

Changing the Business Model: (3) Modernizing the Calendar and Competitive Structure

Many of the financial and sponsorship challenges we explored in the first two [segments](#) of this series are partially driven by – and closely interwoven with – pro cycling’s competitive and organizational structure. The way the sport is managed and played out on the road is closely linked to many of these broader economic and structural issues, although the cause and effect is not always obvious. These effects and impacts must be clearly understood to continue reforming the sport.

For example, many have suggested that if the sport could somehow shift the focus to teams, rather than individuals, fan attention and loyalty might increase. Others have pointed out that the creation of a more cohesive, coordinated race calendar could help to create a single “league” feel to the sport, which might increase viewership, facilitate more efficient marketing and television packaging, and drive greater financial returns. Likewise, more geographic diversity in the sport might also drive growth, and hence greater revenue potential in areas of the world which are emerging as cycling hotspots. Some observers (including many riders) have suggested that the length of the race calendar and general physical demands of the sport are so extreme that they in effect encourage the athlete to dope.

The UCI and its Pro Cycling Council (PCC) have been working to evaluate and address many of these issues. UCI President Brian Cookson has recently promised that many positive and dramatic organizational and structural changes to the sport will be implemented during the 2015 through 2018 racing seasons. Certain changes in the calendar and team organizational structure have already been announced or have leaked out, although not many concrete details have yet materialized. But there is at least a clear realization that significant changes are needed in the way the game is played on the road.

Road cycling is a sport which originated, and is still heavily focused, in Western Europe. And it is a sport with a deep and enduring historical legacy, one that is tempered with a heavy dose of “this is the way we’ve always done it.” No one wants to see the unique characteristics and allure of the sport decimated, but at the same time, there are many changes or modernizations which might allow it to flower and grow. In this chapter of our series on “*Changing the Business Model*,” we briefly review several new ideas and approaches that cycling’s leaders should consider – to make it easier for race organizers to plan, for teams to run sustainable businesses, and for riders to compete in the sport. We believe there are ways for pro cycling to create a more fan-friendly and exciting sport, and to pave the way for longer-term growth, while still remaining true to its roots.

1) The first critical issue that must be addressed is the **competitive structure of the sport** – how individual teams are organized to compete with one another. A number of different structural iterations have been tried over the last hundred years. Pro cycling should continue to tinker with and improve upon the current league system – originally put in place as the Pro Tour during the tenure of Hein Verbruggen – which has morphed into today’s WorldTour. The UCI has recently proposed further changes, including a top pro structure which incorporates a

16-team first division with an 8-team second division, to be phased in over the next two years. Others have suggested a smaller top division with perhaps ten or so teams, and a larger number in the second division. We believe that this is a good time for the UCI to bite the bullet and grant these top division teams essentially permanent franchise status. This could be the catalyst for a league structure with a greater predictability and certainty – where teams could begin to build real economic value, just like what has occurred in the major American sports, the international basketball leagues (FIBA), and with various nations' Euroleague football clubs.

To protect and ensure competitive standards, there should be provisions by which weaker top division teams might be relegated down, while successful second division teams would have an opportunity to move up each year. The lower division might also have a “modified” franchise structure: a competitive system by which aspiring new teams could enter the system and replace bottom-end franchises which were not performing strongly enough. This would allow another route for new teams to work their way into the professional structure.

Today's system breeds short-term thinking and instability; many of the current economic risks would be eliminated if everyone had confidence that the team would be sustainable over the longer term, and that it would be invited to all the big races. This stability would embolden sponsors with a greater incentive to invest, and team staff and racers would have greater confidence about their personal futures. While this might be a dramatic change from the historical structure of pro cycling, it would not be difficult to design and implement, since this is exactly the economic engine driving almost every other major team-sport league.

A new pro league and dedicated race calendar could help to promote a new and streamlined TV coverage model, and fans could more easily follow their team at events around the world, on the same TV channel, with the same announcers. Cycling could offer a stronger and more straightforward season-long TV product if it could be packaged as one multi-continent international series of events. This would give the sport a stronger negotiating position in terms of TV coverage, and in turn would help to attract additional global sponsors and revenues into the sport.

2) There are also changes in the **individual team structure** which are long overdue. This includes details like the number of riders per team (itself dependent upon proposed changes in the season and race calendar – see below). The UCI has proposed decreasing the number of racers per team down to 22, which would in turn reduce the number of support staff, an important factor given the [cost considerations](#) we discussed earlier. Further scrutiny should be given to the number of days per year that athletes are expected to race. Many managers, including former racer Marco Pinotti, now a team director and key member of the PCC, suggests that this should be somewhere between 50 and 90 days per year, or an average of about 70 days depending upon age, experience and role on the team. According to the Cycling Quotient [website](#), there were 18 riders who raced 90 days or more this year, and some 300 who raced more than 70 days.

There should also be an examination of the athlete salary situation across the spectrum of teams, from the top level to the bottom earner. Although the UCI does set some nominal salary levels, there have recently been reports that some Pro Continental (and possibly even

WorldTour) teams are figuring out ways to employ racers for effectively no salary at all. On the flip side, the growing disparity between the richer teams and the poorer teams over the past few years makes a discussion about limiting salaries – either for individuals or collectively for teams – unavoidable. The last few years have seen a handful of teams gradually gain control over a disproportionate share of the top level talent in the sport, and to counter this worrying trend, there is growing support for some sort of team salary cap. This tendency towards a handful of richer teams may also be blocking investment in new teams, or discouraging continuity in others, because the talent needed to field competitive squads is poached almost as soon as it matures.

3) A closely related structural issue that needs to be revamped or abolished is the current **technique for measuring and ranking individual and team performance**, and selection of teams for major races: the infamous UCI points system. Few aspects of top-level professional cycling have been as controversial as the point system for ranking and licensing Pro Tour teams over the past few years. There is nothing wrong with having ranking systems like the UCI's, or the more detailed and privately-operated Cycling Quotient and ProCyclingStats. These rankings subjectively measure the performance of racers and teams, and in fact provide for endless hours of entertaining debate. Rather, the problem is what the UCI point system has historically been used for – qualification for the WorldTour and, more specifically, the automatic Tour de France invitation.

This use of the points system has encouraged richer teams to essentially “buy” riders with more points, insuring themselves an invite to the Tour. In turn, this has led to a number of undesirable or perverse incentives – for teams to hold better riders out of races if they happen to be switching teams the following year, or even for riders to forego teamwork in an individual race situation – undermining the very fabric of the sport (see “*What’s the Point?*” in *Velo* magazine July, 2013). Another weakness with the UCI point systems is that it is segregated by professional level – Pro Continental team riders don’t receive WorldTour points, even when they win WorldTour events. There needs to be a standard ranking system that enables the comparison of *all* professional riders. Fortunately, the development of a permanent franchise system would eliminate this use of UCI points, and could provide an opportunity to redesign the system around true “championship” ranking parameters and season-long competitions.

4) Another widely debated issue is cycling’s ludicrously long **season and racing calendar**, which today essentially runs from January through the end of October. Few other sports have this type of almost year-round schedule. The UCI is apparently also considering this issue. We would propose a significantly shortened season, with fewer races, in which all teams would be heavily incentivized to participate – perhaps running from mid-March through late September. Right now, some riders barely have six weeks off, before they have to start seriously training for the mid-January start of the Tour Down Under. Some existing races might have to be moved around in the schedule, so that they did not overlap with one another, while others might be reclassified or downgraded to support a fuller second-division schedule. While most of the great historical races would be preserved, there should also be room for a few new races at the top divisional level – in new geographies or at different times of the year, aligned with the need to continue growing international and cultural diversity of the sport. All of this could lead to a more balanced, more interesting and more competitive season.

The top division teams would be incentivized to send their top riders to all of the key races. Many observers suggest that few if any of the top-level races should overlap, so that it would be possible for all teams to field competitive squads at all events, balancing established stars with developing talent. On the other hand, some suggest that the calendar should be evaluated primarily from a business or marketing-centric perspective: if certain smaller races overlap, it is simply a matter of “survival of the fittest,” and the race which proves economically stronger is the one that will survive.

A redesigned points system, with more focus on the teams, and with true championship prestige for the franchises, could be the carrot to help underwrite this change. Pro cycling could in effect create and sustain greater fan participation and excitement with this new schedule. As former **VeloNews** publisher Felix Magowan points out, the historical race schedule was often based on the belief that more racing days equals more revenue. However, fewer but more significant races in which everyone participated might help cycling to develop a “scarcity value” – another economic factor that could increase the value of sponsorship investment and broadcast revenues, which today’s calendar renders impossible.

Although most observers would argue that the great historical cycling races should be preserved in any calendar shift, there could also be some tinkering with the individual race events themselves. For example, former Giro d’Italia director Michele Acquarone (one of the innovative thinkers in the sport, despite his unceremonious dismissal a year ago) sees four “Grand Tour” races of two-week (three weekend) duration – a redesigned Tour and Giro, one major event in Asia/Australia, and one in the U.S. – perhaps a reconfigured Tour of California or Pro Challenge. “The entire Olympic games last two weeks – why do we need three weeks for a bike race?” he asks. “It would be better for the fans and better for the racers.” The existing World Championship race could be subsumed into the new schedule or simply discontinued, and both the individual and team world championships would be based on a year-long ranking system. Another idea, proposed by former pro and 1984 Olympic gold medalist Alexi Grewal, would see Grand Tours retain their three-week duration, but with a rotating system where only two of the races would be held each year – with a long enough time period in between for the riders to recover, train and consistently race in both events. And there are numerous other ideas for revising and modernizing the calendar; it is time to model and study the alternatives.

Many traditionalists have vehemently argued that significantly changing the calendar will somehow wreck the historical legacy of the sport. Obviously, any changes must be carefully evaluated. Even though no new calendar will be popular in all corners, cycling must move towards a more rational and balanced schedule if it is to address many of its economic concerns. If we are constrained by its history, the sport will never move much beyond Western Europe, and it will certainly never realize its global potential.

5) Cycling is a team sport, but often it is not effectively promoted that way to the broader fan base. Most fans tend to follow individual racers, as they seemingly jump from one team to another constantly over their careers. There aren’t very many Thomas Voecklers out there – riders who have essentially stayed with a single team entity throughout their careers. Hence, concurrent with all these other changes, we must find ways of creating a **greater focus on team performance** and achievements – particularly from the fans’ perspective. One good

example to study and emulate is the currently growing fan interest in the commercial team time trial competition at the World Championships.

The UCI should also explore ways of promoting a broader geographic distribution for these now more permanent franchises – to build more teams with a regional or national identity. Acquarone envisions three or four teams from Europe, maybe two or three from North America, Asia and South America, and perhaps one or two from Australia and Africa. The riders on these teams would not necessarily all be from a single country, but many of them might be – similar to the model adopted by the Australian WorldTour Greenedge team or the Pro Continental South African MTN-Qhubeka team. Commercial sponsors might occasionally change, but the team would retain its regional flavor. Building a sustainable team means creating a culture that is both impactful to the community and meaningful to the riders – an objective that goes beyond simply winning races, says Douglas Ryder, manager of the MTN-Qhubeka team. “We treat all our riders equally, as it is critical to get the best out of all your people – it’s a team, and a team is only as strong as its weakest link.”

A demographic and cultural shift in this direction could help teams build greater financial sustainability, making it less likely that riders would need to change teams all the time in search of “the next paycheck.” This would help to increase the base of fan awareness and reinforce regional pride, driving greater overall public demand; this momentum would in turn build valuation for broadcast and advertising rights, and grow revenue. All of these factors could combine to create a self-sustaining upward spiral supporting the longevity, fan appreciation and ultimately the economic value of the individual teams.

Individuals are still going to win races and garner the glory that comes with victory, but teams would also get victories and points for every race, and new categories would be devised for team statistics and performance in the redesigned points model – best climbing team, best sprinting team, or most consistent team. At the end of the season, there would be a championship team which would win the greatest prize money and recognition, and perhaps a “Most Valuable Rider” award as well.

In conclusion, the real future of cycling is building a larger fan base – plain and simple. None of the other developments that we have described in prior articles will ever occur unless the sport figures out how to broaden its appeal and attract more fans. Put in a business context – “nothing happens until you make the sale.” By means of a more modern and rational calendar, a more permanent competitive league structure, a growing focus on the team, and more balanced revenue sources and sharing, it will be easier to attract those critical new fans to the sport. When that happens, cycling can begin to enjoy stronger revenues and healthier global growth.

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Steve Maxwell and Joe Harris, November 10, 2014