

Uncertain cash flow, delays and an underappreciation of AV are among the challenges Tim Kridel uncovered when talking with integrators and consultants who target arenas and other facilities for major events such as the Olympic Games.

Scoring big

Government-backed sports projects such as the Olympic Games and World Cup can be a real feather in the cap for AV firms. They also can be a pain for those that aren't prepared for all of the vertical's financial, political and procedural challenges.

For example, AV firms rarely work directly with the government agency in charge of the project. Instead, they're typically subcontractors to the general contractor or even subs to other subs, such as the electrical contractor. It's also common for audio to be subbed out by the company that wins the safety contract because sound systems help direct patrons during emergencies. So for AV firms, one way to enter this vertical is by cosying up to general contractors and subs already there.

This strategy has its pros and cons. On the plus side, riding their coattails can be a way to get jobs that otherwise might not be possible. On the other, sometimes those intermediaries benefit from their AV sub's recommendations at the expense of the client and even the AV firm's reputation.

"If the integrator suggests cheaper equipment, more often than not, that larger profit margin will be absorbed by the main installers and contractors, without an actual cost benefit for the end client and, worse than that, failing to deliver on the quality and expected systems performance," says Ricardo Castro, an audio consultant whose recent projects include Olympic facilities in Brazil.

"Also, some of the times, while purchasing the most expensive equipment, the end client will believe that

“The main challenge is timing. For example, we had to install Mersin Stadium in 128 days because the Mediterranean Games opening was settled, and we had to broadcast to 120 countries.”

- Görkem Celikbilek, Asimetrik

that's the best solution in the market and, after a while, will realise that they're either simply not using the equipment or that it is impossible to take full advantage of all of the costly features and parameters that were reflected on the high project bill."

Castro's firm, RCOE, is an example of the consultancies – including the AV variety – that are common on government sports projects.

"Sometimes consultants are novated to the main construction company," says Peter Hunt, group CEO of Hewshott, whose recent projects include Perth Arena and Burswood Stadium. "Sometimes the government retains them for peer review and the main contractor gets their own.

"The complex interaction between consultants on both sides and ultimately the AV vendor is certainly not straightforward, and usually the AV vendors become a delivery mechanism. AV vendors are very rarely engaged by the government. Consultants are usually engaged by both sides."

The crowded field sometimes includes AV manufacturers bypassing their resellers to go direct.

"We see manufacturers targeting these projects to try and get the entire project specified to use their products," Hunt says. "With the consolidation we are seeing in the market, I expect this to increase, but not for it to necessarily benefit anyone other than those manufacturers."

Crunch time and the bottom line

Although major sports facilities involve years of planning and construction, there's often a mad dash toward the end. Construction delays ripple down to AV because it's tough to install signage or loudspeakers when there's no place to mount them yet. And even when there is, installation still might not be an option because other trades in that area could accidentally damage AV gear.

"The main challenge is timing: We have limited time for installation," says Görkem Celikbilek, Asimetrik vice president. "For example, we had to install Mersin >

Ataköy Athletics Arena, Turkey



London 2012 Olympic Stadium (Left) and Baku Olympic Stadium where Asimetrik installed audio and broadcast systems.

< Stadium in 128 days because the Mediterranean Games opening was settled, and we had to broadcast to 120 countries.”

It’s often futile to ask for more time, so flexibility is key, especially for firms that juggle multiple government sports projects at the same time.

“We have to commission many projects at the same time,” Celikbilek says. “For example, we installed and commissioned Baku Olympic Stadium, Baku Shooting Center and Baku Sports Hall at the same period. We conducted a study in co-ordination with other subcontractors, construction company and producing companies. We need to be very organised and plan appropriately ahead of time to avoid any delay.”

Even if delays are another trade’s fault, that doesn’t mean the AV firm gets extra time.

“The deadline for delivery does not change, and the time on the operation of the AV integrator is less,” says Igor Isheev, CTO of Polymedia JSC, whose recent projects include the Main Media Centre for the XXII Olympic Winter Games and XI Paralympic Winter Games. “Therefore, it is necessary to have a stock of resources when you have to organise the work as much as possible in parallel and multiple shifts.”

Those resources should include money to keep making payroll because delays can affect cash flow.

“There are delays in funding,” Isheev says. “For [an] AV integrator in this case to withstand the deadlines, [they] need to have their own financial resources.”

The good news is that eventually the cheques come.

“I’ve never had the experience of a government not paying,” says Roland Hemming, an audio consultant whose projects include the London 2012 Olympic venues. “The construction companies are pretty savvy. These contracts are half the size of a telephone directory. [But] it’s common for the main contractor to pay late.”

Other challenges are familiar ones. Take the lament – heard in just about every other vertical – that AV should have been brought in during the project’s initial design phase.

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“Think about the process of where you have some general consulting engineers consulting on everything at the beginning, where they’re doing just the concept,” Hemming says. “At what stage do you ramp that up to 50 different disciplines being consulted?”

“So inevitably we’re going to be late, and we can’t change that. Moaning about it in an article isn’t going to change that because we’re preaching to the wrong people. You just have to deal with what you’re given.”

Getting the gig

Sports facilities built for major, international events such as the Olympic Games come with a lot of national pride, which can affect which companies – including AV firms – have a shot. For example, the press might complain loudly if a foreign outfit gets a big chunk of the project because the money flows abroad or because there are plenty of qualified locals.

Some AV pros say localism is less of a factor in developed countries.

“In a developed country, there’s little chance of a foreign company doing that work because in many ways, it’s a local job,” Hemming says. “Just logistically, they wouldn’t be priced acceptably. You’re on site for so bloody long.”

Another potential factor is the ability to provide multiple types of systems, or at least be able to work with the trades handling them. In that respect, the government sports market is similar to the enterprise vertical, where an AV firm’s success increasingly hinges

on its ability to provide, or at least play nice with, IT systems.

“A modern sports venue is a co-existence and interaction of different technical systems: engineering, AV, judges, advertising and information, security alerts, etc.,” Isheev says. “If the system integrator has competence [in] the overwhelming number of the technical sub-systems and [in] integrating them with each other, the greater the chance [it will have] to be announced [as] the winner.

“This competence [includes] both the system design and equipment supply and installation. In part, it can help to become the winner [based on] the existence of the state of the company’s services on the lease of equipment. Some of the system during operation, and more often at the opening of sports venues, [is] needed for a short time for a specific event. For the system integrator, it is important to have a staff of qualified professionals and the ability to attract and effectively manage the additional resources.”

The A in AV stands for “Afterthought”

If an arena’s or stadium’s AV systems look and sound lousy, patrons will complain. That’s obvious, but veterans of this vertical say governments and general contractors don’t appreciate that fact until it’s too late – as in expensive change orders or embarrassing events.

“All of the obstacles encountered during the development of AV projects and installations are

< essentially related to, usually, low value that AV systems represent in the grand scheme of construction works," Castro says. "With few exceptions, AV represents 3% to 5% of the global budget. Put simply, AV is not relevant and is often underappreciated and ignored. Effectively, it is an undervalued sector, at the mercy of large general contractors and installers."

This reality is something that AV firms have to ponder when deciding whether to get into, or stay in, the government sports vertical.

"I don't believe that within the traditional construction environment, your end result will ever be a good-sounding system because you're brought in late and because construction doesn't care about sound," says Hemming. "It cares about a basic performance specification. All they're trying to do is get to the minimums, not the maximums.

"You can [tell the general contractor], 'It would be nice do this.' They don't care. 'Does it meet our minimum contractual obligations? End of story.'"

But others say this mindset is slowly changing.

"There is no doubt that historically, AV was an afterthought: It was not considered to be anything other than a 'screen on the wall' or a speaker system," Hunt says. "As we all know, it couldn't have been further from the truth then, but it's much more visible

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now, partly because the historic position created problems.

"We see early engagement by intelligent stakeholders as they recognise AV is on the critical path. Our experience is that there is an increase in early engagement on project work across the board, which has to be a good thing for the industry as a whole."

Arenas and stadiums are massive facilities, and that scale means acoustical treatments and other remedies can eat up a lot of the already small AV budget. They also can be a tough sell to the general contractor or government agency because they won't grab patrons' attention. Of course, the need for those remedies could be minimised if AV got to collaborate with the architect and general contractor early on in the project, but that's as rare as a good night's sleep toward the end.

But over the long term, these problems sometimes

become opportunities.

"Quite often, starting around five years after they're built, people like us will get a call that the system isn't right," Hemming says. "Now, they've known their system isn't right from the start, but they can't sue anybody because the main contractor had a watertight contract, and they fulfilled their obligations."

Sometimes the venue's operator will tell the government agency, or whatever entity is now in charge, that the AV system has reached the end of its useful life – even when it hasn't – to convince them to fund its replacement. These redo projects can be attractive to AV firms that want to target this vertical but don't want to deal with the hassles of new construction. Veterans say there are plenty to choose from.

"There's a huge amount of bad stadiums out there," Hemming says. ♡

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