

 Lloyds TSB | for the journey...

YOUR JOURNEY TO 2012

Seizing the business
opportunities around the
London 2012 Olympic &
Paralympic Games



*official banking and
insurance partner*

YOUR JOURNEY TO 2012 Contents

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4 The stage is set

Introducing the key organisations and business tools to help you make the most of the London 2012 Olympic and Paralympic Games.

6 Fit for business

Winning business will mean tightening processes and finances.

10 Running the race

Get to know the procurement and tendering processes and stay up-to-date with information and opportunities.

16 Getting the job done

Help is at hand to enable you to deliver work on budget and deadline.

20 The finish line

When 2012 arrives, demand on businesses across the UK will be huge. Will you be ready?

24 A lasting legacy

The business opportunities will not stop in 2012. Find out how to plan for, and maintain, the momentum.

26 Contacts and Glossary

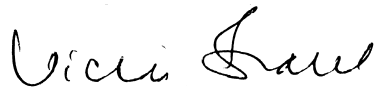
The London 2012 Olympic Games and Paralympic Games represent a unique opportunity to create a lasting legacy for sport and youth in this country – they will be the most important events to take place in Britain in our lifetime. But they mean so much more than the staging of world-class sporting events.

The next four and a half years will see massive improvements in the infrastructure of our capital city. The London 2012 Games have been a catalyst for investment in new transport links, an Olympic Park, the regeneration of the Lower Lea Valley and a host of new sporting facilities. After Beijing 2008, London will also take responsibility for the Cultural Olympiad, a nationwide programme of events that will inspire the UK about the London 2012 Games.

None of this will be possible without the involvement of thousands of businesses across Britain. The London 2012 Games present one of the biggest procurement opportunities this country has seen in more than 50 years. Companies that seize this opportunity will create for themselves another legacy – of skills, growth and experience. It is going to be a demanding project. July 27, 2012, is the ultimate immovable deadline. The London 2012 Games are unique, global events that will require nothing short of excellence from contractors. The good news is that the organisers are committed to involving as diverse a range of suppliers as possible.

Lloyds TSB is here to help. Every day, our staff work with businesses to help realise their goals and aspirations. We are very proud to be the first organisation to become a domestic partner of the London 2012 Games. We share the excitement and vision of the London Organising Committee of the Olympic and Paralympic Games as we embark on this journey. And we'll work with our business customers to make 2012 the most inspiring Games ever.

This guide is designed to be a handbook for any business that wants to get fit to tender for London 2012 Games work. Whether your company is a construction firm bidding for a major infrastructure project or a small marketing agency hoping to sub-contract work for the Cultural Olympiad, we can walk you through the journey to 2012. Your business' training programme starts here.



Sir Victor Blank, Chairman of Lloyds TSB





The stage is set

The London 2012 Olympic Games and Paralympic Games will be the largest, highest profile events ever staged in the UK. Ready to get involved?

Hosting the London 2012 Games will be a mammoth undertaking, involving several huge infrastructure projects, the regeneration of an entire region of London and staging the equivalent of 46 world championships in the city and around the UK.

Work on the Olympic Park began in 2006, including clearing of the site in the Lower Lea Valley for construction and remodelling work, and related infrastructure projects such as transport and utilities. A nationwide programme of events, forming the Cultural Olympiad, will take place between 2008 and 2012.

Guiding you through

Companies of all sizes looking to seize the business opportunities around the London 2012 Games should act now.

There are numerous considerations involved in evaluating and making the

In numbers

20 Paralympic sports in 21 venues

26 Olympic sports in 31 venues

205 countries represented at the Olympic Games

5,000 members of the Olympic family

14,250 Olympic and Paralympic athletes

20,000 accredited media

70,000 volunteers

9.2m tickets available for sale

4bn global TV audience

(source: SMS Survey Research, IOC, LOCOG)

most of the available opportunities, from talking to your bank about financing to ensuring systems comply with procurement policies.

In this guide you'll find the essential information and advice you need to join, and win, the race for London 2012 Games-related business.

Two agencies are primarily responsible for delivering the London 2012 Olympic and Paralympic Games. Together they share the London 2012 brand.

LOCOG

The London Organising Committee of the Olympic and Paralympic Games (LOCOG) is responsible for preparing and staging the events of the London 2012 Games. Chaired by Sebastian Coe and with Chief Executive Paul Deighton, LOCOG will remain a relatively small organisation until the end of Beijing 2008.

By the start of the London 2012 Games, around 100,000 people will be working on the events. That will include 3,000 staff at LOCOG, up to 70,000 volunteers and numerous contractors.

LOCOG is also a crucial agency for businesses. It will let the majority of contracts for services to deliver and run the London 2012 Games, with major procurement for contracts starting in 2009.

LOCOG will also be responsible for staging a series of test events in the year up to the London 2012 Games, recruiting and training volunteers, and overseeing the four-year Cultural Olympiad.

The ODA

The Olympic Delivery Authority (ODA) is the public body responsible for developing and building new venues and infrastructure for the London 2012 Games, and planning for their long-term use. The ODA is chaired by John Armit and the Chief Executive is David Higgins.

The ODA's most high-profile project is the construction of the Olympic Park, but it is also overseeing various other projects, including facilities for events in Weymouth, Broxbourne and Eton Dorney.

The London 2012 Business Network

The Olympic Delivery Authority and the London Organising Committee of the Olympic and Paralympic Games set up the London 2012 Business Network specifically to help companies get involved. www.london2012.com/business

It has three main functions:

- **Events** – a nationwide programme of meetings and seminars designed to help businesses understand the processes involved in working with the London 2012 Games.
- **Information** – including supplier guides, notification of forthcoming work and details on the project requirements.
- **CompeteFor** – an online “dating agency” to help match supplier companies with tender opportunities. It makes it easier for contractors to find suitable suppliers, and helps suppliers meet the requirements to work on the London 2012 Games.

A delivery partner (a consortium called CLM) has been appointed to work with the ODA to project manage the venues and infrastructure programme of the London 2012 Games. Larger infrastructure projects managed by the ODA are already under way.

Other key agencies

Working with LOCOG and the ODA to stage the London 2012 Games and to ensure a lasting legacy are the London 2012 Stakeholders. Each of these

organisations is represented on the Olympic Board:

- **The British Olympic Association (BOA)**.
- The BOA also represents the **British Paralympic Association (BPA)** on the board.
- **The Department for Culture, Media and Sport**, which has a dedicated Government Olympic Executive.
- **The Mayor of London**, on behalf of the Greater London Authority group, including the London Development Agency and Transport for London.

Key dates

2008	2010	2011	27 July 2012	29 Aug 2012	After 2012
Handover Ceremonies in Beijing	Volunteer programme launched	Tickets on sale	Opening Ceremony of the Olympic Games	Opening Ceremony of the Paralympic Games	Long-term benefits
Start of Cultural Olympiad					
“Big build” starts on the main venues in the Olympic Park					



Fit for business

The London 2012 Olympic Games and Paralympic Games are a huge opportunity for companies of all sizes – providing your business is in shape.

To work with the Olympic Delivery Authority (ODA) and the London Organising Committee of the Olympic and Paralympic Games (LOCOG), companies must comply with their sustainable procurement policies – which include health and safety, quality and diversity standards. You will need to demonstrate reliability, stability, efficiency and experience.

Smaller businesses

If your company has no experience of working on such a major project, you need to tighten up your business processes and address certain financial issues.

Consider:

- Arranging to accept e-payments.
- Upgrading financial systems to provide more detailed management information.
- Updating your website.

A helping hand

Potential suppliers will find that www.london2012.com/business provides a fantastic central source of information. The delivery agencies are also working with Business Link and sponsors such as Lloyds TSB to help smaller businesses get fit to supply.

- Formalising terms and conditions in staff contracts.
- Getting long-term customers into contractual agreements (more of your estimated turnover for the year will already be in the books).
- Buying project management software.

Partnerships

For smaller businesses, in particular, partnering with other companies can be

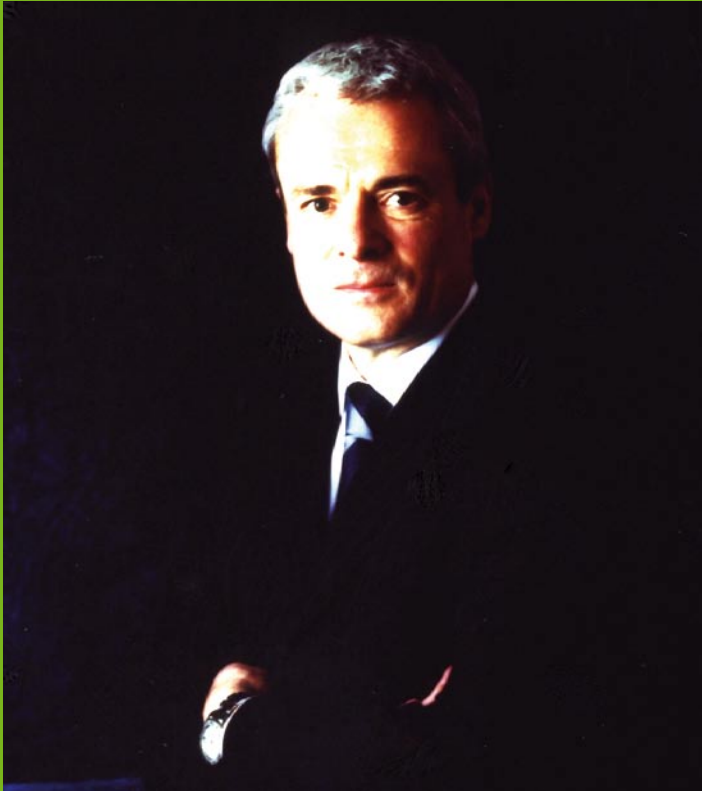
a great way to get noticed by contractors working on major projects. For example, niche companies could consider creating turnkey solutions for larger firms to include when pitching for contracting work.

Partner to:

- **Complement skill-sets.** Launch a mini-consortium or a formal joint venture to provide a broader service than you could otherwise offer.
- **Increase capacity.** Partnering with similar businesses nationally or internationally can be particularly effective in sectors likely to see unusually heavy demand, as contractors may look outside their existing supply chains.

Solid finances

Businesses need to take stock of their financial situation and address any weaknesses. Issues such as many



“Through reinvestment and up-skilling, companies that work successfully on the London 2012 Games will lock in productivity gains”

LEVERAGING EXPERTISE

Mark Stokes, Managing Director of Large Corporate and PACS within Lloyds TSB Corporate Markets

The London 2012 Olympic Games and Paralympic Games are a massive opportunity for businesses, regardless of industry or location. With work under way at the Olympic Park, the focus at the moment is very much on large-scale building and infrastructure projects. However, the scope of products and services required by London 2012 will be wide and we expect to see a ripple effect as other sectors begin to benefit.

Although the Opening Ceremony is four years away, businesses must decide now how they will turn opportunities into sustainable business growth ideas. The London 2012 Games provide a golden opportunity for businesses to expand, diversify and reach new audiences. By leveraging the expertise gained, firms may be able to take their first steps in expanding internationally after 2012. Through reinvestment and up-skilling, companies that work successfully on the London 2012 Games will lock in productivity gains, delivering a true economic legacy.

As the official banking and insurance partner of the London 2012 Olympic Games and Paralympic Games, Lloyds TSB is well placed to provide detailed advice on how to capitalise on the opportunities. Within my own business, we've expanded our relationship manager team by over 50 per cent and trebled the number of regional offices to 23 during the past year.

This expansion means improved local access to expertise in capital markets, treasury services, international trade services, and debt and equity finance. Both our Property and our Public and Community Sector (PACS) teams performed well in 2007. Our Fast Growth team has also gone from strength to strength, providing leveraged finance to support businesses with high calibre management teams, strong cash-flow and a big company mentality – precisely the kind of businesses that can see and exploit the opportunities around the London 2012 Games.

customer payments being overdue, onerous property commitments and unresolved legal problems can make your business seem less reliable.

Talk to your bank relationship manager or other key adviser well in advance of seeking work on the London 2012 Games, to ensure your fundamentals are sound (see boxout). Straightforward steps, such as using asset-based loans rather than an overdraft, factoring debt or moving to a more cost-effective property, can help.

Business standards

As well as the base standards expected of suppliers, many major contracting bodies require the companies they work with to demonstrate that they operate in an ethical, sustainable way and conform to quality standards. Compliance with these should prepare companies for public sector procurement processes in general.

All companies, even those with a well-defined corporate social responsibility agenda, should ensure they address certain specific requirements:

- **Financial stability** – able to fulfil the contract and not be over-reliant on individual pieces of work.
- **Technical competence** – comply with

Key messages

- Tighten up business processes and compliance.
- Secure your financial footing.
- Highlight reputation and experience.
- Partner up to increase capacity and widen skill-sets.
- Find more information at www.london2012.com/business

Finance fundamentals

Ahead of bidding for work on any major contract, companies should tighten up their core financing arrangements, including their overdraft facility, business loans and revolving credit facilities.

Asset finance is a great way to manage cash-flow when a business is handling a long-term or large project. Products include confidential invoice discounting, loans against stock and cash-flow finance.

Supplier finance – lines of credit for the suppliers of larger customers – can also improve cash-flow throughout the supply chain and minimise interruptions.

Companies wanting to make acquisitions in advance of tendering, should consider additional equity or debt in the form of **leveraged finance**.

For larger businesses keen to take on facilities after 2012, **project finance** offers loans against projected future cash-flows.

And, because London 2012 Games projects are often long term, businesses should minimise the risks associated with interest rates, inflation, commodity prices and, in the case of companies working with overseas suppliers, currency fluctuations by **hedging** their exposure.

Find more information at: www.loydstsbbusiness.com (up to £15m turnover)
www.loydstsbcorporatemarkets.com (over £15m turnover)

standards set by the contractor, an industry body or a standards institute.

- **Health and safety** – conform with legal requirements and best practice in protecting staff and the general public.
- **Equality and diversity** – show you are an equal opportunities employer or demonstrate diversity in the workplace.

Sustainable procurement

At the heart of procurement for the London 2012 Games is sustainability – ensuring goods and services are procured in a way that achieves value for money on a whole-life basis. This must benefit society and the economy, with minimum damage to the environment.

Sustainable procurement includes:

Responsible sourcing – suppliers must

comply with the base code of the Ethical Trading Initiative (www.ethicaltrade.org). Contractors sourcing from overseas must also ensure their suppliers comply with SEDEX (www.sedex.org.uk), a system where companies input data on labour standards at their production sites.

Secondary materials – minimising packaging, controlling levels of waste and ensuring that waste management and recycling are a priority for contractors.

Minimising impacts – encouraging all suppliers to limit their environmental impact and control their use of energy.

Healthy materials – places a premium on the use of raw materials that go some way to meeting the other requirements, and that contribute positively to the legacy of major projects.



REGIONAL SUPPORT

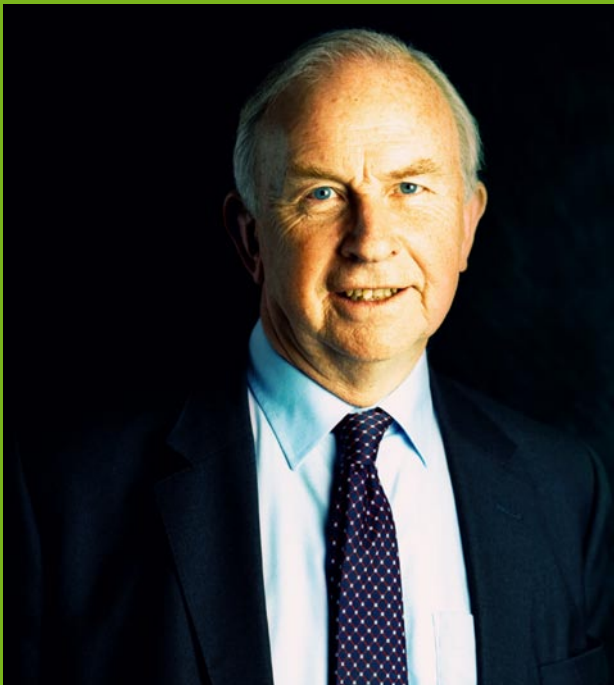
Anne Thompson

North West Development Agency

The skills and experience that north-west businesses gained from the 2002 Commonwealth Games will be hugely valuable to the London 2012 Olympic Games and Paralympic Games. We're promoting these companies to business bodies, contractors and to the London 2012 Games organisers.

We want companies to think about how supplying to the London 2012 Games could help promote their products or services to new customers and markets. This will help companies deliver their own business strategy and become fitter to compete on a global stage.

UK firms should also be aware of interest in the London 2012 Games from companies across the world, including Australia. Companies there gained a broad global outlook and experience from holding the 2000 Games, and will be looking for partnership and contract opportunities around the London 2012 Games.



Geoffrey Piper

North West Business Leadership Forum

The 2002 Commonwealth Games helped companies realise the benefits of getting their people "involved". It unleashed the kind of individual talent that can lie dormant in daily operations. Opposition fell away as we saw the energy generated within regional businesses. Particular skill-sets were developed across the region, and businesses already experienced in putting on this kind of event could refine their offerings and boost capacity.

Regional businesses must be realistic. Many understand that, where companies in the capital and south-east are better located to win contracts, the opportunities might be limited. However, where companies in the north-west have particular expertise and experience that is in short supply locally, we want them to seize the opportunities.



Running the race

A range of resources and support is available to ensure the opportunities are within reach of any business.

Because of the sheer number and diversity of projects involved in delivering the London 2012 Olympic and Paralympic Games, the Olympic Delivery Authority (ODA) and the London Organising Committee of the Olympic and Paralympic Games (LOCOG) will manage their procurement activities in quite unique and innovative ways.

LOCOG procurement

LOCOG is responsible for procuring the necessary goods and services to stage the events of the London 2012 Olympic and Paralympic Games. That includes, for example, preparing the stadia and other venues, facilities for athletes, spectators and media, marketing and promotion. Most of these contracts will be let after 2009.

LOCOG will also require various corporate services, ranging from auditing

A solid supply chain

Companies hoping to secure sub-contracting work on London 2012 Games-related projects should cement relationships with existing supply chain partners. London 2012 estimates that up to 80 per cent of the supply chains for projects will be fixed – i.e. tier-one and two suppliers will meet demand through their existing supply chains without posting opportunities on CompeteFor (see page 12). If you are known to these companies already, you stand a better chance of getting involved.

By keeping up-to-date with tender information, you will also be able to see which of these companies is in the running for major projects, and where opportunities may open up for sub-contracting work.

to occupational health provision, to film production. There will, therefore, be a wide variety of opportunities for business support companies.

As a private company, LOCOG isn't obliged to follow EU public sector procurement rules, and manages its procurements separately from the ODA. It will, however, adopt fair and sustainable procurement principles and processes. LOCOG contracts, as well as all its orders throughout the supply chain, will be listed at www.london2012.com/business.

ODA procurement

As a public body, the ODA follows public sector guidelines on procurement for all of its activities.

It estimates it will enter into up to 2,000 direct contracts with businesses that will, in turn, manage around 50,000 agreements across their own supply chains. These

private sector sub-contractors are not subject to the same regulated tendering process. However, buyers will be encouraged to apply similar standards in areas such as sustainability, diversity and risk management to their supply chain.

The ODA estimates that around half of all its contracts have gone to small and medium enterprises, in line with its commitment to maintain as broad and open a supply chain as possible.

Tender size

EU rules for public sector tendering mean ODA tenders will be handled according to their size. All contracts above €33,000 (£25,000) are handled by electronic tender.

> €200,000 (service and supply contracts), >€5m (public works) – tenders will appear in the Official Journal of the European Union (OJEU).

< €33,000 – the ODA will seek a minimum of three quotation documents through existing frameworks or advertised on www.london2012.com/business.

From €33,000 to €200,000 or €5m (as above) – the ODA will issue competitive tenders and seek up to five bids. There will be open tendering with appropriate pre-qualification and tender procedures, or the use of pre-procured frameworks.

Submitting tenders online

Don't delay – late responses may not be accepted.

Read instructions – note any deadlines and required actions.

Be responsive – suppliers are alerted if a buyer amends a live tender. Re-submit your bid as necessary.

Manage attachments – keep to under 2Mb and attach only what is requested, in the correct area.

Use secure messaging to communicate with buyers – this will allow an audit trail.

Save your work – you will be logged out if inactive for more than 15 minutes.

Keep it short – text responses are capped. If a buyer wants a longer response they'll add a text box or request attachments.

Involve colleagues – by setting up supplier sub-users on the system (see the online help function).

Get help – technical support is available by calling 0800 043 2012.

The ODA has contracted a "delivery partner" to manage its relations with top-level contractors. The consortium, CLM, is made up of US programme manager CH2M Hill, construction firm Laing O'Rourke and project management company Mace. CLM will manage tenders and day-to-day construction work, while the ODA sets out the broad objectives and requirements for the projects.

e-tendering

Full details of the terms of a contract are published online, and shortlisted bidders

must submit formal tenders using www.london2012.com/business.

The procurement process will be managed largely online, including the submission of documents, updates from the ODA and evaluation of tenders.

The e-tendering system is an online version of the traditional procurement route and won't be used to carry out e-auctions.

The e-tendering site lists contracts currently available, as well as passed. Companies can, therefore, see who won work already under way and, where appropriate, look to join their supply chain.

The site should be used in conjunction with CompeteFor. For example, if a company is shortlisted for an ODA project listed at CompeteFor, it will be directed to the e-tendering site to complete the formal process.

However, when the contract is awarded by a private contractor, that contractor will have its own tendering process that companies must follow.

The ODA is responsible for:

- Building new, permanent venues.
- Building arenas that will be relocated after the Games – e.g. Hockey.
- Permanent works to existing sports venues, such as Eton Dorney, and Weymouth and Portland.
- Planning and delivery on transport infrastructure and services to support London 2012 Games projects.
- Ensuring the projects set new standards for sustainable development.



“Supply chains in the capital and elsewhere in the country will be a crucial component”

LOCOG

Richard Mould, Head of Procurement, is responsible for leading LOCOG’s procurement function up to, and during, the London 2012 Olympic Games and Paralympic Games

The London 2012 Business Network is a huge step forward in creating transparency about the opportunities within our supply chain. I believe it will also help to open up those supply chain opportunities to a wide range of diverse organisations across the UK. It gives potential suppliers unique access to what is happening in our supply chains. It’s free and easy to use, and will provide a comprehensive and authoritative portal of past and future business opportunities.

The London 2012 Business Network will effectively be the “shop window” for anyone looking for opportunities to bid, as well as being the site that buyers will visit in order to search for and invite suppliers to tender for opportunities.

It’s important to understand that this is an introduction service rather than a “marriage bureau”. It isn’t an e-tendering or contracting service. We know from our communication with buyers that they already have many such systems, so we weren’t looking to compete with or replace these. Instead, we have sought to create a simple system, which buyers can use with their own, and easily include CompeteFor within their own processes.

For the foreseeable future, we anticipate that the number of opportunities will be relatively small. However, as the ODA tier-one suppliers and their supply chain opportunities, and the LOCOG supply chain opportunities, materialise over the next few years, we anticipate that the number of opportunities posted on the system may reach between 10,000 and 20,000.

So what should businesses be doing now to ensure that they can seize the opportunities when they arise? Register on www.london2012.com/business – whenever LOCOG or the ODA has information, events or opportunities that’s where you will find them.

Support for business

– www.london2012.com/business

The ODA and LOCOG are committed to ensuring that all businesses can take advantage of London 2012 Games-related opportunities. Three main functions of the London 2012 Business Network support this:

- **Provides information** about doing business with the London 2012 Games, as well as access to news on specific contracts and general trends in procurement. Companies can sign up for business e-alerts to receive this information.
- **Organises events** around the UK to help businesses interact with the ODA and LOCOG (as well as other commissioning agencies) and network with each other to open up potential business opportunities.
The English Regional Development Agencies, Scottish Enterprise, the Welsh Assembly and Invest Northern Ireland all support the London 2012 Business Network, alongside local and regional business bodies. In England, Business Link also offers tailored advice to companies.
- **Supports CompeteFor**, the electronic brokerage system designed to open up London 2012 Games-related supply chains.

London 2012 Games. Therefore, to ensure that the London 2012 Games partners receive maximum value-for-money, LOCOG must be extremely careful how this brand is used.

Suppliers to the London 2012 Games are asked to sign a “No Marketing Rights” agreement, which prevents them from an association with the London 2012 brand. More information can be found at www.london2012.com/brandprotection.

There is a three-tier structure to the London 2012 Olympic and Paralympic Games sponsorship programme:

Official Partner – tier one involves cash sponsorship deals (e.g. Lloyds TSB), and it is intended that around ten major partners will be attracted in different sectors.

Official Supporter – tier two consists of value-in-kind and cash deals. Primarily

with smaller organisations and companies able to offer products and services to LOCOG in exchange for promotional benefits.

Official Supplier – within these tier-three partnerships, goods and services will be provided in exchange for public association with the London 2012 Games.

Key messages

- Register at www.london2012.com/business
- Sign up for e-alerts at www.london2012.com/business
- Familiarise yourself with ODA and LOCOG processes.
- Talk to Lloyds TSB about the financial implications of tendering for and winning contracts.



“Our aim is to raise the number of businesses able to engage on public sector contracts”

“This is a huge chance to up-skill the workforce. As individual companies, we must exploit this”



LONDON'S BUSINESS BODIES

Nigel Bourne, Director of CBI London

The opportunity is enormous, not only in London, but throughout the UK. I hope those businesses that throw their hat into the ring for work will gain experience in contracting for large opportunities and get “fit to supply”.

This is also a huge chance to up-skill the workforce. As individual companies, we must exploit this. And that means taking a positive and enthusiastic approach to the whole project and looking at potential openings now, not in a year or four years' time. Companies should ask themselves where they want to be in 2012, and the strategic decisions that will help position them for the future. This is not just about three and a half weeks in 2012.

The UK business community will feel confident in the experiences it has gained. The ability to bid across the world on large projects is a fantastic legacy.

The key message is: act now. Four years may seem like a long time, but the opportunities won't wait.

Mike Mulvey is currently seconded to the London Business Board to set up the London Business Network

The London Business Network (LBN) was created by the London Business Board to generate opportunities for companies around the London 2012 Olympic and Paralympic Games.

The LBN itself is a tiny organisation, but with more than 700 business bodies in London affiliated with it, there's huge potential to engage companies.

We aim to raise the profile of the London 2012 Games with as many organisations as possible, particularly SMEs (with a turnover of up to £25m), and to increase the number of businesses confident in engaging in public sector contracts.

The LBN will really start to ramp up in 2008. We'll be working on six main business areas: skills; meet the buyer, which is all about enhancing the opportunities in the supply chain; tourism; the legacy of all London 2012 Games-related activities; developing links with international trade partners; and community engagement and volunteering. We'll also support the Chambers of Commerce and other business bodies.



Getting the job done

Once you've won a tender for the London 2012 Olympic Games and Paralympic Games, support is available to help you deliver on budget and deadline.

If your company already has experience of working on large projects or events, you'll be familiar with the challenges and opportunities likely to emerge in the run-up to the London 2012 Olympic Games and Paralympic Games.

While, for suppliers, the individual projects of the London 2012 Games may be like any other contract, a "multiplier effect" will create additional pressures.

With dozens of individual events taking place at the London 2012 Games, hundreds of high-profile projects need to be completed in parallel. As Chief Executive of the London Organising Committee of the Olympic and Paralympic Games (LOCOG) Paul Deighton puts it, "We're hosting 46 simultaneous world championships – a unique logistical feat."

Supplier companies need to pay particular attention to project management, people, payment

capabilities, and finance. However, in each of these focus areas, help is at hand.

Project management

Good project management can make the difference between success and failure. Scheduling, in particular, is likely to be a challenge for companies working on the London 2012 Games.

The deadline for all preparations is completely immovable. Most of the facilities will need to be ready in 2011 to enable test events to take place.

Many of the projects, in particular much of the foundation work – clearing the sites and preparing major infrastructure such as roads, bridges and new rail lines – is highly complex. Therefore, companies involved will need to plan ahead effectively and demonstrate flexibility.

This is likely to be especially important if a London 2012 Games contract represents

a significant part of your overall capacity.

Good project management will also help in other areas, notably in the planning of materials and other resources. An electrical contractor, for example, might find a shortage of parts from its usual supply chain, as several building projects come to a head. Lining up "overspill" suppliers (perhaps using CompeteFor as a buyer, rather than supplier) and sourcing material elsewhere in the UK could provide potential solutions.

People

Businesses that have worked on previous Olympic and Paralympic Games – and now on the London 2012 Games – have found the high profile and status of the client to be a great motivator for their staff.

Working on the London 2012 Games will require a degree of flexibility from both



“The London 2012 Games is a real hook for business”

REGIONAL SUPPORT

Tracy Croft, East Midlands regional co-ordinator for the London 2012 Games

We’re encouraging all businesses to receive up-to-date information on what’s already been contracted. It’s important to keep an eye on where projects have already begun – because there may be sub-contracting opportunities – and whether a company has been commissioned for the service you’re offering.

Our regular e-alerts to registered businesses in the East Midlands always include a London 2012 Olympic Games and Paralympic Games section alerting companies to new openings. And we’ve spent a huge amount of time with local business organisations, communicating to them the scale of the opportunity.

The London 2012 Games is a real hook for business. Sometimes “public sector procurement” can be treated with scepticism – people see it as bound up in red tape. Supplying to the London 2012 Games seems more exciting and engaging to business. As a result, it’s a great way of getting companies accustomed to public sector clients.

For many companies – especially tier-one suppliers, most of which will have a well-established supply chain – working on a project linked to the London 2012 Games will be just like any other contract. The key issue, therefore, is to maintain the critical long-term relationships that businesses have within their supply chains. This will ensure you are part of the equation when the contracts do come through.

Our direct support for businesses will be through the Business Link providers. Our big hope is that more people will come through the doors as a result of the London 2012 Games profile. It’s our chance to let businesses know the kind of support we can offer, and help them to become fitter and more prepared to work on both large projects and public sector contracts.

Getting the job done >>

employees and managers. While you will aim to bring innovation or experience, it can also be flexibility and adaptability that, ultimately, mark you out as a successful contractor and worthy of future business.

Companies may require additional staff, particularly as the deadline for completing projects nears, so it's important to monitor the skills that will be required as part of any major contracts.

Business bodies can help with some of these issues, offering advice on recruitment and skills development. In addition, some regional development bodies are running programmes to develop new capabilities among workless people, readying them for both the jobs market and for work specifically on the London 2012 Games.

Payment capabilities

The London 2012 Games aim to be "cashless", so any company looking to get involved, even only in peripheral opportunities, should ensure its payment systems are up-to-date.

Given the scale of ODA and LOCOG activities, and the extent of the supply chains involved, it is important that potential suppliers have the ability to accept procurement and purchasing cards, as well as corporate credit cards.

Lloyds TSB CardNet is already working with organisations to help them prepare for an integrated transport and payment system ahead of the London 2012 Games.

The ability to support line item transactions on cards will ensure that London 2012 gets the information it needs to run an efficient procurement system. It's likely that LOCOG will need to make numerous ad hoc transactions during

the London 2012 Games themselves – the majority of these using corporate procurement cards.

Finances

The size of contracts for the London 2012 Games should not distract companies from applying normal business best practice in terms of cash-flow, payments and stock control. However, any major project can test the financial stability of a contractor.

The first port of call ahead of, and during, work is your bank. Relationship managers will understand the pressures on cash-flow and be able to suggest possible sources of working capital during a project.

Most banks will also have front-line advisory staff, in addition to your business relationship manager. They can offer products and advice on maintaining financial stability during the progress of a contract.

Companies that win business originating with LOCOG or the ODA (even those that are far downstream in the supply chain) are unlikely to require a massive injection of capital. In order to minimise financial difficulties during an assignment, procurement rules limit bidders to companies with turnover at least four times the contract value.

The bigger picture

While the London 2012 Games are generating huge excitement and opportunities, it's important to consider the broader and longer-term picture.

Companies should keep an eye open for peripheral opportunities in the run-up to the London 2012 Games.

For example, in addition to the Olympic Park, the redevelopment of the Lower Lea

Valley will see the construction of 40,000 new homes in the area.

While the £9bn budget for the long-term regeneration of east London and venues and infrastructure for the London 2012 Games is significant, the total value to businesses UK-wide is likely to be considerably higher.

Lloyds TSB's Chief Economist, Trevor Williams, estimates a total boost to UK businesses of £21bn once all peripheral activity, infrastructure improvements and additional tourism are taken into account.

While the south-east will be the biggest beneficiary with a potential £8.6bn share, the boost from this "halo effect" will be UK-wide. For example, the economy of the north and north-west will receive an estimated £4.4bn lift from the London 2012 Games, the Midlands £3.2bn, and £1.7bn in both the south-west and Scotland.

The tourism industry, in particular, is expected to gain. According to a study by Oxford Economics, London will see £1.5bn in additional tourist revenue, £500m in the rest of the UK.

Getting fit for business with the London 2012 Games supply chain will improve your readiness for a host of other opportunities.

Key messages

- Tighten up project management and scheduling.
- Assess staff levels and the skills and capabilities you will need throughout a project.
- Ask your bank for advice on payment systems, cash-flow and improving financial stability.



“With the upgrading of infrastructure, there is real potential to increase prosperity throughout London and the UK”

THE ECONOMIC IMPACT

Trevor Williams, Chief Economist
at Lloyds TSB Corporate Markets

Having looked at the direct and indirect impact of the London 2012 Games over the next five years, we think the boost to the UK economy will be around £21bn, spread across the UK. While most of the London 2012 Olympic Games and Paralympic Games sites and events are in east London, companies UK-wide will be involved in staging them. There are also many events – such as football and sailing – taking place outside the capital, and many towns and cities will host visiting teams’ training and acclimatisation facilities.

London will also benefit from other major projects around the same time. The £16bn Crossrail project now has the green light, with construction due to start in 2010. And there’ll be plenty of preparatory spending before then. Add to that the £3bn upgrade of Underground and DLR lines, and plans to spend £9bn on communities in the Thames Gateway, and you have potential for long-term economic expansion well beyond 2012.

With the London 2012 Games, there’s a big focus on legacy. Converting the facilities for ongoing use by local communities and businesses will affect the local economy in east London and boost business confidence. And, if we can also generate a meaningful up-skilling of the workforce in the run-up to the London 2012 Games, we can lock in productivity gains – a true economic legacy.

We have to focus on investment, infrastructure, skills, legacy and the opportunities for these areas with massive potential for economic improvement. With the upgrading of infrastructure, there is real potential to increase prosperity throughout London and the UK. The London 2012 Games are a chance to really put ourselves on the map and say to the world that we’re here to do business.



The finish line

When the London 2012 Olympic Games and Paralympic Games finally arrive, businesses across the UK will benefit, regardless of their involvement in the preparations.

Demand for a range of products and services will intensify in the immediate run-up to, and during, the London 2012 Games, and businesses will need to be prepared if they are to make the most of the opportunities.

The high demand will, in part, be driven by an influx of people coming to the UK. While an increase in visitor numbers can be expected before 2012 as a result of the UK's raised profile, there will be a surge in the summer of 2012.

It won't only be the hospitality industry that is likely to feel the impact of this. When the world's media lands in the UK, for example, demand for a range of technical support services is expected to peak. Furthermore, the needs of the London Organising Committee of the Olympic and Paralympic Games (LOCOG) will increase considerably in the period up to and during the London 2012 Games.

Harness the buzz

The excitement generated from the London 2012 Games can have significant benefits in terms of staff morale. Company employees involved in the preparations will feel a boost from seeing the projects they've been involved with come to fruition.

There are also other ways that staff can be engaged. For example, around 70,000 volunteers will be required at the London 2012 Games, and it is hoped that many businesses will encourage their staff to volunteer.

Companies serving the London 2012 Games and peripheral businesses must be prepared to deal with high levels of procurement activity in 2012. This will mean ensuring that systems and operations

are running efficiently and reliably, that staff levels are sufficient, and systems are implemented to accept payments by card.

By planning ahead, companies will find themselves better able to fully exploit the buzz generated by the London 2012 Games. It will also be easier to plan any investment in facilities, staff, stock and marketing accordingly.

Demand will also grow in other areas. For example, bank support around cash-flow is likely to be crucial in the months leading up to July 2012, as increased demand sees stock requirements rise and prices climb.

Towns UK-wide will act as acclimatisation centres for national Olympic Associations in the run-up to the London 2012 Games.

Some sports federations will also establish training camps outside of the capital. These activities will generate



“Partnerships between companies in the capital and elsewhere in the country could be a crucial component”

SUPPORT FOR BUSINESS

Paul Evans, a Lloyds TSB Area Director for East London

We're already working with LOCOG and other involved organisations to host events and reach out to businesses. Once they gear up to work on the London 2012 Olympic Games and Paralympic Games, the key challenge for businesses will be around cash-flow. Companies that win contracts are likely to take on more stock, more people and more cost. As many of the contracts won't come through for years, timing is critical.

There are other challenges: where will businesses find the right staff? Do they fully understand the HR or safety requirements? The London 2012 Games represent a great chance to look across your business and see where you can improve your systems and processes. This will improve your capability around future public sector contracts. Looking beyond the London 2012 Games is crucial. If you're moving premises or taking on new staff, plan how you're going to manage that increased capacity – and cost – once the London 2012 Games projects are finished.

We are keen to help and have many people at the coalface, in the branch network and new business centres. We also have a central unit, Essential Business Advice, to guide smaller businesses on tricky areas such as HR. My advice is: have a dialogue about the different fundamentals you may need to cover off.

The London 2012 Games aren't just about London. Partnerships between companies in the capital and elsewhere in the country could be a crucial component, particularly for smaller businesses that lack the capacity in-house. Again, such partnerships may be a first for smaller firms; many of our clients have already turned to us for help in establishing those connections.

The momentum will gather after Beijing 2008. 2012 still seems a long way off. Unless you live in the area, you might not realise that progress on the London 2012 Games is well under way. That awareness will build during 2008 and we will be there to support businesses keen to seize the opportunity.

UK showcase – a strategy

The Department for Culture, Media and Sport and Visit Britain have developed a strategy to ensure visitors to the London 2012 Games leave with positive views of London and become ambassadors for UK tourism.

2008	2009	2010	2011	2012	Beyond
Launch of the Cultural Olympiad and international marketing campaign.	London and Britain are showcased to global event planners. London 2012 Games integrated into all "Britain" brand activities.	Creation of new travel writers' centre. Build relationships with Canada and India, linked to the Winter Olympic Games and Commonwealth Games.	Identification and refinement of post-event marketing opportunities.	Support for UK businesses to ensure visitors enjoy their stay. Hospitality for targeted world travel leaders and full support to the media.	The legacy is cemented with marketing activities and encouragement to the industry.

(Source: DCMS Tourism Strategy 2012)

business opportunities not only in the leisure and accommodation sectors, but also in business services, transport and communications.

Businesses should stay informed about activities on the ground via www.london2012.com/business. Lloyds TSB and local business and community networks can also help companies to identify and exploit the opportunities.

Creating new links

As well as the direct opportunities associated with preparing and staging the London 2012 Olympic and Paralympic Games, there may be other knock-on benefits for businesses. In particular, the London 2012 Games could serve as a useful platform for companies to access world markets and generate new business opportunities in the future.

For example, in 2000, the Sydney Olympic Business Club invited French wine distributors to attend the Sydney 2000 Games, to tour the local vineyards and meet with producers. The result was the creation of new business networks and export opportunities.

Similar indirect benefits were also sought when the Manchester Commonwealth Games were staged in 2002. The North West Regional Development Agency, for example, set up trade missions with key Commonwealth countries. These focused on seven priority states with which they wanted to create stronger links. A drop-in centre was created, enabling businesspeople to meet and where workshops and seminars could be hosted.

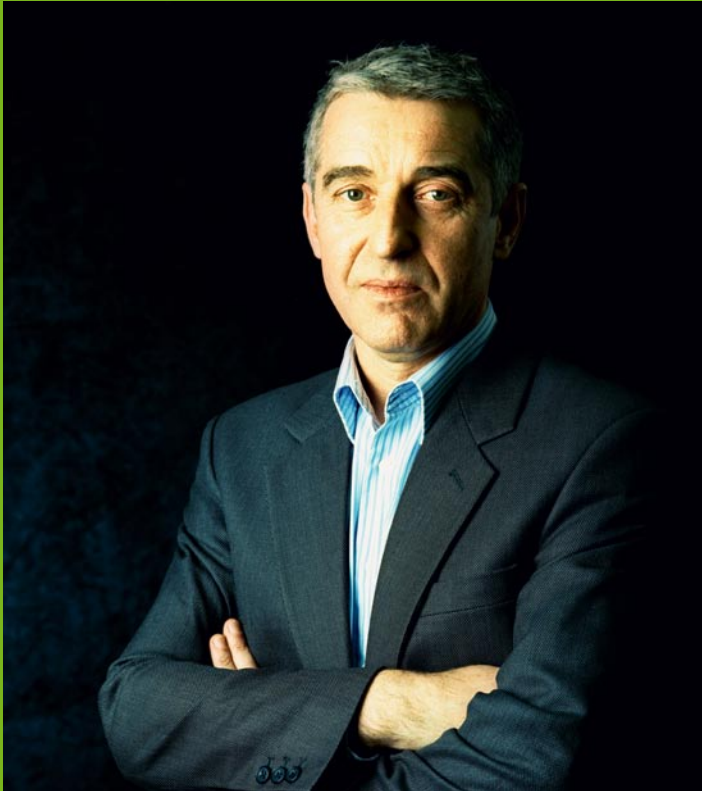
Local councils, regional development agencies and business groups will seek to use the London 2012 Games to create and cement national and international links.

UK Trade and Investment, the government's exporting agency, is also promoting links for London 2012 Games suppliers looking to establish partnerships overseas, both for inward investment and exports.

Businesses can use the London 2012 Business Network (www.london2012.com/business) to maintain contacts from the London 2012 Games, sign up to information services, and get involved with relevant events.

Key messages

- Prepare for high demand leading up to and during 2012.
- Plan ahead.
- Stay informed about events and relevant activities UK-wide at www.london2012.com/business



“While end dates can’t slip, start dates might. So you have to be able to react very quickly”

THE GAMES VETERAN

Kevin Mannion, CEO of a company whose crowd modelling software has been used on past Olympic Games and Paralympic Games projects

Companies often ask whether working on the Games leads to new business. Well, the bid team for Tokyo 2016 love our technology – but they love our CVs more; we’ve been involved in four successful Games bids. Likewise, when Shanghai Metro were looking at us recently, someone at the meeting turned to the other and said, “Oh, they’re being used by the Olympics”. That was it. You’re a much easier buying decision if you’re doing this kind of work – it’s great for a company with just 25 people.

But working on an Olympic Games and Paralympic Games does stretch you. You discover your potential breaking points and it makes you think how to improve the software and develop the business. It’s also a huge motivator: people are proud to work on such exciting projects. They’ll always have that on their CV. And it makes you more attractive as a company to potential employees.

Cash-flow is a big challenge. With big projects such as the London 2012 Games, it’s important not to have too many eggs in one basket. There will be intense bursts of activity when no-one sleeps, then nothing. And you may well be turning down work while you wait for the next burst.

There’s no alternative venue or moveable date for the London 2012 Games. But while end dates can’t slip, start dates might. So you have to be able to react very quickly. This is one reason why partnering can make a big difference.

We also do traffic simulations, so there’s the whole Stratford redevelopment and further into the Thames Gateway to look forward to. I won’t allow anyone in the company to use the term “loss leader”. It trips off the tongue far too easily, especially with prestige projects such as the London 2012 Games. I much prefer the term “profit leader”.



A lasting legacy

Providing long-term benefits from the London 2012 Olympic Games and Paralympic Games underpins the organisers' objectives.

Creating a sustainable legacy across the UK was a fundamental part of the bid to host the 2012 Olympic Games and Paralympic Games. The focus is on creating lasting change in a number of areas, such as increasing participation in sports, inspiring young people, boosting business and developing communities.

Businesses should look ahead and build post-2012 considerations into their planning. Many contracts for post-event work will be assigned long before the London 2012 Games, enabling conversion and other work to begin as soon as possible afterwards. Companies should talk to their business advisers and banks about project finance products and other ways to get the most from the openings.

Learning from experience

The London East Research Institute of the University of East London (UEL) conducted

a major review of the last four Olympic Games and Paralympic Games. It found sustainable change to be possible when efforts to generate a legacy are well targeted.

In Barcelona, for example, the focus was on skills in services and high-tech industries. The Atlanta 1996 Games, meanwhile, acted as a catalyst for the movement of capital and enterprises into the city.

Sydney 2000 branded the city on a global stage, and resulted in a huge increase in business and leisure tourism.

The UEL report also highlights the critical factors in creating a sustainable economic legacy. It concluded that the London 2012 Games should complement an existing regeneration plan and involve new phases beyond 2012. The knowledge gained should also be used to promote further innovation.

Legacy opportunities

The legacy of the Thames Gateway is central to the London 2012 Games plans. Ongoing developments around the Lower Lea Valley, growth spurred by improved transport infrastructure, and the longer-term redevelopment of the Thames Gateway all present opportunities. At the Olympic Park (and other sites), there will be conversion of stadia for long-term use, turning the Olympic Village into residential housing, and dismantling or re-purposing temporary structures.

Future events

Past experience suggests there will be long-term opportunities for businesses that work on the London 2012 Games. Organisers of, and suppliers to, the Sydney Games, for example, have been highly sought-after by the hosts of other international events.

Hosting the London 2012 Olympic Games and Paralympic Games is a unique logistical exercise. For those businesses that help to make it happen it will be an amazing experience, and will show they can tackle the most high profile job in the world. We want the same inspiration that drives so many aspects of the Olympic Games and Paralympic Games to apply to the business sector.

Companies will surprise themselves with their performance – and the immovable deadlines help to sharpen the focus. The can-do attitude and sense of pride is one of the great benefits of hosting the London 2012 Games.

It's also important that we set new standards while we build and stage the London 2012 Games. These standards will be worked into everything we are doing and will set new benchmarks.

Legacy is critical to the London 2012 Games and we're not leaving it to chance. As well as the social and economic legacy of the Olympic Park site, the legacy we leave to businesses is crucial.

We're committed to ensuring that the work businesses do with us creates in them a lasting competitive advantage – whether that's the very biggest companies working with us as a tier-one sponsor, or small businesses figuring out how to open up new markets and opportunities. If we can leave them with an expanded contacts book, new partnerships, new skills and enhanced capacity – and confidence – they can use the Olympic Games and Paralympic Games as a real launch-pad.

Above all, the UK and its businesses should be proud, positive and optimistic about their ability to deliver. We have some of the best expertise in the world, capable of producing outstanding events. There's no doubt that we can make the London 2012 Games the greatest Games ever.

Paul Deighton, CEO of LOCOG



Contacts

LOCOG – The London Organising Committee of the 2012 Olympic and Paralympic Games

Responsible for preparing and staging the London 2012 Games.

www.london2012.com/locog

ODA – The Olympic Delivery Authority

Responsible for ensuring delivery of new venues and infrastructure for the London 2012 Games.

www.london2012.com/oda

London 2012 = LOCOG + ODA

The London 2012 website is an umbrella portal for information, services, email alerts, CompeteFor and e-tendering.

www.london2012.com/business

Regional Development Agencies

The RDAs (and their devolved equivalents) ensure the business benefits are UK-wide.

Links to the RDAs can be found at

www.london2012.com/business

Lloyds TSB

Lloyds TSB was the first Official Partner of the London 2012 Games. Our advice, financial products and services can help any business bidding for large contracts or within complex supply chains.



Core offerings

Companies should tighten up their core financing arrangements: setting an appropriate overdraft facility; making optimum use of business loans and revolving credit facilities; plus services such as commercial mortgages.

If your business turnover is £15m or less, visit: www.lloydstsbusiness.com

If turnover is above £15m, go to: www.lloydstsbcorporatemarkets.com

Asset finance

Large projects and long supply chains can put a strain on cash-flow. Even larger businesses can benefit from improved invoice management. Lloyds TSB's suite of asset finance products can help manage these situations, including confidential invoice discounting, loans against stock and cash-flow finance.

www.ltsbcf.co.uk

Insurance

Lloyds TSB Essential Business Insurance provides a wide range of cover for companies with a turnover below £5m; relationship managers can also help larger businesses address their risk needs.

www.lloydstsbbusinessinsurance.co.uk

Hedging

Many of the opportunities are long-term, so it's essential to minimise risks associated with interest rates, inflation, commodity prices and, if working with overseas suppliers, currency fluctuations. Our range of hedging products can help limit your exposure.

www.lloydstsbcorporatemarkets.com/corporateservices/riskmanagement.asp

Specialist financing

For large companies with complex needs, Lloyds TSB Corporate Markets offers a range of products. Companies looking to make acquisitions ahead of bidding can use **Leveraged Finance** products. Deals start at around £2m of debt for companies with turnover as low as £5m.



The Fast Growth team also specialises in bespoke early-stage loans to businesses (normally between £15m and £400m turnover) keen to exploit transformative opportunities.

Businesses at the upper end of the supply chain for London 2012 should look at **supplier finance**, lines of credit their suppliers can call on. This improves cash-flow throughout the supply chain and helps minimise interruptions caused by downstream supplier weakness.

Project Finance is ideal for businesses bidding to take on London 2012 Games facilities post-event, offering loans against projected future cash-flows from infrastructure investments.

The Lloyds TSB securitisation team can also discuss bigger loans related to cash-flows with larger contractors. www.lloydstsbcorporatemarkets.com/corporateservices/specialistfinancing.asp

CardNet

CardNet can provide a single solution for all your card acceptance needs, as well as specialised market-leading services to help you get the most from your card payments.

www.lloydstsbcardnet.com

International Banking

Lloyds TSB International Banking is a growing business with a rich global pedigree. Products and services range from international personal banking and mortgages to wealth management.

www.lloydstsb-offshore.com

Glossary

Business Link

Will help smaller companies engage with the London 2012 Games. Companies not yet qualified for work will be directed to their local Business Link for advice.

CLM

The organisation appointed to work alongside the ODA as the delivery partner for the construction works for the London 2012 Games.

CompeteFor

Online brokerage service between buyers and potential suppliers throughout the London 2012 supply chain.

eTendering

Procurement process where suppliers express interest, download contracts and submit bid documents.

International Olympic Committee

The supreme authority of the Olympic Movement.

International Paralympic Committee

The supreme authority of the Paralympic Movement.

London Development Agency

The LDA is working with the Olympic Delivery Authority on the delivery and legacy of the Olympic Park site.

The London 2012 Business Network

ODA and LOCOG site (www.london2012.com/business) providing information, events and CompeteFor.

Official Partner

Around ten companies in different sectors will attain this tier-one sponsorship.

Official Supporter

Will offer value-in-kind and cash support in return for specific opportunities.

Official Supplier

Will offset the value of goods and services provided against public association with the London 2012 Games.

Official Journal of the European Union

Publishes EU legislation, reports, announcements and invitations to tender for larger public sector contracts.

Regional Development Agencies

Crucial to the Business Opportunities Network's programme of information dissemination and supplier events.

Tender

Formal offer made to supply goods, works or services.

Tier-one Supplier

Company contracting directly with the ODA or LOCOG.



*official banking and
insurance partner*



*official partner of the
Paralympic Games*

Please contact your relationship manager or local branch if you'd like this in Braille, large print or on audio tape.

We accept calls made through RNID Tynetalk.

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