



CANBERRA SCHOOL OF TENNIS

BUSINESS and DEVELOPMENT PLAN – Partnership with Weston Creek Tennis Club

June 2018

COMMERCIAL AND IN CONFIDENCE

This document and any of its contents are not to be copied, distributed or divulged to any person or organisation without the express permission of. All information is considered commercially sensitive and is provided in confidence

TABLE OF CONTENTS

	PAGE
EXECUTIVE SUMMARY	3
VISION & MISSION	4
ACHIEVEMENTS TO DATE	5
MEETING THE OBJECTIVES.....	6 - 7
FINANCIAL ANALYSIS AND INITIAL DETAILS.....	8
SUMMARY.....	9

EXECUTIVE SUMMARY

This Business and Development Plan sets out the proposed workings of a business management model for the Weston Creek Tennis Club, as run by Canberra School of Tennis. The document provides an overview of the possible partnership, encompassing, missions, objective, programs and services, organisational resources, financial resources, capital works and asset improvements.

This document is by no means exhaustive in its objective to clarify the simple workings of how this partnership might work. However, we believe it provides a strong starting point for further discussions.

VISION & MISSION

The Vision for Canberra School of Tennis and Weston Creek Tennis Club is to establish itself as the No 1 tennis venue in Canberra for tennis activities. To do this Canberra School of Tennis proposes to professionally manage the day to day operations at the club and for the local community, whilst following key guidelines and KPI's set by the Weston Creek Tennis Club, thus allowing both Weston Creek Tennis Club and CSOT to be self sustainable.

To achieve this Vision, the joint venture needs to develop the following objectives:

- To grow the membership base through a range of online and innovative new initiatives to encourage additional new memberships, whilst still maintaining the quality of service to its current member base;
- To improve and spread the current total usage of the courts through a more efficient and professional booking system, allowing better use of the club's facilities, with less congestion and a more consistent income stream. Automation of lighting systems may be included in this initiative.
- For CSOT to have a fulltime presence at the club, in order to administer the day to day operations of the running of tennis at the Weston Creek Tennis Club. This would require the development of a Pro Shop/Office at the Club in order to be able to adequately staff and manage the facility.
- Construct an Asset management plan to clearly identify future maintenance costs and estimated costs of proposed infrastructure improvements. Estimate the time frames over which these improvements might take place based on a prioritised needs basis.
- Have a clear communication and reporting pathway between CSOT and the Weston Creek Tennis Club to ensure all parties are happy and that objectives are being met. This would include, regular meetings and/or emails as well as improved information to members via a re-design of the tennis club website. We also see that the Weston Creek Tennis Club, in conjunction with CSOT, can market itself as a valuable source of information, with regular newsletters to members and member feedback mechanisms.
- To continue and build on all professional coaching programs and coaching expertise that already exist and are presently endorsed by Tennis ACT and Tennis Australia. This includes successful programs such as ANZ Hotshots, Fitbit Cardio and all programs for kids & adults from coaching to competitions. A focus will also be put on promotional activities such as Open Days, Community Charity Tennis Days for RMH, and any other activities that will generate further tennis interest in the local community.
- To continue to run and further develop all types of competitions, including competitive and social tennis. This will be done using in-house and Tennis ACT endorsed tennis programs and tournaments, catering to adult and junior players, both locally and interstate;
- Maintain a close working relationship with Tennis ACT, with a particular focus on supporting its endeavours to grow the sport of tennis in the Territory; and
- Be in a strong and flexible position to take advantage of ACT Government assistance (eg funding grants) as the need arises.

ACHIEVEMENTS TO DATE

Canberra School of Tennis was started by Mark Walton in 1989, initially as a hobby, whilst completing his degree in a Bachelor of Arts in Banking, Finance and Commerce at UC in 1994. Canberra School of Tennis has since grown into a professionally run Tennis business providing grassroots tennis activities for over 20yrs, and actively at Weston Creek for over 10yrs.

In the time at Weston Creek Tennis Club (and recognising its strong support) Canberra School of tennis has achieved the following:

- Developed one of the largest grassroots programs in Canberra catering for young juniors right through to adults. Starting with just 50 students, CSOT has grown to a point where it has over 300 students actively playing tennis per term in peak times.
- Actively follows the Tennis Australia and Tennis ACT tennis pathways for grassroots tennis. This is achieved by delivering Hotshots both through local schools and at the Weston Creek Tennis Club venue, as well as through new initiatives like Cardio tennis.
- Maintained the highest levels of education through Tennis Australia for its coaches, for the betterment of all coaches and tennis in the area. Currently we have 3 Club professional TA endorsed coaches and 2 Junior Development endorsed coaches and also have had 6 of our junior coaches do the Hotshots training course this year.
- Was named Tennis ACT coach of the year in 2001
- Successfully run the Weston Creek Junior Open for the last 10yrs
- Successfully held an interstate teams event annually for the last 10yrs. This is an event like no other currently offered and provides participants a unique opportunity and is highlight for participants throughout the year.
- Successfully managed group trips away including both interstate and internationally.
- Currently has a 10 year coaching agreement with the Weston Creek Tennis Club.

MEETING THESE OBJECTIVES

1. Community Engagement – At the forefront of this proposal is a strong desire for the community feel of the club to be retained and to ensure that the community all feel like this is their club. We believe that we can bring professional management to the Club without compromising on the history and community focus. We also see an ability to further engage with the community through increased court utilisation and visibility to provide further sponsorship opportunities to local businesses and bring them to the Tennis Club.
2. Membership – Clearly this is a very important aspect of a community-based club, in fact, many would say the life blood of the club. Therefore, we clearly need to continue to service the current member base, whilst trying to grow those who potentially may want to join the club. We believe that the My Tennis software, in current use from Tennis ACT, is the best platform to continue to build on with online payments and details of membership already available. With this said if there is a better software package out in the market or Tennis Australia are unable to meet our needs as a club we would have to thru due diligence move to this new package. By having onsite operations and a greater presence, we will be able to assist those members not savvy with online membership, as well as having a better opportunity to sell the benefits of membership to new potential members. We would also consider the benefits of expanding the current types of memberships that are available so that we can broaden the ability to sign up new members.
3. Court Usage Systems - Clearly this is of a very high importance. Currently, the court management system is not running with efficiency. Having the system brought onsite with management by CSOT will ensure that suitable time is allocated to the booking process, significantly reduce the chance of double bookings and provide more consistency in revenue from casual hire. We believe that this will be achieved through a visual presence from the onsite business as well as continuing with our current online booking system & working on ways to make this system more economical & user friendly.
4. Onsite Pro shop - An onsite management presence with pro shop and storage facility once again is of a high priority to meet many of the key objectives. CSOT proposes to run its administrative/office duties from Weston Creek and through being onsite, provide onsite management of the day to day duties of running the business of tennis at the Weston Creek Tennis Club. We would look to detail this arrangement in a formalised contract with the Weston Creek Tennis Club. We also see an opportunity to run a very competitive tennis pro shop, stocking major brands of racquets, balls, clothes and other tennis accessories. We would also be able to provide our professional restringing service onsite, which we also currently provide to all the Rebel Sports stores in Canberra.
5. Facility Management Plan – Progress in this area has already been started with the health check work completed by Andy Schmitzek, which is now being followed up with an asset check by Tennis ACT. The ACT Government, which leases the club's facilities to the Weston Creek Tennis Club, only requires simply that the facilities are maintained to an appropriate standard and access is made available to club members and the general community. However, if we are to reach our vision of being the premier tennis club in ACT, as well to be able to service the growing impact of the Molonglo expansion, then an upgrade of the present facilities is of the utmost importance. This would include, in no prioritised order:
 - court upgrades including resurfacing, fences, lights and nets:
 - court expansion from 12 courts to a 16 or 20 court complex, with a mix of hard and synthetic courts to meet the needs of major stakeholders; and
 - a new and improved clubhouse, modernised, with a pro shop facility and possible other commercial ventures like coffee shop/café.

With these improvements more than likely to be necessary, it is of huge importance that we can clearly understand what condition all the assets are in, so we can then tailor a short, medium and long-term facility management plan. Such a plan will need to consider how each piece of expenditure meets the objectives and mission of the club as well as the capital required, how the capital will be raised and in what time frame.

6. Communication Strategy – We propose to establish clear communication pathways between CSOT and Weston Creek Tennis Club's executive and then to develop further strategies for communication to the members and the local community. This will ensure that all parties are kept in the loop with regards to all the workings of the club, so that KPI's are being monitored and met, all payment obligations are dealt with and that the club and business are functioning as one. Such a strategy is likely to include communication via email, phone, or regular meetings set throughout the year. Information to the members and community could be through a new and improved website, email, newsletters and general word of mouth.
7. Coaching and Coaching Programs – CSOT will continue the business of providing the best coaching programs at the grass roots level in Canberra. This will be achieved by continuing to educate our coaches through Tennis Australia/Tennis ACT, as well as regular in-house coach education workshops. We will also continue to follow the TA grassroots programs like Hotshots, Cardio Tennis, Peewee Tennis, Come and Try programs, Open Days at the club and local schools' programs. This will provide opportunities to promote tennis, and specifically the Weston Creek Tennis Club, in the local area where the word of tennis can be promoted and encouraged in a professional format.
8. Social and Competition Tennis – Weston Creek Tennis Club is already the envy of many clubs in Canberra with its very active social tennis activities, both at day time and night time. We would strive to continue these very successful programs, making sure that these activities continue to thrive, by clearly communicating these events to the local members, and the region, via email, newsletters and websites. In addition, we would look at introducing new social activities that may be offered to attract different social players, like a mums and bubs play, or lunchtime business hits. Formal competitions will continue to run through Tennis ACT with programs like junior and adult pennant, turbo tennis, as well as local junior tournaments. We would also look to take Weston Creek teams on interstate trips and potentially other adult tournaments.
9. Alignment of Weston Creek Tennis Club/CSOT with major stakeholders, (ACT Government, Tennis Australia/Tennis ACT) – The Weston Creek Tennis Club facilities are very important in the eyes of Tennis ACT/TA and the ACT Government. This is particularly due to the huge Molonglo development and the flow on effect of facility use. Therefore, with ongoing investment required, it will be very important that Weston Creek Tennis Club and CSOT closely align themselves with these major bodies to try and take advantage of all and any funding that will be needed to make the facility objectives possible. At present Weston Creek Tennis Club and CSOT already have established strong ties with Tennis ACT through being a tennis ACT affiliated club. This extends to the current coaching programs and the coaching staff, who are educated and qualified by TA and who follow the TA and Tennis ACT pathways designed to improve the tennis industry. With Government and TA funding now clearly being guided by clear professional structures, it is absolutely essential to have a clear business plan for the future which is endorsed by Tennis ACT, so that the Weston Creek Tennis Club can be best placed to access future Government and TA funding. This is one of the major reasons why the Weston Creek Tennis Club and CSOT should adopt the business model, endorsed by TA and Tennis ACT, where CSOT is professionally in charge of the day to day running of tennis. This model ensures that the club derives a guaranteed income to cover all capital maintenance required as well providing the ability to build a sinking fund to cover for extra capital expenditures.

Financial Analysis and Initial Details

It is proposed by CSOT that an annual fixed fee amount be paid by CSOT to Weston Creek Tennis Club in consideration of CSOT taking on daily management of the Tennis Club. Initially an amount of up to \$40,000 p.a. is proposed which provides a suitable fixed income stream to Weston Creek Tennis Club whilst providing as close as possible to a break-even position for CSOT.

As outlined in the objectives above, we feel that an onsite approach to management of the operations will provide further opportunities for CSOT to grow the membership base and increase the current revenue streams. We feel that this will provide an opportunity for CSOT to make profit from this proposal and to be in a position longer-term to contribute financially to capital infrastructure of the Weston Creek Tennis Club. The growth strategy that will be pursued by CSOT is to increase the number of members, court usage and equipment sales, rather than by increasing prices. Whilst increases in costs are likely to occur over time, the clear focus is on keeping these to a minimum.

We propose that CSOT and Weston Creek Tennis Club work to jointly develop a clear set of Key Performance Indicators from both a financial and operational perspective to ensure that the outcomes of the proposal are best addressed and realised. This will ensure that the parties can work with certainty and ensure accountability on both sides. We are open to this including a suitable trial period of the arrangement if requested.

We have attached a financial analysis of the proposal for CSOT as prepared by our accountant.

We note that the attached financial analysis provides for current CSOT staff to manage the Club as part of their current duties. As income increases, we would look to add one of our current casual staff members as a permanent full-time staff member to work solely at the Weston Creek location.

Summary

In concluding, Canberra School of Tennis has a rich history in bringing professional grass roots tennis activities to the Canberra region. For more than 25 years, CSOT has always been at the forefront of looking for different and better ways to administer and improve tennis in the Canberra region. At Weston Creek Tennis Club, there is now a real and unique opportunity to further enhance this ability to administer tennis at Weston, whilst still making sure that tennis, the club and its facilities are available for the future.

A partnership where CSOT controls and runs the day to day business of tennis whilst the club receives a passive income, great enough to ensure its prosperity for the future and beyond, is now in reach. This is also an opportunity to relieve long standing tennis executives of the very important but time-consuming tasks of running tennis activities, giving committee executives control and focus on the capital management of the Tennis Club. This new venture also allows us to be given the highest of priorities for funding, having pursued a business model and structure which is endorsed by TA/Tennis ACT. This will give us the best possible chance to obtain investment from the ACT Government, as well as any private enterprise investment.

Yours Sincerely Mark Walton Canberra School of Tennis

Weston Creek Tennis Club
Executive Committee
PO Box 3157
Weston Creek ACT 2611

14 May 2018

Dear Committee

RE: Canberra School of Tennis and Weston Creek Tennis Club Management Proposal

We act as accountant and tax adviser to Canberra School of Tennis (CSOT) and have assisted in preparing the attached financial analysis of their proposal to take over the day to day tennis management of the Weston Creek Tennis Club.

The numbers represent the projected budget for the year ending 30 June 2019 on the basis that CSOT takes over management of the day to day operations of the Weston Creek Tennis Club operations and makes annual payments of \$40,000 to the club. Based on the attached budget, we would recommend that the annual fee be paid in monthly instalments to ensure that the cashflow of CSOT is able to be appropriately managed.

Should you have any questions regarding the financial details attached, please contact our office on 6264 8000.

Yours Sincerely



Michael Talevich
Director

Nexis Accountants and Business Advisors

Canberra School of Tennis Pty Ltd

Proposal re Weston Creek Tennis Club Management

Projected Budget – Year Ending 30 June 2019

Income	\$
Court Usage Fees	22,000.00
Membership fees	40,000.00
Pennant Player fees	<u>8,000.00</u>
Total Income	70,000.00
Expenditure	
Contribution	40,000.00
Administrative expenses	1,500.00
Clubhouse cleaning and maintenance	9,500.00
Consumables	3,000.00
Grounds Maintenance	9,000.00
Pennant team competition fees	7,000.00
Sundry Expenses	150.00
Electricity	5,000.00
Waste removal	2,500.00
Water supply and sewerage	<u>2,000.00</u>
Total Expenditure	79,650.00
Projected Profit/Loss	(9,650.00)
Cost Savings	7,636.32
Court Hire Events	1,000.00
Net Profit/Loss to Business	<u>(1,013.68)</u>