



**New Zealand Standardbred Breeders Association Inc**

**Business Plan  
Year Ending 31 July 2011**

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## EXECUTIVE SUMMARY

The NZSBA is in the third year of marketing support from HRNZ. The association has since November 2008, employed a full-time Executive Manager. The Executive Manager reports to the NZSBA Executive made up of two representatives from each of the three Regional Affiliates.

The NZSBA has developed a set of focused objectives derived after reviewing current practices. The association has enjoyed a good level of growth since 2008, despite the current economic times.

It is important that the NZSBA continues to challenge its operations to ensure continued growth and improved services to members and the industry in general.

The industry is facing many challenges, turnover is decreasing, breeding figures are static and predicted to drop. It will take a concerted effort by the whole harness industry to turn these declining figures around.

This business plan, sets out objectives that the NZSBA will strive to work towards in the 2010/11 season and beyond. It is apparent that the association has two main functions: services for members and industry participation.

The objectives set out in the plan seek to address both of these functions in a focussed and results driven manner.

We must target our current audience of breeders and encourage them to become actively involved in the association. Although we have seen good growth in membership numbers, there is still a lot of room for improvement.

The end goal is to improve non-racing participation, increase turnover and the resultant positive trends will flow down into ownership and breeding.

## **MISSION STATEMENT**

*“The NZSBA strives to actively promote the specific interests of breeders in all matters of harness racing. To achieve this we will be the voice and resource to all our member breeders.”*

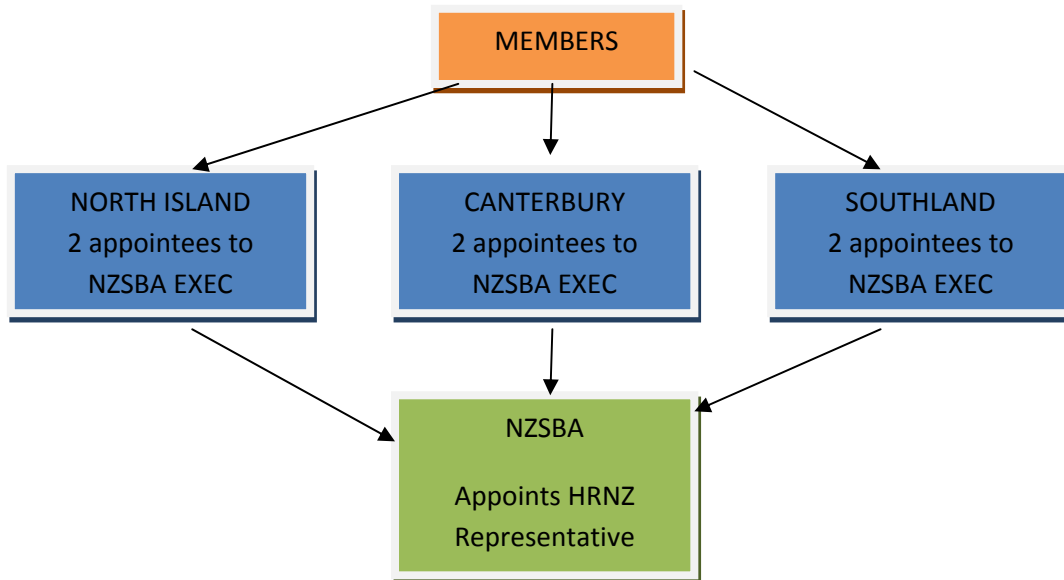
## **OBJECTIVES**

- Actively seek three new revenue streams by the end of 2011/12 season, continue to improve on and increase existing revenue.
- Provide specific information to breeders regarding ‘best practice’
- Increase recognition of breeders and NZSBA
- Actively promote the perspective of the NZSBA in governance and ethics within the harness racing industry
- Support and encourage industry wide partnerships aimed at increasing participation through all areas.

## INDUSTRY OVERVIEW

The NZSBA was incorporated on 18<sup>th</sup> July 1973; the structure of the organisation is shown below:

### Organisational Structure



## EXECUTIVE AND STAFF OF THE NZSBA

### Office Holders

National President: Cleland Murdoch  
 Treasurer: Colin Hair  
 Secretary: Kiely Buttell  
 Affiliate Appointees: Tony Dickinson and Peter Smith – North Island  
 Kypros Kotzikas and John Mooney – Canterbury  
 David Kennedy and Cleland Murdoch – Southland

HRNZ Representative: Colin Hair  
 Executive Manager: Kiely Buttell

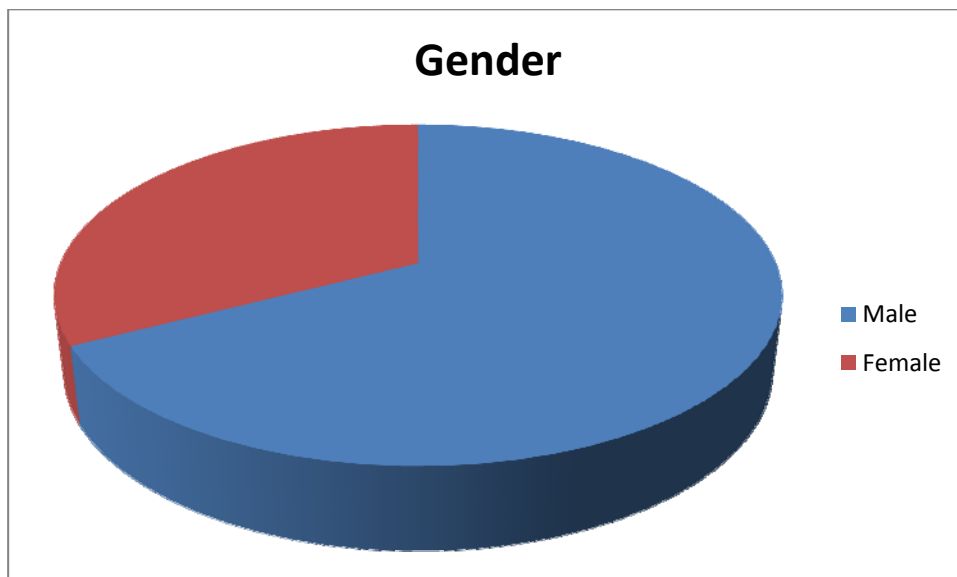
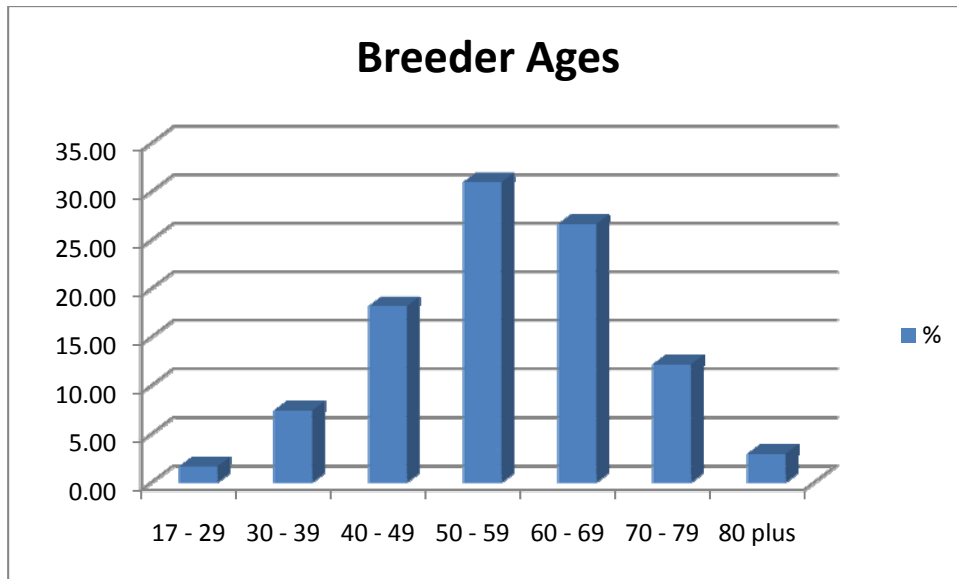
The national office is based in Christchurch at the heart of the industry (42.5% of all breeders live in Canterbury).

### Breeding Industry

The NZSBA currently has 450 members nationally from the three Regional Breeder Affiliated Associations as shown in the organisational structure above.

The standardbred breeding industry in New Zealand consists of 3328 first named breeders. Recent statistical data gained from HRNZ's Infohorse database, shows that 76% of breeders are located in the South Island with 24% in the North.

Below is a chart of demographics based on 3328 breeders with ages known on the HRNZ infohorse database.



Harness racing receives the majority of its revenue from the NZ Racing Board via turnover on races held here and exported overseas (Internationalisation Strategy).

Harness racing has seen a slight drop in its domestic share from the NZ Racing Board as the table below shows:

	2009/10	2008/09	2007/08	2006/07
<b>Thoroughbred</b>	53.93 %	53.68%	53.66%	54.66%
<b>Harness</b>	31.00%	32.14%	32.73%	32.79%
<b>G/hounds</b>	14.07%	14.18%	13.61%	12.54%

The decline seen in the harness code can be attributed to the impact of overseas racing on domestic harness turnovers. The Thoroughbred code has remained consistent over the last three seasons. The Greyhound code has shown modest growth.

## OPPORTUNITIES AND CHALLENGES

Since the last NZSBA Business Plan was written in 2008, the industry has been in decline. A number of factors have contributed to this decline, including global economic recession, resultant falling turnovers and general apathy to the Racing Industry.

We still face the challenges highlighted in that plan:

- I. To increase number of punters and to increase the amount bet by each punter;
- II. To overcome the increasing disconnection between people and horses so that participation in punting, race going, ownership, breeding, race going and punting becomes a real option for an increasing number of the population rather than it being the option of a static or declining minority as racing is at present;
- III. Increasing costs, reducing or negating the impact of increased returns;
- IV. Offshore betting, a number of overseas bookmakers are offering attractive odds on New Zealand racing – with no commission being generated back to the domestic industry.

We still face growing competition from the other codes, especially Greyhounds who have increased their market share over the last four years. Outside of the Racing Industry our code also faces indirect competition from other forms of gambling and entertainment options.

The discretionary spending of our customers is at a premium, we need to ensure that we are marketing our industry effectively to maximise spend per customer.

The opportunities are available, we as an industry need to consolidate our resources and work holistically to attract the following groups, to participate in Harness Racing:

- Corporate sector;
- 40 plus<sup>1</sup>, all statistical data shows that currently those involved at a race going, punting and ownership and breeding level of harness racing are 40 plus. These are our customers – opportunity exists to build on this market;
- Women<sup>2</sup> – research carried out by IER shows that out of the 10577 people sampled 57.4% are women who attended the races and completed the questionnaire.

## SERVICES OFFERED

The NZSBA Regional Affiliates charge an annual membership subscription of \$89.95. For this members receive the following benefits:

- Opportunity to express your views to the national executive;
- Liaison and representation on industry bodies;
- Breeding Matters magazine;
- Voucher book with over \$450 worth of savings;
- free annual sires register;

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<sup>1</sup> IER Research – Major harness race days 2006 – 2010, statistical data from HRNZ's Infohorse

<sup>2</sup> IER Research – Major harness race days 2006 – 2010

- Social functions;
- Members only area on website;
- Informative articles;
- 5 free TesioPower test matings.

We now need to build on these benefits, especially areas of liaison and representation on behalf of breeders. How we build on this will be explained in more detail under Tactics and Actions.

## TACTICS AND ACTIONS

The NZSBA has clear and focused objectives on which to grow the organisation and assist the industry to at present maintain its market share, and work towards future growth (3 year plan).

Taking each objective in order, the NZSBA will put the following tactics and actions into place over the next 12 months.

### Tactics

1) *Actively seek two revenue streams by the end of 2011/12 season, continue to improve on and increase existing revenue.*

- Develop Breeding Matters into a self-funding industry magazine delivered to owners and breeders quarterly by 2011/12 (see Marketing Plan);
- Secure one Major Sponsor by July 2011 – minimum sponsorship investment \$5000
- Increase membership by 10% - goal of 95% renewal rate from previous season.

2) *Provide Specific information to breeders regarding 'Best Practice'*

- Organise a Horsemanship Steering Group to discuss and produce a best practice document for the successful development of young stock produced either for sale or racing;
- Organise a Stud masters Steering Group to discuss and produce a best practice document to self regulate stud practices and relationships with their customers (breeders);
- Develop a NZSBA Membership Responsibility Charter– services and publications provided to members;
- Increase communication internally and externally;
- Research minimum production numbers needed for an effective and flourishing industry;
- Roll out nationwide research project on breeder opinions.

3) *Increase recognition of breeders and NZSBA*

- Develop relationships with racing and non-racing media (see Marketing Plan);
- Increase 'human/horse interest stories to media, website and members (see Marketing Plan);
- Ensure members breeding and racing achievements are being recognised both locally and nationally (see Marketing Plan);

- Work in partnership with HRNZ, NZRB and Clubs to ensure breeders are recognised in racing material i.e. race books, website, racing board publications (see Marketing Plan);
- Increase NZSBA brand awareness (see Marketing Plan).

4) *Actively promote the perspective of the NZSBA in governance and ethics within the harness racing industry*

- Organise a Political Steering Group to discuss issues within the racing and breeding industry;
- Develop closer relationships with NZRB CEO & Chair;
- Develop closer relationships with Minister of Racing and senior advisors;
- Continue to support HRNZ in the political arena.

5) *Support and encourage industry wide partnerships aimed at increasing participation through all areas.*

- Develop relationships with Clubs, HRNZ, NZRB to work together on projects aimed at increasing participation and raising industry awareness;
- Work closely with HRNZ and NZRB Marketing Department to compliment activities already being undertaken i.e. Ownership brochure, yearling sales promotion.

## Actions

In order to put the tactics described above into place and reach the NZSBA Objectives outlined in this plan, a number of actions will need to be implemented. These are set out below in timeline order:

### November – December 2010

- Approach two potential sponsors and present with proposal to generate a minimum of \$5000 in sponsorship income;
- Recruit a sales consultant to obtain enough advertising revenue to cover costs of the December issue of Breeding Matters;
- Promote membership of the NZSBA in Breeding Matters and the Harness Racing Weekly (see Marketing Plan);
- Hold 'Cup Eve' function to recognise the achievements of:
  - Breeders of Cup Horses
  - Last year's NZ Cup Winner and breeders
  - Broodmare of Excellence Award;
- Write and release information relating to cup function and NZ Cup winner to media and members;
- Communicate with NZRB's IT department on logistics of TAB booklet printing breeder names;
- Place NZSBA brand on Breeding Matters cover;
- Develop protocol for internal and external communication, liaise with regional associations on most effective communication channels;
- Extend HRA breeder questionnaire to NZ breeders
  - Develop Trotting questionnaire.

### January – March 2011

- Set up Steering Groups consisting of:
  - Horsemanship – 1 NZSBA Executive member, 1 commercial breeder, 1 non-commercial breeder, 1 representative from PGG Wrightson
  - Stud masters – 1 NZSBA Executive member, 1 representative from each stud (major and minor)
  - Political – 1 NZSBA Executive member, 1 HRNZ Executive member, 1 NZSBA member per region, i.e. North Island, Canterbury & Southland);
- Develop NZSBA Membership Responsibility Charter, items to include – NZSBA commitment to breeding industry and members, publications and integrity;
- Increase communication to NZRB and Ministers' Office surrounding positive news from the industry;
- Implement action points in Marketing plan with relation to working in partnership to increase industry participation.

### April – July 2011

- Organise twice yearling meeting with NZRB Chairman and CEO. NZSBA Chairman or appointed Exec member plus Executive Manager – report items of concern from Steering Groups;
- Organise twice yearling meeting with Minister Of Racing and Senior Advisors. NZSBA Chairman or appointed Exec member plus Executive Manager – report items of concern from Steering Groups;
- Determine the number of horses that are required to be bred each year to maximise fields.

## FUNDING REQUEST

The NZSBA have laid the foundations for a strong, committed and pro-active organisation. To progress forwards we will be building upon our efforts so far and moving our organisation to a higher level. This higher level of service and commitment to our members, breeders and industry in general will aim to generate increased participation and encouragement to existing stakeholders.

The NZSBA have or are planning to build upon a number of revenue streams to gradually reduce the amount of funding sought from HRNZ.

In order to fulfil our objectives set out in this business plan, the NZSBA requires a further three-year funding commitment from HRNZ.

### 2010/11 Revenue Streams

- \$100,000 Marketing Support grant from HRNZ;
- \$30,000 contract of service from NZTOA;
- Stallion Register – net profit approx \$20,000 increase of 36% from 2008;
- Membership subscriptions - \$12,500;
- Sponsorship - \$18,000;
- Profit from Yearling Magazine - \$4,500.

### 2011/12 Proposed Revenue Streams

- \$100,000 Marketing Support Grant from HRNZ
- \$30,000 contract of service from NZTOA;
- \$25,000 net profit from Stallion Register;
- \$13,750 membership subscriptions;
- \$25,000 sponsorship – 5 key sponsors;
- Profit from Yearling magazine - \$5000;
- Profit from Breeding Matters - \$4000 (4 issues).

The NZSBA are aware of the need to validate our use of the funds received, to the HRNZ Executive and harness racing industry. The NZSBA takes the responsibility of receiving the HRNZ funding very seriously, especially in this current economic climate when stakes are reducing and the industry faces an uncertain future.

We believe HRNZ's decision to partner with the breeders is vital. The objectives we have set out in the Business Plan are focused and achievable goals to the betterment of not only the breeding sector but the harness industry in general.

## MARKETING PLAN

The NZSBA has a number of marketing objectives to achieve in the 2010/2011 season. The Marketing Plan (Appendix 1) will outline and discuss in detail each stage of the development of the NZSBA.

The NZSBA has shown solid performance since 2008, the national office has been set up in Christchurch and the profile of the organisation has risen.

It is now important to consolidate the work carried out to date, improve upon existing tactics and inject new ideas. This plan is results driven, with achievable tactics set out in a clear format to ensure the end goal is met.

In brief the Marketing Plan outlines eight Marketing Objectives, with two Key Messages that need to be reflected throughout the associations marketing campaign:

### *ORGANISATION*

These objectives are:

- Increase recognition of breeders;
- Increase membership by 10% in 2010/11 season;
- Increase flow of information to members;
- Raise brand awareness of NZSBA;
- Increase member participation within NZSBA steering groups, committees, submissions. To be implemented by July 2011.

### *HARNESS INDUSTRY*

- Support and encourage industry wide partnerships aimed at increasing participation through all areas by July 2011;
- Identify research projects to better understand industry and from results disseminate information to breeders and develop strategies for improvement. 2011 – 2012;
- Increase flow of information to racing and non-racing media – human/horse interest stories, NZ Bred achievements, size of racing industry comparing to other ‘more popular’ industries i.e. comparing GDP.

The Key messages the NZSBA should portray at all times are:

### *ORGANISATION MESSAGES*

- The NZSBA provides a service specific to you the breeder.

### *HARNESS INDUSTRY*

- The NZSBA actively promotes the racing industry to non-participants.

The Marketing Plan will outline the background to our market, what the association is trying to achieve and how this will be carried out.

## GLOSSARY

### Abbreviations

NZSBA            New Zealand Standard Breeders Association

NZTOA           New Zealand Trotting Owners Association

HRNZ            Harness Racing New Zealand

NZRB            New Zealand Racing Board