

Presidents Update – March 2014

AGM

The CARS AGM took place in Quebec City on Jan 11th 2014, the AGM itself went without a hitch and was followed by an EGM during which the membership voted to adopt the new association by-laws. The by-law changes ensured compliance with the requirements of the new Federal Not For Profit Corporations Act while retaining the spirit and intent of the original documents.

The AGM weekend featured the CRC and RSQ awards Gala, which had a great turnout with over 160 in attendance. Thanks to Eric Tremblay and Debbie Dyer for arranging an outstanding evening.

Prior to the AGM and Gala the extended board of Directors met for a series of productive meetings. I was elected for a second term as President so that means I have the pleasure of continuing my work with the dedicated volunteers who serve the rally community on the extended board. I also promise to continue with my quarterly updates.

Sponsorship

Our CARS Objectives and Goals have been updated for 2014 and reflect some change in emphasis on the commercial value and sponsorship aspects of the CRC.

Since coming to the job a year ago I have gained an appreciation for the fine balance between grass roots rally enthusiasts, the commercial professionals, everyone in between, and all of their often incompatible needs and wants. But one thing I've come to understand is that everyone can benefit from good sponsorship support, whether it's simply helping keep the costs down, providing contingency funding, or producing a TV show that gives significant exposure opportunities to the sponsors, competitors and event organizers.

A key concept highlighted in our new sponsorship philosophy document and embedded in our 2014 goals is that sponsorship is not free money. A company will only sponsor the CRC if they can see a potentially good return on their investment. The return we can offer is promotion and exposure. The commercial value of the CRC is directly related to the excitement that can be generated and the exposure we can get for the product. This leads us to understand that we need a vibrant high-end aspect to the sport that puts on a show and raises the excitement level of the competition. We need a deep field of competitors to increase the layers of competition and we need a media production

company that can help us raise the level of exposure and commercial value of the product.

Media Production

As follow up to recognizing the need for continuous improvement in our media coverage, we requested proposals from a number of media production companies and In January we awarded a three-year CRC media production contract to Formula Photographic. The plan for 2014 is to produce 12 online videos in a bi-lingual format for distribution over a 24-week window starting midyear. The intent of the video production will be to dramatically increase our online exposure adding to the promotional value of the CRC. Formula Photographic will also be producing six television shows in both English and French that will air, most likely, on TSN and RDS. As well as the media production, Formula Photographic will be utilizing Dean Campbell to drive our content and exposure levels of the CARS website www.carsrally.ca, CRC Facebook page, www.facebook.com/CRCRally and CRC Twitter account, <https://twitter.com/CRCrally>.

Before leaving the subject of media production I would like to offer my sincere thanks to Andrew Comrie-Picard and Musketeer Media for their excellent coverage of the Canadian Rally Championship in 2013, in particular I'm appreciative of the progressive change of direction that Andrew led, as it has set the stage for our future success.

ASN Advisory Board Meeting

The ASN Canada FIA advisory board meeting is to be held in Toronto, April 12th. I will be attending the meeting, representing CARS. The meeting is held each year by ASN Canada FIA and is an opportunity for all of the Canadian motorsport territories and CARS to get together and discuss various topics of mutual interest. Personally I find this an excellent forum to learn, share ideas and stay abreast of future direction in motorsport. I will report back on activity in my next update.

Speed Factor

Over the past year we have collected national event timing data and used two different speed factor tools to help us determine a path forward.

Tool 1: Peter Watt was instrumental in the development of a speed factor tool that identified the fastest time as 100% and allocated a factor to everyone else based on their percentage of the fastest.

Tool 2: The Rally America speed factor tool that uses a statistical approach in which the individual with the median speed is assigned a speed factor of 50 and everyone else is distributed across the bell curve.

Both tools gave us a similar result in terms of ranking but the Rally America tool gave the added advantage of cross border consistency with Rally America competitors, so the board have chosen to adopt the Rally America speed factor tool and start establishing a CRC speed factor for all competitors. The CRC will continue to use the seeding system, while the individuals speed factor will allow for start order sorting within a seed group and allow organizers to deal with extenuating circumstances that might warrant placing a lower seeded individual higher up the start order if their speed factor indicates.

Rally Safe

During the Cochrane Winter Rally in March, we tested the Rally Safe system with great success. Test units were installed in 4 cars and a number of test scenarios established. The system came through the tests well and in fact performed better than expected in some cases. The board believes that Rally Safe would be a progressive step forward for Canadian Rally, offering not only significant safety enhancements but also the possibility of live timing data and remote tracking of progress.

Our challenge is to implement Rally Safe at either no cost or minimum cost to competitors, so once again this gets back to looking for a sponsor that would be willing to help fund the implementation of Rally Safe.

2014 Goals Status

RULES

1. Technical Rules Committee (TRC) will meet on a routine basis to research, review and propose technical rule changes including;
 - i. Issue rules to clarify model range definition *(TRC have made a proposal that is currently in front of the board and will be going out for rally community input prior to rule change)*
 - ii. Address request for use of studded tires in national events *(TRC have made a proposal that is currently in front of the board for review before going out to the rally community for input)*
 - iii. Implement noise limits to rally cars on transit *(TRC have made proposal that is currently in from of the board before going out for rally community input)*
 - iv. Revise minimum weights of P4WD cars *(TRC have made proposal that is currently in from of the board before going out for rally community input)*

- iv.v. Clarify concept of generation within a model as it relates to updating/backdating *(TRC have made proposal that is currently in from of the board before going out for rally community input)*
 - v.vi. Clarify restrictor use in O2WD *(TRC have made proposal that is currently in from of the board before going out for rally community input)*
 - vi.vii. Clarify air filter housing requirements for production class *(TRC have made proposal that is currently in from of the board before going out for rally community input)*
2. Administrative Rules Committee (ARC) will meet on a routine basis to research, review and propose administrative rule changes including;
- i. Updated Rally Cross & Rally Sprint rules *(work is in progress)*
 - ii. Implementation of Re-Start rules *(proposed rules have been out for rally community input. ARC will review input and propose final rules for implementation)*
 - iii. Review Single event regional license rules
 - iv. Implement a speed factor tool to complement the seeding system *(Have tested two speed factor tools with data from the last 8 CRC events. The board will review the data and make a proposal for implementation of a speed factor tool)*
 - v. Produce a safety plan template for use by Rally X and rally Sprint event organizers *(In progress)*
 - vi. Establish a minimum age for workers in the Hot Zone and for shakedown and media rides *(In progress)*
 - vii. Review requirement for foreign competitor local club membership to score championship points *(In Progress)*

LEGAL

1. Ensure compliance with Federal Not-For-Profit Corporation legislation through registration of articles of continuance and by-laws that comply with the legislation. *(Martin Burnley our Secretary/Treasurer will file the articles of continuance with the Federal Government after which we will be in compliance with the law)*

SAFETY

1. Conduct a complete review of the Safety Guidelines. Identify required safety practices and recommended safety guidelines. *(In Progress with Ross Wood leading a small team)*
2. Organize training and/or training materials for both Stewards and Organizers, implement a national checklist.
3. Determine if the use of Speed Factor in conjunction with the current seeding system is to be implemented. Compare the RA speed factor system with the system developed by Peter Watt/Martin Headland. *(Have tested two speed factor tools with data from the last 8 CRC events. The ARC are taking to the board who will review the data and make a proposal for implementation of a speed factor tool)*
4. Continue testing of Rally-Safe and other vehicle tracking systems and make implementation proposal. *(Testing at Cochrane Rally in march was very successful)*
5. Better define the “Hot Zone” *(in progress)*

COMMUNICATION

1. Continue development and improvements to CARS website. *(Currently have Dean Campbell engaged improving the content. The actual website development is dependent upon funding)*
2. Issue quarterly communications from the President. *(Happening)*
3. Have online videos of each CRC event. *(Perce Neige video will be on line shortly. New contract with Formula Photographic addresses this item)*
4. Implement real time scoring, standings, speed factor rankings, etc.
5. Active use of social media for updates at all events. *(New contract with Formula Photographic is designed to significantly improve the social media following)*

MARKETING & SPONSORSHIP

1. Develop a promotional package that outlines the value proposition for current and potential sponsors and supporters of the Canadian Rally Championship, the Event Organizers and our Competitors. Show the value of supporting one, two or all levels of the sport and synergies achieved through combined multi level sponsorship. *(Initial package was developed and issued at the time of the AGM. This material will be*

updated from time to time and made available to competitors that want to use it as part of their own promotion)

2. Maximize the value of the Canadian Rally Championship by increasing its exposure and fan following by partnering with the best media production companies. *(Working hard to drive exposure and viewership up, major component of Formula Photographic role)*
3. Increase the number and level of corporate sponsorship to allow for improved promotion and value of the Canadian Rally Championship. *(Have secured Subaru and Yokohama for 2014, Keith and I actively working to increase the support base)*
4. Have online sponsor videos ready for posting within two weeks of the event.
5. Provide measurable and valuable exposure for sponsors, competitors and organizers through a combination of broadcast TV and an increasing online presence. *(FP will provide exposure data)*

GROWTH

1. Generate income in excess of that needed to fund the promotional and broadcast material, allowing for selective growth and improvement related spending.
2. Attract more Quebec regional teams into the national series by working closely with CRQ; look at how Quebec national events can host a regional component.
3. Achieve a more evenly distributed Canadian Rally Championship event calendar ... too many events in October/November, too few in first half of the year. Work to have one event in the March thru June time window.
4. Encourage new competitors to rally;
 - i. Increase overall entry levels through better promotion of the sport
5. Mailing to all license and permit holders with final standings summary, TV schedule, schedule for next year and a reminder to renew license.
6. Increase promotional assistance from CARS to CRC events;
 - i. Offer some TV promotion of the host community *(In Progress)*
 - ii. Providing option for organizer to sell/give a TV advertising spot to their host community *(In Progress)*
 - iii. Providing on-stage advertising space to ensure online and TV exposure. *(In Progress)*

FINANCES

1. Achieve a balanced budget by 2015 (*On target*)
2. Significantly reduce the deficit budget in 2014 (*Still a slight deficit but much reduced in 2014*)
3. Develop and implement a capital planning process (*in place*)
4. Provide quarterly financial reports to the CARS board (*In Progress*)

MISC

1. Initiate project to digitize the CARS history files in Georgetown storage facility. (*Plans are to start digitizing this summer*)
- ~~1.~~2. Eliminate Georgetown storage facility (*All archives moved from pay facility to a private facility with no cost*)