

Kilmarnock Football Club

Managing Director's Report | Phyllis McLeish

July 2023



MD Report

Phyllis McLeish



At the beginning of my first full season as Managing Director, I wanted to take this opportunity to outline the changes and progress made at the club, both last season and in the previous four since I joined Billy Bowie on the Board.



MD Report

Phyllis McLeish

Each season has presented its own opportunities and challenges. Myself, Billy and our current Killie Trust nominated Director, Cathy Jamieson, agree that while managing the highs and lows of first-team football, we remain committed to moving the club forward in every way we possibly can.

Billy and I are the first to admit that - coming from non-football backgrounds - we have both had to grapple with steep learning curves as we grasped the complexities that come along with being custodians of a much-loved club that is so valued by the community. I would like to assure you all that we do not take that responsibility lightly: each and every decision we have made has been taken with the best of intentions, considering the facts and advice available to us at the time.

With hindsight, it is easy to look back and see where we may have done better, but I know that we have learned a few hard lessons and every season gives us more knowledge and experience. This is football and there truly are no guarantees of success, even when you think you have done everything possible, but Kilmarnock FC will remain resilient under our guidance.



MD Report

Phyllis McLeish

While we are a relatively small Board in comparison to other clubs, we have the advantage of possessing a range of complementary skillsets and a genuine desire to work together to ensure that the best interests of the club are met. Having an experienced manager in Derek McInnes, plus a first-team and academy coaching staff who are supportive of our longer term aims, enables us to augment the Board with senior management. This ensures that the football decisions, as well as financial and commercial concerns, are dealt with by people who have the desired knowledge and experience.

As a Board, we see it as our first duty to sustain the club's survival. Our second duty is to secure the best manager available and provide them with an adequate budget to remain competitive. Football decisions should - and do - rest with the manager and his support staff. From Board and senior management level down, everyone has ambitions for the club and shares a commitment to supporting progression to the best of their ability.

As a provincial club, sustaining a turnover that can provide enough funds for a competitive budget in the Premiership will always be challenging. It is vital for us to not only maximise our gate and commercial revenue, but to also have a strong youth pathway. While securing and retaining Premiership status was the primary focus over the past two seasons, the Board has also placed emphasis on longer term plans to strengthen every area of operations and make the club more sustainable.

The rest of this report outlines what has been achieved so far and how it will support our vision for the future.



The 2022/23 Campaign

Managing Director's Report | Phyllis McLeish

July 2023



2022/23 Campaign

Phyllis McLeish

‘Stability’ was a word prominently used in discussions between the Board and management team last Summer as we prepared for our Premiership return. History suggested that our first season back in the top-flight would provide one of the most significant challenges in recent times. While we all hoped for a more comfortable end to the season, we were under no illusion that retaining Premiership status would be viewed upon as success.

It was by no means a smooth transition back to the top division. We have had to tackle difficult tasks, particularly in relation to player recruitment, but staff across every department pulled together to achieve our goal.

Forward planning with the management team shortly after promotion made it clear that the existing recruitment structure did not reflect the stature of a Premiership club. Despite delivering a substantial playing budget, we fully understood frustration towards the recruitment process, and the Board swiftly acted to improve operations. While the New Year transfer window came at a premature stage for our new Recruitment Manager, the success of our two January signings and the signings so far this summer certainly provides an early glimpse at an enhanced process.

As the recruitment situation was being resolved, our management team worked tirelessly to build a squad strong enough to achieve our short-term goal of league stability. It is testament to the calibre of our manager that he was able to exploit existing squad players, migrate academy youngsters and use the loan market to form a team strong enough to safeguard our place in the Premiership.



2022/23 Campaign

Phyllis McLeish

Under Derek McInnes, we have already witnessed flashes of a bright future. Returning to Hampden Park for the first time in more than a decade was a proud moment for everyone involved with the club. With his proven track record in cup competitions, we can all be hopeful of returning to The National Stadium in the near future.

Referring back to 'stability', it is vital that we have a manager who is aligned to our club ethos. Derek's appetite for youth development was a major factor for committing to a long-term contract, and his expertise in this field is helping to shape the vision for our academy as we move to elite level. With a manager who clearly trusts youth players, recent success in the reserve cup and training ground proposals unveiled, it is an exciting time to be a young player at Kilmarnock.

The excitement extends to members of our newly formed girls' academy. We have witnessed significant development of our women's programme this season as a result of investment into the first-team and youth pathway. A number of graduates have already proudly made the step up to senior football, sharing the pitch with our first-ever group of professional women's players.

Through highs and lows of the season, one thing has remained consistent: our level of support. In boardrooms across the nation, the scale of our travelling crowds continually attracts praise. An 8000 strong home support for our final game of the season also illustrates potential to continue growing our family of season ticket holders.



2022/23 Campaign

Derek McInnes



Derek McInnes: “40 points and Premiership survival is a position we would have gratefully accepted at the start of the campaign. Admittedly, it took us far too long to get going this season. That is an issue the Board and I have addressed to ensure that we’re better placed to make a quicker move off the mark next term.

“As I’ve stated before, I firmly believe that our Recruitment Manager, Russ Richardson, is the best signing I will make in my time at the club. Delivering Luke Chambers and Kyle Vassell had a major impact on our ability to achieve the short-term target, and it’s now our job to build a squad capable of fulfilling heightening demands which we have set for ourselves next season and beyond.

“A growing fanbase, substantial budget, evolving academy and strengthening recruitment structure gives us all reason to be excited about the direction we’re moving in.”



Club Progression

Managing Director's Report | Phyllis McLeish

July 2023



Club Progression

Staffing, Finance & IT



We undertook a full review of staffing and a new structure was adopted, with some staff leaving and new members joining the team, which enabled us to progress forward.

When I joined the club, a lot of systems were either manual or antiquated and didn't provide the type of adequate and timely information required to aid decision-making or track finances.

Ticketing and supporter administration was also poor. We now have a number of modern, fit for purpose software systems which provide us with real-time data and financial accountability. On a monthly basis, accurate management accounts are now provided and projections are constantly updated to ensure the Board can effectively manage cashflow and plan spending.



Club Progression

Commercial Operations

Since 2018, commercial revenue generated by the club has risen by 65%.

We are already reaping the benefits of a new partnership structure designed around 'futureproofing' commercial agreements by prioritising local businesses who are fully invested in the club's longevity.

In addition to brokering record-breaking kit supplier deals, figures have also soared as a consequence of exploring new avenues to generate revenue, such as corporate events and sponsorship initiatives.



Club Progression

Retail



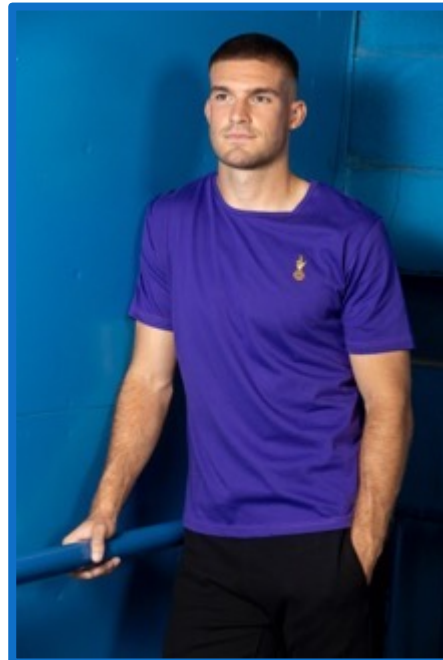
Almost £2 million has been generated since we made the decision to take full control of retail operations in-house in 2020.



Over a five-year period, shirt sales have been doubled to achieve all-time high figures, with more than 6,000 units now sold annually.



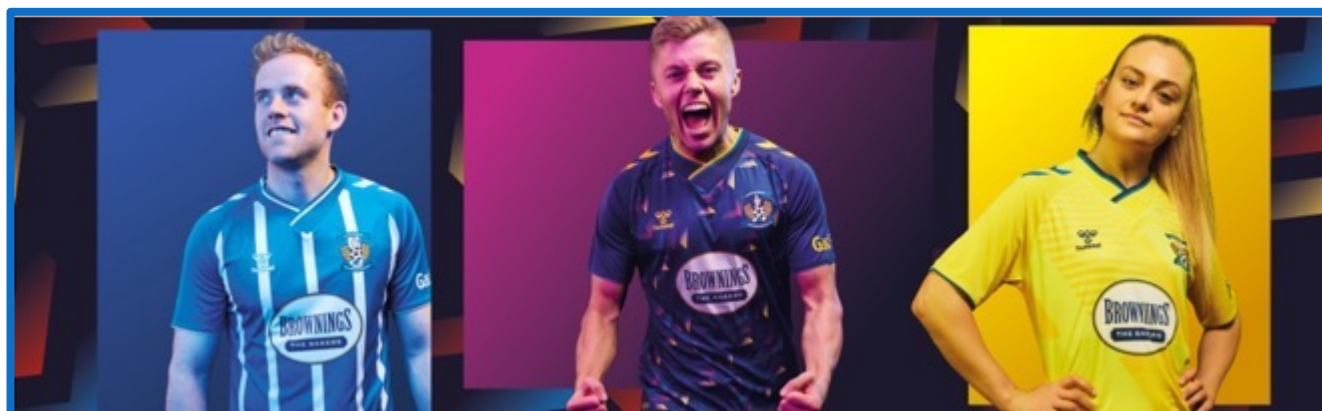
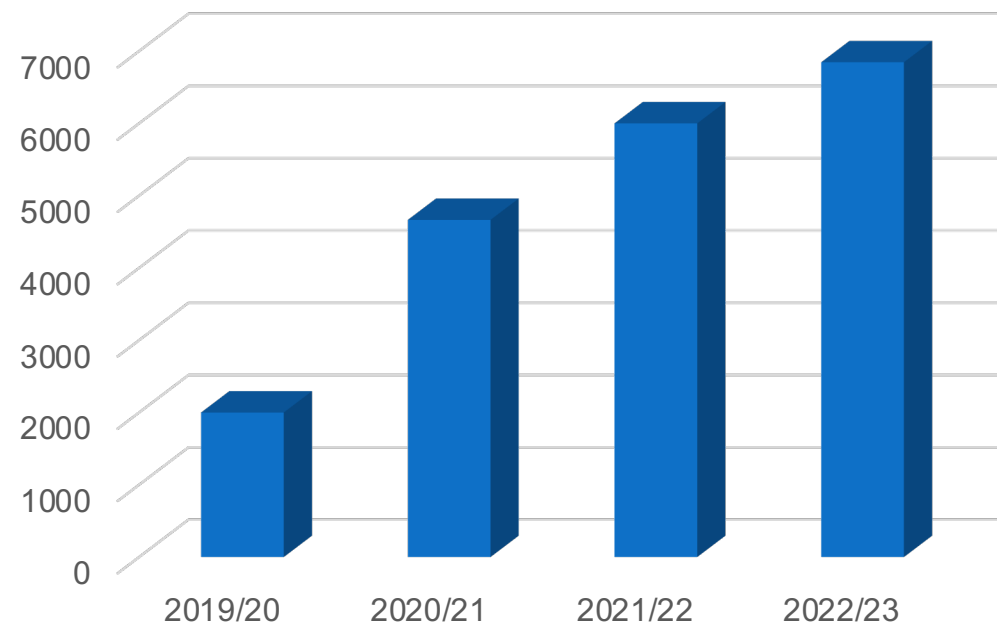
Alongside introduction of new lines - such as the Killie LTD range which has sold over 4,500 units since its launch in 2020 - partnerships have been established with local brands, authors and creators to ensure that the commercial offering is continually expanding.



Club Progression

Retail

Replica Shirt Sales Growth



Club Progression

Ticketing

Season ticket uptake has doubled in the past five years to hit the 5,000 mark for the first time since the late 90s.

To satisfy anticipated demand, a new ticketing system (TicketCo) was introduced in 2018. Despite initial teething problems, we now have a bespoke and modern system which fulfils the large majority of supporter needs. In line with these growing demands, ticket office renovation and increased staffing has allowed us to evolve the online ticketing system which is now regularly used by 92% of supporters.

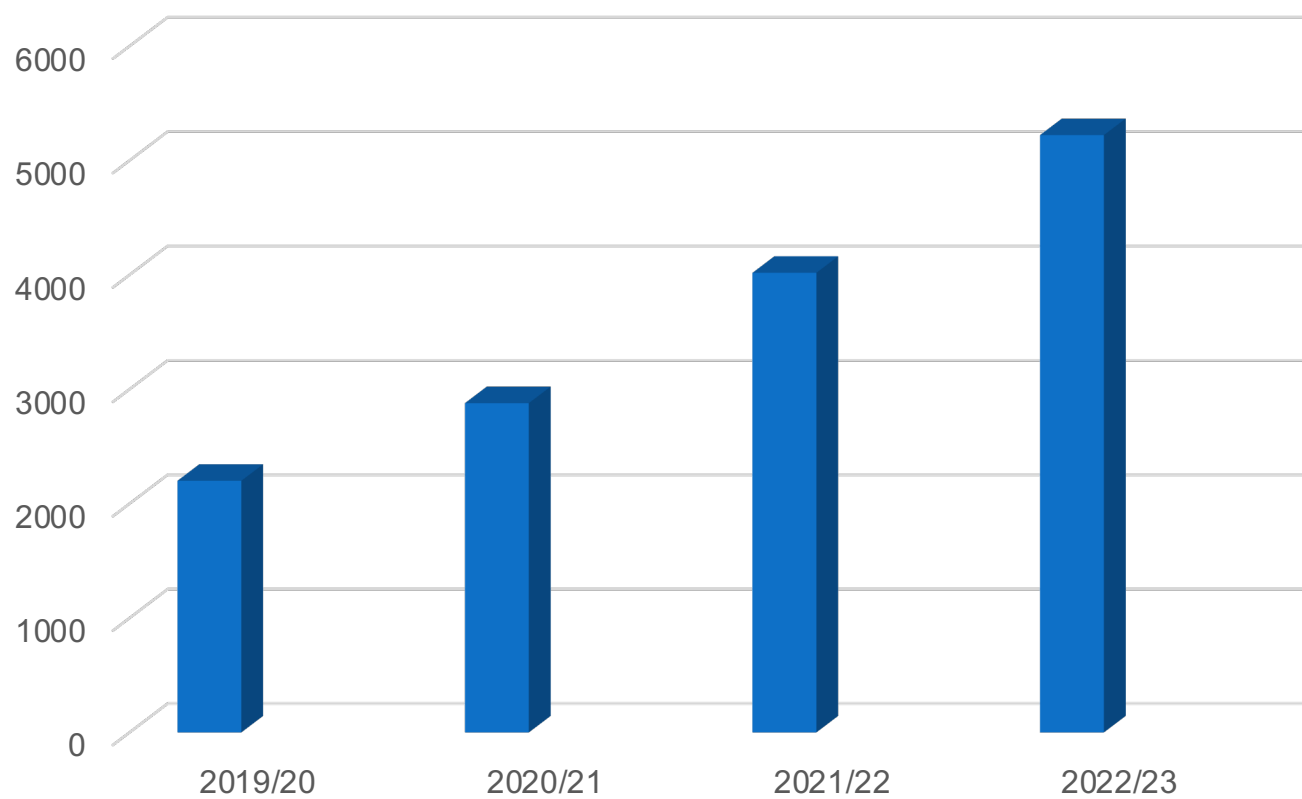


TicketCo



Club Progression Ticketing

Season Ticket Sales Growth



Club Progression

Hospitality



All existing hospitality lounges have been renovated to create modern spaces for fans to enjoy. In addition to renovations, integration of new lounges complemented by a competitive pricing structure has resulted in hospitality revenue increasing by 75%.



Furthermore, both hospitality and day-to-day catering has been taken in-house to enhance our nutritional offering for players and staff, while providing greater control over spending.

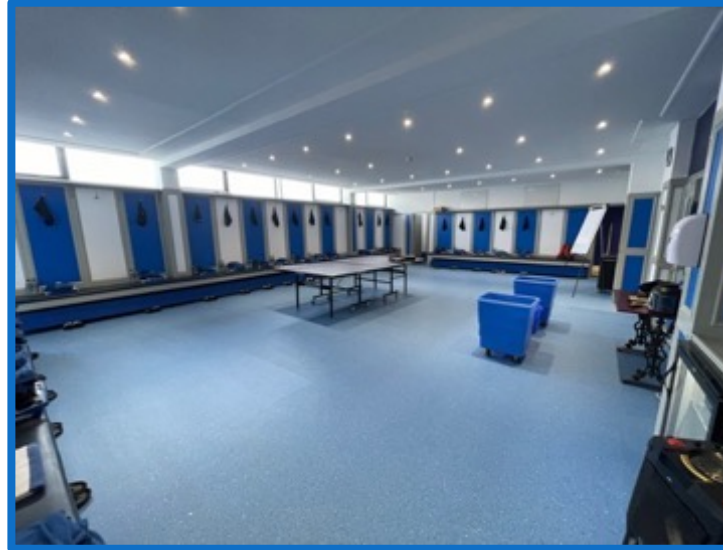


We have also welcomed local corporate partners Varani's, The Lost Distillery Company and Inspired Gin to enhance our hospitality offering.



Club Progression

Dedicated Players' Lounge &
Dressing Room Upgrades



For the start of season 2022/23, we provided a dedicated players' lounge which is used for breakfast, lunch and football department meetings, while also housing players' friends and family on matchdays. The home dressing room was also upgraded for the start of this season to further enhance player experience.

The provision of the modular building and its conversion costs were met by Directors, therefore not impacting club finances.



Club Progression

Superstore & Museum

Having trialled many ideas to promote the old Killie Club bar, the decision was made to close a loss-making facility in 2020. To celebrate our club's proud 150-year history, we redeveloped the former Killie Club to create a modern superstore and a dedicated museum which now also serves as a further matchday hospitality space. The museum regularly changes displays and features in our stadium tours, while offering a cheaper alternative to our other hospitality packages for small groups to enjoy on matchdays.

The costs of establishing the museum were met by a Director and subsequently did not impact club finances.



Club Progression

Bespoke Player Accommodation



Accommodation at a purposely redeveloped house will enhance our young players' experience at the club and attract better talent (through both loans and permanent signings), while supporting their physical and mental wellbeing during their stay.

From the beginning of next season, the new facility will house five young players by providing their own bedroom / sitting room with separate ensuite facilities and access to communal areas. This has been designed to ease the challenges posed by living away from home for the first time.

The costs of redevelopment were also met by a Director and did not impact club finances.



Club Progression

Moffat Stand Redevelopment, safe standing & disabled access platform



The decision taken to prioritise our own family support by cutting a second away stand for Old Firm games has been successful and we are very proud of the outcome.

We have since witnessed an improved atmosphere for players, fans and townspeople in relation to these games. Meanwhile, the potential loss of income has not materialised, with an increasing number of families coming back each week.

The family fanzone behind the stand is also becoming increasingly popular and we have plans for this to evolve further in coming months.

With the assistance of our Director Billy Bowie and the Killie Trust, we installed two safe-standing areas for young supporters; one in the East Stand and one in the Moffat. A disabled ramp in the Moffat Stand has also been introduced to enhance our disabled supporters' matchday experience.



Club Progression

Fan Engagement

A major shift of supporter demographics breeds positivity for the future. The Under-21 bracket is our fastest growing category, having experienced a 210% season ticket increase from this group. Adults and Under-21s now form the largest portion of season ticket holders, which contrasts positioning five years ago when the majority of our fanbase was aged 65 and over.

To achieve a positive shift in demographics, the club worked hard to modernise its brand image after the 150th anniversary season. Meanwhile, a refreshed social media output has helped to grow the club's online audience to more than 114,000 across owned platforms. We now reach a staggering 94% of users across the Ayrshire district.

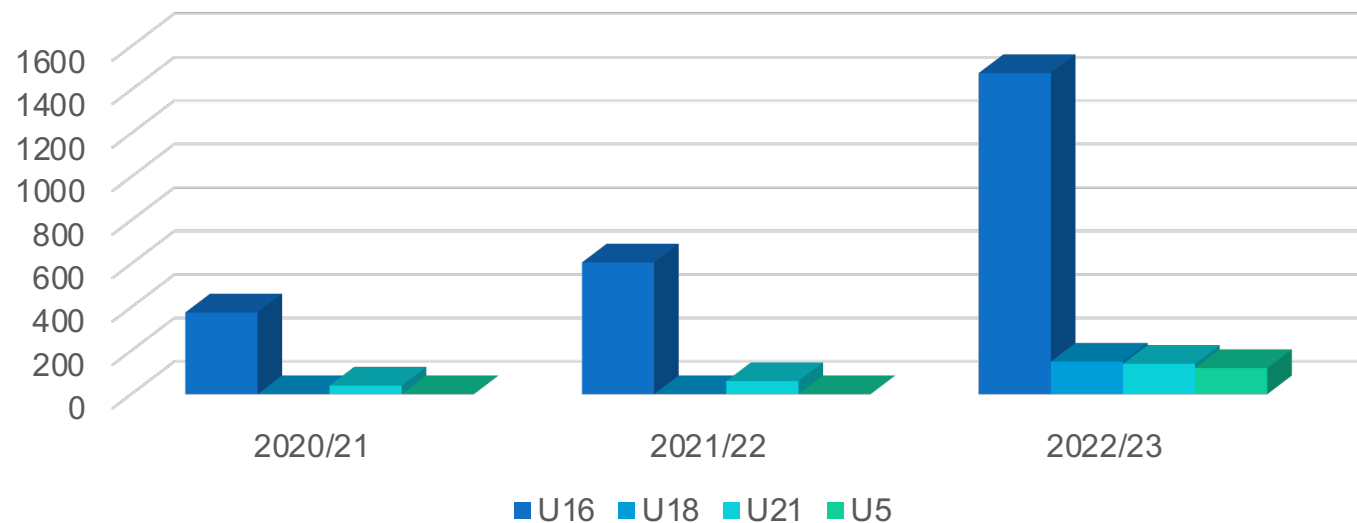
The Killie Community plays an important role in our outreach. Alongside engaging more than 8000 prospective supporters in schools across Ayrshire this year, the team has also hosted 2110 matchday experiences which have allowed many youngsters to attend Rugby Park for the first time.



Club Progression

Fan Engagement

Growth in our Youth Pathway (U21s)



Club Progression

Fan Engagement

Cathy Jamieson



Cathy Jamieson: “The past five years has seen the club work closely with the Killie Trust on engaging supporters and on initiatives such as the safe standing sections, disabled platform and partnerships with youth academy and women’s team.

“Killie Community has further developed its role in engaging with the wider community, with programmes for all age groups.

“From welcoming almost 700 youngsters to their first ever Killie matches through the free matchday experiences this season to the Football Memories and Get Togethers for seniors, the Club continues to reach out and connect with our fans and local communities out with matchdays.

“A bolstered partnership with the Killie Trust, in its 20th Anniversary year, and a growing Killie Community team will further strengthen the bond between supporters and the club going forward.”



The Future

Managing Director's Report | Phyllis McLeish

July 2023



The Future

Phyllis McLeish



It is a symbol of the club's status that we were able to entice Derek McInnes after a difficult period and we firmly believe that continuing our resurgence under the manager can take us back to the pre-pandemic heights experienced in 2018/19.

Derek has the full backing of the board, evidenced by our confidence in providing him with record budgets which assisted in achieving our two-year ambition of returning to the Premiership in 2021/22 and retaining that status in 2022/23.



The Future

Five-Year Vision
Phyllis McLeish



We are at the midway stage of a 10-year project and the foundations laid stand us in good stead for the next stage of our evolution.

As supporters, you are the main stakeholders and investors in the club. As such, we wish to make our vision for the next five years public by sharing the following objectives and sub-objectives:



The Future

Five-Year Vision
Phyllis McLeish



Capitalise on shifting supporter demographics by expanding our fanbase

Hit the next gradual season ticket increase target of 6000, while working towards capturing up to 8000 prospective Season Ticket holders



Continue to grow from grassroots to professional level through investment in staff and infrastructure

Develop a modern club training facility
Increase investment in sports science and physiotherapy
Complete structural building works and enhancements to upgrade Rugby Park



Progress youth pathways to project local boys and girls towards the first-team squads

Support the boys' academy's return to elite level by delivering new staff and a robust strategy
Assist the girls' academy's transition by establishing sustainable links with local clubs



Push boundaries with our men's first-team

Secure a 5th-7th place finish in the Premiership within the next two seasons
Secure a European spot within the next three seasons
Challenge at the latter stages of both cup competitions and return to Hampden Park within the next three seasons.



Raise the profile of our women's programme

Earn promotion to the top-flight of Scottish women's football within the next two seasons.



The Future

Five-Year Vision

Billy Bowie



Billy Bowie: “Enhancing our youth pathways by investing in both staff and facilities will be pivotal in working towards our ambition of bringing European football back to Ayrshire.

“I share the vision of supporting local players who have the passion to drive our men’s and women’s squads towards regularly challenging in the top half of Scotland’s top divisions.

“In addition to maximising the potential of youngsters across the community, a bespoke training facility will support our recruitment team in attracting a high standard of player who can complement a talented crop of homegrown stars.”



The Future

Five Year Vision
Phyllis McLeish



I would like to finish by sincerely thanking all supporters, sponsors, players and club staff for their role in the club's journey over the past four seasons: for their support, patience and forbearance. I really feel that, despite some setbacks, there are so many positive things going on at the club.

Billy, Cathy & I feel proud and very privileged to be a part of Kilmarnock's story and we are looking forward to next season. Every member of the Killie family, including each and everyone of you, has a part to play as we strive towards making the vision a reality.

Let's do this!

#WeAreKillie

Phyllis McLeish



Kilmarnock Football Club

Managing Director's Report | Phyllis McLeish

July 2023

