Business Planning Session
On our way to the future!

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Introductions/Expectations

• About Sam Albrecht, CAE
Approach

• Why business planning?
• Survey data
• Alignment
• What a business plan is not
• About business planning
• Resources
“If you always do what you’ve always done, you’ll always get what you’ve always got.”

- Henry Ford
Why is a Business Plan Important?

By Steven D. Peterson, Peter E. Jaret, and Barbara Findlay Schenck from Business Plans Kit For Dummies, 4th Edition

Nearly all business experts agree on one thing: the importance of drafting a business plan. Yet plenty of companies plunge into the competitive arena without a formal plan. Why? We’ve heard plenty of excuses posing as reasons.

A lot of new businesses are carried away and figure their passion and optimism are enough to build a successful company. Others say they were just too busy to develop a formal business plan. But operating without a plan can prove even more time-consuming in the long run.
The benefits of having a business plan

The time you invest in your business plan will pay off many times over. Some of the most obvious benefits you can gain from business planning include

• An opportunity to test out a new idea to see if it holds real promise of success
• A clear statement of your business mission and vision
• A set of values that can help you steer your business through times of trouble
• A blueprint you can use to focus your energy and keep your company on track
• Benchmarks you can use to track your performance and make midcourse corrections
• A clear-eyed analysis of your industry, including opportunities and threats
• A portrait of your potential customers and their buying behaviors
• A rundown of your major competitors and your strategies for facing them
• An honest assessment of your company’s strengths and weaknesses
The benefits of having a business plan (2)

• A roadmap and timetable for achieving your goals and objectives
• A description of the products and services you offer
• An explanation of your marketing strategies
• An analysis of your revenues, costs, and projected profits
• A description of your business model, or how you plan to make money and stay in business
• An action plan that anticipates potential detours or hurdles you may encounter
• A handbook for new employees describing who you are and what your company is all about
• A résumé you can use to introduce your business to suppliers, vendors, lenders, and others
What can go wrong without a business plan

The many benefits of having a business plan should be enough to convince you. But in case you’re still wavering, consider what can go wrong if you don’t take time to plan. You risk

• Running out of cash before you open your doors because you haven’t anticipated your start-up costs

• Missing sales projections because you don’t really know who your customers are and what they want

• Losing customers because your quality or service falls short

• Becoming overwhelmed by too many options because you never took the time to focus on a mission and vision for your company

• Going bankrupt because you don’t have a rational business model or a plan for how to make money
Q1: Does your center have a business plan?

Answered: 34  Skipped: 1

Yes

No

I don't know
Q7: What ratio of time do you spend on "operations" versus "strategy or strategic thinking"? Please pick the option that most closely approximates your answer.

Answered: 35   Skipped: 0
Plan, Align, Execute, Review
Alignment

- The plan must be in writing
- The goals must be clear
- The goals must be measurable
- It must add value to your organization
- It must put the pieces together
The Planning Process

Where Are We Now?
“Situation Analysis”

Where Are We Going?
“Mission, Vision, Goals & Objectives”

How Are We Going To Get There?
“Strategies & Action Plans”

How Will We Know We Have Arrived?

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THE BUSINESS PLAN

1. EXECUTIVE SUMMARY
   a one page nutshell
   your mission, your vision, your purpose

2. TARGET MARKET
   who are your products/service intended for?
   send a survey to gather demographics, interests + budgets

3. COMPETITORS
   define your competitors - their strengths + weaknesses
   determine your competitive advantage - why are different?

4. HUMAN RESOURCES
   will you need additional staff to run your business?
   what will you pay them? how much experience? what skills do you they need to have?

5. VENDORS/SUPPLIES
   will you require outside sources or projects to operate?
   what about supplies that you will be using on a regular basis?

6. MARKETING PLAN
   how will you get your products/services in front of ideal clients?
   how will you communicate your message?

7. OPERATIONS
   how are you going to run your business?
   determine the most efficient way to get the job done

8. FINANCIAL PROJECTIONS
   how much money do you need to start/run the business?
   determine the profitability of the company
Do you have a business plan?
Budgets 201

Cash or accrual

Cash flow
- Income & expenses
  - Think about big items
  - Think about timing (quarterly payroll taxes, lease payments, etc.)
  - Think about seasonality and break weeks
- Budget versus actual

Depreciation

Capital budgeting
- Does it make sense ($$$) to buy a new piece of equipment/horse/arena/location/truck?
- Plan for new equipment/capital – horses, trucks, roofs, etc.

Budget analysis
- Revenue types
- Major expense types
- Contingency?
What gets Measured Gets Done
Objectives must be graphable

- Income/Expenses/Net
- By month!
- Compared to budget
- Compared to previous year(s)
How to measure

• How close/far are we from our target?
  • Why?
  • How can we do better next year?

• How do we compare to others? (benchmarking)
  • Why?
  • How can we do better next year?
Measurement Examples

- Average number of lessons per participant
- How long do your volunteers stay
- Fundraising revenue/expenses/net
- Total equine cost
  - Cost per equine
- Program revenue per equine
Measurement Examples

- Revenue Sources

- Federal
- Foundations
- Fundraisers
- In-Kind
- Individual Donations
- Participant Fees
- State
- United Way
- School/University
Program revenue per equine

18 centers with revenue from $34,000 to $762,000

• Average: $4,751
• Low: $1,612
• High: $9,409
Pipeline Management

• Participants
• Volunteers
  • Board
  • Lesson
  • Others
• Staff
• Equines
This is not a business plan
What a Business Plan is NOT

• The answer to Life, the Universe, and Everything
• A Strategic Plan
• A static document
  • (Think annual updates)
• A bookend
Where to get one

1. Do it yourself
2. Hire an expert
3. Find an intern
4. Have a volunteer do it
   ◦ Board member
   ◦ SCORE
   ◦ Pro bono management company/consultant
   ◦ LinkedIn, United Way, AARP
Resources

1. Business Plan Templates:

2. How to Start an EAAT Center/Program (PATH Intl.)


How to Start an
EAAT Center/Program
What Every Successful Entrepreneur Knows

The E-Myth Revisited

Why Most Small Businesses Don’t Work and What to Do About It

MICHAEL E. GERBER
The World’s #1 Small Business Guru
"Slim" Moorehouse driving 36 horses drawing 10 wagon loads of Marquis wheat en route from Gleichen to Calgary Stampede July 1925
Thank You!
Questions?