



Nordic Walking Australia - Instructor opportunity

Nordic Walking is one of the most exciting developments in health and wellbeing in Australia in a long time.

Appealing to a broad segment of the population from younger age groups using Nordic Walking as a complement to their current fitness regime to baby boomers and the older generation using Nordic Walking as an alternative to more strenuous forms of exercise as a key element of their health and wellness strategy, Nordic Walking is set to become an extremely popular form of physical activity.

Nordic Walking Australia has established and is continuing to grow a network of instructors across Australia who provide the classes and pole packages offered by Nordic Walking Australia. This document sets out the details of the requirements and opportunities of being a Nordic Walking Australia instructor.

Background of Nordic Walking

- ✓ Nordic Walking is an alternative form of physical activity where participants walk with the assistance of poles, similar to those used in cross country skiing.
- ✓ The first form of Nordic Walking was introduced in Finland as an off season training method for competitive cross country skiers.
- ✓ Nordic Walking is governed internationally by the world peak body, the International Nordic Walking Association (INWA), which was established in Finland by 3 parties including sporting good manufacturer EXEL, the first and market leading manufacturer of poles and accessories designed specifically for Nordic Walking.
- ✓ Nordic Walking started in Finland and dates back to the 1930s. Since 1997, the popularity of Nordic Walking has increased rapidly, initially in the Scandinavian countries as well as Germany, Austria, Switzerland, and more recently other countries in Europe and the US and now Australia.
- ✓ Today, there are in excess of 8 million active participants in Nordic Walking around the world.
- ✓ Nordic Walking Australia is the exclusive representative of INWA and EXEL in Australia and as such is the Australian peak body for Nordic Walking. Nordic Walking Australia provides training and accreditation under the INWA accreditation structure, promotes Nordic Walking and provides classes, walk groups as well as poles and other equipment through its national instructor network

Value proposition and Benefits of Nordic Walking

As an alternative form of physical activity, Nordic Walking has significant benefits compared to conventional walking and jogging. Various unrelated research studies have been conducted between 1997 and 2002. Some of the key findings from these include:

- ✓ Walking with poles at the same or slightly lower speed than conventional walking:
 - Increased heart rate by 16-20%
 - Increased oxygen uptake by 23%
 - Increased caloric burn rate by 22%
 - One study of a group of women aged 24 saw increased energy expenditure of 55%
- ✓ Significant reduction in the amount of strain placed on joints and muscles combined with increased muscle movement and reduction in pain levels.

In addition to the physical and health benefits, a considerable part of the value proposition is the social interaction and holistic experience enjoyed by participants.

As such, Nordic Walking appeals to a very broad range of the population as it can be practiced by people of all ages and fitness levels. Indeed, a key aspect of its market positioning and a significant market segment for Nordic Walking are people who are looking for an alternative to conventional fitness activities.

Market Parameters

Based on research conducted by Nordic Walking Australia, there appears to be an appetite in the Australian market for an alternative form of physical activity for the following primary reasons:

- ✓ The composition of the Australia's population is similar to those of most of the countries in Europe in which Nordic Walking has become very popular, in particular a large number of people in the Baby Boomer category and an aging population.
- ✓ There is an increasing body of anecdotal evidence that traditional forms of exercise such as gym activity is not popular with a large group of people, particularly the segment mentioned above.
- ✓ Australia has a climate and general liking for outdoor activities that would make Nordic Walking an all year round activity.
- ✓ Over the past 1-2 years in particular we have seen an increased emphasis on the need for physical activity, walking in particular. This has been demonstrated by the large number of newspaper, magazine and television articles advocating walking and a considerable push by organisations such as the Heart Foundation and various State and Federal Health Departments.

- ✓ However, there is also considerable anecdotal evidence suggesting that one of the reasons preventing people from taking up regular activities such as walking is the absence of a structured group activity that encourages and assists in ensuring sufficient regularity of activity.
- ✓ Nordic Walking addresses these concerns, particularly as it is structured in instructor led walk groups that provides a combination of social interaction, encouragement, instruction and physical benefits over conventional walking.

Business Model

Nordic Walking is promoted throughout Australia through a network of Instructors who conduct classes and walk groups where members can get instruction in Nordic Walking and participate in regular instructor led walks as well as purchase Nordic Walking poles and other related products.

Nordic Walking Australia operates as a national member organisation for instructors and participants and provides national support to the instructor network.

Broadly, the responsibilities of Nordic Walking Australia are:

- ✓ Provide training and INWA accreditation to instructors by the INWA accredited Master Trainers employed by NWA.
- ✓ Promote Nordic Walking at a national level through PR, Advertising and promotional events.
- ✓ Develop and maintain all standards, procedures and guidelines for promotion, membership and instruction including price setting and developing and maintaining partner relationships.
- ✓ Provide support to the instructor network with marketing, promotion and technical matters.
- ✓ Develop and maintain relationship with other organisations such as The Heart Foundation, Australian Physiotherapist Association, sporting goods companies etc.

The main responsibilities of each instructor are therefore

- ✓ Promotion and marketing of Nordic Walking within their local area within the parameters set down by Nordic Walking Australia. This includes demonstrations, free trial classes and other promotional activities. These are described in more detail later in this document.
- ✓ Conducting classes and walks with members in accordance with Nordic Walking Australia's guidelines.
- ✓ Jointly with Nordic Walking Australia identify walk tracks and where necessary liaise with local authorities to conduct Nordic Walking within these areas
- ✓ Co-operate with Nordic Walking Australia in the ongoing development of Nordic Walking activities and new ideas for the promotion of Nordic Walking.

Pricing Model

The pricing model has been developed to provide participating members with an offer that is

- ✓ Easy to understand
- ✓ Affordable
- ✓ Flexible and provides choice
- ✓ Value for money

Accordingly, the following pricing structure applies to members:

4 class lessons	\$ 70.00
Poles sold separately (includes one free trial walk)	\$150.00
Package 1 - 4 class lessons - 1 set of poles	\$199.00
Package 2 - 8 class lessons - 1 set of poles	\$239.00
Regular Walkers - Monthly membership fee	\$ 69.00
Casual Walker - pay as you walk, 5 clip card valid for 3 months	\$ 70.00

The above prices are inclusive of GST.

In addition, instructors have the ability to sell other accessories such as back packs, Pole bags etc, as well as special events programs such as walking trips, weekends away etc.

Instructor membership fees

The pricing model for instructor fees has been designed to provide Instructors with:

- ✓ An affordable and low risk entry point for starting their own business
- ✓ Opportunity and incentive to grow their business

The following pricing structure applies (prices quoted are inclusive of GST):

Establishment:

Joining fee which includes a two day training course resulting in INWA accreditation	\$495
1 starter kit including promotional material, membership forms and a bag of 8 poles for demonstration purposes - can be purchased later or rented for the first 3 months	\$950

Membership fees:

There are 2 levels of instructor membership

Gold membership per quarter - paid quarterly in advance	\$200
Silver membership per quarter - paid quarterly in advance	\$ 50

For every new participant member signed by the instructor, there is a one off \$10 registration fee payable to Nordic Walking Australia. This is paid monthly in arrears

Included in the instructor membership fee is also an insurance policy obtained by Nordic Walking Australia which covers all NWA Instructors and their registered participant members. In addition, Nordic Walking Australia also provides administrative assistance, for example with collection of payment, where customers wish to pay by credit card.

Instructors are required to purchase poles and other related products from Nordic Walking Australia. These are provided at wholesale prices. The wholesale price of poles is dependent on the level of instructor membership. Currently, instructors purchase poles at the following prices:

Gold Members	\$105
Silver Members	\$115

Earnings potential

Based on our experience so far, our projections indicate that any instructor able to run 1-2 classes per week initially, increasing to 2-3 classes per week after about 6 months can easily build a membership base as follows:

1 st quarter	5-8 new members per month
2 nd quarter	10-15 new members per month
3 rd quarter	15-20 new members per month
4 th quarter	20-24 new members per month

Of course, if more time and effort can be put in, these membership numbers can increase dramatically.

For instructors who are seeking to make Nordic Walking a full time occupation, we believe a realistic number of classes once fully occupied is 15 classes per week taking into account the physical demands on running classes, breaks between classes and travel time and the amount of time required for promotional activities, free trial classes etc.

Based on overseas and local experience, we recommend class sizes of up to 12 members. We would therefore expect that a full time instructor can build

membership from an initial 5-10 new members per month to around 90-100 new members per month plus existing members renewing their membership to join walk groups on an ongoing basis.

On this basis, our projections indicate that the earnings potential is as follows:

No of classes per week	Gross earnings for the year	Gross earnings in the 12 th month	Ongoing earnings in subsequent years.
1 increasing to 3	\$23,163	\$ 3,019	\$36,228
2 increasing to 15	\$69,655	\$11,964	\$143,568

The Gross Earnings figure in the table above is after payment of NWA membership fees and wholesale cost of poles, but does not include any other promotional and operational costs such as advertising, permits etc.

Or anything in between depending on the amount of time and effort can be applied to promoting the activity and taking classes.

For instructors who prefer to do Nordic Walking as a part time activity, for example if you were running two 4 class sessions each month (i.e. 2 classes each week for a 4 week period), with an average of 6 members in each class who purchased the poles and classes package, the earnings (including GST) from that would be:

Total income - 12 packages @ 199	\$2,388
Cost of poles - 12 @ \$105	\$1,260
One off membership fees - 12 @ \$10	\$ 120
NWA membership fee for one month - \$200/3	\$ 67
Net income for the four week period	\$ 941

Which equates to an income of \$117 per class. This would increase significantly if you can increase the number of participants in each class, e.g. for every additional participant, the income per class increases by \$21.

Summary

As the sole representatives of INWA and EXEL, who founded and popularised Nordic Walking across Europe, Nordic Walking Australia is extremely well positioned to promote and popularise Nordic Walking across Australia through our structured network of Instructors providing a complete customer experience combining physical activity with social interaction and continuous instructor led support.

By becoming an Instructor, you have the opportunity to participate in this exciting development and contribute to the health and wellbeing of a broad section of the population.

In addition, you will have the opportunity to develop a lucrative business in which you can either participate actively yourself or lead others in an outdoor based, people oriented business.

We hope you will consider becoming involved with Nordic Walking Australia and look forward to discussing your potential with you.

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