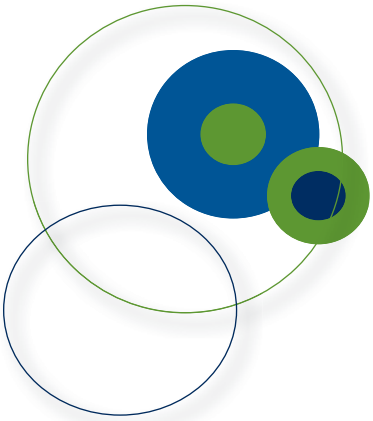
Developing Strategic Business Alliances for Village Sustainability

GENERAL PRINCIPLES AND LOCAL RETAIL APPLICATIONS

VILLAGE to village network

ELDER LIFE ADVISORS

January 15, 2012



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Overview

Financial sustainability is a major ongoing concern for Villages. Membership dues are a significant source of revenue, but seldom enough. The rest of a Village's funding usually comes from voluntary support of individuals, businesses, and foundations. Villages must constantly work at generating cash to fund and sustain their mission.

Village to Village Network, with the support of MetLife Foundation, has undertaken the Developing Strategic Business Alliances project to create tools that Villages can use to increase their financial support from businesses. This document illustrates how to develop strategic business alliances as a more significant source of Village funding, in a manner that is balanced, ethical, and IRS-compliant.

Currently, most Villages receive at least some form of local business support through cash, in-kind gifts, advertising, and discount programs. Venturing beyond this, a few Villages have also created alliances with for-profit "senior services" firms whose offerings (e.g., private duty care or home health) directly complement Village goals to help older adults remain at home. Apart from community service motives, businesses certainly want more business and profits. And they do get both when they partner with Villages. In turn, businesses may provide the Village with meaningful in-kind, non-contractual giving – for example, office space, customer lists, marketing services, or back-office help. This support is good for the Village, especially during start-up. The relationship is mutually beneficial and fulfills strategic objectives.However, this merely scratches the surface of strategic synergy potential.

A large, untapped strategic opportunity arises from the Village's in-depth understanding of older adults. As America's population ages, nearly every business must adapt and respond to the needs of older customers. Of course, firms that specialize in "senior services" are already working in familiar territory. But those who offer a broader spectrum of consumer goods and services may face a steep learning curve.

Through a strategic relationship with a Village, a business of nearly any kind can acquire crucial insight into the needs and preferences of older adults. The business can benefit financially from this understanding by being better able to serve older adult customers. It will become invested in the Village's success, through a relationship tied to the business' own mission and strategy.

A large, untapped strategic opportunity arises from the Village's in-depth understanding of older adults.

By attracting and satisfying older customers, the business can improve its ability and motivation to support the Village financially. Indeed, the Village should communicate its expectation of financial support at the outset.

Just as the business needs to understand its older clientele, the Village should become knowledgeable about the strategic business alliance partner and its issues: how it creates and delivers value to customers; its concerns and problems; and industry trends. The Village can apply this understanding to build stronger, long-lasting strategic alliances for mutual benefit.

Strategic alliance candidates may be selected from a range of commercial or industrial business types. Although Villages have more frequently formed alliances with senior services or health care businesses, the same strategic principles apply to any business type. In the next section, seven distinct types of business are suggested as potential strategic alliance candidates.

One of these seven business types, local retail (i.e., direct consumer sales via stores, shops, restaurants, banks, etc.), will be used to demonstrate the application of strategic alliance principles to a specific industry. Local retail has the advantage of direct, repeated interaction with a community's residents, usually at a central location. However, Villages can apply these principles to any type of business that is open to forging a genuine strategic alliance.

Developing strategic business alliances will be presented as a four-step process:

1. ***Identify strong alliance candidates*** and gather useful information.
2. ***Create value*** by understanding how the business' needs can be the Village's opportunity.
3. ***Engage the business*** in participative, educational, and innovative activities.
4. ***Develop business relationships*** at a deeper level, demonstrated by growing trust, commitment, and financial support.

Local retail has the advantage of direct, repeated interaction with a community's residents, usually at a central location.

Identifying Candidates for Strategic Business Alliances

Assessing the Importance of Older Adults to the Type of Business

In evaluating businesses as strategic alliance candidates, it's helpful first to consider how closely the business is connected to older adults in the community. For example, the list below shows seven business types, each framed in terms of the role played by older adults in the customer base. Consider how well (or not) each of these statements corresponds to the business:

1. Older adults are their primary business, with services purchased as a result of aging or disability, such as private duty care, home health, home modification, Personal Emergency Response Systems, etc.
2. Older adults are important to their business due to discretionary time and money for travel, entertainment, and leisure activities.
3. Older adults make up a large or growing proportion of regular (retail) customers from the local community – grocery stores, hardware stores, pharmacies, auto repair shops, restaurants, banks, etc.
4. The business' regular services make it easier for older adults to remain in their own homes (apart from home health or personal care services) – home maintenance, lawn care, property management, security alarm services, etc.
5. The business has a major presence or is a retailer in a local shopping mall. (While it may not be not locally owned, it is "good business" to support the local community.)
6. The business is more profitable when its customers do not file claims, i.e., long-term care insurance, auto insurance, homeowner's insurance, etc.
7. The business is a major local employer with a strong sense of responsibility to its older adults who live in the community.

Applying Strategic Business Alliance Principles to Local Retail

Strategic business alliances in this document will be illustrated by their application to local retail. *(See Item 3 above.)*

Local retail businesses are based in communities that access them on a regular basis, providing community interaction, a well-defined market, predictable revenue, accessibility and approachability, influence, and leverage:

- ***Community interaction*** - Retail is a type of business where customers and members of the local community are largely the same people. Residents of all ages within the community travel to a common location to do business, providing opportunities to socialize as well as to buy.

- ***A well-defined market*** – The local business' market typically ranges from a few thousand to several thousand households, most of whose members live in the same community.

- ***Predictable revenue*** – Twenty percent or more of local household income is spent at the local retail level, in or near the area served by the Village.

- ***Accessibility and approachability*** – Retailers are easy to find and indeed want to be found, communicating their presence to customers through convenient locations, signage, advertising, and directories.

- ***Influence*** – The retailer's environment and behaviors can positively affect the culture of the local community. As retailers grow more attentive to the needs of older adults, the business can model behaviors and "best practices" for other retailers and community members.

- ***Leverage*** – The retail strategic alliance model can be easily replicated and adapted to a variety of retail businesses that serve a community.

Identifying Business Alliance Candidates for Local Retail

To identify local retail business alliance candidates, one may use maps, local directories, or online databases such as Reference USA (available through many libraries). It may be helpful simply to walk or drive around the neighborhood. Include any business with which the Village already has a relationship; for example, vetted or referred vendors, advertisers, sponsors, or contributors of cash or in-kind gifts. Be certain to include businesses owned by, or connected with, people on the Village's board or Village members.

This list will probably include grocery supermarkets, restaurants, banks, drug stores, hardware stores, and others. Depending on the Village's time and resources, it may begin as a short list and be gradually expanded.

A business classification checklist can be used to ensure that no significant category is overlooked. *(See Appendix 1: Businesses by Industry.)*

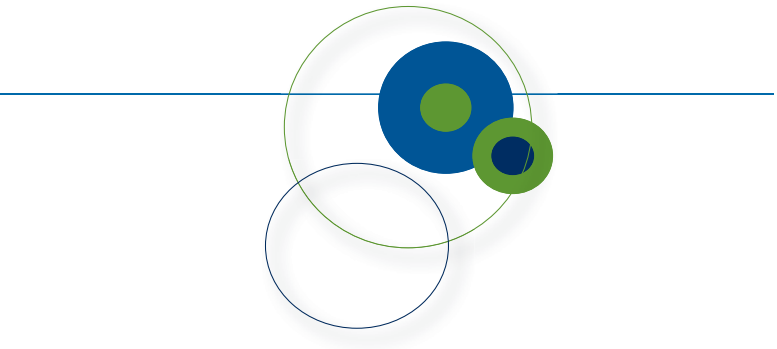
The Data Collection Tool in Appendix 2 may be used to gather and record information for individual business alliance candidates. The level of detail should be sufficient to identify the business, facilitate screening for good prospects, and prioritize for contact. For promising candidates, the Village may invest additional time to complete the business profile questions.

Be certain to include businesses owned by, or connected with, people on the Village's board or Village members.

Besides business directories, the Village's board, committees, or membership may have contacts or personal information about the business. A Village representative may acquire valuable information simply by visiting a business and talking informally with owners or managers. Explain the Village's goals to become better connected with local businesses and provide insight that will help businesses gain loyalty from older adult customers.

Prioritizing Business Alliance Candidates

Responses to questions in the "Village Compatibility and Funding Potential" section of the Data Collection Tool *(Appendix 2)* can help to prioritize business alliance candidates for contact. For some questions, complete answers may not be available in the early research phase. An intuitive assessment will probably be sufficient to begin planning and follow-up.



The Assessment Tool in Appendix 3 is designed to help prioritize business alliance candidates for follow-up. It assesses the degree to which a candidate shows the qualities of a successful strategic business alliance partner. These 10 topical areas represent a subset of questions from the Data Collection Tool *(Appendix 2)*:

1. Size
2. Profitability/net income
3. Performance
4. Community service participation and reputation
5. Giving potential
6. Importance of older adults to this business
7. Importance of this business to older adults
8. Attentiveness to older adult needs and preferences
9. Responsiveness to the Village
10. Accessibility and approachability

Since data gathered for the business may be incomplete, or its interpretation a matter of opinion, scoring will necessarily be subjective. Accordingly, the Assessment Tool allows the Village to assign a simple score of Low, Medium, or High for each attribute. Corresponding numeric scores are then added together. Businesses are rank-ordered to determine priority of contact. *(See Appendix 3 for the chart and instructions.)*

After identifying prospects and gathering some basic information, the next step in the process is to consider how a strategic relationship with the Village can serve the goals and financial interests of the business.

Creating Business Value

Understanding What Motivates the Business

Businesses give financially to nonprofit organizations for several reasons, including the firm's responsibility to "give back" to the community; public relations (a good image is good for business); and, arguably the most important factor, the desire for increased sales and profits from customers. Many of these customers are also current or prospective members of the Village.

The first key to success in strategic business alliances is to understand what motivates the business owner and to see the business from the owner's point of view. Learn about their issues, concerns, and problems. The Village may be in a unique position to help with business issues that involve service to older adults in the local community—in other words, their customers. If the Village can help the business succeed in this area, the business may be in a better financial position and more motivated to share its success and give back to the local community through the Village.

This strategic approach will elevate interaction with the business from that of charity "asker" and charity "giver" to a more balanced relationship with intrinsic synergy. This is a win-win relationship, free from the risk of exposing Village membership to commercial exploitation, or favoring a particular business to the unfair exclusion of others.

Identifying Opportunities to Improve Service to Older Adults

By identifying opportunities to improve a business' service to older adults, the Village will be prepared for a productive, ongoing dialog with alliance candidates. The challenge is to develop creative yet practical ideas to guide the conversation. If the Village's contribution to the dialog helps the business deliver a higher quality of service and be more responsive to older adults, these community members will patronize the business more frequently and with greater loyalty.

Opportunities to improve service to older adults may be apparent simply by visiting the business and observing. This is a perfectly acceptable way to begin.

The Village may be in a unique position to help with business issues that involve service to older adults in the local community—in other words, their customers.

For a systematic approach, use the "building block" chart on the right to guide brainstorming. Start at the bottom and work up.

First, think about how the business creates value for its customers. How do customers benefit from having a business of this kind in their community, and why do they shop at this particular business? What are the major tasks and priorities the business must attend to in order to create a good experience for customers?

Second, consider the trends and drivers that affect this business and its competitors. A driver in this sense is something that drives the business to respond to changes in the customer market, or to such influences as political, economic, social, or technology trends. Some of this may be known already, or it can be researched. A good way of finding out is simply to ask the business owner or managers. This has the added advantage of getting the business conversation started.

Third, tap into the Village's knowledge and expertise about the special issues and needs of older adults. How does the experience of being older affect one's ability to use a business' services? Transportation and accessibility are two of the more obvious. Senior-friendly service is another. *(See Appendix 4: Value Creation Chart for a list of examples.)*

Finally, where do the needs of the business and the needs of the older adult community converge? What sort of "pain", as well as opportunity, do they have in common? Are there specific practices the business can introduce or adapt that would improve service, sales, and profitability while delivering greater value to the community's older adult population?

As the business captures a vision on how to collaborate with the Village for mutual advantage, its desire to invest in and support the Village can become a strong spur to action.

Be prepared to suggest an up-front "investment" in the Village at an early stage of conversation. By discussing the potential upside of a strategic alliance, the Village can help the business understand why its financial contribution will be good for the business and the community.

The Value Creation Chart in Appendix 4 uses the building block approach to suggest examples for three retail categories: Grocery Supermarkets, Local Restaurants, and Local Banks.

Engaging with Local Business

A Village may be able to initiate a productive dialog just by visiting the business premises and asking questions, guided perhaps by a few examples from the Value Creation Chart. Don't underestimate the importance of engaging early in this kind of conversation.

It may be that the Village is first perceived as simply another solicitor for a charitable gift. Many nonprofit organizations begin business connections with an "Ask," and never progress beyond the superficial. The Village's challenge is to build a lasting relationship, moving toward progressively deeper levels of engagement.

Building Blocks for Engagement

In view of Village and staff capabilities, what might be some effective ways to engage business alliance candidates at a deeper level? The chart on the right suggests a building block approach.

Assume, for example, that the business relationship does begin through an informal conversation with the owner or manager, initiated by the Village. Although the meeting may be triggered by a fundraising need, the Village should make the most of the opportunity to explain its mission and give examples that show how members benefit from the Village. A business that "buys into" the Village's work will be more responsive to a request for support.

Initial participation may begin with a cash gift or a commitment to advertising, say, for a newsletter or website. Closely related would be a request for donated merchandise or services to be sold at a Village fundraising event, or perhaps a discount program. These are all simple, valid ways to start and sustain a "participating" level of engagement.

A second, higher level of engagement is to communicate with the business about needs of older adult customers. This is the "organizational learning" level, which allows the Village to share its unique and valuable insights through activities such as education and market research. At that point the Village will be standing on fertile ground in which a genuine strategic business alliance can take root and grow.

The Village might arrange an event with a speaker, inviting local businesses. Or perhaps a local bank would be interested in sponsoring an event and offering a venue for it. This may develop into a series of monthly or quarterly events, focused on older adult issues from a business perspective.

A larger business may be interested in a private "in-house" seminar on selling or marketing to older adults, based on customer needs and preferences. The business may donate an honorarium for the privilege. On occasion, a Village may gain an opportunity to assist with market research by participating in market surveys or focus groups. All of these activities should encourage business contributions to the Village – via gifts, "tuition," or honoraria.

At the third, or "innovating" level of engagement, Village members get involved with advising a business on how to adapt its products, service offerings, or retail environment to the older adult community. In one example, a property management company bundles Village membership into its monthly management fees and pays the Village directly. Another possibility may be for a Village to incorporate enhanced services into one of its membership tiers, receiving financial support from the business. In the latter case, the Village need not "sell" access to its membership. Instead, the business contributes funding to the Village in a generous, non-contractual fashion.

The building block approach is a useful way to illustrate a logical progression toward higher levels of engagement. However, a fully developed strategic business relationship may operate simultaneously at all three levels: Advertising and Promotion; Marketing Research and Education; and Product and Service Innovation. The chart below shows several examples for each engagement level:

Engagement Chart - Examples

LEVEL OF ENGAGEMENT		
Participating *(e.g., Advertising & Promotion)*	**Organizational Learning** *(e.g., Market Research & Education)*	**Innovating** *(e.g., Product & Service Innovation)*
• Sponsorship or Gifts — Cash or In-Kind • Discount or Loyalty Programs • Special Event Sponsorship – Village Members • Community Event Sponsorship – Public	• Seminars, Workshops, or Roundtables for Local Business on Senior Market Issues • Private Seminar or Workshop for the Sponsoring Local Business • Market Research – Surveys or Focus Groups with Village Members	• Bundle Village Membership into a Business Service. • Bundle Products or Services into Village Membership. • Collaborate on New Services to Advance the Village's Mission and Meet Member Needs.

Assessment Tool for Engaging with Local Business

A distinct advantage of the building block approach is flexibility. It allows the Village to engage at any level, depending on its capabilities and the responsiveness of the business.

The initial contact with the business may be a solicitation visit. Or the first meeting may take place at an event arranged by the Village. To become firmly fixed in the business' memory will require repetition and perseverance. When commitment takes hold, the building block approach offers a logical path for growth.

Both the value creation and engagement level tools give one the ability to ask the right questions, be a good listener, and build relationship and trust. Here are 10 simple criteria to use in evaluating the success and potential of business relationships:

1. Alignment with mission, values, and goals of the Village
2. Mutual expectations - commitment to growing the level and depth of engagement
3. Potential for deeper engagement for mutual benefit (identify possible projects)
4. Communication and access to business decision-makers
5. People – success in working together and future prospects
6. Projects to date – success of concept and execution for business and Village
7. Financial contribution and impact to Village to date
8. Potential for future financial payoff to the Village
9. Potential for non-monetary benefit. (e.g., increased membership or member utilization of services)
10. Absence of potential conflict of interest or adverse results

The "Engaging with Local Business" Assessment Tool in Appendix 5 is designed to evaluate current and potential levels of engagement between the Village and any of its strategic alliance partners. Scoring on a scale of Low, Medium or High will inevitably be subjective. However, the Village can use the criteria to stimulate discussion among board members and other leaders, thereby enhancing its value as an assessment and planning tool. Refer to Appendix 5 for the chart and instructions.

In planning for deeper levels of engagement, be sure to consider the Village's readiness, so that the project is invested with commitment and follow-through. This is important to the reputation of both the business and Village, as well as to the durability of the strategic alliance.

In planning for deeper levels of engagement, be sure to consider the Village's readiness, so that the project is invested with commitment and follow-through.

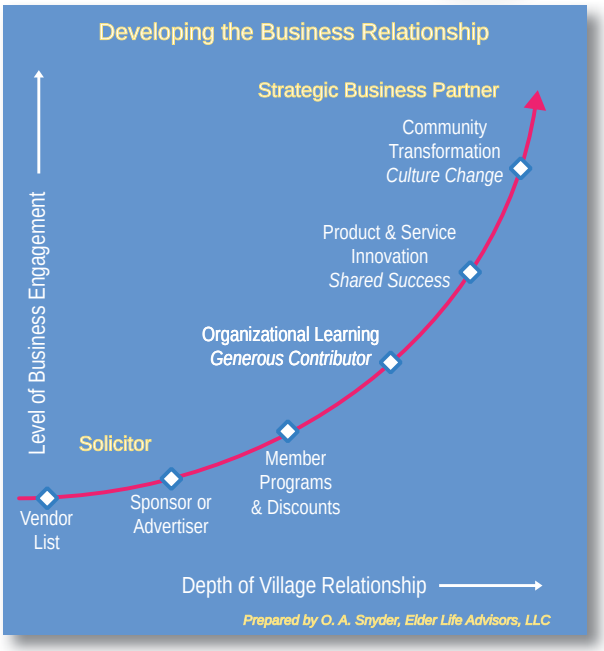
Developing the Business Relationship

As noted earlier, the business may initially view the Village as little more than a solicitor. On capturing a vision for the Village's mission, the business will become more committed. As engagement occurs at higher levels, relationships will grow deeper. Trust is usually based on experience, or at least, confirmed by it.

Over a period of time, the Village and business relationship can develop into an enduring strategic alliance. The business benefits through a better understanding and increased responsiveness to the needs and preferences of older adults. This enhances their bottom line and improves their ability to give back to the community through the Village.

The experience curve on the right charts the growth of a strategic business relationship, showing the correlation between higher levels of engagement and depth of relationship.

These examples depict a range of engagement possibilities: vendor list; sponsor/advertiser; member programs/discounts; organizational learning; product/service innovation; and community transformation. As the level of engagement increases, both the Village and business can prosper. However, the ability of the strategic alliance partner to make a significant financial contribution will vary according to the type of business and their circumstance.



Of the seven business types identified earlier, local retail (which has been used to illustrate strategic business alliance principles) may not have profit margins that make it possible to make the largest cash contributions. But this type of business can deliver important, tangible benefits. For example, a merchant's cost for in-kind gifts is only the wholesale price they pay. Broad participation by local retail may yield business contributions, larger or smaller, in significant numbers. Daily and weekly interaction between retail establishments and the local community creates a unique opportunity to add Village members from among the retailer's customers. In addition, many retailers are locally owned; their owners may choose to make personal contributions. As a whole, local retailers can materially impact the Village's success.

As a large number of local retail businesses become engaged with a Village, the culture of an entire community can be transformed in its attitudes and behaviors toward older adults.

The majority of business relationships will probably remain at the Participating Level, with a lesser number attaining to the Organizational Learning Level. Only a select few businesses may grow to become strategic in the most complete sense and reach the Innovating Level of new products and services. Regardless of engagement level, all of these relationships can be valuable, from consistent "participators" to higher value engagement partners.

In this sense, developing business relationships is like gardening. It requires planting, fertilizing, weeding, pruning, and harvesting. Track the Village's results over time and adjust its plans and activities as appropriate. In evaluating relationships, ask what it will take to move the relationships with highest potential to the top of the curve.

The Village must be diligent in deciding which relationships are worth the investment of time and most valuable to members. It must persevere to keep its name and accomplishments on the business' radar.

Appendix 6 includes a "Developing Relationships" Assessment Tool, with seven criteria. As before, the evaluation is subjective and its value can be enhanced through thoughtful discussion among the Village's board members and leaders. Refer to Appendix 6 for the chart and instructions.

1. Current level of engagement.
2. Potential level of engagement (long term and strategic).
3. Relationship Progression: Trust and engagement are developing well.
4. The relationship is beneficial for the Village.
5. The relationship is beneficial for the business.
6. Current financial benefits are tangible and valuable.
7. Potential for future financial benefit is valuable.

The Village must be diligent in deciding which relationships are worth the investment of time and most valuable to members.

Conclusion

The Developing Strategic Business Alliances project was designed to help Villages cultivate financial commitment and community support by local business through strategic alliances. In this document, key concepts, techniques, and tools have been presented as a four-step process:

1. ***Identify strong alliance candidates*** and gather useful information.
2. ***Create value*** by understanding how the business' needs can be the Village's opportunity.
3. ***Engage the business*** in participative, educational, and innovative activities.
4. ***Develop business relationships*** at a deeper level, demonstrated by growing trust, commitment, and financial support.

Business types which may be good strategic alliance candidates are numerous and varied. Many villages already have relationships of some kind with for-profit businesses, including "senior services," health care, local retail, etc. Local retail has been selected to demonstrate practical application of strategic alliance concepts. This is largely because retail businesses have frequent day-to-day interaction in their communities and many opportunities to collaborate with a Village. Nevertheless, strategic business alliances may be forged in many different industries.

A successful strategic business alliance requires that interests be balanced. Alliance partners must be willing and able to assist each other in reaching respective goals. Therefore the Village is encouraged to understand the relative importance of older adult customers to the business. Conversely, an alliance is more likely to succeed if the Village understands the business' issues sufficiently well to enhance its success among older adult customers. Business financial support for the Village and stronger community engagement are among the fruits of these labors.

Financial sustainability is crucial to the success of any business or nonprofit organization. The business should understand how the Village adds significant value to the community and how it may be able to help the business enhance its impact as well. The goal is to cultivate a balanced relationship, rather than one in which the donor is seen as giver and the village as taker.

Collaboration through strategic business alliances can be a win-win for all. As Villages and businesses learn together and engage more extensively, relationships will grow and deepen. With strategic business alliances, Villages can fund and fulfill their missions more successfully.

The goal is to cultivate a balanced relationship, rather than one in which the donor is seen as giver and the village as taker.

Appendix 1:
Businesses by Industry (NAICS Codes)

The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments. The business classifications highlighted in **bold** may be of particular interest to Villages.

Agriculture, Forestry & Fishing (01-09)

Mining (10-14)

Construction (15-17)

Manufacturing (20-39)

Transportation (40-49)

Wholesale Distributors (50-51)

Retail Trade (52-59)
- **52 – Building Materials & Hardware**
- **53 – General Merchandise Stores**
- **54 – Food Stores**
- **55 – Automotive Dealers & Service Stations**
- **56 – Apparel & Accessory Stores**
- **57 – Home Furniture & Furnishings Stores**
- **58 – Eating & Drinking Places**
- **59 – Miscellaneous Retail**

Finance, Insurance & Real Estate (60-67)
- **60 – Depository Institutions**
- **61 – Nondepository Credit Institutions**
- 62 – Security & Commodity Brokers
- 63 – Insurance Carriers
- **64 – Insurance Agents Brokers & Service**
- **65 – Real Estate**
- 67 – Holding & Other Investment Offices

Services (70-89)
- 70 – Hotels, Rooming Houses & Camps
- 72 – Personal Services
- **73 – Business Services**
- **75 – Auto Repair Services & Parking**
- **76 – Miscellaneous Repair Services**
- 78 – Motion Pictures
- 79 – Amusement & Recreation Services
- **80 – Health Services**
- **81 – Legal Services**
- **82 – Educational Services**
- **83 – Social Services**
- 84 – Museums, Art Galleries & Gardens
- 86 – Membership Organizations
- 87 – Engineering & Accounting & Mgmt Services
- 89 – Miscellaneous Services NEC

Public Administration (91-98)

Nonclassified Establishments (99)

Appendix 2:

Business Alliance Candidate Data Collection Tool

General Business Information:

Business Name _____ Phone _____

Street Address _____

City _____ State _____ ZIP _____

Business Contact _____ Title _____

Phone _____ E-Mail _____

Type of Business _____ NAICS Code (See Appendix 1) _____

Estimated Annual Sales ($000):

☐ Less than $500 ☐ $500 - $1,000 ☐ $1,001 - $2,5000 ☐ $2,501 - $5,000 ☐ O ver $5,000

Type of Ownership:

☐ Proprietor-Owned ☐ Private Corporation ☐ Publicly Owned Corporation

Business Location:

☐ Single or Primary Location ☐ Local Branch ☐ Local Franchise

Decision-Makers:

☐ General Manager _____ ☐ Retail Operations _____

☐ Marketing/Sales _____ ☐ Public Relations _____

☐ Community Outreach _____ ☐ Other _____

Village Compatibility and Funding Potential: *(Enter data, observations, or comments.)*

1. Size (Compared to other businesses in this community) _____

_____

2. Profitability/net income – Is the business profitable? (Show data if known.) _____

_____

3. Performance – How well does the business serve its market and customers? _____

_____

(Continued on Page 19)

(Continued from Page18)

Appendix 2:
Business Alliance Candidate Data Collection Tool

4. Business Issues – Which competitors, business trends, or circumstances are a concern for the business? _____

_____

_____

5. Community service – How committed is the business to the community? _____

_____

6. Giving Potential – What is the business' ability to give to charitable causes? _____

_____

7. Importance of older adults to this business? – Is their patronage considered important? _____

_____

8. Importance of this business to older adults? _____

_____

9. How attentive is this business to needs of older adults? (Business environment, accessibility, availability of products, ease of doing business and customer service) _____

_____

10. How responsive has this business been to the Village to date? *(If applicable)* _____

_____

11. Approachability – How readily can the Village get access to decision-makers? (Consider existing relationships with the Village's board or members.)

_____

_____

Appendix 3:

Business Alliance Candidate Assessment Tool

This Assessment Tool is designed to help prioritize business alliance candidates. It assesses the degree to which a candidate shows the qualities of a successful strategic business alliance partner. The 10 topical areas represent a subset of questions from the Data Collection Tool *(Appendix 2)*.

Data gathered for the business may be incomplete or a matter of interpretation. Scoring will necessarily be subjective and should be discussed among Village leadership. This chart allows the Village to assign a simple score of Low, Medium, or High for each attribute. Add the scores and rank-order the businesses to determine priority. The scoring criteria or weight may be modified according to Village need or preference. The maximum score for 10 criteria below would be 30 (Low = 1; Med = 2; High = 3):

Business Name _____ Type of Business _____

Address _____ Contact Name _____

Phone _____ E-mail _____

Attribute *Score each of the attributes listed below as Low (=1), Medium (=2), or High (=3).*	**Low** *(Score = 1)*	**Medium** *(Score = 2)*	**High** *(Score = 3)*
Size (Sales, customers)			
Profitability/net income			
Performance – How well does the business appear to serve its market and customers?			
Community service participation and reputation			
Giving potential (estimated)			
Importance of older adults to this business?			
Importance of this business to older adults?			
Attentiveness to needs of older adults?			
Responsiveness – Willingness to adapt or innovate?			
Accessibility and approachability			
COLUMN TOTALS			

CANDIDATE ASSESSMENT SCORE ***(Grand Total for All Three Columns)***	

Appendix 4:

Value Creation Chart - Examples

	Customer Value	Trends & Drivers	Older Adult Issues	Village Opportunity
Grocery Supermarket	• Location & Access • Variety & Assortment • Display and Arrangement • The In-Store Experience • Price, Sales, Discounts & Coupons • Advertising & Promotion • Public Relations & Community Outreach	• "Big Box" Stores, Mass Merchandising • Brand & Market Position • Inventory Management, Control • Price and Cost Pressure • Labor Cost, Competence, Turnover • Changing Demographics • Customer Insight • Customer Loyalty	• Driving, Distance, Accessibility • Economical, Price Conscious • Single Person Households • Changing Tastes & Preferences • Product Sizes – Small Serving Options • Ease of Locating Products, Good Lighting & Signs • Absence of Crowds, Loud Music	• Loyalty Programs, Discounts for Members • Home Delivery to Minimize Shopping Trips • Pre-Orders for Shopper Convenience • Smaller Sizes, "Bulk-Breaking" • Senior Hours, Shopping Assistance • Promotion of Village to Clients
Local Restaurants	• Location & Access • Menu Choices & Price • "Presentation" of Food – Appearance, Quality and Taste • Service & Timeliness • Specials, Discounts & Coupons • Advertising & Promotion • Public Relations & Community Outreach	• Growth of Chains, Competition • "Fast Casual Dining" Growth • Price and Cost Pressure • Unstable Supply Costs • Labor Cost, Competence, Turnover • Contamination of Food, Bad PR • Changing Demographics • Customer Loyalty, Word of Mouth	• Driving, Distance, Accessibility • Economical, Price Conscious • Portion Sizes, Nutrition • Eating Out as Social Experience • Senior-Friendly Service • Readable Menus, Adequate Lighting • Absence of Crowds, Loud Music	• Loyalty Programs, Discounts • Menu Adaptation – Smaller Portions • Preferred Seating – No Waiting • "Off-Peak Hour" Specials • Venue for Village Social Events • Home Delivery of Meals • Promotion of Village to Clients
Local Banks	• Branch Location & Accessibility • Full Range of Banking Products • Safety and Security • Return on Financial Investments • Relationship Banking & Service • Convenient Delivery Channels – Branch, ATM, Online • Public Relations & Community Outreach	• Industry Consolidation & Competition • Regulatory and Compliance Issues • Risk Control, Reserve Requirements • Low Interest Rate Environment • Increased Fees as Revenue Source	• Driving, Distance, Accessibility • Personal Interaction (High Touch vs. Impersonal Technology) • Convenient and Timely Service • Trust, Stability and Safety • Preservation of Retirement Income	• Warm, Welcoming Environment, and Personal Service • Assistance with Bill-Paying or Use of Technology • Protection from Financial Exploitation, Fraud, and Identity Theft • Interaction with Senior Market Via Events and Presentations • Community Outreach, Loyalty Program • Promotion of Village to Clients

Appendix 5:

Engaging with Local Business Assessment Tool

This Assessment Tool was developed to help evaluate the level of engagement between the Village and a strategic business partner. Scoring will necessarily be subjective and should be discussed among Village leaders. This chart allows the Village to assign a simple score of Low, Medium, or High for each attribute. Add the scores to assess the current engagement level with the business. The scoring criteria or weight may be modified according to Village need or preference. The maximum score for 10 criteria below would be 30 (Low = 1; Med = 2; High = 3):

Business Name _____ Type of Business _____

Address _____ Contact Name _____

Phone _____ E-mail _____

Attribute *Score each of the attributes listed below as Low (=1), Medium (=2), or High (=3).*	**Low** *(Score = 1)*	**Medium** *(Score = 2)*	**High** *(Score = 3)*
Alignment with the mission, values, and goals of the Village.			
Commitment to growing the level and depth of engagement.			
Potential for deeper engagement for mutual benefit. (Identify possible projects.)			
Communication and access to business decision-makers.			
People – Success in working together and future prospects.			
Projects to date – Successful concept and execution for business and Village?			
Financial contribution and impact to Village to date?			
Potential for future financial payoff to the Village?			
Potential for non-monetary benefits? (e.g., increased membership or member utilization of services)			
Absence of potential conflict of interest or adverse results?			
COLUMN TOTALS			
ENGAGEMENT ASSESSMENT SCORE ***(Grand Total for All Three Columns)***			

Appendix 6:

Developing Business Relationships Assessment Tool

This Assessment Tool was developed to help evaluate the depth of the relationship between the Village and the strategic business partner. Scoring will necessarily be subjective and should be discussed among Village leaders. This chart allows the Village to assign a simple score of Low, Medium, or High for each attribute. Add the scores to assess the current engagement level with the business. The scoring criteria or weight may be modified according to Village need or preference. The maximum score for the seven criteria below would be 21 (Low = 1; Med = 2; High = 3):

Business Name _____ Type of Business _____

Address _____ Contact Name _____

Phone _____ E-mail _____

Attribute *Score each of the attributes listed below as Low (=1), Medium (=2), or High (=3).*	**Low** *(Score = 1)*	**Medium** *(Score = 2)*	**High** *(Score = 3)*
Current level of engagement: (Participating = 1; Organizational Learning = 2; Innovative = 3.)			
Potential level of engagement (long term and strategic): (Participating = 1; Organizational Learning = 2; Innovative = 3.)			
Relationship Progression: Trust and engagement are developing well.			
The relationship is beneficial for the Village.			
The relationship is beneficial for the business.			
Current financial benefits are tangible and valuable.			
Potential for future financial benefit is valuable.			
COLUMN TOTALS			

RELATIONSHIP ASSESSMENT SCORE ***(Grand Total for All Three Columns)***	