

Example of business plan on frostburg palace theatre

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Palace Theatre

Frostburg Palace Theatre is a non-profit organization. The movies shown here are mainly the classic, foreign films, independent and documentaries as well as used for holding various charitable events and shows.

Frostburg Palace Theatre is located in Frostburg, 31 East main street. The theatre was started as a non-profit organization in 1985 after threats to close. The residents had to come up with a method of how to save the building and the method was the starting of a theatre house where the members of the society could come once in a while and have a good time at low costs.

With the changing times and increased in technology, other various theatres have risen in town showing cinemas which are up to date with time and which the target audience prefers This has led to a major decrease in business to Frostburg Palace theatre, leading to high running cost and less revenue coming to the organization, making it hard to run the theatre. A theatre is in an industry which changes with time. With these in mind, Frostburg should as well be changing in time as compared to other developing theatres in the area.

Considering its long life and service provision for over a century, Frostburg Palace has a highly qualified and experienced board team dedicated to the upcoming of the organization to the beneficial of the society members. Since it is a nonprofit organization, management of the theatre is mainly to ensure that the business has enough resources to keep on running and manage

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itself.

- Competitors

Frostburg Palace Theatre as an organization in the film industry has many competitors as well. Considering it mainly focuses on specific fields of films, it has been disadvantaged as the youth who are the target group of the film industry are mainly concerned with fiction films as opposed with classical, independence and foreign films which Frostburg Palace Theatre focuses on. The emergence of R/C Cinemas, Lane university center, and Country Club Mall Cinema in La Vale have greatly increased the level of competition facing Frostburg Palace Theatre resulting in decrease in customer turn out of customers and slowing in business.

Lane university center

The Lane University Center at Frostburg State University provides quality customer service and state of the art event and meeting spaces to the students, staff, and faculty of Frostburg State as well as the local community. The Lane University Center is dedicated to providing exemplary service and support to all of our clients and to create an experiential learning environment for our students. The Lane University Center, the hub of campus life, strives to provide students, faculty, staff, alumni, and visitors with opportunities to experience university activities, school spirit, and community. (FSU website)

The lane center provides many attractive events for the students, staff, and faculty of Frostburg State as well as the local community. The event provided

are usually free or cheap as 5\$ per event which makes it more favorable than other entertainment places within the area.

R/C Theatres Frostburg Cinemas 1-2-3

R/C Frostburg cinemas 1-2-3 has many advantages over Palace Theater. For example, they allow customers to provide feedback through the website, which is a great way to stay connected with customers to receive their positive and negative feedback. In addition, customers can stay connected through using the cinema's social media such as Twitter, Google Plus, and Facebook.

The cinema website is operated by a company called MovieFone which is an American-based movie listing and information service. Moviegoers can obtain local show times, theatre information, film reviews, or advance tickets. The service is available nationwide in many but not all area codes, and is owned by AOL.

<http://en.wikipedia.org/wiki/Moviefone>

The company provides Phone app that helps to facilitate their services to customers, for example, showing movies time and buying tickets. Unlike Palace Theater, R/C Frostburg cinemas 1-2-3 shows latest Hollywood movies. That makes it more attractive to customers who are obsessed with Hollywood movies. One of the theater's features is showing 3D movies, which is the latest technology that most modern theaters have.

The price tickets are reasonable and affordable and it starts from \$5.75 for children and ends at \$8.75 for adults.

Country Club Cinemas

Country Club Mall 8 Cinemas provides the latest movie releases featuring 3D theatres, digital projection and digital sound. Feedback option is also available at their website for customers as well as social media connection.

The cinema is operated by movie Scoop Company. It is not as big as MovieFone Company because MovieFone operates wide base of different theaters. Like R/C Frostburg cinemas 1-2-3, country club cinemas show the latest Hollywood movies. The pricing range for a movie starts form \$5. 75 for children, \$6. 75 adult matinee, \$8. 75 adult evening, and \$6. 75 senior matinee and \$7. 75 senior evening.

The following suggestions should be done to ensure that Palace Theatre could compete more effectively with the existing competitors and upcoming Theatres in the area. This can be done through fundraising, webpage improvement, and increased advertising and promotion through the various access channels by the town members, showing of cinemas and shows in the box office and giving the customers the chance to pick their desirable movies not enforcing them on customers as it used to be.

- Creating good resources and tools to pick the top movies:

- Website

With the current level of technology, most of the information about firms and nearly everything is located in the internet. Frostburg Palace Theatre should use this freely available method to pick movies that suit its choice, not just top movies but top movies that suit the repertoire of the organization. Top movies are always featured in most websites including glowgaze. com, IMBD and many more. With the accessing of these services, Palace theatre will be

in a good position to air up to date films on their theatre, keeping their current customers and attracting new customers as well. Use of websites of various films reviews and blogs of various films gives an upper hand to Frostburg Palace Theatre in the attracting of clients as films being aired will be those attracting more clients as they are highly rated and interesting.

- Looking at box office

The box office is where top movies at the current time are posted. Following reviews by critiques and followers, films are rated according the points they get, with the highest rating being the one with minimum critiques and maximum followers. Therefore, the box office enables people to be in a position to select films which they are interested in and helps people to know which movies to be on the lookout for. Palace Theatre can use this method as a selection method to decide on which films to air as there is a variety hence considering each field. This calls for updating of the selection department allocating it with the internet and other devices to enable it function its functions well. This will help it to become efficient in the selection of films to air, as there is a wide variety. Box office movies are usually listed in such a way from the first to let's say the a hundredth, this gives Frostburg Palace the opportunity to know which movies will result to a high turnout of customers and selecting films with a higher rate of customer attraction and retention. The box office is used widely by many in the theatre industry to keep them up-to-date on the changing trends of the films. This enables them to be in a position to satisfy their client and increasing of business revenue in the long run.

- Customer vote

So as to enable customers to see themselves as important, most organizations tend to let customers choose their desired products and services. Frostburg Palace Theatre should develop a mechanism where customers are in a position of which film to be shown on a certain date. This will involve a place where customers can pass by and vote; the most suitable place to place such as train station and the main street where most of the people walk. This involves setting up of a simple tent and advertising your activities. Social media is one of the method to get movie votes. The theater should use social media to list certain movies and let the customers to vote. Customer vote is the most direct way of organizations getting to know which Film their customers will prefer most as compared to others. With these setting, customer retention rate will be high as the customers decide on what to view and returning will always be an option. Customers votes will be analyzed by management and the management should implement the majority decision by management so as to ensure that the program developed is effective.

- Finding the way to collect the feedback from the customers in order to better itself and to satisfy customer's needs.

A) Website

As per now the theater's website is so much outdated. The website needs to be updated so as to show clearly the services offered by the organization including the Films to be aired for the day and the trending films. The website of the organization should be structured in a way such that it allows emailing system to function. Clients should be in a position to communicate

with the management by the use of the website which connects the management and customers. Use of active blog sites and other social media sites should be highly encouraged as with these, data collection is much easier as many of the youths which are the majority of the customers are located in the social medias and blogs, this will make data collection more easier as responding is faster as detailed.

B) Post Movie Feedback

Use of post movie feedback will be much efficient as the target customers will be in a position to comment to the services they have received immediately after receiving them. The use of customer review forms at the back of the ticket and use of customer feedback forms issued once the client has entered the premises. This will enable the clients to rate the movie watched, and pick for new movies as well as the services received and delivered to the management immediately.

Analysis of Palace Theater's Financial Statement

Company law requires the directors of any organization to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year . The information in financial statements can be used by people within a company, such as managers and employees, and by people outside the organization including vendors, investors, and bankers . The financial statements generally include profit and loss accounting (to report income and expenditures within an accounting period), and Balance sheet (profile of assets and liabilities as on a given date).

Non-profit organizations are those organizations that are not established with the motive of earning profit at any circumstances. Like all organizations, non-profit organization may vary much in terms of mission, size, mode of operation and impact, particular in cross- national sense. Some are closer to the model of a government agency, other may indeed resemble the business firm, and yet other may be little more than an informal network . For this non-profit organization may possess different characteristics than a normal profit oriented organization. There are several limitations in terms of different organizational functions that may differentiate non-profit organization from rest of the organization. Limits imposed by traditional accounting methods can make it difficult- if not impossible - to effectively accommodate diverse sources of funding and meet highly specialized reporting requirements .

The primary goal in financial reporting is the dissemination of financial statements that accurately measure the profitability and financial condition of the company (Fridson, Alvarez, & FinancePro, 2011, p. 4).

Analysis of Income and Expenditure of Palace Theater

Income

The major sources of income for Palace Theater are Rent, Marquee, and some other sources. The other sources of income for the company includes income through repay CK, security deposit account, water, roots and others.

The income composition of Palace Theater is presented as following:

Graphically, the data can be represented in form of pie as:

For Palace Theater, the major source of income is the balance transferred from the past. It has been illustrated as one of the major source for funding for the organization. The several other sources of income are considered as the second source for the income. Specific rent income is the third source of income for the company, whereas the marquee is the minor source of income among all. For the strength of organization, they must have control over the expenses so that they can retain much of the funds they have, being it one of the largest sources of income for the organization.

Expenditure

The company mainly has two types of expenditure in their account. The first type of expenditures is the recurrent expenditures and second is the other expenditures. The recurrent expenditures include for the payments to different organizations such as Columbia Gas, Potomac Edison, and Ostendorf Brothers (rent expenses). The second heading of other expenses for the organization include expenses such as: for stationery, office supplies, lights, refreshments, inspections, retail spaces, insurances, and membership. The total composition of expenditure for Palace Theater is mentioned in tabular and graphic form as following:

Showing it in graphical way,

Here the major expenses for the organization are for the other expenses that are the expenses to manage the office activities. Other than that, the recurrent expenditure has feeble portion of total expenditure occurred in the organization. To retain more amount of cash in the organization, it must

have control over the expenses of office supplies and others in order to assure better spread gap between income and expenditure.

Analysis of Bank Statement

Other than the income expenses figures, the other expenditures occurred through the account of Palace Theater at M and T are the loan payments, and rentals. The payment of loan has accounted for \$164. 85 which is a significant amount for the non-profit organization like Palace Theater. The ending balance of bank account consists of \$1270. 96. The remaining amount of balance at bank is not enough to cover the total expenses of organization for a given period. It illustrates that the company has risk of liquidity problem if they are into any contingencies that demands for the further supply of cash into the organization. The report from Susquehanna bank reported that the cash balance at the end of July 19, 2013 is reported as \$7932. 36 that reached the level of \$8235. 11 by September. But the huge portion of expenses in the organization of \$6898. 09 left the feeble amount of cash in the account with balance of almost \$1427. 02. The bank report further illustrated the expenses of the organization. The major portions of expenses through bank are made upon the concessions, and phone call. There has been frequent order of food and company bear huge portion of its income on such heading that would not produce productive result for the organization. The organization must have tight control over the expenses of such sort as there is seemingly high competition among the firms of similar nature in the market that may have negative impact upon the performance of Palace Theater in future.

Recommendations

Some of the recommendations for the company are illustrated as following:

- The company must focus on maintaining its position in market. The expenses bear by the company must be targeted towards its vision, mission, and more specifically on firm's objective. The additional expenses on the other sources can have negative impact upon the financials of the firm.
- One of the major sources of income for firm is the balance sum of money. For maintaining this, company must find one time or recurring additional source of income which may help them to boost the balance of transferred income for the future reference. One time huge pool of fund may have positive impact upon the financials of firm which may provide a significant amount of liquidity for the future period of time.
- The company must have control over its expenses to maintain the liquidity position of the company. Control over expenses mean for adding sources of income for the company.
- The company should avoid the use of debt. Instead it can focus on retaining more money by adding source of income. Since the organization is not a profit motive, the expenses occurred on interest payment make no sense at all for the organization. The company must find some other sources of income rather funding finances through the loan.

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