The Business of High Performance
African Insights

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Session Theme: Management Models, Sponsorship, Financial Models

Where do you get money?

Where do you spend money?
Presentation Overview

• Management/ Governance Structures
• Where do you get money?

Where do you spend money?
Key Principles Applicable to Board of Directors

- Size (number)
  - Smaller is better

- Competencies (skills set)
  - Diversity
  - Suited to the objectives of the organization

- “Independence”
  - Material/Financial independence

- Exec vs Non Exec

- Accountability
  - Set term + Max number of consecutive terms
  - Performance Review + Consequences
Each role in the executive team must be linked to a key performance area of the business.
The essential activities of high performance (research, applied science, athlete support) cost more money than they make, therefore one must find alternative revenue to enable the work of high performance

Primary Sources of Funding for HPCs

- Sponsorships/Donations (no obligation)
- Brand Association
- Co-develop Product
Mission:
To improve the health and sporting performance of all South Africans through the application, translation and dissemination of science.
Offering: Lifestyle Interventions, Fitness Centre, Clinical Services  
Market: The man on the street

Revenue: Membership fees, Rental Income, Consulting fees

Offering: Coaching, Sports Science Interventions (Testing, monitoring, strength & conditioning), HP gym  
Market: Athletes

Revenue: Consulting fees, Membership fees, Federations, Brand Association

Offering: Short courses, certificates, diploma  
Market: coaches, trainers, individuals

Revenue: Federation/Clubs, Individuals

Donations, Sponsorships, % of SSISA’s income

University Funding, Grant Funding
Mission:
To improve the health and sporting performance of all South Africans through the application, translation and dissemination of science.
<table>
<thead>
<tr>
<th>Business Unit/Strategic Pillars</th>
<th>Offering</th>
<th>Revenue</th>
<th>% of Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wellness</strong></td>
<td>Lifestyle Interventions, Fitness Centre, Clinical Services</td>
<td>Membership Fees, Programme Fees, Rental Income</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Coaching, Sports Science Interventions, High Performance Gym</td>
<td>Consulting Fees, Membership Fees, Federations, Brand Association</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Short courses, certificate, diploma</td>
<td>Federations/Clubs, Individual (Programme fees)</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Science &amp; Research</strong></td>
<td>Research, Teaching</td>
<td>University Funding, Grant Funding</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Active Citizenship</strong></td>
<td>Community Health Intervention Programmes</td>
<td>Donations, Sponsorships, % SSISA income</td>
<td>-</td>
</tr>
</tbody>
</table>
Funding Evolution

- University of Cape Town (57%)
- Corporate Partners (40%)
- Provincial Federation (3%)

1994
- Corporate Partners
- National Sports Federations (Consulting)
- Local Government

2000 - 2007
- Sponsorship
- Management Contracts
- Membership Fees
- Local Government

2007 - 2012
- Membership Fees (65%)
- Programme Fees
- Rental Income
- University (8%)

2013 - 2016
- Membership Fees
- Management Contracts
- Rental Income

2017 - 2021
- Membership Fees
- Management Contracts
- Rental Income

New Business Model
UCT/SSISA 5yr Lease Agreement ENDS

- Corporate Partners
- National Sports Federations (Consulting)
- Local Government
Organisation A vs Organisation B

I understand the importance of revenue mix, but does it really have to be so complicated?

### Organisation A
- **75%** Residential Facility
  - Anchor Tenants
  - Hotel
- **20%** Corporate Partnerships
- **<3%** Athlete Support Services (clinical)

### High Performance Services
- Research
- Applied Science
- Athlete Support Services
  - Eg Clinical

### Organisation B core business
- Residential Facility
- Training Facilities

### Revenue
- Rental Income (anchor tenants)
- Hotel Income (travelling teams)
- Corporate Partnerships
  - Sponsorships
  - Brand association
Primary Sources of Funding for HPCs in Africa

- **Government**
  - Operating Budget

- **University**

- **Federations**
  - Sponsorships/Donations (no obligation)
  - Brand Association

- **Corporate**
Vision/Mission/Goals/Strategy
Vision/Mission/Goals/Strategy
**Principles of Sourcing Funding**

- **Vision/Mission/Goals** should inform where you look
- **Diversify your income**
- **Monitor revenue drivers**
- **Make it easy for funders to give money**
“You must gain control over your money, or the lack of it will forever control you.”

Dave Ramsey
You must gain control over your money, or the lack of it will forever control you.”

Dave Ramsey
Thank You!

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