



GET IN THE BUSINESS OF BUSINESS PLANNING

**Connecticut Recreation and Park Association Conference
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Learning Outcomes

1. Participants will understand the benefits, functions and purpose of a business plan
2. Participants will learn the 11 components of a business plan
3. Participants will learn 5 steps to develop a business plan
4. Participants will learn strategies to write a business plan



Session Outline

- I. What is a business plan, why do you need it?
- II. 5-steps to prepare to develop a business plan
- III. Components of a business plan
- IV. Writing a business plan



Road Map to Success





What is a Business Plan?

- A formal statement of a set of business goals, the reasons why they are believed attainable, and the plan for reaching those goals
- Internally and externally focused
- It's not a strategic plan or marketing plan
- It looks very different for every agency

A good plan answers the following questions:



Know the Answers....

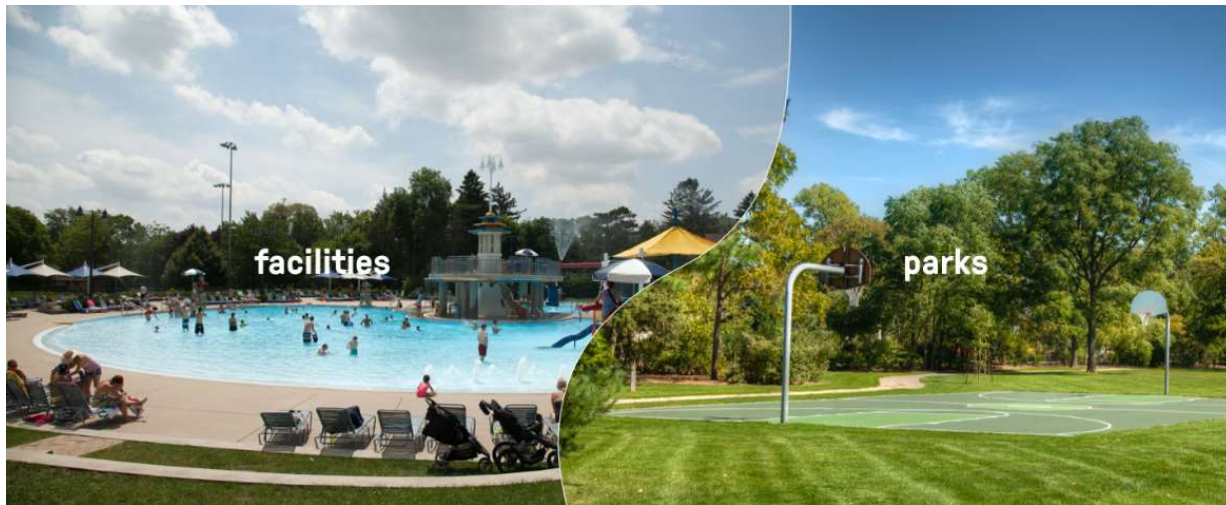
- What is it we want to do & why?
- Who are we going to serve?
- How are we going to do it?
- How much money do we need to do it?
- Where could the money come from?





Why is it important?

- Identifies obstacles to success
- Identifies milestones for success
- Provides a tool to develop funding support





Why is it important?

- Focuses resources and activities
- Develops internal and external understanding of all aspects of the project, especially financial



An opportunity to identify and understand your customers and stakeholders

- Investors
- Lenders
- Donors
- Sponsors
- Regulators
- Suppliers
- Employees
- Customers
- Competitors



FIVE STEP PROCESS TO PREPARE YOUR PLAN



Five Step Prep Process

1. Business Concept
2. Gather Data
3. Redefine your Concept
4. Detail the Components of the Plan
5. Make a Compelling Case



5 STEPS

Step One: BUSINESS CONCEPT

- Clearly define what you want to do
 - Something new?
 - Something better?
 - More of something?
 - Diversifying something?
- What are your opportunities?
- What are your threats?
- SWOT





5 STEPS

Step Two: GATHER YOUR DATA

- Industry Analysis
- What do you want to do?
- Summarize the market
- How does it relate to your current operation?
- Will it have an impact on your plan?





5 STEPS

Step Two: GATHER YOUR DATA

- Robert Morris & Associates Annual Statement Study
- Dunn & Bradstreet's Industry Norms & Key Business Ratios
- Leo Troy's Almanac of Business & Industrial Financial Ratios
- American Sports Data, Inc.
- The Wedding Report
- National Golf Foundation
- Bizzstats.com
- Hoovers.com



5 STEPS

Step Three: REDEFINE YOUR CASE

- Get consensus from stakeholders
- Hold outreach meetings, charettes and work sessions





5 STEPS

Step Four:

DETAIL THE COMPONENTS OF THE PLAN

- What are you going to focus on?
- Make it relevant to your community, situation, political and authorizing body



5 STEPS

Step Five: MAKE YOUR CASE

- Does a need exist?
- Are you the best organization to fill that need?
- Can you make it a success?
- Do you believe in what you're doing?
- Is it related to your mission?

If YES, then.....





COMPONENTS OF YOUR PLAN



Components of Your Plan

1. Executive Summary
2. Organizational Description
3. Industry Analysis
4. Market Analysis
5. The Competition
6. Marketing Plan
7. Operations and Resource Requirements
8. Management Team
9. Long-Term Development
10. Financial Plan
11. Risks and Rewards



The Plan

Executive Summary

- One to two page in length
- What you are proposing
- The goals & objectives of the proposed project
- The existing market and your share
- Your competitive advantage
- The capabilities of your management team
- Funding needs



The Plan

Executive Summary must demonstrate that...

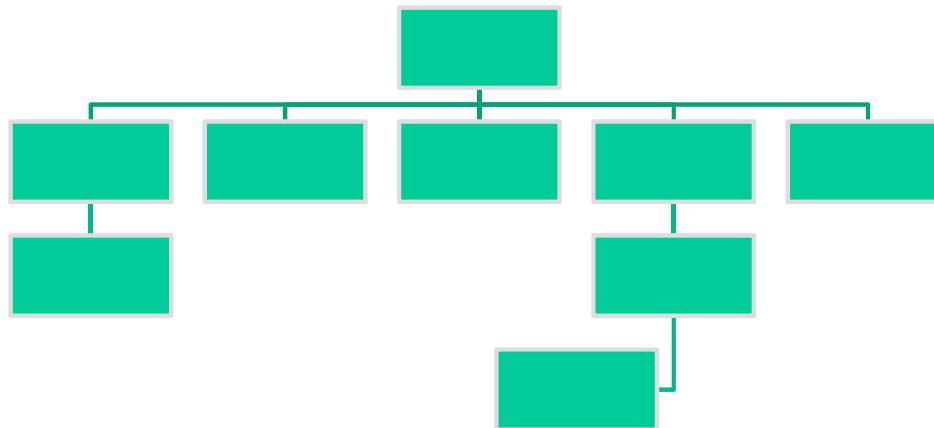
- it **makes sense** and is thoroughly planned
- **Management** is capable
- the market **exists**
- you have **competitive advantages** (what are they?)
- the **return** (revenues or services) is worthwhile
- **contingencies** are covered (back up plans)
- the time line is **realistic**
- the goals are **achievable**



The Plan

Organizational Description

- Mission Statement
- Organizational Chart
- Partnerships, suppliers, etc...
- Brief description of the enterprise being proposed





The Plan

Industry Analysis

- Economic Cycles?
- Seasonality?
- Technical Sensitivity?
- Unusual Financial Characteristics?
- Potential Regulation/Certification Needs?
- Material and Supply Interruptions?



The Plan

Porter's Industry Analysis

- Five Forces of Influence
 1. Ease of entry
 2. Power held by suppliers
 3. Power of buyers
 4. Availability of substitute products or service
 5. Competitive rivalry



The Plan

Market Analysis

- The “niche” you’re pursuing (why is there a need?)
- Who are the customers (patrons)?
- Demographics (age, distance, demand factors)
- Social economics (income, education, other factors relevant to demand)
- Purchasing patterns
- Market size now and in the future (growth potential)



The Plan

The Competition

- Who, what, when, where and how much?
- How will we compare to the competition?
- What is your competitive advantage?
- Where are they located and is the market saturated?



The Plan

Marketing Plan: How will you get your product or service to the right place at the right time and at the right price?

Four P's of marketing...

- Product
- Price
- Place
- Promotion (sizzle)



Guerilla Marketing

- Find drama in your offering
- Translate the drama into a benefit
- State your benefits as believable as possible
- Get peoples' attention
- Motivate your audience to do something
- Be sure you are communicating clearly
- Measure your advertising pieces against your creative strategy



The Plan

Operations and Resource Requirements

- Brief explanation of the operation, technology used, hours of operation, services, and anything that describes your approach
- Consider personnel; when they will start
- Consider promotions and when they will begin
- **Policy adoption:** will it be necessary and factor it in
- Licensing requirements



The Plan

The Management Team

- Brief review of key staff, their special skills, training and experience to create confidence in the team
- Summarize years of experience and special talents
- Describe any new staff and their role
- Describe your partners and suppliers



The Plan

Long-Term Development

- Milestones: 1 year, 3 years, 5 years
- Goals: S.M.A.R.T.
- Concept to Reality
- Evaluation process and reporting criteria
 - Market share, breakdown in units, etc...

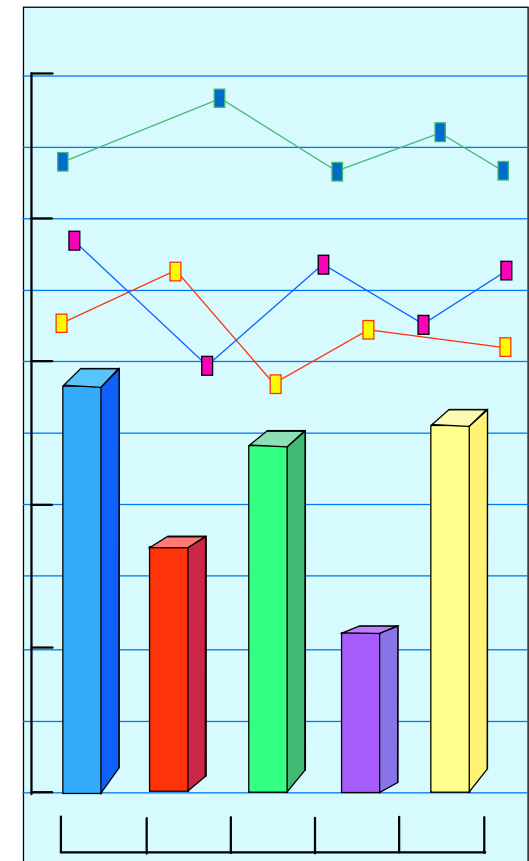




The Plan

Financial Plan (Must match your milestones)

- Balance Sheet
- Income Statement
- Cash flow analysis
- Debt service
- Break even analysis
- Asset replacement needs
- Operating budget
- Start up expenses, for Marketing, Capital & Personnel
- Others (liquidity, activity, profitability & debt/coverage/leverage ratios)





The Plan

Risks and Rewards

- Summarize the risks of the proposed project and how will they be addressed
- Estimate expected rewards, particularly if you are seeking funding
- What happens to any financial gain?



The Plan

Writing the Plan

- Truthful
- Facts, no superlatives
- “Research indicates” not “what we believe”
- Business terms
- Bullet points
- Graphics/charts



WHO SHOULD WRITE THE PLAN?



The Plan

What Next?

- Sell your Plan
- Follow the Plan
- Update routinely
- Celebrate Success!



Selling your Plan

- Have Prior Credibility
- Have the “Next Big Thing”
- Adapt Your Story to the Listener
- Make Buying Less Risky
- Create Momentum



SUCCESS!

