

Long-Term Financial Plan

AN ESSENTIAL COMPONENT OF EFFECTIVE STRATEGIC PLANNING IS THE DEVELOPMENT OF A FUNDED LONG-TERM FINANCIAL PLAN (LTFP). THE LTFP MUST ADDRESS OPERATIONAL AND CAPITAL NEEDS FOR THE NEXT 10 YEARS. THE CAPITAL NEEDS INCLUDE BOTH MAINTENANCE OF THE EXISTING FACILITIES AND THE FUNDING OF STRATEGIC CAPITAL IMPROVEMENTS.

For private club customers, an integrated plan is needed to ensure that requisite membership counts and dues assumptions are balanced with desired service levels and that projected initiation and capital fees are sufficient to support the capital spending plans. The LTFP must be well understood by the Board and membership so that it can be transferred across multiple administrations with the highest probability of success. We will work with the club's leadership to ensure the fundamentals are well understood. With strategic choices dependent on resource allocations, a dynamic visual model is a necessity in the planning process. Ultimately, a good strategic plan includes metrics that translate the mission and vision of the club into specific end points of data.

THE FINANCIAL ANALYSIS MAY INCLUDE BUT IS NOT LIMITED TO:

- Understanding cash flow drivers & recent trends
- Review of operating results for 3-5+ years
- Historic and projected changes in the membership census
- Asset and liability management
- Review of existing debt and borrowing capacity
- Evaluating capital base expansion and depreciation
- Review of existing reserve studies and strategic/facility master plans
- Developing a base-line long term financial model

THE LTFP MAY ALSO INCLUDE:

1. Statistical data points regarding the current situation of the club relevant to strategic decisions
 - Member/customer spending, costs per member/customer, costs per department, dues vs. operations, capital needs, sales mix, available cash and available cash use
 - Key performance indicators
2. Capital planning recommendations and expected/anticipated costs with options for funding if needed
3. Work with the club to determine best next financial steps to achieve the strategic goals that will arise from the strategic workshop

