



2006 P R O P O S A L

**PROPOSAL TO MELBOURNE KNIGHTS FOR
MELBOURNE CROATIA SUB COMMITTEE**



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Introduction

Firstly, we would like to thank the Melbourne Knights board and committee for giving us the opportunity to submit this proposal. This document is an outline of how the proposed subcommittee will assist the Melbourne Knights Soccer Club in developing its “non core” extended business activities eg. business development, marketing, public relations and events.

Our aim is to help the current board and committee better utilise the clubs existing infrastructure to make the club more attractive to the wider community through non-soccer related activities.

Work has already commenced developing these strategies and these initiatives will be submitted to the Melbourne Knights board and committee upon approval of this proposal document.

Overview

The Sub Committee is founded on the concept of giving back to the community. Its very essence and function springs from this concept. The primary goal is to turn the club into an organization that caters to the wider community needs, an organization that is essentially customer centric. This goal is to be achieved by utilizing the community’s human resource assets from the corporate sector and the implementation of various technologies, methodologies, and business practice in use in the modern corporate world.

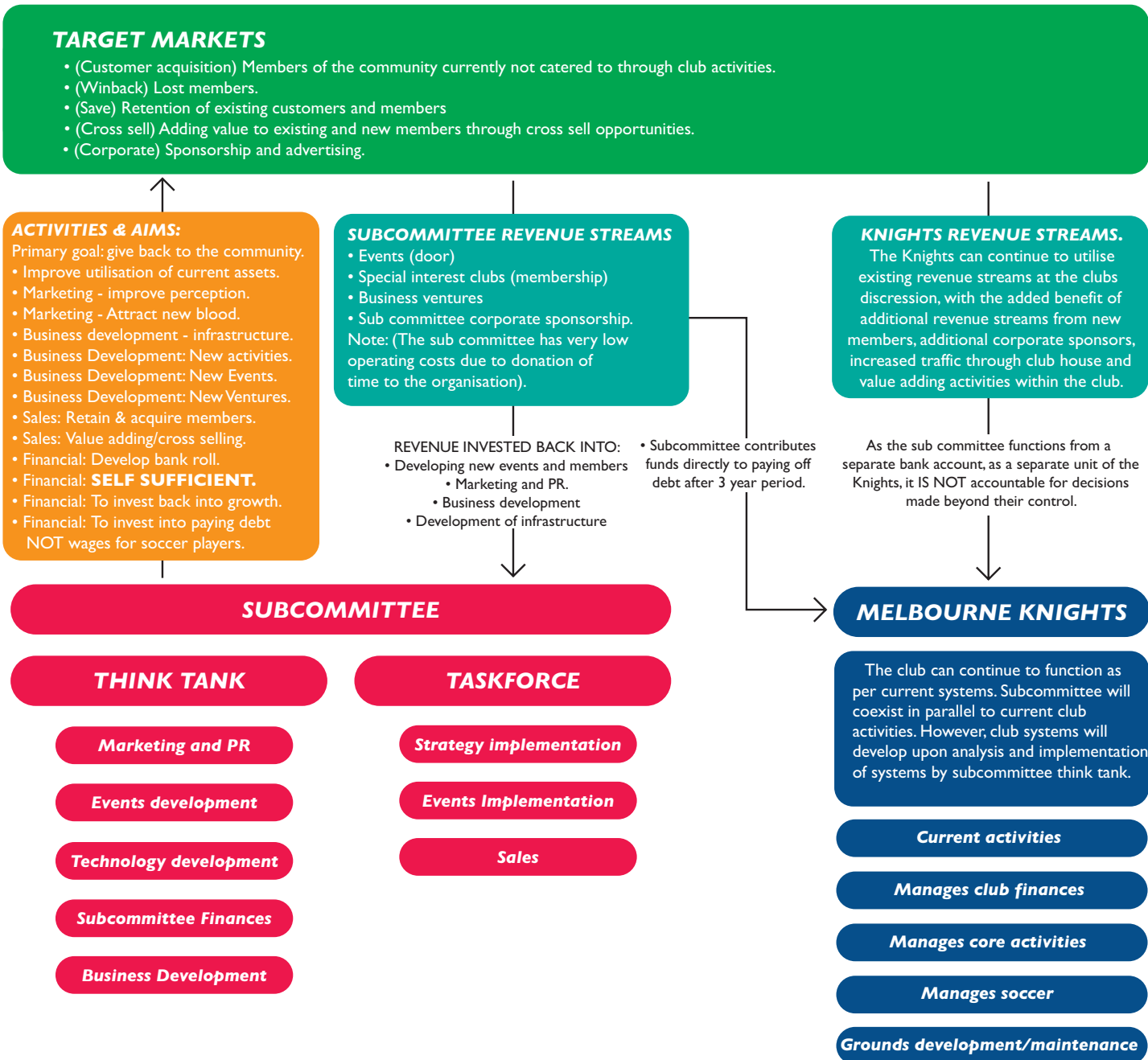
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Operational Diagram - Knights/Subcommittee relationship.

This is the proposed structure, functions and revenue streams of the sub committee and how it would coexist with the Melbourne Knights current systems.



SUBCOMMITTEE

THINK TANK

- Marketing and PR
- Events development
- Technology development
- Subcommittee Finances
- Business Development

TASKFORCE

- Strategy implementation
- Events Implementation
- Sales

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The club can continue to function as per current systems. Subcommittee will coexist in parallel to current club activities. However, club systems will develop upon analysis and implementation of systems by subcommittee think tank.

- Current activities
- Manages club finances
- Manages core activities
- Manages soccer
- Grounds development/maintenance

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Functions of the Subcommittee.

Core Functions

The sub-committee will focus primarily on two areas – events/functions and marketing/publicity.

Events/Functions

One of the main goals of the SUBCOMMITTEE would be to increase revenue by increasing the utilization of the clubs existing facilities. To achieve this SUBCOMMITTEE would engage in the organization and promotion of various events in the club. There will be an emphasis on never tried before events that theoretically should work in the current facilities.

SUBCOMMITTEE will concern itself with –

- development of unique events
- branding of events
- 12 month rolling forward events plan
- publicity and marketing of events
- recruitment of events sales staff
- organizing of events
- running of events

Marketing/publicity

The subcommittee will predominately have a growth focus as opposed to the current and past board's cash and margin focus. This will require a major emphasis on sales and marketing as well as technology implementation.

Sales growth will be achieved through –

- Market penetration – increased usage, take competitor's customers (other forms of entertainment)
- Market development – new segments, convert non-users
- Product development – existing markets, new markets.

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To achieve these goals the SUBCOMMITTEE will develop -

- Business plans
- Market analysis and research
- Product or service plans (SWOT analysis, legal requirements)
- Marketing plans (Product or Service, Price, Place, Promotion)
- Customer analysis (trends, geographic analysis, motivation, un-met needs, segmentation)
- Self analysis (existing brand image, brand heritage, strengths/weaknesses, organization values)
- Competitor analysis (brand image/identity, strengths, strategies, positioning)
- Strategic plans
- Key performance indicators
- Quality assurance procedures
- Media selection
- Publicity policies
- Feasibility and Cost-Benefit Analysis
- Break even analysis
- Projected profit and loss
- Cash flow forecasts (Best, worst and likely scenarios)
- Design sales-force strategy and structure, recruiting and selecting, training, supervising and evaluating salespeople
- An integrated marketing communication approach (one clear positive message from all communication and mediums).
- Setting up of a call center with inbound and outbound sales and support

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Extended Functions

Over the long term the development of the following systems will be required to best realize the potential of the core functions -

- Transaction processing systems (Memberships, Point of Sale, IVR etc.)
- Office information system (a 10-20 user LAN setup)
- Management Information system (Daily, Monthly, Weekly, Year on Year, round on round reports)
- Decision Support system
- Expert system (acquired knowledge built into the systems instead of it leaving with people)
- Interactive Voice Response system
- Customer Relationship Management system

Additional Extended Functions

The requirement of the above systems will mean that the SUBCOMMITTEE will also be involved in the following extended functions –

- Documentation of all business processes.
- Systems Analysis
- Data modeling
- Process modeling
- Object Modeling
- Systems Design and construction
- Application architecture and process design
- Database and software design

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Structure of the Proposed Subcommittee.

The SUBCOMMITTEE will be subdivided into two main groups (Think Tank and Taskforce) and will work in parallel with the existing MK committee. SUBCOMMITTEE will submit business plans to the board when approval for funds is needed.

SUBCOMMITTEE will also report to members at the AGM and all accounting and plans will be totally transparent.

Think Tank

All the business development, planning, marketing, technology implementation and finance of the subcommittee will be conducted within the "Think Tank". The Think Tank will attract problem solver, idea generator, and entrepreneurial people with sales, marketing, finance or business backgrounds.

The purpose of this subdivision into "Think tank" and "Taskforce" is to attract members with specific corporate and business skill sets (eg. there is little value asking a marketing or financial planner to discuss details of who will setup tables for an event).

Their primary function will be to generate ideas and solve business problems. By focusing on the attaining members from the corporate sector, we aim to attract talented individuals who may have valuable experiences, ideas and opinions. The implementation will not be through the think tank as tasks will be delegated.

We encourage these meetings to become social business gatherings where likeminded professionals may exchange ideas on how the club can improve and develop strategies to implement these ideas. It will additionally provide a fantastic networking opportunity.

The think tank is designed to attract thinkers, strategisers and managerial types. A core group will need to conduct these sessions, document the ideas and develops plans and implementation strategies based on results from these sessions.

As the number of people involved grows, the think tank could be further broken down into teams and deal with functions such as –

Finance/Accounting/Management

- Business plans
- Key performance indicators
- Quality assurance procedures
- Feasibility and Cost-Benefit Analysis
- Break even analysis
- Projected profit and loss
- Cash flow forecasts (Best, worst and likely scenarios)
- Strategic plans

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Marketing/Publicity

- Market analysis and research
- Customer analysis (trends, geographic analysis, motivation, unmet needs, segmentation).
- Self analysis (existing brand image, brand heritage, strengths/weaknesses, organization values).
- Competitor analysis (brand image/identity, strengths, strategies, positioning).
- Product or service plans (SWOT analysis, legal requirements).
- Marketing plans (Product or Service, Price, Place, Promotion).
- Media selection.
- Publicity policies.
- Branding.
- Pricing.
- Analysis of customer database etc.
- Discuss business opportunities.
- Brainstorm various ideas.
- Design sales-force strategy and structure, recruiting and selecting, training, supervising and evaluating salespeople.
- Develop integrated marketing communications.

Events/Functions

- Development of unique events.
- Branding of events.
- 12 month rolling forward events plan.
- Publicity and marketing of events.

Technology

- Documentation of all business processes.
- Systems Analysis.
- Data modeling.
- Process modeling.
- Object Modeling.
- Systems Design and construction.
- Application architecture and process design.
- Database and software design.

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Taskforce

The taskforce will be the hands on part of the sub committee. It will focus on events management and sales management. Meetings will mainly be concerned with logistics - coordination of people and tasks.

Main tasks will be -

- Setting up of events.
- Selling of tickets for events.
- Working at the door.
- Data entry.
- Telesales.
- Door to door sales.
- Selling of merchandise.
- Selling of tickets and memberships.
- Collecting data for marketing and research purposes as required by the think tank.
- Organizing events.
- Working at events.
- Supporting systems.

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The Subcommittees Goals.

Vision

A club with various business units that utilize the current assets to their maximum potential, for the benefit of the broadest range of community members. Potentially an all ages sporting, hospitality and entertainment complex. For example a complex that has sports bar, gym, cinema, video rental, restaurant, and day care facilities.

Short term (12 months)

- To build a positive image around the Melbourne Knights brand through various activities and marketing. Improve member, player, community PUBLIC perception of the soccer club through local, Croatian and main media.
- To bring people back into the club.
- To clear \$300-500,000 off the debt.
- Develop the electronic systems to make ideas workable (eg. computer networks, marketing systems and CRM systems)
- Creation of several working sub committees
- Develop a loyalty card system
- Improve the current facilities.
- Creation of many branded events
- Initiate several business ventures outside the current core business.
- To have over 1000 paying members for the soccer club.

Medium term (1-3 years)

- A venue that is utilized every week of the year that caters for a broad range of Croatians in the community.
- All Systems developed to support all business functions
- Teams formed for various business functions.
- Debt paid off within 3 years
- Facilities improved (especially Bat Cave and Club House)
- New business ventures generating revenue
- Any new facilities needed for new business ventures to be built

Long term (3+ years)

- Have various separate business units operating on the premises and potentially on other sites.
- If debt is paid off look to invest in real estate nearby for expansion or look into investing into non core businesses or expand any business unit that has potential.

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Brief Outline of Subcommittee Strategies.

- Improve asset utilization through more events (not necessarily just discos but through other events that will attract people back to the club)
- Improve the current membership by increasing the actual and perceived value of membership to a wider audience (incentives, discos with suppliers/sponsors, fuel discounts, shopping discounts and activities within the club).
- Win back (to win back lost members) through positive publicity and direct sales.
- Save - to retain existing members through ongoing correspondence and loyalty schemes and use of CRM systems.
- Acquisition: The acquisition of new members. Requires a) marketing of current activities b) development and marketing of new activities to appeal to a wider audience
- Network selling, not referring to multi-level-marketing (MLM), rather, simply selling multiple memberships through current players/members to family and friends. If each player sold 5 memberships to friends and family you could multiply the current membership levels by 5).
- GACS (Groups, Associations and Clubs). To develop relations with other associations members (e.g. other soccer clubs, social clubs etc.)
- Warm marketing- identifying and selling membership to people who would see value in becoming members based on current club activities.
- Diversification; To diversify the current activities of the club to appeal to specific niche markets and sell memberships to these groups e.g. special interest groups, other sports (other than soccer), social clubs and events.
- Generate additional revenue streams outside of Melbourne Knights core business activities (i.e. soccer). This may include external business ventures or ventures that utilize the clubs existing resources to their maximum potential
- As the organizations finances develop, these resources may be used to develop the clubs infrastructure (i.e.. Buildings, equipment, IT etc.) and investments (may need to involve professional advisors, possibly external). Once an adequate bank roll has been established, this may be used to contribute to paying off the debt directly.
- Membership restructure (will be our good will contribution to generating additional revenue for the club)
- Works outside of existing paradigms (the agreed belief of how things are).

Things are the way we make them! We have a blank canvas!

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Benefits to Melbourne Knights Soccer Club.

- **Starting fresh.**

We are working from a clean slate without any restrictions from people who may have held more pessimistic views of the club.

- **New blood = New ideas = New ways of doing things**

Some of the people involved may have had little do with the clubs previous activities. This may open up new ideas and opportunities possibly never before discussed. It is important to remember, although something may not have worked in the past, it does not mean it will not work now. We have a new team of people (with various ideas and experiences). It is these people that can make this happen. People who haven't necessarily seen how the club is currently run have A LOT to offer as they aren't influenced by previous notions of "what works and doesn't work". All ideas should be considered and evaluated as to whether or not they are viable at the time. This however should not rule these ideas out in the future (when they may actually become viable)

- **Youthful and energetic**

The fact that most of the people in this organization are under 30 is a big strength as it can also provide an avenue through which the Croatian youth community can get involved in the club. It can also be the breeding ground for future committee members. As this has never been done before, it immediately provides a great marketing opportunity through the local and Croatian media. People (young and old) love seeing young people doing positive things for their community.

- **A medium through which people can voice their ideas, concerns and opinions.**

This is a great way for people in the community to give their opinion about the clubs activities. The subcommittee should not become a complaints department, our job is to listen to people and do what we can to fulfil their needs.

- **Media perception**

People always love to hear about something new. There will be many opportunities to get media coverage, it is important it is done properly. Only good news should come from our organization, this raises confidence in the organization and will filter down to how the club is perceived in the wider community.

- **Non argumentative... the members are unified in their goals.**

There is a stigma out in the community that there is always infighting and arguments in Croatian organizations (yes even within the Melbourne Knights.). These notions have to be thrown out the window. As the organization is new, these problems can be eliminated before they happen simply by introducing a code of conduct (and actually sticking to it).

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- **Access to MC.Net to communicate with the public.**

This is a great asset to the organization, and can allow the organization to communicate with the public in a way the club has never been able to in the past. We've all seen the power of the forum by the simple fact that this is all happening.
- **Youthful subcommittee.**

Having youth on the SUBCOMMITTEE will attract more youth back to the club
- **Diversification**

The SUBCOMMITTEE will create events and facilities catering to more than one segment, thus satisfying a wider range of the community.
- **Benefit to the community, benefit to the club**

The club giving back to the community holds far more value to the target market than asking for donations. Additionally, this will eliminate any negative connotations that the club is in financial difficulty (which they may in turn associate with mismanagement adding additional problems to the clubs existing financial woes).
- **Input from the corporate sector.**

By involving the community in the brainstorming and development for the club, there will be far less criticism of the club as people feel they are personally contributing to the cause. Anyone who has an idea or criticism of how things are run, may join the subcommittee and give their constructive criticisms, contributions or ideas. The sub committee who will take their feedback onboard and implement strategies to fulfill their needs. **Criticism helps us identify market needs!**
- **Uniting the community**

One of the concepts is to make the club attractive to a wider spectrum of the community. Croatians can all "meet in the middle" at the club.
- **Problems with current fund-raising efforts.**

Unfortunately, asking for donations holds extremely negative connotations. Based on feedback from spot discussions with members of the community, there has been much criticism with regards to the current state of the club and community in general. People are under the impression that the club is in such financial trouble that even their donations will not help... keep in mind, no-one will donate money to a lost cause. This does little to encourage people to come to the club and must change. A new positive approach needs to be taken. The subcommittee can fulfill this. Whilst fund-raisers and donations may have worked in the past, they are increasingly gaining criticism from the wider community who have been donating money to various initiatives for years, often with little direct value to the client. Additionally, the meta-message (underlying message) is one which raises questions as to why the club is in such trouble in the first place... possibly leading to criticism of how the club is run and ultimately the club itself.

Things are happening! It's time to move forward promoting a healthy, positive image for the club.

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Requirements for Establishment of Subcommittee.

What do we want and need?

- 2 booths where we can have an office to hold meetings and work on various activities focused on growing the club. In the long term an area large enough to have 10-20 PC users.
- Separate Bank account- multiple signatures
- Authority to represent the club as individuals to the wider community.

Why do we need a separate bank account?

- The subcommittee will not be asking the club for any initial financial contribution. The subcommittee will be self funding and will not burden the club financially in any way.
- The fact that the subcommittee exists, shouldn't necessarily mean the club stop its current activities. However the subcommittee will assist in developing a consistent message through all public relations exercises. The sub committee will run in parallel to current club activities and should be kept separate.
- The subcommittee is more focused on funds going back into developing the club (thus going back to the community through the club) rather than paying soccer players higher wages (that in essence holds little value to the non soccer going public).
- Transparency of all accounts to the public. This will eliminate any questions regarding "where money is going". People can see where it is going on a day to day basis if they wish to do so, and see the positive contribution the subcommittee is making to the COMMUNITY AND CLUB.

Conclusion.

Why should the committee take this on board?

- This may be the last opportunity to get the young generation involved in the club.
- Allows the club to concentrate on the clubs current core business activities whilst the subcommittee works on developing the marketing and business development side of things.
- Provides additional revenue streams with \$0 investment from the club.
- Potential to better utilise existing resources and thus add value to current activities.
- Encourages new blood and repeat business into the club.

Thankyou!

We thankyou for taking the time to read this document and look forward to discussing this proposal and our work in progress with you in more detail.

The "Melbourne Croatia Sub Committee"