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Entrepreneurship in Marinas: Does a Business Plan Translate into a
Successful Business?

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Business Management

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Introduction

The field of entrepreneurship is recognized as being of fundamental importance for our economy. Small business entrepreneurs play a crucial role in generating new products and new employment in the United States. However, according to U.S statistics, eight out of ten entrepreneurs who start businesses fail within the first eighteen months. Understanding the factors that can increase the likelihood of success is crucial. One theory of successful entrepreneurship is that it stems from a strong business plan. This thesis will examine how this is indeed the case for owning a marina on Long Island.

The first obstacle in studying entrepreneurship is its definition. To date, most researchers have defined it with respect to the function that entrepreneurs perform. Cantillon, and Schumpeter laid the ground work for defining entrepreneurs. Cantillon defines it as, “The entrepreneur is someone who assumes the risk and may legitimately appropriate any profits” (Cantillon). This thesis connects to Cantillon’s definition of an entrepreneur. It draws out the key points of how a business plan does in fact translate into a successful business.

One theory of successful entrepreneurship is that it might be aided by a well-developed business plan. A study of the top one hundred business school in the United States, found that seventy-eight schools offer courses on business plan preparation (Brinckmann, 2010). Leading entrepreneurship professors rate the development of a business plan as the most important feature in their entrepreneurship courses (Brinckmann, 2010). The value of planning for a business has been a subject to a long debate. The planning school advocates that planning fosters the development of firms because resources are used more effectively, and the decision speed is faster (Brinckmann, 2010). Researchers who challenge the value of business planning propose that top management’s time spent planning results in lower returns than dedicating the time to

activities of acquiring resources and building the organization. Opponents of planning also stress that planning can lead to cognitive rigidities, organizational inertia, and limited strategic flexibility (Brinckmann, 2010). This thesis will explore if a well-prepared business plan translates into a successful business.

To narrow the topic even further, this thesis will examine if a prepared business plan would translate into a successful marina in New York. A marina is an establishment where people can rent boat slips, and can sell fuel, fishing supplies, and boats. The main source of revenue comes from boat slips and related services. Each year, the U.S National Marine Manufacturers Association announces the top boating states in the U.S based on annual sales of new powerboats, motors, trailers and accessories. Although annual sales are not the only way to measure overall boating activity, it is a good indicator of the popularity of boating in a particular area. New York is fifth in the country for boating. It has more than 7,500 lakes, ponds and reservoirs and over 50,000 miles of rivers and streams. New York has made over \$381 million in boat sales.

After performing interviews with marina business owners on Long Island, the information collected helped determine if a well-prepared business plan translates into a successful marina. The business owner's expertise and knowledge will help conclude if a business plan serves its purpose in the professional world.

The Business Plan

According to most professors and experts, the first thing a business entrepreneur must do before anything else, is create a business plan. A business plan is a formal statement of business goals and plans for reaching them. It would also include some background information of the organization. It typically includes a five-year forecast for income, profits and cash flow.

The Debate over a Business Plan

It comes down to wondering if it is worth creating a business plan or to just dive right in! Some researchers strongly feel that it is crucial for the survival and development of both new and established businesses. The planning school argues that a systematic, prediction-oriented, and formal approach leads to superior venture performance (Brinckmann, 2010). They also advocate that planning fosters the development of firms because resources are used more effectively, so the decision speed is increased, and flexible actuation is supported (Delmar and Shane, 2003). The opposing group instead, focuses on learning, strategic flexibility, and controlling resources, especially when facing high degrees of uncertainty (Brinkmann, 2010). Researchers challenging the business plan propose that dedicating top managers time to business planning results in lower returns than dedicating the time to activities to get resources and build the actual organization (Bhide, 2003). They also stress that planning can lead to cognitive rigidities, organizational inertia and limit strategic flexibility (Vesper, 1993).

The advantages of a Business Plans

The Planning school is built on the assumption that planning generally improves effectiveness of human action and facilitates goal achievement. The planning approach relies heavily on prediction. This rational approach to strategy development relies on the belief that business planning helps predict and prepare for a business's future challenges. Delmar and Shane (2003) conclude that planning allows for faster decisions making than actuation without prior planning since information gaps can be anticipated, assumptions can be tested without expending the resources, and resource flow can be optimized. Planning allows business owners to forecast goals and plan the steps they need to take to conquer these goals. Planning allows businesses to control goal achievement. They would able to see their maximum potential and predict whether

they can make good judgment calls on their business. It is especially helpful when it pertains to the financial side of business, because it is dangerous for a business to over shoot their limits when they cannot afford it.

Another reason to write a strong business plan is to get future investors. A Forbes article clarified how a business plan is needed in order to get financial support (Hull, 2013). Having a formal document of your idea will only help communicate your vision more thoroughly. The article also makes a good point of explaining how a business plan will act as a benchmark in order to check the progress of the business as the company grows.

Limitations to a Business Plan

On the other hand, the learning school believes in a more adaptive approach towards strategy development. For instance, in uncertain and unpredictable environments, emergent strategies allow rapid initiation of action to capture arising opportunities (Mosakowski, 1997; Mintzberg and Waters, 1985). Researchers on the opposing side feel that business entrepreneurs should focus on learning and pursuing flexible ways to adapt strategies when facing high degrees of environmental uncertainty (Hough and white, 2003). Regarding resource restrictions, business planning devours a lot of time, which in terms, could be used more valuably for creating activities and working on the business itself, rather than spending time trying to predict the future.

Evidence Based Research

A study published in 2010, revealed research on the business growth of 11,046 companies and found that planning improved business performance. The same study also found that planning benefited existing companies even more than startups. Another study found that companies that plan grow 30% faster than those that do not plan. This study discovered that

plenty of businesses can find success without planning, but businesses with a plan grow faster and were more successful than those who did not plan. To reinforce the connection even more, another study found that fast, growing companies that had over 92% growth in sales from one year to the next, usually have business plans. Seventy one percent of fast-growing companies have plans. They created budgets, sets goals, and documented their strategies. (Parsons)

Another point to be made about business plans, is the quality of the plan itself. It is not about the size of the plan that matters, but what is include in it. The study previously mentioned found that those businesses who grow faster with a plan, also found that those companies did a better job of defining their value proposition than companies who have a hard time defining their customers' needs.

An important note that researchers discovered, is that having a plan is less about accurately predicting the future, and more about setting regular goals and making regular changes to your business as you learn more about your customers. Another study of 223 companies found that having a plan reduced the likelihood that a business would fail. Having a plan does not guarantee success, but those companies with a plan have higher chances of success than those that skipped the planning process. Having a plan and regularly updating it, means you are keeping track of the business performance and gaging what aspects need more attention.

(Parsons)

About Marinas

What makes entrepreneurship so interesting is that, people can go into any field of business. This thesis will be focusing on the marina industry. Marinas are generally very small businesses, and depending on their location, they can be seasonal or all year. The size and shape of a marina can vary, but they are normally always on or adjacent to the water. Marinas are

located on bays, rivers, reservoirs, canals, and oceans. Marinas usually rent out boat slips and can provide additional services like a boat mechanic, welding, fishing shops, refueling, water and electrical outlets, launch ramps within the marina as well. However, the main revenue is from renting out boating slips. Marinas can rent docking spaces and winter storage that are charged by the boat's length by square foot. They can charge boat owners a daily, weekly or a monthly rate depending if the customer is in or out of season. Off season is generally from October to March, while, in season is generally targeting the spring and summer months from April to late September. (Marinas, 2015)

The marina industry is closely connected to the boating industry. In January 2015, the National Marine Manufacturers Association (NMMA) estimated that sales of power boats sold increases about three percent each year. And while not all of these boats would be stored at a marina, it is reasonably assumed that some would be, thereby increasing the demand for docking space.

Recreational boating is one of the more popular activities in the United States. The total value of recreational boats sold reached over 3.6 billion U.S dollars in 2016. The greatest portion of this value came from boats sales that are between 36 and 45 feet long. In 2015, 11.87 million recreational boating vessels were registered in the U.S. These boats are all classified under sailboats, powerboats, personal water craft, inboard and outboard boats. (Marinas, 2015)

Long Island

Long Island is a densely populated island off the East Coast of the United States. It stretches a hundred and eighteen miles eastward from New York Harbor to Montauk Point, with a maximum north to south distance of twenty-three miles between the Long Island Sound and the Atlantic coast. With a land area of 1,401 square miles. A census estimated a population of over

seven million in 2017, consisting nearly 40% of New York States population. (“Long Island New York”)

The Island is broken up into four counties, Kings, Queens, Nassau and Suffolk County. For this thesis, all interviews were taken in the Suffolk County which covers the majority of Long Island. According to the 2010 census, the population was around 1.5 million, however it is estimated to have increased by 2020. (“Long island New York”) To gather a variety of results, each interviewee was located at a specific part of Long Island. For instance, one was taken from Port Jeff (the north shore), West Sayville, Center Moriches (south shore), Montauk (the end of the south fork) and Mattituck (the north fork). The reason why the interviews were broken down into these locations was because each area has different demographics. The different demographics play a large role in how a business will do in a specific location. Below are the five locations where the marinas are located with their respective statistics. (“Long Island New York”)

Demographics

Sayville: There were 5,603 households out of which 40.3% had children under the age of 18 living with them, 65.2% were married couples living together. In the CDP, the population was spread out with 27.2% under the age of 18, 6.2% from 18 to 24, 30.7% from 25 to 44, 24.1% from 45 to 64, and 11.8% who were 65 years of age or older. The median age was 37 years. The median income for a household in the CDP was \$75,236, and the median income for a family was \$85,229. Males had a median income of \$57,055 versus \$35,091 for females. (“Sayville, New York”)

Lindenhurst: There were 8,638 households out of which 37.6% had children under the age of 18 living with them, 26.5% had individuals over the age of 65, 58.2% were living together. The

population was spread out with 5.0% under the age of 5, 22.5% under the age of 18, 6.3% from 20 to 24, 26.1% from 25 to 44, 30.2% from 45 to 64, and 12.1% who were 65 years of age or older. The median age was 40.3 years. The median income for a household in the village was \$85,345. (“Lindenhurst, New York”)

Center Moriches: There were 2,319 households out of which 36.2% had children under the age of 18 living with them, 62.7% were married couples. In the CDP, the population was spread out with 25.1% under the age of 18, 7.0% from 18 to 24, 32.9% from 25 to 44, 22.8% from 45 to 64, and 12.1% who were 65 years of age or older. The median age was 37 years. The median income for a household in the CDP was \$61,957. (“Center Moriches, New York”)

Montauk: There were 1,593 households out of which 26.9% had children under the age of 18 living with them. In the CDP, the population was spread out with 20.0% under the age of 18, 6.6% from 18 to 24, 33.9% from 25 to 44, 25.0% from 45 to 64, and 14.5% who were 65 years of age or older. The median age was 39 years. The median income for a family was \$50,493. (“Montauk, New York”)

Mattituck: There were 1,651 households out of which 31.9% had children under the age of 18 living with them, 62.4% were married couples living together. The population was spread out with 23.2% under the age of 18, 5.6% from 18 to 24, 25.0% from 25 to 44, 27.1% from 45 to 64, and 19.1% who were 65 years of age or older. The median age was 42 years. The median income for a family was \$63,370. (“Mattituck, New York”)

North Port: According to the most recent census in 2010, there were 7,753 people, 2,955 households and 2,074 families residing in the village. There were 2,995 households out of which 33.2% had children under 18 years old living with them, 59.8% were married couples. The median income for a household was \$90, 250. (“North Port, New York”)

Demographics have costly effects on businesses. For instance, the average income of an area helps explain what that area can or cannot afford. In this case, communities that live near the water have a higher income to afford the waterfront taxes. In addition, to the amount of families living in an area also effects the business.

The following page is an image of Long Island to help provide a visual of the locations of each business owner's marina. The colors match with the respected business. SBB marina is colored red and located on the south shore. BYC marina is colored blue and located on the north shore. VM Inc. is purple and has another location just parallel to it on the south shore of Long Island. MTK is green and is located on the east, south fork of long island. Lastly, SIWM is orange and has four locations across the island.

Interview Process

Each interviewee was asked the same starting five questions about their education and work experience. Next, each interviewee was asked whether they made a business plan or NOT, depending on their answer they would then be asked certain questions to why they did or did not create a business plan. Bellow is the survey that was used.

Interview Questions

Interview questions about the owner- that will be asked to each interviewee

1. Do you have a high school or college degree?
 2. What kind of college degree?
 3. What experience or business history do you have that has helped you prepare to become an entrepreneur?
 4. What made you decide to go into this kind of business?
 5. Do you enjoy your job? What would you say is the most difficult part about your job?
-

Interview Questions for those who **HAVE** created a business plan:

1. What DIDN'T your business plan prepare you for?
2. If NOT, how so? What do you feel was missing? Is there something that you wish you added?
3. Are you constantly adjusting your business plan?
4. How long have you been in business for?
5. How long has it taken you to see progress in your business?
6. What types of services do you provide at your marina? Ie. Shrink wrap, mechanical repair?

7. How would you define success? For instance, just making ends meet? Or is there a goal you are consistently aiming for?
8. Would you say boating has become more popular? For instance, have you seen an increase in large family boating, fishing boats ect.?
9. Would you say the boating industry changed over the years and from when you first created the business plan?
10. Do you feel you need to constantly add something to your marina to keep customers?
11. Is there a time where business is particularly more difficult?
12. How was business after hurricane Sandy?

To conclude:

1. Is there anything you wish you did or knew before you started your business?
2. What advice would you give for future entrepreneurs?

Questions for those who have **NOT** created a business plan:

1. Why did you not create a business plan?
2. Did you still feel prepared when creating your business?
3. Do you think it would have made a difference if you did create a business plan?
4. How long has it taken you to see progress in your business?
5. What types of services do you provide at your marina? Shrink wrap, mechanical repair ect.?
6. How long have you been in business for?
7. How would you define success for your business? For instance, just making ends meet? Or is there a consistently goal you are consistently aiming for?

8. Would you say boating has become more popular?
9. Would you say the boating industry changed over the years and from when you first created the business plan?
10. Do you feel you need to constantly add something to your marina to keep customers?
11. Is there a time/season where business is particularly more difficult?
12. How was business after hurricane Sandy?

To conclude:

13. Is there anything you wish you did or knew before you started your business?
14. What advice would you give for future entrepreneurs?

Once the interviews were conducted, each interview was transcribed. From each interview I focused on five subtopics that stood out the most. That included, business owners' gender, education level, what the business plan did not prepare them for, if they are adjusting their business plan, and how long it took them to see progress in their business. These topics help dive further into more significant discussion with the interviewee. For instance, after asking if the owner is constantly adjusting his business plan, I was able to transition the conversation into asking how so? Perhaps they are constantly updating the property to keep up with competitors or customer needs. The chart below helps provide a visual summary for the first five questions that were asked to each of the five interviewees. Take note of who has a college degree to those who do not and for how long they have been in business for.

Summary of the First Five Questions

	Name of Marina	Gender	What kind of College Degree?	What DIDN'T your business plan prepare you for?	Constantly updating your business plan?	How Long have you been in business for?	How long has it taken you to see Progress?
1.	SBB	M	Economics and English	Legal & Political Aspects	YES. Factors always changing ex: land restrictions	24 seasons, 23 years	2 years
2.	BYC	M	Music & Electrical engineering	Actually, running a business	Yes, once a year	30 years	A few years
3.	VM	M	NONE	DIDN'T MAKE ONE	_____	44 years	3 years
4.	MTK	M	NONE	Popularity	YES	Originally family owned before bought by IGY	Always been popular but always growing
5.	SIWM	M	Business	demand	YES	53 years	A few years

Transcribing the Interviews

Interview with SBB

The first interview that was conducted was with SBB marina on the south shore. The owner has a college degree of Economics and English. Before he opened his business, he worked in construction and built homes, however he grew up on the water and owned boats of his own. As time passed, he saw an opportunity to switch careers and become an entrepreneur.

One of the first things this new entrepreneur did when starting his business was create a business plan. Still to this day, he is constantly updating his financials for buying materials for new dock poles. However, when I asked him what his business plan did not prepare him for, he said, "The political aspects of owning a business". He continued to explain how through owning a business, the connections you make grow and cross paths with other business owners.

At his marina, he offers services like welding, boat mechanic, bait and tackle shop, shrink wrap and winter storage. He explained how customers look for satisfaction based on expense. He explained how he is always adding to his property. For example, he recently added a gas station to his marina. However, the marina next door sells gas too, but he sells his slightly cheaper and sells it even cheaper to his clients that rent boat slips from him. He explains how he is constantly adding more activities to his marina. For instance, he bought paddleboards and kayaks to entertain the amount of kids that hang out at the marina because of their parents. He also built a videogame arcade and small kitchenet to entertain kids and give families a location to eat. There is also a tiki bar, hammocks and grills for families to use. The owner described how he tries to offer as much as he can in order to get families to stay on his property. He explains how boating was once a hobby but now it has turned into entertainment. He feels people need the next best thing to keep them preoccupied for a few hours, before they move on to the next one.

Interview with MTK Yacht

Montauk Yacht was originally family owned for over 40 years, however Montauk has become such a popular tourist location that the original owners were bought out by IGY Marina Company. IGY is a marina company that owns seventeen marinas worldwide. MTK Yacht docks some of the largest yachts in the world. The largest yacht it can fit is three hundred feet long. Guests like the Jenner's and Kardashian's often visit during their summer vacation. MTK yacht is known for its luxurious boats, but it also welcomes many deep-sea fishing boats and family boats who just want to spend the weekend.

For the interview I spoke with the manager of MTK, who is also the dock master there. His work history includes, previously working at a marina, becoming a dock master and eventually working his way up. The company does have a business plan that they are constantly adjusting because they are always adding or redoing certain aspects of the marina. For instance, this year the marina will invest seventeen million dollars into the property, docks, motel and extra activities like paddle boarding and kayaking. He explained how this year they must redo a section of the docks that gets hit with the most water current. The property is several acres that has a motel, underground pool, party hall, restaurant, bar, two souvenir stores. The one thing that MTK does not offer is a boat mechanic or shrink wrap for customers due to reliability purposes. They do allow customers to bring their mechanic on the premises, but they do not have a mechanic of their own.

One thing the business plan never prepared him for was the importance of customer relationship. He explained how important it is to have good communication with every customer. MTK has many family memberships that live locally and continue to come back and rent slips.

MTK relies heavily on their reputation and professional relationships with customers to provide a fun and safe experience when you visit or stay at MTK.

Interview with BYC

The owner of BYC originally started his career as a teacher and had a second job as a construction worker. He has a degree in music and electrical engineering, but always worked on the water. He eventually got into the marine industry with his friend and opened up shop over thirty years ago. When they first started, they ran into many financial issues. They created a business plan that projected everything correctly but due to the location of their marina it was difficult to get people to rent slips if they can not afford a boat. Their biggest mistake was opening shop in a location where people in their area could not afford the luxury of having a boat. It took two years to finally see progress. The owner even made a comment comparing the lack of money in their location to the amount of money there is on the east end of the Island.

BYC marina offers winter storage, a boat mechanic, shrink wrap, boat slips and a restaurant located on the premises. The owner explained how taxes in their town are rising, so they must increase the cost of boat slips. For example, instead of charging fifteen dollars a foot for a season, they could charge eighteen a foot for a season. The owner clarified how they try not to increase the price for docking, especially with the competition of their neighbors. It is also difficult to increase the price on customers that have been with them for several years. BYC owner described how it is difficult to keep customers satisfied. They can only add so much to the property they have. It is also difficult to keep younger kids' content because they spend a lot of time on their electronic devices, whether it is a phone, tablet, or laptop. The younger generation are not interested in boating like what it once was.

Interview with SIWM

This family owned marina has been in business for 53 years. It has been passed down from generation to generation. The marina has expanded into five locations and show rooms across Long Island. They offer boat mechanics and full maintenance services including, winterizing and storage, boat rentals and gas. They also host events throughout the season including annual rendezvous, bringing families together as they cruise to new locations. They also provide boat lessons to help teach boaters how to navigate the Shinnecock Locks. The Shinnecock Locks is a narrow water way with bridges that boaters should learn how to pass under before doing it by themselves.

One thing their business plan did not prepare them for was the importance of customer relationships. The business plan helped draw out their financials like what services and products they would offer, how long they would be in season, and how much they could pay employees. However, it does not explain how important a business' reputation is. The family owned business takes great pride in their friendly relationship with the locals who have supported their business from the start. He emphasized the importance of making every customer as happy as they possible because their customers are the ones who get the word out about a business, whether it is good or bad.

Interview with VM

Unlike many of the other interviewees who have made a business plan, the owner of VM did not make a business plan before starting his business. As he describes it, "I just jumped into it when I was 21. I did not go to college." He originally opened a small shop with his brother and over the years it grew into a marina, then two marinas. He explained how it took about three years for them to eventually see progress. It was difficult at first because they were not sure what

to expect. But when I asked if they had made a business plan, would it have made a difference? He said, “Probably not. It was what it was. It also was a different time”. For a pair of brothers that made it forty-four years in the business, they made it work.

However, he expressed that if he was going to open a business now, he would make a business plan. He opened his business in a time where there were less laws and regulations to owning a business. Boating now of days is more expensive and boating its self is not so much a hobby anymore, but a luxury. It has become more expensive for people to afford a boat, take care of it, buy gas, pay for a dock slip. He has noticed a significant difference in the income from the two locations of his marinas. Both of his marinas are on the south shore. One marina is located more towards the east-end of the island, but not enough east where the Hamptons and Montauk are. This marina seems to struggle the most. The town where it is located is starting to slow down, many shops in town have been closing. Many families in that area are no longer able to afford a boat. All the tourism by passes through this area by three towns to reach the Hamptons.

Compared to his other marina (which is located two towns west), this location always has traffic, a significant amount of schools, and large families. This part of the island is also closely located to Jones beach, Robert Moses and other Fire Island beaches. There is also New York City traffic that passes through these popular towns to get to the beaches for weakened getaways.

A large part of opening a business is location. Its important to do research before choosing a location where an entrepreneur wants to set up shop. So even as business slows, it is even more crucial to keep good relations with customers. A strong relationship, with good services is key to keeping customers returning to your business.

Overview

After conducting five interviews, four of the five business owners created a business plan that they are constantly adjusting throughout the year. Research and first-hand interviews have all led to the conclusion that creating a business plan would be beneficial to the entrepreneur. It helps prepare entrepreneur financially, to help determine how much they could or could not invest in their marina, how much to pay rent, how much to charge customers, the list goes on.

On the other hand, there were a few things that did not help prepare the entrepreneurs for. During the interviews, some of the owners spoke about the importance of customer relationship, location, and the different services they offer. As far as customer relationship, every entrepreneur emphasized the important of a good customer relationship. Customers is one way that a business can get good or bad publicity.

Most business owners offer certain services at their marina. For a larger marina, like MTK marina they have a restaurant, bar, pool, kayaking, and paddle boarding as entertainment for the kids. SIWM marina, offered all sorts of boat services, like shrink wrap, winterizing, winter storage, gas pump and boat mechanic. They also have boat show rooms for people looking to purchase boats. In addition to SIWM marina, they offer boater driving classes. That is a unique service that stands out from their competition. SBB Marina offers full boat services, kayaking and paddle boarding, and an arcade room for kids.

Another aspect that many business owners stressed was the importance of location. Location has a huge effect on a business. Entrepreneurs need to do significant research to make sure that the locals in that areas can afford it, otherwise a business is not going to last. Owning a marina, there are significantly high waterfront taxes, but they vary depending on the location. The charts below will help explain the different selling prices of marinas and water taxes.

Map of three Marinas sold on Long Island

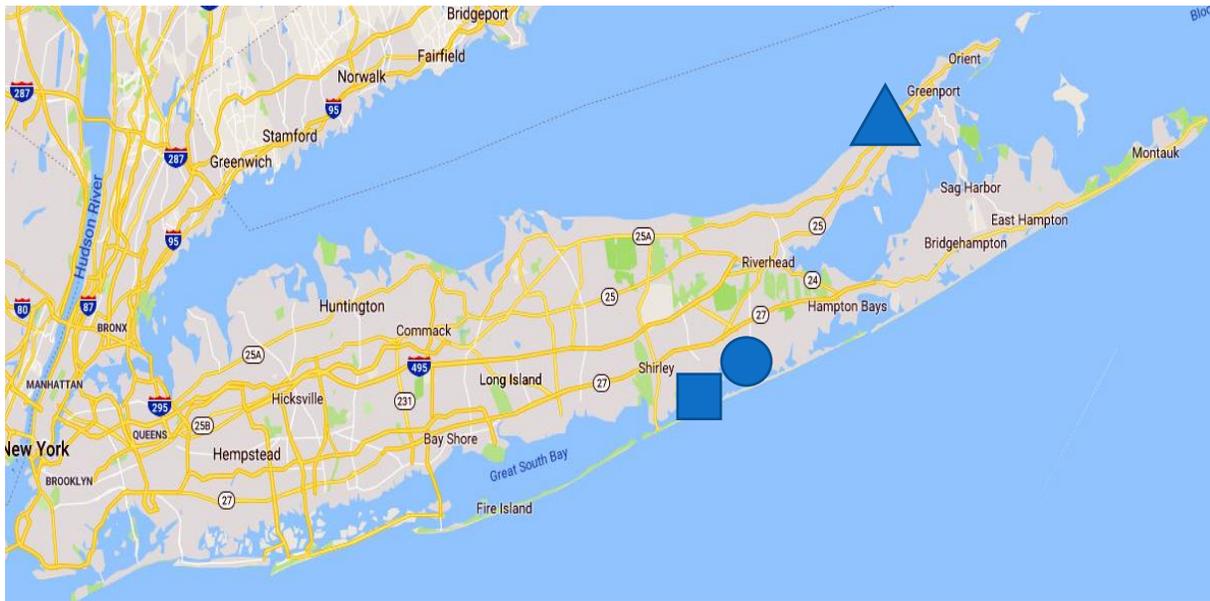


Figure 1. “LI Sound Within Long Island Map”

KEY

Details of the Three Marinas that were sold on Long Island

<u>Location</u>	Center Moriches	East Moriches	Mattituck
<u>Shape</u>	Square	Circle	Triangle
<u>Lot Size</u>	6.6 acres	294x200sqft	8.50 acres
<u>Taxes</u>	\$57,235	\$12,027	\$64,308
<u>List Price</u>	\$2,600,000	\$1,195,000	\$6,500,000
<u>Contract Price</u>	\$2,100,000	\$1,100,000	\$5,550,000
<u>Sold Price</u>	\$2,100,000	\$1,100,000	\$5,500,000

Figure 2. “Marinas for Sale on Long Island.” Agent Kyle Kollegger New York Real Estate | Douglas Elliman, Kyle Kollegger, 2 Oct. 2018, www.elliman.com/real-estate-agent/kyle-kollegger/23096.

Figure 1. above illustrates three marinas in three different locations. As seen above in Figure 2. shows what each marina's listing price, taxes, lot size and the price it was sold. According to the chart, it shows how the cost of taxes and selling price of marinas are much higher on the east end compared to marinas on the south end on the island. The most interesting price that stood out most, was the taxes of Center Moriches being \$57,235 and the taxes for East Moriches was \$12, 027 when the towns are right next to each other. In addition, the selling price of the marina in Center Moriches was sold for a million more compared to the marinas in East Moriches.

In the interview with VM, the business owner explained how out of the two marinas he owns, he finds that his marina in Center Moriches struggles the most. The high-water taxes he must pay for his marina makes it difficult to stay afloat. The area itself is expensive and people in the town are not able to afford to live there or afford a boat.

Six Marinas that are for Sale on Long Island



Figure 3. “LI Sound Within Long Island Map”

Details of the six Marinas for sale on Long Island

<u>Location</u>	Babylon	Mastic Beach	Quogue	Hampton Bays	Montauk	Southold
<u>number</u>	1	2	3	4	5	6
<u>Lot Size</u>	1.578acres	2.07 acres	38,333 Sqft	1.50 acres	3.55 acres	515,315 Sqft
<u>Taxes</u>	\$48,219	\$21,687	\$34,015	\$21,488	\$23,333	\$34,814
<u>List Price</u>	\$3,850,000	\$1,288,000	\$4,995,000	\$2,499,000	\$7,750,000	\$8,800,000
<u>Contract Price</u>	\$4,200,000	\$1,288,000	\$4,995,000	\$2,499,000	\$7,750,000	\$8,800,000

Figure 4. “Marinas for Sale on Long Island.” Agent Kyle Kollegger New York Real Estate | Douglas Elliman, Kyle Kollegger, 2 Oct. 2018, www.elliman.com/real-estate-agent/kyle-kollegger/23096

Figure 3 illustrates six marinas on Long Island that are up for sale. They are numbered from 1 to 6, moving from west to east. Comparing the listed price of each marina, the price starts off just below 4 million for marina #1 and continues to grow as they move out east. However, once again there is a drop-in price in marina #2 and #4. These two marinas have the lowest listing price with some of the highest taxes. This is the same area where marina VM is located, which explains why his business is struggling in that location.

The chart shows the cost of listed prices for marinas on both the north and the south fork, ranging over seven hundred million to just shy of nine million. The marina located in Montauk seems to have the best scenario considering it has the largest acreage, with the some of the lowest taxes, and still has the second highest listing price of \$7,750,000. Once again, the chart explains how different locations can have a large effect on a business.

Defining Success for a Business

The Oxford dictionary defines success as, “the accomplishment of an aim or purpose”. However, to define success in business, it is necessary to figure out what the entrepreneur’s goal or purpose is. From the theoretical perspective, this knowledge is important as the concept of business success from the point of view of the entrepreneur, along with his or her context, can explain the set of strategies he or she can implement, as well as the possibility of survival and growth (Toledo-Lopez, 2012). Low and MacMillan (1988) highlight the importance of theoretical perspectives and levels of analysis when studying business, particularly small enterprises.

Small enterprises do not necessarily relate to acquiring economic power and extremely large profits, but rather to survival, self-employment, or to take advantage of what the environment has to offer (Lewis, 2008). For this thesis the “success” of a business will be based on the SME (Small to Medium Enterprise), which views business success as seeing some financial growth. In other words, seeing some profit being made. Each individual business will vary depending on what their business plan foreshadows; however, the goal is to see some sort of financial increase after the first five years. Small businesses are socially important because they contribute to the welfare of individuals and the community surrounding them. To be able to measure the success of a business requires an understanding of the business entrepreneur’s intentions, motivations that play a role in their business.

Defining Success from the interviewee themselves

The final question of the interview was how they personally define success for their business? For every business owner, there was a different answer.

“Working hard, being honest and working for your client to the best of your abilities”

-Owner of VM

“I would mostly define it as enjoying what you do and profitability. Profitability with customer satisfaction.”

-Owner of BYC

“Unfortunately, it is strictly numbers. All the slips need to get filled.”

-Manager of MTK

“I see success as enjoying what you do and seeing your customers equally as happy”

-Owner of SIWM

“Personal Success is the satisfaction for creating something larger than yourself. Hearing customers complement what you have created, out of nothing and without them knowing you were listening. And Business success is being recognized as a leader but as for being the best at what you do”

-Owner of SBB

Every business owner has their own version of what success is. They come from different backgrounds, go through different experiences and have different goals. Some owners started from the bottom and worked their way up, some were born into it and it has been passed down from generation to generation. There were only five interviews conducted, some of which owned more than one marina, but most responses defined success as enjoying what they do and making their customers equally as happy.

Conclusion

One theory behind a successful business, is that it was aided by a well-developed business plan. It generally includes a five-year forecast for income, profits and cash flow. It would help business owners figure out the unknown of their business before executing their plan. On the other hand, some research found that it would be a waste of time when owners could be using their time more wisely. However, after conducting five interviews with business owners throughout Long island whom owned one or more marinas, four out of the stated that they did make a business plan before starting their business, and they continue to update it continuously. There was one marina owner who did not make a business plan, due to the decade he grew up in. However, he explained that if he was in this generation he would have.

After intense research and conducting first hand interviews, all the facts point to how crucial it is to make a business plan before starting a business. It helps prepare future entrepreneurs in many aspects of their business. Take it from the experts themselves who have been in the business for twenty-five plus years, who have learned from their own experiences in making their business a success.

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