the World Sailing Championship, Perth 2011. The Olympics have around 400 competitors. The last World Championships in Cascais had 1400. The upcoming event – think of a number? At least 1,600 – it will be huge. The boat park required in Fremantle, near Perth for this huge event... Peter headed that campaign as well.

But he is also involved – Australia won two Gold medals, one in the Women's 470. Peter was the Patron and helped fund and finance that brilliant women's crew as well.

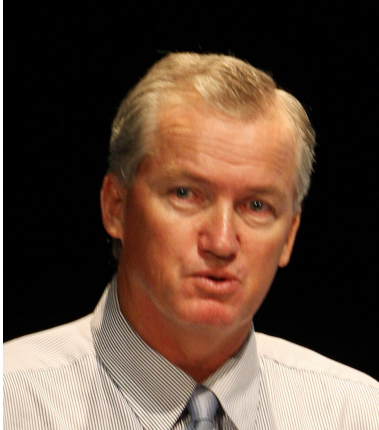
He is also a father. He has got a strong line in young sons, who know what they want - rather like Paul Cayard, what do young people want? And Peter gets an earful from his teenage sons, one of whom is on target to sail the World Youth Sailing Championships as well.

And long ago, the only time that Hollywood has gone sailing with the movie *Wind*, Peter was heavily involved with the *Kookaburra* boat, which I ended up, through Peter, as the commentator.

But that's enough. I could go on and on and take up Peter's valuable speaking time, but if you were challenged and stimulated by the speakers yesterday, you are going to be in for a wonderful surprise from someone who challenges himself magnificently.

Ladies and gentlemen – Dato Peter Gilmour

Applause



KEYNOTE SPEECH

Peter Gilmour

What an introduction. He does a wonderful job, PJ. If you need a television presenter, he's your man!

It is a great pleasure to be here to present on both those subjects PJ mentioned, which are the ISAF Worlds and the Monsoon Cup.

I think from what I heard yesterday and speaking to people around here, you really want to hear the special points that make up an event. I hope that I touch on some of those points for you today.

I think the Monsoon Cup itself, was an event that was literally developed out of the idea from the Prime Minister of the nation. Malaysia was putting in – as you've seen - an enormous amount of effort in promoting the country with its Malaysia - Truly Asia campaign, in its 50th year of independence last year in 2007, advertising and promoting itself all over the world. And it wanted to connect itself somehow with a sporting event. The Monsoon Cup has become the second most prominent sporting event in the country behind the Formula 1 now as a national treasure. It also has helped to stimulate real growth in Kuala Terengganu and in the state of Terengganu, which has

just been slowly advancing and growing.

We came up with the entire master plan for this event site. It was literally...in fact James Pleasance, your event organiser here at the World Yacht Racing Forum, in a former life he was the Marketing Director for the World Match Racing Tour. He came out with me to this island and we walked over it with Patrick Lim – and it was a rubbish dump. It was completely covered in rubbish and James laughed at me and said 'Gillie, you're not serious are you?' And we went around and we have since developed and built this 5 star resort, which is now a fully operating resort and excavated 5 million m³ of sand out of this racing basin you can see below here. To put it into perspective, it is about 500,000 ten tonne trucks of sand that was removed to make it a viable sailing arena, where match racing could happen extremely close to the shore.

Our involvement is an important one and I think it is possibly one of the most important aspects that I believe in operating or running events. The great thing that Patrick Lim taught me, and brought to all of this, is that Formula 1 was his passion. He is great friends with Jean Todt from the Ferrari team and he brought the motor racing aspect to this event. In fact we were talking just last night and he said "the sailing fraternity, shouldn't be in this room, it should be next door, listening to what motor racing is doing, because motor racing has done it, has got it. That is where to build our base from." And the one thing that he said that motor racing does is distribution. But in terms of dealing with all of these stakeholders we find it particularly important to be constantly selling to them and constantly presenting our marketing concepts and ideas.

The single most important aspect I think that has made our event a success is the fact that we haven't

empowered a yacht club to be involved with this. That will probably offend a lot of you here, that represent substantial yacht clubs right around the world, but yacht clubs do not run events well. It has been proven, especially on the World Match Racing Tour – where if you think back in its former life as the Brut by Faberge Tour or before that as the World Match Racing Conference, I think there were up to seven Royal yacht clubs running events. Now I believe there is only one Royal yacht club – the Royal Bermuda – left in the mix. Yacht clubs don't run events well. I think it is particularly important to realise that it is difficult in a commercial environment to create organic growth, hence our approach which is a top-down one. So let's work on our distribution first. Let's work out what the model is for distribution.

We are very lucky in our event in Malaysia and this gentleman on your left here (see p66) is the King of Malaysia. The King rotates through the nine Sultans every five years and he's the Sultan of Terengganu and he's the King of the country. He's got a great passion for sailing. We've sailed several times together and it is quite interesting to see his interest. Also, as I mentioned, the Prime Minister has a very personal and private interest in the event as well.

I think as you know, the World Match Racing Tour has a collection of nine events of which the Monsoon Cup is the last on the calendar year. The Monsoon Cup has a special place and a special position because it incorporates a 1.5X multiplier compared to the normal events. This ensures that the finals for the World Championship, that - I know Ian Williams recently was crowned Match Racing World Champion, is here with us today - it is important. I guess the intensity that built-up – if you could have seen the look in the

three competitors eyes when they came into this event and the intensity and the passion they sailed with, it was quite something, really quite outstanding to see that. I think the World Match Racing Tour is really managing the sport particularly well.

From our perspective, as I mentioned, it is all about distribution. We have a tremendously powerful television platform and we work very hard on it. Not only do we do television, but we also do radio, we do print, billboard advertising, we do online clips for our own website, we do it through the ESPN website, through SailWorld, if you go on to YouTube there are small little clips, Facebook – any capability that we can get the message out there. I was particularly excited to hear Knut [Frostad] say yesterday that it is all about the intelligence of your audience. One of the things we try not to do is to be patronising. We try really hard to explain in its most technical level possible, try to get into the heads of the competitors, which is a special nuance of match racing, the talk, the strategy, the talk of tactics, the engagement of the competitors – we put a big effort into on board audio, which I must say this year improved quite considerably.

If we could run the video...

Plays video

A particularly important part of our event is not only promoting it, doing the television aspects, but we also work very closely with the government and they want to know what return they get on the event. They have very very stringent KPIs which is promoting Malaysia, which is promoting the state of Terengganu and promoting tourism. We measure all the media. We measure all our hospitality benefits that we give and try and put a value to what we call the 'tangible benefits'. It is particularly important doing this



The Monsoon Cup

- The final event of the World Match Racing Tour (WMRT), a professional sailing series sanctioned by International Sailing Federation (ISAF)
- After just 2 years, WMRT has acknowledged the Monsoon Cup as the best conducted event on the Tour
- Receives government's full support and underwriting as it is viewed as a catalyst to Terengganu's economic growth through sports tourism



Monsoon Cup

History

1. Vision - To promote the east coast state Terengganu to the world
2. Mission – To use "Sports Tourism" as a catalyst for economic development
3. Concept - Terengganu to be transformed into a preferred sailing/boating destination
4. Delivery - Encourage local participation in sport & community

Monsoon Cup



History

- Tbest Events has been given the mandate to run the "Monsoon Cup" for 8 years
- Event as a catalyst for infrastructure development and introduction of new supporting businesses / economic activities

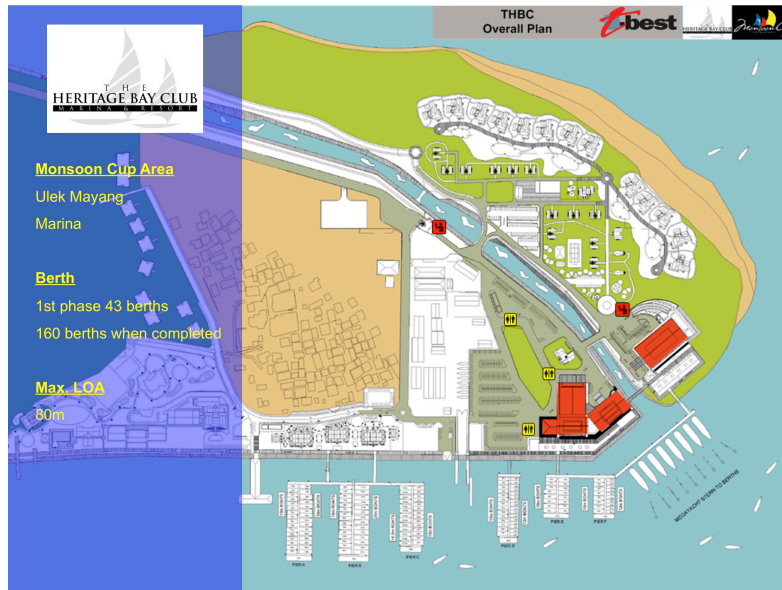


and coming up with a total brand valuation. This is obviously different to economic impact analysis, which is a separate part of the report. But it is important that you know your value against a measured benchmark and using that benchmark year on year.

One of the things that we have agreed to do with this event, right back from the very beginning, is only to run the event for a period of eight years. In my experience watching events on the World Match Racing Tour, much longer than eight years and an event starts to go through a cycle where the original entrepreneur has either moved on or they start to top out. So our idea was to run it for eight years – we are four years into it now and we have a growth rate, let's say 20% year on year for the final four years, rather than it sort of drifting off sideways. And so being able to measure, I guess, brand value and the benefits, is a direct way we can measure the events.

I think we also have significant intangible benefits, such as ambush marketing - can any other marketer get in and market their products? Is there too much sponsor clutter? Or do we have a track record? For example a great intangible benefit is what value do you put on a King coming to an event? And the brand value of our people come in and put values on all of this for us until we arrive at a final total event valuation.

So looking at statistics for the event – and we clearly we don't have the 2008 numbers in yet, but our gross media value across all those media platforms – television, print, billboard, online, everything - comes out at around 217 million Ringat. Our total event brand valuation was around 410 million Ringat. In 2007, we know our attendance in 2008 is down on that number, but at the same time our global broadcast has increased quite considerably with new broadcasters coming on board.



Stakeholders



Coronation Cup

Royal Participation

- Brings enormous international significance and endorsement of the event
- His Royal Highness is personally interested in sailing and an active sportsman



One of the interesting things we do and this is something that a lot of events may take away from here – is we bring them [TV crews] in early, that is up to eight days before the event. We do four 26 minute shows, a highlights, review of the World Match Racing Tour, which goes out on the platform, then four nightly shows that have to be packaged up, edited and sent off by satellite by about 6.30pm on each evening. Then on both the Saturday and the Sunday we have two times two hours live television and then a follow-up, a post edited show, which will come out in two weeks time, which will once again be the entire event wrap-up.

Importantly in getting these packages out, the television finds it very difficult. Imagine a cricket match where they know the stage, they come in, they plug the camera in, they have done it there many times. Whereas sailing venues are not that compatible to this and you have to have a unique, special set-up. And so it is particularly important that you give television as much time and as much capability to establish their production facilities, get in place, working early, because the less time they spend worrying about production-type issues and the more they spend on the creative-type issues, the better your output show is.

So, here's the growth in attendance (see page 69), in total broadcast minutes. Obviously our total – this is our total distribution platform, who it goes to and the media value.

One of the unique and great things that – and I don't want to steal Patrick Lim's thunder, because I know he is talking later about the rise and rise of events in Asia – one of the great things that he taught me about managing and operating events, is to realise that sailing is actually damned boring. It is something that hits all of us right here in the heart when we



World Match Racing Tour

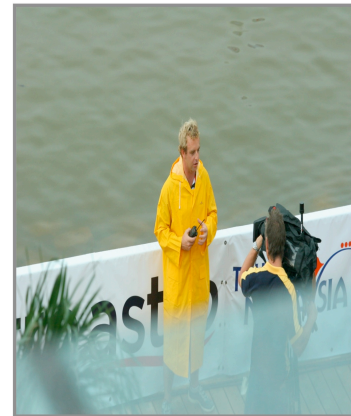
Date	Event	Location
April 21-26, 2008	Brasil Sailing Cup	Vitória, Brazil
May 7-12, 2008	Match Race Germany	Langenargen, Germany
Jun 10-15, 2008	Korea Match Cup	Gyeong gi, Korea
Jun 30-Jul 6, 2008	Match Cup Sweden	Marstrand, Sweden
Jul 15-20, 2008	Troia Portugal Match Cup	Troia, Portugal
Aug 27-31, 2008	Danish Open	Frederikshavn, Denmark
Sep 2-7, 2008	St. Moritz Match Race	St. Moritz, Switzerland
Oct 6-12, 2008	Bermuda Gold Cup	Hamilton, Bermuda
Dec 3-7, 2008	Monsoon Cup*	Kuala Terengganu, Malaysia

*Stage 9, the Monsoon Cup, Dec, 2008, in Kuala Terengganu, Malaysia, will officially crown the 2008 World Match Racing Champion. The final stage will award 1.5 points to the top eight and it is a non-discard event.



Media and TV coverage

- Media backdrops and press conference area
- TV coverage and exposure for 2008 Monsoon Cup includes 15,000 minutes of live and delayed broadcast across the entire TV distribution platform
- Television package of 2x2hrs live and 4x26min show distributed worldwide to more than 500 million homes as part of the World Match Racing Tour
- Online multi media website exposure and hot link, daily updates, images and video footage during the event



ROI analysis: Tangible and intangible benefits

Tangible benefits

Measured media

- Television news and advertising coverage
- Radio
- Press
- Magazines
- Outdoor advertising
- Internet/Online content

Non-measured media

- Official programs
- Vehicles branding
- uniforms and clothing
- ticket branding
- scoreboards and big screens
- Letterhead and stationery
- marketing collateral

Hospitality

Venue signage

Tickets to event

Sampling / display

Crew appearances

Competitor blockage

Competitive advantage



hear that. But once you realise that sailing is a great participatory sport – so it is exciting to be on board a boat sailing, but it is actually boring to watch, because it is difficult to understand, hence we use things like Virtual Eye to bring a greater understanding, but what it is very good for, and a great platform for, is networking. And one of the things we've done – and this is George Benson entertaining at a concert. We've bought concert performers in – and we try and expand beyond the regular horizon.

There's Tom Ehman talking with the Prime Minister, with the King in there in middle and Jean Todt and Michelle Yeo, there at the bottom. And it is really important that celebrities, different people that come to the event – Jackie Chan came down and did a little bit of a promotion – Sharap Khan, who is a very famous Bollywood actor was there. Ellen MacArthur came in in 2006 with her Asian tour program. And it is particularly important to think outside the square.

We all think that the racing is the most important – that's the exciting part. It's actually part of the sideshow. The important part is doing other things that are going to genuinely keep people interested. We organise a fishing competition for example, where I think we put up about 50,000 Ringgit prize money up. It is about 15-16,000 US\$. We get 7,000 people coming down with their fishing rods, all trying to win this fishing competition. So whilst you would expect people to be interested in the sailing – children's colouring competition, we plan to have 500 kids there. We had to close it out at 900, it was absolute chaos for this particular event!

We do a local concert – 40,000 people come along to the local concert and to see local performers. A small marathon and exhibitions, and so on. It is



ROI analysis: Tangible and intangible benefits

Intangible benefits

- Exclusivity
- Ambush protection
- Sponsor clutter
- Leveraging ability
- Networking opportunities
- Prestige of property
- Established track record
- Awareness by supporters and attendees
- Accreditation and venue access
- Emotion / cause motivation
- Use of logos



Summary of Key Statistics

	2005	2006	2007
Gross Media Value (MYR)	67,446,576	111,643,728	217,554,280
Attendance	25,000	33,700	81,000
Broadcast Minutes	8,454	14,969	19,383



SIDE EVENTS FOR MONSOON CUP

1. Joran On Shore Fishing
2. Children's colouring contest
3. Monsoon Cup Experience exhibition (to give a chance to the general public to learn and experience the technics & skills required to pilot the F36 sailboats)
4. Monsoon Cup Kick Off Concert to be held at Dataran Shah Bandar
5. Daily cultural shows at the Clubhouse Marina
6. Monsoon Cup Marathon
7. Exhibition of products from terengganu (keropok, batik, etc.)



important to realise that there are other things outside of the sailing to entertain people, that brings them into the event, that allows them to network, whether they network with family, or whether they network in a business sense.

Obviously all things don't go well. Sometimes things that weren't meant to happen, sometimes happen. I'm not very happy to say, but we didn't just do this once – there are two photos of this – we ran on to the anchor line of the race committee boat.

At the end of the day, I mention to you, it is not about the Race Committee and all of that. One of the things we do take extremely seriously is the integrity of the racing. We never let the integrity of the racing be compromised.

We make sure we have the absolute best Race Committee people, the ISAF umpires and so on. We really work hard on that part. So you can sort of... I think my message there is, is that you can ignore the racing to a large extent, because as a sport we do do it extremely well. We pull the flags up on time. We get them down.

In fact one of the things that we've innovated – I heard someone mention yesterday mention about the Blue Peter. We've done away with all of the numeric coloured flags and we use just numbers, like a 7, a 5, a 4 and 1 for the starting procedure. It is easy to understand for television and for a spectator point of view. I think little innovations like that are easy to make without changing too much within the sport.

Obviously one of our important aspects is how we see ourselves and where are we placed? As I mentioned we are very important within Malaysia, but our key message is to get the event outside of Malaysia, to present it to the world, to the greater part of Asia and obviously to Europe

and other markets, to tie in with that tremendous campaign that Tourism Malaysia had done across the world. And that is something that we tremendously enjoy. I think, as somebody mentioned yesterday, sailors by and large are terrific spokespeople. They are great ambassadors. They are articulate, intelligent and they present well and they present the sport particularly well and when you see them both presenting in front of camera or talking at press conferences, it is something to be genuinely proud of.

The one thing that I do think that our sport can do better – and it is one thing that we within match racing are striving hard to do – is to present ourselves physically better, to look more impressive, to look more Formula 1-esque. And I think you see that at the America's Cup level. You don't see it at smaller events. You see people going around in thongs and round neck T-shirts and a sloppy sort of a look. Whereas it doesn't take much for the crew to have a uniform to present and to project and I think that is an important thing we will be working on in the future.

So, that is the first part of my presentation, which is really about the Monsoon Cup. I wanted to move on to the next section and really it is just to talk on the Perth 2011 ISAF Sailing World Championships.

This event is something that we got the opportunity to bid for in 2007. It is a very important event in the ISAF calendar and I must say, I heard a lot of bashing of ISAF yesterday, and I must say that dealing with ISAF and dealing with the management of ISAF has been an absolute pleasure. They are a great organisation. They understand this event well and they realise that outside of the Olympic Games, it is one of their most important events.

Why this event is important is because each of your Member National Authorities use it to select their competitors. 75% of all MNA competitors are chosen at this World Championship, immediately before the Olympics.

The second reason why it is such an important event for sailing is because it basically sets the tone for how sailing is to be presented visually at the Olympic Games. At the Olympic Games they won't innovate, they won't do race tracking, they won't do on board television, they won't do on board audio, if it is not standard practice at the sport's own World Championship.

This is something that obviously... we've only had I think three other ISAF World Championships in the past and it is something that is particularly important, now heading out into the future that we get this part of it right.

By May of next year, the entire television footage of how it is to be presented at the Olympic Games is going to have to be written. We are feverishly working on that with ISAF at the moment to get the presentation right, to get the feel right for this World Championship.

We were very lucky as, I said to you, in Perth, some of you have sailed into Perth or flown in and sailed there. It is the most isolated capital city in the world. It is a 24 hour trip for me to get here. It is not a short distance to go.

But we were very lucky to get tremendous both state and federal government support and one of the great initiatives that I think in talking to ISAF that helped us to win this bid is that we put in a very, very significant emerging and developing nations program. When I say 'emerging and developing nations in sailing' – to encourage nations to get rated, numbers of participants, at the Olympic Games. And I think

importantly we know the process of how fleets are decided and disciplines are decided – but I think it is particularly important that we look to expand what we do in our sport.

This event is going to run for just over two weeks. It is going to be the 3-18 December 2011. And it is obviously – many of you have been to it in Cascais – and we are just in the early days of planning for it. Importantly for us though, we have got the event fully underwritten at both a state and federal government level and we are very pleased that it is going to be quite a significant outcome in terms of how the sport is presented across the world.

We hope to do what you have seen from the Monsoon Cup perspective, daily: Live television on a daily basis throughout this event as well as all the new media opportunities that present themselves.

So I think that in wrapping up, one of the things that I wanted to do is to give you a couple of perspectives that I see within the sport.

First of all, one of the things that is very dear to me is youth and development of youth in sailing. One of the programs that we run in Australia - and it is off the initiative of the New Zealand program in match racing - is that we run a youth regatta, the Warren Jones Memorial Youth Regatta. I spend three days there coaching the sailors, preparing notes, we get sports psychologists and nutritionists to come in and spend a lot of time both mentoring and coaching the sailors.

But the unique aspect of it is - ISAF defines youth as I believe an 18 year old, as the oldest youth – whereas we allow youth to continue on until the 25 age group. And I think it is particularly important because for many of us,

we lose our young sailors in those late teen years because there is no crossover into adult sailing. And I think in match racing, and I know that Scott [Macleod] on the Tour is very proud of this – we have Adam Minoprio, Torvar Mirsky, Keith Swinton and a lot of other young sailors who have come through the ranks and managed to shift from youth champion to being an adult champion. That is a first point, a perspective I wanted to give to you. If you go back to your hometown and do something in your local club fraternity, think about youth and how to bridge that gap.

The second gap is to mentor. I think it is particularly important and something that all of us within this room can do, is to mentor sailors. It is to be able to and give – whether it is a family, their first time in an Optimist dinghy or whether it is somebody going for the Olympic Games - we can provide guidance and assistance to them through our own experiences.

Something that I encourage you do, because as a sailing family, our own children will sail and our parents will possibly sail, but it shows youth, next door on either side that don't know how to sail, that we lose to this sport very rapidly because they hit a glass ceiling, which is a knowledge one.

A little bit of mentoring can break through that knowledge barrier, very very quickly.

And my final word I just wanted to say was on the America's Cup – a subject very dear to my heart. I sat through the presentation yesterday I guess with a great deal of disappointment in terms of seeing, I guess, the positions that both the teams sit in with respect to this legal process.

But the unique thing about the America's Cup and many of those of you in this room know it well,

because you've participated both within teams or been associated with teams, is that it is an elimination regatta. You spend your whole time from day one preparing to try and eliminate the other teams. And the perspective I just wanted to leave is that if a team choosing not to enter into the America's Cup, it is effectively already eliminating itself whether it be Russell Coutts and Larry Ellison or not, I think it is an important perspective that they go away and think about, that they may not be there for the 33rd America's Cup.

Thank you very much ladies and gentlemen.

Applause

Peter Montgomery: You have come up with a couple of provocative points. When you say that yacht clubs don't do things well, what you really mean is major events, money and sponsorship and so on. Because on the other side you are saying youth sailing and mentoring – well, that does come under the banner of yacht clubs.

Peter Gilmour: Absolutely. Thanks PJ, don't take my comments too harshly. It is really just they're meant to be provocative. But let's say, GKSS in Sweden, the Gothenberg Yacht Club, they do a fabulous job of running the Swedish Match Cup, but what they do is that they have a company set-up off to the side that runs, manages and deals with the commercial issues. So they are not stuck in committees and stuck in volunteerism and honorary people, so that when the going gets tough, they throw their hands up and say 'well, I am just honorary here and I can't make a decision'. So there are models that work particularly well.

Yacht clubs, as you say PJ, have an absolutely vital role to play in the development of the sport and I think we have all been products of that. I think I am a member of

more yacht clubs than I care to mention and I am proud of that. It is the clubs themselves...I think there is a great bond between all of us, between the sailing fraternity around the world, that bonds us through our respective clubs. But in terms of running commercial regattas, I have seen over the 25-28 odd years I have been match racing, an on-going difficulty of clubs managing to deal with their own commercial aspects, whether it be sponsorship, television and those sorts of things.

They tend to deal with the protocol of the club as the first issue. They tend to only be able to grow the event above a certain style whereas, as I mentioned at the beginning, we come with a top-down approach to the Monsoon Cup – we looked at television, looked at how big we could promote the thing first of all, and then right up to the very last day, in fact it was the day before the regatta, when our

Sailing Instructions were written this particular year. Whereas yacht clubs would have had them written months and months and months ago and argued backwards and so forth. So I hope you get the sense...

Peter Montgomery: But also, take the Royal Bermuda, they had a magnificent regatta, setting a benchmark, they had an outstanding promoter, and then they had jealous committee members saying “this bloke is making too much money” and the thing came apart. So that is another aspect.

Peter Gilmour: Yes, absolutely. I think, literally entrepreneurialism needs to rest on a few people’s shoulders. It cannot rest in committees.

Peter Montgomery: ‘Racing is part of the sideshow’ - anyone want to challenge Peter? Any other questions? No? We’re all okay.

Peter Gilmour you have challenged us. I knew you’d stimulate us. I thank you so much. Ladies and gentlemen – Peter Gilmour!

Applause

Peter Montgomery: Splendid. Peter really has done something in going through the transition. He is still very much a competitive sailor and doing well, but also, of course doing other things. That World Sailing Championship in Fremantle is going to be huge, really huge. I mean the numbers involved are just mind-boggling compared to what they have at the Olympics - it’ll be a stunning show.

As we know the Fremantle Doctor and the wind blows there, and with 75% of positions for London 2012 on the line, the stakes will be very high.



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ASSESSING THE IMPACT OF SAILING EVENTS ON HOST CITIES AND VENUES

Panellists:

Rod Carr, OBE
CEO, RYA

Tony Guiu
CEO, Pertrechos Group
(Barcelona World Race)

Robbie Ferron
Founder, Sint Maarten
Regatta

David Stublely
Director, Clipper Ventures.

Peter Montgomery: So we move now to 'Assessing the Impact of Sailing Events on Host Cities and Venues.' And we have four very interesting speakers to talk about this. Can I invite them to join us over here – Rod Carr, Tony Guiu, Robbie Ferron and David Stublely.

Rod Carr is the CEO of the Royal Yachting Association, who is the mastermind behind the stunning, stunning, stunning success of GBR at the last three Olympic Games. Rod himself was an outstanding sailor with Robin Aisher in the

Admiral's Cup challenge and then you have been involved in Olympic sailing with GBR as a coach, but now as the man conducting the orchestra and, boy oh boy, GBR – I think that is much, much more than British Lotto money. It is stunning what you people have done. And talk about lifting the bar. People wonder in the home waters of Weymouth of 2012 what chance anyone else has! But that is for the future.

Tony Guiu is from Spain. He is the CEO of the Pertrechos Group and Tony has been heavily involved in the creation of the Barcelona World Race and has been involved in the America's Cup and also from the Barcelona region. And like so many other speakers as well has sailed in a couple of Whitbread Round the World races.

Robbie Ferron – welcome Robbie. He is the founder of the St Maarten Regatta. He will bring a fascinating perspective to a world class, world rank regatta that is held in St Maarten in the Caribbean.

And we have David Stublely, who is going to talk to us. He has had a background in television first with ITV, and also working in global

brands and entertainment strategy, but he has been heavily involved with the Clipper race for Clipper Ventures, chaired by Sir Robin Knox-Johnston.

So again for the second day we have outstanding people who have done just amazing work for sailing in so many different areas and it is my pleasure now to invite Rod Carr to talk particularly about marine tourism and the development, in particular, of coastal cities and the impact that sailing can have on our communities across the world, and particularly, in Rod's case, what's happening in Great Britain.

Rod Carr – greetings!

Applause

Rod Carr: Thank you Peter and first of all just to endorse what Peter [*Gilmour*] said about yacht clubs, youth and mentoring. They are good words and well said.

Thank you and good morning. Sorry not to have been with you yesterday. I had one of Peter's committees to go to and couldn't arrive until this morning!

Most people do know of the RYA, I suppose, as Peter Montgomery



says, about racing and the Olympics, but that is only a part of what we do. It is probably only about a quarter of what we do. We are not a racing organisation. We even deal with motorboats and cruising and we have a very strong training, ie training as in a teaching people to sail function, that is an absolutely vital part of what we do.

What I am going to talk about is the words 'marine tourism'. I don't know if many of you are familiar with the words, but if you are involved in promotion and tourism and economic values of the marine community, this is a growing phrase and people in the business talk about 'marine tourism'. I talk, when I go around to towns and venues in Great Britain, I talk about the 'value of the nautical pound'. In other words, it is that amount of money that would be spent if a marina, a rally, a cruise in company was coming to a particular town.

So the 'value of the nautical pound' is a phrase that tries to encapsulate the extra economic benefit of an event or a facility. And I am going to go through what I consider are the three main drivers of marine tourism.

If we start off the 'economic growth in coastal communities' – this can be and is often regional and can be an event, but it can be an absolute facility.

The regeneration of old facilities and ports, and I am going to give you a couple of examples of that, and the development of marine destinations – there are many of these, many east of here I have to say – and are very often naturally driven with lots of money being spent on them. All of these things have strong links to regional and national government and one of the things I think that is coming out, and I guess reading what happened yesterday and guessing what is going on next door in the Formula 1 discussions, (and I am not an economist. If I was, I would be a millionaire or bankrupt!) - but the reality is that the world is changing in terms of sponsorship and where the money might come from to help us run our events and destinations. And I have got a feeling that it is changing more away from what I could call traditional sponsors to a higher proportion of the economic drivers being the regional government, national government and local towns. As a speaker said before – very little cash comes into our sport because either CEOs or Mayors or Prime Ministers love sailing. Occasionally it happens and sometimes, but sooner or later and particularly in the next few years, we are going to actually have to make the business case. But we actually do make the business case and particularly those regattas and events that are sustainable and have been going a long time.

So let's have a look at an example of strategic planning using CRUISING as a focus! I know this is a racing forum, but let's have a look at a country: Croatia used to have conventional land-based tourism. I remember going to Dubrovnik when I was 10 years old on a typical bucket-and-spade charter flight out of the UK and it was all about the land-based tourism. People basically had their backs to the sea. The sea was there for swimming in and so on, but it was fairly conventional land-based tourism.

The Croatian government, after the troubles in that region and even before, saw the potential of their coastline and they had a strategic plan. They put significant investment into that area and now they have marinas and harbours and venues and they have a boatbuilding industry, a modern boatbuilding industry and they have created marine hubs in towns and venues all along this coast. It is a real success story, such that the big holiday companies, like Sunsail, are starting to have fleets there.

So there's an example of a country which saw the nature resource that they had at their disposal, put in a plan and have created real economic wealth in those areas. And it is still going on as we speak. I think a real example – well placed, the centre of Europe, Germany, Switzerland, Austria - for people coming to the coast and a really good example of a country that has embraced...for them let's face it, looking back 50 years, there's always been a lot of sailing to the west of that area in France, Spain and Italy, but when you look at the growth of sailing and boating of all types in Croatia, they have done a stunning job.

So let's look a bit closer to home, at least for me. You will know that, taking Peter's point, we have the highest proportion of Royal yacht clubs, probably than anywhere else and most of them are not placed in areas that are good areas for racing, particularly small boat racing in relatively tide-free areas that are relatively sheltered from the worst of the weather we are famous for having. So we needed to do something: the Solent is all very well and Torbay and those venues that have been around for 100s of years, but they don't really cut it in many ways for small boat sailing.

So we – who's we? – the RYA decided about 10 years ago – these things take a long time – to have a focus on some regional

racing centres and we chose these. You'll be familiar with some of them and perhaps not with others. You'll be familiar with Weymouth, Hayling, Largs and less so with Pwllheli in Wales and Belfast. So why did we go to funny places in Wales and Scotland? Well because the government think it is important and it is the government, the region and the towns who are going to put money in. So we could have got a whole string of venues along the south coast, which arguably would have been just as good as Largs or Belfast or whatever, so what's the difference? The difference is that if we strategically go to different places, the economic drivers of the local administrations are much more supportive of our events than places on the south coast where it is frankly 'oh, it another sailing event', 'oh, another World Championship'. 'Can we have some money?' 'No, not really, we have got other things to do'. Whereas if you spread it around, 1) it is good for sailing, because in our country, it is not south coast-based and 2), we get money in. So the national - as in the UK-focus - was really important.

And I know that the next one is this - a recent example of a new sailing destination and I am not going to steal Albert Whitley's presentation, which is coming up. Here is a really good example - here is a country [Oman], I haven't been there, but I hear, a great country for sailing in, an all-year-round destination. It decided, the Minister of Tourism decided, that it wanted to get into sailing and it set about doing that by using a strategy of high performance multihulls, using local sailors. It started to invest in marinas and I would say...watch this space. This is an example of a tourist board within a small country in a place where frankly 10-20 years ago there was hardly any sailing of the conventional type being done whatsoever. And my guess is that in 10 years time that is going to be




Example of strategic planning using racing as a focus

Small boat racing centres in the UK

- Largs
- Belfast
- Pwllheli
- Hayling Island
- Weymouth



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very different. A big strategic, national program.

The last thing is regeneration or redundant facilities and ports. Well we all know having been around the Olympics – let's compare say Savannah in Georgia, the legacy there. Erm – pretty much zero, isn't it? It was a good regatta. We did - not so well at that one. And you look back to 1992 in Barcelona and you look at the legacy that has been left there – Barcelona, big city, a port, basically with a smallish, pretty full old fashioned marina and on the back of the Games, they put in a new marina, they revitalised a hither-to really run down area of the city and they left the legacy that still stands today from that event.

On a more microscale, let's look at the UK fishing harbours on the northeast coast and Scotland. From a domestic point of view, there are a whole string ie 20 or 30 smallish fishing harbours which basically have become redundant and fallen into disuse. Although it takes a long time, because the what I call 'policy lag' in these areas is probably 20 or 30 years, the reality is that people have finally woken up that the British fishing industry is more or less... well it is certainly different, and it can't sustain these numbers of small harbours and the coastal trade in commercial ships has changed completely.

And once the fishermen who sit on most of the Harbour Boards, and everybody else, when the penny actually drops – and that is part of all our jobs, to help it drop – is to realise that there is such a thing as nautical tourism, that isn't just fish and chips and candy floss, which is actually 'people with pounds in their pockets with boats that will come' and what's beginning to happen as a strategy is that these ports and harbours are re-developing themselves into mini-destinations.

And just like the Croatian coast – the temperature is a bit different! – you have the destinations that people can go to.

I call this the 'Peace Dividend'. Around the world, since the 1990s, there are lots of harbours and dock facilities, which have become redundant, or are about to become redundant, because one nuclear submarine does for an awful lot of frigates and the old fashioned navies. And that is what happened in Weymouth.

This is a shot [see p75] looking at Portland Harbour from the northwest, looking southeast and you can see the harbour there and Weymouth Bay beyond. And this is the Olympic venue. You can see what it was like. It was a typical military port. It had the hovercraft slipway. It had loads of fuel tanks, but it had loads of things that most of these facilities have: It had lots of area and it was flat. It is absolutely perfect for developing a venue for small boat sailing.

So we'd been looking for 30 years and this is before London won the Games. We had a vision, the RYA had a vision, and as is typical of a national authority, we had a vision and no money! And we were kind of paused, and ready when the navy started to move out of here and the local community, when the navy moved out of here, a smallish community, were going to lose between 500-1000 jobs. That is 500-1000 families. So they were extremely concerned.

We had an organisation in Britain called the Regional Development Authority, which is specifically set up to go into areas of deprivation or where change is going on and help regenerate those things. That happens all over Europe. It is called different things in different countries, but the principle is the same.

It didn't actually cost a lot to start to do two thirds of the work. You'll see when you go, if you do go down to Weymouth for the

Games, or the test events or the Sail for Gold regatta - only £8 million. So the overlap and the change that happened, only cost £8 million. We did get the land for free and you can imagine what that land would have cost if we had had to buy it. But we got a huge amount of local support, because the, what's called the Isle of Portland, to the south is one of the most deprived wards, little areas, in the UK. In fact it is the 12th most deprived in the UK, which astounds people. So when it comes to getting the economic industries and the return on their buck, it wasn't difficult to make the case that if the Regional Development Agency were to put money in and in our case, the Sports Council were to put money in, that they would see a direct, relatively quick change around in this area. And that has happened. It has happened in three years.

What you saw earlier were the helicopter hangars. It was a naval airstation, and they have been taken over by Sunseeker – I hope you have heard of them! They have still got their operation going in Poole, but their big boats, that look like ships to me, the 100ft boats, are now being moulded and a lot of the work is being done there.

So what we have got is, and I think this always has to work...I have been to so many venues in the world where it is what I call a 'one pony show'. "It is only a marina". "It is only a venue." And that basically doesn't work. For these marina hubs to work they have got to have a number of income streams. So down in Weymouth the income streams that make this marine hub are manufacturing, original equipment manufacturing, it is a competition venue doing at least 12 national and international events a year. It happens coincidentally to host in 2012. That has given it a boost, but this still would have happened without 2012.

And the other thing – it has served the local community. So for the youngsters and their families - we do a thing called 'sail for a Fiver'. And it is astounding. Well is it astounding? I think you know this don't you, but the reality is that even in a marine town like Weymouth, wherever you go around the world, so many people look at the sea and never go on it, because we are a kind of dynasty sport. My kids sail, my dad sails, so that's alright – but do the neighbours? Pete's point earlier on. We have managed to buy this facility, because the sailing clubs were actually doing an up and down job to introduce sailing.

So the venue is almost completed. The government wanted a good news story, so they said it was completed, but it is not quite to be honest! Never let the facts spoil a good story! But the venue is pretty much completed. There is also a 450 berth marina that has gone in on kind of a sweetheart deal through the development authority that will help the whole thing.

So economic values to the local community, as Stuart Quarrie, who I know was here yesterday, was telling me, that Cowes Week, conventional regatta – £60 million to the Isle of Wight, which is a large place. Perth 2012, which people were talking about earlier Aus\$40 million they expect in direct benefit and that is for a relatively short time. And then you have Cadiz, Cascais, etc.

Tall ships – a really big deal tall ships! When they go into a port in most places in the northern hemisphere, a MASSIVE amount of marine tourism takes place on the back of a tall ships event. The driver that they use is 1-10: For every dollar that the local community spends on attracting the Tall Ships, another \$10 comes in for that local community.

So these events have all had economic impact analysis done on

them and they have been massively successful. So what about the future? I mean I believe that sailing can be an agent for social and economic change. Our sport, and I agree that the actual thing itself, the racing, whilst we are fascinated by it, is highly technical and is essentially a participant [sport]. But what we are, is we have got a thing that lots of other sports don't have. We are a lifestyle that we see in every aircraft flight magazine, in all the glossies... how many of them have boats there, I mean in comparison with other sports? We are a lifestyle and we are culturally desirable. Now there are some other sports that are lifestyles – pick anything to do with horses. But we are lifestyle sport and we mustn't forget to play that card.

Next point I would make in wrapping-up is 'emerging countries as tomorrow's destination'. A much freer, open view about how to present and facilitate our sport. When I say 'emerging countries' I mean both emerging countries in the economic sense and emerging countries in the sailing sense and if the two come together – and there have been some examples that I have mentioned earlier - I think we can have a winner.

Also I think conventional sponsorship has already got difficult and is going to get even more difficult in the long term, but – but, there will always be governments and taxes! And there will always be regeneration programs that people are thinking of, governments and regions are seeking to make economic change, bring in the nautical pound and drive economic change through a medium. We've got to make sure that that medium is sailing.

Applause

Peter Montgomery: Excellent Rod. Thank you. Now Tony and the Barcelona Race. Welcome!



Tony Guiu:

Hello everybody. I am here to explain to you the impact of the Barcelona World Race to the city. So the history of the Barcelona World Race is really clear. The big motivation was that the city wanted to have its own race with the name of 'Barcelona' in order to create something that will last a long time in Barcelona and will be always staying in Barcelona. So in order to explain to you the evaluation of this, I will make a quick overview of what was done in Barcelona to make the race.

In order to organise the race - this was a promotion of the city, so the city through the city mayor's house, the Chamber of Commerce, the Port Authority and the Fare Barcelona created the Fondation Barcelona Oceanica. So that was the main body to organise the race. This, together with OC Events of Mark Turner, got the generation of the final concept of the race, in order to develop it in the right way, in order [for it] to last long and always under the auspices of the IMOCA organisation.

So doing this we were able to get enough sponsors in order to create and to have enough resources to go forward with the race. So we have had a main sponsor, official partners and suppliers. The good thing is that, as I told you, this is a long term strategy of Barcelona and the

good success and the impact, we can say that all these sponsors are really committed to go in the next edition.

So, the concept that was generated for the Barcelona World Race was something that can co-exist in the calendar, can co-exist with the other big races and the vocation of the race was to be one of the biggest round the world events in the calendar of sailing, so always co-existing with the Volvo and the Vendee Globe. And then this was the starting point to generate a concept. The concept was to grow a round the world [race] starting in Barcelona and arriving in Barcelona, non-stop and with some gates in order to increase the excitement of the race. So that was the concept that was really well founded, and the joining of the solo sailors and the fully crewed sailors. That means we get the concept of two sailors and that means reduced crew. So everybody, not everybody, but a lot of people can go inside the concept of this race.

With it in the centre of Barcelona, in the heart of Barcelona, just down from Las Ramblas, just in the old harbour, within the village of 9000sqm where we have had more than 8,000 people doing hospitality for the teams and for the city and for the sponsors and in that nice village, we would have had more than 300,000 people walking around. So it was really a popular party and the people were really involved in the race. So we were very lucky as well because in the 10 days before the race we had really nice weather as well. The day of the start we had, counting all the people that was involved watching the race or just visiting the boats or seeing the boats leaving, almost 500,000 people watching the start. We had a fleet of more than 600 boats and we had it broadcast live in UK, France and in Spain.

So all this cannot be done if you don't have a good fleet. We were



very lucky to get, through the hard job of OC Events, to have a very, very good fleet that was really a good competition. And the good thing is that several people are saying that they will come to the Barcelona World Race again. So the winner was *Paprec Virbac* and the second one was Alex Thomson, who is here, and he said that he would like to come again, but I think that the good thing of this was that the top sailors of the IMOCA 60s were in this race. Some of them are now leading in the Vendee Globe, so I think the quality of the fleet was really amazing.

Other things that were really important in order to get a good impact was the technology and the communications applied to this race. With the Volvo this is amazing - and the Vendee as well, but we can say in the Barcelona World Race we did quite a good job because all the spectatives that we generated were always separate. So other things that have been done was – any of the arrivals, five boats arrived of the nine boats that started (so that shows how tough the race was) - [each] had a personalised reception. We were not so lucky here, because all the boats arrived in the night. This used to happen. But we have had 10,000 people watching the arrivals, where there was a big participation and a lot of emotion. So that was really really good for the media.

So as well, more things that were done in order to increase the impact and to do a synergic movement, to increase the impact, was a very nice navigation through the science exposition [show] that remained for fourth months over the time of the race, where people could walk around and understand what was happening to the boats, how is life, what they do, what is the race, what is the meaning and everything? So that gives a really proper idea of what is happening. The real thing is that this is a human story through the boats, so

barcelona world race **HIGHLIGHTS**
THE REGATTA AND THE CITY

a huge celebration of participation in an open and welcoming city

150,000 visitors

Exhibition NAVIGATING THROUGH SCIENCE
Work in collaboration with the University to implement outreach projects in areas relevant to the sea

A more down to earth and less elitist vision of the world of yachting

A message of sustainability promoting the use of renewable energies and recycled materials

A global vision of the world, one "without borders"

barcelona world race **SOCIAL & CULTURAL PROGRAMME**
THE EDUCATIONAL PROJECT

11,000 Participating students

Top institutional involvement in the implementation of an innovative, high quality educational project that meets the needs of a modern society and new technologies

Bosch i Gimpera Foundation
University of Barcelona

Consorci EL FAR

BCN Sports Institute
Municipal Institute Education
Catalonian Yachting Federation

Participatory activities and tailor-made didactic material "the BWR briefcase"
Accessible via the internet to maximize coverage

* Includes "Expodidáctica"

barcelona world race **SOCIAL & CULTURAL PROGRAMME**
THE MEDICAL PROJECT

Creation of a European standard for Remote Medicine

Committed to health

PREVENTING
Medical and psychological checkups for participants
physical training, medical checkups and healthcare education
CAR San Cugat
Nursing College
University of Girona

ASSISTING
Round the clock logistic support and assistance
rapid reaction medical team
A&E, Barcelona Clinical Hospital

OUTREACH
Bringing the scientific community on board
Series of Conferences
Congresses on Sports
Dedicated medical congresses

RESEARCH
Studies on physical strain and rest
Stress and weather under extreme conditions
Sta. Cruz & S.Pablo Hosp./ CSIC Heart Rate Monitor Pulsar RS400SD
Catalonian Institute for Cardiovascular Disease

COMMUNICATING
Designing a common language as the key facilitator
Spanish language version of the Remote Medicine Guide
Top technological development to promote communication

this was the first point to transmit. This was very important in order that people get near the race, to explain that this is really a human adventure and the big challenge that this round the world race was with sailing boats.

More things that were done, were education programs, where more than 11,000 children were working in order to apply to their knowledge all the things that you can talk about with the Barcelona World Race, so about fishing, about geography, about the nationalities of the people, etc. So it was really a very good impact with the children. Another thing that was done was an appliance of medicine and this was developed to be used with the Spanish fleet in order to be used afterwards - a kind of manual of medicine in order to be applied afterwards into recreational sailing and regattas.

So with all these things done, the impact in terms of advertising was more than 45 million Euros. This was almost five times the investment. But in Barcelona this was a second part. Barcelona, when they decided to go into that, they were not thinking only of money because this, when it was planned, they were thinking of three editions as an effort of the city. So that means it is almost warranted the third edition. So the next one is 2010, 31 December, and it is going to start everything now, but the next one should be done. And then that means that this is not the only goal that Barcelona city was searching for.

More than 200 activities were done during the race, like conferences, like presentations, like all the concerts and at Christmas a big party connecting with the oriental Kings, like Santa Claus, that they were in the boats - all these kind of things in order to lift the race into the city. So a big effort was done in order to have the impact. So the good

result was that the first impact was that the good base for the next one is already made and the people are really involved and really motivated to wait for the next one.

But this is not only the impact that we were searching for. I think important things like to show the city is open to the sea – it is a really important thing to feel that the people are proud to have the Barcelona World Race, into the city. This is really important and this is a good feedback that we have got from the point of the view of the citizens.

So Barcelona always has wanted to be, I don't know how to say – this is the way and so Barcelona World Race with its own personality, belongs to the city, something like: it belongs to the citizens. This is really important and as well it generates a good enthusiasm and is truly exciting and with a big charge of emotion. I think that these kind of things, always when the longer period that they, the high adventures, the emotion - this is really nice and these are really the values that Barcelona wants to get from this race.

Other things that come with the race are innovation, leadership, teamwork, etc – these are our common ideas, which come with the offshore sailing. You know about this.

And other things that are good for the impact in Barcelona are that, this kind of racing is modern and gives a modern image to Barcelona. It is opening Barcelona to the world - this is a really strong point - and as well shows that the city is really committed to sport. You know that one of the big things in Barcelona's recent history was the Olympics, so these kind of things show that Barcelona is always trying to do new things and to be more involved with the new trends of the modern things.

As well, another concept that is important in the impact is that this is a tourist attraction, one motive more to come to Barcelona to visit.

The future of the next race: I think a good base is done and new challenges are in the future for Barcelona. So one of the futures is to generate more Spanish sailors of course, to improve the level and to have the young people that live this and really enjoy this kind of races. And in order to work up this race, more things have been designed to be participating, so like Barcelona will be a stopover of the next sailing European IMOCA Tour. Barcelona will be one stopover. And there is a brotherhood town plan where now in this moment they are developing the sailing record from New York to Barcelona in order to make a movement, to make noise for a good preparation for the next race. And an International Congress of Offshore Racing is going to be prepared, coinciding with the start of the next race.

So the conclusion is that Barcelona World Race is a race that wants to live forever and Barcelona World Race is here to stay. That's all!

Applause

Peter Montgomery:

Wonderful. Thank you Tony. Yes, Barcelona had its back to the sea until the 1992 Olympics and all that has changed and Tony has told us how Barcelona is really really capitalising on the huge development where the athlete's village was in '92 and now Barcelona is really looking out on those fabulous benches looking to the sea.

So we change gear again, from Barcelona to the Clipper Ventures' round the world race and we invite Director David Stubble. David...



David Stubley:

Well good morning everybody. I am going to keep this brief, I promise. And really the focus that I want to give today is – we work mostly with cities and councils and mayors – they are our clients and we want to go through, what do they tell us? What do they get out of our events? That is really the message I want to share with you today. And as Rod said, every single one of them is different, but there are some commonalities for sure: Media impact, the economic impact – so we are going to come back to that. This will take about five minutes.

We make our lives very complicated because we run two round the world races. The Clipper race as you can see here – the cities or the regions are the heroes. The concept is city versus city. One or two corporate sponsors, but in the main if a city decides to sponsor a boat then we will go there and build that city into our race route. Another thing that makes us very different to everyone else is that we are a public company. So we are listed on the UK stock market. So we run this very much as a business, we are accountable to our shareholders and to the market.

The other thing, which makes us very different, is that we have multiple revenue streams. Yes, sponsorship is really really

important to us, but with the Clipper Race around about half our revenue comes from people paying US to sail around the world. When Sir Robin set up the company in 1996, he had this dream that everybody should have the opportunity to achieve something amazing and we have sent nearly 2,000 now, over the last 10 years around the world, paying us absolutely, to have an amazing experience and we deliver that for them time and time again every two years.

Our other race is the Velux 5 Oceans which is a professional solo ocean race, sponsorship funded. I'll talk a little bit about that one as well.

So, Clipper Race – ten identical boats, owned by us, they get the same sails, the same rigging, crews get the same training, there is no quicker boat – they were all built at exactly the same time. The crews, we train them and about 40% have never sailed before. And we have a professional skipper on board each boat. We obviously give thorough training to...this is an amazing responsibility to take these guys around the world. They are on our payroll and they are ambassadors for the city – that is really important.

We run this every two years. We are constantly peddling. If the boat isn't sailing around the world, it is in corporate charter. If it is not in charter, it is used for training. If it isn't in training, it is in refit.

The next race will start next year from the Humber – that is a region in the UK in Yorkshire - and we'll talk a little bit about why they wanted to secure this race as start and finish port in a second.

So, like Knut [*Frostað*], we have a challenge. We don't start a race and finish a race from the same place. We go to 14 places, sometimes we stop for 2-3 days, as in New York, and I wanted just

to share with you, really why these cities want to get involved.

Some of the things they do that we connect with: So, Hull is again one of the poorest cities in the UK. They have gone through big regeneration. They have a rich maritime heritage. The Humber is one of the biggest ports in the UK. They want to put themselves on the map and by starting a round the world race there, they feel that they do that. And we are excited about what they are going to do for us in September. I'll talk a more about some of their social responsibility agendas as well.

La Rochelle runs the biggest outdoor boat show in Europe. They want a big event to come to town to add some sizzle and they want the international media that we bring with us. So we connect with the Grand Pavois on that race. We then visit Brazil. When we went to Durban, they had the World Cup. The boat was called Durban 2010 and we played a big part in the World Cup draw that happened at exactly the same time when we were there. We have had an amazing relationship with Western Australia. We've taken two Clipper Races there and the Velux 5 Oceans and I can tell you that the Fremantle Sailing Club really do know what they are doing. Peter [*Gilmour*] – our thanks to the WA guys – they have been amazing partners for us.

But the draw of the Middle East is quite considerable and I would suspect that at some point in our life, I don't know when, we will probably visit the Middle East. We then move on to WA – again they were bidding for the 2011 ISAF Worlds. They called their boat *Western Australia 2011.com*. They said 'would you allow us to do that?' And we said 'of course!' Singapore, one of our big sponsors, their capital was opening a new marina. 'Would you time the arrival of the race with the launch of our marina?' 'Of course!'

Qingdao – we all know about Qingdao, but when we started working with Qingdao, people couldn't spell it, they couldn't say it and they didn't know where it was outside of China. So they wanted, in 2005, to put themselves on the map and an around the world race coming to China was a big story. They wanted to be the capital of yachting in China and they wanted us to test their facilities, test the media, get the community excited and boy did they do that. And Knut you are in for an amazing treat when you get to Qingdao. They have looked after us fantastically.

We then visit the west coast [USA], Panama, Caribbean, big party, big business to business sailing in New York for our sponsors, Halifax - a big celebration around their '250 Democracy' as they called it and then back to the UK. So everybody doing different things. And what we say is 'look, we provide the circus. If you brief us, we will do everything we can to deliver for you [through] the crew, the skipper, the media, the management. Tell us though how you can unlock value and we will do all we can to help.'

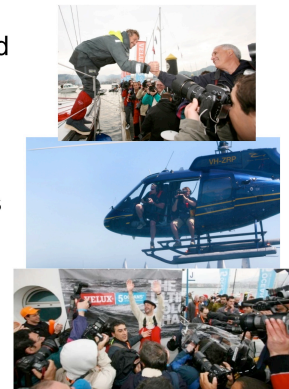
This event [Velux 5 Oceans] is a fundamentally different product. We bought it in 1999. It had no ports, it had no sponsors, it was in a bit of a mess, frankly. So we renamed it. We have changed the format, but what this has is something really really special. It was the original solo ocean race. Jeantot, Auguin, Autissier – all of these people cut their teeth in the Velux 5 Oceans, as it is now called. And the next race, the eighth, is to be sponsored by Velux. We run this on a four yearly cycle, again in Open 60s. And we announced the race route in Paris a couple of days ago and for the first time ever we will be taking this race to France. The Mayor of La Rochelle made a successful bid and it is going to be



THE VELUX 5 OCEANS 2006-07

Media Impact

- €66 million media across the world
- Audience of 766 million
- 3,762 print articles in 25 territories
- Over 25,000 images downloaded



We're an Effective Media Buy..

Sport	Event	Sponsor	Event Reach	ROI
Football	English Football League	Coca-Cola	UK	4.0
Rugby Union	6 Nations	Royal Bank of Scotland	European	2.3
Motorsport	F1	Vodafone	Global	2.7
Sailing	5 Oceans	Velux	Global	18.0

a spectacular event. They have always wanted big international events. They have now got one.

Five ocean sprints: Cape Town, Wellington, Salvador, Charleston and back to La Rochelle. And there is really just one point I wanted to make - a bit of a commercial break on this if I may.

Velux is arguably now outside of the Volvo and the America's Cup, one of the biggest sponsors in sailing. They have come from nowhere. They don't sail – they are not interested in sailing. They do it for commercial return and we have spent a lot of time talking to them about the cost of sailing for teams. So what we announced

in Paris is a 1.8 million Euros direct subsidy to teams. And that is real money – real cash, real discounts, not a number we have made up, to help get as many people on that start line as we can.

Moving on though – why do cities and regions get involved? That is what this session is all about. I have talked a little bit about it. I have spent most of my life working in television or sponsorship. I've worked with BP, Ford and Vodafone and big brands with Formula 1 and football. Everyone tells you it is about the positive associations. 'If I am not associated with something which is sexy or delivers value - then why am I here?' Of course if you are a capital of sailing, like Fremantle or a capital of sailing like Cape Town, you will want the big events to go there, of course you do. But of course you want the big stars and people to deliver against your agenda. So positive association is very very important. I was really taken with Peter's comment about delivering outstanding product.

Qingdao said to us – 'you know we want people to know that we are going to be the hosts of the Olympic sailing regatta and if you come here that is going to help.' Look at the number of media, about 150,000 people – a lot of them didn't know who we were. A lot of the guys on board the Qingdao boat were English or French. But they were so excited a boat called *Qingdao* was coming into Qingdao. And it certainly helped to put them on the map and we will be back again and again – we have signed another two race deal with Qingdao through until 2012.

So really the model of how can cities promote themselves - and this is really interesting – look at how some of these boats branded themselves... Liverpool were our start port in '08 and they called their boat *Liverpool '08*. They were

the European Capital of Culture. We were part of a massive series of events. Durban called their boat *Durban 2010* – the World Cup. We've talked about WA. And Glasgow unashamedly used our race in a lot of our stopovers to canvas votes to win the Commonwealth Games 2014. And we were an integral part of being briefed to deliver against that agenda.

I'd also like to say that this is a model, that we have worked really hard with our agency Fast Track on and we have an enormous race track to get round. We are probably talking to 35-40 cities at any one time, who all have an interest in our events. But ultimately nobody got fired for buying loads of media or being associated with loads of media and we just can't get away from this.

So we spend an awful lot of money and an awful lot of time thinking about the stories. One of the biggest heroes on the last Clipper Race was a taxi driver from Liverpool. The media got so excited about this girl. She was an incredible personality and APP weaved her into the storyline in the UK feed because she started to become a real big star.

And the Velux 5 Oceans - again these are all audited numbers – that is something else we believe is really important for our cities and regions: give them numbers that are truthful, don't make them up. So we get an independent company who do a lot of Formula 1 sponsorship, they tell us that we delivered on the Velux 5 Oceans 66 million Euros of media impact globally and 766 million people saw at least one of our programs.

And we didn't create a sailing product. We created a documentary around Sir Robin, around Mike Golding and Alex [Thomson]. The story was these guys – why are they doing it? How do they change when they are doing it? And they really got to

know these guys. That was the feedback from the Sportel conference, Richard was telling you about.

This is really really interesting. The guys next door talking about motorsport, return on investment. Sailing is cheap. And I have worked on some Olympic sponsorships, I've done a few World Cup deals. Look at the Velux 5 Oceans here – it delivered an 18 to 1 return on investment. That is not too bad! Vodafone, an old client. Still not bad, 3:1, getting 100 million in Formula 1. But we are actually pretty good value. No surprise that Velux paid a little bit more for the next race, but they were very very happy. They will also tell you that their brand awareness grew by 20% because of this event. 20%! The biggest jump in the history of the company. So we did something right there.

Economic impact: I said to the Mayor of Bilbao Biskaia, who won the rights to the last start – how many people will we get for the start. And he said 'if it rains – 10. If it is sunny – 300,000'. It was a sunny day! Until 4pm at least and then it started raining. We were stacked. Absolutely stacked.

This is Liverpool again – 50-60,000 people lining the Mersey, all spending money in the town. And as Peter says, these guys all now have very sophisticated impact models to make sure they are getting return on investment. And if we don't do those studies ourselves they won't come back because all the other events are doing it.

Business to business, I think we have talked about that. What a fantastic opportunity to bring important people together through the race. This is us in Singapore, Glasgow invited 150 of the richest Scots and Scots-based companies to a big ball. The race was the reason we were there.

And finally - a really new interesting new area in our sport - and Rod has started to touch on this and we feel really passionately about this - on the left hand side here, we have ten guys who were paid to do a leg of our race by the city council. These guys have had no breaks in their lives at all. They have been in trouble. Some of them have been in borstal and the council said 'let's give these guys a break. Let's find some people who can be great ambassadors for our city, for our region - and maybe will do some good along the way as well.' This became an enormous media story. And what has happened as a result of this is that all of these ten guys have now got jobs. And one of them has joined the police force!

Peter Montgomery: What was the city?

David Stuble: Hull, Yorkshire. The region of Yorkshire. A very inspirational program. The other thing they did - here is the skipper of the boat and the city of Hull, amazingly, 200 years ago, the MP at the time was responsible for the Abolition of Slavery. And they wanted to have a social campaign that they could take around with the race. This is a petition that the team took around the world and at every stopover the Mayors, the VIPs, the Ministers of Tourism would sign this petition - so a very interesting additional hook on using sailing for social change.

Very, very finally then - what do we deliver for our clients? And they are our clients. We do run this as a business. We do expect to make a profit. But we want these guys to be with us race on race on race and luckily many of them do.

We deliver fantastic return on investment in the media. We make sure of that. We deliver a powerful brand transfer for the cities - floating billboards, Glasgow versus Singapore versus New York.

We deliver people who have money. For example we, as a race, probably spend with our crew \$2-3 million in every port in restaurants and hotels and stuff.

Social responsibility, business to business - and this is a really great comment actually from the very same guy, the Chief Executive of this region - he said 'you know what - the great thing about you guys, is that you get to parts other things cannot reach'. And that is something we should capture, because if we start to think of ourselves as business developers, these guys will come back again and again and again.

Thank you.

Applause

Peter Montgomery: Well, stimulating stuff. Things we didn't know going on from the Monsoon Cup to now this and the Velux. Robbie Ferron, you have been living in St Maarten in the Caribbean for 30 odd years and you have a world famous regatta in St Maarten. People know about it and it is a thing to do. In terms of your development - where have you got your background from in terms of - do you consult with other regattas to get ideas or have you evolved year by year by year from trial and error?

Robbie Ferron:

Peter, firstly we don't send our sailors to the Southern Ocean or round the world, because in the Caribbean our conditions are so great that we like to keep them there! In fact we like them to come back for lunch during the race! The general principle is very different in the Caribbean. The tradition is there.

In the Caribbean every island pretty much knows that every destination, with regards its event, brings huge economic impact. That has been proven and proven

particular in the islands of Antigua, which is very famous, and St Maarten, which has got the biggest regatta of the Caribbean. So you don't have to convince anybody of the economic impact. However the history shows - to answer your question - that any destination, any island, and this applies not just to the Caribbean, but to locations in Malaysia or any emerging country - that somebody who wants to develop an event, a participatory event, with local sailors, with tourists - doesn't really have a model to follow.

Our experience, our history is that we muddled through over many years in trying to learn. You know you can get race management from ISAF - ISAF does a great job in training judges and race officers, but there is no one training on how to manage events, with the complications of the race, the sponsorship - which is clear from this event again, how complicated that is - measuring exposure and there are no benchmarks on how to operate, there are no measurements for economic impact. We saw that Cowes claim £60 million. In our particular regatta, our economic impact is £10 million and the figures don't correlate, so the methodology is obviously different. There ought to be consistent methodology. There ought to be - and I think this is something the World Yacht Racing Forum can make a contribution to - in terms through



conferences, through education, to development benchmarks, business models, on how events should and can be run to try and avoid the disasters, the mistakes that have been made so often in the past.

We muddle through, but that shouldn't be necessary in the future. I think there is a tremendous gap in that sort of event management. It is absolutely true, as Peter Gilmour said, that yacht clubs are not the ideal management entity. I think many yacht clubs are learning that, it is taking a little time and they are doing, like Gothenberg, having separate management organisations. We have done that.

So there is development, but it is not being facilitated by the availability of material that assists people, particularly in countries where the...for instance in the Caribbean, every single government in the Caribbean is pretty much bankrupt with the exception of Trinidad who have got oil. Everyone else has got no money, so you are not going to get the sort of sponsorship money that you do get from larger cities that have just been described. So you have to come up with 'pulling up your own bootstraps', as they put it. Your approach has to be somewhat different. That is the experience of the Caribbean and the experience of the Caribbean certainly – there is not that internationally available material that makes it easy, but that should come.

Peter Montgomery: Although you say you muddle through, you are doing it pretty successfully. But what you are saying is that the economic impact of what we saw at Cowes, over 1000 boats and all those people involved is so different, is getting a different number to what you are getting and it would help if some organisation, whether it was the Forum starting something – to be able to compare...

Robbie Ferron: ...standardising the measurement of economic impact. It is a very difficult economic type of study because of whether you do it from the supply or demand side.

I was involved with the United Nations when they did an economic study of the economics of yachting in the Caribbean and the one thing we did prove was the difficulty of doing that. It is a real area of expertise that needs developing and by developing it will make it much easier to get some fairly standardised economic impact measurements and the case that I see – what Stuart Quarrie mentioned yesterday and our particular one, it is clear that we are using a different methodology.

By having a standardised one we can be very much more sure in selling it to the many destinations and you can say 'well, we are sticking to the same generally accepted methodology and this is the economic impact and we can really stand behind it'.

Peter Montgomery: Assessing the Impact of Sailing Events on Host Cities and Nations is a huge subject. I am sure we have all learned something we didn't know before this wonderful session here. We are taking a break, but if there are any questions that people may want to just ask, that cropped up?

Question from the floor -

"I'll just make a comment if I may, with a different hat on. The RYA, recognising that there is a need for event management guidance has on its website – and this is not directed at most of the members of this forum, but it has got a thing now called the 'Big Event'. I just commend it to people in terms of the way we've approached looking at the Club issues, running an open event because actually there is a need for somebody to write a book or institute a Masters

Degree or something like that, just in the methodologies of event management.

Peter Montgomery: But would it help, what you are talking about, what is on the RYA website – would Robbie Ferron from St Maarten, where he's saying that he's had trial and error - even Robbie can improve? Would he get something out of that website?

Questioner from the floor: I think the principles are there, just in the pre-planning structures, in the issues that you have got to consider. It doesn't go into the economic impacts obviously because it is directed at clubs. But in terms of the way that they have looked at the pre-planning, how you put your group together, even to the point of how do you structure the people dynamics of the table where you sit all your management committee around! You know?

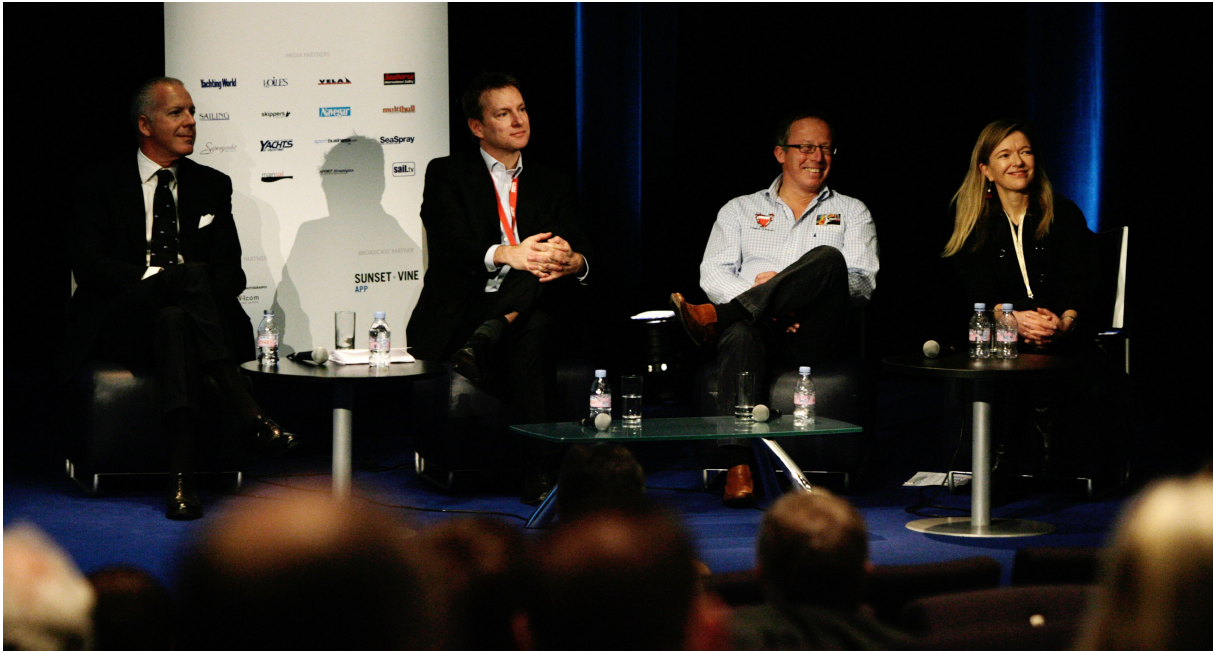
So there is a lot of quite sophisticated thinking, even if it is only on a very micro-level. Look for RYA Race Management Best Practice – then you drop down the menu to 'the big event'. It is written by a North Irishman called Tom Joplin.

Peter Montgomery: Wonderful. Thank you so much for that. That is good.

Alright, I think unfortunately we're going to have to pull the curtain down on this. Thanks to Rod, Tony, Robbie and David. It's been so interesting and so fascinating. We could keep going until midday or later, but we do appreciate you joining us. We are having a break folks. I know we are due to come back here at 11.20. Well, we'll do our best to get back as soon as possible. Thank you so much for our panel. Quite outstanding.

Applause

Coffee break



LEARNING THE VALUE OF SAILING SPONSORSHIP – HOW EFFECTIVE IS THE RETURN?

- Annemarie Meyer**
Co-Head of Sponsorship
UBS
- Riccardo Simoneschi**
CEO, B-plan
- Andrew Pindar**
CEO, Pindar Group
- Ulrich Lacher**
MD, IFM Sports

Peter Montgomery – Ladies and gentlemen, if you could just take your seats please... I know this subject - a lot of people are waiting to hear about this in terms of 'learning the value of sailing sponsorship – how effective is the return?' And what do the sponsors want back is a key factor. And particularly in the difficult times economically across the world, sponsorship, we've heard often said it is changing in the market. So this is a very very topical subject.

We invite to our panel - if I can get Riccardo Simoneschi,

Annemarie Meyer, Andrew Pindar and Ulrich Lacher.

Riccardo is currently President and CEO of B-plan Sports. He is an active sailor, helming Audi Powered by Q8. But he has also been involved a lot in the administration of the sport. He is Vice President of the ISAF Equipment Committee and has been a past President of the International Star Class.

Annemarie Meyer has been involved with sports sponsorship for over a decade, working with Euro 2008, UEFA, athletics meetings, she worked with FIFA for three years and Annemarie will talk to us about her role with UBS in charge of UBS' sponsoring strategy for Euro 2008 and more recently managing the sponsorship of UBS with Alinghi.

Andrew Pindar, of the name so well known in sponsoring sailing. Andrew has joined a family business that was founded in 1836. Andrew has been at the helm since 1997. He has been working with the company for over 25 years, but it was Andrew's vision and foresight that started sailing sponsorship over 20 years ago and I'm sure all of us will know of the Pindar name, notably with Emma

Richards in the first round the world race and Andrew does an awful lot of community work with his home yacht club, the Scarborough Yacht Club.

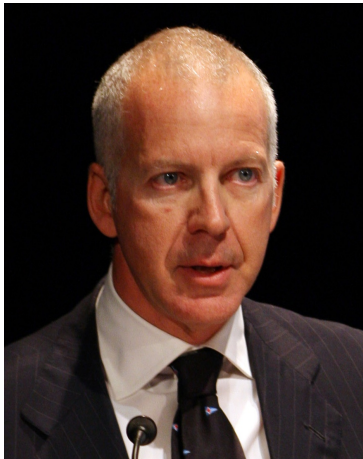
And Ulrich Lacher is Director of IFM Sports, has been involved in the sponsorship and research industry for nearly 20 years and heavily involved in some of the largest events in the sponsorship industry such as Deutsche Telecom, so Ulrich also will have some very interesting points to make.

But first we start with Riccardo Simoneschi to tell us about the issues of sponsorship as it has been and as we look into the crystal ball. Riccardo...

Riccardo Simoneschi:

Good morning ladies and gentlemen. I'm very honoured to be here this morning with you at this forum, which I believe is finally a great opportunity for our sport to give voice and ground to the people that are working within it day by day.

I've heard a lot of talking about the financial crisis, but without underestimating this problem of course, I believe this to be a

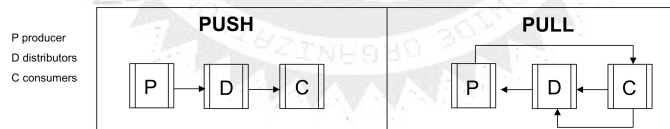


positive opportunity for our sport, forcing us to change and become more innovative. In the presentation that follows I try to summarise some of my company's and personal experience that luckily brought me to have a broad and privileged observatory on our sport, from managing sponsors to chairing Olympic and international classes or to be seated at the ISAF committees and still to sail at a professional level. Unfortunately many super good sailors were born in my same year, like Paul Cayard, for example. And as to the time I came on to this circuit, once God decided that I should be born Italian, I was obviously late! So when I showed up, most of the sailing talent available for that year was already gone to these guys and I had to deal with the rest! But I know we are short on time and I hope to bring a sort of positive message.

I'll start from a small theoretical background just so we are all on the same page, saying that in the early 1980s companies were focussed on 'total quality management' where the key factor was the product quality. Once the quality has been achieved, in the 1990s the successful strategy was the 'business process re-engineering' and the key factor was cost reduction. And the last decade has been the decade of the information society to prevail and the key factor is the information value to that is population and customers, which are some of the principle characteristics of the

CUSTOMER ORIENTATION

- This new society and market's reality have determined the present extraordinary importance of the **CUSTOMER SATISFACTION**
- A new kind of **CONSUMER** is born: he has totally fulfilled his primary needs and therefore he doesn't attribute to the consumption a function linked to his own survival.
- The **NEW CONSUMER** gives to the consumption and high psychological value and the special task to satisfy his social needs. On this new consumer is the new **PULL** logic to work better than the old **PUSH** logic



STRATEGICAL MARKETING / SPORT MARKETING

- In this environment the function of marketing has changed from *operational* to *strategical*:
- The **GOAL** is to establish a dialogue with the consumers developing channels to facilitate the communication and creating a perceived higher value that will *stabilize the relationship* in between Companies and Customers in a process called CRM (Customer Relationship Management)
- The **SPORT MARKETING** is one of the most used tools to archive this result!

information society. I think we should move forward...

Principle characteristics of the information society are the increased competitiveness, increasing performance expectations, social fragmentation and increasing variability of customer preferences, spread education, while for new products make a quicker impression on the market and faster technological obsolescence. This new society and markets really have determined the present extraordinary importance of the customer satisfaction. A new kind of consumer is born. He has totally fulfilled his primary needs and therefore he doesn't attribute to the consumption and functioning link to his own

survival. The new customer gives to the consumption an added psychological value and the special task to satisfy his social needs. And this new customer is the new 'pull' logic to work better than the old 'push' logic that you see in the graphic [above]. In this environment, the function of marketing has changed from operational to strategic. The goal is to establish a dialogue with consumers developing channels to facilitate the communication and creating a perceived high value to stabilise the relationship in between companies and customers in a process called 'customer relationship management'. And here, in my opinion, sports marketing is one of the most usable tools to achieve these results. And in fact

we may see a continuous growth if we take as an example the revenue of the Olympic Games, noticing that the first private Olympic Games to be organised was in 1984 in Los Angeles.

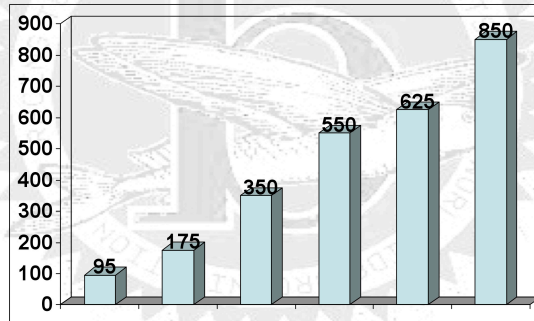
With the investment becoming bigger and bigger, the most regular question managers have to answer is 'what is the return on the investment?' Or even better: 'what is the return on marketing investment?' This is not just an economical reason in my opinion, but also in turn has political aspects and that is what I have learned dealing at the B-company: I have learned that a lot of this business is driven by internal political aspects – so making the decision that cannot be criticised. Still today it is the difficulty to answer this question, and not a lack of funds, that represents the greatest problems to those whom have to decide on sports sponsorship.

To make it more complicated we have to consider that sponsorship evaluation is made more challenging due to the nature of sponsorship as a diffused multi-layered and multi-element package and even more corporate sponsorship objectives are ever widening deal by deal, further limiting the ability to reach a definitive financial assessment on return on investment and necessitating a broader approach to assessing return against sponsorship objectives, what we call ROO. And this is what I believe is what we can sell actually, because it is something that we can measure in the end. But why I believe that our sport, and sailing in particular, should use the ROO approach – developments in evaluation methodology has focussed on a relatively small numbers of tools, principally evaluating the value of media exposure, communication effects and, at the bottom line, sales effectiveness. Despite widespread acceptance of these tools, no such framework is likely to be

A CONTINUOUS GROWTH

Olympic Sponsorship Revenue

(source: IOC, US\$)



The 1984 Los Angeles Olympic Games were the first privately organized Olympic in history

SPONSORSHIP EVALUATION: ROI, ROMI, ROO

- The most frequent question Managers have to answer is: which is the ROI (return of investment) or even better which is the ROMI (Return on Marketing Investment).
- Still today it is the difficulty to answer this question and nor a lack of funds to represent the greatest problem to whom have to decide a Sport Sponsorship.
- Sponsorship evaluation is made more challenging due to the nature of sponsorship as a diffuse, multi-layered and multielement package.
- Corporate sponsorship objectives are ever widening and vary deal by deal, further limiting the ability to reach a definitive financial assessment of return on investment (ROI), and necessitating a broader approach to assessing return against sponsorship objectives ROO (Return On Objectives).

exhausted. This is particularly true in my opinion, for sailing, where the range of potential sources of sponsorship value and the often intangible nature of many key value components, means that the assessment and the sponsor willingness to pay don't link easily to a scientific calculation of the return on a marketing investment.

And I believe it is very important to notice that in sailing the predominant focus on financial quantification can be unhelpful or even misleading. And I think that the evaluation starts before the sponsorship begins and what is needed is a structured, but flexible framework and approach to fully appraise the principle drivers of

return on deal-specific objectives. The driver of return must become the common ground between the sponsors and the sponsoree to better cope with the challenge faced by the sponsorship deal. And at least a four point framework, may be useful to picture the sponsor's state of the mind before the sponsorship begins.

- To have a clear idea supported by rigorous analysis of the sponsor's strategic and tactical corporate level.
- To follow a shared and logical method throughout the sponsorship process.
- To base the evaluation approach on a structured understanding of the tools, objectives and pitfalls.

- To maximise the sponsorship value,
- To maximise the sponsorship value through contractual diligence and an effective contingency plan.

And this, at the end of the process, will bring us to a clear distinction, in my opinion, between 'quantifier' and 'qualifier' elements. Quantifier elements can be represented with economical values and numbers, like the number of public, number of entries/participants, number of given samples/gadgets/flyers, number of contracts concluded, number of media contacts (printed articles, radio and TV coverage) and number hits to websites.

Qualifier elements refer to the quality and coherence between the sponsor and the sponsored activity: public in target, level of satisfaction and involvement, active/passive public participation, level and kind of interaction between the public and the event (mental/physical); relationships built between target and brand/product; media content analysis and TV and media reputation.

And here come the real problems. If the quantifier elements value can be calculated using traditional evaluation methods that may vary from company to company, but it is at the level of the qualifier elements where sports, like sailing, can provide the most value, but unfortunately this is the most difficult to be evaluated. The correct evaluation approach has to be customised according to the specific needs and prioritisation of sponsor objectives as eventually set. The goal is to determine the growth of the level of notoriety rather the notoriety, rather than the awareness, of the sponsor/brand through the sponsorship: the efficacy rather than the efficiency - and these can become very objective.

And therefore I believe that a definite model to evaluate these

kind of sponsorships is still really to be developed. But there is still something concrete and valuable. If we agree that 'time' is one of the distinctive goods of our epoch, and a sentence like 'I have no time' is one of the most pronounced in our contemporary era, where we all tend to do several options at the same moment with a low level of focus, than the sport/sailing sponsorship in this case is an objective value, being the sport with one of the last private 'temporary space' that we can emotionally deeply participate.

Sport is able to attract our focus and emotion through even just being a spectator...and our emotion lasts forever.

The last question, and this is why I believe a good measure for a sponsorship is possible, if we answer the question: 'how much emotion have I generated around my brand?' This should be the question from which we should start the evaluation of sponsorships and compare the result with the amount of emotion provided by the standard advertising campaign...if any!

We have here a very quick case study – basically it is our team. This is a TP52 team. We started with two marketing platforms. With Audi, after a continuous long term involvement as the sponsorship of sailing events, they decided to have their own sailing team, sponsoring the Formula 1 of sailing - the TP52 Audi MedCup circuit. The boat is intended to become a real testimonial of Audi activity in the Mediterranean area supporting most of the values associated with the brand – competitiveness, innovation, technology, design, material research and elegance.

It is the answer to the request of the brand to refresh a long term activity of Audi as a sponsor in sailing, looking forward to a more interactive activity with the

customers. And in fact putting the Audi Sailing Experience in a parallel with the Audi Driving Experience already existing, has been one of the most successful developments of the team's activities.

To reinforce the spirit of identification with the values of the sailing team a program of 'dedicated corners' has been studied for the Audi dealers. Around the concept of the boat we have developed special communication activities to be in direct contact with the target: Such as a two day rock concert for the launch of the boat in Genoa and a 14 day display of the team assets at the Bologna Motor Show now running - this was definitely a surprising and a successful environment for a sailing team - or incentive and VIP hospitality at the events fulfil the needs of the brand to share emotions with its primary clients and relationships.

Co-branding and co-marketing are on the way at present.

On the other side of the coin, Q8 and its loyalty program. Kuwait Petroleum, has sailing in its DNA having two sails in the company logo. It is a long term relationship with sailing that started years ago at the time of the well known *Brava Q8* and the research was to find another boat with the potential, visibility and technical skills to become representative for the brand.

Furthermore the Q8 TV spot shows a sailing boat sailing down a motorway and stopping to refuel at a Q8 gas station. Q8 in fact with its 2650 sales points around the country is the second largest fuel distributor in Italy, developing the most successful loyalty program in the country with millions of brochures spread around the population - a powerful potential on which we have created an interesting interaction between Q8 and Audi.

The team developed a successful commercial agreement between its technical partners and Q8, that refer to the Q8 loyalty program through allowing the use of the team's logo/brand on reward prizes and that makes Q8 more distinctive for its customers. Slam here is one of them.

So with the accomplishment of this plan, I think the team gave back to the sponsor what it promised. Quantifier elements - research with the standard methods have proved that over 30 million contacts have associated these two brands to the TP52 sailing and this project. And the qualifier elements, the integrated nature of the hospitality and co-marketing program provided a global initiative to invite customers, prospects, opinion leaders and media and to mix corporate entertainment with a communication objective as requested to the team. So basically the ROO – thank you.

Applause

Peter Montgomery – wonderful Riccardo. Boy, that is sophisticated isn't it? Now we invite Annemarie here, particularly with UBS and Euro2008 and Alinghi, but she has a long CV before that including with FIFA.

Annemarie Meyer:

Thank you very much. Yes, my CV is more not in sailing, so when I listen to all of you, you all have a long history with sailing, you all have a passion for the sport and most of you have practised in this sport all your life.

I have not. I arrived at UBS in 2003 after Alinghi winning their first America's Cup and I must admit I didn't have a clue about sailing.

So my background was first in tourism marketing, so I was on the Board of Directors of Switzerland Tourism and I was responsible for



marketing in St Moritz. There it had something in common with sailing – always a lack of money and we always needed to create stories! That was one thing.

Then I was in ISA and FIFA for quite a few years. So I have worked in different sports and I know how the industry works and how the media work that certainly helped me to also find solutions for Alinghi, for UBS and I have also found out, right at the beginning, that in sailing there are a lot of people who are willing to help. So if you are not the professional, you can always turn to people who are always ready to help you.

At the beginning with Alinghi, I asked many questions and many challenges and it was not really what we negotiated with Nick Masson, who was on the other side of the negotiation table. The contract looked totally different to

what we did in the end, but that is a good attitude also for the team - to always be approachable and to be open to new ideas. Alinghi was always open, we never had a 'no' and we did a lot of special things in those five years. Also I turned to James [Pleasance] and Scott [Macleod] at Force 10 for some sailing background. I'll show you why afterwards.

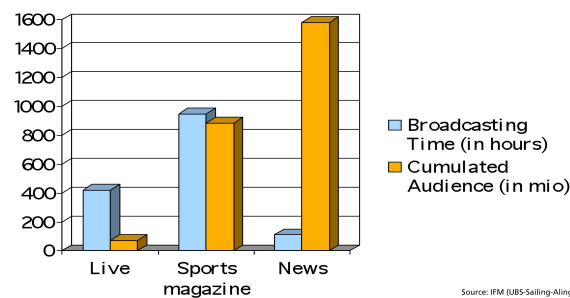
And one thing also in Switzerland in 2003, everybody was an Alinghi fan, from the little boy in the street to my grandmother, everyone in Swiss sailing, and they also helped us with the program. Because we had a lot of people to education, clients and prospects and we wanted to give something back to the public.

Just a few examples: that's what I thought when I came to do sailing - I only have the proof after Uli [Ulrich Lacher] did his research after 2007, but that's how it looks [indicates a slide - below]. In sailing, you cannot count that in Formula 1 and football, live coverage and a lot of a logos and at the end of the sponsorship you can say to your top management "yes, I've had three hours on TV and that's a value of such and such." You don't get this kind of TV visibility.

But there is a chance - there are sports magazines and there is news. The audience there is much

TV Exposure

Live broadcasts are minor in sailing



Source: IFM (UBS-Sailing-Alinghi 2005-2007)

In order to make sailing sponsorships work it is crucial to think out of the box and to be ready to invest additional funds



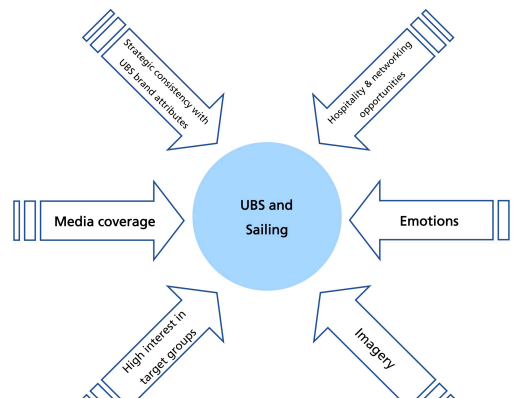
higher than with live. Blue is the broadcasting hours and orange is the audience. So you see that the audience for the sports magazines and for news is much higher than for life and therefore work on that. You have interesting content all of you, you just need to produce it, you need to tell the stories. And you not only have to produce it, you need to make sure that the broadcasters have it, because producing and distribution is not exactly the same in broadcasting and in order to make it work for a sponsor, you need to have an activation budget. Without that it will not work. And that is the problem at the moment – with the financial crisis, not only in our company, everyone is reducing activation budgets. We still pay fees, but with the fees, because you don't have a lot of live coverage, you cannot make your thing go. Because the sports magazines, they have all the Inside Alinghi programs on Eurosport, etc etc which was a combination of production and media ???

So why did we choose sailing and why did we not go into other sports? There was clear market research behind that. UBS has been in sailing for decades in Switzerland, so therefore it is not a new thing we are doing. Certainly in sponsorship, always interesting is media coverage, emotions. Emotions with Alinghi are a big thing. In Switzerland, Sail Alinghi is one of the national Swiss sports heroes. TV just mentioned that a month ago – that the two big sports heroes are Federer and Alinghi. So that's good for us, because they will come back with sports magazines and the news on this.

Something also important for us is the imagery. There is no negative, or almost no negative feedback to the imagery of sailing. That is something good, because if you only have neutral or positive you can work well in marketing. In other sports, like football or

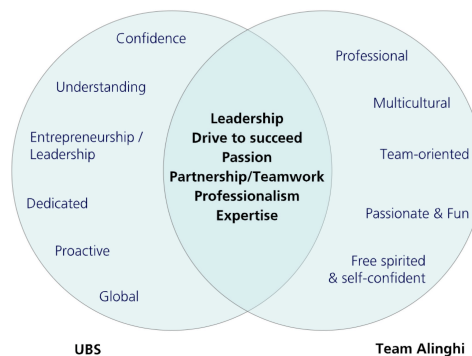
UBS and Sailing

UBS rationales for sailing



Strategic convergence with UBS brand attributes

Consistency of brand attributes/values between UBS and Alinghi



Quelle: Performance Research



Formula 1 you also have negative associations to the imagery.

So that is an advantage for the sport. For us, an advantage to us, not in Switzerland but abroad, is that we have the same target groups between our wealth management company and yachting and also important for us was the values: sailing, yachting and us, we have values which we want to communicate which are the same.

So that is one of the first things we did when we sat together with Alinghi is [discuss] where, what kind of values we want to communicate in the next five years when we work together. So they had their values on the right side and on the left were our values and then we decided what kind of values do we communicate

when we communicate together? So that was *leadership, drive to succeed* – for us at the time, really good values, because you can not really tell that from yourself that you are good, because otherwise you are arrogant. But if you tell it via somebody else you can do it. Then *passion, partnership, teamwork, professionalism and expertise*. I'll show you afterwards once more, how it worked after four years.

Then we put together a communications program. And, really that is important. You need to link all your activities up. It does not really help to just do one, or to only activate just from one angle. So first we went into what kind of advertising do we want to do? We don't want to do brand advertising, we want to be closer to everything which is in

yachting, sailing, etc. What we found is we took a very strategic approach. We checked all the media in Europe, because Europe was our main focus and we always compared them to our brand and we said 1, 2 or 3 and if they were 1, that was an important media for us. So for instance, in Italy was Il Sole 24 Ore. In England certainly it was the Financial Times, but also the Daily Telegraph and the Times. In Germany it was Handelsblatt.

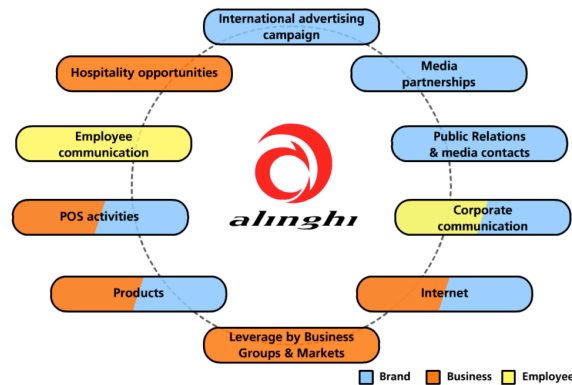
Then after that when we have done our job with our brand, we added Scott [Macleod] and James [Pleasance] and told them 'so now, it is your turn. Tell us which media have credible writers or producers of TV formats.' Because it does not make sense to put advertising somewhere where they are not credible towards the audience. So, very strategic. And they told us who was more credible than the others in their eyes.

We trusted them, so in the UK, we didn't do a lot of advertising there, but we put advertising with the Daily Telegraph and the Times because the Daily Telegraph had a very credible writer. So that is something - we really wanted to be credible right from the very beginning.

But we also found out that there are not enough platforms, so we had to create platforms. That's why we created media partnerships. So we did the Inside Alinghi program with Eurosport. In most of these activities, Alinghi had to either write stories or create footage or do something! It was not something we could do, because it was something they had to do. And we've really never had crossed words. They always were willing to co-operate. With Eurosport that was the decision to employ George Johns as the cameraman of the team and I think that was one of the best additions to the team, at least for us as sponsors.

Integrated activation measures

General UBS communication measures 2004 - 2007



Then public relations and media contacts: Very important. You saw the sports magazines before. If you want to make sure you are in sports magazines, you'd better know the Editor of the magazine, because if he knows you, certainly he puts in a few more pictures than if he doesn't know you and does not know what you are doing.

Then internet I think is a great opportunity for all of you, because of all the nice clips and films and whatever.

You've seen before in the photos - Ed Baird and all the other Alinghi guys have to do a lot of events for us around the world with lots of clients, as speakers, entertaining our clients somewhere in the world. They don't always like it, but they always give and not once have we had bad feedback. They always say everyone wants to do more events and everyone wants to have more appearances. So that was one of the good things we have done too.

Then products – we have created a credit card and Switzerland is not a big country, with not a lot of people and the credit card market is not a market where you can still find a lot of people who don't have one. But we have issued 65,000 Alinghi credit cards to the people. Then we have decorated

our branches around the world with boats and with decoration material.

Then corporate communication - we have used Alinghi a lot for team building exercises. So Alinghi created for us the Alinghi Academy in Valencia and we've done a lot of internal workshops down there with half a day of sailing on the Alinghi boats and, I can tell you, it was eye opening for a lot of people, because, as we all found out at UBS, that it does not work on a sailing boat if you are not working together. So we had 50-60 groups doing that program.

Then the hospitality opportunities: One thing we also had to work on, because we knew in 2003 that until 2007, nobody would come, whether Alinghi was winning or losing, because that was of no importance. But in the eyes of a lot of our clients and prospects, Alinghi, they fulfilled a dream, their dream. So they wanted to know, if you do this and how, how you can be successful.

Also during the negotiations already we had said 'that's great to have your vision' and a last card of the vision was 'sharing our passion'. So for me it was always 'yes, I bring you people, you share your passion'. And they did a great job for five years to entertain all our clients, be it in Valencia, be it

somewhere on a lake in Switzerland and we have entertained a lot of prospects and clients on all kinds of different levels of programs we have done in Valencia, Switzerland and Dubai. We have given access to about 10,000 people from the company within these four years between 2004 and 2007.

So two or three results – that is the result of the ‘communications with regard to values’. We concentrated on values around the world. We concentrated on emotions in Switzerland - so that is not the result for Switzerland, but around the world - you see that everyone who was aware of the sponsorship. They rated us better with regard to the values than those who were not aware of the sponsorship – so, really, a great result.

And also the hospitality program – that was also one of the best successes. Alinghi was entertaining our guests. We were bringing them down and we were putting together certainly a nice program and we made sure they were well looked after. But look at the results for instance: clients and prospects enjoyed the events. In Louis Vuitton Act 13 it was 100%. And that was feedback we received from them directly.

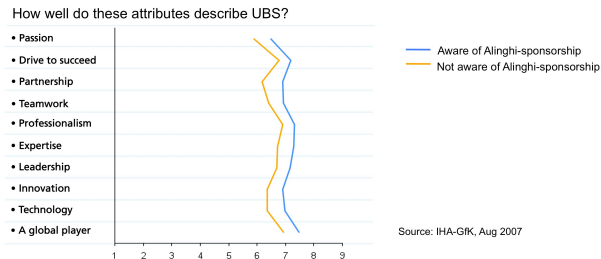
We have had feedback from the hospitality program and we have even had in the America’s Cup, we had people coming to us wanting to be invited. And it was great, because it was not possible to go to the Alinghi base and to be in this hospitality program without being invited either by the team or by one of the sponsors. That certainly for us was a great opportunity, because it was the place to be.

While the America’s Cup is a bit lower - there is, because the clients have a lot of influence on this and the program is a lot more expensive, so certainly if something is more expensive then

Impact on image values

Respondents aware of Alinghi sponsorship rate UBS image attributes better

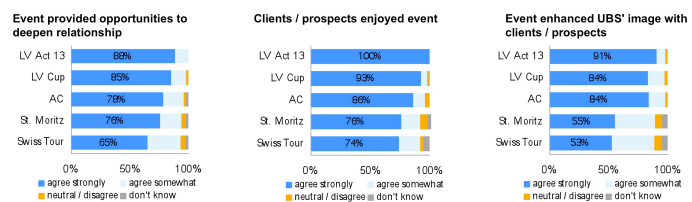
- ◆ UBS is rated higher on 10 selected image attributes among respondents who are aware of the Alinghi sponsorship versus respondents who are not aware
- ◆ The difference is between 0.4 and 0.7 points. Highest difference was observed with "Partnership"



Impact on Client Relationship

Strong impact of events on client relationship and corporate image among clients / prospects

- ◆ Almost all hosts agreed that the events provided opportunities to deepen relationships, clients enjoyed the events and that they enhanced UBS' image with clients / prospects
- ◆ The Alinghi events outperformed most other UBS hospitality events measured between 2005-2007
- ◆ Impact on client relationship was assessed lower for the St. Moritz Match Race and the UBS Alinghi Swiss Tour. Client Advisors rated them to have less impact on client relationships.



UBS Source: Internal host feedback

they normally want to have more value, but it was the same program. But anyway it was really a very successful program.

Unfortunately, soon after we have also proven at UBS, that you cannot make things good with sponsorship or with marketing, so if your product or if your service or if your company is not really running well, then the problem is you have to first fix your problem and you can only make a difference or you can make something better, but you cannot make something good with sponsorship or marketing.

We've had, for instance this year, a request from the Harvard Business School to get this case for a business case on sponsorship

and I think, yes, it is probably one of the better ones at least that I know, which we have done with all the people involved, because as I've shown you, there were many people in UBS involved in this.

The biggest job if you do sailing sponsorship with a company is to work internally. It is not to sail on the boat or to have fun. It is really to make it work in the company so that your colleagues from internal communications, from other products, from the decoration - you always remind them that you have a nice platform and they should do something with it.

So that certainly one of the good things.

And we gave out 100,000s of Alinghi caps to people around the world. It was a big success. We would never have thought that this could be done with sailing. We only thought that this could only be done with major sports.

Thanks and if you have questions you can certainly ask after.

Peter Montgomery: Thank you Annemarie. Now, Andrew Pindar. We're looking forward to hearing this...



Andrew Pindar:

Morning! You are alive still?!

It's nice to see so many familiar faces in this changing world. In fact, a changing world - we saw that at Cowes this year when I saw you the last time, most of you. Are you here with your wives chaps? Well I did see you coming out of the lap dancing bar in Cowes...! One or two of you definitely...

It is a changing world. I've just come back from the United States. It was quite strange last week to see the effects of a recession. In fact I was at a conference there and there was a Japanese guy changing some money in a bank in front of me. And I saw at first hand the impact of recession. He was changing a pile of yen for dollars and he went to the bank counter and the bank teller said 'what can I do for you sir?' And he said [*puts on terrible Japanese*

accent] 'today I want to exchange my yen for dollar'. So he counted out a pile of yen and the bank teller counted out the yen and pressed his computer and up came the calculation, counted out a pile of dollars, handed it back to the Japanese gentleman on the other side of the counter, the Japanese gentleman counted the dollars, counted them again, moved from yellow to red and slammed his fist down on the bank counter and said 'I expect a good reason for this. Yesterday when I exchanged my yen for dollars I got more dollars. What's the reason?' And the bank teller says to him 'well, I expect its fluctuations'. And he says 'fluctu Americans too!'

So I'm here to talk about our involvement in sailing. It goes back a bit. It started about 25 years ago when I agonised over spending £1000 to pay for the Commodore of our local yacht club to go across to Holland to the finish of the North Sea Race from Scarborough.

Anyone here know where Scarborough is? We had some T-shirts some some years ago saying 'Scarborough – the thinking man's Blackpool'. Scarborough is not quite at the end of the earth, but you can see it from there. It's a great seaside town, 40 miles north of Hull in Yorkshire and that is where our business was founded in 1836.

The printing industry around the world is a crowded house, it's a very mature industry and to try and differentiate yourself you need to do something different. So we agonised about spending £1000 on paying for a trophy and for the Commodore to go across to Holland to finish that North Sea Race. And that was for people in their 30ft family cruising boats to go across to Holland - that's people from Blythe and Hartlepool and Hartlepool, Whitby, Bridlington and Scarborough. And that's where it all started.

Things started to go downhill a little bit after that. Because I met Chay Blyth and he was somebody of quite some significant influence in my thinking and through that I learned about sponsorship in sailing and a lot of things we were talking about yesterday and today - Chay Blyth was doing those things over 20 years ago.

In fact things that are relevant in my mind, which wasn't Chay's. Anybody been to New Zealand? The first time I went to New Zealand and I went to a bar, I don't know about you, but I ordered a pint of Steinlager. Now, I don't know anything about New Zealand beers, but in my mind the name Steinlager was implanted because of *Steinlager*, the racing yacht some 20 odd years ago. The same if I were today to go and buy some white goods, if I had to buy a fridge, I might well buy Fisher & Paykel because I know the name from more than 20 years ago. It's a name, a brand that is established in the thinking of people. And that is what I was trying to do with our business: To try and set ourselves out as being different to the crowd in a very crowded house.

We have had a fair few people through our stable over the last 25 years. And you might recognise one or two of the names. In fact Ian Williams - please stand up Ian. Now Ian on Saturday for the second year in a row became World [*Match Racing*] Champion.

Applause

So we have managed to fortuitously get involved with some fabulous people and I'll go through one or two of the names of those over the next few minutes.

I mention the Global Challenge. To me it was a great sadness when that business failed, when Chay was unable to make the leap that Clipper did in being able to see that the revenue was actually going to come from ports and

cities rather than companies themselves. For me the Global Challenge was a fabulous event. It touched so many people in the world of sailing. If you see out there today, sailing down to Australia is Pete Goss in his wonderful wooden boat *Spirit of Mystery*. You can see that Mike Golding is out there, number four in the Vendee Globe, people who started their sailing careers with Chay Blyth and the Challenge Business. In the last edition of the Challenge race we eventually got ourselves to the point of having a boat named after ourselves in the race having been on three races as a Business Club member before that.

Things really started to go downhill for me in about 1999 when I met this young lady, Emma Richards. It was in fact on a Challenge boat and Emma was there to keep my wife Caroline company and she [Caroline] was getting the sob story about how she [Emma] was just about to miss out on the ability to charter Pete Goss' yellow boat *Aqua Quorum*. And I said 'well look...' Emma is very pretty by the way... 'I'll see if I can find some people who can sponsor you. I know a lot of business people who might be interested in this, Emma.'

And I spent all the drive back from Southampton to Scarborough, which is about a six hour drive, on my phone – you were able to do it in those days - boring my wife Caroline silly as I phoned all my friends going 'I've met this fabulous girl, she needs to be sponsored for the Transat Jacques Vabre. She has got a great boat, but she needs to have £30,000 by tomorrow.' Anyway, by the time we got to Scarborough and everyone else had laughed at me, Caroline said 'if it is such a bloody good idea, then why don't you sponsor her?' So we had a quick board meeting – between myself! - and the following morning I phoned Emma and said 'I've got you a sponsor' and she said 'who

is it?' and I said 'actually, its going to be us.' And that's when life started getting expensive...

We talked yesterday about the impact of sailing. It is great to see the statistics that you had there. This is what we were after. When Emma finished the Around Alone race, she came fourth in the Around Alone - she should have come third, but that is another story - that was the impact. She was on the front page of every UK national newspaper. She was on all our terrestrial television channels, breakfast, noon and evening on the news. The valuation we did – Liz Russell did the evaluation for us on this and actually guided us on a lot of our thinking about how we could get value out of sponsorship, because my Board of Directors constantly don't believe that this works for us. They think that I can dictate – I can't because I have a Board of Directors and I have got other people, stakeholders within our business, who look critically on what we do.

This is validation - to see those front pages - but it places about £12 million of value on about a £500,000 investment. That is a little bit better than the ratios we were talking about earlier this morning, but that is the scale that it got to.

We also have links over the years with various projects with kids. For three years we operated for HSBC in delivering an engagement program for them, where Emma would go and do various courses around the country.

The guy who runs our sailing business, Robin Gray, would go around with Emma and they would go and find these kids, some of whom came from very deprived backgrounds. Robin spent most of his time keeping themselves from either fighting or doing something else between the boys and girls. But it was a great program and it is something I very much think you can do with sailing

– is to work with the community, as well as looking at the richness of sport.

Probably the best thing that we have ever done - and again Robin introduced me to the idea of this. We were at the boat show when Emma had finished Around Alone race, she wrote a book, which has sold 10,000s of copies. Emma came up, she found me in 'the office', I've seen some of you in 'the office' as well at the Guinness stand [at *London Boat Show*], and Emma said 'oh Andrew, I've just said 'yes' to someone about something and you need to meet her...' And I said 'what are you talking about Emma?' And she said 'I've just met a girl called Hilary Lister and she wants some help'.

And Hilary is quadraplegic. Hilary approached Emma and said 'I know who you are Emma Richards, you don't know who I am, but I need your help'.

Hilary had an ambition: to sail by herself singlehanded from the UK to France - to cross the English Channel. The impact of her doing that – and Robin set about begging, borrowing, stealing and helping Hilary achieve her ambition – the impact of this went around the world. I can tell you that the embarrassing fight we saw on this stage yesterday afternoon – the people are involved in that should be humbled, because this is what is important about people and the media you can get by supporting people like Hilary Lister.

Applause

It was quite interesting with Hilary. I don't if anyone has had the chance to meet her? I said 'we can't sponsor you Hilary, because we can't be seen to be riding on the back of someone's disability. We'll help you, but we don't want any coverage for this'. And she turned around to me, quick as a flash, and said 'so, because I'm disabled means I'm not good

enough to be sponsored then does it?' So she challenged that thought process.

The other one that I think either me or Robin said to Hilary, 'so, what happens if you drown?' And again, quick as a flash, she said 'so its worse if a disabled person drowns is it?'

Other things we have done, more recently: This is quite an amusing moment for me in my life. Robin and I, in January this year, were in the Model Room of the New York Yacht Club as we signed up a sponsorship of the US Sailing Team through a division of our company called Alphagraphics. This initiative which I spotted, Rod Carr, from what you did with Skandia - and I realised that US Sailing - who have got a lot to learn from you and I know that Dan Cooney has been across to learn – here was a fantastic body of people in US Sailing who had no title sponsor. In fact, not only did US Sailing have no title sponsor, but in becoming the title sponsor through this division of ours called Alphagraphics, not only were we the first sponsor of the US Sailing Team, but we are the first title sponsor of any US national team. That is something we have yet to be able to measure the impact of, because we are signed up to sponsor the US Sailing team for the next four years.

Now as Brits signing up for those, you might think that there is a bit of a contradiction, but Alphagraphics is a US company that we bought many years ago and is based in Salt Lake City. So out of 270 locations we have, 230 of them are in the US. So it is a US corporation that is sponsoring a US national team.

Here we get to where we are at today. Probably some of you could think of us as a sailing brand, because most people have no clue as to what I do for living. They think my living is about sailing and in some ways it has become that

way over the last 25 years. We've realised that perhaps you can replace the name Alinghi with the name Pindar, because people make an association between our name and sailing, rather than they do between our name with the business that I'm in, because you don't know what I do, do you? I'm a printer!

So having found that we've got to this position, where people know who we are and people have been generous in their support of us, then we have been able to take our name to promote other people's brands. And that's what we are doing with Bahrain. This might not work...

He dials Brian Thompson, on board Bahrain Team Pindar currently mid-Vendee Globe

Hi Brian, its Andrew. Where are you?

Brian Thompson: Hi everyone. I am at 48.5S and 48.5E by coincidence, which is 3000 miles from Perth, 1500 miles from Cape Town and 900 miles west of the Kerguelen Islands, that my next mark of the course.

Andrew Pindar: That's fabulous – do me a favour, will you overtake those French guys in front of you?

Brian Thompson: which one or all of them?

[They sign off...]

Andrew Pindar: We talked earlier on about the evolution of sailing in other parts of the world. And certainly that's what Bahrain are intent on doing as they look at their economic future, as oil comes to an end and they need to look at other revenue streams. But the infrastructure that they are building there is every bit on a par with what is going on in Abu Dhabi and has gone on in Dubai, except they don't want to ruin themselves in the way Dubai might

have done. But a fabulous opportunity for us to look at how we can bring knowledge and experience and a pedigree, hopefully built up over 25 year, to the benefit of another country and another brand.

To that end, Brian, in fact Robin and I have each got one of these rather nice Rolexes – [*he holds up his wrist*] I think Rolex are a great supporter of sailing. When we went to Bahrain a few weeks ago, the King very generously gave me and Robin and Mudcrab [*Nick Crabtree*] and sent one to Brian. Brian has got his watch on as he sails around the world. Not only we were able to just phone Brian up then and say 'hi', but Brian last week got a rather nice call from the King of Bahrain.

So the future of us - I am actually in the process of demerging our sailing operation from my print and media company, because we are running this as a separate business and trying to learn as quick as we can the fabulous things that people like Mark Turner has done with his business. Did anyone have their Blackberry on yesterday? Because just as Shirley Robinson was talking about the future of things like the iShares Cup, I got an email from OC Group saying 'hey! There is a recession on! You can get a cheap way into sponsorship by joining the iShares Cup'. So great technology that is able to not only talk about it from the stage, but to send it to your email!

So our program is primarily two people as skippers: Brian on the Open 60 and Ian on the World Match Racing Tour.

Ian, the second time winner, and we were able to rebrand him for Malaysia [*with Bahrain*] and there he is holding the trophy. And I think Ian you are going next week or the week after to Bahrain and hopefully you will be meeting government ministers and royal family and the tourism people, and

be taking the trophy down there to be interviewed on television. Believe you me, the nation of Bahrain is grabbing this with an absolute gusto, be it there on TV every day of the week following Brian around the world or when Ian won his second match world championship.

Shows a video about Pindar.

Andrew Pindar: Thank you

[Applause]

Peter Montgomery: Yes, we knew that would be good Andrew. That was such fun... Someone in the Southern Ocean – who are you, where are you? Magnificent. Now Ulrich Lacher.



Ulrich Lacher:

Yes, good morning from my end as well. It is a pleasure to be here. My presentation is going to be not even slightly, it is going to extremely more boring than what you've heard before, because it is going to be all about numbers! But I think that numbers in sailing are becoming more and more important. It is going to be a very quick and a very general review of what numbers and research data can do for you and I am only going to concentrate on one area of research and that is going to be the TV figures and the TV coverage information that is

available. I'm not going to touch on areas that Annemarie touched, like the hospitality research, classic market research, print media research, etc. This is about the thing that is the basis of most of the sponsorships available out there right now - which is the TV element.

I am going to start with a brief introduction of what we do. This is not a sales pitch, so don't worry, I'm going to go through it really quickly, just to give the whole thing a bit of authenticity. We are the biggest and most successful media research company in the world of sports. All we do is sports. We don't do any other media evaluations. We have got offices in virtually every

part of the globe and we have developed a number of tools that help sponsors, rights holders and federations to assess and value their sponsorships and their properties.

So what should you monitor?

There are three stages.

There is the pre-sponsorship stage which looks at strategic data that can help you figure out where to invest and at which cost to invest and to make the contracts in such a way that you, as a sponsor, or you, as a rights holder, have a fair and transparent system that will avoid any potential conflicts later on in the partnership. There is obviously then the control, which

2. MEASURING IMPACT & EXPOSURE



Sponsors require media (TV, Print, Internet) & brand exposure data

PRE:

- Decision making: Strategic data for which sport or event to invest in, suitability of platform
- Calculation of value of a platform
- Base for performance related contracts

ACCOMPANYING:

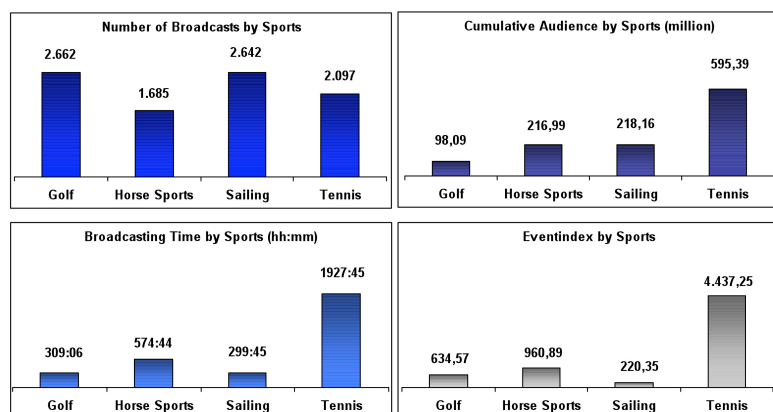
- Control of initial performance permits quick reaction & fine-tuning where necessary (e.g. through overnight and quick reports)

POST:

- Evaluation of ROI and ROO
- Controlling of investment, justify budgets
- Decision making: Strategic data on exit or continuation

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3. SAILING: TV COVERAGE



Base: France, Germany, Italy, Netherlands, Pan-Europe, Spain, UK (TV Coverage 2005)

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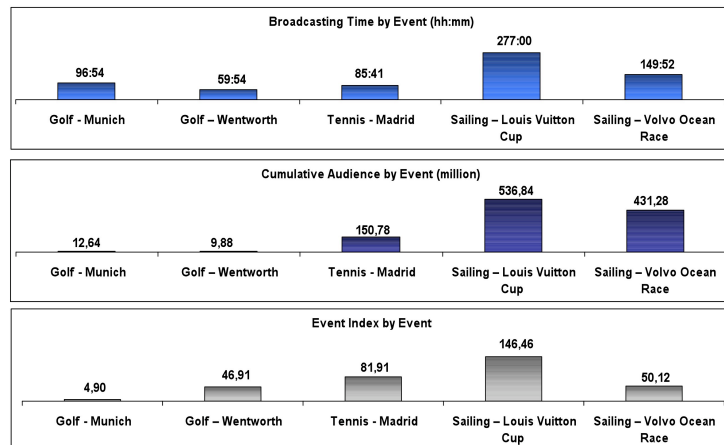
is the pre-race part and there is the post-race or post-sponsorship evaluation things that Riccardo talked about in terms of ROI or ROO. Obviously for any ROI and ROO calculations there is one pre-requisite to do that, which both a lot of sponsors and a lot of rights holders still don't do: If you want to measure your investment, and if you want to measure your objectives, you had better define them first. And that is unfortunately, and particularly in sailing, is not the case with a lot of sponsorship properties. So once you have defined them, you have got to control them and, especially in this economic climate, it is very very important that you are able to measure and to justify your expenditures. Once you have done that it becomes a lot easier to make the decision if you are going to continue or discontinue with any property.

So as I said, I have put together a number of figures here which are just snapshots, just to give you an idea what can be done in terms of where sailing is positioned, what it is worth, what is the platform like?

We'll start off with a general benchmark of sailing: Most of the sponsors that are involved in sailing consider it a premium platform, and the other properties that sailing is up against are generally golf, horse sports and tennis.

We generally distinguish between four parameters: The first one is the number of broadcasts. Now, like Annemarie said, there are a number of different broadcast sites. I'll come to that later, but obviously by being on a lot of news TV or on paid TV with a lot of re-runs you can influence the number of broadcasts that are shown. So that is the first very crude measurement stick: now many different programs are out there and maybe you see that actually sailing isn't doing too badly.

3. SAILING: BENCHMARK



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3. SAILING: BENCHMARK



Louis Vuitton Cup 2005

Sailing Louis Vuitton Cup 2005	Number of Broadcasts	Broadcasting Time (h:mm:ss)	Cumulative Audience (million)	Event Index
France	774	16:21:17	35.70	3,153
Germany	2,150	34:11:06	212,15	25,654
Italy	1,077	124:56:34	114,96	93,911
Netherlands				
Pan Europe	1,912	25:16:12	36,99	5,240
Spain	1,638	37:42:29	136,11	17,998
UK	1,082	38:33:08	0,93	0,507
total	8,633	277:00:46	536,84	146,463

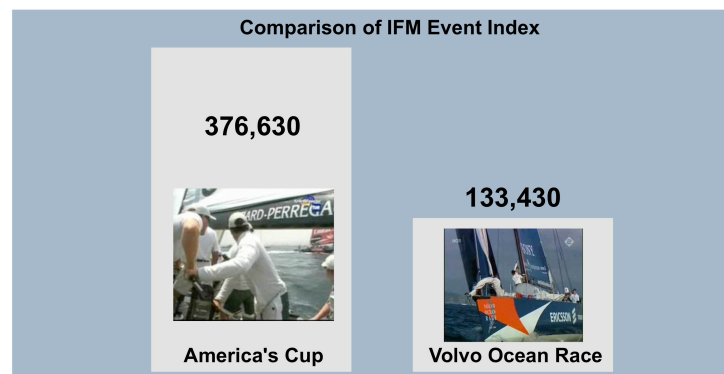
- Good and consistent coverage in various markets, also due to participating teams from various countries
- Additional coverage in news and sports magazines on public channels leads to high audience figures in Germany, Spain, Italy (UK coverage on Sky)

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3. SAILING: BENCHMARK



America's Cup vs. Volvo Ocean Race



ACTs 4-12 and VOR 2005-2006, 13 global markets
Event Index: Broadcasting times and respective programme audiences

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The second element is how much coverage is out there: ie how long on average is any one of those broadcasts that are out there. Then you immediately see that tennis becomes the number 1 sport. We'll see when we look at the audiences and then you see as well that tennis is the most watched of those premium sports.

But all those figures only tell half the story. Like I said, you can have a lot of coverage by being on paid TV, but that is not necessarily good if you are looking to raise brand awareness and you need a lot of eyeballs. You can push the number of eyeballs by doing what the America's Cup did very very successfully, ie having a very sophisticated, good and well established news distribution system that will push your audiences, but it doesn't necessarily give you the broadcast hours that you need to have the sponsors' visibility to retain awareness.

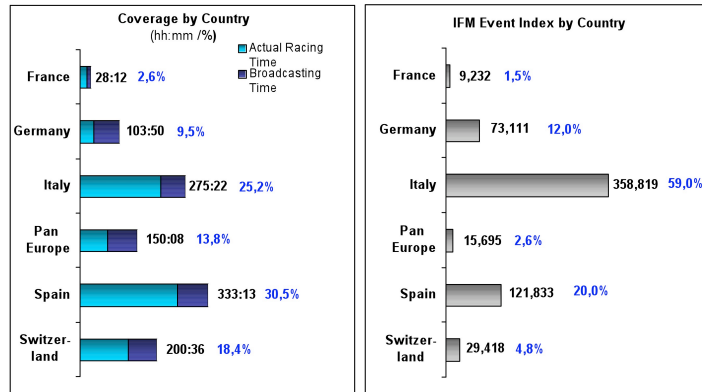
So as all good statisticians we try to come up with index systems, which helps to confuse everybody, and obviously we've tried the same thing by establishing the IFM Event Index. All that it does is it links the length of the coverage for any particular program item to the audience of any particular program item. So obviously if you have a minute on the BBC News, which is watched by 10 million people, you want to know how that relates to an hour on Sky News, which is watched by 5,000 people. The IFM Event Index allows you to do that. And there you can see immediately that sailing, compared to the other sports, has some catching up to do.

Now of these sports that we saw before are the sports as such; none of these sports has only one platform. Tennis is probably the best example of both. They have a number of platforms that compete for air time, for sponsors' money, for exposure within their sport. In

4. AMERICA'S CUP: TV COVERAGE

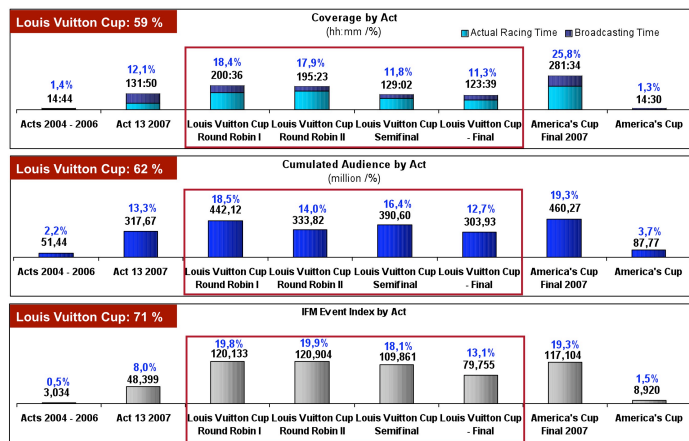


Total: 1.092 hrs of coverage, 2.24 billion viewers



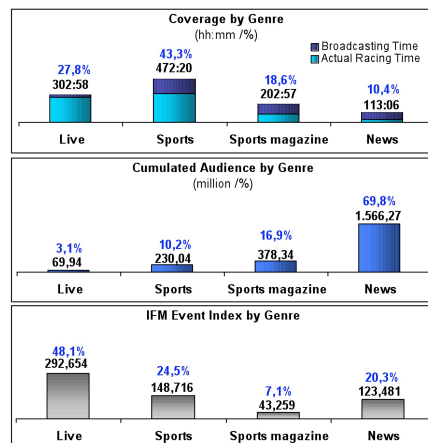
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4. AMERICA'S CUP: TV COVERAGE



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4. AMERICA'S CUP: TV COVERAGE



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tennis it is the ATP Tour, it is the WTA Tour, it is the ITF with the Davis Cup and the Fed Cup and it is four Grand Slam tournaments. In golf it is the US PGA Tour with all their elements, it is the European PGA Tour. So you already see that there are a lot of different platforms. The same goes for show jumping. Less so for sailing where there are only, at this point in time, a limited number of programs or platforms that receive television coverage and they are mainly the America's Cup and the Louis Vuitton Cup, plus the Volvo Ocean Race. And here you see the same indicators that we saw before, the broadcasting time, the audience levels and the IFM Event Index and you immediately see that certain of the sailing platforms, particularly in the premium element, hold their own against the other properties that we are looking at.

Then once you have the general overview that we just saw, we can look at how does a sailing event, where is it popular, how does it work, etc? Here you see the same parameter again. Then you can see that there are some countries where some properties work - in this case Italy and Germany and Spain - and there are others where it doesn't work - Netherlands and not surprisingly the UK, because they didn't have any challengers or participants in that event.

Obviously what sponsors are looking for, they are always looking for a comparison. 'I have \$1 million, I have got \$2 million, I have got \$500,000. Sailing is the platform for me – where do I go?' What I am going to show you now is a bit misleading, because it only looks at a certain number of countries and it only looks at the TV element. There are other elements like print, like on-line, like the hospitality element, like things like internal communications that can't be measured, the image of being

5. AMERICA'S CUP: TEAM SPONSORS



Country	TEAM		SPONSOR				
	Visibility (hh:mm:ss)	IFM Team Index	Visibility (hh:mm:ss)	Sponsoring Value (CPT 1 Euro)	CPT (Fee 1,000,000 Euro)	IFM Sponsor Index	Team Share (%)
France	07:53:46	3,176	00:19:11,7	5.788,91	172,74	0,174	4,1%
Germany	12:52:28	13,250	01:06:04,3	42.131,13	23,74	1,264	8,6%
Italy	49:28:39	32,826	02:35:12,1	69.669,26	14,35	2,090	5,2%
Pan Europe	25:19:34	4,467	02:10:33,8	9.680,50	103,30	0,290	8,6%
Spain	50:11:41	13,993	02:27:54,2	29.358,19	34,06	0,881	4,9%
Switzerland	77:33:33	15,439	03:51:03,6	27.273,90	36,67	0,818	5,0%
Total	223:19:41	83,150	12:29:59,6	183.901,88	5,44	5,517	5,6%



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5. AMERICA'S CUP: TEAM SPONSORS



Sponsorship Sources – over all rounds:

Source	Sponsor 1 – Team A				Sponsor 2 – Team A				Positions at Team B			
	Visibility h:m:s,0	On-Screen Share (%)	Sponsoring Value CPT 1 Euro	CPT Euro	Visibility h:m:s,0	On-screen share (%)	Sponsoring Value CPT 1 Euro	CPT Euro	Visibility h:m:s,0	On-Screen Share (%)	Sponsoring Value CPT 1 Euro	CPT Euro
Interviewer board	0:06:19,9	0,0%	3.370,87	296,66	0:41:19,9	0,1%	8.610,60	70,96	0:43:34,8	0,1%	10.791,91	92,66
Boom / Sail	10:45:25,6	1,0%	164.047,11	6,10	13:56:11,2	1,3%	119.876,89	5,10	23:08:53,3	2,1%	344.236,45	2,90

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associated with an event, etc. But the platform for most of the sponsors is the TV side and here you can obviously see that at this point in time, and following the discussion yesterday afternoon, who knows if that is going to be the case any time soon - the America's Cup is still the dominating sailing event in the globe. Volvo Ocean Race is very very solid, especially when you look at the number itself, compared to other premium properties, but it can't reach the America's Cup [see p98].

Now the question every sponsor will ask is 'if I pay 1 million for 360 index points, what can I pay for

the Volvo Ocean Race?' And this is the type of data where we can help or where we support sponsors that are in the decision making process. This is again to illustrate that there is plenty of data out there, both on the quantitative side on the media impacts, as well as on the qualitative side, in terms of awareness and image attributes that help a) the sponsors to make the decision and b) that it can help the rights holders prepare for their sponsorship presentations. Because all the sports that are out there looking for sponsors, be it Formula 1, be it show jumping or tennis, most of them have this sort of data available and they can

prepare for whatever sponsor they are talking to.

So let's look at the America's Cup coverage in slightly more detail [see p99]. Here you can see which of the different brands of the America's Cup contributed to the coverage. And you can see, not surprisingly, that all the Acts actually performed very very well and are on an equal platform individually per round as the final itself. And obviously that is important for all the teams and their sponsors, because none of them is guaranteed to make it to the semi-final or the final or even the America's Cup and they can illustrate and they can show that there is a healthy platform and that there are opportunities for the return on the investment for a particular sponsor and that they can offer a valuable platform.

Sponsorship exposure – I am going to keep this very very brief, because that data is normally very client-specific. So, like Riccardo said before, there isn't a clearly accepted value for measuring sponsorship exposure. Because all the sponsors have different sets of parameters that they value, they have different weighting systems, they have different ratios that they apply, different base sums and elements that they put into the calculations. So this is very very general to give you an idea of other things that can be done.

Here you see in grey, the visibility of the team, the boats, the sailors, the base, officials of the team that received television time. In this case it was roughly 225 hours. The sponsor - and this isn't one of the main sponsors, but it is one of the secondary sponsors - of those 225 hours they received 12 hours of visibility, which, if my maths isn't totally incorrect, is about 5%. That is not very good. If you have a platform where you are a sponsor on anything around 5% or less in a sport like sailing with your own team, then that is not very good. So that is both for the team

owner as well as for the sponsor, and shows that there is a problematic situation here.

Then we have from their visibility, the chance to calculate a sponsoring value. In this case it was done on a very very very conservative assumption, that the sponsor was willing to pay one Euro to reach 1000 people for 30 seconds, and you come to a value of the package – again just the media value of TV, no print or on line or added factors like imagery or anything else or hospitality - to about 200,000 Euros. Then you have a couple of other parameters, which I'm not going to go into now because they go into too much detail. But this is again just to show you how these things can be measured and obviously for international sponsors it is critical to know where the exposure comes from, because generally they have to collect the money that they are getting to invest in that sponsorship from their different regional local partners and sub-offices and so the split into the different countries is very very helpful.

You cannot only break it down by country, but you can also break it down into the different sources of exposure. Here [see p100] you see two sponsors from team A and the available position at team B. Obviously if you look at this information it is quite clear that the same positions at team B are superior to those of team A and it leads to two conclusions: either they were offered at the same price, in which case you take team B, or there is a difference in price in which case you have to make a decision on which one of them offers the best cost-benefit ratio.

That is it from my end in terms of the numbers. Just a few key points, a lot of them you would have heard from Riccardo or Annemarie earlier today: Sailing is not an easy-to-plan platform for sponsors. You need to activate

and you need to leverage, if you are a sponsor, to make it successful and if you are a team or a rights holder, you need to be pro-active about supplying platforms, like Alinghi did with the *Inside Alinghi*, to help promote your platform and to give your sponsors an additional platform to activate.

Obviously if you are a team or a team sponsor, sporting success is critical, but that is the same case with any sport, be it cycling or Formula 1.

You need to be able to prove that what you are delivering, delivers value for money. That is done in a lot of the sports, particularly in the premium sports already and that is how you will be measured against what you are charging.

You have to consider spending additional money, like Annemarie said UBS did on media money, to actually make the event successful, to get your platform out there, if there isn't enough genuine interest in the mainstream TV channels out there and in most cases, with the possible exception of Italy, in Europe it is not going to be there.

So you have to see if you can create those platforms that are available. That means that you have to create and spend and invest in media news releases to offer that platform to your sponsors. There are a lot of creative elements that help boost sponsor's exposure. BMW Oracle did this very successfully with the computer animations that they had.

And a key point, and that is proven with this year's Volvo Ocean Race which has to be considered, is that there is an increasing value in the internet coverage nowadays, especially from events like the Volvo Ocean Race.

That's it from my end. Thank you.

Peter Montgomery: Very good. Right now, are there any questions for Riccardo or Annemarie?

Question from the floor:
Yannick Perigot, Managing Director WindReport Press Agency

Thank you my name is Yannick Perigot. I run a marketing and sponsorship company in France called WindReport. I want to apologise to Andrew because I am working for five boats in the Vendee Globe and three of them are... just in front of your boat. All my clients are talking about a crisis and I would like to ask a question to Annemarie and Andrew about the future of sponsorship in sailing, because my feeling and my wish is that companies will probably spend less money in buying advertising and probably try to invest in sponsorship and especially sailing sponsorship, because there is more emotion, more content, more stories to tell and especially for internal communications, it is really really strong. And I would just like to know if that is a feeling you are sharing about your company or about any other company you are talking about?

Peter Montgomery: Good question – the future of sponsorship. Annemarie you go first and then Andrew please

Annemarie Meyer: I think there are two things that can be done at the moment. One is certainly - a lot of things that we have created all along can somehow be included right from the beginning and be talked about right from the beginning, to make it work better. And on the one hand what you really need is, on the other side of the table, from the company someone who is dedicated and somebody who is really a driver and somebody who is driving the process within the company, because in order to make it work you need to

convince a lot of people to work in that direction.

So I needed to convince our advertising guys, our communications guys – all the people that do events around the world, that Alinghi was the platform that they had to use, because I didn't have the budget, but they did. So that is certainly one of the key elements.

Also in this situation now, which will help, because you have, and that is an advantage, I come from a football world - the football players you cannot place them in front of an audience, but sailors you can. It is really something - they have stories to tell. So let them tell their stories with your clients and your prospects. That is something we have made a lot of very good experiences with.

Peter Montgomery: Very good. Andrew, you are coming at it from a different perspective. Right Andrew, please.

Andrew Pindar: I think that people's budgets are going to be massively cut and I think that for us, we are in an industry, which is under tremendous pressure, where cash is king. And everybody I talk to, they are in the same position. So maybe there are some companies which have such strong balance sheets and strong cash flows that they can afford to keep on doing things. But I think we are under threat. There is an opportunity of course because people may well then look at very expensive sports or environmentally unfriendly sports and they may want to come into sailing. So I think there may be a migration into sailing because of that, whilst at the same time there are people within sailing who I think will stop or they have to try and find another way. Which is why the email I mentioned from OC Group yesterday about the iShares Cup - one can stay in a sport without having to spend as much money.

So the World Match Tour - if you look at Adam Minoprio and Torvar Mirsky, they are very sponsorable people and it is a televised round the world tour. That is very affordable in comparison to running an Open 60 campaign. But an Open 60 campaign is a bargain compared to the Volvo Ocean Race. It is no surprise - it was limited at 30 yachts. How many started the Volvo – was it seven? I think IMOCA has some surprising strengths to it. It can get better by a different organisation... So an opportunity, but a massive threat, is my conclusion.

Peter Montgomery: Andrew. also a good comment on your thought that other sports may just price themselves too much. I am thinking about football particularly as the rise and rise of sponsoring gets to ridiculous levels. Is it possible that some of those companies can say 'no', but still want a profile and sailing can pick that up?

Andrew Pindar: If they have got the sense to do so. We need the type of intelligence to be able to evidence what sailing can bring, because the difficulty is, it is a bit like in computing – no one ever got sacked for buying IBM. The same applies. Where you can get the television metrics for football or for other sports, golf and so on - it is the lazy marketing director's plan who works for a big corporation, because he can give you the metrics and therefore prove that he has done the right thing. It is a much riskier thing to be involved in sailing I think, because of the emotional side and the fact that you are not guaranteed as much TV coverage.

One of the costs of the Volvo is because they are having to buy so much air time. So if you have more of an entrepreneurial flare and you can take the risk and you can go with the type of program that OC Group are coming out with, then you can persuade

people that this is more affordable and in fact can be a better medium.

Peter Montgomery: Any other questions?

Annemarie Meyer: I think there's one thing about football, which is important, because the TV broadcasters pay a lot of money for the rights and they have a lot of interest to make it work, because otherwise their business model doesn't work either. So that is always a factor. We never discussed that, but it is important: The broadcasters are the drivers of the business in football and not the sponsors.

Therefore as long as they pay, they want to make it work on TV and therefore it also then works for the sponsors. So therefore don't expect many to drop out, because they have contracts and they don't activate a lot, because a lot is included in the fee. So don't hope a lot of people will drop out of football and will go into sailing

Peter Montgomery: Good point...

Question from the floor -

Michael Cover: Michael Cover from Ireland. Just on the whole business of how to value the web-based channels, which is both mobile and internet downloads. How is it changing – I think this is more a question for Ulrich. Because the date there was for the VOR for 05-06. The new VOR is concentrating heavily on the web channel, RSS feeds or Web 2.0 – all that kind of stuff. How can you value it?

Ulrich Lacher: The value matrix, or the value methodology, you have is very much comparable to what you have on TV. You look at how many people access it. You look at what the exposure is that's being generated. You look at the quality of the exposure. You look at what is being paid for being on that sort of medium and then you

set the computers running and you calculate a value. But where I agree with you is that anything online is going to be more and more important and it is going to be more and more important for the smaller sports and that is anything that isn't football or Formula 1.

Peter Montgomery: Yes, any other questions? Marcus, please.

Marcus Hutchinson: Yes, I have two questions for Annemarie. Is UBS still a sponsor of Alinghi?

Annemarie Meyer: At the moment, it is like for everybody in the America's Cup, we cannot decide because we don't know what we would buy, so therefore we are just waiting. So there is no decision taken.

Marcus Hutchinson: so you are not funding the Alinghi team at the moment?

Annemarie Meyer: We are not funding the Alinghi team. We have found, because in a large corporate like ours, if you would like to restart at some point you need to find a way of just having the picture still up and we have the photos in the photo library. Because if you want to start such a program again, it would never really work, because of that. You need to find a way, if you can't decide, what you want to do and then we certainly have on-going discussions how we can do it, if in the end we cannot take a decision because it was not our fault that we could not take a decision.

Marcus Hutchinson: My second question for you, based on your answer there is... Do you have any influence at all on the way they are behaving or managing the current America's Cup situation? Do they want you to be a sponsor again in the future, do you think?

Annemarie Meyer: In no property, be it Euro 2008 or athletics, and we do the Swiss Olympics and the Olympic museum, we don't believe it is on us to influence what our property is doing. We are not really running the sport. We have a very different approach to sponsorship than other companies. We are also not too much into title sponsorship because that is having too much influence on the sport. It is a very difficult and fine line here. We have never influenced any kind of decisions in the Olympic team in the past years and we would never do that.

Marcus Hutchinson: But you would be interested in returning to Alinghi in the America's Cup?

Annemarie Meyer: It depends on what it will be and on where it will be, etc etc. So for us, and I think all the companies involved in the Cup, time is of the essence. So if they go on for another two years, it is not so easy because you need to convince people to spend money and that becomes difficult.

Peter Montgomery: Annemarie, I have had a question passed to me. Do you think it is doing any damage to the sport through your research and therefore do you want to be involved as a sponsor?

Annemarie Meyer: There I think I also now have some professional research. It is only that the community that there is, is definitely damaged for sure. I am not part of the community, as I said before, but even I hear this quite often. I also know from other sports that things can move on very quickly in sports. So it is not like damage is done for the eternity. We have been involved in other sports with lots of problems like athletics and even sometimes also the Olympic movement with all the scandals. We have certainly had many discussions last summer in

Switzerland about whether we wanted to leverage our partnership with the Swiss Olympic team or not. When we had all the discussions with regard to Beijing. And after Beijing, everything was forgotten. So sometimes - we are in the centre of this, but people are not. Therefore we will have to decide when it is decided, what it is, and we will take it from there.

Peter Montgomery: I know we are going to have a break for lunch, but this is a rare opportunity. So if you have five minutes less for lunch I hope that doesn't upset you.

Question from the floor: **Mark Turner** – Riccardo's point on ROO, Return on Objective, is a really important one, because I think if we continually spend too much time comparing our sport on media values, we will pretty much always lose. And our real value is in return on all those other factors that have been raised over yesterday and today in your piece Riccardo. That said, unfortunately, absolute reality, is that the media value is still one of the very few things to have a number on them. Particularly, not just banks, but financial institutions which have been a big part of the sponsorship make-up in the sport, will always want those on the first Powerpoint slide when the guy is presenting back to his board.

The real problem is, and thanks Ulrich for your analysis, but unfortunately beyond the America's Cup and perhaps the Volvo, for the rest of us it is a real struggle to find the money to really do the analysis on a global scale, to actually support our properties, because the cost of that analysis is extraordinarily high. But we are actually obliged to do it. In our contract with iShares, close to a quarter of our actual budget can be taken away if we don't achieve particular numeric media value targets, but actually their main objective is not

at all media, but that's the only thing today we have some actual numbers to put to. So it is a tough scenario.

My question though is on TV. TV is the lion's share, every time, of trying to achieve those media values, rightly or wrongly, because actually perhaps it is not what we should be measuring any more, particularly for the younger generation. But it is the biggest part of it. And the problem is – I've seen figures here in the last two days and we read them all the time - your figures mention total sailing audience, I think of 260 million. I presume that is only in a 12 month period. If I add up the numbers we have already listened to or see on the screen here in the last two days - we are at something like 6 billion! So we have a fundamental problem, because we are all putting numbers around which make no sense at all. I think today alone, two events have claimed 700 million viewer-ship.

And we have a real problem between the word 'view-ship' and 'audience'. Your numbers for audience were good to see and they sound pretty accurate. But how easy is it to really get those audience figures versus reach, which is what a lot of people are using and bandying around, in terms of the footprint of the stations they are going to? Just how easy is it to get those real audience figures in TV and how we get those, can we get those at a price we can actually afford to be able to do proper analysis of those and actually benefit from the coverage we are getting?

Because right now it seems to me that there isn't a solution to that and that forces us into using reach figures and mixing them up in translation between viewers and audience and everything else.

Peter Montgomery: Good question – have you got a good answer?

Ulrich Lacher: You have got three values are flying around. There is the 'accumulated audience', which is the figure that we use. Yes, that can be measured and it can be measured in virtually every country around the globe and yes, it is expensive. But most properties are not global properties and most sponsors don't look for global footprint, they have priority markets - 10, 12, 15 of them - and that reduces costs quite significantly.

The second value then you have is the 'technical reach' and that causes problems indeed, because it was what was done 10 years ago. You had a TV broadcaster, you knew how many households it was reaching - potentially - and then you either take that figure or you assume that 1-5% of those figures were reached with any given TV broadcast. And that is obviously very, very crude. You might get away with it. But if you have a sophisticated sponsor sitting at the end of the table - and there will be more and more of them, especially with the financial situation being what it is - you will have a problem.

And the third figure is the actual classic 'reach' figure, which are the individual viewers that were exposed to a property at any given point in time for 1, 3, 5 minutes. That is the least used figure and the one that only the advertisers are interested in because it helps calculate GRP. From your perspective, the ones you should go with is accumulated audience because that is what most sponsors are actually using and that is the actual people who watched a given program.

Peter Montgomery: Does that answer Mark?

Mark Turner: The reality is, even when you've got those figures, I've seen five different figures with a 300% variation for what the value of that coverage is. As I mentioned, sponsorship has

developed enormously in a decade, but we are so far from having something that makes any sense. I mean independent surveys, independent companies...you can even go back and ask for a second time 'are you really sure of the value of this particular thing?' and they come up with another figure completely.

And it is a real problem for our industry and actually it is the biggest reason for me, why we would rather spend more time on end of event surveys, VIP surveys, public surveys and that kind of market research, because I think as sport we actually quite often inflate figures, making it actually non-credible what we are talking about in terms of TV audiences and actually we should probably stop worrying about that and spend our time and effort on measuring the real returns of sailing which are something very very different and something much more deep, emotional and effect on people's impression on what we are doing.

If we did that instead of always putting on our first slide our TV audience, we would be doing the sport a good service.

Peter Montgomery: So Mark, you are saying how accurate is accurate?

Ulrich Lacher: By our calculation, that is a problem and that is a problem of the industry, because the interests of the people that are marketing and that have the rights and that own the marketing rights to a given product, they have a different way of valuing than a sponsor has. They are on opposite sides of the table with different interest levels and that's why there are different values coming out.

But it is down to the guy who is paying the money and that is the sponsor and you have to understand how they tick and every sponsor will have a different

set of measures that they are going to apply to the properties they are going to get involved in.

And I totally agree with you. It shouldn't stop with the media value. But with any model that calculates the ROO or the ROI, the media value, be that print or TV or online, there has got to be a bottom line figure from what you have to work on. Because if you don't, any media exposure, you are not going to get an impact on any of the other things that you talked about: there is not going to be an emotional link, there is not going to be an awareness shift, there is not going to be an image shift. If there is going to be a shift in sales figures it is definitely not going to happen because you sponsored... You have got to be able to show that.

I am totally with you – it has got to be done in a professional way and, yes, there are a lot of figures floating around that are inaccurate. And if you have values where people claim that they got a billion dollars of return for sailing or even Formula 1, then you know there is a problem with that. But I would challenge anybody for that example I just showed you - that is very very conservative and a lot of people won't like the figures that I come out with. I know that sponsor was a client of ours and he didn't like the figure of 200,000 Euros. And we got a lot of stick for it. And we got a lot of stick from the rights holder as well. But we could justify and we could defend it. So you have to set the parameters and then you have got to go and analyse it.

Peter Montgomery: Bernard, I hope you can remember what you were going to ask!

Bernard Schopfer: My question is actually similar to Mark's and I also share the same concerns... I face the same problems every day in my work. It is also a question for Ulrich. There are many teams in this room and

many event organisers, but smaller events – not just the Volvo Ocean Race organiser... What does it cost to get a figure back?

Ulrich Lacher: My microphone isn't working! Anywhere between 1,000 to 500,000 Euros. It depends upon what you are looking for and it depends upon how deep do you want to go? It is like me asking – what does it cost to build a yacht?

Bernard Schopfer: Can you give us some examples with some specific events?

Ulrich Lacher: If you did a proper global study for a sponsor on something like the Volvo Ocean Race or the America's Cup, you'd be looking at a six figure number. If you did something for a weekly event and you do it for Europe only, then you are looking at a very low four figure number.

So it is what you want to do and again it is defining the objectives. What is it that you are trying to show? How are you pitching your properties? Knowing your strengths.

If you know there is no TV coverage, or there is very limited TV coverage, then you concentrate on other areas. That is where we are here to help, because we have the experience of helping you tailor the research package that will give you the best value for your money, because obviously it doesn't help us if we do something simply because we have the report in the cupboard and then hand it to you.

The research on anything which is sponsorship, and especially sports sponsorship related, is all about being tailor-made to the client. And there is very little use of syndicated research, because a golf tournament has got different priorities from a sailing team from a sailing series or a football team and you have to look at exactly

what the different objectives are and then tailor it to those specific requirements.

Peter Montgomery: Uli, just following up on what Mark was talking about, against that background and then fast forwarding to your comment. The sponsor didn't like it and the rights holder didn't like it. How much pressure do you or your company or your competitors come under from those two stakeholders, notably the rights holder who think they have got a big property the world wants to watch and you are giving the reality. Are you aware, if not your company then other companies... How does Mark get five different read outs – are people drawing a long bow and giving a number to satisfy people rather than telling the truth?

Ulrich Lacher: I am not one to comment on that. I don't know how they do it or how they were briefed, so that is very very difficult for me to pass judgement on. I know that we get some serious stick regularly, but it doesn't help you if you lie to yourself. If those figures are what they are, and you inflate them by a factor of 20 – that bubble is going to burst at some point.

Peter Montgomery: Serious stuff – because the rights holder thinks they have something more than the reality your research and your integrity tells you.

Ulrich Lacher: Correct

From the floor Pat Lilley interjects: That's what the banks have been doing!

Ulrich Lacher: We are interested as well, because that is the industry that we work in and that's where we come from – is that the relationship works. It is not always going to be 100%, but in order to make it work and make it better, in a lot of cases you have got to have the bad news before you get the good news. And that's the prerogative under which we work.

Peter Montgomery: In the end we all have to look at ourselves in the mirror. We knew it would be good. Annemarie, Riccardo, Andrew, Uli – absolutely outstanding. We appreciate the effort you have put in and the time and effort you have given us. Thank you so much.

Applause



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THE RISE OF YACHT RACING EVENTS IN THE MIDDLE EAST AND ASIA

Panellists:

Albert Whitley

CEO, Oman Sail

Datuk Patrick Lim

Founder, Monsoon Cup, Malaysia

Tom Coventry

Marine consultant, Korea Boat Show

Scott Macleod

Chairman, World Match Racing Tour

Peter Montgomery:

Greetings, and welcome back to the final afternoon here on the inaugural World Yacht Racing Forum. Already, I know, we have all learned a lot that we didn't know before and for many of you, you will get a real surprise in this next session: 'the rise and rise of yacht racing event in the Middle East and Asia'.

So we have a very interesting panel here, who have been involved in the rise and rise of

yacht racing event in the Middle East and Asia.

First it is my pleasure to introduce Albert Whitley – if we could ask you to come and take a seat, please Albert. Albert had a long career in the British Army, but on the strength of his ability and organising large scale projects, he was asked early in 2008 by the Government of Oman to assist the Minister of Tourism in the running of Oman Sail. And we are going to find it very interesting to hear from Albert.

Next, Dutack Patrick Lim, who, along with Peter Gilmour, were the founders of the Monsoon Cup, Patrick putting his own money in.

I know we have been emphasising it, but those of you who haven't been there, your eyes would pop in this made-for-sailing stadium that has been built at Terengganu and Patrick is the man who had the vision and on the strength of the success of the Monsoon Cup in Malaysia, they've had approaches from many other major cities in Asia, from China and Korea – and we'll get Patrick to expand on that as well.

Tim Coventry – we heard from Tim Coventry yesterday. With his background of course as long time Chief Executive and Chairman of Performance Sailcraft and yesterday Tim was wearing another hat, that of Project Manager of ISAF Connect to Sailing. But Tim has also been heavily involved in Asia, this time as an advisor to the Korean International Boat Show and to the local provincial government and I know that Tim will surprise us with facts and figures and really reinforcing what we heard earlier today, but in a different context: that there are governments around the world that are able to be supporting marine or sailing projects.

And finally Scott Macleod: Scott is the Chairman of the World Match Racing Tour, but also he arrives with another hat as well. He is Senior Vice President for Business Development for the Women's Tennis Association. It was Scott who originally set up the Bermuda Gold Cup and then has put in the formation independently of the World Match Racing Tour that then came under the umbrella of ISAF and has got to where it is now with nine stops around the

world. There are some others to be looked at – we'll hear about that from Scott – but he is also going to be able to bring an interesting perspective from the inside out, to share with us on what another sport is doing.

So enough of the background, we move straight into it and it is an absolute pleasure to invite Albert to talk to us about Oman sailing. We'll get another surprise here for a start. Welcome.



Albert Whitley

Ladies and gentleman – good afternoon. Not many, if any, sailing credentials at all. And I get the graveyard shift straight after lunch...!

I was just going to show a film clip and let you ask questions, but having listened to the valuable discussions over the last couple of days, I think that what we are doing requires a little bit more clarification and also it follows through on a number of threads from a number of speakers, particularly Tim Coventry, Peter Gilmour this morning and, of course, Rod Carr.

This is a national project. It is funded by the government. It is for Oman and it is for Omanis. And it is brand new. It started effectively in February this year with a selection process and it has grown in its concept. It started out as a branding exercise – to brand

Oman, to put its burgeoning tourist industry on the map. But it has developed already into something much, much more: It is a social and economic development program. Sailing is the vehicle.

The country is 28 years old. When the Sultan came to the throne, he started to unlock the small amount of oil wealth there was in the country and started out on what I, as a military man, would call 'lines of operation': health, education, infrastructure. In 1975 he added on to that, diversification of the economy away from oil.

Oman is about the same size as Britain or New Zealand with a population just short of 3 million people. But the key to this, is that 50-60% of the population, as a direct result of particularly that health line of operation, is under the age of 18. So, employment, engagement in the future is important. It has got a burgeoning tourist industry. It is a fabulously beautiful country with a magnificent coastline. It is crying out for a maritime leisure industry - that is part of what we are trying to generate.

Over the next 2.5-3 years they are going to build five marinas and there is the embryo of a strategic plan to develop a series of ports down the coastline. December 2010, Oman hosts the second Asian Beach Games and it aspires to more.

So what is Oman Sail? Well, if you like, it is a sailing program, of course it is a sailing program, but we have attacked it in two ways – we have attacked in the top level and at the bottom level, and both are growing.

At the top level – you have seen the pictures already – we have bought Ellen MacArthur's *B&Q Castorama*. We've put her in wonderful new colours and she, on 8 January, with a professional crew of four plus the first Omani

will attempt to go around the world. If that is successful, then it will be the first Omani around the world and if it is successful non-stop – and I am not putting any pressure on them to do so – we believe it will be the first Arab, non-stop around the world on a multihull.

We are building another one, currently in BoatSpeed, just outside of Sydney, with the component parts of a new, what we hope, will be a one class 105ft trimaran. Those parts will be moved out to Oman, late spring next year and we'll put it together in a shed down in Solarno (?), right down in the south.

We have two now, Extreme 40s. We campaigned one with a professional crew in iShares 2008 and we'll campaign both in 2009, one specifically as a sponsorship vehicle. And we have aspirations to participate in what we hope to be an Arabian Cup for Extreme 40s in Shalalah starting next year.

But the foundation of this has to be a sailing academy. So you have right at the top, high level events, aspiring to the highest level events and within that Omanis involved and being the role models for everything that follows on. The foundation is a sailing academy with a number of sailing schools down the coast of Oman and this is just beginning.

We are looking to ISAF, to Tim Coventry, to the Royal Yachting Association and others, to help guide us through that process. But it is more than about sailing. It is about supporting that maritime leisure industry I'm talking about. So we are talking about sailing, boat building, boat maintenance, marina management, skipper and charter boats, working in a sail loft, so and so forth, most of which is significantly undeveloped in that part of the Arabian peninsula.

Oman Sail is fully funded for the first three years, but we are directed to try and attract sponsorship – and we believe we can, we think. That particular part of the Middle East is attractive, so we are looking for sponsorship to take us through and develop this for the future. It is an ambitious project, a national project and great fun to be part of it.

Can you show the video please.

Video

Applause

Peter Montgomery: Well, I bet every one of us learned something new we didn't know five minutes ago. That was a super video Albert. Whoever put that together - how clever to use the generations to link that together. That was very impressive, good luck with that and what you're doing.

Tim Coventry on Korea...



Tim Coventry:

Good afternoon everyone and I hope you are all following the plot.

The project I am going to talk you about now is Korea and an unlikely alliance between the ambitions of a provincial government and why we used a top racing event, a little bit of

which you heard about from Peter Gilmour this morning.

As you probably realise, I am very project driven and this is one of my projects. I hadn't intended that my life was going to be like that – it is just its worked out like that. I am supposed to be retired, but interesting things keep cropping up. When they do crop up, it normally it prompts two questions from my wife: 'where the hell are you off to now?' and 'what part of 'no' can't you manage?!

This project in Korea is fascinating. I am going to tell you a little about Korea and telling you Korea is a like the game some of us play on a long train journey when you say to your companion: 'ok, we've exhausted our conversation, I now want to you to name five famous people'.

Not many people know much about Korea. You might know that it is no1 in shipbuilding in the world. You might even guess it is No5 in car building. You might know it is No1 in semi-conductor production and flat screen production.

You have to think about where Korea was in the 1950s: It was a country that had just come out of a very brutal war. It was still at a high state of alert, when the war ended, with its partner in the north. It is only very recently that North Korea has been taken off America's list of terrorist countries. That has given rise to a very interesting situation.

South Korea, when you go there and for those of you who have, you know you go to a very modern country, a country that isn't frightened of making investment. It plans what it does very carefully and it measures what it does also very carefully and it is very successful at what it does.

The dividend of the lessening of tension between north and south

Korea suddenly created an interesting situation, which is almost unique. Up until four years ago, most of the coastal areas towards the parallel 49 and coming down south from that until you get to the extreme south of Korea, was a no-go area. It was razor wired, controlled by the army on the land side and the navy on the sea side. Two years ago they pulled the razor wire down and that coastal region is completely undeveloped, it is absolutely a clean sheet of paper.

The government that I am working for, which is very close to Korea, with a population of 23 million people, has a particularly beautiful bit of that undeveloped coastline and what they have decided to do is develop it for recreational and leisure use with tourism as the big goal. And leisure boating is part of that agenda.

The short slide presentation I am about to show you is about one part of that project I was involved with this year, which was to develop a boat show. They decided pretty quickly, as a result overseas missions, that what they needed was a boat show. And they didn't want just a boat show, the task I was given was within five years to turn this into the hub boat show for southeast Asia. And I am probably unique in the boat show industry at the moment, because I am probably the only guy involved in managing a boat show that has a budget and not a profit and loss.

So we had eight months from the decision to go ahead to plan this boat show, with the target in mind of proving a brand 'Korea', the start of a tourism agenda, what we needed to achieve our goals and to justify a considerable budget spend of a government, we needed some hard deliverables and the hard deliverables we chose to use was an event that had very very high television coverage.

This is an aerial image of the site. What we had was 170,000 sqft of exhibition space right alongside a water area and the match racing event. And this is the same event you heard about from Peter this morning - we decided to follow exactly that format, because it provided us with the television exposure that we wanted to start creating our brand and to be able to return some immediate deliverables on the investment that was being made in this boat show.

You have to understand that boating is only just beginning in Korea, so there were some real challenges there.

And what we decided to do also, was to run a festival, as well as a boat show, to provide a real return to the local people. For those who don't understand boating, we wanted a festival that they could understand and participate in. So we had a lot of activities going on within this boat show, as well as the actual pure boat show.

This is inside one of the halls – pretty much what you would see at a boat show. We did very well. We had a lot of companies with big brands who came to our show. They were incentivised to do so, but they would expect that with a new market.

This is a shot from the other side, showing the temporary marina we built for the show for the boats afloat and there is a marina under construction. If you look carefully at that slide, you can see the beginning of the retaining wall. That marina is now complete and it is going to be a 160 berth marina. There are four other marinas planned to be built in the immediate area, along a 90 mile stretch of coast line.

Strong cultural activity: One of the challenges we had there was a 9m tide. I know that Scott and I probably had the same experience.

The first visit that I made to this place was when the tide was in. And I thought 'what a great place to hold a boat show and a match racing event' and in casual conversation with the manager of the construction company who was building the marine, I said 'do you have any tidal problem here?' And he nodded and I said 'what sort of a problem?' And he said '9 metres!' And we were clearly there at high tide and when we went there at low tide this is what we were confronted with and it also presented some challenges for the match racing. But we overcame all of those.

Again we had to provide a festival of boating, something that people could really connect with. The guy in the foreshot there, shaking hands is the Governor who will probably be the next President of Korea and who's foresight and bravery let me loose on this project. The huge amount of trust he placed in the team that was going to deliver this project, was quite a responsibility.

Strong cultural content: it is silly not to use that. We used it very, very effectively. Again we had rock concerts in the evening and a lot of the stuff Peter was telling you about - huge attendance, people turning up in the evenings after the show was over, 20-30,000 people, top Korean rock bands, so on and so forth.

What did we get out of that? What we had, and the reason we used the match racing, was that we had the spin off, the shadow of a highly prestigious event that had a big amount of prize money, so it was very interesting and it was good enough to get the sailors there and all the top people came. But most significantly again – the same figures Peter gave you this morning - we went for the whole, full World Match Racing Tour television package and Cliff Webb and his team came down with pretty much exactly the same equipment and same team you

saw in Peter's presentation and that resulted in the sort of numbers you are seeing here and this what we were delivering to the boat show in terms of developing that brand.

What did we get out of it? We filled in eight months from a standing start, 170 sqm of exhibition space. We had 450 companies involved in the boat show from 38 countries. We had 350,000 visitors over the four and a half days that the show was open to the public, which in boat show terms is a phenomenal number and there were a significant amount of deals done. There were over 2,200 deals done, worth more than \$360 million. So the use of the event and the golden shadow that that created for us, this Match Racing Tour event in an entirely new market, a market I would describe as resource rich, sport poor, with a huge energy to want to do things. They need advice and know how, but more significantly, what we managed to do with this particular event was to begin to create a brand.

So what is going to happen going forward? Well, for sure, the Match Race Tour is going to be part of our show in 2009. Interestingly the match race boats, which we specially designed boats for match racing - they were designed in New Zealand - were all built by a Korean company. Eight boats - and all of them are in the process of being sold to either a government agency or to a city and they will be branded that way. And during the year, they are going to go into the new marina, where they will be used for team building, corporate entertainment, show events and all sorts of stuff.

But more significantly when the match race tour comes back to the boat show, there is going to be an event within an event, because we will have the full on Match Racing Tour with all that that means, but also when the Match Racing Tour event is over,

those boats are going to be out again racing government department against city, city against local bank and so on and so forth, with a high content of invited guest crew. Again – an enormous opportunity to promote what we are trying to achieve in the brand and the development of the brand.

Thank you.

Peter Montgomery: Thank you Tim. Tim, where were those pictures in relation to Seoul, the capital of Korea? How long by car?

Tim Coventry: The actual location of the boat show site is a place called Pyeongtaek Port. From Seoul city centre it is about 50km.

Peter Montgomery: North or south?

Tim Coventry: South west. It is the southwest coast of Korean. As I said, the audience we are appealing to was a city of 23 million people, all white collar workers.

Peter Montgomery: Absolutely. I think that line of 'resource rich, sport poor' really summarised it. That is really right across Asia in so many places. I know there have been some exceptions – Japan had a crack with 470 crews, world champions in the 1980s. Over the last 10 years China have had a couple of good crews in a couple of classes, but stand by - they are all coming at us and to tell us about that, to talk about 'the rise and rise of yacht racing events in the Middle East and Asia', Patrick Lim if you wouldn't mind taking the microphone please.

Patrick is from Malaysia and he thought of the ideas and was behind the ideas and had his friend Peter Gilmour as a consultant. Give us the background to the Monsoon Cup, this incredible event in four years. What was the

embryo of the thought? It is all very well 'let's have a match race' but what you have created it with a sailing stadium...

Patrick Lim: Thanks PJ. Great to be here. I have to make a quick confession... just like Annemarie earlier on, I am not a sailor. I don't have a history of sailing. I am a salesman. In fact five years ago I happened to be bobbing around on a boat with two politicians and they were lamenting that that part of Malaysia didn't have any activity during the monsoon. And trying to come up with some ideas of what could be done, and, like a fool, I suggested that perhaps we could look at some extreme sports like the Sydney-Hobart race and so on.

So the two politicians – as politicians will do – turned around and said 'that's a great idea, you do it'. So that is how the idea was born. I was lucky enough to meet up with Peter Gilmour quickly after that and we sort of raced along.

And it's been interesting over the last two days, just watching and listening and learning and having an idea of what the entire spectrum of sport, sailing around the world is. And I think you're right - the growth area is Asia, but I think I can speak from a layman, non-sailor perspective: your market is that, but to the average Asian, it is entertainment to start off with, because they don't have that heritage.

Traditionally if you look at Asian homes, the back is positioned towards the water. 90% of people that you may have sailed with, if you asked them, don't know how to swim. And these are the guys who are on the water now. So for the rest of the people who are watching it, it is entertainment. So I think the first thing me and Peter worked out, I said to Peter, 'Peter, I don't know about sailing, I don't have time to learn about sailing, can you please take care of

everything that is on the water and I'll take care of the rest'.

Essentially for the Monsoon Cup, our KPI from the government was 'this is a place that traditionally, for eons, closed down from November to February. Can we change that?' That is number one. Number two: "can we distribute this?"

So those were our simple KPIs and with the help of government and entrepreneurship and key knowledge in sailing – I think if you put those three together and essentially that is how the Monsoon Cup came about.

It is the fourth year and we have achieved most of our objectives, which is to go to about 135 different countries, Peter has told you about that, but key also from Mr Coventry's experience and everyone else's: you need to engage the local population in activities or predominantly they won't be able to engage in the key activity of sailing.

We have had the Malaysian and Asian qualifiers and typically we pump the whole thing up and PJ was there. We had a lovely lady who won the Asian qualifier and we built her up and she was interviewed and on the front pages of local magazines and of course Peter [*Gilmour*] unceremoniously knocked her off in the first round. Not a chance.

But there was a sense of local participation and you also have to be mindful that it is a lifestyle event to them and 80,000/100,000 will turn up if you make it an exciting event. The periphery is almost as important, if not more important than the event itself. It is an excuse to come together. It is an excuse to party.

For instance we had a fishing competition. In Europe – why would you have a fishing competition with a sailing competition? Because it is an

event. And then the year after that - as all the speakers have clearly articulated today - market intelligence/knowledge is very high. We are in the MTV generation, the PlayStation generation. Marketing knowledge is very high and sophisticated, but you have got to get them there first. The pull factor will probably be a lot of other things other than the sailing. But once they get there, sailing gets people hooked. I am hooked. I am an entrepreneur and looking from the entrepreneur side, we backed it totally the first year, the third year the government said it looks like it has got leg and in the fourth year the government fully funded the event and we are as pleased as peach because of that and we are keen to move on to other sites and look at other events.

I have been fortunate to bum around with some of the F1 crowd and I have been to Monaco mostly for the Grand Prix and what we have tried to do with the Monsoon Cup – and if you look at what Korea is trying to do – F1, the guys next door, actually have got it, they have worked it out, the entire model of marketing and distribution and everything else that goes with it: corporate hospitality, customer experience, site experience, visuals, distribution. And they are probably struggling right now over how to maintain it.

And it strikes me, as a newbie as such, that sailing is on the up and up, even with a recession or troubled times coming up. It is a lot cheaper getting in than any other sport and it has the same strike points – it is exciting, it conducts itself in an environment where you can go anywhere, so you don't have to build a stadium.

Like F1 you have corporate hospitality, you've got history, you have almost everything there – and it is green. Sailing is green – it is eco, it is cool, it is hip, it is tomorrow, it is where everyone is

heading. So it has all those elements and I was saying to Peter last night at dinner that 'for Christmas – can I have a Knut?' Because just watching what they did with Volvo was tremendous and that is the direction we'd like to head. So in short, Monsoon Cup is about distribution, about promotion, it's about corporate hospitality and more importantly, it is an event and that's what it tries to be.

Peter Montgomery: And Tim, your experience in Korea - did you experience also that it was entertainment and the occasion rather than necessarily being just a regatta and a sporting event, like a lot of us in this room think of a sailing regatta.

Tim Coventry: Our objective was to put on a festival, and something that would give a solid return for the politicians who had invested the money in actually starting to put this whole strategy together. And that is the key.

We've heard in other presentations this morning that there are hard deliverables in these programs - it is not easy money and my experience of working in Korea, and maybe Peter Gilmour and others could mirror this, is that they really question hard the strategy and reasons for doing things and they really make you sweat the mile to actually deliver the KPIs. It is not an easy environment, it is a very challenging one.

And particularly when you are working for a government that has a not too recent history of corruption and where laws have been introduced to stop all that and where everything they do is scrutinised by audit. So every single item of expenditure gets audited and has to be justified.

An interesting comment – the experience of working in Korea and the extraordinary number of visitors we had – it was actually

350,103 or something, is that Korea is one of the most wired countries in the world and if you look at the marketing spend to get the footfall as a percentage...for example I am on the board of the British Marine Industries Federation and we own London and Southampton boat shows and if you look at the marketing spend that we have to make to actually deliver about 140,000 footfall over a ten day show and the time we have to do that and you look at the marketing spend in a wired country, that is really connected and it is just hugely exciting.

The opportunities to introduce new concepts, new ideas, new sports even, because people, all the time, that is the media they are used to, they are into it. Some of the viewing figures that were coming out of the Match Race Tour are unbelievable. Scott – peak time viewing and it was 200 million eyeballs on the screen at peak viewing on some of the output that you had.

Scott Macleod: From the Monsoon Cup that is correct... And that is actual audience figures and not ramped up.

Peter Montgomery: Scott, do you want to think back – the early days of the World Match Racing Tour, was a loose amalgamation of the Royal Perth, Royal New Zealand, Long Beach California, Royal Lympington, etc and then you were really a pioneer by going, as an entrepreneur, to the Royal Bermuda Yacht Club because they got the message and they set the bar, and then Swedish Match Cup went a bit higher, but now what we see with the Monsoon Cup - and what we'll talk to Patrick about in a minute - about other major cities that are approaching him because of the fantastic success he has had. It is just amazing what is happening. Maybe in 20 years it will be just like Formula 1 – everything will be happening in Asia!

Scott Macleod: Well, the greatest thing about Patrick was that he never went to a sailing event in Europe. So he had no pre-conceived notion and, in fact, it was great that he actually never did, because he came to us and said 'I want to do this' and our jaws kind of dropped and it was great, it was fantastic and Peter Gilmour took it on.

So there wasn't a preconceived, packaged notion of what a sailing event should be and when James [Pleasance] went out and looked at the venue and basically they said 'we are going to dredge this harbour, because it is only 3ft deep and have a sailing event there', we said 'great'. Your traditional sailors come to us and say 'you can't race there'. And that is the problem with the sport : when you look at the Olympics, it is sort of the traditional look at the sport and saying 'you can't do that, because that is the way it was always done'. We were very lucky with Patrick who said 'I am want to do this. I am going to build a building with a facilities overlooking a stadium for sailing '.

Tim Coventry: The marriage of this boat show with a sailing event - it could have been any sailing - but the marriage worked so well, because a normal typical boat show isn't that exciting, but then you add a sailing event, so we brought the PR guys, the pizzazz, the America's Cup sailors, coming to Korea, etc - and that gave the boat show a vehicle to promote the boat show.

In fact when you look at the numbers - they expected 150,000 people as the threshold for their numbers and I remember the guy coming to me after the second day and saying 'we reached our numbers, I don't know what we are going to do this weekend, we'll have to bring in more security, all this, etc.' It is interesting in these new markets, because it is new for them and if

you bring it in a new way, sailing can do very well in these markets.

Peter Montgomery: And on the strength of your success, excuse you modesty Patrick, but you have had serious approaches to consult or to help - I hope I am not breaching confidences here - but Qingdao, where the sailing Olympics were, Shanghai - tell me if I am not allowed to mention the venues! - Hong Kong... how am I going? Am I right?

Patrick Lim: You must have had some CIA or FBI help! I think, just like Tim in Korea, when the delegation came down to the Monsoon Cup, we are pleased and proud and literally honoured to be the reference point. It has been a combination. Rightly so, even this year, I wasn't at the Monsoon Cup, because I was travelling, because there are people, governments predominantly - local governments or central governments - who will come to you, because, number 1, everybody who wants to distinguish their product differentiation and get their 15 minutes on the world stage, can do a number of things.

There are cities, which have building tall buildings - that's very expensive and it takes a long time. Or you can do a whole host of things, like holding the Olympics in Beijing. And people have found that sports, as an industry, as a promotional platform, is an exceptionally acceptable platform and politicians, by and large, even corporations find it is a great thing to use sports. It is not a negative. We've had approaches around Asia and I think by next year we'll probably be having, one, probably two more World Match Race Tour sites...

Peter Montgomery: Really. I mean they are serious approaches. They are not just tyre kickers and dreams?

Patrick Lim: No, these are people with the wherewithal to do it. We were also developers, so we also develop sites ourselves which, just like in Terengganu, we can see it is a promotional item and you ride on it. So they are serious approaches and people still have to promote even in a downturn. People still have to get things going. Governments have taxes and revenue and this is no. 1 cost effective, totally cost effective - if you look at the numbers for the Monsoon Cup.

Of course there are various platforms, we use some of the auditors, who work on the Commonwealth and Olympic Games and we get figures like 20x return - very difficult to be challenged. It is not seen yet as totally elitist, like Formula 1, because if you look at sailing, everyone feels they can get on a boat and they can sail. You are right - you bring the boat in and everyone is mesmerised, because it is this 'gadget'. I don't know when the carriers used to come into Southampton - it is just this huge thing and it mesmerises. So it hits all the key points for corporations and government. So yes, there are governments and corporations who are very keen. I think we will definitely have one new site and possibly two in the Asian region.

Peter Montgomery: And are they talking similar numbers and budget to what you've done and what Tim's folk have done in Korea?

Patrick Lim: They don't want anything less. It is an event for them. They want the whole shebang. They want the event, if they can put in a boat show, a concert - they want the entire new World Match Tour experience. Can I call it that, Scott?

Scott Macleod: I guess so - you're the promoter!

Peter Montgomery: Patrick, I just want to go through those venues again...It was Qingdao, Shanghai...

Patrick Lim: I've got to get the sanctioning bodies approval!

Scott Macleod: I'm writing this down as we go...

Tim Coventry: PJ, there is another interesting comment and Patrick has touched on it. My experience of the two areas we are talking about – the Middle East and Asia - they have hugely strong identities, each of these countries, and they are fiercely competitive. A lot of that competition is looking over the hedge to see what their neighbours are doing.

For example when we started this boat show project in Korea, within two months I had approaches from four other cities in Korea, saying 'we want a boat show too'. That is an area, which is quite interesting and difficult to manage.

The other thing is that the common agenda is usually tourism. They are very focussed on the tourism dollar – this is the big goal. And there is no fear of investment to achieve that. Whatever the infrastructure, whatever needs to be put in place to reach that goal, that happens. It is just a very interesting and quite a different situation to one I have been used to managing.

Scott Macleod: One of the interesting aspects, Peter, if we are talking about budgets and stuff. Percentage-wise these guys are spending minimal amounts on the boat aspect of it, so all the money is going into the television promotion and PR and getting the people there and that is where I think sailing loses its way and we spend so much money on building these boats that we think are fast and exciting. These guys have done it very low tech and very low cost and the great thing about

it is there's a legacy left behind as well.

So we have these eight boats in Korea, being moved around the country and being used for kids and training and there is a Korea national championship and regional championships, so we've sort of seeded Korea for the sailing event leading up to the Korean Match Cup.

Patrick has done the same thing – he runs the Asian Championships and the Malaysian championship as the lead up to the Monsoon Cup. So there is this sort of legacy approach in these countries to build sailing and not just come in and leave.

Peter Montgomery: I was at the Monsoon Cup last week and there was a fellow from Japan. I lent him a spare pair of headphones and he was there with the intention of setting up a regatta in Japan. Anyway we are moving out of time. Any questions? Someone might like to ask Patrick, as an example, which cities is he talking to and when we can expect to hear??!

Question from the floor **Alex Johnston** of the Royal Hong Kong YC.

Good afternoon, I am Alex Johnston from the Royal Hong Kong YC. Just to say a number of things: I just wanted to mention that there is already a very active Asian circuit with very competitive racing. We alone run two offshore Cat I races to the Philippines and Vietnam. We have a wonderful natural amphitheatre for sailing events in Hong Kong harbour. Please, if you are interested in coming to Asia and particularly Hong Kong, come and speak to us. We have a lot of local, regional and national contacts both in Hong Kong and across the border in mainland China.

And really interesting over the last couple of days, hearing all the

major events, such as media, PR and race management, and so on running an event, we have the same problems and issues and challenges at a yacht club level – not just at a national level. So if you are out in Hong Kong and Asia, please come and see us. Thank you.

Peter Montgomery: Did you know there was a guest from Hong Kong in the audience Patrick? Boy oh boy, you've got to get your antenna up here! One of things about Malaysian development is that there are several marinas and all the action is on the west coast going up to Thailand. On the east coast where the Monsoon Cup is, just above you is Vietnam and Hong Kong, so you are also trying to make it a focal point for cruising boats are well.

Patrick Lim: I think, good point. We did visit the Royal Hong Kong YC on our tours when we decided on the Monsoon Cup. Sitting here, just an observation, there is room for both the regattas to exist and also for the more commercial aspects and I think what the commercial aspect does is create the pull factor, the eyeballs and ears and it makes it sexy and exciting for the PlayStation generation.

And then where the regattas are, they are more constant, they have got more history and, in terms of the development coming up, clearly as what you say, I think one of our dreams - everyone who is involved in yachting in Asia, the Caribbean and the Mediterranean cruising scene and all that - Asia is an undiscovered journey. There are yacht clubs. There are facilities. It is safe and it is probably at a higher level than what you would imagine. I am also discovering this daily, but you're right PJ, in terms of cruising, all the way from China, Qingdao, Hong Kong, Vietnam, the Bay of Thailand, coming down - there are good facilities, fantastic sailing,

fantastic unimaginable sites. A lot of those areas are pristine and unspoilt. And that is probably another layer, which in terms of professional commercial promotion is something we need to work together on, because that is a beautiful area and in fact that is one of the objectives of our government in Malaysia and I'm sure in Oman. These activities are a catalyst, they ignite and excite new audiences, the uninitiated and then you start building. I think a lot of the governments there have the same aspiration – you know if ten of you went to ten different sites and spoke to ten different yacht clubs and ten different yachting fraternities, you'll find the same aspirations. It is just a question of getting up and getting it done. Literally.

Peter Montgomery: Excellent. A couple of more questions before we hear from Scott on the WTA.

Question from the floor - **David Hasslett** – Green Dragon Racing Team.

Hi, David Hassett from the Green Dragon Volvo Ocean Race team. Firstly, I'd like to congratulate the panel. The work you have done for our sport in this part of the world is phenomenal.

Our team had a peculiar start, in that we started in Ireland and then we built our boat in China and we ended up engaging with the Chinese from the Shandong province to do the Volvo Ocean Race. Two things – i), they were not sailors and ii) they were not part of any dynasty. What they have asked of us – and PJ I think this is what this forum brings together – what they have asked for is 'can you give us a blue print to develop the sport through the Shandong government going forward?'

Now with that in mind, I could easily say 'well, we're doing the Volvo Ocean Race and we'll just

do another one'. But the clever thing to do is to introduce them to the likes of Patrick and I was talking to Peter at half time and he said he'd certainly contemplate coming over to Qingdao to talk to the people there. It is a pure knowledge transfer and it is what this forum does enable.

But secondly, we have a lot of properties within the world of sailing and we should share those properties with the backers and it is an ideal economic climate to do that with the governments. So I'd just like to congratulate you on the work that you have done.

Peter Montgomery: Just before you go, I'll ask, because I'm not sure everyone knows. Where is that province related to Beijing and Shanghai?

David Hassett: It's near enough to Qingdao, Qingdao is within the Shanghai province. But the scale is massive. One of the provinces we deal with is Jilin [?], that 10.5 million people and that is only a microcosm of what we are dealing with as an area. Let me tell you it is green grass and it would be great for everyone to talk about it.

Peter Montgomery: I hadn't been to China before the Olympics. I spent a month there and the comment was made – no one knew where Qingdao was. Qingdao is 8.5 million people!

Scott Macleod: I think the interesting aspect, thinking of all that: These people are growing their middle class. I don't know how many hundreds or thousands of millionaires there are in China now. So you've brought your house, you've brought your Ferrari – what do you buy next? These people are going to buy boats.

The problem is that there are no marinas in these areas to keep boats. So you are going to see a huge amount of construction – it

is just unbelievable. So if you are in the marine industry – go there! And if we can get these people into sailing, rather than powerboats, then that would be a good thing.

Tim Coventry: Just as a comment on that, for those of you who like numbers: the average earning per capita of South Korea is over 25,000US\$.

Peter Montgomery: Well, one day at the Olympics I was going up to the rowing and there was a New Zealander in the car. He had flown up from Shanghai and he was talking about this place Beijing is small fry with 17 million people compared to Shanghai. And selling New Zealand product into China – it was too big, too daunting and the reason he had focussed on Shanghai was because there were five cities within two hours by train with 7 million people in each, from Shanghai. It is just mind blowing.

So on that cordial note, we'll transfer now to forehead-backhand, hit the white paint, 30-40 – tell us about the Women's WTA. You've been the driving force of the World Match Racing Tour and now you're with women's tennis.

Scott Macleod: I think obviously some of you know that I have been in the sports marketing industry for 20 years and sold a lot of sponsorships in the sport of sailing. My passion is sailing. I am a sailor, but frankly our friends yesterday showed me that quite frankly, you can't invest in the America's Cup any more. It is pretty sad the situation that the sport is in.

The problem is that everyone wants to say, 'let's do something different'. But when you pull up the numbers - and the numbers don't lie - the America's Cup is the driving event in our sport. The numbers don't lie and the sponsors know that.

Annemarie – here’s a sponsor who’s spent upwards of \$30-40 million on our sport and they are gone. They loved it – they thought it was a great return on investment. The tragedy is that they can’t even do anything in the America’s Cup right now.

So women’s tennis was a good segue for me. I think I am pretty lucky to get into that sport and segue out of sailing. I have been involved in other sports before, but tennis – it is one of the top sports in the world, the numbers are there, the television numbers are there and when you sit with a sponsor and you can show them those numbers, that is what they want. People buy numbers.

Sometimes they do – guys like Andrew Pindar can do it, because he is passionate and it is his company - but most marketing people in consumer goods, more than anything, look at the numbers and the numbers don’t lie. Uli’s company is probably at the forefront of – when you go in and say ‘we are measured by IFM and I’ve got the audience figures’ it is there.

So tennis is a great property. I’m trying to play a little bit... but when you look at it as a global sports property, it is one of the top four worldwide. So from the sales perspective, I am not saying it is an easier sell, the numbers are a little higher, but the door is open.

We are talking to a drinks company – they came to us and said ‘we want to spend \$15 million a year in tennis’. So it is a different perspective and now from the outside looking in, I hope people take away from that presentation from Annemarie and Uli that we have a lot of work to do on the numbers. Sell to the numbers – don’t try and inflate them. Sell to what you are. It is a great sport and it does deliver good numbers at a certain price. So price yourself

in that range and don’t try to be something you’re not. Every time I hear ‘the Formula 1 of sailing’ I cringe, because we are never going to be Formula 1. We have a great sport. We deliver a good audience. We deliver something very unique. Mark [Turner] talked about some unique things that we deliver and that is the comparison. So, I’ll go work on my backhand.

Peter Montgomery: And meanwhile - have you met Maria Sharapova?

Scott Macleod: I actually did. The problem is that she is like 3in taller than I am. She is very nice looking. The problem with Maria is that she is known as a diva in the sport, so she is not the easiest one to deal with. I spoke at the Motor Sports Forum yesterday about the WTA. The great thing about what sailing does well, which motor sport has a great problem with, is access to the players. That is their problem. Our players give back a lot. Our players are doing promotions for the tour, giving back at tournaments, showing up at events and I think sailors are very good at that and they are very articulate. And that is a good thing as well.

Peter Montgomery: If I could just make a note. I remember I was in Bermuda once with Scott and we were having a chat and someone interrupted. Anyway he was ushered out on to the deck at the Royal Bermuda Yacht Club and he came back in 10 minutes maximum, probably five, and said ‘PJ, that’s the easiest thing I’ll ever do’. He’d just sold a senior’s golf tournament for \$3 million! Do you remember that?

Scott Macleod: The CEO came into the meeting and we did all the numbers and stuff, but the guy basically said ‘Do I get to play with Arnold Palmer?’ And I said ‘yeah’. And he said ‘okay, you guys figure out the rest. We are going to go

do this’. That tournament they are still doing it and they probably spend \$30 million a year on it.

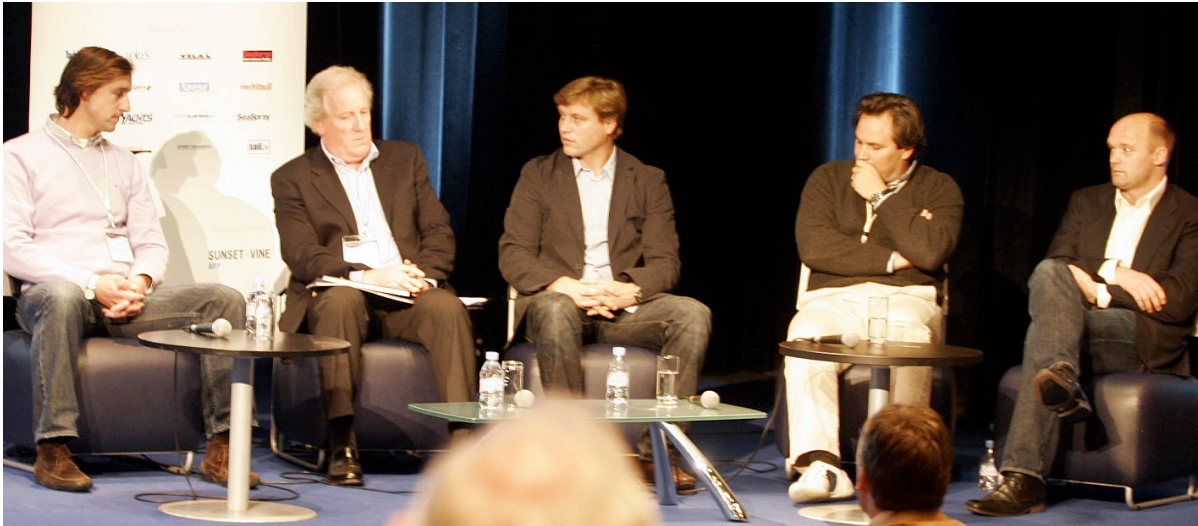
Peter Montgomery: My point is that sailing, we don’t need reinforcement as we’ve already had it, particularly from the brilliant session before this, but there are a hell a lot of people ready to give themselves up, even in these straightened times and sailing’s got a challenge, hasn’t it?

Scott Macleod: Well the interesting thing in sailing, and having sold sailing, is that deals still get done by CEOs in a lot of these things. Sport marketing is great ‘let’s put numbers out there and have this’ industry, but at the end of the day if the CEO doesn’t like the sport then he’s probably not going to do it. But in sailing, it’s actually kind of strange because the CEOs in sailing, don’t sponsor sailing. And I’ve found that with a number of them – George David, United Technologies: ‘no, no, no – I don’t mix business with pleasure’. It is a weird thing, whereas in golf, all those deals are CEO deals.

It is an interesting thing within the sailing community - I mean Andrew [Pindar] is one of the guys - and he’s not a sailor – is ‘this is where we are going with our company’. So it is great he has seen the opportunity, but in general I haven’t seen that in sailing sometimes.

Peter Montgomery: Alright, I’ll call this session to an end. We’ve gone over time again... I’d like to end on that wonderful quote that Albert’s video had: “the sea is a treasure, our neighbour and our friend”. Albert thank you so much for joining us. Patrick Lim – wonderful. Tim Coventry and Scott Macleod. We really have enjoyed this and we appreciate your time and your insight.

Coffee break



WHAT IS THE COMMERCIAL VALUE AND FUTURE OF OFFSHORE SHORT HANDED RACING

Panellists:

Mark Turner

CEO, OC Group

Juan Kouyoumdjian

Yacht designer

Tim Jeffery

Journalist

Herbert Dercksen

CEO, Tornado Sport

Alex Thomson

skipper, Hugo Boss, IMOCA

Peter Montgomery: This final session is on the subject of 'What is the commercial value and future of offshore short handed racing?' But first before we hear from Bernard to make the introductions, there's this...

Video presentation

Bernard Schopfer: I have to be honest with you – this is not exactly the video that was planned. However I won't say it as good as PJ would say it - this is absolutely first class footage, absolutely tremendous pictures and we'll wait to the rest another time. And we'll now switch to our debate and I'll like our panellists to join us on stage. I'd like to invite

Mark Turner, Juan Kouyoumdjian, Herbert Dercksen, Tim Jeffery and Alex Thomson.

So Mark Turner – we have had many opportunities to introduce him today. I'll introduce all our panellists very briefly because they are all very well known. Juan Kouyoumdjian, Juan K, is obviously one of the best yacht designers of our time. He was the designer of the ABN AMRO boats from the last Volvo Ocean Race and the Ericsson Racing Team boats for this Volvo Ocean Race. He has been involved in all sorts of very successful projects, including the America's Cup and is also a competitor himself.

Herbert Dercksen comes from a different background. He is Dutch. He is the creator of the Extreme 40 concept. He has won also three World titles and competed twice in the Olympic Games. So more a dinghy sailor and light multihulls. Tim Jeffery – I may have mentioned Tim Jeffery earlier on as being one of the most respected sailing journalists and nobody would argue with this statement. He has covered yacht racing since the 1970s for Yachting World magazine first and then the Daily Telegraph.

And finally, Alex Thomson. Of course Alex would certainly rather be somewhere else than here with us today, but we're very

pleased to have you here to today. Thank you, Alex. 33 years old, one of the best sailors of his generation, very unlucky in this Vendee Globe - he was hit by a fishing boat three weeks, I think, before the start and suffered structural damage that led to his retirement a few days after the start of the race.

So our panel is made up of two event organisers and managers, one yachting journalist, one designer and a pro-sailor. So it is a good panel to discuss this subject. Unfortunately there is nobody representing ORMA because I think ORMA is not existing as such as anymore. So we will touch the subject, but we will mainly speak about monohulls rather than offshore multihull shorthanded racing. So the goal is to discuss 'the commercial value of offshore singlehanded and doublehanded racing'. Let's start by discussing the current situation and I'll ask this question to Mark Turner maybe to start with: Why are the 60ft monohulls so successful – we have 30 boats on the starting line [of the Vendee Globe] - and why do the multihulls not exist anymore?

Mark Turner: That's quite a big question! I think regardless of what kind of boat that would be being used – it could be 50ft, 70ft, one hull, two hulls, three hulls – I think this particularly topic is

about the shorthanded aspect and I think ocean racing - full stop - has the key ingredient of adventure and adventure plus high level top level competition. The two together create/force emotion out from the sailors and from the participants.

I think a common theme throughout the last couple of days - ultimately this comes out to human story, emotion, sharing something, actually allowing other people to share a bit of the story the sailors themselves are involved in. What happens in shorthanded racing and particularly singlehanded - that is heightened because the only person you can actually talk to if you are a solo sailor, ultimately, is down the phone line or the camera. I think you pretty well talk to yourself quite a lot while you are out there. And that difference, is really probably the only difference, in real terms, when viewed from the outside between the Volvo, as it stands today, and the Vendee Globe.

Knut is doing all the right things. He talked a lot yesterday about how to get these sailors to talk more, to share more, to realise it is their responsibility to communicate more. What's happened in shorthanded racing is that has happened a lot earlier and a lot quicker and a lot more easily, because there isn't an on board constraint on communication, there's aren't 10 guys almost looking at each other, looking not to admit that they're having a tough time and everything else. And ultimately the success of the shorthanded formula is because that emotion has come out and people have shared their stories a lot more and technology has helped along the way.

It is not relevant really what kind of boat - I think the importance is that the shorthanded formula forces/allows/facilitates more emotion, more passion, more sharing of the story.

And we still have a long way to go. I think it is a really important factor and I think there was comment yesterday that we need to be careful that we don't demystify it too much, don't make it too available. It is a story we had at the end of Ellen's record in 2005. We did a live video conference into ITN or BBC News - I can't remember which - in the UK. And we said, keep the screen quite small because the resolution of the images is pretty low. And actually what they did is blow it up to 20m on the wall in the studio because they wanted it to be pixelated, like the surface of the moon and not be picture perfect. So there are some interesting things to come from it. Demystifying it would be a mistake. Right now, I think we only see 10% of what is going on in this Vendee Globe. So for me that means we are a long way...

Bernard Schopfer: ...before we start talking too much about precisely this Vendee Globe, the fact is that some classes succeed and some don't. And at the moment we see the 60ft multihulls, we may have reasons to explain why they failed. Maybe Tim Jeffery, you are an outside observer, but an insider more than many of us here. What, according to you, are the reasons that led to the fact that there are no more 60ft racing on trimarans at this stage?

Tim Jeffery: Well, I'd just like to follow on from what Mark said first - I do think we need to define what makes shorthanded racing in general so special, because that is absolutely paramount to the whole discussion I think. I've always thought that someone who receives the message and conveys the message - shorthanded is different from any other kind of sailing that we have in our sport. It is the type of sailing that make the hairs on the back of your neck stand up. You could probably argue the case that there are two types of sailing in our sport: There

is sailing where we think 'I can do that' and there is sailing that you think 'how on earth do those guys do it?' To use an example: America's Cup - and this might sound a ridiculous thing to suggest, but I reckon that most of us in this room, if we were put on an America's Cup boat, we could probably get that boat around the course to the finish. There would be some very good trimmers to flatter our abilities. The umpire boat might have more flags than a Tibetan tomb, but we could get that boat to the finish. Short-handed racing is not like that.

I have spent about 80 days in the Southern Ocean thanks to Chay Blyth and his Global Challenge and I have really enjoyed the magnificence of the sailing down there. BUT - I look at guys like Alex and all the rest of them. And I have spoken to them and heard the stories of boats running on autopilot, gybing inside out - the sole of the cockpit becoming a vertical surface and you have to sort this mess out. And I can't imagine putting myself, willingly, into that situation. And that is what these guys do. I understand that message and sure as hell the public understands that message...

Bernard Schopfer: Do you think there is a special appeal readers for shorthanded racing?

Tim Jeffery: ...because there is nothing to understand. It is the purity of the message. Looking at the video there, well compare it to all the other forms of sailing - the only rule book out there is nature and that is what the public understands.

Bernard Schopfer: Juan Kouyoumdjian - I'll say Juan K! - it is very interesting to see in this Vendee Globe there has some casualties, unfortunately Alex. But the boats seem very solid. There has been a mast broken yesterday - that is a shame. But generally there is good sustainability - is that a point of view you share?

Juan Kouyoumdjian: I was going to touch wood as well! There is still a hell of a lot of race to go, so we shouldn't cry victory yet. I think to the most pessimistic, where the race is right now, we have seen a lot less breakages than most people thought there were going to be.

That is due to an evolution of the way that those boats got designed, because the rule in essence didn't change much, in fact it didn't change almost nothing, so it can only be down to the preparation of the teams and the way that they are being looked at and maintained and so forth. I can't think of any other explanation, because in fact since the last editions they have gone up in power and righting moment, so that would promote more breakages. So it has to be through better design, better attention from the skippers and the crews into the details and so forth.

Bernard Schopfer: We are going to talk a lot about those rules. Alex, you are here representing the IMOCA class. So please tell us – who creates those rules? Is it a committee, the sailors, are the designers involved – how does it work?

Alex Thomson: Well, IMOCA is run by committee, like a yacht club, which can be a little frustrating at times! However basically nothing can be done in the class without the agreement of every member. When I say every member, I mean every skipper. So the rules are written by the skippers, the class is governed by an Executive Committee, which Mark was on until a year ago, and the Executive Committee has an Events Committee and a Technical Committee, and the Technical Committee will make recommendations to the Executive Committee and if they like it then they then make a recommendation to the membership. If the membership agrees, then the rules are changed.

Bernard Schopfer: So tell us how the process works in defining your goals, because you could build very strong boats and ensure that they all of them cross the arrival line, but then Juan K wouldn't be happy in terms of design and you wouldn't be very happy as a sailor. So obviously there has to be a certain limit where the boat will break, a certain level of fragility that you accept. How does that consensus appear between the sailors, the designers, the team managers. Mark? I don't know who wants to answer that. It is probably also for Tim Jeffery as a journalist – do you want the drama or do you want all the boats to arrive on the arrival line separated by five minutes? Maybe Alex will start answering the question.

Tim Jeffery: I'd just like to say – believe it or not, we'd really prefer everyone back safe and sound.

Alex Thomson: One of the greatest things about the IMOCA rule is that it is very open, so when you walk down the dock at the Vendee Globe and there are 30 boats there, each of them looks a bit different and that is really interesting for everybody. As to the fragility and how many boats come back, to be honest it is down to the decisions of the team on the basics of the mast and the engineering and all the other bits and pieces - the keel, etc. It purely rides with the skipper and the team manager to make the decisions as to how strong and therefore how much of a weight penalty you want to make it.

Bernard Schopfer: Juan K – how do you manage this question?

Juan Kouyoumdjian: Myself, I am quite new to the class, but I did participate in some of the debates and some of the sessions over the last year and a half. I agree with Alex that it is a very democratic class and combined to what Alex said, there is a technical

committee that has been asked to look at this technical question and possible rule changes and modifications. That committee was led by Vincent Riou for quite a while, and I was invited to some of those discussions and they truly have been very democratic and everything is brainstormed in a very open minded way. Then in the Annual Assembly it is put to vote, which has its counterparts on its own, because you could argue it becomes too democratic. But in essence, that is how the changes in the rule actually are dealt with.

Bernard Schopfer: Maybe a question for Herbert Dercksen – you're a marketing specialist as well. From your point of view as an observer of this singlehanded or doublehanded offshore racing, do you think the goal should be for all the boats to reach the arrival line or does there have to be a certain level of risk?

Herbert Dercksen: If you are the creator of the Extreme 40, then you wish that they don't come to the finish line. There is action, attraction, addiction. That is what you get with the Extreme 40s. Obviously the drama – you know we have heard that Loick [Peyron] lost his mast – we'll get some great footage from their end, I think from a marketing point of view. That is bad for the sponsors, but for the actual story it is really important – it is big value. If you then look at the way it is all going with the Open 60s, they have been putting so much money into the development of the boats, which actually lost a lot of value to the sponsors and that is why eventually the Open 60s have lost.

And one major thing is that they were built specifically to go around the course. Then with the the ORMA boats they are going across the Atlantic singlehanded, so first they were going with five or six crew on the boat racing around the cans and then they

take that boat across the ocean and sure, there's been difficulty there. I don't know which Route du Rhum it was, you guys know better – we lost 12 boats, 16 boats. That has been the big disaster for the ORMA 60.

Bernard Schopfer: And that is obviously what IMOCA wants to avoid?

Herbert Dercksen: I think so. I think what IMOCA really should do is look at the rules, and maybe it should go more one design: close the rule more up, don't lose the money on development – that's what I think. One design, one manufacturer – that what the Extreme 40 is. That makes it easy and makes sure the budget doesn't go up. They are simple things. It is also – what I hear from Alex, that the rule is getting controlled by committee - I am completely opposite. I am not an ocean sailor. I have never been across an ocean. There's four guys here [*who have*]. It should be for the best of the sport why you change a rule and not because of their own agendas. And that's the same as what we have got within ISAF – own agendas, own things. Do it for the best of the sport and not for the class in general.

Bernard Schopfer: Mark Turner you have two hats as an event organiser of the Barcelona Race and team manager. It is not necessarily the same objectives. How do you handle those two visions?

Mark Turner: I guess two points. The first thing is, it is really easy to say - boat comes out of the race, that must be a disaster for the sponsor, we need to get all the boats to the finish lines. I'm not sure that is really the case. One of the evolutions in the IMOCA class, which we really worked hard on, was to try and turn it from one race every four years, - ie the Vendee Globe - program into something that actually had probably a dozen

events over the same four year period: three transatlantic races, two round the world races, for the reason that actually the risks are quite high, but it is the fact that there is risk that which drives the media coverage and drives the public interest. Actually dumbing it down and turning it into a pure regatta, where the boats are never going to fail, I'm not sure is going to serve it at all. There are cycles to all classes. Perhaps at some point with this class [IMOCA 60] if it doesn't turn into a more controlled design, maybe it will fail. But every class finishes its life at some point as well, so I'm not sure we'll be racing IMOCA 60s in a decade's time. It'll be something else. Maybe it will be 100ft trimarans with singlehanded sailors doing the same course. Who knows? And I'm not sure it is that critical, which is why I resisted answering the question about ORMA v IMOCA – in this sport we spend too much time arguing which is better than the other.

Quite frankly, from the outside all that really matters in this particular topic is that the shorthanded, ocean aspects really work. It works for sponsors, it works for media, it works in every way. It works very differently to other properties. It is not a hospitality experience on the dockside. It is not the Volvo Ocean Race, which serves Ericsson, for example, in a way that I don't think the IMOCA circuit ever could do.

Bernard Schopfer: Do you want to explain this difference a little bit more in detail, because it is very interesting. The hospitality aspect for example – you mention Ericsson in the Volvo Ocean Race...

Mark Turner: I am probably doing injustice to this particular offering, but just to make the comparison - in the Volvo, Ericsson needed to go to India, China and these places and

physically be there and physically bring 1000s of B to B clients to those events and that really works for them. I am a big IMOCA fan, I've spent the last decade in it, but I don't agree with Andrew's [*Pindar*] comment earlier that you can't compare regarding Volvo versus IMOCA.

In reality, I know for Ericsson, Volvo is almost certainly a better product than an IMOCA campaign. Commercially I think that is the right solution for them and I think they probably get as good a return as Andrew and BT and other projects that we've seen in the last decade in IMOCA, like Kingfisher. It isn't to say, this is not a hospitality offering, because in reality what we've turned this circuit into, with IMOCA, is a dozen events, starts, finishes and amazing hospitality days and it is a question of how you make it work.

Most of us who have run these campaigns, have taken 100s or 1000s of people sailing on these IMOCA boats, outside of these races and the story the skippers is telling to those guests when he is looking into their eye and he is talking about when he was in the Southern Ocean on this boat, on his own, in the middle of the night, dealing with these things - those are stories those guests are absolutely blown away by.

So it does really work, but it is just important to not shoot each other down in terms of different classes, because I think there is genuinely need and space for those different elements to actually work. I am a great believer in the IMOCA thing and I am a great believer because of that million dollar equation - because it is significantly cheaper. The costs have been rising, and it links back to the point – what is the longevity of the class? The costs of these boats will rise even if the rules were radically changed. It is a natural rule. It is very very hard to reduce costs in a particular class

by any amount of rule making, because you can always spend more. You can reduce the effect of more money and reduce the gap and in this particular class an extra million is very nice perhaps, but it is not the difference to those guys right now. In fact among the first ten boats in the Vendee Globe right now, there is probably a 100% difference in budgets.

Bernard Schopfer: Does this mean we naturally get to some sort of cycle. We've had ORMA, IMOCA is getting very sustainable, very reliable in terms of construction.

Mark Turner: If IMOCA can reinvent itself, which unfortunately because of what Alex described with the structure, makes it unfortunately unlikely, but if it could reinvent itself, maybe it could go on for 15 years. If it said for the next cycle, in four years time, the boats needed to be built more sustainably and not use any fuel, for example – or do something which gave them a whole new life and a new angle from both a commercial and a communication point of view, maybe they will last 15-20 years. Otherwise I think in reality you have to start again with a different boat again at some point and to restart that cycle.

The difference between IMOCA and ORMA – and it's a huge difference – to those that quite often say that IMOCA is going the way that ORMA has gone, is that IMOCA is significantly more international now. ORMA never got outside of France. That is what will save IMOCA today or extend it, because the cost can go up a lot more because the return increases, because you are in multiple countries and ORMA could not do that. Costs went up – no more return because they were only in one market: a fundamental difference and a very important one.

Bernard Schopfer: Juan, do you have something to add on this topic?

Juan Kouyoumdjian: I am not an expert on the trimarans, but I think another difference is that the same boat, the same trimaran, had to be back then, optimised for doing some inshore races, with points throughout the year in a world championship. And then at the same time they had to do at least one offshore transat a year and my analysis of it, without knowing too much about it, is that when they went offshore, the problems started offshore when they became too inshore orientated and they started to break.

But I think that with the 60 monohulls, I think that that is not going to happen because this type of inshore Grand Prix racing doesn't exist with these boats.

And also I think that with the way the class is set up right now, other than the international aspect that Mark just said very well, is that there is some kind of cycle, a platform you can plan on for several years ahead. There are still some question marks and the class needs to work hard on defining some aspects of what is going to happen in the future with the rule and other things, but in general you know what is going to happen next year and the year after - and that is a very strong point of the monohull 60s.

Bernard Schopfer: So talking about the calendar. Alex Thomson from your point of view as a sailor, do you think the calendar is well established, is well controlled and there aren't too many events?

Alex Thomson: For sure, there aren't probably enough events. The more events we get out there, the more value...

Bernard Schopfer: That will please some of the people from the previous debate!

Alex Thomson: ...and the IMOCA class, the golden jewel is the Vendee Globe. That is a very, very big deal, but now we have the Barcelona World Race, and that is doublehanded round the world non-stop. Because one of the problems, particularly for someone like me, who's just entered the Vendee Globe - we spend four years planning, a lot of money, a lot of time and a lot of commitment and after two days I am out of the race. So it is possible to lose a lot of value from that. So the Barcelona World Race was brought in by Mark to take some of that away and to try and make it a bit more equal across the years. And every year we have two transatlantic races and next year we have the European Pro Tour that is designed to spread across various markets in Europe, not just France or England.

Bernard Schopfer: Tim Jeffery – do you agree with this point of view? Are there not enough events?

Tim Jeffery: I was just thinking 'Don't you just love it? Here's Alex who's plan was to do three round the world races in three years and he's telling us he could do with more! I really don't know what you have guys have in terms of reserves and resource and commitment. I think it is terrific.

Bernard Schopfer: But, a bit more on that from a media point of view. We have been talking about these type of boats, doublehanded, singlehanded racing, but also America's Cup, all sorts of classes and events – from your point of view isn't it a nightmare to try and talk about everybody and give a return to all these teams sponsors.

Tim Jeffery: Yes, it is if you look at the viewpoint of the print media, which is my background. It is an area that there has been quite a lot of silence on today and yesterday. The sport has become

television driven. And you can support extra events and a more crowded calendar with extra television. But if you treat the sport of sailing as a total entity and you are trying to compete for diminishing space within newspapers and specialist magazines, the market place is getting very very crowded and it does run the risk of making the extra-ordinary, ordinary. Going round the world 20 years ago was a remarkable thing. Now you can pay to do it. You can walk the same course as these guys in considerably greater safety and more comfort, but it does lose that uniqueness and I would caution against that.

Bernard Schopfer: You face these problems, Mark, when you meet potential venues for organising an event or potential sponsor for a team or an event. Are there too many events and there is a risk of killing the passion?

Mark Turner: Interestingly, we have been approached this year by a number of different cities and regions and countries, desperately wanting to us to try and create an ocean race for them of some description. We have actually said 'there isn't space for that now'. Maybe at some point there will be something, but certainly from a European perspective I don't think you can add anything and I don't think that is a bad thing. I think in reality what has happened anyway, as I mentioned yesterday – yes, there are more races, but there is also bigger and bigger differentiation between those races. The top ones are getting bigger and more professional and better communicated and the others, while they might still exist, are reaching different audiences or have different objectives.

So I am not one who believes that it has got more chaotic, I actually think things have got a bit more organised and ordered and there is a long way to go on that and

that will be a positive thing. But in terms of the race track – like it or lump it, the fact is the race track for ocean racing is around the world. There is more than one way of going round and there is more than one discipline, in the same way as there is more than one discipline around a car track. I don't think we should keep knocking that. I think you need to differentiate...

Bernard Schopfer: The second boats that open a new perspective? There will possibly be elite events like the Vendee Globe for the top sailors and other events...

Mark Turner: I think some of the other races will die. Three weeks ago the SolOceans, which had quite a lot of money behind it, part owned by EuroSport Events and sponsorship from Veolia – they pulled the plug on it. And it was a good idea, it had some sound logic behind it, it was about doing a cheaper Vendee Globe effectively, but in reality there wasn't space for it and I think we will see a little bit more of that happening.

Right now there is a race on – the Portimao Race – and you can't say that shouldn't be happening, it's confusing - the reality is that it is below the radar. But it doesn't mean it is not a success. Maybe it is a success for them in Portimao, the guys doing it are enjoying it, etc. We shouldn't be saying bad things about another race. The reality is that the market effectively deals with it. The media market perhaps there isn't enough space. There isn't any more media space for the sport. In France sailing is probably at its maximum. It can't take any more, but its huge compared with most other countries in the world. I don't think it is necessarily a bad thing and the market deals with it.

I think Tim, the reality is when you are writing for the Telegraph, you have to choose what you do

report on. And that is a natural thing. L'Equipe newspaper, during a Transat a couple of years ago when there was multihulls and monohulls, they decided to only follow one of the classes in the race. It is a reality and not necessarily a bad thing. It is about sorting out the bits which work and don't work. The rest – great, keep it going, it doesn't confuse the picture necessarily.

Bernard Schopfer: Tim, do you want to answer something to do with that?

Tim Jeffery: Mark has made some good points. The last couple of days we have heard a lot about Volvo, America's Cup – the big ticket events. I do think we should always judge events on their own terms. For instance this morning we heard about why the Clipper Race succeeds – it is pitched at another level, it is aimed at a different market, it succeeds on its terms. So we mustn't get carried away by the high end of the sport, but we must realise that sailing is being suffocated by the big stadium sports. When I started writing in a newspaper 20 years ago, there was a soccer magazine launched called *When Saturday Comes*. In other words it means the soccer market was looking forward to the weekend - that was when the games were being played. Soccer is now seven days a week, and its 50 weeks a year, give or take, and sailing just can't cut it against such competition.

Mark Turner: Coming back to the subject of this forum, which is shorthanded racing and oceanic shorthanded racing – the fact is that gets way beyond the sports pages and that is a very important thing for the sport, because it is so focussed on human adventure. It is the highest level of competition. 10 years ago I could have sat in a room with Volvo sailors and they would have laughed when you talked about the Vendee Globe. I hope that is not the case today. I don't believe it is the case today.

The guys racing the Vendee Globe are racing at exactly the same level. Quite a few of them have done the Volvo. They are all pretty capable of skippering a Volvo campaign as well. It is a really, really important point that the shorthanded side brings that extra thing to the media. It is a very, very different, additional human angle that makes it work.

Bernard Schopfer: So the key question is also what do you sell to your sponsor? If you have 30 boats on the starting line and all of them sell victory to their sponsor, there are going to be 29 disappointed.

Mark Turner: Don't ever sell victory: that is the absolute fundamental.

Alex Thomson: The objective is to hit your return on investment before the race starts and anything after that is a bonus. Certainly that is how its been for us – is that how you do it Mark?

Bernard Schopfer: What's your experience Alex? How do you achieve that?

Alex Thomson: For us specifically, we are very lucky, we have a great sponsor and they sponsor lots of other teams, including McLaren, boxers and other things. They use their other sports people to leverage coverage. For example we did the round the island race with Lewis Hamilton on board. We had a great day, it was windy and fun and everything else, but our return just on the print media was something like £2.5 million for that one day. So that is half of our campaign costs.

Tim Jeffery: You could say that there were a thousand boats in that race, but there was only one story... It was Louis Hamilton.

Juan Kouyoumdjian: If I could just contribute a little bit from my side. I must say I feel a little bit like

a fish in the wrong pond here. You are good at raising money, I am very good at spending it! I think the classes are very important. It is true that there are 30 boats, but that is only physically possible because probably half of them are brand new boats, but some of them are old generation boats that are still competitive.

In the Volvo for example you wouldn't be able to do that. Firstly you wouldn't be able to build 30 boats in a year and a half or two years because there aren't enough yards or boatbuilders in the world. And secondly because the rules changes in a way – in the America's Cup it is the same thing - because the boats wouldn't be competitive. So I think a very important aspect of the class rule is that because they are so open, and with slight modifications or upgrades, boats that are old still can perform very well and I think what is happening right now is living proof. The new boats are up there as well, but surrounded by boats that have done the Vendee Globe before. I thought that was an important point as well.

Bernard Schopfer: I'm told that we will have to finish the debate fairly soon because we don't want to be later than scheduled for the people who have to travel. Before we conclude and discuss the future of doublehanded or singlehanded offshore racing, let's briefly touch base on the internationalisation of the class. It is still very French. It is quite interesting – the British teams they often have very global partners whereas the French have Crepes Whaou! or PRB - very local companies. Does that mean that the Brits succeed better than the French in making the sport global?

Alex Thomson: I think that one of the biggest sponsors in the race is Veolia Environnement with Roland Jourdain. You say that it is still very French and 60% of the fleet are French, but it is becoming

more and more international as it goes. I think before Mark joins in here, a big thank you goes to Mark for the last five years of hard work to try and make it more international. I think the goal now is to try and really crack Europe and try to go worldwide.

Bernard Schopfer: Perhaps we should rephrase and say how can we become less Franco-British?

Mark Turner: That is already a pretty good progression. Right now you could say France, Britain, Spain – there are three axes on IMOCA, but the comment to be honest is out of date, for whilst yes, there is a big French core, in reality in the Barcelona World Race we had seven nationalities of sailors and there are six or seven in the Vendee Globe this time. It is not true to say it is a French thing anymore, but the reality is that it has been so successful as the class has grown, there have been more French campaigns. So whilst the percentages might still say 60% French, it is not true that it is a French-owned event anymore. But it has been held back by the fact that the events have been, until the last three years, predominantly French and my probably unfair comment to Christophe Baudry yesterday about the Vendee Globe being a political tool – the reality of the Vendee Globe is that in communication terms. they absolutely do not care what happens outside of France. Whatever they say...

Bernard Schopfer: At the technical meeting the day before the start I think it was Mike Golding who had a question on the race rule and he was answered 'the official language is French...'

Mark Turner: I'm not sure that is necessarily a problem. It is a French race. It is up to them about what they do on that front...

Bernard Schopfer:perhaps for the sport may it would be a good thing....

Mark Turner: you can't criticise the Vendee Globe and I don't criticise the Vendee Globe for that, because it is their choice, the sponsor is the Vendee and the reason to say it is fundamentally a political tool, about promoting the Vendee in France primarily and assisting the President of the Vendee retain that position: that is okay. It was never meant to be a criticism of that. But it does mean that it never translates into a big international media spend. There was someone, perhaps in the audience here from the States, who was saying 'I've got this possibility of getting the Vendee on ESPN'. I don't think the phone call was probably even returned, because it doesn't actually matter. It is a success despite it. But the problem with all that has been that to expand it internationally, we have really had to do that despite the events that have been there, and despite the class up until the last 3-4 years when the class made a concerted effort to try and take it more international. It is more international today.

The Barcelona World Race has kicked something off in Spain, which I think will develop significantly over the next few years. The Round Europe will be a first attempt next year, but I think it will help widen that and I think it already has a great global footprint, for an event, which doesn't have a lot of money behind it.

The total events budget on a four year cycle for IMOCA, for all the events together is still nowhere near the total of one Volvo Ocean Race spend. Yet we actually don't do too badly for that. If you flip that and put that funding into it, you would create something pretty amazing. But it is pretty good I think from what has come from it and it has come from the efforts of the skippers and their

brands actually making it work, almost despite the event set-up. That is not a problem, it is just that is the way it has evolved.

Bernard Schopfer: Thanks for the information, the good work done by IMOCA on this. We are going to conclude by asking those of you who want to have a comment on that. How do you see the future of singlehanded or doublehanded offshore racing. Juan K on a designer's point of view – make us dream please!

Juan Kouyoumdjian: It is a discipline on its own altogether, so it has to be seen as that, so I am going to answer you from a design point of view, which is the only thing I am capable of answering. I think the boats are actually quite well suited, they have evolved to suit the notion of singlehanded. Now in the class there is a certain division about whether it has gone too far or not too far. But I think that the class as it is, sort of self levels itself, because there is a physical limit you can't go beyond.

Some people might say 'oh yeah, but the boats have increased in power through the last editions and therefore they are going to keep increasing linearly and we are going to have some catastrophies. Well, I believe that the way the rule is set up, that that is impossible and we are already very close to the limit of how powerful they can be effective. So I think the class by itself is going to go into an optimisation of what we have got right now, around these righting moments and hopefully will remain as open as it is right now.

I truly hope and believe that that will be the best for the future of the class and I hope that for those who believe that going towards one design with a more controlled rule, would help the future of the class - I actually disagree with that and I hope it doesn't go that way.

Bernard Schopfer: Alex Thomson?

Alex Thomson: What is the future? I think we have to remember what Mark said earlier about these races and what it is about: It is about the human story. There is no doubt to my mind that the Vendee Globe is the single most difficult sporting challenge out there now. And as technical knowledge improves and we get better and better on board the boats, we are going to communicate that better and better. It is an extreme sport and the world wants to see extreme sports and I believe that even with this downturn, that the next couple of years we are still going to see an awful lot of entries in our races and it looks very prosperous.

Bernard Schopfer: Tim Jeffery, maybe your point of view on the future.

Tim Jeffery: I think the ORMA class [*he means IMOCA*] is in good shape and they should be congratulated/acknowledged because this class has shown a remarkable survival rate. All class rules have a genesis and an evolution and all the rest of it and it was only 20 years ago that a solo 60 boat meant roller furling and some jammers on deck. And the rule is amazingly open and yet we have some of the most stunning boats out there. After four decades they are foot for foot the most exciting 60ft monohulls in the world still. So it is a wonderful class. ...I know I said ORMA earlier on... We have touched on the demise of the ORMA 60 footers, there are exciting things happening with big multihulls. There is someone at sea right now.

Bernard Schopfer: Herbert Dercksen...

Herbert Dercksen: I think there is a big value for in general that the sailing is actually in the

virtual world. If we see how many boats are sailing around the world – it is more than 200,000 [in the *Vendee Globe*] and in the Volvo Ocean Race it is about 100,000 boats and I think there is a lot of value for all those sponsors, all those people involved, with reselling for the virtual game. I have been the initiator of the Volvo Ocean Race game and just starting that up and thinking that people now have boat keepers and people, you know ‘can you please look after my boat, because I still want to go the right way’.

I think there is a lot of commercial value there. I hope only one thing for the multihulls in particular is that the boat from BMW Oracle and the one from Alinghi, if it ever comes out of the shed, and they go sailing. I think that would be great to see what technology has been put into it and go and see who did a better job in designing it. I think that would be great for multihulls and great for any form of sport. Whatever is going to happen in the court case, at least those two boats will hopefully one day sail.

Bernard Schopfer: Thank you. Mark Turner, your vision of the future of offshore singlehanded sailing before we listen to the public’s questions.

Mark Turner: I am a great fan of multihulls and a great fan of monohulls and I really don’t enjoy the debate when one is pitched against the other. Shorthanded racing has something really special, particularly to the media, but I also think we have a great portfolio in ocean racing now, from the Volvo Ocean Race at one end, in really good hands, absolutely going in the right direction, where we are physically visiting lots of markets, ocean racing, it is adventure, it is just as hardcore, got to learn to share it better. Then we have the Vendee, singlehanded – it is absolutely the ultimate race as far as I’m concerned. There is lots more to

share about that going forward. And the twohanded - this is not an advert for the Barcelona World Race, but we tried to create a market for a new race and we created a new race and we did believe there was a place in between to link those two worlds. For decades we’ve had Volvo sailors saying ‘bunch of hairy Frenchman doing the Vendee Globe. Nuts. Crazy. Completely stupid. Not competitive.’ That’s not at all the case any more. And Vendee sailors saying ‘bunch of wimps doing the Volvo, ten blokes on the boat’ or whatever.

Actually, finally, I think we are pretty close to somewhere where we can put all of those actors on the stage, as we’ve had over the last couple of days. There’s a really great portfolio of ocean racing products and they all have their places, with a link pin in the middle on the two handed stuff where we have a bunch of sailors doing both and that has transformed... 10 years ago that was not the case.

Now we have this great platform: three different sets of disciplines, all racing across the oceans. It is a great format, the biggest driver, in my opinion, of sailing in the media. Whatever the figures say, I believe the ocean racing side is the bit which influences our sport’s position in the sports marketing world more than anything else, whatever the figures say, because it has got the emotion, which changes people’s mind about things, not just images.

Bernard Schopfer: Thank you Mark. That is a great conclusion. I’d like to welcome questions. James Boyd – please the microphone.

Question from the floor: **James Boyd**, Editor and Publisher of the *daily* sail:

I’d like to make a point first. One of the reasons we have 30 boats in the Vendee Globe at the moment

is because, like the Olympics there are stepping stones up to it – you start off with the Mini, the 21 footers which famously go across the Atlantic once every two years and then you have the Figaro class which are one designs and they are also starting to race across the Atlantic a bit more and in the last few years we have seen a massive development in the Class 40s. They really first put in an appearance in the 2006 Route du Rhum and I think after three years of existence we are getting up to hull number 80 now. So that is a huge development.

Moving on from that – we have been talking about the ORMA and IMOCA 60s. It seems like the next development in singlehanded round the world racing is going to be in big multihulls, in races. I would be interested to get the opinions of you guys about what you think of that? Pierre Bojic seems to be proposing this race for the likes of Francis Joyon and Thomas Coville. Do you think that is good? Is it inevitable – we’ve done singlehanded monohulls around the world. Is it inevitable? What’s your view? Mark Turner?

Mark Turner: It was a big project to replace the ORMA 60s with something called a Multihull One Design 70. We were pretty keen to support that because genuinely, regardless of what I have said, in terms of imagery, there is still nothing more that makes a non-sailor sit back in their seat than a multihull flying through the air.

I think it is a shame that the ORMA class has demised for the moment, but it is not going away. Those images are absolutely extraordinary and have touched the non-sailor. It will come back. I think it is inevitable that the Thomas Coville and Francis Joyon boats, these 90-100ft big multihulls, which are evolutions of the B&Q boat, it is inevitable that that will actually develop. It is a shame it is not a rule at 100ft or

something, but perhaps there is a natural law on that and actually we could end up with a good number of boats around that size and that would be a good positive thing. I think the mistake that was made in trying to reignite ORMA was to consider that the Atlantic was a big enough playground. I think, as I said, in reality round the world is your main race track and the new multihulls have to go around the world and the new boats that have developed, like *Sodebo* and *IDEC*, are really great, sound, relatively – it is an important word - safe boat that are still very spectacular and I think it has got quite a good future. Whether it is enduring, whether there will really be a dozen of them or more boats, I don't know if that can happen in the next three or four year cycle or not, but I think it is inevitable that that will become the de facto multihull class from an ocean racing point of view. I don't think there will be a new class that is going to create itself in some way.

Bernard Schopfer: A question here please.

Question from the floor:

Andrew Pindar

It is a right of redress that I am seeking here. Mark, I am going to address it to you – I wasn't actually suggesting that there was a problem with the Volvo. You might not have known that I have tried for the last two Volvo races to put an entry in. I think the Volvo is very specific and I am not disagreeing with you. There is a separate space for the Volvo and for IMOCA, I just think it is fabulous to have 30 boats on the start line and I just so wish there was some way...perhaps that is what Knut is doing with the Volvo, to make it more affordable. I, for one, would have loved to have had an entry in that race.

Mark Turner: But I think that the problem would be in the Volvo that they may struggle to ever make that equation work if

they did have more than 12-15 boats, because the pie would be divided too much with respect to the money that it will always cost. In some way I think they are almost blocked in a lower number of boat scenario, with one class anyway. I don't know if they could go to a bigger number of boats, even if they wanted to for that reason.

Andrew Pindar: But as we saw last time – it is a shame. Perhaps that is what you do. If you can afford to have two boats in the Vendee then that is one sure way of getting over the problem that has happened with Alex or Brian being in 12th and not in first – you would hope that someone would be further up ahead. But I think that comes back to – there needs to be a diversity, otherwise you may as well call it the Sony Ericsson race or the Telefonica race, because they end up too dominating the brands of other people. So that needs to be addressed somehow by the race organisers.

Bernard Schopfer: That was the opinion of Andrew Pindar. We will take one last question from Cam Lewis.

Question from the floor **Cam Lewis**, multihull sailor, former Olympic sailor:

I suppose this is a question for Mark – do you see a future for any fully crewed or doublehanded big multihull-type events that we've had in the past. There is the new Banque Populaire that has just launched and is great for records around the world or transatlantic, etc, but do you as a race organiser see a market in the next decade for an organised race or a race circuit, fully crewed?

Mark Turner: I think on the around the world race track - I don't, if I am honest. The big Jules Verne boats are quite extraordinary. They are pushing the absolute boundary in terms of

speed and the capability of going around the world in quicker and quicker times. They are built for records, they live for records, the motivation for doing those big boats is about being better than the next guy and the idea that it can be a homogenous class that can have a sensible race, I just don't think the logic is there.

The Race that Bruno Peyron put together in 2000 was really an extraordinary event. It created a whole new class of boat. It was fantastic. But was there a race that was really intriguing? I'm not sure there really was. And I think that will always be the case. When you get to that size of boat and that size of budget, it is about the chasing the records and they are fantastic projects chasing those records. We'd love to go back at Offshore Challenges. We failed with Ellen in 2002, when we broke the mast on *Kingfisher 2*. I'd love to go back and take that on, but I would build a boat to do that, to take the record on, and not to try and mix the thing with a race.

A race with three or four boats, it is very hard to say that is ever going to be a big top end thing. I think the reality is, with those boats that you always end up with such a diverse performance between the fastest boat and the third, fourth, fifth boat that is not the right place to be. The primary objective for those big boats is records and I think they should stick with that, if I'm honest, in the future.

Bernard Schopfer: Thanks very much Mark. Thank you very much to all. We are now getting to the end of this first World Yacht Racing Forum. And I'd like to ask Peter Lilley, the Chairman of the Forum, to join us on stage and at the same time – please – a big applause for our panellists.

Applause

CONCLUSION

Pat Lilley
Chairman, WYRF

Before I officially close the Forum, I'd like to make a special mention to somebody who over the last two days has navigated us through the individual debates and who's style and his enthusiasm and his relaxed manner, I think has created a nice really relaxed atmosphere here in the hall. Don't be fooled... He put a lot of work in each day. Meticulous preparation. And I understand why so many people and sailors and the industry respect him so much. So I'd like you all to put your hands together and thank Peter Montgomery. Thank you very much.

Applause

Peter Montgomery: It has been a delight and an honour and a real privilege. I expected it to be good, but not this good. It has been quite outstanding, not only the speakers, because session after session has been so simulating and so challenging with so many bright and intelligent people that are attracted to our sport. That has been wonderful, but also to catch up with so many people. There's Cam Lewis who stayed at my house when he won the Finn Gold Cup in 1980 when he roll tacked 32 times against John Bertrand in 35 knots on the last beat to windward and I haven't seen him for years. And so many other wonderful people to catch up with. So I think the networking has also been wonderful.

Just congratulations to the group that had the courage to have this inaugural World Yacht Racing Forum. It is a great idea and I do hope it rings a bell to continue in the future, because they deserve to be congratulated, let alone, of course, all the people who have come from some many, many

places to be part of it and have made it as well. It has been an honour for me. Thank you.

Pat Lilley: I shouldn't have done that. He's just taken 90% of what I was going to say! As I mentioned in my introduction at the yacht club, most major sporting events, can't do without the help of sponsorship. It is the backbone of major events and the Forum is no exception to that. So in closing I'd like to make a special thanks to our presenting sponsor, the Abu Dhabi tourist board, two co-sponsors - Corus watches and Oman Sail.

I'd also like to thank the Yacht Club de Monaco for being our hosts at the opening reception and being our host club for the period.

The concept of the Forum was conceived just over a year ago and it was quite interesting approaching various speakers. One particular speaker when I approached him said 'good idea, I'd like to go along, but I'd like to come away with two new ideas or concepts'. I hope over the last two days, you've had an opportunity to network and meet with different people and pick up at least two ideas and concepts based on the individual topics we've had. I hope from that original idea, that to a great extent we have achieved our objective.

I know the speakers have stimulated certainly me. I hope they have stimulated you. Individually I know they have put a lot of effort into preparing their particular aspects.

I wanted to mention two people who have done a lot of work in the background and they are James Pleasance and Chris Trainor. So I'd like you all to give them a quick round of applause.

Applause

This is the first meeting. I know it won't be the last and as I said at

one stage, we want it to be interactive. So, we want the feedback from you. We have to develop the product as it stands and we will be in touch with all of you. I very much hope that you have enjoyed the two days. It is my great pleasure to close the forum. To wish you all a safe journey home, particularly those who have travelled so far. I wish you a Merry Christmas and a very very peaceful and happy New Year. Thank you very much to all of you.

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james.pleasance@informayachtgroup.com