

ASGA's STRATEGIC DIRECTION 2008-2011

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UNIFIED FOR GROWTH: ASGA's STRATEGIC DIRECTION 2008-2011

Overview

- Industry Snapshot – Overall and Sporting Goods
- ASGA's Position as an Industry Body
- Summary of Business Review Findings
- Strategic Issues/Challenges
- Future Direction
 - Vision, Mission and Values
 - Key Shifts to the Business Strategy
- Strategic Themes for 2008-2011
 - Key Outcomes for 2011
 - Priority activities for 2008/09
- Conclusion

Industry Snapshot

Vital Statistics

A Significant Australian Industry

- Sport and physical recreation services generated \$8.8b in income in 2004-05 (ABS)
- The industry employs more than 111,000 people
- Government investment in the provision of sport and physical recreation services is in excess of \$1.5b
- More than five million Australians participate in organised sporting clubs and competitions
- Approximately 1.5 million Australians contribute a total of 147.7 million hours annually to sport and recreation organisations – representing 20% of all volunteer activity in Australia

Factors Impacting Industry Health

- Obesity and physical activity account for 11% of Australia's total disease cost
- 70% of Australians over the age of 15 are classified as sedentary – 11.8m Australians reported no involvement in organised sport in 2007
- Time Poor Society - Participation is trending towards convenience and lifestyle activity – sporting bodies are repositioning to cater for the twin streams of traditional and lifestyle sport
- Supply of community sporting infrastructure is not keeping pace with demand – impacts sport's ability to provide access to sport for our targeted customers

Factors Impacting Industry Health

- Significant reform of the Australian sports system and structure by the Federal Government
 - sport will be a significant vehicle for the preventative health and social inclusion agenda.
- Lack of investment to foster Australian sport industry development
 - impacts ability to develop home grown sporting goods innovation

Sporting Goods Sector

- ASGA estimate the total size of the Australian market for sporting goods is in excess of \$2b (wholesale)
 - Approximately the same size as the gross value of the Australian seafood sector
- Growth Sectors by activity include cricket, football (soccer), cycling, running
- Growth sectors by category include running, cross-training, football boots, cricket
- There are more than 800 sporting goods retail outlets nationally
- ASGA's 54 members account for more than \$900m at wholesale

Industry Body Comparison

- ASGA's income in 2007/08 is approximately \$300,000
- A statistical review of 150 Australian national industry associations and lobbying groups reveals average annual operating budgets of \$6.26m
- The aggregated investment towards industry development and advocacy for sport and recreation is comparatively small – and not reflective of a sector generating in excess of \$8.8b

Sector Issues

- ASGA's membership identified the following issues of most importance to the sector
 - Need better industry data and insight to guide decision-making processes
 - Parallel importing
 - Sector requires a strong and influential voice
 - Product development and innovation
 - The on-line marketplace
 - Staffing issues and professional development
 - Profile of sport
 - Sport participation trends in schools and adults
 - Retail consolidation

Broad Industry Implications

- We need to acknowledge that we are part of a much broader sport industry value-chain – and that the sporting goods sector can be a driver and beneficiary of a stronger and more visible Australian sport industry
- We cannot expect to substantially contribute to sector growth and performance based on current levels of investment
 - ASGA needs to grow and leverage strategic partnerships with government, sport and active lifestyle providers
- We must unify the industry under an aligned vision and strategy to deliver the influence and relevance sought by the sector

Business Review

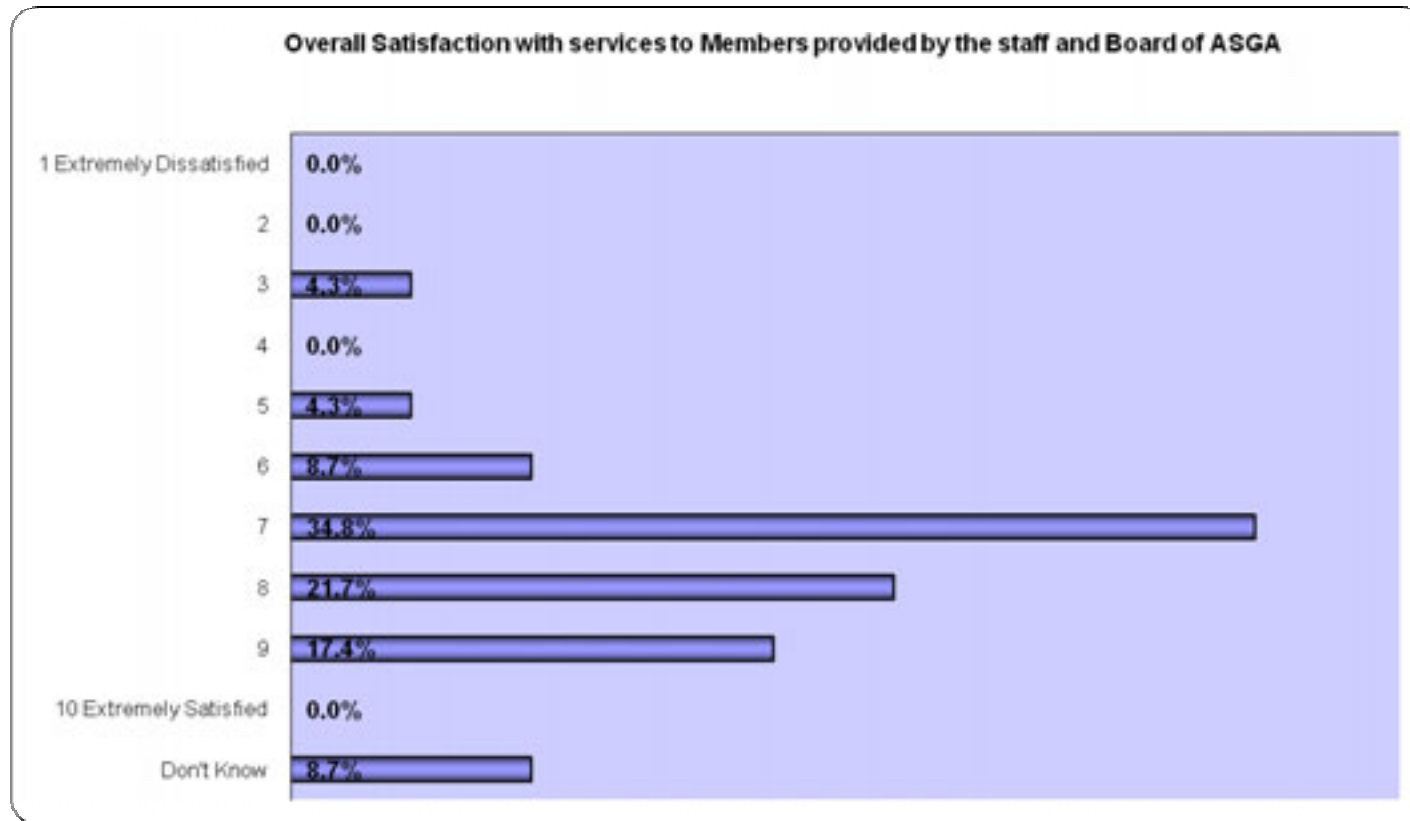
Key Findings:
ASGA Membership Consultations
Board & Management Review

Business Review Findings

What is ASGA doing well?

- Provides the sector with a national voice
- Source of industry news and market intelligence – but needs improvement
- Dedicated, but under resourced staff
- Connects the industry together – industry forum

Member Satisfaction



- Overall mean rating is 7.1 - highlighting that there is some room for improvement - one in six rate their satisfaction as 6 or lower

Business Review Findings

What ASGA could be doing better?

- Timeliness of market intelligence
- Greater depth of critical data for decision-making
- Limited frequency of industry forums and networking opportunities
- Understanding and communicating the key internal and external drivers impacting sector performance and growth
- Need greater influence and relevancy
- Industry apathy and limited engagement with ASGA

Business Review Findings

Emerging opportunities for ASGA

- Strengthen and broaden the scope and customer base for market insight services
- Provide structured opportunities to professionally develop the industry's people
- Broaden the value proposition to attract new members
- Better harness the potential of our 800 strong retail shop fronts to influence public policy and promote corporate social responsibility
- Unify the sport industry – connect the sport value-chain

Business Review Findings

What obstacles or conditions may impede ASGA's progress?

- Third-parties replacing ASGA's market intelligence services
- Industry remains fragmented, non-aligned and not fully effective
- Impact of variable economic environment and changing consumer confidence
- Inability to increase ASGA self-generated funding

Summary of Strategic Issues

Key challenges to overcome

- Clearly define ASGA's business growth strategy and model to support the delivery of our vision
 - Who will our customers be – what are their wants/needs – what will we offer them?
- How will we substantially increase our revenues to facilitate meaningful investment into the industry to support our members' businesses and people?

Future Direction

Our Vision

*To be regarded as the authoritative peak body representing a unified and influential **sport and active lifestyle** goods industry.*

ASGA's Mission

We are in business to **drive the performance and growth** of the Australian sport and active lifestyle goods industry and its people.

ASGA's Core Values

The values ASGA will use to guide our actions and to develop our brand/image

- **United** – representing the collective interests of all stakeholders and members
- **Influential** – providing a powerful and relevant industry voice
- **Informed** – continually seeking new and meaningful info and providing valuable insight to the industry
- **Responsive** – being proactive and customer-focused
- **Honest** – integrity, transparency and openness

Key Shifts in Business Strategy

- Positive movement towards a highly visible and nationally recognised brand and body
- Inclusive of the active lifestyle sector
- Stronger focus on professional development of our people
- Well-defined and targeted strategic alliances – particularly with government and sporting organisations
- Leading role in fostering the development of home-grown product innovation and commercialisation
- Business development focus

Strategic Themes and Priorities

1

Lead Industry Growth

Provide visible and informed leadership to strengthen the drivers of industry growth and performance

By 2011 we will have:

- Collective industry growth of 3-4% per annum
- A highly visible and nationally recognised brand and position
- Strong strategic alliances with Australia's National Sporting Organisations and National and State Sport and Health Government Agencies

2008/09 Priorities: Lead Industry Growth

In 2008/09 we will:

- Continue with ASGA's Government relations and advocacy strategy based around three key industry related issues – product safety standards, legal and intellectual property issues and participation in healthy and active lifestyles.
- Develop key alignments with key industry stakeholders – e.g. National Sporting Organisations, ACHPER and Universities
- Prepare and publish discussion papers around the key “drivers” that will affect industry growth – e.g. the economic life cycle, health, Customs import tariffs
- Develop additional Membership benefits packages that allow for the introduction of new industry stakeholders

2008/09 Priorities cont..

- Commence discussions with other active lifestyle industries with the view to grow ASGA Membership – Surf, Snow, Cycling and Fitness
- Strengthen the skills and responsibilities of Directors and review the Governance of ASGA
- Review, revitalise and revamp ASGA Membership services and packages
- Provide a “Year Book” on Sport (by 2011)

2 People Development

Deliver professional development support and resources to attract and retain talented people in our industry

By 2011 we will have:

- A significantly strengthened career and professional development pathway for our industry

2008/09 Priorities: People Development

In 2008/09 we will:

- Co-ordinate one annual “all of” Industry Conference
- Host five Industry specific “workshops”
- Host two Cocktail receptions inviting key stakeholders to participate to build relationships between our industry and the Government
- Commence designing an Industry Professional Development Program with Members and key stakeholders (implement 2010)
- Plan, and establish a sporting and active lifestyle goods “Job Board” for the ASGA website

3 Market Insight

Premier information source for the Australian sport and active lifestyle industry

By 2011 we will have:

- Become the leading market intelligence provider for the sport and active lifestyle goods industry

2008/09 Priorities: Market Insight

In 2008/09 we will:

- Build our intelligence resources using external relationships and resources to develop a “Sporting goods and active lifestyle” Health Index that measures and tracks the buoyancy of the industry.
- Meet with the respective stakeholders with the view to establish a market intelligence survey to meet the needs (or cater for the needs of) other active lifestyle industries (e.g. Surf)
- Review broader information/data to build insight into the ASGA current survey mix and develop specialist reports and analysis
- Engage non participants in current ASGA Surveys

4

Business Development

Increase investment in the industry by substantially growing revenue

By 2011 we will have:

- Turnover in excess of \$1m including reserves of at least \$150,000
- 120 members (Premium, Industry, Non-Industry)
- Assist Australian companies to commercialise new products

2008/09 Priorities: Business Development

In 2008/09 we will:

- Build a sport and active lifestyles job board for both employer Members and employees to advertise and promote employment matters and opportunities
- Increase revenue streams into the ASGA Annual Forum/Conference through increased registrations and sponsorship packages
- Review the role, content and usability of the ASGA website and newsletter for relevancy and income stream potential
- Align with strategic partners to review ASGA's role in commercialising sport technology and innovation

Conclusion

Summary and Conclusion

- ASGA is currently under resourced for size of industry
- Identify and better understand the industry's performance and growth "drivers"
- Align and partner with Organisations who will help ASGA deliver this strategic direction over the next three years
- Understand the sense of urgency to act now
- Engagement of the entire industry

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