



THE TRUE COST OF OWNERSHIP

Sports Xtra's journey from in-house solution to hosted Camp & Class Manager supports expansion strategy

"ACTIVE is the best partner we could find to deliver the aspects to our business model that we couldn't do ourselves."

Gareth Lippiatt, Founder and CEO

UK-based Sports Xtra has been providing engaging and positive experiences for children since 2002. Founder and CEO Gareth Lippiatt is deeply passionate about the benefits of an active lifestyle for children, including health, emotional development and self-esteem.

Hosting an average of 100 activities per day across the UK in schools and community halls, Sports Xtra has engaged and impacted hundreds of thousands of children.

Off to a Good Start

Gareth's original programme model was inspired by seeing the high quality of camps offered in the US while working abroad during the summer of 1999. Using various proprietary booking systems, Sports Xtra grew organically for five years and began franchising the programme in 2007.

Trial and Error

By 2013, Gareth realised that hourly employees, not owners with "skin in the game," were delivering the programme experience. This put the consistency and quality that were critical to his mission and ambitious expansion plan out of his control.

At the same time, he commissioned a third-party custom platform with a capital expenditure of £35k, a cost he calculated could be recouped within 3 years through reduced transaction charges.

Failure to Meet Customers' Tech Expectations

In terms of the platform's performance, the website looked great on desktop, but users were increasingly migrating

£**65k**
annual payroll reduction
(cost of 2 employees)

to mobile, which delivered what he calls a *terrible experience*.

The booking process, specifically, delivered a below-average experience. Participants had difficulty searching for courses and weren't receiving email confirmation of their booking.

Franchisees were forced to manually investigate where booking data had been stored in the system to confirm those bookings. Reporting was limited to transactions; there was no way to analyse anything. It took 2 full-time employees to manage these issues and Gareth was forced to focus on IT rather than on his main priority of programme experience and growth.

"With customer expectation through the roof, it's not possible to give an average tech experience and make

up for it on the delivery side. The perception is that the tech experience reflects the quality of the programme. I feared that we ended up looking average—and perception is reality.”

True Costs of Ownership

Additionally, he realised that they hadn’t factored in the cost of maintaining their in-house system. “We massively underestimated the cost of maintenance and especially the cost of additional administration when the system didn’t work.

“So, whilst we had a bespoke booking platform that met our specific needs, there were unforeseen expenses that we hadn’t planned for...such as the cost of system updates across all the devices that consumers now use and which any business that wants to be taken seriously needs to consider.”

"We massively underestimated the cost of a proprietary system."

A Major Shift

So, Gareth went back to square one to solve both his customer experience concerns and his technology issues. He re-engineered his entire business model to offer a licensed, owner-operated product (instead of a franchise), wherein owners of a Sports Xtra business would be motivated to deliver the signature customer experience at the core of the organisation’s values.

"Then we realised we could effectively deliver licensing on a bigger scale only if the technology was scalable for any country and number of licensees and consistent throughout the user journey, which doesn’t start with first day of session. It starts with the first flyer the customer sees."

"If we wanted to build a global brand based on customer experience, we had to recognise the limitations of a business model based on human resource and unreliable technology."

With that in mind, he moved his operations to ACTIVEWorks® Camp & Class Manager in January 2017 and, in the first year, launched a pilot licensee in Singapore and recruited 20 new licensees in the UK.

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Thinking Big for the Future

With a goal to recruit 1,000 more licensees in the next 2 years, Gareth can now focus on getting scalable internal systems in place to empower growth, including an eLearning system to train licensees and partnerships in developing products to complement their growth strategy.

Now, with perhaps one customer inquiry every few months—usually programme-related or a user error—he no longer has to hire for either of his administrative roles, a net savings of £65,000 annually.

An ACTIVE Partnership

Though their proprietary system was a big investment for their size, Gareth admits **"it’s a drop in the bucket to what ACTIVE invests in their system."**

While there was a trade-off in some of their custom features, they now get a business partner, a much-improved user experience, unmatched data security, IT support and digital marketing guidance. **"ACTIVE has been very receptive to the feature requests we've made. They're passionate about helping us achieve our business objectives."**

"There is a peace of mind knowing that the system won't just fall over at any given moment and even if it did, any problem would be solved within hours rather than it falling on my desk," Gareth says.

"The beauty is that the more bookings we take, the more revenue both parties take, so we're both working to the same agenda. ACTIVE seems to want to understand my business and solve my problems - you just don't get that from most suppliers."

"I realise this is a decision you can perhaps only make with the benefit of hindsight," he summarises, **"but I made the wrong decision with a custom system."**

"I haven't regretted switching to the ACTIVE platform."

Reduce your total cost of solution ownership with hosted Camp & Class Manager.

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