

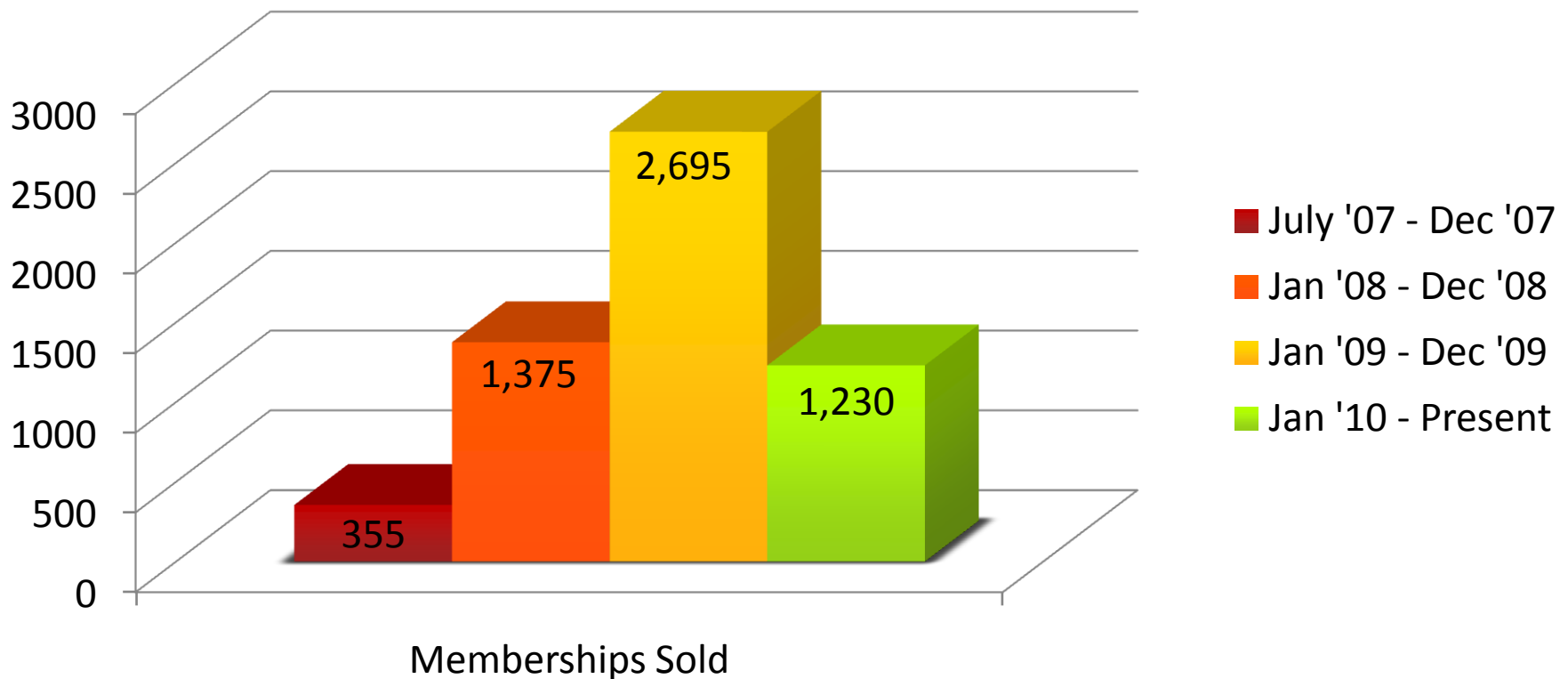


# Centennial Hills Active Adult Center

## Business Plan



# 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)

# Project Purpose

- Develop a business plan for the City of Las Vegas Centennial Hills Active Adult Center (CHAAC)

That will...

# Overview of Objectives



➤ Sustainability

➤ Efficiency

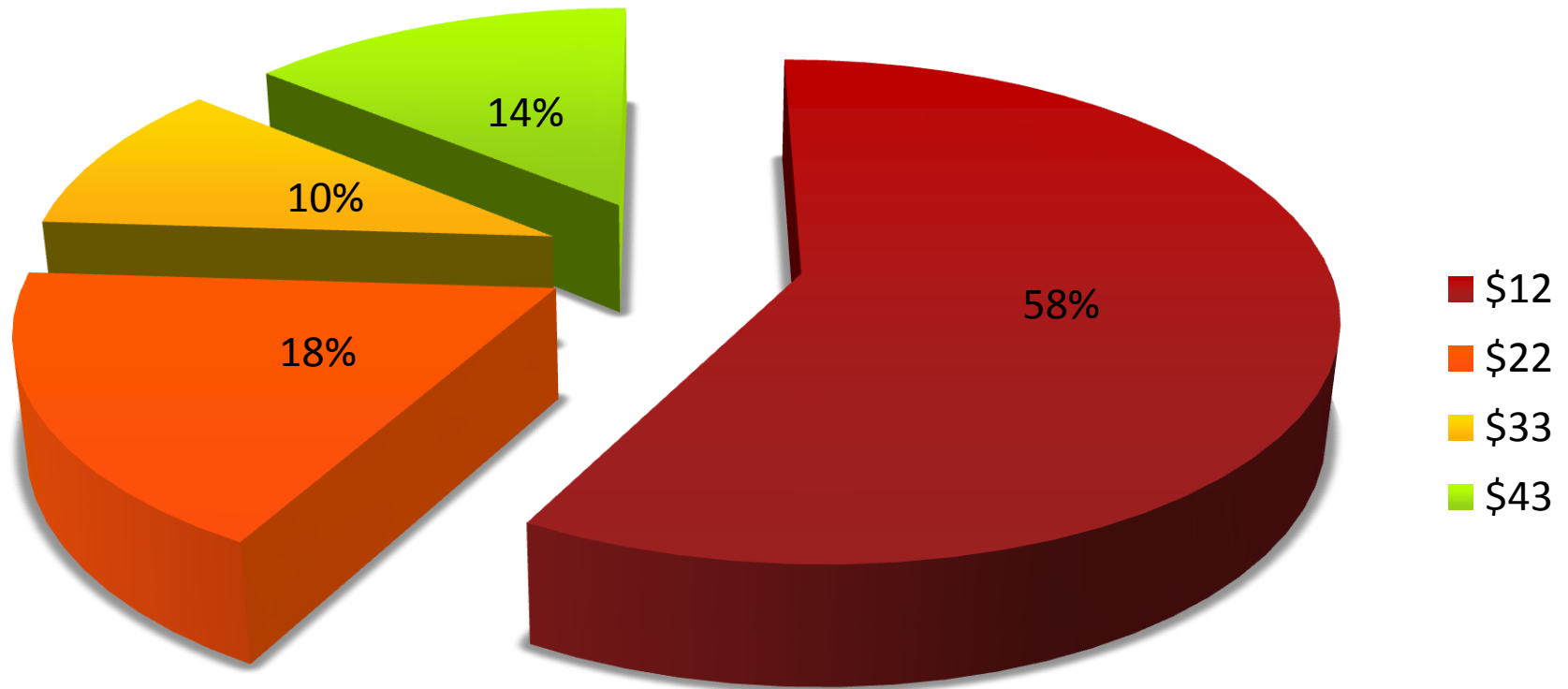
➤ Cost Recovery

# Research Methods

- 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

# Research Findings

Of the 243 respondents who favored an increase in membership fees



# Comparison Cities

- 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

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

\*Contains elements of both social & business model; \*\* Trying to transition to a business model



# Challenge

- Increase low cost recovery rate to 15% at the CHAAC

# Recommendations

- ✓ Increase annual membership fees from \$2 to \$17.
  - ✓  $\$17 \times 3,200 = \$54,400$  (which meets cost recovery goal)
    - ✓ 58% of members support an increase to \$12
    - ✓ 18% of members support an increase to \$22

# Challenge



l n e q u i t a b l e  
p a r t n e r s h i p   w i t h  
t h e   Y M C A

# 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

# Challenge

➤ 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.



# Challenge

- 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

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Henderson, C. (1998). Today's affluent oldsters: Marketers see gold in gray. *The Futurist*, Vol. 32, No. 8, pp. 19-23.

Gerding, S. (2008, November). Tips and Resources for Finding Grants. *Online*, Vol. 32, No. 6, pp. 16-21.