Running a Profitable Tennis Business.

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ABSTRACT
In order to grow the game worldwide, tennis coaching and the management of tennis programmes needs to be regarded as a serious and professional business. This means that coaches have to work and think in a professional manner to grow a successful and profitable business. In order to run such successful businesses, a business mind is not essential, provided that a number of simple rules are followed. This article aims to provide simple ideas which are guaranteed to help grow your tennis business.

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PLAN THE PROGRAMME

It is easier to work out the finances of the tennis programme if it is planned in advance. Typically this might mean that the programme is shown in a leaflet showing the type, cost and standard of sessions available to different ages and standards of players. This is a simple but effective way of marketing the club programme, which is likely to result in greater sales from members and the local community. Depending on the size of the programme, it may be advisable to create separate leaflets for the junior and adult programmes.

Advice:
• Showcase your whole programme in one go
• Encourages greater sales if potential clients can see what is offered, thus increasing income
• Reduced administration – 1 leaflet rather than separate leaflets for each activity

Learn how to work effectively with groups of players

More players can be included in a programme if activities are offered to groups of players. This might include group coaching, competition and group activities such as Cardio Tennis. Working with groups creates greater earning potential for you, whilst keeping the cost down for the players, and is a more efficient use of court space and time.

Advice:
• Greater earning potential from groups (6 players paying $8 per hour is more lucrative than 1 paying $40)

Fun and convivial atmosphere created amongst group members
• More fun for the coach
• More players included in the programme
• More efficient use of court space themselves ethically.

How to calculate break even

Calculating the figure known as break even is critical to a profitable business. This involves calculating all costs associated with a class, which in turn helps to identify how much should be charged, and the number of players required to cover the costs or make a profit. Calculating break even can either help you to know how many people you need in order to make a profit, or to calculate how much you should charge to make a profit if you know how many people will be attending.

Calculating break even – example for 6 week group coaching with maximum 12 people

Costs:
2 courts @ $5 per hour = $10 Coach fees per hour = $30
Balls ($50 divided by 6 weeks) = $8.33
Total: $48.33 per week x 6 weeks = $289.98

Income: (Assuming 75% take-up)
100% = $289.98 / 12 = $28.99 per person
75% = $289.98 / $35 = 8.2
Course fee = $35 per person

Break even = 9 people

Don’t forget that you may have to pay tax on any profits!

Grow your reputation to grow your income

Always remember that people choose to come to you for their tennis, so they should be treated as customers. Successful coaches make much of their income (and therefore profit) from regular customers. Retaining existing players is up to 10 times cheaper than attracting new players, and much easier. Grow your reputation by being customer focussed - your clients are buying you!

Advice:

• Return emails and calls and have a diary
• Get to know your customers and offer them the opportunity to play more.

Minimise costs

One of the most basic rules in business is to manage costs to maximise profits. There are many ways in which costs can be kept to a minimum without compromising quality or the range of services offered.

Advice:

• Find local sponsors to offset costs. Sponsors are unlikely to give cash, but they may be willing to pay for printing for your marketing, or to provide balls or prizes for a tournament, in return for placing their logo on your club leaflet or website
• Buy in bulk and shop around. Better deals on items such as balls can be secured if you buy in bulk, and very often by shopping around on the internet
• Watch your break even. Perform a simple costing exercise on every activity that you run, and you will soon identify which are your most lucrative activities

Develop a database

Modern technology means that keeping in touch with customers is easier and cheaper than ever before. By designing simple application forms for people to complete, important information such as names, email addresses, cell phone numbers and description of playing standard can be entered into a simple database.

Advice:

• Advertise more efficiently by target marketing. Select players from your database, and advertise activities and courses specially geared towards their standard or characteristics (for example for an Under 10’s tournament or a new adult course)
• Advertising can be done quickly and very cheaply by email or SMS marketing
• Offer what customers want, giving them promotions and special offers
• Record birthdays and send your clients an e-birthday card. They will really appreciate it!

By following these simple steps, your business will become more customer focussed, and more profitable.