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EXECUTIVE MASTERS IN SPORTS ORGANISATION MANAGEMENT



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**“Enhancement Plan to Increase Self-Revenue
for the Korean Sport & Olympic Committee, securing and strengthening Autonomy
- focusing on analysis of NOC’s financial statement”**

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Abstract

This research investigates and analyses the financial statements of other NOCs to seek potential solutions for raising the self-revenue. The income statement of KSOC primarily relies on 98% government funding and only 2% self-generated revenue. This dependence on government funding restricts KSOC's ability to develop and implement new, effective programs. To achieve political and financial independence as outlined in the IOC charter, KSOC needs to establish self revenue sources.

The literature review encompasses an financial statement, and marketing revenue. KSOC, being a substantial sports organization among NOCs, holds a unique position as a public institution.

The data collection and analysis focus on the income statement, centering on KSOC, Germany, France (united form), Japan, the United Kingdom (separated form), and the United States (NOC sole). These countries represent diverse types of NOCs, boasting commendable performance in international events and sharing similar political and economic contexts. Most NOCs demonstrate a higher degree of financial independence, ranging from 30% to 100%. Their revenue primarily originates from marketing initiatives like licensing, merchandising, broadcast rights, donations, lottery fund distribution, membership fees, government funding, etc.

Key discussions include incorporating sports for all programs within sponsorship initiatives, pushing for legal revisions to activate donation programs, exploring opportunities in broadcast rights and digital contents, developing licensing and merchandising opportunities, and establishing membership programs with NFs, local sports councils.

Following interviews with KSOC employees, a comprehensive analysis was performed. While many employees possess professional expertise, not all of them perceive the urgency of self-revenue generation.

The study's conclusion underscores the importance of KSOC elevating its self-revenue to foster advanced development and system-building. Various avenues exist to raise funds, yet some are hindered by legal and regulatory obstacles. Numerous employees suggest that KSOC needs to reform its programs, management practices, and organizational culture. It is suggested that KSOC strategically develop its marketing programs at the corporate level.

The study acknowledges limitations due to atypical data caused by the COVID-19 pandemic. Conducting the study in 2024 could yield more accurate and insightful results. Additionally, the study is limited in scope due to the relatively small number of NOC cases analysed.


Abstract

Cette recherche étudie et analyse les états financiers d'autres CNO afin de découvrir des solutions potentielles pour accroître leurs propres revenus. Le compte de résultat de KSOC repose principalement à 98 % sur un financement public et à seulement 2 % de revenus auto-générés. Cette dépendance envers le financement gouvernemental limite la capacité du KSOC à développer et mettre en œuvre de nouveaux programmes efficaces. Afin d'atteindre l'indépendance politique et financière, tel qu'indiqué dans la charte du CIO, le KSOC doit établir ses propres sources de revenus.

La revue de littérature englobe la situation financière et les revenus liés au marketing. En tant qu'organisation sportive majeure parmi les CNO, le KSOC occupe une position unique en tant qu'institution publique.

La collecte et l'analyse des données se concentrent sur le compte de résultat, en mettant particulièrement l'accent sur le KSOC, l'Allemagne, la France (sous forme unifiée), le Japon, le Royaume-Uni (sous forme séparée) et les États-Unis (sous forme unique de CNO). Ces pays représentent différents types de CNO, affichant des performances louables lors d'événements internationaux et partageant des contextes politiques et économiques similaires. La plupart des CNO font preuve d'un degré supérieur d'indépendance financière, avec des pourcentages allant de 30 % à 100 %. Leurs revenus proviennent principalement d'initiatives marketing telles que les licences, le merchandising, les droits de diffusion, les dons, la répartition des fonds de loterie, les cotisations des membres et le financement gouvernemental, entre autres.

Les discussions clés englobent l'intégration du sport pour tous dans les programmes liés aux parrainages, la pression en faveur de révisions légales pour activer les programmes de dons, l'exploration des opportunités liées aux droits de diffusion et au contenu numérique, le développement de possibilités de licence et de merchandising, ainsi que l'établissement de programmes d'adhésion avec les Fédérations Nationales et les conseils sportifs locaux.



Suite à des entretiens avec les employés de KSOC, une analyse approfondie a été menée. Même si de nombreux employés possèdent une expertise professionnelle, tous ne perçoivent pas l'urgence de générer eux-mêmes des revenus.

La conclusion de l'étude met en avant l'importance pour le KSOC d'accroître ses propres sources de revenus afin de favoriser un développement avancé et la mise en place de systèmes. Plusieurs voies sont envisageables pour la collecte de fonds, bien que certaines se heurtent à des obstacles juridiques et réglementaires. Plusieurs employés suggèrent que le KSOC doit réformer ses programmes, ses pratiques de gestion et sa culture organisationnelle. Il est proposé que le KSOC développe de manière stratégique ses programmes de marketing au niveau de l'entreprise.

L'étude reconnaît les limites engendrées par les données atypiques causées par la pandémie de COVID-19. Mener l'étude en 2024 pourrait fournir des résultats plus précis et plus instructifs. De plus, la portée de l'étude est limitée en raison du nombre relativement restreint de cas de CNO analysés.

Acronyms

BOA British Olympic Association

BOF British Olympic Foundation

DCMS Department for Digital, Culture, Media & Sport

CNOSF French National Olympic and sports Committee

DOSB German Olympic Sports Confederation

DSH Stiftung Deutsche Sporthilfe

DSM German Sports Marketing

IOC International Olympic Committee

JOc Japan Olympic Committee

KSOC Korean Sport & Olympic Committee

KSPO Korea Sports Promotion Foundation

MCST Ministry of Culture, Sports and Tourism

NF National Federation/ NGB National Governing Body

NPO Non-profit Organization

NOC National Olympic Committee

SO Sports Organization

USOPC United States Olympic & Paralympic Committee

USOPF United States Olympic & Paralympic Foundation

USOPE United States Olympic & Paralympic Endowment

1 USD \$= 1,300 KRW	0.00077 USD\$ = 1 KRW
1 USD \$= 0.93 EUR	1.08 USD \$= 1 EUR
1 USD \$= 0.8 GBP	1.25 USD \$= 1 GBP
1 USD \$= 139.28 JPY	0.0072 USD \$= 1 JPY

Table 1. A note on currencies and exchange rates in 2022

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Chapter 1. Introduction

1. Research Background

Korean Sport & Olympic Committee (KSOC) was founded in 1920 and officially recognized by International Olympic Committee (IOC) in 1947. It operates under Article 33 of the National Sports Promotion Act and functions as Korea's National Olympic Committee (NOC).

Throughout the years, both the KSOC and the broader sports landscape in Korea have undergone significant growth, paralleling the nation's development. Specially, Korea's sports policy was primarily centred on elite sports in its early stages, therefore team Korea has got a good score in recent Olympics. However, recent Olympic score has been lower than before.

Olympic	2004	2006	2008	2010	2012	2014	2016	2018	2020	2022
Rank	9	7	7	5	5	13	8	7	16	14

Table 2. The rank or the KSOC in the Olympic games from 2004 to 2022

In addition, the country's rising economic status has led to a shift in perspective. People now place personal value on sports and seek healthier lifestyles. As Korea becomes a super-aged society, the integration of professional sports and sports for all has emerged as a crucial concern, promoting national health and optimal leisure usage. The reform of athlete training systems to ensure a balanced school life has also become imperative.

The Korean sports community has reached a consensus on the need for an advanced sports system, highlighting issues such as limited event-based expansion, a weakened player base, inadequate support for retired athletes, diminished quality of daily sports services, and overlapping government financial assistance. This led to the recognition of the necessity to streamline the sports systems and integrated the Korea Sports Council (KSC) and Korea Council of Sport for All (KOCOSA). (Ministry of Culture, Sports and Tourism[MCST], 2021)

The KSOC plays a pivotal role in Korean sports, working in tandem with the IOC and the Korean government to formulate policies and oversee specific sporting endeavours. The organization manages 110 programs across five headquarters (management, elite sports, sports for all, international relations, and the national training centre) to fulfil its mission that encompasses enhancing and enriching lives through sports participation, elevating

international sports competitiveness by supporting National Federations and athlete training, and contributing to the global development and harmony of the Olympic Movement. (Korean Sport & Olympic Committee[KSOC], 2022)

In accordance with its articles of incorporation, KSOC engages with domestic and international sports entities by forming membership relationships. In 2021, KSOC comprises 81 NFs (62 regular member organizations, 7 associate member organizations, and 12 recognized organizations), 17 major local sports councils, 228 city/gun/district local sports councils organized by administrative districts and 1,163 local NFs.

Likewise, the organization size and budget of the KSOC have grown larger than before and have an influence that encompasses the entire sport.

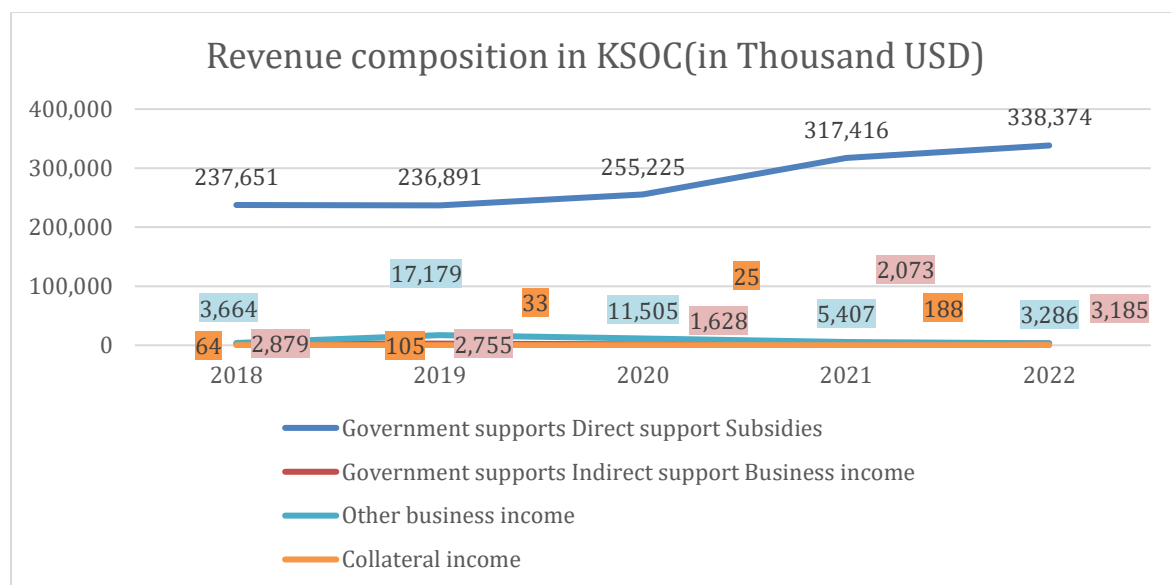


Figure 1. Revenue composition in KSOC

The KSOC grappled with challenges in securing new sponsorships, a predicament exacerbated by **the economic slowdown, political issues, and the termination of the Joint Marketing Programme Agreement (JMPA) with the 2018 Pyeongchang Organizing Committee for the Olympic Winter Games.**

In addition, COVID-19 has caused a global outbreak, disrupting everyday life for several years. **The impact of COVID-19** directly reverberated within KSOC. The cancellation or postponement of various events, including the Olympics, posed obstacles to sponsorship procurement. Even other revenue sources, such as rental income, witnessed declines.

Most funding of KSOC comes from **the national sports promotion funds** through government. The funds are related to Sports toto (lottery) and bicycle & motorboat racing. The funds decreased a lot due to Covid, therefore, some programs in KSOC should get decreasing funds. If their revenue reached limits due to the instability of the funds, KSOC would encounter severe crisis of financial problem. (MCST, 2021)

Furthermore, predominantly funded by the government, the KSOC receives subsidies through the National Treasury Subsidy Integrated Management Guidelines.

This financial reliance occasionally constrains practical endeavours. For instance, sponsorship bidding processes and the collection of individual donations are often restricted. Additionally, acquiring permission from the MCST is requisite for self-revenue activities, as stipulated in Article 33(2) of the National Sport Promotion Act.

Consequently, the organization is proactively exploring avenues to boost self-generated revenue, with the aim of establishing a robust and progressive entity capable of spearheading advancement in the realm of Korean sports.

1. 2. Research Purpose

External factors such as political, economic, social and technology influences relate to KSOC's financial stability. Despite being a non-profit public service entity, KSOC dealt with a budget of 34.4 million dollars in 2022, a substantial amount compared to other NOCs. However, most of its financial revenue (98.9%) is derived from government support.

Pertinent legislations encompass the Sports Basic Act, National Sports Promotion Act, Act on Promotion of Sports for All, and School Sports Promotion Act. Indirectly linked are statutes such as Installation and Utilization of Sports Facilities Act, and Sports Industry Promotion Act.

The KSOC's operations are also subject to the Corporate Tax Act, Monopoly Regulation and Fair-Trade Act, and Act on the Recruitment and Use of Contributions related to budget and marketing. Furthermore, the KSOC functions as a non-classified public institution in accordance with the Act on the Management of Public Institutions, Article 4, which empowers the Minister of Economy and Finance to designate certain entities as public institutions. Although the KSOC strives to serve the public, its operations are intricately intertwined with government regulations.

Enhancing self-generated revenue could grant KSOC greater autonomy over its programs and organizational management. This aligns with Olympic Charter Rule 27, emphasizing the need for NOCs to maintain autonomy and resist external pressures that could hinder compliance with the Olympic Charter. The preservation of autonomy is a central concern for NOCs, making revenue improvement a crucial priority for KSOC.

1. 3. Research objective

The KSOC operates as a unique non-profit public service organization within the realm of sports. Similar organizations exist in the field, such as NOCs, which share a common mission and role in accordance with Olympic Charter Rule 27. While each country's sports landscape differs, there are valuable insights to be gained by comparing KSOC with other NOCs and identifying benchmarking opportunities.

According to McNair C. J. & Leibfried Kathleen (1992), the concept of benchmarking involves understanding one's own processes, identifying weaknesses in comparison to competitors or leading entities, and ultimately striving for a strategic advantage through world-class processes that fulfil customer needs.

My research aims to explore methods for generating self-revenue, particularly through enhanced marketing efforts, by analysing and comparing financial statements of various NOCs. Accounting standards provide a formal and internationally recognized framework, offering an effective means to comprehend both commonalities and distinctions among NOCs. In this context, the selection of NOCs for comparison is crucial, with criteria including: 1) superior Olympic performance compared to KSOC, 2) countries boasting similar or larger populations than Korea, and 3) political and economic environments characterized by liberal democracy and market capitalism.

Of paramount importance is the enhancement of revenue streams. Consequently, my research will involve a thorough review of the financial statements of prominent NOCs such as the USA, UK, Germany, France, Japan, and others. Many NOCs publicly disclose their financial statements, providing valuable insights that can inform improvements and benchmarks for boosting KSOC's revenue. Additionally, conducting interviews with KSOC employees will contribute to a deeper understanding of the organization's dynamics and help validate findings.

By embarking on this research journey, KSOC can identify avenues for expanding its revenue sources beyond government funding, thereby strengthening its financial autonomy.

1. 4. Research questions

- **What are differences regarding funding structures between KSOC and other NOCs?(IOC, USA, German, Japan, UK, France, etc)**
- **How to be increasing self-revenue of the KSOC?**
- How to draw and make more participations, interests, donates from many people in our country by creating sports friendly environment?

- Keywords: sport marketing, sport finance, revenue

1. 5. Research procedure

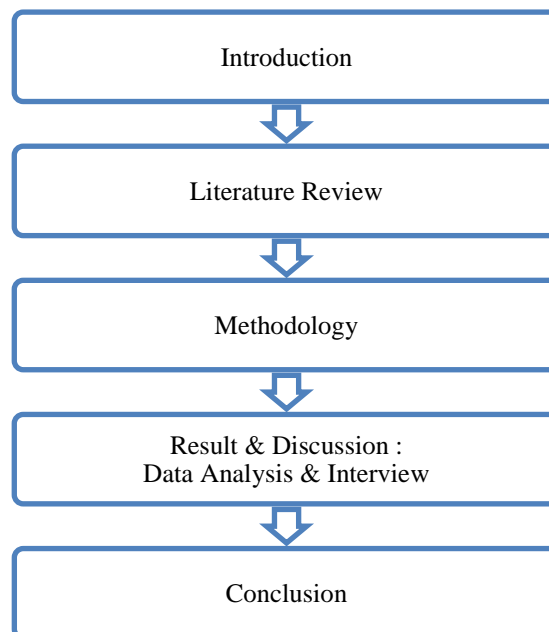


Figure2. Research flowchart

Chapter 2. Literature review

2. 1. Finance

2. 1. 1. The definition of the Sport Finance

Finance is a noun that refers to the management of significant sums of money, particularly by governments or large corporations. In its verb form, it signifies the provision of funds for individuals or enterprises, as defined by Oxford Languages and Google.

In the realm of sports, finance serves as the cornerstone of development. Financial statements constitute essential raw data that offers insight into the financial well-being and expansion of an organization. Although these statements may not convey the entire narrative, they do furnish valuable information pertaining to revenue sources and critical facets within the sports industry (Jason A. Winfree, Mark S. Rosentraub, Brian M. Mills, and Mackenzie P. Zondlka, 2019).

The structure of financial statements comprises the income statement, balance sheet, and cash flow statement. Within these statements, expenditures are evident in the income statement, investments are outlined in the cash flow statement, and indirectly reflected in the balance sheet. Marketing expenditures are itemized in the income statement. From the perspective of financial accounting, marketing represents an expense, yet concurrently, it functions as an investment in brand equity. An income statement provides a financial overview, encompassing revenues, costs, and profits, across a specified period (Jason A. Winfree, etc, 2019).

Analysing the financial status of other NOCs and utilizing benchmarking techniques can augment KSOC's revenue. This expansion can be achieved through strategic marketing initiatives, complementary to government funding.

2. 1. 2. The income statement of IOC

IOC statement of activities in Thousands of USD(USD 000)	2021	2020
Revenue	4,161,660	623,803
Television broadcasting rights	3,107,368	1,087
- OG America	1,563,867	
- OG Europe	606,011	
- OG Africa	17,427	

- OG Asia	842,453	
- OG Oceania	77,610	
- Youth Olympic Game (YOG)	-	1,087
TOP Programme marketing rights	835,617	532,374
Other rights	39,765	65,758
- Royalties:		
- OCOG marketing programme	16,925	62,026
- Licensing	5,225	1,496
- Suppliers	7,467	633
- Hospitality	8,000	-
- Other	2,148	1,606
Other revenue	178,910	24,584
- Unilateral and Paralympic broadcasting revenue	145,249	81
- Donations	80	9,076
- Other	33,581	15,427
Expenditure		
Olympic games-related expenditures, contributions and special projects	-906,344	-206,284
Olympic Games-related expenditure	- 741,385	-17,178
Youth Olympic Games-related expenditure	-295	-15,950
Grants and contributions	-52,396	-60,947
Olympic Solidarity programme	-93,147	-92,383
Special projects	-19,121	-19,826
Distribution of revenue to OCOGS, NOCs, USOPC and Ifs	-2,059,847	-300,369
Revenue distribution	-1,506,368	-
TOP Programme marketing rights	-553,479	-300,369
Promotion of the Olympic Movement	-194,612	-118,234
Operation Expenditure	-189,652	-173,797
Excess of Revenue/(Expenditure) before financial income	811,205	-174,881
Financial income/(expense), net	32,552	119,859

Table 3. IOC income statement

The IOC generates its revenue primarily from television broadcasting rights, the TOP programme rights, and other associated rights.

The revenue includes royalties obtained from licensing television rights for broadcasting the Olympic and Youth Olympic Games. TOP Programme rights yield cash, Value in Kind (VIK), and Marketing in Kind (MIK) revenues. The licensing of Olympic marks continues over the contract

period. Additional revenue arises from the commercial utilization of the Olympic symbol and emblems. This revenue encompasses the Group's portion of the marketing initiatives of OCOGs, along with income from sponsorship, supply, and licensing agreements. Part of this revenue is received in the form of goods or services. Revenue from the official Olympic hospitality provider is recorded. (International Olympic Committee, 2022)

2. 2. Marketing

2. 2. 1. The definition of Sports marketing

Park Se-hyuk, Jeon Ho-moon & Kim Yong-man (2004) defined that Sports marketing is a creative exchange activity that satisfies the needs of sports consumers through sports products and achieves the goals of sports-related organizations.

Sports marketing encompasses a range of strategies aimed at attracting larger audiences and securing memberships for both spectator sports and participation-based sports. This field includes initiatives to promote sports-related products, facilities, and programs within the sports manufacturing sector and various sports organizations, all geared toward securing financial resources. Typically, the 5Ps of marketing (Product, Place, Promotion, Price, and Public Relations) are employed for analysis and planning.

Looking at sports through a marketing lens, the utilization of sports as a marketing tool strives to fulfil diverse marketing communication objectives. This is achieved by offering financial support, goods, expertise, or organizational services to athletes, teams, federations, associations, and sporting events on behalf of companies. This encompasses the entire spectrum of planning, organizing, executing, and overseeing activities.

The interplay of sports, media, and business has transformed the sports landscape in the latter part of the 20th century. This transformation led to a triangular model characterized by sponsorship rights, exclusive broadcasting rights, and merchandising. Sponsorship offers the dual benefits of boosting demand for goods and sports, generating income, supporting sports initiatives, and enhancing publicity. (Naver knowledge encyclopaedia- sports marketing, 2023; Lee, Jae-woo, 2014)

2. 2. 2. The method of revenue enhancement through sport marketing

Category	Contents
Sponsorship	The right to use the name of an event that the company sponsors by paying the full cost or equivalent cost of the sporting event or to advertise that it is sponsoring the event i.e., title sponsorship, advertisements on stadium boards, uniforms, tickets, billboards, signboards, etc., TV and cable broadcasting, and media exposure
Licensing	The right to sell the logo, mascot, emblem of the event by attaching it to the products of sponsoring companies
Merchandising	The right to make and sell souvenirs and other products using the mascot logo of the player of the sponsored competition team and the player's character. i.e., media-based merchandising, involving advertising on billboards, scoreboards, prints, airships, or large balloons at sports venues
TV broadcast	The right to pay a certain amount to the TV competition management organization to broadcast the game or to be delegated all TV rights related to relaying and to sell the broadcasting relay for a certain amount to the broadcasting company in each country
Endorsement (Sport star& Team)	The right to have players or teams sponsored by players or teams appear in advertisements for the company's products, or to wear or use the company's products during competitions in order to use the image of the players or teams to improve corporate and product image.
Membership program	Development of membership program, operation of membership system, various marketing for fans
Sports information	Membership, sports events, provision of Internet contents and information, development and fundraising of video and Internet programs for each event
Sports facility	Certification of sports facilities and supplies, sports facility consulting
Uniform, equipment	Sponsorship of national team and player uniforms, advertising of sponsor companies on game equipment

Stadium marketing	Stadium-related marketing activities, including rights to stadium names and usage, as well as parking lot marketing efforts
--------------------------	---

Table 4. Key Revenue Streams in Sports Organizations (Han, Jeong-ho (2001); Song, Myung-kyu (2018))

2. 3. The feature of the KSOC

- The National Olympic Committee (NOC)

The NOC constitutes one of the three principal components of the Olympic movement, alongside the IOC and International Federations (IFs). The IOC is the sole authority responsible for acknowledging an NOC, and currently, there exist 206 NOCs globally. These committees are entrusted with the task of advancing, endorsing, and safeguarding the ideals of the Olympic Movement within their respective nations, aligning with the principles outlined in the Olympic Charter. (International Olympic Committee, 2020)

- Non-profit Organization (NPO)

The concept of NPOs shares similarities with Non-governmental Organizations (NGOs). NPOs are voluntary entities outside of government and corporate structures, established to serve public interests. They encompass private sector organizations, whether national or international, that stand distinct from government and market domains. (Lee, Jong-soo, 2009) According to Lester M. Salamon (as cited in doopedia, 2023), the defining attributes of an NPO include formal organization, non-governmental nature, non-profit orientation, autonomy, spontaneity, and alignment with public welfare.

- Public institution

A public institution is a government-owned entity that blends aspects of governmental organizations and private enterprises. It serves as a strategic tool to deliver essential public services, fulfilling societal requirements and supporting government policies in instances of market inefficiencies. Government oversight involves ownership, financial support, supervision, and ensuring independent management for efficient functioning. Public institutions maintain autonomy while operating separately from excessive government interference, as highlighted by Jung, Min-sun (2020).

Government sports budget (1,353,384,615 thousand USD) allocated 0.32% of the total government budget (429,230,769,231 thousand USD) in 2021. (MCST, 2021)

Items	2021 (In T USD)		Contents
National Treasury	148,615,385	2.6%	Encompassing the Sports Bureau of the MCST, Sports Cooperation Building general account, and regional development special account budget
National Sports Promotion Fund	1,204,769,231	21.2%	Comprising net business expenses, excluding fund operation expenses, transfers, and surplus funds
Local government budget	4,115,153,846	72.4%	Involving city/province and city/gun/gu general account final budgets
Self-Revenue of Sports Organizations	215,000,000	3.8%	Encompassing the own income budget of KSOC, National Federations (NFs), and other related entities
Total	5,683,538,462	100%	

Table 5. The budget of 12 sports organizations in Korea

These financial dynamics underscore the collaborative engagement between the government and various sports entities to foster the growth and promotion of sports in Korea. (Ministry of Culture, Sports and Tourism, 2021)

SO	1 thousand USD	SO	1 thousand USD
KSOC	324,922	Local Sports Councils	416,665
National Federations	252,300	Korea Anti-Doping Agency	6,743
Korea Sports Safety Foundation	6,309	PyeongChang Legacy Foundation	17,538
Province Sports Councils	409,928	Korea Sports Ethics Center	4,090
Korea Paralympic Committee	65,391	Taekwondo Promotion Foundation	23,803
Korea University Sport Foundation	13,162	KSPO	2,044,072

Table 6. The budget of 12 sports organizations in Korea

Chapter 3. Methodology

3. 1. Research Design/ Methodology of Data Collection

3. 1. 1. Outline of the research design

The primary objective of this project is to identify avenues for enhancing the self-revenue of KSOC. Despite being a public and nonprofit organization, KSOC's autonomy is constrained by its reliance on government financial support. While numerous sports organizations exist worldwide, NOCs stand out as unique entities like KSOC, being nonprofit and authorized by the IOC. In this study, comparison serves as the foundational principle, aligning with Nam, Gung-geun's (1999) assertion that almost all social science research methods involve comparative elements.

To achieve this objective, case studies and benchmarking will be conducted, although limitations in resources necessitate the selection of specific NOCs. The criteria for selecting these NOCs include exceptional Olympic performance, economic and political structural similarities. After analyzing the financial status of other NOCs, interviews with KSOC employees will be conducted to verify facts and gather practical insights on enhancing self-revenue across various aspects of KSOC.

3. 1. 2. Qualitative Method

Jung, Hyun-wook (2012) highlights that qualitative studies focus on comprehending the deeper meanings underlying observed phenomena. Qualitative research methods encompass field research and case studies, primarily employed in social sciences to describe phenomena, or uncover theoretical structures.

For this study, a mixed method approach that combines qualitative and quantitative elements will be utilized. While quantitative data such as subsidies, revenue figures, and ratios can provide numerical insights, the qualitative method is emphasized due to the nuanced nature of policies, legislations, and contextual differences between countries.

Qualitative research, as described by Nam, Gung-geun (2010), involves data collection through words rather than numbers. Data collected through methods like participatory observation, in-depth interviews, and analysis of various documents, audiovisual materials, and other sources will facilitate a comprehensive exploration.

3. 2. Main tools of Data Collection

3. 2. 1. Documentary Analysis

This study will primarily focus on analyzing sport funding and sport marketing cases and theories within the context of NOCs, particularly centered around KSOC. Secondary data, obtained through documentary surveys, will be analyzed using content analysis. Various sources including IOC and NOC websites, annual reports, statistics, published books, theses, and journals will be examined to facilitate comparative analysis.

3. 2. 2. Case study & Benchmarking

Yoo dong-bin(2017) state that policymakers could know the policy system of other area, society and countries about who have similar problems and consider the new, effective policies that solve the problems through comparative methods. They can look at problems from a more sober perspective and from a broader perspective on their situation.

This study aims to explore effective strategies for enhancing KSOC's self-revenue by reviewing the financial statements of other NOCs.

3. 2. 3. Interview

Semi-structured and in-depth interviews will be conducted to verify case study findings and gather insights for improvement. These interviews will ensure data accuracy, cross-verification, and allow for sharing of researched case studies while seeking input for enhancement points. Interviews will involve ten KSOC personnel with varying levels of experience, including deputy managers, managers, and department heads. Interview questionnaires will cover rapport-building, self-revenue and budget knowledge, self-revenue requirements, and pertinent external and internal considerations.

All personal data gathered from interviews will be safeguarded, ensuring anonymity, and solely used for the purpose of this research, adhering to ethical research practices.

Chapter 4. Results & Discussion

4. 1. Case study: Budget status

4. 1. 1. Comparison of NOC Formats

Each NOC possesses its unique characteristics and operating environment, making direct comparison challenging. However, a comparative analysis based on factors such as national scale, athlete count, and budget allocation can provide valuable insights.

Kim Yong-sup outlines distinct NOC cases as follows:

Case 1: NOC and national/private sport organizations are combined, encompassing 40 countries such as France, Italy, Germany, Switzerland, Netherlands, Norway, Iraq, and others.

Case 2: NOC and national sport organizations are separate, involving 92 countries including the UK, Australia, Canada, Japan, and more.

Case 3: 74 NOCs operate independently, with countries like Jordan, USA, Australia, New Zealand, and others falling into this category. (Kim Yong-sup, 2009; Jung Seok-hee, 2015)

KSOC aligns with Case 1, where NOC and sports organizations are merged, creating a sizable organizational structure. Nonetheless, by studying the experiences of other countries with varying environments, KSOC can identify areas for improvement. Such a comparative approach may uncover valuable insights for KSOC's development.

4. 1. 2. Financial Overview of KSOC (Korea)

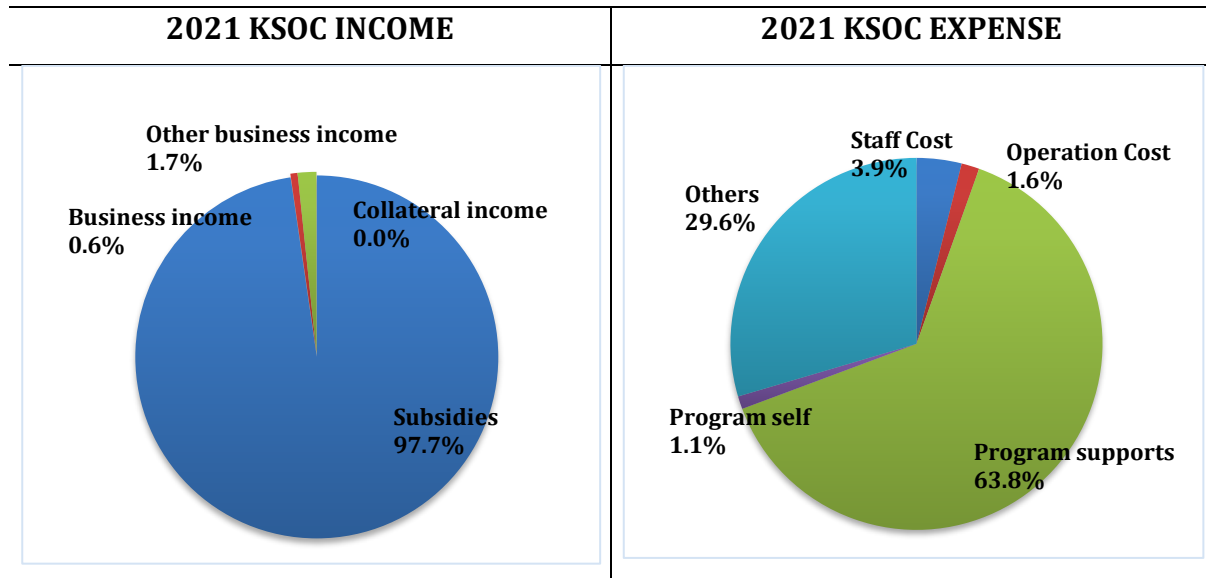


Figure 3. KSOC income & expenses in 2021

KSOC's annual revenue comes from various sources, with a significant reliance on government support. **Government support** comprises **direct subsidies(subsidies)** 317,416 thousand USD and **indirect support (business income 2,073 thousand USD, exclusive income Nil)** generated from autonomous business activities. Business income is derived from legal framework activities, including exclusive income from monopolistic businesses. **Other business income**, 5,401 thousand USD includes revenue streams like IOC distribution, sponsorship, broadcast rights fees, NFT profits, and rental income. **Collateral income, 25 thousand USD** is generated from interests on financial holdings. In 2022, government support accounted for 99% of total revenue, with other business income contributing 1%, and collateral income accounting for 0.1%.

KSOC's expenses are categorized into staff costs, operational expenses, program costs, and other expenses. **Staff costs**, 12,699 thousand USD, have shown a slight increase over time. **Operational expenses**, 5,057 thousand USD, have exhibited a downward trend. **Program operation costs** include both support funds, 207,247 thousand USD and self-funded programs, 3,636 thousand USD, with an overall increase. Self-funded program costs have occasionally decreased. The "**other expenses**", 95,955 thousand USD category covers execution balance, carried forward amounts, and related items. Despite rising program costs, overall other

expenses have decreased, indicating increasing responsibilities in a challenging working environment.

Challenges arise from conflicts between the distribution of sports-related tasks and KSOC's goals, affecting its autonomy. To address these issues and achieve greater financial independence and autonomy, KSOC must explore strategies to enhance its revenue streams.

4. 1. 3. Case Study: DOSB(Germany)

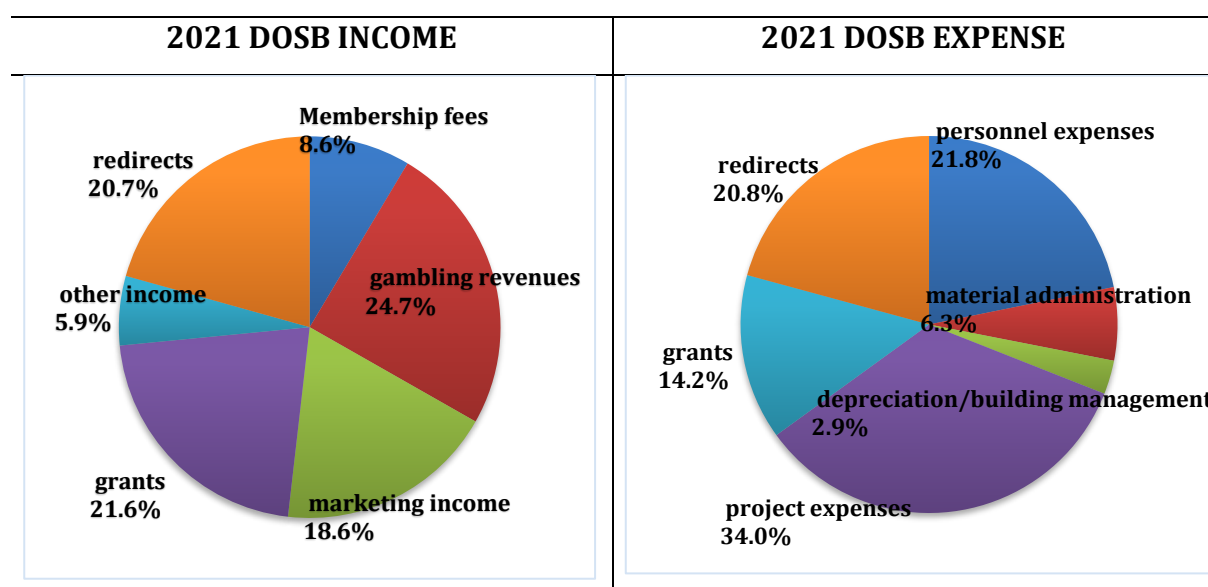


Figure 4. DOBS income & expenses in 2021

Sports finance in Germany primarily comes from public institutions, including governments and related organizations like Stiftung Deutsche Sporthilfe (DSH). DSH obtains revenue from insignia business, events, TV lottery tickets, and sports-related stamps. (Yoo Han-woong, 2016) The TV lottery, created for the 1972 Munich Olympics and 1974 World Cup, allocates funds to local sports associations (40%), DOSB (35%), and DSH (25%). Notably, lottery proceeds also support welfare and sculpture preservation projects. (KISS, 2016)

DOSB's financial resilience emanates from diverse sources. **Membership fees** contribute \$4,863 thousand USD (8.6%), while **gambling revenues** constitute \$13,971 thousand USD (24.7%). **Substantial grants**, totalling \$12,265 thousand USD (21.6%), primarily fund projects encompassing the Olympic Games, athlete service centers, and social initiatives. **Other income**, at \$3,327 thousand USD (5.9%), is derived from interest, rentals, participation fees,

campaigns, and various projects. **Redirects**, amounting to \$11,713 thousand USD (20.7%), result from project funding related to integration through sports and community initiatives. DOSB's financial portfolio includes a robust **marketing dimension**, yielding \$10,533 thousand USD (18.6%) in revenue. This encompasses Olympic marketing, Value in Kind, and sports for all marketing, facilitated by Deutsche Sport Marketing GmbH (DSM), a wholly owned subsidiary of DOSB. DSM's endeavors encompass diverse sponsorships, such as Team Deutschland, Sports for All, Paralympics, and Germany House for Paris 2024. (Deutsche Sport Marketing GmbH, 2023)

The expenses are included **personnel expenses** of \$12,301 thousand USD (21.8%), **material administration** of \$5,170 thousand USD (9.2%), **depreciation/building management** \$1,514 thousand USD (2.9%), **material expenses** \$3,534 thousand USD (6.3%), **project expenses** \$19,187 thousand USD (34%), **grants** \$8,012 thousand USD (14.2%) and **redirects** \$11,713 thousand USD (20.8%).

Certain distinctions emerge, particularly concerning the German Sport & Olympic Museum, as well as subsidies from the German sports foundation and German sports aid.

4. 1. 4. Case Study: CNOSF(France)

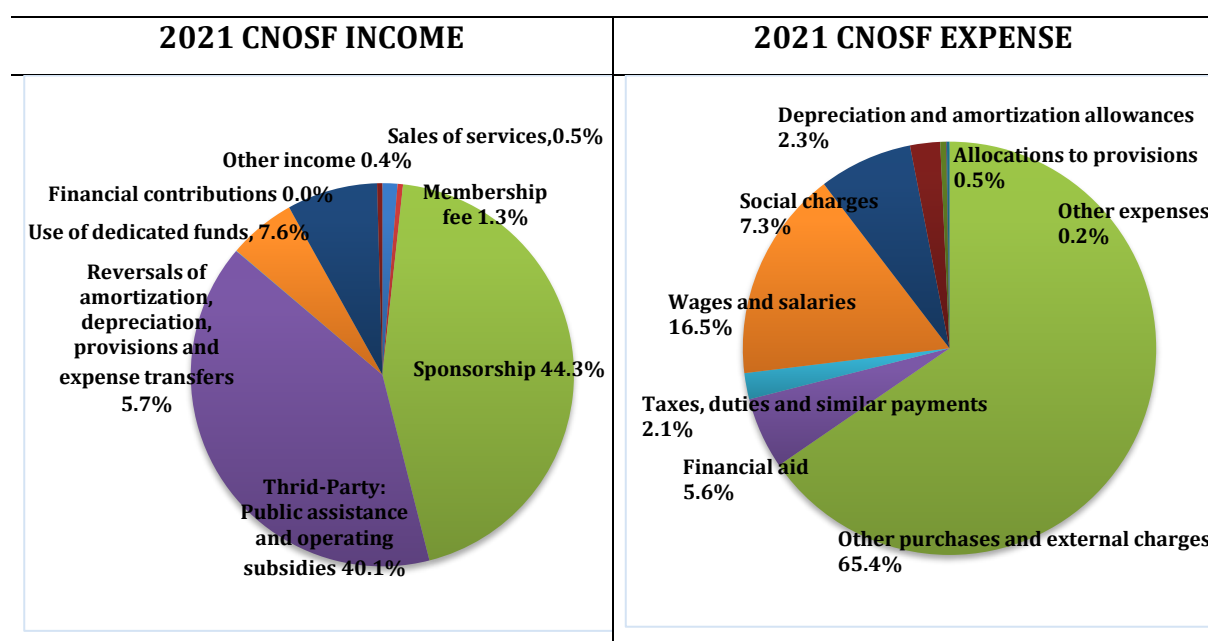


Figure 5. CNOSF income & expense in 2021

In 2021, CNOSE's revenue sources were diversified. These included **membership fees** contributing \$422 thousand USD (1.3%), **sponsorship** from service sales amounting to \$14,908 thousand USD (44.3%), **public assistance** providing \$13,363 thousand USD (40.1%), **financial contributions** of \$10 thousand USD (0.03%), **reversals of amortization, depreciation, provisions, and expense transfers** totaling \$1,896 thousand USD (5.7%), **use of dedicated funds** accounting for \$2,545 thousand USD (7.6%), and **other income** contributing \$147 thousand USD (0.4%).

Expenses encompassed a range of categories. These include other purchases and external charges totaling \$21,684 thousand USD, financial aid amounting to \$1,856 thousand USD, taxes totaling \$679 thousand USD, salaries accounting for \$5,479 thousand USD, social charges of \$2,427 thousand USD, depreciation at \$777 thousand USD, allocations to provisions of \$154 thousand USD, funds carried over to dedicated funds amounting to \$19 thousand USD, and other expenses adding up to \$65 thousand USD.

4. 1. 5. Case study: JOC(Japan)

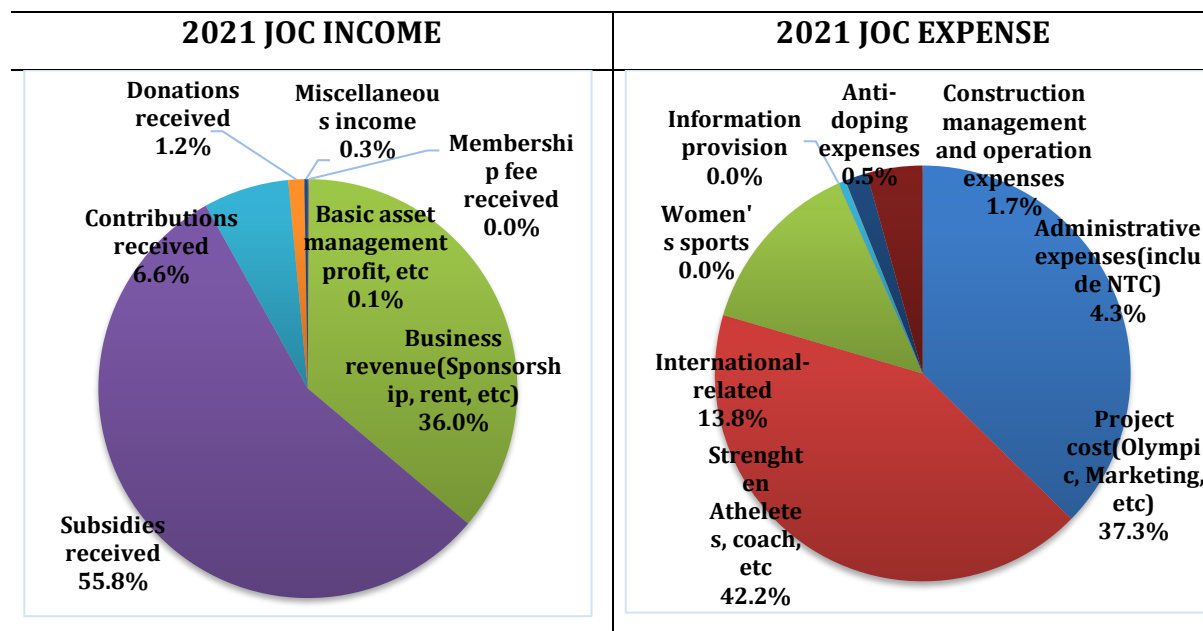


Figure 6. JOC income & expense in 2021

In 2021, the total income for JOC was \$92,043 thousand USD. **Subsidies** from sources like the government, lottery, and IOC amounted to \$51,517 thousand USD (55.8%). **Business**

revenue, including mark royalty, rental, and sponsorship, accounted for \$33,301 thousand USD (36%). **Contributions** totaled \$6,098 thousand USD (6.6%), while donations were \$1,137 thousand USD (1.2%). **Membership fees** contributed \$44 thousand USD, and **other sources** of income summed up to approximately \$304 thousand USD.

JOC's total expenses for the same year were \$98,705 thousand USD. The allocation of these expenses included **athlete enhancement** at \$41,644 thousand USD (42.2%), **project costs** like Olympic Movement and marketing at \$36,844 thousand USD (37.3%), **international relationships** at \$13,643 thousand USD (13.8%), **administrative expenses** at \$4,281 thousand USD (4.3%), **construction costs** at \$1,708 thousand USD (1.7%), and **other business** expenses such as **information provision, anti-doping, and women's sports** at \$562 thousand USD (0.6%).

JOC is actively promoting the Olympic movement through various programs, including workshops for Olympians, online athlete meetings, charity events like the Dream charity battle 2020 (video games), charity auctions, sports and environmental preservation activities, and collaborations with partner cities in sports festivals. Notably, JOC's expenses differ from KSOC in areas like Olympic movement operating and promotion costs, as well as museum installation promotion costs. JOC is also focused on establishing a museum.

JOC demonstrates financial autonomy and allocates ample funding for self-driven marketing initiatives. In contrast, KSOC designates 0.7% of total expenses for marketing and communication efforts. Membership fees are also a notable aspect in their financial structure.

4. 1. 6. Case Study: BOA (The United Kingdom)

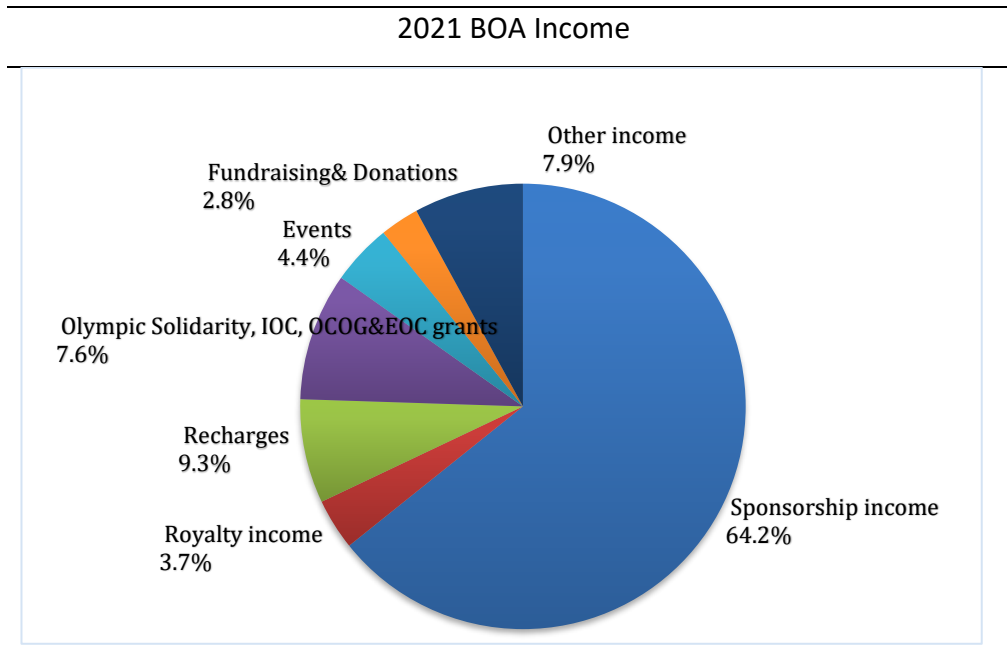


Figure 7. BOA income in 2021

The British Olympic Association (BOA) generates revenue from diverse sources, with **sponsorship income** being the primary contributor at \$20,068 thousand USD (64.2%). **Royalty income** from licensed merchandise and retail sales constitutes \$1,160 thousand USD (3.7%) of their revenue, while **grants** from the IOC provide \$2,359 thousand USD (7.6%). **Recharges** account for \$2,901 thousand USD (9.3%), **event proceeds** make up \$1,381 thousand USD (4.4%), **fundraising and donations** contribute \$884 thousand USD (2.8%), and **other sources**, including member's annual subscriptions, affiliation fees, and investments, make up \$2,481 thousand USD (7.9%).

One significant revenue-generating event was the inaugural Team GB Homecoming Concert, held on August 15th and hosted by the National Lottery. This event drew over 200 athletes and an enthusiastic audience of 8,000 Lottery ballot winners, featuring performances by popular artists.

Furthermore, BOA entered into a licensing agreement with NFT company Tokens, marking them as the first Olympic team for both the Tokyo 2020 and Beijing 2022 Games to do so. This diverse approach to revenue generation demonstrates BOA's commitment to exploring innovative opportunities within the sports landscape.

4. 1. 7. Case study: USOPC (The United States)

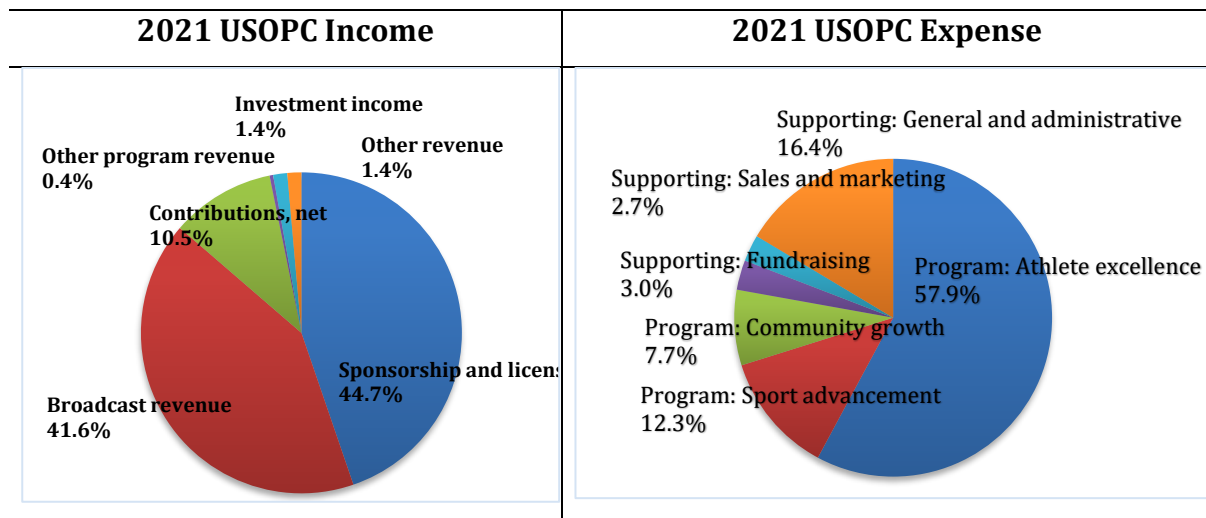


Figure 8. USOPC income & expense in 2021

In 2021, the USOPC reported a total revenue of \$479.416 million USD. This revenue breakdown comprises **sponsorship and licensing** at \$205.498 million USD, **broadcast revenue** at \$190.979 million USD, **contributions (donations)** at \$24.853 million USD, **other program revenue from events** at \$1.641 million USD, **investment income** at \$44.750 million USD, and **other revenue** at \$6.475 million USD.

The total expenses for the USOPC in the same year were \$346.296 million USD. These expenses encompass various categories, including **program services** such as athlete excellence, sport advancement and community growth at \$269.209 million USD. **Supporting services** amounted to \$10.453 million USD, including the **fundraising expenses** were \$9.415 million USD, **sales and marketing** totaled \$57.219 million USD, and **administrative costs** were \$77.087 million USD.

Broadcast revenue pertains to income from broadcast rights and related interests. Agreements exist between the USOPC, NBC, and IOC concerning Olympic Games and other events in the U.S. Sponsorship revenue originates from worldwide partners, official partners, and official supporters. The USOPC also generates income from licensing royalties, with agreements for merchandise sales featuring its name and marks. Contributions form a substantial part of the USOPC's revenue and encompass donations of land, buildings, equipment, and cash from the public.

The revenue structure of the USOPC is diverse and covering many items. This distinction is reflected in expenses as well, with the KSOC concentrating on athlete support and sports for all, while the USOPC's expenses include athlete support, fundraising, and marketing.

It's noteworthy that the USOPC operates on a four-year budget cycle synchronized with the Summer Olympic Games, ensuring accounting continuity. This differs from KSOC's one-year budget, which can lead to program disruptions due to the challenges of unpredictability and budget constraints.

4. 2. Discussion on the ways of enhancing the self-revenue

4. 2. 1. Sponsorship

Sponsorships serve as a multifaceted solution for sports organization, addressing financial challenges, augmenting the sports foundation, enhancing brand perception, boosting sales through corporate market entry and advertising, and establishing supportive media avenues. Sponsorship has evolved into a cornerstone of CSR initiatives, concurrently functioning as a potent marketing instrument that heightens corporate value, brand equity, and overall image (Lim, Nam-kyun, Chung, Tae-wook, Suh, Young-Ik, 2016).

Sponsorship plays a pivotal role in revenue generation, making it essential for KSOC to enhance its sponsorship efforts through compelling and strategic approaches. Notably, the sponsorship ratios of other NOCs are considerably higher. In comparison, KSOC's sponsorship amount falls short in comparison to its counterparts.

NOC	Sponsorship program		Sponsors
KSOC (0.8%) 2,442/ 324,920	Official partners		The north face, Naver, Best sleep (Over 100 million USD per year)
	Official sponsors		Hanjin Tour, Oakley, BBQ, CJ (Over 2 million USD per year)
	Official supplies		Paul made, Somunsa, Lotte Homeshopping, Yulchon (Under 2 million USD per year)
DOSB (18.6%) 10,486/ 56,264	Team Deutschland	TOP partners	Adidas, Allianz, Sparkasse, Toyota
		Key partners	Deloitte, EDEKA, Kuehne+nagel, Lotto, Messe Dusseldorf, Salesforce
		Partners	Dertour, Fackelmann, Fanframe, Lufthansa, Maschinensucher, MDM, AS+P, Wige

	Media partner	bigFM, Eurosport, picture alliance, SID marketing	
	Sports for all	German sports badges	Sparkasse, BKK24, Ernstings' family, Kinder
		Manufacturer of German sports badges	Stuco
		Sports star	Volksbanken Riffeisenbanken
		Prevention and health promotion program	Team Gesund Heit
		License partner	Donnerberg Munchen, K-Active, Playparc
Deutsches Haus	Axess, DOSB Deutscher sportausweis, Henkell, Weingut Anselmann		
CNOSF (44.6%) 14,908/ 33,441	Premium partners	Groupe BPCE, EDF, le coq sportif, Orange, Sanofi	
	Official partners	IAccor live limitless, Cisco, FDJ, PWC	
JOC (33.7%) 31,110/ 92,403	Gold partners	asics, Eneos, Mitsui fudosan	
	Official partners	Ajinomoto, airweave, Hisamitsu	
	Official supporters	Interbrand, Tobu tower skytree co.,LTD.	
BOA (64.2%) 20,068/ 31,237	Official partners	adidas, Aldi, British airways, Deloitte, DFS, Dreams, GoDaddy, Haven, McVitie's, Ocean Outdoor, Persimmon, Purplebricks, Randox, University of Hull, Yoplait	
	Official supporters	Ben Sherman, Camelot, DB Schenker, Green Cuisine, Simon Jersey, STH, Whole Earth	
USOPC (39.4%) 188,987/ 479,416	Official partners	Comcast, Delta, Salesforce, Nike	
	Official supporters	Hershey, Oakley, Polo Ralph Lauren	
	National medical network	Steadman Philippon Research Institute and The Steadman Clinic, Texas Children's Hospital, University of Utah Health, Colorado Center of Orthopedic Excellence, Lake Placid Sports Medicine, Adirondack Health, UCHealth Memorial Hospital, Allegheny Health Network	
	Licensee	Alex and Ani, All Star Dogs, A-Mark, Bensussen Deutsch & Assoc (BD&A), Corkcicle, Faribault Woolen Mill, Getty Images, Honav, Kith, KT Tape, Lion Brothers, Mattel, Museum Editions, Nike, Oakley, OC Tanner, Omega, OpSec Security Inc., Outerstuff, Ralph Lauren,Rastaclat, Skims, Staples Promotional	

		Products, Team Fan Shop, Topps, Vermont Teddy Bear, WinCraft
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Table 7. The analysis of sponsorship

In Korea, many sponsorships today are driven by political motives, with only certain companies partnering with associations or federations. The perceived lack of inherent value in sports teams or associations often deters companies from investing. Companies put prioritize practical benefits over mere effectiveness or Corporate Social Responsibility. By offering tangible advantages, sponsorship activation can expand the market and aid the financial recovery of sports organizations. (Korea Institute of Sports Science[KISS], 2017)

To offer tangible advantage, KSOC should conduct and manage a thorough analysis to identify potential sponsorship candidate list and contact point in accordance with industrial group and their specific motivations. Effective communication and negotiation with these companies can lead to more sophisticated sponsorship arrangements.

KSOC can leverage its network of 110 programs covering a wide range of sports to attract sponsorship. A successful model to consider is DOSB, which categorizes sponsors into branding segments like "Sports for All" and "Team D". KSOC should similarly segment sponsors based on program categories.

Furthermore, KSOC must enhance its brand value and cultivate a positive image, emphasizing qualities such as health and cleanliness. A favourable public perception of Team Korea image would attract companies. Presently, the KSOC image lacks appeal to both the public and companies, making sponsorship acquisition challenging.

Moreover, KSOC should actively work to amend the Restriction of Special Taxation Act, Local Tax Act, and Corporate Tax Act in ways that favour the activation of sponsorships in collaboration with other sports organizations. This regulatory adjustment further bolsters financial stability and sustainability.

4. 2. 2. Donation

Donation is different from the sponsorship. Even though sponsorship is important and strategic, but donation also important because it draws people's interest generally.

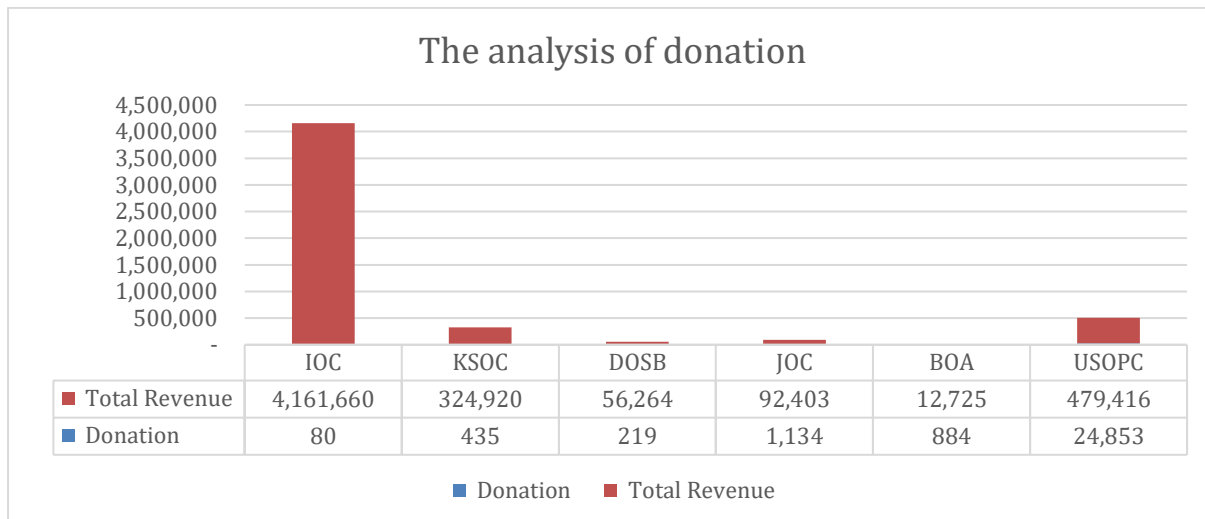


Figure 9. The analysis of donation

To enhance donations, KSOC aims to strengthen Olympic values and programs. It looks to draw inspiration from successful international sports events like the Olympic concert in England, sports festivals, and sports-connected cities, all designed to engage the public. By integrating Olympic values and principles into the National Sports Festival, KSOC seeks to align its initiatives with broader Olympic ideals.

KSOC's effort to activate donations is guided by specific legal provisions, including Article 24 of the Corporate Tax Act, Article 39 of the Enforcement Decree of the Corporate Tax Act, and Article 34 of the Income Tax Act. However, constraints exist due to Article 4 of the Act on the Collection and Use of Donations, which excludes sports from its purview. Unlike the culture and arts sector, which actively collects and employs donations under the Act on Revitalization of Support for Culture and Arts, KSOC faces limitations in accepting voluntary monetary or tangible deposits (CAU, 2021).

For instance, The Arts Council Korea (ARKO) harnessed these legal avenues, amassing 17,048 million KRW in 2022 and 30,663 million KRW in 2019. Options for sponsorship include regular support for sponsored art organizations and temporary partnerships encompassing conditional sponsorship, enterprise collaboration, private special donations, and crowdfunding (Arts Council, 2023).

Activating donations within the sports field can foster development and positive acknowledgment. KSOC could consider legislative adjustments by collaborating with other

sports organizations such as KPC and NFs. A revised Act could open doors for constructive research and benchmarking with other NOCs and cultural entities.

Notably, both USOPC and BOA effectively operate donations, serving as crucial revenue sources. They leverage entities like USOPF (United States Olympic & Paralympic Foundation) and BOF (British Olympic Foundation) to support their respective teams through donations. Should changing the law prove challenging, KSOC might proactively explore establishing affiliated companies, mirroring practices of other NOCs like IOC TMS S.A., USOPC, BOA, and DSM. CAU (2021) report pointed that KSOC already holds the foundation for a subsidiary, as outlined in the National Sport Promotion Act, Article 33. While MCST approval is required, private contracts and internal transactions also present viable avenues for consideration.

4. 2. 3. Broadcasting right & archiving

Media plays a significant role in the field of sports. KSOC should work on developing programs for broadcasting rights and establish an archive to manage broadcast materials. To monetize through in-house data and archiving, KSOC can develop broadcast rights and materials.

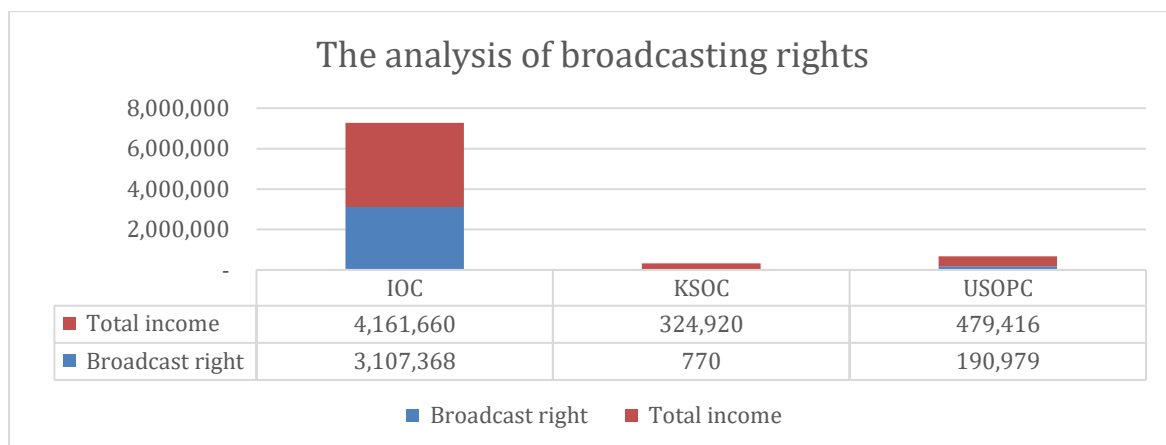


Figure 10. The analysis of broadcasting rights

Internally, KSOC should enhance its broadcast rights by strategically developing programs. Utilizing the existing 110 programs in a cohesive and branded manner can be highly effective. Currently, there's a wealth of photos and videos from these programs, but they are managed separately by different departments or entities.

KSOC should streamline and digitize sports content, consolidating, classifying photos, videos, and records under a centralized department. This initiative can be complemented by establishing an archive system for efficient management and potential sales. Furthermore, providing robust online services and enhancing the webpage's user interface and user experience (UI/UX) is crucial, given the easy accessibility of web platforms to the customer and public.

Externally, KSOC should proactively pursue changes to the legislation regarding sports broadcasting rights. This endeavour aims to create a more favourable legal framework that aligns with KSOC's objectives and the evolving landscape of sports broadcasting. The broadcasting rights brokerage market is particularly hindered by broadcasting laws and business practices.

In the context of domestic amateur games, like the National Sports Festival, the market structure revolves around professional sports. This results in limited broadcast exposure opportunities and insufficient corporate investment due to the perceived lack of value. The absence of relay broadcasting advertisements leads to low viewer ratings, perpetuating a cycle of reduced corporate investment and limited relay broadcasting.

Considering the pivotal role of media in popularizing sports, broadcasting is crucial for expanding the reach and popularity of amateur sports. To invigorate amateur sports and broaden the market, potential actions include amending the Broadcasting Act or related laws to: 1) Establish legal frameworks supporting broadcast production for public, terrestrial, or sports professional broadcasters; 2) Mandate a minimum ratio of domestic amateur sports event broadcasting, thereby enhancing the visibility of amateur sports, discovering new talents, and creating sponsorship opportunities (KISS, 2017).

KSOC should also strongly consider the Over-the-Top (OTT) market and proactively utilize it.

4. 2. 4. Merchandising & Licensing

KSOC aims to boost revenue by developing merchandising and establishing a sales system for licensing.

In the merchandising market, clubs or associations sell products directly to consumers. In the licensing market, companies or merchandising right holders receive commissions and transfer sales rights. Notably, the professional sports merchandising and licensing market,

dominated by products like logos, mascots, and youth classes, was valued at \$9,933 thousand USD in 2021, with baseball contributing \$6,391 thousand USD and soccer \$1,925 thousand USD (Sports Industry White Paper, 2021).

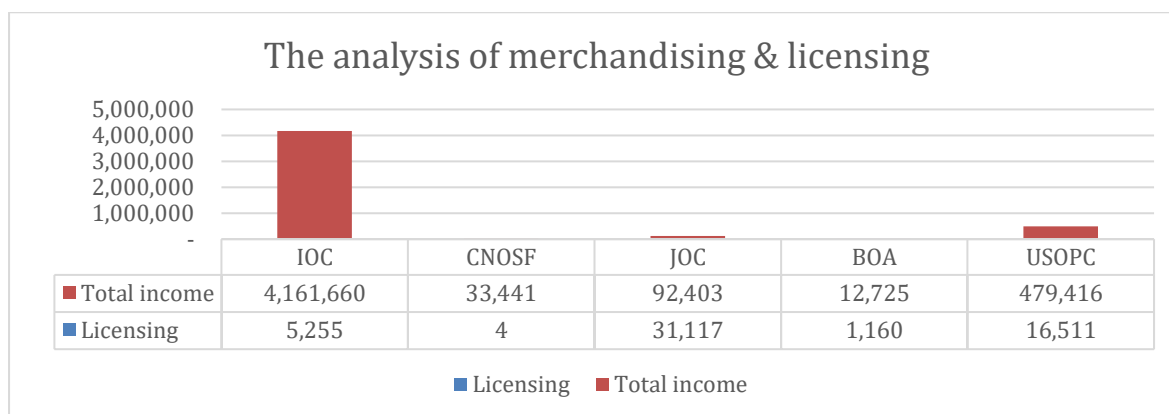


Table 11. The analysis of merchandising & licensing

Most NOCs operates licensing. As the influence of advanced sports culture from overseas permeated, there was a heightened investment in design. This was driven by the rising expectations of consumers. Given its significant developmental potential, the realm of design warrants attention comparable to that devoted to broadcasting rights and sponsorship efforts (KISS, 2017).

Product can become a topic issue in its own existence. Goods are one of their small satisfactions with expression one's **personality** and **memories** of the life. For example, IOC and OCOG make lots of revenues in Olympic. Many people wanted to have Pyeongchang Olympic merchandising and the revenue is about 20,208 thousand USD. It was one of good marketing source to attract interests.

"Team Nation" evokes **national pride**, vital for marketing NOCs and companies. Licensing is pivotal; USOPC and BOA fully utilize it, generating 3.4% and 4% of total income respectively. KSOC draws inspiration from USOPC and BOA, leveraging athlete assets and diversifying goods. Successful licensing involves competent licensees, strong design, distribution channels, and active marketing strategies (Shim Woo-taek, 2016).

KSOC can capitalize on major events like YOG2024 and OG 2024-2026, developing branded sports goods for everyday life, annual releases, and event-specific merchandise. Collaboration

with related organizations, utilizing their designers and distribution channels, is viable. Additionally, holding merchandising contests and cooperating for CSR exhibits are options.

Before that KSOC put efforts to enhance merchandising involve seeking capable licensees or utilizing an official merchandiser. However, challenges in finding comprehensive partners, scaling, and managing production arise. Collaborating with respective licensees or utilizing online/offline selling platforms, like the Korea Football Association, could bridge these gaps.

Eventually, KSOC should build the proper accounting, administrative system for the merchandising. KSOC can plan and co-produce the gifts with NFs or local sports councils.

4. 2. 5. Membership program for loyalty customers

Team loyalty is the tendency to have attachment to a specific team. Spectators who are highly loyal to a team show a tendency to prefer that team regardless of the team's win or loss. (Kim, Hae-un, 2009)

KSOC needs to operate membership system for forming loyalty customers. Germany, France, and Japan get membership fees from the sub sports organization. Membership fees will help to KSOC's revenue.

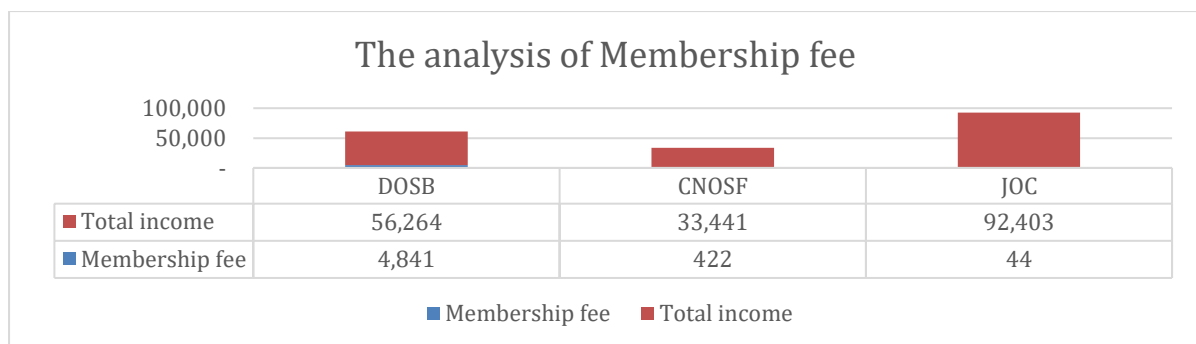


Figure 12. The analysis of membership fee

Operation membership system for NFs and the public.

1) For the NFs/ Local sport association

The financial autonomy of NFs varies significantly, ranging from 12.03% in Squash to 88.85% in Golf in 2021 (Sports White Paper, 2021). Certain NFs, like football, golf, and archery, exhibit superior financial independence and self-revenue compared to KSOC.

KSOC can collect membership fees from NFs in accordance with NF/local regulations in KSOC rule. This enables KSOC to provide enhanced services and support to NFs. The membership fee collection could involve a fixed percentage or predetermined amount derived from NFs' self-generated revenue. The introduction of co-funding and seed money initiatives could further facilitate collaboration and shared responsibility between KSOC and NFs. This enhanced partnership can lead to the development of improved programs, collaborative ideation, and resource sharing for the collective benefit of KSOC and NFs.

NF	Total Budget	Self-Revenue	%	NF	Total Budget	Self-Revenue	%
Football	63,480,878	40,983,185	64.56	Kookhak Ki Gong	607,357	232,772	36.29
Handball	9,694,936	9,694,936	81.61	Waterski, Wakesports	501,097	232,072	46.31
Ski	9,475,117	3,629,382	38.3	Hapkido	488,695	317,731	65.02
Archery	8,949,575	7,720,752	86.27	Rope Skipping	437,375	253,438	57.95
Baseball Softball	7,728,435	2,695,711	34.88	Ground Golf	406,981	233,325	57.33

Table 8. Sample of NFs' budget and self-revenue in Korea

Local Sport Council	Total budget	Self-revenue	%	Local Sport Council	Total budget	Self-revenue	%
Total	404,523,846	44,140,000	10.91	Gyeonggi	13,311,538	1,426,923	10.72
Seoul	58,008,462	8,013,846	13.81	Gangwon	18,191,538	918,462	5.05
Busan	27,444,615	3,555,385	12.95	Chungbuk-do	16,333,846	676,154	4.14
Daegu	22,984,615	2,452,308	10.67	Chungnam-do	15,090,769	1,263,077	8.37
Incheon	46,277,692	6,261,538	13.53	Jeollabuk-do	25,006,923	4,223,077	16.89
Gwangju	35,391,538	8,543,077	24.14	Jeollanam-do	16,404,615	257,692	1.57
Daejeon	20,549,231	1,606,923	7.82	Gyeongbuk-do	29,249,231	654,615	2.24
Ulsan	15,256,154	-	0.00	Gyeongnam-do	21,145,385	620,000	2.93
Sejong	5,567,692	32,308	0.58	Jeju	18,310,000	3,634,615	19.85

Table 9. Local sports councils' budget and self-revenue in Korea

2) For the public

KSOC should make segment, targeting and positioning customers in the point of view non consumer, indirect consumer, direct consumer. Non consumer are people who don't like sports, understand the value of sports or potential consumer. Indirect consumer is people who encounter the sports through media. Direct consumers are people who have interests and participate in sports actively. (Mullin B. H., 2000)

KSOC can launch a membership program, catering to the public and KSOC program participants or sports club members.

Free membership tier will offer perks like event updates via email. **Paid members** receive a membership card, annual program book, athlete photocard, and branded goods for a \$10 fee. Enhanced options may feature VIP event tickets and program priority. Later, membership for youth, women, and olds for customized service.

This initiative aims to strengthen KSOC's public engagement and cultivate a sense of community. It will be also asset for the CRM data.

4. 3. Interviews

4. 3. 1. Demographic of ten Interviewees.

	Gender		Age			Working years/ Career		
	F	M	30's	40's	50's	~10 (Deputy manager)	~20 (Manager)	~30 (Manager, Headquarter Manager)
Number	2	8	3	3	4	2	4	4

Table 10. Demographic of ten interviewees

4. 3. 2. The result of the interviews

√ Knowledge of Self Revenue Ratio

6 participants responses a self revenue under 5%, while 4 guess a ratio under 0%.

√ KSOC's Self Revenue Structure

The structure includes rental, sponsorship, IOC distribution, marketing income, and more.

√ Revenue Structure in Other NOCs

5 respondents hardly know, while others cite examples from Europe, the United States, Australia, and Canada.

√ The requirements of self-revenue

8 respondents affirm the necessity of self-revenue, while 2 express uncertainty.

√ Ideal Self Revenue Percentage

6 individuals propose an ideal ratio of 50%, 2 suggest 100%, and 2 prefer under 30%.

√ Advantages of KSOC Content

Notable benefits encompass Team Korea and athletes, the National Training Centre, Olympics, and the National Sports Festival

√ Disadvantages of KSOC Content

Challenges include underutilization, lack of promotion, duplication with other organizations, numerous stakeholders, portrait rights, and a stern image

√ External Image

Described as conservative and associated with a public institution, with mixed positive and negative aspects. Brand image is deemed lower compared to Korean Football Association or KSPO.

√ Reasons for Pursuing Self Revenue

Identified as difficulties with subsidies, program development, branding, and the pursuit of autonomy.

√ Obstacles to Self-Revenue Generation

Challenges of political issues, public institution, profit return and redirects, monopoly concerns such as Olympic games, many stakeholders, company atmosphere, HR matters, executive team knowledge, and marketing competence.

√ Enhancement Strategies for self-revenue

Proposed strategies encompass effective program development, introduction of new initiatives such as subsidiaries, strengthening marketing efforts (merchandising, broadcast, events), securing membership fees from local entities and NFs, embracing digital platforms, and lottery distribution

√ Future focused project

Emphasize program development, fostering elite & sports for all connection, establishing international connections, prioritizing beneficiary needs, reducing redistribution, fostering company innovation (HR, employment, business structure), addressing social issues (aging, education, MZ generation), proactive marketing, and potential separation of NOC functions.

Chapter 5. Conclusion & Recommendation

5. 1. Key findings and implications

Organization	Income	in thousand \$	Financial	
			independence ratio	in thousand \$
KSOC(KRW)	421,975,000,000	324,920	1.70%	5,432
DOSB(EUR)	52,097,110	56,264	32%	18,007
CNOSF(EUR)	30,964,212	33,441	59.90%	20,018
JOC(JPY)	12,833,804,656	92,403	58.70%	54,264
BOA(GBP)	10,180,074	12,725	100%	12,725
USOPC	479,416,000	479,416	100%	479,416

Table 11. The analysis of the income and self-revenue

Different National Olympic Committees (NOCs) exhibit diverse characteristics in terms of sports culture, policies, and environments. Among various objective indexes, the Income Statement is a prominent indicator, owing to its accessibility and significance. Among the large and advanced sports systems, Germany, France, Japan, UK, and USA were chosen for review due to the availability of materials on their webpages.

Upon reviewing these NOCs' income statements, a common structural pattern emerged, encompassing sponsorship, IOC distribution, licensing, merchandising, broadcast rights, contributions, affiliation fees, lottery, and government support. Some NOCs even possess subsidiary companies, such as DSM, BOF, and USOPF.

While general revenue and expenditure structures align across most NOCs, specific contents exhibit variations. Notably, KSOC heavily relies on government funding compared to other NOCs, resulting in a lower financial independence. Adjusting lottery and IOC distribution is challenging due to fixed percentages and requires consensus among NOCs and the IOC. Government support is already substantial, rendering increased funding unnecessary at present.

KSOC introduced "KSOC Agenda 2020," suggesting a shift in distribution to 50% of sports betting revenue from the MCST's usual 30%. However, practical challenges include equity

among sports organizations, legal complexities, and public awareness concerns. An alternative proposal involves earmarking a special budget for financial independence, as recommended by Shon, Seok-jung (2017). Despite difficulties in altering lottery funding distribution, KSOC should aim for increased financial autonomy, like Germany's DOSB or Japan's JOC.

KSOC envisions projects like the KSOC hotel, building, educational centre, establishment of a sports marketing subsidy, and operation of a specialized sports hospital and sports broadcasts. These initiatives can contribute to enhancing financial independence and guiding sports policies.

5. 2. Recommendations

5. 2. 1. Marketing methods

KSOC must actively seek strategies to enhance its revenue streams. One achievable approach is to strengthen its marketing efforts, following the example of other successful NOCs.

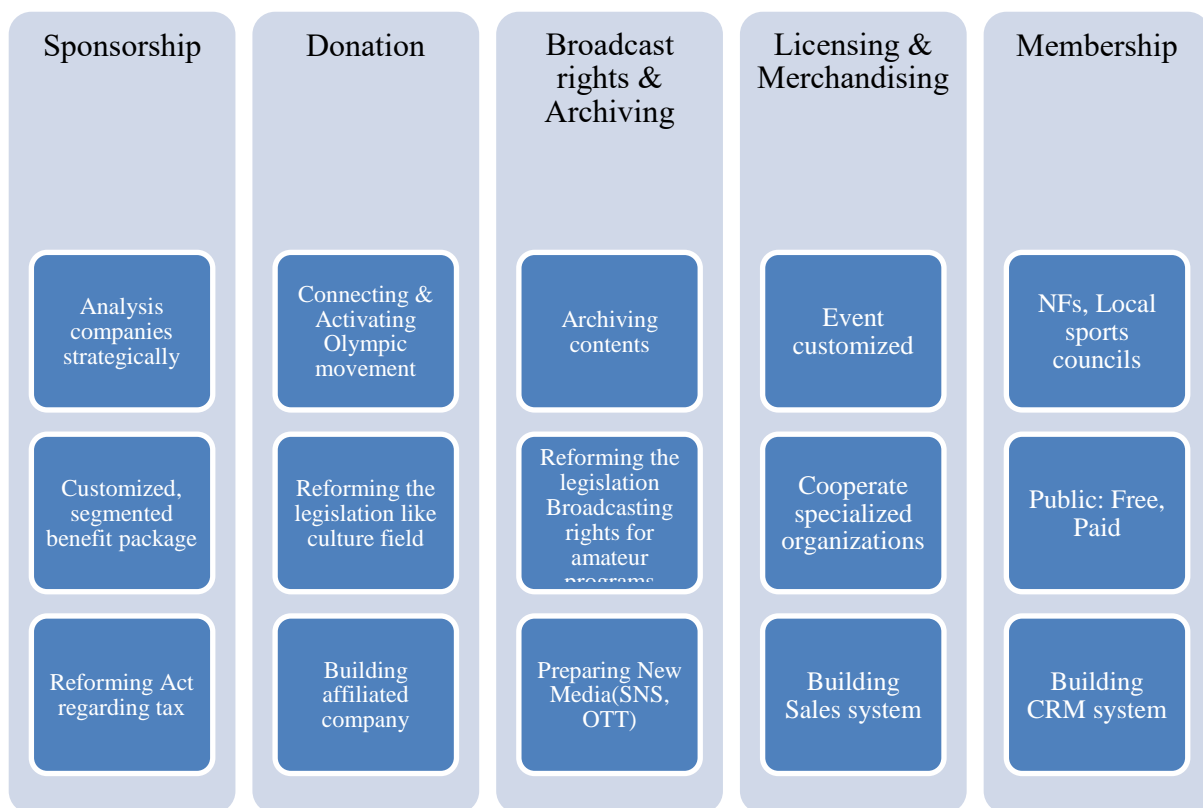


Figure 13. Suggestion for raising the revenue

5. 2. 2. Developing program & cooperation

Most interviewees expressed a desire for financial independence through avenues like marketing, yet their approaches varied slightly. Every interviewee pointed that KSOC should fundamentally reform the programs, fiscal structural issues from government subsidies and improve organization culture, vision before activating marketing. And told that company need to enhance marketing and brand image.

A, D, G, I: The KSOC should raise the effective of the programs through unify the programs due to the KSOC has too many programs that distracted and ineffective. The KSOC reduce the redirects and directly distribute some programs to NF & Local associations after analyzing. Enhancing the Sports for all program to provide direct and tangible benefits to recipients is crucial.

C: The KSOC should change the form of business as sports service organization as IOC.

E, H: The KSOC should concentrate on the connection of the sports for all and elite sports.

D, I: Addressing social concerns, such as the declining school-aged, youth, and elderly populations, requires active engagement and attention.

A, B, F, G, I: It is necessary to collect membership fees for events, municipalities, or program participants.

E, F, J, H, I: It is important to directly receive a share of the proceeds from Sports Toto.

Internally, KSOC aims to enhance its program connectivity, particularly between Elite, sports for all, and international relationships, facilitated by its headquarters and 110 programs. This move seeks to establish an advanced system bridging Elite and sports for all. By fostering program unification, benchmarking, and inter-departmental cooperation, KSOC aims to create an innovative and collaborative atmosphere for enhanced program success and progress.

With a focus on the National Sports Festival, KSOC recognizes the need for strategic transformation to capture public interest. While Olympic and international events hold value, they have not translated into profit. To create a virtuous cycle for sports, KSOC proposes reforms that make the National Sports Festival more appealing. By generating interest,

attracting sponsorships, and securing valuable broadcasting rights, the event can catalyze broader enthusiasm for sports.

One approach involves reimagining the National Sports Festival as an engaging and unpredictable spectacle. Reducing and concentrating the number of sports could heighten its attraction. Drawing inspiration from the British "School Games" model, KSOC envisions adapting a similar structure of athlete rearing four step model for the National Youth Sports Festival, potentially generating revenue through public funds, sponsorships, and partnerships.

Moreover, KSOC plans to collaborate with local entities, including businesses and public institutes, to create a vibrant event atmosphere with local food markets and educational booths. This approach aims to enhance spectator engagement and event visibility.

Currently, many KSOC programs operate with a top-down approach, posing challenges for public participation. To overcome this, KSOC envisions reformed programs that directly benefit the public and can be integrated with sponsorships and donations for sustained development.

Externally, KSOC seeks to broaden its reach through exchange programs with diverse organizations, including art and other industries. By sharing sports programs and collaborating with various sectors such as culture, tourism, and international exchanges, KSOC can meet diverse stakeholder demands and missions, fostering mutual benefits through knowledge-sharing and content dissemination.

Ministry	Organization	Cooperation
Foreign Affairs	Korea Foundation(KF)	Promote exchange programs, seminars, and studies in the sports field by leveraging sports infrastructure.
	Korea International Cooperation Agency (KOICA)	Development consulting, training, professional manpower, overseas volunteers dispatch with sports
Culture, Sports, Tour	Korea Tourism Organization (KTO)	Utilize KSOC's major events like the Olympics, Asian Games, and National Sports Festival. Collaborate with KTO for education programs, presentations, guided tours to create a sports K-wave.
	Arts Council Korea/ Seoul Arts Center	Organize contest exhibits, provide event support, and share donation program insights.

	Cultural Foundation of National Museum of Korea (NMF)/ Korea Craft & Arts Design Foundation/ Korea Creative Content Agency	Enhance merchandising through contest exhibits, co-products, and exhibitions, Support the events by offering the products, Share the merchandising know-how
	Korean Film Archive	Manage, preserve, and share sports-related videos, incorporating sales knowledge.
Trade, Industry and Energy	Korea Institute of Design Promotion	Contest exhibit for the merchandising, Event support from the merchandising, co-products or exhibition about sports, Share the merchandising knowhow
	Korea Trade Promotion Agency (KOTRA)	Collaborate with KSOC for K-wave exhibitions, showcasing at sports events, and setting up exhibition booths, Share the companies list for the sponsorship
Land, infrastructure, and Transport	KORAIL Tourism Development Co., Ltd.	Develop National Sports Festival tour programs, offering discounts, vouchers, and sports-related event experiences.

Table 12. The suggestion of external cooperative organization list

5. 3. Limitation & Future improvement

The analysis and comparison of data in the context of the COVID-19 pandemic presents challenges due to disruptions in budgets and event schedules. Cancelled or postponed events, such as the 2020 Tokyo Olympics, have affected data accuracy and timeliness. The choice of study timing is complex, with a balance between aligning with Olympic years for marketing strategies and avoiding outdated pre-COVID figures.

Additionally, each country has a unique sports environment and structure, warranting potential investigations into other sports organizations within a country for a comprehensive view. Despite budget and time constraints, the study focused on income statements, acknowledging variations in format across countries and striving for accurate and aligned data extraction.

While many studies compare various sports organizations, NOCs have not received the same level of attention. Given their distinct global presence, direct NOC comparisons could lead to refined strategies, individually and in collaboration with the IOC. Future research extending beyond income statements to policies and administrative structures could offer valuable insights for multiple NOCs.

The limitation of a small interview sample is recognized, prompting active engagement to establish revenue goals and strategies. Expanding the study's scope to include a larger sample from KSOC, related organizations, other NOCs, industry experts, and public surveys could yield deeper insights into sports marketing within public sports organizations.

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Appendix 1: The specification of NOC income statement

1. KSOC (Korean Sports & Olympic Committee)

Classification (in Thousand\$)				2018	2019	2020	2021	2022
Revenue	Government supports	Direct support	Subsidies	237,651	236,891	255,225	317,416	338,374
		Indirect support	Business income	2,879	2,755	1,628	2,073	3,185
			Exclusive income	8,692	12,923	-	-	-
		Total		248,982	252,330	256,596	319,169	341,218
	Other business income		3,664	17,162	11,493	5,401	3,282	
	Collateral income		64	105	33	25	188	
	Revenue Total		252,960	269,867	268,391	324,921	345,034	
Expense s	Staff Cost		11,990	11,626	12,052	12,699	12,055	
	Operation cost		8,756	7,485	6,259	5,057	5,546	
	Program operation	supports	203,147	204,115	171,557	207,247	253,526	
		self	5,498	4,968	5,721	3,636	8,416	
	Others (execution balance, etc)		23,314	41,401	72,532	95,955	65,143	
Expense Total		252,706	269,597	268,123	324,596	344,689		

Table 13. KSOC income statement

2. DOSB (Deutscher Olympischer Sportbund)

Sport occupies a pivotal role in German society, fostering a healthy, active lifestyle and core social value such as fair, respect, and teamwork. Notably, Germany's elite sports foundation is rooted in the synergy between sports for all, sports clubs, and the positive influence of accomplished elite athletes as role models for broader society.

Germany's public sports sector entities such as the Federal Ministry of the Interior (BMI), Ministry of Home Affairs, Ministry of National Defence, Ministry of Family, Senior Citizens, Women and Youth, Ministry of Economic Cooperation and Development and local governments collectively share responsibilities for sports administration across various regions, affirming a **cooperative approach(partnership)** for efficient financial utilization and development based on the **autonomy** of sports organization. (KISS, 2016)

The DOSB, a non-governmental organization, epitomizes the German sports ethos. Formed in 2006 through the merger of the German Sports Confederation (DSB) and the NOC, the DOSB embodies principles of performance, health, and value dissemination.

Operating as an integrated sports organization, DOSB comprises 99 member organizations, including 16 regional sports confederations, 66 national sports governing federations, 17 sport associations with distinct tasks, and boasts over 27 million memberships spanning approximately 870 sports clubs. (DOBS, 2023)

Income statement of DOSB in 2021(In thousand USD)	
Membership fees	4,841
Total gambling revenues: Chance of winning, Lucky spiral, Gambling earnings	13,910
Total marketing income: Olympic marketing, Value in kind, Sport for all marketing, marketing income	10,486
Total grants: Olympic Games, Integration, Grants IOC, Global project in competitive sports, International cooperation, Event manager inclusion, Sport moves people with dementia, Welcome to sport, Vaccination campaign, Strong nets against violence, World games/European games, EU project smile, Athletes service centre Tokyo, Strong nets against violence, Nature makes you fit, Other grants	12,212
Total other income : Rental income, Attribution DOSB new media, Trainer in Sportdeutschland, Reversal of provisions, Grants for office in Berlin and Brussels, Reversal subsidy new building, Volunteer foundation grant, Income relating to other periods, Grants, sales, transfers, Sports development report, Service centre, Allowance for welcome party, Restart Corona, Sport against cancer campaign, Fixed rate administration costs, Car use, DOSB sustainability strategy, Participation fees, interest income, other income, future projects, Olympic games, Miscellaneous	3,313
Total redirects: Integration through sport, Welcome to sport, Inclusion manager, Sport with dementia, redirects	11,662
Total revenue	
Total personnel expenses: Compensation, Pension, etc	12,247
Total material administration: General administrative expenses, events, travel, service purchased	3,519
Total depreciation/building management	1,628
Total project expenses : Olympic Games, Athlete Service Center Tokyo, NOC-Activities, Elite sports schools, DSJ, Global project in competitive sports, International cooperation, Integration through sport, Welcome to Sport, inclusion manager*, Innovation fund for mass sport, Interest New building, Service center, Interest group Berlin, Campaign Movement Against Cancer, Sport development report, Sport moves people with dementia, Digitization/IT structure, Spending winning chance projects, Restart Corona, PSG, Vaccination campaign, Campaign Comeback, Tokyo Athletes Campaign, Expenses relating to other periods, DOSB sustainability strategy, Future projects, Trainer* in Sportdeutschland, Nature makes you fit, EU project Smile, Miscellaneous	19,103
Total grants: German Olympic Academy, German Sport & Olympic Museum, Society of German Olympians, Coach Academy, Leadership Academy, Doping victim support association, TAFISA, NADA: doping controls, subsidy from the German Sports Foundation, Projects in the area of the central associations, Projects in the field of state sports associations, German Sports Aid: Athlete Promotion	7,977
Total redirects: Integration through sport, Welcome to sports, Sport with dementia, Event manager* inside inclusion	11,662
Total expenses	56,137

Table 14. DOSB summarized income statement

3. CNOSF (The French National Olympic and Sports Committee/ Le Comité National Olympique et Sportif Français)

France's sports policy places significant emphasis on both elite sports and sports for all, as stipulated by the "code du sport" and the Mazeaud law of 1975. Law 84-610, which established a clear and distinct sports administrative system separate from civil law was enacted in 1984. The Ministry of Sports, Youth, Public Education, and Community Life oversee organizations related to sports policy, actively striving for integrated services across all sports activities.

Financial backing for sports activities is channelled through the National Centre for the Development of Sports (CNDS), whose funds are annually allocated by the French parliament. The CNDS derives its finances from a state-owned company-operated non-sports lottery, a 1.8% tax on sports lottery revenues from other lottery companies, and a 5% tax on television rights for sporting events. (KISS, 2016)

The merger of the COF (The French Olympic Committee) and the CNS (The National Sports Committee) in 1972 aimed to unify the French sports movement. CNOSF collaborates with the ministry, local governments, NF and the clubs. CNOSF is involved in various domains, including elite sports, health-promotion sports, youth sports, sports businesses, sports education, regional sports, women's sports, volunteer work, arbitration, and sports advisory groups.

Income statement of CNOSF in 2021/ in thousand \$	
Membership fee	422
Sales of goods and services: Sales of services of which sponsorships, Sales of goods of which sales of in-kind donations	14,908
Products from third-party funders: Public assistance and operating subsidies, Payments from the founders or consumption of the expendable endowment, Resources related to public generosity (Manual donations, sponsorships, Bequests, donations and life insurance)	13,363
Financial contributions	10
Reversals of amortization, depreciation, provisions, and expense transfers	1,896
Use of dedicated funds	2,545
Other income	147
TOTAL OPERATING INCOME (I)	33,294
TOTAL FINANCIAL INCOME (III) Positive exchange differences, Other interest and similar income, Participation financial products, Financial income from other transferable securities and receivables from fixed assets, Reversals of provisions, depreciation and expense transfers, Net proceeds on sale of marketable securities	240
TOTAL FINANCIAL INCOME (V) Exceptional income on management transactions,	1,756
Purchases of goods	

Stock variation	
Other purchases and external charges	21,684,845
Financial aid	1,856,592
Taxes, duties and similar payments	679,531
Wages and salaries	5,479,171
Social charges	2,427,357
Depreciation and amortization allowances	777,709
Allocations to provisions	154,431
Carried over to dedicated funds	19,341
Other expenses	65,061
TOTAL OPERATING EXPENSES (II)	33,144,044
TOTAL FINANCIAL EXPENSES (IV)	138,298
TOTAL EXCEPTIONAL EXPENSES (VI) Exceptional charges on management operations, Exceptional charges on capital transactions	12,487

Table 15. CNOSF summarized income statement

4. JOC (Japan Olympic Committee)

The management of sports-related affairs in Japan was initially carried out by various ministries, primarily centered around the Sports and Youth Bureau of the Ministry of Education, Culture, Sports, Science, and Technology (MEXT). However, a shift occurred in 2015, when the Japan Sports Council (JSC), established as an extra ministerial bureau under MEXT, assumed responsibility for sports administration. Independent administrative corporations, including JSC, the (public) Japan Olympic Committee, the (public) Japan Sports Association (JSPO), and the (public) National Recreation of Japan (NRAJ), play significant roles in upholding values and fostering understanding.

In 1989, the Japan Olympic Committee underwent a transformation into a foundation, achieving complete separation and independence from JSPO. This strategic move aimed to enhance athletic performance and secure autonomous financial resources.

Income statement of JOC in 2021/ in thousand \$	
Basic asset management profit	52
Gain on specified asset management: Construction business reserve asset management profit, Olympic special prize investment income	0.03
Membership fee: Member group fee, association member/approved group membership fee	44
Business revenue: mark royalty revenue, office rental income, conference room usage, commission fee, viewing fee, sponsorship, other income	33,208
Subsidies: Japan sports promotion centre subsidy, treasury subsidy, IOC grants, sports promotion lottery, JKA subsidy, other subsidies	51,372
Contributions: sports organization, recipient's, others	6,081
Donations	1,134
Miscellaneous: securities investment, interest, etc	251
Interest income on loans	0.09

Total ordinary income	92,143
Project expenses: Subsidies for strengthening athletic organizations, related to Olympic Games, Universiade Winter Games, Excellent Achievement Award, Business expenses, Olympic Solidarity Tokyo 2020 program project, Olympic Movement Operating Expenses, Olympic Movement promotion tool development, PR and information project, Sports and environment business, Business PR, Museum installation promotion, Sports Fort Morrow Cooperation Program, Reconstruction project, Marketing-related expenses, Subsidies for athletic organizations, NF Comprehensive Support Center Project Cost, Junior athlete development support project, Career academy operating expenses, Planning cost for base network promotion workshop, International human resource development project cost, Olympic Sports Promotion Expenses, Olympian workshop operating expenses	36,844
Strengthen athletes, coaches, etc: Enhanced training camp(oversea, domestic), coach project, Athlete discovery and development enhancement project Next-generation athlete training and strengthening business, National Coach Academy, Reinforcement cost	41,644
Sports international exchange program expenses: Team dispatched, team invitation, international referee training, Overseas training program for sports instructors, International Development Infrastructure Formation Project, IF executive post acquisition support costs	13,339
Sports information provision expenses: Science support project, Provision of information to promote base network	23
Anti-doping activity promotion expenses	519
Women's sports promotion expenses	17
Hall construction management and operation expenses	1,704
Administrative expenses (include NTC)	4,281
Total Ordinary Expenses	98,428

Table 16: JOC summarized income statement

5. BOA (British Olympic Association)

Sport holds a significant place in British culture, with the UK playing a vital role in global sporting culture. Former Prime Minister John Major promoted sports, shifting the focus to school and elite sports. The Department for Culture, Media & Sports (DCMS) oversees sports in the UK, managing 43 organizations including UK Anti-Doping and Sport England.

The inception of the National Lottery in 1993 significantly contributed to the advancement of British sports. The British government stipulated that 28% of lottery proceeds be allocated to charitable causes, including the National Lottery Distribution Fund. Of this allocation, 20% is earmarked for sports and is distributed by the DCMS to organizations such as Sport England for promoting elite sports, supporting 30 National Governing Bodies (NGBs) and UK Sport for promoting sports for all and school sports.

The BOA operates independently, relying on private funding, and serves as a strong advocate for British Olympic Sport. BOA comprises an executive team responsible for various functions, including Finance, Human Resources, IT, Legal, Olympic Relations, Company Secretary, Sports

Services, Strategic Planning and Research, Commercial Partnerships, Fundraising and Licensing Activities, and Communications, Marketing, and Digital. The board of directors consistently adheres to the principles of good corporate governance while maintaining structures aligned with the UK Corporate Governance Code. The organization closely aligns with the guidelines outlined in 'A Code of Sports Governance,' even though it does not anticipate receiving funding from Sport England or UK Sport.

The British Olympic Foundation (BOF), the charitable branch of BOA, is responsible for promoting the ideals and values of the Olympic Movement, encouraging participation and awareness of Olympic sports within the UK (Team GB, 2023). In 2021, a donation of £81,387 was allocated to BOF to cover staffing costs for BOA employees serving the foundation. Additionally, BOA made an unrestricted cash donation of £110,000 during the year. (The British Olympic Association, 2021)

Income statement of BOA in 2021/ in thousand \$		
Sponsorship income		20,068
Royalty income		1,160
Olympic Solidarity, IOC, OCOG&EOC grants	IOC Olympic Games subsidies	1,126
	IOC Boxing qualification event grant	185
	IOC Team support grants	15
	OCOG Olympic Games subsidies	650
	OS Scholarship grants for athletes	207
	EOC Administration and development grant	174
Recharges		2,901
Events		1,381
Fundraising& Donations		884
Other income		2,481

Table 17. BOA summarized income statement (Report and Financial Statements 2021 of the BOA)

6. USOPC (United State Olympic Committee & Paralympic)

Sports play a significant role in American culture and economics, with a strong market, brand influence, and economic power. The U.S. sports industry is valued at around \$552.8 billion, making up 39.5% of the global sports industry. (MCST, 2021) This success is due to a large population and a stable middle class stemming from post-1950s economic growth.

The states with its corporate concentration, easily secures funds, leading to a thriving commercial sports industry marked by marketization and monetization. (Jo, Hyun-joo, 2022)

Major sports organizations include USOPC, Amateur Athletic Union (AAU), and the National Collegiate Athletic Association (NCAA). The administrative structure adheres to federalist principles, with separate federal, state, and local governments operating under the U.S. Constitution.

The Presidents' Council on Fitness, Sports, and Nutrition advises the President on physical activity and fitness. Unlike other countries, no specific government agency oversees sports in the U.S.

The USOPC was established by an Act of Congress for the purpose of establishing national goals for amateur athletic activities and to aid in and encourage the attainment of these goals. The USOPC serves as both the representative for the NOC and the National Paralympic Committee (NPC), yet it does not handle Sports for All initiatives, ensuring financial autonomy for these organizations.

The United States Olympic & Paralympic Endowment (USOPE) is an investment endowment that provides grants to the USOPC to support America's athletes. The USOPE is a 501(c)3 non-profit supporting organization as it exists to support another non-profit organization – the USOPC (USOPE website, 2023) The investment income was 44,360 thousand USD.

Income statement of USOPC in 2021/ in thousand \$	
Sponsorship and licensing	205,498
- Sponsorship: Cash (177,858), Value-in-kind (11,129)	
- Licensing Royalty Income: Cash (11,307), Value-in-kind (5,204)	
Broadcast revenue	190,979
Contributions	24,853
Other program revenue	1,641
Investment income, net	44,750
Other revenue	6,475
Net special event activity	-2,603
- special event revenue: 1,591	
- special event direct expense: -4,194	
Net assets released from restrictions satisfaction of purpose/time restrictions	7,823
Total support and revenue	479,416
Program services	269,209
Athlete excellence	200,112
Sport advancement	42,557
Community growth	26,540
Supporting services	77,087
Fundraising	10,453
Sales and marketing	9,415
General and administrative	57,219
Total expenses	346,296
Change in net assets without donor restrictions	133,120
Support and revenue	479,416
Expenses	346,296
Change in net assets with donor restrictions	
Contributions	14,975
Investment income	6,131

Net assets released from restrictions satisfaction of purpose/time restrictions	-7,823
Change in net assets with donor restrictions	13,283
Change in net assets	146,403
Net assets, beginning of period	421,721
Net assets, end of period	568,124

Table 18. USOPC summarized income statement

Appendix 2: Interview questionnaires

In-depth interview protocol (Semi-structured questionnaire)

Agreement of the participate in Research

Title

Researcher Choi Sujin for MEMOS

Contact sujin@sports.or.kr

Objective The purpose of this research is to seek ways to achieve financial independence of KSOC, focusing on the analysis of NOC financial status (revenue and expenditure) in other countries.

Interview Method

- The interview will take about 30 minutes to 1 hour, and additional interviews (2 to 3 times) may be required if necessary.
- During this process, all conversations will be recorded by tape recorder.
- If the information you provided is used for research, I will try to reflect the opinion of the researcher through the process of reconfirming with the research participants.

Possibility to give up

- During the interview, you may refuse to answer questions that you feel uncomfortable or difficult to answer.
- You can withdraw your intention to participate in the study at any time and under any circumstances (via phone, e-mail, text message, etc.).
- You can review and withhold the content of the interview at any time.

Privacy and Use of data

- During the interview, the informant's personal data will be protected.
- We use pseudonyms to ensure anonymity.
- Recorded data will never be used for any purpose other than this research.

I have listened to the researcher's sufficient explanation of the above and became familiar with the content. Do you agree to participate in the study as follows?

Agree Disagree

Date:

Research participation: _____ (Signature)

Title

Questionnaires composition

1. Entry Question: Rapport formation

(Age, Career in the company (period, departments, etc))

2. Do you know how many percentages for self-revenue in KSOC's budget?

Government support(direct/indirect), other business income (IOC distribution, sponsorship, broadcast rights fee, NFT profits, rental revenues, donations, etc), collateral income(interests), business income, exclusive income, other incidental income, etc

3. Explanation of other NOC financial structures

	Income	\$	Financial independence ratio	\$
KSOC(KRW)	421,975,000,000	324,920,750	1.70%	5,432,350
DOSB(EUR)	52,097,110	56,264,879	32%	18,007,000
CNOSF(EUR)	30,964,212	33,441,349	59.90%	20,018,938
JOC(JPY)	12,833,804,656	92,403,394	58.70%	54,264,749
BOA(GBP)	10,180,074	12,725,093	100%	10,180,074
USOPC	479,416,000		100%	479,416,000

4. Requirements of financial independence and the reason**5. How many percentages is the proper for financial independence?****6. Which program is the reality methods for revenue?**

Sponsorship, membership fee (individual, NFs, local sports association), participation fee for program, goods, establish marketing subsidiary company etc.

7. What is interrupted for the financial independence?

Ex. Limitation of Profitable Business Contents (According to IOC rules, sponsors are not allowed to display their brand in the stadium and can only market in the country), KSOC is a public institution and it is difficult to jointly promote fund projects with companies (National Contract Act, other laws, etc.), KSOC cannot collect donations on its own (Act on the Solicitation and Use of Donations), Difficulty in providing tax incentives to sponsorship participating companies)/ Absence of management mindset in the executive branch/ press and companies' uninterests/ Lack of consensus in the internal employees

8. The strength and weakness of the KSOC contents(marketing).**9. How can we proposition our image in the market and raise our brand image?****10. What is KSOC's important task for development?**

Sports for all, Information of sports, sports science, special event project, Olympic value, base expanse (players, team), sports marketing, promotion, financial independence, improvement of the performance

11. If you have other questions, feel free to tell me.

Table 19. Interview questionnaire