

# Module 4. Investment Appraisal in Sport

## Unit 4.1

In this final module of the Sustainable Financial Investment Strategies course, we will focus on investment appraisal in sport. In particular, we will begin by exploring investment appraisal and financial appraisal, and why one should be favoured over the other. We will then move on to discuss the importance of financial appraisal and the most popular techniques through which it can be measured. We will then move on to explore financial appraisal in sport and the main techniques used within it, before we discuss the challenges it can face within the world of sport and how they can be overcome.

## Unit 4.2 Investment vs. Financial Appraisal

Investment appraisal and financial appraisal are two related, but distinct, processes used in business to evaluate proposed investments or projects (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). While there is some overlap between the two processes, there are also some key differences setting them apart.

Investment appraisal refers to the process of evaluating a proposed investment or project based on its potential future returns. The goal of investment appraisal is to determine whether the investment is likely to generate a positive return on investment (ROI) and whether it is a worthwhile investment. Investment appraisal typically involves evaluating the cash flows associated with the investment, estimating the expected future returns, and assessing the risks associated with the investment.

Financial appraisal, on the other hand, is a broader process that includes the evaluation of a wide range of financial factors and performance metrics related to a company's operations. Financial appraisal typically involves analysing financial statements and other financial data, to evaluate the financial health of a company, identify areas where financial performance can be improved, and make recommendations for improving financial performance.

While investment appraisal focuses specifically on evaluating the financial viability of a proposed investment, financial appraisal is a more comprehensive process that evaluates the overall financial performance of a company (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). Investment appraisal typically considers factors such as the potential return on investment, payback period, and net present value (NPV), while financial appraisal considers a wide range of financial performance metrics, such as profitability ratios, liquidity ratios, and efficiency ratios.



In summary, while investment appraisal and financial appraisal share some similarities, such as their focus on evaluating financial performance, investment appraisal is a narrower process that specifically evaluates the financial viability of proposed investments. Besides, financial appraisal is a broader process that evaluates the overall financial performance of a company.

As such, we argue that, while investment appraisal is more often discussed both within the sport world and beyond, the focus should be instead placed on financial appraisal, to offer a wider and more comprehensive overview of the financial health of an investment and the organisation overall, better addressing how financial sustainability can be achieved.

## **Unit 4.3 The Importance of Financial Appraisal**

Financial appraisal is a crucial process used by businesses and investors to evaluate the feasibility and profitability of an investment opportunity. The financial appraisal process involves assessing the financial performance of the investment in terms of costs, revenues, profits, and returns, as well as evaluating the risks and uncertainties associated with the investment. This process is essential to make informed investment decisions and optimise the financial outcomes of a project (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017).

Financial appraisal is a critical component of investment decision-making. It provides a systematic and structured approach to evaluating the financial feasibility of a proposed investment.

Financial appraisal helps businesses and investors to determine the financial viability of an investment opportunity; optimise the investment portfolio; minimise risk, and achieve financial objectives.

### **1. Determine the Financial Viability of an Investment Opportunity**

One of the primary objectives of financial appraisal is to assess the financial viability of an investment opportunity. This involves analysing the expected costs, revenues, profits, and returns associated with the investment and comparing them to the initial capital expenditure. By conducting a financial appraisal, investors can determine whether an investment is financially feasible and whether it is worth pursuing.

### **2. Optimise the Investment Portfolio**

Financial appraisal is essential for optimising an investment portfolio. By conducting a financial appraisal, investors can compare and evaluate multiple investment opportunities based on their financial performance and risk profile. This helps them to prioritise investments and allocate resources in a way that maximises the overall return on investment.



### 3. Minimise Risk

Financial appraisal is also used to assess the risks associated with an investment opportunity. By conducting a risk assessment, investors can identify potential risks and uncertainties that could impact the financial performance of the investment. This allows them to develop strategies to minimise these risks and maximise the likelihood of success.

### 4. Achieve Financial Objectives

Financial appraisal helps investors to achieve their financial objectives over the long term. By evaluating the financial performance of an investment opportunity, investors can determine whether the investment is aligned with their financial goals and objectives. This ensures that resources are allocated in a way that maximises the overall return on investment.

## Unit 4.4 Financial Appraisal and Financial Sustainability

As it can be seen through our discussion above, financial appraisal is an essential process for ensuring the financial sustainability of any organisation. It involves evaluating the financial viability of proposed projects, investments, and expenditures, to determine their potential return on investment (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). In this section of the module, we will discuss the importance of financial appraisal for financial sustainability, based on the various benefits it provides organisations and individuals alike, which are summarised in figure 1 and elaborated upon below.

**Figure 1. How Can Financial Appraisal Help in Financial Sustainability**



Source: own source.

## **Improved Decision-Making**

Financial appraisal provides decision-makers with a comprehensive understanding of the financial implications of proposed projects and investments. It enables them to evaluate the potential risks and returns associated with these proposals and make informed decisions based on this information. This helps organisations to avoid making costly mistakes and invest resources more effectively, which ultimately leads to improved financial sustainability.

## **Enhanced Accountability**

Financial appraisal provides a basis for accountability by ensuring that all proposed projects and investments are evaluated based on their financial viability. It provides a standardised process for assessing proposals and ensures that all decision-makers are held accountable for their decisions. This helps to prevent wasteful spending and ensures that resources are used more efficiently.

## **Improved Resource Allocation**

Financial appraisal helps organisations to allocate resources more effectively by identifying projects and investments with the highest potential return on investment. It provides decision-makers with a basis for evaluating the relative benefits of different proposals and helps them to prioritise spending based on their financial impact. This enables organisations to allocate their resources more effectively and ultimately contributes to their financial sustainability.

## **Better Risk Management**

Financial appraisal involves evaluating the potential risks associated with proposed projects and investments. By identifying potential risks and developing strategies for mitigating them, organisations can better manage their exposure to financial risks. This helps to minimise losses and ensures that organisations are better equipped to weather financial challenges and remain financially sustainable in the long term.

## **Improved Forecasting**

Financial appraisal involves analysing financial data and developing financial projections based on these data. This enables organisations to forecast their financial performance more accurately and plan their activities accordingly. This helps to prevent unexpected financial challenges and ensures that organisations are better prepared to meet their financial obligations.

Considering all the above, it is evident that financial appraisal is an essential process for ensuring the financial sustainability of any organisation. By adopting a systematic and rigorous approach to financial appraisal, organisations can evaluate proposed projects and investments more effectively and make informed decisions that contribute to their financial sustainability in the long term.



## Unit 4.5 Financial Appraisal Techniques

The way through which financial appraisal is conducted is by using particular financial appraisal techniques. Financial appraisal techniques are tools used to evaluate the financial feasibility of a proposed investment project (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). The process of financial appraisal involves analysing the costs, benefits, risks, and expected returns of the investment to determine whether it is worth pursuing. In this section of the module, we will discuss the key financial appraisal techniques, including net present value (NPV), internal rate of return (IRR), payback period, and sensitivity analysis.

### Net Present Value (NPV)

Net present value is a financial appraisal technique used to determine the present value of the expected cash flows associated with an investment. The NPV calculation takes into account the time value of money and discounts the future cash flows back to their present value using a discount rate. The NPV formula is the following:

$$\text{NPV} = \frac{\text{CF}_1}{(1+r)^1} + \frac{\text{CF}_2}{(1+r)^2} + \dots + \frac{\text{CF}_n}{(1+r)^n} - \text{CO}$$

- CF1 to CFn: cash flows in periods 1 to n

- r: discount rate

- CO: initial investment

If the NPV is positive, the investment is considered to be financially viable, and, if the NPV is negative, the investment is considered to be financially unviable. The NPV calculation provides investors with a single dollar/euro/pound value that represents the expected net benefit of the investment.

### Internal Rate of Return (IRR)

Internal rate of return is a financial appraisal technique used to calculate the rate of return an investment is expected to generate. The IRR is the discount rate that makes the NPV of the investment equal to zero. The IRR formula is the following:

$$0 = \frac{\text{CF}_1}{(1+\text{IRR})^1} + \frac{\text{CF}_2}{(1+\text{IRR})^2} + \dots + \frac{\text{CF}_n}{(1+\text{IRR})^n} - \text{CO}$$

- CF1 to CFn: cash flows in periods 1 to n

- IRR: internal rate of return

- CO: initial investment

If the IRR is higher than the required rate of return, the investment is considered to be financially viable, and, if the IRR is lower than the required rate of return, the investment



is considered to be financially unviable. The IRR calculation provides investors with a percentage rate of return that represents the expected profitability of the investment.

### **Payback Period**

Payback period is a financial appraisal technique used to calculate the amount of time that it takes for an investment to generate enough cash inflows to recover the initial investment. The payback period is a simple method for assessing the financial feasibility of an investment. The payback period formula is the following:

### **Payback period = initial investment/annual cash inflow**

If the payback period is shorter than the required time period, the investment is considered to be financially viable, and, if the payback period is longer than the required time period, the investment is considered to be financially unviable. The payback period calculation provides investors with a timeframe for when they can expect to recover their initial investment.

### **Sensitivity Analysis**

Sensitivity analysis is a financial appraisal technique used to assess the impact of changes in key variables on the financial viability of an investment. Sensitivity analysis involves testing the investment's financial viability under different scenarios by changing one or more variables, such as sales revenue, cost of goods sold, or interest rates. The sensitivity analysis helps investors to identify potential risks and challenges associated with the investment and to optimise their investment portfolio.

While a number of other financial appraisal techniques exist, the four discussed above represent the most commonly used ones in order for financial appraisal to be conducted, providing potential investors with valuable information about the costs, benefits, risks, and expected returns of the investment, and thus helping them to make informed decisions.

## **Unit 4.6 Financial Appraisal in Sport**

Having discussed financial appraisal in general, it is now time to focus on financial appraisal in the world of sport. Financial appraisal is a vital process in sports, as it helps to evaluate the financial viability of proposed sports projects (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). Sports organisations use financial appraisal techniques to determine whether a project, such as building a new stadium or investing in a new training facility, is financially feasible and can generate sufficient returns on investment. In this section of the module, we will discuss financial appraisal in sports, including the key financial appraisal techniques used in the sports industry and examples of financial appraisal in sports.



In terms of the former, the key financial appraisal techniques used in sports align with the main financial appraisal techniques used in general. As such, they include net present value (NPV), internal rate of return (IRR), payback period, and sensitivity analysis.

### **Net Present Value (NPV)**

Net present value is a financial appraisal technique used to determine the present value of the expected cash flows associated with a sports project. In sports, the NPV calculation considers the revenue generated by the project, such as ticket sales, merchandising, and broadcasting rights, as well as the costs associated with the project, such as construction, maintenance, and operating expenses. The NPV formula is the same as in other industries, and a positive NPV indicates that the sports project is financially viable.

### **Internal Rate of Return (IRR)**

Internal rate of return is a financial appraisal technique used to calculate the rate of return that a sports project is expected to generate. The IRR takes considers the time value of money and provides investors with a percentage rate of return that represents the expected profitability of the sports project. In sports, the IRR calculation considers the revenue generated by the project, as well as the costs associated with the project. A higher IRR indicates that the sports project is financially viable.

### **Payback Period**

Payback period is a financial appraisal technique used to calculate the amount of time that it takes for a sports project to generate enough revenue to recover the initial investment. The payback period is a simple method for assessing the financial feasibility of a sports project, and it considers the revenue generated by the project and the costs associated with the project. In sports, the payback period calculation considers the revenue generated by the project, such as ticket sales, merchandising, and broadcasting rights, as well as the costs associated with the project, such as construction, maintenance, and operating expenses.

### **Sensitivity Analysis**

Sensitivity analysis is a financial appraisal technique used to assess the impact of changes in key variables on the financial viability of a sports project. In sports, the sensitivity analysis involves testing the project's financial viability under different scenarios by changing one or more variables, such as ticket prices, attendance levels, or broadcasting revenues. The sensitivity analysis helps sports organisations to identify potential risks and challenges associated with the sports project and to optimise their investment portfolio.

As we can see above, while the financial appraisal techniques used in sport are not different from the most popular ones found in other industries, the variables within them change to better reflect the income and costs associated with the sport industry in question.



The main reasons or particular investments for which financial appraisals do or should be conducted in the world of sport, however, is where the peculiarity of the industry can be seen (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). These will be discussed in the section below. It is also worth noting that, while the list is by far not exhaustive, these examples represent the most common investments for which financial appraisal in sport takes place.

## Unit 4.7 Financial Appraisal in Sport Examples

As we discussed above, financial appraisal is an important process that is commonly used in sports organisations to evaluate proposed investments and projects (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). While arguments are often made that maybe more financial appraisals should be conducted, the main or most popular reasons or particular investments for which financial appraisals take place in sport are the following:

### 1. Stadium Construction Projects

When a sports organisation is planning to construct a new stadium or renovate an existing one, financial appraisal is used to evaluate the costs and benefits of the project. This includes evaluating the potential revenue generated by the new or renovated stadium, estimating the costs of construction and ongoing maintenance, and assessing the risks associated with the project.

### 2. Player Transfers

When a sports team is considering a player transfer, financial appraisal is used to evaluate the financial implications of the transfer. This includes evaluating the transfer fee, salary, and potential revenue generated by the player, as well as assessing the player's potential impact on the team's performance.

### 3. Sponsorship Deals

When a sports organisation is considering a sponsorship deal with a company, financial appraisal is used to evaluate the financial impact of the deal. This includes evaluating the potential revenue generated by the sponsorship deal, estimating the costs associated with fulfilling the sponsorship obligations, and assessing the risks associated with the deal.

### 4. Training Facilities

When a sports organisation is planning to build or upgrade training facilities, financial appraisal is used to evaluate the costs and benefits of the project. This includes evaluating the potential revenue generated by the new or upgraded facilities, estimating the costs of construction and ongoing maintenance, and assessing the risks associated with the project.



## 5. Equipment Purchases

When a sports organisation is planning to purchase new equipment, financial appraisal is used to evaluate the costs and benefits of the purchase. This includes evaluating the potential revenue generated by the new equipment, estimating the costs of purchasing and maintaining the equipment, and assessing the risks associated with the purchase.

In all of these examples, financial appraisal is used to evaluate the financial implications of proposed investments or projects, and to ensure that sports organisations make informed decisions that are financially sustainable.

Real life examples in which sports organisations have used financial appraisal techniques to evaluate the financial viability of proposed sports projects, such as building a new stadium or investing in a new training facility, include the Golden State Warriors and the Atlanta Falcons.

The Golden State Warriors of the National Basketball Association (NBA) built a new arena in San Francisco in 2019. As it has been argued in interviews leading to the reveal of the arena, the team used financial appraisal techniques, including the NPV and IRR, to evaluate the financial viability of the project (Soshnick and Novy-Williams, 2019). The team estimated that the new arena would generate approximately \$400 million in annual revenue and that it would cost approximately \$1.4 billion to build. The team calculated the NPV and IRR of the project and determined that it was financially viable.

Another example to consider—also in North American sports—is the construction of the Mercedes-Benz Stadium in Atlanta, Georgia, home of the Atlanta Falcons of the National Football League (NFL). The stadium was built at a cost of \$1.5 billion, and the team used financial appraisal techniques to evaluate the financial viability of the project (Byrnes, 2016). The team estimated that the stadium would generate approximately \$200 million in annual revenue and would cost approximately \$30 million in annual maintenance and operating expenses. The team calculated the NPV and IRR of the project and determined that it was financially viable.

## Unit 4.8 Financial Appraisal for Hosting Sport Events

Another reason for which financial appraisal should be conducted in sport is to assist in the decision-making of policymakers, regarding the potential hosting of an event (Taks *et al.*, 2011). Hosting a sport event can bring significant economic benefits to a host city or country, such as increased tourism, job creation, and improved infrastructure. However, hosting a sport event can also involve significant costs and risks, such as event organisation, security, and infrastructure development. Therefore, financial appraisal is an important process in evaluating the feasibility of hosting a sport event.



Here are some key factors to consider in the financial appraisal of hosting sport events:

1. **Direct revenue.** This includes revenue generated from ticket sales, merchandise sales, and concessions. In addition, broadcasting rights, licensing fees, and sponsorships can also generate significant revenue.
2. **Indirect revenue.** Hosting a sport event can also have indirect economic benefits, such as increased tourism, job creation, and improved infrastructure. These factors can contribute to increased spending and economic growth in the host city or country.
3. **Direct costs.** Hosting a sport event involves a range of direct costs, such as venue rental, event organisation, security, and marketing expenses.
4. **Indirect costs.** Indirect costs can include infrastructure development, such as building or upgrading stadiums, transportation, and housing. These costs can be significant and should be carefully evaluated.
5. **Risks.** Hosting a sport event involves a range of risks, such as security threats, adverse weather conditions, and unforeseen costs. These risks should be identified and assessed to determine the feasibility of hosting the event.
6. **Legacy.** Hosting a sport event can also have a long-term impact on a city or country, such as improved infrastructure, increased tourism, and enhanced national pride. These benefits should be evaluated as part of the financial appraisal.

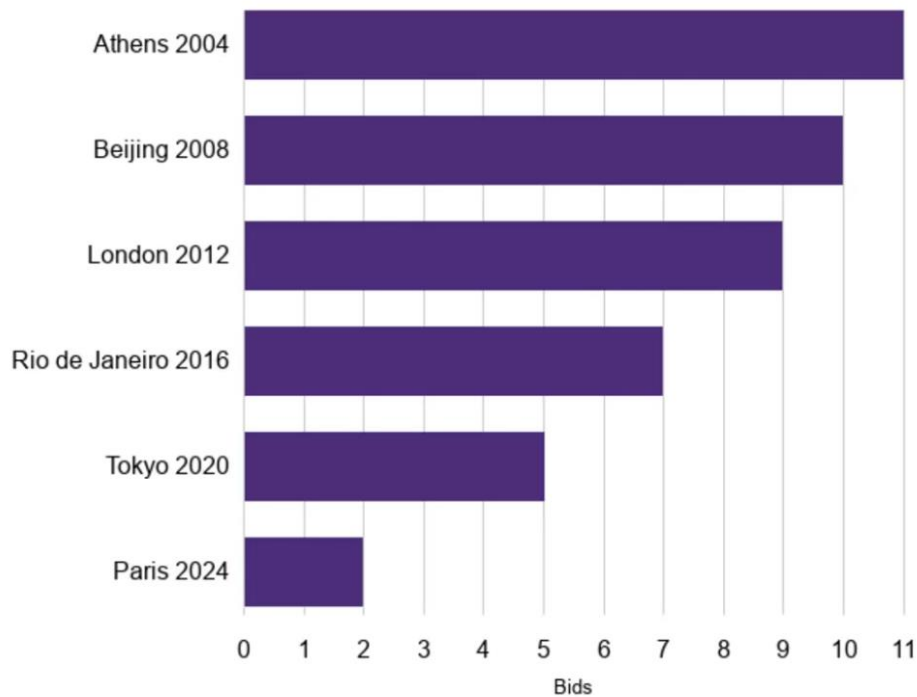
In summary, financial appraisal is an important process in evaluating the feasibility of hosting a sport event. By carefully evaluating the potential revenue, costs, and risks, sports organisations and host cities and countries can make informed decisions and ensure that hosting a sport event is financially sustainable.

Let us examine this in more detail, by focusing on the biggest mega sport event in the world, the Olympic Games. There has been a growing discussion arguing both for and against the hosting of the Olympic Games, often initiated by the large number of potential host cities that have withdrawn their bids, after having expressed an initial interest in hosting them (McBride and Manno, 2021). As it is shown in the figure below, a significant decrease in the number of cities bidding to host the Olympic Games can be noted.



Figure 2. The Number of Bids to Host the Summer Olympic Games Over the Years

### Bids to host the summer Olympics



Source: Evans, 2018, <https://bit.ly/3owPVj5>.

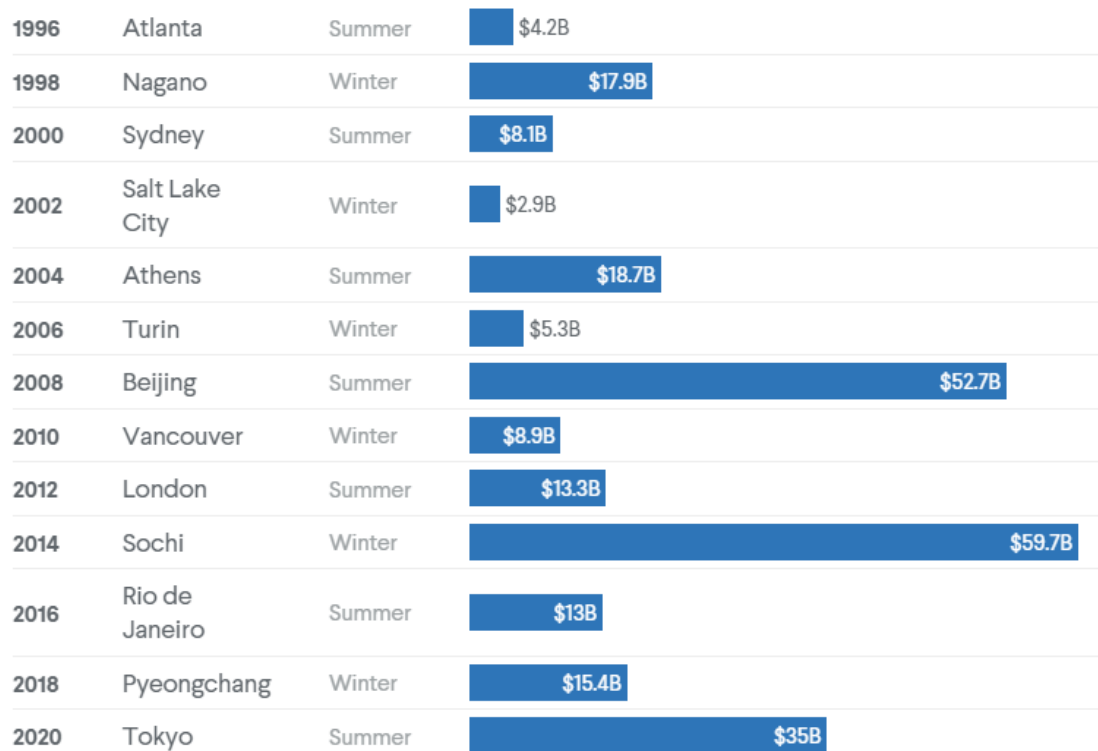
The reason behind this significant decline can be better understood by examining the following numbers, illustrated in the figure below. The figure captures the estimated cost of the Olympics, showing a clear and alarming pattern of increase. Indeed, as it is shown, hosting the Olympic Games appears to be a very costly investment.



**Figure 3. The Cost of Hosting the Summer and Winter Olympic Games Over Time**

### Hosting the Olympics Has Grown More Expensive, but the Cost Varies by City

Estimated cost of hosting the Olympics, constant 2021 dollars



Note: Estimates include infrastructure and other indirect spending, as well as sports-related costs.

Sources: Robert Baade and Victor Matheson, "Going for the Gold: The Economics of the Olympics"; Andrew Zimbalist, *Circus Maximus*; Marketplace; U.S. Bureau of Labor Statistics.

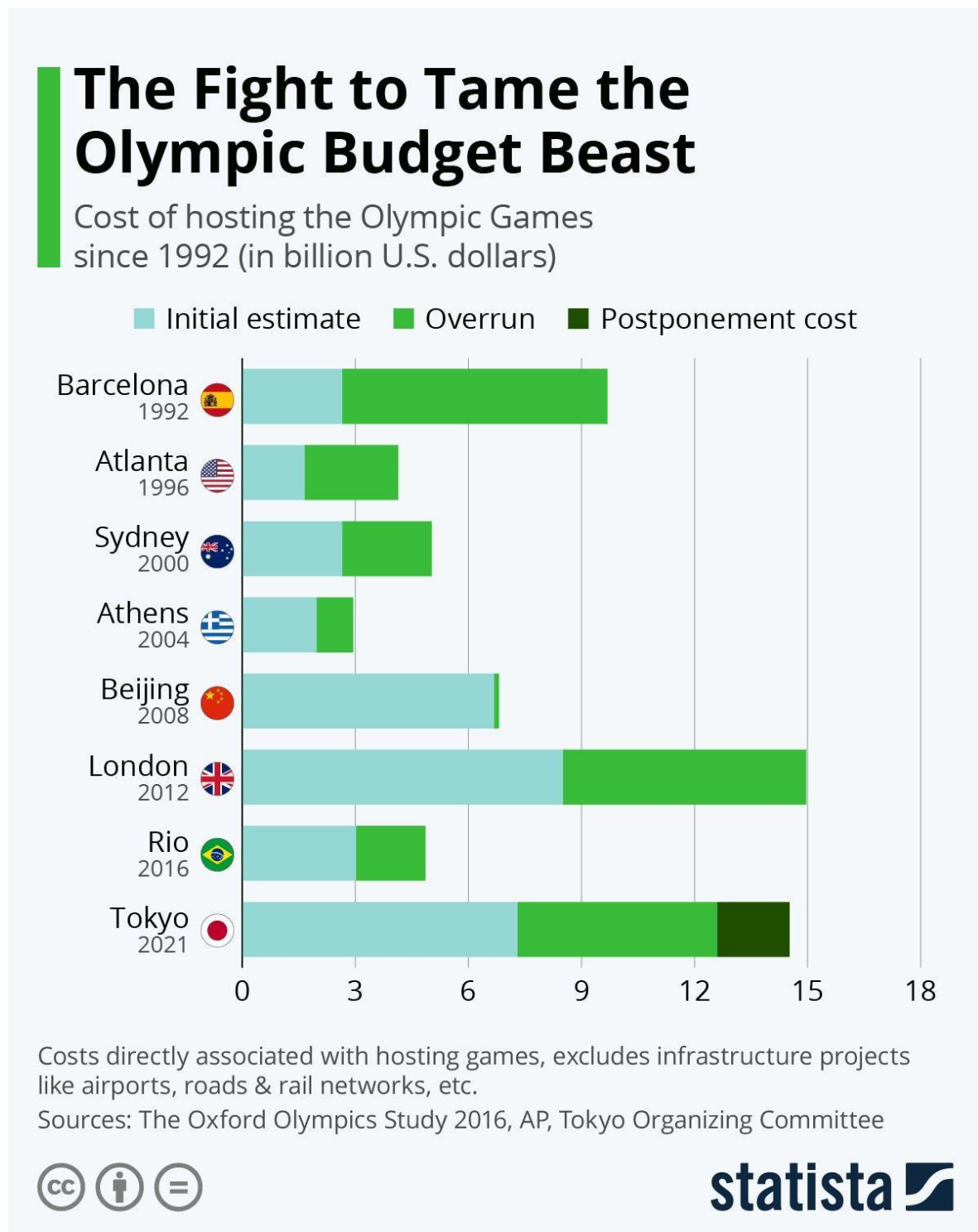
**COUNCIL on  
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Source: McBride and Manno, 2021, <https://bit.ly/3USP2gJ>.

Interestingly, as a study recently argued, these estimated costs also need to be viewed in realistic terms, while considering the possible overruns experienced. This juxtaposition of costs and overruns is illustrated in the figure below, allowing us to further highlight the financial burden of hosting the Olympic Games.



Figure 4. The Initial Cost Estimate and Overruns for the Summer Olympic Games



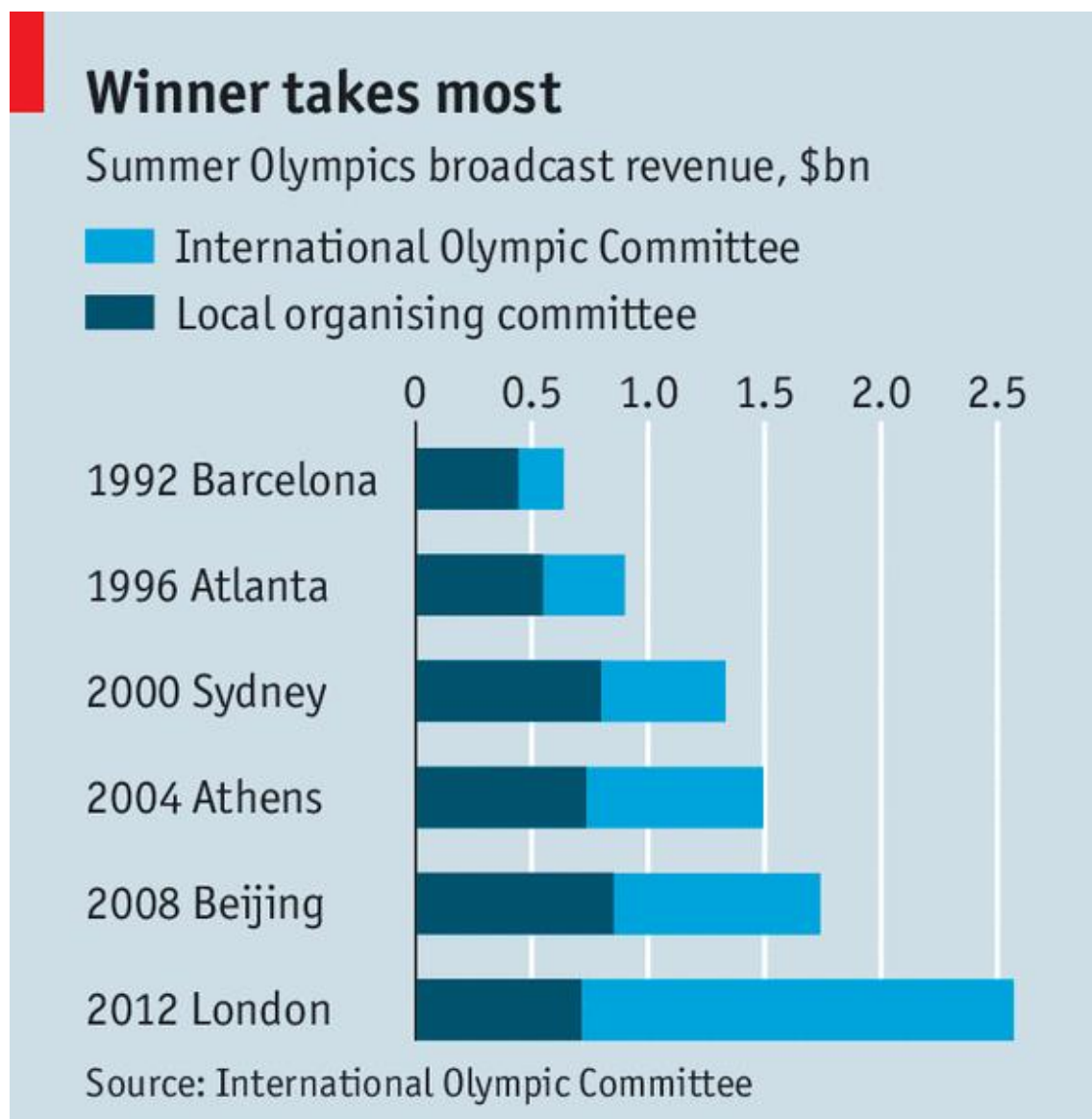
Source: Statista, 2020, <https://bit.ly/3LhC4WL>.

As the figure above shows, all Olympic Games overrun their estimated costs, suggesting that, apart from them being a very costly investment, the financial appraisal, or, in this case, the investment appraisal conducted by each respecting organising committee, might have underappreciated the direct costs associated with their investment.



In fact, as countless studies have argued recently, an honest and accurate investment appraisal of hosting the Olympic Games should be more detailed not only in estimating the actual direct costs, but also in assessing the direct profits that each local organising committee is to receive (McBride and Manno, 2021). A deeper dive into existing numbers would thus allow us to see, as illustrated below, that, while the overall expected income for such an investment is high and indeed getting higher every year—as it is shown in the case of the broadcasting rights sales figures shown below—the actual income that each organising committee is to receive from it is not following the same increase (The Economist, 2017).

**Figure 5. Allocation of Income from Broadcast Revenue for the Summer Olympics**



Economist.com

Source: The Economist, 2017, <https://bit.ly/3KM8NSE>.



This information needs to be all factored in, for an accurate and honest investment appraisal for hosting the Olympic Games to be conducted, and thus for sound and well-informed decisions to be made on the investment.

## Unit 4.9 Challenges to Financial Appraisal in Sport

Financial appraisal in sports faces several challenges that are unique to the sports industry (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). In this section of the module, we will discuss some of the challenges to financial appraisal in sports and how they can be addressed.

### 1. Seasonality

Sports revenue is highly seasonal, and this poses a challenge to financial appraisal. Revenue sources, such as ticket sales, merchandise sales, and broadcasting rights, are heavily dependent on the sports season. A team may experience significant revenue fluctuations between different seasons, making it challenging to forecast revenue accurately. This challenge can be addressed by using historical data to analyse revenue trends and forecasting revenue based on the team's recent performance and the performance of its competitors.

### 2. Uncertainty

Uncertainty is a significant challenge in financial appraisal in sports. It is difficult to predict the revenue and costs associated with a sports project accurately, particularly when the project involves building a new stadium or investing in a new training facility. Economic conditions, changes in consumer behaviour, and competitive pressures can all affect the revenue and costs associated with a sports project. To address this challenge, sports organisations can conduct extensive market research, monitor industry trends, and evaluate the risks associated with the project.

### 3. Fan Engagement

Fan engagement is a critical component of sports revenue, and it can be challenging to measure the impact of fan engagement on revenue. Fan engagement can be influenced by several factors, such as team performance, player popularity, and social media engagement. Sports organisations can use customer relationship management (CRM) systems to track fan engagement and measure the impact of fan engagement on revenue.

### 4. Investment Costs

Sports projects, such as building a new stadium or investing in a new training facility, require significant investment costs. These costs can be challenging to finance, particularly for small and medium-sized sports organisations. To address this challenge,



sports organisations can seek external financing, such as loans or investments from private equity firms or venture capitalists.

## 5. Competitive Pressures

Sports organisations operate in a highly competitive industry, and competitive pressures can affect the financial viability of a sports project. A new stadium or training facility may be financially viable in the short term, but it may become obsolete in the long term due to changes in the industry. To address this challenge, sports organisations can conduct extensive market research and evaluate the potential impact of competitive pressures on the project.

As we argued above, financial appraisal in sport is of vital importance and, unfortunately, IT faces several challenges that are unique to the sports industry. These challenges include seasonality, uncertainty, fan engagement, investment costs, and competitive pressures. Overcoming challenges in financial appraisal in sports requires a comprehensive approach that involves addressing each challenge individually. Sports organisations can use strategies such as revenue diversification, extensive market research, customer relationship management, innovative financing models, and competitive analysis, to overcome the challenges associated with financial appraisal in sports (Wilson, 2011; Fried *et al.*, 2013; Stewart, 2017). By adopting these strategies, sports organisations can evaluate the financial viability of proposed projects accurately and make informed investment decisions that can assist in the overall financial sustainability of the sport organisations.

### Summary

In this final module of the Sustainable Financial Investment Strategies course, we focused on investment appraisal and, more widely, on financial appraisal in sport to better comprehend its importance and key influence on the financial sustainability of a sports organisation. We also introduced some financial appraisal techniques, before we discussed examples or investments on which financial appraisal is and should be conducted in sport. We then focused on the investment of hosting sport events, a particular investment that has attracted significant attention and criticism in the past years. Finally, we reviewed some of the challenges that financial appraisals face in sport, alongside strategies on how to overcome them.

### Course Summary

In the Sustainable Financial Investment Strategies course, we focused on a vital aspect of financial sustainability: the element of **how** can sport organisations, teams, and athletes be assisted to achieve financial sustainability. As such, we began with a detailed examination of financial sustainability strategies and the values that should guide any such efforts for sport organisations and athletes alike. We then moved on to exploring the challenges of financial sustainability in sport, in an attempt to offer a realistic depiction of



the obstacles faced by any organisation and individual on their way to achieving financial sustainability. Following this, we centred on two interconnected and vital issues of healthy financial management that can lead to financial sustainability, budgeting and decision-making in sport, to detail their importance and show how they can be conducted in an effective and strategic manner. Finally, we examined investment and financial appraisal in sport and how it is and should be conducted in order for informed decisions to be made before any investments are made in the world of sport, to conduct effective financial management and ultimately achieve financial sustainability.

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