

Charity Partnership Recommendation

Our final recommendation is that Six Flags enters a partnership with the non-profit organization Friends of Disabled Adults and Children. Cause-Related Marketing, also known as Corporate Social Responsibility, is when an organization acts in a way that benefits the organization outside of economics. According to the Harvard Business Review, “there is no inherent contradiction between improving competitive context and making a sincere commitment to bettering society.” Companies can use philanthropy to improve their public perception and be competitive with their rivals without diminishing the integrity of their contributions (Harvard Business Review). Partnering with a charity in a way that both organizations profit builds a positive image of the company and lets patrons feel like their purchases make an impact.

Friends of Disabled Adults and Children, FODAC, is a national organization based in Tucker, Georgia with a goal of providing adults and children with disabilities refurbished equipment and services. This includes free or low-cost home medical equipment like wheelchairs and adaptations for homes and vehicles (FODAC). The organization has allocated over 35,000 wheelchairs since 1986 and has dispersed more than \$9 million in equipment and services to disabled people each year (CPFamilyNetwork).

Partnering with a charity focused on supporting those with disabilities, such as Friends of Disabled Adults and Children, will further develop Six Flags’ support of the cause. The company has already been taking huge strides to make their parks more accessible. This includes the recent introduction of specialized restraint harnesses that allow guests with physical disabilities to ride rides, as well as the sensory impact guides they offer that highlight elements of the park such as their low sensory zones. Six Flags is also the first theme park accredited as a Certified Autism Center. The second Six Flags location ever is in Austell, Georgia, which only a half an hour drive from FODAC. This proximity would allow Six Flags to easily maintain a close relationship with the organization, although the partnership will be throughout all parks.

To support the Friends of Disabled Adults and Children organization, Six Flags will agree to a \$50,000 annual sponsorship deal. In exchange for this donation, Six Flags will receive their logo on all sponsorship signs, the link to the Six Flags website will be available on the FODAC website, and the Six Flags logo will be displayed on all event banners and materials. Both companies will promote the partnership on all forms of social media. FODAC primarily

reaches their supporters through their Facebook account, which has nearly 15,000 followers. Six Flags representatives will also be able to participate in FODAC's various fundraisers. FODAC hosts multiple charity events each year, such as the Alzheimer's Music Fest in Atlanta, Georgia, and the FODAC Golf Classic in Tucker, Georgia (FODAC).

In addition to becoming the primary sponsor of the charity, Six Flags will release a line of merchandise featuring a combined logo between Six Flags and Friends of Disabled Adults and Children, paired with the tagline "Flags for Funds." This merchandise will be available year-round at every park and within the online store, and Six Flags will donate 50% of profits from "Flags for Funds" products to FODAC. The merchandise would cost less than regular merchandise to encourage sales and Six Flags would have specialized FODAC merchandise stands throughout the parks to encourage sales. The parks will also begin the sale of small, handheld flags with the combined Six Flags and FODAC logos. These flags are simplistic and can be sold for a lower price to encourage purchases. The flags would serve as a simple, inexpensive souvenir children and adults alike can carry around. They would also serve as consumption philography for park patrons, which is the idea that the purchase of a service or product supports a charitable cause (Eikenberry).

Six Flags will also make an increased effort to create an awareness of disabilities in adults and children and how their daily lives are affected. The company will work closely with FODAC staff to design a pamphlet detailing issues disabled people encounter, how FODAC helps, and what strides Six Flags is making to increase the accessibility of parks. These pamphlets will be offered around the park and include details on the park's recently introduced accessibility harness for rides.

The culmination of this campaign will be Flags for Funds week, the first full week of October. October is National Disability Awareness Month, and during this week the portion of profits on all FODAC related merchandise that is donated to the cause will increase to 80%. There will also be special events throughout the parks that week, including daily concerts in every park and character meet-and-greets. In addition, Six Flags will invite 100 children with disabilities to each park, with the cost of their ticket and meals covered by Six Flags. Each child will also receive a free FODAC t-shirt.

Both Six Flags and Friends of Disabled Adults and Children will receive a boost in brand awareness from this partnership. The contributions and platforms Six Flags offer FODAC will generate positive media for the park and inform the public of FODAC's cause. Six Flag's generosity will build their reputation as a good company, and people who care about these issues will in turn support Six Flags. The additional financial support from the park will expand FODAC's impact and allow them to help more people in need.

	Year 1	Year 2	Year 3	Year 4	Year 5
Increase in revenue	\$3,000,000	\$3,137,100	\$3,280,465	\$3,430,382	\$3,587,150
COGS	38.4%	38.4%	38.4%	38.4%	38.4%
Total Variable Costs	\$1,152,000	\$1,204,646	\$1,259,698	\$1,097,722	\$1,147,888
Total Contribution Margin	\$1,848,000	\$1,932,454	\$2,020,767	\$4,619,582	\$4,830,696
One-time Fixed Costs	\$5,000	-	-	-	-
Annual Fixed Costs	\$1,959,500	\$1,959,500	\$1,959,500	\$1,959,500	\$1,959,500
Total Fixed Costs	\$1,964,500	\$1,959,500	\$1,959,500	\$1,959,500	\$1,959,500
Net profit	(\$116,500)	(\$27,046)	\$61,267	\$153,616	\$250,185
Cumulative Net Profits	(\$116,500)	(\$143,546)	(\$82,279)	\$71,337	\$321,522

Six Flag's increase in revenue from this recommendation would total \$3 million, made up of an increase in ticket and merchandise sales. Six Flag's average annual revenue increase per year is 4.57%, so that percentage is multiplied by the revenue of the year before to find that year's revenue. The cost of goods sold (COGS) would be raised to 38.4%, as it includes extra cost factors such as the production of merchandise and informational pamphlets, employee wages, and the large donations being made to Friends of Disabled Adults and Children. Using that percentage, our total variable costs from the first year would be \$1,152,000, leaving a total contribution margin of \$1,848,000. The first year this partnership is introduced, there will be a one-time cost of \$5,000 for the design of Flags for Funds merchandise and logos. The annual fixed costs for this project would include manager salaries, additional advertising costs, and the cost of the Flags for Funds events. We've budgeted \$800,000 for the additional advertising of this initiative, as well as \$120,000 total for the salaries of the two project managers that will be employed to organize the campaign. Each project manager will receive a salary of \$60,000, based on the average income of project managers for similar companies. Each of the 27 parks to inviting 100 children with disabilities would total 2,700 guests. Each guest would cost the park

\$85, including tickets, t-shirts, and a meal. For all 2,700 children, it would total to \$229,500. In addition, each of the 27 parks would spend \$30,000 on various decorations, totaling up to \$810,000. Considering these elements, the annual fixed cost for this recommendation would be \$1,959,500. Combining the annual fixed costs and one-time fixed costs would add up to \$1,964,500 of costs for the first year.

At the end of the first year, this partnership is enacted, and the company's net profit would be a deficient of \$116,500. The second and third years of this initiative both end with a negative cumulative net profit, but in the fourth year, Six Flags will break even with a cumulative net profit of \$37,451. At the conclusion of the fifth year, Six Flags will have a cumulative net profit of \$553,283 from their partnership with Friends of Disabled Adults and Children.