

BUSINESS AND STRATEGIC PLANNING

COMMON SENSE ESSENTIALS

- * A SOUND STRATEGIC PLAN

 - * TEN YEAR HORIZON

- * THREE DISTINCT PERIODS

1 - 3 YEARS

4 - 7 YEARS

8 - 10 YEARS

- ONE YEAR STRATEGIC PLAN

KEY RAILWAY STRATEGIES

- FINANCIAL STRATEGIES
- COMMERCIAL STRATEGIES
- ENGINEERING STRATEGIES
- INFRASTRUCTURE STRATEGIES

* OPERATIONS COMMITTEE

- FINANCIAL STRATEGY
- KPI's - KEY PERFORMANCE INDICATORS
 - TURNOVER
 - PASSENGER NUMBERS
 - STAFF LEVELS/VOLUNTEER NUMBERS
 - CASH DEVELOPMENT
 - FUNDRAISING NEEDS
- BUDGETS – REVENUE/COST AND CAPITAL

- COMMERCIAL STRATEGY
 - THE “THINK TANK”
 - WHAT SERVICE TRAINS TO RUN
 - SPECIAL EVENTS AND DINERS
 - RETAIL OUTLETS
 - BUSINESS MODELS FOR EVENTS
 - MARKETING PLAN
 - COMMUNICATION

- ENGINEERING STRATEGY
 - LOCOMOTIVE NEEDS
 - STEAM OR DIESEL – LARGE OR SMALL
 - COMFORTABLE CARRIAGES
 - MAINTENANCE OF LOCOS & CARRIAGES
 - GOODS WAGONS
 - SECURITY AND WORKSPACE

- **INFRASTRUCTURE STRATEGY**
 - GENERAL MAINTENANCE NEEDS
 - CAPITAL PROJECTS
 - KPI's OF DELIVERY AND COSTS
 - SAFETY ETHIC
 - OPERATING NEEDS
 - SMS – SAFETY MANAGEMENT SYSTEM (OR SAFETY CASE)
 - A FIVE YEAR INFRASTRUCTURE PLAN

THE BUSINESS PLAN

- THE KPI's WILL BE CENTRAL
 - INCOME STREAMS AND TOTAL TURNOVER
 - FARES
 - SPECIAL EVENTS
 - DINING TRAINS
 - RETAIL
 - ENGINEERING
 - MISCELLANEOUS
 - COSTS
 - VARIABLE (COST OF GOODS)
 - FIXED CONTROLLABLE COSTS
 - FIXED STAFF COSTS
 - FIXED OVERHEADS
 - FINANCING OF OPERATION
 - DEPRECIATION

PROFITABILITY

- PROFIT BEFORE INTEREST & TAX PBIT
- GENERATES CASH FOR BUSINESS
 - TURNOVER = VANITY **CASH IS KING !!**
- $PBIT - DEPRECIATION + TAX + INT.$
- OPERATING PROFIT

REMEMBER THE COMMON SENSE ESSENTIALS

- A SOUND STRATEGIC VISION – 10 YRS
- A ROAD MAP
- A ONE YEAR STRATEGIC PLAN
- KEY PERFORMANCE INDICATORS
- A BUDGET BASED ON KPI's
- REVIEW OF PERFORMANCE
- PROFITABILITY
- “CASH” IS KING !!
- THE BOARD IS ULTIMATELY RESPONSIBLE

AND NOW!!

- THE WHOLE EFFORT STARTS AGAIN WITH A NEW ONE YEAR PLAN
 - > PROVING THAT <
- STRATEGIC BUSINESS PLANNING IS A DYNAMIC TOOL

NORTH NORFOLK RAILWAY PLC
SUMMARY REPORT

	TRAIN	BUFFET	SHOP	SPECIAL	EDUCATION	OTHER	ENGINEERING	TOTAL
INCOME	1,001,801	238,010	126,945	599,398	29,498	84,418	287,542	2,367,612
DIRECT COSTS	(453,156)	(125,706)	(67,559)	(234,848)	(19,868)	(3,261)	(82,312)	(986,710)
MARGIN	548,645	112,304	59,386	364,550	9,630	81,157	205,230	1,380,902
	55%	47%	46%	61%	34%	96%	71%	58%
STAFF WAGES	(243,386)	(67,002)	0	(125,302)	(14,678)	0	(206,619)	(656,987)
OVERHEADS	(185,245)	(81,726)	(65,380)	(136,209)	(27,242)	(10,897)	(38,139)	(544,838)
GROSS MARGIN	20,014	(36,424)	(5,994)	203,039	(32,290)	70,260	(39,528)	179,077
	2%	-15%	-5%	33%	-110%	83%	-13%	8%
DEPRECIATION	(59,289)	(11,858)	(11,858)	(23,716)	(2,372)	(3,557)	(5,929)	(118,579)
GRANT AMORTISATION	7,273	4,156	3,117	2,078	1,039	2,078	1,039	20,780
PROFIT / (LOSS)	(32,202)	(44,126)	(14,735)	181,401	(33,623)	68,781	(44,418)	81,278
	3.21%	-18.54%	-11.60%	30.30%	-114.00%	82.10%	-15.40%	3.40%