



**Business Plan**  
**June 2009**

**PaddleNSW Inc**  
**P.O. Box 6971 Silverwater NSW 2128**

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# 1. Business Summary

## 1.1 Business Overview

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PaddleNSW is the state paddling organisation in NSW, recognised and partially funded by the NSW Department of Arts Sports and Recreation (DASR). It represents all paddlesports in NSW in whatever capacity is appropriate. Its dual purposes are to promote and facilitate all paddling activities for as wide a demographic as possible, and to facilitate the development of competitive components of the sport. Its business success will be based primarily on its ability to recruit and maintain a membership base, considered a minimum of 1000 members, and to pursue revenue streams from all appropriate sources.

## 1.2 Product/Service Features

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PaddleNSW will offer the following:

1. **Paddlesports specific information services** for the wider paddling community in NSW, including:
  - day to day information provided through the website
  - newsletters
  - specific email and direct mail contact with members
2. **Communication pathways** between individuals and organisations with a common interest in paddlesports.
3. **Facilitation of events.** PaddleNSW will enlist and support individuals, member clubs, organisations and businesses to run sporting and recreational paddling events to benefit both PNSW members and clubs.
4. **Pathways for elite paddlers.** PaddleNSW will provide the performance pathways necessary for athletes pursuing elite levels of competition in all paddlesports. A close working relationship with Australian Canoeing is essential in the provision of this service.
5. **Promotion of services for the disabled and disadvantaged.** PaddleNSW will support and provide increased services for minority groups to enable them to equally participate in paddlesport activities.

## 1.3 Market Analysis

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PaddleNSW considers its market to be all current and potential participants in paddle related activities in NSW. This includes not only the current membership of PaddleNSW, but those individuals new to the sport, current paddling non-members and those industries and commercial operations relying on paddlesport participation as part of their business strategy.

PaddleNSW uses statistical analysis to provide guidance for determining current and future trends in paddlesport activity.

## 1.4 Market Strategy

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PaddleNSW is in a unique position to represent all NSW paddlers as the official State Paddlesports Organisation and to build on its membership base. Its primary connection with potential members is via paddle clubs, information services such as those provided via the website, and direct presence at events. We will add to this a greater media presence via the media, including press releases, news stories and advertising through retail outlets. A presence at other community events (such as Paddlefest in Lake Macquarie) can also increase awareness of the role of the organisation.

## 1.5 Key Financial Objectives

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PaddleNSW is a not-for-profit organisation. It is currently not registered for GST. It has no stakeholders besides its members, who all have one vote each. This includes clubs and commercial/business Category 4 members.

PaddleNSW has, as one of its objectives, the intention to become and remain financially viable and to pursue commercial relationships in order to increase the level of services it can offer its members. Membership subscriptions alone will not provide the required level of financial support for its activities.

To this end, PaddleNSW has introduced the following initiatives:

- Advertising space at commercial rates has been offered and taken up on the PaddleNSW website and newsletter.
- Corporate sponsorship for events has been actively pursued, with some success.
- Expanded membership which will provide additional funds for the pursuit of these objectives.

Further initiatives will be pursued as time permits.

PaddleNSW must not find itself bound by fixed affiliation or other fees to any organisation which will lead it to become financially unviable. The current membership fee structure, together with State grant funding, will permit the organisation to maintain the level of services required for its members, and this must not be compromised.

# Detailed Plan

## 1.6 Business Structure

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PaddleNSW is an Incorporated Association. As such, it conforms to the management structure required by the NSW Dept Fair Trading. It has four (4) executive positions, being President, Vice-President, Secretary and Treasurer. In addition, a Public Officer is nominated from the management committee. There are at present three ordinary members taking the management committee to a total of seven (7) members.

New and renewing memberships are all conducted on-line, with funds being directly deposited in the PNSW bank account. Additional 'single event' memberships are usually paid for in cash, and are deposited separately, either by the treasurer or Secretary.

Paddlesport Management Committees (PMC's) work within the PNSW organisation to conduct and manage events applicable to their jurisdiction. They are financially semi-autonomous, and are required to conduct their affairs in a break-even capacity at minimum. It is not the intention of PaddleNSW to use any surplus PMC funds for purposes other than those pertaining directly to the promotion of the applicable paddlesport. PaddleNSW executive requires these PMC's to submit accounts and reports for analysis on a regular basis.

PMCs generally conduct events in partnership with clubs or organisations on a profit-share basis. The percentage of profits distributed to the clubs varies with the arrangements agreed to between the PMCs and the organising club.

## 1.7 Management

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### **The PaddleNSW Management Committee**

Currently comprises 7 members, being Chairperson, Vice-Chair (and Public Officer), Secretary, Treasurer, and 3 ordinary members. The Management Committee is entirely voluntary, and meets every week for 4 hours. In addition, many individual hours are spent conducting PaddleNSW operations in the office.

Except for the chairperson, each member of the committee has a management role in an area of paddlesports judged to be their area of expertise. They act as the conduit for information and co-ordination for their paddlesport committee which usually comprises around three elected persons. The paddlesport committee organises the day-to-day operation of the paddlesport, including State series and championship events, technical revisions etc. On a regular basis (anticipated to be every 8 weeks) the PMC is invited to present a report outlining the current status and future direction on the current state of their paddlesport to the Management Committee. Any issues being faced by the PMC can be easily dealt with at these meetings.

The PNSW Management Committee is elected every year at the AGM, according to the PaddleNSW constitution. All full members have one vote each.

This includes single individual members, clubs, and commercial or business members. Each attendee may carry up to 5 proxy votes to the AGM.

## 1.8 Key Objectives

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1. Provide services and support for all member paddlers engaged in paddle-related activities in NSW and the ACT
2. Co-operate with and support any association, organisation, society or individual whose activities are similar to those of Paddle NSW, and which will advance, promote or publicise canoeing and paddling related activities.
3. Provide for the collection and dissemination of knowledge relevant to canoeing, training, safety equipment and practices, and personal fitness.
4. Support the conservation of our waterways, bushland, native flora and fauna, and ensure that environmental considerations are taken into account in all paddling related activities conducted by Paddle NSW.
5. Conduct, promote and assist in the organisation of safe paddling events and safe conduct in paddling.
6. Arrange insurance for the benefit of PaddleNSW and all its members.
7. Promote and provide opportunities for people with a disability to participate in paddling activities
8. Formulate and maintain the rules of competitive paddling events, including the classification of paddle craft.
9. Foster, regulate, organise and manage competitions, displays and other activities, and issue certificates and award trophies where deemed appropriate, to members (and others)
10. Conduct State Paddlesports championships and select representative state teams for national or international competitions.
11. Formulate, adopt, and implement bylaws and regulations for the conduct of paddling.
12. Enter into commercial arrangements, sponsorship, marketing and fund raising opportunities as are deemed appropriate to further the objectives of Paddle NSW.
13. Communicate and co-operate with Australian Canoeing to establish an affiliation fee structure to allow Paddle NSW and its members to become and remain the principle New South Wales and Australian Capital Territory affiliated members of Australian Canoeing.
14. Liaise with the peak national governing body, Australian Canoeing, and the International governing body, The International Canoe Federation, or any other strategically aligned bodies in the pursuit of these objectives.

## 1.9 Market Analysis

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Current Market analysis is being conducted by volunteer PaddleNSW members, assisted by PaddleNSW Management committee members. This amounts to research into statistics provided by the Bureau of Statistics, together with information from the PaddleNSW on-line registration process, paddler surveys and face to face discussion. Modifications to the registration process will ensure even more accurate data is possible to be collected in the next membership year.

## 1.10 The Competitor

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There is no direct competitor to PaddleNSW. Any competition for membership will stem from alternative similar sports such as rowing, cycling and sailing. Individual paddle clubs and paddle groups who are not members of PaddleNSW do not constitute a threat to business; however they do restrict the ability of PaddleNSW to grow to a size which makes it fully sustainable in a business sense. In order to provide the required level of membership services to our existing and potential members, and ensure that any partnership with Australian Canoeing and the other states is sustainable, a minimum size of 1200 members is deemed necessary.

PaddleNSW must not lose its identity nor its ability to provide services for its members by being absorbed into another organisation. Its individuality must be preserved.

## 1.11 Product/Service

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PaddleNSW will offer the following key services for its members:

1. A comprehensive insurance policy covering personal accident, public liability and professional indemnity insurance
2. An up-to-date information service via the PaddleNSW website (which is updated daily) and monthly newsletter, as well as direct email contact for matters of urgency. News, results, classifieds etc
3. A regular series of events in every paddlesport, including State Series and State Championships.
4. A comprehensive event management process which ensures paddler safety and enjoyment.
5. An increased emphasis on the recreational aspects of paddling, including well-managed recreational paddles guided by PaddleNSW club guides.
6. Facilities for training and certification of instructors and officials to broaden the skills base of participants and administrators of the sport.

## 1.12 SWOT Analysis

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<b>Strengths</b>	<b>Weaknesses</b>
Energetic volunteer structure Inexpensive membership Large membership potential	Volunteer burn-out Membership fee structure potentially unsustainable
<b>Opportunities</b>	<b>Threats</b>
New areas of paddlesports can increase membership, eg: Ocean racing Aggressive advertising and sponsorship Online marketing	Increasing legislation could make participation more difficult Other similar sports could become more appealing or entice members away.

## 2. Financial plan

### 2.1 Key Objectives and Financial Review

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PaddleNSW must remain financially viable in the long term. 1200 members is seen as the minimum required to sustain the organisation in its current form. In order to extend the range of services PaddleNSW can provide its members, affiliation to AC is desirable.

- Interim AC affiliation will justify an increase in membership fees for PaddleNSW, provided these fees reflect adequate value for members.
- Affiliation itself is no justification for increased fees; there must be some tangible benefit demonstrated.
- The provision of insurance services by AC is integral to affiliation proceeding. The policy must be of equivalent quality to that already offered by PNSW.
- Additional income generated by the various PMCs is offset to a large degree by running costs and prizemoney awarded by them to competitors. PMC funds are not considered part of the general revenue of PNSW.
- Current sponsorship has little effect on income revenue, being predominantly in the form of additional prizes for competitions.
- The DASR grant of \$20,000 is not guaranteed, and relies partly on the implementation of elite pathways to national and international

competition. Failure to achieve these pathways will or may jeopardise the potential grants available for paddlesports in NSW.

- Expenditure of around \$20k p.a. is expected for the employment of a part-time office administrator to continue the day-to-day maintenance of the website, and other office duties. The employment of a paid administrator is essential to the PaddleNSW business plan. Accurate information, updated daily, is required to keep paddlers informed of events and other activities important to the pursuit of their sport. The level of expertise available at club and individual level is insufficient to guarantee suitably high standards of presentation on a State level website. Clubs can enlist the assistance of the administrator / webmaster to publish information on their own page, or can upload their entire website onto the PaddleNSW site.
- Large scale equipment purchases such as polo boats, goals etc, photo timing equipment and junior development craft will usually be organised by the relevant PMC through the various sporting funding agencies such as ClubsNSW, and through member contributions.
- Training, while seen as an integral part of the development of paddlesports in NSW, cannot be seen as a potential revenue stream. It is one of the primary aims of PaddleNSW to further the education and training opportunities for new and junior paddlers, and every attempt will be made to provide this opportunity to the widest range of participants at an at-cost basis in order to firstly broaden the skills base of the general paddling population, and secondly to increase the membership base of PaddleNSW.

The above observations point to a maintenance of the status-quo in financial management of PaddleNSW. It will require a substantial degree of management ingenuity for a major improvement in the fortunes of paddlesports in NSW to be achieved. To this end, a major focus of attention will be placed in securing funding for development programmes, sourced outside normal revenue streams. Major sponsorship must be an integral part of this process, however without direct involvement in elite competition, major opportunities for securing funding and sponsors are more difficult to pursue.

Growth in PaddleNSW membership will bring further benefits to members through efficiencies in scale, but must not detract from the very personal service PNSW offers members at present.

## **Projected financial summary for 2009/2010 financial year:**

### **Income:**

Memberships x 1000 (Standard)	\$50,000
Memberships x 300 (Premium)	\$24,000
Memberships x 30 (Club)	\$4,500
Memberships (Single Event)	\$800
Paddlesports event contributions	\$15,000
DASR grant (based on elite pathways)	\$20,000
<b>Total income</b>	<b>\$114,300</b>

### **Expenditure**

AC Affiliation fees	\$40,000
Advertising	\$2,000
Paddlesports event expenditure	\$14,000
Administration costs	\$5,000
Clothing/uniforms (state reps)	\$4,000
Newsletter	\$4,800
Staff development/training	\$1,000
Office administrator	\$20,000
<b>Total expenditure</b>	<b>\$90,800</b>

**Balance** **\$23,500 surplus**

**Surplus per member** **\$18.00**

### **AC affiliation fee proposal**

Affiliation fees must be based on a per-member formula. To commit to a flat fee irrespective of the current membership of PaddleNSW will create an unsustainable financial burden on PaddleNSW in the event that membership falls below 1000. If membership increases, both PaddleNSW and AC will benefit.

A two-tier membership fee structure has been implemented for the new membership year, based on the amount of direct benefits required of AC. Those wishing to proceed to national events and national selection trials, or those requiring National Training qualifications, will have 'Premium' membership status.

The number of members opting for 'Premium' membership will depend on the number seeking participation in national events, selection trials and ACAS training and education schemes. It is an estimate based on recent statistics. It will also provide an accurate list of athletes who will fall into the anti-doping test regime.

Membership fees for 2009 are \$80.00 for 'Premium' memberships, and \$50.00 for 'Standard' memberships. These amounts are reduced by a factor of 25% for Junior paddlers, and all fees are reduced by a further 25% at 1<sup>st</sup> Jan for the remainder of the financial year.