



NCS Capacity Building Project

Business Planning Workshop

Session 4

How to prepare a Business Plan

jose@mentefactura.net

Our learning process

Awareness

Envisioning

Architecturing



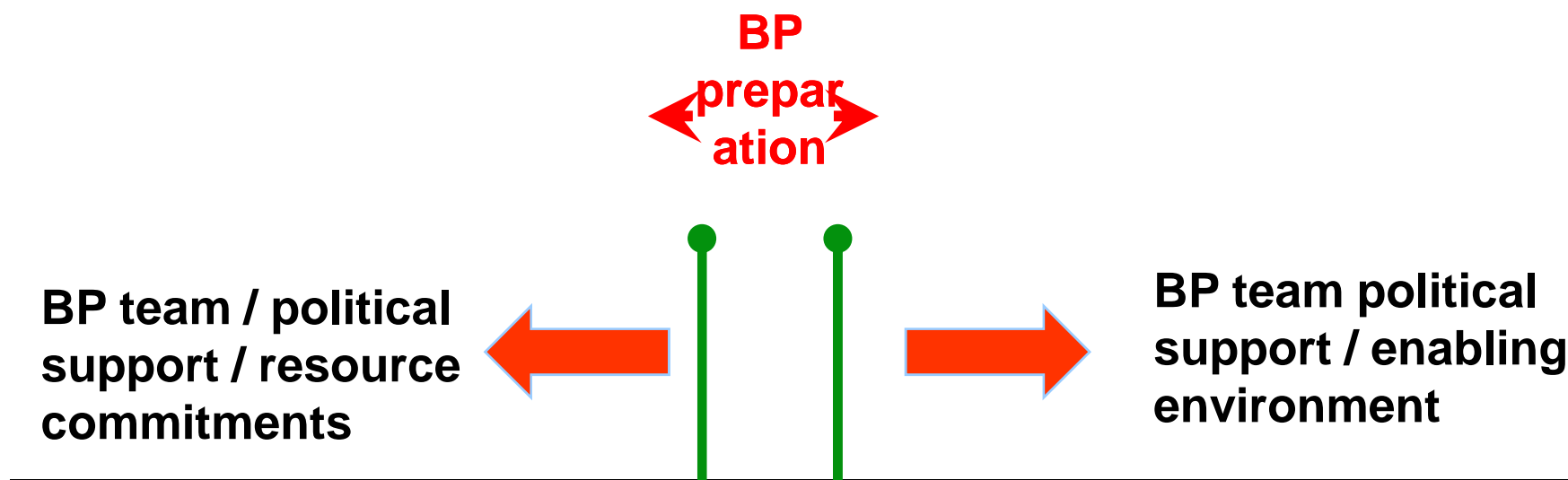
Introduction

Failure at planning is planning for failure!

How can we make planning tools useful within a context of responsive management and multiple processes been implemented simultaneously?

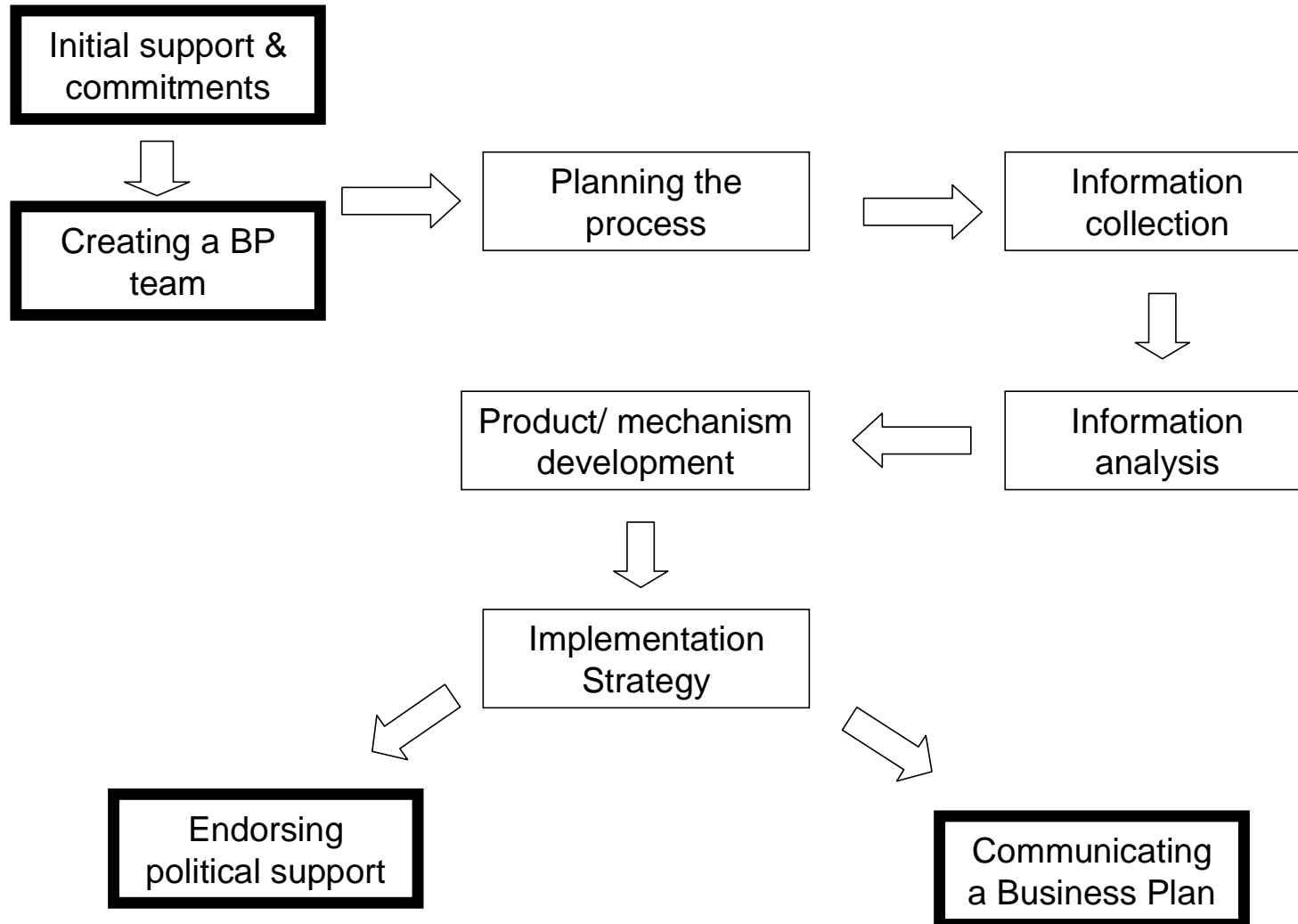
What support/ conditions are needed in order to successfully introduce a concept /tool like BP in Egypt ?

Different moments, different challenges



It is necessary to anticipate the necessity to formalize certain arrangements and generate an enabling environment for both the preparation of the tool as well as its implementation

9 Steps for the Business Planning Process



Initial support and commitments

Informed decision recognizing its consequences in terms of resources, time, and additional activity.

Envisioning how BP will be developed by PA staff, and integrated into the current PA management tools & activities.

Create a Promoter's Group composed by high level representatives with the capacity to acquire commitments, mobilize the necessary resources and endorse their formal support for the BP preparation, and its implementation.

Creating a BP team

BP's should not be considered as external consultancies, developed in isolation by professionals outside the NCS or PA's.

The first experiences should be focused on building the necessary capacities and ensuring the local participation in the different stages of the process at three different levels: PA, NCS, Resource center

Creating a BP team

PA: PA Manager; BP focal point; PA accountant

Resource Center: NCS BP Team; International cooperation; external consultants

Promoters Group: High level board with the capacity to acquire commitments & mobilize resources

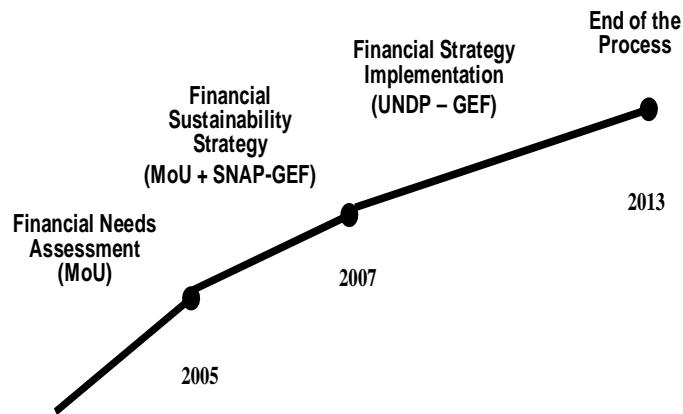
The Promoters Group in Ecuador

Formed by 10 organizations in fourth year of operation

Meet on a monthly basis to coordinate political, financial and technical support to the process

Share responsibilities and products through a unified planning matrix for PA and System level BP

Co-funding and technical support for a GEF Project that will provide additional resources to finance the BP implementation until year 2013



Planning the process

Integrates the PA level, NCS BP Team, and the national external consultant. It should be developed in a participative manner.

Envisions strategic and operative challenges, landing them into a work schedule with clear responsibilities for each task, a logical flow of activities, and a budget.

The adequate identification of the necessary information to move the process forward is the heart of this step

Start with the end in mind !!

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

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

Information collection

- Available at the PA, and does not require any additional processing.
- Available but needs to be further processed or consolidated into different formats.
- To be prepared by NCS staff through NCS BP Team coordination.
- Need a formal request or letter.
- Available through internet and other official secondary sources
- Exploratory interviews and approaches that require a certain level of coordination.
- Not complete or accurate enough to be useful

Information analysis

This next step consist in processing and analyzing the information gathered in terms of answering the four basic questions and components proposed for business plans

BP Team efforts should be focused into starting the writing of the final document.

Some BP components will need additional processing and analysis, but others should be finalized during this step.

Business plans 4 components

General description of the PA

Financial analysis

Financial Strategy

Business Plan implementation

General description of the PA

Must be concrete stressing the most important messages about why someone should invest in the PA.

Should be easy to read and accessible for different audiences that might not be familiar with protected areas or science terminology.

Although the whole BP Team should participate in identifying the key messages and specific content, only one team member should be responsible for writing the first draft and circulate it among others.

Financial analysis

Information must be accurate and reflect a serious process to increase credibility and trust in the PA.

It must be a communication tool leaving the substance of the findings and analysis in the chapter, and presenting additional information as an annex.

It must relate expenditures and financial needs with conservation activities and programs, showing the additional value of increasing investments in the PA.

Financial analysis

Historic financial statements and information

Financial needs assessment

Analysis and summary of the most important information in respect to:

- Historical trends and financial gaps
- PA's capacity to leverage additional funding
- Sustainability of the current sources of funding
- Funding according to management programs and expenditure categories
- Recurrent costs vs. investment costs

Financial analysis: Financial Needs Assess.

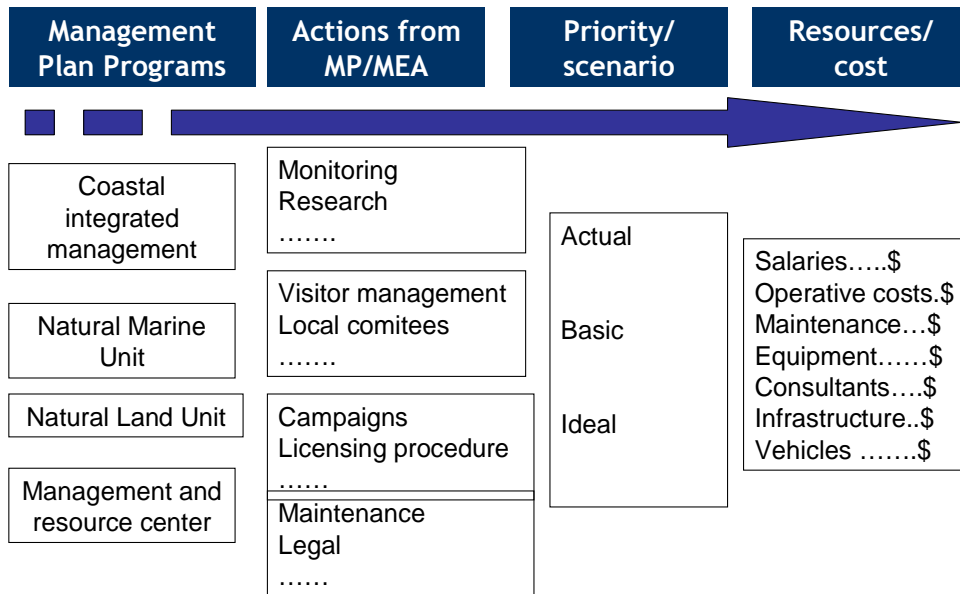
Estimate the financial needs to implement the programs and activities proposed in the Management Plan (MP) and Management Effectiveness Assessment (MEA).

Present three scenarios for financial needs, based on actual, basic and ideal management.

Determine the financial gaps between future needs and current funding available.

Provide financial information for each management program.

Financial analysis: Financial Needs Assess.



This exercise that must be developed in a participative manner involving at least PA's heads of units and key staff

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 + 2 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 person)
Interpretation signs (dynamic + alive)	Infrastructure	Camping facilities + shower facilities + fresh water + prints + developing new natural trails Improvement of shelters + 6 more shelters + 20 garbage bins + 50 ashtrays + 4 camp toilets + 3 bird watching hide
Developing new monitoring program for key species (acacia + mega marine flora)		
Rehabilitation and improvement of visitor facilities (camping)	Vehicles/ boats	2 cars (total) + 2 motorcycles + garbage pick up + Ambulance supplied with all equipments for response dive and swimming accidents +
Operating visitor center		
Emergency first response		

Financial Strategy

This component presents the different alternatives to reach the financial gap prepared in the previous component.

The final product is a prioritization of financial alternatives to be implemented.

This analysis should consider four differentiated moments:

- Stakeholder analysis

- Menu of financial alternatives

- Prioritization of financial alternatives

Financial Strategy

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

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

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
Ec lodge
Underwater tunnel
Beduin camp
Aquarium

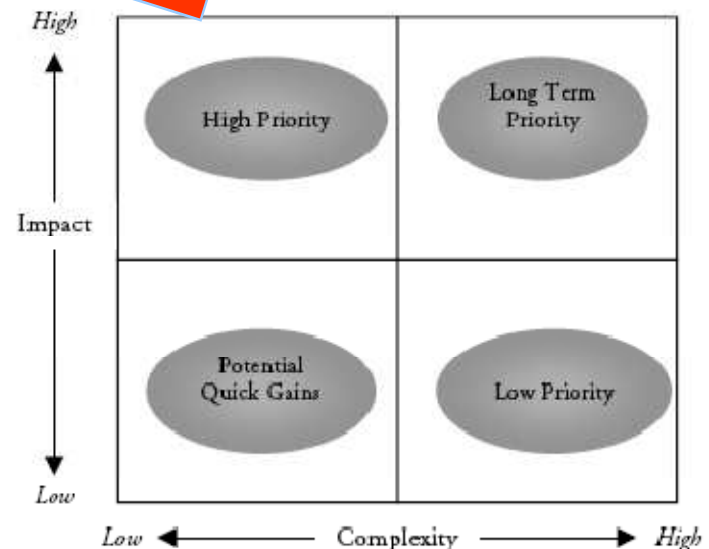
Products:

RM T- shirts, hats, etc
Research information, maps, specialized publications
Lungs patch

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

Ras Mohamed National Park	
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 subsidies tourism activities	Future UNESCO Natural Heritage
Low sense of service for the visitor fee	EU project and others (GEF)
Low collaboration from other gov. bodies	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	Excellent human capital and infrastructure
Governmental bureaucracy; There is no NGO available for RM at the moment;	Creation of NGO for RM



Product development

This step consists on a detailed description of the selected alternative's characteristics, operation, market and financial projections.

While previous steps were focused internally, this step has to be focused externally, looking after information, insights and perceptions of the stakeholders and actors that will either benefit or be affected by the implementation of these alternatives.

Mechanisms and products must reflect the use of market intelligence, and the understanding of the complexities, details and opportunities to operate them.

Product development

Market research tools (surveys, interviews, focus groups) and/or through examples and best practices will guide us to assess:

Who is our target group?

What is the size of this market?

What characteristics describe this group?

What are their consumer behavior?

Willingness to pay

What motivations and values do they consider for making the decision?

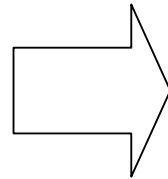
Competitors

How can we reach them (TV, newspapers, etc)

Product development

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

Implementation Strategy

Person responsible for the BP implementation, and the group that will support this challenge, including the need for external support from NGO's, universities or local stakeholders

Identify and/or formalize the necessary arrangements to allow their normal operation

Operative planning for the implementation, detailing the most important tasks and actions that need to be taken to accomplish the expected results, and a budget for BP implementation.

PA BP Team
NCS BP Team
Relevant Stakeholders

[illegible]