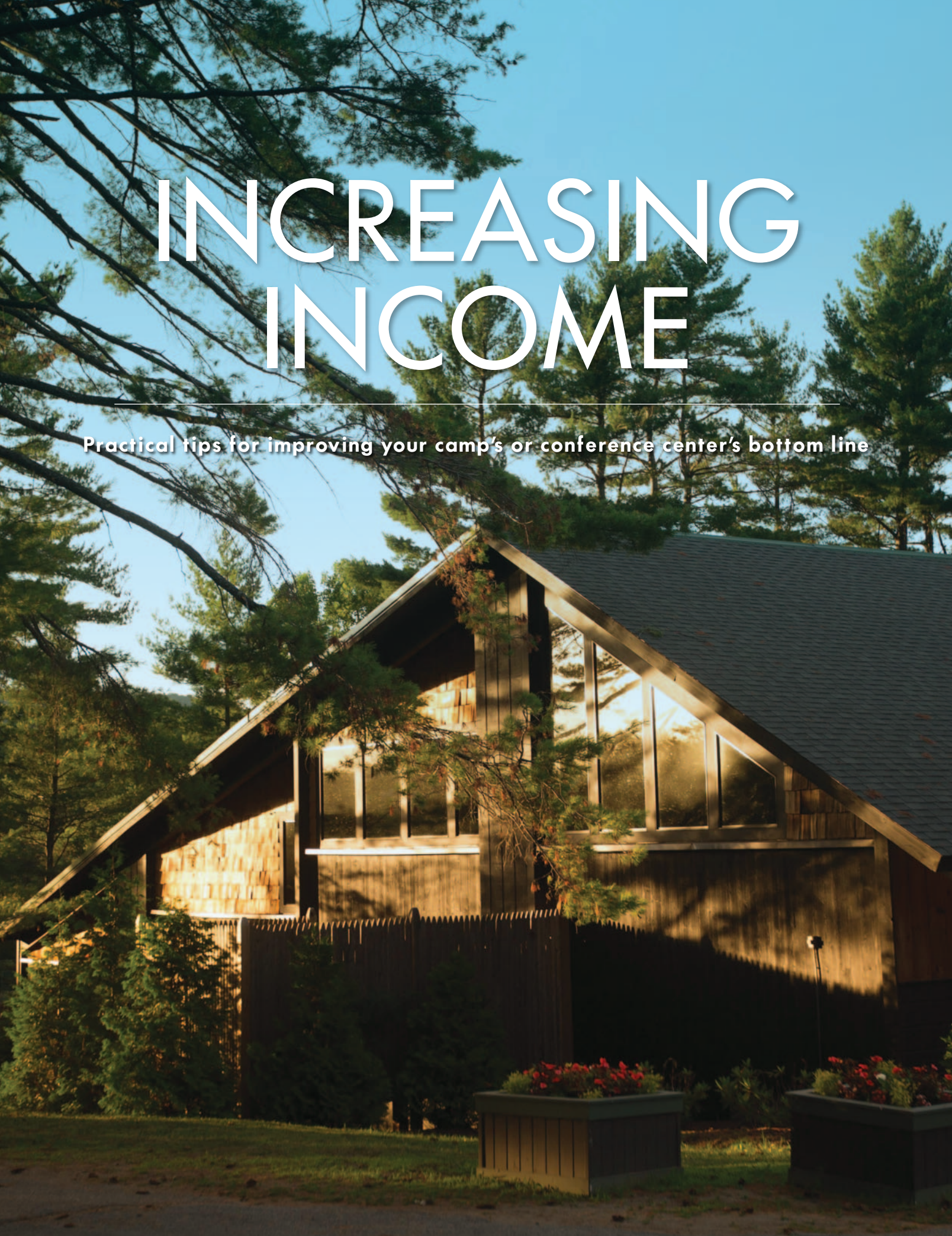


# INCREASING INCOME

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Practical tips for improving your camp's or conference center's bottom line





Determining the price point at your camp or conference center is one of the most important things you can do to create a sustainable ministry. All camps desire that their mission is accomplished; however, this can only be achieved if there is a sustainable model to ensure that expenses and depreciation are covered, keeping your doors open for years to come. Summer is the perfect time to begin looking at your pricing for the next year.

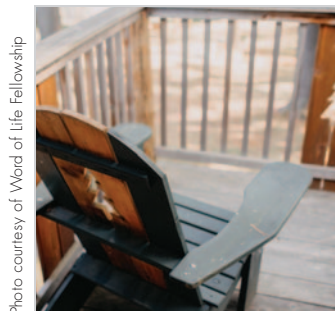


Photo courtesy of Word of Life Fellowship

Because each ministry is unique, the process will look a little different for each camp. However, these tips can be applied universally and will help your camp increase its bottom line. ►

# The purpose of [the early-bird] discount is to incentivize registrants to get onboard before others, not to hand it out to most campers.

As I write this, I am assuming that you already have a pricing model, but you need to improve your bottom-line strategically. If you don't have a pricing model, go back to the Oct/Nov 2018 issue of *InSite* and read the finance column by Pamela Harris. Her article will help you develop a pricing model to cover your expenses. Once you've done that, this article will help you leverage more from your campers and guests.

Three factors will influence your pricing:

1. **Mission:** Each of our camps is different; however, we all need to make sure we are getting top dollar for our programs to help further our missions.
2. **Market:** This subject is typically avoided, but there is competition in your area. You need to know how your product of camp compares with others in your region. This will help ensure that you aren't overpriced for what you offer.
3. **History:** You don't want to make dramatic shifts in your pricing; you want to ease into it. Making rate changes too quickly can ostracize your campers.

Taking these factors into account, you can use the following tips to help you leverage the most from your programs and guest groups.

## Tips for Summer Camps and Programs

There are several ways you can increase summer income without just raising prices. The following five tips will give you ideas that you can implement to impact your bottom line.

### Tip 1: Supply & Demand

For programmed events, you know how many beds are available and how many people attended the program. It is important to track the utilization of beds for your camp programs. To do this, divide the actual attendees into your available beds. Run a spreadsheet that tracks this for your programs from year to year. This will help you see how your programs are trending in utilization, and provide you with statistics to help you make informed decisions for the future.

### Tip 2: Early-bird Giveaways

Many camps have an early-bird discount to entice campers to register early. But how are those dates determined? Twice a month (the 1st and the 15th), you should prepare a registration report that tells you how many people are registered for what programs. This will help you determine if you should move your deadline. The purpose of this discount is to incentivize registrants to get onboard before others, not to hand it out to most campers. If too many people are accessing this discount, try moving it earlier by 15 to 30 days. This can help you grow your revenue without even touching your price.



Photo courtesy of Glen Eyrie Conference Center



Photo courtesy of Word of Life Fellowship

### **Tips 3: Tiered Pricing for Premium Weeks**

Using the spreadsheet that you created in Tip 1, you will be able to assess if some weeks or sessions of your programs are “premium weeks.” If you have eight different weeks of camp, and in the past, four of the weeks are at 100% utilization, two are at 80% utilization, and two are at 60%, the first thing you should look at is your pricing structure.

Your most popular camps should have a premium price attached to them, while your less-utilized camps should have a discounted price. These can be the same or different programs, but your guests have a perceived value that some programs are more valuable than others. You should capture this value by adjusting the price of camps based on perceived value. By offering different pricing for different weeks, you will have some campers self-select out of the more expensive week if there is a cheaper option, which then opens the premium week to other campers willing to pay that price.

These prices should be evaluated each year as your customers’ desires may change. This moves you away from a flat pricing structure, where each week is the same cost, to a tiered model. Many guest service organizations, like hotels, follow this practice. Prices at hotels are set based on how busy the hotel predicts they will be: The higher the demand, the greater the price per room.

Keep in mind that your ministry still needs to operate under a model that is distinguished from for-profit entities. A camp is not a motel and cannot operate like one, while at the same time it can learn financial and stewardship lessons from that industry. The bottom line can be a determining factor in strategic financial decisions, but the bottom line cannot be the bottom line in mission and how that mission and exempt purposes are accomplished.

### **Tip 4: Giving Away Premium Beds**

Most camps have a scholarship program, but do you know what session these scholarships are being applied to? By tracking where you are giving funds away through scholarships (and discounts), it will allow you to make strategic decisions. For example, if you determined from Tip 1 that you have two sessions that are less popular than others, maybe those are the only sessions where you allow for your scholarships to be used. This comes at a double benefit. First, you fill a bed in a week that is less popular, and second, you open up space for a camper who might be willing to pay full price in the popular, more expensive week. Without doing this, you are giving money away and turning away a camper willing to pay full price. By directing financial aid to specific weeks, you’ve increased your revenue twofold.

### **Tip 5: Average Cost Paid by Campers (ACPC)**

You can perform an internal check to see if you are truly getting the most from your campers by calculating the percentage of the cost of camp being paid by your campers. To determine this number, use this formula:

$$\frac{\left( \frac{\text{Number of Campers}}{\text{Price for Week}} \right) - \left( \frac{\text{Financial Aid or Discounts Given}}{\text{Number of Campers}} \right)}{\text{Number of Campers}} = (\text{ACPC})$$

The closer the ACPC is to the actual cost of camp means you’ve given out less financial aid and discounts. The goal is to get your premium weeks, where the campers pay almost 100% of the cost of camp, to make up for revenue lost during your less utilized weeks or those that will fall short because of financial aid or discounts. ►



Photo courtesy of Glen Eyrie Conference Center



Photo courtesy of Word of Life Fellowship



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## **Tips for Guest Groups**

When it comes to renting your site to guest groups, the pricing methodology changes. There are three things that guest groups usually look at when searching for a site: your site (housing and activities), your availability and your price.

### **Tip 1: Know Your Market**

As mentioned before, knowing how your site stacks up against the other options around you will help determine if your pricing is fair for what you offer. This is easier to do for guest groups because programs can be challenging to rate against one another. But for groups who are building their own program, you need to step back and be honest with yourself about how your facility stacks up against others.

### **Tip 2: Find Your Premium Rental Dates**

You might have some dates that are much more popular than others. For instance, in New England, the month of October is one of the busiest months for guest groups. You can charge a premium rate for those weekends. The month of April is quieter, so you can offer a lower price.

Avoid making your pricing structure too confusing, with every weekend having its own price. Identify your most popular and least popular months for guest groups, and create a pricing structure for those weekends.

### **Tip 3: Adjust to Net Income Needed**

It is important that each of your revenue streams provides a net income to continue your ministry. At Camp Berea, we realized our guest group net income was less than we desired. We looked at our calendar and didn't think we could fit many more guest groups, so we calculated our guest group camper days over the past few years, took that number and divided it into the revenue for each year. (One camper day = one camper overnight with three meals) This gave us a price per camper day. Once we had that figure, we increased our package prices for guest groups to increase our revenue.

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Creating a sustainable model is one of the most important things that you can do for your ministry. These tips will help ensure that you are leveraging the most from your customers to continue carrying out your mission in years to come.

I know that I've provided a lot of information in this article, so if you have any specific questions regarding how to apply these principles to your camp, feel free to contact me at [jonathan@berea.org](mailto:jonathan@berea.org). ■



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