

**13th International Association for Sport Information World
Congress
11-13 March, 2009 - Canberra, Australia**

**Recession Proofing Corporate Social Responsibility Contributions
to establish ongoing revenue streams that finance and sustain
sport growth, infrastructure, innovation and development whilst
maximising community participation.**

Nathalie Strugnell
National Project Manager, Ezanz Ltd
Queensland, Australia



Australian Government
Australian Sports Commission



AUSTRALIAN
INSTITUTE OF SPORT

13th IASI World Congress

11-13 March, 2009 Canberra, Australia

*Building and sustaining sport information communities -
through connectivity, collaboration and sharing*



Routledge
Taylor & Francis Group

EPSON
EXCEED YOUR VISION



Wolters Kluwer | Ovid
Health

Kayell
australia
Imaging • Graphics • Media





Australian Government
Australian Sports Commission



AUSTRALIAN
INSTITUTE OF SPORT

13th IASI World Congress

11-13 March, 2009 Canberra, Australia

*Building and sustaining sport information communities -
through connectivity, collaboration and sharing*

Ms. Nathalie Strugnell

National Project Manager, Ezanz Community Response Initiative

Recession Proofing Corporate Social Responsibility Payments

Presented

By

Nathalie Strugnell



Define Corporate Social Responsibility (CSR) Currency

- ◆ In many countries, corporates and retailers are required to reinvest a percentage of profits back into the community.
- ◆ The corporate purse is supplemented with government grants, donations and legislated commitments.

COMMERCIAL CONSUMPTION EXPENDITURE FORECAST

Top 10 countries – Asia Pacific Region 2006 CCE \$US M



COUNTRY	\$US MILLION
Japan	\$ 5, 414,493
China	\$ 3,569,005
India	\$ 1,912,569
South Korea	\$ 1,757,148
Australia	\$ 1,006,169
Taiwan	\$ 548,456
Indonesia	\$ 381,002
Thailand	\$ 263,635
Hong Kong, China	\$ 225,548
Malaysia	\$ 192, 887

COMMERCIAL EXPENDITURE **REGIONAL BREAKDOWNS**

REGION	2004 ACTUAL	2005 ESTIMATE	2006 FORECAST
Europe	US \$20.1 Trillion	US \$21.1 Trillion	US \$22.1 Trillion
United States	US \$15.1 Trillion	US \$16.3 Trillion	US \$17.6 Trillion
Asia-Pacific	US \$14.0 Trillion	US \$15.0 Trillion	US \$16.1 Trillion
C/E Europe, M East & Africa	US \$ 3.1 Trillion	US \$ 3.7 Trillion	US \$4.2 Trillion
Latin Am./Caribbean	US \$2.4 Trillion	US \$2.9 Trillion	US \$3.1 Trillion
Canada	US \$1.5 Trillion	US \$1.7 Trillion	US \$1.9 Trillion
Total Global CCE	US \$56.1 Trillion	US \$60.8 Trillion	US \$64.8 Trillion

The Demand For An Alternative

- ✦ Most sponsorships average \$500 - \$1000 and require \$2000 in servicing costs representing false economy.
- ✦ A 10-15% yield is considered to be highly successful.
- ✦ On average 20% of sponsorship funding is likely to be withdrawn as a result of the global recession. Some countries are already experiencing withdrawals of 50%.
- ✦ Multi-million \$ grants cost communities millions in submissions. "Successful" applicants often end up in debt.

The Demand For An Alternative

- ✦ Community demands are outstripping available funds.
- ✦ The idea of pursuing a chosen sport, or recreational activity is becoming elitist due to spiraling costs.
- ✦ The specific terms and conditions associated with offers of philanthropy, sponsorship and gifting may be in conflict with the values and purpose of the sporting association, or draw resources away from designated areas causing operational rifts.
- ✦ Sponsorships may demand exclusivity, reducing opportunities for additional funding.
- ✦ Sponsorships attract unpredictable returns on investment and retailers and corporates are demanding a greater degree of certainty and return on investment.

DISTRIBUTION OF FUNDS



CHARITY CLASSIFICATION	\$ Billion	*PERCENTAGE INCREASE
International Affairs	\$ 13.22 Billion	12.9%
Environment and Animal Organisations	\$ 6.96 Billion	7.7%
Human Services Groups	\$ 29.64 Billion	5.4%
Arts Culture and Humanities	\$ 13.67 Billion	4.8%
Education	\$ 43.32 Billion	3.4%
Public Society Benefit	\$ 22.65 Billion	2.9%
Health Charities	\$ 23.15 Billion	2.4%
Religion	\$102.32 Billion	1.8%

*Note: These figures courtesy of Giving USA 2007 & Giving USA 2008, The Annual Report on Philanthropy, published by the AAFRC Trust for Philanthropy, released by the Giving USA Foundation and compiled by The Centre on Philanthropy at Indiana University. *Adjusted after inflation*

Challenges

- ✦ Generate ongoing funds based on everyday expenditure and electronically extract \$ in accordance with the retailers prescribed % donation.
- ✦ Disperse funds in accordance with consumer preferences.
- ✦ Increase CSR yields & reduce retail time, resources and money in selection processes that reduce community funds and alienate unsuccessful applicants.

Challenges

- ✦ Respond to individual preferences and deliver benefits to community groups on a pro-rata basis.
- ✦ Award funds to charity and community recipients in real time.
- ✦ Provide financial support to assist families to pursue sporting and recreational, training, special needs and/or medical assistance subject to the registration and approval of the activity and applicant.
- ✦ Provide competitive loyalty rewards for Ezanz participation which may be redeemed in conjunction with existing loyalty programs.

Challenges

- ✦ Perform in accordance with established legal, corporate and compliance frameworks.
- ✦ Work within existing financial platforms.
- ✦ Improve logistics and leverage negotiations
- ✦ Produce qualified & quantified results.
- ✦ Maximize stakeholder benefits, reduce barriers to entry and attract multiple sponsorship opportunities: why have one when you can have them all.



Challenges

- ✦ Comprehensively address security issues.
- ✦ Proactively ascertain and address stakeholder requirements: corporates, retail, community provider, consumer, financiers, consumer.
- ✦ Address the three crucial elements of a successful campaign: community participation, a sustainable supply of essential resources and an internet strategy which maximizes viral marketing strategies.

Ezanz Community Objectives

- ✦ Decrease marketing costs associated with fundraising
- ✦ Increased effectiveness of membership marketing
- ✦ Secure ongoing monthly revenues
- ✦ Focus on community infrastructure and development
- ✦ Increase community participation and loyalty
- ✦ Increased quality and quantity of volunteers



Establish Ongoing Revenue Streams Opportunity Costs

Sample Case Study: The Power of Statistics

- ✦ Segmenting sporting association membership.
- ✦ Targeted segment membership: 560 members
- ✦ Additional members over a 12 month period: 120
- ✦ Membership after 12 months: 590
- ✦ Membership fees were \$260 per annum. Expenditure per member over 12 months averaged \$500.00.

Definitions

- ✦ **Retention Rate** - percentage of members retained over a period of time. $(\# \text{ Members End Period} - \# \text{ Members Joined over period}) / \# \text{ members at start} * 100$
 - ✦ **Growth Rate** - rate at which membership is growing $((\# \text{ Members End Period} - \# \text{ Members Start Period}) / \text{Members Start}) * 100$
 - ✦ **Loss Rate** - percentage of members not retained... $1 - \text{Retention Rate}$
 - ✦ **Tenure** - length of time that a member stays... $100 / \text{Loss Rate}$
- **** **Lifetime Value** - average spend of a member during their membership... $(\text{Average Dues} + \text{Average Non-Dues}) \times \text{Tenure}$.

Example 1: Status Assessment

Statistic	Result	Ezanz License Revenues @ \$1 per member per month (Financial Sponsorship)	CSR Revenues averaging \$1 per month per member (Registered Recipient Status)	CSR Revenues averaging \$10 per month per member
Retention Rate	84%	84%	84%	84%
Loss Rate	16%	16%	16%	16%
Growth Rate	5%	5%	5%	5%
Tenure	6 years	6 years	6 years	6 years
Lifetime Value	\$4,729.00	\$47,209.00 (+ \$42,480.00)	\$89,689.00 (+ \$84,960.00)	\$472,009.00 (+ \$467,280.00)

Example 2: Retention Strategy

Statistic	Result	Ezanz Financial Sponsorship @ \$1 per member per month (Licensed)	CSR Revenues averaging \$1 per month per member (Registered Recipient Status)	CSR Revenues averaging \$10 per month per member
Retention Rate	95%	95%	95%	95%
Loss Rate	5%	5%	5%	5%
Growth Rate	15%	15%	15%	15%
Tenure	20 years	20 years	20 years	20 years
Lifetime Value	\$16,127.00	\$179,327.00 (+ \$163,200.00)	\$342,527.00 (+ \$179,327.00)	\$1,811,327.00 (+ \$1,795,200.00)

Opportunity Cost Summary Comparison:

Statistic	Result of Statistical Analysis & Focus on Retention Strategies	Ezanz Financial Sponsorship @ \$1 per member per month (Licensed)	CSR Revenues averaging \$1 per month per member (Registered Recipient Status)	CSR Revenues averaging \$10 per month per member
Retention Rate	84% - 95% (Up 11%)	84% - 95% (Up 11%)	84% - 95% (Up 11%)	84% - 95% (Up 11%)
Loss Rate	16% - 5% (Down 11%)	16% - 5% (Down 11%)	16% - 5% (Down 11%)	16% - 5% (Down 11%)
Growth Rate	5% - 15% (Up 10%)	5% - 15% (Up 10%)	5% - 15% (Up 10%)	5% - 15% (Up 10%)
Tenure	6- 20 years (Up 14 years)	6- 20 years (Up 14 years)	6- 20 years (Up 14 years)	6- 20 years (Up 14 years)
Lifetime Value	\$4,729.00 to \$16,127.00 (+ \$11,393.00)	\$47,209.00.00 to \$179,327.00 (+ \$132,118.00)	\$89,689.00 to \$342,527.00 (+\$252,838.00)	\$472,009 to \$1, 811,327.00 (+ \$1,339,318.00)

Opportunity Costs

Ezanz Vs Traditional Alternatives

- ✦ 4 million Ezanz Dollars equals \$400,000 per month in licensing revenues, plus a percentage of retail donations generated by 400,000 families.
- ✦ If each family generated \$1 a month that would equal an extra \$400,000 per month or \$ 4.8 Million per annum.
- ✦ If each family generated \$10 per month, that would equate to \$4 million per month and \$48 million per annum.

Traditional CSR & Govt \$

- ◆ Team sponsorship
- ◆ Individual sponsorship
- ◆ Club and stadium sponsorships
- ◆ Event and Competition Sponsorship
- ◆ Scholarships and sporting subsidies
- ◆ Donations
- ◆ Grants
- ◆ Bursaries

Business Review Weekly's Agnes King :

-a “marked shift in philanthropy has been a greater emphasis on identifying causes and projects to support, rather than the more traditional approach of sifting through hundreds, even thousands, of applications for funding by charities.

An Australian Case Study

Category	Membership	Charitable Donations	Scholarships & Subsidies	Total Revenue
Local Government Authority	50,000	\$600,000pm \$12 mill pa	\$400,000.00pm \$4.8 mill pa	\$17.4 Million pa @ 10% \$8.7 Million pa @ 5%
School	1400	\$16,800 /mth \$201,600 pa	\$11,200.00pm \$134,400pa	\$352,800 pa @ 10% \$176,400pa @ 5%
Charity/Community Group	1000	\$12,000/mth \$144,000 pa	\$8,000 /mth \$96,000 pa	\$252,000pa @ 10% \$126,000pa @ 5%
Scout Group, Dance School, Athletics Association	200	\$2,400 /mth \$28,800pa	\$1,600 /mth \$19,200 pa	\$50,400pa @ 10% \$25,200pa @ 5%

Ezanz: The Community

- ◆ Ezanz doesn't discriminate: Everyone can contribute!
- ◆ Ezanz is supported by our most popular local identities and celebrities (promoting their passions and receiving valuable PR).




Ezanz Community

- ✦ Ezanz supports families.
- ✦ Older/Mature donors like to give to non-government funded concerns – Ezanz offers the entire spectrum.
- ✦ Youth are attracted to programs which “make the world a better place”.
- ✦ Ezanz offers people choice
- ✦ Ezanz is private and confidential. It allows individual expression without fear of reprisal.
- ✦ Ezanz is interactive and maximizes community engagement

Ezanz Community

- ✦ Ezanz has the capacity to educate with regular updates, promoting financial literacy and budgeting.
- ✦ Ezanz is mobile. It can travel with you and ensure your interests are supported in your absence, whilst overseas, in competition or away from home for any reason.
- ✦ Ezanz is personal – it is a reflection of you.
- ✦ Ezanz is an investment in the future, our future.

The Argument For a Global Financial Platform



COUNTRY	% CHANGE
US\$	50%
Euro	19%
Japanese Yen	71%
UK Pound	7%
NZ\$	1%
Canadian \$	21%
Hong Kong \$	51%
Singapore \$	33%
Malaysian Ringitt	33%
Korean Won	3%
Chinese RMB	50%
Trade Weighted Index	35%

Ezanz Community

- ◆ Ezanz extends the owners purchasing power.
- ◆ Ezanz encourages people to live within their means.



Ezanz Economics

- ✦ Boom or Bust, it secures a percentage of any sale as determined by the seller.
- ✦ 88% of people give. 95% of High Net Worth Donors (\$1 million plus) give regularly and 98% of high Net Worth Donors (\$5 million plus) give regularly.
- ✦ Ezanz uses financial systems which are known and trusted. In Australia, 70% of Australians prefer electronic funds transfer to purchase essentials. The technology is well established in over 170 countries and paperless systems are rapidly being adopted all over the world in line with technological advancements, environmental awareness and in response to a general mistrust of banks.

Ezanz Economics

- ✦ Ezanz offers higher yields for charity and minimizes administration.
- ✦ Ezanz works in synergy and may co-exist with established Retail loyalty programs
- Ezanz is self-financing and offers multiple revenue streams.
- ✦ Ezanz offers communities ongoing monthly revenue streams without restrictions on how the money should be spent.
- ✦ Ezanz eliminates the waste of time and resources invested in unsuccessful grant applications for limited and prescribed funds.
- ✦ Ezanz offers tangible and intangible benefits for consumers.

Ezanz Economics

- ✦ Ezanz is global, built upon the largest financial framework of ATMs, merchants and point-of-sale outlets in the world in over 170 countries and growing. Ezanz is also internationally trademarked.
- ✦ Ezanz is good for the economy, ensuring the constant transfer of funds throughout the economy on a regular basis (Loyalty dollars)
- ✦ Ezanz generates dollars beyond memberships.

Ezanz Compliance

- ✦ Ezanz is compliant with current legislation and aligned with international best practice standards.
- ✦ Ezanz transactions operate on the most trusted financial platforms in the world.
- ✦ Trademark & IP protected.
- ✦ The Ezanz Business Model is exclusively secured with Veva IP for 10 years with an option to renew.

Ezanz Technology

- ✦ Ezanz is “cool” – technologically savvy & seamlessly “simple”.
- ✦ Ezanz is a comprehensive turn-key system: just “plug and play”. Ezanz offers retailers higher profile, web-support, a customer loyalty program, comprehensive reports, financial records, seamless distribution of money, and increased profits, reduced taxation on revenue, good will and viral marketing.
- ✦ Ezanz responds to customers needs, distributes funds in accordance with qualified public preferences in real time and eliminates the need to say no to candidates seeking financial assistance. If they comply with the relevant standards, it is up to them to encourage others to nominate their cause as their preferred funding recipient.

Ezanz Stakeholders

- ✦ Ezanz is evolving: several initiatives are currently being evaluated to keep the concept fresh and exciting for years to come; to establish and maintain brand loyalty, increase profits and incentives for stakeholders and maximize community participation and volunteer programs.
- ✦ Ezanz offers a Win:Win for stakeholders

Ezanz Personnel

- ◆ Ezanz is proactive. Vertical Market Specialists, Relationship Managers, & Regional Directors all work proactively to keep stakeholders advised of local and global trends and assist with yield management and Member communication.

Ezanz Reporting

- ✦ Ezanz generates time sensitive support and market research feedback.
- Ezanz is accountable – people will change their allegiances if they don't see results for their patronage.
- Ezanz also undergoes more compliance audits and industry evaluations than other charities.

Ezanz Marketing

- ✦ Ezanz is visual – at point-of-sale, in retail windows, on public projects and equipment, in the media, live on the web, in personal accounts, and bank cards, via email and SMS's advising of loyalty benefits (optional).
- ✦ Slogan: "*With You...We Can*" offers a choice: Shop and take home only the groceries you paid for or... register with Ezanz, pay the same amount and generate funds for your family and community.

Summary & Action Plan

- ✦ Analyse membership wants and expectations.
- ✦ Do the math.
- ✦ Review marketing efforts.
- ✦ Register with Ezanz.com for additional information. Its FREE!
- ✦ Identify key projects for funding
- ✦ Discuss industry strategies to manage funds efficiently and effectively.
- ✦ Establish a value proposition.
- ✦ Consolidate partnerships
- ✦ Review membership communications.



Australian Government
Australian Sports Commission



AUSTRALIAN
INSTITUTE OF SPORT

13th IASI World Congress

11-13 March, 2009 Canberra, Australia

*Building and sustaining sport information communities -
through connectivity, collaboration and sharing*



ROUTLEDGE



Routledge
Taylor & Francis Group

EPSON
EXCEED YOUR VISION



Wolters Kluwer | Ovid
Health

Kayell
australia
Imaging · Graphics · Media

