Animals Amplified

TAKE YOUR PROFIT AND TURN IT UP!

Amplify your
Profit

When launching a new program, exhibit, adding an animal to your collection, or staff member to your team it's important to determine how that addition will affect your bottom line. In addition if it's a program or an exhibit you'll need to decide how you will price that new offering to maximize and maintain your profitability.

Profit
example

First, in order to check the health of your business we're going to help you calculate your profit margin. Here's an example to help. We'll look at a primate department within in a zoo that's pushing the envelope and looking to "get loud!"

Calculate your
Profit margin

Gross revenue of zoo: _____7.3 million_____

Percentage of collection that are primates: _____20%_____

Percentage of sales that primate department can claim: __1.46 million___

Primate behind the scenes program revenue: _____100,000_____

Expenses

- labor _____265,000_____
- food _____400,000_____
- enrichment _____100,000___

- supplies ___100,000_____
- improvement costs _100,000_
- misc expenses ___135,000___

_____1.56 million _____ - __1.1 million____ = ___460,000__

   total primate revenue   expenses   net profit

(__460,000___/__1.56 million__)X 100 = ___29.49%___

   net profit   revenue   profit margin

If you're planning on buying a company's stocks you look to purchase stock in company with a profit margin 25% or more (assuming you're not looking to gamble). A 25% profit margin is a great sign of a solid and stable company. The primate department in this case is doing well!

Next let's determine how to price new programs so we don't negatively impact our profit margin. For instance, the director wants to launch a new guest immersion program and keepers decide an enrichment making workshop would benefit the guests and the animals. We'll start by determining what the program will entail. One staff member will gather enrichment supplies, while one staff member gathers the guests participating in the program. Your staff determines that 5 guests per group is a good number of people to manage. They'll bring the guests to a table in front of one of the exhibits and will spend 30 minutes assembling enrichment item(s) while talking with the guests about the animals and the organization's enrichment program. After the items are complete the keepers will enter the enclosure and deliver the items to the animals while the guests watch.

1 - (_____29.49%_____ / 100) = _____0.7021_____
          Profit margin   revenue percentage

Cost of per program:

How long will the program last: _____45 minutes_____

How many team members are required:_____2_____

Average hourly wage of team members: _____$17/hr_____

Cost of supplies: _____$10_____

Add all the costs from above: _____$44_____
                        total cost/program

Cost of development:

_____2_____ + _____$17_____ = _____$34_____
    hours to develop   avg. hourly rate   labor cost of development

Marketing materials: _____$146_____

Miscellaneous startup costs: _____$20_____

_____$200_____ / _____156_____ = _____$1.28_____
total cost of development   # of programs/year   development cost/program

(_____$44_____ + _____$1.28_____) / _____0.7021_____ = ___$64.49___
  cost/program   cost to develop   revenue percentage   price/program

So the primate department needs to make about $64.50/program in order to maintain its profitability. Since we decided that we could fit 5 people in each program they'll need to charge $12.89/person for the program and only run it if it's full or sold out. They might pilot the program for a month and see what the average occupancy/class is. This will help them determine if they need to find ways to cut costs or if they're able to raise the cost and increase the margin.

Let's Amplify your
Profit margin

What's your current profit margin? Use last years' numbers.

(_____ - _____) / _____ X 100 = _____
   revenue   expenses   revenue   profit margin

Are you hoping to add a program, animal, staff member, exhibit, etc?

Describe your addition: _____

_____

_____

Is your addition a revenue generating project?   yes ____ no ____

If yes start here, if no skip to bottom section:

What type of revenue will your addition generate?

   ___ Increase in ticket sales   ___ Paid program revenue

   ___ Media attention   ___ Time management/labor saving

   ___ Donation earing potential   ___ Other

What costs will be associated with project?

Start up costs

   ___ Labor to develop   ___ Acquisition costs

   ___ Advertising needs   ___ Exhibit design costs

   ___ Construction costs   ___ Other

Continuous costs

   ___ Labor   ___ Bedding

   ___ Enrichment   ___ Food/diets

   ___ Supplies   ___ Other

Let's determine how to price it:

1 - (_____ / 100) = _____
        Profit margin   revenue percentage

(_____ + _____) / _____ = _____
   cost/program   cost to develop   revenue percentage   price/program

If your program doesn't generate revenue, let's see how it will affect your profit margin.

(_____ - _____ - _____) = _____
   revenue   expenses   total cost of addition   net profit

(_____ / _____) X 100 = _____
   net profit   revenue   profit margin

Don't like the way that looks? That's okay! We'd love to help you find ways to maintain your profit margin while adding additional staff, animals, or programs. Schedule your consultation at animalsamplified.com!