Sample Business Plan Framework 5: A program that establishes itself as a government entity, then operates using a fee-based structure

### Mission:
Create a sustainable, local home energy efficiency market in the greater city “X” region

### Vision:
Recognized as key to building and connecting demand and market capacity, while operating as a reliable and reputable government entity

### Goal:
Operate in post-grant period by generating enough fee-based revenues to cover costs

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<th>Governance</th>
<th>Financial Structure</th>
<th>Assets &amp; Infrastructure</th>
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<th>Customer</th>
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</table>
| Define internal responsibilities:  
- Governmental organization supported by a fee-based revenue system  
**Define external restrictions (e.g., regulations, laws, etc.):**  
- Regulations for enterprise fund activities vary by state  
- As a Home Rule state, do not require express permission to operate an enterprise fund  
- Local government must approve and amend the proposed fund and fee structure | Identify sources/uses of funds:  
**Sources:**  
- Grant funding is used initially  
- Post-grant period, the fund generates fee-based revenues with no additional grants  
**Uses:**  
- Provide subsidized services for homeowners and contractors (no charge)  
  
**Track financial performance:**  
- Track fee-based revenues and operating expenses for budgetary purposes | Identify assets (e.g., software, brand, etc.)  
**Brand:**  
- Investment in brand image centered around:  
  - Job creation (to recruit contractors)  
  - Energy efficiency expertise (to credibly convey benefits of energy efficiency to homeowners) | List services offered:  
For Homeowners:  
- Subsidized energy assessments and installation services  
- Education and outreach services  
For Contractors:  
- Tech, sales, and business development trainings  
- Leads to new work | Identify target customers:  
- Homes >1,500 sq. ft.  
- Household income of >$60,000  
**Describe outreach strategy:**  
- Neighborhood sweeps: demand creation among homeowners in particular neighborhoods  
- Education sessions  
- Mass marketing through print, radio, and social media  
- Outreach to contractors through Efficiency First chapter | Identify current/future partnering opportunities:  
Partners during grant period include:  
- Remodelers and HVAC contractors  
- Training agencies  
Future potential partners include:  
- Realtors  
**Describe how program aligns with potential partner interests:**  
- Program trains enough contractors to sustain market in post-grant period  
- Contractors get free training and new business  
- Training programs get steady source of funding |

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<th>Costs</th>
<th>Revenue</th>
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| **List and describe costs:**  
- Cost of goods and services sold (e.g., marketing/lead generation; labor and materials for QA)  
- Overhead (e.g., rent, utilities, administrative costs, etc.)  
- Marketing and branding investment | **List and describe revenue:**  
- Federal grants (initial funding)  
- Enterprise fund fees (post-grant period) |
Sample 5 Schematic: A program that establishes itself as a government entity, then operates using a fee-based structure

Defining a program’s mission, vision, and goals is critical to determining what an organization’s basic characteristics are, and by extension, its schematic

**Mission:** Create a sustainable, local home energy efficiency market in the greater city “X” region

**Vision:** Recognized as key to building and connecting demand and market capacity, while operating as a reliable and reputable government entity

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**High Level Business Model Schematic**

- **Municipal Utility:** Program funding ($)
- **Homeowners:**
  - Home energy assessment and installation services
  - Education and outreach services
  - Payment for installation work ($)
- **Enterprise fund:** fees ($)
- **Government Program Administrator:**
  - Energy efficiency incentives ($)
  - Training
  - QA
  - Leads
- **Contractor:**

*An enterprise fund provides goods or services to the public for a fee that makes the entity self-supporting.*
In considering a transition model, ensuring the entity's legality and legitimacy are the critical business plan elements to focus on.

**How to identify potential stakeholders for partnership:**
1. Determine the legal eligibility of the program at the state level
2. Seek approval of the entity's legal formation at the local level
3. Design a self-sustaining and legally justifiable fee-based business model, and obtain final approval at the local level

**Goal:** Operate in post-grant period by generating enough fee-based revenues to cover costs

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**Governance: Detailed Steps**

1. **Determine eligibility at state level**
   - Research whether or not a similar program already exists
   - Determine what types of fee activities are allowable
   - Find out if the state is a Home Rule state or a Dillon’s Rule state (Dillon’s Rule states require express permission for enterprise funding)

2. **Seek approval from local government**
   - Establish the structure of the new enterprise fund or amend the structure of an existing fund
   - Submit required documentation for review and approval at the local level

3. **Design fee structure and obtain final approval**
   - Ensure that the proposed fee-generating activity is legally justifiable at the state and local levels
   - Determine if the proposed revenue stream meets the local definition of “fee-driven”
   - Make certain the proposed fee directly results in the intended market impacts

**Program Goal: Self-Sustaining Reputable Entity**