

Wetlands Finance Planning



Source: bettermondays.com

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UNC

ENVIRONMENTAL FINANCE CENTER

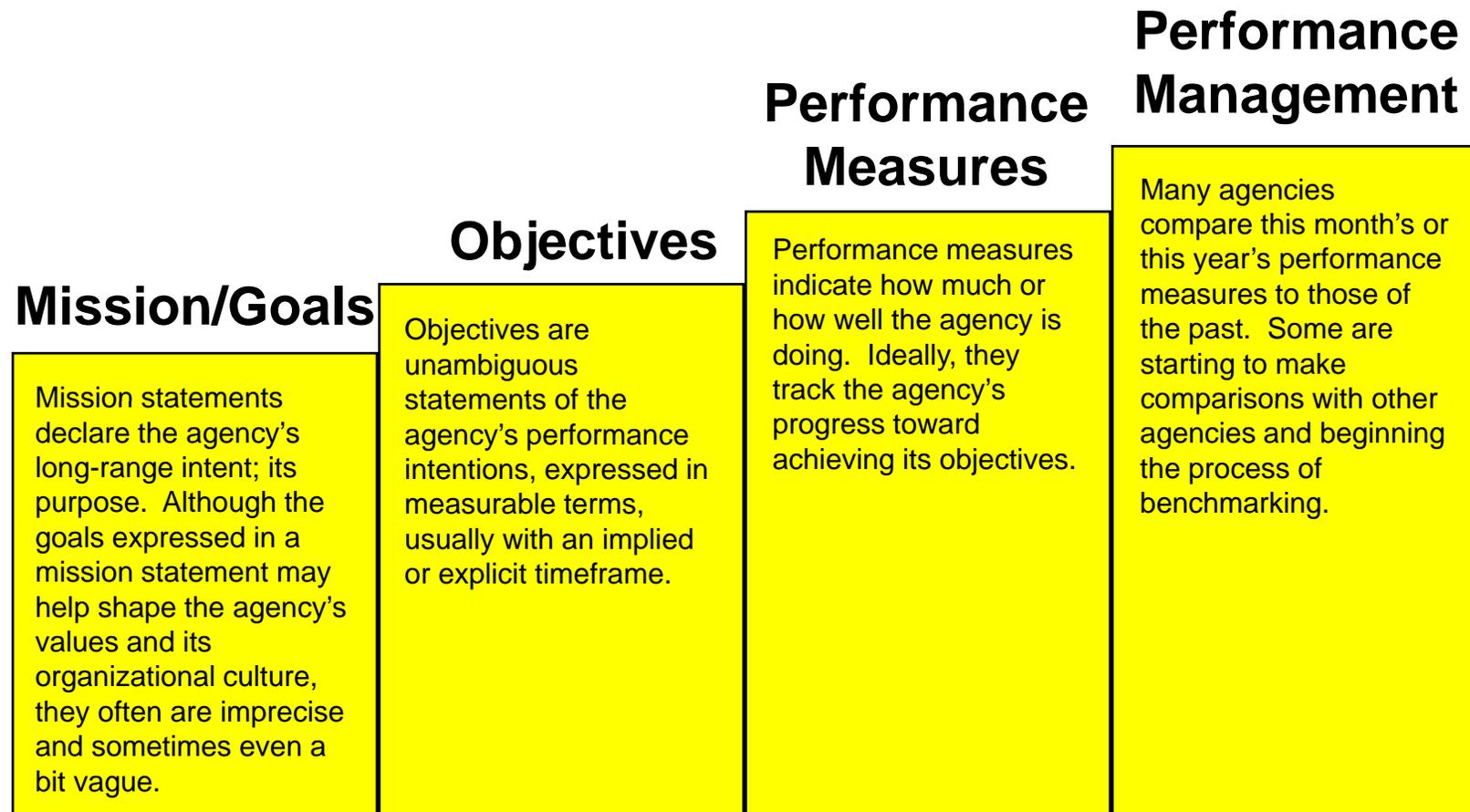
Session Agenda

- Elements of a plan
- Benefits of developing a financial plan
- Keys to success
- Online Tools—Plan 2 Fund, Plan 2 Fund OPT, Directory of Watershed Resources

The Basic Elements

- What are your goals and objectives?
 - How are they prioritized?
- How do you plan to pay for those goals and objectives?
- Who else can you work with to achieve the goals and objectives?

Climbing the Steps Toward Performance Management



Source: David Ammons, UNC School of Government

Examples of Goals

- “No overall net loss of wetlands”
- “An overall increase in the quality and quantity of wetlands”
- “A permitting system that protects wetlands and is efficient for citizens”
- Others?

Examples of Objectives

- “Protect 1,000 acres of new wetlands in each of the next four years”
- “Assess the condition of each wetland within our jurisdiction at least once this year”
- “Process 90 percent of permits received this fiscal year within 30 days”
- Others?

Developing a Plan

- Next, identify the tasks needed to accomplish each objective and estimate costs
 - Likely have estimates as part of your budget
 - If this is a new or expanded program area, consult with other tribes
- Plan2Fund tool can help

Developing a Plan

- Prioritize your objectives
 - Based on impact and urgency
 - Process should be objective
 - Direct revenues to your priorities
- Plan2Fund OPT can help

Developing a Plan

- Link current revenues to your priorities
 - What do they currently pay for?
 - How stable are they?
 - Are they guaranteed for more than one year?
- If current revenues are not enough to meet your priorities, identify potential additional revenue sources

Benefits of a Finance Plan



“When a man does not know what harbor he is making for, no wind is the right wind.”

– Seneca

Benefits of a Finance Plan

- “You wouldn’t build a garden by going out and buying any old plants and throwing them into the ground any old way. That would lead to a mess, not a garden. You plan first, then plant. Similarly, your business needs guidance and form right from the beginning, and that’s what a business plan is all about. It’s a plan for success.”

Source: Owen E. Dell. *How to Start a Home-Based Landscaping Business*. 2005. p. 56

Benefits of a Finance Plan

- Helps you prioritize your program elements
 - Helps you examine where your program is financially
 - Helps you see where your program can go
 - Helps you determine how to get there and what money you will need
 - Explains your program to external parties

Source: University of Gloucestershire Business School. “Media and Music Industries Management” course supplementary materials pack. Available at <http://online.glos.ac.uk/filestore/LearningMaterials/mum/mum102CourseSupplement0809.pdf>

Benefits of a Finance Plan

- Helps you prevent mission creep, which can happen when
 - Organization drifts into financial security by changing the course of its work to attract funding for projects it did not originally set out to do
 - Organization keeps costs very low and sacrifices quality of work and staff morale to save money

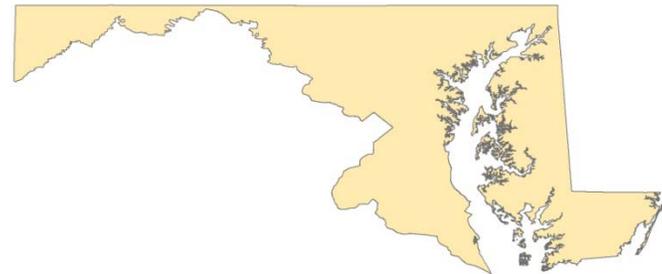
Source: Kim Klein. *Fundraising for the Long Haul*. Jossey-Bass Publishers. 2000.

Benefits of a Finance Plan

- You are more likely to get funding if you have a strategic and finance plan in place
- Examples:
 - Feedback from wetlands officials who have developed plans
 - National Endowment for the Humanities

Benefits of a Finance Plan

- Securing new funding sources can take a long time, but you can start to lay the groundwork for them now
 - Example: Maryland's permit fees took five tries and 15 years to pass the legislature



Successful Finance Plans

- “[A] business plan is a ***process of thinking rather than an individual document*** – an iterative process that occurs over time, the form of which depends critically on the intended audience....A business plan that is simply a document will become fossilized in time and, no matter how well prepared, sit on the shelf!”

Source: University of Gloucestershire Business School. “Media and Music Industries Management” course supplementary materials pack. Available at <http://online.glos.ac.uk/filestore/LearningMaterials/mum/mum102CourseSupplement0809.pdf>



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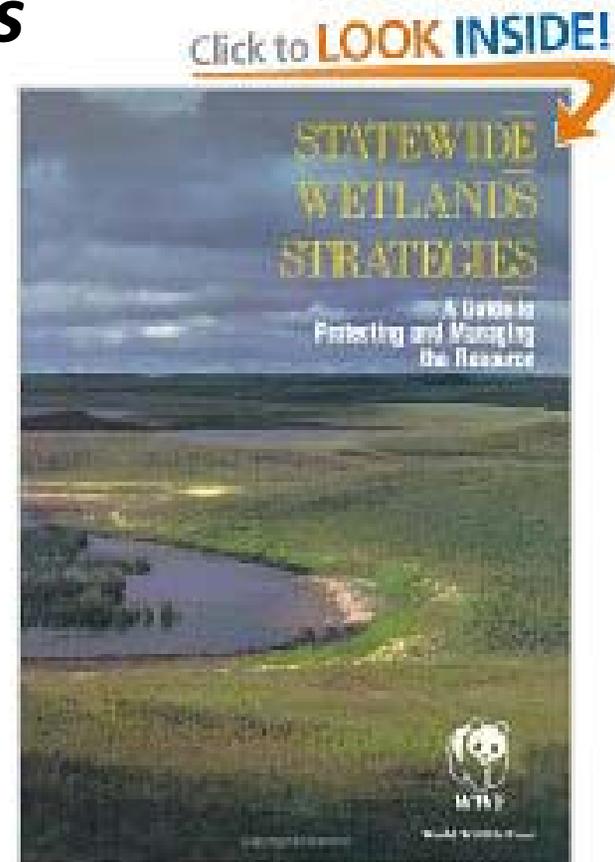
by World Wildlife Fund

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(May 1, 1992)

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Successful Finance Plans

- Accurate predictions of costs and revenues
 - Find the acceptable “window”
 - Overly optimistic or overly pessimistic predictions can create a credibility problem with funders
 - Look at other state/tribal programs for guidance

Source: MacMillan & Subba Narasimha. “Characteristics Distinguishing Funded from Unfunded Business Plans Evaluated by Venture Capitalists.” *Strategic Management Journal*, Vol. 8, No. 6 (1987). p. 579

Successful Finance Plans

- Balance between key functions in plan
 - Plans in which any one function was given too little or too much of total plan space tended to go unfunded

Source: MacMillan & Subba Narasimha. "Characteristics Distinguishing Funded from Unfunded Business Plans Evaluated by Venture Capitalists." *Strategic Management Journal*, Vol. 8, No. 6 (1987). p. 579

Successful Finance Plans

- Keep ratio between largest and smallest expense item at about five to one
 - Larger difference indicates sloppy thinking—too much attention paid to small, insignificant expenses and not enough attention to breaking down into more detail the larger items in the expense statement

Source: MacMillan & Subba Narasimha. “Characteristics Distinguishing Funded from Unfunded Business Plans Evaluated by Venture Capitalists.” *Strategic Management Journal*, Vol. 8, No. 6 (1987). p. 579

Lessons Learned from the Strategic Planning Process

- People have different priorities, so be ready for conflict. Ultimately seek 100 percent consensus
- Manage the politics and politicians
- Implement the obvious before plan is finished
- Focus on results

What's the payoff?

- “The biggest benefit of the plan is increased predictability of EPA funding.”
 - Dodd Galbreath, Tennessee wetland program

Tools for Financial Planning

- Tool can be as simple as a spreadsheet
- There are good tools available to you for free. The Environmental Finance Center at Boise State University is one source



Comprehensive
planning, priority
setting and
funding tools



Use **Plan2Fund**,
Plan2Fund OPT and
the **Directory** directly
on the web



<http://efc.boisestate.edu>

Boise State's tools have been created based on the Watershed Approach pioneered by the University of Maryland EFC: What is it?

- Examining all sources of the problem
- Visioning potential outcomes
- Prioritizing activities
- Building consensus and cooperation
- Leveraging resources
- Accomplishing goals





- ✓ Enter mission, goals, objectives and tasks in an interactive database
- ✓ Prioritize tasks over multiple years
- ✓ Determine financial resources needed to meet goals
- ✓ Determine who is going to do what, when
- ✓ Track progress toward completion



Plan2Fund OPT is designed to help stakeholder groups save time and energy when moving toward implementation of their strategic plans.

Plan2Fund OPT is a web-based decision model built in *DotNetNuke* that helps you build consensus on the rules you will use in evaluating competing objectives.

Once a group comes to agreement on the decision rules they will use in evaluating their strategic objectives, they can determine the scoring system that will be used to rank the objectives against their rules.

Plan2Fund OPT Consensus Process

1. Identify and enter strategic plan objectives.
2. Identify and gain consensus on decision rules.
3. Achieve consensus on how decision rules will be scored.
4. By consensus, assign weighting to decision rules.
5. Compare results.
6. Share information.



Search for Implementation Funding

- The Federal Finance compendium
- Examples of other funds covered today

Search for Implementation Funding



Directory of Watershed Resources

A Searchable Database of Funding Sources

- Search Our Database
- Contact Us
- About Us
- About the Directory
- Watershed Tools and Links
- Add or Update Program Information



<http://efc.boisestate.edu/watershed/>

Targeted Search:

The *Targeted Search* allows the user to search for resources using the following search criteria:

- Sponsor:** Who provides the funding program (Is it a federal, state or private program?).
- Eligible Applicant:** The type of organization you represent (Search results will identify only those funding programs for which your organization qualifies).
- Type of Assistance:** The type of assistance you are interested in receiving (grants, loans, technical assistance, etc).
- Match Requirement:** Whether or not you must provide matching funds to be eligible (includes cash and/or in-kind services).
- Topic Areas:** Topic areas that best relate to your project. Scroll your mouse over each topic area to view the definition.
- Location:** The location where the activity will take place.

Press and hold the "Ctrl" key to select multiple items.
For Mac users: Press and hold the "Command" key to select multiple items.

Sponsor:	<input type="checkbox"/> No Preference <input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Local	Match Required?	<input type="checkbox"/> No Preference <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of Assistance:	<input type="checkbox"/> No Preference <input type="checkbox"/> Equipment/Products <input type="checkbox"/> Grants <input type="checkbox"/> Incentives <input type="checkbox"/> Information <input type="checkbox"/> Loans/Credit Enhancements <input type="checkbox"/> Other <input type="checkbox"/> Technical Assistance <input type="checkbox"/> Volunteers	Eligible Applicant:	<input type="checkbox"/> No Preference <input type="checkbox"/> Educational Institution <input type="checkbox"/> Federal Government <input type="checkbox"/> Individuals <input type="checkbox"/> Intergovernmental Group <input type="checkbox"/> Local Government <input type="checkbox"/> Non-Profit <input type="checkbox"/> Other <input type="checkbox"/> Partnership

An on-line, searchable database of financial resources for watershed restoration in **Maine, Connecticut, Massachusetts, New Hampshire, Rhode Island, Vermont**, Maryland, West Virginia, District of Columbia, Pennsylvania, Delaware, Virginia, Arkansas, Missouri, Oregon, Idaho, Washington and Alaska.



<http://efc.boisestate.edu>

Paste this link in your web browser address bar, then click on "Register" to begin.

