

From Ideas to Innovation: Navigating the Future of Collegiate Recreation

How to Develop and Execute a Business Plan for Your Organization



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INTRODUCTION

Presentation Overview

- ◆ Introduction
- ◆ Importance of a Business Plan
- ◆ Business Plan Components
- ◆ Risk Mitigation
- ◆ Execution



INTRODUCTION

Meet the Presenters

- ◆ Jeff Sessine

- ◆ 15 year Collegiate Recreation professional
- ◆ Business development & management expertise

- ◆ Kim Martin

- ◆ University recreation background
- ◆ Feasibility & marketing specialist



INTRODUCTION

Learning Objectives

1. Develop business plan ideas to focus your organization.
2. Articulate five key components of a business plan within the campus recreation setting.
3. Learn strategies for executing the business plan and becoming more relevant on campus.



INTRODUCTION

What is a Business Plan?

A business plan is a blueprint and communication tool for your business. A device to help you, the owner, set out how you intend to operate your business. A road map to tell others how you expect to get there.

(U.S. Small Business Administration)

Why Write a Business Plan?



IMPORTANCE OF BUSINESS PLAN

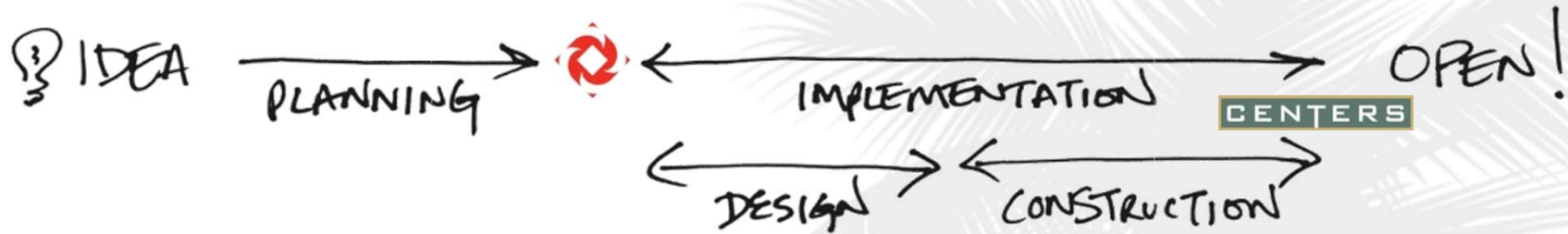
Why is a Business Plan Important?

- ◆ Build departmental credibility / justify existence
- ◆ Prevent unit transfer or undesired organizational change
- ◆ Secure additional resources
- ◆ Keep staff motivated
- ◆ Improve quality of life
- ◆ Sell a new initiative
- ◆ Be a prepared and more agile manager
- ◆ Establish best practice management standards
- ◆ Achieve and sustain high professional standards
- ◆ Either you do it or someone will do it for you!



When do you write a Business Plan?

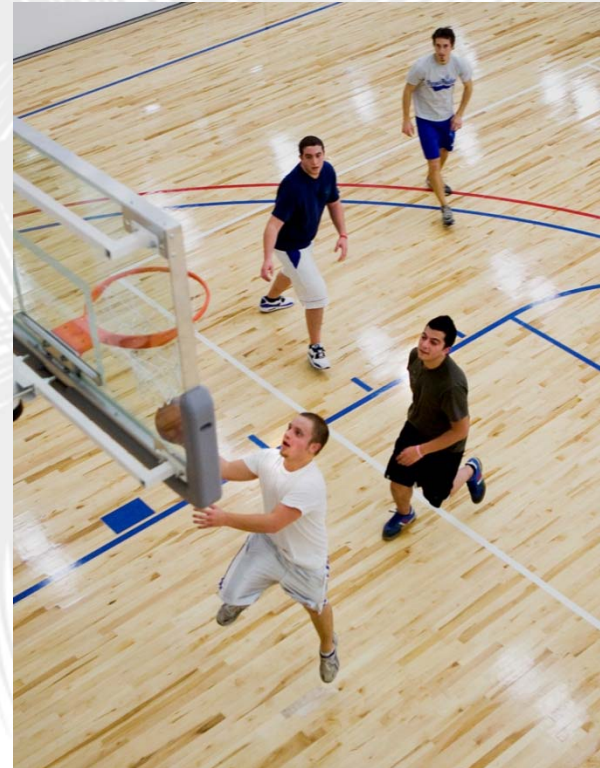
IMPORTANCE OF BUSINESS PLAN



How do you write a Business Plan?

BUSINESS PLAN COMPONENTS

- ◆ Case Statement
- ◆ Market Context
- ◆ Operating Paradigm
- ◆ Organizational Structure
- ◆ Marketing Plan



BUSINESS PLAN COMPONENTS

Case Statement

- ◆ A discussion of the University's & Dept. mission and overriding strategic objectives
- ◆ Background
- ◆ Projected outcomes
- ◆ Action Items



BUSINESS PLAN COMPONENTS

Case Statement

- ◆ A discussion of the University's & Dept. mission and overriding strategic objectives

Strategic Plan

Establishes Operating Unit Vision



Affirms Mission & Purpose



Sets Goals



Establishes Objectives and Strategy



Business Plan

After Strategic Planning

Operationalizes Strategic Plan

Sets Measurable Outputs

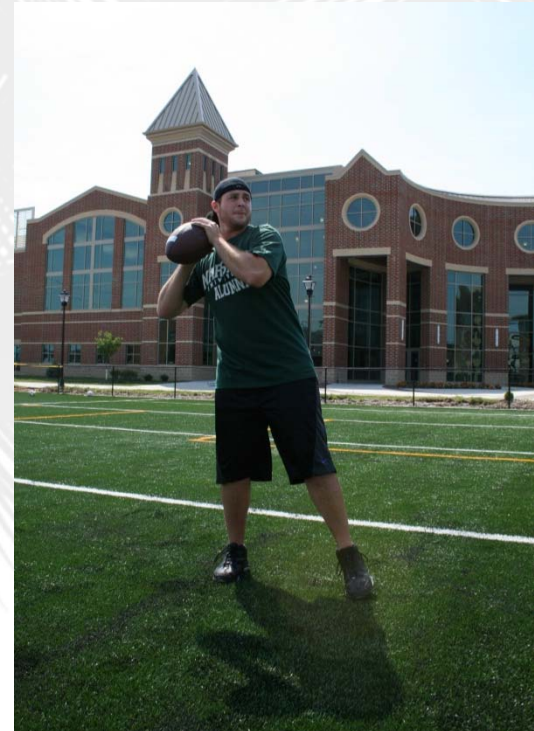
Allocated and Links Resources



BUSINESS PLAN COMPONENTS

Market Context

- ◆ A description of the market demand for programs and services derived from:
 - ◆ Student & target market feedback
 - Interviews
 - Surveys
 - ◆ Local competition
 - ◆ Benchmarking
- ◆ Updates



BUSINESS PLAN COMPONENTS

Operating Paradigm

- ◆ A discussion of how the facility will be operated, taking into account:
 - ◆ Components of the facility
 - ◆ Programs
 - ◆ Level of service
 - ◆ Membership benefits
- ◆ Menu of services



BUSINESS PLAN COMPONENTS

Operating Paradigms

1. Traditional

- ◆ Student focus
- ◆ Small staff

2. Program Driven

- ◆ Customer service focus
- ◆ Fees for services
- ◆ Increased dependency on speculative revenues
- ◆ Increased marketing & staffing cost

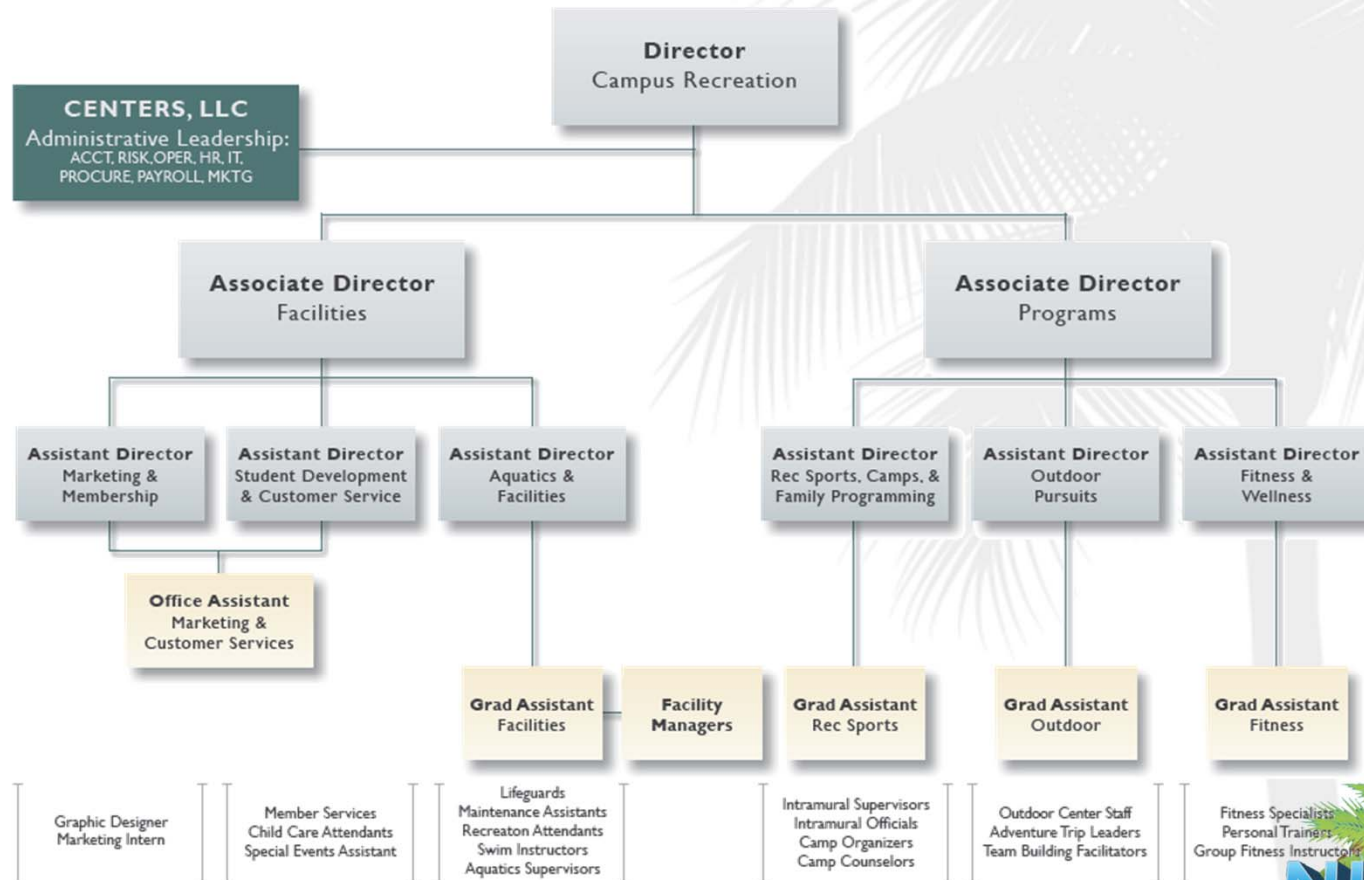
3. Facility Driven

- ◆ Revenues focused on rentals & events
- ◆ Can affect open recreation schedule



BUSINESS PLAN COMPONENTS

Organizational Structure



BUSINESS PLAN COMPONENTS

Marketing Plan

- ◆ A description of the marketing strategy:
 - ◆ Marketing and sales recommendations
 - ◆ Revenue sources
 - ◆ Customer service strategies
 - ◆ Timeline



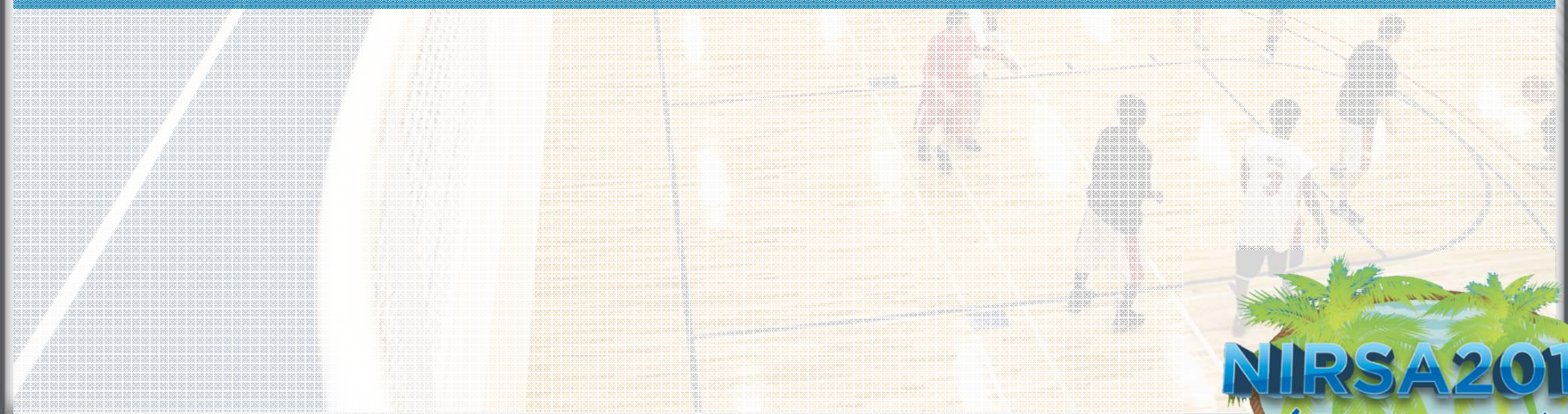
BUSINESS PLAN COMPONENTS

Evaluation Metrics

- ◆ Facility utilization
- ◆ Program participation
- ◆ Membership counts
- ◆ User satisfaction
- ◆ Student development
- ◆ Program fee income
- ◆ Net operating income
- ◆ Debt coverage ratio



How do you minimize financial risk?



RISK MITIGATION

Risk Mitigation Plan

- ◆ A description of short- and long-term membership strategies
- ◆ Identify supplemental revenue opportunities
- ◆ Identify cash management strategies



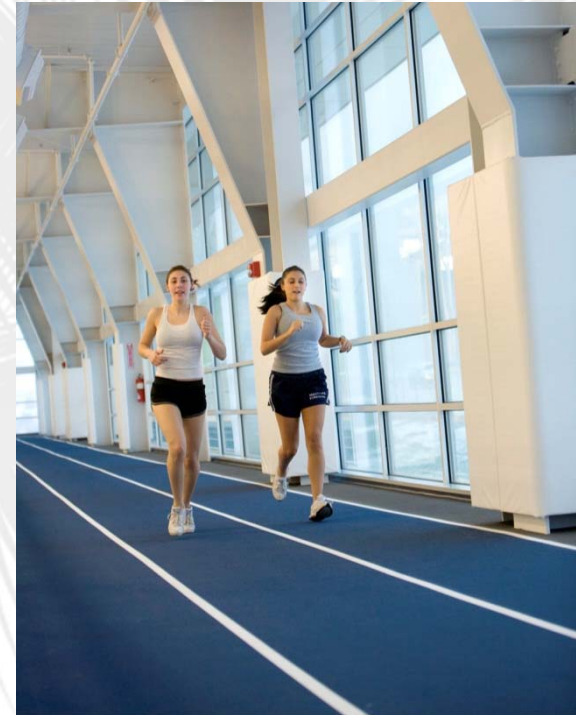
RISK MITIGATION

Market & Operating Risks

- ◆ Increased competition
- ◆ Decreased enrollment
- ◆ Increased operating costs

Options

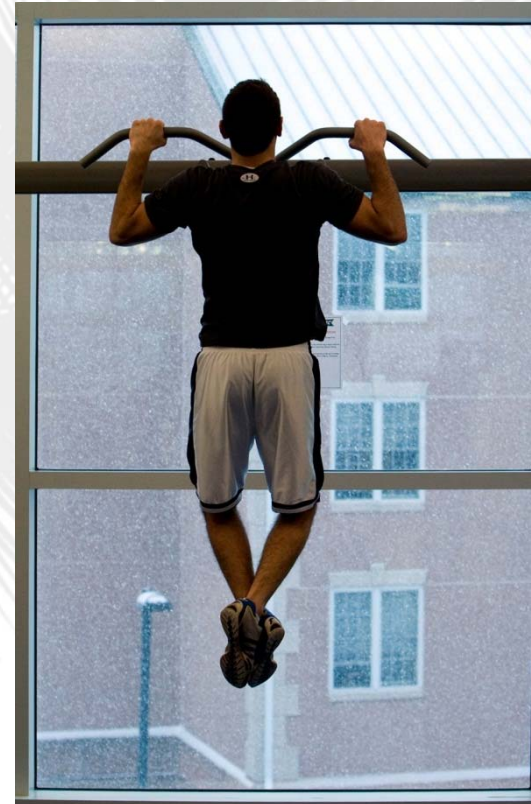
- ◆ Reserve fund
 - ◆ Track long-term R&R
- ◆ Track member satisfaction- target non-users
- ◆ Expand to additional user groups



RISK MITIGATION

Institutional Risks

- ◆ Lack of leadership
- ◆ Inappropriate research or data
- ◆ Unrealistic financial projections
- ◆ Tailoring the plan to individuals either to gain approval or avoid roadblocks
- ◆ Disconnect between planning initiatives and funding processes

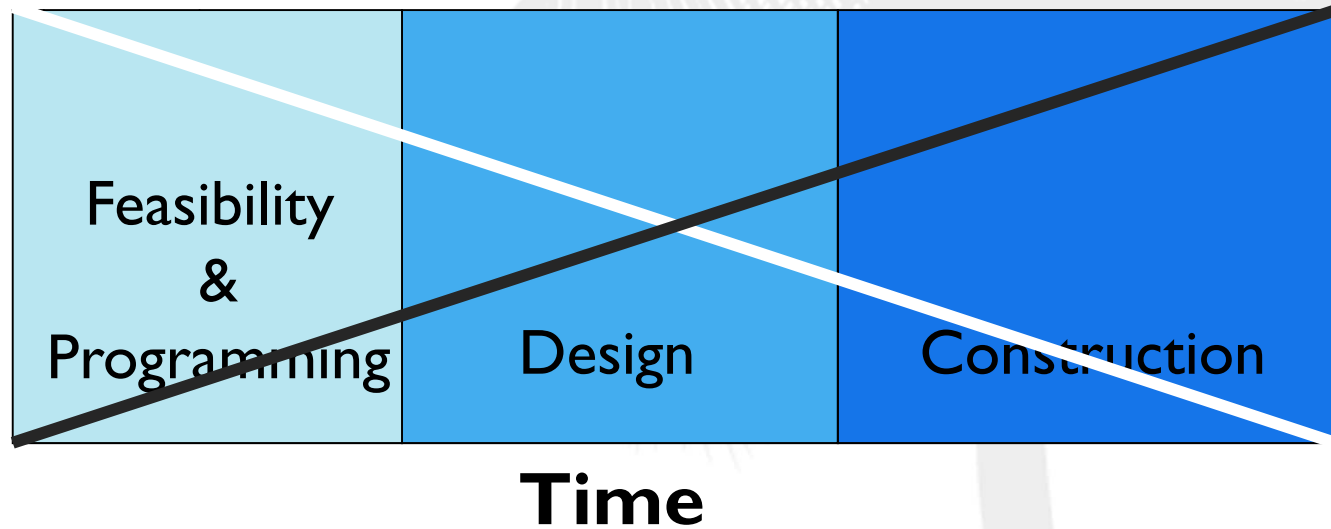


RISK MITIGATION

Time = \$

*Decision
Making Ability*

*Cost of
Changes*



RISK MITIGATION

Building Program

- ◆ Facility Spaces
 - ◆ Childcare – memberships & staffing
 - ◆ Lockers – revenues & service delivery
 - ◆ Event amenities
 - ◆ Parking
 - ◆ Weight & fitness – memberships & user satisfaction
 - ◆ Facility capacity – enrollment growth



How do you execute a Business Plan?

EXECUTION

- ◆ Peer reviews
- ◆ Administrative approval
- ◆ Monthly report



WRAP-UP

- ◆ Case Statement
- ◆ Market Context
- ◆ Operating Paradigm
- ◆ Organizational Structure
- ◆ Marketing Plan



Q&A

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