

NCS Capacity Building Project

Business Planning Workshop

Session 2

Business plan
concept, objectives &
components

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Our learning process

Awareness

Envisioning



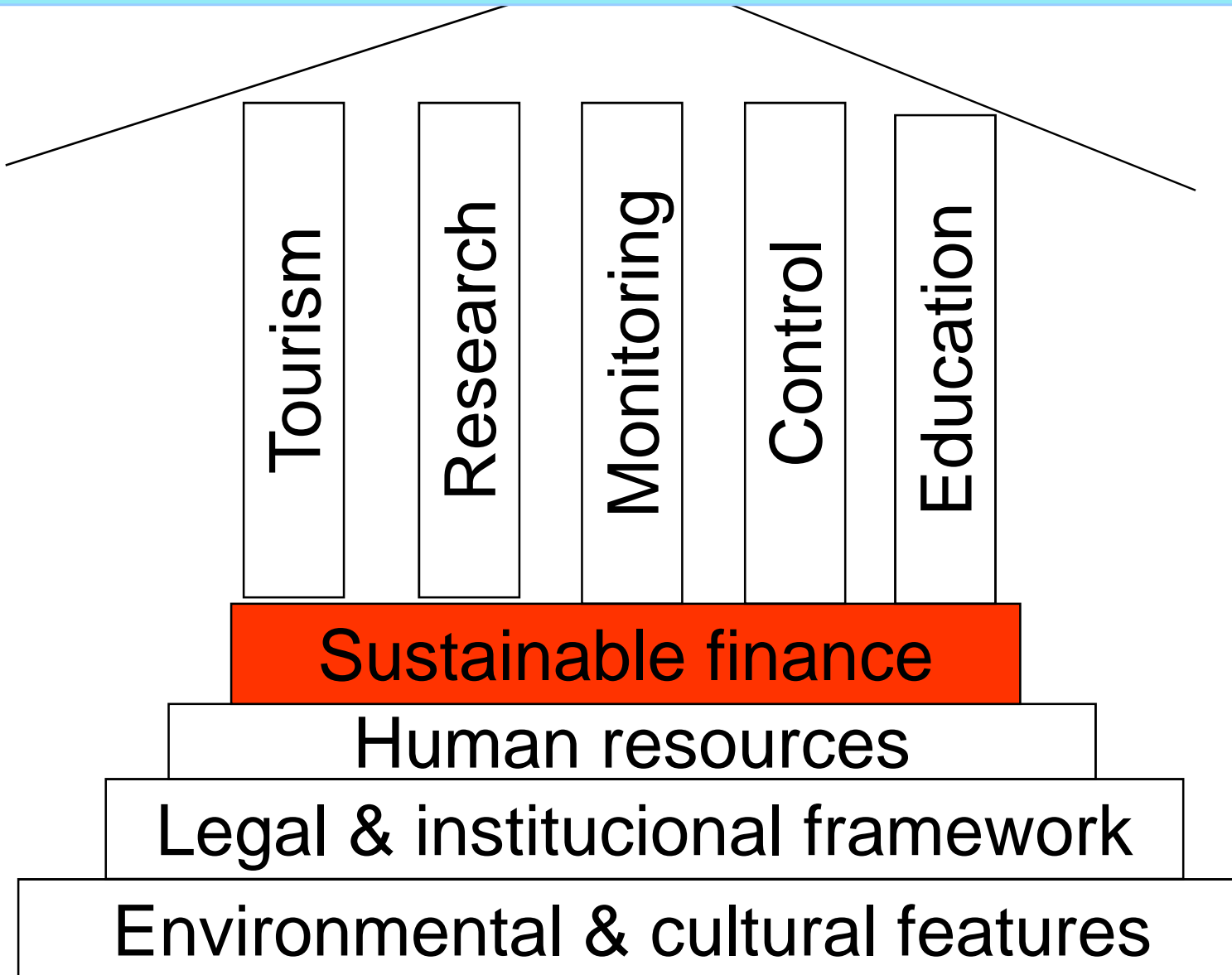
Architecturing

Business Planning Workshop**Exercise 1**

Please provide a rating for each of these statements; 0 means that you don't know or strongly disagree; 5 that you know or strongly agree

	0 = Strongly disagree			5= Strongly agree		
	0	1	2	3	4	5
You feel comfortable/ prepared enough to deal with PA financial sustainability issues						
You know what is the current budget of your PA						
You think your PA receives enough resources for its activities						
You know exactly how much money you need to improve conservation in your PA						
You have ideas on how to improve your PA financial situation						
Other stakeholders are aware of your financial limitations						
Your PA currently implements activities to improve its financial situation						
You think that funding and resources are important for improving PA conservation						
The financial situation of your PA will be better in the future						

The last species to arrive



Business plan definition

PA management gets more complex with time. The speed and extent of current challenges and trends for its conservation, pushes the PA towards new approaches to catch up with its dynamic nature.

BP translates the complexity of current management tools into a comprehensive sequence of programs and activities, identifying necessary resources, and potential alternatives to ensure their availability.

Business plan definition

Most commonly use tool to educate and attract investors in the private sector.

Tool to increase investment by the public, by governments, or by interested philanthropies.

Funding shortage is capacity driven; practices and tools from private sector could be useful for the conservation sector to further advance in the consolidation and strengthening of PA Systems.

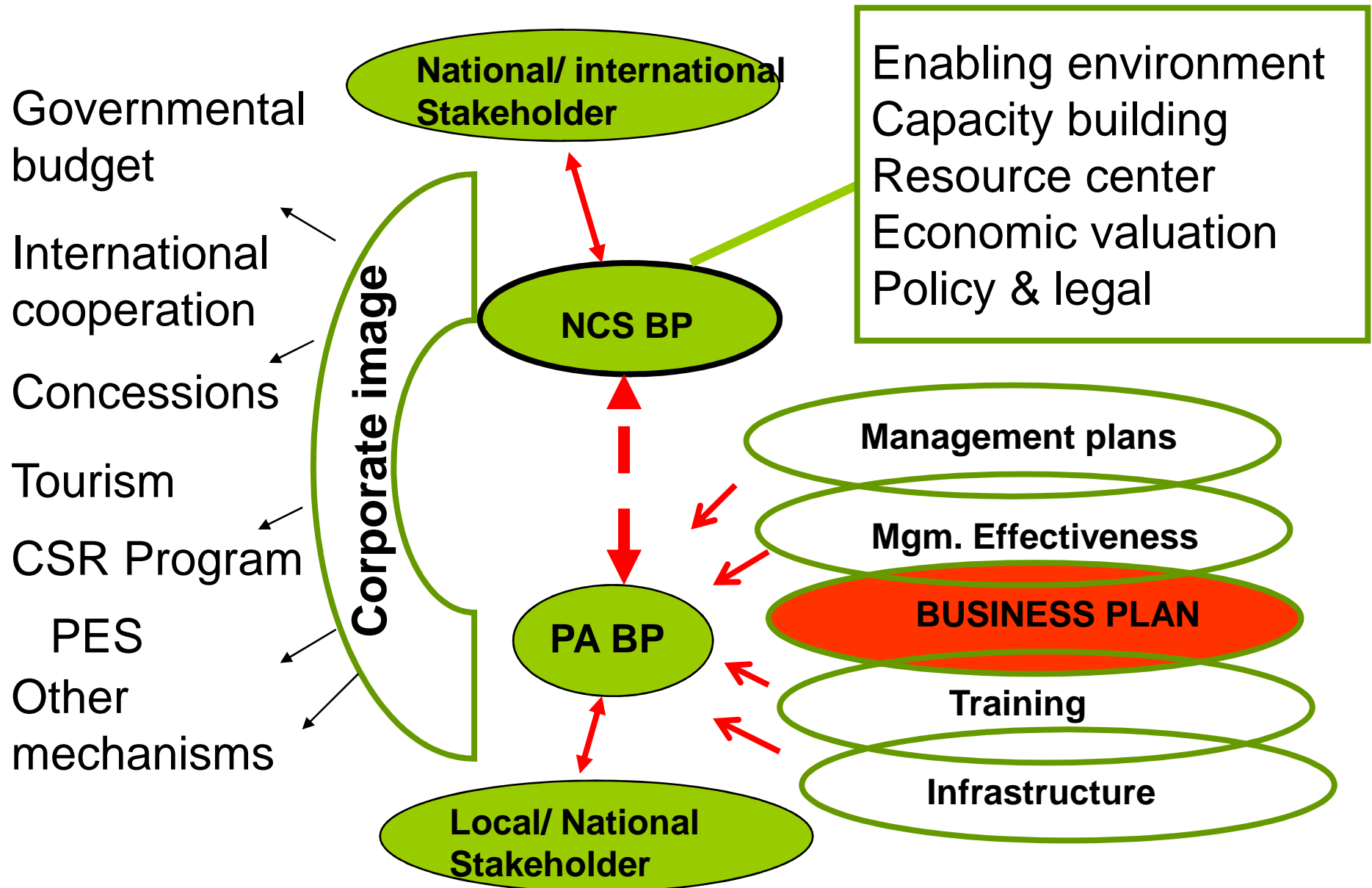
Business plan definition

Integrated effort to ensure long term and stable funding to meet PA management objectives.

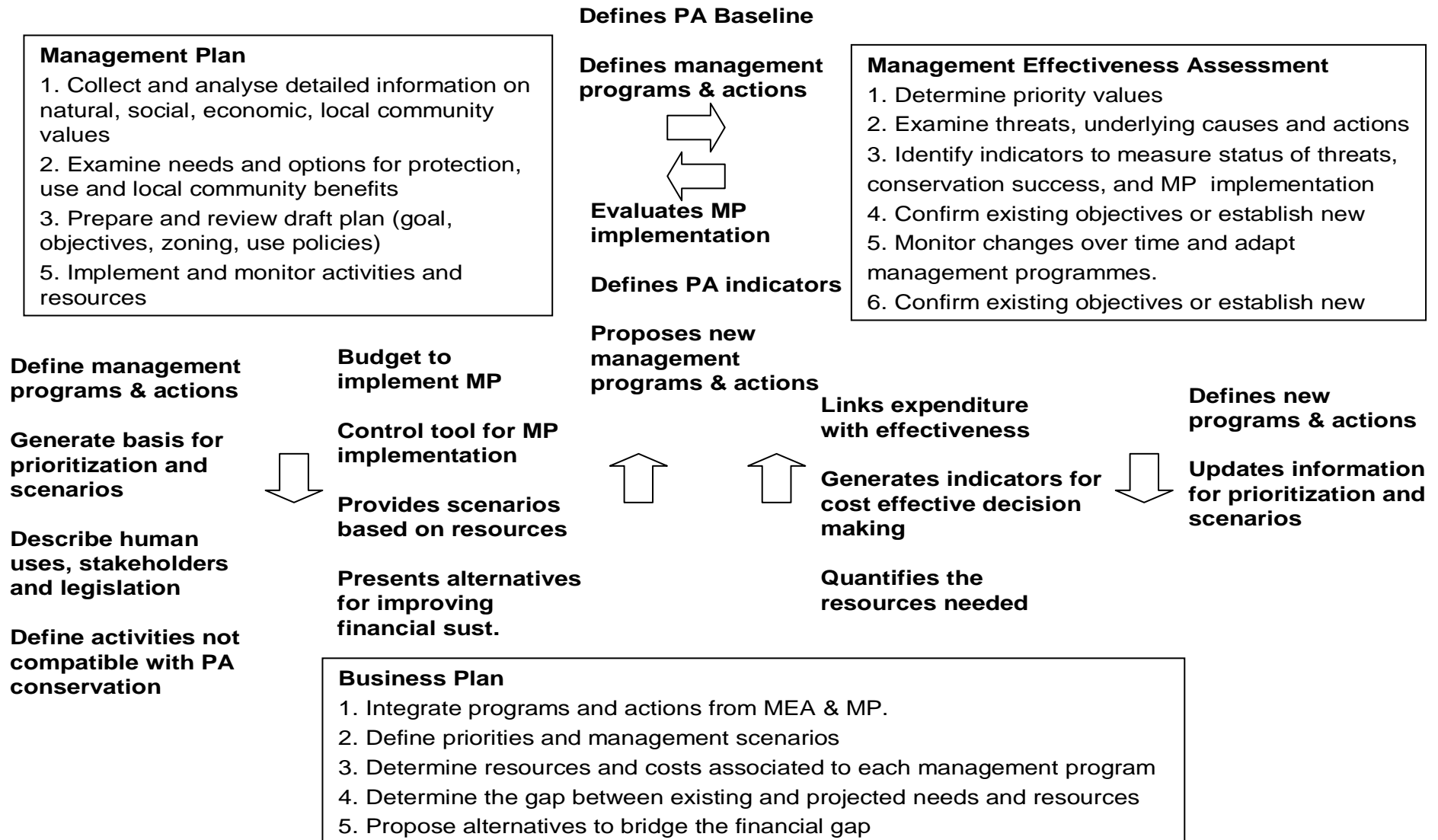
Complements current management tools such as management plans and effectiveness assessments.

Conservation might be an abstract issue for many decision makers; we need to introduce them to relate it with resources and financial needs

Capacity building integrated effort



Capacity building integrated effort



Business plan definition

PA provide real economic benefits to individuals and society as a whole. These contributions are often neither fully recognized, nor compensated.

Lack of resources for conservation diminished the value of the natural capital we custody.

Egypt's PA system might not be taking full advantage of opportunities to improve its finances and generate additional revenues.

Business Plan Objectives

Improve managerial capacities, effectiveness and control over PA activities.

Attract, retain and increase investments by public, non governmental and private actors.

Complement and facilitate the operation of current management tools, such as management plans and effectiveness assessments.

Guide investments and prioritize resource allocation to PA.

BP critical success factors

BP is a process not a document; it must be considered as an integral part of capacity building efforts for PA System in Egypt.

Not intended for profit making, but to improve PA management and ensure the necessary resources to fulfill its objectives.

Investment and re-investment (milky cows/ egg and chicken cases).

Subsidiary across the system.

Business plans: 4 basic questions

Why is this PA important and what are we doing for its conservation?

What is the PA's current financial situation and future needs?

What opportunities are there for improving PA's current financial situation?

Who and how will the business plan be implemented?

Business plans 4 components

General description of the PA

Financial analysis

Financial Strategy

Business Plan implementation

General description of the PA

General description of the PA

This introductory part of the BP with the objective to communicate the PA's importance and relevance, its key resources, and the programs and activities currently undertaken by PA managers.

This component should be brief and not abundant in detailed information; it presents the context and raises awareness for the financial analysis.

Outline		Suggested Content	Sources of information/ responsibles	# Pages
i	Manager's Foreword	Introduction to document's purpose and objectives	To be prepared by RM Manager	1
ii	Executive Summary	Resumes PA relevance, financial needs and opportunities.	Last task of BP Team to be prepared at the end.	2
1	Protected Area Overview	General description of PA and its features. PA facilities; PA map; Contact and travel info.	Management Plan Natural, cultural, and historic features; Conservation category. Personnel PA map and zoning. Contact and travel info. Photos	3
1.1	PA uniqueness/relevance	One page description highlighting its uniqueness, the most important values for nature conservation and human development.	Threatened and endangered species, fragile ecosystems; Benefits to local people and economy. PA Economic valuations Number of beneficiaries/ visitors, employment, benefits to national economy	1
1.2	PA Programs and actions	Mission statement; Enabling Legislation; MP programs, priorities and projects.	Mission statement. PA strategies, programs and major actions. Functional area charts Operational and investment priorities. Management Plan, Management Effectiveness Assessment	2

Financial analysis

Financial analysis

Presents historic information regarding PAs revenues and expenditures.

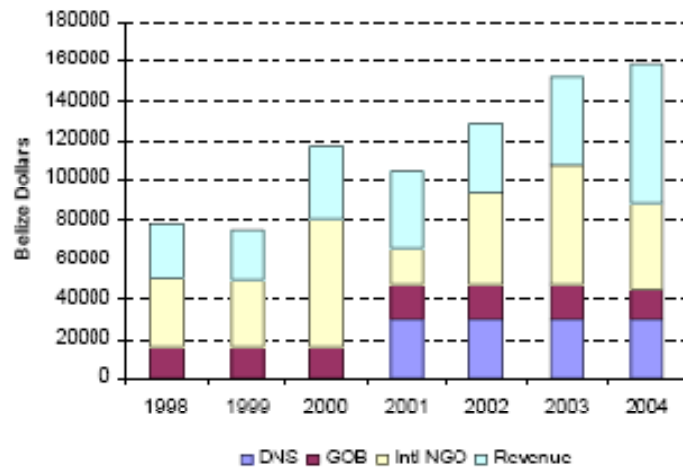
This component is vital for the BP, since it communicates and justifies the need for additional funding and support for the PA.

Introduces the readers to understand the gap between the current financial situation, and what it takes to run a PA properly.

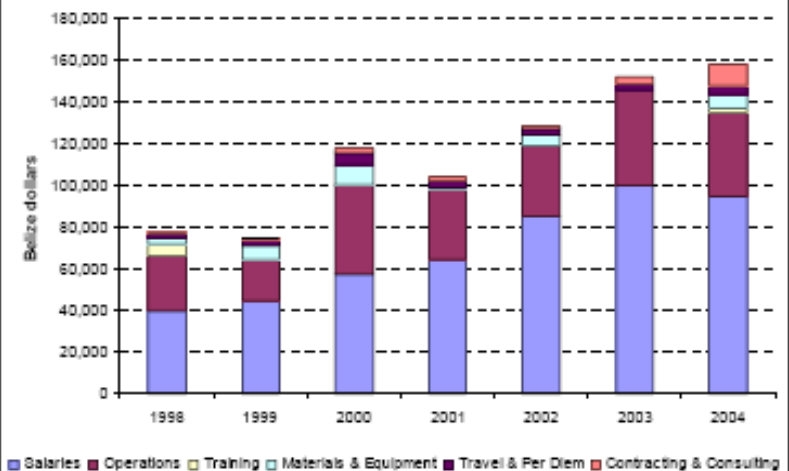
Outline		Suggested Content	Sources of information/ responsibles	# Pages
2	Financial analysis	Resume the most important findings of the component. Present the financial gap.	To be prepared by BP team at the end of the chapter	1
2.1	Expenditure	Historic funding & budgets Inventory of equipment, infrastructure and vehicles.	Base budget (2002-2006) Park inventory (buildings, vehicles, equipment, etc). Funding sources history (2002-2006). Expenditure history (2002-2006).	2
2.2	Revenues	All current sources of revenue, and how are they used.	Total revenues from all current funding sources (entrance fees, international cooperation, concessions, penalties, etc). Visitation trend (# of visitors nationals and foreigners)	2
2.3	Financial Needs Assessment	Three scenarios (baseline, basic, ideal) for each management program.	PA workshop Management plan Management effectiveness assessment	4

Financial analysis

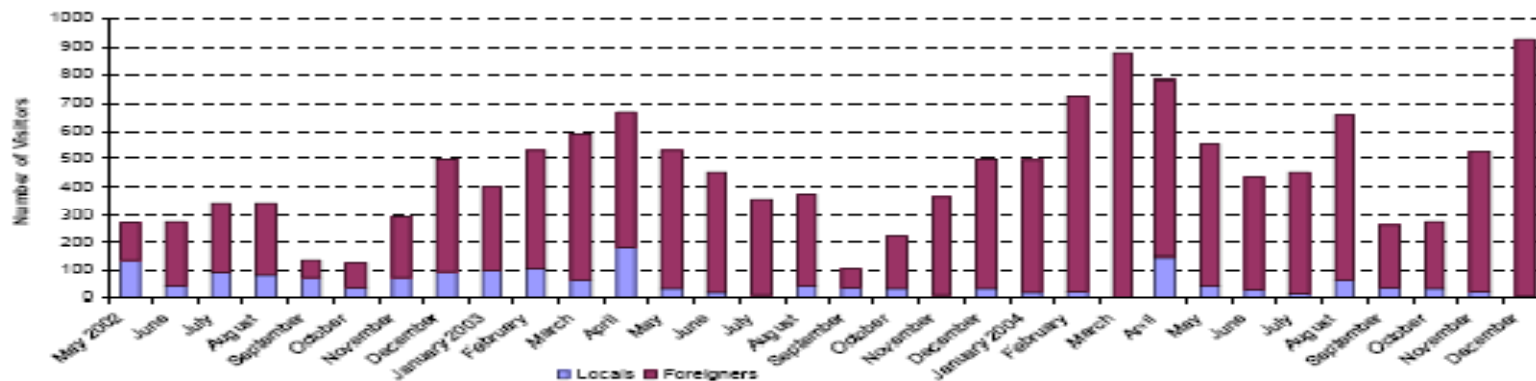
**St. Herman's Blue Hole National Park
Historical Funding by Source**



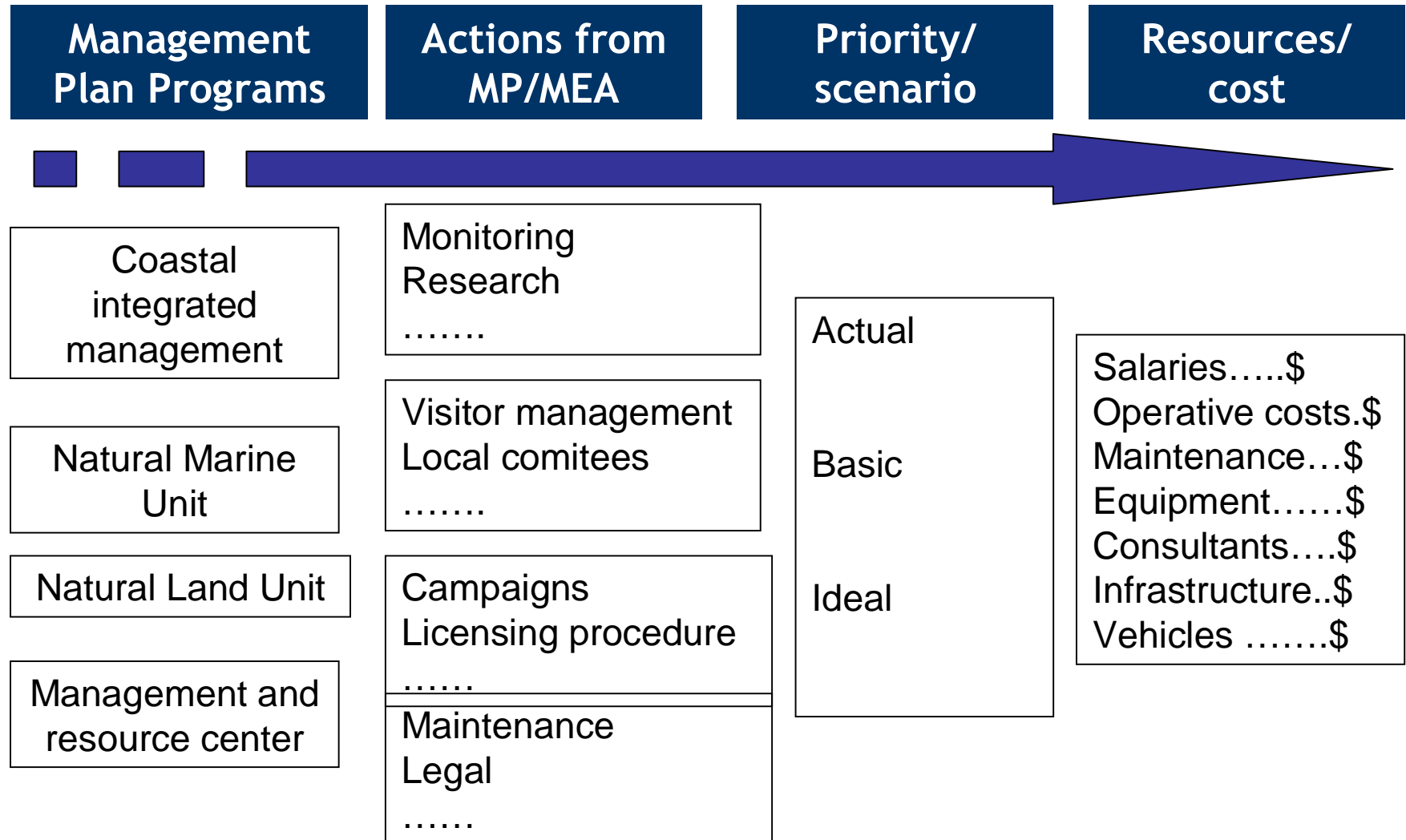
**St. Herman's Blue Hole NP
Historical Expenditures by Category**



**Laughing Bird Caye National Park
Foreign and Local Visitors to LBCNP**



4 steps to assess financial needs



Financial Strategy

Financial Strategy

This component presents the different alternatives to bridge the financial gap.

Describes the potential sources for additional income considering improvements and adjustments to current self generating activities, as well as new opportunities that might be available to improve PA`s financial situation.

This component must reflect a menu of options to the PA, considering its feasibility in terms of political, legal and capacity constraints

Outline		Suggested Content	Information needs	# Pages
3	Financial Strategy	Business opportunities overview	To be developed by BP team	1
3.1	Portfolio of alternatives and priorities.	All financial alternatives identified in the process, a barrier analysis and its prioritization.	Description of all current sources of funding Mechanisms in place to operate funding sources, and ideas on how to improve them. Potential new sources assessed or proposed by PA staff or others. Economic valuations prepared for the PA (Coral reef valuation); number of beneficiaries, employment, benefits to national economy	2
3.2	Product analysis	Concept & Market description, market share, price, services distribution, promotion channels, operative structure financial projections	Market intelligence and research Selected products and alternatives Tourist surveys, profiles. Interviews with major stakeholders Operation needs and costs Financial projections	8
3.3	Marketing Plan	Strategic approach towards PA and product marketing.	Target groups, prices, product, and promotion.	3

Ras Mohamed Stakeholders

EEAA

Sth. Sinai Governorate
Tourist Development
Authority

Ministry of Interior

Gnral. Organization for
Roads and Bridges

City Council

Fisheries authorities

Coast guard

Local/National NGO's

International NGO's

Local Communities

Universities

Petroleum companies

Hotels, boat owners

Tourism operators

Tourist Guides

Fishermen association

RM financial menu

Improve ticket collection:

Local and Tiran sector
Increase visitor fees
Increase antennas
concession

Create new fees:

Auction for visitation sites
in high season
Create camping fee
Tourist guides and
fishermen
EIA monitoring and
supervision
Bird watching fees
Rent of laboratories and
facilities
Sport fishing (catch &
release)

Create new concessions:

Cafeteria
Gift shop)
Corporate sponsorship
programs
Tourist donation program
Diving center
Ecolodge
Underwater tunnel
Beduin camp
Aquarium

Products:

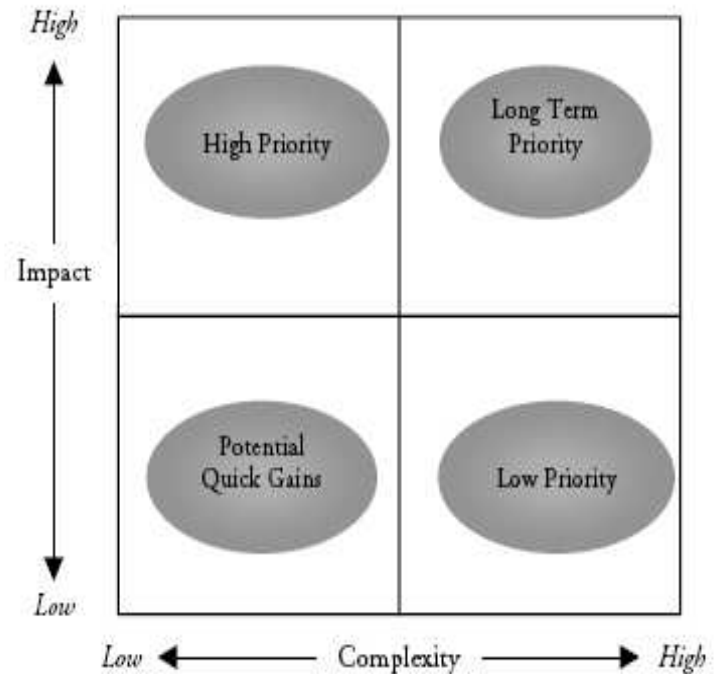
RM T- shirts, hats, etc
Research information,
maps, specialized
publications
Divers batch/ bracelet

Special programs:

Corporate social
responsibility program
Partnerships with
universities for monitoring
and research
Diving centers monitoring
support
Eco challenges
Adopt a coral reef
Tourist donations program
Coral and shore line
garbage collection
Online donations

Portfolio priorities and product design

	Feasibility (1 -3)				
	Legal	Political	Capacities	Invest.Return	Priority
Improve ticket collection (Tiran Islands)					
Increase visitor fees					
Create camping fee					
Concession of current infrastructure (cafeteria, gift shop)					
Corporate sponsorship programs					
Tourist donation program					
License/ fee tourist guides and fishermen					
Fee for EIA monitoring and supervision					
Partnerships with universities					
Rent of laboratories and facilities					
Ecolodge					
Target penalties					
Increase antennas concession					
Auction for visitation sites in high season					
Marine live catalogs, specialized publications					



MARKET ASSESSMENT

Target group
Size of the market
Market characteristics
Consumer behavior
Willingness to pay
Decision triggers
Competition
Promotion



PRODUCT DESIGN

Concept
Market share
Price
Services
Distribution
Promotion channels
Structure
Financial projections

Business Plan Implementation

Business Plan Implementation

The last step of the process involves the operative details and description of major responsible and the necessary arrangements that need to be accomplished to realize the business plan.

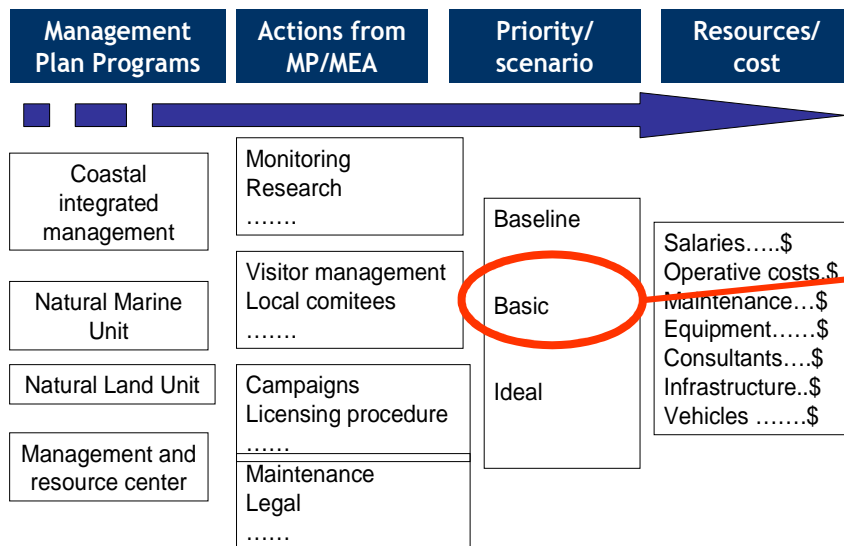
Special attention to detail will be required since this chapter envisions the whole operation and describes the necessary steps needed to implement the business plan

Outline		Suggested Content	Information needs	# Pages
4	Business plan implementation	Implementation team; operational arrangements, critical success factors and timeframe.	To be developed by BP team	1
4.1	Operational arrangements	Structure and means to accomplish the desired goals; Promoter's group, partners, and other support to BP; Implementation schedule	Operational functioning, team in charged, and staff support him. Barrier analysis Formal arrangements with key stakeholders and implementation partners	1

Barriers and opportunities for RM BP

Barriers	Opportunities
Reinvestment and revenue retention	Number of stakeholders directly benefiting from PA services and goods.
Concessions and fees not technically Determined	International recognition of RM's biodiversity
RMNP subsidizes tourism activities	Future UNESCO Natural Heritage
Low sense of service for the visitor fee	EU project and others (GEF)
Low collaboration from other gov. agencies.	Existing NGO's and committed Stakeholders
No management plan	World's top ten diving destination
Perception of low presence from PA Personal	Integrated management with other PA's
No clear responsible for BP preparation and implementation	RM recognition among stakeholders, and leadership to mobilize them.
No mechanism in place to receive donations directly	Good infrastructure and

4 steps for the Financial Needs Assessment



Ras Mohamed National Park	
Financial Needs Assessment	
Land Unit	
Interview: Said	

Actions Basic scenario	Resources needed	
Integrated pollution control plan (garbage collection system improvement)	Human Resources	1 manager + 6 researchers + 4 assistances + 1 interpretational officer + 1 audiovisual specialist for show room + well trained doctor on EFR+ 10 Bedouins for garbage collection
Stakeholders collaboration strategy (especially tour operators,...)		
Carrying capacity and human use plan (study conducted 2001, needs review and update)	Equipment	4 GPS total; 1 distance measurement tool + 8 binoculars + 2 telescopes + + 3 camera traps + 2 quadrates+ 1000 marking tools + 12 uniforms per year + pair of boots + 2 mobile phones 3 first aid kit + 10 package per year gloves & masks +11 Swiss knife + camping set 6 person (sleeping bags, tent + mats, bags, lights= 2000 per person) + 1 generator (1000 watts; 2500) +1 more show room of 20 person capacity - 2 touch screen computers - 2 shops for selling Bedouins products and herbs
Enhance public awareness and environmental education for locals, tour operators,)		
Enhancing training of staff; Establishing continuous courses for training for all people dealing with natural resources		
Developing monitoring methodology and techniques specially for visiting sites	Professional Services (studies, plans)	preparing 2 different training programs 1 for schools + 1 for universities and high educational (4 months); developing of RM website to the level presenting all data about dive and visiting sites (5 months); 1 training per year per person (1 week 11 people; 1000 per

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 Tourist Development Authority
 Ministry of Interior
 Gnral. Organization for Roads and Bridges
 City Council
 Fisheries authorities
 Coast guard

EU Program
 Local/National NGO's
 International NGO's
 Local Communities
 Universities
 Petroleum companies
 Hotels, boat owners
 Tourism operators
 Tourist Guides
 Fishermen association

RM financial menu

Special programs:
 Corporate social responsibility program
 Partnerships with universities for monitoring and research support
 Diving centers monitoring support
 Eco challenges
 Adopt a coral reef
 Tourist donations program
 Coral and shore line garbage collection
 Online donations

Products:
 RM T- shirts, hats, etc
 Research information, maps, specialized publications
 Divers batch/ bracelet

RM financial menu

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Product design

MARKET ASSESSMENT

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Market share
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Distribution
Promotion channels
Structure
Financial projections

Implementation Strategy

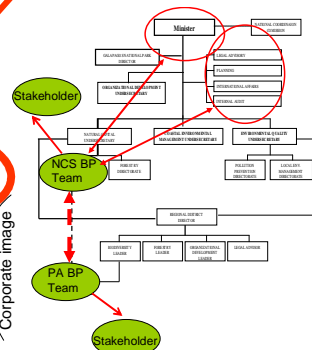
PA BP Team
NCS BP Team
Relevant Stakeholders

NCS system to allow in kind contributions;
Procedure to approach corporations;
Cap building for sales & distribution;

CSR Program

Cafeteria concession
Online donations

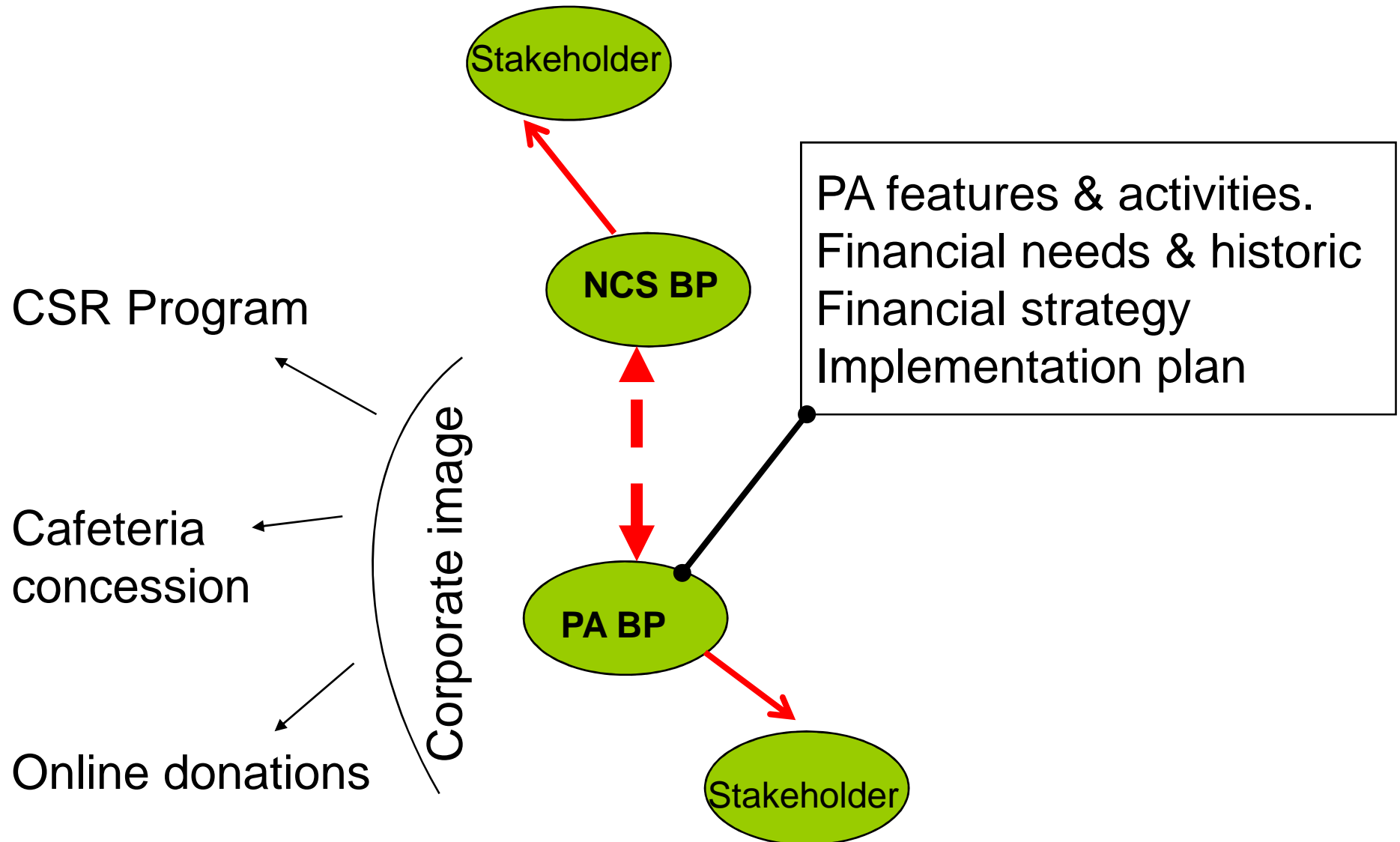
Corporate image



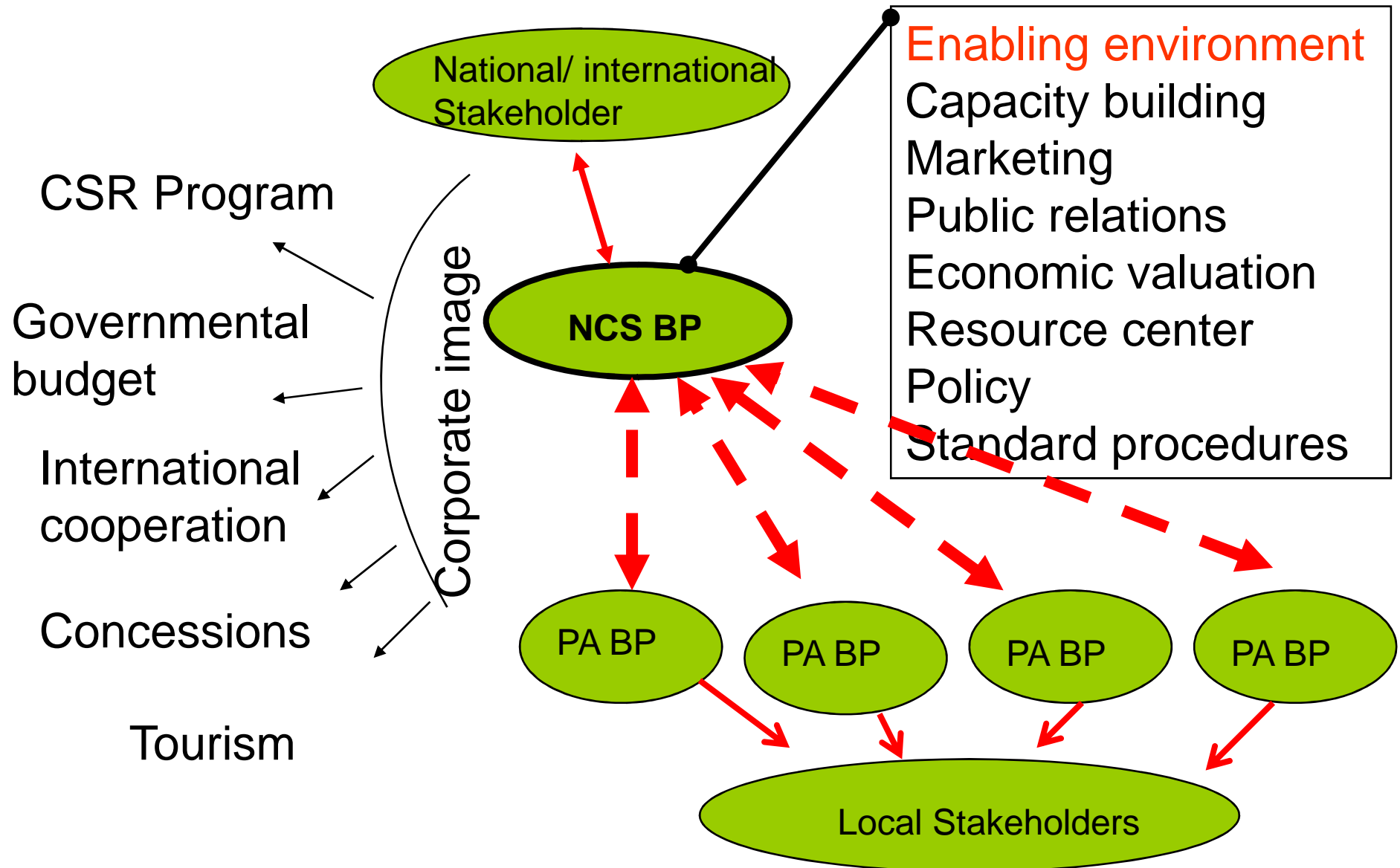
Activity	1	2	3	4	5	6	7	8
Meet project staff and NCS								
Start review WREP								
Start NCSBP design								
Visit VR								
Deliverables 1,2,3								
Meet NCS								
Interviews								
Meet stakeholders/clients								
Visit RM								
Deliverables 4,5								
Meet NCS								
Start Manual and presentations								
Deliverables 6,7								
Meet NCS								
Final Workshop Deliverables								



PA Business Plan



NCS Business Plan



Are all PA's ready for a BP?

Generate revenues and have appropriate infrastructure to increase them.

Do not generate revenues but have a great potential to do so.

Have stakeholders developing activities inside of PA (mining, fish farming, oil).

Do not offer revenue opportunities in the short and mid term.