

“Plan On It”

A business plan can help you obtain funds to build a training facility

Fire Rescue, January 2003

by Bill Booth



Due to the emergence of terrorist-related emergencies, higher state and federal standards, an increase in the number of firefighter recruits (a projected increase of 3 to 9 percent by 2010, according to the U.S. Department of Labor) and the increasing threat of lawsuits, many fire departments around the country have considered building new training facilities. Many others want to replace or enhance their aging facilities with safer, more efficient training centers.

Unfortunately, a well-equipped training facility does not come cheap—construction costs can range anywhere from \$500,000 to \$50 million. For example, Washoe County, Nev., recently spent \$16,000,000 to build a state-of-the-art facility that includes a burn structure, classrooms, locker rooms and showers, a driver's track and a hazmat training area. Departments typically can't raise this kind of money through the traditional fundraising efforts, such as bake sales, bingo or direct-mail campaigns.



To request and obtain the money necessary to build top-notch training facilities, a department must know the answers to a number of questions: What type of training will take place? Who will use the facility and why? What will the facility cost to build, and what are the reoccurring annual operation costs? A department must thoroughly examine these questions before it makes funding requests.

Tom Loraine, a 37-year fire-service veteran and current chairman of the Indiana Board of Firefighting Personnel Standards and Education, points out that annual fire department budgets account for personnel, administration, and equipment but often overlook a capital-budget line item for a training facility. "Just like the planning and justification for new apparatus may require several years and countless budget reviews," Loraine says, "the planning process for capital training facilities must take on similarly detailed research and planning."

Elected officials, city and county executives, and anybody else considering the project for possible funding must know how much the facility will cost to build and operate, as well as the cost benefits. Therefore, the department must consider the early-stage training-facility planning a business problem. The Dragonfly Communication Network specializes in grant writing and research for the fire service. Dragonfly President Rodney Slaughter, a veteran in fund-raising issues, says, "Preparation is key. Get your requirements and needs organized and in writing. Think of as many possible hurdles, objections and questions as possible and address them in your business plan. Organizations you approach to fund your business plan demand clarity and justification—they do not like surprises midway into the project."

Any business startup--be it a dry cleaners, an auto parts store or an international corporation-needs funding. A business plan delivers the full equation: construction costs, the management plan, facility needs, benefits, legal justification, on-going maintenance and operation costs.

Most fire departments find themselves hard-pressed to come up with all these facts and figures. They usually know how many hours of training they need in certain areas, but they often find the details perplexing: How many classrooms do they need? How much staff it will take to run the facility? How much will facility maintenance cost, and how can they justify a large capital expenditure, etc.?

A quality business plan outlines all those details. Cost projections are based on a factual assessment of building and operating expenses after careful scrutiny of the needs and desires of those who will use the facility. The business plan author (typically the training or financial chief) should interview all the parties involved to discover their specific needs, then calculate the details.

The business plan also gives fire departments a means to organize and consider many aspects of the project often overlooked. For example, what are the logistical efficiencies of the training props? How can they be utilized to their maximum potential? Can any of the props be rented to outside agencies as a source of revenue for the department?

BUILD THE BUSINESS PLAN

The business plan should answer every question elected officials or grant providers will ask. (For a list of these questions, see the side-bar, "Answer This," p. 54) Township of Kalamazoo (Mich.) Fire Department Fire Marshal Many Myers leads a group planning a regional public-safety training center in western Michigan. Planning off and on for more than six years, seven local agencies came together to develop a business plan. "Regardless of budget constraints, the need for efficient and safe public safety personnel cannot be denied," Myers says. "Our elected officials strongly support the need for training, but their funding decisions must be fully justified. Our business plan effort is doing just that."

The business plan involves seven sequential steps. Each step builds on each other, similar to the chapters in a book. The final step, the funding strategy, ties the plan together. The following summarizes each step:

1. Needs Assessment - This step reviews and validates existing training classes and facilities. Increasingly, multiple departments share training facilities, which makes complete needs assessment even more vital to the project's success. The needs assessment may also evaluate the feasibility of charging tuition for training outside agencies. *Tips:* Get as many people from the department involved at this step as possible. Think long term, and consider "what if" scenarios.

2: Operations Plan- This piece outlines the day-to-day management of the training center. It addresses operational procedures, safety issues and training methods. It also out-lines scheduling methods, security and procedures for delivering training courses that meet national standards and unique local requirements. The operations plan may include logistic and managerial scenarios for possible joint partnerships with other agencies or the local community college as well. *Tip.* Ask yourself the seemingly simple questions. Who will open the doors in the morning? Who will lock up at night? Who will set the training facility schedule?

3. Facility Assessment- In conjunction with 'the needs assessment, the facility assessment illuminates the required scope and magnitude of the training facility. For example, it identifies the number of classrooms and the type of specialized training equipment the department needs. The facility assessment also identifies the most cost-effective and advanced specialty training equipment available. *Tip:* Time and again I've heard department members say their new training facility was too small by the time it opened. Make sure you include your department's training forecast into the facility assessment.

4. Site, Requirements- If a specific site exists, the business plan reviews potential infrastructure costs, permits and neighborhood issues. If no site exists yet, the business plan establishes the minimum size required, identifies potential environmental issues and creates a bud-get for land acquisition. *Example:* In Washoe County, a local land developer offered a favorable land, design and build proposal. This presented the county an excellent turnkey project that benefited all parties.

5. Financial Assessment- The financial assessment, based on the needs assessment and local construction costs, provides financial feasibility for the project's implementation and direction. It also provides estimated values for all aspects of the training facility's design, construction, operation, maintenance and revenue potential. The financial assessment should include an estimate of annual operation expenses. *Tip:* The project will instantly lose credibility if your projections are not in line with actual costs. Carefully consider all aspects of the project to eliminate surprises.

6. Cost-Benefit Analysis- This step helps clarify and justify the project's monetary and nonmonetary benefits. Why is the training center a good use of capital funds? Who benefits and why? What legal requirements does the training center serve? What is the revenue potential for the training center? Does joining with other departments or jurisdictions provide benefits? How much should each partnering agency contribute to the project and why? The cost benefit analysis should clearly define all of these questions. *Tip:* Current budget stress is causing officials across the country to rethink and reconsider their allocations. When developing the business plan, the writer must continually ask, "What makes my project stand out?" or "Why should my project be selected for funding over others?"

7. Funding Strategy- The funding strategy should review all possible funding outlets, such as local, state or federal grant opportunities. Slaughter says, "Having a well-crafted and thorough business plan makes grant applications so much easier to complete. Your business plan can be attached to your grant application proposal."

Tips: Think long term and remain patient. Prepare to accept phased funding, that is, perhaps this year's funding will allow the construction of a new tower, but the classroom construction will have to wait until next year. Also, pay attention to budget cycles and filing deadlines. Most grants are offered only once a year-miss the filing date and you'll wait another year.

CONCLUSION

Well-trained fire officers are highly skilled in emergency-response management planning, and they should apply this same skill-set to strategic training facility planning. "The same skills being applied to strategic emergency response planning can be applied to training facility planning," Loraine says. "The same management expertise is already there."

Clearly, a comprehensive business plan can facilitate a broad range of goals in building a training center. But most importantly, a plan is critical for obtaining the necessary funding to move a project forward. Ultimately, without a comprehensive cost analysis, elected officials and grant providers remain reluctant to open their checkbooks.

ANSWER THIS

The business plan, should answer every question elected officials or grant providers will ask. Likely questions include:

1. Who will use the training facility?
2. What training will the facility provide?
3. What it cost to annually operate the facility?
4. In the case of multiple partners, 'how will the center be managed.
5. What are the training facility's cost and practical benefits?
6. Should the facility be open to outside users in order to generate, revenues?
7. What private, local, state or federal funds are available?
8. What is your funding strategy?

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