



SMSA Strategic Plan

A Framework

Strategic Planning Baseline

Goals

Goals are specific accomplishments that must be accomplished in total, or in some combination, in order to achieve some larger, overall result preferred from the system, for example, the mission of an organization.

Strategies or Activities

These are the methods or processes required in total, or in some combination, to achieve the goals.

Objectives/Milestones

Objectives are specific accomplishments that must be accomplished in total, or in some combination, to achieve the goals in the plan. Objectives are usually "milestones" along the way when implementing the strategies.

Tasks

Particularly in small organizations, people are assigned various tasks required to implement the plan. If the scope of the plan is very small, tasks and activities are often essentially the same.

Resources (and Budgets)

Resources include the people, materials, technologies, money, etc., required to implement the strategies or processes. The costs of these resources are often depicted in the form of a budget.

SMSA's Mission

Our mission is to operate a corporation exclusively for educational, charitable, promotional, and propagational purposes in connection with sailing and all matters of sailing activities, including but not limited to, the organizing and conducting of racing and cruising events, to work for better appreciation of sailing and the basic skills of seamanship that the sport of sailing fosters and the preservation of an environment conducive thereto, and the education of the public thereof.

Source: SMSA Articles of Incorporation

Reference Overall Singular Purpose ("Mission") or Desired Result from System
During planning, planners have in mind (consciously or unconsciously) some overall purpose or result that the plan is to achieve. For example, during strategic planning, it's critical to reference the mission, or overall purpose, of the organization.

Environmental Scan

- Large number of boaters in Southern Maryland who do not belong to a club
- 7-9 month sailing season in one of the most beautiful cruising and racing areas of the country
- New club house location on Solomons Main Street in prime location to attract new members
- The population of Southern Maryland has exploded in the last 10 years and continues to grow
- The mean family income in St. Mary's and Calvert counties is above the Maryland average
- There is no serious competition for that which SMSA does
- We have great marina slip availability including two of those marinas voted "Best on the Bay"
- We are in a central Bay location... only 1 hr from DC metropolitan area

Take Stock Outside and Inside the System

This "taking stock" is always done to some extent, whether consciously or unconsciously. For example, during strategic planning, it's important to conduct an environmental scan. This scan usually involves considering various driving forces, or major influences, that might effect the organization.

Situational Analysis

Strengths: Prime Club House location on Main Street in Solomons; Great web site and CLEW; Very strong programs; Lots of really wonderful, dedicated volunteers

Weaknesses: Lack of large capital assets or savings; slow to move and/or make progress on the tough issues that face the club; lack of good promotion for the great programs that we have; slowness in updating web site with current information about club activities

Opportunities: Southern Maryland boaters' population would support potentially large increase in membership; the clubhouse could be better utilized (e.g., nautical flea market)

Threats: Apathy, indifference, lack of volunteerism; not owning the clubhouse; We are currently just breaking even financially

Analyze the Situation

For example, during strategic planning, planners often conduct a "SWOT analysis". (SWOT is an acronym for considering the organization's strengths and weaknesses, and the opportunities and threats faced by the organization.) During this analysis, planners also can use a variety of assessments, or methods to "measure" the health of systems.

Goals

- **To be (continue to be) the premiere sailing club in Southern Maryland...**
 - Cruising
 - Racing (small and big boat)
 - Major, nationally recognized Regatta (Screwpile)
 - Social activities
 - Junior Program
 - Facilities (own or long-term lease, waterside)
- **Education of SMSA members and the boating public**

Establish Goals

Goals are specific accomplishments that must be accomplished in total, or in some combination, in order to achieve some larger, overall result preferred from the system, for example, the mission of an organization. (Going back to our reference to systems, goals are outputs from the system.)

Based on the analysis and alignment to the overall mission of the system, planners establish a set of goals that build on strengths to take advantage of opportunities, while building up weaknesses and warding off threats.

Strategies

- Grow membership (major growth necessary)
 - Advertise
 - Target likely candidates
 - Strategize for a major, sustained membership drive
- Sustain/retain existing members
- Provide value to members
- Ensure recognition and promote commitment
- Increase volunteerism – get new members assigned to committees
- Strive for fiscal stability
- Eventually develop and execute an innovative and aggressive scheme to raise funds and financing for the club house facility

Establish Strategies to Reach Goals

Strategies or Activities are the methods or processes required in total, or in some combination, to achieve the goals.

The particular strategies (or methods to reach the goals) chosen depend on matters of affordability, practicality and efficiency.

Objectives/ Milestones

- Looking ahead to the **mid-term** (5 years out), we envision some of the following:
 - A membership of ~200 dues paying members
 - A slow, but gradual increase of dues and initiation fees
 - A plan and concerted effort to save money for a down payment on a permanent facility
- Then, looking ahead to the **longer term** (15 years out), we have the following notional vision:
 - Own the club house property (or long-term lease)
 - Will have increased the membership to ~300 members
- Members are fully informed on a timely manner of the upcoming events in the club
- Fiscal stability

Establish Objectives Along the Way to Achieving Goals

Objectives are specific accomplishments that must be accomplished in total, or in some combination, to achieve the goals in the plan. Objectives are usually "milestones" along the way when implementing the strategies.

Objectives are selected to be timely and indicative of progress toward goals.

Examples of Representative Tasks

Some things we can do in the **short term** to position the club to eventually have a permanent (own or long-term lease) waterfront home...

- ✓ Renew the lease on the existing SMSA clubhouse now
- ✓ Obtain the liquor license (done)
- Increase bar revenue by adding opportunities to sell liquor... Thurs, Fri, Sat
- ✓ Designate a "Bar Manager"
- ✓ Add a sink in the galley (Sink on board... to be installed)
- Increase membership with a major, sustained membership drive
- Gain a longer term lease (5-10 years) until we have the means to buy
- Ensure that every action taken by the Officers, BOD, and Program Chairs is consistent with the long-term vision and goals of the club
- ✓ Codify operating rules of the club house facility (like pier use)
- Within reason, insist that all possible club events be hosted at the clubhouse
- Change membership categories to attract new members and retain current one... (bi-laws change in work)
 - * Regular Membership... one or two adults age 30 or older
 - * Young Adult Membership... One or two adults age 18-29... full membership status
 - * Junior Membership... minor children
 - * Emeritus Membership... 65 or older
- Food Nights... cook your own steaks or tacos
- ✓ Put out a schedule... "This Week at SMSA"... hot dogs, hamburgers, tacos, etc.
- ✓ Place an Activity Board in the club house window for all to see (including non-members)
- ✓ Enhance on-line calendar of events
- ✓ Stabilize dues in the short term
- Start saving money (~ 10%) for a facility/ crossed with growing membership
- Establish relationships with other Yacht Clubs
- ✓ Send post cards to members to remind them of special events (weekly e-mails being sent)

Note: We need to ensure all of the goals, strategies, and objectives/ milestones are supported by tasks. Tasks to be assigned through the full SMSA BOD.

Resources (Means)

While developing the vision for SMSA, it was acknowledged that a permanent location, preferably one that was owned by SMSA, was a major attribute of the proposed vision. This begged the question of “ why don’t we just buy the facility that we are in?” When the numbers were run, it quickly became apparent that SMSA does not currently have the required combination of savings, for a down payment, and income, to support a mortgage for the balance of the purchase price, to make a significant purchase. With those facts, the Directors developed a fairly complicated simulation to determine how we could get SMSA in a financial position to own a facility, and how long it would take. The simulation that was employed used the existing membership, dues, income, and expenses as the baseline. It then allowed the input of the current value of the property to be purchased. With this information entered, several factors, including annual membership growth, annual dues increase, inflation rate, savings interest rate, and mortgage rate could be adjusted. Through this analysis it became very apparent that the factors that most effect the ability of SMSA to be in a position to afford a significant piece of property are the number of members and the dues.

Using this tool the Directors are establishing a long range plan, which if followed, would put SMSA in the position to purchase a property of similar to the one that we currently occupy. Although this is a long term goal, it will incorporate short term guidance for establishing future budgets, dues increases, and membership growth goals. It will also incorporate metrics to see how well the long term goals are being met. The baseline data and assumptions are shown below in Figure 1. The resulting annual goals are shown in Figure 2.

Figure 1

Year	2008	% annual Escalation
Current Dues	\$ 450.00	4.00
Current # of Membership	150	5.00
Current facility value	\$ 2,000,000.00	3.00
Current facility Rent	\$ 3,750.00	5.00
Current Annual Expenses	\$ 145,000.00	2.78
Current Income	\$ 145,000.00	2.78
Max Membership	\$ 300.00	
Loan rate	\$ 8.00	
savings interest rate	\$ 3.00	

Identify Means... Resources/ Budgets

Resources include the people, materials, technologies, money, etc., required to implement the strategies or processes. The costs of these resources are often depicted in the form of a budget.

Resources (Means) Cont'd

Figure 2

Year	# of Members	Dues	Annual Income	Annual Expenses	Annual Rent	Annual Residual	Cumulative Residual (savings)	Projected Cost of Facility	Finance amount	Annual Finance cost	Annual Residual + Annual Rent - Annual Finance Cost	# of Years
2008	150	\$450	\$145,000	\$145,000	\$45,000	\$0	\$0	\$2,000,000	\$2,000,000	\$176,103	\$131,103	1
2009	158	\$468	\$153,599	\$150,030	\$47,250	\$3,569	\$3,569	\$2,060,000	\$2,056,432	\$181,072	\$130,254	2
2010	166	\$487	\$162,711	\$155,250	\$49,613	\$7,461	\$11,137	\$2,121,800	\$2,110,663	\$185,848	\$128,774	3
2011	174	\$506	\$172,189	\$160,667	\$52,093	\$11,522	\$22,992	\$2,185,454	\$2,162,462	\$190,409	\$126,794	4
2012	183	\$526	\$182,742	\$166,290	\$54,698	\$16,452	\$40,134	\$2,251,018	\$2,210,883	\$194,672	\$123,522	5
2013	192	\$547	\$193,912	\$172,127	\$57,433	\$21,785	\$63,123	\$2,318,548	\$2,255,425	\$198,594	\$119,376	6
2014	202	\$569	\$206,297	\$178,187	\$60,304	\$28,110	\$93,127	\$2,388,105	\$2,294,978	\$202,077	\$113,662	7
2015	212	\$592	\$219,403	\$184,480	\$63,320	\$34,923	\$130,844	\$2,459,748	\$2,328,904	\$205,064	\$106,821	8
2016	223	\$616	\$233,878	\$191,014	\$66,485	\$42,864	\$177,633	\$2,533,540	\$2,355,907	\$207,442	\$98,093	9
2017	234	\$641	\$249,187	\$197,800	\$69,810	\$51,386	\$234,348	\$2,609,546	\$2,375,198	\$209,140	\$87,944	10
2018	246	\$667	\$266,032	\$204,849	\$73,300	\$61,183	\$302,562	\$2,687,833	\$2,385,271	\$210,027	\$75,544	11
2019	258	\$694	\$283,836	\$212,171	\$76,965	\$71,665	\$383,305	\$2,768,468	\$2,385,163	\$210,018	\$61,387	12
2020	271	\$722	\$303,359	\$219,778	\$80,814	\$83,581	\$478,385	\$2,851,522	\$2,373,137	\$208,959	\$44,564	13
2021	285	\$751	\$324,726	\$227,682	\$84,854	\$97,045	\$589,781	\$2,937,067	\$2,347,286	\$206,683	\$24,784	14
2022	299	\$781	\$347,268	\$235,895	\$89,097	\$111,392	\$718,867	\$3,025,179	\$2,306,312	\$203,075	\$2,585	15
2023	300	\$812	\$360,531	\$244,431	\$93,552	\$116,100	\$856,534	\$3,115,935	\$2,259,401	\$198,944	\$10,708	16

Summary... based on fairly stable economic factors such as inflation, property value, and mortgage rate, and then using a dues escalation of 4 % annually and a membership growth of 5% annually, SMSA could be in the position to purchase a piece of property currently valued at \$2,000,000 in approximately 16 years. For comparison purposes, \$1,500,000 piece of property would take approximately 13 years to be in the position to purchase if all of the other factors remained constant. By leveraging the facility that we are in and continuing to increase the value to the membership of SMSA, we should be able to reach these goals while continuing to make SMSA a stronger and more valuable club.

Communication of the Plan

- Present Draft Strategic Plan at next full BOD meeting... 8 July
- After full BOD approval, finalize smooth copy
- Publish narrative/text version in the CLEW
- Distribute to membership via a mailing
- Socialize with the membership at every opportunity

Write and Communicate a Plan Document

The above information is organized and written in a document which is distributed around the system.

Back-Up

Strategic Planning Framework

1. **Reference Overall Singular Purpose ("Mission") or Desired Result from System**

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2. **Take Stock Outside and Inside the System**

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3. **Analyze the Situation**

For example, during strategic planning, planners often conduct a "SWOT analysis". (SWOT is an acronym for considering the organization's strengths and weaknesses, and the opportunities and threats faced by the organization.) During this analysis, planners also can use a variety of assessments, or methods to "measure" the health of systems.

4. **Establish Goals**

Based on the analysis and alignment to the overall mission of the system, planners establish a set of goals that build on strengths to take advantage of opportunities, while building up weaknesses and warding off threats.

5. **Establish Strategies to Reach Goals**

The particular strategies (or methods to reach the goals) chosen depend on matters of affordability, practicality and efficiency.

6. **Establish Objectives Along the Way to Achieving Goals**

Objectives are selected to be timely and indicative of progress toward goals.

7. **Associate Responsibilities and Time Lines With Each Objective**

Responsibilities are assigned, including for implementation of the plan, and for achieving various goals and objectives. Ideally, deadlines are set for meeting each responsibility.

8. **Write and Communicate a Plan Document**

The above information is organized and written in a document which is distributed around the system.

9. **Acknowledge Completion and Celebrate Success**

This critical step is often ignored -- which can eventually undermine the success of many of your future planning efforts. The purpose of a plan is to address a current problem or pursue a development goal. It seems simplistic to assert that you should acknowledge if the problem was solved or the goal met. However, this step in the planning process is often ignored in lieu of moving on the next problem to solve or goal to pursue. Skipping this step can cultivate apathy and skepticism -- even cynicism -- in your organization. Don't skip this step.