

A Paper on **Change** for  
**Squash** in New Zealand

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## Acknowledgement

I wish to thank all the people who have contributed to the development of this Report. I spoke to around 150 people from all over the country and all the thoughts and comments have been instrumental. I want to thank Mike Thompson for all his help in tracking down documents and for his remarkable openness to a very challenging process.

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# SECTION ONE

## EXECUTIVE SUMMARY

**“The most significant change you have to make is within your individual and collective minds”.**

*Peter Crellin*

A number of Reviews and Reports in addition to Squash New Zealand’s empirical performance data all conspire to form a very strong rationale for the pursuit of organisational change. The historical momentum behind steps to reform squash is the need to break a cycle of declining membership numbers and the strong feeling that the sport is stale and in need of re-energising. However there is a growing acceptance of what all the reviews point to – the need for greater alignment, more cohesion and better communication across the different levels of Squash New Zealand. In fact, the rationale - the evidence - has been building for a long time. Yet to date the squash community has been unsuccessful in breaking through a change-resistant culture to see significant change realised.

This document provides a summary of the *rationale for change*, as requested by some districts. This report also provides specific recommendations to the CEO and Board of SNZ on a course of action which compliments and operationalises many of the themes identified in the 2008 Ferkins Report.

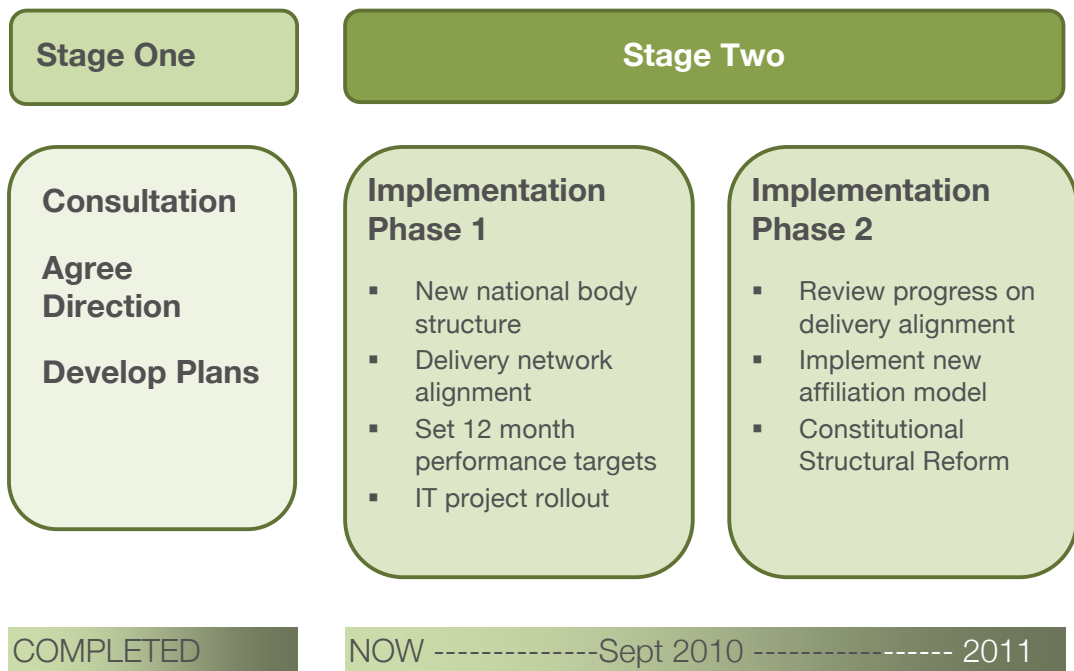
Section Five provides an important context for the recommendations contained in this report. In addition to recognising the change drivers, SNZ must move forward in a way which utilises and respects the dynamics of the change process. That being said, what is evidently clear is that *SNZ must move forward*. The recommendations in Section Six prioritise setting the change wheels in motion however also respond and reflect the cultural and operational climate within SNZ. The actions form a plan to achieve the aim of a streamlined and nation-wide delivery network, whilst maximising opportunities to build trust and better relationships across the organisation.

### **Recommended Actions**

1. It is recommended that a new national body organisational structure is implemented in 2009. The recommended structure will build the capacity and capability of the national

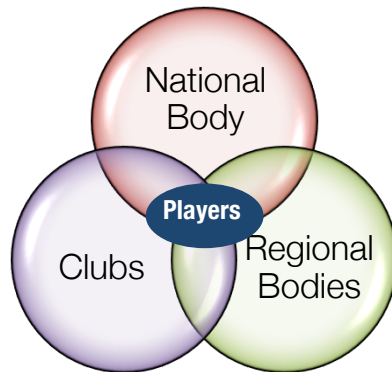
body to deliver improved leadership, communication and operational performance. This is an essential first step prior to district re-alignment.

2. It is recommended that SNZ implement the actions listed on pages 46-51. These actions focus on areas that will deliver the highest return. The singular focus on structure as a solution is ineffectual in the current context. The four identified priorities are: ***connections and culture; delivery coordination; knowledge and capacity building and resourcing and accountability.*** These priorities form the basis of a comprehensive change plan. After the initial changes, further work on structural reform can be conducted.
  
3. It is recommended that SNZ roll out change using a two-phase approach. In the first phase, SNZ focuses on leading the nation-wide alignment of the squash delivery network and implementing the new IT platform. In the second stage formal and constitutional reform will be implemented in the areas of structure and affiliation models. This approach will allow time (during stage one) to build relationships and boost delivery credibility. It also allows time for clubs to focus on the *Opening the Doors* implementation.

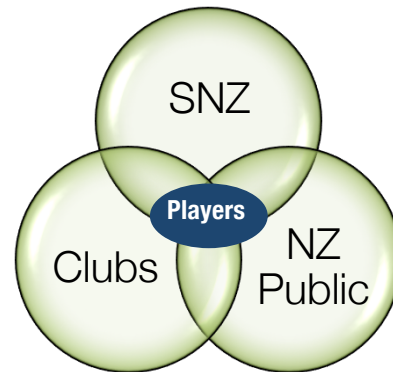


4. It is recommended that SNZ needs to shift the structural thinking towards a model that is *outwardly* focused and reflects the need to prioritise the playing members - both current and future.

Short Term Model



Long Term Model



The models above illustrate a structure that doesn't depend on hierarchies rather that prioritises collaboration and works to place maximum energy and resource into growing and servicing the membership. The two models signal the shift away from internal to external foci over time.

5. It is recommended that the SNZ Board allow flexibility during phase one of implementation in order to keep moving and build momentum. A flexible approach will allow some districts to move faster than others in terms of centralisation of administration, staff management and national body support for local activity. Districts can liaise with the national body to agree on district specific transition arrangements. Currently, districts are at very different places in terms of willingness to support national body oversight. Flexibility during phase one will facilitate a quicker timeframe for those districts who are ready to take action whilst allowing greater autonomy for those who are more hesitant.
6. It is recommended that a date(s) be specified in 2010 to conduct a performance review and review the extent of alignment which has been achieved through non-structural reform. Further steps can then be taken in order to reach the desired national delivery network.
7. It is recommended that a new affiliation model is developed and consulted on during Phase One and then implemented in Phase Two of the change plan. This will allow time for adequate funding analysis and structural reform concepts to be developed.

# SECTION TWO

## A REVIEW OF THE WRITTEN EVIDENCE

### The Crellin Report (1993)

This report was initially about marketing squash in the next decade (circa 1994-2004). It was expected to focus on PR and marketing type issues. One of the most telling statements about squash in New Zealand at the time is captured by the way Peter Crellin closed the report. He said,

*You may have expected my recommendations to have talked in terms of promotions, publicity, databases and the like. All of those things (and many more) need attention in due time. Money spent on them now though, would be wasted in my view.*

It reads like a word of wise caution, and certainly was a clear message that SNZ needed to first get its house in order, needed to have an adequate level of commitment and needed to ensure that it was ready for the challenges that implementing change will bring. It is spelled out plainly and simply - “[introducing the changes] will be expensive, time consuming and the benefits may take some time to emerge”.<sup>1</sup>

The report identified the following key issues:

- Player dissatisfaction
- Declining membership and therefore declining funding base
- Declining sponsorship
- Declining public profile
- Ageing facilities
- Ageing players

The Report advised NZS to focus on “fun and fitness” – to look after the casual player and connect with the emerging market of fitness and leisure. A major feature of this strategy was to reposition and refocus the squash clubs to attract people in this market. Interestingly, aspects of club development (and club positioning) are currently out-sourced to regions with no national programme in place and no national coordinator. As a result there is little national management over this area. Yet it was heralded as vital to the future of squash in the Crellin Report.

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<sup>1</sup> Crellin Report 1993, pp12

The Report constructed two foreseeable futures for NZS which are detailed below:

Worst case	Best case
<ul style="list-style-type: none"> <li>• Continuing reduction in club membership</li> <li>• High turnover of members</li> <li>• Clubs can't afford to upgrade facilities</li> <li>• Changes are unwelcome, even stymied</li> <li>• Top players seen as elitist/aloof/ lacking PR skills</li> <li>• Sponsors harder to come by</li> <li>• No improvement in watch-ability – courtside or TV</li> <li>• Club committees focused on competition</li> <li>• Poor communications</li> <li>• Structure is rigid and hierarchical</li> <li>• Manage style is autocratic</li> <li>• Clubs fail</li> <li>• Membership falls steadily</li> <li>• Financial reserves are eroded at increasing rates</li> </ul>	<ul style="list-style-type: none"> <li>• Clubs upgrade their facilities</li> <li>• Clubs cooperate with each other and with commercial operators</li> <li>• Clubs introduce new programmes</li> <li>• Club management is put onto a professional basis</li> <li>• Clubs “unblock” the communications channels and increase member satisfaction</li> <li>• Club member satisfaction rises</li> <li>• “Word of mouth” brings new members</li> <li>• Clubs introduce flexible membership options and start to capture the casual player</li> <li>• Clubs open their facilities to the public</li> <li>• High performance programmes produce world champions</li> <li>• Our top players are a sponsors dream</li> <li>• The game evolves to become more watchable</li> <li>• TV coverage goes up and sponsors flock at a local and national level</li> <li>• Membership grows by 10% annum compound</li> <li>• Squash becomes a top five sport</li> <li>• ZNS adopts a new streamlined structure</li> <li>• Financial reserves build up</li> </ul>

In terms of realizing a positive future state the Report proposed the need for change on multiple fronts. Crellin promoted the idea of the Club 2000 programme which was really a programme of club reform in some priority areas:

- **Conceptual change** – the shift in mindset from “the game” to the experience of being a member of Squash in its broader sense;
- **Workforce change** – professionalization of the administration and management of Squash clubs and Squash in general really;
- **Facility change** – this change called for upgrading the environment for players and members;
- **Model and operational change:** this included actual business arrangements, shared facilities, alliances and partnership with fitness industry deliverers, and a diversification of fees and subscription charges to accommodate increasing casual customers; and



- **Product change:** programmes, activities and coaching/instruction that meet the needs of more diverse customers.

## A Good Tomorrow (1997)

*A Good Tomorrow* (AGT) is not by definition a review document, rather a plan that reflects a review of the current state and possible futures of SNZ. This Plan was published in 1997 but still refers to the 1993 Crellin Report as “an accurate description of squash in parts of New Zealand and provides a reliable basis for identifying the current strengths and weaknesses, opportunities and threats”.<sup>2</sup> The SWOT analysis from the Plan is contained on the following page.

AGT claims the sport is at a “crossroads” and will need to choose a path. It compares the option of doing nothing and allowing the sport to become a boutique sport withering away against the alternative option of pursuing a *‘nationally coordinated strategy of growing all aspects of the game and a sport which is actively committed at all levels to following the lead of the National Office’*<sup>3</sup>.

A key theme in the Plan is constructing a clear infrastructure – *‘squash needs an enduring and capable infrastructure in each district of New Zealand so that, despite the coming and going of individuals, the delivery of quality service continues without interruption’*.<sup>4</sup> The roles and responsibilities are summarised as:

### National Office

- Catalyst for change
- Influence and lead the development of the game
- International liaison
- Strategic leadership of high performance and regional development programmes
- Public Relations

### District

- Paid administration capable of integrating both national and club initiatives
- Energetic agents of NZS activity, the regional “arms and legs” of the new Strategic Plan
- Monitor SEM calculations
- Co-funders of the district development programme
- Encourage clubs to align plans with national objectives

### Clubs

- Principle deliverers of squash
- Find ways to boost membership
- RST engagement

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<sup>2</sup> A Good Tomorrow, 1997, pp3

<sup>3</sup> ibid 1997, pp. 5

<sup>4</sup> ibid 1997 pp. 7

**Table:** A SWOT analysis from 1997

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ A popular sport</li> <li>▪ A game for the millennium (all weather)</li> <li>▪ Grading list respected by payers</li> <li>▪ Successful national coach</li> <li>▪ Outstanding recent performances of elite women players</li> <li>▪ Marketing success of Club Kelburn model</li> <li>▪ Membership links to corporate New Zealand</li> </ul>	<ul style="list-style-type: none"> <li>▪ Diminishing appeal of sports clubs generally</li> <li>▪ Failing squash club membership</li> <li>▪ Alienation of clubs, players</li> <li>▪ Variable district leadership and performance</li> <li>▪ Lop-sided membership (predominantly older men)</li> <li>▪ Lack of media profile</li> <li>▪ Excessively competitive focus</li> <li>▪ Loss of sponsorship funding</li> <li>▪ No agreed collective vision for squash</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>▪ Valuable national database for direct marketing</li> <li>▪ New magazine to reach all members nationwide</li> <li>▪ New income from commission on sales</li> <li>▪ Regional development strategy</li> <li>▪ Promotional visits to clubs by elite players</li> <li>▪ Planning visits to districts by national office and executive council</li> <li>▪ Stronger links to NZ Secondary School Squash Assn</li> <li>▪ HC's new focus on junior sport</li> <li>▪ HC's Coaches Count advertising Campaign</li> </ul>	<ul style="list-style-type: none"> <li>▪ Alienation within sectors of the squash community</li> <li>▪ Widespread attitude of "its not my problem"</li> <li>▪ High turnover of staff at the national office</li> <li>▪ Continuing disaffiliation of clubs</li> <li>▪ Financial collapse of smaller clubs</li> <li>▪ Inability of NZS to collect 100% of SEM levies</li> <li>▪ Unattractive and old squash courts</li> <li>▪ "Tired" habits of mind on club committees</li> <li>▪ Resistance by clubs to national leadership</li> </ul>

AGT has four themes that coalesce to form statements on cultural change. Firstly, both implicitly and explicitly throughout the document the message is that NZS (national, district and clubs) must "act together". Secondly, the national office must sharpen its focus, be clear on its direction and lead from the front. Thirdly, there is a clear message that the district is to be an active agent of the national body in terms of implementing plans and policies. Likewise, there is an undertone of enhancing visibility and transparency in the national-district relationship. Lastly, there is a clear commitment and encouragement for embracing continual change and seeking ways to adapt for the future of squash. This is reinforced for national, district and club roles.

## District Capability Review (2006)

In 2006 a Report was published by a company called *Driving Forces*. The Report was commissioned to review district capability and elements of district performance with the overarching purpose of identifying ways to improve performance in the future. Districts were not independently evaluated rather a self-review tool was used to conduct the capability assessment. Overall the self-review reported that the districts, as a whole, are “*basically sound and capable of doing the job required by SNZ and member clubs*”. There was however, varying levels of capability across the different districts.

The scope of the 2006 Review did not include providing any advice for or against the merit of having districts in the structure or reducing the number of districts. This is an important distinction from other work.

What was in line with all other reports on Squash was reference to the context of performance. The decline in membership from a peak of 54,000 registered players in the mid 80's to a low of 19,000 in the late 1990s (a drop of 189%) is a catalyst for change. As of 2006, the sport recovered from this lowest point by around 9,000 registered players however there is still an obvious “long way to go”.

### Relevant Findings

The 2006 Review reported that 40% of clubs felt they were getting value for money from the districts compared to 60% that did not. *Driving Forces* made the observation that when districts were formed in squash they were never intended or designed to carry out what they are expected to manage in today's sport sector environment. As the sport industry becomes more professional, as we see paid staff taking over what used to be volunteer roles, we are also seeing increased expectations around accountability – and increased requirements around performance and results. The reality, he says, is that “...squash is competing against every other recreational and entertainment activity”.<sup>5</sup>

In terms of the key risks in capability identified in the report, a summary is provided below:

- **Succession planning:** district reliance on its SDO/Administrator with no plan for succession.
- **Organisational Planning:** there was a wide discrepancy in the quality of the plans, most were not costed, there was a mixture (and some confusion) of business plans and

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<sup>5</sup> Driving Forces Report, 2006; pp. 21

strategic plans, many did not tie back to the SNZ Strategic Plan and a number had no reporting functions for staff and boards.

- **Financial management:** lack of safeguards, one district did not report back to members at the AGM on organisational performance.
- **IT management:** a lack of adequate data management (policy and procedures) to prevent loss of key information and records
- **Robust processes:** poor administration systems; a general lack of documentation; lots of things locked up in people’s heads; non-existent job descriptions for district staff.
- **People Capability:** concern about the caliber of candidates from clubs for district boards and committees; a lack of understanding about how to make the best use of committees and people’s time; concern over the lack of interest by young people in board or committee work.
- **People Development:** Volunteer boards struggle to meet the needs of day-to-day management tasks including staff performance management; there is a poor record of performance appraisals for district staff; lack of professional development for boards and staff.
- **Volunteer Management:** Districts self-reported this as their weakest area. There was little planning, communication or formal volunteer recruitment and retention strategies at district level.
- **Knowledge Sharing:** districts do not recognize each other as key knowledge points and there is little two-way sharing of information, documents, knowledge and skill sets.

The Driving Forces Report remarked “*the big challenge for every sport in NZ, including Squash, it to ensure it has a strong nationwide service delivery structure*”<sup>6</sup>. The report highlights two key immediate issues which SNZ needs to grapple with. Firstly, the lack of knowledge sharing about which the report states:

*“During consultation the districts advised that they have no problem with the notion of sharing information –indeed they welcome it. Yet on the question about relationships, most districts (9) do not consider the other districts as a prime source of information, nor as part of their relationship network”*.<sup>7</sup>

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<sup>6</sup> Ibid; p.14

<sup>7</sup> Ibid; p28

This finding highlights a massive opportunity for SNZ in terms of harnessing the collective knowledge across the organisation. The second risk to a strong nation-wide delivery structure is the growing dependence on trust funding as a percentage of total income. At the time of reporting, membership levies as a percentage of income for districts had been declining for three years running. This means more and more of the funds that districts use to operate are at risk. This signals a need to consider targeted strategies for increasing independent and sustainable sources of revenue.

### Timing of Report

The timing of the Driving Forces Review and subsequent report is interesting. In the previous decade the national body had made a decision to contract out its development duties to districts in the form of an SDO Grant. This money was specifically tagged for the employment of *Squash Development Officers* (SDOs). Consultation in 2009 indicates (retrospectively) that there was a high level of restriction and policing around this grant and the purposes for which it was to be used. However in 2005 it was decided, prior to the review of district capability, that the national body would remove the “tagged” nature of the grant and relax accountability measures. The step away from targeted investment to facilitate districts adding the money into a global funding pool, has had a big impact on the organisation in many ways.

What is interesting is that a capability and performance assessment was not conducted *prior* to this decision being made. The decision was made before the review could demonstrate if, in fact, all the districts were of a level of capability which could justify a loose form of investment. The Driving Forces report notes in several places that the “...*initial stages of the new funding regime could create some confusion between their development and administrative duties*”.<sup>8</sup> There was some concern over how the money would be spent if it was not tagged. The 2006 Report made the recommendation that this funding arrangement be reviewed after its second year.

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<sup>8</sup> *ibid*; pp. 33

## The Ferkins Report (2008)

In early 2008, the national board of SNZ resolved to initiate an organisation-wide strategy review. It was also determined that SNZ would do so in collaboration with its eleven districts. The intention was to capture and represent the views and aspirations of the squash community in a cohesive plan for the sport.

Funded by SPARC, the review and redesign for squash in New Zealand involved significant creative and rational thought on behalf of more than 250 people drawn largely from the squash community. The process involved respondents at national, regional and local level through:

- A Stakeholder Survey;
- Workshops;
- Focus groups; and
- Regional Tours.

The 2008 Review indicated poor performance against Strategic Goals and a desire to become a more streamlined, business savvy organisation. There was also a theme of inter-dependence highlighting the desire for stronger and re-modeled links between clubs and the national body. Ultimately, a need for change strongly emerged. Below is a summary of the Report's key messages:

- SNZ needs to take a stronger operational leadership role for squash in New Zealand.
- The district delivery mechanism needs to be redesigned to allow for less duplication and a more unified approach to delivery.
- The sport of squash with its 231 clubs, 11 district and 1 national body needs to act in a more unified way. A centralised information technology tool has been identified as the major strategy to achieve this.
- A major priority is the physical improvement of club facilities. The introduction of a hybrid (non-profit-commercial) model of operation for selected clubs has been identified as the major strategy to achieve this.
- Squash entities in New Zealand need to focus their collective energy on engaging the estimated 130,000 people known to have an interest in squash in order to create a larger player base contributing to the game. A centralised information technology tool that allows greater flexibility and access to facilities has been identified as the major strategy to achieve this.
- High performance is a pillar of the game. Ongoing investment in this area is needed alongside the need to better leverage profile generated from world class performances.

Four out of six of these key messages are about structure, systems, roles and responsibilities. The review identified a theme within the dialogue regarding “a national, regional and local squash system”. The Report reads:

*This theme spoke to the need for a greater role for SNZ, and a more streamlined regional delivery mechanism. Many of the calls for action targeted SNZ as the implementer...A significant aspect of this theme related to reform of the current district structure. Instead of eleven districts and 1 national body, with much duplication, could clubs and players be better served if national and regional entities worked as if they were one organisation?*

The Review highlights both the desire for structural alignment and efficiency gains in addition to re-modelling roles, specifically at the district and national levels. The relationship between the various layers of the existing structure was described as:

- Top-down hierarchy and messy communications that undermine unity;
- Whatever changes occur, players should be at the centre of the sport’s structure and systems;
- Passion drives the sport at many levels, and it is important to build upon that, especially capitalizing on the energy and enthusiasm that exists at club level; and
- Clubs feel disconnected (suspicious?) about lack of communications around strategy discussions.

Although the Review confirmed“...that major change is desired and is being strongly proposed”, the Report fell short of providing any new structural options nor which solutions would be supported by the squash membership. Organisational change is often planned in many sporting organisations (facing similar challenges to SNZ) without much success. Indeed, as the 2008 Review clearly stated, much of what was identified in this Review process was already identified in the previous strategic plan. In the case of SNZ, there is a growing awareness of the pressures on SNZ to adapt; there is an acceptance that SNZ must change to survive. The consultation identified several risks associated with inaction:

- Continued decline in membership
- Reduced opportunity for commercial sponsorship income
- Reduced opportunity for public sector funding support
- The above leading to an unsustainable high performance programme
- A lost opportunity to revitalise a sport that has many positive attributes

It is likely that these known risks are feeding the call for change. Although members recognise the risks, there is a degree of trust which needs to be established, of capability and performance to be proven by the national office team. The national body is prudent to listen to the “caution” that was

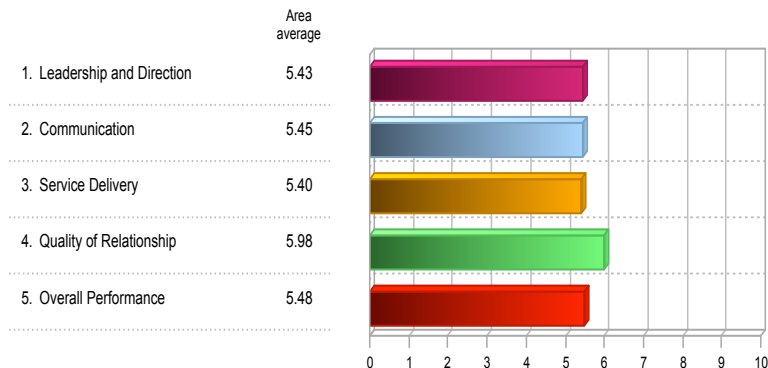
issued in the Review Report. The statement that “...SNZ could not undertake the type of reforms being proposed without significant contribution from regional and club volunteers and staff” is a clear directive to undertake this structural change plan with transparent and strong input and communication with SNZ members.

## Stakeholder survey results (2008)

The Stakeholder survey was conducted in September 2008. It canvassed the opinions of a wide range of stakeholders including players, coaches, officials, clubs and district representatives across the following performance categories:

- Leadership and direction
- Communication
- Service delivery
- Quality of relationship and
- Overall performance

The following graph indicates the summary findings (based on a scale of 1-10)<sup>9</sup>.



The Survey carries many important messages in relation to the *Towards2020* project. These include:

- Respondents clearly do not see the district and national bodies as part of one organisation working together. The commentary often pitches the two against each other.
- Clubs/players are not aware of Squash NZ investment in Districts for development.
- Overall, clubs feel disassociated with national body. Clubs want direct communication with the national body.

<sup>9</sup> The scale is between 1=poor and 10=excellent



- Clubs want help from the national body and are seeking greater involvement of the national body in club business.
- There are perceptions of Auckland-centric thinking.
- Respondents say they want change, are waiting for change and are hopeful that reviews (at the time of the survey) will lead to change.
- The views of respondents are very disparate and although change is wanted, there is a wide variety of perspectives about what the changes should be.

### Perception versus Reality

One stakeholder said “...these perceptions may be incorrect but in the absence of good communication, how can we tell”.

This comment encapsulates a really important point. For example, some stakeholders believe that the only thing the national body does resource is high performance and that there is no budget for development. Whilst the reality is that there has been a long standing investment into the districts to be the “arms and legs” of the national body in terms of implementing regional development, perhaps this investment is not well understood or communicated. The compounding effect of the out-sourcing of club development to districts, plus the lack of direct communication between the national body and the clubs, a lack of clarity on the investment to districts and the centralised delivery of high performance is the perception that all the national body does is high performance.

There are lots of issues raised by the stakeholder survey which ultimately are a consequence of poor communication from multiple parties, perhaps over a sustained period of time. It is not the role of this project to report on all of them, only to highlight the critical contribution that poor communication has made to inaccurate perceptions which have in turn led to other problems.

### A Silver Bullet

Another stakeholder said “...as a regional rep striving for growth yet struggling to achieve it, we yearn for a magic bullet from somewhere- preferably SNZ”. Consistent with other consultation findings, there is a dis-proportionate expectation that the national body must come up with ‘silver bullet’ solutions. There is a corresponding and equally dis-proportionate amount of blame placed on the national body for what is not working in the sport and for not changing in order to better position the sport. A major disconnect is the role and responsibility of district bodies in the success or failure of Squash NZ –as a whole - and lately in the support for implementing changes to the status quo.

# SECTION THREE

## CONSULTATION FINDINGS

This section provides a summary of the consultation findings from the *Towards2020* first round of meetings. This should be considered as a 'raw' summary of key messages from meetings and communication with almost 100 people within the Squash community.

A core aim in these discussions has been to create a climate where the brutal truth is heard. The 'truth' is a subjective notion and so a variety of truths have been uncovered. Below is a summary of the issues and opportunities that SNZ needs to consider in the next phase of this project.

### Poor communication

The new delivery structure will need to improve the flow of information throughout the organisation. Both the quality and quantity of current communication requires improvement. There are several perceived issues affecting the flow of information:

- The National Office fails to send out or facilitate access to information regularly. Poor communication was the most highlighted issue country-wide.
- Districts are perceived by some as a barrier to the free flow of information from clubs through to national office and national office back through to clubs and players,
- It takes a long time to get a response from the national office and questions often go unanswered. Some people commented "*...there is no one in the office to do all this work so its no wonder not much gets done*".
- The volunteer nature of 11 District Boards/Committees demands a large relationship management resource from the national body and servicing these relationships can mean waiting for volunteers to have enough time to get to their SNZ duties given that they have fulltime jobs as well. This is the practical side of volunteer committees but it is important to recognize the impact that this has on the timeframes and work of the national body.
- Personal relationships between individuals are perceived to have a large impact on access to and the distribution of information (in all directions). Communication is not seen as 'system' driven and being on "the right side" of certain people was important in order to access information.

### Decision-making and leadership

There were many themes that can be grouped under this heading and they all have a direct impact on the level of trust between the various levels of the organisation. The key messages include:

- The national office structure, in addition to what national office actually does, fails to reflect the values or priorities contained in the strategic plan. HP seems to be the only focus and this doesn't align with the majority of work/activities in the districts and clubs. Out of the operational staff, 2 out of the 4 staff are solely working on HP and there is no one directly charged with club development, coaching or creating "pathways".
- A negative impact on the credibility of Squash NZ is a consequence of actions not matching words (i.e. "say one thing, do another),
- Decision-making – there is a sense that decision-making is not a strong, well informed process and that decisions are not followed by decisive action and broad communication with the membership. This has a negative effect on perceived levels of transparency and accountability.
- In the new structure, a clear process and pathway for clubs/regions to have an influence on decision-making would be welcomed. A clear and transparent process for consulting and gathering the views of members would be advantageous so that those who wish to contribute can do so.

### View of Change Process

There is overwhelming support for things needing to improve, and thus the need for change. There is high recognition that that 'we can work better'. There is an understanding that several reviews have reflected this. Below are some messages from people in terms of the actual change process:

- Exploring options of what the future could look like are being unnecessarily restricted by some hidden agendas and assumptions. A common assumption is that all staff must be based in Auckland which is not true at all. Communication around these fears is important.
- Change may manifest (at least initially) differently in different regions because there is not an equal or common benchmark/starting place. The way in which large centres and more remote centres work are considerably different. This needs to be recognised in the change process. For example, in smaller centres there is a much greater focus on working together across several smaller clubs (as a "union" or supportive network).
- We are not harnessing the power of the collective; the sustained and comprehensive sharing of information, experience and best practice across the sport is not happening.
- Don't change things for change sake –work out what is working and leave it alone. The Grading system works so leave it in place.

- If the national office is to deliver better results across the sport, it needs to have the ability to direct focus, drive and monitor performance across the country. This means having more control over the districts.
- Locally or regionally based Squash staff are crucial to the future development of the sport - and clubs really value this service. People expressed they were quite at ease if staff currently employed by Districts were to be employed by Squash NZ but remain based locally – it is the local connection and knowledge which is critical, not where the employment contract sits.
- As a sport there is a need to help clubs (who want to) capture the social/casual player. This goes with a sense that squash (clubs/branding/services/facilities) need to be modernised and updates.
- Get on and make it happen – no more talk!
- Several districts wanted to take things slower in order to have lots of detailed information. These districts also felt they needed more time to walk through any proposed changes with their clubs.

### Assumptions

From the discussions around the country, several assumptions (some of which have wide implications) have been identified. The list below contains the major assumptions with some notes on clarifications:

- *The national body means “Auckland”*: the national body is responsible for the governance and development of Squash throughout New Zealand;
- *Any staff member employed by the national office means they will be based in Auckland*: employees may be based remotely and regionally. Technology and modern management approaches facilitate virtual teams;
- *Reducing the number of districts alone (without other change) will yield all the desired results*: the solution is multi-dimensional and must address relationships, trust, business development and system improvements not solely hierarchical structure;
- *The national office would remain as it currently looks in the new structure*: the national office is a part of this project and will be remodeled as part of the solution.
- *Blame rests solely in one camp and not the other*: relationships are two-way streets and blame cannot be laid at the feet of only one party. All parties need to be prepared to reflect on their own role in how SNZ arrived at its current position.

- *Funding agencies require a separate regional body or they won't fund any regional projects:* the policies of funding agencies vary. Some may have this policy but many don't – there is no one rule. Careful analysis is required.

There are many solutions to the challenges facing SNZ. Unpacking these assumptions and clarifying the many alternatives will strengthen the ability for SNZ to move forward collectively.

### National Role

Participants reported that they wanted the following from the national office as part of the new delivery structure:

- Strong leadership (communication, decisions, accountability, quality control)
- Club development (someone driving this including resources, tools, partnerships)
- Coach Development (coach education, coaching pathways)
- Business Development/Marketing (profile, sponsorship, funding strategy)
- Competitions and Events (calendar of events, national competitions, Grading List)
- Junior Sport and Schools Programmes (programmes targeting young people)
- IT, System Support and Resources (Coaches, Officials, Club Administrators)
- High Performance (Head Coach, pathways for achievement, international gateway)

There is a less easily defined but highly important role for the national body that involves valuing and investing in the development of people within the Squash community. Many people spoke on this subject although they expressed the role in different ways.

### District Role

There are enormous differences in the perceived role and effectiveness of District bodies across the country. The different views go beyond the need to be flexible and respond to regional difference; they refer to an actual different role for the district entity and any staff they may have.

The district may have a mixture of many different features which may include:

- The district as the coordinator of competitions and events
- The district as the regional governance structure
- The district as the representation/democratic voice of clubs
- The district as the applicant and recipient of funding and grants
- The district as the developer and deliverer of services and products

The presence of paid staff and whether the district has a management committee or governance board are key factors impacting on how and what the District does. There were several comments from club representatives that the conversion to “governance boards” actually reduced the performance of the district body and that they were more productive as committees (“doers”).

There is support for District level reform including the following ideas:

- Reduce the bureaucracy at District level
- Increase focus on key deliverables such as district competitions and inter-club
- Return to a management committee focus (not governance boards)
- With improved national leadership, regional staff can stop “reinventing the wheel” 11 times over and focus on implementing national strategies and programmes. It is noted that this requires the national body to step up.
- Take employee management away from volunteers and hand-over to SNZ
- Questions were raised about the need for district bodies if the national body steps up to deliver – via regional staffing structure - the desired services and programmes (outlined above). The work of the ‘district’ as such would be around district competitions.

The main concern about these changes is trust in the national body to provide strong, transparent leadership which reflects the needs and interests of grass-root clubs.

## Funding

The discussion around funding gave rise to the following messages:

- Funding is a concern for districts and there is a sense that funding is getting harder to get. This puts programmes and staff at risk at the district level which is a real threat to sustainability in the future.
- Members would like advice/direction from the national body on funding –best practice and collective opportunities.
- Will funding be increased or threatened by centralised model? Suggestions on this included that Squash NZ may maintain some shell entities to gain funding for local projects and implementation of national programmes. Such shell entities could be wound up if the rules changed.

## Membership Affiliation Fees

The major theme around this topic was the need for much more clarity around the value of membership. What are people getting for their money? The Grading List is well recognised as a benefit however beyond this the value for money is not clearly understood. Other key messages include:

- Simplification and transparency around levies and the budget would be welcomed. There is some misunderstanding about the money flow and that the national body gives a large percentage of the levies they receive back to districts.

- There is a lack of clarity over what levies are being spent on at the district and national levels.
- People are supportive of direct affiliation between clubs and the national body
- Majority of people don't believe the levy amount per person is too high; it is more a question of value for money. What are we getting??
- There is support for a revised model of affiliation fees where the perception that clubs are "taxed" and a system that encourages mis-reporting of numbers can be overhauled.

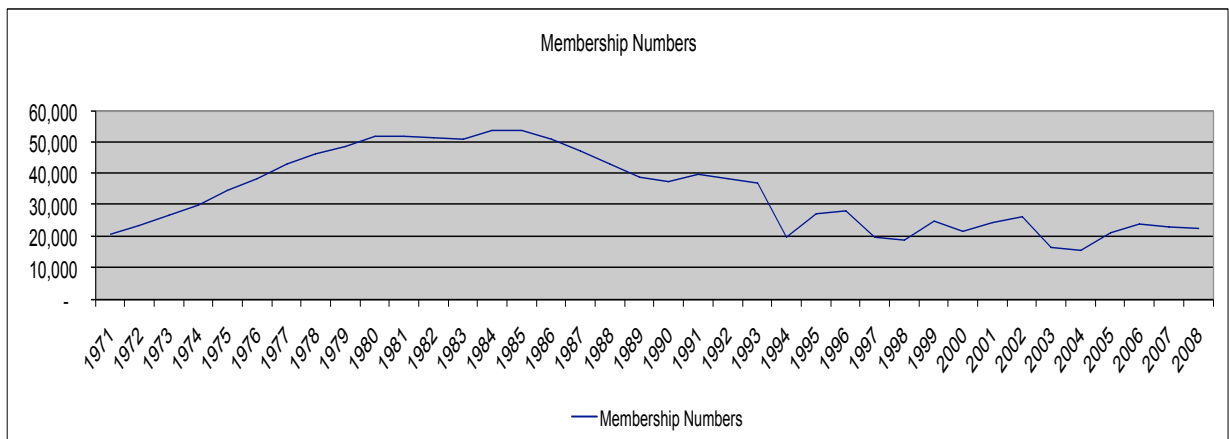
# SECTION FOUR

## EMPIRICAL PERFORMANCE DATA

### Membership Numbers

A very common measure of the both the ‘health’ and performance of a sporting organisation is the growth, maintenance or decline of membership numbers. The decline in Squash NZ membership has been referred to in all review documents and is a real catalyst for action. Environmental factors like the growth in recreation options does not account for the tremendous decline that is evident in squash. The graph below provides the trend data from 1971 to 2008.

Graph 1: 1971-2008 Squash NZ Membership Numbers

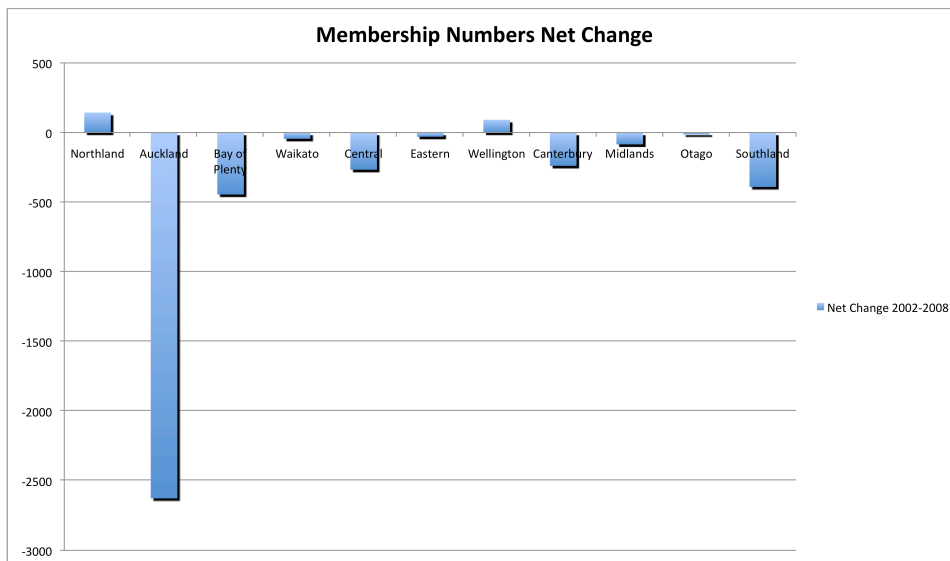


During the mid 1980’s and early 1990’s membership numbers dropped significantly. More importantly they have not been recovered. Interestingly, the trend data shows some cyclical modest gains in membership numbers over the past decade. However, gains appear to be short lived and followed by modest decreases. The graph indicates that squash is on the cusp of a downward cycle now. This is further evident by looking at the benchmarking data and graph 2 on the next page.

The cyclical trend may indicate the development and implementation of short-term strategies, which are creating short-term spikes in the numbers however the interventions are not delivering sustainable results.

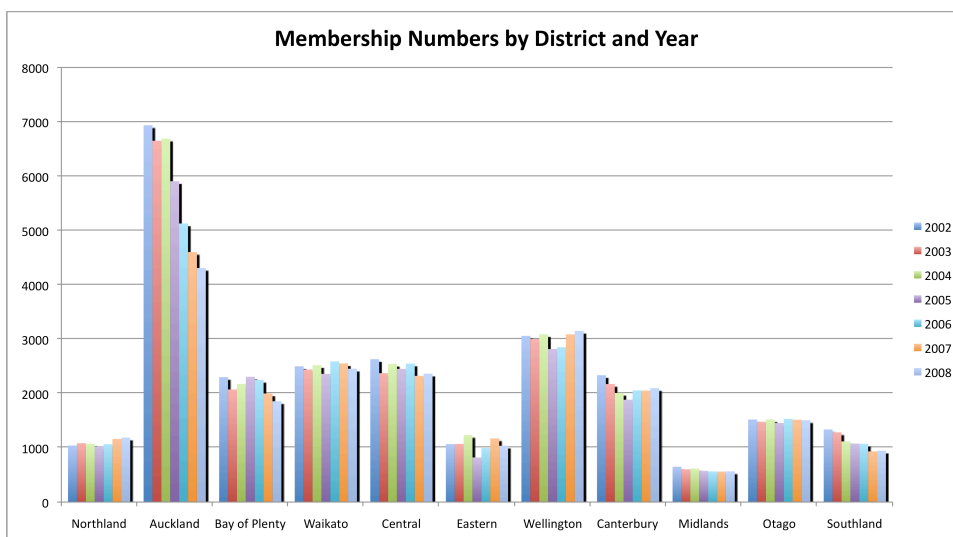


Graph 2: Net change in Membership numbers between 2002-2008



Graph 2 is a snap-shot of time between 2002-2008 and the net change in membership numbers. The large decline in membership numbers for Auckland, in addition to losses in Bay of Plenty, and Canterbury are of particular concern. Sports such as squash need to perform well in the larger cities. Graph 3 below shows the trend data for membership numbers by district. The lack of contrast between larger cities and smaller cities is of particular interest. In the graph below it there is a flattening out trend whereby cities like Auckland, Wellington and Canterbury are noticeably not proportionately (given their populations) bigger than the smaller centres despite the population differences. Graph 3 further reinforces the falling membership levels in Auckland, New Zealand's biggest city.

Graph 3: District Membership Numbers by District and Year



## District Financial Performance

The table below reflects the net financial performance of Districts from 2002-2008. There is a mixed bag of profits and losses across the time-span with 5 out of 11 registering losses in the past two years.

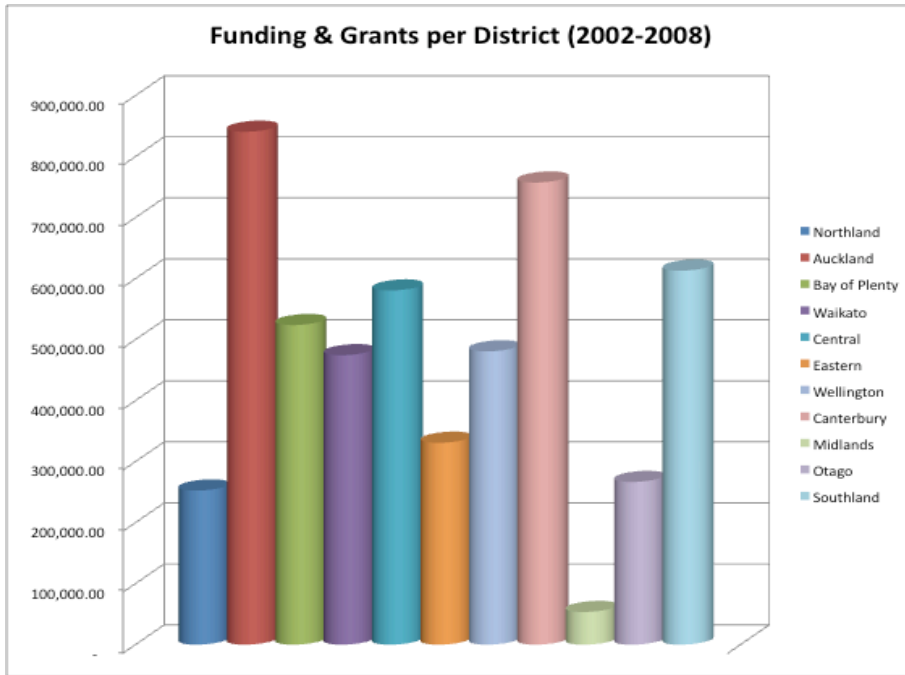
Table 1: District Total Income – Net Surplus/Deficit

District	2002	2003	2004	2005	2006	2007	2008
Northland	4,807.00	\$(7,753.00)	\$11,181.00	\$4,355.00	\$(1,097.00)	\$(2,507.00)	\$(189.00)
Auckland	48,136.00	\$10,110.00	\$11,774.00	\$(38,016.00)	\$(10,429.00)	\$36,296.00	\$18,998.00
Bay of Plenty	8,185.00	\$17,820.00	\$10,592.00	\$(11,990.00)	\$(8,773.00)	\$21,271.00	\$(46,262.00)
Waikato	28,768.00	\$(31,169.00)	\$(821.00)	\$22,594.00	\$(8,739.00)	\$23,780.00	\$1,971.00
Central	\$(5,541.00)	\$7,111.00	\$20,033.00	\$10,249.00	\$3,132.00	\$(3,074.00)	\$9,887.00
Eastern	8,236.00	\$5,422.00	\$17,906.00	\$(11,095.00)	\$(16,021.00)	\$9,202.00	\$6,706.00
Wellington	\$(3,383.00)	\$(1,403.00)	\$(9,659.00)	\$(28,808.00)	\$50,316.00	\$36,787.00	\$(27,162.00)
Canterbury	\$(309.00)	\$(6,596.00)	\$34,523.00	\$(20,024.00)	\$45,322.00	\$16,356.00	\$22,723.00
Midlands	1,899.00	\$1,740.00	\$(4,700.00)	\$1,710.00	\$(2,794.00)	\$5,356.00	\$5,357.00
Otago	\$(34,561.00)	\$832.00	\$770.00	\$23,595.00	\$16,396.00	\$25,948.00	\$37,956.00
Southland	654.00	\$4,942.00	\$(3,135.00)	\$(29,531.00)	\$(6,067.00)	\$6,773.00	\$32,474.00

The short-term history of district financial performance illustrates a mixture of results and scale. In some cases districts have enjoyed several years of healthy profits with Otago being the best performing district in terms of returning positive financial positions over the 2002-2008 period. With few exceptions, the net surpluses of the districts are far greater than the losses that have been returned. The timeline and scope of this project does not allow for an in-depth look at the finances of each district. A lot more detail (behind the top-line financial information that was accessible) needs to be considered before any real understanding of the financial performance of districts can be understood. A key difficulty even at a high level is the variations of coding used by all districts. This makes understanding the true nature of expenditure, financial priorities and trend data very difficult to interpret. It is recommended that there be further investigation into this area of performance in the next 12 months.

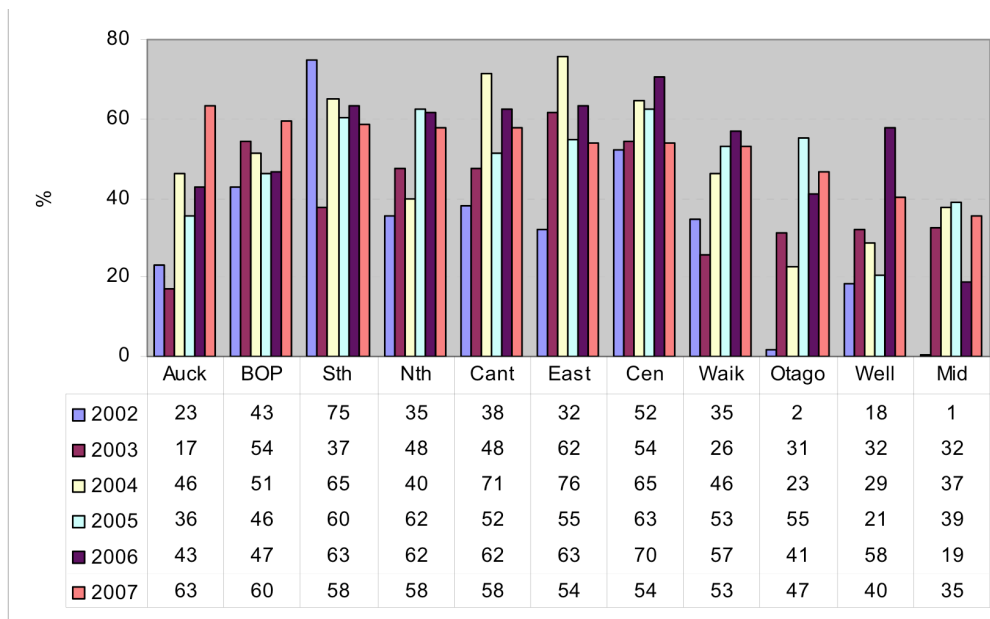


Graph 6: Total amounts of district funding and grants 2002-2008



Graph five illustrates the up and down nature of grant funding in the sport and recreation sector. There has often been some sharp increases in funding however this is not maintained over time. This of course is at the heart of concerns over the “at- risk” component of district income and the danger of the trend towards more reliance on grant funding at district level. Graph six shows the vastly different levels of income received by different districts.

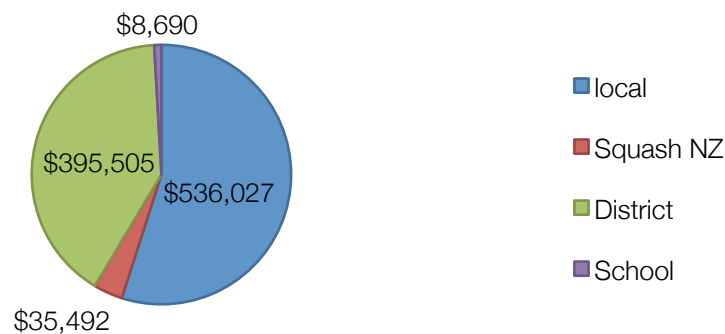
Graph 7: Grant funding as a percentage of district income



The figures in Graph seven illustrate the growing dependence on grant funding as a source of income at district level. This trend, in combination with the erratic funding levels experienced in most districts is a concern. The 2006 Driving Forces Report made this comment on funding:

*“SNZ is responsible for ensuring squash delivers its share of the outcomes expected by SPARC in return for any investment SPARC makes in squash....Separate from this is the sea change caused by the increasing importance of trust funding. Many sports are relying more and more on trust funding to underpin their core operational activities.... It has come at a time when trust funds are beginning to decline, where their funding requirements have become more stringent and where there is no long term funding commitment”.*

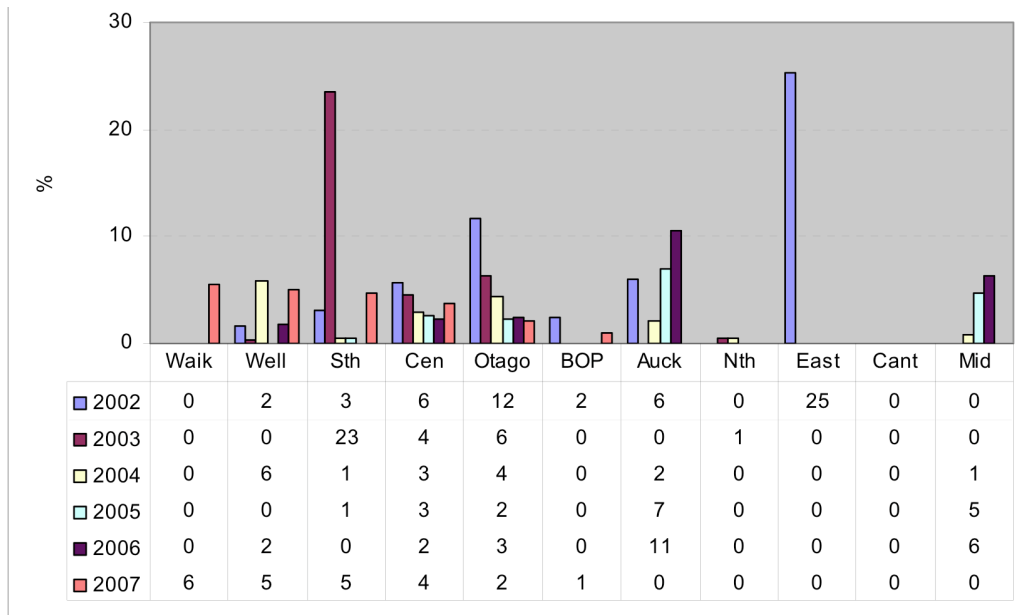
**Graph 8: Grant Funding Distribution to Squash in New Zealand**



Graph eight shows the extremely large disparity between the amount of funding flowing into the local and regional levels of squash in comparison to the national level. Further enquiry is needed into the reasons for the current distribution pattern. What is vital is that the district bodies and clubs understand the current situation and understand that demands for increased services from the national body will require funding from somewhere and this may have implications on where the grant funding is distributed in the future.

Graph nine on the next page highlights the very low levels of income secured through sponsorship. On the flip side this highlights an area for growth in commercialisation. It also signals the need for district boards to prioritise commercial/sponsorship expertise in their recruitment strategies for new board members.

**Graph 9: Sponsorship as a percentage of district income**



### Recommendations for Further Work

The timeline for *Towards2020* was extended beyond this first project (ending 31 July) to allow for more investigation of the “business case” for any proposed changes. As part of this, empirical data is to be further analysed. This Report provides a brief introduction with some initial comments. With adequate time, much more intelligence could be gathered through further inquiry. The following are some suggested questions that could be included in future analysis:

- *Grant Purpose:* what are the districts and clubs getting funding for?
- *Rate of Success:* what percentages of applications are approved?
- *Key funders:* which funding agencies are investing in districts and clubs?
- *Cost/Benefit Analysis:* how much resource (time, hours, etc) is devoted to developing, submitting and reporting back on funding applications?
- *Sustainability and Spread:* How sustainable has grant funding been in each district?
- *Independence:* which districts have plans for commercial revenue?

It is also recommended that future work investigate the feasibility of implementing consistent accounting codes throughout the districts so that accurate financial analysis can be used to inform decision-making and strategic planning.

# SECTION FIVE

## CHANGE DRIVERS

This section provides an overview of the issues driving change, the potential barriers to achieving change and an overview of the process.

### Change Drivers

#### 1: Performance – the ‘hard’ data

If the key indicator of SNZ performance is membership numbers across the country, then the data indicates that despite the reviews, investment in districts for development and various other national and district initiatives, SNZ still has only around 50% of the members it did during the 1980’s.

The trend data indicates that SNZ has been in a cycle of spikes and falls in membership numbers since 1994 and the organization has failed to build and sustain a growth trajectory. Of major concern is the lack of growth and major decline in player numbers of the major urban centers. These trends for major centers (who are experiencing population growth) demands urgent attention and is perhaps a sign that a more targeted approach to the major centers is required.

In addition to the data on membership numbers, the capability and performance data signals that SNZ is not a high performing organization. The District bodies assessed themselves as average in performance and only 40% of clubs interviewed said they felt they got value for money from their district body. Likewise the 2008 stakeholder survey indicated that the national body was just over average on the overall performance rating. Both the national and district entities can do better – and can achieve a lot more by working together on improving performance.

#### 2: Moving Forward – *Make it Happen*

Both the written evidence and consultation with members reveal a real imperative to get some wins on the board, to make *something* shift. There is a sense of despondency about the past, about opportunities lost or squandered. It appears that many attempts have been made to take the sport forward but no change has really occurred. The cyclical pattern emerging from the mid 1990’s indicates the sport has been working hard, but the net result shows that SNZ has really been running on the spot. Real traction will require breaking through the resistance to change, a cultural trait which has proved its dominance over the past few decades.

### 3: Organisational Silos

There is a harmful disconnect between the national body, districts and local clubs. This is associated with an equally damaging lack of collectivity and shared ownership. This is most noticeable in conversations with districts and clubs given the continual references to “them” and “us” - not “we”. Who is Squash New Zealand? It appears that rather than identifying with the organization as a whole, people identify with one of the structural levels within SNZ.

Therefore, SNZ remains a disconnected group of separate legal entities joined through constitutional membership. Communication is poor – identified in the 1993 report and again in 2009. Fragmentation is rife throughout the organization and the evidence reviewed, as a part of this paper is emphatic on this point. The Squash community is undoubtedly filled with well-meaning, passionate and hardworking people. The missing dynamic is a commitment to a singular vision, a framework and culture that reinforces alignment and a feeling of working together to implement a plan for achieving that vision.

### 4: Structural Barriers

Squash is among many sports reviewing its current structure with a view of creating a more cohesive organization. For a number of decades this has become a perennial issue for the sport and recreation sector, and one very hard to resolve. As a result, many sports are now exploring more definitive options in addressing fragmentation through structural change. There is a growing acceptance in the sport and recreation industry that federated structures lead to duplication and the pursuit of regional directions that are not in harmony with the national plan or priorities. This effectively fractures the resources and efforts of the sport. Indeed the argument is made that federated structures create confusion, if not rivalry, within organisations. It can also reduce the attractiveness to sponsors<sup>10</sup>. As one author explains:

*“although federated structures can be made to work, the organisational complexity and structured conflicts of interest make life far harder than it needs to be for good people (employees and volunteers) to work well together. Moreover the rich opportunity (almost encouragement) that federated structures provide for rivalry, emphasis on minutiae and distraction from core business bring heavy cost with little benefit”.*<sup>11</sup>

In the Stakeholder survey, one club representative summed up the rationale for change well: “[we] need a national focus and clearly communicate their message and have all squash organisations

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<sup>10</sup> Boardworks March 2009

<sup>11</sup> *ibid*



working in the same direction. Think nationally – act locally”<sup>12</sup>. SNZ has not yet reached a level of organisational performance where it works as one system, as one organization and this is a strong rationale for change.

## 5. Different Views on the Role of District Bodies

The 2006 Review of Districts highlighted that the district entities were not formed to undertake the role which some are trying to perform. This concept may explain why some districts feel that they are struggling and also why there is such a diverse interpretation of what is core business for districts.

One thing was clear –overall districts do not see themselves as the “arms and legs of the national body”, a phrase articulated in the *A Good Tomorrow* plan. In fact, in several cases, there were district staff who admitted to working completely to their own plan and in some cases against the national body. The consultation gave a sense of “silo” working – each independently doing their own thing, reinventing wheels and not sharing information across the sport. There were several clubs who had concerns over what the SDO in their region was doing (or not doing) and many clubs felt that district body performance had declined since adopting a governance model rather than a committee model. The consultation and reports indicate a poor level of accountability and performance management which has arguably had a negative impact on the organization as a whole.

There was strong support for reducing bureaucracy at district level and ensuring that districts were focused on key areas such as community coaching, club development and inter-club competition management. A lack of accountability was reported to have led to individual people working on their personal areas of interests rather than working to an aligned plan.

## 6. Shifting the Focus

Many who have looked in on Squash from the outside report of an “internal focus”. Indeed, the number of reports and reviews also indicate that SNZ has for sometime been reviewing its internal operations and problems. To be competitive in the sport and recreation marketplace today, SNZ will need to turn its attention to the consumer – and to the clubs that provide the squash experience to the New Zealand public. Bringing a resolution to the reoccurring issues of communication, structure and delivery is essential. SNZ needs to make some tough calls, and get on with the implementation so that the maximum amount of time and energy is devoted to growing the squash community.

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<sup>12</sup> Stakeholder Survey 2008

## Risks to Progress

### 1: District bodies have vastly different views

As the Towards2020 project evolved, there has been a few interesting observations made:

- a. All districts actively supported the need for change and most were very critical that the national body had not implemented changes earlier;
- b. There were vast differences in how districts perceived their roles and the nature of their relationship with the national body;
- c. Once change options began to be circulated, there was a very noticeable difference in the way districts felt about the proposed changes. Some districts backed right away from the need to change, others wanted more dramatic changes. One stated that instead of implementing change now, that the plan for change should be put on hold for a further 2 years.

There is a major conflict in the feedback from districts: the districts are criticising the national body for a lack of strong, decisive leadership, a failure to make big decisions and stick to them whilst at the same time suddenly calling for a very pragmatic approach to organizational change (with some districts completely backing away from change).

The vast divergence of views at district level is problematic because ultimately this is the leadership group – the decision-making group. Any constitutional change has to be adopted by the broader leadership group – it is not up to the national body. Therefore, it is actually the district bodies themselves which can take the sport forward or allow the process to be paralysed through indecision and a failure to forge an agreement on the way forward.

### 2: District Leadership and the Blame Game

Twelve years ago, the plan *A Good Tomorrow* stated:

*“...There is still some reluctance inside the squash community to agree the strategic direction the sport should take, and to accept the leadership of the National Office. Squash, therefore, finds itself at a historical crossroads”.*<sup>13</sup>

This statement is still relevant in 2009. Squash still struggles to commit to a single strategic direction, wrestles with accepting national body leadership and perhaps is still at a *crossroads*. This is primarily because Squash hasn't made significant and measurable organisational

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<sup>13</sup> David Knowles, *A Good Tomorrow* (1997)

improvements since 1997. In 2009 SNZ could be evaluating the impact of significant changes which were implemented after one of the previous reviews. Instead, SNZ is still trying to design and gain acceptance of serious solutions which will yield long term benefits to the sport.

In the 2009 regional consultation, there was a real resentment towards the national body and a sense of blame directed at anything “national” (except the grading list). There was little ownership at the district level of contributing to the state the sport is in nor was there any overt ownership of a leadership role. Interestingly, districts did not recognize their own role in the decision-making for the organisation which is enshrined in the constitution.

The reality of any change process is that change is easier to talk about than to implement. This axiom has seemingly played out in the squash community over the past few months. The fact that the ultimate most strategic decisions fall to the voting decisions of the district entities highlights the inaccuracies of the “blame game” towards the national body. It will be up to the districts to determine how and what constitutional change, if any, is implemented.

### **3: Too Much or Too Little**

The SNZ Board will need to make decisions around the magnitude of proposed change, the milestone change goals for the short, medium and long-term future, the pace of change and type of change process used. There is a risk around aiming for major change in a climate where trust is low and momentum is insufficient. It may be difficult or impossible to secure the necessary votes from districts to support large change. However, there is a risk around not changing enough to breakthrough the status quo and or to achieve some real gains. Too little change can mean people revert back to old ways of working and often small change initiatives fail to build excitement about the “new world”. A successful change project will need to inspire and engage people within SNZ whilst limiting the fear and uncertainty change always brings some people.

Careful consideration of the current environment, quality of relationships, capacity of the national body, and meeting the future needs of the sport will be factors involved in determining the right change process for SNZ.

The following section provides a short overview of the change process. This section has been included as a framework for addressing the change drivers and potential barriers, which have been outlined above.

## Getting the Balance Right: Importance of Context

At the time this project was commenced, a major IT project had already started. The *Opening the Doors* project has been in development for a number of years at a district level and in 2009 the plan for national development and implementation is being drafted. In the original *Towards2020* Project Plan the need to align the two projects and create a seamless cohesion in terms of “what is changing” was signalled.

Members of SNZ will not distinguish between the *Towards2020* project and other changes driven by the national body – it is therefore important from a ‘customer’ viewpoint to consider all aspects of the business when developing the change approach and implementation timeline. It appears that the *Opening the Doors* project will rollout from late 2009 and into 2010.

This suggests that any *Towards2020* plan will need to consider that clubs (and districts) will already be digesting and implementing pretty major change in terms of coming to grips with *Opening the Doors*. It does represent a significant change from the way squash has been organised in the past. Therefore, it is commonsense to consider the amount of change happening in a discrete period of time. SNZ will want to avoid over-loading clubs and districts with too much change all at once.

Another consideration is having time to understand what impact and implications *Opening the Doors* will have on the broader operating environment. It is impossible to know exactly how all the dimensions of SNZ business will be affected so there will need to be some careful observation and feedback loops. Suffice to say, the fact that a major IT platform is being implemented into the squash community in the next 12 months has had an impact on the way in which change is approached (in this report) and the timing of significant structural decisions. Once SNZ has more information on the progress and impact of *Opening the Doors*, further planning and steps can be taken which are based on a current updated operating environment rather than the *Pre-Opening-the-Doors* environment.

It is suggested that from a public communication standpoint, that the IT project which is poised for implementation actually forms part of the organisational change plan. This way member clubs see SNZ delivering a seamless and cohesive change plan to enhance the infrastructure and streamlined delivery of the sport across New Zealand. This approach also addresses the many complaints about fragmented leadership and communication, which were identified during the consultation.

## The Change Process

At the beginning of the *Towards2020* project, important factors, which could impact the process, were outlined in the project documentation and in discussions with key players. A summary of these points is included below:

- a sense of urgency is critical to the success of this project;
- the engagement and drive from board members, CEO and several influential members in the squash community is essential;
- an effective solution will be multi-pronged. Structural change alone will fail to bring about sustainable performance improvements in Squash NZ.
- Organisational change is not a linear process; it is complex, challenging and “silver bullets” don’t exist.
- This project must focus on people and behaviour as much as structures and processes.
- Communication is a critical success factor – an effective mix of communication strategies will be required.

Diagram: Kotter’s Eight Stages of Change



These points hang off a change framework based on the work of John Kotter. The diagram on the previous page maps out an eight-step change process. Change is not a linear process, and while SNZ will need to move through the steps outlined in the process, it will be important to continually re-visit and ensure SNZ is ticking the box across all of the steps. For example, the change plan may roll out over a number of years. Whilst it is important to create a sense of momentum at the start to get things moving, it is also critical to keep re-energising both the people involved and the process so that the end goals are achieved. Effectively then, in successful change initiatives, one keeps retracing through the steps in order to stay on track. Another example is Step Two, which is about ensuring SNZ has a strong guiding coalition. This is the group that needs to drive the change process and motivate others to come along for the journey. It will be important for the guiding coalition to speak with one voice and to lead by example. At no time does this role become less important and therein lies the need to continually retrace and check up on all eight steps.

The following section provides recommendations which may form the blueprint of a vision and change strategy. It takes into account the need to address the ultimate goals around streamlining and establishing a national network in addition to the need for some action out there and getting some “quick wins”. It is essential that SNZ move forward, even in small steps. Failing to get change happening because ‘blocks’ have formed due to the way districts cast their votes would be a terrible and avoidable mistake.

A successful change process is not just about determining, based on hard data, what must happen. It is equally about reading the emotional climate of the organisation and intelligently plotting a course that will allow people an opportunity to leave their baggage behind and connect with the new future being offered. Both the emotional climate of SNZ (being a passion-filled volunteer group) and the change environment (e.g. IT platform implementation) are important factors to be considered in the timing, pace and amount of change which is planned. It is also suggested that the SNZ Board consider adopting a flexible approach to the pace of change whereby districts which are ready for change are not inhibited by other districts which are change resistant.

By taking into account the drivers and potential barriers to change, the emotional and operational climate, and by stating clearly the plan and the vision, SNZ can achieve all it sets out to whilst minimizing conflict and fallout.

# SECTION SIX

## OPTIONS & RECOMMENDATIONS

*... the real question is not what happened or did not happen in the past, but what needs to happen in the future".<sup>14</sup>*

### The Structure Options

Too often structure is seen as the silver bullet for addressing operational issues. Whilst it is not a silver bullet solution it is definitely an important part of the mix and poor structures will negatively impact on the performance of good, capable people.

There are unlimited options in terms of structural change given the countless opportunities for policy, regulation and constitutions to create different rules for the organisation. The important step is to first clearly define the purpose of the change and the purpose (or brief) for the new structure. Then a fundamental decision for the SNZ board is whether or not it wishes to keep a federated model. From there, different paths may be explored. However, at a high level, the following is a summary of the main structural options:

#### 1. Federated Structure (current)

This option maintains the legal structure of the organization with well-defined and separate legal entities at national, district and club levels, joined in membership by virtue of the constitution. At the end of the day, these entities must only meet their constitutional obligations and therefore must align their operations only as far as the rules in the constitution require them to. Maintaining this structure places the burden of change in the hands of the leaders and the way the organization *chooses* to perform.

There is no guarantee that altering a structure will improve performance if the issues around trust, culture and poor relationships endure. One of the biggest advantages of maintaining this structure, at least in the short-term, is that it provides an opportunity for leaders to drive change through choice. Culturally it is far more powerful to 'choose' than 'comply'. For the district staff, it may be easier to *choose* to build a team through alignment rather than have to comply through a structural reform. The choice to agree to a direction carries with it a choice to adopt a philosophy of shared commitment to improving performance which leads to cultural change. This is the stuff of hearts and minds – this will require excellent leadership at national and district level.

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<sup>14</sup> Driving Forces Report 2006 pp.50

Another benefit of maintaining the current legal structure is that funding is not risked (as far as we know). Early in the project districts said they would not support a plan which would displace funding at a regional level. Given that SNZ cannot yet guarantee the continuation of funding via another channel, continuing with legal bodies at a regional level will buy time to investigate the options and implications further.

Alternatively, there is a big risk that change is not enforceable; success is entirely in the hands of the people working in the sport. Change may not happen unless driven by a formal vehicle such as regulations or constitutional change. An option may be for all parties to sign a charter which acts as a binding 'pledge'. In such a case, SNZ may want to stipulate implications of non-compliance. Formal contracts form another option however, contracts establish just that – a contractual relationship rather than one built on close and open communication and sharing of information.

Ultimately with this option, nothing will change unless the entire leadership group, including the national board, CEO and district boards, genuinely buy into the plan and commit to working together for the greater good. Both its strength and weaknesses lie in this fact.

## **2. Federated model (change number of sub entities)**

This option maintains the same model as the current structure (federated) however would require a rationalization of the number of established districts. This would effectively mean amalgamating districts and there are many ways of conducting this process. For example, SNZ may wind up five of the current regions and they would become part of the 6 remaining (existing) regions. Alternatively, SNZ could wind up all current regions and create 5 new super regions based on criteria such as facility distribution, present and future population growth, local council boundaries or any of a number of other relevant factors. Provided they are separate legal entities and joined through the current constitutional rules, this is still a federated model.

This option would provide opportunities for:

- greater alignment across the district staff through a more unified management approach;
- a reduction in the duplication of governance administration (the reduction would depend on how many districts were wound up);
- a reduction in the number of relationships that need to be maintained between the districts and the national body;
- potential cost savings on overheads; and
- a reduction in financial administration duplication and resourcing.



The variations of this option are so diverse and decisions around voting and competition management would need further exploration depending on what level of centralization was deemed necessary to deliver the desired results. The key risks of this option are summarised below:

- it carries with it all the risks of transitioning into a unitary model (for half the districts) in addition to carrying the risks of a continuing federated model;
- districts will need to be even more capable as they would be taking responsibility for an even larger number of clubs and stakeholders;
- districts will need to improve their ability to manage staff as a smaller number of boards would be responsible for a larger number of staff and be charged with remote management tasks;
- this form of change alone will not improve the quality of relationships and would need to be teamed with a cultural change programme;
- selection of the existing districts which would need to wind up may be difficult;
- funding may be affected and a smaller number of districts may not be able to continue getting the same level of funding as the current 11 bodies (this needs more exploration);
- there are concerns over how the local competitions would be run and this would need to be worked through.

### 3. Various form of the Unitary model

There are so many variations to how the unitary model can work it would require SNZ to work through a process of design.

A full unitary model would require that all the current district bodies are wound up and all operations of SNZ are centralized into one legal entity (the national body). In order to analyse the merits of this model, it is critical that the national body is not seen as “Auckland” – rather a nation-wide organization. District staff would still be essential to a unitary model however the employment and management of all staff would be through to the national body.

The following table outlines a few unitary model variations that have been discussed by some within the squash community.

	Options	Regional Committee	Other Committees	Voting	Inter Club
A	Full Unitary	Nil	As required	Clubs vote on constitutional change	National body to organise
B	Unitary with CC*	Nil	Local Competition Committees	Clubs vote on constitutional change	Local Comp. Committees report through to national coordinator
C	Unitary with RSC**	Yes – national board sub- committees (voted by clubs)	As required	Regional sub- committees vote on constitutional change	Either A or B
D	Unitary with RAG***	Yes – Advisory Group to SNZ CEO	As required	Clubs vote on constitutional change	Either A or B

\* CC = Competition Committees (many ways to form these, mostly “hand up”; would need a terms of reference or policy handbook)

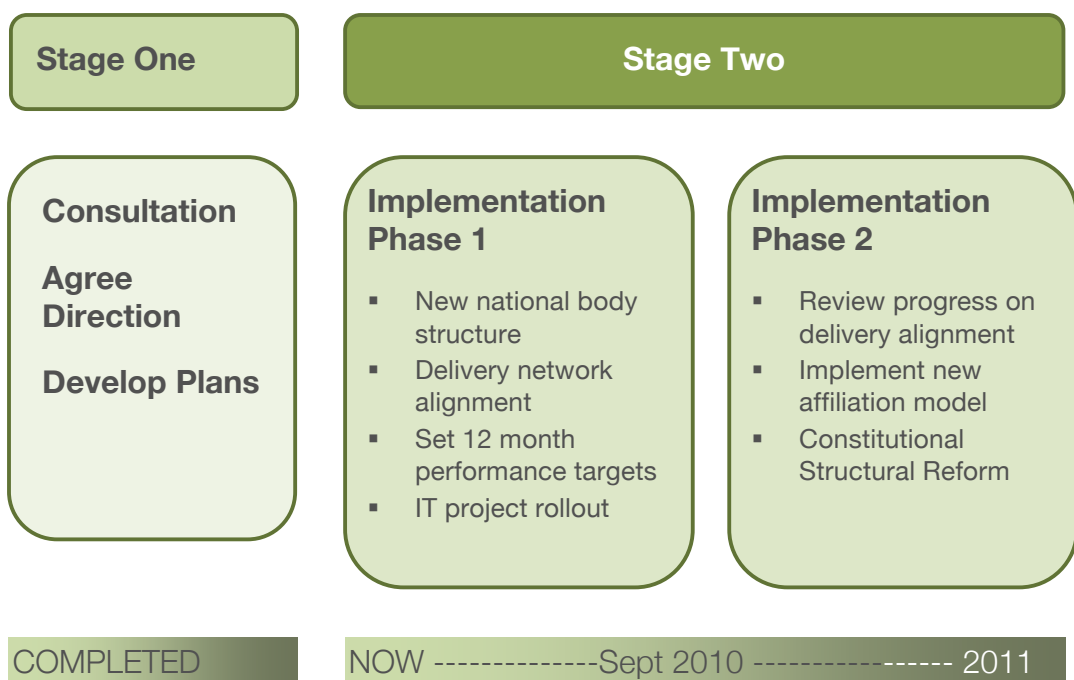
\*\* RSC = Regional Sub-Committees (sub-committees of the national board; elected by the clubs in the defined area; may or may not have independents; requires constitutional change)

\*\*\* RAG = Regional Advisory Group (to the CEO in most cases; many options around selection including nomination and appointment; may or may not have independents)

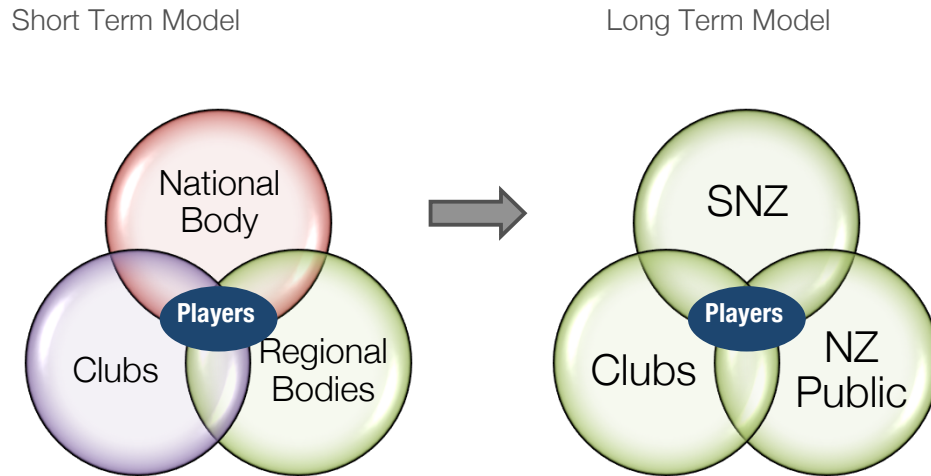
## Recommendations

Based on all the information canvassed in this project the following recommendations have been made.

1. It is recommended that a new national body organisational structure is implemented in 2009. The recommended structure will build the capacity and capability of the national body to deliver improved leadership, communication and operational performance.
2. It is recommended that SNZ implement the actions listed on pages 46-51. These actions focus on areas that will deliver the highest return. The singular focus on structure as a solution is ineffectual. The four identified priorities are: connections and culture; delivery coordination; knowledge and capacity building and resourcing and accountability. These priorities form the basis of a comprehensive change plan. After the initial changes, further work on structural reform can be conducted.
3. It is recommended that SNZ roll out change using a two-phase approach. In the first phase, SNZ focuses on leading the nation-wide alignment of the squash delivery network (and implementing the new IT platform). In the second stage formal and constitutional reform will be implemented in the areas of structure and affiliation models. This approach will allow time (during stage one) to build relationships and boost delivery credibility. It also allows time for clubs to focus on the *Opening the Doors* implementation.



4. It is recommended that SNZ needs to shift the structural thinking towards a model that is *outwardly* focused and reflects the need to prioritise the playing members - both current and future.



The models above illustrate a structure that doesn't depend on hierarchies rather that prioritises collaboration and works to place maximum energy and resource into growing and servicing the membership. The two models signal the shift away from internal to external foci over time.

5. It is recommended that the SNZ Board allow flexibility during phase one of implementation in order to keep moving and build momentum. A flexible approach will allow some districts to move faster than others in terms of centralisation of administration, staff management and national body support for local activity. Districts can liaise with the national body to agree on district specific transition arrangements. Currently, districts are at very different places in terms of willingness to support national body oversight. Flexibility during phase one will facilitate a quicker timeframe for those districts who are ready to take action whilst allowing greater autonomy for those who are hesitant.
6. It is recommended that a date(s) be specified in 2010 to conduct a performance review and review the extent of alignment which has been achieved through non-structural reform. Further steps can then be taken in order to reach the desired national delivery network.
7. It is recommended that a new affiliation model is developed and consulted on during Phase One and then implemented in Phase Two of the change plan. This will allow time for adequate funding analysis and structural reform concepts to be developed.

## The Four Priority Areas of the Change Plan

The following section clearly identifies the aim and purpose of each priority and identifies recommended actions and the necessary steps where possible. It has been drafted in such a way as to enable this part of the document to be used as a stand alone paper. The section includes additional supplementary material explained under each priority in order to assist SNZ to provide rationale and/or background for the areas of work. Rationale has been in constant demand over the previous three months. The explanatory notes under the heading “rationale” also provide a foundation from which SNZ can draw to develop communication materials and key message statements. Also, this format readily translates into a project plan template.

**Diagram 2: Four Priority Areas for Action**



Within the four priority areas, actions have been recommended which can achieve short-term results without requiring formal or constitutionally re-structuring the sport. This is considered a preferred way forward given the feedback on levels of trust.

## 1 PRIORITY ONE - Collaboration and culture

### Aim

For SNZ to be an organisation that New Zealanders want to be a part of

### Rationale

Sustainable recovery and ongoing success will require a cultural shift of the organisation. Currently, there is a strong sense of division in the Squash community. Discussions reflect a focus is on the various 'parts' of the organisation as opposed to the inter-dependence of the parts that form SNZ.

The report found that the regional bodies are not viewed as entities of SNZ. The regional bodies are perceived to be completely separate deliverers and the fact that regional bodies receive funding from the national body and have done since the mid 1990's is very poorly understood. Ultimately, the focus on division is feeding fragmentation and internal rivalry to an extent of being detrimental to the sport.

A key barrier to change is the mindset that SNZ is an abstract organisation when in fact SNZ is the sum of the national, regional and local members. In a federated model such as SNZ, the organisation succeeds when the roles and responsibilities of each member are in synch and are reinforcing the efforts of each other.

Culture is not developed or fostered in a vacuum. It is the product of lots and lots of individual activities and communications –small and large. Breakdowns and blockages in communication are damaging organisational performance as well as causing cultural problems. The dis-connect between the national body and clubs is causing real communication difficulties and the formation of inaccurate perceptions. The Stakeholder Survey was emphatic on the point of direct communication and that members want direct relationships with the national body. Comments such as "communicate with clubs so we actually know what is going on" and "try communicating directly with regional clubs not just the regional bodies". These statements are representative of the theme in the survey responses.

Overall, collaboration is low within SNZ, occurring only in pockets and usually based on personal alliances and friendships. Improved communication and connections, especially a closer leadership group and direct communication between clubs and the national body will create much needed dialogue.

Actions:  
August  
2009-  
June 2010

- 1 **Establish a direct line of communication between clubs and the national body**
  - The national body in direct communication with players and clubs.
  - The national body to gather research and circulate customer research to clubs and regions.
- 2 **Develop a Culture Statement – then live by it**
  - A Statement of Culture will be developed to clearly define and raise awareness about the new way of working together (e.g. customer focus).
  - Review and relaunch the Code of Conduct. It is necessary to “walk the talk” and SNZ needs to reinforce the commitment to create a positive culture by integrating this policy into employment and player contracts.
- 3 **Cultural and behavioural expectations are made explicit in planning documents, performance agreements and contracts**
  - Integration of culture and behaviour standards across the organisational planning and operational plans.

## 2 PRIORITY TWO - Delivery Coordination

**Aim:** To create a synchronised nationwide delivery network with real impact

**Rationale:** Squash NZ, nationally and at a district level need to do better and deliver more value to members and clubs in return for their affiliation fees. There are studies indicating that both the national body and the district bodies are under-performing (Driving Forces Report and Stakeholder Survey).

Moreover, all the reviews and the consultations identified the need for a strong united network for delivery. There are many reasons for, and benefits of, an aligned and cohesive delivery network. Performance improvement and achieving “better bang for buck” to members is reliant on improving coordination and alignment from national through to local activities. Moreover, clarifying the roles and responsibilities of people working at a national and district level is critical.

*A Good Tomorrow* (1997) describes the need for a “nationally coordinated strategy of growing all aspects of the game and a sport which is actively committed at all levels to following the lead of the National Office”. A more coordinated and aligned network/structure was identified in ALL Reviews of Squash.

There is an array of tactics for achieving delivery coordination. These include:

- a. Creating a wider “team” - aligning roles, selecting the right people, coordinating targets and activities, shared work plans, properly

managing staff

- b. Formal Structure – convert hierarchies into teams by adjusting the formal structure to facilitate improvements to delivery
- c. Cascade Planning – national leadership, regional implementation, local activities, strategic plan is linked through to regional business plans

It is recommended that Squash NZ take a 'step-change' approach to working on this. It is recommended that a critical first step is aligning the very important national initiatives around coaching, club development and HP. Marketing, branding and competitions are also highly valued and would form a next level of alignment activity along side projects in the pipeline. The critical actions are outlined below.

Actions:  
Jan-June  
2010

- 1 Recruit for key national programme leadership roles to ensure management and direction resource is in place to drive and support district alignment and Implementation
  - National Coaching Director (based anywhere)
  - National Club Development Manager (based anywhere)
  - National Business Operations Manager
- 2 Create a nationally directed and aligned Club Development Programme
  - Improve consistency, knowledge sharing, measurement and performance benchmarking which informs continual improvement and resource targeting
- 3 Implement a nationally directed and aligned Coach Development Programme
  - Establish and maintain a 'community' for coaches across NZ
  - Improve knowledge sharing and interactive professional development
  - Implementation of the 2009 National Coaching Strategy
  - Foster a performance culture through strong, visible leadership and clear behaviour/conduct expectations
- 4 Create a nationally directed and aligned High Performance Programme
  - Improve knowledge sharing and interactive professional development
  - Foster a performance culture through strong, visible leadership and clear behaviour/conduct expectations



### 3 PRIORITY THREE – Resourcing and Accountability

**Aim:**

To make squash resource work harder and deliver more value

There is a lot of confusion over who receives what money and who is delivering what service within Squash. There are widespread calls supporting an overhaul of the affiliation model and system that is in place currently. There are many arguments for changing the current affiliation system:

- A single system will significantly reduce transaction cost across the organisation at both national and district levels
- A single system demonstrates a single membership entity albeit with many operating parts/sub-entities
- Improves transparency about who gets what money
- Improve feedback on ‘value proposition’ as a single budget will allow better communication on how money is used
- A simple model will be easier to understand for members
- Consistent fee structure across Squash players/clubs
- Opportunities to capitalise on economies of scale across the sport
- Opportunities to build budgets reflecting where the money comes from (i.e. district areas) but still gain leverage opportunities

A streamlined system for collecting and processing levies will significantly reduce transaction cost. This is also an opportunity to lift transparency and accountability. In terms of utilising resources, a single affiliation structure can be implemented with no risk to external gaming and trust funding.

The other dimension of this priority is the need to create and implement an aligned planning and reporting system which allows for meaningful performance assessment. Getting the full picture of reality is an important task for leaders in the sport. Setting goals and measuring progress is an essential part of creating a success in any business or organisation. Squash New Zealand is no different.

**Actions:  
October  
2009 –  
June  
2010**

**1 Develop aligned and integrated planning and set clear agreements in place**

- Review existing regional and national plans. Squash New Zealand will have a national strategic plan which needs to integrate with regional operational plans. Regions planning processes should be conducted where alterations are required.

- Develop a partnership approach involving the flexibility to address local needs whilst also supporting the achievement of national objectives. All agreements will need to reflect relevant accountability measures relevant to the area.
  - A part of integrated planning should be the adoption of a consistent method for coding district expenditure so that accurate intelligence can be gathered regarding how much SNZ (the whole) spends on certain areas of the sport. This information will provide a fantastic empirical database for informing decision-making and strategic planning. Understanding the true cost of running the sport – administration and programmes – is essential to better planning and performance.
- 2 Performance Management and Measurement**
- Implement clear and aligned measures. Squash NZ needs to set clear targets, perform wide communication of targets to increase accountability, align targets to the Squash NZ strategic plan to ensure contributions are channelling towards the ultimate goals.
  - Quarterly Leadership Meetings – establish a performance review cycle of ‘virtual meetings’ for all Regions and the SNZ CEO (purple group on the org chart).
  - Publish an online mid-term performance report card incorporating all 12 entities that make up Squash NZ. This may also include case studies on clubs or members.
- 3 Implement a single membership affiliation system paid directly to the national body (implementation phase two, 2010)**
- Create a single system of affiliation with clear and transparent inputs. This should include information on what monies are collected through other means such as *Opening the Doors*. At its basic level, a single system should make it easier to understand how much is collected and where it goes.
  - Improve transparency of how membership levies are used. For example the national body can create a short document indicating what percentage of the affiliations are spent in the different areas of delivery (e.g. development, coaching, HP).
  - Improve feedback to members on the ‘value proposition’ – members can understand what they are getting for their money.

4 PRIORITY FOUR - Knowledge and Capacity	
<b>Aim</b>	To leverage the collective knowledge and skills across the sport
<b>Rationale</b>	<p>There is huge potential to increase the knowledge sharing within Squash NZ. This not only enhances capability but also capacity to deliver bigger returns. A telling statement from the 2006 review said</p> <p style="padding-left: 40px;">“During consultation the districts advised that they have no problem with the notion of sharing information –indeed they welcome it. Yet on the question about relationships, most districts (9) do not consider the other districts as a prime source of information, nor as part of their relationship network. (pp. 00028)</p> <p>Clearly this represents an opportunity to improve knowledge sharing within the organisation. To remain competitive in the sports sector, Squash NZ needs to harness the power of the collective skills and experiences within the squash community. This can be achieved through well-planned forums and opportunities for communication and sharing.</p> <p>Bringing people together has the added benefit of fostering a positive culture in which trust can be built and respect for each other demonstrated.</p>
<b>Actions: Jan-June 2010</b>	<ol style="list-style-type: none"> <li><b>1 Implementation of the National IT Platform</b> <ul style="list-style-type: none"> <li>▪ Implementation of the IT platform (as presented)</li> </ul> </li> <li><b>2 Develop a National Professional Development Plan</b> <ul style="list-style-type: none"> <li>▪ This plan will invest in the skill and knowledge development of paid and unpaid staff who form the SNZ workforce. An annual schedule of professional development opportunities will be organised by the Business Operations Manager in consultation with staff.</li> </ul> </li> <li><b>3 Squash NZ Broader-Team operational Conference</b> <ul style="list-style-type: none"> <li>▪ This event is for the operational staff of Squash NZ delivering the business plan (orange and blue on the chart). Such an event not only addresses the knowledge and capacity priority, it also reinforces and feeds into the other three priorities. This will be an opportunity to bring together all district and national staff for a six monthly meeting to discuss directions, share experiences and issues, review and measure performance, and most importantly, build a team culture of shared responsibility.</li> </ul> </li> </ol>

