

USING SPORT TO BUILD BUSINESS

Since the Athens Olympic games, Greece has become more aware that sports not only plays an important role in health and social development but can also be a key driver of jobs and growth. Led by OPAP SA, the biggest company in Greece, the EQUAL Sports Business Partnership, has spearheaded what could, in the future, become a national strategy for turning the country's unexploited sports potential into successful businesses. Their early results are promising: Greek faculties of physical education and sport science have overhauled their curricula to create 18 new sports subjects; they have established a permanent national network of One Stop Shops specialised in the sports sector, created 19 new businesses and around 70 jobs.

Young people in Greece face a one in four chance of being unemployed¹. But what is even more demoralising is that they still face a high risk of unemployment *after* they have spent years completing their university studies. To take just one example, there are said to be 18.000 unemployed graduates in the physical education and sport science. One of the reasons is that Greece has yet to apply its strong entrepreneurial tradition² to the sports sector. This in turn is partly due the fact that the educational system is not turning out people with the right skills and attitudes.

In addition, "Greece only produces 1.6% of its GDP in the sports sector – half the average for other developed countries". According to Panagiotis Mourgos, project manager of the Sports Business Partnership, closing this gap could open up major business opportunities. This is what has convinced OPAP, a company with 3.3 billion euro turnover that runs the national lottery, to use EQUAL to build a partnership made up of some of the key national players capable of turning the tide. The partners include the Ministry of Sport, all Greek Universities with sports faculties, the union representing all sports graduates (including the 18,000 unemployed), the General Secretariat for the Olympic Games, the National Olympic Committee and the Association of the Greek Olympic Winners as well as a range of expert organisations in business creation.

OPAP's president, Sotiris Kostakos, says that the strategy they have followed in EQUAL "is not just a question of social marketing – we have to give back to society the trust that has been placed in us – it is an investment". And as an investment, it must be seen to be successful – for the new entrepreneurs, for society as a whole and, of course, for OPAP as a company. Strategic social *and* economic thinking of this kind by a major European company opens up new vistas for how private sector resources could support the structural funds in achieving the Lisbon objective³ for the creation of 'a supportive environment for SMEs'.

CORPORATE SOCIAL RESPONSIBILITY AS A LEVER FOR INCLUSIVE ENTREPRENEURSHIP

OPAP SA has put its money where its mouth is. The company invested 5.5 million euros of their own resources in buying the buildings for six one-stop shops. They then ploughed in approximately another 250,000 euros per centre for design and equipment. Finally, they created a special fund and invested approximately 880,000€ on 10 new start-ups that will become the "ambassadors" of the project for other young people.

¹ The youth unemployment rate was 26.3% in 2003. Employment in Europe. 2004. European Commission

² 42.3% of the labour force was self-employed in 2003 as above

³ Guideline 10 of the EU's Integrated Guidelines for Growth and Jobs specifically refers to the creation of 'a supportive environment for SMEs'

A further seven one stop shops were opened in different parts of Greece as part of the EQUAL project - in addition to the six run directly by OPAP. Four of these were attached to the faculties of physical education and sport science of the major university partners; two were located in the Business Innovation Centres (BIC's) of Attica and Epirus; the last was attached to General Secretariat of the Olympic Games (also a partner) and obviously did a roaring business during the whole cycle of the games.



The importance the partners' attach to project can be seen in the design of the centres. As you enter the attractive open-plan space of a typical one stop shop you step onto a "mini athletics track" traced on the floor which leads you past 9 plasma screens to the receptionist and consultant advisor. Thanassis Markou, a young athlete who will soon be opening a rehabilitation centre, with ten staff, for people with

movement problems, describes his first impressions in the following terms: *"as soon as I walked in the door I felt that something different was happening here – something serious; they were very organised and the information they gave me showed that this was not a joke."*

Both OPAP SA and the two BIC's have continued to fund their centres after the end of the first round of EQUAL – thus fulfilling one of the main aims of the Greek EQUAL partnerships for "increasing the viability of business support structures through their transformation into one stop shops". Athanassios Chaldeakis, consultant in the one stop shop of the Attica BIC, says that one of the main differences with traditional support structures is that *"we offer specific know-how about the industry that we get from a network of industrial "friends". You couldn't get this kind of information unless you were already very well connected or paid a lot of money."*

However, another clear advantage is the enormous "outreach" and ability to communicate of a company like OPAP SA. It is a household name in Greece with a massive advertising budget and a constantly high profile in all the media. It runs 5,500 lottery agencies covering every corner of the country. Once again, our young entrepreneur Thanassis Markou says typically *"I just went to the agency to buy the lottery ticket and saw the advert for EQUAL – that was what made me visit the one stop shop."* Altogether approximately 9,000 young people got as far as filling in the preliminary questionnaire expressing interest in setting up a business in the sports sector. Just over half were filled in by people actually visiting the one-stop shops while the rest were filled in at the numerous fairs and sporting events promoted by OPAP SA.

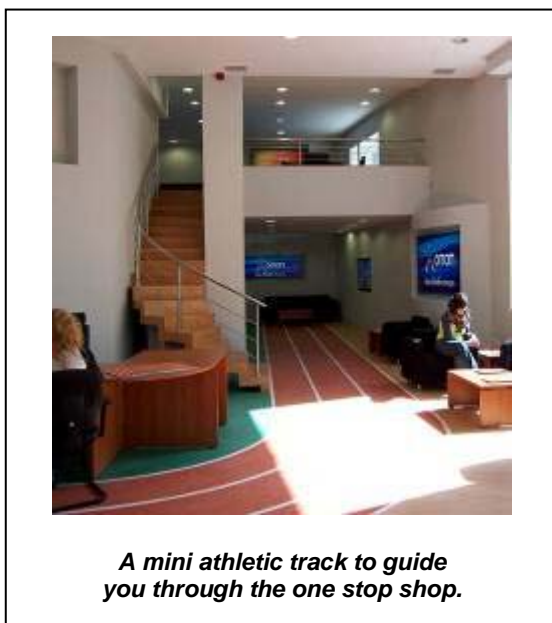
NEW TOOLS FOR CREATING JOBS IN SPORT

The concept of the one stop shop is itself relatively new in Greece. However, the specific application of this concept to young people in a sector, which has traditionally been seen largely as a public service, is innovatory by any standards. In Greece, this experience has generated a number of new tools, which can help to open up the sector to entrepreneurship.

For example, before EQUAL started, there were only two recognised specialisations related to the sport sector provided by Greek Universities – those of trainer and coach. This compares to 72 profiles and recognised specialisations in France. Through EQUAL, the universities involved in the Sports Business Partnership, carried out a study of the changes in the sector and the new job profiles that were needed. They found, for example, that there was no recognised training in Greece for the booming demand for hotel and beach resort animators. As a result, tourist establishments in Greece employ around 8,000 foreign animators each year while, as we have seen, there are 18,000 unemployed Greek sports graduates.

Based on these studies, the university partners were able to develop 18 new job profiles and to reorganise their curricula to provide training for them. The transnational cooperation agreement

with two Italian EQUAL projects⁴ also produced a further eight promising job profiles. As the universities have only just started to teach these subjects it is too early to judge their success.



The partnership went on to produce seven profiles of “viable” business activities in the sports sector⁵. More importantly, they developed pro-forma business plan for each of them. The young people visiting the one stop shop were provided with a comprehensive pack and CD, which provided basic information on these promising avenues for business. If they chose one of the seven core business activities, they could work with the pro-forma business plan and adapt it to their own circumstances having always help from the consultant of the OSS. This of course did not prevent the OSS from listening to new ideas and studying their viability. But it provided inexperienced young people with a clear context and structure in which to develop their proposals.

EQUAL also provided special two and a half weeks intensive training course on business opportunities in the Sports sector to the 11 consultants and 13 administrative staff recruited to staff the one-stop shops. Finally, they provided course on business development applied to the sports sector to a select group of 100 young potential entrepreneurs.

SPORTS TRACKS FROM UNEMPLOYMENT TO ENTREPRENEURSHIP

The One Stop Shops funded under EQUAL were only able to function for one full year before the first round of the programme ended. Nevertheless, they were able to test a clearly structured pathway that could take a young person from unemployment to becoming a “sports entrepreneur”.

The Peristeri One Stop Shop in West Athens illustrates how the pathway worked. In the first place 850 young people visited the centre and filled in a basic screening questionnaire provided to them by the receptionist. In addition to providing general background information this aimed to provide a preliminary assessment of their competences, any relevant experience and crucially their real commitment to becoming an entrepreneur. Some of those who were not prepared to take the risk of setting up a business were directed towards the 18 new job profiles. All were given the information pack to help them on their way.

Ninety-five of the people who filled in the form went on to the next stage, which was an initial interview with a consultant. Here they spent half an hour to an hour running through their business experience and ideas in relation to the seven promising fields of activity that had been identified by EQUAL. The consultants found that most young people had very little information. *“They often have a general idea but don’t have any idea of how to put it into practice. They have little information of procedures – particularly in the Sports sector – and no knowledge of funding.”*

⁴ All the profiles are summarised in English in a publication of the “Talent to Entrepreneurship” transnational project, with two Italian partners, The Nautilus Project and the Elaicos Project in Veneto.

⁵ These are: the construction and operation of sporting facilities, sports retail establishments, services for marketing and organising sports events, catering and fast food establishments in sports venues, the management of athletic facilities, the manufacture of sports clothing, and outdoor activities. They are summarised in the publication above.

After the preliminary briefing, twenty-two made it to the next stage. This consisted of a personalised business support itinerary with the one stop shop consultant, lasting anything between one and six months depending on circumstances. Here, both advisors and entrepreneurs once again ran into a series of structural barriers. In most cases the education they had received did not equip the young people for creating a business. Some were referred to the specialised training programme provided by EQUAL. However, both the time and places were limited - so not all could be accommodated.

Secondly, there were serious difficulties in obtaining finance for some of the business plans. A high proportion of the candidates were interested in setting up and running the increasingly fashionable and lucrative small athletic centres (like for example five-a-side football centres). However, the minimum investment required for this kind of centre fluctuates at around one hundred thousand euros. This is out of the reach of many young people. In addition, depending on the location, a high proportion of the investment can be taken up by the cost of land - which is not eligible for EU and other grants. We will see that the partnership is trying to tackle some of these problems in round 2 of EQUAL.

However, in the first year of Peristeri one stop shop operation, these kinds of barriers meant that only five of the twenty-two potential entrepreneurs who went through the business support itinerary finally managed to obtain the finance required setting up their company. These included two five-a-side football centres, a dance school, an enterprise of sports marketing services and organization of athletic events and a rehabilitation centre (called Medi-Spa) run by the young athlete (member of the Greek National baseball team), Thanassis Markou, interviewed earlier.

The Ministry of Development approved one of the five companies, for a 50% grant. The other four literally "won the lottery" by being selected as one of the ten companies chosen by OPAP SA to be role models or ambassadors for the project. These received 100% funding from OPAP SA itself.

Medi Spa was one of the lucky four and it certainly plans to be much more than the average self-employment initiative born out of necessity. Through his university training and his travels with the Greek national baseball team, Thanassis Markou has built up a network of international and national expert contacts on mobility problems. He aims to employ a team of around ten chosen from among his university colleagues. From a specially designed centre in Athens they will provide a mixture of different kinds of hydrotherapy, physiotherapy, dietary advice to help people understand both the physical and psychological causes of their mobility problems. Thanassis Markou's message to other young people was to "*start running now because there is a big opportunity*".

In their one-year of operation, EQUAL's one-stop shops supported the creation of 19 companies (including the five set up by the Peristeri One Stop shop) with a total of approximately 70 jobs. The going has been harder than expected and they have only just scraped the tip of the iceberg. But with what they have learnt and achieved they are now confident that they have found the way to have a major impact.

MAINSTREAMING THE LESSONS

Obviously with just one full year of operation of the one-stop shops and with all the 19 companies having just started or being about to start - it is too early to carry out a full analysis of the success of the model and its transferability. But there are certain encouraging signs.

Firstly, the partners themselves have made a serious long-term investment in the project and the team is totally committed to tap new opportunities and find solutions to any gaps. As Sotiris Kostakos, the President of OPAP says, "We are trying very hard. This does not mean that we have everything right. But we will do our very best to find the right way". This is precisely one of the reasons they were selected for the second round of EQUAL. The partnership is now focussing on the sports business creation by utilization of existing Olympic and athletic facilities. There is a huge opportunity here because, during the Olympics, Greece created over 2,600 athletic facilities throughout the country.

Secondly, a partnership led by a company with the reputation of OPAP SA working such an impressive array of important national players, means that the DP has both the inside contacts required for “vertical” mainstreaming and the “reach” required for spreading their message “horizontally”. The closing conference of round one, held in 30 November 2005, was opened by the Minister of Sport, the General Secretary of the Ministry of Development (responsible for the politics regarding entrepreneurship) and the General Secretary of the Ministry of Employment and Social Protection. The event, of course, received television coverage. Mr. Kostakos is able to point to a wedge of press releases with titles such as “OPAP SA in the battle against unemployment”. “They report everything I say on this issue”, he smiles.

Thirdly, the Greek official external evaluation of EQUAL has identified the project as a clear example of “best practice”. Tina Orfanidou, the evaluator, argues that the kind of recognition being received by OPAP SA and its partners could mean that the model is extended. “For example, the universities could become permanent filters and contact points in a number of areas”. Major companies in other sectors have also shown interest.

It has to be mentioned that OPAP SA has not only a national recognition, but an international also. The President of the DP, Sotiris Koulosousas, is vice president of the European Lotteries Association and OPAP SA is an influential member of the World Lotteries Association and the European Lotteries Association. They are in a position to provide a credible example of how a mixture of corporate social responsibility and EU funding can have a major impact on the opening up entrepreneurship for all.

Mr George Orfanos, Minister of Sports, sums up the contribution of the project in the following way: “the work had the aim of creating the most suitable conditions for the growth of entrepreneurial spirit in the athletics sector - addressing young people and unemployed graduates... The role of these kinds of initiative is very important because, unlike the operational programs which apply established methods, these initiatives are the only way of discovering new methods for increasing access to the job market”.

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