

DIVING INTO THE DEEP END

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As Max walked out of another frustrating meeting with the leadership of the local sport complex, he knew that he would need to make an important decision. He loved to coach swimming, but felt stymied by the leadership. Swimming was not the focus of the complex; it was merely tolerated. Max, at the same time, in comparison, had a bold vision for the team and his swimmers. He understood that with more attention and slightly better resources some of his swimmers could have a bright future in the sport. He also wanted to popularize the sport and create a swim community. After the leadership did not support his ideas, he knew that it was time for a substantial change in his life. Should he turn his back to the sport he loved or start his own team?

INTRODUCTION

“I am telling you, this marriage between us is just not working!” Max raised his voice slightly to express his frustration. (He did not mean it literally, luckily, he was happily married.) He had grown quite disenchanted with the local sport complex where he led swim practices daily in the afternoons. On a hot August day in 2016, he walked out of another frustrating meeting with the leadership of the local sport complex and knew that he would have to make a drastic change in his life. He loved coaching swimming but felt stymied by the leadership. The source of his main frustration was that swimming was not the focus of the complex, it was merely tolerated at a basic instructional level. Max, in comparison, had a bold vision for the team and his swimmers. He understood that with more attention and slightly better resources some of his swimmers could have a bright future in the sport. He also wanted to popularize the sport and create a swim community. Because of the lack of support from the leadership and the growing frustration, he knew that he did not want to continue coaching at the sport complex. Max wondered whether he could carry on coaching if he started his own team or if it was time to hang up the whistle. Since he had a full-time job teaching in one of the local schools, coaching was not the main source of income for Max’s family. However, he also could not afford to lose money on the deal. He needed to see whether the financial

aspects would work to allow him to pursue his passion without a financial sacrifice. Should he turn his back to the sport he loved or start his own team?

BACKGROUND

According to USA Swimming, there are over 2,800 swim teams in the nation with over 400,000 members. At the time when Max started to get serious about starting his own swim team, USA Swimming did not show a swim team within a 50-mile radius of the small southern town of which he was a resident. This is because the old team at the local sport complex was not a year-round, sanctioned USA Swimming club team. Obtaining this USA Swimming membership for his team was important for two reasons. First, if he chose to start a team, Max wanted his team to participate in swim competitions sanctioned by USA Swimming due to the organization, competition, and professionalism of the meets and other clubs. Second, Max knew he wanted his team to be searchable through the USA Swimming online database. This was important because the town was home of a military base with a lot of families moving in every year. If any of these families had a child who swam competitively, the family would search for a new swim team through this database before their move.

THE CHALLENGES

Starting a new swim team had its obvious challenges and risks. Not only would it mean to give up the monthly salary (\$850.00/per month) he earned coaching for the sports complex in the afternoons for an uncertain income stream but running his own team would take on a completely new set of financial risks.

Max knew that the parents of his swimmers had great respect for his knowledge and dedication and that if he started a new team most of them would be following him. Understanding the struggles with the leadership of the local sport complex and out of frustration with the undesirable status quo, some of the parents actually encouraged him to start a new team on his own. Max had the know-how: over 20 years of coaching experience at the club and the collegiate levels. He had the vision and the passion for the sport, but there was one major thing that he did not have: access to water.

Starting his own team was different for Max than for coaches of other sports in that he needed a body of water. Through his network and with the help of some of the swim parents, Max found a country club with a suitable pool whose owners showed interest and willingness to work out a deal. The pool in the country club was used from May to September as a community pool by the property owners in the gated community. The owners of the country club were obviously interested in another source of revenue throughout the year, but a compromise was needed during the months when property owners in the neighborhood used the pool. Starting practices

in the early hours during the summer months would not interfere with the leisure activities of the property owners; so, a tentative deal was worked out between Max and the owners of the country club. They offered to let Max rent space in the pool by the lane at \$11 for each lane hour. From Max's perspective, this was appealing because it was at the lower end of the \$11-23 range usually used in the business, and it afforded him the opportunity to start small, with room to grow over time.

Due to the subtropical climate of the region in which Max lived, outdoor swimming was possible throughout the year if the pool had heated water during the winter months. Therefore, some investment was necessary to set up some heaters that would keep the water temperature in the suggested range of 78-82 degrees Fahrenheit, even during the relatively short winter. The owners of the country club gave Max permission to make the necessary modifications, but, if he took the plunge, Max would have to raise the initial investment to set up the heaters.

THE NUMBERS

As he considered 'diving in', Max thought about the financial implications of the decision. Revenue for the club would come from the monthly member dues. Each swimmer would pay \$100 per month, which would make the swimmer eligible to attend five 1-hour practices a week (about 22 hours a month). Max was hoping to start with at least 20-24 swimmers. His goal was to greatly grow the team in two or three years. (In case there was interest from the more dedicated swimmers, daily practices could be extended to 2 hours or even longer; however, in that case, the membership fee for such swimmers would need to reflect the extra costs of lane rentals and the coaches' time as explained below).

Based on his past coaching experience, he knew that the most determined swimmers would not mind swimming outdoors during the winter months if the pool were heated. Max contacted other swim clubs and the local gas company to inquire about the expected monthly bill of keeping the water at the required temperature. The gas company ran the estimate for him and projected the expenses to be between \$450 and \$550 during the October-March time period, while the local climate was warm enough during the other months that heating the pool would not be necessary. Out of fear that an unusually cold winter could leave him with a surprisingly high bill, Max decided to budget even more conservatively and prepare as if he had to pay the gas bill each month and included a monthly heating cost of \$400 (even in the summer months). If, in the end, this turned out to be overly conservative, then he would have money left over to buy more equipment or organize a year-end party for the swimmers. Max's research indicated that the costs of setting up the heaters required an initial investment of \$12,000. Several of the interested parents, some of

whom were quite successful small business owners themselves, assured him that he would have no problem raising the necessary funds.

The pool had five 25-yard lanes, which - with time and a strong membership – would allow Max to organize practices based on skill levels so similarly advanced swimmers could be in the same lane. For meaningful and challenging practices, no more than 8 swimmers should occupy a lane. He also knew that in order to provide enough one-on-one attention to each swimmer, a coach could only supervise up to 16 swimmers at a time. Luckily, Max knew a lot of former swimmers in the community who could fill in an assistant coaching position for him if he needed the help - the typical hourly rate for such a position ran at \$15/hour.

Max's stomach was filled with butterflies as he considered the opportunity. On the one hand, he felt reasonably confident that he had collected enough information to make a good decision, but he was not sure how to put it all together. On the other hand, Max knew that he was at a clear decision point; he was fed up with his situation at the local sports complex, and, if he wanted to continue to use his coaching skills, he had to find another path forward. Do the numbers make his passion of coaching on his own terms a realistic possibility?