

For the past fifteen years the VMCC has been going through a series of transitions which have resulted in it staggering from one crisis to the next. Following the collapse of trust between the then office and national secretary and the management committee, the club established a new organisational structure around the appointment of a CEO under the control of the directors. During this period the club appeared to flourish and grew considerably to have a membership of more than 17000, unfortunately poor financial management, decision making and director control resulted in near bankruptcy, and a redraft of the organisational structure to replace the CEO with a significantly less powerfully autocratic role in the form of a general manager, with significant operational responsibility appearing to pass to the directors. Unfortunately the club's inability to get itself on a sustainable financial footing, precipitated a reorganisation, which has damaged the working relationship between the Directors/ management committee and the staff at Allen house, namely the General Manager. In addition to this reorganisation, it was a requirement of Companies House that the club change its Articles and Memorandum of association, in line with the legal requirements of it being a limited company. This move has also created a lack of clarity concerning the actual remit of directors, in comparison to the management committee as a whole, whilst retaining the confusion of the directors remit with that of the General Manager. This rather confused set of relationships allowed for the emergence in 2016 of a plan to extend the commercial approach of the club in order to improve its income position, relocate to what was suggested as being a more suitable property by using the generous legacy left to the club by Joyce Cobbing, and enter into a raft of quasi commercial activity. This was never presented to the membership as anything other than a fait accompli determined and authorised by the then directors and without presenting any plan or other costed reasoning to the membership.

Following the 2018 AGM it became very clear that the membership were deeply unhappy with this proposed move by the Clubs directors, as it was seen as unplanned and over stretching the remit of the board

It has to be said that the reasons identified for the apparent need for this approach, that of a shortness of cash from day to day income and an inability to match income to expenditure, has not gone away. However it was clear that the membership did not wish the club to pursue extra commercial income streams in such an autocratic way to solve the cash flow issue.

There then followed a period of uncertainty, due to the failure to appoint sufficient directors at the AGM and to the desire of some of the incumbents to leave. This has been resolved temporarily by the use of co options, which will last until the next AGM.

Under the terms of the Articles of the club it is a function of the board to produce and to keep under review a costed operational and strategic plan for the VMCC and to publicise this to the membership. The loss of incumbent directors and the very clear expression by the membership of its desire to move away from the commercial strategy has left any previous plan, high and dry and not fit for the future of the VMCC.

What follows is an attempt to produce such a plan that is both a working template for the present and will take the VMCC through the next years with a nod towards its further development into the future. One of its key aims will be to both clarify the roles of the various aforementioned groups and to remove the current tensions that exist between them. It is hoped that with this in place new directors will feel happy about coming forward for election into a framework that is both clear and welcomes them with their new ideas, a situation that is not currently the case.

Following the 2018 AGM, two consultation exercises have been carried out in fairly quick succession, in order to try to find out what type of club and activities the membership really wanted, and equally importantly what they did not want.

The consultations had quite good response rate from the membership and give some confidence that the opinions expressed are indeed held by a majority of the membership. More importantly the two exercises showed a large degree of consistency, sufficient to provide a suitable framework for the plan presented here.

To sum up the relevant views. The membership want the VMCC to be a Club first and foremost, providing services to the members that they recognise as the types of services they can rightfully expect of a club.

They want the Centre, Allen House, to act in ways that support and service the membership with a very strong feeling that this should be primarily through the support for section activities, as opposed to focussing on delivering a commercial agenda that is seen to primarily support Allen House and its existence.

They want the VMCC to represent the interests of the members on issues such as legislation, and all aspects of historic motorcycling in the historic vehicle movement as a whole. There appears to be a considerable degree of anxiety surrounding the developing of a negative view of motorcycles and combustion engines in society as a whole, and they want a club of suitable stature, organisation and reputation to represent the positive sides of their hobby.

They value the communication that is offered by Allen House to the sections and the individual members not in sections.

They also value the journal and seem to appreciate its new format, and certainly view it as the significant organ of communication.

It is true that some members do value the retail operation emanating from Allen House, but a significant number do not and find it counter to the activities of a club.

These appear to be the main issues coming from the consultation and have been used to underpin the basis of the proposed plan.

They are drawn in a very broad brush way as is appropriate for underpinning the plan, however it is accepted that the devil will be in the details as what is done and how. However that will be for the wider membership and sections to respond to in their own way, this plan is simply a strategy for the immediate and mid term future and is guided by the adoption of these basic principles that have emerged from the two consultations.

PROPOSED PLANNING TIMETABLE.

It is proposed to get an agreed way forward for operation of the current year by the end of August. The agreement for this will be the responsibility of the Directors and the President the Area Reps and the General Manager.

Once this is in place the more detailed rolling three/ five year plan will be drawn up following the same lines and principles on which the operational plan is based, IE the principles coming from the consultation, previously outlined. This to be finalised by Sept and agreed by the Management Committee. This to go out for information and comment to the membership via the sections, journal and website.

Significant suggestions and alterations to be included and a final version to be taken for agreement by the 2019 AGM as a proposal. This will result in a firm road map for the development of the club set for three to five years, reviewed for detail every year by the committee and most importantly owned by the membership.

CURRENT FINANCIAL POSITION.

The clubs current method of financial reporting is not fit for purpose and needs the change to provide greater detail and clarity It does not appear however that the financial position is in any way threatening to the immediate survival of the VMCC. The club is cash and asset rich due in part to the generous Cobbing legacy, and this needs to be used wisely and invested in things that benefit the largest component of the membership and the VMCC as a whole. It must not be frittered away to balance the books from year to year.

It is true that the club has and does engage with some activities which require investigation to determine their profitability, or not, so that sensible decisions on them can be made. This work is ongoing.

MEMBERSHIP/ SUBSCRIPTION INCOME. IMPROVING MEMBER BENEFITS,

It looks from the evidence of membership figures over the past few years that the current level of between 14500 and 15000 is sustainable, with a modest level of recruitment activity and service delivery, bearing in mind the loss and recruitment one would expect from such a membership demographic. In 2017/18 approx. 750 members left the club of which approx. 400 were over 70 years old and in receipt of the senior citizens discounted rate of £27 pa. Therefore to stay at about the current level of membership we have the ongoing task of recruiting 750 new members a year. These will mostly be younger than the ones who have left so the nature of the club demographic is changing and getting younger by the simple process of loss and recruitment every year to stay at a stable membership number. For example for the same period of June 17 to June 18, we recruited 1341 new members, with an age range of 14 to 87 and an average age of the sample of 350 who gave their age of 45. When looking at the age distribution of that 1341 new recruits, the main bulk is between 45 and 70 years old, but with a significant blip over 70 as well.

Currently the average age for the membership as a whole is 69

It is therefore reasonable to speculate that the club can continue to grow at a modest pace, that the average age is coming down, and that the average subscription income is rising with the continued loss of the senior citizen rate.

In terms of income from subscriptions, there are currently 9680 members paying the full £37 pa subscription and 3731 paying the senior citizen rate previously mentioned. Bearing in mind that of this latter category 450 are lost to this group every year, and that according to actuarial tables, this group will have entirely disappeared from the membership in six years time, and that this shift in demographic results in an increase in total subscription income so long as the total numbers remain steady, it would seem that the negative risk of removing the SS reduced rate would outweigh the potential damage created by a such a move, even though some members have expressed the view that it is divisive and even ageist.

However this is not an excuse to be complacent, as the demographic of the club is skewed towards the concept of older members leaving and having to recruit new members from a younger grouping. The issue then becomes "are we offering the correct range of services to attract, retain and engage with this younger age group, and is what we offer good value for money in their eyes?"

(By younger it is probably realistic to imagine that the main target group for recruitment would be 50 to 60 year olds, at or approaching retirement, looking to extend their interest into a hobby and in possession of some spare money to spend on it.

It is worth noting that some hold a different view as to the future levels of club membership. Following the recent DVLA pronouncement that 40 years is the age for a historic machine, and bearing in mind that the current club view is that it is 25 years, it could be speculated that this mismatch could precipitate a radical reduction in membership. At the present time the evidence does not support this rather doomsday scenario of a club half the current size in the future, and it would be wrong the plan accordingly at this moment, however the impact of this change needs to be kept under review and numbers monitored annually.

This places the emphasis on evaluating and changing if necessary our offering to be more in line with the expectations of this younger group which may draw our offering away from what we currently offer designed to suit our older members.

The obvious areas of change are going to be in the shift towards web and social media based communication within the club and in the clubs external marketing activities.

The former can bring with it significantly more flexibility and cost saving for the club in delivering member services, but has to be ever changing and up to an expected high standard.

Another area to look at will be events and riding, and the associated engagement with the outside world by the VMCC. Obviously social runs and gatherings are still important to members as they represent a component of the social lives of many. These activities are already well developed and delivered by the sections and operate mostly at that level. However the centre does organise some significant events such as Banbury, The Festival, Relay rally and Training Days. These need to be kept under review and altered if required to maintain their appeal to a changing membership.

In addition the development of more significant regional based events designed and run by the sections in that region should be encouraged maybe with seed funding, training, or the use of club motorcycles. Promoting such activities to the sections should be part of the normal annual timetable of Allen House There should be an annual process for all regions to review what they want to do and approach Allen House for support. In this way the regional nature of such events would be better positioned to take into account what their membership wanted to do and would also encourage greater regional involvement in putting on significant activities such as rallies, track days, training days etc.

The third and possibly the most significant service area that could be developed for members is that of the presentation, distribution and interrogation of the VMCC archive, this could be the ideal opportunity to bring this excellent facility and its contents to the greater attention of members and non members alike, to the great benefit of the VMCC as a whole, using the advances in social media and other web based approaches. Again were this to be developed it would have to be dynamic, continuously changing thing proactively curated. This would represent significant work, but also provide significant sources of income from paid services and access by non members.

Subscriptions.

Any organisation that earns the majority of its predictable income, in this case about 40-45%, from member subscriptions must keep its subscription rates under review on an annual basis. Not to do so would be negligent. It is well known that significant one off rises in subscriptions can damage membership numbers, therefore a balance has to be struck.

A sensible way forward would be to write into the articles the agreement to raise the subscription rates annually by the CPI, as determined and presented nationally in April. This would represent normally a rise of 2 to 2.5%, an increase in income of approximately £10k per annum or 67pence per member.

Add to this the additional £3.8k resulting from the attrition of the SS membership and its replacement by full member's gives an additional £13k and £14k subscriptions income. Matching increases in such costs as postage etc by the CPI rate of inflation each year. This would provide an income closer to the one required to balance expenditure, provided a close control of the latter was maintained and the membership numbers remained steady

In addition offering members the chance to reduce their cost of membership to the club, by for example opting to take the journal only in electronic format, paying not by cheque or postal order but by bank transfer and direct debit gives the opportunity for the club to offer differential rates of membership depending on the different services members wish to adopt. This could be extended further to other parts of the clubs activities, developing a range of products from the archive, which would be paid for on top of a basic member level service. The same thinking can be applied to events. It seems reasonable to assume that all events organised by the centre or throughout the club meet their costs unless there is some predetermined reason not to, such as a marketing advantage.

We already do some of all this in terms of different rates for entries to timed and un timed events, discounts for older machines and a range of services from the library. All that is being suggested here is an extension of this type of flexible thinking and pricing into all activities that the club pursues, making the day to day actions of the club cost neutral at least and not exposing the club to unplanned financial liability

This approach along with the annual sub rate rise suggested and the changing demographic would make the VMCC sustainable as a club into the foreseeable future so long as we were always doing the things that our changing membership wanted to engage with.

FUTURE APPROACH TO OTHER INCOME STREAM DEVELOPMENT.

Without a doubt the main strength and value of the VMCC are its size, its age and history, and its position in the historic vehicle world as a very significant entity in terms of its events, its presence and the associated values. In short it is regarded by the outside world as reliable and responsible in its activities with a large socially conservative membership both home and abroad. This represents a market and an opportunity for commercial organisations to present their products to the members, and is therefore an asset attractive to other organisations, with whom the VMCC should aim to deal to mutual benefit of all parties. In other words the VMCC is a valuable brand which it can by careful use and negotiation exploit to provide suitable additional income streams. However for it to do this effectively it requires some serious expertise in the fields of PR, raising the brand profile and maintaining it appropriately to keep promoting the brand. In addition it needs to avoid embarrassing public wrangling which can be damaging and remove brand value.

It needs to develop its ability to negotiate with third parties to maintain the value and quality of any deal struck so that members can have confidence that any product endorsed by the club is of high quality and suppliers can be confident that the club has a real capacity to promote their products to members. This activity should benefit members, providing access to quality niche specific products at good and preferably favourable rates. This should be seen as a key side of member services, which encourages membership and the subsequent consolidation of subscription income

INSURANCE.

It is worth noting that we already do this in terms of insurance commission income. The problem being that we do not do it very well and appear to be at the mercy of the supplier in terms of getting what they want to supply to us and our members on a rather take it or leave it basis. This is because we do not have the negotiating skills available and do not take the activity of engaging with the supplier/s seriously, regarding the commission we get as a "free good".

We already know that some members are rather unhappy with the FJ insurance offering on which the club receives commission. Having taken advice, it appears that the insurance market is one that "buys on price, and complains on quality." Its business models are based on volume and the VMCC membership of 15000 no longer represents this.

We can probably only rely on insurance commission as it currently exists for another five years and pressure will rise to drive down the rate and the amount paid to the club over that period.

However were we to seek to negotiate and then keep under review a truly competitive insurance product, which would meet club needs, such as its age profile etc, the club could then enter into a more business like arrangement with an insurer, where the VMCC could actively promote the insurance scheme and associated products with a confidence, that they were what the membership wanted. This would obviously add administrative work to Allen House staff and may require training but it would maximise the use of the brand in maintaining the insurance income to the club, rather than sitting back and watching it dwindle. It

would also be delivering a bone fide members service, in the form of insurance, negotiated and then endorsed by the VMCC through ongoing negotiation of the business with insurance providers.

RETAIL.

The consultation exercises have created something of a conundrum surrounding this area of activity. On the one hand there is evidence of a proportion of club members using this service as it currently exists, particularly the supply of universally used spares and clothing as supplied to us by Wassels. This represents the bulk of the turn over with a reliable profit margin between 35–40%. A true calculation of profitability would need to include a realistic assessment of staffing and storage costs, both of which are at a premium at Allen House, this assessment is at this time proving elusive. In addition there are significant comments regarding poor quality of some of the products. However most of this perspective pails to insignificance to the very hostile view taken by a significant number of members towards the VMCC being involved in this type of retail at all. To those members the issue has become toxic, and is unlikely to be moderated by any view of the activity's profitability.

A less toxic view of the sale of books and transfers seems to be taken.

For the future, the VMCC could undertake to seek out and commission appropriate niche products suitable for member's needs, it could act to endorse, or "road test" products it could then promote, without actually selling anything. This could be done in conjunction with paid for advertising of such products in the magazine and on the web. Another Member service!

With specific reference to the transfer service. This in many ways is in direct competition with other similar services. However the provision of the more traditional transfer, (non plastic), may represent an opportunity to enter fully a niche market for which we currently have a supplier, and to look at ways of packaging up transfers for each machine and charging appropriately. I believe this is done in other historic vehicle and model organisations.

Again the model is VMCC endorsed and promoted niche products suitable for our specific membership, at an appropriate price. Another member service.

This type of approach would obviously require an active and continuously operating purchasing and procurement process based at Allen House.

This represents a shift in emphasis for the VMCC away from "this is what we do, how much of it do you want to engage with?" To "What do you want us to do for you, the members?"

This change in approach should be applied to all aspects of the club, everything should be under review, from the Raffle to the Festival, and when it is no longer wanted in that format it should be changed or dropped. Currently too much is set in stone because it is what we have done for a long time and we think it worked last time but we are not really sure.

A significant review of roles undertaken at Allen House would need to be undertaken by the general manager and the directors. To include more emphasis on Web based communication, PR, promotion, business negotiation, purchasing and procurement. Possible insurance administration. And dynamic Archive curation . This almost certainly will require investment in training, but need not threaten jobs as the quality of Allen House staff is entirely suitable to support such a progressive change. It will also require some investment probably from the Cobbing legacy, in areas of IT/ web infrastructure, some modest alterations to Allen house, the aforementioned training programme, and schemes to encourage regional event development. It will certainly need a huge overhaul of the arrangements between sections/ regions and Allen House in order to facilitate and develop much stronger co operation between the centre and the membership in the developing and running of larger regional events.

In addition the all of this some other activities need urgently to become mainstream work.

If we are a premier league historic transport body we must try to engage properly with the media to promote the VMCC its members their bikes and events. In short we must develop a promotional operation to elevate the public awareness and appreciation of the VMCC its members, their bikes and its activities.

We must improve our arrangements for the support of sections by the centre and their events need to take on a more regional and significant function, however this is a two-way trade and sections also need to actively promote the activities of the centre. In short we need to act as one organisation. This will require far greater trust and liaison between the different groups, and essential role for Area representatives to undertake.

We need to expand this influence into co-operation with our sister clubs abroad and re establish the international flavour of our activities which seems to have got reduced recently, such enhanced events are good PR

We must review our current governance arrangements to both clarify the positions and authorities of the different levels of Director, management committee, general manger, and membership, and we must alter these accordingly.

We must review all of our activities at the centre and at sections to make sure they are appropriate and delivered in a cost-effective way.

We must be aware that the inevitable move towards a modern web based orientated organisation may act to alienate some of our existing membership. We must be aware of this particularly at section level and put in place training, guidance and communication to avoid it happening.

We must put in place and adopt an ethos of training and continuous development for the clubs staff to meet the needs of a modern organisation moving into a new web based future.

Above all we must recognise that the world, the club and our membership is changing rapidly and we must keep our activities continuously under review so that they remain relevant and popular. In the end the key values will be quality of the product and good value for money, so that individuals get what they want from membership of the VMCC

SUMMARY and IMMEDIATE and FUTURE ACTION.

1

Membership and subscription income.

There is ample evidence to support the view that the membership is growing slightly and getting younger. It would be prudent to plan to maintain numbers at the current level but the club would welcome any increase, if it arose.

In terms of income from subs. The principle of raising subscription by the CPI as reported in April of each year should be adopted. This should continue for the next five years, At the current 2% rate of inflation this would bring in approximately an additional £9k PA at the end of five years would result in approx an extra £45k PA. The subs rise for the member would amount to about 67p per year.

In addition to this the Senior citizen rate enjoyed by nearly 4000 members should be allowed to continue to whither at the current rate of about 400 per year. This decline is bound to increase over a five year period so this preferential rate will be all but removed in five years time and provided membership totals remain stable income from new member subs will increase by £4k pa as a result of this change.

(It is regarded as unwise to jeopardise the current £100k income that comes from the preferential senior citizen rate, by acting to remove it suddenly, as this could easily precipitate a large loss of this group of members, and the demise of the scheme will occur naturally over the next five years).

At the end of five years this switch will result in an additional £20k subs income pa.

With these very minor changes the subs income will grow and contribute an extra £65k by the end of 2023.

A longer term goal should be the establishment of a more sophisticated structure for subs income, that can take into account members who do not want to receive a paper journal hence reducing the cost of membership to the club, a proportion of which could be passed back to members by for instance agreeing to freeze and annual increase for this group.

In addition if the current changes to age classes of machine do have an impact or if there emerges a new sort of member who wants to engage in a different way with the club, then the VMCC should think now about developing different levels of membership at different prices to suit these needs.

2

Review governance, in order to remove tension between the different layers in the club and bring clarity to the existing roles.

Without this smooth progress into the future development for the club will be impossible.

This to include the structure and roles of the directors, management committee, Area reps, and the general manager.

Although this was recently done following the restructuring and adoption of new articles it is clear that clarity of roles and trust to carry them out does not yet exist, so further work is essential to ensure the survival and development of the club.

3

Look carefully at the way in which sections and possibly regions can work with Allen House to carry out significant local events, which represent to club as a whole. Set up a seed corn funding scheme to allow this to happen and encourage a much more collective, club, type of atmosphere through such activities.

4

Develop and exploit the brand pf the VMCC so that it can support members by providing services that are endorsed by the VMCC and in which members can be confident that they are getting what they want for an amount they are prepared to pay. This can be achieved in areas such as bespoke VMCC insurance, with our insurance partners. Endorsement of specific retail products which comes hand in hand with advertising revenue. This should be used to alter the nature of the retail operation of the club to focus on high quality products at preferential prices for the clubs members. Moving away from the basic retail provision of stocking other company's goods and acting as a simple shop outlet for them. Consider producing a directory of services and products endorsed by the VMCC and paid for from advertising by suppliers featured within it.

5

Develop the library archive service to move it much more towards membership accessibility through sensible use of the web and the various social media. It will be possible to improve the access at the same time as developing more premium services some members and non-members may be prepared to pay for.

This development must go hand in hand with a much more modern approach to engaging with the membership as the evidence shows that the membership is getting younger and expect a modern organisation with which to engage and access services.

6

Urgently seek to engage with prospective new directors, inviting them to management meetings and providing them with adequate, useable and transparent financial data, there is evidence that the current state of financial reporting has been a serious barrier to prospective directors deciding to come forward.

7

Following on from 6 above. Seek urgent discussions with our current accountants concerning the nature of our financial reporting and change it in line with the wishes of the directors and members of the management committee.

8

Improvements to the website are required urgently in conjunction with a much more proactive approach to its management. If the club is to be viewed and engaged with as a modern organisation it needs its website to be the first port of call for members seeking up to date news about the VMCC and the world of historic motorcycling. This comment also applies to all of the VMCC social

media strands which must be proactively managed to contain and deliver the most up to date information about the club and its activities. If required sections should provide aid to members who have trouble using electronic media, in order to improve club and section communications.

9

Review all roles of staff at Allen House to accommodate the move to becoming the modern organisation our membership will require.

Provide training to improve staff skills in. Contract negotiation, purchasing and procurement website management, and electronic archive and library management.

10

Finally keep all activities under review with specific regard to costs. Every step should be taken to ruthlessly drive costs of services down especially in terms of printing and distribution of the journal, and the associated costs of things such as the raffle to maximise their profitability and hence usefulness to the club. In addition a drive should be on to increase advertising revenue, hence maximising the income form the value of other organisation associating with the VMCC. If we believe we have a brand of real value then we must do everything to make the most of its use by others.

The Cobbing Legacy.

As previously stated this sum of money needs to be used to the best possible advantage to the club and its members as a whole. Reference in this document has been made to training, seed corn funding to sections, and investment in web software and hardware. All of this will require some funding and the legacy may have a role in providing this. In addition at least £150k should go into a safe investment which should provide and income of £1.5 -£2k pa over a three-year period.

Allen House.

Despite its limitations it would be unwise to pursue moving from the property at the moment, as this is still a sore point with the membership , however it is certainly the case that a series of minor modifications could be usefully carried out inside to improve its fitness for purpose in the short term future.

By maintaining our membership numbers in the way described and taking the decision to increase subscriptions by a small amount each year the mainstream income can be safeguarded for the next five years. It can be enhanced by improved profitability of the raffle, enhanced advertising revenue and a new approach to the value of the VMCC brand. This combined with a continuous review of our activities to provide them in the most cost effective way but without damaging the quality, and seeking out new activities that will be popular with members sections and other interested parties, should ensure a five year future. Who knows what happens after that.

Pat Robotham chair directors.