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Introduction

The ASC has historically focused on structural governance reform to drive improvement in the Australian sports sector. Following the implementation of the Mandatory Sports Governance Principles for the top 23 funded ASC sports, and consultation with the sector, it has been identified that the next key area of focus of governance reform will be unified whole of sport behaviours. The term ‘unified behaviours’ reflects individual organisations operating for the common good of the entire sport; through unifying key behaviours, all entities will ultimately benefit.

Governance Reform in Sport details a unified approach for sports by focusing on integrated behaviours, processes and supporting systems. The ASC considers that these are most critical in the areas of strategy, digital, commercial and financial management. These unified behaviours, once adopted, will ensure that a unified whole of sport approach is adopted which will enable the sport to develop and execute participation and high performance activities for the benefit of all members of the sport throughout Australia.

Strategy

Why is a ‘whole of sport’ strategy important for each level of the sport?

Regardless of the sport’s governance structure, strategy is the fundamental enabler for unified behaviours. A national ‘whole of sport’ strategy enables all levels to operate with the same purpose and direction for the benefit of the sport as a whole. It enables all involved to have a clear, specific and inspiring understanding of what the sport aspires to achieve and, importantly, how they collectively help to achieve this.

When an NSO engages with member bodies and other key stakeholders to provide input into the direction of the sport, the sport will collectively be more likely to develop a unified national direction, in turn assisting the delivery of the ‘whole of sport’ strategies. The involvement of state and local sporting affiliates also enriches the plan because these groups bring a different and valuable perspective in the delivery of sporting opportunities.

What does success look like for a sport?

- The ability to clearly communicate ‘whole of sport’ short, medium and long-term objectives
- Stakeholders understand what is required to achieve the sport’s goals – this means clearly spelling out the sport’s operating environment, its objectives, barriers to achieving its goals, strategies to overcome those barriers, and tasks delegated effectively to achieve the objectives
• Provide a situation analysis and context; a road map to achieve objectives; a gap analysis which identifies performance barriers and separates symptoms from the underlying causes
• Identify key risks and priorities for resource allocation
• Provide stakeholders with an accountability framework in terms of who is accountable for each goal; the roles and responsibilities of key contributors; and the process oriented goals or targets which define and quantify progress being made towards the major goals
• Ensure alignment at all levels to make certain that the right structures are in place to support the key leaders who have the appropriate authority and resources to achieve what is expected of them
• Provide a living, breathing document, which is referred to frequently and gives direction and focus

How do sports achieve this?
• Leaders provide a clear and well-articulated purpose and vision for the whole of the sport
• Engagement of critical people throughout the process
• Early and frequent consultation with partners and stakeholders to facilitate buy-in
• Ongoing, planned, formal and informal monitoring and review of the unified strategy
• Periodic independent monitoring and evaluation of progress and performance
• Prompt and decisive response to evidence including of the need for change
• Ability to prioritise resources to achieve critical outcomes
• In line with the unified direction, maintaining the flexibility for states to address local context, and apply a relative importance of objectives based on NSO / SSO requirements

What is the intended outcome of a ‘whole of sport’ strategy and how will this improve trust among the respective bodies?
The aim of a ‘whole of sport’ strategy is to ensure all levels understand how the work they are doing fits into the broader objectives of the sport. By continually involving all key stakeholders in the development of the strategy, it engages and motivates all in the sport towards achieving the agreed unified outcomes. The respective bodies will also have a sense of ownership over the plans and are more likely to embrace the resulting direction of the sport.
What are the specific characteristics that would be assessed that will determine if a sport is unified in strategy?

- Was the plan developed with significant engagement with all key stakeholders?
- Where individual plans exist across national and state bodies, is there consistency with the key strategic pillars and performance measures?
- Is there regular monitoring and evaluation of the plan with key stakeholders?

**Digital and Technology**

“Digital should be seen less as a thing and more a way of doing things. To help make this definition more concrete, we’ve broken it down into three attributes: creating value at the new frontiers of the business world, creating value in the processes that execute a vision of customer experiences, and building foundational capabilities that support the entire structure.” (Karel Dörner, McKinsey & Company)

To support this ‘Digital World’ sports must adopt new and different technologies.

Why are unified behaviours in Digital and Technology important for each level of the sport?

As technology adoption changes across Australia, customers’ expectations of businesses have increased. Customers expect high-quality communication, engaging content and seamless online experiences, as well as innovative mobile commerce tools and applications. These influences on the consumer landscape are having a disruptive impact on the sports sector.

Australians are looking to technology platforms such as mobile devices, wearables and social media to connect with sports and sporting activities. These Australians are the fans, participants, elite athletes, administrators, volunteers and recreational users of sport. This new way of connecting creates opportunities to market and advertise sport more effectively but with this ever-growing level of data being created by sports, it must adopt technologies which enable them to understand, leverage and where appropriate commercialise this data to remain relevant in today’s business landscape.

Perhaps the most important factor with digital disruption for sport is, just like other industries such as retail and accommodation, the consumer can create direct access channels to any level of sport. No longer do they need to call or write a letter, they can publicly influence outcomes and become mass promoters/dissenters independent of the sport. This behaviour highlights the greater need within sport for consistent ‘whole of sport’ policies, business rules and supporting technologies.

Managing these types of integrated connections through various platforms, although critical, can be difficult and expensive in isolation. Sports working in collaboration with their system can adopt cutting-edge technologies and therefore sharing the cost and revenue from aligning such platforms.

The most crucial question with unilateral increase in data collection channels for sport is, who owns the data and who has rights to use the data. Essentially, data belongs to the individual who on request provides permission subject to them being able to opt-out of
receiving any further communication. The sport must provide a clear explanation of what the data will be used for, this explanation is not limited to just sponsor marketing but also other uses such as:

- Internal accounting and administration;
- Regulatory reporting and compliance;
- Providing benefits to members through commercial partners; or
- Identifying other services that may be of benefit to members.

As with all aspects of the sports system, each layer has a role to play in the Digital and Technology space with changes impacting each layer differently. For example:

**Participant**

The participant, more today than ever expects a seamless, easy and efficient ways of registering, paying, staying informed and managing their own data as this is provided to them in almost every other way in their lives.

**Club**

Community level sport is challenged by an ever increasing and confusing stable of platforms across social media, commerce, member management and competition management. In the club itself, volunteers, officials and administrators rely on digital capability in their own lives and increasingly they expect this access to be available at the club.

**SSO**

The state level is generally responsible for data management, integrity and distribution of information directly to the club level. It is at this level that targeted communications exists and the management of digital and technology resources to deliver sport across their jurisdictions is deployed. SSOs face all of the issues digitally the club faces but at one step removed from the participant adding to the need for digital solutions.

**NSO**

The NSO has the traditional role of interacting with athletes and stakeholders within the High Performance pathway where data management is imperative to success. But increasingly with the evolving ways in which Australians connect and the need for clear and effective campaigns to promote the sport, NSOs critically need to lead their entire system to leverage efficiency and costs in both digital and technology resourcing. NSOs face all of the issues digitally the SSOs and Clubs face but again further removed from the participant adding to the need for digital solutions.

What does success look like for a sport?

**Digital**

A ‘whole of sport’ digital strategy enabling seamless connection of customers, fans, participants and stakeholders to the entire sport in order to create a single view of a sports customer. This is achieved through understanding how and why these connections need to happen and the technology needed to enable these connections.
Technology

- Integrated connected customer relationship management platform for all sport participants, including active and passive participants, competing and recreational members, officials and volunteers, to inform strategy development and service provision.

- Common platforms, database, and decision rights through business rules compliant with the Privacy Act.

- Consistent collection, distribution and analysis of data across the whole sport.

How do sports achieve this?

- Development of a whole-of-sport digital strategy and roadmap to achieve technology needs.

- A roadmap to achieve technology needs with identification of preferred platforms, and migration onto these platforms.

- Creation of business rules on access to the database within the sport, including agreements on who can contact database members.

What is the intended outcome of a ‘whole of sport’ Digital and Technology approach and how will this improve trust among the respective bodies?

A ‘whole of sport’ Digital Strategy with a subsequent Technology Strategy will provide the sport with the roadmap to adopt capability driving outcomes for commercial, financial management and participation growth across the entire sport.

What are the specific characteristics that would be assessed that will determine if a sport is unified in Digital and Technology?

- A Digital Strategy developed in consultation with users providing a roadmap for the whole of sport to achieve its required technology outcomes.

- Technology such as a CRM or other platforms in place which aligns with the sports Digital Strategy and is managed in accordance with the Privacy Act by all users providing a single view of the sports customer.
Commercial

Why does a sport need a ‘whole of sport’ commercial framework?

A ‘whole of sport’ commercial framework will help the sport to manage and articulate its values and assets effectively. Consistency and management strengthens the brand, creating a stronger and more appealing value proposition to consumers and commercial partners.

By vertically integrating the assets from the NSO through the SSOs and into club delivery as seen in the professional sports, helps create a clear linear commercial framework that can be taken to market, resulting in:

- Greater opportunities to attract and retain higher value sponsors
- Realise significant increase in commercial revenue through a select number of nationally aligned assets
- Money flowing through the NSO to the States and Clubs
- Reduced conflict between commercial partners: i.e., a car company is less likely to sponsor a SSO if the NSO is already sponsored by a rival car company
- The collection and collation of data for participants and audiences: a digital strategy would aggregate and clean the data from all the different bodies so that it can be monetised
- Create national products like NetSetGo
- The ability to demonstrate return on investment to sponsors.

What does success look like for a sport?

Sponsors seek to reach and engage target audiences with meaningful content, and to create positive brand alliances at the exclusion of competitors. Therefore, success for sports in this space includes:

- Branding consistency across the entire sport.
- A ‘whole of sport’ commercial framework in place and agreed to by the NSO and all state associations which provides:
  - Vertically integrated asset model that maximises the commercial value of assets owned by the sport (rights holder)
  - Shared financial outcomes, with an underlying principle that states can be no worse off.
  - Brand integrity and continuity in the marketplace for the sport and agreed sub-brands for products.
  - Transparency in the rights and obligations to the sport, including costs and benefits of all commercial arrangements.
How do sports achieve this?

- All major stakeholders contribute and commit to a nationally aligned commercial framework, noting that categories will be available for exploitation nationally and certain protected categories will be exploited at state/club levels.
- The NSO to lead an audit of commercial assets across the sport.
- The NSO to lead an audit of existing commercial agreements across the sport.
- Development of an overarching commercial framework identifying whole-of-sport properties with exclusivity, and other properties states can sell in line with the framework.
- The sport to develop a revenue sharing model across the NSO and states.

What are the specific characteristics that would be assessed that will determine if a sport is unified with its commercial framework?

- Vertical integration of assets from the NSO through to the states and into club delivery.
- An NSO-led commercial approach which includes access to all state bodies and their programs.
- Not all sponsorship agreements will be offered nationally, only those most likely to be of maximum value if offered exclusively in a category nationally.
- Smaller categories can potentially be maximised by local deals.
- A signed MOU between the states and the NSO agreeing to the ‘whole of sport’ commercial framework.

Financial Management

Why is a ‘whole of sport’ financial management system important for each level of the sport?

- Provides an understanding of the whole-of-sport financial situation, including the relative strengths and weaknesses of individual stakeholders.
- Aids decision-making when seeking to identify and allocate resources to ‘whole of sport’ strategic initiatives.
- Allows for potential efficiencies to be achieved through streamlining of processes as well as the adoption of standard policies and systems.
What does success look like for a sport?

• Alignment of financial years, forecasting and budget performance reporting.

• Integrated financial systems to streamline the operation of a sport’s financial management.

• A standard chart of accounts that makes it easier and more efficient to present and compare accounting information across a sport.

• Adoption of common best practice financial management policies and procedures that result in consistent treatment of accounting data and information at all levels of the sport.

• A single set of consolidated financial statements that details the financial performance and position of the NSO and all SSOs.

• Collective understanding of the benefit of a ‘whole of sport’ financial management system with an underlying principle that states can be no worse off.

How do sports achieve this?

• Conduct an assessment of current financial management arrangements within the sport’s NSO and SSOs to identify gaps and barriers to a ‘whole of sport’ financial management system.

• Design new, aligned financial management arrangements. As examples this will include agreeing a standard chart of accounts, IT system requirements, common policies and procedures, and stakeholder roles and responsibilities for managing and consolidating accounting information.

• Develop a detailed implementation plan to transition to the new arrangements, which may require the creation of NSO-SSO service level agreements.

• Monitor implementation and refine as appropriate in consultation with all key stakeholders.

What is the intended outcome of a ‘whole of sport’ financial management system and how will this improve trust among the respective bodies?

• Provides a ‘whole of sport’ financial overview of the sport to support viability and sustainability assessments of the sport.

• Disclosure of each stakeholder’s financial position and performance encourages transparency and reduces risk of misconceptions.

• Potentially lower administration costs from implementing integrated arrangements.

• Adoption of best practice financial management practices and behaviours across the sport.
What are the specific characteristics that would be assessed that will determine if a sport is unified in financial management?

- Financial budgeting and performance reporting that includes information presented at both ‘whole of sport’ and stakeholder levels.
- A single set of consolidated financial statements that combines the annual financial results for the NSO and each SSO to produce a ‘whole of sport’ financial report.
- Adoption of standard financial management policies and procedures across the sport.
- Evidence of regular NSO/SSO meetings to discuss financial matters.
- Agreed process to create aligned financial year ends for all stakeholder levels.