

THE XXXX JEWISH CULTURAL CENTER

2007-2010

BUSINESS PLAN

NOVEMBER 2005

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Executive Summary

The Goal

The plan’s goal is to develop a business model for the Jewish cultural center XXXX, so that its operation will be financially sound. The chosen model combines payment for services rendered, by the clientele, support from the Joint at the outset and donations from local organizations in the future as well as the development of profit centers based on principles of cost-effectiveness. The model is also based on taking full advantage of the buildings resources and opportunities that present themselves in the market.

The Center’s operation will be adapted to allow (from a regulatory perspective) payment collection from a commercial company (LLC), which will operate together with the JCC, enabling the Center to continue to maintain its non-profit status.

The Center’s activities will be based on two key principles:

1. Preservation of the Center’s Jewish and community-based identity.
2. Engaging in profit generating activities, only to create sufficient income so as to support the financial existence of the Jewish cultural center.

The required change will rely on five key components:

1. Finance the cost of the Center’s activities by charging the clientele and from other productive income sources.
2. Renovation of the building’s exterior and interior to meet the Center’s new needs.
3. The transfer of the building’s maintenance to the AREC company.
4. Development of a market-oriented, cost-effective based approach (social entrepreneurship)
5. The JCC will subsidize activities and clients solely on a differential and practical basis, with monies transferred from the Joint and other donations.

The Target Market

The XXXX Jewish cultural center targets four main markets:

1. The entire Jewish population of the city, with emphasis placed on the middle-class Jewish population, ages 8-45.
2. The Russian population of the central city from the middle class and above, whom is interested in participating in the Center's activities.
3. The Joint's Leadership and Management School and other educational organizations that are interested in renting classrooms and halls on a variable basis.
4. Various organizations or companies in the city, interested in renting the congress hall or classrooms in order to hold events and congresses.

The Middle Class in the city

The middle class in the city is estimated at 25-35% of the total population. The average income in this socioeconomic class is \$12,000 a year (Business Week, 9/2005), with the average household numbering 3.08 family-members. The average expense on recreation and leisure is estimated at 13% of the total income, or \$1,560 per year.

The Jewish Population in the city

The Jewish population in the city decreased to 100,000 Jews (according to the "law of return"), during the years 1989-1999. The population began to increase in 2000, as many Jews whom had previously emigrated from the city returned. The number of Jews that have returned to the city in the last 5 years is estimated at 40,000.

Official numbers are inaccurate, enumerating the

total current Jewish population in the city at 100,000 but studies executed by the Shapiro Center and the Joint have found this number to be closer to 200,000.

Recent independent studies estimate the total Jewish population of the city at 200,000. The target age group (8-45) is estimated at 90,0000.

Pricing Policy

The Center's pricing policy is differential, suited to the type of activity and audience. Activities geared towards a Jewish audience or activities of a community-based nature will be priced on a "cost +" basis. Activities that are classified "financial" will be priced so as to maximize their cost-effectiveness, in order to ensure the total coverage Center's operational costs and its maintenance. If the Center manages to reach a high level of profitability from these activities, then more community-based activities can be held, which is the main purpose of the Center.

Competition

The Center will compete with the various service providers in the market both in the activity sector and classroom and hall rental sector. The Center will compete by stressing its uniqueness and by differentiating itself from its competitors, such as competing Jewish organizations, ensuring real value to its clientele in exchange for payment for services rendered.

The following is a summary of the financial forecast for the next five years:

Revenue Source	2007	2008	2009	2010
Sales of services	\$248,786	\$303,803	\$347,230	\$357,230
Funding from the Joint	\$150,000	\$78,500	\$29,000	\$17,200
Local donations	\$106,500	\$115,000	\$115,000	\$115,000
Activities and workshops	62	62	62	62
Events and shows	79	79	79	79
Estimated number of participants	3,000-4,000	3,200-4,200	3,300-4,300	3,400-4,400
Rentals				
Estimated square meters rented out annually	22,000 meters	34,570 meters	36,500 meters	40,500 meters
Total possible annual square meters for rent (700*364 days)	254,800 meters	254,800 meters	254,800 meters	254,800 meters

The XXXX Center's Goals

The XXXX Center has set a number of goals to be achieved in the coming years, with the implementation of this business plan:

1. To position itself as a modern cultural, educational and recreational center, with a clear Jewish disposition.
2. To obtain financial independence within 3-4 years.
3. To reach a critical mass of communal and business activity so as to support the Center's expenses, allowing the Joint to divert its resources currently provided to the Center, to alternate Jewish-related activities or to subsidize the Jewish population.

Strategy

In order to reach its goals successfully, the Center has built a strategy focusing on the target markets, the methods to reach these markets and improving efficiencies. The following summarizes the key strategic points:

1. Modification of the building's concept to reflect a modern and integrative center, which focuses on education and recreation. The development of this concept will require the exploitation of all the building's economic resources.
2. Focusing on specific target markets with the ability to pay for services, specifically the middle class population and the 8-45 age groups.
3. Renovation and upgrading of the Center to create a modern facility, which can actively compete with local service providers. In addition to the exterior of the building, which must be modernized, this renovation should focus on creating multi-functional areas that can be utilized for various types of activities, providing solutions for a large number of potential customers.
4. Management of the Center from a cost-effective viewpoint, focusing on marketing while providing solutions to the needs and desires of the target markets.
5. Reorganization of the Center's employee base. Achieving efficiency by outsourcing certain functions to freelancers as permitted by local laws.

The Center's Positioning

The XXXX Center will serve as a high quality and modern platform for hosting cultural events, educational activities and congresses. These activities will attract the patronization of the upper-middle class Jewish community in the city, the well-established community of the city's center and organizations interested in renting out the facility on an occasional basis.

The Center must position itself as a modern and high quality institution, providing a friendly atmosphere and an appealing exterior.

The Center will continue to house the Leadership and Management School, run by the Joint. This school will offer advanced activities and services, with an added value to the Center, helping to create the modern positioning the Center strives to achieve.

The XXXX Center will serve the central locale for intellectual Judaism in the city. ***The Center will be based on Jewish themes and symbols and a portion of the activities offered at the Center will be clearly Jewish-oriented.*** The Center must provide a framework in which Jews can discover their roots, while satisfying their needs for leisure and pleasure. The Center must compete not only with alternate Jewish organizations such as Chabad and the Jewish Agency (Sochnut), but also with alternate service providers in the cultural and leisure market.

The Center's success will be dependent on its ability to create an appropriate balance between its economic outlook and its cosmopolitan Jewish outlook. The Jewish themes that define the Center must not overemphasized or used in a direct marketing campaign, so as to not to discourage potential clients from visiting and participating in the Center's activities. Once these clients have visited the Center they will enjoy the relevance of these Jewish symbols, and be drawn closer to their own personal Jewish identity.

The Center's Services

Extracurricular Activities and Leisure

As the Center strives to position itself as a cultural focal point, it must develop a wide range of cultural services. These services must complement one another and be varied to meet the varying needs of the target audience and different age groups. Special attention must be

placed on services that suit the mid-class population between the ages 8-45, so that the Center will be able to successfully charge and receive payment for services provided. The services should be made up from the following fields:

1. Jewish topics
2. Recreational topics and activities
3. Educational topics and activities
4. Cultural and the fine arts topics, including shows, such as plays, symphonies and more

All activities will be run on a cost-effective basis, with the funding of each activity stemming from the payment received from the clientele, or specific activities ordered by the JCC and/or the Joint.

Future activities will include those offered in the summer, as to date the Center offers little or no activities during the summer.

Hall and Classroom Rental

The Center will serve as a host for the Leadership and Management School, which was established by the Joint as a high-quality activity promoting economic performance.

Additionally, the Center will serve as a congress hall and educational center, which will rent out its halls and classrooms to training organizations, on a cost-effective basis. The congress hall will be multi-functional, capable of hosting concerts, plays, lectures and conferences.

Complementary services that will be offered at the Center will include:

1. Internet Bar-cafe' (run either by an independent subcontractor or an LLC company)
2. Restaurant (run by an independent subcontractor)

The Center will strive to rent the halls and classrooms to both Jewish and non-Jewish organizations in the summer, for various seminars and conferences.

The Design Concept

The interior will be based around a central meeting area on the main floor with specific defined areas placed logically around this center, each flowing naturally. The interior design will be unified, in a modern fashion. The rooms will be designed to suit their specified goals. The rooms should be outfitted with multi-functional equipment and design, so that they may serve a multitude of purposes, raising the capacity of the Center.

The JCC Program for the XXXX Center Renovations (July 19th 2005)

The following is a summary of the XXXX Center building plans in the city. The Center will include:

1. Cultural hall for theater, conferences, lectures, movie showings, sit-down events etc. The hall's minimum capacity will allow 200 forward-facing guests.
2. Dance studio for classical, modern, and other forms of dance
3. Internet Cafe' with 4-5 computerized Internet posts. The cafe' will provide light refreshment to the Center's visitors and for the conferences.
4. Various sized classrooms, for 20 to 35 participants.
5. Art workshops that can serve up to 20 participants.
6. Restaurant and coffeehouse, which provides kosher food. The type of food and quality will be decided at a later date.

The Market

The Target Market

The following is a description of the Center's target markets and their estimated market sizes:

1. The Jewish population of the city, primarily between the ages 8 and 45. The market size is estimated at 90,000 people (40% of the total Jewish population within the the city region).
2. The general middle-class and above population of the center of the city, estimated at 25% of the total the city population.

3. Companies and organizations within the city, estimated at tens of thousands of organizations.

The Middle Class Population of the city

According to “Carnegie Center” (the summary of the research can be found in the Appendix), the city’s middle-class is defined as people who earn between \$1,190 and \$2,380 a month. Of the total population of the city, 22% are defined as middle-class, with incomes at this level. The average salary in the city is \$700 a month (Business Week, 9/2005). In the past years there is a trend of constant growth in the standard of living of the population in the city.

According to the “Carnegie Center” study, middle class Russians spend 13% of their income on entertainment and vacations, and 6% of their income on education and healthcare. ***The vast majority of middle-class Russians (80%) partakes in recreational activities on a regular basis, with almost 50% finding time to partake in their favorite pastime more than once a week.*** The most popular form of entertainment amongst the middle-class is music, with 15% enjoying this form of recreation. Every tenth middle-class Russian enjoys going to see a play or a movie.

The Jewish Population of the city

the city’s Jewish population has undergone many changes since 1989, when the first mass emigration to Israel, Germany and the United States began. During the period 1989 to 1999 the Jewish population decreased to only 100,000 (based on the “law of return”). In recent years there is a trend of returning emigrants. It is estimated that 40,000 Jews returned to the city, from Israel. While official statistics hold that the Jewish population in the city is only 100,000, the Shapiro Center’s research as well as the Joint’s well-founded estimations, believe this number to be closer to 200,000. The following chart presents the segmentation of the Jewish Population according to age group:

Age structure of the “Core” and “Enlarged” Jewish Population in the Russian Federation and of Immigrants from this Country to Israel, 1994, Percent

Age group	Core	Enlarged	Immigrants to Israel
Total	100	100	100
0-14	6.2	13.4	21.0
15-29	9.9	16.4	26.0
30-44	16.5	17.5	20.6
45-64	35.0	29.9	20.2
65+	32.4	22.8	12.2
including 75+	14.5	9.6	3.8
Median age	56	46.8	32.0

From the above 1994¹ survey it can be ascertained that the population of Jews in the city up to age 45 is 90,000.

According to Professor Shapiro’s study, the percentage of Jews in the city that define themselves as Jewish has decreased over the years due to assimilation and intermarriage. As a result most of the Jews in the city define themselves as both Russians and Jews.

Identity Self-Definition	Percentage of the city Jews
Russian Jew Identity	41.30%
Russian Identity	21.60%
Jewish Identity	18.40%

The number of Jews in the city who define themselves as religious Jews is minimal, amounting to but a few percent. Most of the Jewish population defines itself as secular. Of these 70% feel they have a connection to Judaism, while the remainder claim no connection to Judaism. The majority of the Jewish population in the city prefers to send their children to regular, non-Jewish schools than to Jewish schools.

There is no knowledge that the Jewish population is concentrated in a specific locations or neighborhoods in the city, so it assumed that the families live in areas that suit their personal style and lifestyle.

¹ This survey was carried out in 1994, after the large immigration of Jews from the city to Israel. It is assumed that these trends have remained constant in the last decade in the remaining Jews in the city. These percentages may be slightly lower than actuality, though the return of Russian families to the city since then would raise the percentages back to those presented in the chart.

There is no available information regarding:

- ◆ The lifestyles and media demand of the middle-class Jewish the city population.
- ◆ The factors that influence the consumption of the services offered by the XXXX Center by the middle-class Jewish the city population.

In order to gain this information a market survey of the target markets must be performed.

The Competition

Extracurricular Activities

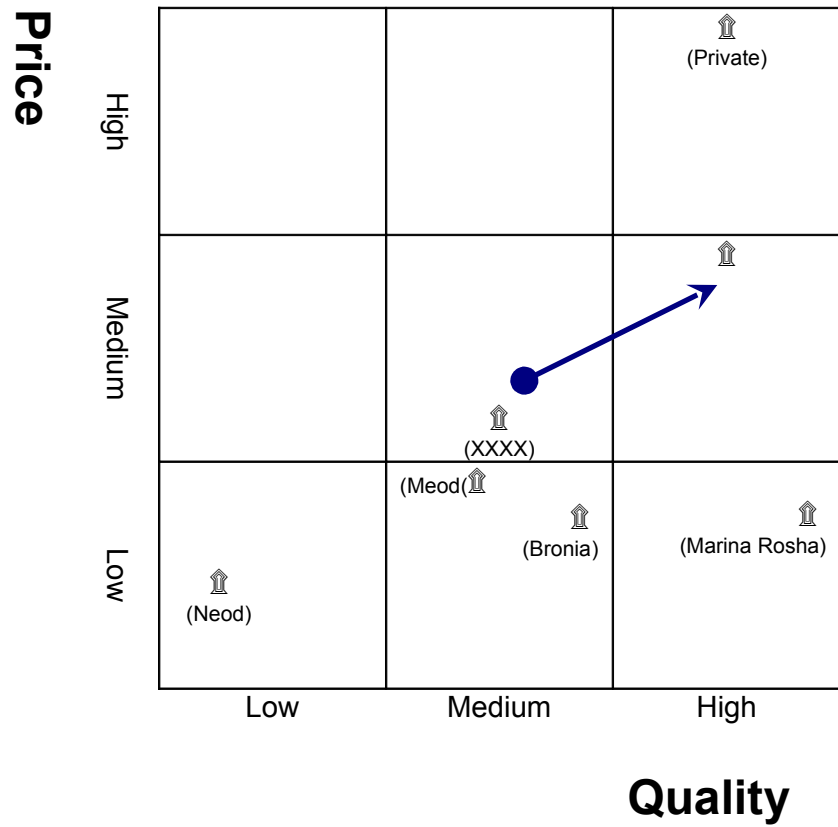
Though XXXX is a non-profit organization, it operates in a competitive environment, competing with other Jewish organizations such as “Meod” and “Marina Rosha”, the World Jewish Agency and other similar organizations. Some of these organizations are religion-based, others social-based and others based on encouraging emigration to Israel. The majority of these organizations offer their services and activities for free, attracting mainly the low to middle class Jewish population. Extracurricular activities offered by non-Jewish organizations are on a cost-effective basis, with prices ranging between \$20 and \$110 a month. In order to successfully compete and to increase its ability to collect payment for services rendered, Nikitsikaya must build a competitive advantage based on three key factors: differentiation, innovation and target audience.

1. **Differentiation** – The Center must create a clear distinction between the activities it offers and those offered by its competitors. This is done by offering a different range of activities, and offering the activities at times when the competitors are closed, such as on Saturday.
2. **Innovation** – The subjects and activities offered at the Center must be advanced, modern and well-suited to the target audience². Additionally the Center will be refurbished, radiating the Center’s innovative perspective. The Center will include modern services such as a modern Internet bar-cafe’
3. **Target Audience** – It is of utmost importance to attract the target audience and build the Center’s clientele, made up of the middle class and above population. By positioning the Center as a high-quality and leading service provider is dependant on successfully

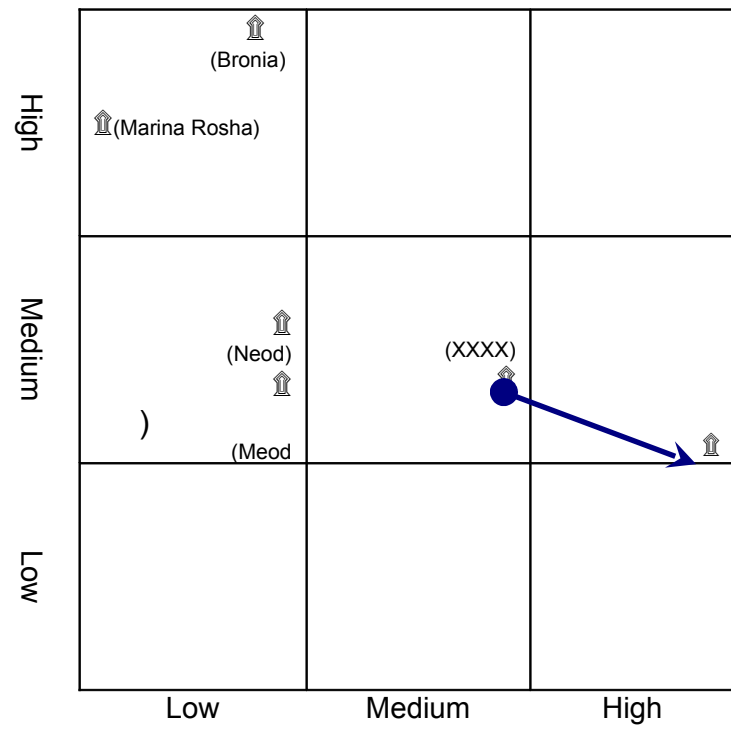
² The specific subjects of interest to the target audience will be ascertained in a market survey to discover the audience’s interests and needs.

replacing the current clientele, with the target audience and promoting the acceptance of the Center as the “in place” amongst the higher class population.

Competitive Positioning within the Jewish Audience



Jewish - Cosmopolitan



Social Economic Group

Hall and Classroom Rental

The following chart compares XXXX's prices for classroom and hall rental, with those offered by competitors in the city's center (five star hotels were not included). All prices are before VAT. The prices presented related to rooms and basic equipment. Most of the competitors charge extra for multimedia equipment and refreshments.

Location and number of *s								Price PM	XXXX Price PM
Ukraine Hotel ***	Seats	110	120	150	40	20	10		3.7\$
	Full Day-8hrs	\$757	\$908	\$908	\$303	\$182	\$121		
	Half Day- 4 hrs	\$379	\$454	\$454	\$151	\$91	\$61		
	Hour	\$106	\$124	\$124	\$45	\$36	\$31		
Holiday Inn ****	Seats (according to lay out)	34-153	68-306	30-103	16-47	11-30	8-21	\$8-\$11	3.7\$
	Price per sq. m Day base	\$8	\$8	\$8	\$9	\$10	\$11		
	Sq. M	120	240	108	49	31	23		
	Full Day-8hrs	\$900	1800	\$850	\$450	\$300	\$250		
	Half Day- 4 hrs	\$550	X	\$525	\$325	\$200	\$150		
	Evening- 4 hrs	\$750	X	\$725	\$400	\$250	\$200		
Marco Polo ****	Seats (according to lay out)	45-120						\$5.1	3.7\$
	Price per sq. m Day base	\$5.13							
	Sq. M	156							
	Full Day-8hrs	\$800							
	Half Day- 4 hrs	X							
	Hour	X							
Slavianka **	Seats (according to lay out)	55			20			\$3.5-\$4.6	3.7\$
	Price per sq. m Day base	\$3.52			\$4.57				
	Sq. M	65			50				
	Full Day-8hrs	\$229			\$229				
	Half Day- 4 hrs	\$114			\$114				
	Hour	\$29			\$29				
Cosmos ****	Seats (according to lay out)	100			50			\$7.1-\$12.7	3.7\$
	Price per sq. m Day base	\$7.13			\$12.67				
	Sq. M	120			60				
	Full Day-8hrs	\$855			\$760				
	Half Day- 4 hrs								
	Hour								
President ****	Seats (according to lay out)				50	40		\$8.25-\$10.8	3.7\$
	Price per sq. m Day base				\$8.25	\$10.79			
	Sq. M				103	70			
	Full Day-8hrs				\$850	\$755			
	Half Day- 4 hrs								
	Hour								
Journal House	Seats (according to lay out)	100	450					\$8.25-\$10.9	3.7\$
	Price per sq. m Day base	\$8.33	\$6						
	Sq. M	120	600						
	Full Day-8hrs	\$1,000	\$3,600						
	Half Day- 4 hrs	X	\$1,800						
	Hour	X	\$450						

XXXX serves as an advantageous alternative for small and medium sized organizations, looking to rent out a high-level hall in the center of the city, at a competitive price. Israeli, American and Jewish organizations, who place much importance on security, will further benefit from the high security level policy of XXXX, enacted by the Joint in FSU.

Pricing Policy

The pricing policy serves three main purposes:

1. To fund the majority of the activity's cost
2. To create a clear connection between the value of the offered activity and its actual price
3. To offer competitive prices during the penetration into the classroom and hall rental market

The following represent some of the basics of the Center's pricing policy:

- ◆ The XXXX Center will charge a monthly rate of \$15 for an activity that is offered for 2 academic hours per week.
- ◆ Jewish activities that are funded by other organizations or by the joint will cost a symbolic \$1 per attendee, or will be given free of charge.
- ◆ During the market penetration stage, the cost of the rental of a room will be \$3.7 per meter per day. The competing prices are at least 3 times this level.

The following chart presents the pricing for the Center's halls and rooms during the penetration stage (the first 18 months), without VAT. Following the penetration stage, the prices will be reevaluated and raised.

Room Type	Sq. M	Seats	Rent per Hour	Per Day (8 hrs)
Room	39	35	\$18.04	\$144.30
Room	35	25	\$16.19	\$129.50
Room	31.5	22	\$14.57	\$116.55
Room	34	25	\$15.73	\$125.80
Computer class	48	24	\$22.20	\$177.60
Small Hall	87.5	60-100	\$40.47	\$323.75
Large Hall	151	200	\$69.84	\$558.70

Operational Costs

Based on XXXX expenses, the Center must generate an income level of \$2.5 per meter per day (from the areas designated for rental). As such, the \$3.7 per meter price level generates a profit level of 40%, from the required areas. Moreover, in the future, the prices will most likely be raised, possibly to twice the current level.

The activity program, and the Jewish activities offered, will provide surplus income, almost completely covering direct costs, at a level of \$2.5 per meter.

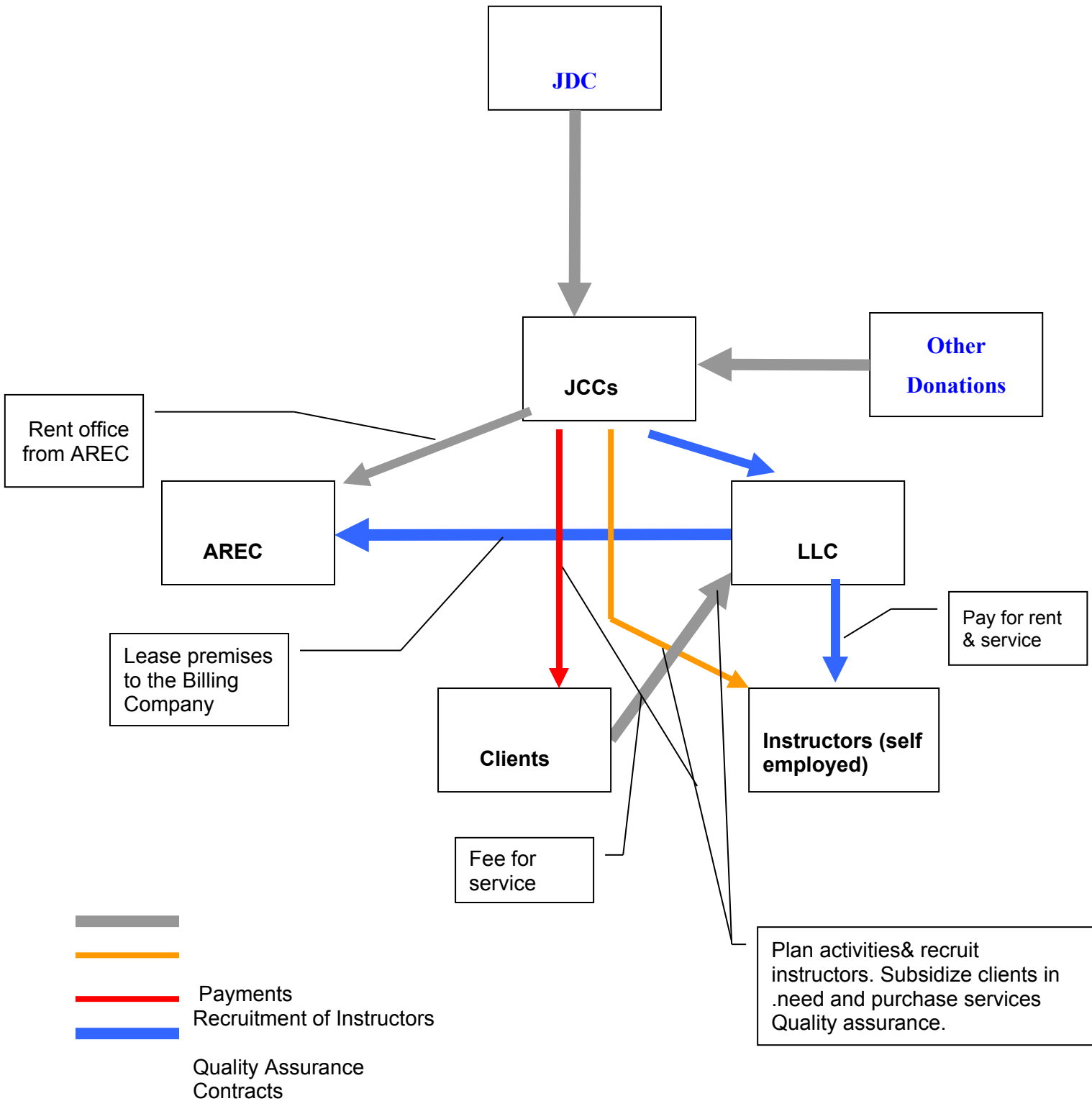
Operation and Human Resource Policy

Operation

Two entities will join together to manage and operate the Center. The **JCC** will be in charge of running the center from a community focus. Its responsibilities will arranging events and activities and lobbying for donations. The JCC will continue to receive funding from the Joint (**JDC**), which will steadily decrease over the coming years. The **LLC** will be responsible for the financial management of the center, receiving payment for services rendered, paying service providers and ensuring that the center runs effcieintly and cost-effectively.

The Center pays rent and maintenance to the Joint holdings company, **AREC**, which owns the building. AREC will perform the necessary renovations to the building, receiving payment in full for this service.

The following diagram presents the different models, which the Center interacts with various entities:



Human Resources

The Center's human resource policy strives to maintain a lean team, working together with freelancers on a need-to-have basis so that:

4. The professional providers will receive payment only for services rendered
5. A possible payment model may be income sharing between the Center and service provider
6. Less time will be required to manage the employees
7. The JCC will continue to employ a manager, a public relations worker and a bookkeeper

The LLC's organizational structure will include:

1. Manager- who runs the company, the finances and marketing
2. Bookkeeper
- 3.2 Receptionists
4. Office Manager
5. Marketing Coordinator

Professional Staff

6. Event Coordinator
7. Activity Coordinator

JCC's organizational structure will include:

1. Manager – a professional from the education, fine arts or recreational field
2. A PR employee – who will actively seek donations
3. A part-time bookkeeper (possibly the same employee as at the LLC)

Direct Employee Costs

The following table presents the total human resource costs:

Position	Full-time/Partial Position	LLC	JCC
JCC Manager	Full		\$32,000
Public Relations Manager	Full		\$18,000
Activity Coordinator	Full	\$31,200	
		\$15,600	
Bookkeeper	Full - split between the 2 organizations	\$12,000	\$6,000
Receptionists	2 partial positions	\$9,360	
Office Manager	Full	\$12,480	
Event Coordinator	Full	\$12,000	
Marketing and Sales Coordinator	Full	\$12,000	
Total		\$104,640	\$56,000

The LLC will employ a total of 7 employees for a total annual expenditure of \$104,640 (not including annual bonuses or other cash incentives). The LLC will also employ tens of freelancers and professional artists.

The JCC will employ 2 full-time workers and a bookkeeper on a part-time basis, for an annual expenditure of \$56,000.

Working Relations with Service Providers

The Center must strive to pay its service providers no more than 50% of the direct payment received for full capacity for their services rendered. In this case, full capacity means, 20 participants in an activity or an event with a sold-out event, for example. As such, the pricing will be based on the number of participants. As a matter of policy, payment to lecturers should not exceed \$10 per full hour (including VAT). The prices to professional artists will vary based on their level and their reputation, and therefore the price of each event, concert, etc. will be decided ad-hoc based on the cost.

A standard working relations contract must be drawn up for all service providers.

It is of utmost importance to build an extensive database of service providers in order to allow the option of choosing from a wide range of leading service providers and ensure that the service provider best suits the needs both in terms of quality of service and cost.

Strategy and Marketing Approach

The Jewish Population of the city

The marketing strategy to the Jewish population within the city is based on two activity levels:

- 1) Activity within the Jewish community on two levels
 - a) Former Israelis
 - b) Jews from the middle-class
- 2) Activity within the Jewish organizations – forming collaborations with the World Jewish Agency, Chabad and the Israeli embassy

The the city General Population

Marketing efforts will also focus on the general population living within the vicinity of central-the city.

Organizations and Companies

Additional marketing efforts will be geared towards organizations and companies in order to rent out classrooms and the event hall to them. Special attention will be placed on Jewish organizations or Jewish-owned, Israeli-owned or American/British-owned organizations.

The renovations are projected to conclude at the end of 2006, therefore the new will not be implemented until the beginning of 2007. Only after the completion of the renovations will there be any point in intensifying marketing efforts to this audience.

Once the renovations are complete, in November 2006, a marketing campaign promoting the new and improved XXXX Center. The campaign will include a large launching event, public relation efforts, newspaper advertisement, a direct marketing campaign to the new target markets and other media based advertising, all geared towards the middle class and above markets.

A market research of the target market will provide the basis to improve and fine-tune the marketing strategy.

The marketing budget will reach \$32,453 before VAT.

Total Marketing Expenses	\$32,453
Advertising	\$15,833
Mail and e-mail	\$4,167
Printing	\$4,167
Website and Maintenance	\$1,000
Miscellaneous	\$4,167
Graphic Design	\$3,120

Sales Plan and Projections

The Center's revenues will be derived from four main revenue sources:

- 1) Payment for extracurricular activities, training and clubs
- 2) Payment for events, plays and concerts
- 3) Income from rental of the classrooms and halls
- 4) Donations

Sales Projections

Activities, Shows and Jewish Events	Revenue	Gross Profit
2007	\$166,786	\$43,345
2008	\$191,803	\$68,363
2009	\$205,230	\$80,000
2010	\$205,230	\$80,000

See attached table in the Appendix

Leadership School	Revenue from Rental	Gross Profit
2007	\$40,000	\$40,000
2008	\$60,000	\$60,000
2009	\$80,000	\$80,000
2010	\$80,000	\$80,000

Assumption: The Joint assumes that it will receive funding for running the Leadership School, and that it will rent classrooms and halls from the Center, including office space. The projections of payment for rental of these areas are presented above. The school is currently undergoing feasibility testing

Classroom and Hall Rental	Revenue	Gross Profit
2007	\$42,000	\$42,000
2008	\$52,000	\$52,000
2009	\$62,000	\$62,000
2010	\$72,000	\$72,000

Assumption: the Center will be able to rent out 11,351 meters of classrooms and halls, in the first year, to organizations and companies in the city. For instance renting out the large hall (200 seats) 75 times is equivalent to 11,531 meters

Local Donations	Donations	Gross Profit
2007	\$106,500	\$55,000
2008	\$115,000	\$65,000
2009	\$115,000	\$65,000
2010	\$115,000	\$65,000

Assumption: a professional, full time, fund-raiser will be able to raise \$115,000

Profit and Loss

Revenues	2007		2008		2009		2010	
	JCC	LLC	JCC	LLC	JCC	LLC	JCC	LLC
Funding from the Joint	\$150,000		\$78,500		\$29,000		\$17,200	
Local Donations	\$106,500		\$115,000		\$115,000		\$115,000	
JCC Subsidies		\$168,500		\$113,500		\$71,600		\$61,600
Income from Services Rendered		\$248,786		\$303,803		\$347,230		\$357,230
Activities and Lectures		\$80,972						
Jewish Activities		\$38,300		\$191,803		\$205,230		\$205,230
Shows		\$47,514						
Classrooms and Congresses		\$42,000		\$52,000		\$62,000		\$72,000
Leadership School		\$40,000		\$60,000		\$80,000		\$80,000
Direct Costs of Services Rendered		\$123,441		\$123,441		\$125,230		\$125,230
Activities and Lectures		\$49,941						
Jewish Activities		\$32,550		\$123,441				
Shows		\$40,950				\$125,230		\$125,230
Gross Profit	\$256,500	\$293,845	\$193,500	\$293,863	\$144,000	\$293,600	\$132,200	\$293,600
Expenses								
Service from LLC	\$198,830		\$133,930		\$84,488		\$72,688	
General and Overhead	\$1,500	\$156,500	\$1,500	\$156,500	\$1,500	\$156,500	\$1,500	\$156,500
Payment to AREC		\$115,000		\$115,000		\$115,000		\$115,000
Office Expenses	\$1,500	\$8,500	\$1,500	\$8,500	\$1,500	\$8,500	\$1,500	\$8,500
Communication and Internet		\$16,800		\$16,800		\$16,800		\$16,800
Travel Expenses		\$3,000		\$3,000		\$3,000		\$3,000
Equipment		\$6,000		\$6,000		\$6,000		\$6,000
Computer Maintenance		\$7,200		\$7,200		\$7,200		\$7,200
Miscellaneous		\$10,000		\$10,000		\$10,000		\$10,000
Marketing		\$32,453		\$32,453		\$32,453		\$32,453
Advertising		\$15,833		\$15,833		\$15,833		\$15,833
Mail and e-mail		\$4,167		\$4,167		\$4,167		\$4,167
Printing		\$4,167		\$4,167		\$4,167		\$4,167
Website and Maintenance		\$1,000		\$1,000		\$1,000		\$1,000
Other expenses		\$4,167		\$4,167		\$4,167		\$4,167
Graphic Design		\$3,120		\$3,120		\$3,120		\$3,120
Salary	\$56,000	\$104,640	\$56,000	\$104,640	\$56,000	\$104,640	\$56,000	\$104,640
JCC Manager	\$32,000		\$32,000		\$32,000		\$32,000	
PR employee	\$18,000		\$18,000		\$18,000		\$18,000	
Manager		\$31,200		\$31,200		\$31,200		\$31,200
Event Coordinator		\$12,000		\$12,000		\$12,000		\$12,000
Activity Coordinator		\$15,600		\$15,600		\$15,600		\$15,600
Bookkeeper		\$12,000	\$6,000	\$12,000	\$6,000	\$12,000	\$6,000	\$12,000
Receptionists	\$6,000	\$9,360		\$9,360		\$9,360		\$9,360
Office Manager		\$12,480		\$12,480		\$12,480		\$12,480
Marketing and Sales Coordinator		\$12,000		\$12,000		\$12,000		\$12,000
Total Expenses	\$256,330	\$293,593	\$191,430	\$293,593	\$141,988	\$293,593	\$130,188	\$293,593
Profit/Loss	\$170	\$251	\$2,070	\$269	\$2,012	\$7	\$2,012	\$7

Cash Flow

	2007	2008	2009	2010
Receivables	\$417,286	\$417,303	\$418,830	\$418,830
VAT on Receivables	\$75,111.39	\$75,114.60	\$75,389.33	\$75,389.33
Payments	\$417,034	\$417,034	\$418,823	\$418,823
Payments including VAT	\$262,453	\$262,953	\$262,953	\$262,953
VAT on Payments	\$47,242	\$47,332	\$47,332	\$47,332
Total VAT Costs	\$27,870	\$27,783	\$28,058	\$28,058

Investment Plan

The renovation costs are estimated at \$800,000 and will be carried out by the AREC company.

Key Success Factors

- 1) Creation of an active management board that will assist in planning the Center's policies and obtaining additional external resources.
- 2) Creation of a management team that identifies with Center's new goals.
- 3) Successfully attracting the new target market, which is comprised primarily of the middle class and above population.
- 4) Renovation and modernization of the Center, as a key factor in creating the Center's new modern image.
- 5) Successfully achieving marketing centered management focused on cost-effectiveness.
- 6) Successfully reaching a critical mass of community activity within 3-4 years

Risks and Threats

- 1) Inability to successfully change the Center's main clientele
- 2) Inability to successfully position the Center as a differential alternative to the competing Jewish organizations
- 3) Possible financial crisis in Russia
- 4) Possible organizational and management difficulties within the Center

- 5) Inaccurate projections in comparison with the actual feasible results
- 6) Difficulty finishing the renovations on schedule

Appendix

Sales Breakdown

Workshops and Activities

Year	Activity	Number of Groups	Average Number of Participants per Group	Average Monthly Payment per Participant	Total Number of Participants	Direct Average Monthly Revenue per Activity	Direct Average Monthly Expenses per Activity	Total 10 Month Revenue	Total 10 Month Expenses
2007		40	12.3		492			\$80,972	\$49,941
	Activity Name	Number of Groups							
	Hebrew Class	5	12	\$12.7	60	\$153	\$90	\$6,864	\$4,050
	English Class	2	15	\$12.7	30	\$191	\$90	\$3,432	\$1,620
	French/Italian	2	15	\$12.7	30	\$191	\$90	\$3,432	\$1,620
	Computers	3	15	\$12.7	45	\$191	\$90	\$5,148	\$2,430
	Ceramics for Children	2	13	\$12.7	26	\$165	\$90	\$2,975	\$1,620
	Ceramics for Adults	1	8	\$12.7	8	\$102	\$90	\$915	\$810
	Drawing Studio for Children/Youth	4	6.25	\$12.7	25	\$79	\$90	\$2,860	\$3,240
	Drawing for Adults	1	13	\$12.7	13	\$165	\$90	\$1,487	\$810
	3-7 Club	2	10	\$68	20	\$678	\$360	\$12,203	\$6,480
	Israeli Folk Dance	1	15	\$7	15	\$105	\$90	\$945	\$810
	Aerobics	1	13	\$12.7	13	\$165	\$90	\$1,487	\$810
	Chess	2	13	\$12.7	26	\$165	\$90	\$2,975	\$1,620
	Dance Class (Latin, Modern etc)	2	13	\$12.7	26	\$165	\$90	\$2,975	\$1,620
	Films	1	13	\$12.7	13	\$165	\$90	\$1,487	\$810
	Vocal Lessons	1	13	\$12.7	13	\$165	\$90	\$1,487	\$810
	Photography	1	13	\$12.7	13	\$165	\$90	\$1,487	\$810
	Literature	1	13	\$7	13	\$91	\$90	\$819	\$810
	Leather Crafts	1	13	\$12.7	13	\$165	\$90	\$1,487	\$810
	Animation	2	13	\$12.7	26	\$165	\$90	\$2,975	\$1,620
Ballet	1	13	\$12.7	13	\$165	\$90	\$1,487	\$810	
Yoga	2	13	\$12.7	26	\$165	\$90	\$2,975	\$1,620	
Theatre	2	12.5	\$85	25	\$1,059	\$794	\$19,068	\$14,301	

Shows

Year	Show/Event	Number of Events	Total Number of Participants	Price	Revenue per Event	Average Number of Participants per Event	Direct Average Cost per Event	Total 10 Month Revenue	Total 10 Month Expenses
		79	7570			95.8		\$47,514	\$40,950
	Event Type	Number of Annual Events		Ticket Price including VAT	Revenue per Event	Average Number of Participants per Event	Direct Cost per Event	Total Annual Revenue	
	Mini-Concerts	6		\$7	\$678	100	\$500	\$4,068	\$3,000
	Classic Concerts	6		\$7	\$678	100	\$700	\$4,068	\$4,200
	Stand Up	6		\$9	\$1,080	120	\$1,000	\$6,480	\$6,000
	Classic Music for Children	10		\$7	\$339	50	\$200	\$3,390	\$2,000
	Singing Artist Concert	5		\$7	\$746	110	\$750	\$3,729	\$3,750
2007	Jazz Club	6		\$10	\$1,000	100	\$1,000	\$6,000	\$6,000
	Meetings with Artists	10		\$7	\$678	100	\$400	\$6,780	\$4,000
	Documentary Film Club	10		\$3	\$300	100	\$300	\$3,000	\$3,000
	"Unknown Jewish Film" Club	10		\$3	\$300	100	\$200	\$3,000	\$2,000
	Personality Club (Meetings with Famous People)	10		\$7	\$700	100	\$700	\$7,000	\$7,000

Jewish Clubs, Holidays and Events

Year	Activity	Average Number of Participants per Activity	Total Number of Participants	Monthly Payment (including VAT) per participant	Direct Average Monthly Revenue	Direct Average Monthly Expenses	Total 10 Month Revenue	Total 10 Month Expenses	
2007		22	1187				\$38,300	\$32,550	
	Torah Seminar	50	50	\$1	\$50	\$70	\$500	\$700	
	Jewish History Seminar	30	30	\$1	\$30	\$100	\$300	\$1,000	
	Jewish Institute of Eastern Europe Seminar	15	15	\$0	\$0	\$0	\$0	\$0	
	Zionistic Reform Children's Club	25	25	\$0	\$0	\$10	\$0	\$100	
	Jewish Club	25	25	\$0	\$0	\$0	\$0	\$0	
	Meetings with the Rabbanit Shulman	15	15	\$0	\$0	\$0	\$0	\$0	
	Doctor's Club	25	25	\$0	\$0	\$10	\$0	\$100	
	Mero Volunteer Club	70	70	\$0	\$0	\$10	\$0	\$100	
	Welcoming the Shabbat	Welcoming the Shabbat	30	30	\$0	\$0	\$40	\$0	\$400
		Kabbia Club	12	12	\$0	\$600	\$120	\$6,000	\$1,200
	Ballet Lovers Club	30	30	\$0	\$0	\$100	\$0	\$1,000	
	Literary Club	70	70	\$0	\$0	\$0	\$0	\$0	
	Theater Club	15	15	\$0	\$0	\$0	\$0	\$0	
	Science Club	15	15	\$0	\$0	\$0	\$0	\$0	
	Teacher's Club	15	15	\$0	\$0	\$0	\$0	\$0	
	Passport Club	75	75	\$15	\$1,125	\$800	\$11,250	\$8,000	
	Bible Theater	30				\$0	\$1,300	\$13,000	\$13,000
	Total		17	547				\$31,050	\$25,600
		Holidays		Participants	Price Per Participant	Cost		Total revenue from event	Total expenses on event
		Jewish New Year		70	\$25	\$1,400		\$1,750	\$1,400
		Yom Kippur						\$0	\$0
	Sukkot						\$0	\$0	
	Simchat Torah						\$0	\$0	
	Hannukah		150	\$2	\$350		\$300	\$350	
	Purim		150	\$5	\$2,100		\$750	\$2,100	
	Tu BeShvat						\$0	\$0	
	Pesach		170	\$25	\$2,900		\$4,250	\$2,900	
	Shavuot		100	\$2	\$200		\$200	\$200	
	Total		5				\$7,250	\$6,950	