



San Diego Fine Woodworkers Association

Member Shop Plan

Submitted by

SDFWA Member Shop Committee

December 2015

Executive Summary

The following plan has been developed to facilitate the organization, financing, staffing and operation of a Member Shop for the benefit of the Members of the San Diego Fine Woodworkers Association. This document summarizes the work of the Member Shop Committee in analyzing the need for a Member Shop, developing the most logical and lowest risk method of opening and operating a Shop and the financial viability of such an effort. Given the complexity of the idea and the number of variables and unknowns, it is a dynamic plan that will continue to evolve as more information becomes available.

The Member Shop Committee ~~is~~ proposes that the Association open and operate a fully equipped Woodworking Shop for the use of its Members and to expand our mentoring and teaching activities. Furthermore, it will serve as a base to expand and grow current programs including Design in Wood, the Toy Program and other community projects.

This initiative is the outgrowth of long range planning efforts by the SDFWA Board to insure that the Association positions itself to provide the greatest opportunities and value to its Members in the years ahead. It is intended to provide an even stronger foundation from which the Association can grow its existing programs, provide a venue for new initiatives and to attract new and younger Members.

Similar Member Shop programs, sponsored by Woodworking Guilds such as SDFWA, currently exist in three areas...Portland, OR, Kansas City, MO and Greenville, SC. All three are operating successfully and a great deal of the data used in the development of this plan comes from their experience. Additional data comes from the Member Shop Survey conducted in 2015.

The plan calls for the lease of approximately 3,000 square feet, most likely in a light industrial area centrally located to the existing Membership base (Clairemont, Kearny Mesa, Miramar). It will be equipped with a variety of basic and advanced woodworking tools, benches and assembly areas and classroom space. The intent is to provide basic needs for Members with no or modest shops as well as high end, specialized tools not typically found in more advanced home shops. In addition to normal use by individuals, it will serve as a venue to offer a wide variety of classes, mentoring and training sessions.

It is intended that the Shop be self funding. Revenues for the first year of just over \$53,000 will be generated primarily (70%) by an annual Membership Fee paid by SDFWA Members choosing to use the Shop. The remaining funds will come from a combination of Class Fees, Donations and Special Projects income. The expense budget, also just over \$53,000 for Year 1, consists primarily of the lease fee and utilities. Also included is a \$5,000 contingency fund to cover unplanned expenditures.

An aggressive Start Up budget of \$180,000 has been established to insure that ample funds are available to cover virtually any eventuality, thus significantly reducing risk to SDFWA. This total includes ~\$100,000 for equipment. It is hoped that we will be able to equip the Shop for less, by utilizing high quality donated and pre-owned equipment purchased at a significant discount. \$30,000 has been budgeted for build out of the leased space. The remaining \$50,000 is intended to be a Reserve fund to cover any unplanned negative financial results. A comprehensive fund raising plan will be developed upon approval of this Plan by the Board.

The Shop will be operated exclusively by volunteers. Based on the experiences of the other three Guilds, we have chosen this approach to keep costs manageable and avoid the entanglement of

government rules, regulations and reporting requirements that accompany the use of paid employees. A distributed management structure has been designed to insure successful operation of the Shop without unreasonably overloading any one individual.

SDFWA Members will have access to the Shop by purchasing one of two Membership Plans. The average Member is likely to opt for the Silver Membership entitling the Member to 15 "slots" (each slot is 3 hours of shop time) annually. The cost will be \$150/yr. The more frequent user will opt for the Gold Membership which allows for 50 slots per year. Cost is \$300/yr. Additional slots will be available for purchase by both levels.

Use of the Shop will only be granted to Members who have completed an extensive Safety Training Course. A personal injury waiver will also be required. An additional Liability Insurance rider will be purchased and a formal legal opinion will be acquired to insure that the SDFWA is adequately protected. The possibility of using a separate legal entity to operate the Shop will also be fully investigated.

Upon approval of this Plan by the Board, an extensive fund raising campaign will be launched. Additional financial commitments will be presented to the Board for approval. It is not intended that any significant obligation be created unless and until the fundraising efforts cover those costs. It is anticipated that the fund raising efforts may take some time, making the opening of the Shop likely in early 2017.

For additional, more detailed information, please refer to the full SDFWA Member Shop Plan.

Respectfully Submitted by

The SDFWA Member Shop Committee

December 18, 2015

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1.0 Introduction and Overview

1.1 Background

Early in 2014, a group of SDFWA Board Members met to discuss Long Term Planning for the Association. The discussion centered on ideas to insure the long term success of the Association, ways to increase Member value and how to reverse recent declines in Membership. As a variety of ideas were discussed, most, in one way or another, led back to the need for a Member Shop. Consequently, a small group was assigned the responsibility of analyzing the feasibility of opening and operating such a facility.

In the ensuing 20 months, the Member Shop Committee has devoted countless hours to this task. We've identified three other Woodworking Guilds across the Country that have opened their own shops....Portland Oregon, Kansas City and Greenville South Carolina. All three have been most helpful in providing detailed information including financial summaries of their operations. Additional data has been sought from a wide variety of sources. Countless interviews, meetings, and discussions have taken place. An extensive Survey of our Membership was taken with over 400 responses being received.

During the course of our investigation, a clear trend became obvious. A significant number of "Maker Place" type operations have opened their doors. In addition, several Membership Shops and Co-op shops have been identified. In addition to the ideas and data we have reaped from these operations that there is a clear need for this type of resource.

As specific pieces of the Plan were developed, they have been presented to and reviewed by the Board and Committee Chairs. The Committee has reached the conclusion that a Member Shop is both possible and financially viable. We are now pleased to present the complete Plan for review and approval.

1.2 The Need for a Member Shop

The SDFWA has operated successfully for 35 years. However, a number of factors point to a need to find new ways to insure continued success in the future.

One of those factors is a diminishing number of facilities that teach woodworking skills and offer tools and shop facilities to individuals who may not have them. Another point of concern within the Association is the average age of the Membership. There is clearly a need to do a better job of bringing in younger Members as well as adding more Members.

It is becoming increasingly difficult to find facilities in which to conduct training and mentoring sessions for Association Members. Lack of facilities hinders our ability to take on or expand programs consistent with the goals of SDFWA. Mentor Program sessions, The Toy Program, Special Charitable projects, and Member Group Projects are just a few examples. Members capable of extending training and mentoring to other Members are hampered by a reluctance to face the liability and inconvenience of conducting sessions in their own shops.

A large percentage of our Members lack access to increasingly more sophisticated and expensive tools and technology such as CNC machines and Laser Engravers as well as heavy duty planers, jointers, sanders, band saws, etc.

All of these problems could be partially or totally solved by the opening of our Member Shop. We know this can happen here in San Diego, because three other guilds in the U.S. have done just that. Portland OR, Kansas City MO, and Greenville SC have all opened their own Shops and all are extremely pleased that they did so. All three areas saw immediate increases of approximately 20% in their total Membership numbers. All three have enjoyed a level of success that has required that they expand the size of their Shop. All three are offering a wide array of training classes to their Members, far beyond anything we have been able to do in San Diego. And all three have done this with a smaller Membership base than we enjoy.

A facility of our own would also allow us to expand the activities of the Association beyond our current offerings.

Finally, there is a general belief that a Member Shop would foster collaboration and a sense of community among members. SDFWA will finally have a “home” where Members can come together to both work and interact with other Members.

1.3 Goals of the SDFWA Member Shop

The goals established for the SDFWA Member Shop are as follows:

1. Provide a first-class facility for all SDFWA Shop Members to use and enjoy while building whatever projects they choose.
2. Offer a wide range of specialized tools and equipment not typically found in the individual woodworker’s shop.
3. Provide an environment suitable for class and hands-on training for Members.
4. Provide a facility that will allow for the completion of group projects.
5. Develop a facility and environment that will build a greater sense of “community” among our Members.
6. Offer introductory level classes to encourage Membership growth.

1.4 Plan Overview

This plan is designed to be a “road map” to the opening of a Shop approximately 3,000 square feet in size, preferably located central to our Membership, in or near the Clairemont/ Serra Mesa/Miramar areas.

It must be stressed that this Plan will need to be altered or adjusted as conditions and circumstances change.

The Shop would be operated entirely by volunteers working within an organizational structure designed to spread the workload across a large number of volunteer Members selected and trained to insure the best possible user experience for our Members.

The Start Up costs of the Shop will be funded by donations from Members, community groups and, potentially, grants and requests. The ongoing operation is budgeted to operate at or above “break-even” to insure that the Shop creates no drain on existing Association reserves.

Revenues will be generated through the sale of Shop Memberships to new and existing SDFWA Members. Ancillary revenue will come from Classes held at the Shop, Special Projects and

ongoing Donations. While not currently budgeted, other potential revenue sources include Grants and sales of lumber and supplies.

The Operating Costs are budgeted to be at or below projected revenues and include a substantial Contingency line to absorb unanticipated expenses.

Operating Hours of the Shop will be based on Member demand. Survey data indicates the greatest demand for “Open Shop” time to be weekdays, mornings and early afternoons.

While basic woodworking tools will be a necessary part of the Shop, there is intent to also offer a variety of commercial sized and specialized equipment not normally found in Home Shops.

Efforts will be made to offer a significant number of classes, varying in subject matter and taught primarily by existing SDFWA Members.

Assuming approval of this plan in January of 2016, the target date for opening of the shop is December of 2016. The schedule for accomplishing this plan is shown in Figure 1.4-1.

It’s important to note that this plan is very different from the “Liberty Station” proposal considered by SDFWA several years ago. That plan included the operation of a gallery as well as a number of paid employees, neither of which are included in this plan.

**San Diego Fine Woodworkers
Member Shop Plan**

Description of the Shop

2.0 Member Shop Description

As discussed in previous sections, the benefits of a member shop are numerous, and will greatly enhance the value of membership in SDFWA and facilitate organizational growth. This section describes the physical and functional configuration of the notional shop. It is notional because until we have committed to a specific real estate site and layout, the exact details of this section are subject to revision. Notional, however, does not mean completely undefined. As described below, the Member Shop Committee has spent considerable time and energy planning the shop, and what is presented will be followed as closely as practicable when we pursue a site location.

2.1 Size

As described in section 4 of this plan, a detailed analysis of our revenues and expenses has been developed. In addition, considerable time has been spent to identify the current real estate market conditions and costs in the industrial/warehouse space. Together, these factors will assure that SDFWA only commits to a site that fits within our financial projections. Based on this, we have specified a set of site requirements which are shown in the summary table (table 2-1) below.

No.	Shop Physical Requirements
1	Minimum 3000 ft ² , 15' ceilings or more; rest room(s)
2	Classroom space, office space (HVAC), lounge space
3	First Floor location with 10 ft roll up door/equivalent
4	Adequate lighting
5	Power 200 amps min, 1 phase & 3 phase to panel ; 240 Volts
6	Parking for 10-12 cars
7	Adequate wall space for storage cabinets; clamp storage; member storage space; sheet goods
8	Located in a Light Industrial area, consistent with our intended use.

Figure 2-1 is a notional picture of a typical shop and layout that illustrates these requirements.

2.2 Layout

There is truly no right or perfect way to lay out a woodworking shop until it is in use and subject to the "real life" usage test. However, in order to validate our concepts, a series of layouts were developed, and Figure 2-1 shows our latest configuration for a 3000 ft² shop that meets the requirements in section 2.1. This is NOT meant to constrain our search for a specific site, but does assure the team that the equipment we have specified below will, in fact, be suitable for, and fit into, a space of this size and shape, and that our capacity studies are consistent and will work for this configuration. A summary of the functional requirements for our shop are shown below in table 2-2.

No.	Shop Functional Requirements
1	Adequate space to support our capacity of 12 members at any 1 time
2	Minimum 1 classroom separated from machine room noise
3	Office space for a Shop Foreman/assistant foreman
4	Allow efficient flow of members & projects into & out of facility
5	Machine arrangement designed to spread personnel & logically flow work through shop
6	Running water with 1 sink (minimum) in shop
7	Dust collection to all required machines
8	Workbenches sized to accommodate a minimum of 2 members/bench usage simultaneously
9	Power tool selection designed to fill needs beyond member's conventional garage shop

Table 2-2.

2.3 Equipment List

A series of analyses were conducted in order to identify a range of equipment, purchased new, that would satisfy the shop requirements discussed above as well as establish a budgetary range for financial planning. The team realizes that we are likely to acquire a number of these items either through donation or through the used market. We have, in fact, acquired a CNC router already as a donation. Therefore, the equipment costs shown here are deemed to be conservative (the very maximum we would be likely to spend, and our goal will be to acquire the necessary equipment below this cost target. This section presents our current and best assessment of what equipment is required at startup for a 3000 ft² facility for planning purposes.

Figure 2-1. Notional Member Shop Layout – 3000 ft²

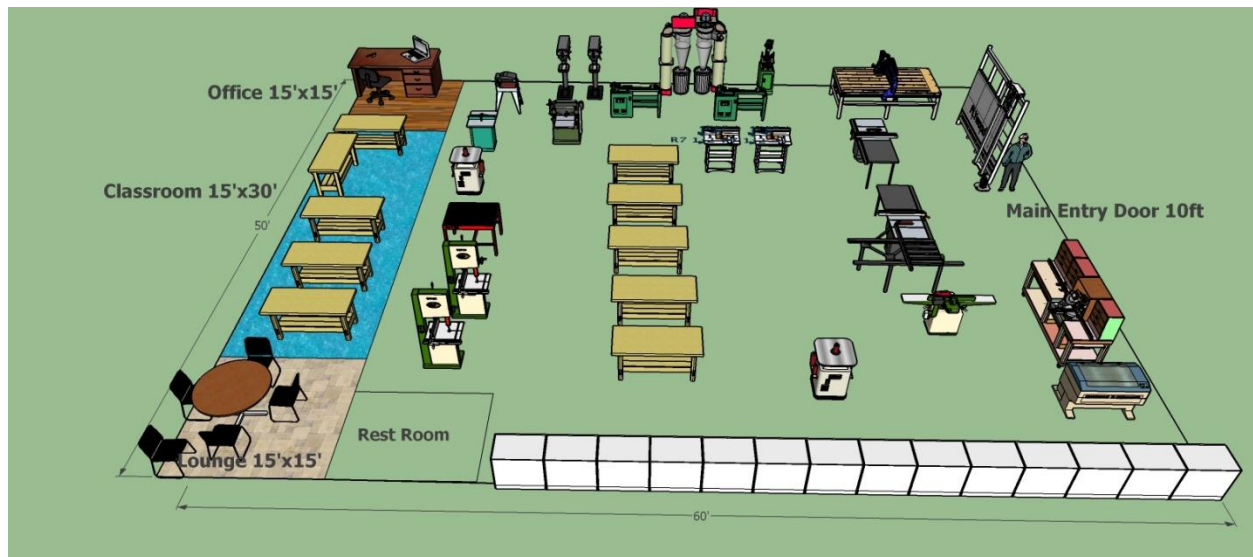


Figure 2-3. Member Shop Start Up Equipment List

Start Up Equipment List Acquisition - 3000sf Shop - \$100K Allocation						
						ver 4.0
						11/12/2015 P.Sterling
No.	Name	Mfg./Model #	Unit cost NEW	Qty	Ext. Total \$	Remarks
1	Table Saw, 10", 52" table , Saw Stop, 3 HP, mobile base, extra cart, dado cart, dado insert, 40 tooth blade	SawStop 3 HP	\$3,563	1	\$3,563.00	Rockler ship to store free
2	Table Saw, 10", 36" sliding cross-cut table , Saw Stop, 3 HP, mobile base, extra cart, dado cart, dado insert, 40 tooth blade	SawStop 3 HP	\$4,294	1	\$4,294.00	Rockler ship to store free
3	Planer, 24", 5 HP, 1 phase,	Grizzly G5851Z	\$4,750	1	\$4,750.00	21w x 25d
4	Jointer, 12", spiral cutterhead, 3 HP, 1 phase, 83" table	Grizzly G0609X	\$2,980	1	\$2,980.00	Grizzly.com incl. ship (sale) incl. ship
5	Band Saw, 20" 3 HP, 1 phase, incl. 1" blade	Grizzly GO566B	\$2,329	2	\$4,658.00	Grizzly.com incl. ship (sale) incl. ship
6	Drill Press, heavy duty, 15", 1 HP, 1 phase, 6" spindle travel, variable speed	Powermatic PM2800B	\$1,400	2	\$2,800.00	Rockler ship to store free
7	Laser engraver, "Professional series", 24 x 18 bed, Z depth of 12", with stand	Full Spectrum Laser, LLC	\$6,495	1	\$6,495.00	OPTIONS: 20x12: \$5495; 36x24: \$7995; 48x36: \$9995
8	Panel Saw, combination	Safety Speed Mfg. model SR5U	\$6,100	1	\$6,100.00	combo. 3 HP saw, 3.25 HP router, 1/16" accuracy, 62" max. cross cut, 1.75" max matl thickness - very versatile & accurate system - demo'd on WWGOA.com
9	Compound miter saw, 12"	DeWalt T22566	\$590	1	\$590.00	local buy
10	Wide belt drum Sander, 19-38", 1.75 HP, 1 Phase	Supermax Tools 19-38 w/stand	\$1,400	1	\$1,400.00	Rockler ship to store free
11	Oscillating spindle sander, 1 HP, floor model, 25x25 table, 1/4 " to 4" spindles	Grizzly G1071	\$775	2	\$1,550.00	30w x 30d x 48h
12	Router table system, premium lift system, fence, inserts, stand, large switch	Kreg PRS1040 table; PRS3000 lift system; PRS3100 switch	\$859	2	\$1,718.00	amazon.com + free ship

13	Shaper, sliding table, 5 HP, 1 phase	Grizzly G8622	\$3,495	1	\$3,495.00	36w x 43d x 46h
14	Lathe, 22" swing x 42", 3 HP, 1 phase, with base	Grizzly GO766	\$1,700	2	\$3,400.00	incl. ship
15	Bench Grinding system, 3/4 HP, 2 wheel	DeWalt DW758	\$125	2	\$250.00	Home Depot local buy
16	Tormack Blade Sharping System	Tormack T-7 w/accessory kit (Hand tool bundle TBH701)	\$869	1	\$869.00	Amazon.com ship free
17	Heavy duty mortising machine, 1.5 HP	Grizzly G0448	\$1,495	1	\$1,495.00	24w x 36d x 71h
18	Vacuum press system, with stand	D&H SE-2180 model Expression 3648H	\$6,975	1	\$6,975.00	36x48x1 inch capacity; 230V - Overall 57"x48"
19	Audio/Video presentation system, overhead, with screen & computer inputs	3M Super Close Projection System SCP716 projector; 16:9 150" pull down screen	\$2,500	1	\$2,500.00	for use in classroom & meetings
20	Maple workbench tops, 60"x30"x2.5", Durakryl finished	Grizzly T21248	\$404	20	\$8,080.00	use 2 per bench (10 benches) - self-build the frame & assemble them (incl. ship)
21	Dust Collector, 5 HP, 1 phase 220V, Dual Filtration HEPA filter; 0.2 micron; 2184 CFM	Grizzly G0442HEP	\$3,800	1	\$3,800.00	incl. ship; Overall: 63"Wx112"Hx57"D
22	Cordless electric drill/driver combo set with batteries, charger	Milwaukee M18V #2691-22 or equivalent quality	\$200	4	\$800.00	Home Depot local buy
23	Set of common hand planes (mix of most popular 6 each)	Lee Valley Veritas/Woodriver	\$850	1	\$850.00	
24	5" random orbital sander, dust collection, hook & loop	DeWalt DWE6423K	\$79	4	\$316.00	Home Depot local buy
25	Stanley Sweetheart socket chisel set, 8 pieces, with pouch or equivalent	T22605 (Grizzly catalog)	\$230	2	\$460.00	est. shipping
26	Flex hose, clear, 6" ID, 10 feet, from trunk to machine interface	Grizzly parts catalog	\$54	20	\$1,079.00	
27	Dust Collection Starter Kit (1 per piece of equipment); 6"	Grizzly H5297	\$510	16	\$8,160.00	
28	Misc. hose clamps, blast gates, adapters, 6" straight pipe sections, pipe hangars, floor sweep accessories, reducers from 6",	Grizzly parts catalog	\$1,200	1	\$1,200.00	Exact mix & costs determined when final shop layout design is frozen
29	Extra blades for machines above: table saw (full kerf & dado); band saw	Various Mfgs.	\$835	1	\$835.00	

30	Hand held router, combination fixed & plunge, 1 1/4 HP, soft start	DeWalt DWP611PK	\$173	4	\$692.00	Home Depot local buy
31	Set of router bits, 1/2" shank, most common 25, with case	Various Mfgs.	\$350	2	\$700.00	local buy
32	Aluminum bar clamps, Sure-Foot series, 15 each of 24",36", 48", 60"	Rockler	\$2,655	1	\$2,655.00	24"@\$38; 36"@\$40; 48"@\$44; 60"@\$55
33	SawStop consumables: 3 reg cartridges, 3 dado cartridges, 2 extra blank blade inserts	SawStop	\$570	1	\$570.00	Rockler ship to store free
34	Set of common measuring tools: 6" and 8" digital calipers, try squares, carpenter squares, T squares, straight edges 6" to 48", hand screw calipers - various sizes	Various Mfgs.	\$350	2	\$700.00	local buy
35	Consumables, initial lay in supply: 6" sanding pads; sandpaper; dowels, hand saws, wood screws, glues, eqmt lubricants, first aid kit, sanding belts	Various Mfgs.	\$1,200	1	\$1,200.00	local buy
36	Other tools/equipment not otherwise identified above (bench vises; other clamps including parallel jaw, F-style, spring, handscrew); roll around mechanics tool chest - wrenches, pliers, screddrivers, general tools; pallet jack; shop vac(s))	Various Mfgs.	\$5,000	1	\$5,000.00	
				Subtotal:	\$91,979	
				Sales tax (8%):	\$7,358	
	NOTES:			TOTAL:	\$104,737	
	1. Does not include any buildout supplies or materials (ie, plywood sheets to build cabinets, electrical, lighting, etc.)					
	2. Scaled Sketchup drawing confirms eqmt fits comfortably in 3000sf with room to add additional items.					
	3. Total Cost at bottom include sales tax.					

2.4 Location and Business Considerations

SDFWA has been in existence since 1982 but has never operated its own shop. Our approach has been to proceed forward under 3 possible arrangements: 1) obtain a donated space from an owner willing to give us free space and at the same time realize a sizeable charitable tax deduction; 2) obtain a leased space for significantly under market rate, and allow the owner to realize a sizeable charitable tax deduction; or 3) obtain a leased space at or very near market rate within the financial constraints described in this plan. The team is realistic, and to date, after a very widely distributed email blast to most of the property owners in our area of interest soliciting a donated space by our Broker, no positive responses have been received. There have also not been any owners willing to lease at below market rate so far in our process. Therefore, the team concluded that finding an affordable leased space at market rate was the most realistic path forward. However, we will remain open to any possibilities of reduced rent that may arise.

An analysis was done to identify where our membership lived throughout San Diego County, and to determine where the most central location would be for a member shop that would be as accessible as possible to the most members. These areas are Kearny Mesa, Serra Mesa, Miramar corridor, and Rose Canyon.

We have engaged the professional services of Mr. Tom Wilcox, Sr. Vice President, Colliers International, San Diego Region to assist the SDFWA in locating a suitable site, and to assist SDFWA in negotiating a financially prudent lease and terms. The requirements shown in tables 2-1 and 2-2 have been given to our Broker as guidelines for finding a site. The intent is to lease a space for 2 years (with options, if possible).

A comprehensive project schedule has been created to layout the steps and sequence of events required to open the member shop. This schedule is depicted visually in figure 1.4-1.

Task Name	2016											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1 Written Shop Plan Submitted to Board												
2 Answer Questions on Plan & Update with Corrections/Additions												
3 SDFWA Shop Plan Approval												
4 Shop Plan Presented to General Meeting												
5 SDFWA Board Meeting - Status Update												
6 SDFWA Board Meeting - Status Update												
7 SDFWA Board Meeting - Status Update												
8 SDFWA Board Meeting - Status Update												
9 SDFWA Board Meeting - Status Update												
10 Fundraising Campaign												
11 Fundraising Level at \$25,000												
12 Fundraising Level at \$50,000												
13 Fundraising Level at \$125,000												
14 Fundraising level at \$150,000												
15 Fundraising Level at \$200,000												
16 Broker Provides List of Potential Sites												
17 Team Sets Short List & Performs Drive By on Sites												
18 Identify 1 or 2 sites & Non Binding Offers to Owners												
19 Lessor to Respond on 1 or More Offers												
20 Start Final Negotiations on 1 or 2 Sites												
21 SDFWA Legal Counsel Retained & Final Negotiations Completed												
22 SDFWA President/Board Briefing & Approval of Deal												
23 Lease Signed & Funds Paid (1st. last Rent - Security Deposit)												
24 Shop Foreman & Assistants On board												
25 Begin Community Publicity & Outreach												
26 Complete Lessor Funded Build Out												
27 Obtain Necessary Permits												
28 Occupancy Granted & Keys Transferred												
29 SDFWA Volunteers Recruited to Complete Remaining buildout												
30 All Pre-Acquired Equipment Moved Into Shop												
31 Set Up, Calibrate, Align, and Repair (as needed) all Equipment												
32 Safety Course & Exam Completed and Dry Run												
33 Paid Up Shop Members Begin Safety Course & Take exam												
34 Schedule Slack Built In												
35 Scheduling System on Line & Available												
36 Grand Opening & Press Coverage!												

3.0 Operation of the Shop

The Member Shop will be operated by a staff of volunteers. There has been due consideration of paid positions. However, all three existing Guild Shops have been successful using only volunteers. Additionally, the absence of paid positions not only reduces expenses but avoids a significant number of cumbersome government rules, restrictions and reporting requirements.

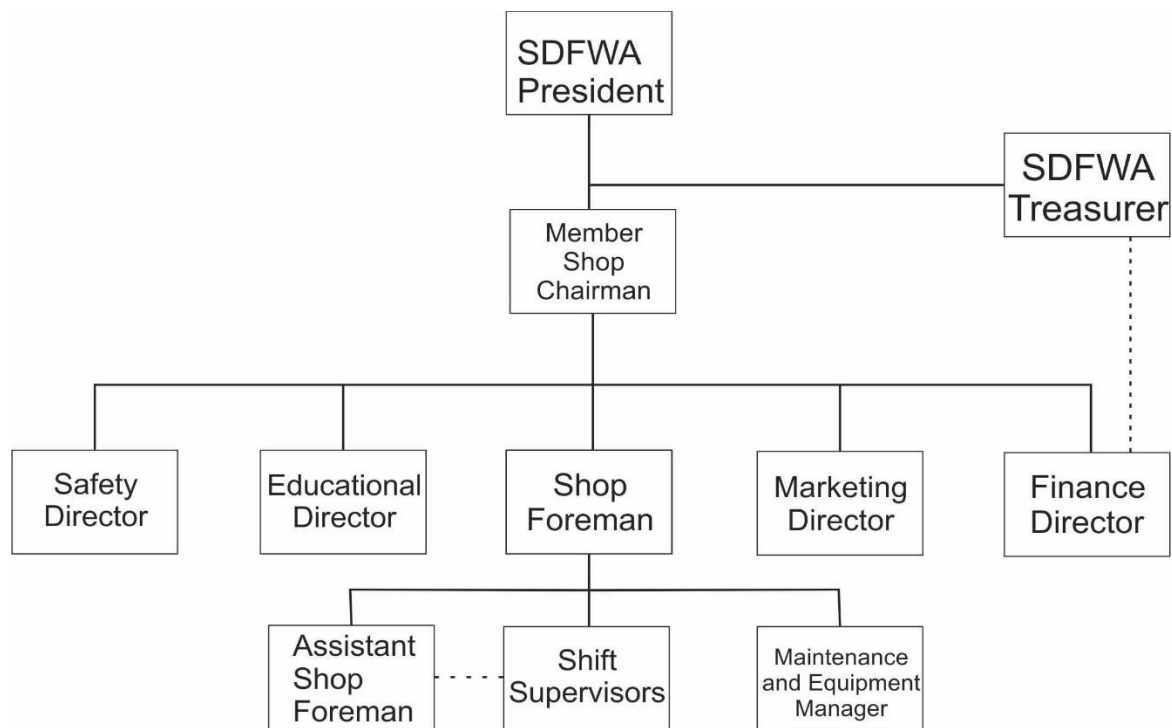
Careful consideration has been given to our ability to find and retain qualified volunteers to staff this operation. One of the questions we asked in the Shop Survey regarded willingness to volunteer. The results were extremely positive. We had multiple offers on every position we listed. The other encouraging fact is that, once again, all three of the other Guilds have succeeded in this regard. Given the larger number of General Members that we have to draw from, we are optimistic that while likely still our major challenge, we can staff the Shop successfully.

3.1 Organizational Structure

Overall responsibility for all aspects of the Shop will belong to the Member Shop Chairman who reports to the SDFWA President.

Reporting to the Member Shop Chairman will be five key managers: the Shop Foreman, the Safety Director, the Educational Director, the Marketing Director and the Finance Director.

The intent of this Management Structure is twofold: Distribute the workload to a number of people to keep it manageable and reasonable and to insure that each of these important areas receives the appropriate level of attention and follow-through. This proposal is consistent with the existing charter and structure of SDFWA.



A brief overview of the responsibilities of each position follows. A more detailed job description for each position will be developed once the Plan has been approved for implementation.

Member Shop Chair Person

This individual, reporting directly to the Association President, will have overall responsibility for all aspects of the Member Shop and its operation. He/she will select and direct the Member Shop Directors and Shop Foreman, insure that they communicate and cooperate with one another and advise the Association President on matters that need to be addressed by the Association Board.

Shop Foreman

Responsible for day-to-day operation of the shop. He/she will recruit, train and schedule Shift Supervisors to open and operate the shop each day. He/she will also recruit, train and supervise an Equipment and Maintenance Supervisor to handle the ongoing maintenance of Shop Equipment. A third direct report will be an Assistant Shop Foreman to help with the workload, take over in the absence of the Shop Foreman and to be ready to replace the Shop Foreman should that person vacate the position. He/she will coordinate with the Member Shop Directors and Chair Person to insure the successful operation of all aspects of the Member Shop.

Safety Director

Responsible for establishing and conducting safety training and protocols necessary to insure that the Shop is operated in manner that will protect the safety of all Members. He/she will work closely with the Shop Foreman to insure that these protocols are followed consistently.

Educational Director

Responsible for establishing an appropriate training schedule that will offer Members a wide selection of classes and seminars designed to build and develop their knowledge and skills. He/she will find suitable instructors to conduct the training and work with them to insure that a viable lesson plan is developed and used. He/she will periodically audit training sessions and conduct follow-up feedback sessions/surveys with Members to insure constant improvement of class offerings.

Marketing Director

Responsible for the promotion of the Member Shop among both existing and potential Members. Focus will be on both building Membership as well as increasing attendance of training classes and seminars.

Finance Director

Responsible for the fiscal health of the Member Shop by meeting the financial targets approved by the Association Board. He/she will work with the Shop Foreman and Directors to find new ways to build revenue and control expenses. While reporting to the Member Shop Chair Person, he/she will work closely with the Association Treasurer to insure that good fiscal procedures are developed and followed. This position may also be responsible for actual bookkeeping and bill paying for the Member Shop.

In addition to the five key positions listed above, there will be three other positions that will report to the **Shop Foreman: Assistant Shop Foreman, Maintenance and Equipment Manager**, and **Shift Supervisors** (multiple).

The **Assistant Shop Foreman** will assist **the Shop Foreman** in scheduling and supervising the **Shift Supervisors**. He/she will also be a “back-up” to the **Shop Foreman**.

12 -15 Shift Supervisors will be the backbone of our Member Shop. They will be responsible for controlling access to the shop and insuring that Members use the Shop safely and responsibly in compliance with all Shop Rules. They will assist Members with questions, problems and equipment issues and will report same to the Shop Foreman or Assistant Shop Foreman. They will also be responsible for making each Member using the Shop feel like a valued customer.

3.2 Operating Schedule

The final schedule of which hours the Shop will operate will be determined 30 – 60 days prior to the Grand Opening. The Member Survey gave us a significant level of insight into the expectations of our Members. The peak times requested were Weekdays, morning and early afternoon. Saturdays were also important. A bit surprising was the lack of interest in evenings. There was very little interest in Sundays by existing Members, but much more by prospective Members.

This data will give us a good starting point for an operating schedule. It might look something like this:

Monday	9:00am – 3:00pm	
Tuesday	9:00am – 3:00pm	6:00pm – 9:00pm
Wednesday	9:00am – 3:00pm	
Thursday	9:00am – 3:00pm	6:00pm – 9:00pm
Friday	9:00am – 3:00pm	
Saturday	8:00am – 5:00pm	
Sunday	9:00am – 3:00pm	

The schedule will ultimately depend upon two factors: Member needs and availability of Shift Supervisors. Every effort will be made to adjust the schedule from time to time to insure the maximum benefit to Members and greatest efficiency in Shop Operation.

3.3 Operational Procedures

The Shop Foreman will be responsible for recruiting, training and scheduling Shift Supervisors for all “open Shop” periods.

Member Shop Members will have access to the Shop during normal shop hours on a “first come, first serve” basis. They will be able to reserve shop time in advance.

All Members will be required to successfully complete “Safety Training” (offered by the Safety Director, at the shop) before they are allowed to work in the shop.

The Shift Supervisor will be responsible for accepting reservations for shop time, checking in the Members when they arrive and providing overall supervision of the Shop and its use by the Members.

Members will be responsible for cleaning up after themselves before leaving the Shop.

Problems, accidents and equipment damage will be reported by the Shift Supervisor to the Shop Foreman, Asst Shop Foreman, Safety Director or Equipment Manager as appropriate. Serious accidents will also be reported to the SDFWA President as well as the insurance company in a timely manner.

A Shop Policy Manual will be developed to address the myriad of issues and details involved in the daily operation of the shop.

3.4 Use of the Shop

It is intended that Shop Members will normally have access to the shop for their personal use. Section 5 will further detail types of Membership.

However, it is also intended that an extensive Class Schedule be developed and offered through the Member Shop. Such classes will be scheduled well in advance and may or may not be scheduled during normal "open" Shop hours. The final layout of the Shop and the nature and size of the class will determine whether "open" shop use will be permitted during any given class. Members will be given notice of such conflicts both through the on line scheduling system web site, email blasts, and when calling the Shop for a reservation.

Additionally, "Special Projects" will be conducted at the Shop from time to time. As with Classes, coordination between all parties involved will be required to insure a minimum of disruption to all parties concerned.

It is also anticipated that the Shop will be used to expand and enhance the SDFWA Toy Program.

No one will be allowed to work in the Shop without having first completed Safety Training and also having satisfactorily passed the safety exam.

3.5 Shop Capacity Analysis

In order to assure that the shop can adequately handle the number of members we propose, a capacity analysis was done to determine: 1) the right size of a member slot; 2) how often the shop will be open; the total number of slots actually available in the shop per month and year; and how much growth would be available under our proposed approach. We considered the overall shop size and number of benches available; the number of machines available; and the amount of parking that we could reasonably expect for a specific property. The recommended configuration of the shop is shown in the table below.

Shop Capacity Analysis

- Shop Open 6 day per week, 12 hours per day, 50 weeks per year
- Maximum 12 members plus 1 Shop Foreman in any given slot (Max. parking)
- Slots are defined a 1 Member working 3 continuous hours in the shop
- 48 total slots per day; 288 slots per week; 14,400 slots per year (288x50)
- Minimum Membership of 260 (235 silver*, 25 gold*) fills shop to ~33% of capacity
- Excess capacity allows for: Membership growth, equipment maintenance, downtime, dedicated class use of shop, dedicated toy program use, meetings

* Silver and Gold Memberships are defined on pages 20 and 28

3.6 Safety

There can be no question that the safe operation of the Member Shop has to be our top priority.

While every Member will be responsible for the safety of themselves and fellow Members, we will have our own Safety Director to help insure that all necessary policies and procedures are in place.

Safety will be a primary factor in selecting tools for the Shop and in developing a final layout of the Shop.

Safety Training will be required of everyone prior to using the Shop. The Safety Director will be responsible for developing, scheduling and conducting this training. Best practices of the existing Guild shops will be the core of our Safety Program. These include the requirement that Shop Members pass a written safety exam and sign a Personal Liability Waiver.

4.0 Shop Finances

4.1 Overview

It is intended that the Member Shop be “self-funding”.

It is also important to note that necessary fund raising hurdles will need to be met before the Board of Directors will be asked to make formal financial commitments.

While monthly variations in income and expenses are unavoidable, the Shop should have no negative impact on the overall financial stability of SDFWA. To the contrary, should we see the increase in membership experienced by all three other “member shop guilds”, the income from those additional memberships should have a substantial *positive* impact on SDFWA income.

The following budgets have been developed by the Committee after hundreds of hours of research, discussion and input from a wide range of sources, including our Member Survey completed by approximately 400 SDFWA Members. Wherever possible, hard numbers from existing shops (i.e. the other Guild Shops, woodworking shops in San Diego County, etc.) have been used to project our numbers.

While a number of variables yet to be determined (primarily the Shop location itself) will impact the actual results, every effort has been made to make these projections both conservative and realistic.

4.2 Operating Revenue

We are projecting first year revenue of just over \$53,000. It will be derived from four separate revenue streams.

Here is a summary:

Membership Income	235 Members @ \$125/yr 25 Members @ \$275/yr	\$29,375 6,875
Class Income	2 Classes/Month (10 students each) \$40 Tuition (\$10 of which is materials fee)	7,200
Donations	2 Per Year @ \$2500 each	5,000
Special Projects	2 Per Year @ \$2,500 each	5,000
Grants	Unknown	-
Revenue from Sale of Lumber, Supplies, Etc	Unknown	-
Dues to SDFWA From New Members	Unknown (\$30/yr x number of new members)	
Total Annual Revenue		\$53,450

The main source of revenue will be from Shop Memberships. While you must be a member of SDFWA to use the Shop, you will also be required to purchase a separate annual Membership to gain Shop privileges. We plan to offer two tiers of Shop Membership (further described in Section 5)...one for occasional users and one for Members planning to use the Shop frequently. Our projection assumes sales of 235 of the lower tier memberships at \$125 and 25 of the higher tier memberships at \$275. The full price of these memberships will be \$150 and \$300 respectively. A \$25 discount will be offered to Members who sign up before the Shop Opens. This will not only offer Members an additional value, but generate a great portion of our revenue “up front”. Additional information on the Memberships and this projection will be found in Section 5.

% Members	No. Members	Cost/Member/Yr	Slots/member/Yr	Revenue/Yr
	235	\$125	15	\$29,375
	25	\$275	50	\$6,875
TOTALS:	260		4775	\$36,250
		Shop Capacity:	33.2%	

2nd Year & On Membership Financial Projection				
% Members	No. Members	Cost/Member/Yr	Slots/member/Yr	Revenue/Yr
	260	\$150	15	\$39,000
	25	\$300	50	\$7,500
TOTALS:	285		5150	\$46,500
		Shop Capacity:	35.8%	

The second source of revenue will be Class Income. It is our intent to take advantage of our new facility, coupled with the skills of many of our more accomplished members to offer a wide variety of classes to our Membership. This projection assumes that we offer 2 classes per month, 10 students per class, at an average fee of \$40. The projection uses \$30 which allows a \$10 material fee. The actual fee for each class will be determined by the instructor and Educational Director with appropriate consideration of duration, subject matter and demand.

Our third source of revenues will come from donations. We expect a combination of monetary donations from donors including passing Members as well as donations of tools that we can either use in the Shop or auction off.

The fourth income stream will come from Special Projects. This will allow volunteer Members to help fill custom needs from whatever Company or Organization we may find. It may be

display or packing boxes for a small business or a custom conference table for a large Corporation. We are projecting just two of these at an average profit or \$2,000.

It should be noted that we ultimately expect revenue from two other sources. We know there is Grant money that is potentially available to us. However, since we cannot count on that, we are not including it in our projections. Also, we feel there is the potential to gain additional revenue from the sale of lumber and supplies through the shop, to our Members. Rental income from project and locker storage is also anticipated but not budgeted.

Finally, it's important to recognize that SDFWA may well enjoy additional revenue from the addition of the Member Shop. All three Guilds that have opened Shops have seen an immediate jump in Membership of 20%. Should we see the same increase, SDFWA could enjoy and additional \$6,000 dues income.

4.3 Operating Expenses

The table below summarizes our projection for Annual Operating Expenses.

Rent		\$36,450
Utilities	\$450/mo includes Electricity, Water, Gas, Phone, Internet and security monitoring	\$5,400
Insurance	(Actual Quote)	600
Maintenance	\$200/mo	2,400
Staff		-
Supplies	\$200/mo	2,400
Marketing	\$100/mo	1,200
Contingency		5,000
Total Operating Expenses		\$53,450

Rent is the sum of the other expense lines subtracted from our Revenue Projection. In other words, it's our "rent budget" or the maximum amount of rent we can afford to stay self-funding

Utilities appear to be low to most of us. However, it is based on the actual experience of other woodworking shops within the San Diego area. If you are inclined to compare this with your home energy bill, keep in mind the limited day operation and lack of high demand refrigeration equipment. Additionally, we are focused on leasing a space with 3 Phase power which is far more efficient.

Insurance is the difference in the premium we will pay our current provider once we open the Shop. Yes, this does seem low, but it is consistent with the experience of the other three Guilds and is a hard number we have from our Insurance provider.

Maintenance is intended to cover normal maintenance of equipment and is, again, based on the experience of the other Guilds operating Member Shops.

Supplies will cover normal supply costs such as sanding belts, saw blades, etc.

Marketing is intended to give us a small fund with which to attract new Members to SDFWA, primarily through signing and handouts.

Contingency is to cover the “surprises” that we know will come along. It should allow us to absorb a significant amount of unplanned expenses without creating an Operating Loss.

4.4 Capital and Start-Up Budget

This budget involves three major expense lines:

Equipment	All Pieces Purchased New at Full Retail	\$100,000
Build Out	Primarily Electrical	30,000
Reserve	To Cover Shortfall of Projected Revenue	50,000
Professional and Legal Fees		1,000
Total		\$181,000

A great deal of consideration has been given to this budget. It’s extremely difficult to predict given the significant number of unknowns.

For example, as it relates to Equipment, we believe a number of the tools will be donated by manufacturers, suppliers or individuals. However, until we actually approach them, we don’t know to what degree that will be true. We also believe we can buy quality used equipment at a significant discount. But again, we don’t know that for certain or to what degree it will work. Consequently, to err on the conservative side, we’ve budgeted as though we would have to buy all of the equipment new, at full retail price.

“Build Out” presents a similar challenge. It will depend almost entirely on the configuration of the location we lease. If we’re extremely fortunate, the space may require only nominal modifications. However, it’s likely, based on the experience of the other Guilds, that we will have some expenses, most likely the addition of more electrical. Additionally, as part of our real estate acquisition process, we will make every effort to negotiate with the proposed owner to provide us with as much build out credit as possible. Generally, if the build out will enhance the owners future rent potential, they are more inclined to pay for it.

The “Reserve” is intended to be a fund that will cover any negative differences between revenue and expenses. It is one more safeguard to insure that SDFWA finances will not be negatively affected by the opening of a Member Shop.

4.5 Fundraising Plan

One of the most fundamentally important components to our overall Shop Project is raising sufficient money to enable the various efforts set forth in this plan to be completed. The Member Shop Team has devoted significant time and effort to develop a multifaceted approach to raising enough money at the right time to be able to achieve our goals. This section outlines that approach.

The Team has analyzed all aspects of the project that relate to cost. As discussed in Section 4.4 above, the Team has concluded that there are 3 major elements of initial funds required for success. These are shown below.

Item No.	COST ELEMENT	AMOUNT REQUIRED
1	Equipment Acquisition – Initial Start Up	\$100,000
2	Real Estate Build Out	\$30,000
3	Reserve Funds	\$50,000

4.5.1 Equipment Acquisition

Figure 2.3 in section 2.3 of this plan identifies our current, notional list of \$100,000 of equipment that will be acquired to outfit a startup shop of 3000 ft². The list assumes that we will purchase all equipment at current retail prices, with freight and sales tax included. As stated elsewhere, this is our worst case scenario. However, the Team believes that acquisition of used equipment, acquisition of donated equipment (already occurring with our CNC machine) from members or other individuals, and donations of equipment from manufacturers will most likely occur. Any or all of these factors will reduce the ultimate cost of equipment acquisition. We, however, fully intend to raise the full \$100,000 in order to assure that we can acquire everything we need in a timely manner for shop opening.

4.5.2 Real Estate Build Out

Recent experience dealing with our Broker has indicated that property owners may be willing to provide a certain amount of build out as part of a negotiated lease. Several factors will affect how much they will cover including length of lease, nature of physical change being proposed, and absolute cost of the proposed change. Longer lease terms will generally provide an owner with more incentive to fund some or all of the proposed build out. Owners who see that the proposed change would clearly enhance their future use of the property and therefore its value would also more likely pay for it. Finally, if the cost of build out is kept as low as possible, the owner is more likely to accept it and provide it to us at no cost as compared to very complex, expensive, time consuming changes. The figure of \$30,000 is sufficient to accomplish anything we will need beyond what an owner will provide and allowing for variables in the final choice of real estate location.

4.5.3 Reserve Funds

A guiding principal of acquiring a shop is to protect the SDFWA as a whole from financial risk. Therefore, the Team has set as a goal to raise a reserve of \$50,000 to cover those contingencies that arise, and also to cover at least part of the rental obligation for the term of the lease in the unlikely event that we do not fully sell enough memberships as defined in previous sections. It is intended to cover more than half the notional rent for a 2 year period should we need that very unlikely contingency. See additional contingency plans, para 4.6.

4.5.4 Fundraising Methodology

Once the BOD has given the Team approval to move forward with this plan, several initiatives will get underway immediately regarding fundraising. The project schedule (shown in section 1 as figure 1.4-1 of this plan) shows a time based notional flow of these fundraising events and the milestones we would like to hit. These are as follows:

1. **Solicit Experience and Lessons Learned from Other Woodworking Guilds:** We have established an excellent relationship with 3 very successful woodworking guilds around the US, and upon BOD approval, we will meet/talk further with them about the details of fundraising in all its aspects for each of their experiences. We have obtained much very valuable data from all 3 guilds already (see attachments to this plan). All fundraising lessons learned will be applied to our activities to maximize potential for success, including for all the categories below.
2. **Meet the Experts & Find a Fundraising Chairman:** The Team has access to one of the most successful and knowledgeable professional fundraising organizations in the country, the Make-A-Wish Foundation here in San Diego. Arrangements will be made to meet with the head of the San Diego Foundation to discuss: 1) His knowledge of where the wealth is in the County/Region and how to reach it; 2) Ask for his help/support in defining what skills and experience a good fundraiser Chairman should have; 3) How to find such a person; 4) how to incentivize such a person; 5) How to craft our story to make it as compelling as possible to the right population. There have been several member volunteers who have stepped forward to help with fundraising, but finding the right Chairman to “run the show” is our top priority.
3. **Develop a Multi-Media Presentation to Tell Our Story:** One of the most important aspects of raising funds will be to tell our charitable story in a way that is compelling, factual, interesting, and substantial enough to get people’s attention and interest so that we can engage them further about providing seed money. That story must place its emphasis on the charitable and educational aspects of SDFWA. Creation of a shop is the incidental part of the fact that we have provided over 40,000 toys for sick children over our history, that we have produced hundreds of children’s chairs for libraries and other organizations, that we provide a world renowned platform (Design in Wood at the SD Fair) for educating and exposing people to woodworking, and that expansion of educational classes to such groups as veterans, the disabled, young people and others will be greatly expanded with creation of a shop. Also, the fact that there is nothing comparable in San Diego to what we will establish (including Maker Place) as an open woodworking shop will provide motivated entrepreneurs a great place to use as a base for new businesses and thus new jobs in the community. SDFWA has some very talented and willing people to support development of audio/video and other media.
4. **Tap Internal Membership:** The Team has identified a way to potentially raise significant initial capital fairly quickly by creating a “Charter Member Club” designation, and by actively seeking 100 or more SDFWA members who would be willing to donate a minimum of \$500 each toward the goal of establishing the shop. We have considered a multi-tiered donation structure, with donors being recognized at various levels as follows:

Title	Contribution Level
Charter Member	\$500
Executive Charter Member	\$1000
Distinguished Charter Member	\$1500

The chart below is a notional revenue amount based on the numbers shown. It could be a significant start to our fundraising campaign.

Title	Contribution Level	Number of Members	Revenue
Charter Member	\$500	75	\$37,500
Executive Charter Member	\$1000	20	\$20,000
Distinguished Charter Member	\$1500	20	\$30,000
Totals:		115	\$87,500

We are currently working on a plans to provide the incentives necessary to compel our Members to support such an effort. The Team is aware that by providing a donation to SDFWA, the Charter member can take a tax deduction based on our 501(c) 3 status. Each member will be advised to check with his tax advisor for details on how they should handle this.

5. **Solicit Manufactures Donations:** There are many high quality power and non-power tool manufactures that will be solicited for possible donations, either in the form of tools, or outright cash. This effort will get under way upon BOD approval of this plan.
6. **Seek Other Donations:** There are many aspects to finding donations, both large and small. Some of these sources include: soliciting from local Civic and Neighborhood associations; local businesses close to the ultimate shop location; and encouraging SDFWA members to consider a donation of cash and/or tools as part of their estate planning and wills. For example, we currently are awaiting distribution of funds from the estate of Henry Wenc. The amount and nature of this donation is not yet known.
7. **Establish Special Projects:** Another of the multifaceted aspects to fundraising will be for SDFWA to undertake special projects for either outright sale, or for clients using volunteer labor. Some examples of projects would include: sale of children’s chairs (different design from the one used at Design in Wood); wooden toy sets (different from our donated toy program); running a booth at the Artwalk in Little Italy (Mar/Apr) or other locations to sell items and promote the club; and sale of items made by members and donated for sale with benefit to the SDFWA.
8. **Grants:** The Team has investigated the process of grant writing and grant acquisition to a limited degree. We have found that the process of identifying funding sources, proposal writing, and other administrative activities is a long term and very technical process. Therefore, for the

near term, we will not rely on it as a source of funds. Longer term, however, it will be considered for use if the proper expertise is obtained.

4.6 Contingencies and Safeguards

The Member Shop Committee has gone to great lengths to insure this initiative will in no way imperil the financial stability of SDFWA. A recap of those efforts is as follows.

Shop Memberships will be sold in advance of the opening of the Shop and, likely, in advance of any commitment to lease a location. This will virtually guarantee that our largest revenue line meets our projections. These funds will be “escrowed” in our SDFWA account to allow full refunds to Members should the Shop not open.

Projected Membership numbers are well below the number of Members indicated in the Member Survey.

A “Marketing Director” will be appointed to aggressively pursue Shop Membership growth through various marketing activities.

A \$5,000 “Contingency” line has been budgeted to cover unexpected expenses.

A \$50,000 “Reserve” budget has been established to cover any negative financial results.

The “worst case” scenario is that after some period of operation, financial results would be so negative that the Shop would have to be closed. Should this occur, it should be noted that the sale of the Shop equipment would likely offset most if not all of the remaining lease liability. Additionally, we will have the right to further mitigate any remaining lease obligation through subletting.

4.7 “Year 2” and Beyond

The variables and “unknowns” already addressed in projecting budgets for the first year of operation, make detailed projections for “Year 2” and beyond a questionable exercise. However, several likely scenarios would suggest our financial results should improve rather than diminish.

First, revenue should increase substantially. The “Charter Member” discounts offered to Members in Year 1 will not apply. If there is no increase in Membership, that factor alone will grow Membership revenue by \$6,500. The experience of the other three Guilds is that overall Association Membership grew 20% in the first year they operated their Member Shop. This would certainly suggest that our Shop Membership should grow and grow substantially in Year 2. Additionally, it would seem logical that both Class Income and Special Project Income would tend to grow as we become more experienced at running both functions.

Second, it seems unlikely that we will see significant growth in expenses. Our primary expense line (rent) will be fixed by contract for the term of the lease. Normal inflation should provide only nominal increases on the remaining expense lines.

While dutiful and watchful budgeting and expense control are essential, the Committee does not see significant financial concerns beyond Year 1.

5.0 Membership

Only “Members” will be permitted to use the Member Shop. Members must belong to SDFWA. Additionally, they must purchase an annual Shop Membership. Once these requirements are met, the SDFWA Membership status will be noted accordingly. Admittance to the Member Shop will be through use of a “Bar Code/Scan” system. The Bar Code on the Members SDFWA Membership Card will verify Shop Member status.

5.1 Membership Benefits

- Shop Membership entitles Members to:
- Use of the Shop and Shop Equipment in accordance with the number of “slots” purchased on a pre-scheduled basis using the automated scheduling system.
- Access to Classes offered by the Shop (subject to fees that may apply).
- Access to Tool and Lumber sales/auctions that may, from time to time, be offered by the Shop

5.2 Membership Plans

Extensive quantitative analysis has been done to determine a realistic, financially acceptable membership structure for the shop. The team relied heavily on the results from the survey as well as data from the 3 other shops in existence that we have been in discussions with. A multi-tiered (4-5 levels) approach was considered, but it is too complex to manage for the revenue obtained, and it dis-incentivizes purchase of memberships at higher levels. Many combinations of other tiered approaches were examined. However, the team is recommending a 2 tiered approach. The details of that approach are shown in table 5-1 below.

Two-tiered System

- Silver Level for \$150/year for 15 Shop Slots per Year @ 3 Hours per Slot in the Shop
- Gold Level for \$300 /year for 50 Slots per Year @ 3 Hours per Slot in the Shop
- Discounts Will be Available for Early Signups BEFORE we Open
- Silver Level at \$125/year – Offered for 1st Year Only
- Gold Level at \$275/year – Offered for 1st Year Only

Additional slots will be available for purchase by Shop Members. We currently anticipate selling additional slots in blocks of 10 slots for \$40. Again, these will only be available to Members who have already purchased an annual membership.

Memberships will run for 12 months from the date purchased. The exception will be when the Shop first opens. Memberships sold up to and including the Shop Opening date will run for 12 months from the date of the Shop Opening, not the date actually purchased. The computerized Bar Code/Scan system will track membership expirations. This method will avoid the need for partial year “pro-rations” and smooth out the revenue flow.

It is anticipated that adjustments and additions to the Membership structure may be required once the Shop is up and running. It will be the responsibility of the Member Shop Committee Chairman to recommend such changes to the SDFWA Board when and if needed.

5.3 Marketing Plans

It is intended that Membership in SDFWA and the Member Shop be actively marketed once the Shop is Open. It is believed that the Shop will give us a significant opportunity to not only grow our Membership, but attract a younger demographic.

The key person behind this effort will be the Marketing Director. This individual will be responsible for developing and implementing a Marketing Plan designed to more widely publicize the existence of the SDFWA and the benefits of Membership, including use of the Member Shop. He/she will also be responsible for the development of a volunteer staff to assist in implementation of that plan.

It is expected that the plan will include steps to more aggressively use Rockler, TH&H, Frost, Palomar and other similar sponsors and partners to “spread the word”. Anecdotal reports indicate that people come into Rockler “every day” asking about some kind of community shop facility. New efforts could also be launched to solicit new members at Home Depot, Lowes, and Dixieline. And an aggressive effort will be made to make sure the military community is aware of SDFWA.

A “publicity blitz” will also be initiated to more widely inform San Diegans of SDFWA and the many benefits we offer.

It’s expected that the plan will include a wide variety of other new ideas that may include such things as “referral fees”, paid advertising, etc.

This marketing effort will be yet another safeguard to insure that we hit and surpass our revenue projections.

6.0 Action Plan

The implementation and execution of this plan will require considerable commitment, focus and resources. The following is a summary of the key steps and timeline for execution. Figure 1.4-1 is a visual depiction of the events below laid out in a time phased schedule format.

6.1 Board Approval

The plan will be submitted to the Board prior to the January 2016 Board Meeting. Members will be encouraged to review the Plan prior to the meeting, submit concerns and questions back to the Committee, in advance of the Meeting and come to the Board Meeting prepared to reach consensus on adopting the Plan.

6.2 General Membership Presentation

It is recommended that a "Top Line Summary" of the Plan be presented to the General Membership of SDFWA at the January 2016 General Meeting. Time will be allocated after the presentation to allow for questions and discussion.

6.3 Execution of the Fund Raising Plan

The first priority following approval of the Plan is to execute the Fund Raising Plan. This is likely to take a period of months but it will provide the funds necessary to begin the acquisition of equipment.

6.4 Appointment of Key Personnel

The other priority will be the identification and training of all of the key personnel positions....Shop Foreman, Safety Director, Equipment Manager, Marketing Director, Finance Director and Educational Director. This responsibility will fall to the Member Shop Chairman with help from the Member Shop Committee.

6.5 Pre-Sale of Shop Memberships

As previously discussed, the plan calls for "pre-sales" of Shop Memberships. This approach provides several benefits. It allows us to insure that we will have the necessary revenue to meet our projections. It also "invests" our Members in the process and should help build momentum.

6.6 Procurement of Equipment

This process will initially include two initiatives. First, we will begin an organized solicitation of Tool manufacturers and distributors for the donation of new equipment. Second, the Equipment Manager will begin to search for quality used equipment that will meet an appropriate standard for the shop. Purchase, storage and refurbishment of this equipment will be funded by the fundraising efforts.

6.7 Location Identification and Leasing

Once the SDFWA Board is satisfied that fund raising has reached an appropriate level, we will identify and execute a lease for the Member Shop.

6.8 Key Personnel Training

A great deal of training will be required to insure that we attain the goals that we have established.

First, the Key Personnel listed in Section 6.3 will need to be trained. This will likely include visitations by some to one or more of the Guilds already operating Member Shops. A great deal of Training Material exists in each of those three areas and we will do our best to adopt their “best practices” to the extent they fit our environment.

Second, training programs for the next tier of supervisory personnel will need to be developed. This will include the Asst Shop Foreman and Shift Supervisors.

Third, Training Manuals and Materials will need to be developed for all aspects of the ongoing operation of the Member Shop, drawing heavily on the work already done by the other three Guilds.

6.9 Installation of the Equipment

6.10 Build Out of Leased Space

This step will include whatever additions are required to the structure itself, i.e. additional electrical, partitions, installation of the Dust Collection System, etc. It will also include the construction of workbenches, tool racks and other removable items required for the operation of the Shop.

6.11 Grand Opening

An appropriate celebration will be planned and held to not only create excitement and interest among our members, but to generate additional media publicity.

7.0 Legal Issues

There has been considerable concern expressed by a number of SDFWA Members regarding potential legal exposure and liability issues that may accompany an undertaking of this nature.

As a result, a great deal of research has been focused on those points. Careful evaluation of how the other three Guilds have dealt with these issues is only one of the steps we've taken.

The decision to use only volunteers to run the Shop exempts us from a myriad of government regulations and reporting requirements.

The issue of activities like "Special Projects" to generate revenue does not in any way affect, or put at risk, our status as a 501C-3 entity.

The potential of an accidental injury in the shop is certainly a major concern. Even with full and robust implementation of our Safety Program, that possibility exists. Increased liability coverage will be obtained from our Insurance Provider. Additionally, every Shop Member will be required to execute a "Release of Liability" form before using the Shop.

The idea of forming a separate Non-Profit entity just for the Shop will be further addressed once a decision has been made to move ahead with this plan. An attorney will be consulted to determine if such a step is feasible. If so, the Board of Directors will be asked to consider and decide this issue.

8.0 Summary and Conclusions

This Plan is the result of nearly two years of work by a number of people dedicated to the idea of positioning SDFWA for the future and increasing Membership value through the addition of a Member Shop.

The Plan is a roadmap. It is not perfect. However, it is based, in large part, on the experience of three other Guilds that have found great success in opening their own shops. It is dynamic. It can be altered and built upon as required.

After careful consideration of all of the information that has been developed in preparation of this Plan, the Member Shop Committee respectfully submits this plan for consideration and approval.

Submitted by the Member Shop Committee: Gary Anderson, Jeff Bratt, Ed Gladney, Kazmier Maslanka, Dale Stauffer, and Pete Sterling...Member Shop Committee.