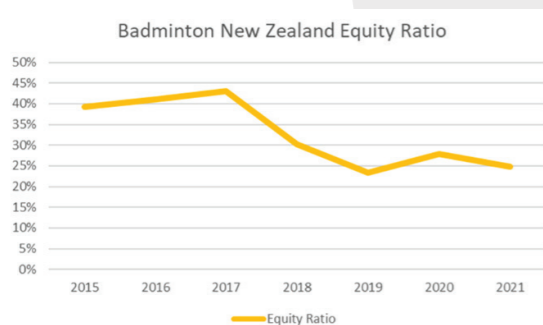


INITIATIVE 2 – ENABLING STRATEGIC CHOICE THROUGH IMPROVING OUR FINANCIAL FOUNDATIONS

PROBLEM STATEMENT >>

The significant majority (85%) of Badminton New Zealand’s revenue streams are tagged to deliverables. These deliverables are multiple, varied, often not fully funded, and not necessarily advancing badminton’s strategic priorities. This means there is little ability for Badminton to generate profit in order to a) build financial reserves and/or b) invest excess funds to enable further advancement of key strategic initiatives. Over time this ever increasing “money in/money out” method of delivery has steadily eroded Badminton New Zealand’s financial reserves (expressed best via the Equity Ratio measure), making us increasingly vulnerable to economic shocks.



RESOURCE REQUIREMENTS >>

Badminton New Zealand will look to access the Business Capability Fund to enable \$25,000 to be invested into the development of a Revenue Plan. From there we plan to invest \$90,000 of Strengthen & Adapt fund to begin implementation of the Revenue Plan.

OPPORTUNITY >>

Develop a Revenue Plan that helps identify additional sources of revenue and profit for badminton. This initiative ties in particularly well with our first initiative, as having a great member management system will provide greater levels of opportunity to connect with badminton participants, which in turn will increase the likelihood of creating revenue opportunities from this member base.



SUSTAINABILITY >>

This initiative is extremely sustainable, given a key success criteria is to make any revenue/profit initiatives fully self-sustainable. Badminton New Zealand plans to continue the investment in resource for revenue development beyond the three-year horizon of Strengthen and Adapt. This will be very easy to do if the project is successful, and the future resource generates more income than the cost to deliver it.

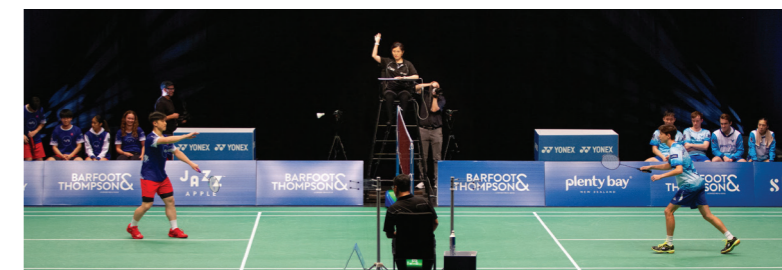
DELIVERY >>

Examples of the kind of opportunities that may then be implemented from the Revenue Plan include:

1. Develop and implement a plan to “Value the Sport” of badminton. With current inflationary pressures it is more important than ever to increase prices across badminton activities and experiences.
2. Partner with an established clothing supplier to sell Badminton New Zealand branded sportswear over and above what we do already.
3. Connect with Asian community to determine what revenue opportunities are available. Delivery of member management system will likely assist with this.
4. Sell our streaming service capability to other sports.
5. Build funds in Badminton Charitable Trust.
6. Seek sponsors for national team and major international badminton events in New Zealand from 2023 – 2026.

TRANSFORMATION >>

- The seed investment from Sport New Zealand will enable Badminton New Zealand to start to develop its own “non-tagged” and sustainable revenue streams which will last beyond the three year Strengthen & Adapt period.
- The income generated can be used to strengthen our financial base and prevent further erosion of our equity position, enabling greater financial resilience.
- As we increase financial resilience, additional revenue can then be applied to strategic initiatives to accelerate progress.



HOW WE WILL KNOW THAT WE ARE SUCCESSFUL

Badminton New Zealand to discuss with Sport New Zealand and Synergia to define what success looks like for the project. Potential measures may include;

Strategic Measures

- i) At the end of 2025, Badminton New Zealand Equity Ratio reaches 40%.
- ii) From 2026 onwards Badminton New Zealand Equity Ratio is maintained between 40% and 50%

Operational Measures

- i) Year 1 (2023) Revenue Plan and resource requirements identified. Investment funding confirmed to enable implementation in Year 2.
- ii) Year 2 (2024) Profit returned to Badminton New Zealand is greater than 50% of resource invested.
- iii) Year 3 (2025) Profit returned to Badminton New Zealand is greater than 100% of resource invested.