

## Youth Training Facility Working Business Plan

### ***Example Business: The Training Warehouse, LLC.***

*A 1500 sq. ft. youth training facility in  
business two years*

*(Please note: This business action plan is for educational purposes only. The Training Warehouse, other people, and business names as well as product names and titles are fictional and created by the IYCA solely for the purpose of this example.)*

## **Part I: Description of Business**

### ***Executive Summary***

The Training Warehouse, Inc. is a youth coaching facility that provides athletes with fitness services from semi-private youth coaching sessions to large group camps. After only two years in business, we have created a strong niche market in the rapidly growing youth fitness industry. We offer athletes who are trying to improve fitness, performance enhance self-image the tools and guidance necessary to achieve their desired results.

We provide education, motivation, and accountability to both kids involved in sports and children just interested in developing healthy lifestyles. Our programs are tremendously effective and we have gathered over 50 testimonials from current and previous athletes extolling the benefits of what we have provided them.

The Training Warehouse has grown steadily and consistently over the past 24 months. Jeff Ramey originally founded the company and he has since incorporated and hired two additional full-time coaches to match its rapid growth.

### ***Vision***

The Training Warehouse aspires to be the premier fitness resource in the Portsmouth area. The company vision is to continue to grow, eventually having a staff of six to eight coaches, each specializing in a different area of youth fitness.

## ***Objectives***

1. Currently, the primary objective of The Training Warehouse is to ascend to the next level of growth and profitability. This business plan identifies these objectives.
2. Launch larger group (15-20) training immediately with the objective being to switch to offering exclusively large group training within six months.
3. Create a program design model that will be utilized by our entire coaching staff as the basis for all athletes training programs.
4. Continue expanding and add two more full-time coaches over the next 18 months.
5. Develop two new niches. The two niche areas that we plan to move into over the next two years include hockey and softball. We will not abandon our current market, which includes general fitness and specific programs for football, baseball, basketball and soccer.

## ***Mission***

The Training Warehouse seeks to be the premier youth fitness resource for the Portsmouth area. We aspire to help young athletes achieve their health, fitness and performance goals by providing encouragement, education and accountability while also providing fitness professionals with an enjoyable work environment with an exciting career path.

## ***Keys to Success***

The Training Warehouse's keys to business success include:

1. Exceptional fitness related services provided by certified youth fitness specialists who are passionate about helping young athletes achieve their desired goals.
2. A commitment to help kids reach their health, fitness and performance goals.
3. Two years of experience in providing services, marketing and building a track record of helping athletes get results.
4. A well defined niche in an ever-growing market.
5. Plans for further specialization and niche marketing for hockey and softball athletes.
6. Plans to move to exclusively large group training.

## **Part II: Marketing Plan**

### ***Athletes and Target Market***

Our target market includes exclusively kids, ages 6-17. This target demographic is part of a household that has a household income of over \$100,000.

The target market includes residents living within a 7 mile radius of our facility, encompassing a 12 minute “drive time.”

The Training Warehouse plans to further its reach and profitability by targeting two new niche markets: hockey and softball athletes.

### ***Current Offerings***

We currently offer the following programs:

1. Semi-private coaching – offered in 40 minute session. Athletes enrolling programs lasting 4—12 months and typically meet with a coach 2-3 times per week.
2. Camps– offered in a 6 week program with groups meeting for 60-90 minutes each week.
3. Clinics – offered in single day increments with each lasting 3-4 hours.

## **Competition**

The Training Warehouse has several competitors in the fitness market, none of which focus on youth coaching. The top competitors include:

### **The LIFE Center**

The LIFE Center is a hospital owned facility that is part of the Southern Ohio Medical Center. They have a membership base of approximately 3000, which makes them the largest facility in the area. They offer a wide array of resistance training equipment, cardiovascular equipment, group exercise classes and limited youth coaching.

The LIFE Center drastically differs from our business in that they are a full-service fitness facility while we are a youth coaching facility. Because of this, the types of services offered and fee structures vary significantly. Our market is more tightly niched because of our strong service offerings while they are more broad in who they market to. They will allow kids to use parts of the facility with parental supervision, but they offer no youth specific programming.

### **State University Fitness Center**

The State University Fitness Center is a University managed fitness facility that offers a resistance training area, cardiovascular area, a swimming pool and racquetball courts. It has a mix of both college students and local residents as members.

SUFC offers no youth coaching services, charges a nominal

membership fee and typically appeals to a drastically different target market that we do. The people that are in our target market that belong to SUFC typically do so because of an affiliation with the University. They also permit parents to bring their children to the facility.

## ***SWOT Analysis***

We conduct and update our SWOT analysis quarterly. The following is our most recent SWOT analysis.

### **STRENGTHS**

The Training Warehouse's primary strength is in its staff's passion for helping young athletes. Led by the owner, Jeff Ramey, this passion is the foundation for all of our services. We truly care about our athletes and helping them achieve all the goals they have set for themselves. This passion motivates us to continually improve our skills, fuels us to provide the highest quality of service to our athletes and drives us to keep expanding the impact we can make on the quality of people's lives.

Our other very significant strength lies in the quality of our staff. Our coaches are deservedly recognized as the best in the area. They are deeply committed to educating their athletes about exercise and nutrition. They are wonderful motivators who consistently bring out the best in their athletes and one another. Our staff is dedicated to helping the business grow through outreach, marketing, and over-delivering to their current athletes.

Our coaches strive to continually improve. They each invest a great deal of time and energy in continuing to improve their knowledge and hone their craft.

## **WEAKNESSES**

The Fitness Warehouse's main weakness is a lack of leverage. We have not leveraged our time by focusing on offering small group youth coaching. We have not leveraged our geographic market by neglecting the various niche markets when we've developed our service offerings. We've failed to leverage our current client base by not focusing on maximizing the lifetime value of each client. We've failed to leverage our expertise by only scratching the surface in developing information products detailing the techniques we use to get our athletes results.

## **OPPORTUNITIES**

The niche markets of hockey and softball athletes provide outstanding markets providing a motivated stream of prospective new athletes.

We also have the opportunity to leverage our existing athletes more effectively and increase their lifetime value.

## **THREATS**

The fitness industry is expanding rapidly with new niche franchises popping up almost monthly. While these franchises are not typically youth coaching based, they still sometimes provide an option for kids who would aspire to improve their health, fitness and performance.

Fortunately, we niche our company as the premier local service provider in regards to youth coaching. This allows us to have a point of separation against our competitors.

## ***Unique Selling Proposition (USP)***

Our unique selling proposition is:

*“The Training Warehouse is Portsmouth’s youth fitness provider that will guarantee your results. Get the body you want or your money back!”*

## ***Marketing Materials***

Our marketing materials currently include:

Website

Direct Mail Pieces

Blog

Business Cards

Newsletter

Thank You Cards

Press kits

From our inception we understood that marketing is the engine that moves the business. We consistently market to prospects, current athletes and previous athletes.

## ***Marketing Strategies***

Much of our success in the first 24 months of operation can be attributed to aggressive marketing. We consistently market to new prospects as well as

current and past athletes. Typically our marketing efforts are split evenly between external and internal marketing.

Here some of the strategies that have worked well for us which we plan to pursue.

## **EXTERNAL MARKETING**

External marketing has generated over 60% of our new business with direct mail campaigns generating the majority of that business. As we continue to grow, external marketing will play a crucial role in our success.

## **DIRECT MAIL**

We typically target 500 homes each month and send them a three letter sequence that uses a long copy approach and has a strong call to action and a special offer. We target only households with an income of over \$100,000 that have children.

## **PRESENTATIONS**

Presentations have consistently provided us with a steady stream of prospective athletes. We have a “canned” presentation that all of our staff members are trained to give. They infuse it with enthusiasm and passion. This leads to the audience becoming intrigued about their possibility of their children – or in some instances the children themselves - losing weight or improving their fitness level.

We aspire to give at least one presentation each month. We target the following locations:

1) Social Groups (Lions Club, Kiwanis Club, Jaycees, Church Groups, etc.)

- 2) Businesses
- 3) 3) Schools

## **STRATEGIC ALLIANCE PARTNERS**

We form strategic alliances with businesses that target the same clientele that we do. Examples would be:

- Tutoring Centers
- Sports Orthopedists
- Sporting Goods Stores
- Movie Theaters
- Video Game Stores

We refer business to them and they do the same for us. We occasionally send endorsed mailings to one another's client database.

## **PUBLICITY**

Publicity has been very valuable for our business. We consistently send out press releases to local media and are regularly quoted in local periodicals. These press releases have also led to television interviews, a column in a local journal and a feature newspaper article.

## **INTERNAL MARKETING**

Internal marketing is not only crucial for our business in the generation of referral business, but it also dramatically increases the lifetime value of our current athlete base.

## **EMAIL NEWSLETTERS & BLOGS**

The Training Warehouse has been sending out an email newsletter since our business' inception. We have worked diligently to build our mailing list and are up to 1,300 subscribers. Our newsletter's popularity can be attributed to our commitment to providing valuable information to our subscribers. This also allows us an opportunity to "soft sell" prospective athletes and to publicize special offers.

We have recently added a blog as a way to reach our athletes more frequently. The blog is relatively new so we don't have enough feedback to gauge our athletes' opinions.

## **HARD COPY NEWSLETTER**

We send out a quarterly four page hard copy newsletter via mail to our existing client base and our former athletes. The hard copy newsletter seems more personal and allows us to feature athletes and coaches as well as provide even more valuable information.

## **THANK YOU & BIRTHDAY CARDS**

We send birthday cards to all of our athletes and regularly send thank you cards when athletes make a purchase of a program, refer a client, or reach a milestone in their program.

## **Part III: Operating Procedures**

### ***Business Entity***

The Fitness Warehouse is a Limited Liability Corporation based in the state of Ohio.

### ***Time Investment***

Each of our coaches spends approximately 45-55 hours per week contribution to the business. While the majority of their time is spent providing youth coaching services to our athletes, they also spend significant amounts of time on outreach, marketing and retention.

### ***Work-Life Balance***

Mr. Ramey spent approximately 75 hours per week working in and on the business during the first 18 months of operation. He eventually realized that in order to continue to grow the business he needed to spend less time training athletes and more time developing systems and coaches.

The current state of the business has Mr. Ramey training athletes approximately 20 hours per week, with a goal of reducing that to 10 hours per week within the next 12 months. This will allow him to spend more time with his

family as well as give him greater opportunity to work on growing the business through marketing, systemization and staff development.

### ***Business Insurance***

The Fitness Warehouse has appropriate insurance for the physical business as well as the services that its staff provides.

### ***Hiring Coaches and Staff***

We have an excellent team of coaches at The Training Warehouse, and we want to add several additional coaches over the next 12-24 months provided we continue to meet growth goals. Our goal is to hire one coach every other quarter and to spend adequate time and resources to locate and groom coaches who match the company's mission and vision.

These coaches will be people who are personally and professionally committed to fitness and help others. They must also have willingness and desire to gain the necessary knowledge and certification to become an effective youth fitness coach.

Our two-year plan for hiring additional coaches and staff members is as follows:

Year 1, Quarter 1: No new hires

Year 1, Quarter 2: Hire a full time coach

Year 1, Quarter 3: No new hires

Year 1, Quarter 4: Hire a full time coach

Year 2, Quarter 1: Hire an office manager

Year 2, Quarter 2: No new hires

Year 2, Quarter 3: Hire a full time coach

Year 2, Quarter 4: No new hires

### ***Outsourcing***

At present, we outsource our bookkeeping, billing, internet technology and our marketing mailing.

### ***Hiring Professionals***

We work with a business coach on a monthly basis to provide an objective perspective on our business and to allow for maximum growth while minimizing growing pains. As mentioned previously, we also utilize a web designer and an accountant to manage areas of the business that fall beyond our areas of expertise.

## **Part IV: Financial Plan**

### ***Loans***

The Training Warehouse has one loan in the amount of \$55,000. This was a home equity loan using equity in Jeff Ramey's home as borrowing collateral. This loan has a fixed rate of 6.5% and is amortized over 15 years with a monthly installment of 471.59.

### ***Investors***

Currently there is no plan to seek additional capital from outside investors.

### ***Capital Equipment and Expenses***

The budget for the following year includes monthly costs including:

#### **Fixed Expenses**

Rent: \$2,100

Debt Servicing (Start-Up Costs): \$1554

Website Hosting: \$10

Website Shopping Cart: \$79

Internet: \$45

Landline Telephone Costs: \$120

Cellular Telephone Costs: \$200

Business Coach: \$200

### **Variable Expenses**

Equipment maintenance and upkeep: \$250

Website updates: \$50

Printing: \$300

Marketing: \$2150

BMI Fees: \$40

Printer and fax machine ink: \$90

Paper: \$40

Electric: \$110

Gas: \$60

Water: \$24

Continuing Education: \$400

### ***What to Charge***

We currently charge \$35 per 40 minute session for our staple offering, semi-private youth coaching. We charge \$399 for our 6 week speed camp.

## ***Breakeven Analysis***

We have already surpassed the breakeven point for our existing business. As we move onto the next stage of growth, we will conduct a break even analysis for investing additional funds in marketing the new services.

## ***Target Growth***

Growth is targeted at a rate of 35% per year. This includes the growth with the additional market segmentation.

## ***Pro-forma income projections (profit & loss statements)***

Below is the P & L from business over the last quarter.

### **The Training Warehouse Profit and Loss Statement**

<b><u>Income</u></b>	
Sales from Service Offerings	\$ 96,323
Sales from Retail Offerings	\$ 11,149
Income from Information Products	\$ 3,287
Speaking Fees	\$ 1,021
Uncategorized Income	<u>\$ 1,009</u>

Total Income	\$112,789
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**Expenses**

Fixed Facility Expenses	\$ 10,201
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Variable Business Expenses	\$ 7,023
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Staff Compensation	\$ 71,143
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Uncategorized Expenses	<u>\$ 2,086</u>
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Total Expenses	\$ 90,453
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<b>Net Income</b>	<b><u>\$ 22,336</u></b>
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