

Business proposal for gym in retail sector



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Contents

- Entire liabilities and proprietors ' equity

The location of the gym will be on a chief route with good parking installations. This will assist the gym grow with members as it attracts people because of the location and give people advantages to fall in the gym with ample parking. There is n't much history about the gym because it is a band new concern but the thought came to me about 5 months ago when I was n't satisfied with what other gyms offered to clients.

The concern is situated in the retail sector because it provides gym equipment to people who do n't hold room at their houses or they can non afford all the equipment themselves. The Prime map of the concern is to supply gym equipment to people every bit good as assist them accomplish their fittingness ends. The gym offers a broad scope of merchandises and equipment get downing from bags, drinks and vesture to dumbbells, treadmills and benches. (Cambridge

Preliminary Business Studies - page 269)

Purpose of the Plan

There can be many intents for a concern program. The program should supply a house with a clear way for the hereafter and identifies the chief ends of the concern. /

The ends of the gym would be societal, fiscal and environmental ends. The societal ends that the gym would wish to accomplish would be good service to frequenters that use the installations, assisting the community through

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sponsorships of local sporting clubs and assisting out schools through carrying on sport lessons in the gym.

Fiscal ends that the gym would wish to accomplish would be to increase the proprietor's wealth through increased market portion, increased degree of hard currency flow and increased degree of liquidity. But increasing wealth is one of the aims. The other fiscal aim would

be to understate the wastage of money on points or merchandises that will not assist the gym grow and not falling into heavy debt.

Environmental ends that the gym would wish to accomplish would be to utilize electricity expeditiously, put in energy efficient contraptions, minimize waste and disposing of the waste

decently. (Cambridge Preliminary Business Studies - page 269) V

Situational Analysis

Internal

External ac4

Strengths

(Job opportunities

-
-
-
-

Good aid provided by employees

Great rank trades Cheap monetary values

Good location

R •

-
-
-

Failings

Menaces

-
-
-
-

Not plenty employees when concern is busy

Toilet installations excessively little

Security

Poor Receptionist

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(Cambridge Preliminary Business Studies - page 248)

Business Aims and Schemes

The concern aims and schemes subdivision of the concern program outlines what the concern purposes to accomplish, including overall strategic ends. These ends will be based on research from the situational analysis.

The Aims of the Gym are to seek and extinguish the failings in the concern and do them one of the strengths by working on them with one another and besides to better on strengths and seek to do them stronger.

Another Objective would be to take every chance possible to assist the concern grow and seek to work around maintaining menaces off from the concern.

The concluding Objective would be to better fiscal wealth for the proprietor and to construct a good repute within the community so people feel invited and welcomed when they visit the gym.

These aims can be accomplished through employees and proprietor working together. This means that employees can assist one another with failings and better on strengths each individual has to offer. Besides, the proprietor must be willing to pass money for the betterment of the concern. These betterments will include things like redevelopments

when needed, sponsorships and purchasing excess stock. (Cambridge Preliminary Business Studies - page 271)

Operations

Description of the service

The engineering used will be modern. The usage of large telecastings near treadmills and cardiovascular equipment will assist people enjoy themselves while exerting. Memberships, hard currency minutess, and general concern will be done on computing machines set up on the forepart counter and in the chief office. This will include eftpos installations, pressmans, hard currency registry connected to computing machine. If possible that all 3 computing machines be linked so ranks can be done on all 3 computing machines and do reclamations, show current members, on these computing machines. This will do work more convenient.

Equipment and stuffs required will be based on how large the gym is and how rapidly the concern grows. Equipment required will be:

Medicine balls • Accessories • Boxing Gear

Gym shocking • Barbells • Cable Attachments

Weight plates • Benches • Dumbbells

Materials that will be required will be things that are needed for daily operations. These stuffs are:

Filing Cabinets. Noticeboard • Paper

Cabinets • Shop Fittings. Pens

Electric refrigerators. Office Furniture • Chairs

Supplies that will be used will include:

Addendums • Gym Singlets. Membership Packages

Gym Equipment • Sports Drinks (Bag, Towel, Bottle)

Staff Uniform

Staff will necessitate to hold a Timetable/Roster to inform them when they are working. This roll will be completed every Saturday. For the Staff that do not work on the weekends or don't have a opportunity to see the roll, the roll will be emailed to all staff members on the Saturday. This will extinguish the alibi of non cognizing when and what clip staff are working.

The testing and evaluating disbursements would be high because of the big sum of equipment needed to get down up and besides the edification of the engineering used in the gym. The supplies would be a spot because of the ne'er stopping demand for it. (Cambridge

Preliminary Business Studies - page 271)

Forces demands and accomplishments

The gym should enroll staff harmonizing to their makings and experience. Staff that are recruited should all specialize in a mark country which they occupy during their work times at the gym. Examples of this would be some workers may merely be on the forepart counter, working on the computing

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machines. Others may be working on cardio and strength exercisings. This will maintain things running swimmingly and be more convenient for frequenters to profit from these people.

The staff would be qualified personal trainers with a certification III and certificate IV in personal preparation. Personal trainers have added makings in weight loss, strength

preparation and fittingness which are an added fillip. The employer should look into to see if the possible employee is qualified because in that industry, there are unqualified people naming themselves personal trainers.

Training new and present workers on new engineering that gets installed into the gym. Things such as new exercising machines and equipment demand to be used in the right manner to guarantee things are safe and that equipment is stored right for safety.

Employees need to cognize what the outlooks are when it comes to assisting frequenters and going a leader for new/younger employees. Besides understanding what working at a gym involves in respects to how you conduct yourself in forepart of others, coming to work on clip etc.

Employees should be able to remain motivated and keep a good criterion of work. This will go on if there is a wages system put in topographic point where workers would acquire rewarded for making something excess or working longer. This will go an enterprise to maintain workers working at a high criterion, maintain frequenters happy and guaranting they come back to the gym knowing they are traveling to acquire good service.

A safe and healthy work environment is indispensable for workers to be able to work in a comfy environment where they can experience relaxed and work to their full potency. This should include a workers office where they can sit and loosen up during tiffin interruptions, freshen up ; maintain all their properties in a cabinet. This besides shows them that you are believing about how they feel and try to do things the best as possible.

Measuring employee public presentation would come from 3 chief topographic points. One of their ratings, Will come from their work couples. Other ratings would come from frequenters through a short rating sheet which is optional to make full out after a worker has completed a preparation session with them. The last rating will come from the manager/boss speaking to the worker themselves. This shows how the workers feels and acquire their honest sentiment on how things could be improved around the gym. /

Challenges that would be experiences throughout the operations component would be the high costs in puting up the concern and the first few periods where concern is slow and non so busy. The equipment should be set out decently and this would be difficult with a little country to work with. The qualified employees will be a challenge to happen because they are already working or they are about finished analyzing to go a personal trainer. This becomes dearly-won because you have to offer the people that are already working a better wage per hr or better wage. Training them to work in a gym would be clip devouring because it is based on being good around people and holding assurance to speak to them.

(Cambridge Preliminary Business Studies - page 272, hypertext transfer protocol: //en. wikipedia, org/wiki/Personal_trainer } C (. ' 5

Selling

Market Analysis

The market the gym would take at would be a assorted figure of groups of people. One of these groups of people would be people looking to lose weight through proper exercisings and holding first-class to steer them through their weight loss journey. The other mark market would be people looking to develop and derive musculus size every bit good as muscular strength. The other group of people would be adult female, work forces and teens that are looking for good cardio Sessionss with a qualified trainer. These Sessionss will be a combination of light weights, treadmills and motorcycles. The gym will take to supply these groups of people with the installations and good environment to exert in.

As the gym grows, it needs to develop new things to pull people. Something that should be done is to ask for local schools for their athletics clip and take them through a cardio session or a weights session depending on what the bulk want to make. These activities should be free of charge for the first term, and a little charge for the Sessionss after the first term. This attracts teens to go a member and in bend, they will state their couples to go a member. This leads to a quicker growing and a positive result on first timers.

Rivals are a really influential factor on your concern. They are influential because they determine what you charge for your rank fees, visitant fees

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and for supplies like shirts and addendums. This means non merely make your monetary values have to be competitory, but your merchandises and services that you are offering have to be of high quality. This is because people are willing to pay a small excess for their good or service but know that they are passing that small excess for top quality. If your monetary values and quality of goods and services are better that your rivals, it finally gives you the competitory advantage over them.

(Cambridge Preliminary Business Studies - page 274)

Gross saless Forecasting

Gross saless prediction is an analysis of a houses gross revenues figures based on single merchandises, gross revenues representatives, geographic locations, seasonal or one-year tendencies in gross revenues, hard currency gross revenues or recognition card gross revenues. These statistics are used to foretell how much net income is traveling to be made by the house in the hereafter.

It would be difficult to make a gross revenues prognosis with a freshly opened concern. This is because the statistics that are provided are short term. Statisticss should be at least one twelvemonth old to demo tendencies in consumer disbursement.

One statistic that can demo a hereafter roar in the gym concern is the winter season. Peoples tend to fall in gyms during the winter, work out so their organic structure looks good for the summer seasons. Another figure that is changeless is the sale of addendums. These addendums are in changeless

demand and this is why the gross revenues are ever up. One other statistic would be the sale of supplies including towels, bottles, drinks, shirts and vests.

With these statistics and overall program, concern proprietors will be able to foretell when they need to acquire more supplies, hire or name in more staff, and fix themselves for the times where concern is n't really busy. This would give concern proprietors an advantage because it can assist them in make up one's minding how much supply they need, and avoid over-hiring.

(Cambridge

Preliminary Business Studies - page 276)

Selling Schemes

Marketing schemes will be directed towards accomplishing specific aims that support the strategic ends of the concern. Some ends may merely be based on increased gross revenues, increased market portion, entry into and constitution in a new market country, such as abroad, variegation of the merchandise base and increased net incomes. Marketing schemes must be consistent throughout the selling mix and take into consideration merchandise, publicity, monetary value and topographic point.

Surveies - page 278) There are many merchandises and services that the gym offers. The merchandises that the gym offers include gym dress, bags, bottles and towels. These merchandises are all of high quality and made by Skins USA. The packaging of these merchandises are of high criterion. They all come in sealed plastic bags. The size of the bags, bottles and towels are

all practical in size. Not excessively large and non excessively little. The guarantee on the merchandises last for an drawn-out period of clip which suggests the quality is high and manufacturers are confident that merchandises are lasting. If the merchandise does neglect, the gym will merrily replace it within ground. Example, the bottle interruptions because of abuse.

The monetary value of the gym ' s merchandises and services are all sensible. The gym ranks are about \$ 70 a month for grownups and about \$ 55 for people under the age of 18. This monetary value besides includes a free gym bag, towel and bottle when you foremost subscribe up. This monetary value beats all other rivals by \$ 10. The merchandises that are offered are priced at \$ 20 for a bag, \$ 10 for a towel and \$ 5 or a bottle. The inexpensive monetary values are a consequence of happening a provider that has cheap monetary values on their goods with good quality. /

The publicity of the gym plays a important portion in act uponing people to fall in and go members. The scheme of ask foring schools for a twosome of free circuit Sessionss influences immature people and besides their instructors to fall in. Advertising through the local newspapers would be a inexpensive and effectual manner to convey people to the gym with advertizements about new rank offers or vouchers that can be used to come in as a invitee for free or a discounted monetary value. Besides, patronizing local featuring clubs bring people of all ages to the gym and besides give the concern a good reputate for assisting immature people.

The topographic point of distribution of our merchandises would merely be at the gym. This is because the merchandises are sole to out gym merely. The storage of the merchandises would be in storage suites located within the gym ' s premises ; most likely in the office. (Cambridge Preliminary Business

Finance

Fiscal demands

New concerns need have a clear thought of the sum of finacess they will necessitate. This could come from debt funding, the original proprietors ' equity or a future spouse ' s equity. The concern program should supply a dislocation of how these initial or extra finacess will be used.

The fiscal demands needed to back up the gym would be really high. The grounds for this would be the start-up costs of the concern which includes things like purchasing the infinite, restituting and planing interior and exterior, purchases of new gym equipment and the employment of staff. This would be disputing for a exclusive bargainer, but with careful fiscal direction the concern can run swimmingly, get down its constitution stage and non fall into excessively much debt excessively quickly./

Once the concern has established itself and is on its journey through the growing phase, it must be able to back up itself or else liquidness jobs will develop. It is of import that the gym proprietor manages the income sagely. This means non passing money on things that would n't be utile or non salvaging up for the times where concern might non be every bit busy as he/she would wish. The income made should be spent on the concern with

things such as care of the equipment, purchasing more merchandises for new members. This would let

the gym to turn steadily. (Cambridge Preliminary Business Studies - page 281)

Fiscal Prognosis

Planning must associate straight to the premier map of the concern. It tells the proprietors if they can really afford to bring forth the merchandise or supply the service. The house must do fiscal prognosis based on information gained from market and merchandise research. Fiscal prognosis can be made through one of the followers: Forecasted hard currency flow statements, projected net income and loss statements, recent net income or loss statements if concern is already established, projected balance sheet, interrupt even analysis. Forecasted hard currency flow statements demo how much money is needed, when it is needed and where it will come from. Besides reflect clip frames such as hebdomadal, monthly or quarterly.

The gym ' s forecasted hard currency flow statement would be based on the gross revenues prediction. This is because both statistics are based on anticipations on future gross revenues. These statements are utile for when the concern is near to its establishment stage or into the stage. For a concern that is get downing up, a personal balance sheet will be the better option. This is because proprietor will necessitate to be able to maintain their personal committedness and still supply adequate income for household to populate on.

The balance sheet will explicate how much money the gym is gaining, where money is being spent in the gym, measure payments, workers ' rewards, money to buy supplies, and maintain the concern running swimmingly. This will bespeak the stableness of the concern and cipher its cyberspace worth. This will supply future purchasers or investors of the concern information on hazards

JClthey would be taking. (Cambridge Preliminary Business Studies - page 282) /

Fiscal Records

Small concerns need to maintain accurate fiscal records for all minutess. They will necessitate to hold one of the followers:

Gross statements

Cash flow statements

Balance sheets

Fundss statements

Budgets - selling, operations, employment dealingss and accounting and finance.

For the gym, I have decided to utilize a balance sheet because it is easier and more convenient due to being a new concern.

Balance Sheet

Projected up to 1 July 2011

Current Assetss

Cash at bank

Histories Receivable

Stock

\$

\$ entire

22 000

93 000

77 500

192 500

Non – current assets

Equipment

Motor Vehicles

900 000

70 000

970 000

Intangible Assetss

Good will

20 000

Entire assets

1 182 500

Current liabilities

Bank overdraft

Histories collectible

100 000

50 400

— —

150 400

Non – current liabilities

Long - term loan

350 000

350 000

Entire liabilities

510 400

Owners ‘ equity

Capital

Undistributed net incomes

Drawings

150 000

143 800

121 000

414 800 C938 266

—

Entire liabilities and proprietors ‘ equity

Gym Liquidity

Current Assets divided by Current Liabilities which substitutes into \$ 192 500 divided by \$ 150 400 which peers 1. 28. This means I have one dollar and 28 cents to pay back every dollar of short term debt. It would be preferred if I had a ratio of 2: 1 so that my payments do n’t take up the bulk of my gross.

Gym Solvency

Entire Liabilities divided by entire Owners equity which substitutes into \$ 510 400 divided by \$ 414 800 which peers 1. 23. This means that for every one dollar of equity it has one dollar

. 1 and 23 cents in debt. (Cambridge Preliminary Business Studies – page 283)

Financial Controls

In each concern, controls need to be set up to supply criterions to which the house can compare itself. Controls allow for disciplinary action to be taken to maintain the concern on a successful way. Without controls, a house ' s ability to accomplish success would be questionable.

Controls that the concern would necessitate to implement would be criterions that will necessitate to be met. These criterions will be the footing for betterment. One criterion would be that when the gym reaches a satisfactory figure of members, that figure should be maintained/improved on. Another criterion would be the service that staff offers to people utilizing the gym installations. The staff should ever handle people with regard and supply aid and cognition to people that are in demand or inquire for it. e/ degree Celsius, nine

The major control that the gym will utilize would be putting a budget. This control is decided by the proprietor of the gym because they should cognize how much income and outgo is coming in and out of the gym. The budget should assist the concern grow but at the same clip, non fall into major debt. The budget for the gym would be invariably altering to

meet client demands but the mean budget would be about \$ 5000 a hebdomad. (Cambridge

Preliminary Business Studies - page 283)