

Camp Revenue

Feeding the goose that lays the golden eggs

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A wise business proverb goes, “Keep your eye on the donut, not on the hole.” The meaning is that the donut is the important, positive thing -- the food -- while the “hole” is the negative. A business that is watching the hole instead of the donut could be one that is overly concerned with expenses instead of the generation of new revenue, or one that concentrates on fringe issues not important to its customers, rather than the core income-generating business functions that satisfy customer needs and generate the bulk of the net revenue.

Summer Camp is the donut of YMCA resident camping. It creates such a difference in kids’ lives that it is highly valued by parents. That value, combined with reasonable expenses, yields the highest margins of any YMCA camp programs. Even with all of the development of year-round facilities at YMCA camps, the mere eight weeks of summer camp still accounts for over 50% of the total camp revenue. And in almost every case, all of the net revenue. It’s that powerful. But too often camps get distracted by the lure of “off-season” revenue from “conference groups” and take their eye off the donut.

The most efficient source of revenue is found in filling existing spaces in existing program. The overhead has already been generated: the director, the program development, the key staff, the bulk of the utilities, maintenance, and supplies are fixed whether you have 100 campers or 160 campers. So the most *net* revenue lies in these margins: the difference between the number of campers you have and the number you can actually handle.



New programs require staff time to design, market, supervise, and equip. Unless the program has a large capacity and high occupancy rate to spread this overhead to, it will seldom show a net surplus in the first year or two. But so often camps chase campers by creating “new programs” and can’t figure why the income from the 12 new campers in the specialty program didn’t generate the *net* results they expected.

Get back to the core existing programs, whether they are summer camp, weekend groups, or outdoor education. What are the reasons you have empty beds? It’s because your current customers (I prefer the terms “campers” or “guests”, so I’ll use them interchangeably,) aren’t satisfied enough with their experience to sell the camp, sell the program, to their friends, neighbors and co-workers.

Every camp staff member from every department should know exactly what it is the guests like and dislike about your camp. But we rarely do. And that’s because we seldom ask the guests. When you ask the staff you often are lead down the wrong path. They most often come in contact with those guests who *are* most satisfied, those who return year after year. It’s those guests who *don’t* return that we’re most interested in.

It’s often said that it costs five times as much to find a new customer as it does to keep an existing one. Yet we continue to treat our guests as if they were contestants on “Survivor,” putting them through all types of uncomfortable situations and getting testy with them when they

have the nerve to complain. We need to become ETDBW... “Easy To Do Business With.” With our practice of using many young (and inexperienced) staff members, and our culture of “let them learn on the job” instead of investing in their training, it’s no wonder we have problems with customer satisfaction, and as a result, return rates. But that’s the single most effective source of *new* income – increasing return rate.

What’s really needed?

Every camp needs a director, office manager, foodservice manager, property manager and support facilities (office, kitchen, shop, truck, etc) and utilities (electric, heat or cooling, phone, etc) regardless of how many campers are enrolled. If the camp has 60 campers, 120 or 180 campers, it still needs these basic roles. Where a camp at 180 campers can easily cover the overhead and have money available for program supplies, depreciation and expansion of facilities, the camp of 120 finds itself cutting back on maintenance, training, and marketing, while the camp of 60 is piling up debt for future staff to deal with.

The message: fill empty beds first. Increase the occupancy rate. Find every space that can be filled with a satisfied customer before ever thinking about adding more space. The most important strategy: satisfy the customers and they will fill the camp for you. And what do those parents want? Safety. They can’t *see* safety, so they look for *evidence* in their first impressions:

- Clean: especially where they sleep, go to the bathroom, and eat.
- In good repair, organized, inviting.
- Well supervised by competent and caring staff

If the camp is pretty much at capacity and still can’t break even, we should consider at least four reasons:

- Too much overhead (and staff is the largest component; “metro support” is often second)
- Capacity is too small
- Fundraising is lacking
- Fees are too low

Here’s an example: I asked a waterfront director “what do you need most here at the waterfront?” She answered “we really need more ski boats. We can never take all the kids who want to water-ski.” I came back in mid-afternoon and every ski boat is in its slip. What’s going on now? Rest hour, free swim, camp store time, counselor free hour, staff day off, you name it. Ski boats worth \$30,000 apiece are sitting unused because of inefficient scheduling. Kids aren’t getting to ski, yet the staff think they need more boats because there’s a line at the dock mid-morning. College age staff aren’t efficiency experts. It’s the director’s jobs to create the systems that best use resources most efficiently.

Philanthropy is the cornerstone of making our camping experiences affordable to all. Those that complain the loudest about the “difficulty” of fundraising are, in my experience, the ones who have taken the fewest steps to harvest the donations available. I say available, because in so many cases camps “leave money on the table” by not doing the simplest thing: asking. Not by a direct mail piece, but a visit in person or a phone call to every staff alumnus, every summer camp parent, every one who *already* knows the benefits of the camp and would feel *better* about themselves for hearing how their donation has been used.

Finally, fees are both the hardest and easiest way out of financial problems. Once the primary concern of satisfying parents has been achieved, a camp will find it can raise its rates every single year, from as little as the current inflation rate to as high as 9%, without losing the return of satisfied families.

Two things make it difficult. First, board members and alumni will usually be the first to resist and resist vocally. In many cases they can’t see the changes in camping over the years, and haven’t noticed the tandem increase in expenses related to regulation and to consumer expectations.

Volunteers *are* in touch with the second reason: increasing rates can change the demographics of your campers by incrementally narrowing who

can afford to go to camp. Yet fees that reflect the true costs of operations can help insure a more successful camp experience for everyone; and that success can attract more campers. Can you have it both ways? Many camps have been experimenting with Income-Based-Fee-Schedules, or “sliding fee schedules” with success both in higher income from those that recognize the value even at the high end, and new families in the middle class zone that typically don’t ask for scholarship aid.

With volunteers and donors inspired by the life-changing experiences provided by a highly-regarded YMCA camp, the financial support to offer more camperships comes easier each year. Success, it turns out – not need – attracts success (and donations).

Once you’re filling the existing beds, then it’s time to expand capacity, especially in the times of highest demand and the highest margins. Capacity first and foremost means more usable beds. But it might also depend on parking, key program areas, dining, etc.

YMCAs that do an excellent job maximizing the “donut” of summer camp find they have the finances and capacity to serve more children and families by expanding into fall/winter/spring weekend programs and outdoor education, and thus deliver the mission of the Y to so many more. For most of those kids, it will be their *only* opportunity to attend Y camp. The low or non-existent margins of these programs shouldn’t deter us from expanding, as long as we have our core business on sound footing *first*.

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