This paper seeks to understand the fluctuating fortunes of an annual international sports event over time. In particular, it sheds light on the links between brand creation, organizational effectiveness and organizational variables using the perspective of viable systems thinking first proposed by Stafford Beer.

KEYWORDS: sports events, organizational design, systems thinking, viable systems model

INTRODUCTION

The study reported here was part of a wider multi-methodological research project examining the branding process — brand creation and brand identity — within large international recurring sports events. This paper focuses on the specific case context of the annual two-day Sevens Wellington rugby tournament in New Zealand. The Wellington tournament, which has been held in February each year since 2000, is part of what is now known as the World Rugby Sevens Series, consisting of ten tournaments in ten countries, played on annual basis. The Sevens Wellington tournament marks round five of the World Rugby Sevens Series and over fifteen years has become one of NZ’s most popular sporting events. Popular with players and known for its unique ‘carnival’ atmosphere, the event has traditionally attracted high spectator numbers. Yet in 2014, 2015 and 2016, the event struggled to achieve a ‘ticket sellout’ as before, and also struggled to meet its sponsorship goals, perhaps amongst other factors, due to a decline in brand strength.

This paper uses findings from the Sevens Wellington study to demonstrate the benefits of a multi-methodological approach to understand the inter-relatedness of effective brand creation, and underpinning organization-related factors. Further background on the wider study, and to the sport of rugby and Sevens can be found in a companion paper (Harrison & Davies, 2016). The wider study examined brand issues using primarily the model/framework developed by Parent et al. (2012). This framework also, and necessarily, encompasses organizational variables, and addresses notions and issues related to organizational structure, governance and management. These inter-related organizational and branding matters provide a rationale for adopting a multi-methodological approach to understanding the concerns and how they may addressed (Davies et al., 2004; Mabin et al., 2007). As such, the use of Beer’s Viable Systems Model (VSM) (1974, 1979, 1981) to provide an alternative and complementary perspective on such organizational matters, was considered to constitute an appropriate multi-methodological approach to both branding and organizational design.

Following a sketch of Parent et al’s brand creation model (2012), whose development is described elsewhere (Parent et al, 2007, 2008, 2009), the paper provides an outline of the
VSM (Beer, 1974, 1978, 1979; Brocklesby et al., 1995). It then proceeds with a VSM diagnosis and analysis of findings from the brand creation study relevant to the Sevens Wellington organization, whilst a companion paper (Harrison & Davies, 2016) addresses methodological developments in understanding brand creation and brand identity.

RELATED WORK

The research on which this paper is based sought to understand the issue of brand creation and brand identity for the Sevens Wellington tournament and aimed to provide qualitative and empirical insights that would influence the continued evolution and strategic management of the brand. The guiding framework for the examination of brand creation was that of Parent et al (2012). The wider research also sought to address a gap in the literature by examining the inter-relationships between the four referents of Parent et al’s (2012) model of brand creation for a recurring international sports event in a NZ context – the Sevens Wellington rugby tournament. The referents include, but are not limited to: (a) the importance of the LG, (b) the context for the event, (c) the nature of the event, and (d) the induced event experience. The research sets out to explore whether Parent et al’s (2012) model can usefully be extended to the Southern hemisphere, specifically to identify and consider factors that may impact brand creation for the Sevens Wellington event (hereafter referred to as ‘the Sevens’).

Figure 1. Parent et al.’s 2012 Brand Creation Model for International Recurring Sports Events

In prior work, extending Aaker’s (1992, 2014) generic concepts, Richelieu (2004) identified that sports consumers develop strong emotional attachments to sports events, helping to create a strong brand. Therefore, defining a sports organization’s identity is considered to be important aspect in building a brand strategy. Parent & Foreman (2007) later examined the process of organizational identity construction (OIC) in order to better understand how sports event organisers could build their brand more effectively. They proposed that if identity is a core aspect of brand creation, that specific identity referents (the central, enduring and distinct elements relating to an organiser’s intent and purpose) could become important for brand creation.

Whilst Parent et al. (2012) extended the scope of work on international recurring sports events to the Northern hemisphere, there had been little research that examined brand creation for sports events in the New Zealand (NZ) context, let alone events so closely associated with NZ’s
national game, rugby. The brand creation study on which this paper is based, sought to address these matters, and similarly to highlight the importance of the same brand equity referents in creating the Sevens event brand: in particular, the importance of a Leadership Group (LG) exhibiting political/networking, business/management, and sport/event skills. Ross (2006) had previously presented a framework for spectator-based brand equity for sports teams. That study surfaced three categories of antecedents to brand equity; those that are organization, market, and experience induced. These categories encompassed ideas put forward by Berry (2000) who not only highlighted the experiential nature of sport in creating memories for spectators, but also how sports brands are in continuous interaction with both spectators/consumers and the organization. These findings, in toto, give prominence to the importance of an organization’s mission, vision and values in brand creation; and to the concept of ‘leadership brand’, where employee and organizational values are effectively aligned (Urde, 2003; Ulrich & Smallwood, 2007). These are all factors incorporated within Parent et al.’s (2012) model of brand creation for recurring international sports events. Drawing on these findings, we suggest that such notions as identity, vision, mission; and their role in understanding, reacting and adapting to the environment, stakeholders etc, all point towards use of Beer’s VSM as a complementary framework for understanding the interrelationship of organizational variables with brand creation (Angen, 2000).

The Viable Systems Model

Whilst a detailed description of the theoretical underpinnings of the VSM is not within the scope of this paper, a parsimonious outline is provided. In summary, the VSM embraces the principles of organizational cybernetics in a systems approach to designing complex, adaptable systems that are regarded as organizations (Beer, 1959). The VSM encompasses five sub-systems - identified as also existing in other viable organisms, the brain and body - and the appropriate feedback and information flows that connect those sub-systems, facilitating self-adaptive viability. These sub-systems may also be capable of viability. As such, viable systems are recursive; that is, viable systems contain embedded viable systems that can be modeled using an identical cybernetic description as the higher (and lower) level systems in the wider systems hierarchy. Beer has conceptualised all viable systems as sharing a network of communication channels bonding these five complementary sub-systems (Davies, 2013). The five sub-systems whose effective systemic functioning and communication links are necessary for organizational viability, are shown in Figure 2.

Figure 2: The VSM – Sub-systems and Systemic Functions

| S1 Operations | • autonomous operational units that act out the very identity and purpose of the overall system, doing what the system is designed to do. |
| Meta-System | • comprising four other sub-systemic functions |
| S5 Identity | • the creation and promulgation of identity, values, purpose or raison d’être, vision, direction and mission, throughout the organization and its wider environment |
| S4 Intelligence | • strategy development serving the organization’s future; focusing on the future and external environment |
| S3 Resourcing | • operational planning, resourcing, formal reporting, regulation, control and audit functions relating to the autonomous units; focusing on the inside and now of the organization |
| S3* Monitoring | • informal monitoring of culture, performance, risk |
| S2 Coordination | • effecting overall coordination of autonomous units, ensuring autonomous operational units work in harmony |
| Environment | • VSM recognition and capture of the environment within the model is necessary to reflect the domain of action for the organization, and to contextualise or ground the internal interactions of the organization |

Adapted from Davies (2013) and Brocklesby and Cummings (1996)
The communication links and relationships with each other sub-system, and the environment, are depicted graphically in Figure 3. The VSM framework is generally used to help structure thinking about organizational systems, their functioning and activities of interest (for example, branding); the relationships between key elements; the deployment of key resources; and performance and effectiveness. It should be noted that the five inter-related sets of systemic functions are not necessarily role descriptions for individuals or groups contributing to those systemic function; and that the VSM is simply a way of capturing and conveying the interdependence between the sub-systems, their systemic functions and communication links.

**Figure 3: Stafford Beer’s Viable Systems Model**

The Sevens organization and the VSM Framework

The Sevens organization is presented below (Figure 4) as a schematic VSM representation. Its cybernetic or systemic strengths are then presented as a VSM diagnosis. In this initial conceptualization, it should be noted that the Sevens organization, the System in Focus (SIF), is also regarded as a nested S1 unit of the WRFU system (2014a), which in turn is embedded as a S1 unit within the NZRU system. Within the Sevens system, and certainly within its own embedded S1 units covering tournament operations, entertainment and stadium experience, it may not be surprising to find silo effects in evidence. However, the VSM representation makes it more readily obvious that considerations of coordination are now seen to encompass elements across different logical levels of nestedness, or recursion, of the overall system; and also between elements at the same level of recursion – highlighting, in a different way, not only the complexity of coordination functions, but the difficulty in attending to silo effects. Indeed, as mentioned above, key issues that had surfaced in the findings of the wider study, related not only to matters underpinning successful brand development facing the Sevens event, the organization, per se, but also environmental forces and factors. As such, the various elements contributing to the Parent et al.’s (2012) model have been reconceptualised and reinterpreted using the VSM (Figure 5) to highlight matters that may jeopardize organizational effectiveness. These include, for example, systemic role conflict, systemic overlap in functional responsibilities, and/or systemic gaps or weaknesses within the organization or wider system.
As an overview of findings, we note at the time of the study, there was an absence of S2 and S5 functionality within the wider system relating to the Sevens system, and its S1 operations.

In particular, there was a seeming lack of S2 coordination within the WRFU system, manifest as policy framework limitations adversely impacting Sevens organisers; and as less than adequate guidance about managing incompatible sub-optimal local objectives of tournament, stadium and entertainment S1 operations. The S2 weakness within the wider WRFU system has impacted...
on the *Sevens* as a WRFU S1 sub-system, and on the *Sevens* as a viable system in its own right. Such matters and others manifesting within each systemic function are explored below.

**S5 Purpose/Identity/Values/Vision/Mission**

The S5 function is responsible for deciding on strategic direction and strategy, the organization’s values, vision and mission – and thus for guiding the development of operating and policy decisions within the organization as a whole (See Figure 3). It also has systemic responsibility to project identity, both within the organization and also to the external environment; to balance demands from different parts of the organization. In general, S5 functioning encompasses responsibility for stewardship of the organization, for steering its strategic direction.

One key theme that emerged from the findings of the wider study, could be interpreted as an apparent S5 dysfunction in the *Sevens* organization. This likely stems from a lack of overarching, long-term direction and vision for the *Sevens* tournament within the wider system.

**SS Strategic Framework and Positioning** - One of the strategic goals of the NZRU is “two Olympic Gold medals in Rio” - goals that relate specifically to *Sevens* rugby. There are also elements within the overall NZRU strategy that are of specific relevance for *Sevens* rugby. These include increasing commercial revenues generated by *Sevens* to ensure the financial sustainability of the NZRU *Sevens* programme; attracting more people to the game; continuing to enhance traditional international relationships such as those with the global governing body – now known as *World Rugby*; continuing to leverage commercial relationships and global networks to grow its brands; and contributing leadership and expertise to developing the global game in a way that benefits NZ (NZRU, 2014a, b). It is not surprising that perceptions of an apparent emphasis on protecting revenues and profit from the *Sevens* exist. If so, it may be inferred that such other goals and priorities need to be well communicated, if they are to influence *Sevens* S5 thinking.

Indeed, the role that *Sevens* rugby will play (as a S1 of the wider NZRU system) may need to be promoted more widely. In addition, there appears to be an opportunity for a governance structure that promotes a more cohesive role for *Sevens* rugby, in general, and for the *Sevens* tournament which plays such a crucial role in achieving the related strategic goals outlined above.

**SS/4/3 Governance Structure** - Findings from the brand creation study identified systemic issues associated with the S5 governance role within *Sevens* (Davies, 2002). As stated above, S5 systemic dysfunction can stem directly from a lack of a compelling S5 identity for *Sevens* rugby within the NZRU strategic framework, but it can also be related to other S5 and S3 weaknesses. As the governing body responsible for *Sevens* in New Zealand, the NZRU had gained the hosting rights for the *IRB/World Rugby Sevens Series* event to be held in Wellington and NZ. Although there is a joint ‘advisory board’ to effect wider S3 resourcing and S2 coordination of the *Sevens*, it appears not to have the status of a governing board, and, as such, is seemingly not charged with carrying out the broader S5 functions usually expected of a governing board.

**S4 Strategising/Intelligence**

Effective S4 functioning requires thinking about the external environment, both *now* and in the *future*, examining trends and scenarios – and then strategising to provide the S5 governance function with more relevant options for strategic direction. S4 functions also include the responsibility of modelling/understanding the system in its entirety, that is, seeing the organization as a whole related to its both its internal and external environments, and then assessing its resilience in the face of anticipated and unanticipated scenarios and futures. This also contributes to the S4 role of stewardship and securing the future, its long term viability and sustainability
S4 Strategic Planning – Environmental Scanning - As the research findings indicated, the Sevens tournament has been faced with several challenging trends, both in the NZ local environment, and globally. Domestic trends include a large shift in perceptions and attitudes around alcohol, and new legislation governing the sale and management of alcohol at events (WRFU, 2014b; AACNZ, 2010). Global trends include spectator and media preferences shifting towards short format sports, and Sevens itself, as a sport is growing in global popularity and significance because of its designation as an Olympic sport. Furthermore, the prevalence of global connectivity and access to digital media via electronic devices will soon change the way people engage with live events and their expectations around how content is delivered. Although the participants in this research generally acknowledged these trends, an under-developed S4 function and lack of S4 resource has limited the strategic response seemingly available to the S5 governance function/board. As a result, the event has been perceived to be ‘reacting’ to the environment, rather than anticipating the environmental change, and then, in a process of amplification, getting ahead of the competition and becoming a market leader once again.

S4 - Product Life Cycle and Innovation - Other findings of the brand creation study highlighted that the Sevens event had reached the ‘mature’ phase in the product life cycle, perhaps even entering the ‘decline’ phase. If so, then with increasing pressure from competitors for the sport/entertainment dollar, the Sevens organization has need to boost S4 functionality in terms of market intelligence and strategising, and may have to commit more resource to defend the event’s market position or to introduce market extension strategies. Indeed, ineffective S4 functioning may compromise the continued success and viability of the Sevens. Although the Sevens brand, in terms of Sevens S5 identity, has evolved organically driven primarily by spectators over time, there had been no underlying change in the product.

S4 Change Leadership - Given changing environmental factors and the need and likelihood of the Sevens brand evolving further, a key factor to facilitate change will be an effective S5 function within the wider system enabling strong S5 leadership of S4 strategy in the Sevens organization.

S3 Resourcing, Operational Planning and Control

The Sevens S3 function can include day-to-day managerial involvement in, and resourcing of S1 units – not just with funds or people, but with policies, guidelines, goals, instruction etc. Effective S3 functioning should also pay attention to, and provide for infrastructure, as well identifying and seeking an optimal balance between the centralization and decentralization of support activities.

S3 Organizational Design and Structure - Within the current Sevens organization, the S3 function provides HRM, marketing, sponsorship and communications support that facilitate, but does not deliver S1 operations. As highlighted during the wider research project, there are complex systemic command and control arrangements for staff working on the event, at large. Given the complexity of running a large-scale event which demands success as a sports tournament, as an entertainment extravaganza, and as a stadium experience, there was some evidence that S3 resourcing and support had largely been ‘undercooked’, especially with respect to the S3 commercial support activities, such as marketing, promotion, sponsorship etc. Resourcing of the Sevens organization is placed into context when stating that the GM had been the only person working on the event full-time, although two contracted staff also reported to the GM. A part-time contractor (located in Auckland) was responsible for the sponsorship, commercial and HR functions, whilst a separate WRFU resource was responsible for the communications and PR planning. Positively Wellington Tourism (PWT), the WCC agency, also provided marketing advice and expertise, whilst branding and other creative work was outsourced to an agency. The geographical separation and separate reporting lines can likely lead to S3 dysfunction, if not managed well; and can result in additional complexity; a lack of
responsiveness in decision making; and a lack of cohesiveness or an integrated approach (as borne out in research findings).

Other activities interpreted as systemic weaknesses in the wider research findings, related to ‘fan and member engagement’ as a potential and untapped S3 resource that could be provided to each of the Sevens S1 entertainment, tournament and stadium operations.

S3 Allocation of Human Resources and Volunteers

The findings of the broader study also noted that there had been a high turnover of professional and volunteer personnel within both the WRFU and the Sevens organization, indicating the potential for a range of S5 to S1 dysfunctions, as well as the systemic role overload and role conflict that arises from an inadequate S3 resourcing. Some degree of turnover is expected with a high profile event such as the Sevens because of its episodic recurring nature, however, the level of turnover was concerning, given resulting losses of S4 intelligence, not only within the Sevens organization as an S1 unit, but also within the wider system.

S3 Implementation of Change Management - Given the high profile of the Sevens tournament and the S5 reputational risk to the NZRU of the event ‘failing’, it is vital that the S3 function within Sevens is capable of responding to, and implementing change. One goal of effective change management is often to minimise the unintended consequences, distractions and impacts of the change (Davies et al., 2004). For this to occur, systemic roles and responsibilities need to be clear and everyone needs to understand their part in the overarching S5 vision.

S2 Co-ordination

The S2 co-ordination function seeks to ensure that all systems elements work harmoniously together, even accommodating healthy competition. Given the large-scale nature of the event and disparate nature of resources allocated to organizing and delivering the event, effective S2 coordination of resourcing was identified in the findings as being problematic.

The research findings implied that there was inadequate integration of various internal management functions within the Sevens organization, especially in relation to S4 strategic planning activities. For example, it was suggested that the external S3 marketing resource, and therefore, relevant marketing information, was not used sufficiently in strategic planning, and neither was the S3 marketing function conducted with awareness of the wider strategic vision. However, it was noted that a Sevens S4 working group had been created in 2014 to understand and work with various stakeholder groups, and had been found to improve co-ordination.

S2 Integrated Business Planning - It was suggested that the Sevens S4 marketing intelligence function, and S3 use of marketing as resource to the S1 operations, had not been effectively integrated into S4 strategising, or aligned with other systems functions. For example, customer and ticketing data had not been fully exploited to provide effective S4 intelligence, nor analyzed in sufficient appropriate detail to inform future planning, especially in the sponsorship domain.

S1 Operational Elements

S1 operations include those elements that directly interface with the external environment and that enact the identity of the wider system-in-focus, to deliver on the system’s purpose, and taking responsibility for implementation of strategy. Whilst the S1 entertainment operation (and subsequent unique carnival atmosphere) has contributed to the success of the event, it had also emerged as a potential weakness, given its unwitting role in the organic development of a de facto S5 identity for the event associated with partying and alcohol. This brand imagery has possibly alienated many sponsors and fans. However, the S1 technical delivery of the rugby tournament has traditionally been a strength of the Sevens, and has always been rated highly by elite players and World Rugby (formerly the IRB), the global governing body.
The Sevens organization’s relationship with the Stadium as venue owner, and then the relationship between S1 tournament operations, S1 entertainment and S1 stadium operations are areas where potential always exists for improvement. As surfaced in the wider research, trying to effect the ‘right S2 balance’ between the three S1 units, and coordinating their different goals for overall Sevens effectiveness will be critical for future success. The stadium infrastructure, in particular, is itself a key factor in shaping how spectators are physically segmented, how spectator flow is managed, and therefore whether the S1 stadium experience at the Sevens is a success or not.

SUMMARY AND CONCLUSION

The paper reports on a study which was part of a wider project which examined brand issues in a large international recurring sports event, and which drew primarily on the brand creation and brand identity model developed by Parent et al. (2012). The findings of that study were reinterpreted using the lens of Beer's Viable Systems Model (VSM) (1974, 1979, 1981) as an interpretive and diagnostic tool. It was considered that Beer’s VSM would provide an alternative and complementary perspective on the organizational notions and issues surfaced by Parent et al.’s model. The harnessing of both frameworks was considered to constitute an appropriate multi-methodological approach to both branding and organizational analysis. In respect of understanding broader branding issues at Sevens Wellington, the research findings indicated the relative importance of several factors—organizational and brand related—in the management of the Sevens brand. As such, we note how the primary tournament ‘owners’, the NZRU and WRFU, could be better informed to determine how best to create additional value through an enhanced understanding, not just of brand creation matters, but of organizational design that facilitates effective systemic functioning appropriate to underpin strategy and brand development. Given the dynamic environment impacting on spectator demand for the Sevens event, the wider study sought to provide qualitative and empirical insights that will influence the continued evolution of the Sevens brand. This paper considered additional factors that impact brand creation, and utilised Stafford Beer’s VSM as an analytical framework to understand the organizational factors that impact the Sevens brand creation ‘system’.

It was suggested that creating additional capacity for S4 strategic planning, innovation, market research, and S3 marketing and sponsorship functions would enhance Sevens’ organizational ability to S4 monitor the external environment, engage with the fan base, and to research and prepare sponsorship proposals; and to develop the overall S1 capacity to deliver. The Sevens brand could be regarded as mature in as much as demand had already peaked or waned, so better connecting with the fan base and finding the right S2 balance between the S1 rugby operations, and the S1 entertainment offerings, without undermining either, would be crucial. Similarly, boosting S2 coordination efforts to improve aspects of the relationship between the stadium and the tournament, may further enhance S1 operational delivery of the event.

Findings also suggest that the strengthening or formalising of existing planning efforts may improve integration across various functional areas, and enhance S4 strategic planning and decision-making. In a related manner, VSM diagnosis suggests that a change in governance structure strengthening links between, say, the Sevens organization and the NZRU governance board may result in access to NZRU resources and expertise, and also ensure greater alignment with the overarching NZRU strategy.

In summary, we may conclude that the study has not only contributed to sport specific event management knowledge that relates to brand creation and brand identity, but to the understanding systemic functions that underpin not only successful branding processes, but aspects of organizational design and effectiveness.
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