



**Sportivity (& Warrington) Ltd.
T/A Premier Sport &
Golden Mile**

**Territory Business Plan
2016 – 2019**

Ultimate Aim

- To create a £1.5m turnover business.
- Achieve a 33% Operating Margin using LEAN processes.
- To dominate our local market and embed ourselves into the culture and long term delivery team of all active schools.
- Allowing CHOICE, prepare the business for sale by developing an effective infrastructure to allow the business to operate and grow with MINIMAL input from owners.

3 Year Objectives

- To Get More customers, spending more money, more often.
- Increase Turnover from £865,000 to £1,500,000 by 2018/19
- Increase Operating profit from £170,000 to £500,000 by 2018/19 growth of 195%
- To employ 50 members of staff who each average £10,000 profit per year but earn a competitive salary, making us the most desirable employer in our sector locally.

Executive Summary

Sportivity Ltd. is entering its 10th year of trading and has a wealth of experience and a solid infrastructure. The company turnover has grown in each and every year of trading so far. In 2015 we purchased a new territory (Sportivity Warrington Ltd.), adding another 80 available schools for us to contact. Using our structure and experience, we have been able to rapidly grow this business in its first year of trading to become one of the top 20 territories in the entire Premier Network, with a turnover of circa £130,000. Furthermore, given the infrastructure, we have been able to achieve an operating profit of 40% in this territory. Over the past 9 years, our business has become a flagship franchise within the Premier Sport network and became a 'teaching franchise' in 2015 to help other businesses replicate its structure and performance.

Our aim is to use that knowledge and expertise to further improve the effectiveness and efficiency of the overall infrastructure. We plan to add the Premier Performing Arts and Transition brands to our offering and accelerate the growth of our business by £600,000 over the next three years.

Core Value 1. Be happy,
have fun and give joy

Core Value 2. Create
wonderfully enjoyable
experiences



Who we are...

The Leadership Team



Danny Melling
Director and
50% shareholder

Danny has 10 years' experience at Premier Sport and is currently the Operations Director for the franchisor, meaning he works strategically in supporting franchisees to implement best practice to maximize opportunity for success.

Prior to working at Premier, Danny has 10 years' experience in management, working with children and delivering 'wow' customer service to primary schools via outdoor recreational /educational holidays.



Andy Heald
Director and
50% shareholder

Andy also has 10 years' experience at Premier Sport and is currently the Quality Development Manager for the franchisor. Andy works strategically in supporting Premier Education Group to implement best practice, support all businesses to deliver the best possible service to all schools and customers and maximize opportunity for success.

Prior to working at Premier, Andy has 10 years' experience in the delivery and management of a range of training and development programmes, including the management of primary-aged specific sports coaching programmes and the management of health and fitness initiatives.

Middle Leadership Team



Carla Mulligan

Carla has worked for Premier Sport for over 6 years and has experience in running the day to day operations of the business as well as consistently delivering high quality provision. She has 12 months' experience within her current role and has performed to a high level monitoring, motivating and managing her team. Carla also has experience with quality development of staff.



Martin Buckley

Martin has worked for Premier Sport for over 4 years and has experience in running the day to day operations of the business as well as consistently delivering high quality provision. He has 12 months' experience within his current role and has performed to a high level monitoring, motivating and managing his team. Martin also has experience as a basketball club link officer within the Leigh territory.

Senior Leadership Team



Neil Hetherington

Neil has 10 years' experience at Premier Sport and is currently the Quality Development Manager, meaning he works strategically for Sportivity to implement best practice and to support all team leaders to deliver the best possible service to all schools and customers and maximize opportunity for success as well as delivering high quality provision.

Neil also monitors staff retention/recruitment and welfare. Prior to working at Premier Sport Neil completed his Activity Leadership Awards and has experience working with young children.



John Gorner

John has 8 years' experience working for Premier Sport and is currently the Operations Manager and Holiday Camp Coordinator, meaning he oversees all staff with operational KPIs such as competition coordinators, holiday courses, sales and extra-curricular clubs.



Ant Walker

Ant has worked for Premier Sport for over 4 years and has experience in running the day to day operations of the business as well as consistently delivering high quality provision. He has 12 months' experience within his current role and has performed to a high level monitoring, motivating and managing his team. Ant also has experience with coordinating cluster competitions for schools.



Dan Monckton

Dan has worked for Premier Sport for over 3 years and has experience in running the day to day operations of the business as well as consistently delivering high quality provision. He has 12 months' experience within his current role and has performed to a high level monitoring, motivating and managing his team. Dan also has experience at coordinating extra-curricular clubs and reconciling monies brought in.



Beverley Ostrowski

Bev has worked for Premier Sport for 16 months and is currently Finance & HR Controller, meaning she oversees the day to day running of finances, i.e. sales/purchase ledger, cash/bank reconciliations etc. and monthly payroll summary for the accountants. Bev's HR role covers the administration of new employees/leavers, holiday requests and monitoring sickness and absenteeism. Prior to working at Premier Sport, Bev has 36 years' experience working in accounts/secretarial roles.

Core Value 3. Deliver
"wow" with every
interaction

Key Strategy

Our key strategy to achieve our business plan objectives will be built around.

Increase Volume:

- Within our 3 territories we have a combined total of 327 primary schools. We currently work with 72 schools (a penetration rate of 22%)
- Our current average spend per school is £8051 across all 3 territories. We aim to increase our penetration rate within our territory to 50% by the end of the plan whilst increasing the overall (including all brands) average spend in schools to over 9K per school.
- We have added an additional territory in 2015 to increase the volume of schools available to sell to.
- We will add the Premier Performing Arts and Transition brands to increase our product range to appeal to a broader audience.
- Key Stakeholders – we will identify and target key people to build links with, including; Cluster Headteachers, Local Authority, County Sport Partner-ships, Public Health, Private and Maintained Children centres, School Games Organisers, Street Games, Premier Foundation.
- Working closely with TIME associates (an external appointment making company) we have produced a clear sales strategy – see appendix ii
- Increase Sales team – We will introduce a ‘NEW’ school sales team who will have individual sales targets and incentives and a ‘resales’ team to keep existing customers.
- We will upskill our entire workforce to be more commercially aware and offer ‘upsell’ incentives.

Performing Arts:

- We aim to upsell in to every active school at an average of £1000, therefore £70,000 in 2016/17 via 6 and 12 weekly blocks.
- We will deliver 150 days of holiday courses each year with an average of 12 children (1 member of staff ratio 1:16) paying £10.27 NET (£14.50 gross) in addition to existing Inspire to Engage courses. This will generate an extra £18,500.
- By the end of this plan we aim to be earning an average of £1000 per school from 166 schools (50%)

Premier Transition:

- We aim to use Premier Transition as leverage into new schools to help sell our Core offer of Premier Sport and Performing Arts and increase on penetration rates to 50%.
- Start Well – by accessing children at ‘Pre school’ age, focusing on the current landscape issue that circa 80% of children are not ‘school ready’ by the age of 4 we can familiarize families with our brands and programmes to gain first mover advantage and secure customers for life.
- Our aim is to generate an average of £1000 per school (166 schools in total) per year by delivering 12 weekly blocks at each school using a combination of Fun-Triton and Fit-Triton.

The sales targets for both PA & PT are very conservative and it is likely that we will far exceed the average in some schools. The primary aim however is to use these two brands to leverage the ‘full wrap around’ offer of PEG into schools and to relieve some of the financial burden on our Premier Sport offer to achieve an (Overall) average school spend of £9,000 per annum. By using PA and PT we are accessing other budgets within school (such as pupil premium, Arts, SMSC) rather than just Sport Premium.

Core Value 4. Commit to continual improvement

Increase Price:

- Our current price structure works well and we have increased by 2% year on year for the past three years. Due to the ‘real term cuts’ in school budgets we will reduce our annual price increases to 1%. We will focus on reducing waste and increasing volume in order to continue to grow profits.
- Gap analysis will determine pricing and offers e.g. offers for before school and morning slots. And maximizing profitability of all staff.
- We will increase prices for holiday clubs and all ‘offline’ prices by 15% to encourage more ‘online’ bookings. 100% online bookings would have saved £2K in admin costs in 2015/16.
- Employ 50 Staff with each making an average NET profit of £10,000 per year.
- This breaks down to £192 per week and £38 per day, therefore a typical day during term time would look like an AP who earns £17k per annum (£65 per day) generating a NET income of £103 per day. A typical day on holiday course would look like a ratio of 1:10 children paying £10.27 NET (£14.50 gross), therefore we can incentivize staff to have a better ratio. See appendix iii (Staff table showing current profit).

Reduce Waste:

- By introducing clear KPIs for all job roles we will increase accountability of all staff and therefore reduce waste within the company.
- We have a clear and robust company infrastructure (see Appendix i) which enables us to work efficiently and effectively, ensuring our best and most experienced delivery staff still deliver whilst also mentoring, managing and supporting other staff within the business.
- Improved communication. Our new KPIs and reporting structure, along with our rewards and incentive programme will help to improve communication within the company so that we are not duplicating work, making errors and creating waste.
- Morale – Our ‘Director of Fun’ role will have a budget each year of £5000 to spend on staff well being, linking to our Core Values of ‘Building a positive team and family spirit’. This will help improve staff retention and therefore reduce costs associated with replacing staff.
- Clear Job roles, KPIs and staff incentives for every role.
- Increase customer retention to 90% from 72% in 2016. We know it costs 7 times more to sell to a new customer than existing.
- Dead Space – Monitor deadspace on Extra Curricular clubs and Holiday courses and implement strategies, KPIs and incentives to fill these spaces to maximize profit.
- Staff Retention – Monitor dead space in staff diaries and aim to fill everyone’s weekly diary to include a minimum 37.5 hours per week and earning potential of £18,000 plus profit share.
- Reduce staff churn from 26% to 10% - the majority of non budgeted costs are associated with replacing staff.
- Communication – improve communication to reduce duplication, waste and frustration.
- Equipment – Introduce a set of equipment (each labelled) for each team leader to manage within their team to ensure nothing gets lost or mis-treated. In 2016 we spent £2k over budget due to poor management and accountability plus negatively affected staff morale.

Core Value 5. Build a positive team and family spirit

Strategy

The strategic approach is for the company Directors to implement KPIs linked to this business plan for all job roles within the company which they will monitor against this business plan on a monthly basis, ensuring that every single member of staff is accountable and performing at their optimum. Problems / issues can be identified quickly and appropriate interventions / support implemented to ensure the business remains progressive and not hindered by one person / area of the business.

See appendix iv for a list of how we will use each core value to leverage business from each key stakeholder group.

Here are the key KPIs and strategies for each department lead. Each area lead will be the company 'Champion' for different Core Values (in brackets). Ensuring, as a team that all 10 Core Values are embedded into everything that we do.

Operations (CV Champion 1, 2, 5 & 10):

- Holiday Courses – Turnover £140,000 per year (CV1, 2, 3 & 7)
- Active Schools – 115 schools by Aug 2017, 138 schools by Aug 2018, 166 schools by Aug 2019 (CV 1, 2, 3, 7 & 10)
- Average School Spend - £9,000 by 2019 (CV 5, 7, 8 & 10)
- School retention – 90% (CV 3, 8, &10)
- Extra-curricular clubs – Avg numbers of 14 children (CV 1, 2 & 3)
- School Turnover of; 2017 - £1m, 2018 - £1.25m, 2019 - £1.5m
- Evenings, Weekends – increase from 3 to 12 evening and weekend sessions per week, (1 weekend and 3 evening sessions per week per territory) (CV 1, 3, 7 & 10)
- Birthday Parties – 12 birthday parties per year (CV1, 2, 3, 8 & 10)

Skills & Compliance (CV Champion 3, 4 & 5):

- Staff retention:
 - 90% each year (CV 1 & 5)
 - Increase Avg length of service from 1.9 years to 3 years (CV 1, 2, 5 & 7)
- Staff Quality – Avg. 75% for Curric and 85% for Extra curric (CV 4)
- Minimum Operating Standards – First Aid, Child Protection, DBS, PESS level 2/3, Multi Skills Level 2, ICE HQ PE, Gymnastics intermediate award. (CV 9 & 10)
- All Staff receive a minimum of 3 Observations per year plus additional interventions and reobservations where required. (CV 4)
- Investors in People – Achieve Kitemark (CV 5 & 6)
- Recruitment and training – Remain within budget (CV 4, 6 & 9)
- Equipment – maintain stock levels and keep within budget (CV 8)
- Deployment – All staff are deployed and profitable (no 'non-productive' hours). All sessions are covered and Monthly staffing budget met (CV 3)

Core Value 6. Be adventurous, creative and open-minded

Finance (CV Champion 8, 9 &10):

- Remain within budgets for each area (CV 9)
- Monthly Cashflow Actual vs Budget report circulated to Directors (CV 7)
- Operating profit margin of 33% (CV 8)
- Aged debts paid within 30 days (CV 8)

Team Leaders (CV Champion 5, 6, 7 &10):

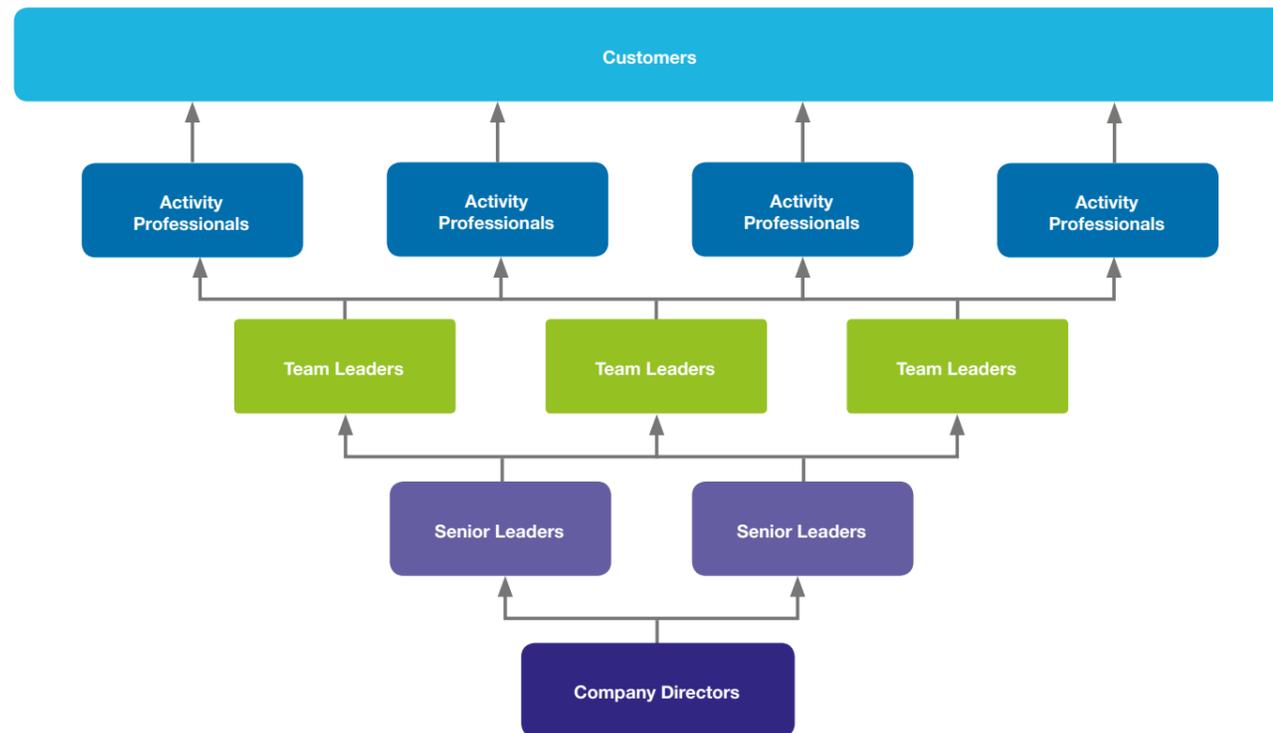
- All events for their teams uploaded onto BMS for the full year (CV 7 & 8)
- All club numbers uploaded onto the BMS with average attendance of 14 (Intervention implemented where it falls below) (CV 4 & 9)
- Staff retention – Weekly communications with team via phone, whatsapp and termly F2F support meetings to ensure healthy Morale (CV 5 & 7)
- All 'additional' responsibilities are completed on time and in full linked to specific KPIs e.g. Performing Arts lead, Competition Manager, Holiday Camp Manager, Recruitment & On-boarders HR, Birthday Parties co-ordinator

Sales & Marketing: (CV Champion 6):

- Get more customers, spending more money, more often and keep them!
- 2016/17 – Penetration: 35% / Total Active Schools: 115 / Ave Spend: £8695 / Turnover: £1million
- 2017/18 – Penetration: 42% / Total Active Schools: 138 / Ave Spend: £9000 / Turnover: £1.25million
- 2018/19 – Penetration: 50% / Total Active Schools: 166 / Ave Spend: £9000 / Turnover: £1.5million
- 6 x Sales execs with individual targets of:
- 2016/17 - £30,000 income (new sales)
- 2017 / 18 - £50,000 income (new sales and upselling)
- 2018 / 19 - £50,000 income (new sales and upselling)
- Avg 10% of children from all active schools attending holiday courses

Using our Core Values we will ensure that we operate a 'bottom up' approach, where are customers and Activity Professionals are recognised as our most valuable assets.

Core Value 7. Nurture strong relationships through excellent communication



Strategy & Tactics

To achieve KPIs & Business objectives

Operations

- Monitor Staff income – target avg £10,000 profit per year per member of staff (currently 30 staff with avg of £5666).
- Monitor staff bookings for camps - 10% per AP / per School. Implement intervention support and/or target funded courses where applicable.
- Monitor camp venues / booking- 9 camps running per holiday period (450 camp days) with an average of 26 children per day.
- Monitor weekly Sales activity with external sales mentor to keep the sales funnel full.
- Support and facilitate local school competitions to increase awareness and reputation locally.

Core Value 8. Work smarter
not harder

Holiday Clubs

- Increase income from £84,000 to £140,000.
- Increase the number of days from 5 venues delivering 50 days to 9 venues delivering 50 days.
- Increase the number of parents from 1300 to 1866.
- Increase the avg spend per customer from 50 to £75.
- Set KPIs to monitor 10% of children from active schools attend our courses.
- Target schools/stakeholders for funded holiday courses to generate £28,000 (20% of total) this will cover breakeven for August.
- Increase the avg attendance from 22 to 26.
- Improve customer service to add 'WoW'.
- Improve the presentation and feel of each camp to add 'WoW'.

Sales & Marketing

- Monitor & update landing page activity.
- Send social media communication to all schools regarding clubs / courses. Identify and recruit social media & marketing lead.
- New venues for evening & weekend courses.
- Target 2 schools per territory for match funded camps.
- Spend 90 minutes per day on Sales & Marketing.
- Introduce 'WoW' committee each half term to be creative and increase numbers on camps & clubs.
- Build B2B networking and relationships inc. public sector.
- Target and implement referral strategies for schools, local authorities and parents.
- Introduce Performing Arts and target £1000 upsell into every 'current' school (72).
- Introduce Premier Transition and use the 12 week programme to leverage other brands into new schools.
- Use Golden Mile as a 'free' gift to leverage other products into schools & key stakeholders.

Skills & Compliance

- Monitor weekly and action 3 month alerts immediately for MOS all green and compliant.
- All schools to have termly review meeting with team leaders and impact reports and actions sent to schools and reported on every half term.
- Consistent application of the recruitment strategy linked to core values approach, designated recruitment lead monitored weekly to review weekly applications and apprentice development.
- Monitor Team Leader processes and responsibilities for time off (holidays, sickness, absenteeism, lateness) of all team members; effectively action, communicate and record all instances to finance and SLT.
- Provide a bank of equipment designated to each Team Leader (and team) of which they are accountable for the reconciling of and maintaining the quality of.
- Team incentive to be rewarded half termly to the team who have performed the most effectively as a unit based on KPI's, equipment, quality as-surance feedback, core value videos submitted and staff attendance and punctuality.
- All AP's have termly training on all products and updates to be able to accurately and consistently identify intervention and upsell opportunities for current schools and promote referrals to new schools.

Finance

- Report monthly into board and monitor expenditure.
- Manage budgets with each department lead.
- Manage invoicing and debtor process to achieve payment terms of 30 days max.

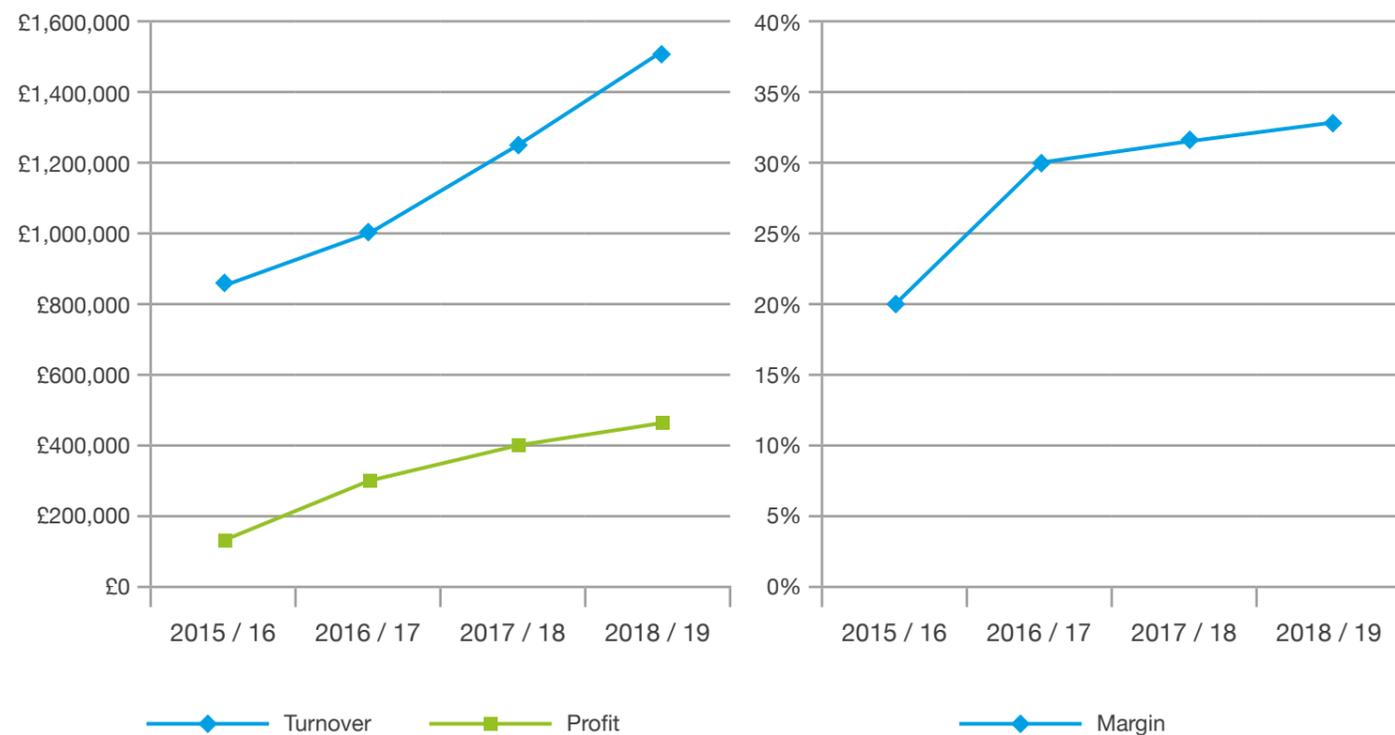
Financial Overview

Due to investment into our stringent and efficient company infrastructure the Operating Profit Margin will increase further for every £100k we generate as it wont further increase our overheads, allowing for exponential growth. As a Board of Directors we will be extremel mindful of the significance of just 1% (£15,000) when generating £1.5million. All department leads will have clear budgets to manage and report on.

Thanks to our new infrastructure the next £635,000 will yeild an operating profit of circa 50%, with the only additional 'overhead' costs being an increase in insurance premium and a £1k - £2k increase in salary for promoting 2 existing Act Pros to team leaders. Our direct costs for delivery are circa 45%.

	2015 – 2016	2016 – 2017	2017 – 2018	2018 - 2019
Turnover	£865,000	£1,000,000	£1,250,000	£1,500,000
Operating Profit	£166,000	£300,000	£399,000	£500,000
Profit margin %	20%	30%	32%	33%

Profit Margin



SWOT Analysis

Over the course of this business plan we aim to convert the threats into opportunities and minimise the waeknesses by improving processes and expanding upon our strengths.

Strengths:

- Capacity
- Company infrastrucutre
- Experience
- Length of trading
- Reputation
- School Portal and Systems – online bookings
- Training PEG tutor and assessor on workforce
- Company culture

Opportunities:

- Competitions – LLG
- New products/revenue streams – Transition & Performing Arts
- New office space
- Links with councils and key stakeholders.
- Local MP support
- Links with clubs – eg Man Giants, Leigh Centurions

Weaknesses:

- Marketing
- Man management consistency
- Communication
- Pricing compared to local competitors
- Time efficient management meetings – Time invested in team business development
- Staff churn rate

Threats:

- Economy following Brexit
- School budgets
- Funding cuts
- Increased competition
- Schools building relationships with Aps rather than company leaders
- Retention of SLT/MLT
- Losing staff to school / higher paid opportunities

Core Value 10.
Be outstanding and passionate in everything we do



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