





# SCORING GOALS

Look behind the gloss of a sporting superstar and you'll find passion, commitment and hard work – the exact same attributes entailed in running a business or franchise.

**M**elbourne Storm's NRL superstar Billy Slater, the Maroon who helped take his home-state team Queensland to yet another State of Origin win, is a devoted family man with a passion for engaging children in sport. This led to him launching his sports programs for youngsters, Billy's Buddies, in January last year.

It's a business from which he derives plenty of satisfaction: "seeing children develop their physical and social skills but above all have fun."

It all came about because he thought there was a gap in the market to attract more children to rugby league, specifically the two to six years bracket.

Slater believes there are parallels between running a business and sport.

"It is like footy in many respects: discipline, hard work and relationships are the cornerstones of achieving long-term success," he tells *Inside Franchise Business*.

But it takes more than passion and determination to bring a business project to fruition, he says. It helps to have some management experience backing up the entrepreneurial drive and commitment.

"I've been in it since the beginning," says former PricewaterHouse Coopers management consultant CEO Tom Longworth of his involvement in Billy's Buddies. "I am one of the owners and have an equity interest."

Spreading its wings from central Brisbane out, the business now holds more than 150 classes each week across southeast Queensland.

"It's a reasonably big operation," says Longworth. "We have two full-time staff members and 25 part-time and casual employees across coaching and admin roles."

And the business is planning to bring on

another staff member soon, reflecting the fledgling brand's swift growth and move to a franchise model.

"We have one franchisee under contract for the Sunshine Coast," Longworth says, with four other areas close to being signed. These are all new territories, or greenfield sites.

So why franchise?

Says Slater, "I know the importance of local networks and connections in building any business. Franchising enables us to get the right people, with the right networks, and the right motivation to grow our programs."

---

## LINKS WITH CLUBS

---

While the programs have come out of rugby league, there is as yet no direct affiliation with the sport, though Longworth says Billy's Buddies has strong relationships with local clubs. "Registration is beneficial to a club. We introduce the kids to rugby league at three, four or five years old, and they graduate to play in a club."

Coaching is structured to suit different age groups in park-based classes. But it is not just "running around", says Longworth. Two-year-olds have one program, those three and four work together in another skillset, and the five- and six-year-olds progress to more advanced sporting skills. Typically, three-year-olds are the core of the business.

One way the business works is through childcare centres, where parents can sign up their youngsters to a sporting program. The childcare sessions incorporate all ages, with coaches modifying the activities to suit individuals. Longworth says a two-year-old's attention span is the biggest challenge.

Coaches need to have first-aid qualifications and approval to work with children (in Queensland, the Blue Card).







"We've built up a reputation already," says Longworth. "Initially we had to prove ourselves. Goodstart is a major stakeholder."

### BRINGING IN BUSINESS

A website and strong social-media presence boost the brand, and a combination of head-office and individual initiatives bring in new business. While child-care-centre groups can make overarching decisions to take on the program, it can be up to each particular centre manager to implement it, so networking skills and relationship-building form an essential part of the franchisee's role.

"We're not looking for rugby-league tragics," says Longworth. "Of course we want people with a passion, but we are choosing those who have business skills and will network in the community. Franchisees have to sell themselves to the centre."

An obvious advantage of the Billy Slater name is the capacity for his management team SFX Group to propel the brand into the spotlight and attract media attention and brand awareness. This has already included two reports on Channel 9 News over the past 12 months and publicity in the *Courier Mail*.

"I have been lucky enough to have played rugby league at the highest level which has naturally provided me with a national profile. Billy's Buddies can leverage this profile - and the fact I am writing the program - to drive business growth," Slater says.

"I don't see it as a risk - not when you have the right people on the team. I am not alone in this endeavour and have leveraged significant expertise, and business experience to ensure the business is an ongoing success."

"I still like to have significant input, particularly in the coaching modules which we are constantly tweaking and improving," he adds.

### AUTOMATED ADMIN

Success brings its own challenges, says Longworth. "When it's going well, there are a lot of kids in the system, and there's a fair bit of admin. Parents need to know what's going on." And he believes Billy's Buddies systems are excellent at capturing registrations and taking payments.

"We automate a lot of admin and reporting for the franchisees to see how they're tracking."

He believes parents particularly like the

no-contract set-up of the Billy's Buddies program. "Three-year-olds can easily change their minds quickly. It's hard to guarantee a kid for a term, so one of our fundamental pillars is that there is no barrier to entry. We offer free trials, and no upfront fee. There's a fair bit of flexibility."

Weekly fees are \$11.90 for a 40-minute session.

When it comes to territories, Billy's Buddies is looking for a minimum population of 80,000. An average area size has a population of 125,000, while the biggest territory would have a 175,000 catchment.

### SAME FEES

The business approach is to charge the same fees for a territory, irrespective of population, but to adjust the key performance indicators (KPIs) accordingly. So, says Longworth, the Mackay territory is priced the same as Townsville, despite the different population sizes.

Franchise KPIs are based around the number of children taking classes each week. It might start with 40 children in a week and build up to 160 in 12 months for one territory, but with smaller targets for regions with different demographics.

Franchisees sign up for a five-year





## WHAT'S IN THE PACKAGE?

Franchisees invest in a proven model and turn-key business, which means they can get started right after training.

Franchisees have three days of upfront training, plus ongoing support. Training focuses on program management and administration; coaching (both practical and theoretical); marketing; and using Billy's Buddies Sports Management software.

Billy's Buddies has access to cheaper pricing for supplies (apparel, gear, materials) as a result bulk buying, with the savings passed on to franchisees.

term with the possibility of renewal, linked to KPIs.

The number of coaches needed to run the sessions will depend on the number of sessions, and the franchisee – investors with a hands-off approach are likely to employ between three and five coaches. Owner/operators will be able to manage their business with fewer coaches, perhaps just one.

For instance, in Carina in Queensland, the Billy's Buddies turnout is 45 youngsters on a Saturday morning across two and a half hours.

The model is set up for smaller classes, however. Longworth says the business still makes money with just four youngsters in a childcare-centre session.

## EXPANSION PLANS

So where next for the brand? As it fans out across southeast Queensland and down to the New South Wales central coast, the plan is to head for Canberra, then other states.

"Melbourne will be the next cab off the rank after that," says Longworth. "If we had really good interest from Adelaide and Perth, we'd consider it."

For now, the business is concentrating on growing its presence in New South Wales and may even open a Sydney office this year. In time, a Sydney base could well become the head-office hub, Longworth suggests. "We definitely want to position ourselves as the top sporting program."

There are many competitors in other sports sections with franchise brands that appeal to the parents of active youngsters. While rugby league has been the foundation for kickstarting Billy's Buddies, it offers a more diverse range of skills as the primary aim is to encourage children to be active and engaged in sport.

The five-year goal is to have 20,000 children participating in sessions each week," Slater points out.

"The cost structure is very variable. There's little in terms of costs, the main ones being coaches and labour," says Longworth. "It's the systems and the processes that give franchisees the ability to make a profit." ■



## WHO'S ON THE TEAM?



### BILLY SLATER

Award-winning professional rugby-league footballer who has represented Australia internationally, won three grand slams, and was the 2008 World Cup's top try-scorer. Queensland-born Slater has played for Melbourne Storm since 2003.

### TOM LONGWORTH

Heading up this sports business on a day-to-day basis, Longworth has a background in franchising his own brand, TRL (Touch Rugby League), and a corporate perspective from his years as a management consultant with PricewaterhouseCoopers.

### GEORGE MIMIS

Founder and managing director of the sports management and marketing business SFX Group, which has Billy Slater on its books. Mimis is a University of Sydney alumni with an economics and econometrics degree. SFX's sporting legends have included David Beckham, Greg Norman, Pat Rafter and Tim Cahill.