

CHAPTER 13

Risk Management

THOMAS J. AICHER, LINDA SCHOENSTEDT, AND
AMANDA L. PAULE-KOBA

© Action Sports Photography/Shutterstock

CHAPTER OBJECTIVES

Upon completion of this chapter, the reader will be able to:

1. Define risk and risk management
2. Outline key risk issues and types of risk
3. Identify concrete methods for minimizing risk
4. Apply risk reduction techniques elucidated in this chapter

CHAPTER OVERVIEW

Implementing a comprehensive risk management plan is vital to a facility and/or event. In today's litigious society, understanding how to mitigate financial loss and negligence should be front and center in minimizing risk and potential lawsuits. The growth of new and renovated sport facilities and the creation of diverse events has made this area of the industry much more difficult for managers.

Industry VOICE

Michael Muñoz—President, Muñoz Agency



After earning my bachelor's degree from the University of Tennessee, while playing collegiate football for the Volunteers, I earned my master of business administration degree from Miami University. I went on to work for Proctor and Gamble's health-

care and female beauty divisions, eventually taking what I learned there to create my own agency.

The Muñoz Agency, based in Cincinnati, Ohio, is a full-service marketing agency. As our website says, we are "driven to inspire organizations to pursue the hearts of their consumers. In close partnership with our clients, our team will utilize our idea process to empower organizations to truly capture the loyalty of their consumers in a meaningful way" (www.munozagency.com/index.html).

Along my path from student to Proctor and Gamble employee (where I served in multiple roles) to president of my own agency, I tried to be very strategic in each position I took. Each different area I worked in allowed me to develop a different skill, including public speaking, marketing, leadership, and business analytical skills. This variety made me more well rounded and prepared for the work I currently do at the Muñoz Agency.

One of the biggest initiatives that the Muñoz Agency is currently working on is our NFL PLAY 60 Character Camps. The National Football League's (NFL) youth campaign, PLAY 60, encourages children to get outside and be active for 60 minutes a day in order to reverse childhood obesity. The problem is that while the PLAY 60 program has been successful, it has not reached the Hispanic consumer. We are using our knowledge in developing events and have joined with the NFL to create PLAY 60

Character Camps in handpicked NFL cities. These camps are 2-day events in which the Muñoz Agency team works along with the NFL teams to reach the Hispanic youth in their market. The character camps initially took place in 6 cities in 2012 and increased to 14 cities in 2013.

During these PLAY 60 Character Camps, the Muñoz Agency goes into the team's facility to execute the camp. We do not have extensive knowledge of the facility layout, security, and so forth. However, we are still responsible for keeping the children who are attending the camp safe. Thus, the Muñoz Agency team works with the NFL team to make sure there is a solid risk management plan in place. We communicate what we expect from each NFL team and let them know that what we are asking of them is being asked of each team that is holding one of the Character Camps. This helps each team buy in to what is needed and work to ensure a safe environment for all.

To execute these camps, we have a very large intern program. When looking for an intern, we look for someone who is proactive, can embrace change, has experience making unique contributions in the workplace, and is a natural leader. One of the most important things a potential intern can have is good verbal and written interpersonal communication skills. Being able to express oneself both verbally and in writing is essential and can quickly eliminate individuals from moving further in their internship interview process. The Muñoz Agency does a lot of work on the phone, so potential interns must be able to represent themselves and the agency well over the phone.

In terms of risk management at the camps, we acknowledge that every camp will have its own barriers and risks that have to be dealt with. This is why when the Muñoz Agency staff looks for interns, we look for individuals who are able to

embrace change and can handle conflict. Having good people in place can help mitigate risk. It is also necessary to convey clear expectations to the interns so they understand their role and what is required of them in order to help ensure a safe event.

Although there is only so much time for undergraduate students to develop their resume while

in college, it is crucial that students start gaining industry experience. This will give potential employers confidence that the student is ready to jump right into work and there will not be a ramp-up period. Again, there is no substitute for experience, so students must be willing to take advantage of the opportunities in front of them and also work to create their own opportunities.

Introduction

Facility and event managers must be mindful of the need to mitigate negligence insofar that spectators and participants are protected under the law. They have a duty to act reasonably and prudently in situations involving their spectators and participants. Having knowledge and training in what constitutes duty, breach of duty, proximate causes of injuries, and the injury itself is critical in determining the liability for a facility or event. Since the enactment of the Tort Claims Act, persons engaging in activities involving personal risk have had increasingly greater expectations concerning their safety and are litigating in increasing numbers (Pyles & Pyles, 1992).

Litigation resulting from personal injury or financial loss is at an all-time high. Lawsuits have risen, especially since 2008, when the U.S. recession began. In a struggling economy, sport managers should expect that even the smallest incident may result in a lawsuit (Cunningham, 2010). Facility and event managers should have a heightened sense of responsibility and employ the appropriate checks and balances to help ensure a safe and successful result for their respective organizations. Consequently, it is important to develop a strong understanding of the different types of risk and the best strategies for minimizing the impact of the risk. One thing is certain and important to realize, eliminating risk completely is extremely difficult even under the best circumstance. Reduction of the likelihood of an occurrence, however, can be achieved with proper training, supervision, and action plans.

What Is Risk?

The challenge of defining **risk** is that individuals subjectively categorize different behaviors and actions as risk. For example, one cyclist in a riding group

risk The probability that a hazard will lead to a loss.

may see a descent as an opportunity to increase her speed above 40 miles per hour, while another cyclist may proceed with great caution because he is worried about the potential of potholes, animals, or other road debris that may cause him to crash. For facility and event managers, the same differences in perception are at work; thus we have evaluated broader definitions to capture the different levels of risk. Van der Smissen (1990) defines risk as an uncertainty or chance of loss, usually accidental loss, which is sudden, unusual, or unforeseen. Giddens (1988) defines risk as “dangers that we seek to actively identify, confront, and control” (p. 23). Finally, Griffith (2011) states that risk is “the probability that a hazard will lead to a loss” (p. 1), which is the definition we consider most applicable to sport facility and event management. The broadness of the term allows it to apply to any component of the facility or event that could engender a loss or negative outcome for the managers. Moreover, the term implies there are varying degrees to both hazards and losses, which in the subsequent sections of this chapter should become clear.

Types of Risk

Given the various types of facilities and events, it is nearly impossible to generate a complete list of the types of risks facility and event managers may face. Rushing and Miller (2009) outline four broad categories of risk: public liability caused by negligence, public liability excluding negligence, business operations, and property exposures. Public liability caused by negligence occurs when the facility or event manager fails to provide a reasonably safe environment for individuals to work, spectate, or participate in the sporting activity. Ensuring a safe environment may include providing proper warning signs, supervision, security, equipment, facilities, medical/emergency care, and travel/transportation (Rushing & Miller, 2009). Public liability excluding negligence occurs when individuals are affected by the practices of the personnel within the facility. For example, claims may include discrimination, sexual harassment, wrongful termination, invasion of privacy, or false imprisonment (Rushing & Miller, 2009). Risk associated with business operations includes business interruptions, property loss, contractual issues, or employee health. Finally, natural disasters, fire, vandalism/terrorism, and theft comprise property exposure risks.

Facility and event managers tend to primarily focus on the risk associated with bodily injury to the spectators and/or participants. These risks can include slips and falls, injuries during participation, or altercations between spectators. However, risk may also include inadequate waivers of responsibility forms, lack of appropriate insurance, incomplete training or supervision of employees and participants, weather-related risks, and others, as outlined in [Table 13-1](#).

Terrorism and Sport

A more recent risk development in sport event and facility management has been the threat or the occurrence of terrorist activity. The attacks on the World Trade Center in 2001 impacted the sport industry in terms of how facility and event managers perceived terrorist threats on their facilities and events. Most individuals recognize only the 1972 Munich Olympic Games terrorist attack and the 1996 Centennial Olympic Park bombing in Atlanta, Georgia, as occurrences of terrorist activity at sporting events. However, as Toohey (2008) points out, there were 168 sport-related terrorist attacks in



TABLE 13-1 Broad Categories of Risk

Human Risks	Facility Risks	Environmental Risks
• Sport participation	• Accreditation	• Legal issues
• Spectators	• Facility/equipment/ property	• Economic circumstances
• Terrorism	• Employment/training	• Political circumstances
• Athlete protection	• Storage	• Management activities/ controls
• Loss prevention	• Transportation	
	• Safety/security	

TIP

For those unfamiliar with the attack that occurred during the 1972 Munich Olympic Games, the documentary *One Day in September* is a highly acclaimed depiction of those tragic events.

the world between 1972 and 2004, with no signs of abatement. To underline the growing concerns for risk at various venues, Toohey (2008) also notes that sport is a platform where many spectators and participants are aggregated in one place with numerous opportunities and methods of potential attack. The bombing during the Boston Marathon in 2013 highlighted the challenge of policing such large areas, especially when crowds enter and exit from a variety of points.

Following the bombings in Boston, other marathons changed their security procedures. For instance, the Chicago Marathon now limits runners to entering through four distinct checkpoints. Additionally, each runner must collect his or her own bib and timing chip at the exposition. Previously, friends or family members were allowed to pick up these items for others. Runners are also restricted to using a race-issued clear plastic bag for gear check. One of the final changes involves family members and/or friends congregating at the start and finish lines. For the first time, spectators who want to meet their friends or family members who participated in the marathon are required to go through one of two security checkpoints.

Similarly, venues and closed events (i.e., confined areas with few points of entry) have made several adjustments over the years to deal

VIGNETTE 13-1**Boston Marathon Tragedy Changes Risk Management Strategies**

On April 15, 2013, the bombings at the Boston Marathon, which killed 3 individuals and wounded 264 others, brought the need for risk management and security to the forefront of event managers' minds. This was the largest mass-casualty attack on U.S. soil since September 11, 2001.

This attack marked changes to security at the Boston Marathon and marathons across the country. The Boston Athletic Association has decided that runners cannot have backpacks or bags at or near the start or finish lines or along the course. Bags are also not

allowed on the buses that run between the start and finish lines. Runners are allowed to bring a change of clothing and shoes in designated clear plastic bags and leave them in Boston Common, which is approximately a half mile from the finish area, prior to the race.

Additional security measures for the Boston Marathon include an increase in uniformed and plain-clothes police officers and additional bomb-sniffing dogs. There are additional security procedures in place that the marathon director and security personnel are reluctant to disclose.

with the potential threat of terrorist activity. For instance, it is commonplace for facility and event managers to search backpacks and purses upon entry to the facility, ask spectators to walk through metal detectors or use the metal detecting wands to ensure no weapons are being brought onto the site, and disallow hazards such as bottles or solid trash that can be thrown and cause injury or potentially contain explosive material. The National Football League has implemented a policy stating that only clear or see-through bags are allowed into the stadium in order to ensure safety and expedite fan entry into the stadium.

Facilities have also invested millions of dollars in surveillance equipment to increase the security of their stadiums (Carey, 2011). For instance, they have installed security cameras that can zoom in on any seat in the stadium, as well as video equipment to record for later review. The two serve both as a method of monitoring spectator activity and as a deterrent for much lower forms of crime. Some major events have utilized dirty bomb detectors, while others sample the air quality to identify any potential contaminants in the air designed for a terrorist attack. In the case of Super Bowl XLV, hosted in Dallas, Texas, a drone was used to patrol the airfield above the facility to ensure it was safe from attack and could retaliate if needed. These strategies to reduce the likelihood of a terrorist attack begin to highlight how organizations may manage their risk.



What Is Risk Management?

To overcome the potential problems associated with risks, sport facilities and events should establish a sound framework to minimize the potential and severity of the risk, a process known as **risk management**. Risk management has been defined as “systematically identifying threats (risks) to your organization and developing ways to minimize them from

risk management A sound framework to minimize the potential and severity of the risk.

occurring” (Office of Sport and Recreation, 2009, p. 2-1). Taylor and Booty (2006) state that risk management strategy “provides a framework for determining an individual company’s response to risk, including who would undertake the work involved at a tactical level” (p. 232). This means facility and event managers should develop a standard set of policies, procedures, and processes so that employees, volunteers, and other stakeholders know how to best minimize the various risks associated with hosting the event.

To create a strong risk management plan, facility and event managers should include what may be “foreseeable.” The broad range of concerns requires one to be a forward thinker, crisis manager, and problem solver in order to provide the protections and enjoyment fans, spectators, and participants have come to expect.

What Are the Benefits of Good Risk Management?

The value of a good risk management plan cannot be understated as it brings considerable value to facility or event owners. Proper risk management can reduce the likelihood of undesirable and costly impacts, increase the safety of the patrons, and improve financial issues more generally (Sawyer & Smith, 1999). For example, a softball tournament organizer would want to ensure that the backstop, which prevents foul balls from flying into the stands, is in proper condition. If not, a foul ball that travels through the backstop could potentially injure one of the spectators and lead to an expensive lawsuit and healthcare claim, resulting in a major loss for the facility manager/owner.

A quality risk management program may also reduce costs associated with insurance premiums (Viney, 1999). Similar to driver’s insurance, the longer a facility or event demonstrates a quality safety record, the less the insurance premium costs. Risk management may also improve the quality of the sporting experience the event offers (Viney, 1999). In the era of the mud, obstacle, and beer runs, these organizers go to considerable lengths to ensure the safety of their participants, which leads to greater levels of satisfaction. The measures facility and event managers take to ensure the safety of the participants and spectators will likely enhance the visibility and image of the organization as individuals learn about the quality

of service that the organization provides. Finally, risk management will enhance the managers', employees', and volunteers' level of confidence in their abilities, which will lead to better strategic outcomes for the organization (Viney, 1999).

Steps in the Risk Management Process

The idea of managing risk is imperative both for hallmark and mega-events and for small-scale events on either a global or local level. Many of the elements to consider are similar but will differ when considering the size and scope of an organization's objective. As previously highlighted, the numerous types of events inherently create a limitless number of risks because they vary in size, structure, operation, sport, and countless other aspects.

RISK IDENTIFICATION

Properly identifying risks associated with the facility or event requires a mix of knowledge, experience, and critical thinking. At this stage, facility and event managers should evaluate the environment, structures, and marketplace to determine the sources of risk associated with the previously described areas. When managers lack experience or knowledge, there are several resources they can use to assist with **risk identification**. First, the local, state, or national sporting organization may be able to provide them with the typical risks associated with the event they are planning to host. For example, if an event manager is working with the local sports commission to host her first weight-lifting competition, it would be important to meet with the local- and state-level clubs to determine the various risks associated with participation. Additionally, the event manager may seek counsel from event organizations that have hosted similar events. Their knowledge and expertise in the area will likely be invaluable to identifying areas of risk that are not as obvious. Finally, some national governing organizations provide audits or checklists associated with hosting sport events. An audit is a systematic critical examination of the facility or event to identify key risk (related to organizational risks) or safety issues (related to injury risks).

risk identification

Evaluation of the environment, structures, and marketplace to determine the sources of risk associated with the sport facility or event.

VIGNETTE 13-2

Tragedy Without a Plan: Pocono Raceway



© Action Sports Photography/Shutterstock

In the case of the Pocono Raceway tragedy in August of 2012, NASCAR (National Association for Stock Car Auto Racing) was holding a

Sprint Cup race at the 2.5-mile track in Long Pond, Pennsylvania, when a lightning storm hit the area. Reportedly, NASCAR and track officials did not heed the warnings they received from a local meteorologist to suspend the race because of a severe storm

moving into the area. This lack of response led to fans scrambling for shelter as the storm was upon them. During the storm, a 41-year-old man was killed and nine other people were injured from lightning strikes, which likely could have been prevented. NASCAR might have avoided this tragedy by having a set policy or standard operating procedure for handling severe weather during a race, complete with a timeline of when to cancel/suspend the race and let spectators know to retreat to safety. Another precaution would have been setting a radius for when lightning is too close, similar to the policies developed for National Collegiate Athletic Association events.

risk analysis Categorization of the levels of risks based on the severity and likelihood of occurrence.

RISK ANALYSIS

Once facility and event managers identify the sources of risk that can impact either the facility or event, the next step in the process is to categorize the levels of risks, a process known as **risk analysis**. Most facility and event managers categorize risk using two questions: How likely is the risk to occur, and what are the consequences associated with the risk? **Figure 13-1** provides a matrix to assist with the categorization process.

Simple Risk Matrix

Likelihood	Consequences		
	Minor	Moderate	Major
Likely			
Possible			
Unlikely			

Risk Treatment Key

<p>Intolerable Risk Level Immediate action required.</p>
<p>Tolerable Risk Level Risks must be reduced so far as is practicable.</p>
<p>Broadly Acceptable Risk Level Monitor and further reduce where practicable.</p>

FIGURE 13-1 Risk assessment matrix

	Consequences		
Likelihood	Minor	Moderate	Major/Catastrophic
Likely	Kids sneak in without paying	Injury from unruly fans throwing debris	None
Possible	Slip and fall on wet bleachers or ice	Hypo- or hyperthermia from severe weather temperatures	Player suffers severe life-threatening injury from tackle
Unlikely	Food poisoning from concession stand due to improper refrigeration	Camera and speakers are stolen after game	Spectator has fatal cardiac arrest Bomb threat

FIGURE 13-2 Example of a risk matrix chart for a high school football game. Orange text indicates intolerable risk level, purple text indicates tolerable risk level, and green text indicates broadly acceptable risk level.

The risk matrix gives a visual representation of what could happen, how serious the incident could be, and the frequency of a potential occurrence. The likelihood of an occurrence is shown in relation to the consequences of the occurrence. Analyzing the risks developed in the first stage enables facility and event managers to begin to determine which risks need further evaluation. **Figure 13-2** provides an example of a completed matrix. While the list of risks is not exhaustive for a high school football game, it does illustrate the types of risks associated with events and the level of frequency and impact associated with them.

RISK EVALUATION

Once the risk analysis is completed, the next step is to determine whether the risk is acceptable or not, a process known as **risk evaluation**. To answer this

risk evaluation A process of determining the acceptability of the risk through a cost-benefit analysis.

TIP

To avoid the additional permitting, insurance, and other costs associated with alcohol sales, facility and event organizers partner with local bottling companies or breweries to manage the alcohol sales. This transfers the liability from the facility or event owner to the distributor.

question, the organization should evaluate the mission and vision of the organization and the risk matrix to indicate whether the risk is worth the costs associated with minimizing it. Using a financial term, facility and event owners would evaluate the risk using a cost–benefit analysis. For instance, the addition of alcohol to an event may improve overall sales and possibly atmosphere; however, it will also increase the level of insurance required and additional security and permits to be able to sell alcohol. In this event, the increase in sales volume may not be worth the additional expenses incurred, and therefore, the event or facility manager may choose not to have alcohol at the event.

risk treatment A method of managing risk that involves minimizing the impact and/or occurrence of the risk.

risk avoidance A method of managing risk that involves discontinuing the component of the activity considered to be a risk.

risk acceptance A method of managing risk that involves preparing for the risk through budgeting, deductibles, or self-insurance.

RISK TREATMENT

Once the risks for a particular event are identified and the risk matrix considered, facility and event managers must decide how they should handle the potential risks or which method of **risk treatment** they will use. Within the sport event context, there are five common strategies facility and event owners use to minimize the impact of risk: avoidance, acceptance and financing, reduction through proactive measures, transfer, and retention.

Risk avoidance occurs when managers establish the risk as both a major risk and nonessential to the mission of the organization and, therefore, discontinue the component of the activity considered to be a risk (Rushing & Miller, 2009). The avoidance strategy is used when the likelihood of injury is high and happens fairly frequently. For example, Florida has the highest incidence of lightning strikes and frequent storms. School administrators and managers should postpone, reschedule, or cancel outdoor games and events for the safety of everyone involved when the threat of severe weather has moved into the area. At times, risks associated with sport event participants and spectators are unavoidable. As a result, facility and event managers must implement one of the following strategies.

Preparing for the risk through budgeting or establishing deductibles or self-insurance is considered acceptance and financing, or **risk acceptance**. In this scenario, the facility or event managers absorb all of the liability and financial responsibility for anything that might happen regarding the participants, stakeholders, and facility. The operating budget of the event and

venue should include provisions for possible injuries and damage in the unlikely event of an occurrence. When accepting the risk, the sport manager is assuming the risk and potential need to pay small settlements, as in the case of injury or repairs if fans or participants damage equipment. The manager may also be absorbing the expense of small medical bills, emergency personnel, and sports medicine clinicians because the calculations for risk frequency and severity are low.

When the risk is unavoidable and greater than an acceptable level, facility and event owners may employ **risk reduction through proactive measures** by establishing a series of controls to reduce either the likelihood of occurrence or the consequences associated with the risk. One method of control is to establish a set of standardized practices for employees and volunteers to follow, or a standard operating procedure (SOP) manual. The importance of practicing the protocols in the SOP manual, as well as continued training and updates for employees and volunteers as new potential risks are identified, cannot be underestimated. Clearly, one cannot predict everything that could possibly happen during an event, and thus the SOP manual provides employees a series of guidelines to use as a method to deal with various issues. Employee manuals may also be helpful for delineating some specific guidelines that have been identified as critical, such as weather-related emergency protocols, communication procedures, and injury or illness strategies. Training and practice scenarios should be required of all staff and conducted on a regular basis. First aid, cardiopulmonary resuscitation (CPR), and automated external defibrillator (AED) training and certification should be provided and encouraged in light of new legislation in many states requiring these safety measures to be in place at facilities and venues.

Risk transfer consists of moving the risk to another entity. There are two commonly used methods to transfer risk: insurance and waiver of liability. The use of insurance or an insurance policy covers the potential monetary or financial losses considered too large for the facility or event managers to handle independently. By taking out insurance, facility and event managers opt to pay a premium or dollar amount to have these losses covered in the event of a lawsuit due to injury, a financial loss due to unexpected low attendance, a contract violation, and other developments. Similar to personal auto coverage, amounts may depend upon the inherent or obvious risks identified, the level of the liability limits, the amount of the deductible, and the safety record. Limited-liability coverage is the total amount of coverage

risk reduction through proactive measures A method of managing risk that involves establishing a series of controls to reduce either the likelihood of occurrence or the consequences associated with the risk.

risk transfer A method of managing risk that involves moving the risk to another entity.

available to the facility or event for general claims against the organization. Amounts vary based on the event as well as the location of the event. The laws vary from state to state in terms of the minimum liability coverage that facility and events owners should possess. Deductibles are the amount of money paid when a claim is made. Typically, the larger the deductible, the smaller the premium. A high deductible may be a wise decision for the organization in terms of the upfront costs to host the event; however, the deductible costs should be built into the operating budget. See **Table 13-2** for commonly used insurance coverages.

The second common form of transferring risk is the waiver of liability. Many facility and event managers will require participants, and potentially spectators, to sign a waiver that limits or eliminates liability in the event of

TABLE 13-2 Common Types of Insurance Coverage for Events

Insurance	Description
Accidental medical	Covers medical expenses incurred as a result of an injury while participating in an insured activity
Accidental death and dismemberment	Covers accidental death or the loss of limb or limbs as a result of participation
Blanket coverage	Insures property under a single amount applying to several different pieces of property
Business income/interruption	Covers loss of income in case the insured's business is shut down by a covered loss
Causality/liability insurance	Is primarily concerned with the legal liability for losses caused by injury to persons or damage to property of others
Event cancellation insurance	Protects against loss due to rain, hail, snow, or sleet, which causes cancellation or reduced earnings of an outdoor event
General liability insurance	Covers professional and commercial risks; broad term meaning liability insurance other than automobile liability or employer's liability
Liquor liability	Provides coverage for bodily injury or property damage for which you may be held liable by reason of alcohol consumption
Umbrella coverage	Provides coverage over a single underlying policy, or several different underlying policies

In consideration of being allowed to participate in any way in the [Organization Name] athletic sports program, related events, and activities, the undersigned acknowledges, appreciates, and agrees that:

1. The risk of injury from the activities involved in this program is significant, including the potential for permanent paralysis and death, and while particular rules, equipment, and personal discipline may reduce this risk, the risk of serious injury does exist; and,
2. I KNOWINGLY AND FREELY ASSUME ALL SUCH RISKS, both known and unknown, EVEN IF ARISING FROM THE NEGLIGENCE OF THE RELEASEES or others, and assume full responsibility for my participation; and,
3. I willingly agree to comply with the stated and customary terms and conditions for participation. If, however, I observe any unusual significant hazard during my presence or participation, I will remove myself from participation and bring such to the attention of the nearest official immediately; and,
4. I, for myself and on behalf of my heirs, assignees, personal representatives, and next of kin, HEREBY RELEASE AND HOLD HARMLESS [Organization Name], their officers, officials, agents, and/or employees, other participants, sponsoring agencies, sponsors, advertisers, and if applicable, owners and lessors of premises used to conduct the event ("RELEASEES"), WITH RESPECT TO ANY AND ALL INJURY, DISABILITY, DEATH, or loss or damage to person or property, WHETHER ARISING FROM THE NEGLIGENCE OF THE RELEASEES OR OTHERWISE, to the fullest extent permitted by law.

I HAVE READ THIS RELEASE OF LIABILITY AND ASSUMPTION OF RISK AGREEMENT, FULLY UNDERSTAND ITS TERMS, UNDERSTAND THAT I HAVE GIVEN UP SUBSTANTIAL RIGHTS BY SIGNING IT, AND SIGN IT FREELY AND VOLUNTARILY WITHOUT ANY INDUCEMENT.

_____ DATE

SIGNED: _____ (participant's signature)

FIGURE 13-3 Example of a waiver release form

an injury (see **Figure 13-3**). These waivers of liability typically require participants to comply with the rules and behaviors expected in order to participate. For example, a waiver may indicate that the event is not responsible for injuries that occur if the participant violates a written rule set forth by the event or facility. Many spectator events have disclaimers written on the backs of tickets they purchase, as well as posted signs of warnings or rules for behaviors.

As with insurance, the laws vary from state to state; thus, it is important to understand the laws within your facility's or event's state. In most cases, if the event or facility provides the participant with a safe environment with

proper medical personnel present, then the waiver will hold up. All events and facilities are required to provide a standard of reasonable care to their participants and spectators, but accidents do happen. In an incident in 2011 at a Texas Rangers baseball game, a 39-year-old fan fell over a railing 20 feet to his death while trying to catch a ball thrown by Josh Hamilton for his son. Even though Rangers Ballpark in Arlington (now called Globe Life Park) exceeded the building code for railing height at the park, management has decided to raise the rails in front of the seating areas; to post new signs reminding fans not to lean on, sit on, or stand by the rails; and to make a verbal warning through a public address announcement at the beginning of all games.

The final method for managing risk occurs when the organization does not employ any of the preceding strategies. Rather, the facility or event manager has adopted **risk retention** because the likelihood of occurrence is extremely low and/or one of the treatment strategies would compromise the objectives of the event. For example, an event organizer hosting a tennis tournament at one of the local parks may list a tornado as a possible risk; however, because the likelihood of severe weather is minimal that time of year, the event owner would decide not to take out various forms of insurance or include management strategies in the SOP manual. Frequently, it is not the case that treating the risk impacts the objectives of the event, and therefore, some form of planning to manage the risk should occur.

risk retention A method of managing risk in which the organization does not employ any risk management strategies.

RISK MONITORING

The last step in the risk management process should not be viewed as a final step, but rather as a continuous assessment of the risk associated with hosting the event, as well as the management strategies to reduce the risks (Westerbeek et al., 2006). **Risk monitoring** occurs throughout the entire planning, implementation, and evaluation stages of the event process; however, most view it as a component of the evaluation stage. It is important to review the procedures and policies set in place during each stage of the event to ensure they are well designed to minimize the level of risk associated with hosting the various events.

During the event implementation stage, for instance, facility and event managers would monitor the activities associated with the various risks

risk monitoring The continuous assessment of the risk associated with facilities and events, as well as the management strategies to reduce those risks.

they have identified, such as the communication of risk, the occurrence of risk, and the overall response to the risks that occur. Monitoring the risk at the implementation stage may allow for facility and event managers to make adjustments to the policies and procedures designed during the planning stage. For example, a local facility is hosting an upcoming soccer tournament featuring children 12 to 18 years old. Initially, the field surface was sound, so they planned for the minimal amount of injury risk associated with typical soccer play. However, the night before the tournament, a heavy rainstorm moved through the area, which caused significant wear to the field. The additional stress on the fields may increase the chance of risk because of the unevenness created from use on the wet surface. Therefore, the tournament director and facility manager determine a method to rotate the fields throughout the day so that the facility manager may level the field surface after each use.

Tracking the performance of and evaluating your risk management plan will allow for better training of employees, identification of gaps within your SOP manual, and further development of proper reporting systems. Common monitoring strategies at the evaluation stage of the event include the following:

- Documenting occurrences and updating the risk management plan as necessary
- Reviewing the occurrences of incidents and the consequences associated with them
- Reviewing unexpected occurrences and developing a plan to mitigate or manage them in the future
- Gathering information from managers, employees, and volunteers to determine any other risk management issues (Sport New Zealand, 2014)

In addition to these activities, it is important to gather information from other stakeholders associated with the event. For instance, participants and spectators may have identified areas of risk associated with their own or others' behavior on the field of play or in the audience. Other stakeholders with information pertaining to the facility or event may include city officials, media, sponsors, and contractors, all of whom may have perceived differing levels of risk associated with the facility or event.

A final strategy to monitor risk would be to employ a risk manager. This is a very important hiring decision because the risk manager should possess excellent organizational and follow-up skills. The risk manager will develop and maintain the facility and employee policy manual, provide training and practice for any certifications, educate in the areas of communication and procedures, and, ultimately, be responsible for running a first-rate facility and/or event. It may also be necessary for the risk manager to develop a facility maintenance schedule, update insurance requirements, communicate with all stakeholders current status reports, and retain legal counsel to review contracts, potential lawsuits or settlements, and changes in negligence and premises liability laws.

SUMMARY

As competition for additional participants and spectators increases, so does the responsibility for running facilities and events that everyone takes pride in. Employees should be invested as much as possible in the desire to produce the best events in safe, well-maintained facilities that are managed by a strong and motivated sport manager.

While not every risk or accident can be predicted, evaluating the risk management plan in view of occurrences at other facilities as well as one's own can help prevent liability and negligence from happening. A good rule of thumb is to critically think about worst-case scenarios and what can be done to prevent them. The sport manager is responsible for identifying potential risks and then eliminating or reducing these risks.

DISCUSSION QUESTIONS

1. Define risk and risk management, and explain the importance of a good risk management program for a facility or event.
2. What role have terrorism and other attacks had on risk management and sport events?
3. Define and differentiate the strategies associated with treating risk.
4. Outline and explain the strategies a facility or event manager can use to monitor risk management policies and procedures.
5. Identify a sport event or facility and use the steps in the risk management process to explain how this event/facility manages risk.

Case STUDY

Tough Mudder Death

The Tough Mudder describes itself as “a 10–12 mile (18–20 km) obstacle course designed to test all-around strength, stamina, teamwork, and mental grit. Tough Mudder is Probably the Toughest Event on the Planet. Probably” (Tough Mudder, n.d., para. 1). According to their website, “for a Tough Mudder, life is about pushing boundaries and overcoming all obstacles through teamwork—and having fun along the way” (Tough Mudder, n.d., para. 7).

The events that occur at a Tough Mudder event vary, but each one is uniquely challenging, and, some may say, painful. Each obstacle requires strength, agility, grit, and camaraderie. The Leap of Faith requires participants to jump for a dangling cargo net to pull them to safety. If they don't make it, the participants fall into the water and must swim. In Balls to the Wall, participants climb a 3.5-meter wall with only a muddy rope. Once on top, they must descend on the other side. This is especially taxing at the end of the course. Electroshock Therapy entails participants running through a field of live wires. There are hay bales and sinkholes throughout the field, which can cause a participant to fall into the electrified mud.

In Walk the Plank, participants jump from 12 feet in the air into a deep, muddy pit of water below. Once in the muddy water, participants must swim 40 feet to the other side. Tough Mudder urges participants to skip this obstacle if they are unable to swim. The Walk the Plank obstacle was the site of the first death at a Tough Mudder event.

In April 2003, 28-year-old Avishek Sengupta drowned while participating in a Tough Mudder in West Virginia. Sengupta jumped in the water of the Walk the Plank obstacle but never resurfaced. Tough Mudder staff and emergency personnel removed Sengupta from the water and performed CPR on him. The staff and emergency medical technicians resuscitated him so that his heart was beating and he was breathing, but his brain was “compromised” due to the length of time he was submerged in the water.

One spectator, Antoinette DiVittorio, recounts the incident in an article written by Andrew Metcalf (2013). “I was waiting on the side where the water was, watching people jump in,” says DiVittorio. “His teammates were waiting on the side of the water when one guy said to a staff member ‘my teammate jumped into the water and didn't come out yet.’” According to DiVittorio, the staff member didn't take action for a few minutes after being told Sengupta was still in the water. It wasn't until she and one of Sengupta's teammates asked the staff member, “Why aren't you doing anything?” that the staff member took action.

“At that point in time they made everyone stop jumping,” DiVittorio recalls. According to DiVittorio, one staff member in a wetsuit began searching the top of the water and continued to do so for a couple of minutes until another staff member ran down to the site, asked what was going on, and, finding out, ordered the other staff member to put on a scuba tank and goggles to search underwater.

“It seemed like an extensive period of time went by before anyone went under,” recalls DiVittorio. “Within one minute of trolling the bottom, they pulled him out.”

DiVittorio estimated that an ambulance didn’t arrive until about 30 minutes after Sengupta was pulled from the water, despite her seeing multiple ambulances located across the course. During that time, she said rescuers attempted to resuscitate Sengupta.

Pretend you are the manager for a Tough Mudder event, and consider the following:

1. Research the risk management procedures for Tough Mudder and other extreme sport events. What protocols are in place in the event of an emergency?
2. How would you have handled the situation?
3. Create a risk management plan for the Tough Mudder to ensure that another death does not occur. Be thorough in this plan. You must discuss how you would deal with the event overall, giving five specific obstacles.

CASE REFERENCES

- Metcalf, A. (2013). Witnesses describe scene at fatal tough mudder jump. *Elkridge Patch*. Retrieved from <http://elkridge.patch.com/groups/sports/p/witnesses-describe-scene-at-fatal-tough-mudder-jump>
- Tough Mudder. (n.d.). What is Tough Mudder? Retrieved from <https://toughmudder.com/events/what-is-tough-mudder>

REFERENCES

- Carey, B. (2011). Stadium security continues to evolve ten years after 9/11. *Sports Illustrated*. Retrieved from <http://www.si.com/more-sports/2011/09/09/stadium-securitychangessince911>
- Cunningham, G. (2010). Sports centers, recreational facilities facing more risks in tough economy. Retrieved from <http://www.propertycasualty360.com/2010/04/12/sports-centers-recreational-facilities-facing-more-risks-in-tough-economy>
- Giddens, A. (1988). Risk society: The context of British politics. In J. Franklin (Ed.), *The politics of risk society* (pp. 23–24). Cambridge, UK: Polity Press.
- Griffith, M. (2011). The uncertainty of risk management: Kneejerk reactions do more harm than good. Retrieved from <http://www.sportrisk.com/2011/11/the-uncertainty-factor-in-risk-management/>
- Office of Sport and Recreation. (2009). *Risk management resource for recreation and sport organisations*. Retrieved from https://secure.ausport.gov.au/__data/assets/pdf_file/0009/435951/Risk_Management_June09.pdf

- Pyles, C. D., & Pyles, R. B. (1992). Risk management of sports facilities. *Journal of Legal Aspects of Sport*, 2(1), 53–64.
- Rushing, G., & Miller, J. J. (2009). Facility and event risk management. In T. H. Sawyer (Ed.), *Facility management for physical activity and sport*. Champaign, IL: Sagamore Publishing.
- Sawyer, T. H. & Smith, O. (1999). *The management of clubs, recreation, and sport*. Champaign, IL: Sagamore Publishing.
- Sport New Zealand. (2014). Risk management for event organizers. Retrieved from <http://www.sportnz.org.nz/>
- Taylor, C., & Booty, F. (2006). Risk management. In F. Booty (Ed.), *Facilities management handbook* (2nd ed.). Burlington, MA: Elsevier/Butterworth-Heinemann.
- Toohey, K. (2008). Terrorism, sport and public policy in the risk society. *Sport in Society Journal*, 11(4), 429–442.
- van der Smissen, B. (1990). *Legal liability and risk management for public and private entities, volume 2*. Cincinnati: W. H. Anderson.
- Viney, C. (1999). *A sporting chance: A risk management framework for the sport and recreation industry*, Tasmania, Australia: Office Sport & Recreation.
- Westerbeek, H., Smith, A., Turner, P., Emery, P., Green, C., & van Leeuwen, L. (2005). *Managing sport facilities and major events*. New York, NY: Routledge.

