

The SCCA Family
August 2004

A couple of months ago, I gave you a brief overview of the SCCA family of companies; why they exist, why Pro and Enterprises are regular, for-profit corporations, why Inc is a non-profit c4 corporation, and why the Foundation is a charitable c3 corporation. I got some positive feed back on that article so I'm going to give a little deeper look at just what roles Pro and Enterprises play in the SCCA family.

The first duty of Enterprises is to serve our members by providing quality "spec" (identical) race cars at reasonable prices while at least breaking even (not being subsidized by members' dues). A second objective is to repay Inc's investment in the Company and to generate a profit which can be reinvested to improve Enterprises or to offset operating costs of Inc. It's pretty easy to gauge when Enterprises is doing OK because that's when the spec racing members are relatively happy and the loan is being repaid on schedule, plus some.

Pro, on the other hand, is a much more complicated beast! Pro exists to serve the members but more indirectly than Enterprises. Pro's primary duty is to make the Club attractive to sponsors (entities with money and goods or services to sell who need an advertising vehicle) while repaying the parent corporation's investment. While Club Racing is entirely focused on fun for the members, Pro Racing is all about advertising. It is essential to the whole SCCA family of companies that SCCA Pro Racing provides a *showcase* where companies in automotive-related businesses are willing to pay for the privilege of displaying their wares; this means, quite simply, that a pro race is a *show* which attracts, concentrates, and motivates potential purchasers of auto-related products.

While SCCA Pro Racing certainly provides an opportunity for our member-drivers to "step up" the racing ladder, the necessities of presenting a proper show often may make this type of competition unattractive to club racers due to inherent high participation costs and rules instability. In Pro racing, it's all business for the drivers, unlike in Club racing where it's all for fun.

I hope that this explanation helps you to gain a more complete understanding of the roles our operating subsidiaries play in serving the members by holding down the costs of racing and of just being a member.

I'll see you at the track!

Gary Pitts