



Business Plan
2017-2020
9 December 2016

1. Introduction

Our long term goal for 2030 is: *'Together with our partners empower more than 5 million young people to lead healthy sexual lives and feel confident about their future; leading to demonstrable improvements in sexual health outcomes'*.

To be able to achieve this ambitious goal, we are taking a 4 year transition period to further develop and *prove* our model, to get *buy-in* for it and to develop a franchise structure that will enable sufficient *scale* of the model through a partner network that will be ready to bring the *impact*. This 4 year transition period is translated into a Business Plan for 2017-2020. During this transition period we will take time to further develop the model and the franchise structure and will do a thorough pilot and evaluation in 2 to 4 countries. We will do research on how the model leads to behavior change and contributes to sexual health outcomes, and will pursue an engagement strategy that will lead to key stakeholders buying in to our model.

2. Main goals per area of work

Engagement

By 2020 we have sufficient buy-in to bring our model to scale: we will have sufficient investment in and acknowledgement of our work.

Concretely this means:

- Our unearmarked income has increased from € 1,5 mln in 2017 to € 1,8 mln. in 2020, covering our core costs
- Our Global Citizen Program for the Netherlands is fully funded at € 0.6 mln. and in the schoolyear 2020 - 2021 22.500 young people have raised € 562.500 for partners to implement the dance4life model
- Our Global Citizen Program has been successfully replicated in at least 2 other countries, leading to another 9.000 young people raising € 135.000 for partners to implement the dance4life model in schoolyear 2020 - 2021
- dance4life is acknowledged by key stakeholders as the thought leader on youth empowerment in connection to sexual health, and as go-to-point on the realities of young people. With key stakeholders we mean: (I)NGOs, experts, decision and opinion makers in the area of young people and sexual health, as well as young people, our partners and our friends4life
- A group of 12 Change Makers is sufficiently capacitated to individually embody dance4life and the realities of youth at different forums in order to create a sense of urgency on the issue and what type of response is needed

Franchising

By 2020 we have a strong value proposition in an effective global network that is ready for growth.

Concretely this means:

- We have successfully transitioned to a pure social franchise structure with full supporting mechanisms and processes in place including a full operational manual for partners on how to implement the dance4life model. This will enable our partner network to implement at high quality and high scale
- We have grown to a secured investment of € 2 mln. annually through global bids for the research and development of the model and the international infrastructure, and have let go of re-granting mechanisms

- We have grown from 14 active partners in 2017 to 29 active quality partners in 2020, who successfully fundraise for and implement the fully renewed and tested model as social franchisees.
- Together this network of partners will empower 340.000 young people through the model in 2020 and the network is ready for further scale.
- We have created a strong and curious network culture that emphasizes learning between partners with an ownership based governance structure

Research and Development

By 2020 we have proven that our model leads to behavioral change, and that behavioral change contributes to tangible sexual health outcomes.

Concretely this means:

- In 2020 we have proof, through at least 2 multi annual impact researches conducted and published by renowned international research institutes, that our model is cost-effective and leads to safe and healthy sexual behavior and contributes to the following sexual health outcomes: decrease of new HIV-infections, unwanted pregnancies and sexual and gender based violence.
- Full initial start-up and ongoing support packages including training manuals for master trainers and peer leaders are finalized and completely tested and ready for scale up.
- A qualified pool of young master trainers is in place and ready to deliver the packages to new partners.
- Based on research insights the theory of change (TOC) of the dance4life model has been revised, optimized and reflects the evidence gathered throughout the years. This TOC is translated into a revised youth engagement and personal leadership curriculum.

Implementation

In 2020 the network has grown from 14 active partners in 2017 to 29 active quality partners in 2020, who successfully fundraise for and implement the fully renewed and tested model as social franchisees. Together this network of partners will empower 340.000 young people through the model in 2020.

3. Risks and mitigation

The success of this business plan could be threatened by a number of risks. We identified the following as the four top-rated risks and agreed mitigations to prevent them from happening or lessen their impact:

Risks	Mitigations
<p>1. Existing and/or potential partners don't buy into the model.</p> <p><i>We are unable to recruit new or current partners to participate in the network; or partners don't deliver to expectations.</i></p>	<ul style="list-style-type: none"> • Consult with current NCOs to test the attractiveness of the offer • Relevant marketing that clearly communicates attractive franchise offer • Initial network values training to include 'experiencing' dance4life early in process • Co-creation approach to initial package of support to build buy-in • Checkpoints in initial package cycle to monitor engagement
<p>2. Model not cost-effective compared to other models.</p> <p><i>Model is more expensive than other interventions at achieving similar outcomes.</i></p>	<ul style="list-style-type: none"> • Calculate cost effectiveness and continuously monitor for implementers • Benchmarking against comparable options. • Define the minimum package you can deliver and still prove your outcomes
<p>3. Insufficient resources and skills to deliver on the new strategy</p> <p><i>The current team (structure and competences) is unable to deliver the new roles and responsibilities</i></p>	<ul style="list-style-type: none"> • Identify gaps in skills and capacity • Develop a HR roadmap to address gaps • Develop skills internally • Contract external skills and expertise as needed
<p>4. Unable to secure funding.</p> <p><i>We are unable to raise funds for costly aspects of the Business Plan, such as Research and Development.</i></p>	<ul style="list-style-type: none"> • Well focused communications to support business development • Identify collaboration opportunities
<p>5. Losing partners, friends4life and support donors.</p> <p><i>Losing visibility of the dance4life brand to general public as the likeability of the brand and our ambassadors is important to partners.</i></p>	<ul style="list-style-type: none"> • Creating targeted visibility around the success of friends4life & GCP through various media channels, ensuring the dance4life DNA shines through

4. Multi year budget

Based on our 2030 goal we foresee global annual costs of €20 million of which €4 million will be dance4life international's budget. This means our budget won't grow that much the coming years as: 1) partners will fundraise the remaining €16 million themselves, 2) dance4life international will no longer re-grant funds and 3) the international team will remain mean and lean.

It is important to highlight that while the budget for 2017 is based on clear understanding of what is going to happen, the years 2018-2020 are based on a rougher estimation. By the end of 2017, through market research, consultations and testing, we are much better able to predict costs and revenues for 2018 onwards.

In terms of ratio's we can conclude all ratio's are in line with external and internal norms and therefore acceptable.

	<u>Budget 2017</u>	<u>Budget 2018</u>	<u>Budget 2019</u>	<u>Budget 2020</u>
Total expenditure on objectives divided to total income (excluding interest)	78,6%	74,5%	74,2%	77,6%
Costs of fundraising divided to income of fundraising <i>Benchmark CBF - maximum of 25%</i>	24,8%	22,5%	18,8%	17,7%
Costs organization and administration divided to total costs <i>Benchmark internally - maximum 10%</i>	5,8%	6,8%	6,2%	5,8%
Total expenditure on objectives divided to total costs	78,5%	74,8%	77,3%	78,9%

The budget will grow, in line with our forecast, to € 3.9 million in 2020. Whilst the budget grows every year, we see a budget decrease in 2018. This decrease can be explained as follows:

- In 2018 re-granting for GUSO will disappear which is a difference of €550.00.
- It was agreed in the alliance that the GUSO grant for all NL/UK partners will decrease 25%. This also means a difference of €200.000.
- Franchise fees are only coming in from 2019 onwards

The budget will stabilize again in 2019.

Revenues:

- Revenues from Dutch schools program are part of 'Income of persons'.
- All friends revenues are part of 'Income of companies' because 99% of friends are a (small) company.
- The revenues from franchising are part of 'Income from other companies without profit'. These are based upon 'd4l financial model' which calculates, based on costs for the start-up and support packages, costs to run the model and number of partners, *the start-up fee at €20.593 and the ongoing support fee at €2.500*. Please bear in mind that these fees need further market research before making them final by the end of 2017.

Costs:

- All costs are budgeted incl. VAT and are based upon the activities in the business plan as defined through the ICSF trajectory and a 2 day planning workshop with the entire team. Partners were involved in the ICSF implementation plan workshop.
- Also the costs under 'franchising, direct partner support costs' are based on the 'd4l financial model'.
- External personnel refers to our HR manager who works on average 1-1,5 days per week and the difference between hiring a business controller and assistant business controller versus working with the external agency Jac's den Boer & Vink.

	<u>Budget 2017 €</u>	<u>Budget 2018 €</u>	<u>Budget 2019 €</u>	<u>Budget 2020 €</u>
<u>A. Income</u>				
- Income of persons	242.438	333.438	391.563	424.375
- Income of companies	876.000	1.082.500	1.137.500	1.187.500
- Income of lottery organizations	829.500	500.000	500.000	500.000
- Income regarding grants from institutions	1.331.854	578.400	578.400	578.400
- Income from other companies without profit	350.000	642.500	1.062.355	1.199.455
- Interest	5.000	5.000	5.000	5.000
<i>Total A. Income</i>	<u><u>3.634.792</u></u>	<u><u>3.141.838</u></u>	<u><u>3.674.818</u></u>	<u><u>3.894.730</u></u>
<u>B. Costs</u>				
<i>B1 Expenditure on objectives</i>				
- Engagement:				
• Engagement	332.028	447.157	510.556	596.874
• Costs internal organization	422.594	431.046	439.666	448.460
- Franchising:				
• Franchising	1.079.000	381.005	463.195	433.415
• Costs internal organization	646.615	709.548	772.738	836.193
- R&D:				
• R&D	250.000	245.000	410.000	575.000
• Costs internal organization	121.687	124.121	126.603	129.135
<i>Total B1 Expenditure on objectives</i>	<u><u>2.851.924</u></u>	<u><u>2.337.876</u></u>	<u><u>2.722.759</u></u>	<u><u>3.019.077</u></u>
<i>B2 Costs of fundraising</i>				
- Direct costs fundraising	291.150	291.150	291.150	291.150
- Costs internal organization	279.377	284.964	290.664	296.477
<i>Total B2 Costs of fundraising</i>	<u><u>570.527</u></u>	<u><u>576.114</u></u>	<u><u>581.814</u></u>	<u><u>587.627</u></u>
<i>B3 Organization and administration</i>				
- Costs internal organization	208.912	213.090	217.352	221.699
<i>Total B3 Organization and administration</i>	<u><u>208.912</u></u>	<u><u>213.090</u></u>	<u><u>217.352</u></u>	<u><u>221.699</u></u>
<i>Total B. Costs</i>	<u><u>3.631.363</u></u>	<u><u>3.127.081</u></u>	<u><u>3.521.925</u></u>	<u><u>3.828.403</u></u>
Result	<u><u>3.428</u></u>	<u><u>14.757</u></u>	<u><u>152.893</u></u>	<u><u>66.327</u></u>