

BMI SERIES - THE CASE OF CLUBS

Business model innovation is the art of redesigning the way a company creates and captures value. Using the Business Model Canvas of Osterwalder, I'll tackle the problem and come up with my own suggestions, or I'll explain what the success factors are of a business model. In this first one, I'll tackle the club-problem, which is all about the renewal of the value proposition.

All clubs are having the same problem lately. Over the past decade a big change has happened in how people have social contacts. This has led to some serious issues, especially for the value proposition of sports clubs.

HOW IT USED TO BE

In the old days, part of the value of being a member of a sports club was that you had some social contacts there, and that you would meet new people and maybe even make some good friends.

As an added bonus to the clubs, this meant that they usually had a large group of volunteers who did all kinds of things for the club, including providing training, running the bar or being part of the board. People were willing to do this, since they had their social network at the club.

In the past few years, however, this 'social contact' value has become much less important for people. It's probably a combination of the individualization of society and the upcoming of social networks like Facebook, which allow you to have 'social encounters' whenever you like. This simply means that people are becoming much less involved in club life, which leads to a decline in the number of volunteers (and trainers) leading to a lower amount of members, leading to even less volunteers, and so on until there's no member left.

This problem has some large implications for any club. If I look at my old athletics club, for example, I see that they also have problems

getting volunteers, and that this problem grows every year. Year after year they have less people to provide training, or to do help during competitions.

But they also begin to encounter other problems, for instance with the lack of participants for extra activities like camp weekends. Both of these problems are evidence for what I stated before, and are also recognized by other people during brainstorm sessions.

To get an overview of this problem, I filled in this 'old way' in [Business Model Canvas 1](#).

TO PROFESSIONALIZE, OR NOT?

To overcome this problem, it is time for the clubs to take a close look at their Business Model, to see where they can innovate to make sure that we will have clubs left in a few years.

One part of the business model that is usually changed, is the value proposition. Unfortunately, it is very hard in this case to change it, since your main offering will always lie in the providing of sport trainings, since this is what makes a sports club a sports club. However, there are some possibilities, for example by adding another value proposition.

This innovation in the value proposition can take many shapes, but the main direction from this point that makes the most sense is to professionalize (part of) the club. It's all about deciding how far you want to go with this, but I'll describe two options; The professional

volunteer (partly professionalizing) and the complete professionalization.

THE PROFESSIONAL VOLUNTEER

If you really want to innovate on the value proposition to get more volunteers, the value of being a volunteer should be clear to the (potential) volunteer. By providing trainings on general subjects, like for example leadership, it becomes much more interesting for a large group of people. Especially for people who want to grow their resumé. I've visualized this in [Business Model Canvas 2](#).

The most important part of this is that you really show the volunteers that it's worth their time to do something for the club. This will cost considerable time of the board of the club and a small amount of money for the training of the volunteers, but on the longer time it will pay itself back. Not only will the number of volunteers grow, but also the number of members is very likely to grow, since everybody will talk about how great it is to do something for your club.

COMPLETE PROFESSIONALIZATION

Unfortunately, this might be too late for some clubs, and for them it might be best to go for the complete professionalization route. This will cost you more money per member, but the overall quality of the trainings will rise, and you won't have the trouble of not knowing whether you'll have enough volunteers.

This full professionalization route literally means that you'll turn the club into a

professional gym, taking away the problem of the volunteers, and most of all one of the basic value propositions of a club (the social factor), as can be seen in [Business Model Canvas 3](#).

Is this change a real problem? I think that this professionalization might actually bring some good to clubs. By running a club more like a professional gym, a lot of slack may be cut away in processes, and the focus will shift more to providing the best trainings at the best price possible, instead of endless talks about the color of the napkins which come with the sandwich.

HOW TO HANDLE THIS AS A CLUB?

The first step to take as any club right now is to determine where you'd like to go as a club in the future. Do you want to keep the trouble, or do you want to professionalize (partly). Fill in a business model canvas and see where you want to go.

As soon as you know where you'd like to go, you can determine if you're going to professionalize all of the board, or if you're instating one FTE to do all the day-to-day running of the club. This all depends on your needs and wants as a club.

When you've decided all of this, try to run the club more like a company. Focus on the important parts of your value proposition, and cut away the parts which are not important to you as a club. I think that this will give the best chances for survival on the long run.

This paper was written by Erik van Dies, masterstudent Innovation Management at Eindhoven University of Technology, to help people better understand the uses of Business Model Innovation, as well as to help the world.

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<p><i>Key Partners</i></p> <ul style="list-style-type: none"> » City council » Sport federation » Professional trainers 	<p><i>Key Activities</i></p> <ul style="list-style-type: none"> » Provide training » Provide extra activities 	<p><i>Value Proposition</i></p> <ul style="list-style-type: none"> » Provide sportstraining » Help with a healthy lifestyle » Social network (questionable if clients are looking for this) 	<p><i>Customer relationship</i></p> <ul style="list-style-type: none"> » (Bi)Weekly training » Extra social activities 	<p><i>Customer segments</i></p> <ul style="list-style-type: none"> » People who like to do a certain sports
	<p><i>Key Resources</i></p> <ul style="list-style-type: none"> » Volunteers » Trainers (might be volunteers) » Training facility 		<p><i>Channels</i></p> <ul style="list-style-type: none"> » Face-to-face contact during training » Website » Social media 	
<p><i>Cost Structure</i></p> <ul style="list-style-type: none"> » Rent of accomodation » Professional trainers 			<p><i>Revenue Streams</i></p> <ul style="list-style-type: none"> » Membership fee (recurring) » Sponsors » Subsidies 	

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	<p><i>Key Resources</i></p> <ul style="list-style-type: none"> » Volunteers » Professional trainers of the volunteers 		<p><i>Channels</i></p> <ul style="list-style-type: none"> » Face-to-face contact during training » Website » Social media 	
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