



# Annual Operating Plan 2018

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## 1. Introduction

The *Annual Operating Plan* describes the goals and planned activities of the association for the 2018 fiscal and calendar year. It provides a high-level analysis of the environment MAAC operates in and articulates the strategies, grouped into themes, that link its 2018 activities to further the goals and objectives laid out in the *Five-year Strategic Plan*<sup>1</sup> (strategic plan).

The budget that supports the *Annual Operating Plan* <sup>2</sup>will be presented to the members at the 2018 AGM for consideration. The organization will operate on a provisional budget, approved by the board, for the first quarter of 2018 until the AGM. The *Annual Operating Plan* is built on the associations *Five-year Strategic Plan*, and gives the board the opportunity to ensure its activities throughout the year focus on achieving key initiatives.

The model aircraft hobby/sport is in a state of flux, and the organization is looking to follow a progressive path to build a stronger future. This 2018 Budget is built on two principles; work within MAAC's current financial resources and member fee schedule; and strategically examine discretionary expenditures and reallocate resources where possible to focus on the key priority of building membership with targeted digital marketing tools.

The development of this *Annual Operating Plan* is the result of the key deliverable "G4.2 Use the strategic plan to help build the annual business plan and supporting budget". It will also be used as a reference to report back to members at year end, acting on key deliverable "G3.3 - Prepare a layman's report on the annual financials - to better inform members about the associations finances".

## 2. Five-year Strategic Plan

The *Five-year Strategic Plan* will be used as a compass to guide the association and its Board of Directors over the next five years. It is to be reviewed annually and adapted to consider changes in the environment MAAC operates in and corresponding evolving priorities of the association.

During the first two quarters of 2017 the board embarked on a strategic planning process with the goal of formulating the associations vision, mission, priorities, values and goals for the next five years. MAAC had a *Mission* and *Vision* in place which remains unchanged.

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<sup>1</sup> *Five-year Strategic Plan* – Is the result of a systematic process to envision the desired future for MAAC, and translating this vision into broadly defined goals and objectives. It is available to members on the MAAC website and published in the November/December MAC Magazine.

<sup>2</sup> *Annual Operating Plan* – Is MAAC's detailed projection of estimated income and expenses based on forecasted membership during 2018. It identifies, communicates and monitors progress on key priorities that advance the *Five-year Strategic Plan*.

Core Values, (*what we stand for and what is most important to us*), were developed to guide the organization in its decision making.

*Priorities, (high level priority areas we are focusing on), supported by Goals, (the outcomes we want to achieve, within the priorities), were developed through collaborative input of the board prior to the 2017 AGM. Strategies, (high level courses of action for moving toward the goals), along with Key Deliverables and Measures, (specific projects/initiatives that should be undertaken for each strategy), to support the Strategies, were developed and refined, from an exercise with the board and other individuals present, at the 2017 AGM board meetings in Halifax.*

### 3. Situation Analysis

We all know that many aspects of our hobby/sport are evolving. Technology is advancing at a remarkable rate, the demographic of the traditional aeromodeller<sup>3</sup> is aging, there is a new and younger generation involved in multirotors and new federal regulations governing how and where individuals may fly unmanned aerial systems <sup>4</sup>(UAS).

A situation analysis was undertaken to look at MAAC's internal and external environment and to consider the associations' capabilities, customers, and operating environment to understand how MAAC is positioned in today's aeromodelling environment.

#### 3.1 Industry

The historical relationship between hobby shops and hobbyists has changed dramatically over the past ten years and will continue to change in ways we may not anticipate. Sales from bricks and mortar hobby shops are competing against and combining with online sales. Most model airplanes and helicopters are prebuilt with a supply of spare parts like the automobile market. The advancing technology is both enhancing traditional modelling and creating new forms of aeromodelling. The growth in the multicopter sector has brought many new and different people into aeromodelling. Multirotors have a breadth of applications that include camera platforms, racing, FPV, institutional and industrial uses like search and rescue, fire suppression, package delivery, and survey. It has been reported that Transport Canada estimates there are 1,000,000 recreational enthusiasts engaged in radio controlled aeromodelling of all types of UAS's from micro drones, purchased at the local mall, to large scale model aircraft and helicopters.

#### 3.2 Regulations

The rapid growth and mass consumer availability of semi-autonomous rotary aircraft, has accelerated Transport Canada's efforts to add unmanned aircraft rules to the Canadian Air Regulations(CARS), which will govern all unmanned aircraft in Canadian airspace. MAAC,

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<sup>3</sup> Merriam-Webster -a person who builds and flies model airplanes

<sup>4</sup> A UAS is an all-encompassing description that encapsulates the aircraft or UAV, the ground-based controller, and the system of communications connecting the two.

has been at the table throughout the legislative process to protect members from burdensome and commercially oriented regulations.

The first phase of these regulatory changes is specific to unmanned aircraft under 25kgs that are operated within unaided visual range of the operator. It is expected the final draft of phase one regulatory changes will come into effect sometime in 2018. The Current draft of the pending legislation does not differentiate between commercial or recreational use and uses a risk-based standard, that considers weight, complexity of the operation and related airspace.

However, Transport Canada continues to clearly promote a regulatory “carve out” for legitimate recreational model aircraft organizations, using MAAC as their example of “legitimate”. Until universal standards can be developed to provide a carve out for multiple organizations, Transport Canada has clearly indicated that MAAC will be granted a “Universal Exemption” from these pending regulations and has invited MAAC to work directly with them in establishing this exemption. MAAC sanctioned flying sites and events have a full exemption from the existing temporary regulatory order that currently governs recreational unmanned aircraft.

### 3.3 Membership History

A historical view of the MAAC’s membership indicates that the age of the average member is rising and if the trend continues, MAAC may shrink over time. MAAC has a history of holding membership fees at a fixed amount for an extended period and introducing a substantial increase when the budget is severely challenged vs. incrementally raising fees based on inflation year over year.

The new generation of aeromodelling enthusiast tends to be younger and use different skills than previous generations, with more focus on technology and flying vs. building and flying. It is clear, the hobby is not the same as it was twenty years ago and will continue to evolve.

### 3.4 Summary

The changes in the industry have created large numbers of new enthusiasts for radio controlled aeromodelling in the multirotor genre. These enthusiasts tend to be younger and approach the hobby from a different perspective. With the new Transport Canada regulations many of these enthusiasts do not have access to places they can fly legally and MAAC represents an opportunity for these enthusiasts work within the umbrella of MAAC to fly legally. Many of the new enthusiasts do not use their multirotors in ways that are consistent with traditional sanctioned flying fields, however many of them may find a way to work within a MAAC Transport Canada exemption and represent a substantial number of potential new members. They may choose to join MAAC if the value equation provides tangible benefits.

MAAC is currently the governing body for aeromodelling in Canada as part of the sanction from the Fédération Aéronautique Internationale (FAI) through Aero Club of Canada (ACC). This sanction positions MAAC and its members access to international competition. MAAC has been in the business of representing aeromodellers since 1949 with business systems in place, a head office, a history of providing liability insurance and a policy framework for aeromodelling that Transport Canada is comfortable with. Collectively, a larger association, that includes a special interest group for multirotor disciplines, would have more credibility with regulators and be able to take advantage of the infrastructure and systems in place. Should MAAC not pursue a path that includes multirotor disciplines, it is likely that these aeromodellers will form new organizations that provide the benefits they are looking for.

MAAC's membership history demonstrates that each year MAAC gains about 1,200 – 1,500 new members and loses approximately the same number. There is opportunity to reach out to departing members to slow attrition and build on the growth through new members.

#### 4. 2018 Strategy

The strategies for 2018 are organized into three themes that weave through and support key deliverables from the strategic plan. The goal is to bring focus to the activities that will move the association forward.

- **Members and Clubs** – With the introduction of new regulations, by Transport Canada, and the ease of access to the hobby, the focus is on growth, with a long-term goal of substantially increasing membership by 2022. The strategy to achieve this target is predicated on successfully attracting new members, retaining current and past members and being creative about finding new flying sites.
- **Member Services** - Create an enhanced digital focus on attracting new members, retaining current and past members and locating flying sites and working to revitalize relationships with committees and clubs through more effective communications.
- **Partner for Success** – Continue to actively engage with Transport Canada to represent the hobby/sport and all aeromodellers, protect the interests of MAAC members, work towards a permanent exemption for MAAC and proactively engage with other organisations that support and regulate the activities of MAAC.

#### 5. Business Cycles

The business cycles of MAAC are extensive and far reaching in support of the diverse activities of the 11,500 or so member, clubs, standing committees, events and competitions across the country. They make up the bulk of the operating budget of the association.

- The office staff of two manage most of the activities that comprise the business cycles of the association and are the hub for liaison between the board, committees, advisory groups, appointees and members.
- The web site, email and *Model Aviation Canada* are the main forms of digital and print communications with members.
- The board of directors and its executive committee manage the association and committees, advisory groups and appointees, which are engaged in a variety of activities on behalf of MAAC members.
- The Annual General Meeting (AGM) is the yearly gathering of members, where the associations annual report is presented with information for members about its finances, performance and strategy.

The office manager supports the board of directors and executive committee as well as their monthly meetings, coordinates the business of the annual general meeting, does the bookkeeping and works with the auditors to prepare the annual financial statements, processes the insurance contract and associated claims, tracks legal issues, coordinates much of the information that is uploaded to the website, oversees translation, compiles annual zone meeting reports, associated award submissions and committee appointments, coordinates grants to teams, representing Canada, traveling to FAI events and is the first point of contact for MAAC's partner organizations.

Some of the more transactional work, such as; processing of new memberships and renewals; new club applications and renewals; event coordination; and issuance of membership cards has been automated within the digital web based business platform. One aspect of MAAC is that members can always call head office and talk to a live person, something that is rapidly disappearing in business.

*Model Aviation Canada* is the official publication of MAAC, and is published six times a year, by Morison Communications on behalf of the association. It is published in print and available electronically on multiple platforms. Its focus is sharing member activities, keeping members abreast of committee work and celebrating the community and enjoyment of the hobby.

<http://www.maac.ca> performs two main functions, the first as a business platform that automates many of MAAC's transactions through its relational database functions and secondly as the day to day portal for members to access information about the association, manage their membership, clubs and committees and the growing repository of MAAC documents.

The executive and the board of directors each meet monthly via conference calls to manage the affairs of MAAC. These monthly meetings are designed to create a nimbler organization and thus reduce the workload and cost of the executive and board meetings preceding the AGM. The time frame for, face to face, executive and board meetings

immediately preceding the 2018 AGM will be reduced, to re-allocate funds to 2018 priorities.

Committees, advisory groups and appointees manage their own schedule of meetings and activities and will benefit from the roll-out, of MAAC online meeting tools, over the first quarter of 2018, to help reduce telephone costs.

## 6. Projects

The association will focus its remaining efforts on the following projects that contribute to achieving key deliverables in the strategic plan. Projects are generally funded, either within the amount prescribed annually or with new funding specific to the project and have dedicated resources tasked with execution and completion.

### 6.1 Recruitment and Retention

Take small steps to develop and document a *Marketing Strategy*, with a one-page plan, focussed on attracting new members and retention of current and past members. MAAC membership history shows a slow decline in membership year over year with an aging demographic. Typically, MAAC attracts and loses about 1,200-1,500 members annually. The plan will take into consideration the historical role that directors play in growing membership. Transport Canada data suggests there are one-million Canadians engaged in the hobby in one form or another.

Responsible: *Head Office*

### 6.2 Web Communications

Develop and deploy a *Social Media Strategy* focused on engaging new members and retaining members that supports the *Marketing Strategy, above*. The *Social Media Strategy* will focus on creating awareness of MAAC and the benefits of being part of the association. This will be supported by the concurrent development of a new member, new club and renewal platform on the web.

Responsible: *Communications Advisory Group*

### 6.3 Website

Enhancements to the website, including but not limited to, consideration of the use of micro-sites to add more member generated information, integration of the firewall from a separate dashboard page to the main MAAC website where a logged in a member sees the same pages, but with more features, menus and information, upgraded mass e-mail tool, new club area, enhanced features for airfield and event map locations, e-transfer payment options, availability of the site on other popular platforms, new committee section with enhanced functionality, enhanced competition event information, new MAAC meeting section with agendas, proxy forms, nomination forms, resolution and recommendation forms and awards



recognition nomination forms, website help section, business platform administrative tools and the formatting of all vital documents to DMS specifications and uploaded into the web document management system.

Responsible: *Website Advisory Group*

#### 6.4 MAC Magazine

Continually improve communications with members through advances in technology and review of the magazine. The 2018 work plan is for the most part, is exploratory to consider the following; develop an online 'micro site' for the magazine; develop a plan to move Zone and possibly committee content to the micro site; move MAC Magazine to a quarterly publication that is more focused on celebrating the community and enjoyment of the hobby; evaluate the value/viability of the tablet edition; and look at developing a MAAC App that would serve content to the members (different than what is done now).

Actions may move forward in 2018 if the evaluation demonstrates it to be viable and of benefit to members.

Responsible: *Morison Communications*

#### 6.5 Translation

Develop and consider a translation policy statement that defines which documents are to be translated and how that is to be done, whether using a professional or non-professional translator or with software such as Google, based on document type, and whether some documents are only available in French or English. Subsequently apply the policy and complete the translation of backlogged documents.

Responsible: *Head Office*

#### 6.6 Transport Canada

Continue to work with Transport Canada in securing a "Universal Exemption" for members and in finalizing its regulations that govern recreational unmanned aircraft. MAAC has chosen to represent Canadian aeromodellers and the hobby in its discussions rather than just MAAC. Its primary goal is to preserve the flying privileges at MAAC sanctioned flying sites and to influence regulations to be reasonable for flying in public and private spaces.

Responsible: *Transport Canada Advisory Group*

#### 6.7 Aero Club Canada

Update the relationship with Aero Club Canada, its cost and benefits to MAAC members. The growth in multirotor leagues and their desire for international competition may have an impact on the relationship with Aero Club as MAAC

membership is required to issue FAI sporting licenses needed for international competition or record setting by Canadian pilots and aerosport participants.

Responsible: *Ad-hoc Committee*

## 7. Initiatives

The association will also focus on the following initiatives as time and resources permit. They are defined as taking progressive steps to move forward key deliverables and are part of the general work plan.

### 7.1 Clubs

Develop a forum for club best practices with input from clubs across Canada and initially populate it with some MAAC developed documents such as engaging with the local community through mall shows, how clubs can use Facebook to reach out, what does it take to find a club, form a club, incorporate a club and take advantage of Directors and Officers insurance.

Responsible: *Directors and Club Presidents supported by Website Committee*

### 7.2 Standing Committees

Committees are one of the major functioning units of the association. Committees have advantages both for the association and the members sitting on them. Committees gain the skill, expertise and commitment of more individuals, and share the substantial work of MAAC among a greater number of members. Committees serve as a forum in which issues can be aired thoroughly from different perspectives, in a freer forum by using more informal procedures.

The board would like to build on the relationships with standing committees by refreshing the terms of reference for each standing committee, define the relationship between committees and the board of directors and establish the authority committees have over their area of expertise in the terms of reference, develop a stronger forum for dialogue between committee chairs and the board and provide a stronger presence and functionality for each committee on the website.

Responsible: *Chair of Chairs*

### 7.3 COPA

Create relationship with COPA (Canadian Owners and Pilots Association).

Responsible: *TBD*

### 7.4 NAV Canada

Explore a partnership with NAV Canada to make airport proximity mapping data available to MAAC to assist clubs with selecting flying sites and Zone Directors sanctioning flying sites.

Responsible: *Zone D Director*

## 8. Capital Expenditures

This section Identifies projects that will result in capitalization of expenses such as building improvements and acquisition of real property or equipment over a given value. There are no acquisitions that would be capitalized in 2018.

## 9. Reserves or Restricted Funds

A key function of the board as it exercises its duty to govern the activities and affairs of the association is to ensure the financial well being and sustainability of the corporation.

Reserves may be set aside for future operating or capital expenses and to protect the association from unfunded or contingent liabilities. Canada Revenue Agency (CRA) has rules in respect of how not-for-profit organizations may maintain reserves. The CRA has stated that to maintain tax-exempt status, not-for-profit organizations must ensure that such reserves are “reasonable” and for an identifiable operating purpose or a specific, future capital project.

MAAC maintains many internally and externally restricted funds. This section identifies planned contributions to restricted funds. It is not intended to document the complete portfolio of restricted funds that MAAC maintains. A complete portfolio of restricted funds and their balances can be found in the prior years financial statements in the March - April issues of Model Aviation Canada Magazine.

### 9.1 Insurance Deductible

The annual budget includes \$15,000 as an insurance claim deductible in the event of insurable claims in the calendar year. Any unused portion of the budgeted deductible is transferred to a reserve fund.

## 10. Budget

### 10.1 Revenue and Expenses

The proposed budget for 2018 is set out in an accompanying spreadsheet provided by the Treasurer.

#### **Revenue Assumptions**

The revenue budget is based on similar membership numbers from the previous year with the same membership fee. Revenues could increase if MAAC engages with multirotor aeromodellers and is successful.

#### **Expense Assumptions**

The expense budget is based on previous years expenses and fixed costs have been adjusted to deal with the rising cost of hard goods and services year over year. Many

discretionary budget items have been reduced to provide funding for projects that will move the association towards its goals.

### **Revenue Summary**

Membership	821,000
Other Revenue	25,300
Deductions from Revenue	-7,000
Total Revenue	839,300

### **Expense Summary**

General Operations	794,558
Contributions to Reserves	15,000
Total Expense	809,558

**Surplus/(Deficit)** **29,742**

## **10.2 Risk and Opportunity**

### **Risks**

The budget for MAAC is relatively stable year over year with minor variations to address areas of focus in any given year. Membership fees have remained the same since 2012, and as fixed costs increase year over year there is a declining amount to address new and important initiatives. [Inflationcalculator.ca](http://inflationcalculator.ca) calculates that the equivalent \$80.00 membership fee in 2012 would be \$85.72 in 2017. If the rate of new members vs. attrition does not remain relatively stable, there will be less budget for important initiatives.

### **Opportunities**

Should MAAC be successful in attracting a new generation of multirotor enthusiasts, it would be able to take advantage of new revenues to continue and grow the current member benefits and build the multirotor discipline within MAAC. There are healthy reserves to tide MAAC through difficult times or undertake new initiatives.

## 11. Revision History

- 1.6 First draft for review at November 09, 2017 Board Meeting
- 3.1 Second draft for review at December 14, 2017 Board Meeting
- 3.2 Third draft for review at the January 11, 2018 Board Meeting
- 4.0 Final with addition of corrected budget numbers and Document Control

## 12. Document Control

Name	Annual Operating Plan - 2018
Version	4.0
Number	provided by DMS (document management system)
Original	Constitution Chair
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