



## **Presidents update May 2016**

At the AGM in January I was elected for my 4<sup>th</sup> term as President of CARS and am pleased to be doing the job for another year.

2016 promises to be an exciting year, although it has started out on shaky ground with the loss of long time sponsor Yokohama Canada.

### **Funding & Sponsorship**

For 2016 we once again have the outstanding support of our long-term partner Subaru Canada. Subaru have been involved with the Canadian Rally Championship for over 20 years and we continue in our mutually beneficial relationship. Subaru cars are always well represented at our rallies, and Subaru sales in Canada have continued to grow at a significant pace.

The loss of Yokohama has a potentially huge negative impact on CARS, the events and competitors. CARS works a fine balance between income from various sources and our expenses, we try to operate with a balanced budget. Therefore the loss of income from Yokohama was significant and has required a huge effort to try and compensate for that loss of funding.

The board has looked at many options including:

1. Replacing the sponsorship income with new commercial partnerships.
2. Reducing expenses.
3. Increasing income from other sources. (members, events, competitors)

#### **1. Replacing the sponsorship income with new commercial partners.**

This is easy to say but very difficult to accomplish. The CARS board have an active sponsorship committee and a great working relationship with Bowes Media and Formula Photographic, together we are continually working on making contact and fostering relationships with potential corporate partners. We also have many volunteers with their ears to the ground and working to help CARS build new mutually beneficial relationships.

I am pleased to say that recently CARS and Dirtfish Rally School out of Washington State, have signed a contract making them the "Official Rally School partner of the CRC" for the 2016 season. Thanks to Warwick Patterson for spearheading the relationship building with Dirtfish.

This agreement takes us only part of the way to balancing the 2016 budget. We continue to look for other new relationships.

We are currently talking to tire manufacturers, most of whom require a commitment to purchase their brand of tire for any sort of commercial relationship. The board will assess any proposals that we receive and will only move forward if there is a clear benefit for both the CRC and competitors.

If any of your companies or your contacts might find a relationship with CARS and the CRC of benefit please let us know. Brand exposure and advertising opportunities offered by CARS might work.

## **2. Reduce Expenses**

Over the past two years Martin Burnley our Treasurer, has worked hard to remove & reduce expenses, so today CARS has a fairly simple low cost organization with only one paid position, our office Manager and a couple of positions that receive a small honorarium. They are our Series Manager and Translator both of whom do a tremendous amount of work to help keep CARS and the championship ticking along. The rest of us volunteer our time at no cost.

Debbie does an outstanding job of running the day-to-day operation of CARS on a very small budget and keeps an eagle eye on the spending. Terry receives a small honorarium for running the CRC. Terry brings a high degree of consistency and continuity to the championship and is an invaluable resource to the event organizers in helping meet world-class standards.

Our single biggest expense by a long shot, is the media coverage that we provide. TV shows, on-line videos, social media coverage and so on. On top of that we increased the number of events from 6 to 7 in 2016, adding to the media production cost. We continue to work co-operatively with Formula Photographic, Bowes Media and Dean Campbell Editorial to keep the costs as low as possible.

Spending money on media productions is a bit of a chicken and the egg scenario, we need commercial partners to fund the media and we need the media to satisfy our commercial partners.

So why do we feel it's so important that we have good media coverage? The reason is having great media productions increases the exposure of the sport and the participants. In turn that increases the commercial value of the CRC, the events and the competitors. This allows us all to sell the exposure to more commercial partners.

The ultimate goal is that the value proposition for our commercial partners is so compelling that we are able to generate more income that it costs us to produce the media coverage. At that point we have the extra funds to support improvements to the sport, such as a new website, new marshals vests, etc. without always having to come to the clubs, events and competitors for the money.

So top quality media productions, generating increased exposure, benefits our commercial partners for sure, that is a bottom line requirement to keep their support. But this also benefits our events and competitors as they too get increased advertising and sponsorship support. As an example CARS has provided the events with the opportunity to sell two stage side banners that receive TV and on-line video exposure. Events are taking advantage of this income generating opportunity; which translates in to more viable events that can keep costs to competitors low.

### **3. Increase Income from other sources**

The only other source of income is you and I. License fees, permit fees, sanctioning fees. Even though the general principle that we try to operate under, is that this source of income will fund the daily operation of CARS, and that media production should be self-funding (from commercial partners) without further sponsorship we will be faced potentially with looking to our members, competitors and events to help with the shortfall through increased fees in 2017.

## **New CRC/CARS Website**

The new website will be an enhancement to the sport. It has been designed and built by Frontech Solutions, a company owned and operated by a fellow competitor Boris Djordjevic. The site has been designed for rally people by rally people. The site includes a database that will take competitor information along with event results and dynamically update various scoring, standings and speed factor widgets making the site current and useful for everyone interested in the sport.

The website has three main objectives;

1. Be the fan-centric go-to place for up to-date Canadian Rally information.
2. Be the place for CARS business related information.
3. Be another place for partner and advertiser exposure to the rally community.

### **1. Fan-Centric go-to place for Canadian Rally**

The website has been designed with the rally fan in mind. The main landing page is the CRC home page, displaying all of the information, needed by fans. As results come in the webpage is dynamically updated to show the latest information.

The CRC pages include;

1. Latest CRC news articles.
2. Last event, accessing their event page, showing results and highlights.

3. Next event accessing their event page and showing information about the upcoming rally.
4. The CRC Calendar with access to the event pages and results.
5. Access to the vehicle tracking website when applicable.
6. Access to the current and past results and standings.
7. Information for Competitors, volunteers and spectators
8. Access to competitor profiles, biographies and individual results history.
9. Access to the latest video and picture galleries.
10. Links to regional event schedules and regional championships

## **2. CARS page**

The CARS pages provide information about CARS and interaction with CARS.

The CARS pages include;

1. CARS News, Bulletins, Announcements and Quarterly updates.
2. Information about CARS, Rules, History and Vision.
3. Links to our member club websites.
4. Documents that are required by organizers, competitors, stewards, volunteers and media.

## **3. Partner advertising and promotion**

The website offers numerous advertising spots and the ability to link into partner materials and websites. We see the CRC/CARS website as a great portal for our partners, sponsors and advertisers who can gain from the exposure our website will bring to an ever increasing fan base.

## **Launch process**

1. In April we were testing the new website on a test server.
2. During the first week of May the website was switched over to the CARS server. <https://carsrally.ca>
3. During the first and second week of April a few key people were given access to continue testing and learning the administration side of the website. This included Debbie, The media guys at Formula/Bowes/Campbell, The Rocky Mountain Rally organizer.
4. By mid May the website was accessible to everyone.
5. We are currently asking competitors to input their profiles. This is an important step as the competitor profile is a critical component of the scoring, speed factor and standings database. It offers our fans an insight to just how many competitors we have in our sport.
6. Before the end of May we hope to have Rallye Baie des Chaleurs organizers and scorers starting to use the website.

## Declining Entries

Over the past few years the national events in the CRC have seen declining entries. This was identified as a priority issue for us to work on at the January AGM. During our session a group of organizers, competitors and board members worked through an exercise to try and determine the reasons, develop opportunity statements then start work on action plans to reverse the trend.

The top opportunity statements in order of priority are;

1. Improve the promotion of National and Regional championships and events.
2. Improve the development of competitors from entry level up into the national mainstream. Using Rally Cross, Rally Sprint and Regional Performance Rallies as the stepping-stones.
3. Enhance the competition for existing National competitors.
4. Consolidate national/Regional events. Have adequate choices and a progressive path without saturating any one area.
5. Help improve availability of reasonable priced cars and parts.
6. Develop event support people and methods.
7. Control event costs.

This was an interesting exercise with the top couple of items clearly getting the most support. Since this time we are making a greater effort to make sure that competitors are exposed to the promotional material that both the events and CARS are generating.

## Hopefully some of our efforts are paying off.

At Rallye Perce Neige 2016 had 32 entrants an improvement over last year.

Cochrane Winter Rally had 25 entrants, an all time record

Lanark Highlands Forest Rally had a solid 21 entries

Rocky Mountain Rally is currently sitting at 37 entries, a big improvement over last few years.

Rallye Baie des Chaleurs has started to publish promotional material and hopes for a blockbuster entry list that includes CRC national Competitors, ECRC Regional competitors and NRC International competitors.