

The preparation of a contingency plan

The creation of a contingency plan is essential in any sports project to ensure the continuity of the project and recovery from unforeseen events. Therefore, it is necessary to pay attention to it and all the necessary resources in the **development of the plan**.

This plan can be developed from the following steps:

-  Identify the key criteria in the viability of the project
-  Detail the risk factors
-  Assess the level of impact of the risk factors
-  Determine contingency measures
-  Implement strategies towards risk factors
-  Assess agility and autonomy in decision-making regarding risk factors
-  Develop risk scenarios
-  Share the contingency plan with the work team
-  Review the contingency plan periodically

The first step is the **identification of the key criteria** in the viability of the sports project being analysed. All these criteria must be aligned in such a way that there is a balance between them in order to guarantee a satisfactory result for the project.

Taking a sports facility as an example, the key criteria could be the volume of people who subscribe to the center, the pricing policy and the alignment of expenses with the quality of the service, among others.

Next, and in accordance with the key viability criteria identified, it is necessary to detail the different variables that can be considered risk factors for the project. These may have a greater or lesser impact on the final economic result, some of them being of particular importance for the overall viability of the project.

In most cases, however, there is a correlation between them, either in the effect on the operation or in the approach of corrective solutions so that there is consistency in the business model.

At this point, it is important to hold a brainstorming session with the members who are part of the project to identify all potential risk factors.

Once the main risk factors of the sports project have been identified, it is interesting **to assess the level of impact** of these on the economic result according to the following criteria.

Impact level	Description
1	Low level of impact on the income statement
2	Mid level of impact on the income statement, affecting the treasury
3	High level of impact on the profit and loss account affecting mid- and long-term viability

Subsequently, it is necessary to identify those risk factors in which the people responsible for the project have **greater agility and autonomy in making decisions** for the implementation of contingency measures.

This assessment also considered the speed with which changes can be applied, as well as the impact on the overall strategy and positioning of the project.

Agile decision-making level	Description
A	Flexibility and agility in decision-making for a quick solution by the sports project management
B	Certain flexibility and agility in decision-making for a quick solution on the part of the sports project management
C	Little flexibility and agility in decision-making for a quick solution by the management of the sports project

Once the different types of risk factors and their impact on the viability of the project have been identified, the contingency plan can be designed by implementing the different **strategies** in accordance with each of the possible situations:



Even if the risk is an element that will always exist, the contingency plan must determine **the main contingency measures** adopted for the main risks, being able to differentiate between preventive and corrective measures.

Preventive measures

Actions to eliminate the occurrence of the identified risk, avoiding or neutralizing its impact or risk transfer

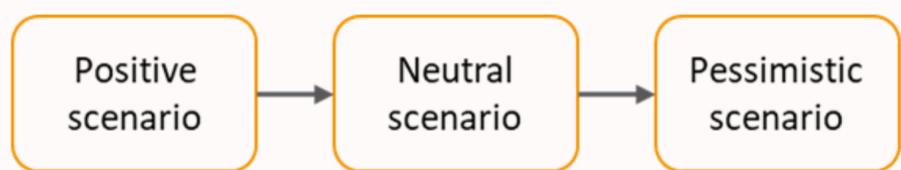
-Preventive Strategies 1 2

Corrective measures

Measures to reduce and/or recover the impact

-Corrective Strategies 3 4

Once the contingency measures for the existing risk factors in the sports project have been presented, it is necessary to develop **3 scenarios**, ordered from pessimistic to optimistic, with the aim of analysing the economic and financial impact on the project.



Once the scenarios have been created and the contingency plan finalized by the management of the sports project, it is important to **share it with the rest of the workforce** or with those people the management deems appropriate. The contingency plan is shared to ensure that everyone knows what will be done, so that when the time comes to implement the plan, management can act as quickly and smoothly as possible.

In the same way, it is necessary to **review the contingency plan** frequently to ensure that it is adequate. New risks and/or new opportunities must be considered, as well as internal factors that may alter the project's outlook.

Finally, there are a series of common mistakes when drawing up a contingency plan. To avoid these mistakes, the following measures are proposed:

1 Lack of acceptance of the plan

There is a lot of work behind the creation of a contingency plan, so before starting, you need to have the support of the various decision-making members of the project, or at the very least, that the stakeholders see the contingency plan as something that they can support

2 Bias against 'Plan B' style thinking

Certain business cultures don't like to think about alternative plans, but not thinking about them can expose the project to more risk

3 Failure in contingency plans review once completed

Make sure to schedule periodic reminders to review and update the contingency plan, to guarantee the best response to negative events