

5. Operation

Stadium management models

A sustainable and commercial operating model is crucial to the successful implementation of a business plan independent of:

- a) the **ownership structure** of a football stadium (i.e., who owns the asset, be it a football club and/or a public institution and/or other third parties); and
- b) the **financing model** of the development.

It is fundamentally important to think at an early stage of development which stadium management model and agreement fits the capabilities and risk taking profile of the stadium owner. There are many ways to structure the operating agreements of stadiums, which have different levels of business risk. A hybrid of the three main models described on the right is often developed.

Who will operate the stadium?

This is a question that should be addressed at an initial stage of planning. If a stadium’s owners decide to appoint a stadium management company to operate their venue, then the selection process of an appropriate service provider at an early stage of development is advantageous in order to enable the operator to influence the design and thereby maximise the efficiency and revenue generation opportunities.

Through management contracts, stadium owners seek to reduce their business risk. This usually requires professional operators to enter into long term agreements. The extent of risk and profit sharing along the timeframe of the contract needs to be examined and discussed at an early stage.

Risk allocation across each tender process

