A Proposal for a FourSquare Market Study

Assessing Opportunities for A New Leander YMCA Recreation Center in Collaboration between the City of Leander and the YMCA of Greater Williamson County

Presented to
YMCA of Greater Williamson County

September 01, 2015

Submitted by

FourSquare RESEARCH, INC.
3577 Chamblee Tucker Road
Suite A225
Atlanta, Georgia 30341
Tel: 404-888-0530
Fax: 404-881-9860
info@foursquareresearch.com
www.foursquareresearch.com
Via Email

September 1, 2015

Jeff Andresen
President/Chief Executive Officer
YMCA of Greater Williamson County
1812 N Mays
Round Rock, TX 78680-0819

Dear Jeff:

Thank you for your continued interest in FourSquare Research, Inc. Based on our conversation and information provided by Cori, I have updated the proposal for a FourSquare Market Study assessing opportunities for a new Leander YMCA Recreation Center in collaboration between the City of Leander and the YMCA of Greater Williamson County. Please find it enclosed for your review.

Having conducted over 700 studies for YMCAs and nonprofit organizations throughout the United States, we are known for our comprehensive methodology, accurate data, user-friendly reporting and reliable track record.

The attached proposal outlines our experience, scope of work, research methodology, timeline, references, a bio of the lead consultant, a schedule, and fees. If you have any questions, please do not hesitate to contact me.

Thank you for your consideration. I welcome the opportunity to work with you again.

Respectfully submitted,

Li Li
Managing Partner

Enclosure
PROPOSAL
A FourSquare Market Study Assessing Opportunities for
A New Leander YMCA Recreation Center in Collaboration between the City of
Leander and the YMCA of Greater Williamson County

COMPANY EXPERIENCE

We only work with nonprofit organizations. Having conducted over 700 studies for YMCAs and nonprofits throughout the United States, the team at FourSquare Research, Inc. has more experience with this type of project than any other market research team in the nation.

We specialize in nonprofit organizations and have worked with many YMCAs in Texas communities such as Alvin, Houston, Fort Worth, Pearland, League City, Tomball, Magnolia, Boerne, Kerrville, Katy, Hood County, Round Rock, and Midland as well as ten studies in the greater San Antonio area.

Many of our YMCA studies involved collaborations with municipalities. Specifically we’ve worked with municipalities and local governments such as Burnet and San Antonio in Texas; Pratt County in Missouri; Canton, Marietta, Rockdale County, Fairburn, and Roswell in Georgia; Barberton and Wadsworth in Ohio; and San Diego in California. We therefore are very familiar with opportunities and challenges facing such collaborations.

PURPOSE OF WORK

The study will provide the following data:

- primary market penetration expectations (5-7 mile radius) for potential YMCA membership (number of membership units); projected market penetration at maturity based on population growth
- price points (membership rates) and related unit acquisition expectations specific to each price point
- potential program programs desired by potential users
- facility requirements
- phased construction requirements, if applicable
- member cannibalization factors from the existing Twin Lakes Family YMCA
- proposed construction date recommendation, which maximizes membership and minimizes cannibalization from existing YMCAs.
Specifically, the study could answer the following questions:

**Demand**

- How can a new YMCA recreation center better meet community needs and serve the residents of Leander and surrounding communities?

- What is the level of demand for a new recreation facility in the community? How many new households will join a new recreation facility during the first 12–18 months after opening? How many area residents would prefer using daily passes or registering for programs rather than joining the new facility?

- What is the potential in revenue generated from new membership units within the first 12–18 months of operation of the new recreation facility?

**Location**

- Which of the proposed locations would prospective members most prefer for a new recreation facility?

- Which of the proposed locations would current members of the existing Twin Lakes Family YMCA least prefer for a new recreation facility, and which would therefore have the least impact on the branch?

**Facility Features, Programming and Member Services**

- Which configuration of features for a new recreation facility will attract the highest number of new membership units and appeal to the fewest current members of the existing Twin Lakes Family YMCA? These features could include, but are not limited to, the following:
  
  - a first-class, comprehensive fitness area with a wide variety of cardiovascular and muscle-strengthening equipment that can be segmented according to the specific needs of members
  
  - an indoor multipurpose gymnasium with versatile flooring and areas for a variety of indoor sports and recreation activities, as well as dividers and retractable hoops so it can be used for different types of events
  
  - indoor and/or outdoor aquatics facilities such as an indoor warm-water pool for recreation, therapeutic exercise, and outdoor pool with water playground features, and an indoor cool-water pool for lap swimming and swim teams
• multipurpose space for community meetings such as wellness programs, weight management classes, healthy cooking classes, and testing and screening for certain health conditions

• first-class aerobics and dances studios

• outdoor sports fields for baseball, softball, and soccer

• activities for active older adults, with fitness and recreation programs designed specifically for them

• creatively-designed spaces for child care programs, from infant care to preschool

• a fitness, recreation, and adventure center designed and programed specifically for youth and teens

• facilities for summer day camps, from traditional camp with crafts and swimming, to theme-based camps like water sports camp and arts camp.

What types of traditional and new services should be offered to adults of all ages, ranging from cardiovascular, weight management, to exercise programs designed specifically for women, to new aquatic-based orthopedic rehabilitation services?

What types of child care services should be offered for children? These services could include preschool, before- and after-school programs, and summer camps with special themes.

What types of programs should be offered for active seniors? These could range from fitness programs specifically designed for older adults, to interest groups such as book and card clubs, or travel groups.

What types of new and traditional community programs should be considered for residents of the City of Leander? These could include arts and crafts classes, social programs for seniors, and continuing education programs for adults?

**Marketplace and Pricing**

- What are the demographic and psychographic profiles of prospective members?

- What is the new facility’s niche in the area?

- What pricing policy would be most attractive to prospective members? Would the current membership pricing structure of the YMCA of Greater Williamson County work? Or should
the Y and the City consider a new membership structure offering different categories or a new pricing point?

Partnerships

- Other than the City of Leander, what other opportunities for partnerships are present?
  Potential partners might include:
  - local public, private, and charter schools
  - hospitals
  - local economic development authorities
  - other nonprofit organizations.

STAKEHOLDER AND AUDIENCES

The following stakeholders and audiences will be targeted and included in the study:

- **prospective members**, who will be identified from households in the service area that currently do not belong to a YMCA
- **current members** of the existing Twin Lakes Family YMCA
- the **task force** of the new YMCA recreation center, including key representatives of the **Board of Directors** of the YMCA, the City, and potential partners, and other community representatives who are interested in expanded YMCA programs and services in the area.

METHODOLOGY

We will answer these questions through both qualitative and quantitative research.

Qualitative Research

**Step 1**  The Consultant will conduct secondary research to conceptualize the needs, determine the targeted survey boundaries, and audit providers of similar services. Previous research and plans for the YMCA will be reviewed.
Step 2  The Client will designate a strategic planning team consisting of four to six members to work with the Consultant. This team will meet with the Consultant on four occasions:

- as host for focus groups with staff, board members and any potential partners (Step 3)
- to review the proposed survey (Step 5)
- to receive the study’s initial findings (Step 8)
- as host for the presentation of the final report (Step 9).

Step 3  The Consultant will conduct focus group(s) with key board members and senior staff of the YMCA.

Quantitative Research

Step 4  The Consultant will develop the survey instrument based on focus groups, market audits, exploratory interviews and national trends identified by the Consultant. The Consultant will field-test the instrument for the appropriateness of the questions, the chronology and the language.

Step 5  The Consultant will finalize the survey area and review the survey instrument with the strategic planning team word-by-word, issue-by-issue as needed. While the actual survey instrument remains proprietary to the Consultant, the design of the survey will be unique to, and approved by, the Client.

Step 6  The Consultant will conduct in-depth telephone interviews with a total of 600 randomly selected households that currently do not belong to a YMCA and live in the targeted survey area. The targeted survey area will be proposed by the Consultant using a census tract-based map and approved by the Client.

The Consultant will conduct in-depth telephone interviews with a total of 200 randomly-selected current members of the Twin Lakes Family YMCA regarding their preference of new locations and facility features.

Please note these are the number of interviews completed, not attempted. Call backs will be made until the desired number of interviews is completed. Quota systems are in place by census tract level to ensure the makeup of each sample mirrors that of the total population. This also ensures all interviews are made within specific geographic boundaries, that is, only in the service area of the new YMCA. Interviews will be conducted with computer assistance, throughout the day, and spreading over both weekdays and weekends. Cell phone only households will also be targeted and incorporated in the total number of households.
Data Collection, Analysis, Interpretation and Presentation

Step 7  The Consultant will collect, tabulate and analyze all findings.

Step 8  The Consultant will deliver the initial findings via conference call with the strategic planning team and discuss the presentation of the final report.

Step 9  The Consultant will present the written final report in person. The report will include an executive summary and answer the questions set forth in this proposal, including:

- the forecasted number of households that will join the new YMCA recreation center, with the consideration of a new Georgetown YMCA and all existing YMCA branches in the area
- anticipated revenue generated from annual new memberships
- specific recommendations for facility developments
- specific suggestions for facility development, programming, and pricing strategies.

This process will provide findings with a 95% confidence level and a statistical error of plus or minus 4.0%.

The sample size of 600 is recommended for non-YMCA households. It allows the statistical error of the results to stay below the national average penetration of a full facility YMCA, which is about 4.5%, thus further ensure the validity of the findings.

Please note that the survey instrument is intellectual property owned by FourSquare Research and as such cannot be distributed outside the company under any circumstances. However, the YMCA has full ownership of the study findings and the final report and can choose to circulate it as desired.
WHY CHOOSE FOURSQUARE RESEARCH?

- **We’re accurate** – We honor the laws of statistics, market research, and business planning. Because our methodology employs both quantitative and qualitative research, there is no guesswork involved.

- **We’re professional and do all the work ourselves** – Our in-house staff completes all aspects of the study; we use no subcontractors or outsourced call centers, giving us total control over the entire process and ensuring the utmost quality.

- **We understand nonprofits** – We have unparalleled expertise in working with nonprofit organizations; our staff has over 50 years combined nonprofit experience. We understand the unique challenges facing nonprofits and are able to help interpret study results and provide specific recommendations on programming, pricing, facility size and key features required for optimal growth.

- **We’re reliable** – Our research findings and strategic recommendations have withstood the test of time. Our clients have invested over a billion dollars based on our recommendations: not one client has ever reported our findings in error.

- **We’re the most experienced** – Having conducted over 700 studies for YMCAs nationwide, we have more experience with this type of research than any other market research team in the nation.

- **We’re unbiased** – We specialize in market feasibility studies for nonprofits and by choice, do not provide any other services such as fund raising studies, marketing campaign implementation, and computer services. This allows us to provide unbiased interpretation of the data, regardless of good or bad news, and avoid any potential conflict of interest.
SCHEDULE

Typically, this type of project takes two to three months to complete. We can start a project typically within 2-3 weeks of approval. Please see the Appendix A for a proposed implementation timeline.

COSTS

The total cost for the study will be $24,000 in professional fees and $2,000 in out-of-pocket expenses.

In addition to items outlined in the Scope of Work, the cost also includes the following:

- current and projected population trends and households characteristics by census tract
- current membership analysis by census tract
- ten (10) bound copies of the final report, as well as an Adobe Acrobat file of the report
- necessary follow-up analysis and phone consultations after the final report is delivered.

In accordance with our payment procedure, 50% of the fee and expenses are due at the inception of the project. Another 25% is due upon delivery of initial findings. The remaining 25% will be billed in the final invoice. Payment is due upon receipt of invoice. A 1% per month finance charge is added to overdue accounts.

Approved by

______________________________________________________________________
YMCA of Greater Williamson County Date

By signing, this document will serve as the contract for both parties.
APPENDIX A: PROPOSED IMPLEMENTATION TIMELINE

The following table shows the proposed timeline of each step as outlined in the proposal, starting the project early October.

<table>
<thead>
<tr>
<th>Step</th>
<th>Tasks</th>
<th>Client Involvement</th>
<th>Data Needed from Client</th>
<th>Proposed Time</th>
<th>Fees &amp; Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Secondary research</td>
<td>Planning Committee</td>
<td>Project Summary</td>
<td>2 weeks</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Schedule startup focus groups</td>
<td>Invite and schedule focus group with YMCA representatives, community leaders and any potential partners</td>
<td>None</td>
<td>2 weeks</td>
<td>50%</td>
</tr>
<tr>
<td>3</td>
<td>Official startup visit &amp; focus groups (face-to-face meeting)</td>
<td>Planning Committee and focus group participants</td>
<td>None</td>
<td>Early October</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Survey design</td>
<td>Provide program prices and other related details for survey design</td>
<td>Program prices</td>
<td>2 weeks</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Survey review meeting (via conference call)</td>
<td>Planning Committee reviews and approves the survey questionnaire and survey area</td>
<td>None</td>
<td>Late October</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>600 + 200 telephone interviews</td>
<td>None</td>
<td>None</td>
<td>2 weeks</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Data tally and analysis</td>
<td>None</td>
<td>None</td>
<td>1 week</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Initial findings via conference call</td>
<td>Planning Committee</td>
<td>None</td>
<td>Early December</td>
<td>25%</td>
</tr>
<tr>
<td>9</td>
<td>Final report (face-to-face meeting)</td>
<td>Planning Committee, focus group participants, and other community leaders</td>
<td>None</td>
<td>Late December</td>
<td>25%</td>
</tr>
</tbody>
</table>
APPENDIX B : COMPANY BACKGROUND & LEADERSHIP

FourSquare Research, Inc. was established in March 2007 by the team at the former Winfield Consulting Group. It works with nonprofits exclusively (100%). Located in Atlanta, GA, the FourSquare Research team has over 20 years of experience working with YMCAs and other nonprofit organizations nationwide.

Currently the company has six active projects. Over the years, FourSquare Research team has worked with over 700 YMCAs.

The following is a biography of principal owner/managing partner, Li Li, who would be the lead consultant and take overall responsibility for your project.

Li Li, Managing Partner

As Managing Partner for FourSquare Research, Inc. Li Li is responsible for project direction, client relations, and business development.

With more than 15 years’ experience in market research and business planning for nonprofit organizations, Li Li has extensive hands-on experience and a wealth of knowledge concerning nonprofits. In her previous role as Senior Vice President at The Winfield Consulting Group, she led and directed over 350 projects from start to finish and has worked on over 550 studies for nonprofit organizations nationwide.

Li Li earned her M.A. in Market Research and Mass Communications from the University of Georgia and a B.A in Law from Fudan University in Shanghai, China. With her education and experience, Li Li brings a unique perspective to her work.
APPENDIX C : KEY CONTACT & REFERENCE

Key contact of the company is as follows:

Li Li, Managing Partner
FourSquare Research
3577 Chamblee Tucker Road, Suite A225
Atlanta, GA 30341
(404) 888-0530
lili@foursquarereresearch.com

The following list includes names of CEOs from YMCA associations we have completed similar studies in recent years.

Tony Shuman
President/Chief Executive Officer, YMCA of Metropolitan Fort Worth
512 Lamar St, Suite 400
Fort Worth, TX 76102-3717
Tel: (817) 335-9622
Multiple studies for existing and new facilities

Joe Bueno
Senior Vice President of Corporate Development, YMCA of Greater San Antonio
3233 N. St. Mary's
San Antonio TX 78212
Tel: (210) 246-9654
Multiple studies for existing and new facilities