

FIS leadership contender Lewis foresees skiing and private equity crossing paths

• Thursday, 29 April 2021

By Simon Ward

Aggregating the commercial rights to skiing would increase revenue and help to attract private equity funds that are interested in investing in the sport, Sarah Lewis, a candidate for the presidency of international governing body FIS, has told GlobalData Sport.

With their global audience and media and commercial rights regarded as having considerable upside, sports have become an increasingly appealing target for companies from the sector, with rugby union and volleyball among those to have recently clinched deals to share anticipated higher revenue in the future.

Briton Lewis, the former long-time secretary general of FIS, claims that funds are now eyeing up winter sports, and that by presenting a combined commercial proposition all parties can benefit.

The marketing of international skiing and snowboarding events is complicated by the fact that outside of the biennial World Championships, which are controlled by FIS, commercial rights to World Cup events are overseen by national federations.

This explains the situation under which Infront, the international sports marketing agency, is responsible for the distribution of media rights to World Cup events held in most major countries but not Austria and Switzerland where the contracts are presently held by Eurovision Sport, the sports arm of the European Broadcasting Union, albeit Infront has a deal with Swiss-Ski starting next year.

Lewis admits that there would be financial advantages to having the rights under one roof, and, if elected, is prepared to convene talks between stakeholders over how this might be achieved, while recognising the established role and needs of the individual countries involved.

In an interview with GlobalData Sport, she said: "This is an important discussion to have with all the parties involved. The World Cup rights are owned by the national associations and the rights holders that they have sold them on to. It's a case of having the discussion with everyone together because the most important thing is that resources are generated to invest into the sport.

"The national associations and the organisers who are running the events and providing the teams and athletes are the ones who need the resources, and that is what the system guarantees.

"Therefore any coordinated approach involving everyone together has to ensure that they are earning more money. Certainly there's got to be benefits on the table. What are the reasons for being able to do this all together? Well, it would be to raise more money because by aggregating you can generate high levels of funding, and then you're also providing an easier solution for big investors and commercial partners who are coming in."

Private equity interest

Lewis claims to be "well connected" with the private equity models that have been established in rugby union and volleyball.

CVC Capital Partners last month concluded a deal with the Six Nations to acquire a 14 per cent stake in the commercial rights to the top European rugby competition for £365 million (\$507 million), complementing existing investments in two club competitions in England's Premiership Rugby and Europe's Pro14, and a \$300 million deal with the FIVB, the international volleyball federation, relating to a new rights management vehicle.

Meanwhile, New Zealand Rugby is looking to sell a 12.5 per cent stake in a planned new commercial subsidiary to US firm Silver Lake, for NZ\$387.5 million (\$280.6 million).

Although varying climates mean that it does not have the global footprint of those team games, Lewis believes that skiing, as by far the most popular winter sport and with its generally affluent following, can tap into private equity.

She said: "The important point is that the federation of the sport controls its governance, the rules and regulation, but you're bringing in additional resources for a share of the commercial benefits. What they (private equity firms) bring is

the commercial acumen, connections and expertise. So there's a discussion to have without any shadow of doubt.

"I've got extensive knowledge and connections with private equity funds I know are interested and involved and we've had initial discussions, with a lot happening in that space."

Infront, owned by China's Wanda Sports Group, is the dominant commercial intermediary in skiing and snowboarding, with commercial rights to World Championships until 2025 through a deal with FIS, and has recently strengthened its hand at national level by acquiring the international media rights to the World Cup events in Switzerland for six years, beginning in 2022-23.

On that front, the agency will be replacing Eurovision Sport, which retains international rights to World Cups in Austria until the end of the 2023-24 winter sports season.

Lewis stressed that, with their long-term deals, both organisations would have to be involved in the debate over the potential combination of commercial rights, in order "to find solutions in the best interest of the sport, and the businesses, and to ensure that the bottom line is that the national ski associations will have more investment".

Credentials and priorities

With Gian-Franco Kasper stepping down this year, having been at the helm since 1998, Lewis is aiming to become only the fifth, and first female, president of FIS, in the elections on 4 June.

She was secretary general for 20 years until being dismissed, in largely unexplained circumstances, last October, but claims to have "no issue with anybody" over her departure, and to have received extensive support from FIS members, the Olympic movement and across international sport in standing for the leadership.

Lewis is pledging to drive the evolution of the skiing federation, saying: "The reason I am running for president now is because the gateway is open to effect progressive change, to capitalise on the strength of the sport and create an organisation that is based on the spirit of democracy and inclusiveness of the national associations and stakeholders that will contribute massively to its global growth, and have a major positive impact on the sport, the athletes and its profile."

She adds that, with very few international federations headed up by women, her election would reflect the strong gender balance in the sports overseen by FIS and that she also brings the necessary skills, energy and drive and experience and connections with officials at the federation and the International Olympic Committee to be able to hit the ground running.

Lewis said: "Within 10 minutes of the election I can be in the FIS office. I'll be ready, I don't need to be introduced to anybody, to any systems, to anyone at the IOC, and that goes from the very top right through to the professional staff, and that will ensure that we move forward very quickly with for example the Beijing 2022 Winter Olympics that are around the corner."

Her objectives are laid out in a FIS Piste Map, which includes pledges to grow revenue, ensure member-centred governance, with a commitment to both established and emerging skiing nations, and help the snow sport ecosystem recover from the impact of the Covid-19 pandemic.

She aims to help raise the profile of the sport beyond the Winter Olympics through the use of influencers and leading athletes of the past, but also by promoting current stars, with greater exposure in the media.

Lewis said: "The Olympics attract a huge, wide audience and we need to capitalise on that interest. Over the next four years it's quite incredible how many people will say to me, 'I really enjoyed the Big air and the snowboard'. They don't normally watch it but they do watch the Olympics. We need to keep them interested and keep them captivated."

Tourism, China and action sports

The FIS presidential candidate also aims to take advantage of the links between the federation's disciplines and tourism, with plans for a global promotional campaign centred on the resorts that stage major events, and which have been seriously impacted by closures during the pandemic.

This would invariably take in China, as it prepares to host the Winter Olympics, with Lewis saying: "This is an opportunity that we will for sure capitalise on building up to and after the Beijing games. That will not be standalone event because they've also built more resorts than anywhere in the world, not just Olympic competition venues, so skiing is there to stay in China. They were full throughout the winter with many persons enjoying sports."

"President Xi Jinping made a commitment that there will be 300 million new winter sports participants in the country, and, as a catalyst of the games, there are already 100 million new ones. The resorts will want to continue their business and expand it."

On a related note, Lewis is eager for FIS to strengthen its connections with the Chinese ski equipment and clothing sector, including with the likes of Anta Sports, which acquired leading Finnish brand Amer Sports in 2019.

Meanwhile, in order to more effectively connect with a younger audience, acknowledge the growth in importance of the disciplines and attract new sponsors, there are plans for a dedicated unit for the action sports such as freestyle skiing and snowboarding.

Lewis pointed out that while traditional sports such as cross-country skiing commanded audience shares of up to 90 per cent in markets such as Norway, there was a potentially much larger global audience for the action sports.

She said: "They are extremely popular in North America and Asia and these are huge markets. They only have a small percentage of the viewership in their countries for now, but the figures that they generate in terms of eyeballs are big."

Lewis admitted that there had been a very fragmented market for the action sports over the years with various different events and tours, but that with ESPN reported to be looking to sell its X Games franchise, there was an opportunity to fully establish the FIS World Championships and World Cup events as the primary competitions.

Digital will be a strong theme in this area and this will also be a focus of the Visionary Advisory Group that Lewis has assembled comprising individuals that would be available to contribute their expertise and provide guidance on opportunities to drive revenue streams.

This includes prominent figures in: Peter Hutton, director of sports partnerships at Facebook; Carlo de Marchis, group chief evangelist at Delatatre; Michael Payne, the experienced sports marketing strategist formerly at the IOC and Formula 1; Claude Ruibal, the digital sports specialist who had spells at YouTube and Infront; Sammy Salm, the chief executive of the Best of the Alps resorts organisation; Bob Wheaton, the senior strategic advisor of US resorts operator Alterra Mountain Company; James Zheng, the group president of Anta Sports and chief executive of Amer Sports; and Angelo Ruggiero, the

former ice hockey star and chief executive and co-founder of Sports Innovation Lab.

In the June election, Lewis faces competition from Mats Arjes of Sweden, the president of the Swedish Olympic Committee and an FIS vice president and council member, Johan Eliasch, the Swedish billionaire and chairman and chief executive of sports equipment firm Head, and Urs Lehmann, the president of Swiss-Ski.