

Becoming a future-ready international sports federation

Perspectives from strategy, governance, and risk



Contents

Executive Summary

International sports federations (IFs) are at a pivotal moment as they navigate a rapidly evolving landscape. This report examines how IFs can enhance their resilience and adaptability for the future through effective strategy, governance, and risk management.

The sports industry is rapidly evolving. IFs are being confronted with a myriad of trends, such as changing consumer preferences, digitalization, and the climate and nature crisis. They also face growing demands from athletes, fans, and governments regarding the responsibilities of sports organizations.

To thrive in this “permacrisis” environment and be future-ready, IFs need to operate with a triple vantage point across strategy, governance, and risk management.

This begins with adopting a structured, yet agile, approach to strategy development that encompasses a thorough understanding of the market, clearly articulates a North Star, and includes end-to-end transformation planning and implementation. In a philosophy which we term “strategy reimaged”, the strategy development process is not merely a theoretical exercise conducted by leadership but aligned at the top and cascaded throughout the entire organization.

From a governance standpoint, IFs must think beyond establishing and enforcing the rules of their sport, to actively develop their sport transparently, accessibly, and

inclusively. They must also ensure integrity and build trust in their stakeholder community, especially amid rapid changes, expanding fan bases, and evolving athlete needs. This requires building transparency and trust, developing effective governance processes, outlining clear responsibilities and accountability, maintaining independence and integrity, and defining strong decision-making and control processes.

Finally, understanding and managing risks is crucial for IFs going forwards as they face rising costs in areas such as anti-corruption, cybersecurity, event security, anti-doping, as well as illegal and irregular betting prevention. While insurance is a critical component of risk management, it is not a standalone solution. Being future-ready from this perspective requires regular assessment of financial, operational and legal risks, crisis management planning, as well as training and awareness to foster a culture of preparedness.

By integrating perspectives across strategy, governance, and risk management, IFs will be better equipped to navigate the complexities of the modern sports landscape, maximizing their ability to govern and grow their sport while meeting the demands of athletes, audiences, and authorities.

“

IFs are being confronted with a myriad of trends, such as changing consumer preferences, digitalization, and the climate and nature crisis.

”



Introduction

This paper explores how IFs can effectively stay ahead of the evolving sports environment through effective strategy, governance, and risk management. By enhancing their resilience and adaptability, both international, and more local IFs can ensure they remain relevant and effective in fulfilling their missions while meeting the demands of athletes, audiences, and authorities.



Looking ahead: Ambiguous environment

The sports industry is rapidly changing. IFs staying ahead are those anticipating and adapting to changing consumer preferences, widespread digitalization, and the environmental crisis. Alongside this, IFs face increasing stakeholder demands from athletes, fans, and governments on the purpose and expectations of sporting bodies.

Climate and nature crisis

The existence of sport in its current form is being threatened by a changing climate. Extreme heat, reduced snowfall, severe weather events, and worsening air quality are impacting the ability for sporting events to go ahead and for athletes, for athletes to train and perform at their best. A [2023 study](#) indicates that if greenhouse gas emissions continue on their current trajectory only half of the 21 cities that have previously hosted the Winter Olympics will possess reliable conditions to host the event by the 2050s. As the governing bodies of sport, IFs need to develop plans to mitigate, adapt, and increase resilience to climate disruptions. At the same time, IFs need to address their sport's impact on climate change and nature loss, particularly as the public become more vocal and value driven.

Widespread digitalization

Digitalization is expanding the mediums through which sport can be distributed and consumed. No longer limited to broadcasting or streaming, fans can now engage with sport via virtual and mixed reality, breaking down the barriers between audience and athlete, elite and grassroots. Where cyclists once rode on physical hills, over one million subscribers now engage in virtual cycling experiences on Zwift, navigating iconic routes in a digital environment.

At the same time, advancements in athlete data have led to a significant trend towards the integration of advanced analytics, as well as wearable and biometric technology, into many sports. These innovations enable teams and organizations to optimize performance, prevent injuries, and better manage athlete health management. The growing wealth of data creates commercial opportunities in sports performance enhancement and opens new revenue streams. However, these developments also present challenges for IFs regarding the ethical distribution of data, data sharing, and ownership, necessitating careful governance and adherence to international data protection frameworks.

Changing consumer preferences

The new generation of fans, notably Generation Z and Generation Alpha, are engaging with sport differently and with less overall enthusiasm. According to research by the [Oliver Wyman Forum](#), only 1 in 5 Gen Z individuals in the US express that they don't watch any sports. Instead, they are drawn to interactive, social, shorter-form sport content, often developing affinities with athletes over teams. New strategies for fan engagement include with the 2024 Paris Olympics that was dubbed the "[social media games](#)" through its heightened social media engagement. The preferences of younger generations have also given rise to new formats and niche sports. For instance, the rise of Padel, a modern adaptation of tennis, is evidenced by a [26% annual increase](#) in the number of Padel courts. Similarly, Major League Baseball (MLB) has responded to the preferences of younger audiences by shortening the pitch clock to create a faster pace of play.

As competition structures shift away from traditional frameworks characterized by fixed durations and predetermined match counts, they are increasingly favoring more flexible, innovative, and condensed formats that blend sport with entertainment. IFs that succeed will be those that actively embrace change in their sport.

Intensifying stakeholder demands

Athletes, audiences, and authorities are raising expectations regarding the role and responsibilities of sporting bodies in society. With the rise of social media, athletes and fans are empowered to shape public opinion. Within seconds, they can attract millions of new audience viewers to a sport, or voice concerns about the integrity of a competition, or even challenge the IF. This social influence presents opportunities for growth and the promotion of positive behaviors, such as health and lifestyle choices. However, it also increases scrutiny on IFs and their associated governmental regulations, underscoring the need for robust governance and proactive stakeholder engagement.

A strategy viewpoint: Strategy reimaged



To navigate the “permacrisis” of the sporting landscape, IFs need to ensure that their structured and long-term strategy development is sufficiently comprehensive, while also experimenting with innovative approaches.

Considerations for a future-ready strategy

- 1 **Develop market knowledge:** Conduct a thorough analysis of the market and competitive landscape in which the federation operates. This can include examining its specific sport, broader sports, and other industries, such as entertainment. The assessment should consider evolving demographics and fan preferences influenced by new engagement methods and sports content consumption. Federations should also recognize the intense competition among various sports organizations for audience attention and loyalty, alongside new business models (e.g., direct to consumer).
- 2 **Understanding “why” is as important as “what” and “how”:** It is essential to articulate the North Star,, the guiding principles and long-term aspirations for the sport the federation represents, backed by a solid factual foundation and rigorous analysis. For instance, does the federation aspire to be recognized as the leading institution promoting outdoor participation or does it seek to elevate the sport’s popularity in a specific region? What are the trade-offs in reach versus revenue?

- 3 **Aligned at the top, cascaded throughout:** Beyond having an inspiring vision and strategy that is embraced by leadership, foster a culture where the strategy is actively developed and embedded into daily operations. This requires ongoing communication, engagement, and commitment from the whole organization, spanning leadership, sporting functions, commercial functions, and the wider public community.
- 4 **Diligent transformation planning:** Develop a comprehensive roadmap that delineates the specific initiatives required to achieve the strategic objectives outlined in the North Star. This roadmap should identify key stakeholders responsible for each initiative, including federation leadership, program managers, and external partners, along with clear timelines for implementation, while balancing flexibility and agility as the strategy is being implemented.
- 5 **Values underpin strategy:** Being purpose-led and impact-focused is one of the evolving expectations of athletes, fans, and governments. Ensure topics such as sustainability and inclusion lie at the core of the strategy. This comprises operational planning (calendar windows, hosting locations, supply chains), as well as commercial strategies (engaging fans, sponsors, media), which could be supported by tools such as an [ESG pulse check](#).

A governance viewpoint: Governance reinforced

In addition to establishing and enforcing the rules that govern their sport, IFs are responsible for developing the sport in a transparent, accessible, and inclusive manner. They must also ensure integrity and build trust in the sport.

Data analytics, generative AI, and digital integration are rapidly reshaping the sports landscape, often outpacing the ability of IFs to issue new protocols. Governance frameworks must be regularly reviewed and updated to ensure compliance and alignment with market needs.

The democratization of media (the production and creation of content by anyone with access to internet and social media) will likely increase pressure on IFs to engage a broader demographic of fans, boost commercialization, and expand competitions. In 1970, there were 90 IF competitions; within 50 years, that number grew to [2,391](#). This expanding sports calendar can affect athletes' performance and recovery times, challenging IFs to prioritize their well-being. This commitment to athletes' welfare is not just an ethical obligation, but a cornerstone for the longevity and sustainability of sports.



Principles and measures to enhance governance

To fulfill their roles as guarantors of sports, IFs should prioritize strong governance by implementing clear principles and actionable strategies. This may include:

Transparency and trust

Federations should promote openness in areas such as resource allocation, commercial agreements, and the appointment of representatives to build trust among stakeholders.

- Establish clear governance structures that include independent oversight bodies.
- Regularly publish detailed financial reports covering reserves, sponsorships, broadcasting deals, and other revenue sources.
- Consult all relevant stakeholders — including athletes, broadcasters, sponsors, governments, and fans — before making key decisions.

Effectiveness

- Effective governance requires robust oversight of daily operations and structured processes to monitor and evaluate performance. Federations should integrate compliance practices into their standard operations and build skills adapted to new opportunities to ensure consistency and efficiency.
- Embed compliance processes, such as a transparent gift policies, monitor conflicts of interest, or standardized support requests from international, large, or more local federations, into business-as-usual workflows.
 - Invest in innovation and digital resources to seize opportunities presented by emerging trends, such as the rise of niche sports, and facilitate the rapid and efficient evolution of sport regulations.

“Maintaining integrity within governance structures can help mitigate conflicts of interest while preserving objectivity in decision-making.”

Responsibilities and accountability

Clearly defined roles, responsibilities, and accountability mechanisms are essential to ensure that all entities and individuals align with the federation’s mission. Leadership must also be accountable to the members and athletes they represent.

- Develop structures to uphold the well-being and rights of athletes, keeping these central to the governance agenda.
- Foster a culture of ethical leadership within the organization. This may include training on ethical decision-making and emphasizing the importance of integrity in all actions and decisions.
- Establish clear consequences for violations of governance standards or ethical breaches to reinforce accountability. This may involve disciplinary actions, including suspensions or expulsions, for individuals or entities found to be in violation.

Independence and integrity

Maintaining integrity within governance structures can help prevent and manage conflicts of interest while preserving objectivity in decision-making. Lessons from other industries, such as financial services, can serve as valuable benchmarks for Ifs.

- Establish clear protocols for disclosing and resolving conflicts of interest. When conflicts arise, implement measures to eliminate or neutralize them swiftly.
- Implement robust whistleblower protection policies to encourage individuals to report misconduct without fear of retaliation. This can help uncover unethical practices and promote a culture of accountability and integrity.
- Ensure the governance remains impartial and focused on the integrity of the organization.

Decision-making and control

Federations must define clear decision-making frameworks, including authority matrices that outline approval processes and escalation paths. High-stakes decisions, such as those concerning the hosting of mega-events, require additional scrutiny and democratic input.

- Implement a dual-layer control system (first line of defense/ second line of defense) for critical decisions, ensuring transparency and accountability at every stage.

The effective adoption of governance principles is crucial for mitigating risks faced by IFs. Without a solid governance framework, IFs are open to potential vulnerabilities, while proactively addressing risks allows IFs to safeguard their long-term sustainability.

A risk and insurance viewpoint: Understanding and managing the risks

The rising costs associated with defensive expenditures — specifically in anti-corruption, illegal and irregular betting prevention, cybersecurity, sustainability and environmental initiatives, and medical provisions and security for events — underscore the critical importance of risk awareness. For instance, spending on anti-doping has surged from US\$27.7 million in 2015 to US\$51.4 million in 2022. This trend highlights the need for IFs to remain vigilant and proactive in managing potential risks.

Federations face various risks that can impact their activities. First, financial risks might occur as IFs depend on key revenue streams, including sponsorships, ticket sales, broadcasting rights, licensing, and, where applicable, International Olympic Committee (IOC) revenue distributions. Economic downturns or a shift in viewership can lead to significant revenue losses, jeopardizing their financial stability.

Second, operational risks related to organizing sports events, such as cancellations, safety concerns, cyber-attacks, and logistical failures, can disrupt operations and result in financial losses. Beyond financial repercussions, reputational risks from scandals, controversies, or poor event management can tarnish a federation's image. In an age where information spreads rapidly, a damaged reputation can lead to regulatory scrutiny, loss of funding, decreased fan engagement, and challenges in attracting and retaining talented athletes.

Finally, legal and compliance risks can result in legal challenges and financial penalties, for example if a federation breaches the General Data Protection Regulation (GDPR) or financial regulatory reporting requirements.

Supporting measures to prepare for risks

While risks cannot be entirely eliminated, they can be effectively anticipated and mitigated through insurance and risk management.

Five types of insurance can provide financial protection against unforeseen events, helping IFs recover and continue operations with minimal disruption.



Liability insurance protects IFs against claims arising from injuries or damages occurring during events.



Management liability insurance can safeguard directors, officers, senior executives, and the organization against claims related to errors or omissions.



Event cancellation insurance covers financial losses due to unforeseen cancellations or postponements of events, ensuring IFs can meet their financial obligations to stakeholders, including suppliers. For example, [Marsh](#) offers specialist insurance advisory for unique situations and risks.



Property insurance protects IFs' physical assets, such as equipment and facilities, against damage or loss.



Cyber insurance addresses IFs' increasing reliance on technology and the risks of data breaches and cyber threats, providing coverage for potential losses.

While insurance is a critical component of risk management, it is not a standalone solution. Federations must develop comprehensive risk management frameworks that comply with ISO 3100, the international standard for risk management. The framework should include regular risk assessments such as the [Marsh Cyber Self-Assessment](#) to help IFs identify vulnerabilities and develop mitigation strategies. Furthermore, crisis management planning prepares IFs to respond to unexpected emergencies and crises. Training and awareness initiatives can foster a culture of preparedness within the organization.

Conclusion

The future of international sports federations is inextricably linked to their ability to integrate strategy, governance, and risk management into their operational frameworks. As they face a rapidly changing environment marked by technological innovation, governance challenges, and stakeholder engagement, IFs must prioritize these areas to enhance their resilience and adaptability. By implementing robust strategies and governance structures, while understanding and mitigating potential risks, IFs can foster stakeholder trust and loyalty. The insights and recommendations outlined here will empower your federations to thrive amid uncertainty and contribute to the enduring legacy of sports worldwide — ensuring that you, your sports, your athletes, and your fans are future-ready.

Find out more about [Oliver Wyman’s expertise in sports strategy and governance](#) and [Marsh’s risk and insurance solutions for sports and events](#).



Tony Simpson
Global lead, Sports and Entertainment, Oliver Wyman
tony.simpson@oliverwyman.com

Jolee Tung
Engagement Manager, Oliver Wyman

Estelle Marti
Senior Consultant, Oliver Wyman

Lena Hilfiker
Senior Consultant, Oliver Wyman



Richard Tolley
Deputy Leader, Global Sports and Events Practice, Marsh
richard.n.tolley@marsh.com

Joris d’Inca
Partner, Oliver Wyman

Tim de Vries
Partner, Oliver Wyman





About Marsh McLennan

Marsh McLennan (NYSE: MMC) is a global leader in risk, strategy and people, advising clients in 130 countries across four businesses: [Marsh](#), [Guy Carpenter](#), [Mercer](#) and [Oliver Wyman](#). With annual revenue of over \$24 billion and more than 90,000 colleagues, Marsh McLennan helps build the confidence to thrive through the power of perspective. For more information, visit marshmclennan.com, follow us on [LinkedIn](#) and [X](#).

Marsh **GuyCarpenter** **Mercer** **OliverWyman**