

OTA

Operations and Administration

Section 18:

Business Management

- Entrepreneurial Process
- Budget Templates
- OTA Modeling
- Business Topics
- Payroll Details



Entrepreneurial Process

The beauty of the Franchise Model is that the Entrepreneurial Process has already been undertaken to produce a repeatable, profitable model. It is the Franchisees responsibility and mission to then “run the plays” that have been called by the Franchise System. Altering the system or taking shortcuts diminishes the Franchisees investment and is counterproductive to the desired results.

What needs to be understood by the Franchisee is that the Entrepreneurial Process still exists within the Franchise System. The nature of territories, school systems, and flexible revenue streams requires the Franchisee to approach their business with the required entrepreneurial enthusiasm, ambition, and creativity.

1. **Discovery:** An entrepreneurial process begins with the idea generation, wherein the entrepreneur identifies and evaluates the business opportunities. The identification and the evaluation of opportunities is a difficult task; an entrepreneur seeks inputs from all the persons including employees, consumers, channel partners, technical people, etc. to reach to an optimum business opportunity. Once the opportunity has been decided upon, the next step is to evaluate it. An entrepreneur can evaluate the efficiency of an opportunity by continuously asking certain questions, such as, whether the opportunity is worth investing in, is it sufficiently attractive, are the proposed solutions feasible, is there any competitive advantage, what are the risk associated with it. Above all, an entrepreneur must analyze his personal skills and hobbies, whether these coincides with the entrepreneurial goals or not.
2. **Development:** Once the opportunity is identified, an entrepreneur needs to create a comprehensive plan. A plan is critical to the success of any new venture since it acts as a benchmark and the evaluation criteria to see if the organization is moving towards its set goals. An entrepreneur must dedicate sufficient time towards its creation, the major components of a plan are goals and objectives, capital requirement, a description of services.
3. **Resourcing:** The third step in the entrepreneurial process is resourcing, wherein the entrepreneur identifies the sources from where the finance and the human resource can be arranged. Here, the entrepreneur finds the investment for its new venture and the personnel to carry out the business activities.
4. **Managing:** Once the capital is in place and the employees are hired, the next step is to initiate the business operations to achieve the set goals.
5. **Harvesting:** The final step in the entrepreneurial process is harvesting wherein, an entrepreneur decides on the future prospects of the business, i.e. its growth and development. Here, the actual growth is compared against the planned growth and then the decision regarding the stability or the expansion of business operations is undertaken accordingly, by an entrepreneur.

***The entrepreneurial process is to be followed, again and again, whenever any new venture/session/revenue stream is taken up by an entrepreneur, therefore, it's a never-ending process.**

Budget Templates

Spend wisely – never forget it. When creating budgets there are two main “buckets”. The cost of creating the product or providing the service, and the revenue generated by these actions. As it relates to OTA, our revenue stream budgets are pretty straight forward. It is fairly easy and predictable to know what expenses are necessary to provide our service. Our “overhead” or “expenses to consider” changes over time. The first time you need to purchase equipment or hire an instructor has a different impact than that same equipment being used and instructor working for you the following session.

One of the first expenses to recognize is the cost of hiring a new employee/instructor. Factoring the expense of this process makes abundantly clear it is far better to hire one instructor to work 3 classes, than three instructors to work one class each.

Cost to Hire New Employee		Overhead	
Background Check and Clearance		Job Posting Expense	
Printing		IHT Process	
Sports Spectacular Bag			
Instructor Backpack			
Uniform			

*Prices are subject to change

Instructor Equipment Bag (\$30.00)
5 Soccer Balls (\$26.75)
4 Basketballs (\$20.08)
8 Dodgeballs (\$52.72)
3 Nerf Footballs / 1 "Game Football (\$25.52)
1 Kickball (\$3.71)
20 Saucer Cones (\$7.60)
4 Pyramid Cones (\$2.19)
20 Flags (\$36.30)
Wiffle Ball Set: (\$22.00)

Instructor Backpack (\$6.00)
Folder (\$1.50)
Whistle (\$0.50)
First Aid Kit (\$5.94)
Ice Packs (\$6.04)
Air Pump/Needle (\$1.27 + .11 = \$1.38)
Pen (\$1.00)
Name Badge (\$3.00)
OTA Paddle: (\$3.00)

**All Budget Templates can be found and utilized in the OTA Cloud*

***Make note of the columns and rows for each Revenue Stream Budget Sample:*

After School Program			
S.P.A.R.K			
Park Space Sports PODs			
How many weeks will the program run		Total Revenue	0
Cost per child			
Participating Kids			
		Expenses	
Advertising Costs		Advertising	0
Instructor #1 Pay Per Day		Instructor #1	0
Instructor #2 Pay Per Day		Instructor #2	0
Instructor #3 Pay Per Day		Instructor #3	0
Rental		Rental	0
Revenue Fee Split %		Fee Split	#DIV/0!
		NET Profit	#DIV/0!
Other Expenses to Consider:			
Insurance Coverage			
Clearances			
Uniforms			
Instructor Gear			
Sports Equipment			
Handouts			
Scholarships			

Summer Camp Budget							
Camp Name	Dates	Enrollment	Revenue	Director Budgeted Payroll	Coaches Budgeted Payroll	Director Actual Payroll	Coaches Actual Payroll
Week 1							
Week 2							
Week 3							
Week 4							
Week 5							
Week 6							
Week 7							
Week 8							
Week 9							
Week 10							
Total			\$ -	\$ -	\$ -	\$ -	\$ -
Rental Agreement 25%	\$ -			Rental Agreement 25%	\$ -		
Advertising Budget				Advertising Actual			
Director Budgeted Payroll	\$ -			Director Actual Payroll	\$ -		
Coaches Budgeted Payroll	\$ -			Coaches Actual Payroll	\$ -		
Total Expenses	\$ -			Total Expenses	\$ -		
Revenue	\$0.00			Revenue	\$0.00		
Net Profit	\$0.00			Net Profit	\$0.00		
Margin	#DIV/0!			Margin	#DIV/0!		
Other Expenses To Consider							
Insurance Coverage							
Staff Uniforms							
Staff Clearances							
White Board(s)							
Lock Box							
Admin Bin and Contents							
Camp Supplies							
Camp Sports Equipment							
Camp Specialty Equipment							
Camp Gear							
Health Program Supplies							
First Aid Supplies							
T-Shirts							
Handouts							
Snack / Drink							
Popsicles							

Leagues & Clinics			
How many hours will this League/Clinic Run?		Total Revenue	0
Cost per child			
Participating Kids			
		Expenses	
Advertising Costs		Advertising	0
Instructor #1 Pay Per Hour		Instructor #1	0
Instructor #1 Pay Per Hour		Instructor #2	0
Instructor #3 Pay Per Hour		Instructor #3	0
Rental		Rental	0
Revenue Fee Split %		Fee Split	#DIV/0!
		NET Profit	#DIV/0!
Other Expenses to Consider			
Insurance Coverage			
Clearances			
Uniforms			
Instructor Gear			
Sports Equipment			
Handouts			

***This is just a Year 1 Strategy Model, many additional revenue opportunities exist**

****Franchisees who work as many of the programs as they can in year 1 achieve a number of things**

- 1. Keep staffing cost down**
- 2. Set a tone, example, and habits for OTA Team of Instructors**
- 3. Control over establishing the early reputation for the Territories Brand**

Territory (office) Budget Modelling: Budget Templates can be located on OTA Cloud

Instructor Expenses		
Total Instructors		
Equipment (\$140)		
T-Shirts (\$6.00)	#VALUE!	
Total	#VALUE!	
Office Expenses	Yearly	
Internet (\$100)		
Technology Fee		
Payroll Service (\$50)		
Office Supplies (\$100)		
Postage (\$50)		
Fed Ex (\$150)		
HR (Craiglist, Etc) (\$50)		
Cell Phone (\$100)		
Merchant Account Fees		
Payroll Taxes		
Insurance (\$166)		
Totals		
Other Expenses	Yearly	
Facility Fee Split		
Facility Rental		
Totals		
Total Expenses:	#VALUE!	

Fall		Winter		Spring	
Revenue		Revenue		Revenue	
After School Revenue		After School Revenue		After School Revenue	
Leagues and Clinics/Camps		Leagues and Clinics/Camps		Leagues and Clinics/Camps	
Birthday Parties		Birthday Parties		Birthday Parties	
Total Revenue		Total Revenue		Total Revenue	
Expenses		Expenses		Expenses	
After School Instructor Cost		After School Instructor Cost		After School Instructor Cost	
Total Expenses:		Total Expenses:		Total Expenses:	
Gross Profit		Gross Profit		Gross Profit	

Summer	
Revenue	
Summer Camp Revenue	
Leagues and Clinics/Camps	
Birthday Parties	
Total Revenue	
Expenses	
Summer Camp Instructor Cost	
Total Expenses:	
Gross Profit	

Fall Gross Profit			Total Revenue
Winter Gross Profit			OTA Franchise Fee
Spring Gross Profit			
Summer Gross Profit			
Total Gross Profit	\$	-	
Total Office Expenses	█	#VALUE!	
OTA Franchise Fee (5%)	\$	-	
Total Net Profit:	█	#VALUE!	

Territory (office) Budget Modelling: **Sample**

Instructor Expenses	
Total Instructors	10
Equipment (\$140)	\$ 3,000.00
T-Shirts (\$6.00)	\$ 60.00
Total	\$ 3,060.00
Office Expenses	Yearly
Internet (\$100)	\$ 1,200.00
Technology Fee	\$ 1,200.00
Payroll Service (\$50)	\$ 1,200.00
Office Supplies (\$100)	\$ 600.00
Postage (\$50)	
Fed Ex (\$150)	\$ 600.00
HR (Craiglist, Etc) (\$50)	\$ 300.00
Cell Phone (\$100)	\$ 1,200.00
Merchant Account Fees	\$ 2,105.25
Payroll Taxes	\$ 5,000.00
Insurance (\$166)	\$ 5,000.00
Totals	\$ 18,405.25
Other Expenses	Yearly
Facility Fee Split	\$ 10,000.00
Facility Rental	
Totals	\$ 10,000.00
Total Expenses:	\$ 31,465.25

Fall		Winter		Spring	
Revenue		Revenue		Revenue	
After School Revenue	\$ 25,000.00	After School Revenue	\$ 25,000.00	After School Revenue	\$ 30,000.00
Leagues and Clinics/Camps	\$ -	Leagues and Clinics/Camps	\$ -	Leagues and Clinics/Camps	\$ -
Birthday Parties		Birthday Parties		Birthday Parties	\$ 350.00
Total Revenue	\$ 25,000.00	Total Revenue	\$ 25,000.00	Total Revenue	\$ 30,350.00
Expenses		Expenses		Expenses	
After School Instructor Cost	\$ 6,250.00	After School Instructor Cost	\$ 6,250.00	After School Instructor Cost	\$ 7,500.00
Total Expenses:	\$ 6,250.00	Total Expenses:	\$ 6,250.00	Total Expenses:	\$ 7,500.00
Gross Profit	\$ 18,750.00	Gross Profit	\$ 18,750.00	Gross Profit	\$ 22,850.00

Summer	
Revenue	
Summer Camp Revenue	\$ 60,000.00
Leagues and Clinics/Camps	
Birthday Parties	
Total Revenue	\$ 60,000.00
Expenses	
Summer Camp Instructor Cost	\$ 15,000.00
Total Expenses:	\$ 15,000.00
Gross Profit	\$ 45,000.00

Fall Gross Profit	\$ 18,750.00	Total Revenue	\$ 140,350.00
Winter Gross Profit	\$ 18,750.00	OTA Franchise Fee	\$ 7,017.50
Spring Gross Profit	\$ 22,850.00		
Summer Gross Profit	\$ 45,000.00		
Total Gross Profit	\$ 105,350.00		
Total Office Expenses	\$ 31,465.25		
OTA Franchise Fee (5%)	\$ 7,017.50		
Total Net Profit:	\$ 66,867.25		

OTA Modelling

A business model is a company's core strategy for profitably doing business. Launching an OTA Franchise Territory requires a sales strategy to pursue the desired revenue and income level. Casting a wide net must be a part of the strategy to achieve the OTA modelling that is outlined here. You cannot put all your eggs in one basket and hope it works out. The Reaching Out Project in OTA U, which achieves Brand Awareness, is an example of casting a wide net.

Year 1 Modelling:

- **10 Elementary School Partnerships: After School Programs**
 - **Number of programs will vary with this number of partnerships**
 - **Minimum of 10 programs with 10 partnerships is reasonable to assume**

- **5 Day Care/Nursery School Partnerships: S.P.A.R.K. Programs**
 - **Number of programs will vary with this number of partnerships**
 - **Minimum of 5 programs with 5 partnerships is reasonable to assume**

- **Parks and Rec / YMCA Relationship Established**
 - **Pursue “vendor relationship” (OTA comes into existing program to provide classes)**
 - **Pursue “sponsored relationship” (Parks and Rec sponsor OTA Camp or Program that OTA entirely runs)**
 - **Pursue League opportunity**

- **Park Space/Green Space Partnerships: Neighborhood Sports PODs**
 - **Minimum of 2 programs**
 - **Test 1 for weekdays, 1 for weekends**

- **Travel or Rec League Partnership: Clinics**
 - **Pursue “vendor relationship” (OTA comes into existing program to provide clinic series)**

- **Break Camps / One Day Camps**
 - **Minimum of 3 programs**
 - **Partner with Elementary School or Facility to provide a fall, winter, and spring program opportunity for School Day Offs or Winter/Spring Break**

- **Summer Session: Camps**
 - **Minimum of 2 programs**
 - **Sports Specific Half Day Camp**
 - **All Day Traditional Day Camp**

Business Topics

Staff Reimbursement

- If staff purchases anything personally for company reasons, he/she must include expense on weekly Purchase Report with a note requesting approval for reimbursement. (Requests for Purchase Reports are made to Directors)
- All columns on purchase report should be filled in with requested information.
- Director will respond to email once approved with note confirming amount and stating method and timeline for reimbursement.
- Director must keep receipt for records.

OTA Scholarship Policy

- OTA recommends offering scholarships to all coordinator's children.
- If there are multiple coordinators, then they should all receive scholarships.
- Other scholarship requests should be cleared with School Contact and is at your discretion.

Payment Plan Policy - RECOMMENDATION

- It is the policy of Overtime Athletics to try and work with every family when it comes to payment plans.
- OTA's policy for payment plan is 50% deposit on the day of registration and the remainder can be paid the week before the 1st Camp/Program Starts.
- You can create payment plans within the Jumbula System.
- **The 50% deposit is non-refundable if participant needs to cancel for any reason.**

Procedure for Cancelling Programs

There are a couple things you must do when cancelling a program (In this order):

****You MUST** take the program off the registration site so other parents don't continue to register.

- You must notify the families that have registered you are not running the class.
 - Email and CALL
- Full Refund should be processed through the registration system.

Procedure for Determining and Issuing Refunds

The OTA Refund Policy is clearly stated on the OTA Website and Registration Forms:

- There will be NO refunds issued 1 week before the program starts.
- There will be a 15% fee on all other cancellations.
- You can apply your credit to any other OTA Program (credits are good for 1 year)
- Refunds will be issued via Credit Card or Check.

Should a Refund be requested, the process for determining qualification includes:

- Establish Refund Policy of Partnership
 - Does PTA/Elementary School have existing policy?
 - Is it OTA's Decision?
- Establish Circumstances of Refund Request
 - Satisfaction of Service
 - Customer error in registering participant
 - Injury, Illness, Relocation
- Practice good customer service and fairness when determining and processing refunds.

Should a refund need to be issued:

- Process Refund; make sure you have program details (location, type of class, etc.)
 - Name of Participant and Parents
 - Reason for Refund
 - Amount
 - Method of Reimbursement
 - Further Details of Reimbursement (timeframes, mailing address)
- Be sure to confirm with Customer
 - Reimbursement amount
 - Method of reimbursement
 - Timeframe for receiving reimbursement

Past Due Balances

- There are very few instances in the Overtime Athletics Franchise System where a balance from a partnership would be past due (School, PTA, YMCA, Sports Facility, etc.). It just doesn't come up.
- Online Registration also prevents any past due situations with individual customers (parents).
- However, on the rare occasion there is a past due balance, Franchisees should first try to rectify the situation with an email or phone call. Should it need to go to the next level, a notice should be sent home in the mail (Action Required Notice)

Payroll Details

The responsibility of a company managing the payroll process properly is essential to the two-way relationship of Employer and Employee. There may be no other aspect of the business that should be taken more seriously or executed more perfectly than processing payroll. Detail, communication, and organization are the foundation for this process going smoothly. Workers, especially part time workers, have very little patience and understanding when payroll does not get processed properly. To be sure, it can often be the employees' fault, but even in this case, the effort to correct the problem must be given and noticed to gain the trust and support of the employee moving forward. Using a payroll company is key to making sure all goes well.

Tax documents and taxes are two areas that payroll companies provide total assistance with. Franchisees do not want to get into a situation where they are responsible for these calculations and mailers.

Payroll Company:

1. Overtime Athletics does not process payroll in our office, like most companies we use a payroll company to process employee paychecks
2. The company we use is ADP
3. When you are registered with payroll as a new hire, you should receive an email alert from "ADP Run" notifying you of your account
4. The email alert contains a link (www.myAccess.adp.com) where you can go and sign up (and sign in) to have access to your payroll details (contact info, deductions, paystubs, etc.)

****Important Note**** OTA scheduling software generates the proper payroll amount for each employee based on our Master Schedule. If there are discrepancies between the amount the scheduling software has calculated and what the instructor submitted, PD's should follow up with employee before payroll can be approved. Instructors are responsible for keeping proper track of their programming hours.

Pay Periods

1. Employees are paid twice per month – OTA operates on a “semi-monthly” payroll schedule – here is a sample payroll schedule

Overtime Athletics			
Semi-Monthly Payroll Schedule			
From	To	Pay Date	
01/10/20	01/24/20	01/31/20	
01/25/20	02/09/20	02/14/20	
02/10/20	02/24/20	02/28/20	
02/25/20	03/09/20	03/13/20	
03/10/20	03/24/20	03/31/20	
03/25/20	04/09/20	04/15/20	
04/10/20	04/24/20	04/30/20	
04/25/20	05/09/20	05/15/20	
05/10/20	05/24/20	05/29/20	
05/25/20	06/09/20	06/15/20	
06/10/20	06/26/20	06/30/20	Summer schedule
06/29/20	07/10/20	07/15/20	Summer schedule
07/13/20	07/24/20	07/31/20	Summer schedule
07/27/20	08/07/20	08/14/20	Summer schedule
08/10/20	08/21/20	08/31/20	Summer schedule
08/24/20	09/04/20	09/15/20	Summer schedule
09/07/20	09/24/20	09/30/20	
09/25/20	10/09/20	10/15/20	
10/10/20	10/24/20	10/30/20	
10/25/20	11/09/20	11/13/20	
11/10/20	11/24/20	11/30/20	
11/25/20	12/09/20	12/15/20	
12/10/20	12/24/20	12/31/20	
12/25/20	01/09/21	01/15/21	

2. Pay day is always the 15th and Last Day of the Month
 - If an employee has direct deposit, the pay is immediately distributed into account on these days
 - If employee does not have direct deposit, the paper checks get mailed out from the Office on these days (which means it will take a few days for the post office to deliver paycheck to employee)
3. The pay periods are listed in the TIMESHEET email reminder that employees will receive each time the timesheets are due
 - These pay periods always range from the 25th – 9th OR the 10th – 24th
 - The hours submitted should always be those worked within the pay periods listed

Overtime Athletics - Payroll Practices

Direct Deposit:

Here are the appropriate steps for setting up Direct Deposit with OTA:

1. Obtain a check for the appropriate account you would like your paycheck to be directly deposited into.
2. If you do not have a check, you will need to contact your bank and obtain your Transit/Routing Number and your Account Number.
3. Contact OTA to Provide the Transit/Routing Number (9-digit number usually in the bottom left of your check) and your Account Number.
4. You should then be all set and will never have to wait for a check to arrive in the mail ever again.
5. If you do not have Direct Deposit, your paycheck will take up to 6 days from the issue date (15th or last day of the month) to arrive via mail.

****IMPORTANT NOTE**** Once you submit your Direct Deposit information, it can take a pay period before Direct Deposit activates, in which case you will be issued a paper check.

TIMESHEETS:

How to Submit a Timesheet. Please use the following steps when submitting a timesheet:

1. You will receive an e-mail reminder each pay period with a timesheet template.
2. Below is an example of how you should fill out the timesheet template.
3. When you receive the timesheet email, hit reply, and then fill in the timesheet.

Pay Period:	October 10-24
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Name of School	Program	Date	Hours
Hooten	Sports POD	10/12/20	1.5
Brambleton	Clubhouse	10/13/20	8
Brambleton	Clubhouse	10/14/20	8

Total Hours:	17.5
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Comments:	
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4. Make sure your hours are totaled at the bottom.
5. Fill out any necessary information under comments
 - i.e. Stayed late on 10/14 due to late parent pickup
6. Hit send

Payroll Management - Payroll vs. Paychecks (the timeframes)

- Signing up for Direct Deposit is mandatory
- Activating Direct Deposit is NOT instantaneous (It could take a payroll or two)
- If an instructor is not on Direct Deposit and their paycheck needs to be mailed to them, there is NO CHANCE it is getting to them on the 15th or the last day of the month
- They should build in a 5-day period following the 15th or the last day of the month for them to receive their paychecks before they even CONSIDER OTA being late with their paychecks.
- Otherwise, it is NOT LATE!
- If they don't understand why, explain to them:
 - Paychecks are cut on the 15th or last day of the month by our PAYROLL COMPANY (NOT OTA)
 - Paychecks are then delivered to OTA Office.
 - Then Paychecks have to be mailed out individually to employees (which must factor in the postal service time for delivery to wherever they are in the country)

*We do not want an employee thinking that in some way OTA is not handling the compensation for work in the correct and precise way.

*PD's should not apologize to staff for anything that falls into the above scenario... there is nothing to apologize for. (If we do in fact screw up a paycheck, we MUST apologize and fix ASAP)