

# “The Village” Business Plan

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## Table of Contents

	page
Executive Summary.....	3
Background.....	3
Mission and Objectives.....	4
Program Summary.....	4
Program Locations and Facilities.....	4
Services.....	5
Focus Groups Results.....	6
Market Analysis Summary.....	7
Market Geographic Area.....	8
Size of Market – Persons.....	10
Size of Market – Households.....	10
Market Characteristics – Income by Householder.....	11
Market Characteristics – Age Segments.....	13
Market Growth.....	14
Market Needs.....	14
Market Trends.....	14
Differentiation of the Proposed “Village” Program at Avenidas.....	14
Marketing Strategy.....	15
Pricing and Sales Strategy.....	16
Strategic Alliances.....	16
Management Organizational Structure.....	17
Financial Plan.....	18

## **Executive Summary**

This plan proposes a new program at Avenidas, based on the successful “Beacon Hill Village” in Boston, and supports staff’s recommendation that an advisory group be convened to complete program design and determine start-up funding requirements. Many details of the program remain to be worked out by staff and this group; this plan gives a broad outline of the program.

National and local surveys confirm that the great majority of older adults plan to remain in their own homes and age in place. Increasingly, however, they are recognizing that in order to successfully remain at home, they will likely need to arrange for support and assistance. They also desire to maintain their quality of life.

There is strong local interest in a membership program that affords members benefits that include convenient access to high quality services from trustworthy providers, reduced prices for services, opportunities to participate in activities that enhance quality of life, and community.

The local market for this type of program – yet to be named – is large enough to generate sufficient membership for the program to generate sufficient fees to cover its costs; only a 10% enrollment rate yields nearly 1,300 higher-income members.

Proposed membership fees were tested on focus group participants and found to be affordable. At these fees, the program breaks even at an enrollment rate of less than 3% of the target market.

## **Background**

In the spring of 2006, a group of Palo Alto seniors learned about a successful program in Boston called “Beacon Hill Village” and formed a working group to explore the feasibility of replicating this program in their community. Tom and Carolyn Reese convened a group of friends (including Joan and Gordon Campbell, Bill and Carolyn Reller, Lynn and Dave Mitchell, Iris and Hal Korol, Ellen and Tom Wyman, Marlene and Joe Prendergast, Jean and Bob Gee, Marcia Rehmus, Kathleen and Jack Kelly, and Joan and Bob Jack) to test the idea on a group of prospective members and to recruit their help to develop the program. Recognizing that Avenidas already provided many of the desired services, Lisa Hendrickson and John Sink from Avenidas were invited to join the group.

A separate group in the Ladera community of Portola Valley began similar conversations at about the same time. Representatives of this group (Carol and Mike Kelly and Anne Rutherford) attended meetings of the Palo Alto group and facilitated parallel meetings in Ladera.

The general consensus of both groups was that there was sufficient interest in a service that provided a broad range of customized and personalized supportive services in the home to proceed with the development of this business plan. Early on, the group concluded that it would be most effective and cost-efficient to structure the service as a program at Avenidas, leveraging both its expertise and existing services.

Focus groups were conducted in the fall to further assess interest in the community in this type of program, and to test pricing and the importance of “neighborhood” to members.

This plan is the product of a grassroots, community-supported initiative led by a group of older adults, with administrative support provided by Avenidas.

## **Mission and Objectives**

The mission of the program is to provide individualized services to help older adults remain in their own homes safely, securely and with confidence and a high quality of life. Its objective is to help members delay or avoid, if desired, relocation to a retirement community without compromising quality of life.

## **Program Summary**

The program is a member-based program designed to provide many of the amenities of a residential retirement community to those older adults who choose to remain in their own home. Many of the services will be provided directly by program staff through arrangements with third parties under contract to provide services either at a discounted rate or on a priority basis, or both. All service providers will have been thoroughly evaluated and meet the program’s high standards. Members will also have access to a comprehensive listing of vetted resources should they prefer to make arrangements on their own. Finally, members will be connected to each other, creating a community of support.

In their times of need, instead of calling a busy or uninformed son or daughter, or relying on a neighbor or spouse, members will have one place to call for assistance. Membership will provide comfort and convenience to members, in their own home, while maintaining their sense of autonomy. Self-help will be encouraged through the offering of a comprehensive and screened set of resources. Membership will also give access to a community of like-minded people and opportunities to socialize and spend time with one another.

This will be a stand-alone program of Avenidas, with dedicated staff, its own advisory board, and budget.

## **Program Locations and Facilities**

No additional permanent facilities will be needed for this program. Program staff will be located at 450 Bryant St. in Palo Alto and members will be encouraged to participate in the many activities offered at that location. However, members may want some activities and events to be held in their neighborhoods, both for convenience and to enhance the sense of “neighborliness” of their Village membership. In this case, rooms in schools, churches and other public places will be rented or borrowed for occasional use.

## Services

The advisory group will decide the full scope of services that will be available to members (both those services included in the basic membership cost and those for which members will pay separately) but in general they will replicate what a well-run retirement community would offer. Perhaps the most valuable service will be access to a care manager (or member services coordinator) available at all time to help in the event of a crisis or unanticipated change in a member's circumstances.

Some of the services are already available at Avenidas, but require that arrangements be made directly. Other services are not currently available at Avenidas.

To Be Provided by Third Parties	Currently Available at Avenidas
Home care, such as: Arrangements for chore workers (house cleaning, meal preparation) Assistance with activities of daily living (dressing, bathing, medication management) Skilled nursing care	Home care not offered by Avenidas
Concierge Services, including: Crisis management Cleaning services Delivered meals Cultural event ticket purchases Bill-paying services Arrangements for pet-sitting or pet-walking	Concierge Services, including: Trips to doctor's appointments Transportation to grocery shopping Handyman services and computer repair
Informational services, on topics including: Travel opportunities and discounts Local cultural events Continuing education opportunities	Informational services, on topics including: Government benefits and services Long term care insurance

Members will receive certain basic services at no additional cost and access to a Member Services Coordinator who will work with them individually to help them arrange for additional services for which they will pay separately. Members will also have access to a carefully screened directory of service providers should they prefer to make arrangements themselves.

The basic services have yet to be determined, but it is likely that some transportation services will be included. An estimate of the cost of these has been included in the financial projections.

The costs of the additional services will range broadly depending on the going market rate and the success staff has negotiating discounted rates for members. All negotiated discounts will be

passed directly through to members. Current rates for several services follow and include some available from Avenidas, in bold:

In-home skilled nursing care: \$25/hour

**Handyman services or computer repair: \$35/hour**

**Day Trips and Tours: less than \$100 each**

**Transportation around town: \$4-\$12 each way, within a limited range**

In-home assistance with personal care: \$20/hour

**Fitness, computer and art classes: approx. \$50 for eight classes**

**Walking groups, chess instruction, support groups: no charge**

## Focus Groups Results

Over a three-month period, sixteen focus groups were conducted to test the community's interest in this concept and to preliminarily identify the services and activities that would be of greatest interest. A total of 217 people participated in these groups, which ranged in size from five to forty attendees.

The groups met in residents' homes, at Avenidas, at religious affiliated sites, and at a neighborhood dance studio. Participants came from 28 different neighborhoods, primarily in Palo Alto:

14% from Midtown

11% from College Terrace

9% from Barron Park

8% from Old Palo Alto

5% from Crescent Park

6% from outside Palo Alto (primarily Ladera)

39% did not identify their neighborhood

Sixty-eight percent of the participants were female and 26% male (the remaining did not identify their gender). There was balanced participation from all ages with 39% of the participants being between 70-79 years of age. Fifty-five percent were married, 15% widowed, and 19% either divorced or never married. The group represented those who desire to "age in place" with 79% living in their current residence for more than 10 years. Over half (58%) reported annual income over \$50,000 and 28% reported making less than this; the remainder declined to state their income.

Following a short presentation about the program concept, each participant was asked to complete a questionnaire as the facilitator provided examples and explanations. Most of the questionnaire asked about the participant's interest in three groups of services: Concierge Services (meals, shopping, home repair, counseling, etc.), Health & Wellness Services and Educational & Socialization Services. They were asked to indicate their interest *now* or *later* in each of the described services, and were invited to write in additional services of interest.

A service was considered **Essential** if 70% or more of the respondents deemed it desirable either now or later. If 50%-70% deemed it desirable, it was considered **Important**. A 35%-50% interest was considered **Significant**.

There were no services regarded as **Essential**.

There were 7 services regarded as **Important**:

1. 68% wanted drivers later, 7% now. There were a number of write-ins for specialized transportation services.
2. 67% wanted in-home caregivers provided through the membership (i.e. provided at a reduced rate) whereas 4% wanted them now.
3. 66% wanted help in securing skilled care services later and 6% wanted help now.
4. 64% wanted meals delivered later (3% now).
5. 56% wanted advice from a care manager later, and 7% wanted it now
6. 56% wanted a home repair program later and 23% now.
7. 54% wanted housecleaning services later and 20% wanted it now.

Services regarded as **Significant** included:

1. 47% wanted someone to take them shopping later and 2% wanted it now.
2. 46% wanted help, if needed, in securing hospice care.
3. 43% wanted help in obtaining private physical and occupational therapy later and 5% wanted it now.
4. 42% wanted assistance in finding transportation help (public, private, van service) and 6% want it now.
5. 40% wanted help for placement for dementia care services and 2% wanted it now.
6. 39% wanted help finding respite care; 5% wanted it now
7. 37% wanted medication delivered, later, while 6% wanted this service now.
8. 35% wanted a service that cooked meals in one's home or delivered meals; 22% wanted these services now.
9. Of all of the suggested Socialization and Education activities, 47% wanted entertainment trips later, 20% wanted them now.

There were few significant correlations between services. Not surprisingly, those individuals who want care management also expressed the need for additional personalized services such as medical advocacy, pharmacy discounts, and help in securing skilled care and in-home caregivers.

All respondents were asked, "What do you think of this idea?" Approximately 80% of the participants expressed "high" or "somewhat high" interest, despite the fact that they did not express specific interest in most of the services. They expressed an interest in having the services available for themselves or others just in case they are needed. Many said that they viewed the program as an insurance policy against having to move out of one's home with advancing years.

## **Market Analysis Summary**

Initially, the target market for this program will be adults age 65+. Because we estimate that over 80% of seniors want to remain in their own homes as long as possible and most seniors want individualized solutions to their service needs, and because the number of adults age 65+ in this area is already large, we have identified a sizeable market for this program.

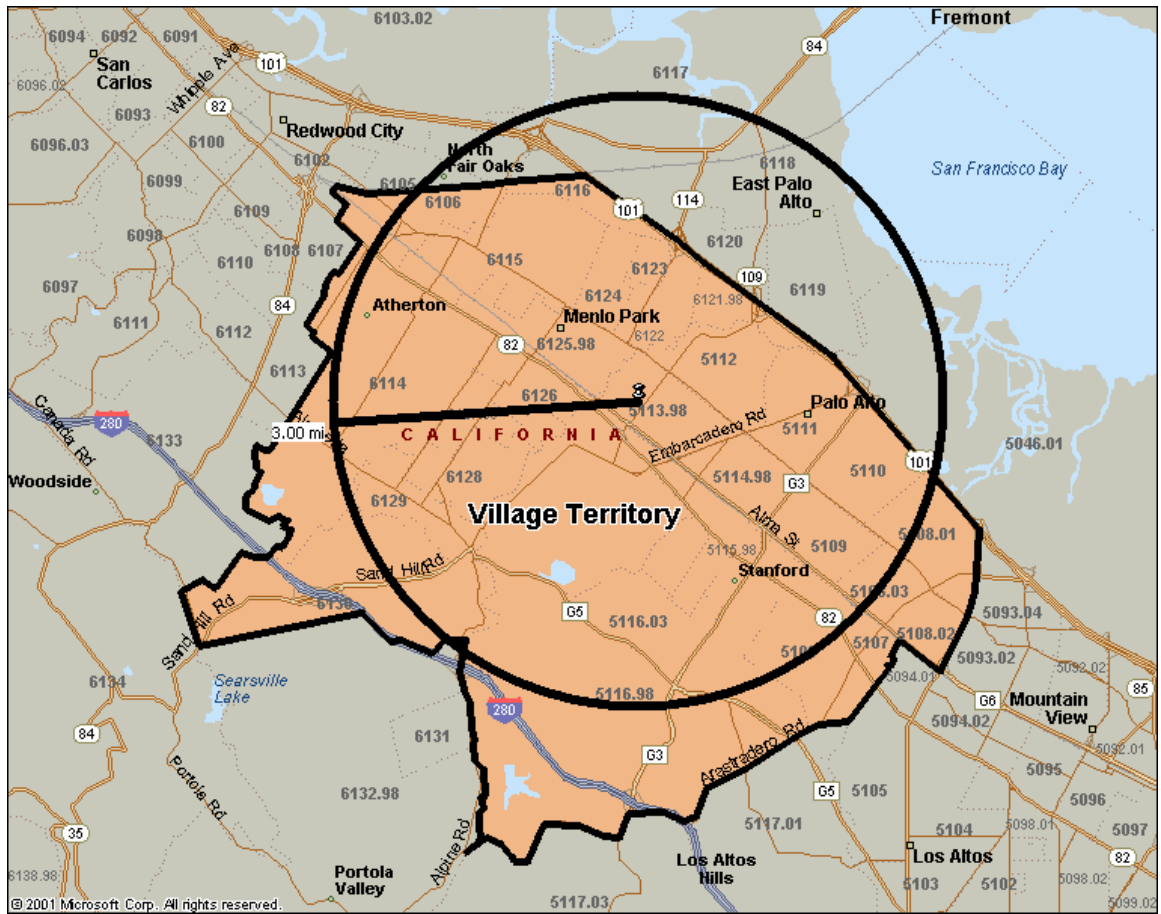
The older the person is, the more immediate the need for this service. For this reason, we anticipate a higher enrollment rate of members age 75+. As demonstrated below, the number of older adults age 75+ in this area is also sizeable, and supports this program on its own.

The minimum age required for membership will be 50.

## **Market Geographic Area**

An initial market area that radiates from Avenidas' downtown Palo Alto location was considered for this plan. This market includes Palo Alto, Menlo Park and Atherton. Initially the planning group did not feel that proximity to other members or availability of activities in one's neighborhood would be of great value to members. But focus group participants expressed a keen interest in being connected, through their membership, to neighbors and friends. Keeping membership personal and connecting members to small groups within a larger service area is a critical challenge to program design.

The Ladera community is considered separately. This community within Portola Valley is five miles from downtown Palo Alto and has a separate and distinct identity. Ladera organizers believe that members from this community will desire a separate set of services and dedicated staff. They may also be more interested in neighborhood activities. For all of these reasons, this community is considered to be a separate market.



## Size of Market – Persons

Three communities, comprising 15,480 individuals age 65+, are included in the proposed service area for the Village. The secondary market at Ladera is described separately.

Potential Clients	Palo Alto	Menlo Park	Atherton	Total	Ladera
Total Population	58,598	30,785	7,194	96,577	1,543
65+ Population	9,140	4,889	1,451	15,480	254
75+ Population	4,968	2,819	756	8,543	104
Enrollment Rate-persons	10%	10%	10%	10%	10%
Estimated Membership from 65+ population–Persons	914	489	145	1,548	25
Estimated Membership from 75+ population–Persons	496	282	76	854	10

*Source: 2000 U.S. Census*

Enrolling 10% of only the 75+ population yields a membership of over 850. The size of this market is ample to support proposed operations of this program.

## Size of Market – Households

It is likely that membership decisions will be made by households rather than individuals. Examination of household data in the projected service area allows us to appreciate the numbers of households with a person over 65 and over 75 and to further appreciate those households with an elderly person who lives alone. Of all households with at least one occupant age 65+, 41% are single person households. We expect to experience a higher enrollment of persons who live alone, although to be conservative the projections do not anticipate this.

Potential Clients	Palo Alto	Menlo Park	Atherton	Total	Ladera
Total Households	25,216	12,387	2,413	40,016	555
Households w/ 65+ occupant	6,439	3,231	923	10,593	171
Households w/ 75+ occupant	3,706	1,910	523	6,139	81
Penetration Rate	10%	10%	10%	10%	10%
Estimated Membership – @ 10% households w/ 65+ occupant	644	323	92	1,059	17
Estimated Membership – @ 10% households w/ 75+ occupant	370	191	52	613	8
65+ households w/ 1 person	2,728	1,417	182	4,327 (41%)	41
75+Households w/ 1 person	1,774	916	126	2,816 (46%)	22

This data reveals 40,016 households in the proposed service area, with 26% or 10,593 with an occupant age 65 or older. A 10% enrollment rate of this group yields 1,059 household memberships, a market size ample to support proposed operations. Of this group, there are 4,327 1-person households.

A more conservative segmentation examining the households with a 75 year-old or older occupant, at a 10% enrollment rate yields 613 memberships.

In Ladera, with 555 total households (171 65+ households and 81 75+ households), the market size is much smaller yielding only 8-17 memberships at a 10% enrollment rate of the 75+ and 65+ households respectively. To support its own Member Services Coordinator, Ladera will have to enroll members at a much higher rate.

We are projecting no difference in the rate at which men and women will be interested in the services of the Program. It is noted, however, that women outnumber men in this age group by 60% to 40%.

### **Market Characteristics – Income by Householder**

Income statistics are collected by householder. When looking at age-specific data in this area, slightly lower total numbers result when compared to the above household data, which includes older people living in a household who are not the head-of-the-household.

An unexpectedly high percentage of older adults in the Palo Alto/Atherton/Menlo Park market (not including Ladera) have annual incomes of less than \$25,000, and the percentage increases with age - fully 30% of households with a head of household age 75 or older. This significant percentage of low-income households will likely lead to demand or pressure to provide subsidized membership fees.

This notwithstanding, over half of the households have annual incomes of over \$50,000. This group is likely able to afford the proposed membership fees.

In Ladera low income households comprise only 8% of the group age 65 to 74 and none of the households in the 75+ age group.

Potential Clients	Palo Alto	Menlo Park	Atherton	Total	Ladera
# 65-74 Households	2,736	1,235	398	4,369	113
65+ Households w/ income < \$25,000	500 (18%)	241 (20%)	21 (5%)	762 (17%)	0
65+ Households w/ income < \$25K- \$50K	527 (19%)	306 (25%)	38 (10%)	871 (20%)	9 (8%)
65+ Households w/ income < \$50-\$100K	863 (32%)	351 (28%)	75 (19%)	1289 (30%)	50 (44%)
65+ Households w/ income > \$100K	841 (31%)	337 (27%)	264 (66%)	1442 (33%)	54 (48%)
# 75+ Households	3,257	1,770	444	5,471	119
75+ Households w/ income < \$25,000	1,110 (34%)	534 (30%)	11 (2%)	1,655 (30%)	0
75+ Households w/ income < \$25K- \$50K	703 (22%)	410 (23%)	49 (11%)	1,162 (21%)	17 (14%)
75+ Households w/ income < \$50-\$100K	767 (24%)	497 (28%)	139 (31%)	1,403 (26%)	24 (20%)
75+ Households w/ income > \$100K	677 (21%)	329 (19%)	246 (55%)	1,252 (23%)	78 (66%)

Membership will be unaffordable for low-income households (income less than \$25,000). The size of the target market decreases accordingly:

Potential Clients	Palo Alto	Menlo Park	Atherton	Total	Ladera
Total Households	25,216	12,387	2,413	40,016	555
Households w/ 65+	6,439	3,231	923	10,593	171
Less low income households	(25%)	(24%)	(3%)	(23%)	(8%)
Target Market – 65+ Households w/ income > \$25,000	4,829	2,456	895	8,157	157

In summary, if 10% of all local residents age 65+ (except those with incomes less than \$25,000), this program would serve 816 households in the Palo Alto/Atherton/Menlo Park area but only 16 Ladera households. A significantly higher percentage of age-appropriate residents of Ladera would have to join in order to support a stand-alone program or Member Services Coordinator in that community.

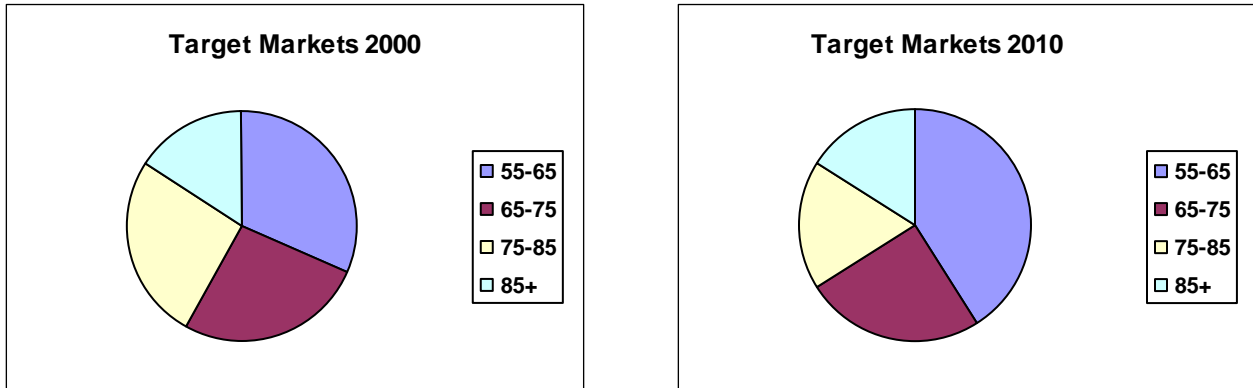
### Market Characteristics – Age Segments

As age increases, so too does the likelihood of seniors making use of programs and services. Elsewhere at Avenidas this is a striking trend, where only 5% of the 55-64 age group uses Avenidas services but fully 27% of those age 85 or older use services. Should a disproportionately high number of older residents enroll in the program, we are likely to experience a higher demand for services and higher operating costs.

Potential Clients	Palo Alto	Menlo Park	Atherton	Total	Ladera
75+ Population	4,968	2,819	756	8,543	104
80+ Population	2,812	1,727	402	4,941	41
% of 75+ who are age 80+	57%	61%	53%	58%	39%

## Market Growth

The aging of the baby boomer population creates growth in this target market, as shown below. We see growing need for senior and caregiver services in the community.



## Market Needs

The value of – and interest in - supportive, wellness, education and recreation, volunteer, and information services is high. The program will offer support services, wellness, practical help, information, and education and leisure programs to its members. It is expected that services for the oldest seniors will be focused on maintaining independence through personal concierge services, transportation services, and social work and in-home services. Services for younger or more active seniors will offer many choices for classes, recreation, outings, and volunteer service.

## Market Trends

The trend in senior support services is towards preventive health and wellness services, helping seniors remain in their own homes. The trend in senior enrichment services is towards breaking traditions and discovering new ways in how to relate to new and more active seniors.

The call for choice, convenience and personal service is where this program steps in. Members will receive personalized attention and assistance as well as locally delivered activities, should they be desired.

## Differentiation of the Proposed Program at Avenidas

Other senior service organizations offer a narrower set of services than Avenidas, and have more limited resources. There is a large home health/home care sector in the community that also provides supportive services as well as numerous educational, recreation and volunteer competitors. Avenidas' supportive services are priced at the low end making it more accessible to a wider group of people and offering prospective members more value.

Avenidas' greatest strength is that it offers a full continuum of services ranging from education, recreation, and volunteer offerings, to supportive services designed to support independence. Its staff is focused entirely on working with older adults, and is expert in the field of gerontology. The "concierge style" program is an excellent complement to the programs already in place at Avenidas.

The strength of programs at Avenidas may prove to be the greatest competition to the program. Prospective members may be confused about the added value of membership, and conclude, inaccurately, that membership at Avenidas conveys the same benefits. This is not true. An example best illustrates this.

It frequently happens that a family calls Avenidas when there is a crisis. A mother has fallen, broken a hip, been hospitalized, and is being discharged within days. The mother will be unable to take care of herself as she did before the accident. She, or perhaps her daughter, calls Avenidas asking for help. An Avenidas Information and Assistance Specialist informs them about in-home care options and gives them a list of agencies in the community. They are responsible for arranging for care.

If this mother were a member of the program, immediately upon learning about the mother's accident the Member Services Coordinator would arrange for appropriate in-home care. She might know that the member does not have family in the area, and arrange for transportation, too. If family were to arrive from out of town, she could help them with hotel reservations. As the member's health improved, it would be the responsibility of the member services coordinator to adjust the in-home services accordingly. Full-service, customized assistance such as this is not offered to Avenidas members.

Notwithstanding its competitors such as home care and home health care providers, and the many opportunities available for continuing education and volunteer service, Avenidas and the proposed services program will be expert in locating and arranging services that are particularly designed for the older adult.

## **Marketing Strategy**

The strategy for marketing this program will be based on prospective members' desire for security, convenience, and community.

The focus groups demonstrated that the program has great appeal even among those individuals who cannot identify a significant need for any of its services. There is, instead, a great desire for the security and peace of mind that this program would provide.

These same focus group participants told us that they wouldn't know who to call if they did need help, and they recognize the difficulty of arranging for quality care or assistance when the need arises. Quality care from a trustworthy provider is exceedingly important to local older adults. This program would offer a very convenient way to access services that meet these standards.

Lastly, focus group participants told us that they want to be part of a smaller group or neighborhood or community. They view membership as an antidote to isolation and loneliness and want to be connected to other members.

To market the program, we plan to establish a strong relationship with neighborhood residents by making good use of newspaper publicity, paid advertising, an outreach program of personal calls and contacts, skillfully prepared communications pieces, and a program of informational seminars in the neighborhoods.

To encourage early sign-up, we will consider reduced fees for multi-year memberships, limitations on the number of members who will be enrolled, and smaller, size-limited sub-groups.

Our strategy is based on the concept that:

Awareness precedes client services.

Membership-driven high quality services generate client retention and expanded membership.

People refer to people. Members will be our most important sales people.

## **Pricing and Sales Strategy**

For the purposes of this plan, the financial projections assume membership pricing will be \$800 for couples and \$600 for singles, annually. These fees are comparable to those charged by the Beacon Hill Village, but tested favorably in our focus groups. When 163 group participants responded to the question “Would you pay \$500, \$750, \$1,000 or \$1500 annually for this program”, the average fee they indicated a willingness to pay was \$980.

Their responses break down further as follows:

27% would pay \$750 annually

23% would pay \$500 annually

17% would pay \$1,000 annually

12% would pay \$1,500 annually

The financial projections assume that only a small minority of the membership has significant needs for services and assistance. Should a disproportionate number of older members (age 80+) enroll, the program will be more costly to operate. It is critical that persons age 65-80 find value in membership and enroll. Some consideration has been given to a tiered membership-pricing schedule, whereby older members would be charged more. This, however, comes across as being discriminatory. Another option could be to offer multi-year membership and charge less, per year, for members who sign up for longer terms. This commits Avenidas to providing this program into the future, which may not be advisable until costs and utilization are established. A better approach may be to position membership for younger members as an insurance policy as well as an opportunity to support a resource that is valuable to the community. A pricing strategy will be developed by the advisory group.

Either way, an inducement to join can be created by setting a fixed number of memberships and urging people to “join now while membership is still available”. This way, younger adults will

be motivated to join to assure that they will be eligible for benefits and assistance when they need them.

## **Strategic Alliances**

Strategic alliances will be formed with key vendors (especially companies that provide in-home chore worker and nursing care) and with organizations within the community that will add credibility and stature to the program.

Because it is expected that access to trusted and quality in-home care, (perhaps at a discounted rate) will be paramount to members, partnerships with the providers of in-home care will be critically important. We propose negotiating contracts with at least two providers to assure the availability of caregivers to members. Initially we would approach those providers already recommended as preferred providers by Avenidas: Home Instead, Pathways Home Health, Older Adults Care Management, Seniors at Home.

An example of organizations that would add credibility and might provide additional services to members could include Stanford Hospital, Kaiser Permanente and Palo Alto Medical Foundation.

## **Management Organizational Structure**

This will be a program of Avenidas; the Avenidas President/CEO will have management responsibility and the Avenidas Board of Directors will provide strategic and fiscal oversight.

An Advisory Board will be responsible for program design, identifying and prioritizing services, assisting with outreach and membership, and programmatic oversight. This Board will report to the Avenidas Board of Directors, which will have fiscal responsibility for the program.

Two persons will staff the program until membership exceeds 300, at which time an additional half-time Member Services Coordinator will be added. Should the needs of the members exceed the capacity of this staffing, additional employees will be considered.

The Program Director will be responsible for program design and implementation, outreach, marketing and membership sales, and supervision of the other employee(s). During the start-up phase, this person will be responsible for the selection of and contracting with third party service providers. He/she will report to the V.P. of Programs and will staff and work closely with the Advisory Board. This will be a full time position.

This person should be entrepreneurial, resourceful, customer-focused, have program management experience and be a motivational communicator, good listener and an effective group facilitator.

The Member Services Coordinator(s) will help members identify, select and secure the services that they request. This person will be responsible for assuring that members are satisfied with the services and that their needs are met.

This person should be customer-focused, skilled at working with older adults (ideally with a degree in gerontology and/or experience as a geriatric care manager), and resourceful.

The program staff will be located at 450 Bryant St. in Palo Alto. Administrative support including accounting, human resources, and fundraising (as necessary) will be provided by Avenidas at a cost to be determined.

Some programs and events may be held in the neighborhoods, in facilities such as churches and schools and private homes, to help make membership more personal and “neighborly”. It is expected that there will be some cost for these facility rentals (included in the proforma budget).

The Program Director will report to the V.P. of Programs who reports to the Avenidas President & CEO. Both the V.P. of Programs and President & CEO will dedicate time to assure the success of this program, helping build relationships with service providers in the community and helping to secure resources (both new members and other financial and non/financial resources).

## **Financial Plan**

Important Assumptions:

The program must break even after a reasonable and affordable start-up period. Recurring income in the form of membership dues must cover recurring expenses.

The program cannot operate at a deficit for more than three years, though less time is preferable.

The capital needed to fund start-up deficits must be identified at the outset. Avenidas will not be able to fundraise for this program; instead, venture funding from Avenidas and/or grants from select individuals must be identified.

All cost advantages negotiated with vendors will be passed directly to the members.

# Avenidas Village

## Financial Proforma

		Year 1		
	Pre-Opening	(9 mos)	Year 2	Year 3
<b>Total Members</b>		178	480	788
<b>Income</b>				
New Single Person Memberships	0	34,847	49,819	68,715
New Two-Person Memberships	0	59,090	94,896	125,982
Renewals	0		77,538	186,843
<b>Total Income</b>	0	93,936	222,253	381,540
<b>Expenses</b>				
<b>Total Personnel</b>	26,389	115,704	188,293	273,670
Advertising	4,000	14,175	20,850	21,000
Website	5,000	900	1,950	900
Marketing Materials	9,300	450	1,200	1,500
Newsletter	500	374	1,711	3,346
<b>Total Marketing</b>	18,800	15,899	25,711	26,746
Events	5,000	2,000	2,000	2,000
Office Expenses	3,000	450	600	900
Basic Services	n/a	0	0	0
Contingency - 5%		7,902	13,032	18,143
<b>Total Other</b>	8,000	10,352	15,632	21,043
Avenidas Membership	n/a	4,909	11,645	19,970
Administrative Services (accounting, marketing)		5,580	14,400	21,600
Rent		13,500	18,000	18,000
<b>Total to Avenidas</b>	0	23,989	44,045	59,570
<b>Total Expenses</b>	53,189	165,943	273,681	381,028
<b>Income/(Loss)</b>	<b>(53,189)</b>	<b>(72,007)</b>	<b>(51,428)</b>	512
<b>Funding Req'd - Loss Before Payments to Avenidas</b>	<b>(53,189)</b>	<b>(48,018)</b>	<b>(14,359)</b>	0
<b>Funding Req'd - Cumulative</b>	<b>(53,189)</b>	<b>(101,207)</b>	<b>(115,566)</b>	<b>(115,566)</b>
<b>Amount paid to Avenidas</b>	0	0	0	59,570
<b>Assumptions</b>				
Membership rates				
Single membership		\$750		
Two person membership		\$900		
Year 1 - Program is marketed to Palo Alto, Ladera & Stanford only				
Year 2 - Atherton is added in October				
Year 3 - Menlo Park is added in October				
Enrollment rate as a percentage of target market		0.03		
Renewal Rate		0.85		

Program begins to "pay" Avenidas only when it can afford to



