

Draft

Strategic Analyses and Plan



Theewater Sports Club
Work in Progress

INDEX

Chapter	Title of Chapter	Page
1	Background	3
2	Purpose of the Strategy	3-4
3	SWOT Outcome	4-8
i.	Corporate Governance as a Strength	5
ii.	Financial Sustainability as a Weakness	5
iii.	Rising Crime as a Threat	7
iv.	Infrastructure and Bulk Service Capacity	8
v.	Stakeholder Relations	8
vi.	Inconsistent Enforcement	8
4	Strategic Focus Areas and Action	8
5	Strategic Notes	9
i.	Mission and Purpose of the Club	9
ii.	Deliverables	9
iii.	Rules to the Game/Club Values	9
iv.	Functions to be performed the Club	10
v.	Risks and Obstacles that might undermine the achievement of the Strategic Goals	10
vi.	Institutional Required for the execution of the Strategic Plan	10

1 BACKGROUND

Prior to 2010 there was no definitive strategic planning undertaken by the club. In 2010 Albert Geiger drafted a strategic plan which was later updated in 2015. However, neither of these strategic plans were taken seriously, let alone followed by the Board and management.

The external environment within which the Club has to function and improve its sustainability, has changed continuously and this is now having an impact on the ability, capacity and performance of the Club. We are for example thinking of a changing political landscape, changing stakeholder composition and relationships, a changed economic and tourism environment, weather conditions, increase in crime, financial demands on the Club etc.

Without a clear strategic direction, the management and leadership of the Club will be unable to prepare and enable itself in advance, and in response, to such current and future changes and resultant demands.

The Board has accordingly decided to adopt a more strategic and performance driven approach in order to secure the future sustainability of the club and to improve its leadership, management and operational ability to serve the best interests of its members and the broader community within which it operates.

A designated committee was accordingly established i.e., the Futures Committee, to on an ongoing basis facilitate and oversee a strategic approach towards securing the future sustainability, viability, performance, risk resilience, and change readiness and adaptability of the Club.

2 PURPOSE OF THE STRATEGIC PLAN

The strategic plan is based on a so-called SWOT analysis i.e., an analysis of the external environment and the threats and opportunities which such an environment might hold, as well as an analysis of the internal environment of the Club i.e., the Clubs strengths and weaknesses and accordingly its ability to successfully respond to future changes in the external environment.

The SWOT process is a participative process and the input of as many as possible stakeholders were invited to participate in such a process.

The SWOT assisted in developing a clear understanding of what the strategic focus areas are.

The main purpose of the Strategic Planning Process and Plan is to develop a clear understanding of WHAT should be done in order to successfully respond to a changing environment. The HOW, WHEN AND WHOM component of planning will follow at a later stage and as part of an Operational/ Implementation/Development Plan.

The purpose of a Strategic Plan is inter alia to identify the changes that the Club needs to make, the risks it needs to mitigate and the opportunities it needs to capitalise on.

Fundamentally the Strategic Plan provides the Road Map which Management and Leadership need to follow in order to secure the sustainability and performance of the Club.

3. SWOT ANALYSES

SWOT Analyses questionnaires were sent to all members of the Board, Committees and even ordinary members. Unfortunately, only 38 responses were received. Although the Committee was hoping for a better response, such a response was considered as sufficient for purposes of this exercise.

Approximately 800 comments were received in terms of Strengths, Weaknesses, Opportunities and Threats. All of this had to be analysed, interpreted, classified and prioritised.

The table below is the outcome of such a process.

At a workshop of the Futures Committee on 11 February 2023; the key strengths, weaknesses, threats and opportunities were identified. Those in GREEN were prioritised as the most critical in terms of the future sustainability and performance of the Club.

Those in Blue are considered as issues to be addressed once the basics are in place and those in Yellow were not considered of any significant importance at this point in time

Strengths of the club in other words internal factors that strengthens the capacity of the club in its response to external threats and opportunities	Value Rating
Sound Corporate Governance within the club including leadership and the management of club affairs.	6.16/8
Its natural resources, peaceful setting, scenic beauty, and central location	5,5/8
The standard of water safety at the Club	4,83/8
The TWK Dam considered as a premier water-based sport facility	3,6/8
Having an established club house, restaurant and events facility	3,3/8
The quality and nature of existing members	2.3/8

Weaknesses of the club, in other words internal factors which may have a negative impact on the capacity of the club to successfully respond to external threats and opportunities	Value Rating
The future financial sustainability of the club	7.3/8
The limited activities offered by the Club and more specifically to children and the youth, is considered as a weakness.	5,3/8
Inconsistent enforcement of bylaws and club regulations	5,3/8
Insufficient and ageing infrastructure, equipment, fleet, machinery, buildings and facilities.	5,16/8
Outdated policies, regulations and bylaws	3,3/8

External environmental factors which are considered as opportunities which the Club should be responding to.	Value Rating
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Possible productive and profitable partnerships and joint ventures that should be explored	5/8
There are untapped markets that should be explored	4,66/8
During difficult economic times the Club offers an affordable breakaway and holiday option	3,5/8
A recovering and growing economy and tourism sector	2,5

External Environmental factors which are considered as a threat to the future sustainability and performance of the Club	Value Rating
Rising crime may pose an increased threat to the security at the Club	6,5/8
The risk of losing the DWS lease of some of the land the Club is located on	5,16/8
Poor Stakeholder relations	4,83/8
Inability to comply or to non-comply with contracts, regulations, contracts and or changing legislation	4,33
Weather conditions and natural disasters like droughts, flooding, fires etc	2,8/8
The current state of the economy and tourism in general	2,66/8

i. SOUND CORPORATE GOVERNANCE

This is about the governance of the Club in terms of setting and maintaining appropriate strategic and operational direction, establishing order and discipline, structures, policies, systems and procedures, compliance, controls, risk management, performance management etc.

It is also about the competency and capacity of Club management and leadership. With the exception of establishing a more strategic driven management and leadership style, aligning policies and bylaws with such a strategic direction and improved enforcement of bylaws, the state of corporate governance within the Club was considered sound and healthy. It is also setting a sound platform form which strategic and improved operational interventions can be launched.

ii. FINANCIAL SUSTAINABILITY

The financial sustainability of the Club will in the main be determined by Rising Costs, New or Changed Financial Challenges and/or the Financial Impact of Strategic Interventions and finally its Revenue Base and a solid and sound Revenue Stream.

A. Rising Costs

- a. Fuel increases i.e., diesel and petrol. As the Rand weakens and the war in the Ukraine intensifies and drags on the cost of fuel will continue to rise.
- b. Electricity and Gas Increases in other words the cost of energy. In the instance of Gas the reasons are the same as in the case of Fuel and in the instance of Electricity the problem relates to the ESKOM fiasco and a very good chance that the price of electricity will continue to increase in the years to come.
- c. Labour Cost Increases. Wage and salary increases are likely to remain within inflationary limits. Minimum and industry related

wages are also already being paid and accordingly extraordinary wage increases are not expected.

There is however a view that the current labour component of the Club is insufficient and unable to cope with current workload and the envisaged service level improvements that are considered necessary.

Another factor is that, should the Club grow and expand, then the current staff structure will also have to be reviewed. A cost increase is then considered inevitable.

d. Repairs and Maintenance Cost

Pressure Release challenges and lacking equipment and technology are causing an extraordinary amount of water pipe bursts. Ageing infrastructure is also likely to require more and more repair. Repair Costs is accordingly likely to rise. A further result of rising repair costs is that less funding is left for scheduled maintenance. Neglected maintenance results in shorter life spans of infrastructure, equipment, pumps, machines, facilities and accordingly in increased repair and running costs and replacement funding requirements.

The tractor has also surpassed its replacement date. At some future stage the tractor will have to be replaced.

a. A consistent Purified Water Price Increase.

b. Municipal Services and more specifically the cost of emptying the Septic/Sewerage Tanks. Like ESKOM, Municipalities will to an increasing extent be faced with failing and collapsing infrastructure. Expensive upgrades, replacements and expansions will then be required and the resultant costs will be transferred on to the consumer. Such services are also expected to become less reliable and this again might, like in the case of ESKOM, force businesses to become less reliant on the essential services currently offered by the Municipality.

B. Future Demands and Strategic and/or Operational Interventions with a significant financial implication

a. Ageing infrastructure and bulk services capacity.

- The rising repair costs referred to above is a clear indication that ageing infrastructure and or technology will during the next few years have to be replaced or upgraded. This would include the replacement of fleet and equipment like the tractor, tyres, edge cutters etc.
- Consideration should also be given to automation, innovative technological solutions and equipment and infrastructure and which can potentially reduce the expensive labour-intensive operations of the Club.

b. Investments into establishing, upgrading, and or expanding visitor facilities as part of a revenue generation and growth and development initiative.

- c. Investments into the upgrading and expansion of members facilities like recreational facilities for the children and youth, the ablution facilities etc.

C. Revenue Generation

- a. Any further increases in membership, subscription and or other fees could make the club unaffordable and result in members terminating their membership.
- b. Membership numbers have reached an optimum financially viable level. A cap should in other words be placed on membership numbers and should not be considered as a source of additional revenue.
- c. Non-member visitors, making use of the non-member camping area, has in the past generated as much as 30 percent of Club Revenue. This source of revenue has since become insignificant. The camping area needs to be brought up to standard in order to once again attract the paying non-member visitor. This would include self-catering facilities. A funding model will be required and ultimately this development will have to pay for itself and generate additional revenue to secure the financial sustainability of the Club.
- d. Events remains an important source of revenue and this option needs to be further explored. Attempts to attract serious revenue generating events will however require and upgrading and provision of appropriate accommodation for the participants.
- e. Cost efficiency of the Restaurant. The restaurant is providing a service to members. It is however currently running at a loss. Although the loss is still within reasonable limits, the goal should be for it to at least break even and better still, to generate a profit for the Club.
- f. Film Productions are considered as an important potential source of revenue. Obstacles in attracting such productions need to be removed.
- g. The rental of Storage Facilities is an important source of revenue and there is sufficient demand to justify an investment in the expansion of such facilities.

iii. **RISING CRIME**

Rising poverty, unemployment, and an increase in the indigent population of Villiersdorp, might in the future cause a rise in crime levels. That again, makes the Club, its staff, members and other visitors a prime target.

The sustainability of the Club, cannot be secured unless its assets, and that of its members and other visitors as well as their safety can be sufficiently protected.

Although some safety and security measures have during the past few years been introduced with some degree of success, safety and security remains a severe risk.

This was rated as the second most critical issue that needs to be addressed.

iv. **INFRASTRUCTURE AND BULK SERVICE CAPACITY**

Infrastructure and bulk service capacity is ageing and becoming outdated. Not only is this resulting in service delivery and functionality decline, but also in high repair costs, and reduced labour productivity.

The current standard and extend of infrastructure and bulk service capacity is unable to support an expansion and or upgrade of service levels, a picnic area for the less fortunate and for paying day and overnight visitors.

v. STAKEHOLDER RELATIONS

- a. It is critical to keep members satisfied. Although an optimum membership number has been reached, a drop in membership numbers cannot be afforded.
- b. Critical to retain a healthy and productive relationship with the Department of Water and Sanitation and with the TWK Municipality. A healthy relationship has been established and now simply needs to be maintained.
- c. A Marketing Strategy is required to increase the number of events and of paying non-members.
- d. From a social responsibility point of view, the club should establish a recreational facility for the less fortunate members of the community.

vi. ENFORCEMENT OF BYLAWS AND REGULATIONS

Important that bylaws are respected and complied with by all and accordingly an effort should be made that all of such bylaws are complied with. A healthy and balanced degree of order and discipline is required at any club or institution.

4. STRATEGIC FOCUS AREAS AND ACTION

i. Secure the financial sustainability of the Club through the following Expenditure Management interventions:

- a. Contain fuel consumption from exceeding a desirable and affordable level
- b. Seek alternative and more reliable and cheaper energy sources like Solar Energy.
- c. Optimise labour productivity before considering a further expansion of the labour force
- d. Provide for the impact of additional labour cost when costing and assessing the viability of establishing a recreational area for the local community, improved recreational facilities and activities for children and young people and expanding and upgrading the camping and accommodation facilities for non-members.
- e. Separate the repairs and maintenance votes on the budget
- f. Seek a reduction in the cost of repairing infrastructure, machines, equipment, fleet items, facilities etc.
- g. Increase investment into scheduled maintenance in order to extend the life of infrastructure, machines, fleet items, facilities etc and to reduce preventable repair costs of such items.
- h. Placing a cap on a further increase in membership numbers.

- ii. Develop and implement a 5-year Infrastructure Master Plan which should inter alia address the following:
 - a. Ageing infrastructure, machinery, equipment, fleet items and facilities.
 - b. Expansion and upgrading of services, camping and accommodation facilities for non-members
 - c. Recreational facilities for the local community
 - d. Devices and tools of trade, that will assist in curbing labour cost.
 - e. A funding model for such a master plan.
- iii. Increase the Revenue base and the Income stream of the Club by:
 - a. Limiting membership Fees and Tariff increases to the minimum in order to sustain the affordability of the club.
 - b. Increasing membership numbers is not considered as a viable revenue enhancement strategy.
 - c. Increase non-member overnight stays and revenue. Expand and upgrade camping facilities and self-catering accommodation accordingly.
 - d. The developments referred to in c. above should be self-funded.
 - e. Attract more events and revenue from such events
 - f. Optimise the cost efficiency of the Restaurant and the revenue it could generate for the Club
 - g. Become a preferred Film Production venue of choice and that can serve as another important source of revenue.
 - h. Expand storage facilities for rental purposes.
- iv. Address Security and Safety at the Club by:

Undertaking a professional assessment of how rising crime rates within the Villiersdorp Area is likely to impact on the Security and Safety of the club, its members and other visitors and develop and introduce a mitigation plan.
- v. Draft and roll out a 5 year Financial Plan which encompasses the Goals set above
- vi. Management needs to place greater emphasis on the consistent enforcement of Club Bylaws and Regulations.

5. CRITICAL STRATEGIC NOTES

- i. Mission of the Club
Will remain a Water Based Sport Facility and will not evolve into a resort
- ii. Vision for the Club
Sustainability
- iii. Stakeholder Relations
Grow and develop relationships with its members, the local community, key authorities and other partners and paying non-members, event organisers and visitors.
- iv. Values
 - a. Sustainability of the Club
 - b. Healthy and balanced level of order, discipline and compliance will be encouraged and if necessary, enforced
 - c. Affordability
 - d. Relationships are important to us

- e. The safety and security of the club and its members and visitors are non-negotiable
 - f. Productivity
 - g. Developments and further expansions must be self-funded.
- v. Deliverables will be focussed on achieving the goals as set out in the strategy and meeting the values set out in iv above.
- vi. Functions
The following functions will need to receive more attention during the coming years:
 - a. Facility Management and more specifically with an expansion and upgrade of the Non-Member Camping Site, and the possible addition of Self Catering Units in mind.
 - b. Project Management
 - c. Marketing
 - d. Stakeholder Relations Management
 - e. Capacity management
 - f. Security and Safety Management
- vii. Risks and Obstacles in achieving the goals and intentions contained in this strategy
 - a. Capacity to support the roll out of this strategy
 - b. Buy in, commitment and the will to actively support the strategy
 - c. Suitable skills in support of the strategic goals, values and deliverables contained in this strategy.
 - d. Cooperation of key stakeholders
 - e. Funding
- vii. Implementation Capacity Requirements
 - a. Management support
 - b. Specialist support like in performing the Safety and Security Risk Assessment, an Infrastructure Master Plan, Due Diligence Assessments etc.
 - c. Additional Staff
 - d. Upgraded and expanded infrastructure
 - e. Safety and Security capacity