

Youth Fitness Working Business Plan

Youth Training Business in a Health Club: A Youth Training Company Starting Launch

(Please note: This business action plan is for educational purposes only. FitYouth, names of people, business names, and 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

FitYouth, LLC will be a youth fitness training company made up of certified youth fitness specialists which will offer coaching services to improve athletes' quality of life and performance. By utilizing our knowledge and expertise in health and fitness specifically for the youth population, our creative and effective marketing strategies, and our dedication to the development of our business, we anticipate a quick start up cycle resulting in profitability in the first year of business.

FitYouth will operate in Gold's Gym in Anytown, FL, and will target the children of Gold's members as the primary market. Because the fitness and wellness industries are both growing at an exponential rate, and Gold's is increasing its membership base by over 100 members each month, there are more and more prospective athletes each day. With the youth obesity epidemic exploding at such an alarming rate, consumers are becoming more and more aware of the health implications involved and parents are more and more reliant upon outside coaching to address their children's fitness needs.

Vision or Purpose for Being in Business

We are currently a team of two coaches, Paul Judd and J.D. Stout. Our unique combined experiences, along with our highly regarded IYCA certifications, offer competencies outside the boundaries of other 'coaching' companies.

Before becoming a Certified Youth Fitness Specialist, Paul worked for 12 years in the fitness industry in various positions ranging from sales to management. He had his own successful business selling nutritional supplements for five years and sold it when he started FitYouth.

J.D. is a Certified Youth Fitness Specialist with extensive experience in both the fitness and wellness industries. Our passion is improving kids' quality of life through health and wellness. When we bring these services to kids, we are fulfilled.

Objectives

1. To establish FitYouth as the leader in youth coaching for fitness and wellness within Gold's Gym, Anytown, FL.
2. To establish FitYouth as the leader in youth coaching for fitness and wellness outside of Gold's Gym in Anytown, FL. Expanding our target market will be our second step of establishing our market presence.
3. To provide exceptional coaching to all of our athletes, helping them to create significant improvements in their quality of life and performance.
4. To create and sell at least three unique information products each year to bring in revenue and market the business.
5. To establish a presence in the local media, particularly in fitness and wellness-related print publications.
6. To gain at least 30% of our new athletes from referrals.

7. To increase market share by expanding to multiple locations in Florida within 3 years.

Mission

FitYouth, LLC is committed to helping young athletes be successful and achieve their fitness and wellness goals. We believe that by selling fitness and wellness products and services we can make a substantial difference in the lives of kids and in our community.

By providing exceptional service and helping these athletes succeed, we will directly improve their quality of life. We will succeed when our athletes' goals are met, and our services have exceeded their expectations. Through creating products, we will gain athletes and the income stream to further our mission.

Keys to Success

Our keys to business success include the following:

1. Over-delivering our exceptional service in a lucrative market.
2. Exceptional coaching services provided by certified coaches uniquely skilled to offer the type of coaching.
3. Certified Youth Fitness Specialists that have a high level of understanding and first hand experience in the fitness and wellness industries with an emphasis in the youth market.
4. Excellent potential for word of mouth advertising and networking.

5. Positioning in a community and niche market ripe for these types of services.
6. Lack of direct competitors. We will have exclusive rights within the facility and there are no other similar businesses in our community.
7. Low overhead for a startup.
8. Plan for diversification of goods and services.

Part II: Marketing Plan

Athletes and Target Market

After completing a thorough analysis of our competencies and athlete need, we have developed the following as our target athlete market:

1. Kids of new members of Gold's Gym.
2. Kids of current Gold's gym members.
3. Local youth athletes ages 7-17.

Coaching Services

At FitYouth, some of the services around which we coach our athletes include:

1. General Youth Fitness
2. Sport Specific Training
3. Body Composition Improvement
4. Post Rehabilitation
5. Selling health and wellness products to athletes

Competition and Competitive Advantage

Due to the exclusivity clause in the lease with Gold's Gym, there are no competitors within the facility. There are local competitors within our community who may offer general fitness coaching but do not target the athlete demographic nor who have the level of experience and expertise in the youth fitness/wellness industry that we do. These competitors are either located within health clubs or local freelance personal trainers who do in home training that will attract a certain percentage of the market.

Some of the potential competitors include:

Advantage Coaching, LLC

Advantage Coaching is a coaching company offering general personal training. Advantage Coaching is a potential threat because they have been in existence for five years. Although we specifically serve the youth market, their established reputation may or may not lead some people in our target market to use their services in spite of them being general.

The Player's Dugout

The Player's Dugout is a baseball school that provides some performance training for baseball and softball players. While they do not aggressively market these offerings, they do have a natural sales relationship with their current athletes that will prevent some of them from looking elsewhere to address their fitness / performance needs.

The Fitness Club

The Fitness Club is a YMCA style health club that allows kids over the age of 12 to exercise in their facility. While this does not involve personalized coaching, it is a more inexpensive option than any of our programs and might appeal to those that find our programs cost prohibitive.

SWOT Analysis

STRENGTHS

The most notable strengths of FitYouth are our core competencies in youth fitness and performance coaching. The partners have been recognized as top trainers in their industry, and are recognized locally. Our combined backgrounds and areas of expertise make us the perfect match for the target market and niche we are pursuing.

An additional strength is in our current and future visibility. One of the partners, JD, has written numerous articles on youth fitness that have been published in local papers and on the internet. This will bring enhanced credibility and visibility for FitYouth. We also have strong local connections and presence in our community. We have great potential to network and market FitYouth.

WEAKNESSES

Our primary weakness is that we are a start up company without an existing athlete base. While we have several excellent connections and prospects, we do not yet have an athlete list.

Another weakness is a lack of formal education in marketing and business building. Although both partners have practical experience, formal education is helpful. While many successful business owners do not have an educational background in business, it is a selling proposition if you do. Fortunately, both Paul and J.D. have extensive experience in the business school of “real life”.

OPPORTUNITIES

The Gold's Gym of Anytown, FL presents an incredible opportunity for a coaching company. We have exclusive rights to a membership base whose kids fall primarily in our target market. No one else has the name recognition of Gold's

Gym locally, and when people think health and fitness in our community, they will think of us.

Athletes in our demographic are typically affluent. Therefore, their parents are likely to be ready and willing to invest their health and performance. Endless opportunities exist within Gold's Gym and Anytown, FL as over 60% of all Gold's members have children and Anytown has a vibrant youth sports community.

THREATS

Current threats come more from year around sports and apathy. Many of the more active kids participate in some sporting activity year round. At the other end of the spectrum, some kids and families have not embraced the importance of fitness and are not willing to invest time or money in the child's physical well-being.

Another possibility of a threat is that Gold's Gym may want to terminate our lease at the end of the 5-year term. We are determined to show the owners how beneficial our initial success will be to them and their exposure to families outside of their current member base. By providing a top-notch service and instituting a grass roots marketing campaign, we expect to become well connected in the community, entrenching ourselves in a sense. If the community and the members are happy with our service, it will influence the owners in our favor, should a decision ever need to be made.

Unique Selling Proposition (USP)

Although our USP can be replicated, our knowledge and service cannot. Both are based on each of us and our individual training experience. No other personal trainers or fitness providers in our area have our youth training and business and fitness backgrounds, and we will exploit that.

FitYouth's USP is the strong value that we provide to our athletes based

on our extensive experience in the fitness and wellness industries and that we guarantee our service. We help to empower our athletes to achieve their health, fitness and performance goals, and if our program doesn't work, we'll give their money back.

As motivating, energetic, and dedicated coaches, we will go the distance with our athletes. Our athletes will have a partner to support them throughout the development of a healthy lifestyle and their development as an athlete.

Marketing Materials

The most important marketing tool will be our presence in the health club. We will have our logo and website address on our uniform shirts which will be worn at all times in the health club. Our trainers will become synonymous with Gold's Gym within our community, and be viewed as the premier resource for youth health, performance and fitness. We will also be utilizing our company website for a community forum, blog, updates, and ordering products. This will further our effort to become the #1 youth fitness resource in our community. We will begin a Google Ad-words campaign which will further the local traffic to our site.

The purpose of the website will not just be to serve as an attractive on-line brochure. Instead, it will be used to build our database to ultimately use Internet marketing to grow the business and sell our other products. Through the site, we will offer CDs and e-books. We will also offer a good deal of free materials to educate the public and market our business. Allen will have our site search engine optimized to make sure that we are on the top of the search results page for a variety of keyword searches.

We will design our own brochures. We will have them printed along and put at the front desk in the health club and in other high traffic areas.

Product Mix

We plan to utilize the proven effective concept of the product funnel to build our company and generate alternative income streams. In the first year, we will introduce three products:

1. An electronic book on general youth fitness.
2. An electronic book on training for youth baseball to avoid injury
3. A CD featuring an interview on the top ten youth obesity myths.

In the second year, we intend to offer e-books, which build on the first two. We will also create a professionally produced video.

External Marketing Strategies

FitYouth will utilize a marketing mix of “external” and “internal” marketing strategies. The most effective methods of marketing coaching businesses are typically the external strategies since they involve getting out in front of people. The internal strategies, however, are also effective, particularly in the health club setting - when combined with the external strategies. For this reason, we will use a marketing mix of 60% external strategies and 40% internal strategies.

SPEAKING ENGAGEMENTS & CLINICS

Both Paul and J.D. will give talks to organizations in our community. They will target youth oriented organizations and organizations where the bulk of the members have children.

The clinics will target youth sports organizations and will allow us to reach dozens, and possibly even hundreds of prospects at once. They will be low cost or even free to allow kids of all economic backgrounds to attend, but will also allow us to create a database of prospects to market our more expensive services to.

NETWORKING

Because Paul and J.D. have been active in the community in which FitYouth focuses, they already have numerous active networks. J.D. is currently a member of the board of directors for the youth baseball organization and the PTA for his son's school.

Paul is a member of several small business organizations, such as the local chapter of the Chamber of Commerce. These meetings serve as excellent networking opportunities to make contacts with business leaders who serve the youth market and their parents or who may know potential athletes.

FitYouth will also become involved with fundraising activities where they will establish the business as a pillar of the community. The owners will also have the opportunity to network with members of the press and form a presence in the local media outlets.

Because Paul and J.D. are both skilled in networking and forming business relationships and contacts, networking will be a valuable marketing strategy for FitYouth. Each month, a new networking event will be added to Pro-Fit's marketing plan.

REFERRAL PARTNERS

FitYouth currently has a list of over fifteen potential strategic referral partners. These people are well-connected business people who have clients or customers who fit the target market we are looking for.

FitYouth will target the following types of individuals as strategic referral partners:

- ∑ Sports Orthopedic Doctors
- ∑ Owners of Sporting Goods Stores

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∑ Owners of Tutoring Centers

∑ Coaches

∑ Physical therapists

FUNDRAISING EVENTS

As an additional active marketing strategy, FitYouth will host an annual fundraising event to establish a presence in the community and further networking. Potential strategic referral partners will be invited to the events.

The charities to raise money for will be related to kids. The first fundraising event will take place in January and will be for the Boys & Girls Club.

ADVERTISING

FitYouth will use advertising judiciously since it is a more expensive marketing strategy. The initial marketing budget for advertising is \$2,000 for the first year. All advertising will be done inside the fitness facility promoting our services.

An analysis of results from advertising after the first quarter of running the ads will determine how we will focus future advertising.

PUBLICITY

FitYouth has enlisted the assistance of nationally recognized publicity coach Jim Labadie to gain media appearances. Our goal is to appear in major print media. We will also work to become guests on radio programs listened to by our target audience.

With the assistance of the publicist and our unique areas of expertise, we are confident that we will be in at least one major media outlet each month. We will also write letters to, and network with members of local press, particularly

news stations. We will submit topic ideas to have the news stations feature a story on us and a profile on a local business that we worked with.

Another PR strategy is to submit press releases to various media outlets. We will also submit our own releases to online resources like www.prweb.com

Internal Marketing Strategies

Free Trial Week

Our primary marketing tool will be offering a free trial week of our group training program to the kids of every member. We will have a preparation sheet for the membership sales representative to give the new member explaining what to expect. The session will consist of a PAR-Q and health risk assessment, functional assessment and the ability to participate in our group program for one week at no charge.

In Club Seminars and Open Houses

In addition to the other marketing strategies, FitYouth will hold monthly in-club seminars and open houses to showcase our offerings.

EMAIL NEWSLETTERS & BLOGS

One of FitYouth's primary business goals for the first year in business is to build our list of subscribers to our online newsletter to at least 500 members. We can then market our products and services to those on our list. We can also offer free articles and access to special discounts and promotions.

To build our list, we will offer a free week trial children of members. We will use a double opt-in process to ensure that everyone on our list wants to be on our list and reduce spam.

We will send out newsletters packed with information and articles
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twice per month. We will also maintain a daily blog as an inexpensive and effective advertising strategy.

ADDITIONAL PRODUCTS FOR PRODUCT FUNNEL

At FitYouth, we believe strongly in the idea of a product funnel to introduce prospects to our services, earn passive income, and create a diversification of revenue sources and marketing strategies.

As such, we will have at least ten products available, including various e-books, CDs, videos, and MP3 files featuring interviews with well known people in the field.

We will also continuously look for other professionals and companies to create joint ventures with to develop and cross market products. Many of these joint venture partnerships will be formed through networking.

Part III: Operating Procedures

Business Entity

FitYouth is a limited liability corporation (LLC) taxed as an S-Corporation. The LLC was set up by our attorney and our accountant and he will handle our taxes.

Paul and J.D. share equity equally, both retaining 50%.

Time Investment

The owners are committed to FitYouth and are planning to invest 55-65 hours per week each during the first year of business. Once the business is established, they will cut back on their work hours and invest approximately 45-55 hours per week. After the first year, the plan is to hire one or two part-time coaches to take over servicing a percentage of the athlete base and manage the technological components of the business and enable the owners to reduce their time investment.

Work-Life Balance

Because work-life balance is so important to Paul and J.D., they have the aforementioned plan in place to reduce work hours after the first year in business. They are active in numerous social, family, and recreational activities that will not be sacrificed.

In addition, many of their activities serve as potential networking opportunities. For example, Paul has been coaching youth sports for three years and interacts with dozens of parents and prospective athletes.

Business Insurance

FitYouth is up to date on its business liability insurance. The policy meets the minimum requirements set forth in the Gold's Gym lease and was purchased through State Insurance.

Technology

To best help our business run, we have a brand new computer system. We also purchased the following software:

Microsoft Office- Professional

Adobe Acrobat- Professional

Quick-books

Support Team: Hiring Employees

The five year plan for hiring employees is as follows:

1. Hire 1-2 part time certified youth fitness specialists as independent contractors.
2. Hire a bookkeeper; Increase one coach to full time and put on payroll, and hire two more part time coaches as independent contractors.
3. Make 2nd coach full time and possibly on payroll, to give us 2 full time and 2 part time employees.
4. Train 2 full time coaches to run business, making FitYouth independent of Paul and J.D. Give them managerial roles and hire 1-2 more coaches to service athletes.

Note that the above list does not include the contractors, consultants, and coaches who we will work with from the beginning.

Hiring Professionals

FitYouth has secured the services of several reputable professionals, including:

An accountant

A bookkeeper

An attorney specializing in small businesses

A business coach/publicity coach

Part IV: Financial Plan

Loans and Start-up Financing

Start-up financing will come from savings. FitYouth will not utilize any business loans to begin the company.

Start-up savings include \$16,000 investments into the business per partner. That \$32,000 will cover the first year's expenses less the owner's compensation and expenses derived directly from revenues (rent, COGS)

Business loans will be considered as an option at the end of the second year of business as a means of expanding. Paul and J.D. will carefully review information on www.sba.gov to determine funding options to grow the business.

Investors

FitYouth does not intend to seek capital from outside investors. We do not plan to sell equity in our business.

Capital Equipment and Starting Expenses

Because FitYouth is a service business, limited capital equipment is needed at this time. The computers are already purchased. Additional supplies and equipment that will come out of the start-up budget listed above includes:

Setting up LLC: \$475

Telephones: \$150

Fax machine: \$90

Printers: \$200

Office Furniture and decorations: \$200

Miscellaneous: \$400

Website: \$1250

Office and Expenses

Estimated fixed monthly costs for the first year of business:

Office Rent: \$700

Website Hosting: \$15

Website Shopping Cart: \$80

Internet: \$39

Email Newsletter: \$20

Business Coach (coach froze fee for 6 months): \$300

Estimated variable monthly costs for the first year of business:

Printer and fax machine ink: \$40

Paper: \$40

Telephone and fax service: \$49

Brochure Printing: \$90

Flyer Printing: \$45

Postage: \$22

Marketing: \$1 10

What to Charge

Coaching services will be packaged into three programs from which our athletes can choose. The breakdown of per session training fees turns out to fees of \$20 per hour.

Breakeven Analysis

According to our Pro-Forma, we should be profitable in month 2 and every month thereafter. Our target business goal is \$100,000 in sales, which will allow us to break even and earn a profit of around \$53,000 (before taxes) that will go towards salaries and re-investment in the business.

Target Growth

Growth is targeted at a rate of 33% per year for 1-3 years, and 20% growth thereafter. This is an aggressive figure that we plan to achieve.

Pro-forma income projections (profit & loss statements)

Attached.