

Business Development

LARGE FACILITY BUSINESS PLAN

The following is an operations proposal for a large 30+ court tennis facility. This proposal will be in three parts. Part I will include assumptions for operations and the relationships between a university, tennis management team and the city. Part II will include operation and staffing plans. Part III will include options on management structure between the university, city and tennis management team.

Part I: Assumptions

- The facility will include 24 outdoor hard courts and 12 indoor courts.
- The city will be responsible for all utilities, major capital and maintenance of the facility.
- Janitorial and court maintenance (windscreens, nets etc.) will be managed by the management team.
- The university will provide \$25,000 to support facility operations in return for priority access for the varsity program in the afternoons for six to nine courts with some limited access in the mornings for three courts, and for select evening/day matches on the weekends.
- There is an interest for a group to provide facility management or tennis programs.
- The pro shop will be managed by a different vendor.
- Facility goals include:
 - Providing the men's and women's varsity tennis programs with practice courts and match courts.
 - Provide tennis programs for all ages and all levels of play.
 - Community programs for introductory players
 - Special needs
 - NJTL
 - Host tournaments and events.
 - Host local tournaments to meet the needs of the tennis community
 - Host high-profile economic impact events

Part II: Operations and Staffing Plan

Facility operations and staffing will be integral to achieving the goals outlined in the above assumptions. A facility of this size could eventually have gross revenues of \$2.5 to \$3 million a year with an operations budget of over \$2 million. Below are some operational recommendations that will need to be considered:

- Administrative, maintenance operations and tennis staffing
 - To maximize the facility's use and community impact, the facility should be open and staffed for 14-18 hours a day and 98-126 hours a week. A minimum of two front desk staff is recommended during operating hours. (Avg. - \$12 hr/\$122,304-\$157,248)
 - Operations Manager: Oversee daily operations and coordinate activities, supervise desk, accounting and marketing staff. This position would be responsible for ensuring financial transactions are handled appropriately, courts are scheduled and blocked off for instructional programs, tournaments, social and league play and the varsity tennis programs. (The recommended salary range for this type of position is \$50,000-\$75,000)

- Additional support for administrative operations would include accounting and marketing support. (\$30,000–\$50,000 per position)
- **Facilities Supervisor:** Oversee and coordinate facility maintenance. This position will oversee and coordinate capital maintenance with the city, ensure daily facility needs are met from replacing lights and nets to maintaining equipment and minor repairs. (\$50,000-\$80,000)
- Additional part-time maintenance staff will be needed for support due to the number of hours the facility is open.
- **Tennis Director:** This position will oversee tennis programs, tournaments, coordinate court use with the operations manager, develop budgets, coordinate capital maintenance, develop and implement vendor contracts, supervise the operations manager and facilities supervisor and hire teaching professionals. (\$120,000–\$170,000)
- **Head Professional:** Oversee tennis services and tournaments. This position will work with the tennis director to implement tennis programs, tournament and event management, oversee other teaching professionals and provide on-court tennis instruction. (\$75,000–\$125,000)
- **Senior Tennis Professionals (1 or 2):** Provide tennis instruction and event support. These positions will work with the tennis director and head professional to manage tennis programs, develop lesson plans and participant pathways, provide tournament and event management and support, and on-court tennis instruction. (\$70,000–\$100,000)
- **Staff Professional (4-8 professionals):** Provide tennis instruction and event support. These positions will work with the head professional and senior tennis professionals to provide instruction on tennis programs, implement lesson plans and move students through a participation pathway, provide tournament and event support and on-court tennis instruction. (\$40,000–\$75,000)

The above staffing plan is for a facility of this size at program and operational maturity. A staffing growth plan is our recommendation and is further detailed in the operation budget examples below.

- Pro Shop Operations and Management: The proposed arrangement for pro shop operations is for an outside contractor to provide these services. The success and services of a small specialty shop brings value beyond a financial impact. It serves as a convenience for the facility’s regular customers. Therefore, it is important that the shop is successful. It is recommended that agreement with the shop operations and management group include the following:
 - Pro shop point of sales conducted by front desk staff.
 - Pro shop inventory management and product turnover be managed by the outside contractor
 - Agreement should initially be a percentage of gross sales in the 30% range.

Part III: Operations Structure

To ensure the success of this facility the operations structure and the roles of each of the partners must be clearly defined. Each partner’s commitment to the facility will enhance the experience of the users. There are three models for operations that should be considered.

Model – Contractor-Managed

- **Tennis Management/Contractor role:** Tennis management would provide total operational management. They would provide all of the administrative and facilities staff listed above.
- **University Role:** The university would provide a lease payment for the varsity team’s access.
- **City Role:** The city would cover utilities, major capital and court maintenance.

- **Revenue splits:** Tennis management would collect all facility revenues. A revenue split would be recommended between tennis management and the city.

This operational model puts the facility's day-to-day operations and tennis programs under a contractor. The contractor would be responsible for ensuring facility operations meet the standards of the university and city.

Resources

Spreadsheet: [Large Facility Sample Budget](#)

MEDIUM FACILITY BUSINESS PLAN

The following is an operations proposal for a university tennis facility. This proposal will be in three parts.

Part I will include assumptions for operations and the relationships between the university and the local CTA as well as NJTL. Part II will include an operation and staffing plan. Part III will include a management structure.

Part I: Assumptions

- The facility will include 20 outdoor hard courts when fully restored. (Financials built upon 10 current courts.)
- The university will be responsible for all utilities, major capital and maintenance of the facility.
- Janitorial and court maintenance will be the responsibility of the university.
- The university will have priority access for the varsity program in the afternoons for 6-9 courts with some limited access in the mornings for three courts, and for select evening/day matches on the weekends.
- The pro shop could be managed by a different vendor.
- Facility goals include:
 - Providing the men's and women's varsity tennis programs with practice courts and match courts
 - Provide tennis programs for all ages and all levels of play
 - Community programs for introductory players
 - Special needs
 - NJTL
 - Host tournaments and events
 - Host local tournaments to meet the needs of the tennis community
 - Host high-profile economic impact events

Part II: Operations and Staffing Plan

Facility operations and staffing will be integral to achieving the goals outlined in the assumptions. A facility of this size could eventually have gross revenues of \$500,000 a year with an operations budget of over \$350,000. Below are some operational recommendations that will need to be considered:

- Administrative, maintenance operations and tennis staffing to maximize the facility's use and community impact, the facility should be open and staffed for 14-18 hours a day and 98-126 hours a week. A minimum of two front desk staff is recommended during operating hours.
- **Operations Manager:** Oversee daily operations and coordinate activities, supervise desk, accounting and marketing staff. This position would be responsible for ensuring financial transactions are handled appropriately, courts are scheduled and blocked off for instructional programs, tournaments, social and league play and the varsity tennis programs.

- **Administrative Operations:** Additional support for administrative operations would include accounting and marketing support.
- **Maintenance:** Additional part-time maintenance staff will be needed for support due to the number of hours the facility is open.
- **Tennis Director:** This position will oversee tennis programs, tournaments, coordinate court use with the operations manager, develop budgets, coordinate capital maintenance, develop and implement vendor contracts, supervise the operations manager and facilities supervisor and hire teaching professionals.
- **Head Professional:** Oversee tennis services and tournaments. This position will work with the tennis director to implement tennis programs, tournament and event management, oversee other teaching professionals and provide on-court tennis instruction.
- **Senior Tennis Professionals (1 or 2):** Provide tennis instruction and event support. These positions will work with the tennis director and head professional to manage tennis programs, develop lesson plans and participant pathways, provide tournament and event management and support and on-court tennis instruction.
- **Staff Professional (4-8 professionals):** Provide tennis instruction and event support. These positions will work with the head professional and senior tennis professionals to provide instruction on tennis programs, implement lesson plans and move students through a participation pathway, provide tournament and event support and oncourt tennis instruction.
- The above staffing plan is for a facility of this size at program and operational maturity. A staffing growth plan is our recommendation and is further detailed in the operations budget [here](#).
- **Pro Shop Operations and Management:** The proposed arrangement for the pro shop operations is for an outside contractor to provide these services. The success and services of a small specialty shop bring value beyond a financial impact. It serves as a convenience for the facility's regular customers. Therefore, it is important that the shop is successful. It is recommended that agreement with the shop operations and management group include the following:
 - Pro shop point of sales conducted by front desk staff.
 - Pro shop inventory management and product turnover managed by the outside contractor.
 - Agreement should initially be a percentage of gross sales in the 15% range.

Part III: Operations Structure

To ensure the success of this facility, the operations structure and the roles of each of the partners must be clearly defined. Each partner's commitment to the facility will enhance the experience of the users. There are three models for operations that should be considered.

Model 1 – Managed

University role: The management company would provide day-to-day oversight of the facility. It would provide the following administrative and facilities staff: director of tennis, front desk staff, tennis staff and support staff. University staff would manage select college events. The management company would collect all rentals and user fees to offset their operations costs.

University staff will need to be involved in game day operations, athletic trainers, locker rooms, etc. It ensures the presentation of the facility meets the standards of the university. Additionally, the incremental cost of using university public works and facilities staff would be much lower than another organization coming in to provide that support.

A revenue split and monthly management fee could be discussed.

Opportunities

- Utilizing college interns to save on staffing costs and begin a mentoring program.
- Developing a Professional Tennis Management Program (PTM) In conjunction with the USTA.

Resources

Spreadsheet: [Medium Facility Sample Budget](#)

Revenue Sources

User Fees/Memberships

- It is important to line up your verbiage with the market you are establishing in a club or tennis facility. Municipalities use terminology like Player Pass, Daily User, Facility Fee and Resident. Oftentimes in the municipal world, the facility is paid for by tax dollars and open to the public. City officials shy away from membership as, most of the time, that infers a private business. The revenue generated in Player Pass fees should offset the fixed expenses and the staff that support the operation.
 - Player Pass monthly fee with an annual contract is common practice.
 - Facility Fee or Team Fee is a non-discounted fee paid to participate on a league team.
 - Discounting a resident or adding a surcharge to non-residents is widely supported.
 - Memberships at these facilities (private clubs) are dues driven and dues supported.

Programming

- Programming is the most important revenue stream to a facility. Developing a full and comprehensive junior and adult program will keep your players at the facility for their tennis experience.
 - Developmental junior classes
 - Tiny Tennis, Futures, Challenger, HS Comp and Play
 - Advanced Juniors
 - Academy-style program levels designed by ability and playing prowess (UTR)
 - League Play and Teams
 - Facility needs to have a role in the organization and court bookings.
 - Organize the teams by season and length of season to balance courts.
 - Private and Group Instruction
 - The most expensive product but the best program for building relationships with players as well as individual development.
 - Know your market price and range.
 - Summer Camps
 - Largest revenue stream for most facilities. Ratios are high and staff expense is low, using senior staff to lead and interns and college students to support.
 - Schools and NJTL
 - Getting involved in schools and PE classes, local CTAs and local groups
 - Discounted rates and high ratios.
 - Serves as marketing as well as bringing programming to the consumer.

Tournaments

- Tournaments serve as a competitive way for play. Tournaments can serve a purpose as economic impact for a community, a way to showcase your facility and players and run during the shoulder hours of a facility.
 - National and Regional USTA Events
 - Local play
 - Local events
 - Revenue can range from minimal to thousands of dollars per weekend
 - College play and exhibitions

Pro Shop

- Pro shops are an amenity for your players. With the major presence of online retailers, keep inventory levels in check.
 - Stringing ROI is about 30%
 - Apparel ROI is under 30%
 - Racquets and Shoes ROI is about 50%
 - The amount of risk owning a shop is high. Make sure qualified staff is involved.

Other

- It is quite possible with the size of the facility, other uses will identify themselves.
 - Large outings can be held in indoor/covered courts.
 - Staging areas for triathlons, etc. in parking lots
 - Movie nights in the green spaces
 - Pro events
 - Rentals for team building and development
 - Futsal soccer
 - Small concerts
 - Tennis socials and happy

Economic Impact Studies

Economic Impact studies can show your decision makers the impact a well programmed tennis facility can bring to your community. Here is an effective example to [reference](#).

To personalize an economic impact study for your own community, reach out to your local Chamber of Commerce and/or Tourism Bureau for assistance.

CASE STUDY: DECATUR ATHLETIC CLUB | Submitted by Chuck Kuhle

Goal

To grow the game of tennis and, consequently, the membership of the Decatur Athletic Club, and involved inviting members to bring a friend to play on the courts and use the ball machine. The club was seeking an innovative way to bring new players into the game besides just an Intro to Tennis program.

- **Project Size:** Participation was open to the entire membership of the Decatur Athletic Club.
- **Location:** Decatur, Illinois
- **Community Size:** Decatur's population is 70,000. The DAC has approximately 200 tennis members
- **Lead Advocate Organization:** Decatur Athletic Club (Chuck Kuhle, Director of Tennis)
- **Length of Project:** Six weeks (April 1 to May 15)
- **Budget:** Zero-sum (all costs were in-house).
- **Funding Source(s):** The winning pair of players received two tickets to the Western and Southern Open in Cincinnati over the summer. The member received six free ½-hour lessons. The member's friend received 50% off a new racquet and stringing as well as a one-month membership.
- **Partnership(s):** USTA/Midwest donated the Cincinnati tickets. Decatur Athletic Club donated the lessons, membership and discount on racquets.
- **Promotions:** The program was promoted at the club through flyers and social media, as well as by talking to members one on one.

Background

The idea came to the club's tennis pro as a way to grow the game; the concept was that if every tennis player in the country brought one friend to the game, it would double participation to 44 million players.

The parameters were simple: Each member of the Decatur Athletic Club was invited to bring a friend, and to hit for an hour as often as they wanted; the courts and use of the club's ball machine were offered free of charge.

The program was a success in that it resulted in 10 new players trying the game. Two have since joined the club and several are continuing to play. These players that they brought in for the most part were new players, although some were experienced but just hadn't played in a while.

Tips from the Pros

"This is a no-lose program," says Chuck Kuhle, tennis pro. "It was decided early on that even if one player tried the game, it would be a success; having 10 try it was great. Obviously, we would have liked to have 100 people try tennis, but it is a somewhat hand-holding promotion and I was pleased with the results."

Lessons Learned

"When we run this program again, we probably will do so during the winter months when our players are a captive audience, and when people are looking for ways to get recreation in a climate-controlled environment. With the April 1-May 15 time frame, our members are starting to do outside activities because the weather is getting nicer."



CASE STUDY: MAY IS NATIONAL TENNIS MONTH IN WYOMING | Submitted by Peg Connor

Introduction

Wyoming's outdoor tennis season begins in mid-May, making the National Tennis Month (NTM) promotion the perfect time to kickstart summer tennis by bringing attention to tennis through public relations efforts and engaging community tennis associations across the state to offer free or low-cost events to attract all the players who have flocked to tennis over the past two years.

These free or low-cost events/activities served as loss leaders for the upcoming summer programs, as program information and sign-ups were offered during the NTM activations.

Additionally, a Level One Coach Workshop was offered in mid-May as part of NTM, again, to increase the numbers of trained tennis providers just in time for the summer season. Finally, the Wyoming Tennis Association requested that Wyoming Governor Mark Gordon take up its request for a May is National Tennis Month proclamation in an effort to bring awareness to NTM on a state-wide basis.

Goal

This program had a two-fold goal:

- Increase awareness of tennis in communities across the state through public relations efforts and offer 13 recreational events/activations targeted toward entry-level adults and youth in five key communities across the state.
 - Host a Level One Coach Workshop to increase the number of in-state coaches who are able to deliver tennis to beginning adults and youth.
- **Project Size:** The program was applicable to tennis in the state of Wyoming
 - **Location:** Wyoming
 - **Community Size:** 500,000 people
 - **Lead Advocate Organization:** Wyoming Tennis Association
 - **Length of Project:** Preparatory work took place in April and activations took place in May.
 - **Budget:** \$2,000
 - **Funding Source(s):** USTA Wyoming and local CTA, as well as community support
 - **Partnership(s):** Cheyenne Tennis Association, Casper Tennis Association, Sheridan Tennis Association, Teton County Tennis Association.

History

There were several communities across the state that formerly had very active community tennis associations; however, those had declined over the past several years. As well, there were communities that have never had a community tennis association.

The National Tennis Month activation allowed for outreach to all the communities with the offer of a small grant to help get their projects off the ground. Communities with active CTAs jumped right on it. There were mixed results in communities with lapsed CTAs; some engaged but all were interested in the NTM activation. The NTM promotion was an excellent incentive and provided a timeline to reach out to all with a compelling promotion.



Peg Connor of USTA Wyoming says, “The results are still coming in, as we are collecting information from some of the communities and activations. The weather this May was challenging, with snow on several days, so some events were pushed back.

“Regardless, we had great success, with the Governor inviting us to the State Capitol for the May is National Tennis Month proclamation signing ceremony. Thirty people from the Wyoming tennis community attended the signing and had the opportunity to make public comments in support of tennis and pose for pictures with the Governor and his staff. USTA apparel and gift bags were given to the Governor and, as we departed, the Governor commented that he might have to take up tennis again!”

Other successes followed. “The Casper Tennis Association was invited by the Casper City Council to a proclamation signing, as well. In other communities, the CTAs offered Tennis Festivals and Spring Into Tennis events for parents & children. Several communities asked their local libraries to begin stocking tennis equipment, with packages to include two Net Gen racquets and a felt ball in a sling bag so that parents and children could check out the equipment the same way they would check out books and CDs. On the sling bag was a luggage tag with a QR code that could be scanned to take the user to the Net Gen “Tennis At Home” activities, as well as a lead generation survey.

“High school coaches from Sheridan and Torrington offered drop-in tennis events for parents and kids, and the Cheyenne Tennis Association offered a weekend drop-in, social triples event.

“All in all, the events reached over 300 people directly with countless others hearing about the proclamation signings through the media. And NTM is the gift that kept on giving, as all the communities gained momentum from the events in May as they headed into the summer.”

Project Funding

The Wyoming Tennis Association provided most of the funding for these activations. However, after such a great event, the opportunity to explore sponsorships and more partnerships is in the cards for next year.

Other Support/Donations: Every CTA or organization that offered a NTM activation had volunteers deliver the activities; those volunteers also worked to get donations of goods, such as popsicles, sodas, lunch, etc., from local businesses.

Tips from the Pros

Get started promoting in mid-March and early April. Reach out to public officials event earlier, starting in January or February to increase the odds that you’ll get a spot on their busy calendar.

“Engage and incentivize your CTAs to participate. Focus on events that are free or low-cost that are drop-in and social in nature. These events are so important for communities that are planning to refurbish or construct a tennis facility; showing support for tennis is crucial to getting decision makers to say yes and then open their wallets. Have a plan in place to capture leads. And make sure the events are fun so people walk away wanting more tennis!”

Lesson

The National Tennis Month promotion is an outstanding tent pole around which an array of events, activations and attention can be built and brought to tennis. Also, it serves as a rallying cry for CTAs and avid tennis players and supporters.

There is strength in numbers, and having an enthusiastic crowd show up sends the message to our public officials that there are a lot of tennis players and they are fired up! Also, engaging schools as well as parks & rec departments with CTAs is key and we will focus more on that area, getting the NTM events and, consequently, the summer tennis programs, on their schedules and into their programming books. The Wyoming Tennis Association is looking forward to next year’s activation already!