

OVERVIEW

The Outer Line

A Roadmap to Repair Pro Cycling



Joe Harris and Steve Maxwell

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Overview

Professional cycling, for all its faults, is a beautiful and compelling sport to watch. The colorful flow of riders at speed on the open road, chasing a breakaway; the grace under pressure of a rider in solo pursuit; the explosion of joy at the finish line – these are the unforgettable images of the sport. This is what draws us in, makes us want to clip in, pedal off, and climb our own personal Alpe d’Huez or Mur de Grammont. Races tell beautiful stories that we retell and relive for years. For all these reasons we must repair and heal this sport.

Pro cycling is truly at an inflection point, and right now it has perhaps its best and last chance to “reboot” the system. How many times has the sport falsely proclaimed a “fresh start”? 1988, when the Delgado allegation broke? 1998, with the Festina affair, and what we now know from the French Senate report? 2006 and 2007, with the Fuentes, Landis and Rasmussen messes? The Armstrong implosion of 2012? This time pro cycling must truly change.

Unfortunately, the Union Cycliste International (UCI) has tended recently to just *talk* about how to fix pro cycling; now the time has come to really *do* something – to transform itself

and the professional sport. With the conclusion of its latest Congress and the election on September 27, 2013, the UCI has hopefully changed course. We believe that the UCI should now embark upon a roughly two-year intensive process during which it will examine its historical and current challenges, and refocus its aspirations for the future. Some of this process will be painful; much of it will be complex and subject to endless debate amongst different stakeholders. But despite all these challenges, the UCI must now seize that rare, once-in-a-generation opportunity to reinvent itself.

Drawing upon our expertise as long-time business consultants, including experience within the sport’s inner workings, we propose herein an aggressive and concurrent four-point process that will repair public trust, restore integrity, and revolutionize the economics and governance of professional cycling. And as opposed to some of the loftier and more superficial proposals of the past, we attempt to drill down to a deeper level of analysis – and provide four very specific and immediately actionable sets of recommendations.

Truth and Reconciliation: a transformative truth and reconciliation commission (TRC) process – rather than a fact-

finding independent commission – to provide a catharsis for the professional sport that would include pardon for the many alongside punishment where merited. This process would include the riders, team managers, owners and regulators (some of whom are themselves former dopers and whose unwillingness to address the issue compounds the problem). Cycling's legacy of *omerta* could finally be broken, without fear of retribution. This TRC will preserve the rights of all who bring testimony, and focus on rehabilitation and reconciliation, rather than punishment, as a path to healing all the damage of the doping era.

However, a TRC process does not guarantee amnesty for everyone; *amnesty is not automatic*. Rather, it is a conditional outcome earned through the truthfulness and completeness of the participant testimony, if it corroborates other testimonies, and whether that testimony helps bring closure to unresolved events. Historically, amnesty is granted in recognition of (but never a pre-condition for) full testimony.

Outcomes on both ends of the spectrum – amnesties for dopers *and* for enablers of doping – are certain to anger many across the sports world, not just cycling. Just the same, when amnesty is deemed impossible, the TRC will have to define the terms of reparation and rehabilitation so that those offenders who wish to continue in the sport make appropriate amends and/or investments to undo the damage.

Furthermore, any reconciliation of past misdeeds within the sport must also recognize that there have been many victims during the doping era. Thousands of clean riders never had the opportunity to turn pro over the past twenty years, and were robbed of their life's dreams and investment in the process. The true impact is the same as in any other TRC – the human cost. The outcome of a cycling TRC must acknowledge the loss of a whole generation of aspiring cyclists and the

corruption of many others, and must balance amnesty and justice by this basic standard.

A key outcome of TRCs is a new level of transparency that leads to future accountability, lifting the lid on the secrets held by oppressors and victims alike, and making it difficult for similar acts to be repeated in the future. Cycling will be able to rehabilitate or rid itself of the worst offenders across the full spectrum of racers, team support and management, and administration; expose those who ushered in the EPO era; and finally set the stage for new and enforceable ethical standards across the board.

A New Business Model: the same attributes which make cycling such a unique and engaging sport also burden it with unique challenges. Most other sports are played in large stadiums, making it easier to collect tickets and charge admission at the “gate.” Because cycling lacks this fundamental means of generating revenue, it has historically wrestled with financial shortfalls and economic challenges. Cycling has, for these reasons, always been virtually totally dependent upon commercial sponsorship for its financial viability.

With no dependable and sustainable sources of revenue and profit in the sport, it is much more difficult to create teams or racing events that have significant economic value. And without the ability to create sustained economic value, cycling will never be able to attract long-term investors to the sport. *This* is the root economic problem of professional cycling. Until cycling teams are able to develop significant economic value, and until more events than just the Tour de France are able to build real sustained value, cycling will never be able to attract the necessary level of financial investment.

And when the requisite financial backing is always in a state of uncertainty, an underlying atmosphere of instability is created that affects everyone in the sport. Sponsors come and go, as do marginal teams, on a regular basis. Team managers must always be on the hunt for new sponsors. Riders and other employees worry constantly about whether their team will survive – and whether they should be looking for employment elsewhere. Add in the always-present specter of potential doping on the team, and there is no sense of security. This atmosphere of continuous turnover, uncertainty, anxiety and an extremely unhealthy sense of financial foreboding; over the long-term it could be fatal to the sport.

Thus, cycling is faced with three critically important financial and economic challenges: (1) grow and also diversify its sources of revenue; (2) maintain existing sponsors but also attract new and larger sponsors; and (3) determine a reasonable and equitable way to share those revenues amongst the various stakeholders for the maximum benefit of the overall sport. In a nutshell, the fundamental question here is – how can the sport develop a stronger, more predictable and more sustainable business model to address these issues in the future?

Fortunately, there *are* multiple alternatives that cycling *can* investigate and undertake to modernize its competitive structure and financial landscape, such as developing a franchise system, putting in place a structure which will allow the gradual building of real economic value in the sport – similar to what most other professional sports did many decades ago.

The sport should investigate a modified race schedule and calendar, and should start to explore new means of revenue generation, moving away from its historical dependence upon third-party sponsorship. Finally, one of the most critical

underpinnings for long-term growth and success is the development of some method for sharing the overall revenues of pro cycling with all parties – in order to ensure a growing, competitive, but balanced and entertaining sport.

The UCI's new leadership must reconfigure the competitive and structural landscape of cycling. This will enable the sport to become more financially stable and economically self-sustaining, and allow it to take its rightful share of the global sporting audience. In addition, all of these factors will contribute to making cycling much more attractive to sponsors. More and larger sponsors will compete to get into the business, rather than running away in fear.

A New Ethics Model: a solid foundation of ethical values must be formalized for cycling, which will then validate more consistent and harsher punitive measures. In what would be perhaps the first instance in pro sports, ethics training and certification must become a mandatory requirement for holding a professional license – establishing an irrefutable link between personal responsibility and adherence to the rules.

Cycling has relied on rules and has never focused on changing behaviors. Knowing the rules simply presents a blueprint by which someone can navigate the blind spots of oversight to achieve success. A system of expected ethical behavior, on the other hand, closes the blind spots by setting a foundation for making responsible decisions. Unfortunately, however, and perhaps unbelievably to an outside observer, there has been no expectation or agency or general culture within pro cycling to set a standard for responsible and ethical behavior – the requirement to “do the right thing” even when no one is looking.

The first true code of ethics for cycling would be applicable at all levels – as relevant and formative to the development and

behavior of new riders and juniors as it would be to the seasoned pro and masters competitor. For example, junior riders should be exposed to the ethics training as part of their racing license application, and new professionals must pass an exam and attest that they have read and will abide by the new code. Coaches, soigneurs and medical staff will need to have an attestation every year to maintain certification. In addition, an expanded and more comprehensive blueprint for ethical behavior would be developed for those at the higher management and oversight levels in the UCI and national federations.

We believe that stronger ethics and oversight controls will be parallel forces for change. In parallel, athlete drug testing must be completely delegated to an independent, scientifically-rigorous third party – one which would be funded at the necessary level by the sport’s stakeholders. Doping sanctions, when underscored by a true code of personal responsibility, can finally serve as meaningful deterrents, both to athletes and those who would corrupt them. While cycling may need to improve the hearings and appeals process, once guilt was established, individual riders and perhaps entire teams could face a clear set of punitive sanctions, with potentially severe economic losses to team owners and sponsors. This would create a powerful incentive for the teams, and especially the riders – who live together virtually 24/7 – to police themselves.

Modernized Governance for the sport can be realized through five specific steps: (1) a modernized constitution for the UCI, (2) stronger interagency agreements, (3) strengthening and alignment of team and race organizations, (4) a stronger and cohesive riders union, and (5) the creation of a new cycling league that focuses solely on the development and management of pro level road racing for men and women.

The constitution that guides the UCI must be brought up to date to encourage transparency and facilitate adoption of the business changes the sport must make to be successful. The drug testing torch must be handed completely over to WADA and its national affiliates. Too much time and effort has been spent by the UCI trying to lead the market in a line of business where almost all of the talent works for someone else – namely, world-class laboratory operations.

Additionally, the sports race organizers and team managers must also adopt new working relationships, building logical race calendars that emphasize suspense and team participation as one race leads into the next, and supporting team-oriented racing that maximizes sponsor investment and reinforces the franchise team model.

We argue that pro cycling’s stakeholders should immediately collaborate to build a strong riders union – independent of the team owners and the UCI – which will provide more negotiating power to the bike racers, without whom the sport would not exist. A model based on the example of the NFL and the NFL Players Association would have a positive long-term impact on cycling for *all* stakeholders.

We support the growing consensus that the current structure of the UCI may no longer be the proper governing entity for professional road cycling; its purview is too broad, its management style too opaque and its relationships too fraught with potential conflicts of interest. We contend that now is the time to consider spinning off a new affiliated, but independent governing agency, a “pro league” focused *solely* on pro road racing.

In short, selfish interests need to be set aside to grow the size of pro cycling’s overall economic “pie” – and then more effectively share it for the benefit of the whole sport. Although

some of these changes may be difficult for certain parties to accept today, *everyone* will benefit from a larger pie in the long run.

We know that none of these proposed changes will be simple. We realize, in approaching many of these challenges or proposed solutions that (1) the “devil will be in the detail,” and (2) any proposed solution is bound to upset many who have built their lives around cycling’s traditional business model. These twin concerns have stopped past efforts to reform the sport dead in their tracks. However, complications or resistance from some quarters do not diminish the urgency to adopt change, nor should they stand in the way of developing new solutions.

Change is never easy, but it is inevitable, and it is often required for survival. Too many times we have seen organizations resist change – or adopt limited and conservative modifications – only to fail. Change is often equated with *risk*, but the emphasis here should be on *opportunity*. There is simply too much upside at stake here *not* to risk change, and far too much downside consequence if change is limited by traditional approaches or personal agendas. Indeed, anything short of transformative change could lead cycling right back to the impasse where we’ve been – where a single high-profile doping or corruption case can destroy years of effort and investment.

There is nothing to lose by sharing and considering sweeping proposals for change. Let’s open the debate and not simply stand by while decisions take place in all of the tired, secretive and traditional ways. When we chose our title, “*The Outer Line*,” we did so knowing that it is a path often taken by riders unable to break into the lead-out train, but whose strength, resolve, and tactical sense can lead them to victory. The alternative path is clear to all involved; staying the course on

the inner line, established by the old guard, will further lead the sport towards potential ruin. New leadership must be confident enough to take counsel from outside the traditional channels of the sport. Indeed, it is the reliance on tradition – already deeply compromised with deceit and a lack of clear direction – that put cycling on the edge of a fatal precipice to begin with.

Our goal in writing this document has been to spur more active and constructive debate. We believe that these proposals can help the UCI chart a path back from the brink and grow the sport into a global celebration of athletic ideals and exciting entertainment – helping to make *our* sport *everyone’s* sport.

We are pleased that the UCI’s delegates have taken the first step back from that edge and towards credibility by electing change. Now they must back up that resolve with action. We urge the UCI to now essentially reinvent itself and the sport by the start of the 2016 season. Starting immediately, the UCI must commit to a strategic roadmap, halt what has too often been a race to the bottom, and instead begin to create a race to the top. It is time to think big; anything short of this sweeping goal may be too little, too late.

Specific Recommendations:

The key recommendations from the full report for each of these four key areas of needed reform are summarized below.

I) Truth, Reconciliation, and Amnesty:

- A Commission Chairperson should be selected within 60 days of the start of the new UCI President's term. Rather than direct appointment by the UCI, an external agency specializing in Transitional Law should be contracted by the UCI, possibly in conjunction with WADA, to select a Chairperson of unquestioned moral standing and authority who will then initiate and manage the TRC process independently. ("Transitional Law" is the legal field that supports nation-building through mediated reconciliation and reparation, and there are several well-respected organizations that provide this expertise.) The cycling TRC Chair, when selected by an independent and expert transitional law foundation, will have the true independence and impartiality that will remove any possible conflicts of interest.
- Commission members demonstrating the same independence and unquestioned moral authority should be proposed by the Chair, with assistance from key stakeholders within the sport, and should be confirmed by the Transitional Law agency within 60 days of the Chair's appointment.
- A budget assuming 24 months of professional services and tribunal staging (travel, facilities, and administrative costs) should be allocated by the UCI at the time of the full committee's confirmation – estimated to be somewhere in the range of perhaps US \$5 to \$6 million.
- A neutral location should be chosen at the time of the full committee's confirmation that is amenable for convening the majority of its members – perhaps in a major national cycling Federation location in Western Europe. Satellite locations could be supported at other locations and video collaboration technologies could tie the TRC sessions together as necessary.
- A TRC charter should be published within 90 days of the appointment of the Commission, which would roughly outline the conditions for amnesty and the legal provisions in each Federation's country of jurisdiction that will limit criminal and/or civil liabilities, in exchange for truthful and complete testimony.
- A TRC schedule would then be published and testimony should begin within two months; there should be at least four testimony sessions scheduled for two to three week intervals to provide a wide enough window for calling witnesses.
- In theory, the cycling tribunal could be comprised of the following individuals: a well-known and widely-respected judge whose moral authority is beyond question; a cycling representative recognized by his or her peers as a clean rider; an expert on the legality of TRC admissions; a leading and widely respected individual representing the team ownership and management ranks; legal and administrative support personnel; sports scientists; and perhaps a member of the religious clergy, to assist in the moral foundation and difficult character judgments that will undoubtedly have to be made.
- There should also be a professional rider who actively doped but who has been completely transparent with the outcomes – suspension, return to sport, or retirement. It is important to understand sin from the perspective of the sinner. Without fully understanding

the points of view of both the oppressor and the oppressed, the process may not be successful.

- The first and preliminary TRC decisions could be published within 15 months, but at the very least, a final report with all decisions should be finalized in 18 to 24 months, with closure of the TRC process thereafter.

II) **A New Business Model, and More Favorable Economics:**

- The UCI President should immediately convene a Committee on Structure and Economics (CSE), consisting of ten to twelve individuals who are representative of all of the stakeholders in the pro cycling community, to carefully evaluate these sorts of basic competitive, structural and economic changes to the sport. This CSE should include at least one widely-respected current rider and one former rider, one or two team managers, one or two race organizing officials, one or two team owners, two appropriate officials of the UCI, and two outside and unaffiliated members to be nominated and chosen by the group at their first meeting. (This would be similar to the efforts of the Professional Cycling Council unit of the UCI over the past two years; perhaps some of the results and recommendations of that body could be reviewed and utilized here, to accelerate the CSE's process.)
- This CSE would convene its first meeting within sixty days, and at that meeting would discuss and finalize the full list of possible changes and enhancements to the sport which it would consider during its tenure. That list would include the following recommendations, as well as any additional items developed within the recent PCC committee. The CSE would also discuss

and nominate two additional outside members at that meeting.

- o Development of a modified franchise league
- o Abolishment of the current points system
- o A shorter and more select pro racing calendar
- o More focus on the team aspects of cycling
- o More balance between key events in the sport
- o Development of new sources of revenue
- o More compelling TV and media race coverage
- o A revenue-sharing mechanism for the sport
- The CSE would then conduct a series of three or four two-day meetings over the following twelve-month period, after which time the committee would disband and cease to exist.
- The CSE would have one paid strategic planning facilitator to organize, chair and manage its meetings, and one paid full-time staff assistant during its tenure to manage the logistics of the committee, gather information, conduct external interviews, write reports, and so on. This person would also assist the committee in the formulation and fine-tuning of a final report and set of recommendations.
- Participation on this committee would be conducted on a voluntary basis, but the travel expenses of the members' work in relation to the effort would be reimbursed.
- Ultimately, this Committee would recommend to the UCI management committee a thorough-going set of changes to amend and modernize pro cycling, while balancing those changes with the historical legacy and uniqueness of the sport. This final report would be due within twelve months of the formation of the committee, and the UCI would be bound to implement those recommended changes within a specific time period.

III) A New Ethics and Rules Model:

- Convene a Committee on Athlete Testing (CAT), comprised of scientific and policy experts to study alternatives to the current drug testing model and make recommendations that draw experience from the practices of other Olympic sports in terms of protocol, sanctions, and competition management.
- Forge new working relationships between the UCI, the International Olympic Committee and the various national Federations to adopt new deterrents that are stronger than those in use today.
- Contract all drug testing to the World Anti-Doping Agency (WADA) or a third-party independent agency to be designated by WADA, via a professional services agreement, so that oversight is completely independent from the UCI and eliminates conflicts of interest.
- Convene a Task Force on Ethics (TFE), consisting of experts in the field of business and organizational ethics across a wide cross-section of industry and government to work with riders, team owners, UCI and national Federation representatives to develop a framework of ethics applicable to the sport to be formally adopted within twelve months. (Or, as an alternative, leverage the outcomes and teachings of a successful cycling TRC to perform this same task.)
- Mandate ethics training as a pre-requisite for obtaining a pro racing license and pro cycling accreditation as a coach, soigneur, manager, medical officer or UCI administrator.
- Mandate annual ethics refresher training for all pro riders, team management, medical, and UCI executive leadership. Failure to complete the annual training on time will result in consequences ranging from suspension to termination.

- Mandate various levels of ethics awareness communication and training across all cycling Federation competition levels to reinforce positive behaviors from the junior development ranks, through to the masters categories.
- Link the severity of sanctions, bans and financial penalties to the understanding of cycling's new ethics code, such that the penalties are commensurate with the context of the offenses at the level of the individual *and* the team, and introduce new concepts of rehabilitation and reparation as part of the punitive process.

IV) Modernized Governance:

- Five key milestones must be achieved for cycling to evolve and enhance its governance and leadership model. And these objectives must be accomplished in step with the recommendations that come from truth and reconciliation, economics, and ethics committees proposed earlier.
- Modernize the UCI constitution. Convene an internally focused review of its governance and organizational structure, and propose realistic reforms that streamline, balance and modernize the UCI by-laws. This governance review process should be completed with a final set of policy decisions within an 18 to 24 month time frame, after which the UCI must put in place a more transparent executive committee that reviews and approves all future policy changes.
- Foster interagency agreements. The UCI must settle its disagreements and jurisdiction disputes with regulatory and federation agencies, with the goal of divesting drug testing, sanctioning, and appeals processes to trusted third parties.

- Strengthen and align objectives between the team and race organizations. The UCI must work with team and race executives to balance the racing calendar and adopt mutually beneficial strategies that ensure participation, build racing viewership, and improve the competitive suspense of the annual cycling calendar. This effort must study other successful sports business models to enhance the team focus in professional cycling, while building anticipation and importance into every race.
- Create a stronger and effective riders union. The UCI and its stakeholders must help the riders to build a professional union that balances the interests of the participants with progressive change in the sport's business model. The union – which may encompass men and women, or two separate groups – will elect representatives who will serve on various executive committees or other commissions that guide UCI policies.
- Spin off a professional cycling league. This league will be a related, but non-subsidiary group to the UCI, focused exclusively on professional road racing. This will allow cycling to achieve the final step towards parity with professional leagues in other global team sports. Ultimately, this new agency might move towards complete operational independence from the UCI. The charter for this proposed “pro league” must continue in the spirit of the UCI's agreement with WADA to ensure fairness and equitable treatment for amateurs and professionals alike.
- Following adoption of all these sweeping governance reforms and other transformative changes to the sport by early 2016, the leadership of the UCI should then consider calling for new elections, as a means for the overall sport to ratify and reinforce the sweeping changes and advances which will hopefully be accomplished or well underway by that time.

Concluding Remarks: Our goal in writing this document has been to spur more active and constructive debate. We believe that these proposals can help the UCI chart a path back from the brink and grow the sport into a global celebration of athletic ideals and exciting entertainment – helping to make *our sport everyone's sport*.

We have no personal stake in this discussion other than wanting to see a beautiful sport restored to respectability, and for it to prosper in the future. As the philosopher and statesman Edmund Burke said, "The only thing necessary for the triumph of evil is for good men to do nothing."

It is clear that approaching pro cycling's dilemmas in a half-hearted or piecemeal way won't solve the problems. The UCI must meet the challenge head-on and be brutally honest in its self-examination, and equally bold in terms of the solutions it devises. This time, change must be real, and must be transformational. This time, professional cycling has to make it stick.

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