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Ernst & Young sees positive in Rio challenges

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Rio 2016 sponsor Ernst & Young faces something of a high-wire act in activating at the Olympics.

As the organizing committee's embedded professional services adviser, Ernst hopes its role in helping deliver the world's largest sports festival speaks for itself. But with a severe recession, political instability and disease scares rocking Rio, it's no sure thing history will record the Games as a positive.

Executives hope the marketplace will award extra points for degree of difficulty.

"That's a very good story, even for us at EY: How we could help them deliver a Games that is down-to-earth, within the budget and without extra money from the government, but still a very good Games," said Ernst partner Alexandre Rangel, one of the lead advisers to Rio 2016. "If we're able to close that loop, it's a very good story."



Ernst secured the sponsorship in 2011, a deal sources valued at more than \$100 million. Rangel said "95 percent" of the deal comes in the form of Ernst expertise and labor.

Another tactic for Ernst will be to make sure VIP hospitality guests can rub shoulders with famous retired Olympians and international sports royalty.

Ernst's centerpiece in Rio is the Olympians Reunion Centre presented by EY, a drop-in venue open to all past Olympians and their guests. Through its relationship with the Rio organizers, Ernst is providing almost \$1 million worth of services to create the reunion spot on behalf of the World Olympians Association, said WOA President Joël Bouzou.

The center will occupy the upscale Club de Regatas do Flamengo, home to well-known team Flamengo, a short walk from the Rodrigo de Freitas Lagoon near the Copacabana and Ipanema beaches. Organizers expect up to 1,000 visitors daily because of its location on main transportation networks, Bouzou said.

The three-story center features a rooftop terrace, and includes space for national sports federations, Olympic

committees and other groups to rent. In short, it means a high-capacity, comfortable environment for Ernst branding and, ideally, overlap between the company's partners, guests, clients and famous athletes.

Ernst is replacing global Olympics sponsor Visa as the lead corporate partner for the reunion center.

"Olympians are really the embodiment of Olympism in action," Bouzou said. "To be able to interact with them, whether you are a boss or a client of E&Y or Visa in the past, it makes sense. It's about excellency, it's about human behavior, it's about respecting the world."

21 Sports & Entertainment, Ernst's marketing agency, established the collaboration with the WOA after first helping negotiate the Rio 2016 sponsorship in 2011. Former Visa marketing executive and 21 partner Tom Shepard played a key role. On the ground, GMR Marketing is advising on the hospitality and activation details.

Ernst has embedded more than 300 consultants with the Rio organizing committee, advising on a range of topics, including procurement, human resources, IT strategy and infrastructure planning. The professional-services category is a second-tier sponsorship, but the in-kind contribution is particularly important. Rio 2016 will go from zero employees in 2009 to nearly 7,000 at peak, then face a rapid wind-down within months of the closing ceremony.

"We are helping the country, helping the city, helping the organizing committee to deliver the Olympics for Brazil," he said. "And that story is a very complex story. ... We want to bring clients to see the final product and tell them the story about how we helped the Olympic Games be delivered."

Ernst has marketing rights to the Olympics only in Brazil and cannot advertise its association with the Games in the U.S. Deloitte has domestic rights to the Olympic rings and Team USA through a deal with the U.S. Olympic Committee.

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