



STANFORD

GRADUATE SCHOOL OF BUSINESS

CASE: SPM-42
DATE: 12/10/2010

GLOBAL EVENTS AS DRIVERS OF GROWTH: THE CASE OF HOCKEY CANADA

It was a warm April morning in Calgary, host City of the 1988 Winter Olympic Games and the business center of Western Canada. Scott Smith, chief operating officer of Hockey Canada was about to kick off a conference call with Hockey Canada stakeholders across the country on the topic of international event hosting. He began the call with reference to the recent 2010 Vancouver Olympic Games where gold medal victories in both men's and women's ice hockey had led to countrywide euphoria and widespread attention to hockey. Although the sport had long been Canada's favorite, interest and passion around hockey was at an all-time high. Next, Smith spoke to the need to build on this energy for the benefit of hockey as a sport and to Hockey Canada and its partners, as organizations. Turning to the agenda, Smith began:

Ladies and gentlemen, the purpose of today's call is to, first, outline to you the importance of international events to Hockey Canada and, second, to share some background and ascertain your input so we can make decisions about our hosting strategy for the future. We'll also discuss the related activation plans around that strategy. So, let's get right to it. In my view, our international events have been the core driver of the growth and success of Hockey Canada over the past 15 years. They have provided a platform to get our teams on television, to showcase our brand, to build our brand and to drive our revenue sources, including sponsorship, merchandising, donations and licensing. Indeed, each one of our major events now comes with a profit number to support our programs. As you all know, our events are a cornerstone of Hockey Canada. However, we cannot

This case was prepared by Norm O'Reilly, George Foster, and Darryl Boynton. O'Reilly is Associate Professor at the University of Ottawa and a former Visiting Scholar/Lecturer at Stanford University's Graduate School of Business. Foster is the Wattis Professor of Management at Stanford University's Graduate School of Business. Boynton is Manager of the Hockey Canada Regional Centre Ontario. This case was made possible by the generous support and important contributions of Scott Smith, Chief Operating Officer of Hockey Canada. This case is based on interviews with and data provided by Hockey Canada unless otherwise noted.

Copyright © 2010 by the Board of Trustees of the Leland Stanford Junior University. All rights reserved. To order copies or request permission to reproduce materials, e-mail the Case Writing Office at: cwo@gsb.stanford.edu or write: Case Writing Office, Stanford Graduate School of Business, 518 Memorial Way, Stanford University, Stanford, CA 94305-5015. No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means — electronic, mechanical, photocopying, recording, or otherwise — without the permission of the Stanford Graduate School of Business. Every effort has been made to respect copyright and to contact copyright holders as appropriate. If you are a copyright holder and have concerns about any material appearing in this case study, please contact the Case Writing Office at cwo@gsb.stanford.edu.

take their success for granted, the world is changing—digital consumption is coming and we need to stay on top of it. Global sport is a reality.

THE STATE OF ICE HOCKEY IN 2010

On February 28, 2010, in the early afternoon of a sunny day in Vancouver, the sport of ice hockey hit a feverish level in North America, not seen ever, or at least since the ‘Miracle on Ice’ at the 1980 Lake Placid Olympics where a group of amateur American players upset the seemingly invincible Russians (‘the Big Red Machine’) in the medal round before going on to capture the gold medal against Finland.

On that fateful day in February 2010, Canada captured the gold medal on home ice in a thrilling overtime victory, catapulting hockey to the front of all headlines across the continent, and into the hearts of most Canadians. It was a fitting end for an Olympic Games hosted in Canada. It had almost a ‘storybook’ feel that had stemmed from the medal winning performances of many Canadians during the first week of the Games, including the Canadian women capturing ice hockey gold on February 25 over their U.S. rivals with a 2-0 victory (the women’s gold medal game was one of the most watched programs in Canadian history drawing an average of 7.5 million viewers and peaking near 10 million).¹

In Canada, the men’s gold medal game was watched in every corner of the country, with a peak television audience of just over 22 million viewers, or approximately two-thirds of Canada’s overall population.² The game became, by a significant margin, the most watched broadcast in Canadian television history (**Exhibit 1** provides some additional Canadian television ratings data). From coast to coast, Canada’s victory led to a nationwide celebration as Canadians took to the streets to celebrate the gold medal win. It was Sidney Crosby who scored the golden goal. Already a national hero, Crosby followed other Canadian greats such as Bobby Orr, Wayne Gretzky and Mario Lemieux to claim “best player in the world” status. Crosby further cemented his place in Canadian history by scoring the biggest goal since Paul Henderson’s celebrated goal in the 1972 Canada–USSR Summit Series. Perhaps Crosby’s winning goal even eclipsed Henderson’s legendary series winner.

In the United States, a television audience of 27.6 million tuned into the game, making it the most watched hockey game since Team U.S.A.’s victory in 1980. American goaltender, Ryan Miller, was the star for Team U.S.A. throughout the 2010 Olympic Games and earned Tournament MVP honors. American broadcast legend Bob Costas called the 2010 gold medal game “one of the greatest sports events I have ever seen!”³ (**Exhibit 2** provides some additional U.S. ratings data.)

NHL Commissioner, Gary Bettman commented, “A great experience for hockey, from a North American standpoint, more people watched hockey than ever before.”⁴ The U.S. television audience was a 10.5 million increase over the U.S.A./Canada Gold medal game in 2002.

¹ Nielsen Television Ratings (2010).

² Ibid.

³ Burton and O’Reilly, “Analysis must show NHL the value of Olympic competition,” *Sport Business Journal*, May 3, 2010, p. 21.

⁴ Ibid.

INTERNATIONAL ICE HOCKEY FEDERATION (IIHF)

The International Ice Hockey Federation (IIHF) was founded on May 15, 1908 in Paris, France.⁵ The IIHF was responsible for the international structure of the game around the world and was the steward responsible for the growth and development of the game. In 2010 the IIHF had 67 member nations.⁶ It was the governing body for all IIHF World Championships; men's, women's juniors, under-18s, etc. Its pinnacle event each season was the IIHF Senior Men's World Championship, which was hosted annually in the spring and featured the top 16 hockey playing nations. This event was moved around the world on an annual basis but was typically held in Europe.

The IIHF worked with their member nations on directing the international focus of the game on such issues as rules, tournament formats, development, and events.

HOCKEY CANADA

Hockey Canada was the National Sport Organization (NSO) responsible for the sport of nonprofessional ice hockey in Canada. The organization's mission was to "Lead, Develop, and Promote Positive Hockey Experiences"⁷ and it was responsible for the participation and development aspects of the game, as well as the high performance of its National Teams. The Development department of the organization worked in conjunction with the 13 provincial branches to grow the game at the minor hockey (youth) level. In 2008-2009 there were 585,000 registered members (boys and girls) within this system. These players were the foundation of the sport in Canada and are the next generation of talent for Canada's national team programs. The staff and volunteers that worked in this area focused on the growth of the game and the implementation of coach and trainer certification programs, as well as providing development opportunities for players of all skill levels across the country.

Since 1997-1998, Hockey Canada's registration in female hockey had almost tripled from 29,000 to 85,000 registered players. This period of rapid growth matched the time frame since women's hockey was introduced as a sport in the Winter Olympic Games.

The overall membership in Hockey Canada (boys and girls) had grown approximately 10 percent over the past 12 years from 1999 to 2011.

In 1994, Hockey Canada and the Canadian Amateur Hockey Association merged to bring all aspects of the game under one umbrella organization. The newly formed Canadian Hockey Association was responsible for youth hockey programs as well as Canada's national teams for World Championships and Olympic tournaments. The name was later changed to Hockey Canada in 2003 for operational purposes.

⁵ "The World Governing Body," International Ice Hockey Federation, <http://www.iihf.com/de/iihf-home/the-iihf.html> (December 10, 2010).

⁶ Ibid.

⁷ Mandate and Mission, "Hockey Canada's Mission Statement," http://www.hockeycanada.ca/index.php/ci_id/6836/la_id/1.htm (October 5, 2010).

The growth in the association since the merger in 1994 had been remarkable. Hockey Canada's national head office was in Calgary with another office in Ottawa and regional centers in St. John, NB; Montreal, QC and Toronto, ON. In 1994, there were 32 full-time staff working for Hockey Canada in just 2 offices while in 2010, this number was 92 staff in 5 offices. Following a five-year (1999-2004) period of little or no growth financially, Hockey Canada's operating budget had grown a staggering 47 percent from 2004 to 2009. Much of the growth had been in the marketing and events departments, as Hockey Canada has prioritized both domestic and international events.

As part of its mandate, Hockey Canada sought to grow the game of hockey in Canada by exposing the sport to children and adults across the country. This was typically accomplished through outreach programs in partnership with provincial branches and minor hockey associations.

Hockey Canada relied on the support of its sponsors to resource many of its programs. Indeed, there were many strong partnerships that Hockey Canada had maintained over long periods of time in order to grow the game. Premier sponsors of Hockey Canada included Esso, Telus, Nike, and RBC Financial Group. Of particular note was Hockey Canada's official broadcast partner TSN. This relationship had provided Canada's national teams and domestic championships with live television audiences, an invaluable asset in exposing large numbers of people to the game. In addition to these partnerships, Hockey Canada had strong working relationships with other hockey bodies such as the NHL, the NHLPA, the six Canadian NHL teams as well all levels of amateur and professional hockey.

As the national governing body, Hockey Canada also oversaw several domestic championships for both male and female hockey. In addition to these championships, there were also several other competitions that allowed players to experience international hockey in preparation for International Ice Hockey Federation (IIHF) World Championships and other major events, such as the Olympic Games, in the future. (See **Exhibit 3** for the Canadian National Team results at each of these events from 2002 to 2010. See **Exhibit 4** and **Exhibit 5** for the organizational structure and committees of Hockey Canada. **Exhibit 6** outlines Canada's performance history at the Olympic Games.)

Hockey Canada: Drivers of Growth

As outlined in the prepared package for the call, Smith attributed Hockey Canada's growth to five drivers, which he described as being strategic in nature and not environmental or contextual. He was proud of the efforts of his Hockey Canada staff in reference to each of these five items:

- Hockey Canada had realized what their competitive advantage was and they had started to activate around the reality that Hockey Canada is hockey, Canadians cared about hockey, and most importantly—Canadians really cared about Canadians playing hockey.
- The people (board/staff/community leaders/volunteers): like many National Sport Organizations, Hockey Canada had had legions of devoted board members and volunteers who had given time, energy, and skill to the association. At the staff level, in approximately 1995, Hockey Canada started to hire, develop, train and retain its staff as

assets and resources. Since then, turnover had decreased, job benefits had increased, and the culture had become more professional.

- A focus on revenues and how to generate the resources needed to fund all of its programs. This had made Hockey Canada more efficient and has allowed its programs to expand.
- A concerted move to decrease its reliance on government dollars. The majority of Hockey Canada's revenues came from sponsors (27 percent) and events (24 percent), while 12 percent was attributed to federal government funding and 5 percent to other funding agencies (see www.hockeycanada.com—under About Us, Funding).
- An organization-wide effort to re-invest into all levels of the game in all parts of the country.

Hockey Canada: Business Model for Event Hosting

As the call continued, Smith responded to a question from a branch president who was on the line:

As you all are well aware, hosting events can be operationally, financially and even politically challenging. Governments and municipalities must be on [our] side. Local host organizations need to be in place, sponsors found and serviced. Let me give you a quick story from when we hosted the IIHF Men's World Championships back in 2008. Remember, this was the first time this event had ever been to Canada, first time in 100 years! The event had two host cities—Halifax and Quebec City. There were some challenges, with two provincial governments, two languages and several obstacles to be overcome but by working with our provincial branch partners and volunteers and key leaders in these communities, we were able to make this work.

Over the past decade or so, Hockey Canada had developed a highly effective model for hosting the IIHF Men's U-20 Championship (affectionately called "World Juniors") and a good model for hosting the IIHF Senior Women's World Championship. Most of Hockey Canada's remaining portfolio of events was of the break-even variety, including a national men's championship, a Junior A championship, and a women's national championship.

The model was built upon seven key components.

For the World Juniors, the first critical component was to ensure that all events ran a budget surplus in which the bid guidelines requested that the event guarantee a minimum profit from the event's local organizing committee. This amount had increased steadily and considerably since 1999. For example, the recent 2010 World Juniors left a legacy of almost \$15 million for grassroots development across the country. (**Exhibit 7** outlines the history of guaranteed legacy and actual legacy amounts, from the six most recent World Juniors hosted in Canada.)

The entity that guaranteed the profit varied: in Vancouver in 2006, it was the provincial government; in Ottawa (2009), it was Senators Sports & Entertainment—the owner of the

Ottawa Senators (NHL); in 2010 in Saskatchewan, it was a partnership between three governments (the province of Saskatchewan and the cities of Regina and Saskatoon).

The second key component was the formula that outlined how the actual legacy dollars would be distributed to the relevant hockey stakeholders across the country. This allowed for the long-term stability of the event-hosting model. This model had been developed over time and was considered to be very strong because it was based on the premise of sharing which allowed the branches that were not able to host the World Juniors to share in the profits. The formula works like this: the funds are distributed throughout the sport broadly. Fifty percent remained with Hockey Canada. Thirty-five percent went to the Canadian Hockey League and its teams. The host branch received 15 percent of this fund up to a threshold level (\$200,000) above which the host branch shares the balance with the other 12 branches so the impact is felt across the country whenever the World Juniors are held in Canada.

When Canada hosted the senior men's World Championships for the first and only time in 2008, the guaranteed legacy was \$4 million, which was also the actual amount received. For the women's World Championships, the guaranteed amount had typically been \$750,000 (with profits also coming in around this target). At the women's Worlds, the Canada-U.S. game was a very competitive game and a centerpiece to any of these tournaments. Current efforts were focused on increasing the depth of the tournament pool and making more teams competitive.

The third key component was based on Hockey Canada's ability to host the World Juniors frequently. In early 2000s, the World Juniors had been hosted almost every other year.

The fourth key component was sponsorship, with the global marketing rights secured by Hockey Canada from the IIHF until 2021 for both the World Juniors and the Women's World Championship. Hockey Canada was just beginning to offer international packages to their sponsors and would soon begin to sell sponsorship globally (e.g., General Mills as a global sponsor, or RBC logos on rinkboards, etc.). Smith described this approach:

Our approach right now is that we control and sell all in camera-view. The host committee owns the other properties. This allows us, at Hockey Canada, to focus on Canadian sponsors who get 3.5 million eyeballs and 3.5 million footsteps. That is what drives it. TV drives it.

The fifth key component was the increasing Canadian interest in hockey and in the World Junior Championship. Smith informed those on the call that this increased interest had been driven by and/or resulted in a few important marketing developments for Hockey Canada:

- Increased television audiences with TSN (English) and RDS (French)
- Increased demand for ticket sales and larger crowds at games
- Ticket packages: by selling tickets in packages even non-Canada games were at capacity
- Increases in sponsorship due to capacity crowds and larger television audiences
- Increases in ticket sale prices as the demand continued to grow for tickets
- Increases in other revenue sources such merchandise and event-related products
- Evidence of the economic impact of hosting the event was stronger.

Smith summarized by noting that all of these developments combined had led to a larger platform for Hockey Canada to promote development programs and increased awareness about the sport with all Canadians. Specifically, he summarized that nothing sold better than success since Canadians love to watch Canadians win at hockey. This was why, he explained, 7.5 million people watched the Women's gold medal game in Vancouver. Indeed, the World Juniors had become somewhat of a Canadian holiday season tradition over the past 20 years.

In 1991, Canada hosted the World Junior Championship for the first time in Saskatoon, SK. That event saw Canada win the gold medal on home soil for the first time in front of a national television audience on the cable network The Sports Network (TSN). Since this thrilling victory, Canadians had been hooked on the World Junior Championship, and TSN's reach and partnership with Hockey Canada had continued to grow and strengthen.

Due to a strong partnership with the Canadian Hockey League (CHL) that saw CHL club teams across the country release their top players to Canada's national team for the World Juniors, the best players continued to play at the event, helping it to keep growing. On the ice, as of 2010 since 1991, Canada had won 11 gold medals and captured a medal in 18 of the 20 tournaments. Smith noted that Canada's on-ice success had been instrumental in growing this event, as all hockey fans like to be associated with a winning product.

Following the inaugural event in 1991 (Saskatoon), Canada hosted the World Juniors in 1995 (Calgary), 1999 (Winnipeg), 2003 (Halifax), 2006 (Vancouver), 2009 (Ottawa) and 2010 (Saskatoon and Regina). Each year the tournament continued to draw record crowds and television ratings. Prior to the 2010 Winter Olympics, 8 of the top 10 most-watched programs in TSN's history were World Junior Hockey Championship games. The 2010 gold medal game between Canada and the U.S.A. set a new record with 5.3 million viewers. Even non-Canada games had had tremendous television audiences with a Russia-Switzerland quarterfinal reaching 1 million viewers during the 2010 event.

TSN's website, www.tsn.ca, saw a 47 percent growth in page views from the 2009 to the 2010 event with 6.9 million page views.

Hockey Canada would host the World Juniors again in 2012 with Calgary and Edmonton co-hosting. The 2012 event would mark the first time that all tournament games would be played in NHL arenas, further growing the tournament and its potential reach.

As noted previously, the financial effect of this tournament had continued to grow year after year, as communities across the country looked to host this event and spotlight their city to a growing national television audience on TSN and RDS.

Hockey Canada's host guidelines did not allow communities to run an event at a loss, but as these events had grown so had the guaranteed amount of legacy funds that were generated via the event. As noted in **Exhibit 7**, the actual legacy raised had more than doubled from 2006 to 2010, to more than \$15 million. This was distributed to various grassroots hockey programs in the host province as well as across the country, in order for Hockey Canada to continue to grow the game at all levels. Smith then commented on the impact of these funds: "In seeing the legacy of this event and the economic impact that it has had on the two host communities, the host province and grassroots hockey in Canada, we will continue to work together with our partners to bring

major international events to Canada on a regular basis.” Smith added, “We have not used profit from events in operations; we follow a long-term financial plan that serves the world juniors into the future.” He went on to note that it was because of the success of this event that the IIHF continued to look to Canada as a host for the World Juniors, with the event slated to take place in 2012 and on three occasions (sites yet to be determined) between 2013 and 2021.

The sixth key component was the strength and commitment of the local organizing committee. According to Smith, quality people, leadership, staff and volunteers were necessary ingredients for a successful event. For example, in Ottawa in 2010, Eugene Melnyk, the owner of the Ottawa Senators, led the local organizing committee; due to the professional resources provided by the staff of the Senators, Scotiabank Place, Hockey Canada and branch staff, the event set the standard for future World Juniors. Volunteers were recruited and trained, not just from the hockey community, but throughout the City of Ottawa as well.

The seventh—and final—key component in the event-hosting model was the centralized support of Hockey Canada since that event had reached its peak level. Smith pointed out two particular initiatives in this regard. First, Hockey Canada had invested in an on-site, full-time event manager in order to ensure the events continued to be run at a high standard. Second, Hockey Canada was developing its capacity in ticket selling to increase sales and manage the secondary ticket sales market better.

2010 WJC ECONOMIC IMPACT

The 2010 IIHF World Junior Hockey Championship was held in Regina and Saskatoon, Saskatchewan from December 26, 2009 to January 5, 2010. Based on the preliminary accounting of this event:

- Over \$7.5 million was contributed to Hockey Canada grassroots and high performance programs.
- Over \$5.3 million went to the Canadian Hockey League to be used for player development and player scholarship funds.
- \$1.2 million was divided equally among the other 12 Hockey Canada branches to support their programs across the country.
- The Saskatchewan Hockey Association received just over \$600,000 to support grassroots programs and an educational assistance program within the Saskatchewan Hockey Development Model.

After reporting these numbers to those on the conference call, Smith commented:

Hockey Canada congratulates the host committee and the Province of Saskatchewan for all its work in making the 2010 IIHF World Junior Championship such a success. In seeing the legacy of this event and the economic impact that it has had on the two host centers, the host province and grassroots hockey in Canada, we will continue to work together with our partners to bring major international events to Canada on a regular basis.

Smith then referenced the Canadian Sport Tourism Alliance, which had recently completed a survey assessing the economic impact of the 2010 World Juniors. Visitor expenditures totaled just under \$10 million during this event. A further legacy of almost \$15 million in capital upgrades to the host facilities was reported. The net increase in economic activity in the province due to this event was estimated to be \$48.4 million.

Finally, Smith shared a quotation from Saskatchewan's Premier, Brad Wall, who had said that "These kinds of exciting opportunities help put Saskatchewan on the world map."

The Women's World Championships

The IIHF Women's World Championship was the next most profitable event that Hockey Canada could host on a regular basis. It was first hosted in 1990 in Ottawa, and was held bi-annually until 1999 when it became an annual event; however it was not hosted in Olympic years.

Between 1999 and 2010 Canada hosted the event three times, and five times overall. The first eight tournaments saw Canada defeat the U.S.A. in the gold medal game each time. However, in the last four tournaments, the U.S.A. defeated Canada three times to capture the gold medal. This event had become the showcase event for women's hockey. Smith told the call that many young female players aspired to play in their national team program after watching the event live or on television. He referenced Hockey Canada data, which demonstrated a direct relation between hosting this event and a growth in female hockey registrations for the following season.

Similar to the World Junior Championships, Canada had proven to be a great host for this event as women's hockey holds a prominent place in the sports culture in this country. Hockey Canada would host this event (sites undetermined) in 2013, 2014 and 2017.

Other Hockey Canada Events

Hockey Canada annually hosted a variety of domestic championships to crown champions at various age groups on a national basis. These events typically made a small profit (only four had lost money as of 2010) on operations. A few (e.g., Timmins made approximately \$200,000 for hosting the Women's U17 World Championships) had made significant profits and most had accrued legacy funds, which Smith estimated to total approximately \$3 million as of 2010. Examples of these events included (i) the Telus Cup (Midget Men's Championship), (ii) the RBC Cup (Junior A Men's Championship of Canada), (iii) the Esso Women's Cup (Midget Women's Championship), and (iv) the National Women's U-18 (National Competition of Provincial Women's U-18 teams).

In addition to these domestic championships, Hockey Canada also hosted international tournaments such as the World Junior A Challenge and the World U-17 Challenge. These events (especially the World U-17 Challenge) allowed Canadian players to experience international competition for the first time. They acted as the entry level into the Men's Program of Excellence that built towards the IIHF World Junior Championship.

BENEFITS OF EVENT HOSTING

There were many benefits to Hockey Canada in hosting international events on a regular basis. These benefits were what drove much of Hockey Canada's business and programming at all levels across the country.

Exposure of Hockey to Canadians

Although many people outside of Canada may not have recognized the importance of exposing the game to Canadians, Canada was a country with rapidly changing demographics. The country had seen a great influx of immigrants settle in Canada's three largest cities, Toronto, Vancouver and Montreal. These new Canadians were often from warm weather climates and had never been exposed to hockey. Whenever Canada took to the ice, all Canadians became a part of the team as the discussion in the schoolyard, office, or place of business often ended up drifting to the play of Canada's teams the night before. This exposure to a new generation of young Canadians would allow the country to remain a force in international hockey. By hosting these events, Hockey Canada was able to build and activate the youth development initiatives that were taking place in all small towns and cities across the nation.

Opportunities for Sponsor Activation

International hockey events in Canada attracted attention with several hundred thousand fans attending tournaments and record-breaking television audiences in the millions watching at home. This type of exposure allowed Hockey Canada's sponsors to reach audiences that few other Canadian properties provided for both in-venue and media-based (i.e., television, online streaming, radio, etc.) campaigns. In addition to the in-venue signage, such as rinkboards and on-ice logos, companies were able to bundle these opportunities with television commercial time (via Hockey Canada's partnership with TSN and RDS) in order to really tie their brand to Hockey Canada and the international event taking place. This combination allowed for event and Hockey Canada sponsors to receive a greater awareness for their product during the event, not just in the local community, but across the country as well. In this environment, national sponsors also had an opportunity to work on special in-venue promotions and giveaways, which allowed them to enhance their presence in the host community. For example, at the 2012 World Junior Championships held in Edmonton and Calgary, there were considerable marketing opportunities available to sponsors, given the size and location of the host cities. Similarly, Hockey Canada sponsors could achieve hospitality and hosting objectives via the partnership that could be used to target staff, clients, and prospective clients.

Financial Legacies Generated by Events

Hockey Canada's ability to host IIHF events and generate legacy funds that furthered all aspects of the business were a great benefit for all Canadians involved in hockey. Since the World Junior Championship in Winnipeg in 1999, the legacy funds had grown from just under \$2,000,000 to just over \$15,000,000 in Saskatchewan in 2010.

This exponential growth allowed Canada to remain at the top of international hockey and also allowed provincial branches, host associations, CHL club teams, and all levels of the game to benefit from Canada's role in hosting international events. These benefits came, not just in financial terms, but also through upgraded and new facilities across the country.

Combined Efforts across Hockey Canada

By hosting IIHF events in Canada, Hockey Canada was able to combine all elements of their business in one joint initiative. An example of this was at the 2008 IIHF World Championship in Halifax and Quebec City, when many of the internal departments and staff worked on ancillary events in order to make the World Championship a truly memorable event for all participants.

Examples include:

2008 IIHF World Youth Tournament—This youth hockey tournament saw 40 teams come from across Canada, U.S.A., Mexico, and Europe to participate in the first-ever youth tournament as part of the World Championship. This event helped sell over 1,000 tickets for Championship games.

International Coaching Conference—Over 400 coaches from across the world came to Quebec City to take part in seminars and attend games during the World Championship.

IIHF and Hockey Canada Skills Competition—Over 40 children from Canada and an additional 40 from across the world participated in a youth hockey skills competition that also saw all participants attend games at the World Championship.

Canadian Recreation Facilities Council Arena Symposium—This conference allowed arena managers from across the country to come to Quebec City to learn about the newest technology and study best practices from across their industry while being a part of the first IIHF World Championship to be held in Canada.

LOOKING FORWARD

Smith wrapped up the conference call by asking all participants to get back to him within a week on their ideas for continuing to grow the events side of Hockey Canada's business. Before ending the call, he reminded his audience and Canadians alike that "our goal is to maintain a good pace of growth."

CASE DISCUSSION QUESTIONS

1. Identify and explain the drivers of growth that have allowed Hockey Canada to become successful at hosting international events in Canada.
2. What are the risks to Hockey Canada's event-hosting business model in the future?
3. Identify areas of potential growth and outline how Hockey Canada can leverage these both financially and to help grow the game of hockey.
4. How important is success on the ice to the event-hosting model?
5. Due to the unprecedented television audiences for the World Juniors in Canada, what could Hockey Canada be doing to ensure that their national partners receive maximum exposure during events around the world?
6. How do you respond to Scott Smith's request for a plan to maintain steady growth? What does your plan look like?
7. How do you account for digital media, social media and online viewing in your future plans?
8. Create a strategy to grow the benefits of hosting the Senior Women's IIHF World Championship in Canada? How would the strategy differ (or not) for domestic events?
9. Discuss how each of the following are important to the event hosting model:
 - a. Host city – Single or Multiple Host Cities
 - b. TV Schedule Issues
 - c. NHL Playoff structure

Exhibit 1
Canadian Television Ratings Info – 2010 Olympic Hockey Tournament

Top 10 Watched Olympic Events

	Total Viewers	Event	Date
1.	16.6 million	Men's Hockey: CAN/U.S.A.*	Feb. 28
2.	14.3 million	Closing Ceremony	Feb. 28
3.	13.5 million	Opening Ceremony	Feb. 12
4.	10.6 million	Men's Hockey: CAN/U.S.A.	Feb. 21
5.	10.5 million	Men's Hockey: CAN/RUS	Feb. 24
6.	9.7 million	Men's Hockey: CAN/SVK	Feb. 26
7.	7.5 million	Women's Hockey: CAN/U.S.A.	Feb. 25
8.	7.44 million	Short Track Speed Skating: Men's 1000m	Feb. 20
9.	7.4 million	Men's Hockey: CAN/GER	Feb. 23
10.	6.9 million	Men's Curling: CAN/NOR	Feb. 27

* Gold Medal Ice Hockey Final (Men)

- TV ratings (Nielsen) found this single game was the most watched television event ever in Canadian history

Source: Nielsen Media Research, 2010.

Exhibit 2

U.S. Television Ratings Info – 2010 Olympic Hockey Tournament

U.S. Ratings: 2010 Olympic Winter Games

Olympics Overall

- Based on total viewers, 2nd most successful Winter Olympics ever (190 million viewers)
 - Only the 1994 Winter Games (including the Nancy Kerrigan-Tanya Harding incident) had more total viewers.
- Based on ratings (13.2 share), higher than Turin (12.2) but lower than Salt Lake (19.2) and Nagano (16.3)
- Over the 17-day period
 - OLYMPICS ON NBC: 24.4 million average audience
 - Fox/CBS/ABC combined: 22.3 million (9 percent advantage)
 - Fox 9.2 million (165 percent advantage)
 - CBS 7.5 million (225 percent advantage)
 - ABC 5.6 million (336 percent advantage)

Gold Medal Ice Hockey Final (Men)

- Most-watched hockey game in 30 years
- Average viewership of 27.6 million
 - Total 52.9 M
 - Peak of 34.8 M from 5:30pm to 6:00pm EST (end of game + overtime)
- A 10.5 M increase over the 2002 gold medal game (also with Canada-U.S. playing)
- Most viewers since 1980 U.S.-Finland gold medal game (following Miracle on Ice win)
- Miracle on Ice (1980 semifinal): 34.2 million average viewers (tape delay)

Source: Nielsen Media Research, 2010.

Exhibit 3
Canadian National Team Performances at IIHF Events

Canadian National Team Standings in IIHF Events: 2002 to 2010

	2002	2005	2006	2007	2008	2009	2010
M - U-20	Silver	Gold	Gold	Gold	Gold	Gold	Silver
M – WC	6 th	Silver	4th	Gold	Silver	Silver	7th
M – Olympic	Gold	-	7 th	-	-	-	Gold
W – WC	*	Silver	*	Gold	Silver	Silver	*
W - Olympic	Gold	-	Gold	-	-	-	Gold

*Note: the IIHF does not host Women’s World Championships in Olympic years.

Source: “International Ice Hockey Federation: History – All Medalists,” International Ice Hockey Federation, <http://www.iihf.com/iihf-home/history/all-medallists.html> (December 10, 2010).

Exhibit 4 Hockey Canada Organizational Structure

Policy Committees	Hockey Canada Board of Directors			Standing Committees	
International Open	Officers (8)			Finance	
Women's International	Branch presidents (13)			Management	
Policy Development	Council representatives and directors (8)			Insurance	
Program of Excellence	Special advisory council (5)			Registration	
Junior				Constitution, by-laws and regulations	
				Resolutions	
Ad Hoc Committees				Nominations	
Domestic Championships				Business/Marketing	
				Risk & Safety Management	
				Appeals	
Female Council (13)	Minor Council (15)	Hockey Development Council (24)	Junior Council (16)	Senior/Recreational Council (15)	
Coaching Committee	Athlete Committee	Officiating Committee	Safety Committee	Risk and Safety Committee	Parent Advisory Committee

Source: Data compiled from "About Hockey Canada: Structure," Hockey Canada, http://www.hockeycanada.ca/index.php/ci_id/6843/la_id/1.htm (December 20, 2010).

Exhibit 5 Hockey Canada Organizational Structure

DOMESTIC	RESEARCH AND DEVELOPMENT	INTERNATIONAL
Minor	« CENTRES OF EXCELLENCE »	Under 17 men's
Female	Players	Under 18 men's
Junior	Coaching	Under 18 women's
Senior/Adult recreation	Officiating	Under 22 women's
	Initiation	World Junior Championship
	Parents	Women's World Championship
	Safety & Sport Medicine	National Men's Team
	Recreational	Olympic Games
	Video libraries	Men's World Championship
		World Cup of Hockey

Program Delivery

CHL	Branch associations
Regional Centers of Excellence	CIS

Membership

Players	Volunteers
Coaches	Parents
Administrators	Officials

Source: Data compiled from "About Hockey Canada: Structure," Hockey Canada, http://www.hockeycanada.ca/index.php/ci_id/6843/la_id/1.htm (December 20, 2010).

Exhibit 6

Canada's Performance History at the Olympic Games

Canada has always played a prominent role in the Olympic hockey competition. Ice Hockey was first introduced in 1920 and Canada won the first four gold medals at this competition by sending club team champions. Canada continued to have strong performances at the Olympics up until 1968 when they captured the bronze medal. Canada often felt that they were not able to send their best players to compete in these events, as they were participating in the NHL and therefore withdrew from international competition for the 1972 and 1976 Olympic Games.

Canada was able to secure two silver medals in the 1992 and 1994 Olympics using teams comprising low-level professional players and top junior players. However, this would change; beginning in 1998 the IIHF entered into a partnership that would allow the NHL to release their players to their national teams for the 1998 Games in Nagano. In addition to this, female hockey would become an Olympic event for the first time.

The Nagano Olympics were a very disappointing time for Hockey Canada, as the women's team lost to the U.S.A. in the gold medal game and the men's team came in a disappointing 4th place after a heartbreaking shootout loss to the Czech Republic in their semi-final game.

In 2002, in Salt Lake City, Canadians once again were optimistic about their Olympic hockey teams. Men's team Executive Director Wayne Gretzky had picked an interesting mix of veteran and younger players to represent Canada in this tournament. The Women's Team played very well throughout the tournament and, to no surprise, met the U.S.A. in the gold medal game. After killing several penalties throughout the later stages of the game, Canada was able to capture their first gold medal in women's hockey in Salt Lake City.

In addition to the women's victory the men's team won the gold medal by defeating the U.S.A. home team in a thrilling final. This victory by the men's team was the first Olympic gold medal in men's hockey in 50 years in Canada and set off celebrations across the country. The game was the most-watched hockey game in the U.S. since the American Olympic team's Miracle on Ice victory in 1980. In Canada, the CBC had an audience of 10.6 million people that more than doubled the previous record for a hockey game on the national network.

Leading into 2006, Canada looked to defend both of its Olympic gold medals. The Women's team was able to do so by defeating a surprising team from Sweden that upset the heavily favored Team U.S.A. in their semi-final. Canada's men's team had a disappointing 7th place finish.

In 2003 when Vancouver was awarded the 2010 Winter Olympics, all Canadian hockey fans began to make their picks as to who would be selected for Team Canada. In December, 2009, Canadians would no longer have to wait as Team Canada's roster announcement was made at the World Junior Hockey Championship in Saskatchewan and broadcast live across the country on 13 television networks. In the most anticipated hockey tournament in history, Canada defeated the U.S.A. in both gold medal games in order to cap off a great Olympics for Canada.

Source: Compiled by authors from information provided by Hockey Canada.

Table 7
Canadian Hosted IIHF World Junior Championships

Canadian Hosted IIHF World Junior Championships

<i>Year</i>	<i>Host City</i>	<i>Guaranteed Legacy</i>	<i>Actual Legacy Raised</i>
1999	Winnipeg	\$1,000,000	\$1,800,000
2003	Halifax	\$3,000,000	\$3,500,000
2006	Vancouver	\$6,000,000	\$7,900,000
2009	Ottawa	\$12,500,000	\$14,200,000
2010	Saskatchewan	\$12,500,000	\$15,300,000

Source: Compiled by authors from information provided by Hockey Canada.