



Origin Sports



Location

Newcastle-upon-Tyne City Centre

Founded

2014

Legal structure

Private Limited Company

Description of activity

Origin Sports offers affordable access to sport (Brazilian jujitsu, wrestling classes) to young children, teenagers and adults in Newcastle, Gateshead and the surrounding area.

Key assets

Listed building

Employees

One full-time equivalent

Volunteers

Eight

Biggest obstacle to success

Operating from a listed building with high maintenance costs and reduced capacity to modify the space to accommodate more service users.

Overview of Origin Sports

Origin Sports grew out of a commercial martial arts centre situated in a deprived area of Newcastle, where it was common for intoxicated young people to wander into the centre's premises. Staff invited these youngsters to return and be shown around the facilities when they were sober. A few of those invited returned and engaged with the centre, eventually becoming qualified martial arts instructors in their own right.

These positive stories fuelled the founders' drive to facilitate access to the centre's services for a wider group of people in the local community. With the desire to make martial arts training a viable business whilst providing affordable access to a service the local community could benefit from, Origin Sports was formed as a Private Limited Company. Today, the business is led by a committee formed from the local community who have specialist skills, such as a marketing executive, a child protection officer and local business owners. It also relies heavily on volunteers to help run the organisation. However, as result of the business' success and the need to increase and diversify income streams, Origin Sports is considering changing its legal status to a community interest company as the current legal status no longer seems fit for purpose given the focus on supporting the local community.

The initial business strategy focussed on offering affordable fees to encourage young members of the community to engage in martial arts e.g. Brazilian jujitsu, wrestling and judo. As this approach proved successful, it has remained a key aspect of Origin Sports' strategy, and as the business expands and aims to engage other groups of people in practicing martial arts e.g. women and young children, affordable fees will remain part of this strategy. Origin Sports has made efforts to increase the business membership by offering a limited number of free places for courses and subsidised places for young people, students and those who can demonstrate a clear need.

In its third year of trading, Origin Sports works with children, young people and adults from Newcastle, Gateshead and the surrounding areas. It offers a safe and inclusive environment where everyone is welcome, and anyone can have access to personal development opportunities with as few barriers as possible. This welcoming approach is particularly important for Origin Sports as the business operates in an area with social tensions. Thus, by providing volunteering



opportunities, leadership development coaching, healthy lifestyle advice and the chance to develop other transferable skills, the business seeks to have a positive impact on the diverse communities with which it works.

In their quest to expand and improve their services, Origin Sports has relocated a number of times, which has posed a few challenges in terms of remaining locally rooted and trading for the benefit of a well-defined local area. Although Origin Sports' membership has fluctuated with each move, the overall membership and number of volunteers have increased as the business has become more centrally located and therefore more easily accessible to a larger number of people. For Origin Sports, evidence of community support is reflected by members' positive feedback and desire to see the business succeed. In this sense they have a broad community impact as evidenced by the number of people who remain members despite the business' relocation. They also trade for the benefit of the local community and remain accountable to them through their committee members.

Origin Sports' journey to success

This section summarises the key factors that Origin Sports attribute to the success of the business and the challenges it has faced along the way.

Financially self-sustaining

For Origin Sports, the ability to be financially self-sustaining is a fundamental principle of their success. In 2016/17, 40% of Origin Sports' income was generated from grants with 60% derived from trading income. Although grant income has been essential for the business in its early stages, Origin Sports is seeking to reduce the percentage of grant income for two reasons. First, they see grant dependency as not conducive to financial sustainability, and second, successfully securing grants has become increasingly competitive.

As Origin Sports considers grant dependency as not conducive to run a financially self-sustaining enterprise, the business has focused its efforts in increasing trading income by increasing its advertising and diversifying its services. For example, to increase awareness of its services, Origin Sports hired a marketing executive to develop a publicity strategy for the business. This includes developing an active social media presence through a website, Facebook page, Twitter, Instagram, Ello, Pinterest and Reddit. In addition, the business created training sessions targeted at different age groups (e.g. judo for early-years classes). Lastly, in an initiative to increase awareness of their services, Origin Sports started to lead and organise an annual sports event that attracts people from around the country. This investment has now started to pay off as membership has increased four-fold in 2016/17.

Another avenue that Origin Sports is considering to increase trading income is to develop and offer a sports related vocational qualification. Origin Sports believes there is a gap

in this type of vocational qualification being offered locally, and which is needed to engage teenagers after they leave secondary education. Lastly, they are also considering developing martial arts training for army veterans as a way to manage and alleviate post-traumatic stress disorder.

Although Origin Sports attributes its success to its ambition for sustainable growth, the business recognises that this motivation brings its own challenges. For example, due to the nature of their business, and the need to diversify and target different users, Origin Sports has relocated several times in order to secure a venue more appropriate to its needs. For Origin Sports, an ideal venue is geographically convenient to a high number of people and has a safe space to practice martial arts. Most importantly, the venue would facilitate the recruitment of groups of users that have been elusive to date, for example ethnic minorities, women and girls.

The search for a suitable venue has posed major financial challenges to the business. Ideal locations for the business in Newcastle city centre do not exist, and although Origin Sports' current venue is a listed building in an ideal geographical location, it is expensive to run and maintain. In addition, as it is a protected building, it precludes the business changing the internal layout of the building to accommodate its needs.

In addition to the challenges raised by finding a suitable venue the business also faces challenges with regards to its current legal status. It has found that there is increasing pressure to change its legal structure from a Private Limited Company to a Community Interest Company by grant funders, derived it believes, from a lack of understanding of its governance structure by the funders, and subsequently making the business less competitive in receiving grants. However, changing its legal structure will pose additional challenges to the business as it will impact on the terms of their current building lease, and consequently adversely affecting running costs.

Recruiting and retaining motivated, well-trained staff

Origin Sports believes that having committed, in-housed trained coaches is one of the most successful aspects of their business. The fact that events similar to those that originally inspired the formation of the business continue to occur, is clear evidence for Origin Sports that it is successful in accomplishing the goals it set out to achieve, i.e. creating impact by facilitating access to sport for community members. The business is particularly proud of three skilled young coaches who graduated from the 16-24 year-old group. These coaches are now managing satellite groups and making a living as martial art trainers at local and international levels, which is testament to the positive impact of the business on communities and individuals alike.

At the same time, for Origin Sports having motivated and well trained staff has been both a key enabler and a barrier to success. The business reports having skilled and talented



sports coaches that deliver services extremely well, but who lack interest in understanding the business ethos or expanding their roles to become youth workers. Finding a way to ease this tension has been especially challenging for the business, as it is important to support staff development, whilst communicating the importance of understanding and applying the business' ethos across all levels of delivery.

Developing strong partnerships

Origin Sports believes that being pro-active in seeking and forming partnerships with local and national businesses and organisations has been a key enabling factor to their success. Specifically, Origin Sports have invested in developing strong relationships with partners like Street Games and Sport England to help them focus their services to local needs. At the same time, it has been important to work with national organisations that provide access to much needed training programmes and resources, e.g. accounting, legal and business advice. Origin Sports' decision to have a proactive approach has been vital for its success, and the business continues to invest time into researching collaborative opportunities and developing local and national networks.

Strong community engagement

Origin Sports believes that the support provided by local communities to the business is another key enabler of its success. As mentioned previously, as a result of the business' numerous relocations, they have operated from different areas and traded for the benefit of different communities. Clear evidence of community support has been the help that members have provided the business during relocation, in addition to remaining as members. The business also finds that members are more sympathetic, open and understanding when they encounter logistical or maintenance issues, and are confident that their members are keen to see the organisation grow, and thus, will continue to support its efforts to expand.

In addition to maintaining community support from its existing members, Origin Sports is aiming to expand its recruitment and work with people of all ethnic backgrounds who reside in the area it serves. As a result of an historic inter-ethnic conflict in the area where it is located, Origins Sports is hopeful that by attracting a diverse range of members from the community to use the its facilities, the business can help to alleviate some of the existing tensions by providing a safe space where local people can interact while practicing sport.

In order to achieve this, the business is continuing to market its discounted services, which offer a range of payment schemes that seek to accommodate potential users with low incomes. Origin Sports believes that by facilitating access to their services in this way, they are contributing towards the social wellbeing and cohesion of the local community. This strategy has worked well in so far as it entices community members to initially try their services with, after a period of time, most becoming long-term members that are willing to increase the cost of their membership.

Future direction

In order to continue increasing their trading income, and reduce their reliance on grant income, Origin Sports need to improve their current provisions and add additional services. However, they find the restrictions of the venue from which they operate a limiting factor. To address this issue, Origin Sports is considering different forms of social investment as a potential source of future funding to support maintenance costs of their listed building. An additional motivation for the business to pursue more social investment is that the organisation could also keep its current legal status, which will minimise disruption and further cost, whilst at the same time maintaining its flexibility and limiting the impact of grant funding requirements and conditions.

The business is also considering offering vocational education training in sports, and has already approached potential local partners, e.g. the fire brigade, to start developing this new provision. However, this is an avenue that will need further investment in time and resources.

Despite its current challenges, Origin Sports is confident that the business is sustainable for the longer term future. The business is now focused on how to resolve the challenge of maximising the use of its existing restrictive space while attracting more users to increase its trading income.

Financial information

The following table provides an overview of Origin Sports income, expenditure and assets for the period 02/12/2015 to 01/12/2017*.

Income	£19,006
Expenditure	£18,904
Difference between income and expenditure	£101
Surplus/deficit on ordinary activities before taxation	£101
Annual income from grant or subsidy	£7,646

Source: Origin Sports P& L Account 2017, Companies House.

*A full set of annual accounts have not been filed for Origin Sports, therefore only basic data from the profit and loss accounts could be sourced.

