Centennial Hills Active Adult Center

Business Plan

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Progression of memberships sold

NOTE: Memberships run 12 months. Above numbers reflect the number of 12 month memberships sold during the above time periods. Total membership at beginning of project was 3,200. Source: (R. Fuller, personal communication, 7-21-10)
Develop a business plan for the City of Las Vegas Centennial Hills Active Adult Center (CHAAC)

That will...
Overview of Objectives

- Sustainability
- Efficiency
- Cost Recovery
Our group administered a 12 question survey instrument to seniors that attend CHAAC.

Based on a membership of 3,200 seniors, a sample size of 343 was needed for a CI +/- 5 at a 95% confidence level.

Our group administered the surveys on 16 separate occasions.

To ensure that a random selection of seniors were sampled, days and times were randomly selected from a hat containing all possible days and hours of operation.

We obtained 339 responses for a CI of 5.03.
Of the 243 respondents who favored an increase in membership fees, 58% prefer an increase of $12, 18% prefer $22, 14% prefer $33, and 10% prefer $43.
18-question interview instrument administered to all sample agencies

Interviews were conducted with senior center (senior program) administrators from five different cities

The selection of local cities was based on proximity to Las Vegas and viewed more as competitors. Phoenix and Salt Lake City were viewed more as benchmark comparisons
<table>
<thead>
<tr>
<th>Model</th>
<th>CHAAC</th>
<th>Boulder City</th>
<th>Henderson</th>
<th>N. Las Vegas</th>
<th>Phoenix</th>
<th>Salt Lake City</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social</strong></td>
<td><strong>Social</strong></td>
<td>Business</td>
<td><em>Social</em></td>
<td>Social</td>
<td>Social</td>
<td>Social</td>
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<tr>
<td>Membership fee</td>
<td>$2</td>
<td>$12</td>
<td>$2</td>
<td>$3</td>
<td>$10 – R</td>
<td>$0</td>
</tr>
<tr>
<td>$20 – N.R</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Classes subsidized, Break-even, or profit generators</td>
<td>Varies</td>
<td>Break-even</td>
<td>Some b-e; some subsidized</td>
<td>Subsidized</td>
<td>Rarely b-e; most are subsidized</td>
<td>Subsidized</td>
</tr>
<tr>
<td>Most popular class</td>
<td>Fitness</td>
<td>Bingo or drama</td>
<td>Arts &amp; crafts</td>
<td>Aerobic</td>
<td>Not answered</td>
<td>Not answered</td>
</tr>
<tr>
<td>Most profitable class</td>
<td>Fitness</td>
<td>No classes make money</td>
<td>Trips</td>
<td>None</td>
<td>Recreational, fitness &amp; computer</td>
<td>Not answered</td>
</tr>
<tr>
<td>Least profitable class</td>
<td>Variety of classes</td>
<td>N/A – non profit</td>
<td>Not answered</td>
<td>N/A</td>
<td>Yoga or Tai Chi</td>
<td>N/A</td>
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<tr>
<td>Marketing strategies</td>
<td>Quarterly publication &amp; monthly newsletter</td>
<td>Word of mouth; BC TV; Networking</td>
<td>Comm Mag: “Henderson Happenings”</td>
<td>Quarterly brochure; Monthly newsletter</td>
<td>Networking; Outreach; News letters &amp; papers</td>
<td>Not answered</td>
</tr>
<tr>
<td>Toughest challenge</td>
<td>Economy</td>
<td>Getting $ for meals program</td>
<td>Attract 3 age groups in 1 Bldg</td>
<td>Budget reductions</td>
<td>Economy</td>
<td>Not answered</td>
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<tr>
<td>Business plan</td>
<td>In progress</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Not answered</td>
</tr>
</tbody>
</table>

*Contains elements of both social & business model; ** Trying to transition to a business model*
Increase low cost recovery rate to 15% at the CHAAC
Increase annual membership fees from $2 to $17.

$17 \times 3,200 = 54,400 \text{ (which meets cost recovery goal)}

58\% \text{ of members support an increase to }$12$

18\% \text{ of members support an increase to }$22$
Challenge

Inequitable partnership with the YMCA
Recommendations

- Develop new memorandum of understanding
- Better marketing of amenities of YMCA to promote increased memberships at CHAAC
Challenge

Underutilized facility such as ...

Multi-purpose rooms

State-of-the-art ‘teaching kitchen’
Recommendations

- Maximize use of CHAAC’s kitchen
- Regularly administer surveys to identify the changing desires of current members
- Consider opening on weekends and evenings for special events, (i.e. political, community, churches, etc.)
- Increase transportation to and from the CHAAC
- Increase marketing
Lack of diversity of revenue streams
Recommendations

✓ Train employees how to write grants.
  ✓ “There are more than 1,000 federal grant programs, with grants totaling $400 billion annually” (Gerding, 17).

✓ “There are about 700 community foundations nationwide, with assets of approximately $35 billion, awarding grants of more than $2.6 billion” (Gerding, 18).

✓ Obtaining grants can be large source of revenue for agencies. However, “Federal grants involve a very complicated application process” (Gerding, 17).

♦ LOCAL EXAMPLE: Henderson just finished a grant for $300,000 with the Center’s for Disease Control.
Lack of a strategic plan to balance social model and business model objectives and protect against political pressure
Recommendations

- Develop plan in collaboration with community and city officials
  - Goals
  - Objectives
  - Performance Measurements
  - Link to budget
Concluding Comments

- Change in price structure
- Increase emphasis on data collection and marketing
- Strategic plan
- New Memorandum of Understanding with YMCA
- More efficient scheduling
- Increase transportation availability
- Increase alternate funding
Concluding Comments

- It all comes down to....
- Increasing membership
- Asking members to share more of the cost
Thank you

Are there any questions?
References

