

## Management Model

When entering or renewing a formal agreement between club and coach both parties should use this opportunity to reevaluate their current agreement. For commercial or hybrid coach / operators, you may be interested in the **Club Management Models** document for detailed information on models available.

## Employee or Service Provider (Contractor)

Whether the club is looking to engage somebody to manage the whole facility or whether the club wants to engage a professional to focus solely on the coaching aspect of the centre, or a mix of both, a decision must be made whether to engage the coach as an employee or a contractor. In most cases, coaches are engaged as a contractor however, in some cases coaches may be employed by the club. Overviews of both options are provided below:

### 1. Contractor

Coach is engaged as a contractor through a contract for services agreement. A contractor is running their own business and provides services to the club/ business. Characteristics of a contractor include the following:

**Control over work:** the worker has freedom in the way the work is done subject to the specific terms in any contract or agreement.

**Ability to sub-contract/delegate:** the worker is free to sub-contract/delegate the work - they can pay someone else to do the work.

**Basis of payment:** this is outlined in the agreement with the club based on the level of services provided and negotiated fees.

**Equipment, tools and other assets:** the worker provides all or most of the equipment, tools and other assets required to complete the work. The worker does not receive an allowance or reimbursement for the cost of this equipment, tools and other assets.

**Commercial risks:** the worker takes commercial risks, with the worker being legally responsible for their work and liable for the cost of rectifying any defect in their work.

**Independence:** the worker is operating their own business independently from the club. The worker performs services as specified in their contract or agreement. The type of contractual arrangement will differ for each club and coach depending on the club's facilities and size, location, resources available, community needs and services provided by the coach to the club. The table below outlines the considerations when making the decision.

### 2. Employee

The coach/manager is engaged as an employee of the club/centre. Legally the employee works in the club (business) and is part of the club (business). Characteristics of an employee include the following:

**Control over work:** Your club has the right to direct the way in which the worker performs their work.

**Ability to sub-contract/delegate:** The worker cannot sub-contract/delegate the work - they cannot pay someone else to do the work.

**Basis of payment:** The worker is paid for the time worked, a price per item or activity or a commission.

**Equipment, tools and other assets:** The club provides all or most of the equipment, tools and other assets required to complete the work, or the worker is provided with an allowance or is reimbursed for the cost of the equipment, tools and other assets.

**Commercial risks:** The worker takes no commercial risks. The club is legally responsible for the work performed by the worker and liable for the cost of rectifying any defect in the work.

**Independence:** The worker is not operating independently from the club. They work within and are considered part of the club.

<b>Considerations</b>	<b>Yes</b>	<b>No</b>
<b>Volunteer capacity-</b> Does the tennis club have the resources and capacity to closely monitor and manage the coach? The tennis club has the skill set to successfully manage and drive tennis coaching activity.	Club can consider engaging an employee.	Club should engage a contractor.
<b>Venue size and location-</b> Is the tennis venue significant in size and has access to a large population, likely located in a metro area?	Club can consider engaging an employee.	Club should engage a contractor.
<b>Control of operations-</b> Does the club feel it is imperative to keep absolute control of the coaching program?	Club can consider engaging an employee.	Club should engage a contractor
<b>Financial Risk-</b> Is the tennis club willing to assume the commercial risk associated with running a coaching business?	Club can consider engaging an employee.	Club should engage a contractor.

## Coach contribution

### Contractor's contributions

Every club and coach will need to negotiate services provided and contributions for use of courts and facility to conduct the business activity. This can be based on a variable per court – per hour fee or fixed annual fee. There are two main factors which should be taken into consideration when deciding where within this range a coach should be charged.

#### 1. Facility maintenance and replacement costs

The conversation should start by having a clear understanding of the operational costs related to the facility. This includes knowing the annual lifecycle costs of the tennis courts, ancillaries and clubhouse. This can be calculated using the asset check calculator supplied by Tennis Australia. Alternatively the club can base this on the depreciation cost of the clubs assets. Roughly this can be calculated using \$2,500 per court, per annum or 2% of the total asset value.

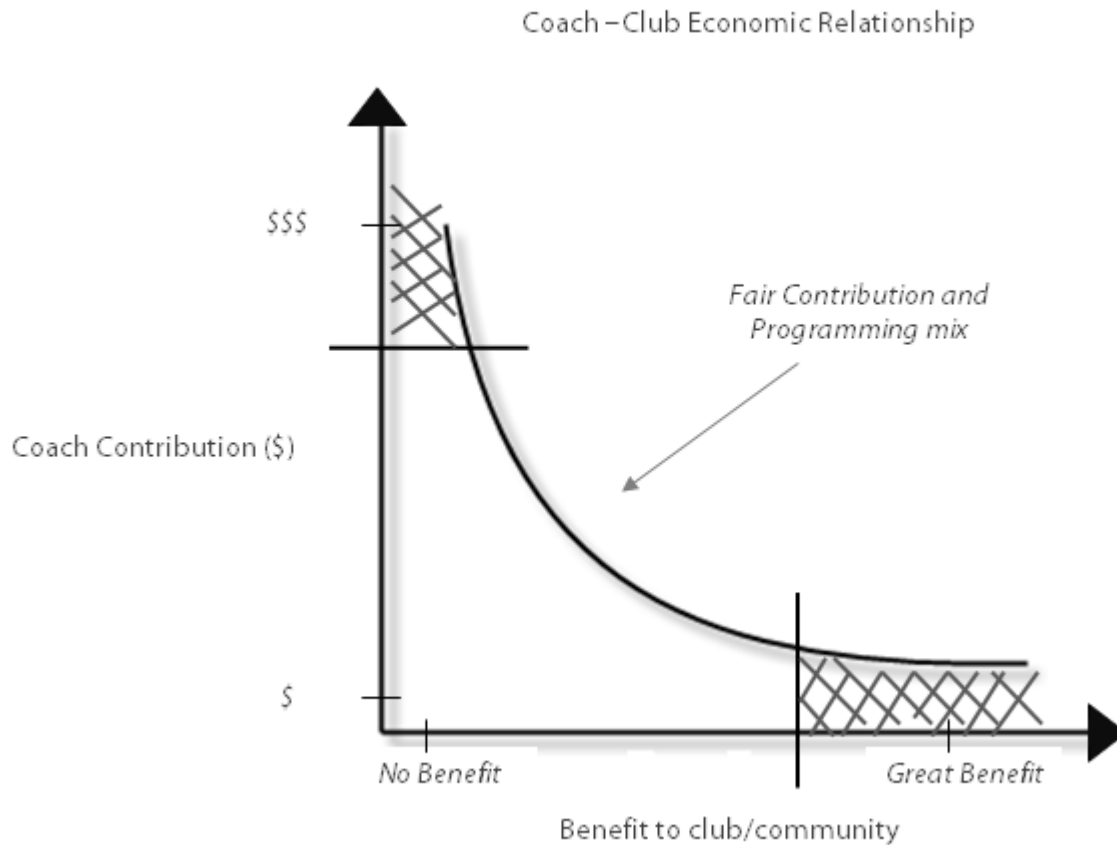
Ensuring the club can make this annual contribution into the club sinking fund should a priority. As the coach uses these assets, he/she should also make a contribution to their maintenance and replacement. Understanding this figure will help guide how much is required to remain economically sustainable. Smaller venues would require a smaller contribution than larger venues.

#### 2. Coach activity benefit to club

The relationship between the club and coach should be one of mutual benefit. Tennis Australia's 2008 coaching census indicates that the most successful club/facility-coach relationships are those where coaches are involved in club activities. In situations where coaches are actively supporting and promoting the tennis club to the community through activities such as membership promotion, selection of junior teams, open days, offering services to members, being a point of contact at the club for members and public and assisting with administrative tasks, the intrinsic value that the coach provides would lower the physical fee that should be paid. Below is a graphical representation of this relationship.

**Graphical representation of the Coach and Club Economic Relationship**

The graphical representation of the coach and club economic relationship shows the where a coach provides great non-financial benefit to the club they contribute less financially. On the other hand, where a coach contributes minimal benefits to the club their financial contributions are high. It is ideal to be aiming for a fair contribution and programming mix whereby the coach provides good benefits and a sound financial contribution.



## Key Performance Indicators (KPI's)

The establishment of tangible and auditable (KPI's) is seen as a critical facility management tool (appropriate software is important to track and report on this performance). There is no legal effect if criteria are not met; however the KPI's outline performance expectations and will be a core instrument in assessing contract renewal.

Sample KPI's are below, with further negotiation/agreement required between the club and the coach. KPI's to be reviewed each year.

Service Provider KPI's	Year 1	Year 2	Year 3 on
Levels of court utilisation	10%	11%	12%+
Participation numbers: coaching programs, fixtures, social events, tournaments	80	140	200
Programs delivered			
- Coaching program (days per week)	5	5	5
- Fixture program (days or nights per week)	?	?	?
Club membership no's (+ outline initiatives to encourage club membership)	280	300	320
Financial performance (fees to Club to cover facility maintenance fund and other relevant operational items).			
Marketing and promotional activity			
- Marketing Strategy: provided to Club (* from commencement)	1 month*	Start Yr 2	Start Yr 3
- Number of local press articles/advertisements	4	6	6
- Number of flyer letterbox drops to wider community (x number)	2	2	2
- Contribution of articles and other information to Club website	1/month	1/month	1/month
- Participation at Club promotional days e.g., open days	3 days	2 days	2 days
Number of significant events (tournament/s)	?	?	?
User satisfaction survey	High satisfaction rating. Specific KPI to be written when survey developed.		
- Develop a welcoming and clean tennis facility, with good programming			
Facility maintenance and standard	Completion of deliverables to satisfaction of Club.		
- Response to service deliverables and maintenance schedule			
Installation of appropriate systems to track and report on financial performance, participation and court utilization.	Within 2 months of commencement date		
Plans and Reporting	Reports received (in format provided from Club) by designated timeframe.		
- Written monthly report to Club (prior to Executive Committee meeting) including breakdown of fees (refer Schedule 1, item 4)			
- Detailed report by end April and September.			

### **Formalising the agreement**

In order to establish and preserve healthy club-coach relationships it is crucial to have a formalised agreement. Whilst hand shake agreements may appeal to some due to their simplicity in the short term; the reality is that these arrangements put both parties in a vulnerable position.

It is crucial that the relationship between club and coach is formalised in a contract that outlines a job description, any costs relating to court access and lighting, targets in services offered, dispute resolution and termination process and any additional duties or expectations. Below are a few useful points which are often overlooked when entering into a contract for service agreement.

#### **1. Clearly set key performance indicators**

Setting KPI's are imperative to measuring a coach's performance and ensuring both the club and coach are working towards the same goals. KPI's outline performance expectations and will be a core instrument in assessing contract renewal. A coach should have clear indicators by which to measure their success in the role.

When entering into a contract for service agreement, it is vital that the coach understands the clubs vision and objectives. This can be clearly stipulated with the provision of KPI's. By jointly going through this process both the club and coach can work together on shared objectives to achieve their shared vision. If the club and coach cannot agree on a shared vision then it is best discovered prior to entering a formal agreement.

#### **2. Get the coach involved in club activities**

Tennis Australia's 2008 coaching census indicates that the most successful club -coach relationships are those where coaches are involved in club activities. Clubs and coaches should discuss areas in which the coach can contribute such as membership promotion (progressing young players into competition and therefore membership), selection of junior teams and open days. It is important that these areas are discussed openly by both the club and coach. Clearly outline the activities which you as the coach will be involved with and in what capacity.

#### **3. Have a clear process for dispute resolution**

Even with the best intentions, disputes can sometimes arise between committees and coaches. A contract gives both parties the opportunity to resolve issues and should clearly identify steps to be taken to rectify disputes. Clear and open communication between both parties is essential in resolving problems before they turn into a grievance.

If necessary, Tennis Australia Coach Membership can assist in guiding members through the grievance handling process and can direct parties to subsidised sports mediation where necessary. This process should be outlined in the contract.

*For a template of a service of contract agreement and/or coach employee contract please go to Bounce*