

A GUIDE TO FRIENDSHIP CENTRE BUSINESS PLANNING

2005

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A. WHAT IS A BUSINESS PLAN?

The business plan is the road map that will lead the organization to where it should go. **The organization needs to tell people what it does and what it wants to do.**

A business plan should include the following:

- The concept or vision of the organization
- The mission or action statement of the organization
- Core business of the organization
- Specific goals of the organization
- Strategies to achieve the goals
- The resources needed to achieve the goal (human, financial, and other)
- How resources will be obtained (identifying existing and potential funders, in-kind contributions)
- Description of organizational structure
- Financial plan
- Performance measures

There are many forms that a business plan can take depending on the nature of the business or organization. For service organizations such as friendship centres, business plans need to focus on the goals of the organization and the strategies and activities to achieve those goals.

Developing business plans, and tying or linking them to established priorities and objectives identified by government and other funders will also assist friendship centres to be more successful in their efforts to obtain and maintain long-term funding and resource development. However, it is important to emphasize that business plan development should occur first rather than “chasing the money”.

To maximize the potential of friendship centres to receive funding, it is vital that you develop a business plan that will guide the centre and allow outsiders to see where you are going and how you plan to get there. Committing your plans to paper will enhance your ability to manage the centre and plan for future challenges and opportunities.

[Business plans need to be designed to address unique community-based issues and strengthen organizational excellence.](#)

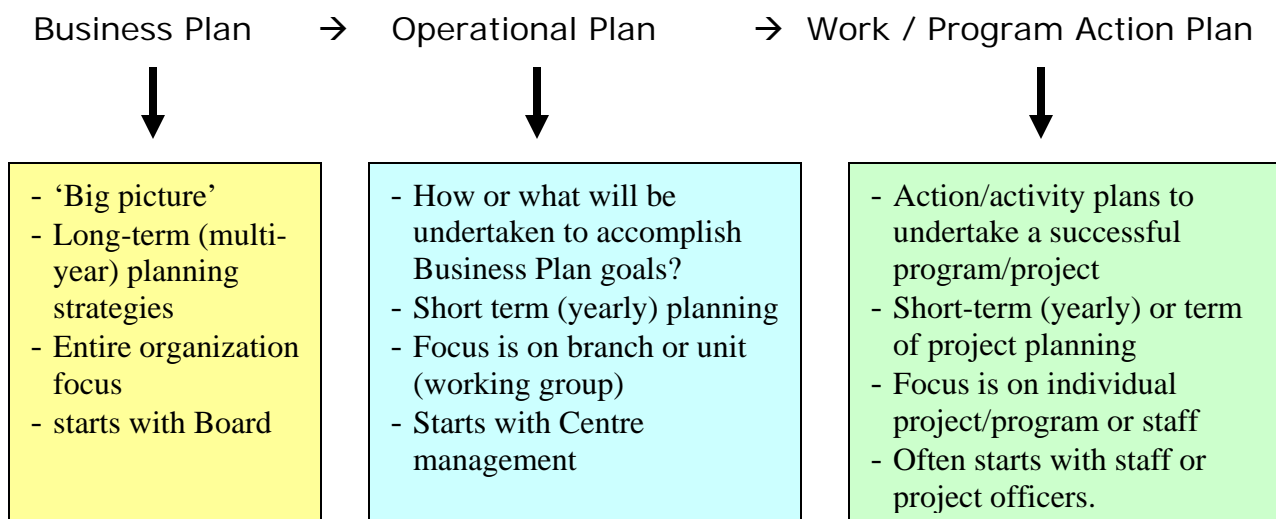
The business planning process can be a significant tool for the friendship centres; if used to its full potential, the process provides ongoing assessment of opportunities and challenges for strategic planning, facilitates partnership building, assists in prioritizing activities and identifying limitations and facilitates communication between the board members, the executive and management, staff and membership and the community as a whole.

The business plan itself becomes a marketing and promotional tool. Friendship centres can present a stronger business case to financial institutions, private funding agencies, and different government departments.

Centres will be able to position themselves strategically to be a more comprehensive and financially secure community and provincial resource.

Business Plan versus Operational Plan

A business plan contains high-level strategies that will be implemented by the friendship centre to achieve its goals. The business plan also identifies measures of progress toward the centres' goals as well as the budget allocated in pursuit of these goals. Business planning is a process that requires the friendship centres to adopt a longer-term mindset and to be focused on the results they wish to achieve.



Operational plans are useful tools to assist friendship centres to achieve their goals over the current year and to ensure that resources are focused on established priorities.

An operational plan contains a breakdown of activities that supports business plan strategies and ongoing programs. While some projects may have a multi-year scope, an operational plan identifies activities associated with a project in a given year. Operational plans establish or set out a clear mandate and direction for the management and staff. They establish time frames for completion of major tasks and projects; identify proper reporting structure and procedures; establish process to evaluate outcomes achieved; and, establish a system for ongoing, outcomes-based planning and development.

Operational plans provide a link between the friendship centre's business plan and individual program work plans and staff contracts.

However, to achieve the greatest result, operational plans need to also be tied to long-term planning strategies (identified in three-year business plans) to guide the overall efforts of the Friendship Centre toward long-term self-sufficiency and responsiveness to community needs.

Where to start in the Business Planning Process

The business plan is a living document. It changes and evolves as the organization and community needs change and evolve.

The friendship centres should see the business planning process as important as the business plan itself. The process creates opportunities for reflection on what the friendship centre's role is within the community; what client needs are addressed; and how the centre would like to see itself evolve.

B. ELEMENTS OF A BUSINESS PLAN

1. INTRODUCTION

The "Introduction" is a snapshot of the friendship centre – who they are, how they started, their evolution, accomplishments, role in the community, etc. A reader should be able to understand from the introduction, what the friendship centre is about and what they do.

Questions to ask when developing the introduction:

- Who are we?
- How did we start?
- How long ago?
- What do we do? What are our main services?
- What are our major accomplishments?
- Discuss the evolution of the friendship centre.
- What is the relationship / role of the friendship centre in the community
- What is the friendship centre's general future direction – the friendship centre strives to ...

The answers to the above questions will make up the introduction. This section of your business plan should be no more than one page in length.

2. VISION STATEMENT

The "Vision Statement" sums up, in one sentence, what you are striving to achieve; it is a value statement. The vision statement describes the ultimate goal the friendship centre is striving for. The vision statement will provide the friendship centre with a tool through which to guide their activities.

This statement should be: compelling; clearly stated; inspiring; and, should challenge the friendship centre to succeed.

For example, Aboriginal Affairs and Northern Development's vision statement is *"An Alberta that includes the full participation of self-reliant Aboriginal and Northern Albertans in the province's opportunities and prosperity."*

Questions to consider in developing your vision statement:

- What will your community be like if the friendship centre's goals are achieved?
- What are the basic values that guide our friendship centre decisions, relationships and operations?
- What are the principles we will not compromise?

[Look at your current vision statements – are you satisfied with it? Does it still reflect your friendship centre's values?](#)

3. MISSION STATEMENT

The "Mission Statement" is a brief clear statement of purpose and reason for existence. It states your commitment or what you are striving to achieve, often it is one or 2 paragraphs in length and always written in present tense. The mission statement moves the vision statement into action by stating what you will do.

The mission statement needs to be broad enough to allow flexibility in implementation but narrow enough to provide focus.

For example, Aboriginal Affairs and Northern Development's mission statement is *"Through collaboration with other ministries, Aboriginal governments and organizations and other partners, develop and promote strategies and initiatives to enhance Aboriginal well-being and self-reliance, clarify government and Aboriginal roles and responsibilities, and enhance the economic and social development of Northern Alberta."*

Questions to consider in developing your mission statement:

- Who does the friendship centre serve?
- Why does the friendship centre exist – what is its purpose?
- What is the friendship centre trying to achieve?
- What makes the friendship centre distinct or unique?
- How does the friendship centre wish to be known or seen by its clients, members and community at-large?

4. CLIENTS AND COMMUNITY DEMOGRAPHICS

In the development of the government business plan, an environmental scan is undertaken. An environmental scan identifies internal and external factors that can positively or negatively affect the ministry's ability to accomplish its mission, goals and objectives.

Environmental scanning is a process whereby the ministry monitors the external environment on a regular basis to obtain information about emerging trends and issues for critical thinking about, deciding on and preparing for its future course of action. This process provides an assessment of the ministry's internal strengths and weaknesses, challenges, risks, assumptions and opportunities. This should be undertaken by the friendship centre as part of the business planning process.

As part of the environmental scan, organizations often undertake a community needs assessment to determine what the community needs are, what services and programs are not offered and where the organization could assist in addressing service gaps. Your most important focus is your clients and community. The needs of your clients/community determine what activities your friendship centre undertakes. To be effective, you need to understand your clients and your community, their needs, their issues and concerns and their strengths. The activities your friendship centre undertakes needs to reflect the needs of your client in order to be successful.

Questions to consider in defining the clients/community area:

- Which communities do you serve?
- Provide population information for your service region.
- What services does your community not have access to?
- What are some of the challenges faced in your community – community issues - homelessness, transience, referral, advocacy, youth services, etc?
- Who are your clients?
- Provide demographic profile of the friendship centre client base.

What to include in your business plan:

In the *Clients and Community Demographics'* section of your business plan, describe the external context for your friendship centre. Who do you provide services to; what is the size of the direct population; what other communities in the direct vicinity may use the organization's services, noticeable gaps in services offered in the community, etc.

Once you have defined the community that the friendship centre is part of, describe the specific centre's clientele – who uses the centre's programs and services, etc. What is the centre's client membership demographics?

5. MAJOR PARTNERSHIPS

Include organizations that contribute funding, in-kind support, rent space, sponsor programs, sit on committees ... have any relationship to friendship centres. Be thorough. Write the full name of the organization and the type of relationship (sponsors, funders, program coordinators, etc).

Do not use acronyms until you have spelled out the full name of the organization at least once.

You may combine this information in a table format such as the following:

<u>Organization</u>	<u>Type of Relationships</u>
Aboriginal Affairs and Northern Development	Funding Source
National Association of Friendship Centre	Support Service
Department of Canadian Heritage	Funding Source
Northern Lakes College	Field Placement
Royal Canadian Mounted Police	Crime Prevention program partner / sponsor
Frieson IGA	Program (Elders banquet) sponsor

6. CORE BUSINESS, GOALS, ACTIVITIES, PROGRAMS AND SERVICES

Core businesses set out the ongoing key responsibilities of the friendship centre that support the missions and provide a framework for achieving results and allocating resources.

Core businesses do not necessarily reflect the organizational structure of the friendship centre.

Questions to consider:

- What are the friendship centres' activities?
- Who are the clients of the core business and what is the friendship centre doing for them?
- What is happening in our friendship centre?
- What is happening in the community?
- What are our membership needs?
- What is the objective of friendship centre programming?
- Where does the friendship centre want to be in the future?
- How will the friendship centre get there?
- What other areas of interest does the friendship centre want to get involved in?
- What challenges are the friendship centres facing?

- What are the capacity concerns?

Goals refer to the desired end results that the ministry wants to achieve in fulfilling its mission. They are broad statements that begin to focus actions towards clearly defined purposes.

Initiatives are groups of activities that will contribute to the success of a goal or strategy. Activities, programs and services are specific initiatives undertaken by the friendship centre and will be defined in this section.

*** All programs and services must be tied into a core business.

You will not have a separate section for Programs and Services with the new business plan format.

The following are examples from Government of Alberta ministry business plans:

Core Business 1 Justice
 Goal 1 Promote safe communities in Alberta
 Activity, program or service Hosting a conference to address domestic violence.

Core Business 2 Skills Investment
 Goal 2 Albertans have the skills, support and information they need to succeed in the labour market.
 Activity, program or service Host regional workshops/trade shows on multi-sector employment opportunities.

Ongoing programs and services information will be defined in a chart under each core business and goal that they address. No performance measures are required for these activities.

This table should include the full name of the program or service, a quick description of the program (couple sentences) and a list of partners involved in the program and service. For simplicity, the table may look like:

Ongoing programs/services	Description	Partner (s)

7. CHOOSING NEW STRATEGIES OR INITIATIVES

New strategies or initiative, programs or services, will follow the list of ongoing programs and services information in a chart similar to below. [This section must clearly identify the three years of activities and the performance measures for each year as well as a desired outcome at the end of the project.](#)

New Initiative (title):	Brief Description	Potential Partner (s)

	2006-2007 targets	2007-2008 targets	2008-2009 targets	Desired Outcome at end of project (successful when)
Activities for each year				
Performance Measures (Outputs)				

The following provides a specific example of how to fill out the charts:

Core Business A: Youth Programming

Goal A: Promote friendship centre youth programming

Ongoing programs/services	Description	Partner (s)
Youth Monthly Dance	Youth organize a dance one Friday of each month.	RCMP, AADAC, etc
Drop-in Games Centre	Friendship Centre has opened a gaming centre (video games, pool table, etc) to provide a location for youth to meet after school and on the weekend.	Chamber of Commerce, Municipal office, etc
Youth Mentorship program	Youth are matched with adults in the community to provide youth an adult role model and support.	School, Children's Services, Bank, MNA

New Initiative (title):	Brief Description	Potential Partner (s)
Friendship Centre Youth Membership Achievement Awards	Develop youth membership achievement awards to honour and recognize the successes of our youth membership.	School, Chamber of Commerce, RCMP

	2006-2007	2007-2008	2008-2009	Desired Outcome at end of project (successful when)
Activities	<ol style="list-style-type: none"> 1. Seek partnerships 2. Work with schools to develop program 3. Develop youth committee to plan program 	<ol style="list-style-type: none"> 1. Advertise program in community 2. Seek nominations and determine winners 3. Confirm award prizes 	<ol style="list-style-type: none"> 1. Evaluate the program 2. If last year was successful seek nominations and determine winners 3. Host an awards dinner 	<p>The program would provide an annual opportunity to acknowledge the youth achievements.</p> <p>The program becomes sustainable.</p> <p>Scholarships have been identified to be awarded to winners.</p>
Performance Measure (Outputs and Outcomes)	<ul style="list-style-type: none"> - Youth committee established - Partnerships and funding confirmed - Program developed 	<ul style="list-style-type: none"> - Achievement Awards program initiated - 5 awards granted 	<ul style="list-style-type: none"> - Program evaluated with recommendations to sustain program - 5 awards granted - Awards dinner is held. 	

AAND AND THE ANFCA ARE LOOKING FOR 1-3 NEW INITIATIVES EACH YEAR. THE FRIENDSHIP CENTRE IS NOT REQUIRED TO HAVE A NEW INITIATIVE FOR EACH CORE BUSINESS, BUT 1-3 IN TOTAL.

Questions to consider in choosing new initiatives:

- What are some new emerging or 'hot spot' community issues?
- Which 'hot spots' do you see the centre addressing?
- Are there currently programs to address the emerging community issues?
- If yes, who do they service? Are there any gaps in the service?
- Could you partner with other organizations to provide the service?
- Are you aware of similar community issues elsewhere and how they are addressing the concerns?

8. PERFORMANCE MEASURES – OUTCOMES AND OUTPUTS

Performance measures indicate the degree of success a centre has in achieving its goals. There are several types of performance measures:

Outcome Measure: An outcome measure (or effectiveness measure) identifies the intended results, consequences or changes in conditions, behaviours or attitudes that indicate progress toward achievement of a program or ministry's mission and goals. There are three types of outcome measures: an immediate (or short-term) outcome measure, an intermediate outcome measure, and an ultimate or final (or long-term) outcome measure.

Output Measure: An output measure identifies how much work was performed or how many units of service were provided. An output measure tells how much was done, but does not reveal how efficiently or how well it was done.

9. TOOLS FOR MEASURING

While performance measures indicate the degree of success, the tools for measuring identify how the performance is measured. This can be through a collection of concrete, statistical data (quantitative) or through letters of support and testimonials (qualitative). The following are some tools used to measure success: questionnaires; surveys of clients and partners; program attendance lists; community impact statements; and, program evaluations. Your business plan must show performance measures not tools for measuring!

10. ORGANIZATION EXCELLENCE

This section focuses on the internal development of the friendship centre, both the legal requirements to maintain society status, the board development and the staff and internal capacity development.

In the majority of the previous business plans, the two goals – organization and leadership strength - identified strategies that are annual requirements and that have an internal focus. In this new format, all such activities will be combined in this section.

Areas of focus and activities under this section may include the following categories:

- 1) Personnel Plan: staffing consideration; salary grids; job descriptions; orientation; staff attraction and retention
- 2) Board Development: policies and procedures; constitution and by-laws; board training; board orientation; ethical practices
- 3) Financial Accountability: proper financial statement accounting; hiring an accountant; audit work
- 4) Program Evaluation: development of new evaluation tools; new surveys
- 5) Capacity Building: sustainability; resource and technology development; relationship building; fundraising; business plan development; marketing and promotions
- 6) Membership and volunteerism: open house; volunteer appreciation dinner; membership drive

Example: [Organization Excellence](#)

Ongoing strategies and activities:

[Area of Focus #1: Capacity building and sustainability for friendship centre](#)

- [Fund raising activities](#)
- [Marketing and promotion](#)
- [Business plan development](#)
- [Develop a Technology and resource plan](#)
- [Establish a bingo association license](#)

Area of Focus #2: Address Board capacity

- Plan a yearly retreat to focus on board development
- Develop board orientation for new members
- Review roles and responsibilities of board members
- Review policies and procedures, constitution and bylaws

11. FINANCIAL OVERVIEW

The financial overview provides a snapshot of current and planned financial activities. Current financial information should identify sources of funding including government or other contracts, donations, grants, fund raising activities, and annual operating costs. Future financial activities should identify new or continued sources of funding and increases in operating costs.

When the centre is developing their future financial plans, certain assumptions may need to be made in terms of growth or reduction in services provided; inflation costs (such as rent increases), partnership arrangements that may be currently in discussion, etc. It is important to identify any assumptions that impact the centre's financial planning, positively or negatively, if they are realized. These assumptions will be built into the financial plans.

C. PRESENTATION AND PROFESSIONALISM

Presentation, professionalism and quality are everything. The centre's business plan is their business card, their public image. How it is presented will influence peoples' perspective of the friendship centre and may influence potential partners or funding organizations.

The Business Plan must look clean, professional, and well structured. Business plans should be written in "plain language," avoiding jargon and complex terminology. Business plans should be succinct, easy to read and easily understood.

Do not use acronyms, if at all possible. If acronyms must be used, spell out the full name followed by the acronym in brackets for first reference. Do not use short forms when referring to proper names/titles - use the full name or common-noun form.

Proof read the business plan before finalizing. Proofreading is a 'final check' to correct clear and indisputable errors such as:

- General grammar and punctuation
- Usage (such as the use of imminent for eminent)
- Typos and Spelling
- Incorrect Numbering or Mislabeled

The final product should have no errors, and should be printed on high quality paper. If possible, provide the cover page with logo in colour print.