

from



SOFTBALL IN AUSTRALIA

One Management model, via demonstrated and enforced aligned and unified behaviours.

INDEPENDENT REPORT

- All information in this document has been taken from an independent report produced by Nielsen Sports for Sport Australia (Australian Sports Commission) and Softball in Australia. [Joint funding.](#)
- Nielsen Sports is a global leader in its field and is the premier provider of analytics and insights within the sports industry, offering the most reliable source of independent and holistic market data in the sector and the most complete view of consumer trends and habits worldwide.

OBJECTIVES OF THE CURRENT REVIEW

- Assess the current model for Softball in Australia to deliver against strategy and address drivers for change (e.g. declining membership)
- Assess the draft “One Management Model” to deliver against strategy and drivers for change
- Conduct a feasibility study for implementing the One Management Model and its impact on growing Softball in Australia

EXECUTIVE SUMMARY

- Current Federated model is not addressing the drivers for change;
- Maintaining the status quo will not deliver the best outcomes for the sport and change is required to the governance model.
- Starting point is aligned thinking and behaviours “Unified Behaviours”
- Nielsen Recommendation is to move from the Federated model to One Management Model
- Critical Success Factors
 - Business Transformation, not change
 - Fully committed and informed leadership
 - Extensive communication between all stakeholders

CURRENT FEDERATED STRUCTURE




- **Pros**

- Matches Government structure
- Same as most other Australian sports
- Maintains close management of local interests

- **Cons**

- Many layers of administration and duplication
- Decentralised thinking
- Smaller organisations can't afford the resources
- Australian Sports Commission in favour of moving sports away from the federated structure thus putting ASC funding at risk

There are three main governance models currently in use by Sports in Australia.

	Federated	One Management	Unitary
Model			
Governance	All separate legal entities with responsibility for their own governance and execution	All separate legal entities. Boards remain and all entities keep their assets. Finances flow to and from the National organisation.	One legal entity for the whole sport in Australia. Assets all rest in this entity. There may be State based divisions/offices
Management	All legal entities responsible for their own management and staff	Management comes from National organisation and all staff are employed by this organisation.	All from the single legal entity.
Ease to implement	Status Quo	Requires detailed planning. Staff employment resolution. Avoids major constitutional changes through use of service agreement	Constitutional change. Relocation of staff Wind up of existing entities and asset transfer.
Sports using this model	Majority of NSO's	Australian Sailing, Golf Australia (hybrid). On the way: Triathlon Australia	Touch Football (Hybrid), Ski & Snowboard Australia

Governance Reform in other sports that has led to positive outcomes

- Golf Australia are now in a position to realise a projected annual uplift of \$1.6m in commercial revenue.
- Australian Sailing have reduced their headcount of National staff and been able to invest in delivery on the ground.
- Triathlon increased their membership revenue by over \$1m by implementing a national membership fee.
- Touch Football Australia have been able to secure an additional recurring \$0.5m in State Government Grants

DRIVERS FOR CHANGE

- Brand fatigue and dilution
- Inconsistent and uncoordinated grassroots approach
- Long term membership and participation decline across all States
- Uncoordinated approach to future revenue streams
- Evolving global coalition with Baseball

BRAND DILUTION

- Ageing player and volunteer base
- Lack of change in personnel/operating methods
- Volunteer strategies are unique to each State
- Slow/declining real growth metrics
- No current national strategy that is consistently implemented to rebuild the membership/participation
- Perception of complexity in Softball
- Lack of public visibility
- Under the federated structure – each State has been doing their own marketing without a single national vision for the Sport
- Increased competition from other well-funded sports
- Over 2,000 potential members are in unaffiliated clubs

INCONSISTENT/UNCOORDINATED GRASSROOTS EXPERIENCE

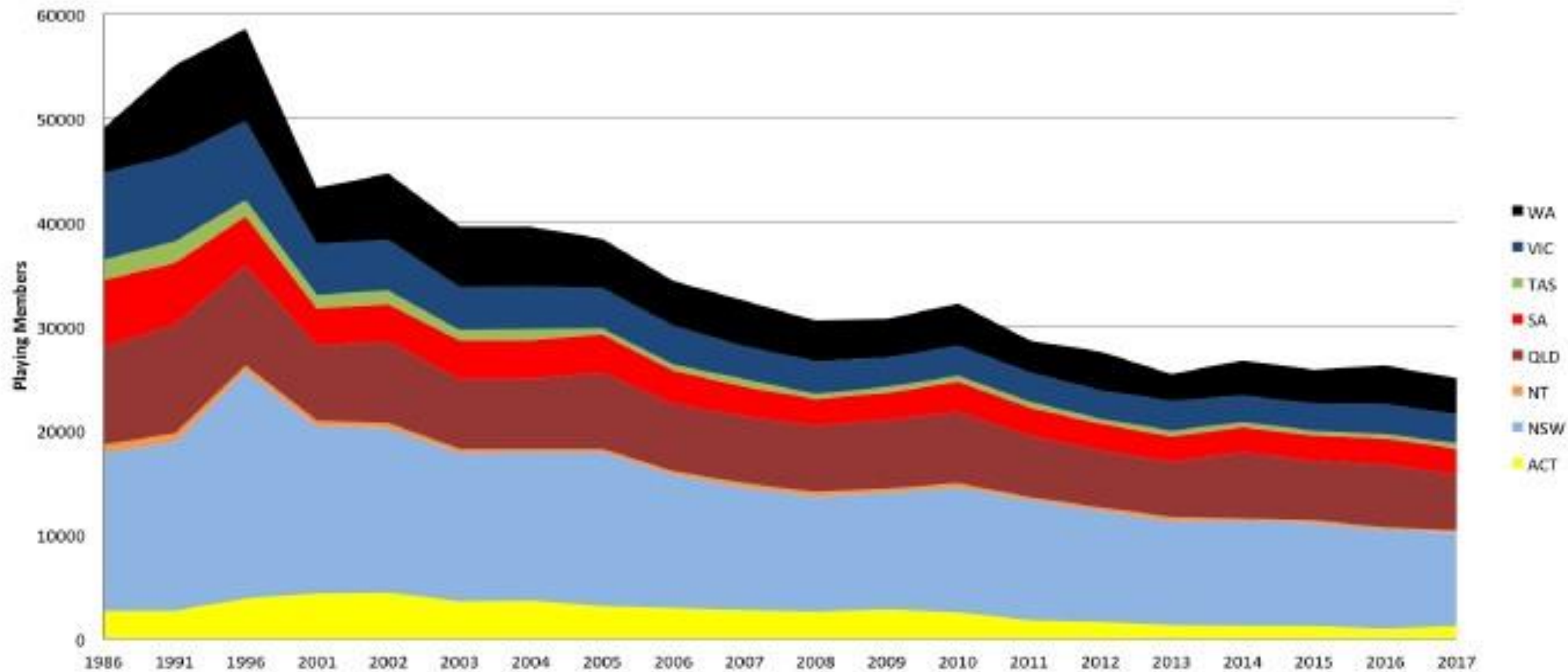
- Cost and duplication of staff at all levels
 - Leading to people without the prerequisite level of skill being used to deliver programs e.g: [Sporting Schools external groups](#)
- No communication strategy on state/national programs
 - Fragmented and inconsistent
- Time poor volunteers
- Poor alignment of recruitment and retention strategies
 - Inconsistent across each State and Association and a lack of a national approach
- No consistent approach to revenue opportunities
- No strategy to convert School participation to membership

LONG TERM MEMBERSHIP DECLINE

- 20-year Membership Decline
- 70% decline from 65,000 to 26,000 members
- Federated structure makes it difficult to control and have influence over what goes on in each State
- Over Governed
- No reduction in administration comparative to Membership
- Staff sizes per State
- No clearly articulated pathway to increase
- Smaller States unsustainable

LONG TERM MEMBERSHIP DECLINE

Member Numbers by Year



UNCOORDINATED APPROACH TO FUTURE REVENUE STREAMS

- ASC funding harder to maintain
 - Firm focus on being agile and future focused
- Highly competitive state and local government grants
- Narrow focus on non-Government revenue
 - Under resourced in the Commercial area across the Country
 - National approach would allow a better level of resource who could work across all the States
- Fee revenue reducing
- Limited focus and lack of success on national sponsorship

EVOLVING COALITION WITH BASEBALL

- Diamond Sports Coalition
- Common entry point – Tee Ball
- Potential synergies
 - Administration
 - Purchasing
 - Insurance
 - CRM
 - High Performance

MODEL COMPARISON

	Federated	One Management
Governance	All separate legal entities with responsibility for their own governance and execution	Separate legal entities retained. State Boards retained with assets. All finances to National body but no State will be worse off.
Management	All legal entities responsible for their own management and staff.	Management and staff from national body.
Ease to implement	Easy – status quo	More complex and costly - requires detailed planning and staff employment resolution; no Constitution change due to service agreement.
Sports using Model	Majority of NSOs	Australian Sailing, Golf Australia, Triathlon Australia

BENEFITS AND RISK OF MODELS

	Federated	One Management
Benefits	<ul style="list-style-type: none"> • Close management of local issues • Matches Government structure 	<ul style="list-style-type: none"> • Reduced duplication • Sharing and leverage of learning • National workforce • Reduced State admin burden • Increased strategic alignment • Allows State focus on delivery • Consistent delivery of Pathway • Support of HP Athletes • National branding/ marketing • Ability to attract high quality Directors and Staff
Risks	<ul style="list-style-type: none"> • No Change • Politics and history driven rather than needs • Not in line with ASC direction 	<ul style="list-style-type: none"> • Lack of buy in from States and their members • Change in role for Boards and Staff • Low staff morale (loss of corporate knowledge) • Lack of capacity and capability • Loss of local innovation

Impact Assessment: One Management

Governance	<ul style="list-style-type: none">• No Impact at National Level• State Boards will be one of two reporting lines for Locally based staff
Management	<ul style="list-style-type: none">• National Manager for each key business area, managing local staff and reporting to National CEO• Local Managers will have dual reporting lines to the State Board and National CEO.
Corporate Services	<ul style="list-style-type: none">• Larger operation as they will be looking after 9 entities.• Need to ensure the systems are in place to be scalable
Participation & Development	<ul style="list-style-type: none">• National Manager managing local staff• Local delivery of National programs
High Performance	<ul style="list-style-type: none">• National Manager managing local staff• Closer relationships with the SIS/SAS
Events	<ul style="list-style-type: none">• National oversight of local staff• Local staff will do State champs• National staff will oversee National champs
Communications & Marketing	<ul style="list-style-type: none">• National Manager managing local staff• National delivery of local content
Commercial	<ul style="list-style-type: none">• National Manager managing local staff (where necessary)• States will retain local agreements and arrangements

RECOMMENDATION

- Continue to progress to aligned and unified behaviours for Softball in Australia
- Progress to One Management Model at a pace suitable to each State
- Process to be fluid in nature allowing States to progress through the stages when they are ready to do so

RECOMMENDATIONS Cont

Strategic

There needs to be change to progress Softball.

Aligned behaviours are more important than a change in structure.

Some people have been in their roles for a long time. Will change be possible with them in place?

Communication

Stakeholders are confused as to what is happening with the project, and are confused about the governance model proposed.

Including them in the detail will be critical.

Capacity and Capability

It is crucial for the sustainability of the smaller States.

SA need to show that they can do this, the programs and policies need to be up to scratch.

SA will need to demonstrate great leadership and direction.

Trust

Structural change needs to be a collaboration not an imposition.

SA will need to demonstrate their understanding of what is required and important at the grassroots level, and what goes on on the ground.

OPPORTUNITIES

- Further development of unified behaviours
 - One operational plan
 - Child Safety policies and resources
 - Possibly with another Sport
 - Sharing of policies and (non-confidential) documents in one location
 - Single chart of accounts
 - Shared IT system
 - National phone system including video capability
 - Expand shared services with States to show benefits nationally

PROPOSED STRUCTURE

- Softball Australia National Office has responsibility for:
 - Management
 - All staff employed by and report to Softball Australia CEO
 - Participation
 - High Performance
 - Events
 - Communications and Marketing
 - Finance, Legal, HR
 - Commercial

PROPOSED STRUCTURE

- States are responsible for:
 - Local development
 - Local High Performance
 - Local Events
 - Local Communication
 - Facilities

CRITICAL SUCCESS FACTORS

- Manage as a business transformation rather than one-off change project
- Has to be a priority for the Sport
- Everyone must understand the transformation and what it means
- All stakeholders need to be on board
- Only have the fights worth having
- Talk to the people all the time

WHAT NEXT FOR SOFTBALL in NSW

- Seek opinions from SNSW Members
- Consider advantages and disadvantages
- What are the implications for Associations and Clubs
- Copy of this presentation emailed to Associations
- Associations to discuss with their Member Clubs
- Responses back by 1st December 2018
- Which model is best? Federated, One Management, Unitary, Unified Behaviours or other.