



BUSINESS PLAN

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Approved by the Board of Directors 4/20/2016

<http://www.fidalgodanceworks.org/>

Abstract

The Organization

The mission of Fidalgo DanceWorks (FDW) is ***Excellence in dance education and performance for all***. Our vision: ***A community that values the art of dance***. Our three highest goals:

1. To strengthen the confidence, poise, self-discipline, and creative skills in performance in students of all ages through the study of craft and technique.
2. To create unique, challenging and diverse live performances and share them with our community.
3. To support ongoing training and education for our instructors, staff, and board of directors.

FDW operates out of two leased buildings with a total space of 5,200 square feet, located at 901 and 909 Third Street, Anacortes, Washington. Three dance studios provide space for nearly 60 classes each week. FDW was established as an outgrowth of a number of former nonprofit dance organizations in Anacortes. In 2008 FDW reorganized and registered as a 501(c)(3) nonprofit corporation. Our student enrollment averages 250 students who range in age from one year to senior citizens who are taught by 4 Ballet instructors, 3 jazz instructors, 3 modern instructors, 2 tap instructors, and 1 hip hop instructor. Our instructors are supported by a staff of 4 including an office manager, bookkeeper, artistic director, and executive director. An all-volunteer board of directors provides oversight.

The Services

FDW is the only comprehensive dance school on Fidalgo Island, offering dance instruction in ballet, modern, jazz, tap, hip hop, musical theater, swing, and conditioning. Specially trained instructors teach a movement class for individuals with Parkinson's disease as well as classes for children on the Autism spectrum. Our curriculum allows students to experience steady progress in both technique and performance quality during their years with us.

The Markets

The US Census 2014 population in Anacortes was 16,232 with an estimated 3% annual growth. In Anacortes, the 19.6% of the population in under age 18 and 22.9% is over 65 years of age. FDW's potential customers include Anacortes, greater Fidalgo Island, northern Whidbey Island, and western Skagit County.

Our market niches are children who are discovering the joy of dance, tweens and teenagers wishing to dance and perform, parents who want their child to have a healthy lifestyle, and adults who wish to be physically active including individuals with Parkinson's disease or other neurological challenges.

Need and Demand in the Marketplace

Our dance classes are well attended, with waiting lists for some classes due to class size restrictions. As students discover the joys of dance and as their abilities improve, they seek more structured classes and progress into more demanding levels of tap, modern, jazz and ballet.

Finances

Our income is primarily received from tuition, performance fees and ticket sales for our three major dance concerts. An annual registration fee for each student helps to cover administrative costs. Approximately 35 percent of our annual budget is through donations and grants from private individuals, community groups, and businesses. Many family member and community volunteers donate both time and in-kind services to our programs.

Business Plan

The Organization

Fidalgo DanceWorks (FDW) is first and foremost a school for dance. Our mission: ***Excellence in dance education and performance for all.*** Our vision: ***A community that values the art of dance.*** Our four highest goals:

1. Youth development—Fostering poise, confidence and self-discipline that prepare students for success;
2. Service to working adults and senior citizens—Creating pathways to enhance fitness, quality of life and self-expression;
3. Service to the community—Offering multiple opportunities to attend live dance performances each year;
4. Internal development—Supporting ongoing training and education for our board of directors, instructors and staff.

We are proud to be the largest nonprofit dance school north of Seattle. With an average student enrollment of 250 and wait lists for our most popular classes, our growth is a direct result of the excellence of our program and our dedicated staff and instructors. Students range in age from toddlers to senior citizens but are primarily school age. Our school has a staff of 11 instructors who lead our more than 60 classes each week. Our professional teachers have a depth of experience in both dance performance as well as dance education. We employ highly qualified instructors to challenge and nurture our dancers as they grow and excel in their dance education and develop into well-rounded individuals. Private lessons can be arranged through the school office. Our studios are equipped with sprung floors, professional grade marley flooring and full length mirrors.

As the only comprehensive dance school on Fidalgo Island, we keep in close touch with the needs of our community, and we are ready to serve an ever-widening audience base. In the 2015-2016 school year we began offering musical theater and swing dance classes for the first time. We also expanded our partnership with the Anacortes School District, offering classes for students on the autism spectrum in two local elementary schools.

Our expanded partnership with the Anacortes School District and the success of our Autism Movement Therapy classes for elementary students has created further interest in adding an additional class at FDW's studio for students who, for reasons of age or diagnosis, are not able to access our special-needs classes within the school district. We continue to seek new opportunities to partner with local organizations and businesses and are excited to discover new ways to collaborate and create additional dance experiences for our students and our community.

Market Analysis

At the heart of Fidalgo DanceWorks is our commitment to enriching the quality of the lives of residents of the Skagit County region through the arts, whether as performers or as audience members. Our market is children, adults, the arts community, the larger community, and special needs students such as those with Parkinson's disease or on the autism spectrum.

Our market does have specific limitations. Chief among those are financial challenges, the number of qualified instructors available to teach classes, the time availability of participants, and the physical structure of the buildings used for operation. The primary market—elementary, middle, and high school students—is defined by the local school district's enrollment capacity. The secondary market—working adults and retirees—is less restricted. The Anacortes school district is supportive of sharing information about programs we offer in a weekly newsletter to families.

As a dance school, many families are enrolling their students in dance. As a result of our dancers' families are making the financial investment in their students' dance classes. We also have a strong network of volunteers who support our scholarship and general fund expenses. FDW supporters are motivated by a strong belief in the benefits of dance education including the development of artistic skills and sensibility, health and fitness, poise, self-esteem and confidence.

FDW is greatly appreciative of the generous support of local service clubs such as Kiwanis, Soroptimist, and Rotary, as well as community organizations that collaborate with FDW, including the Anacortes Arts Commission, Anacortes Chamber of Commerce, Anacortes Arts Festival and Anacortes School District.

Competition

There are other local businesses and organizations that offer specialty dance or fitness classes including Zumba, folk dance, contra dance, yoga, and Pilates. In some cases, these other options appeal to a generational or cultural group, such as the Croatian dance society based on Fidalgo Island. Since the impetus for participation in these programs is specific to their offerings, we do not experience direct competition for their students.

For our school age dancers, sports and theater programs can have a competitive effect on FDW enrollment, not due to a lack of interest, rather a lack of time, both for participants and their families.

A subtler form of competition for us is the decreasing level of physical activity among all citizens. It is a challenge to break down personal barriers that keep people sedentary. FDW strives to foster a safe, non-competitive, non-judgmental atmosphere promoting the joys of movement for students of all ages and abilities. We make body movement interesting and fun.

Marketing Strategy

FDW advertises our program offerings on social media and through flyers, newspaper articles and through a municipal activity listing that is distributed quarterly. We also make appeals to our local service groups and oftentimes bring dancers to their meetings to speak and perform. We maintain an active presence in the Anacortes Chamber of Commerce.

Peaks and valleys of enrollment are always a concern. Our advertisements focus on the quality of our services. As the largest nonprofit dance school north of Seattle we are unique when compared to other available choices and stand apart with our quality of programs.

Our marketing strategy is not only based on the convenience of our location relative to other dance schools. Students from neighboring areas discover the quality of our programs through our media outlets, and parents who wait for their student to finish class find FDW's location very convenient to shopping, museums and waterfront attractions. The San Juan Islands and Guemes Island neighbors are comfortable using the ferry to reach us, while the state highway brings mainlanders to Anacortes.

Our advertisements in local newspapers and magazines, flyers to the schools and social media outreach help us reach new clients in prospective markets. With input from potential customers, we work to identify and offer classes that meet the shifting needs of the marketplace. Individuals attracted by dance forms seen on television, in the movies, or on stage come to us for classes that will allow them to pursue their dreams of dance. Others choose dance as a form of conditioning or exercise that takes place outside of a health club or gymnasium. There are also many adults who have deferred taking dance lessons until they have the financial resources and leisure time to do so. We are expanding our beginning adult classes in several disciplines to meet this demand.

In an effort to grow our performance audiences, we are developing our relationship with the local newspapers, highlighting the classes we offer as a traditional dance school, with options for specialized classes designed for the very young and non-traditional students such as those with Parkinson's disease or students on the autism spectrum. Photography that is engaging and thought provoking and well produced productions keep our audience interested in returning. When we are promoting a workshop, we address the younger student who wishes to further his or her education in modern dance, jazz and ballet. We also have several videos that we have developed for personal appearances at luncheons and service clubs, as well as public performances when we have an audience of dance lovers who would like more information about our school. Our website, revised in fall 2015, and our social media activities continue to spark interest and provide information for all who seek to enjoy dance as a skill and performing art.

The Pricing Strategy

FDW seeks to keep dance classes affordable to anyone who wishes to attend. For a dance student to excel it is necessary to enroll in multiple classes each week. A dancer has multiple

material needs, including an appropriate dance floor, music, mirrors, an instructor and the other dancers to share the stage with to progress and succeed. Our hourly tuition rate is reduced as the number of hours each student spends in class increases. Starting at \$13.50 per hour for one class per week, tuition drops to approximately \$7.00 per hour for students who spend more than 9 hours in class each week. We reduce the registration fees for families with more than one dancer.

Our longstanding scholarship program awards tuition reductions to students with financial need. Requests for scholarship assistance have increased each year and finding additional funding sources for scholarships is a major, ongoing goal for the executive director and board of directors. Funding for scholarships will continue to be a priority in years to come. Our annual gala fundraising event has grown steadily since the addition of a celebrity dance off. In 2016, our Gala netted over \$44,000 some of which was specifically identified for scholarships.

Tuition revenue must be sufficient to cover studio rentals and instructor/staff wages. Classes that are not financially viable (as a benchmark, a minimum of six students per class) face cancellation. We will, on occasion, maintain certain low-enrollment classes if they serve a specific group of students whose educational needs as dancers require that curriculum. As a financial offset, a number of classes run above the listed capacity, so much of the missing revenue is recaptured by those larger groups.

We envision expanding courses that we offer during the summer, a historically slow time for dance schools. By continuing our adult classes through the summer and offering at least two months of classes for our K-12 students, we anticipate a more level revenue stream that will help keep talented instructors here in Anacortes who would otherwise leave during the summer to pursue work elsewhere.

Ticket prices for our performances are intended to be reasonable so that families can afford to attend. We also donate blocks of festival seating to places like the Anacortes Senior Center and Anacortes Family Center. We strive for our production fees and ticket sales to cover the expenses of mounting the shows. These expenses include artistic fees, theater rental, theater manager hours and production crew hours for the technical rehearsal, dress rehearsal and each day's performance.

Operations & Services

FDW offers high-level dance instruction in a number of disciplines including ballet, jazz, modern, and tap. The very youngest students begin with Parent/Toddler classes that introduce the concepts of moving with music and spatial awareness. Our Music and Movement and Kinder Dance classes introduce children from the ages of 3 to 6 years to tumbling, tap, beginning pre-ballet and creative movement.

Young ballet students in first and second grade enroll in hour-long Pre-ballet classes to learn basic vocabulary and technique. Serious ballet study begins with Ballet I and continues through Ballet VII with pointe work beginning in Ballet V, or around the age of twelve. We also offer open classes for beginning to intermediate teen and adult students. With four ballet faculty members, FDW offers decades of teaching experience and years of professional dance experience with renowned national ballet companies.

Our modern, jazz and tap departments also offer beginning through advanced classes. In addition to student classes, tap includes an ongoing adult tap class. Musical theater dance, swing dance, hip hop and body conditioning round out offerings for dancers and non-dancers alike. We have invested in specially trained faculty members who teach a movement class for individuals with Parkinson's disease, where attendees and often their caregivers discover the freedom of dance in a gentle, supportive environment. The class addresses specific concerns of balance, flexibility, coordination and gait. For younger students, classes in Autism Movement Therapy—a partnership with the Anacortes School District—provides entry into dance for children on the autism spectrum as well as children with other neurological challenges.

Each year, FDW produces three dance concerts at Brodniak Hall, located at Anacortes High School. The holiday classic, *The Nutcracker*, is performed by students enrolled in our ballet classes, with supporting non-dancing roles played by members of Anacortes Community. Students in our contemporary programs perform in *Winter Celebration*, an upbeat holiday feast of dance that allows even some of our very young students to get experience on “the big stage.” Our annual June concert adopts different themes each year and is a chance for classes to perform together. In addition to our major concerts, in 2014 we debuted a Company Class where students learn choreography (and create some of their own), which they then perform on a regular basis throughout the community.

FDW designs its curriculum to allow most dance students to experience steady progress in both dance technique and performance quality during their years with us. Our modern, jazz and tap programs combine the best elements of the many techniques that have developed over the last century. Our faculty is convinced that the best teachers are lifelong students of dance, and they refresh and renew their approach to technique and pursue opportunities to expand their craft in collaboration with dancers and dance educators in Washington State and beyond. Our faculty also is committed to teaching dance history, stagecraft, and choreography as they instruct with the standards by which quality dance performances can be judged.

Management & Organization

Executive Director Julie Wenzel manages community outreach and fundraising for FDW. A vibrant and active presence in community theater, Julie brings to our organization significant experience in leadership and fundraising as well as a deep commitment to arts education. With 15 years' experience as a performer and director, Julie was previously the artistic director of The Merc Playhouse in Twisp, Washington, where she led a successful capital campaign to buy a building and fund major renovations. In Anacortes, Julie was instrumental in revitalizing the Anacortes Middle School drama program and continues to contribute to the artistic community of all ages through her work as a director and strong advocate for education in the arts.

FDW is currently recruiting an artistic director.

FDW staff is supported by an office manager along with contracted services for bookkeeping and facilities management. Student tuition and fees, our annual Gala, along with ticket sales raised through performances provide funds to cover our leases, utilities and staff salaries. FDW is currently governed by an all-volunteer board of directors.

Capitalization and Structure

FDW is an outgrowth of a former nonprofit dance school, The Dance Center, which was located at our primary location. In 2008, The Dance Center reorganized as Fidalgo DanceWorks and became an independent 501 (c) (3) nonprofit school of dance with 160 students enrolled. At our main building, located at 901 Third Street, Anacortes, Washington, 98221, we lease 3,800 square feet of building space. The space provides two dance studios, an office for staff, a reception area, a large changing room, four small, private changing rooms, an instructors' changing room, a parent waiting/viewing area, limited storage area and one restroom. In October 2011 we leased an additional 1,400 square feet of space of a building located next door at 909 Third Street. This space provides a third dance studio, one changing room, a restroom, a storage room, and a closet for costumes, props and other supplies and equipment.

Development & Milestones

Opportunities for Collaboration

We believe that collaboration with artists of many disciplines is vital to the artistic growth of both our dancers and the community. One of our goals is to increase the level of dance sophistication through performances that educate the public about dance. We work closely with the active arts community in Anacortes. Each year we perform at the Anacortes Arts Festival, the Anacortes Waterfront Festival, the Anacortes Parks & Rec Department's "Breakfast with Santa," Island Hospital Foundation's annual fundraising gala, the Seattle-Kaohsiung Sister Cities performance in Seattle, and multiple smaller local events. The creation of our Company Class has given us much more visibility in the community where our company dancers are frequently invited to perform at events. A positive relationship with the Anacortes Community Theater allows us to share resources, instructors, and students. We also perform *The Nutcracker* for the Anacortes and LaConner School Districts each year, bringing in

approximately 800 elementary and middle schoolchildren to Brodniak Hall at no cost to introduce students to a high level dance performance by their peers and sometimes an interest in becoming involved with dance.

Risks & Contingencies

Fidalgo DanceWorks is thriving. We remain cognizant of the impact that declining enrollment could have on our business. With the passing of the Anacortes school bond in 2014 and the projected increase in the number of military families in our community creates confidence that our enrollment should remain stable or grow.

Another critical concern for us is the availability of high-caliber instructors. We are fortunate to have recruited several such instructors who live on Fidalgo Island and others who are willing to commute. It is crucial to employ highly qualified instructors to keep dancers challenged as they progress and to keep choreography for performances interesting for both dancers and audience.

An issue that all organizations face is the possibility that a major legal or ethical problem might develop. Our staff and Board of Directors have policies in place to monitor and minimize the likelihood. We require criminal background checks and conduct regular staff reviews. We are also reviewing our personnel policies and conducting oversight of finances by utilizing a bookkeeper, Board treasurer (who happens to be a CPA), and an outside CPA.

As a lessee, a significant challenge for us would if our leases were not renewed. We maintain adequate insurance to replace losses due to fire and other unexpected events. It would be a challenge to continue our classes if we suddenly had to change location. We address this possibility by keeping a clear view of the needs of our community and by maintaining good communication and relationships with our landlords. Long-term, it is the goal of the Board of Directors to find a home for FDW where all of our studio space is in the same facility.

An opportunity exists for us to add additional classes or sublet our facilities during the times when the facilities are not being used.

Financial Plan

Earned income from tuition, production fees and ticket sales for our three major performances continue to be our primary sources of revenue. We charge an annual registration fee to help cover the costs of doing business such as insurance, paperwork, website maintenance, newsletters and email updates to our students and their parents. We also receive a small number of cash donations from private individuals, corporations and associations. These donations are often restricted in their use to a specific type of activity; for example, scholarships or office equipment.

As a nonprofit organization, we view all income as working capital that will enhance our programs and expand our ability to offer a high standard of dance education and performance.

At this stage of our development, all of our income, both earned and donated, goes back into the quality of our programming. We have very little real property that is susceptible to depreciation. The majority of our revenue goes toward instructor salaries, upkeep and maintenance of our facility, and paying costs associated with our performances. Should tuition revenue fail to keep pace with program expenses, we would be forced to increase tuition or cut back on teaching staff and reduce the number of hours spent on rehearsal outside of class time. As noted above, it is crucial to employ high-quality instructors to keep challenging the dancers as they progress and to keep choreography for performances interesting for both dancers and audience.

In 2014, FDW hired Executive Director Julie Wenzel to focus on community outreach and fundraising. Where in previous years there had been little concentrated effort to increase donated revenue through development, we now are making a focused effort to develop partnerships with local businesses that understand our patrons and clients make good customers. Periodic small-feature performances that allow interaction and contact between FDW and these businesses not only strengthen those ties but also give each party exposure to easy, grassroots advertising. We also will apply for numerous grants from local, state and national foundations and organizations that traditionally support performing arts and dance in particular. Our annual Gala event is growing in size with the 2015 addition of a community celebrity dance off.

The schedule for our three studios is nearly full for afternoon and evening classes, so we are approaching a peak of what we can expect from our tuition and production fee revenue. Our tuition income will rise nominally when we reach a broader adult audience with our daytime classes, but the real advantage will be when all of our students become lifelong fans of dance and support us through their continuing classes, ticket purchases for our performances, and charitable giving. A marked increase in unrestricted donated income will allow us to raise the number and also the quality of our shows through greater production values, including better sets, costumes, and live music.

Contributors to the arts expect that the money they invest in an organization will be well utilized and that through their contributions, they are helping construct a healthy, artistic community. It is FDW's responsibility to ensure that the contributors are confident that their contribution is vital. Investments in FDW are spent on advancing our programs, which equates to the progress of every performer. The individual growth of our dancers in artistry, health and fitness, concentration, and the ability to work with others in a creatively constructive atmosphere develops more well-rounded people. We foster citizens who will construct a better community, and we are developing not only artists but also future patrons of the arts and benefactors of artistic organizations for generations to come.

We are planning a campaign to grow our footprint in the Anacortes community and to solicit funding from local individuals and corporations. The results of a successful marketing and funding campaign would allow us to achieve the following outcomes, related to our goals:

- Providing more youth opportunities for after school to help children and youth stay on a positive track;
- Providing increased arts participation that will develop artistic skills and sensibility, health and fitness, poise, self-esteem and confidence for all ages;
- Providing increased opportunities in the arts in an underserved area/region;
- Ensuring our community knows and understands what FDW and our Dance Company can provide to organizations and individuals, especially in terms of performing and entertaining.
- Serving a greater number of senior citizens and individuals with special needs.