

Business Plan

for the

Motorcycle Riders
Association of Australia

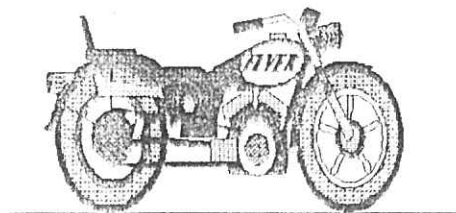
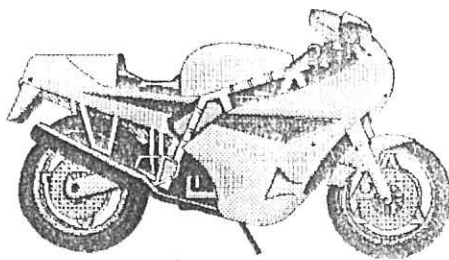


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Business Plan for the M.R.A.A.

Executive Summary/Core Business Concept

To achieve financial stability in the short term and then to steer the M.R.A.A. towards accelerated growth and expansion in the long term.

This will be done by implementing plans that will:

- Encourage new membership

- Give the M.R.A.A. a higher profile

- Put the M.R.A.A. Head Quarters on a profitable financial footing

- Give the M.R.A.A. a sound business based structure

- Allow the employment of professional staff

Overview

The M.R.A.A. has almost 2 decades of service to motorcycling. It can continue to grow into the definitive voice of Australia's motorcyclists.

To do this it must not be allowed to fall back into a small club mentality but must grow and mature into a professional organisation with a sound administration structure.

The M.R.A.A. should be the motorcycling equivalent of the R.A.C.V.

It should provide for members:

- Representation at Government level in : Road Safety
 - Fair and sensible laws
 - A better image for motorcycling
- A 4B's service ie., assisting the needs of injured riders
- A legal service
- Communication via magazine/newsletter
- A road side assistance service for stranded members, 24 hours, 7 days
- Conducting major motorcycle events eg. Toy Run etc
- Options/better deals on insurance cover
- Pre-Purchase inspections on motorcycles
- A network of motorcycle shops offering discounts to members
- Technical advice
- Training classes in motorcycle maintenance
- A central office/Head Quarters for coordination of service
- Information on rider training, licensing etc.
- Trained professional staff to answer members queries

This range and level of service to members should result in a higher membership level.

| | | |
|----|---------------------|--------------------------------------|
| eg | Market size 75,000: | 5% approx 3,500 members in 6 months |
| | | 10% approx 7,000 members in 1 year |
| | | 15% approx 11,000 members in 2 years |

At approximately \$25.00 per member this would mean that in only 6 months time, the M.R.A.A. would be in a healthy financial state. With a sound management team and efficient administration system in place, there can only be better things ahead.

There are 2 specific plans that can be implemented immediately that should stimulate membership growth very quickly, and reduce expenditure.

1. On Site Motorcycle Service's Proposal (attached)
2. Sub leasing space at M.R.A.A. Head Quarter (attached)

MARKETING STRATEGY

HEADQUARTERS

Within the headquarters, promotion of all major milestones and ongoing efforts should be visible, easy to grasp and be attractively presented.

MEMBERS

Survey current members to ascertain needs.

GOVERNMENT BODIES

Approach a wide number of bodies, ie. Tourism, Ethnic Affairs, Education, and Trade and offer assistance in providing information to their publications.

UNIVERSITIES

Approach Editors of University magazines for input, ie. stories, articles and advertising.

MRAA NEWSLETTER

Research the format of past newsletters to ascertain successful formula. — HEAVY DUTY.

MASS MEDIA

Approach all relevant publications to discuss best marketing strategy.

PREVIOUS MINUTES

Utilise any ideas brought up at previous meetings.

JOB SPECIFICATIONS

Riders Rights Representative - Government Level

- Involve themselves in the concerns or issues raised by members that are of a government nature.
- Take appropriate action to address these issues.
- Research fully the facts of the issues and, if necessary, write report to relevant bodies.
- Report outcome of findings to the members either directly, through the committee meeting, through the newsletter or the mass media.
- Produce newsletter.

Administrator

- Manage day to day affairs
- Liaise with committee
- Formulate plans to encourage growth
- Co-ordinate 4.Bs service
- Assist in the production of the newsletter
- Report to committee on affairs of headquarter

Office Staff

- Counter duties - greet customers, assist queries sell stock
- General office duties including filing and typing.

BUSINESS STRUCTURE

MRAA Headquarters is currently used as both a retail/service outlet and an office.

The retail/service section handles the receiving of membership and renewal applications, enquiries on purchasing and maintaining motorcycles, rider training information, club information and political queries. A limited number of stock items are sold. The shop is also an agent for SWANN Insurance.

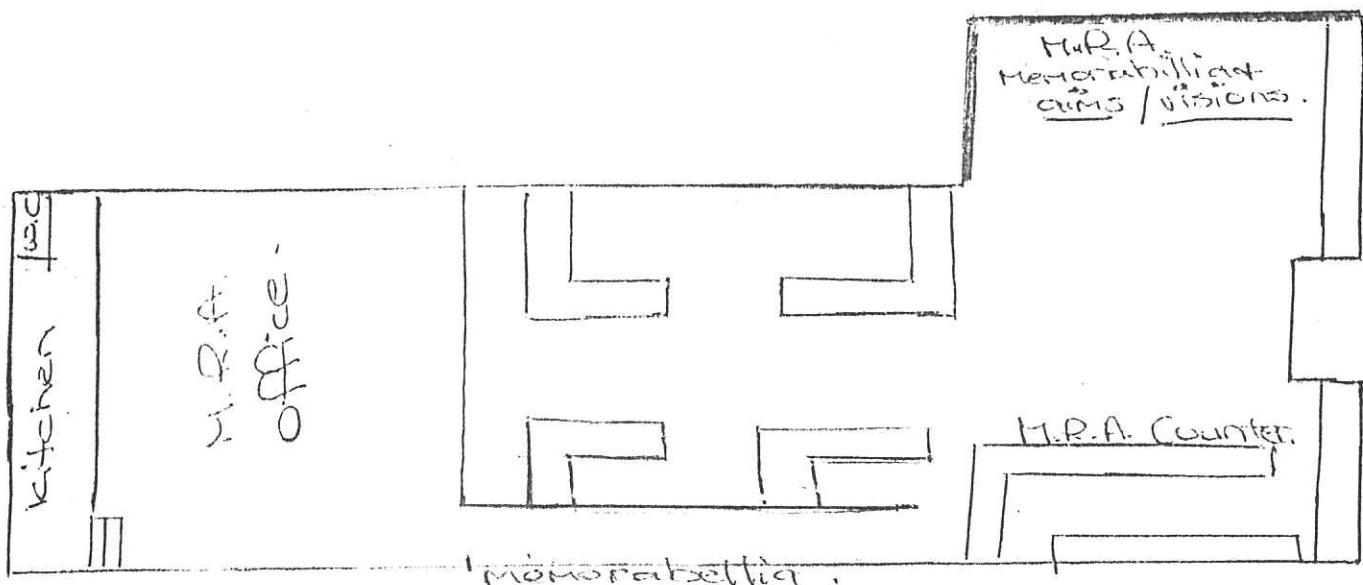
The office facilities are used for general affairs associated with the Association i.e. political lobbying, writing and collating Government reports, recording of official documents and general correspondence.

Currently, the MRAA has limited membership which restricts its income. Therefore, in order to reduce expenditure, MRAA Headquarters should be sub-leased to interested businesses. The MRAA would still retain its presence in Elizabeth Street, retain a shopfront, counter and office facilities and would benefit from the increased patronage. Savings would be used to upgrade the quality of service provided to members and employ staff.

MOTORCYCLE RELATED BUSINESSES (POSSIBLE SUB-LEASEE)

1. ON SITE MOTORCYCLES. Bookings for pre-purchase inspections, roadside assistance, maintenance classes.
2. GARNER'S BIKE HIRE.
3. RIDER TRAINING SCHOOL BOOKING OFFICE.
4. MOTORCYCLE SECURITY SYSTEMS
5. DAVE MULLIGAN'S WORLD SUPERBIKE/G.P. TOURS
6. INDIA BIKE SAFARIS
7. MARY'S Motorcycle clothing for kids, leather repairs, motorcycle seat reupholsterer.
8. CHAMPIONS Motorcycle tarps, tool rolls, ammo-belts etc.
9. BEN FRIES ORIGINAL Jewellery, Harley accessories.
10. LUCHE'S ACCESSORIES
11. MOTORCYCLE POSTER SALES

NOTE. The number of businesses sub-leasing should be kept to a manageable number. Possible implementation of four businesses within the shop are layed out below.



Financials

Overview

The current overall market of registered motorcycles in Victoria is approximately 75,000 motorcycles.

The current MRAA's membership level is, in round figures 2,000 members. At an average membership cost of \$25.00 per year this equates to \$50,000.00 income, per annum.

A growth prospectus in relation to the number of motorcycles is set out below:

| | | |
|-------------------|-------------------------|-----------|
| 5% of the market | 3,750 members @ \$25.00 | \$ 93,750 |
| 10% of the market | 7,500 members | \$187,500 |
| 15% of the market | 11,250 members | \$281,250 |

As set out above the opportunity for improving the MRAA's financial situation is realistically achievable on membership subscription alone.

Let us presume, for the sake of “worst case scenario”, that all other MRRA activities only break-even and show no net profit. This will simplify the financials.

Projected Expenditure

| | |
|---------------------------------------|------------|
| Gross Rent & Outgoings | \$36,000 |
| <u>Less</u> income from 4 sublessee's | (\$24,000) |
| Nett Rent | \$12,000 |

| | |
|--------------------------------|-------|
| Postage | 9,000 |
| Maintenance (Office Equipment) | 2,500 |
| Phone/Fax | 2,500 |
| Stationery etc | 4,500 |
| Petrol | 1,200 |
| Conference/Meeting Expenses | 1,000 |
| Storage | 900 |
| Amenities | 1,500 |
| Bank Charges | 700 |
| Accountant | 2,500 |
| Advertising | 800 |
| Electricity | 500 |
| Sundries | 2,000 |

| | |
|-----------------------|---------------------------|
| <u>Total Expenses</u> | <u>\$41,600 per annum</u> |
|-----------------------|---------------------------|

These expenditure figures are extrapolated from the MRAA's financial statements over the past 12 months with a 15% increase. (These are intentionally higher - "worst case scenario").

Even using the current membership base of 2,000 members for an income of \$50,000 for the next 12 months, and using inflated expenditure figures for the next 12 months it still shows a \$8,400 nett profit, worst case scenario!