

# Good Sports Growth Plan

Scaling to Get Everyone In the Game

December 2013



# Based On Current Market Sizing, Good Sports Estimates Its Addressable Market to be 6 Million Children

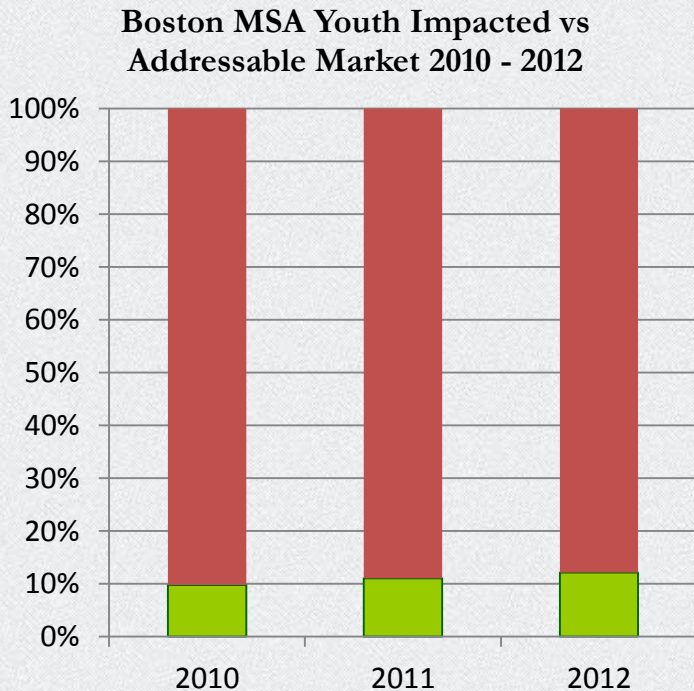
## Good Sports Addressable Market:

- Number of youth sports participants assuming even participation levels with affluent areas
- Top 50 Metropolitan Service Areas (MSAs) in United States
- Living in low-income households as defined by poverty data
- Ages 5 - 18





# After 10 Years, Good Sports Has Reached Target Service Level in Boston MSA



## Boston Impact

- In Boston MSA, Good Sports has served approximately 10% of addressable market in each of the past 3 years
- To achieve that Good Sports is approving approximately 50% of Massachusetts applications compared to less than 25% nationally
- On a national level, Good Sports saturation of other top 50 MSAs is less than 1%, with some markets ahead of others due to resource investments made over the past few years



# Impact of 10% Service Level per MSA



Good Sports equips kids in need to play at least twice during their playing years. Additionally, equipment donations have impact for 2-5 years depending on equipment provided.



Good Sports approves grant applications at rate of 25% - 50% per MSA



Good Sports demonstrates strong track record in target MSAs enabling us to secure more local support in addition to national partnerships





# Good Sports Plans to Expand Its Impact to an Addressable Market of 6 Million Kids Nationwide

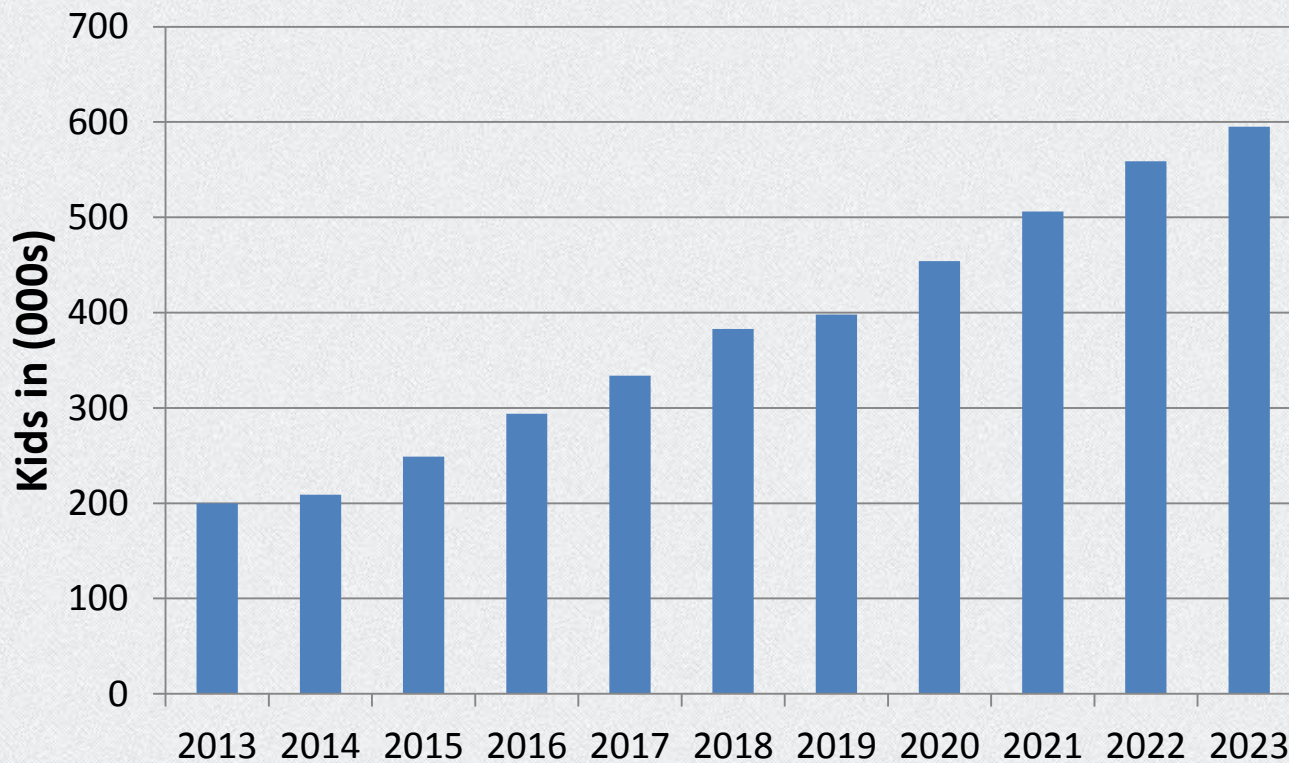
## Core Assumptions for Good Sports to Achieve This Goal:

- Grow to impact 600,000 kids per year by 2023. At this rate, Good Sports will support the kids in our addressable market every ten years.
- At current cost structure of \$20 per kid, Good Sports would need \$12 million budget to accomplish this goal
- Continued focus on corporate sector as core funding source for growth
- Achieve deeper penetration in 5 major markets to help achieve goal
- Fundraise nationally as well as in 5 target MSAs annually
- Maintain quality and due diligence as Good Sports grows



# Good Sports Plans to Grow to Serve 600,000 Kids per Year

**Projected Kids Served by Year**





# Growing Centrally Builds Upon Good Sports Success While Managing Cost and Risk

## Centralized Growth Strategy:

- Expand our existing successful model rather than replicating enabling Good Sports to leverage equipment partnerships across the country
- At projected volumes, centralized distribution is more cost effective than creating decentralized organizational structure
- Centralized team and financial controls helps minimize costs and risks of growth
- Regional Advisory Boards and small regional staff help bring local relationships and knowledge to Good Sports in target markets



# Good Sports Growth Will be a Combination of Developing Core Target Markets and Serving Smaller Markets Centrally

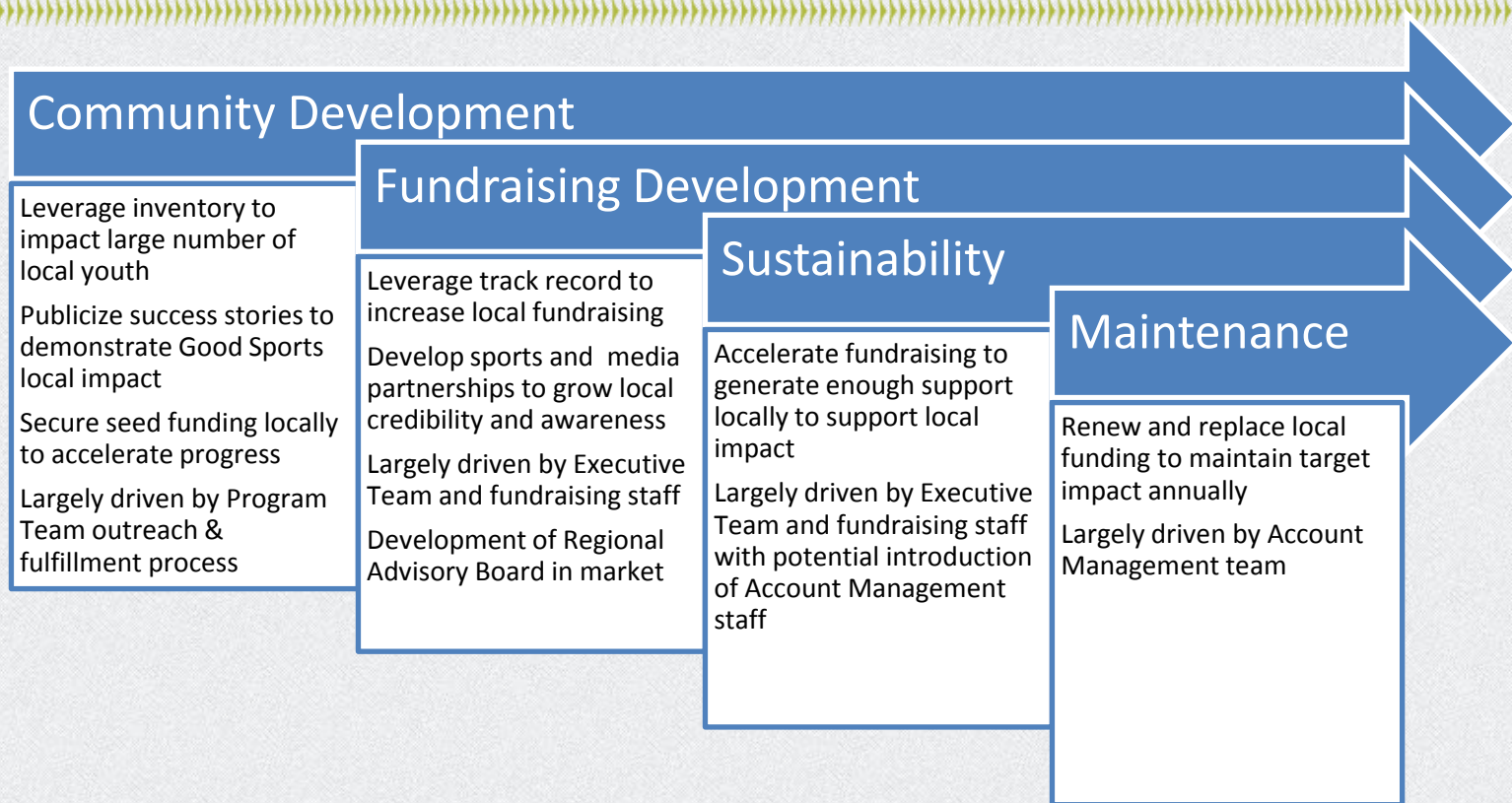
## Key assumptions for developing core local markets (MSAs):

- Our youth impact will be split initially 80% nationally and 20% in our target MSAs but will decrease to 65% nationally as new target MSAs are developed.
- At current cost structure of \$20 per child, an MSA will reach sustainability when we raise enough to impact local kids from local funds as well as generate unrestricted funding in the market place
- MSA sustainability will be accomplished over multiple years
- Will strive to achieve sustainability in top 5 MSAs, along with our Boston headquarters, while smaller markets will be supported via national efforts





# We Propose Achieving Market Sustainability in a 4 Stage Process



Each Stage of the Process Could Take Up to 2 Years



# Initially, Good Sports Will Develop Five Major Markets

Stage	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Community Development	Chicago	Dallas	Dallas	New York	New York	Atlanta	Atlanta	Los Angeles	Los Angeles	
Fundraising		Chicago	Chicago Dallas	Dallas	New York	New York	Atlanta	Atlanta	Los Angeles	Los Angeles
Sustainability				Chicago	Chicago Dallas	Dallas	New York	New York	Atlanta	Atlanta
Maintenance	Boston	Boston	Boston	Boston	Boston	Boston Chicago	Boston Chicago Dallas	Boston Chicago Dallas	Boston Chicago Dallas New York	Boston Chicago Dallas New York





# Regional Advisory Boards Will be an Integral Part of our MSA Roll Out Strategy

## Value of Regional Advisory Boards in Growth:

- Regional Advisors will enable Good Sports to have greater presence in key markets
- Much like national Board of Directors has done in Boston, Regional Boards will build Good Sports' local network of relationships
- As Good Sports grows, local presence will provide greater ability to drive awareness as well as capitalize on local opportunities
- Regional Advisory Boards can also be a source for National Board Members over time
- Assessing local impact more directly will provide Good Sports with a greater understanding of how we can drive change through our mission



# Regional Advisory Board Members Will Provide Programmatic, Fundraising, and Marketing Support Locally

## Roles & Responsibilities of Regional Advisory Boards:

- Recruitment and retention of Regional Board Members to ensure consistent base of support
- Leveraging network to identify potential partners to financially support Good Sports efforts
- Create awareness of Good Sports in local market through media and athlete partnerships
- Bring local perspective to equipment donation decisions, evaluate Good Sports impact in market and continue to refine approach to achieve more
- Support organization's efforts to generate sufficient funds locally to support optimal service level in local market
- Provide strategic support to Good Sports consistent with the strategy set by the National Board of Directors in coordination with Good Sports regional staff and national executive team
- Chairman of the Regional Board of Directors will be a Member of the National Board of Directors



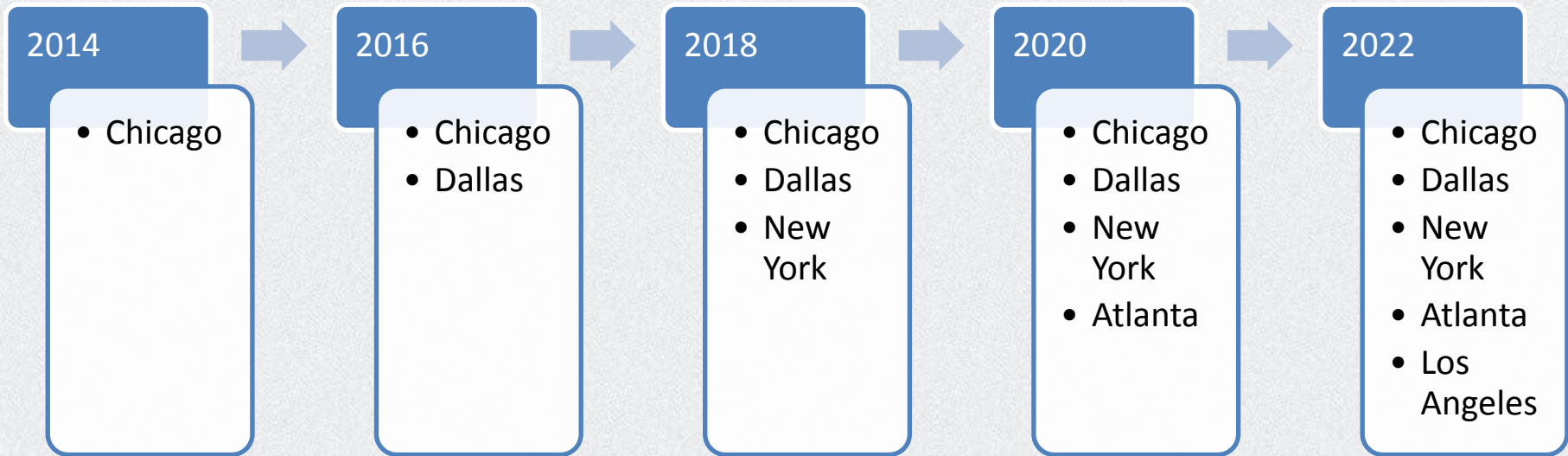


# National Governance and Strategic Direction will Remain with the National Board of Directors

Role	National Board of Directors	Regional Board
Fiduciary responsibility for organization	Responsible for organization	Duty to organization
Management oversight of CEO	Full responsibility	Provide input on local staff performance reviews
Approves organizational budget	Final approval	Provide input on local budget
Advises and approves organizational strategic plan	Final approval	Help local staff execute in line with strategic plan
Fundraising for organization	Fundraise nationally	Fundraise locally with goal of achieving local budget
Advocating and marketing the organization	Raise profile of organization nationally	Raise profile of organization locally
Monitor accomplishment of mission	Monitor national programmatic metrics and set strategy	Inform local donation decisions and monitor local programmatic metrics



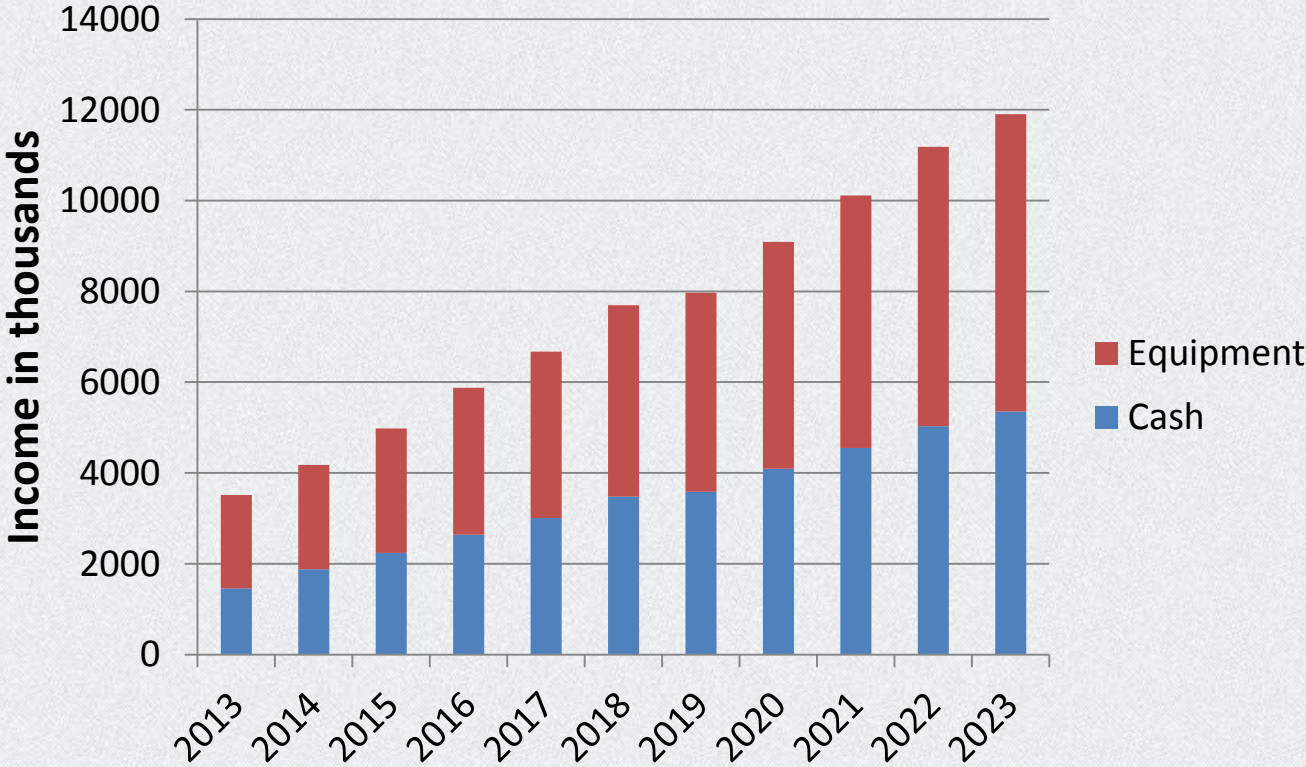
# By Introducing Regional Advisory Boards as Markets Strive for Sustainability, We Hope to Maximize Their Impact





# Good Sports Plans to Grow into a \$12 Million Organization by 2023

### Income Projections by Year



# Expansion Will Require Investment in Personnel and Other Resources

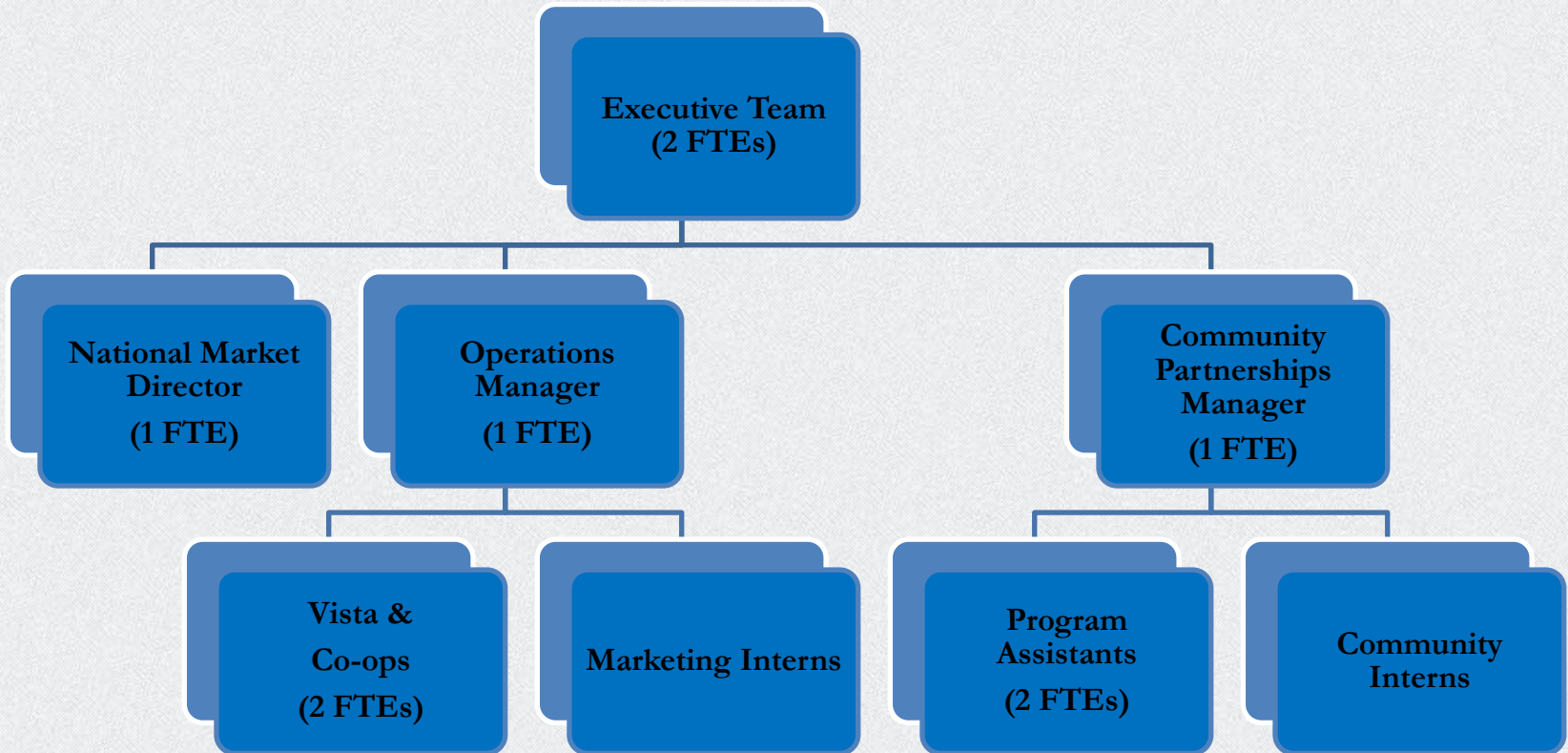
## Operating Model Principles:

- Good Sports needs more skills in sales, distribution, marketing, financial management, and local relationships to fuel growth
- Our staffing approach will be to add people as transaction and inventory volumes in our business reach capacities beyond current staffing capabilities
- Good Sports staff will grow from 8 FTEs today to 26 FTEs in 2023 with majority of growth in Program Team and Regional Teams
- Equipment, personnel, and marketing costs are largest expenses in growth
- Investment will also be required in fundraising, warehousing, occupancy, and travel
- Expenses are not projected to outpace fundraising therefore contributing to a larger cash reserve for organization as it grows





# Good Sports Is Currently Organized in a Functional Structure



# To Support Growth Strategy, Good Sports Needs to Invest in Key Resources

## Functions and Skills Required for Good Sports Growth:

- Sales and sales support
- Warehouse and distribution expertise
- Marketing skills
- Financial management, bookkeeping and administrative support
- Regional community knowledge
- Regional Advisory Board support



# Current Staffing Metrics

Skill/Function	Capacity	Key Metric	2013 Projection
Program Team	3 FTEs plus intern/co-op support	Number of Youth Impacted	200,000
Program Team	3 FTEs plus intern/co-op support	Number of Organizations Served	333
Program Team	3 FTEs plus intern/co-op support	Value of Inventory Distributed	\$1.3 Million
Executive Team	2 FTEs	Value of Equipment Secured	\$2 Million
Executive Team & Events Staff	4 FTEs	Amount of Funding Raised	\$1.5 Million
Executive Team & Operations Manager	3 FTEs	Number of Staff Managed	8 FTEs plus interns and co-ops
Executive Team & Account Management	3 FTEs	Number of Partnerships Managed	16



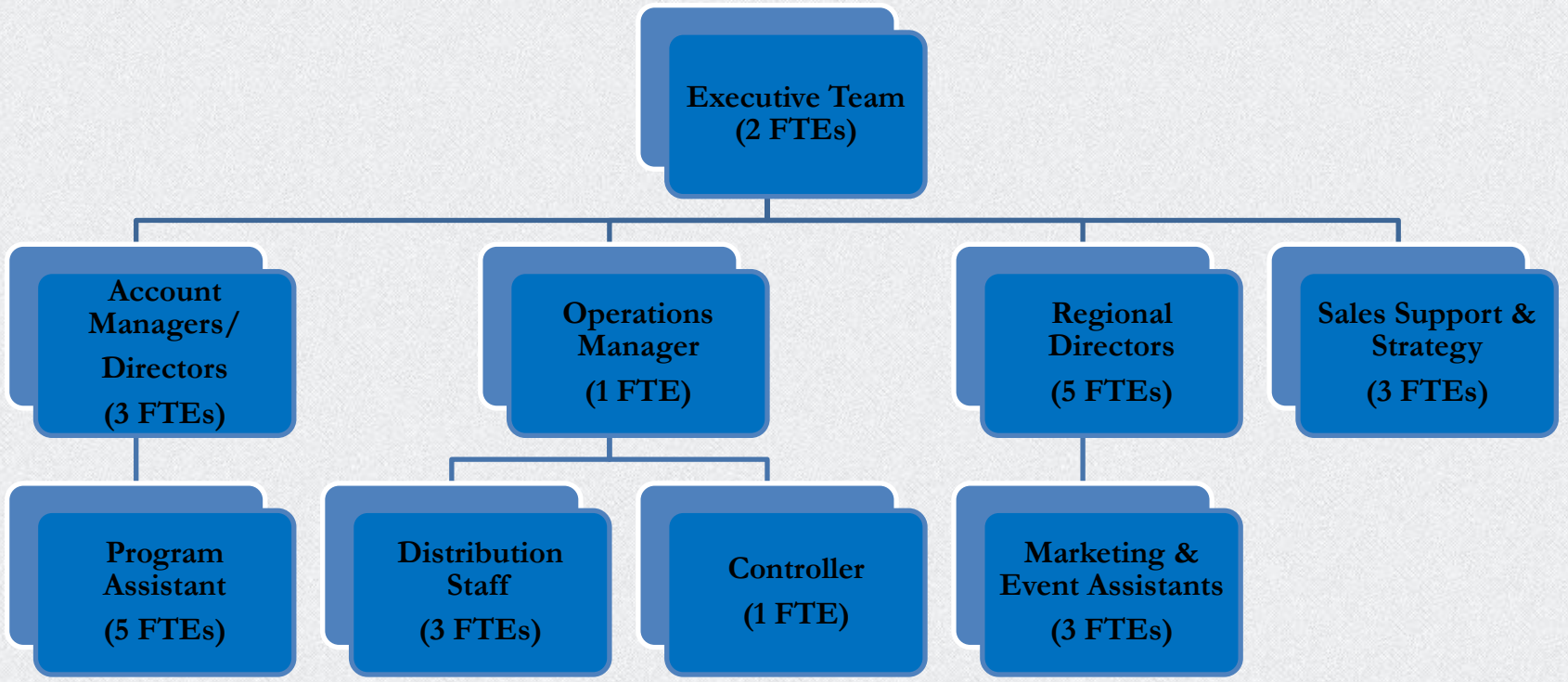


# Demands for Future Growth

Key Metric	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of Youth Impacted	210K	250K	295K	335K	385K	400K	450K	505K	560K	600K
Number of Organizations Served	350	415	490	555	640	665	760	845	930	1000
Value of Inventory Distributed	\$1.9M	\$2.4M	\$2.8M	\$3.2M	\$3.7M	\$4.1M	\$4.5M	\$5M	\$5.6M	\$6.1M
Value of Equipment Secured	\$2.3M	\$2.7M	\$3.2M	\$3.7M	\$4.2M	\$4.4M	\$5M	\$5.6M	\$6.2M	\$6.5M
Amount of Funding Raised	\$1.9M	\$2.2M	\$2.6M	\$3M	\$3.5M	\$3.6M	\$4.1M	\$4.6M	\$5M	\$5.4M
Number of Staff Supported	10	11	15	15	18	19	22	22	24	26
Number of Partnerships Managed	12	13	15	16	18	19	20	22	24	25

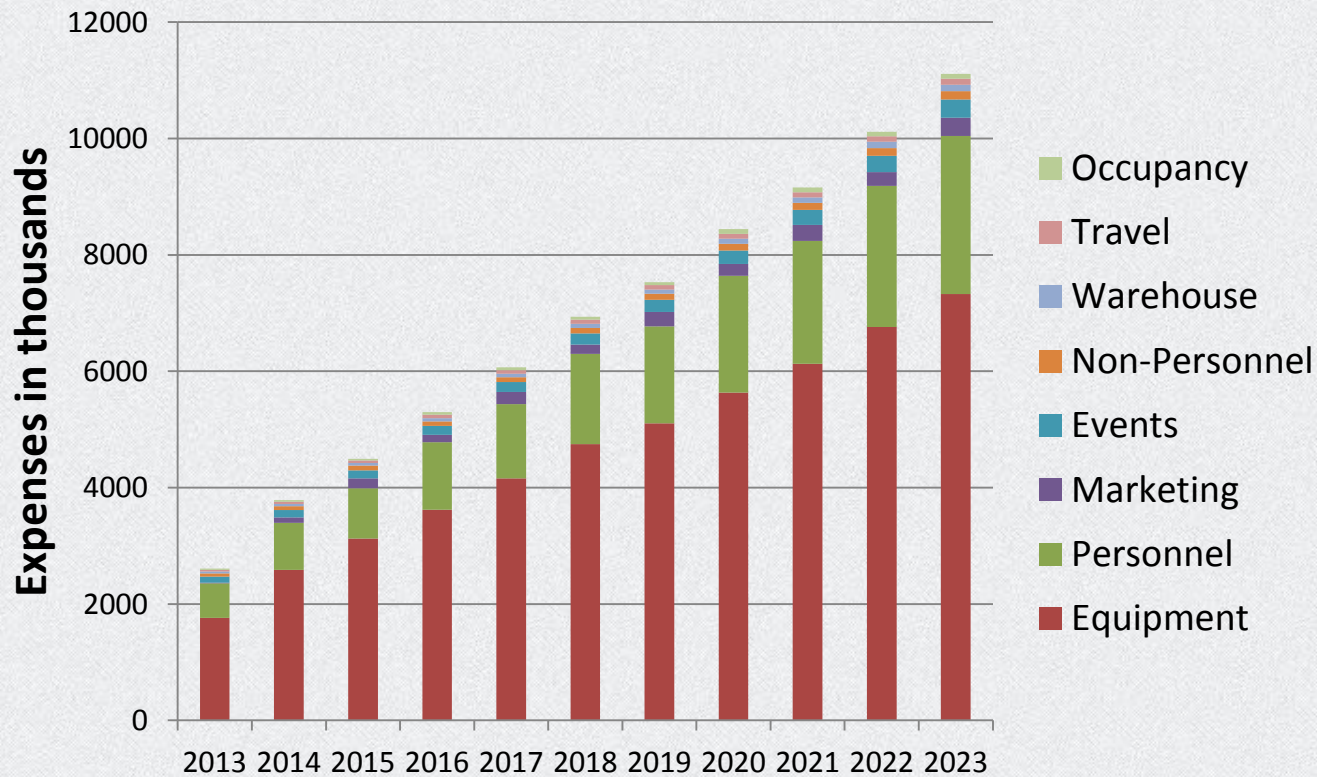


# To Accommodate Growth, Good Sports Will Need to Adjust Its Organizational Structure



# With Growth Come Additional Costs

## Expense Projections by Category





# A Key Driver to Growth Success is to Develop Greater Awareness of the Good Sports Brand

## Marketing Approach:

- To accomplish this, marketing investment is required to drive awareness building, partnership activation, MSA roll out, and thought leadership
- Emphasis will continue to be on leveraging relationships in marketing and media for pro-bono support to stretch marketing budget. This is necessary as marketing expenses must typically be covered by unrestricted resources
- Marketing budget will grow significantly and include some maintenance costs as well as investment in new marketing assets
- Execution will utilize television, print, public relations, partner activation assets, radio, digital and social media



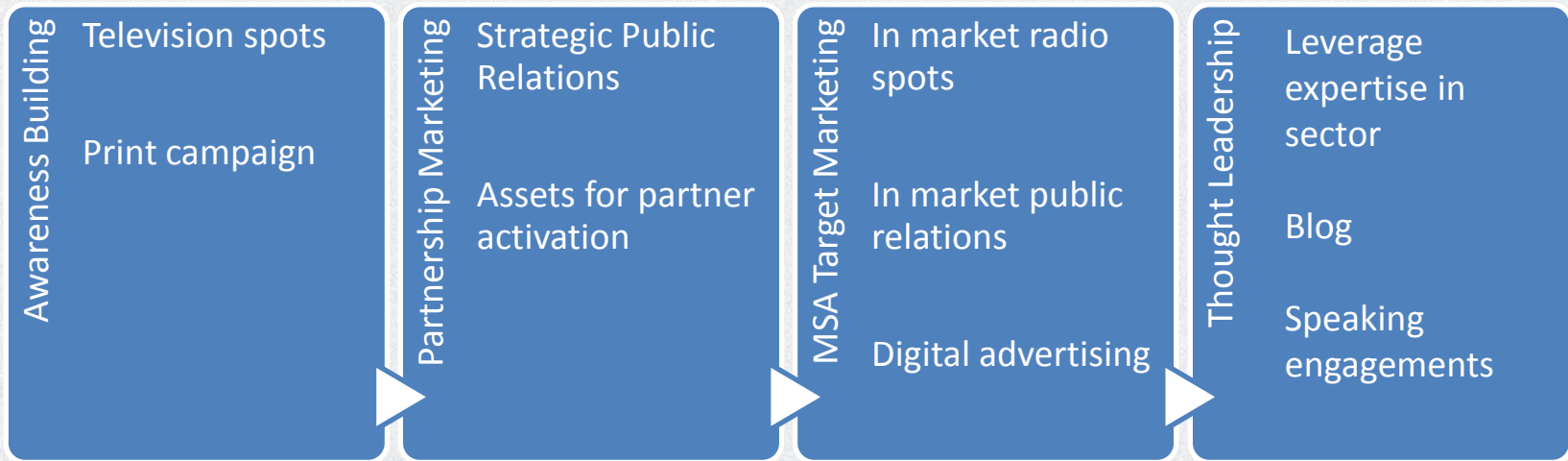
# To Support MSA Roll Out and National Strategy, Marketing Investment Is Necessary

- Drive awareness across key stakeholders as quickly as possible in new markets
- Promote Good Sports in conjunction with partners to demonstrate greater value to corporate relationships
- Raise profile of Good Sports to make organization more attractive for cause marketing partnerships on a national level
- Create the perception on a national level that Good Sports is a major player but be nimble and strategic





# To Accomplish Our Goal Marketing Investment Will be Necessary Across Key Areas



# Inherent in Growth Are Some Risks for Good Sports Which We Will Work to Mitigate

## Financial Over-Expansion

- Expanding too fast
- Economic down-turn
- Rising unrestricted funds required

## Geographical Over-Expansion

- Maintaining business controls
- Additional regulatory requirements
- Increased travel

## Defining Authority

- Defining regional authority
- Regional Board management

## Fundraising Risk

- Legal compliance of fundraising methods
- Publicity issues with corporate partners
- Additional compliance costs

## Administrative Risk

- Increased human resource costs
- Employee retention and management demands increase
- Greater risk of litigation





# The Path Forward

- Thoughtful, measured growth through target markets
- Deeper relationships with core constituents in sporting goods industry, corporate donors, and target communities
- Greater operational investment to support growth strategy
- Increased investment in turnkey solutions for equipment and corporate partners
- Generate broader awareness of Good Sports in target markets as well as nationally
- Leverage current focus on physical activity to fuel growth

